

EQUIFAX INC
Form 10-K
February 22, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2016

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 001-06605

EQUIFAX INC.

(Exact name of registrant as specified in its charter)

Georgia

58-0401110

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1550 Peachtree Street, N.W.

Atlanta, Georgia

30309

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 404-885-8000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
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Common Stock, \$1.25 par value per share	New York Stock Exchange
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Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act ("Act"). ☒ YES ☐ NO

Indicate by check mark if Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ YES ☒ NO

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ YES ☐ NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

☒ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company

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(Do not check if a
smaller reporting
company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ YES ☒ NO

As of June 30, 2016, the aggregate market value of Registrant's common stock held by non-affiliates of Registrant was approximately \$15,321,683,870 based on the closing sale price as reported on the New York Stock Exchange. At January 31, 2017, there were 119,853,740 shares of Registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant's definitive proxy statement for its 2017 annual meeting of shareholders are incorporated by reference in Part III of this Form 10-K.

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PART I

ITEM 1. BUSINESS

OVERVIEW

Equifax Inc. is a leading global provider of information solutions and human resources business process outsourcing services for businesses, governments and consumers. We have a large and diversified group of clients, including financial institutions, corporations, governments and individuals. Our products and services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, demographic and marketing data. We use advanced statistical techniques and proprietary software tools to analyze all available data, creating customized insights, decision-making solutions and processing services for our clients. We help consumers understand, manage and protect their personal information and make more informed financial decisions. We also provide information, technology and services to support debt collections and recovery management. Additionally, we are a leading provider of payroll-related and human resource management business process outsourcing services in the United States of America, or U.S.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia and New Zealand), Europe (the United Kingdom, or U.K., Spain and Portugal) and Latin America (Argentina, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in the Republic of Ireland. We also offer Equifax branded credit services in Russia and India through joint ventures, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore, and have an investment in a consumer and commercial credit information company in Brazil.

Equifax was originally incorporated under the laws of the State of Georgia in 1913, and its predecessor company dates back to 1899. As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

We are organized and report our business results in four operating segments, as follows:

- U.S. Information Solutions (USIS) — provides consumer and commercial information solutions to businesses in the U.S. including online information, decisioning technology solutions, fraud and identity management services, portfolio management services, mortgage reporting and financial marketing services.

International —which includes our Canada, Europe, Asia Pacific and Latin America business units, provides products and services similar to those available in the USIS operating segment but with variations by geographic region. In Europe, Asia and Latin America, we also provide information, technology and services to support debt collections and recovery management.

Workforce Solutions — provides services enabling clients to verify income and employment (Verification Services) as well as to outsource and automate the performance of certain payroll-related and human resources management business processes, including unemployment cost management, tax credits and incentives and I-9 management services and services to allow employers to ensure compliance with the Affordable Care Act (Employer Services).

Global Consumer Solutions — provides products to consumers in the United States, Canada, and the U.K., enabling them to understand and monitor their credit and monitor and help protect their identity. We also sell consumer and credit information to resellers who combine our information with other information to provide direct to consumer

monitoring, reports and scores.

2016 Acquisitions and Investments

On February 24, 2016, the Company completed the acquisition of 100% of the ordinary voting shares of Veda Group Limited ("Veda") for cash consideration plus debt assumed of approximately \$1.9 billion. The acquisition provides a strong platform for Equifax to offer data and analytic services and further broaden the Company's geographic footprint. Veda stockholders received 2.825 Australian dollars in cash for each share of Veda common stock they owned. The Company financed the transaction with \$1.7 billion of debt, consisting of commercial paper, an \$800 million 364-Day revolving credit facility (the "364-Day Revolver"), and an \$800 million three-year delayed draw term loan facility (the "Term Loan"). Refer to Note 5 for further discussion on debt. Additionally, we acquired two other smaller businesses in 2016.

Refer to Note 3 to the Consolidated Financial Statements for additional information on our acquisitions and investments for the year ended December 31, 2016.

Our revenue base and business mix are diversified among our four segments as depicted in the chart below.

OUR BUSINESS STRATEGY

Our strategic objective is to be the global leader in information solutions that creates unparalleled insights to solve customer challenges. Data is at the core of our value proposition. Leveraging our extensive resources, we deliver differentiated decisions through a broad and diverse set of data assets, sophisticated analytics and proprietary decisioning technology. Our long-term corporate growth strategy is driven by the following imperatives:

Deliver consistently strong profitable growth and shareholder returns. We seek to meet or exceed our financial commitments on revenue growth and margins through disciplined execution of our strategic initiatives and by positioning ourselves as a premier provider of high value information solutions.

Develop unparalleled analytical insights leveraging Equifax unique data. We continue to invest in and acquire unique sources of credit and non-credit information to enhance the variety and quality of our services while increasing clients' confidence in information-based business decisions. Areas of focus for investment in new sources of data include, among others, positive payment data, fraud and personal identification data, real estate data and new commercial business data. We also have developed unique capabilities to integrate customer and third-party data into our solution offerings to further enhance the decisioning solutions we develop for our customers.

We continue to invest in and develop new technology to enhance the functionality, cost-effectiveness and security of the services we offer and further differentiate our products from those offered by our competitors. In addition to custom products for large clients, we develop software as a service based, decisioning and data access technology platforms that are more cost effective for clients of all sizes. We also develop predictive scores and analytics, some of which leverage multiple data assets, to help clients acquire new customers and manage their existing customer relationships. We develop a broad array of industry, risk management, cross-sell and account acquisition models to enhance the precision of our clients' decisioning activities. We also develop custom and generic solutions that enable customers to more effectively manage their debt collection and recovery portfolios.

Innovate for market leadership in key domains and verticals. We seek to increase our share of clients' spend on information-related services through developing and introducing new products, pricing our services in accordance with the value they represent to our customers, increasing the range of current services utilized by our clients, and improving the quality and effectiveness of our sales organization and client support interactions with consumers. We are also helping clients address increased requirements to comply with emerging regulations and rules.

We believe there are many opportunities to expand into emerging markets both in the U.S. and internationally. In the U.S., we have increased and broadened resources in key markets, including financial, mortgage, auto, insurance, telecommunications, healthcare and government, and we are delivering services ranging from identity authentication to risk management. We continue to invest in growing our ventures in Russia and India and leveraging our newer product offerings across all of our geographical business units and periodically enter new country markets through acquisitions or start-up operations.

Serve as a trusted steward and advocate for our customers and consumers. This includes continuously improving the customer and consumer experience in our consumer and commercial offerings, anticipating and executing on regulatory initiatives, while simultaneously delivering security for our services.

Invest in talent to drive our strategy and foster a culture of innovation. We attract top talent by continuing to expand and diversify our talent pipeline. We regularly undertake various talent initiatives to engage, develop, and retain our top talent.

MARKETS AND CLIENTS

Our products and services serve clients across a wide range of verticals, including financial services, mortgage, human resources, consumer, commercial, telecommunications, retail, automotive, utilities, brokerage, healthcare and insurance industries, as well as state and federal governments. We also serve consumers directly. Our revenue stream is highly diversified with our largest client providing less than 3% of total revenue. The following table summarizes the various end-user markets we serve:

- (1) Predominantly sold to companies who serve the direct to consumer market and includes other small end user markets.
- (2) Other includes revenue from other miscellaneous end user markets.

We market our products and services primarily through our own direct sales organization that is structured around sales teams that focus on client segments typically aligned by vertical markets and geography. Sales groups are based in our headquarters in Atlanta, Georgia, and field offices located in the U.S. and in the countries where we have operations. We also market our products and services through indirect channels, including alliance partners, joint ventures and other resellers. In addition, we sell through direct mail and various websites, such as www.equifax.com.

Our largest geographic market segments are the U.S.; Asia Pacific (Australia and New Zealand); Europe (the U.K., Spain and Portugal); Canada; and Latin America (Argentina, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in the Republic of Ireland. We also offer Equifax branded credit services in Russia and India through joint ventures, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore, and have an investment in a consumer and commercial credit information company in Brazil. We also provide information, technology and services to support debt collections and recovery management in Europe, Asia Pacific, Canada and Latin America.

Revenue from international clients, including end users and resellers, amounted to 27% of our total revenue in 2016, 23% of our total revenue in 2015 and 26% of our total revenue in 2014.

PRODUCTS AND SERVICES

Our products and services help our clients make more informed decisions with higher levels of confidence by leveraging a broad array of data assets. Analytics are used to derive insights from the data that are most relevant for the client's decisioning needs. The data and insights are then processed through proprietary software and transmitted to the client's operating system to execute the decision.

The following chart summarizes the key products and services offered by each of the business units within our segments:

	USIS Online Information Solutions	Financial Marketing Services	Mortgage Services	International				Workforce Solutions			GL Co So X
				Europe	Asia Pacific	Latin America	Canada	Verification Services	Employer Services		
Online data	X		X	X	X	X	X	X			X
Portfolio management services	X	X	X	X	X	X	X	X			
Analytical services	X	X	X	X	X	X	X	X	X		X
Technology services	X		X	X	X	X	X				
Identity management and fraud	X			X	X	X	X	X			X
Marketing Services		X	X		X	X	X				
Direct to consumer credit monitoring					X						X
Employment and income verification services					X			X			
Business process outsourcing (BPO)					X			X	X		
Debt collection software, services and analytics	X			X	X	X	X				

Each of our operating segments is described more fully below.

USIS

USIS provides consumer and commercial information solutions to businesses in the U.S. through three product and service lines, as follows:

Online Information Solutions. Online Information Solutions' products are derived from multiple large and comprehensive databases of consumer and commercial information that we maintain about individual consumers and businesses, including credit history, current credit status, payment history and address information. Our clients utilize the information and analytical insights we provide to make decisions for a broad range of financial and business purposes, such as whether, and on what terms, to approve auto loans or credit card applications, and whether to allow a consumer or a business to open a new utility or telephone account. In addition, this information is used by our clients for cross selling additional products to existing customers, improving their underwriting and risk management decisions, and authenticating and verifying consumer and business identities. We also sell consumer and credit information to resellers who combine our information with other information to provide services to the financial, mortgage, fraud and identity management, and other end-user markets. Our software platforms and analytical capabilities can integrate all types of information, including third-party and client information, to enhance the insights and decisioning process to help further mitigate the risk of granting credit, predict the risk

of bankruptcy, indicate the applicant's risk potential for account delinquency, ensure the identity of the consumer, and reduce exposure to fraud. These risk management services enable our clients to monitor risks and opportunities and proactively manage their portfolios.

Online Information Solutions' clients access products through a full range of electronic distribution mechanisms, including direct real-time access, which facilitates instant decisions. We also develop and host customized applications that enhance the decision-making process for our clients. These decisioning technology applications assist with a wide variety of decisioning activities, including determining pre-approved offers, cross-selling of various products, determining deposit amounts for telephone and utility companies, and verifying the identity of their customers. We have also compiled commercial databases regarding businesses in the U.S., which include loan, credit card, public records and leasing history data, trade accounts receivable performance, and Secretary of State and Securities and Exchange Commission registration information. We offer scoring and analytical services that provide additional information to help mitigate the credit risk assumed by our clients.

Mortgage Solutions. Our Mortgage Solutions products, offered in the U.S., consist of specialized credit reports that combine information from the three major consumer credit reporting agencies (Equifax, Experian Group and TransUnion LLC) into a single "merged" credit report in an online format, commonly referred to as a tri-merge report. Mortgage lenders use these tri-merge reports in making their mortgage underwriting decisions. Additionally, we offer various "triggering" services designed to alert lenders to changes in a consumer's credit status during the underwriting period and securitized portfolio risk assessment services for evaluating inherent portfolio risk.

Financial Marketing Services. Our Financial Marketing Services products utilize consumer and commercial financial information enabling our clients to more effectively manage their marketing efforts, including targeting and segmentation; to identify and acquire new clients for their products and services; to develop portfolio strategies to minimize risk and maximize profitability; and to realize additional revenue from existing customers through more effective cross selling and upselling of additional products and services. These products utilize information derived from consumer and commercial information, including credit, income, asset, liquidity, net worth and spending activity, which also support many of our Online Information Solutions' products. These data assets broaden the understanding of consumer and business financial potential and opportunity which can further drive high value decisioning and targeting solutions for our clients. We also provide account review services, which assist our clients in managing their existing customers and prescreen services that help our clients identify new opportunities with their customers. Clients for these products primarily include institutions in the banking, brokerage, retail, insurance and mortgage industries as well as companies primarily focused on digital and interactive marketing.

International

The International operating segment includes our Europe, Asia Pacific, Latin America and Canada business units. These business units offer products that are similar to those available in the USIS operating segment, although, in some jurisdictions, data sources tend to rely more heavily on government agencies than in the U.S. We also offer specialized services that help our customers better manage risk in their consumer portfolios. This operating segment's products and services generate revenue in Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K. and Uruguay. We also maintain support operations in the Republic of Ireland, Chile and Costa Rica. We offer consumer credit services in Russia and India through our investment in joint ventures and have an investment in the second largest consumer and commercial credit information company in Brazil. We also provide information, technology and services to support debt collections and recovery management in Europe, Asia Pacific, Canada and Latin America.

Europe. Our European operation provides information solutions, marketing and personal solutions products. Information solutions and personal solutions products are generated from information that we maintain and include

credit reporting and scoring, asset information, risk management, identity management and authentication services, fraud detection and modeling services. Most of these products are sold in the U.K. with a more limited set of information solutions products sold in Portugal and Spain. Our commercial products, such as business credit reporting and commercial risk management services, are available mostly in the U.K, with a more limited set of information solutions products sold in Portugal and Spain. Marketing products, which are similar to those offered in our Financial Marketing Services business unit, are primarily available in the U.K. and, to a lesser extent, in Spain. Beginning in 2014, we also provide information, technology and services to support debt collections and recovery management.

Asia Pacific. Our Asia Pacific operation provides consumer and commercial information solutions products, marketing products and personal solutions products. We offer a full range of products, generated from credit records, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer and commercial products are the primary source of revenue in each of the countries in which

we operate and include credit reporting, decisioning tools and risk management services, in the countries we serve. We also provide information, technology and services to support debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from credit information databases, including business profile analysis, business prospect lists and database management. The countries in which we operate include Australia and New Zealand.

Latin America. Our Latin American operation provides consumer and commercial information solutions products, marketing products and personal solutions products. We offer a full range of products, generated from credit records that we maintain, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer products are the primary source of revenue in each of the countries in which we operate. We also offer various commercial products, which include credit reporting, decisioning tools and risk management services, in the countries we serve. Beginning in 2013, we also provide information, technology and services to support debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from our credit information databases, including business profile analysis, business prospect lists and database management. The countries in which we operate include Argentina, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay.

Canada. Similar to Online Information Solutions, Mortgage Solutions and Financial Marketing Services business units, Canada offers products derived from the credit information that we maintain about individual consumers and businesses. We offer many products in Canada, including credit reporting and scoring, consumer and commercial marketing, risk management, fraud detection and modeling services, identity management and authentication services, together with certain of our decisioning products that facilitate pre-approved offers of credit and automate a variety of credit decisions. Beginning in 2016, we also provide information, technology and services to support debt collections and recovery management.

Workforce Solutions

Workforce Solutions operates in the U.S. through two business units:

Verification Services. Verification Services include employment, income and social security number verification services. Our online verification services enable direct third-party verifiers including various governmental agencies, mortgage originators, credit card and automotive lenders and pre-employment screeners to verify the employee's employment status and income information. We also offer an offline research verification service, which expands employment verification to locate data outside our existing automated database.

The Work Number is our key repository of employment and income data serving our verifier business and enabling employer human resource services. We rely on payroll data received from over 7,100 organizations, including over three quarters of Fortune 500 companies, to regularly update the database. The updates occur as employers transmit data electronically to Equifax from their payroll systems. Employers contract to provide this data for specified periods under the terms of contracts which range from one to five years. We use this data to provide automated employment and income verification services to third-party verifiers as well as enabling employer services such as unemployment claims, I-9 and eVerify transactions and employer tax credits opportunities.

The fees we charge for these services are generally on a per transaction basis. We have not experienced significant turnover in the employer contributors to the database because we generally do not charge them to add their employment data to the database and the verification service we offer relieves them of the administrative burden and expense of responding to third-party employment verification requests. The database is approaching 300 million current and historic employment records at December 31, 2016.

Employer Services. These services are aimed at reducing the cost to the human resources function of businesses through a broad suite of services including assisting with employment tax matters designed to reduce the cost of unemployment claims through effective claims representation and management and efficient processing and to better manage the tax rate that employers are assessed for unemployment taxes; comprehensive services designed to research the availability of employment-related tax credits (e.g., the federal work opportunity and welfare to work tax credits and state tax credits), and to process the necessary filings and assist the client in obtaining the tax credit; W-2 management services (which include initial distribution, reissue and correction of W-2 forms); paperless pay services that enable employees to electronically receive pay statement information as well as review and change direct deposit account or W-4 information; integrated electronic time capture and reporting services; paperless new-hire services to bring new workers on board using electronic forms; I-9 management services designed to help clients electronically comply with the immigration laws that require employers to complete an I-9 form for each new hire; and onboarding services using online forms to complete the new hire process for employees of corporate and

government agencies. In addition we provide software and services to employers to assist in compliance with the Affordable Care Act ("ACA") through partnerships with government agencies.

Global Consumer Solutions

Our Global Consumer Solutions products give consumers information to enable them to understand and monitor their credit and monitor and help protect their identity primarily through our Equifax Complete, ID Patrol, Credit Watch and Score Watch monitoring products. Consumers can obtain credit file information about them and Equifax or FICO credit scores. Equifax products also offer monitoring features for consumers who are concerned about identity theft and data breaches, including credit report monitoring from all three bureaus, internet and bank account monitoring, lost wallet support, and the ability to lock and unlock the Equifax credit file. Our products are available to consumers in the United States, Canada, and the U.K. directly primarily over the internet and indirectly through relationships with business partners who distribute our products or provide these services to their employees or customers. We also sell consumer and credit information to resellers who combine our information with other information to provide direct to consumer monitoring, reports and scores.

COMPETITION

The market for our products and services is highly competitive and is subject to constant change. Our competitors vary widely in size and the nature of the products and services they offer. Sources of competition are numerous and include the following:

Competition for our consumer credit information solutions and personal solutions products varies by both application and industry, but generally includes two global consumer credit reporting companies, Experian and TransUnion, both of which offer a product suite similar to our credit reporting solutions, and LifeLock, a national provider of personal identity theft protection products, as well as emerging competitors offering free credit scores including Credit Karma. There are also a large number of competitors who offer competing products in specialized areas (such as fraud prevention, risk management and application processing and decisioning solutions) and software companies offering credit modeling services or analytical tools. As a premier provider of information based insights and solutions, we believe that our products offer clients an advantage over those of our credit based competitors because of the depth and breadth of our consumer information files, which we believe to be superior in terms of accuracy, coverage and availability. Other differentiators include our decisioning technology and the features and functionality of our analytical capabilities. Our competitive strategy is to emphasize improved decision making and product quality while remaining competitive on price. Our marketing services products also compete with the foregoing companies and others who offer demographic information products, including Acxiom, Harte-Hanks and infoGROUP. We also compete with Fair Isaac Corporation with respect to certain of our analytical tools and solutions.

Competition for our commercial solutions products primarily includes Experian, Dun & Bradstreet and Cortera, and providers of these services in the international markets we serve. We believe our access to and knowledge of U.S. small business loan information from financial institutions combined with our consumer credit information in the case of small business owners enables more efficient and effective decision-making for the small business segment of that market.

Competition for our employment and income verification services includes large employers who serve their own needs through in-house systems to manage verification as well as regional online verification companies, such as Verify Jobs and First Advantage, who offer verification services along with other human resources ("HR") and tax services. Competition in the Employer Services market is diverse and includes in-house management of such services or the outsourcing of one or more of such services to HR consulting firms such as Mercer and Towers Watson, HR management services providers such as Oracle and Silk Road, payroll processors such as ADP and Ceridian,

accounting firms such as PricewaterhouseCoopers and Ernst & Young, analytics companies such as Tableau and Visier and hundreds of smaller companies that provide one or multiple offerings that compete with our Employer Services business. Competition in the Verification Services market includes employers who manage verifications in-house, lenders who obtain verifications directly from employers, and online and offline verification companies, such as Verify Job System, Corporate Cost Control, Thomas & Thorngren and Employers Edge.

Competition for our debt collection and recovery management software, services and analytics is similar to the competition for our consumer credit information solutions. We believe that the breadth and depth of our data assets enable our clients to develop a more current and comprehensive view of consumers. In the category of platforms and analytics, we compete to some extent with entities that deploy collections platforms, account management systems or recovery solutions.

While we believe that none of our competitors offers the same mix of products and services as we do, certain competitors may have a larger share of particular geographic or product markets or operate in geographic areas where we do not currently have a presence.

We assess the principal competitive factors affecting our markets to include: product attributes such as quality, depth, coverage, adaptability, scalability, interoperability, functionality and ease of use; product price; technical performance; access to unique proprietary databases; availability in application service provider, or ASP, format; quickness of response, flexibility and client services and support; effectiveness of sales and marketing efforts; existing market penetration; new product innovation; and our reputation as a trusted steward of information.

TECHNOLOGY AND INTELLECTUAL PROPERTY

We generally seek protection under federal, state and foreign laws for strategic or financially important intellectual property developed in connection with our business. Certain intellectual property, where appropriate, is protected by registration under applicable trademark laws or by prosecution of patent applications. We own a number of patents registered in the U.S. and several in foreign countries. We also have certain registered trademarks, service marks, logos and internet domain names in the U.S. and in many foreign countries, the most important of which are “Equifax,” “Decision360,” “The Work Number” and variations thereof. These marks are used in connection with many of our product lines and services. We believe that, in the aggregate, the rights under our patents and trademarks are generally important to our operations and competitive position, but we do not regard any of our businesses as being dependent upon any single patent or group of patents or trademark. However, certain Company trademarks, which contribute to our identity and the recognition of our products and services, including but not limited to the “Equifax” trademark, are an integral part of our business, and their loss could have a material adverse effect on us. We also protect certain of our confidential intellectual property and technology in compliance with trade secret laws and through the use of nondisclosure agreements.

We license other companies to use certain data, software, and other technology and intellectual property rights we own or control, primarily as core components of our products and services, on terms that are consistent with customary industry standards and that are designed to protect our interest in our intellectual property. Other companies license us to use certain data, technology and other intellectual property rights they own or control. For example, we license credit-scoring algorithms and the right to sell credit scores derived from those algorithms from third parties for a fee. We do not hold any franchises or concessions that are material to our business or results of operations.

GOVERNMENTAL REGULATION

We are subject to a number of U.S. federal, state, local and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve privacy, data protection, intellectual property, competition, consumer protection, anti-corruption, anti-bribery, anti-money laundering, employment, health, taxation or other subjects. In particular, we are subject to federal, state and foreign laws regarding the collection, protection, dissemination and use of non-public personal information we have in our possession and to consumer financial protection. Foreign data and consumer protection, privacy and other laws and regulations are often more restrictive than those in the U.S. Failure to satisfy those legal and regulatory requirements, or the adoption of new laws or

regulations, could have a material adverse effect on our results of operations, financial condition or liquidity.

U.S. federal and state and foreign laws and regulations are evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain. These laws are enforced by federal, state and local regulatory agencies in the jurisdictions where we operate, and in some instances also through private civil litigation. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies, and foreign governments concerning consumer and data protection that could affect us.

Summary of U.S. Regulation Relating to Consumer and Data Protection

Our U.S. operations are subject to numerous laws and regulations governing the collection, protection and use of consumer credit and other information, and imposing sanctions for the misuse of such information or unauthorized access to data. Many of these provisions also affect our customers' use of consumer credit or other data we furnish.

Examples of the most significant of these laws include, but are not limited to, the following:

Federal Laws and Regulation

FCRA - The United States Fair Credit Reporting Act ("FCRA") regulates consumer reporting agencies, including us, as well as data furnishers and users of consumer reports such as banks and other companies. FCRA provisions govern the accuracy, fairness and privacy of information in the files of consumer reporting agencies ("CRAs") that engage in the practice of assembling or evaluating certain information relating to consumers for certain specified purposes. The FCRA limits the type of information that may be reported by CRAs, limits the distribution and use of consumer reports and establishes consumer rights to access and dispute their credit files. CRAs are required to follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates and if a consumer disputes the accuracy of any information in the consumer's file, to conduct a reasonable reinvestigation. CRAs are required to make available to consumers a free annual credit report. The FCRA imposes many other requirements on CRAs, data furnishers and users of consumer report information. Violation of the FCRA can result in civil and criminal penalties. The FCRA contains an attorney fee shifting provision to provide an incentive for consumers to bring individual or class action lawsuits against a CRA for violations of the FCRA. Regulatory enforcement of the FCRA is under the purview of the United States Federal Trade Commission ("FTC"), the Consumer Financial Protection Bureau ("CFPB"), and state attorneys general, acting alone or in concert with one another.

The Dodd-Frank Act - One of the purposes of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") is to protect consumers from abusive financial services practices. Title X of the Dodd-Frank Act created the CFPB. The Dodd-Frank Act transfers authority under certain existing laws to the CFPB and provides it with examination and supervisory authority. The Dodd-Frank Act also prohibits unfair, deceptive or abusive acts or practices ("UDAAP") with respect to consumer finance and provides the CFPB with authority to enforce those provisions. We are subject to the examination and supervision of the CFPB. The CFPB may pursue administrative proceedings or litigation to enforce the laws and rules subject to its jurisdiction. In these proceedings the CFPB can obtain cease and desist orders, which can include orders for restitution to consumers or rescission of contracts, as well as other types of affirmative relief, and monetary penalties ranging from \$5,000 per day for ordinary violations and up to \$1 million per day for knowing violations. Also, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions in certain circumstances for the kind of cease and desist orders available to the CFPB (but not for civil penalties).

FTC Act - The Federal Trade Commission Act ("FTC Act") prohibits unfair methods of competition and unfair or deceptive acts or practices. We must comply with the FTC Act when we market our services, such as consumer credit monitoring services offered through our Global Consumer Solutions unit. The security measures we employ to safeguard the personal data of consumers could also be subject to the FTC Act, and failure to safeguard data adequately may subject us to regulatory scrutiny or enforcement action. There is no private right of action under the FTC Act.

GLBA - The Financial Services Modernization Act of 1999, or Gramm-Leach-Bliley Act ("GLBA") regulates, among other things, the use of non-public personal information of consumers that is held by financial institutions, including us. We are subject to various GLBA provisions, including rules relating to the use or disclosure of the underlying data

and rules relating to the physical, administrative and technological protection of non-public personal financial information. Breach of the GLBA can result in civil and/or criminal liability and sanctions by regulatory authorities, such as fines of up to \$100,000 per violation and up to five years' imprisonment for individuals. Regulatory enforcement of the GLBA is under the purview of the FTC, the federal prudential banking regulators, the SEC and state attorneys general, acting alone or in concert with each other.

CROA - The Credit Repair Organizations Act ("CROA") regulates companies that claim to be able to assist consumers in improving their credit standing. There have been efforts to apply the CROA to credit monitoring services offered by consumer reporting agencies and others. CROA allows for a private right of action and permits consumers to recover all money paid for alleged "credit repair" in the event of a violation.

State Laws and Regulation Relating to Consumer and Data Protection

A number of states have enacted requirements similar to the federal FCRA. Some of these state laws impose additional, or more stringent, requirements than the FCRA, especially in connection with the investigations and responses to reported inaccuracies in consumer reports. The FCRA preempts some of these state laws, but the scope of preemption continues to be defined by the courts. The state of Vermont is grandfathered under the original FCRA requirements and thus we are subject to additional requirements to comply with Vermont law.

Most states and the District of Columbia have passed laws that give consumers the right to place a security freeze on their credit reports to prevent others from opening new accounts or obtaining new credit in their name. These laws place differing requirements on credit reporting agencies with respect to how and when to respond to such credit file freeze requests and in the fees, if any, the agencies may charge for freeze-related actions.

A majority of states have adopted versions of data security breach laws that require notification of affected consumers in the event of a breach of personal information. Some of these laws require additional data protection measures which exceed the GLB Act data safeguarding requirements. If data within our system is compromised by a breach, we may be subject to provisions of various state security breach laws.

We are also subject to federal and state laws that are generally applicable to any U.S. business with national or international operations, such as antitrust laws, the Foreign Corrupt Practices Act, the Americans with Disabilities Act, state unfair or deceptive practices act and various employment laws. We continuously monitor federal and state legislative and regulatory activities that involve credit reporting, data privacy and security to identify issues in order to remain in compliance with all applicable laws and regulations.

Summary of International Regulation Relating to Consumer and Data Protection

We are subject to various data protection, privacy and consumer credit laws and regulations in the foreign countries where we operate. Examples of the most significant of these laws include, but are not limited to, the following:

In the U.K., we are subject to a regulatory framework which provides for primary regulation by the Financial Conduct Authority (the "FCA"). The FCA focuses on consumer protection and market regulation as well as prudential supervision of regulated financial institutions. The FCA has significant powers, including the power to regulate conduct related to the marketing of financial products, specify minimum standards and to place requirements on products, impose unlimited fines, and to investigate organizations and individuals. In addition, the FCA is able to ban financial products for up to a year while considering an indefinite ban; it has the power to instruct firms to immediately retract or modify promotions which it finds to be misleading, and to publish such decisions. Our core credit reporting ("credit reference") and debt collections services and recovery management businesses in the U.K. are subject to FCA supervision and we are required to have certain corporate and "approved person" authorizations from the FCA to carry on such businesses. The license application for our collection business (TDX Group or "TDX") was approved in 2016, and our application for authorization in our capacity as a credit reference agency is under review. Although we do not currently anticipate any issues in receiving authorization, to the extent applicable approvals are not obtained in a timely manner, or at all, we may not conduct these businesses in the U.K.

- In Europe, we are subject to the European Union ("EU") Data Protection Regulation ("GDPR"), which will replace the comprehensive 1995 European Union Data Protection Directive. The GDPR establishes several obligations that organizations must follow with respect to use of personal data, including a prohibition on the transfer of personal information from the EU to other countries whose laws do not protect personal data to an "adequate" level of privacy or security. The new standards for adequacy are generally stricter and more

comprehensive than that of the U.S. and most other countries where Equifax operates. In the U.K., regulatory limitations affect our use of the Electoral Roll, one of our key data sources in that jurisdiction. Generally, the data underlying the products offered by our U.K. Information Services and Global Consumer Solutions product lines, excluding our Commercial Services products, are subject to these regulations. In Spain and Portugal, privacy laws also regulate all credit bureau and personal solutions activities. The GDPR, among other things, will tighten data protection requirements and make enforcement more rigorous, for example, by streamlining enforcement at a European level, introducing data breach notification requirements and increasing penalties for non-compliance. The GDPR was passed by the EU Parliament in the spring of 2016 and will become fully effective in May 2018, following a two-year implementation period.

In Canada, federal and provincial laws govern how we collect, use or disclose personal information in the course of our commercial activities. The federal Personal Information Protection and Electronic Documents Act of 2000 gives individuals the right to access and request correction of their personal information collected by us, and requires compliance with the Canadian Standard Association Model Code for the Protection of Personal Information covering accountability and identifying purposes, consent, collection, use, disclosure, retention, accuracy, safeguards, individual access and compliance. The federal and provincial privacy regulators have powers of investigation and intervention, and provisions of Canadian law regarding civil liability apply in the event of unlawful processing which is prejudicial to the persons concerned. The EU recognizes Canada as having adequate levels of protection for personal data transfers and processing.

In Latin America, data protection and credit reporting laws and regulations vary considerably amongst Latin American countries. Some countries, such as El Salvador, Ecuador and Honduras, establish a constitutional right to privacy without general data protection standards or a data protection authority. These countries, however, have laws that govern the functioning of credit bureaus. Other countries, such as Argentina, Uruguay, Peru and Costa Rica, have enacted comprehensive data protection legislation similar to the EU Data Protection Regulation (GDPR). The EU recognizes Argentina and Uruguay as having adequate levels of protection for personal data transfers and processing. Peru also has a specific law for credit reporting. Paraguay and Chile have fewer comprehensive data protection laws in place, but do have rules regarding reporting periods, consent and data collection.

In Australia, we are subject to regulatory oversight by various agencies, but the Office of the Australian Information Commissioner (OAIC) is the agency with direct responsibility for administering the Australian Privacy Principles (which relate to the collection, holding, use and disclosure of personal information) and Part IIIA of the Privacy Act 1988 (which regulates credit reporting). The OAIC can investigate a complaint, conduct its own investigations, resolve/make binding determinations and seek civil penalties. Our Australian business is also a member of the Credit and Investments Ombudsman, an external dispute resolution scheme, which has been approved by the OAIC to handle privacy and credit reporting complaints and make binding determinations. The OAIC can register codes of practice under the Privacy Act 1988, and has registered the Privacy (Credit Reporting) Code 2014. The Australian Retail Credit Association (ARCA) is a credit and credit reporting industry self-regulatory body, which administers principles and standards for the exchange of credit data between industry participants. Corporate Scorecard Pty Limited (one of our Australian subsidiaries), holds an Australia Financial Services License (AFSL), which allows it to provide general advice to wholesale clients by issuing a credit rating. The Australian Securities and Investments Commission (ASIC) regulates that business, and has authority to investigate, prosecute, ban individuals, and to seek civil penalties.

In New Zealand, the regulatory framework provides for primary regulation under the Office of the Privacy Commissioner (OPC). The OPC investigates complaints relating to the collection, use, holding and disclosure of personal information, both credit-related and non-credit related. The OPC can make a finding that there has been an interference with privacy but cannot impose civil penalties. In extreme cases where there has been an interference with privacy it can refer these cases to the Director of Human Rights, for determination in the Human Rights Review Tribunal. The OPC can issue practice codes under the Privacy Act 1993, and has issued and subsequently amended, the Credit Reporting Privacy Code 2004. A self-regulatory body, the Retail Credit Association of New Zealand (RCANZ), addresses reciprocity of data issues relating to comprehensive credit reporting, and data standards.

In India, various legislation including the Information Technology Act 2000 and Rules framed thereunder and the Credit Information Companies (Regulation) Act of 2005 and Rules and Regulations framed thereunder, establishes a federal data protection framework. Entities that collect and maintain personal data and/or credit information must ensure that it is complete, accurate and safeguarded, and must adopt certain privacy principles with respect to collecting, processing, preserving, sharing and using such data and/or credit information. The Indian parliament has passed legislation that would allow individuals to sue for damages in the case of a data breach, if the entity

negligently failed to implement reasonable security practices and procedures to protect personal data and/or credit information. Our Indian joint venture is subject to regulation by the Reserve Bank of India, which is India's central banking institution.

In Russia, credit reporting activities are governed by the Federal Law on Credit Histories No.218-fz, dated December 30, 2004. The law regulates the contents of credit files, who may submit data to a credit bureau and who can receive credit reports.

Tax Management Services

The Tax Management Services business within our Workforce Solutions segment is potentially impacted by changes in renewal or non-renewal of U.S. tax laws or interpretations, for example, those pertaining to work opportunity tax credits and unemployment compensation claims.

PERSONNEL

Equifax employed approximately 9,500 employees in 24 countries as of December 31, 2016. None of our U.S. employees are subject to a collective bargaining agreement and no work stoppages have been experienced. Pursuant to local laws, certain of our employees in Argentina and Spain are covered under government-mandated collective bargaining regulations that govern general salary and compensation matters, basic benefits and hours of work. In some of our non-U.S. subsidiaries, certain of our employees are represented by workers' councils or statutory labor unions.

EXECUTIVE OFFICERS OF EQUIFAX

The executive officers of Equifax and their ages and titles are set forth below.

Richard F. Smith (57) has been Chairman and Chief Executive Officer since December 2005. He was named Chairman-Elect and Chief Executive Officer effective September 2005. Prior to that, Mr. Smith served as Chief Operating Officer, GE Insurance Solutions, from 2004 to September 2005 and President and Chief Executive Officer of GE Property and Casualty Reinsurance from 2003 to 2004.

John W. Gamble, Jr. (54) has been Corporate Vice President and Chief Financial Officer since May 2014. Prior to that, Mr. Gamble was Executive Vice President and Chief Financial Officer of Lexmark International, Inc., a global provider of document solutions, enterprise content management software and services, printers and multifunction printers, from September 2005 until May 2014.

John J. Kelley III (56) has been Corporate Vice President and Chief Legal Officer since January 2013. Responsibilities include legal services, sourcing, security and compliance, government and legislative relations, corporate governance and privacy functions. Mr. Kelley was a senior partner in the Corporate Practice Group of the law firm of King & Spalding LLP from January 1993 to December 2012.

Joseph M. Loughran, III (49) has been Chief Marketing Officer since March 2015. Prior thereto, he served as President, Global Consumer Solutions since January 4, 2010. Prior thereto, he was Senior Vice President - Corporate Development from April 2006 to December 2009. Prior to joining Equifax, he held various executive roles at BellSouth Corporation from May 2001 to April 2006, including most recently Managing Director-Corporate Strategy and Planning from May 2005 to April 2006.

Coretha M. Rushing (60) has been Corporate Vice President and Chief Human Resources Officer since 2006. Prior to joining Equifax, she served as an executive coach and HR Consultant with Atlanta-based Cameron Wesley LLC. Prior thereto, she was Senior Vice President of Human Resources at The Coca-Cola Company, where she was employed from 1996 until 2004.

David C. Webb (61) has been Chief Information Officer since January 2010. Prior thereto, he served as Chief Operations Officer for SVB Financial Corp. from 2008, and from 2004 to 2008 was Chief Information Officer. Mr. Webb was Vice President, Investment Banking Division at Goldman Sachs, a leading global investment banking, securities and investment management firm, from 1999 to 2004. He was Chief Information Officer at Bank One from 1997 to 1999.

Rodolfo O. Ploder (56) has been President, Workforce Solutions, since November 2015. Prior thereto, he served as President, U.S. Information Solutions, since April 2010. Prior thereto, he served as President, International, from January 2007 to April 2010. Prior thereto, he was Group Executive, Latin America from February 2004 to January 2007.

Paulino R. Barros (60) has been President, U.S. Information Solutions, since November 2015. Prior thereto, he served as President, International, since April 2010. Prior thereto, he served as President of PB&C Global Investments, LLC, an international consulting and investment firm. Prior thereto, he was President of Global Operations for AT&T.

John T. Hartman (57) has been President, International, since November 2015. Prior thereto, he served as Senior Vice President, Corporate Development, since July 2010. Prior thereto, he served as President of Growth Vector from 2009 to 2010. Prior thereto, he served as Executive Vice President and Chief Commercial Officer for Acuity Brands from 2004 to 2009.

J. Dann Adams (59) has been President, Global Consumer Solutions, since November 2015. Prior thereto, he served as President, Workforce Solutions, since July 2010. Prior thereto, he served as President, U.S. Information Solutions from 2007 to June 2010. Prior thereto, he served as Group Executive, North America Information Services from November 2003 until December 2006.

Nuala M. King (63) has been Senior Vice President and Controller since May 2006. Prior thereto, she was Vice President and Corporate Controller from March 2004 to April 2006. Prior to joining Equifax, Ms. King served as Corporate Controller for UPS Capital from March 2001 until March 2004.

FORWARD-LOOKING STATEMENTS

This report contains information that may constitute “forward-looking statements.” Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will” and similar expressions identify forward-looking statements, which general are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company’s historical experience and our present expectations or projections, including without limitation our expectations regarding the Company’s outlook, long-term organic and inorganic growth, and customer acceptance of our business solutions referenced above under “Business” and below under “Business Environment and Company Outlook.” These risks and uncertainties include, but are not limited to, those described below in Item 1A. Risk Factors, and elsewhere in this report and those described from time to time in our future reports filed with the United States Securities and Exchange Commission, or SEC. As a result of such risks and uncertainties, we urge you not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

AVAILABLE INFORMATION

Detailed information about us is contained in our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other reports, and amendments to those reports, that we file with, or furnish to, the SEC. These reports are available free of charge at our website, www.equifax.com, as soon as reasonably practicable after we electronically file such reports with or furnish such reports to the SEC. However, our website and any contents thereof should not be considered to be incorporated by reference into this document. We will furnish copies of such reports free of charge upon written request to Equifax Inc., Attn: Office of Corporate Secretary, P.O. Box 4081, Atlanta, Georgia, 30302.

ITEM 1A. RISK FACTORS

All of the risks and uncertainties described below and the other information included in this Form 10-K should be considered and read carefully. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. This Form 10-K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

Negative changes in general economic conditions, including interest rates, unemployment rates, income, home prices, investment values and consumer confidence, could materially adversely affect us.

Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions, including the demand and availability of affordable credit and capital, the level and volatility of interest rates, inflation, employment levels, consumer confidence and housing demand, both inside and outside the U.S. Business customers

use our credit information and related analytical services and data to process applications for new credit cards, automobile loans, home and equity loans and other consumer loans, and to manage their existing credit relationships. Demand for our services tends to be correlated to general levels of economic activity and to consumer credit activity. Bank and other lenders' willingness to extend credit is adversely affected by elevated consumer delinquency and loan losses in a weak economy. Consumer demand for credit (i.e., rates of spending and levels of indebtedness) also tends to grow more slowly or decline during periods of economic contraction or slow economic growth.

Our customer base suffers when financial markets experience volatility, illiquidity and disruption, which has occurred in the past and which could reoccur, and the potential for increased and continuing disruptions going forward, present considerable risks to our business and revenue. High or rising rates of unemployment and interest, declines in income, home prices or investment values, lower consumer confidence and reduced access to credit adversely affect demand for our products and services, and consequently our revenue and results of operations, as consumers may continue to postpone or reduce their spending and use of credit, and lenders may reduce the amount of credit offered or available.

The loss of access to credit, employment, financial and other data from external sources could harm our ability to provide our products and services.

We rely extensively upon data from external sources to maintain our proprietary and non-proprietary databases, including data received from customers, strategic partners and various government and public record sources. This data includes the widespread and voluntary contribution of credit data from most lenders in the U.S and many other markets as well as the contribution of data under proprietary contractual agreements, such as employers' contribution of employment and income data to The Work Number, financial institutions' contribution of individual financial data to IXI, and telecommunications, cable and utility companies' contribution of payment and fraud data to the National Cable, Telecommunications and Utility Exchange. Although historically we have not experienced material issues in this regard, our data sources could withdraw, delay receipt of or increase the cost of their data provided to us for a variety of reasons, including legislatively or judicially imposed restrictions on use, security breaches or competitive reasons. Where we currently have exclusive use of data, the providers of the data sources could elect to make the information available to competitors. We also compete with several of our third-party data suppliers. If a substantial number of data sources or certain key data sources were to withdraw or be unable to provide their data, if we were to lose access to data due to government regulation, if we lose exclusive right to the use of data, or if the collection of data becomes uneconomical, our ability to provide products and services to our clients could be materially adversely impacted, which could result in decreased revenue, net income and earnings per share. There can be no assurance that we would be able to obtain data from alternative sources if our current sources become unavailable.

Our markets are highly competitive and new product introductions and pricing strategies being offered by our competitors could decrease our sales and market share or require us to enhance our products and services or reduce our prices in a manner that reduces our operating margins.

We operate in a number of geographic, product and service markets that are highly competitive. Competitors may develop products and services that are superior to or that achieve greater market acceptance than our products and services. The size of our competitors varies across market segments, as do the resources we have allocated to the segments we target. Therefore, some of our competitors may have significantly greater financial, technical, marketing or other resources than we do in one or more of our market segments, or overall. As a result, our competitors may be in a position to respond more quickly than we can to new or emerging technologies and changes in customer requirements, or may devote greater resources than we can to the development, enhancement, promotion, sale and support of products and services. Moreover, new competitors or alliances among our competitors may emerge and potentially reduce our market share, revenue or margins.

We also sell our information to competing firms, and buy information from certain of our competitors, in order to sell “tri-bureau” and other products, most notably into the mortgage and direct to consumer markets. Changes in prices between competitors for this information and/or changes in the design or sale of tri-bureau versus single bureau product offerings may affect our revenue or profitability.

Some of our competitors may choose to sell products competitive to ours at lower prices by accepting lower margins and profitability, or may be able to sell products competitive to ours at lower prices given proprietary ownership of data, technological superiority or economies of scale. Price reductions by our competitors could negatively impact our margins and results of operations and could also harm our ability to obtain new customers on favorable terms. Historically, certain of our key products have experienced declines in per unit pricing due to competitive factors and customer demand. Since a significant portion of our operating expenses is relatively fixed in nature due to sales, information technology and development and other

costs, if we were unable to respond quickly enough to changes in competition or customer demand, we could experience further reductions in our operating margins.

If we do not introduce successful new products, services and analytical capabilities in a timely manner, our competitiveness and operating results will suffer.

We generally sell our products in industries that are characterized by rapid technological changes, frequent new product and service introductions and changing industry standards. In addition, certain of the markets in which we operate are seasonal and cyclical. Without the timely introduction of new products, services and enhancements, our products and services will become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer. The success of our new products and services will depend on several factors, including our ability to properly identify customer needs; innovate and develop new technologies, services and applications; successfully commercialize new technologies in a timely manner; produce and deliver our products in sufficient volumes on time; differentiate our offerings from competitor offerings; price our products competitively; anticipate our competitors' development of new products, services or technological innovations; and control product quality in our product development process.

The demand for some of our products and services may be negatively impacted to the extent the availability of free or less expensive consumer information increases.

Public or commercial sources of free or relatively inexpensive consumer credit, credit score and other information have become increasingly available, particularly through the internet, and this trend is expected to continue. Governmental agencies in particular have increased the amount of information to which they provide free public access and these or other sources of free or relatively inexpensive consumer information from competitors or other commercial sources may reduce demand for our services, particularly in our USIS and Global Consumer Solutions business units. In addition, recently there has been an increase in companies offering free or low-cost direct to consumer credit services (such as credit scores, reports and monitoring) as part of alternative business models that use such services as a means to introduce consumers to premium products and services. To the extent that our customers choose not to obtain services from us and instead rely on information obtained at no cost or relatively inexpensively from these other sources, our business, financial condition and results of operations may be adversely affected.

If we experience system constraints or failures, or our customers do not modify and/or upgrade their systems to accept new releases of our products and services, our services to our customers could be delayed or interrupted, which could result in lost revenues or customers, lower margins, or other harm to our business and reputation.

We depend on reliable, stable, efficient and uninterrupted operation of our technology network, systems, and data centers to provide service to our customers. Many of the services and systems upon which we rely have been outsourced to third parties. In addition, many of our revenue streams are dependent on links to third party telecommunications providers. These systems and operations, and the personnel that support, service and operate these systems, could be exposed to interruption, damage or destruction from power loss, telecommunication failures, computer viruses, denial-of-service attacks, employee or insider malfeasance, human error, fire, natural disasters, war, terrorist acts or civil unrest. We may not have sufficient disaster recovery or redundant operations in place to cover a loss or failure of systems or telecommunications links in a timely manner. Any significant delay or interruption could result in lost revenues or customers, lower margins, or other significant harm to our business or reputation.

Security breaches and other disruptions to our information technology infrastructure could interfere with our operations, and could compromise Company, customer and consumer information, exposing us to liability which could cause our business and reputation to suffer.

In the ordinary course of business, we rely upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business processes and activities, including business-to-business and business-to-consumer electronic commerce and internal accounting and financial reporting systems. Additionally, we collect and store sensitive data, including intellectual property, proprietary business information and personally identifiable information of our customers, employees, consumers and suppliers, in data centers and on information technology networks. The secure and uninterrupted operation of these networks and systems, and of the processing and maintenance of this information, is critical to our business operations and strategy.

Despite our substantial investment in physical and technological security measures, employee training, contractual precautions and business continuity plans, our information technology networks and infrastructure or those of our third-party vendors and other service providers could be vulnerable to damage, disruptions, shutdowns, or breaches of confidential

information due to criminal conduct, denial of service or other advanced persistent attacks by hackers, employee or insider error or malfeasance, or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. Unauthorized access to data files or our information technology systems and applications could result in inappropriate use, change or disclosure of sensitive and/or personal data of our customers, employees, consumers and suppliers.

We are regularly the target of attempted cyber and other security threats and must continuously monitor and develop our information technology networks and infrastructure to prevent, detect, address and mitigate the risk of unauthorized access, misuse, computer viruses and other events that could have a security impact. Insider or employee cyber and security threats are increasingly a concern for all large companies, including ours. Although we are not aware of any material breach of our data, properties, networks or systems, if one or more of such events occur, this potentially could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could subject us to litigation, regulatory fines, penalties or reputational damage, any of which could have a material effect on our cash flows, competitive position, financial condition or results of operations. Our property and business interruption insurance may not be adequate to compensate us for all losses or failures that may occur. Also, our third-party insurance coverage will vary from time to time in both type and amount depending on availability, cost and our decisions with respect to risk retention.

We and our customers are subject to various current governmental regulations, and could be affected by new laws or regulations, compliance with which may cause us to incur significant expenses and change our business practices, and if we fail to maintain satisfactory compliance with certain regulations, we could be subject to civil or criminal penalties.

We are subject to a number of U.S. and state and foreign laws and regulations relating to consumer privacy, data and financial protection. These regulations are complex, change frequently, have tended to become more stringent over time, and are subject to administrative interpretation and judicial construction in ways that could harm our business. Foreign data protection, privacy, consumer protection and other laws and regulations are often more restrictive than those in the U.S. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning data protection that could affect us.

Under Title X of the Dodd-Frank Act, the CFPB has broad powers to promulgate, administer and enforce consumer financial regulations, including those applicable to us and to many of our customers. The CFPB has oversight of the FCRA, the federal regulation most directly impacting U.S. operations. The CFPB is also charged with defining “unfair, deceptive or abusive acts and practices,” known as “UDAAP.” Also, where a company has violated Title X of the Dodd-Frank Act, or CFPB regulations under Title X, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions for the kind of cease and desist orders available to the CFPB (but not for civil penalties). During 2016, the CFPB publicly announced 35 enforcement actions, imposing \$300.5 million in civil money penalties, and ordering \$34 million in restitution and \$256.2 million in balance reductions.

In the U.K., we are subject to a regulatory framework which provides for primary regulation by the FCA. The FCA focuses on consumer protection and market regulation as well as prudential supervision of regulated financial institutions. The FCA has significant powers, including the power to regulate conduct related to the marketing of financial products, specify minimum standards and to place requirements on products, impose unlimited fines, and to investigate organizations and individuals. In addition, the FCA is able to ban financial products for up to a year while considering an indefinite ban; it has the power to instruct firms to immediately retract or modify promotions which it finds to be misleading, and to publish such decisions. Our core credit reporting (“credit reference”) and debt collections services businesses in the U.K. are subject to FCA supervision and we will require certain corporate and “approved person” authorizations from the FCA to carry on such businesses. Our license application for our debt collection

services businesses (TDX) was approved in 2016, and our application for authorization in our capacity as a credit reference agency is under review. Although we do not currently anticipate any issues in receiving authorization, to the extent applicable approvals are not obtained in a timely manner, or at all, we may not conduct these businesses in the U.K.

In Europe, we are subject to the E.U. Data Protection Regulation, or GDPR, which will replace the comprehensive 1995 European Union Data Protection Directive. The GDPR establishes several obligations that organizations must follow with respect to use of personal data, including a prohibition on the transfer of personal information from the E.U. to other countries whose laws do not protect personal data to an "adequate" level of privacy or security. The new standards for adequacy are generally stricter and more comprehensive than that of the U.S. and most other countries where Equifax operates. In the U.K., regulatory limitations affect our use of the Electoral Roll, one of our key data sources in that jurisdiction. Generally, the data underlying the products offered by our U.K. Information Services and Global Consumer Solutions product lines, excluding our Commercial Services products, are subject to these regulations. In Spain and Portugal, privacy laws also regulate all credit

bureau and personal solutions activities. The GDPR, among other things, will tighten data protection requirements and make enforcement more rigorous, for example, by streamlining enforcement at a European level, introducing data breach notification requirements and increasing penalties for non-compliance. The GDPR was passed by the E.U. Parliament in the spring of 2016 and will become fully effective in May 2018, following a two-year implementation period.

New legislation regarding data protection and credit reporting is under consideration in several Latin American countries, including legislation that proposes to adopt EU standards. Periodically, legislative amendments are proposed to prohibit the use of certain data for credit reference purposes, shorten the period during which data may be stored and create new access and notification rights for data subjects. While the potential impact of the foregoing regulatory changes is unlikely to be material in the aggregate to our business, if the market opportunity were to be restricted significantly in Argentina or Chile and/or in a combination of the smaller Latin American countries in which we operate, the impact on our International operating results could be material. We are also subject to rules and regulations relating to consumer privacy, data and financial protection in the other jurisdictions in which we operate, including Australia and New Zealand. If we violate, or otherwise fail to comply with these regulations, our International operating results could be adversely affected. See “Item 1. Business - Government Regulation” in this Form 10-K.

We devote substantial compliance, legal and operational business resources to facilitate compliance with applicable regulations and requirements. Additionally, we cooperate with CFPB supervisory examinations and respond to other state and federal investigations of our business practices. Any failure by us to comply with, or remedy any violations of, applicable laws and regulations could result in the curtailment of certain of our operations, the imposition of fines and penalties, and restrictions on our ability to carry on or expand our operations. In addition, because many of our products are regulated or sold to customers in various industries, we must comply with additional regulations in marketing our products. We cannot predict the ultimate impact on our business of new or proposed CFPB, FCA or other rules, supervisory examinations or government investigations or enforcement actions.

These laws and regulations (as well as actions that may be taken by legislatures and regulatory bodies in other countries) and the consequences of any violation could limit our ability to pursue business opportunities we might otherwise consider engaging in, impose additional costs on us, result in significant loss of revenue, result in significant restitution and fines, impact the value of assets we hold, or otherwise significantly adversely affect our business. See “Item 1. Business – Government Regulation” in this Form 10-K.

We are regularly involved in claims, suits, government investigations, supervisory examinations and other proceedings that may result in adverse outcomes.

We are regularly involved in claims, suits, government investigations, supervisory examinations and regulatory proceedings arising from the ordinary course of our business, including actions with respect to consumer protection and data protection, including purported class action lawsuits. Such claims, suits, government investigations, and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of their outcome, such legal proceedings can have an adverse impact on us because of legal costs, diversion of management and other personnel, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties, or sanctions, as well as judgments, consent decrees, or orders preventing us from offering certain features, functionalities, products, or services, or requiring a change in our business practices, products or technologies, which could in the future materially and adversely affect our business, operating results, and financial condition. The FCRA contains an attorney fee shifting provision to provide an incentive for consumers to bring individual and class action lawsuits against a CRA for violation of the FCRA, and the number of consumer lawsuits (both individual and class action) against us alleging a violation of FCRA and our resulting costs associated with resolving these lawsuits have increased substantially over the past several years.

We rely, in part, on acquisitions, joint ventures and other alliances to grow our business and expand our geographic reach. If we are unable to make acquisitions or successfully develop and maintain joint ventures and other alliances, our growth may be adversely impacted. In addition, the acquisition, integration or divestiture of businesses by us may not produce the expected financial or operating results.

During 2016, we acquired Veda, the leading provider of credit information and analysis in Australia and New Zealand, for cash consideration plus debt assumed of approximately \$1.9 billion as well as other smaller businesses. In January 2014, we acquired the TDX, a debt placement service and debt management platform company in the United Kingdom for approximately \$323 million. During 2013, we acquired TrustedID, a direct-to-consumer identity protection business, and several smaller international businesses. Expected benefits, synergies and growth from these initiatives may not materialize as planned. We may have difficulty assimilating new businesses and their products, services, technologies and personnel into our operations.

We may also have difficulty integrating and operating businesses in countries and geographies where we do not currently have a significant presence. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and materially adversely affect our operating results and financial condition. Also, we may not be able to retain key management and other critical employees after an acquisition.

Dependence on outsourcing certain portions of our operations may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology and other administrative functions may impair our ability to operate effectively.

As part of our efforts to streamline operations and to reduce operating costs, we have outsourced various components of our application development, information technology, operational support and administrative functions and will continue to evaluate additional outsourcing. Although we have implemented service level agreements and have established monitoring controls, if our outsourcing vendors fail to perform their obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and support our customers, and our reputation could suffer. Any failure to perform on the part of these third-party providers could impair our ability to operate effectively and could result in lower future revenue, unexecuted efficiencies and adversely impact our results of operations and our financial condition. Much of our outsourcing takes place in developing countries and, as a result, may be subject to geopolitical uncertainty.

The impact of consolidation in our customer end markets is difficult to predict and may harm our business.

The financial services, mortgage, retail and telecommunications industries to which we sell our products and services are intensely competitive and have been subject to increasing consolidation. Continuation of the consolidation trends in these and other industries could result in lower average prices for the larger combined entities, lower combined purchases of our services than were purchased cumulatively by separate entities prior to consolidation or existing competitors increasing their market share in newly consolidated entities, which could have a material adverse effect on our business, financial condition and results of operations. We may not be able to compete successfully in an increasingly consolidated industry and cannot predict with certainty how industry consolidation will affect our competitors or us.

Changes in income tax laws can significantly impact our net income.

Federal and state governments in the U.S. as well as a number of other governments around the world are currently facing significant fiscal pressures and have considered or may consider changes to their tax laws for revenue raising or economic competitiveness reasons. Changes to tax laws can have immediate impacts, either favorable or unfavorable, on our results of operations and cash flows, and may impact our competitive position versus certain competitors who are domiciled in other jurisdictions and subject to different tax laws.

If our government contracts are terminated, if we are suspended from government work, or if our ability to compete for new contracts is adversely affected, our business could suffer.

We derive a portion of our revenue from direct and indirect sales to U.S., state, local and foreign governments and their respective agencies. Such contracts are subject to various procurement laws and regulations, and contract provisions relating to their formation, administration and performance. Failure to comply with these laws, regulations or provisions in our government contracts could result in the imposition of various civil and criminal penalties, termination of contracts, forfeiture of profits, suspension of payments, or suspension of future government contracting. Also, the government programs to which we provide services, or which are the basis of compliance services we provide non-governmental clients, including, in particular, the Affordable Care Act, may be terminated or substantially altered by the government and our services would no longer be needed. If our government contracts are

terminated, if we are suspended from government work, if the services we provide are no longer needed due to government program change or termination, or if our ability to compete for new contracts is adversely affected, our business could suffer.

Third parties may claim that we are infringing on their intellectual property and we could suffer significant litigation or licensing expenses or be prevented from selling products or services.

From time to time, third parties may claim that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to such claims on a case by case basis. Any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation and could divert our management and key personnel from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction

against development and sale of certain of our products or services. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of intellectual property infringement. In certain of our businesses we rely on third-party intellectual property licenses and we cannot ensure that these licenses will be available to us in the future on favorable terms or at all.

Third parties may infringe on our intellectual property and we may suffer competitive injury or expend significant resources enforcing our rights.

Our success increasingly depends on our proprietary technology. We rely on various intellectual property rights, including patents, copyrights, database rights, trademarks and trade secrets, as well as confidentiality provisions and licensing arrangements, to establish our proprietary rights. The extent to which such rights can be protected varies in different jurisdictions. If we do not enforce our intellectual property rights successfully our competitive position may suffer which could harm our operating results. Our pending patent and trademark applications may not be allowed or competitors may challenge the validity or scope of our intellectual property rights. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us a significant competitive advantage.

We may need to spend significant resources monitoring our intellectual property rights and we may or may not be able to detect infringement by third parties. Our competitive position may be harmed if we cannot detect infringement and enforce our intellectual property rights quickly or at all. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and our ability to enforce them may be unavailable or limited in some countries which could make it easier for competitors to capture market share and could result in lost revenue.

Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.

Sales outside the U.S. comprised 27% of our net operating revenue in 2016. As a result, our business is subject to various risks associated with doing business internationally. In addition, many of our employees, suppliers, job functions and facilities are located outside the U.S. Accordingly, our future results could be harmed by a variety of factors including:

- changes in specific country or region political, economic or other conditions;
- trade protection measures;
- data privacy and consumer protection regulations;
- difficulty in staffing and managing widespread operations;
- differing labor, intellectual property protection and technology standards and regulations;
- business licensing requirements or other requirements relating to making foreign direct investments, which could increase our cost of doing business in certain jurisdictions, prevent us from entering certain markets, increase our operating costs or lead to penalties or restrictions;
- difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner;
- implementation of exchange controls;
- geopolitical instability, including terrorism and war; and
- foreign currency changes.

We earn revenue, pay expenses, own assets and incur liabilities in countries using currencies other than the U.S. dollar, including among others the British pound, the Australian dollar, the Canadian dollar, the Argentine peso, the Chilean peso, the Euro, the New Zealand dollar, the Costa Rican peso, the Singapore dollar, the Brazilian real, the Russian ruble and the Indian rupee. Because our consolidated financial statements are presented in U.S. dollars, we

must translate revenue, income and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U.S. dollar against major currencies will affect our net operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. In 2016, a general weakening of foreign currencies in countries where we have operations against the U.S. dollar had a negative impact on our results as reported in U.S. dollars. See “Segment Financial Results – International – Europe”, – Asia Pacific”, –Latin America”, and “– Canada” and “Effects of Inflation and Changes in Foreign Currency Exchange Rates” in the Management’s Discussion and Analysis section of this Form 10-K. Because of the geographic diversity of our operations, weaknesses in some currencies might be offset by strengths in others over time. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Accordingly, fluctuations in

foreign currency exchange rates, particularly the strengthening of the U.S. dollar against major currencies, may materially affect our consolidated financial results.

We also have a cost method investment in a credit information company in Brazil valued in Brazilian reais. Economic and competition risks within Brazil, and the company's ability to successfully implement its strategic and operating plans, have had an adverse financial impact on the value of our investment and could result in an additional impairment of the investment.

Compliance with applicable U.S. and foreign laws and regulations, such as anti-corruption laws, tax laws, foreign exchange controls and restrictions on repatriation of earnings or other similar restraints, data privacy requirements, labor laws and anti-competition relations increases the cost of doing business in foreign jurisdictions. Although we have implemented policies and procedures to comply with these laws and regulations, a violation by our employees, contractors or agents could nevertheless occur.

The U.K.'s impending departure from the EU could adversely affect us.

The referendum on the U.K.'s membership in the EU (referred to as "Brexit"), approving the exit of the U.K. from the EU could cause disruptions to and create uncertainty surrounding our business, including affecting our relationships with our existing and future clients, suppliers and employees, which could have an adverse effect on our business, financial results and operations. While the referendum was non-binding, the U.K. parliament has voted in favor of allowing the government to commence negotiations to determine the future terms of the U.K.'s relationship with the EU, including the terms of trade between the U.K. and the EU and other nations. The effects of Brexit will depend on any agreements the U.K. makes to retain access to EU markets either during a transitional period or more permanently. In addition, developments regarding Brexit may also create global economic uncertainty, which may cause our clients to closely monitor their costs and reduce their spending on our solutions and services.

A downgrade to our credit ratings would increase our cost of borrowing under our credit facility and adversely affect our ability to access the capital markets.

We are party to a \$900.0 million unsecured, revolving credit facility that matures in November 2020 and an \$800.0 million term loan facility that matures in November 2018 (collectively, the "Credit Facilities"). The cost of borrowing under Credit Facilities and our ability and the terms under which we may access the credit markets are affected by credit ratings assigned to our indebtedness by the major credit rating agencies. These ratings are premised on our performance under assorted financial metrics, such as leverage and interest coverage ratios and other measures of financial strength, business and financial risk, industry conditions, transparency with rating agencies and timeliness of financial reporting. Our current ratings have served to lower our borrowing costs and facilitate access to a variety of lenders. However, there can be no assurance that our credit ratings or outlook will not be lowered in the future in response to adverse changes in these metrics caused by our operating results or by actions that we take, such as incurring additional indebtedness or by returning excess cash to shareholders through dividends or under our share repurchase program. A downgrade of our credit ratings would increase our cost of borrowing under the Credit Facilities, negatively affect our ability to access the capital markets on advantageous terms, or at all, negatively affect the trading price of our securities and have a material adverse effect on our business, financial condition and results of operations.

Changes in interest rates could adversely affect our cost of capital and net income.

Rising interest rates, credit market dislocations and decisions and actions by credit rating agencies can affect the availability and cost of our funding and adversely affect our net income.

Our business will suffer if we are not able to retain and hire key personnel.

Our future success depends partly on the continued service of our key development, sales, marketing, executive and administrative personnel. Additionally, increased retention risk exists in certain key areas of our operations that require specialized skills, such as maintenance of certain legacy computer systems, data security experts and analytical modelers. If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business. We believe our pay levels are competitive within the regions in which we operate. However, there is also intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to retain our key employees.

Our retirement and post-retirement pension plans are subject to financial market risks that could adversely affect our future results of operations and cash flows.

We have significant retirement and post retirement pension plan assets and obligations. The performance of the financial markets and interest rates impact our plan expenses and funding obligations. Significant decreases in market interest rates, decreases in the fair value of plan assets and investment losses on plan assets will increase our funding obligations, and adversely impact our results of operations and cash flows.

We are subject to a variety of other general risks and uncertainties inherent in doing business.

In addition to the specific factors discussed above, we are subject to risks that are inherent to doing business. These include growth rates, general economic and political conditions, customer satisfaction with the quality of our services, costs of obtaining insurance, changes in unemployment rates, and other events that can impact revenue and the cost of doing business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our executive offices are located at 1550 Peachtree Street, N.W., Atlanta, Georgia. Our other properties are geographically distributed to meet sales and operating requirements worldwide. We consider these properties to be both suitable and adequate to meet our current operating requirements. We ordinarily lease office space for conducting our business and are obligated under approximately 80 leases and other rental arrangements for our field locations. We owned 8 office buildings at December 31, 2016, including our executive offices, one campus which houses our Alpharetta, Georgia data center, a building utilized by our Workforce Solutions operations located in St. Louis, Missouri, as well as four buildings utilized by our Latin America operations located in Mexico City, Mexico, Sao Paulo, Brazil, and Asuncion, Paraguay. We also own 23.5 acres adjacent to the Alpharetta, Georgia data center.

For additional information regarding our obligations under leases, see Note 6 of the Notes to Consolidated Financial Statements in this report. We believe that suitable additional space will be available to accommodate our future needs.

ITEM 3. LEGAL PROCEEDINGS

California Bankruptcy Litigation. In consolidated actions filed in the U.S. District Court for the Central District of California, captioned Terri N. White, et al. v. Equifax Information Services LLC, Jose Hernandez v. Equifax Information Services LLC, Kathryn L. Pike v. Equifax Information Services LLC, and Jose L. Acosta, Jr., et al. v. Trans Union LLC, et al. , plaintiffs asserted that Equifax violated federal and state law (the FCRA, the California Credit Reporting Act and the California Unfair Competition Law) by failing to follow reasonable procedures to determine whether credit accounts are discharged in bankruptcy, including the method for updating the status of an account following a bankruptcy discharge. On August 20, 2008, the District Court approved a Settlement Agreement and Release providing for certain changes in the procedures used by defendants to record discharges in bankruptcy on consumer credit files. That settlement resolved claims for injunctive relief, but not plaintiffs' claims for damages. On May 7, 2009, the District Court issued an order preliminarily approving an agreement to settle remaining class claims. The District Court subsequently deferred final approval of the settlement and required the settling parties to send a supplemental notice to those class members who filed a claim and objected to the settlement or opted out, with the cost for the re-notice to be deducted from the plaintiffs' counsel fee award. Mailing of the supplemental notice was completed on February 15, 2011 and the deadline for this group of settling plaintiffs to provide additional documentation to support their damage claims or to opt-out of the settlement was March 31, 2011. On July 15, 2011, the District Court approved the settlement. Several objecting plaintiffs subsequently filed notices of appeal to the U.S. Court of Appeals for the Ninth Circuit, which, on April 22, 2013, issued an order vacating the settlement and remanding the case to the District Court for further proceedings. On January 21, 2014, the District Court denied the objecting plaintiffs' motion to disqualify counsel for the settling plaintiffs and granted the motion of counsel for the settling plaintiffs to be appointed as interim lead class counsel. On March 28, 2016, the U.S. Court of Appeals for the Ninth Circuit affirmed the District Court's lead counsel appointment. On January 9, 2017, the United States Supreme Court denied the objectors' Petition for a Writ of Certiorari. The parties have re-engaged in settlement discussions, including participation in mediations in August 2016 and November 2016, and have reached an agreement in principle to again settle the monetary claims. The parties are currently drafting the necessary settlement documents. The deadline to file the settlement documents with the Court is March 17, 2017 and the Court has scheduled a hearing on the expected Motion for Preliminary Approval on May 2, 2017.

CFPB Investigations. In February 2014, we received a Civil Investigative Demand (a "CID") from the Consumer Financial Protection Bureau (the "CFPB" or the "Bureau") as part of its investigation to determine whether nationwide consumer reporting agencies have been or are engaging in unlawful acts or practices relating to the advertising, marketing, sale or provision of consumer reports, credit scores or credit monitoring products in violation of the Dodd Frank Act or the Fair Credit Reporting Act. The CID requested the production of documents and answers to written questions. A second CID was issued in July 2015, seeking additional documents and information. In January 2017, the Company reached a settlement of this investigation with the CFPB. The settlement requires the payment of \$3.8 million in consumer restitution plus \$2.5 million in civil money penalties. In addition, the Company has agreed to modify certain marketing practices.

In June 2016, we received a CID from the CFPB as part of an investigation to determine whether Equifax Workforce Solutions has been or is engaging in unlawful acts or practices relating to the creation, provision, handling, advertising, marketing or sale of consumer reports or similar products or services in violation of the Dodd Frank Act or the Fair Credit Reporting Act. In December 2016, the CFPB notified the Company that it completed its investigation and currently does not intend to take any enforcement action against Equifax Workforce Solutions.

Other. Equifax has been named as a defendant in various other legal actions, including administrative claims, regulatory matters, government investigations, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have strong defenses to and, where appropriate, will vigorously

contest, many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding our accounting for legal contingencies, see Note 6 of the Notes to Consolidated Financial Statements in this Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Equifax's common stock is traded on the New York Stock Exchange under the symbol "EFX." As of January 31, 2017, Equifax had approximately 3,819 holders of record; however, Equifax believes the number of beneficial owners of common stock exceeds this number.

The table below sets forth the high and low sales prices per share of Equifax common stock, as reported on the New York Stock Exchange, for each quarter in the last two fiscal years and dividends declared per share:

	High Sales Price	Low Sales Price	Dividends (1)
2016			
First Quarter	\$ 113.39	\$ 92.19	\$ 0.33
Second Quarter	\$ 127.73	\$ 112.58	\$ 0.33
Third Quarter	\$ 135.72	\$ 127.80	\$ 0.33
Fourth Quarter	\$ 133.61	\$ 111.54	\$ 0.33
2015			
First Quarter	\$ 94.90	\$ 79.62	\$ 0.29
Second Quarter	\$ 101.13	\$ 91.61	\$ 0.29
Third Quarter	\$ 105.86	\$ 90.94	\$ 0.29
Fourth Quarter	\$ 114.46	\$ 96.22	\$ 0.29

(1) Equifax's Senior Credit Facilities, as defined in Item 7 of this Form 10-K, restricts our ability to pay cash dividends on our capital stock or repurchase capital stock if a default exists or would result according to the terms of the credit agreement.

Shareholder Return Performance Graph

The graph on the below compares Equifax's five-year cumulative total shareholder return with that of the Standard & Poor's Composite Stock Index (S&P 500) and a peer group index, the S&P 500 Banks Index (Industry Group). The graph assumes that value of the investment in our Common Stock and each index was \$100 on the last trading day of 2011 and that all quarterly dividends were reinvested without commissions. Our past performance may not be indicative of future performance.

COMPARATIVE FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG EQUIFAX INC., S&P 500 INDEX, AND DOW JONES U.S. GENERAL FINANCIAL INDEX

	Fiscal Year Ended December 31,					
	Initial	2012	2013	2014	2015	2016
Equifax Inc.	100.00	141.91	183.80	218.08	303.76	321.99
S&P 500 Index	100.00	116.00	153.57	174.59	177.00	196.31
S&P 500 Banks Index (Industry Group)	100.00	121.19	160.27	181.52	179.45	215.65

The table below contains information with respect to purchases made by or on behalf of Equifax of its common stock during the fourth quarter ended December 31, 2016:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly-Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (3)
October 1 - October 31, 2016	54,455	\$	—	\$ 667,199,250
November 1 - November 30, 2016	1,159	\$	—	\$ 667,199,250
December 1 - December 31, 2016	807	\$	—	\$ 667,199,250
Total	56,421	\$	—	\$ 667,199,250

The total number of shares purchased includes: (a) shares purchased pursuant to our publicly-announced share repurchase program, or Program; and (b) shares surrendered, or deemed surrendered, in satisfaction of the exercise (1) price and/or to satisfy tax withholding obligations in connection with the exercise of employee stock options and vesting of restricted stock, totaling 54,455 shares for the month of October 2016, 1,159 shares for the month of November 2016 and 807 shares for the month of December 2016.

(2) Average price paid per share for shares purchased as part of our Program (includes brokerage commissions).

Under the Program, we did not repurchase any common shares during the twelve months ended December 31, (3) 2016. At December 31, 2016, the amount authorized for future share repurchases under the Program was \$667.2 million.

Information relating to compensation plans under which the Company's equity securities are authorized for issuance is included in the section captioned "Equity Compensation Plan Information" in our 2017 Proxy Statement and is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The table below summarizes our selected historical financial information for each of the last five years. The summary of operations data for the years ended December 31, 2016, 2015, 2014, and the balance sheet data as of December 31, 2016 and 2015, have been derived from our audited Consolidated Financial Statements included in this report. The summary of operations data for the years ended December 31, 2013 and 2012, and the balance sheet data as of December 31, 2014, 2013 and 2012, have been derived from our audited Consolidated Financial Statements not included in this report. The historical selected financial information may not be indicative of our future performance and should be read in conjunction with the information contained in Management's Discussion and Analysis of Financial Condition and Results of Operations, and the Consolidated Financial Statements and the accompanying Notes to the Consolidated Financial Statements in this report.

	Twelve Months Ended December 31,				
	2016 ⁽¹⁾	2015 ⁽²⁾⁽³⁾	2014 ⁽⁴⁾	2013 ⁽⁵⁾⁽⁶⁾	2012 ⁽⁷⁾⁽⁸⁾
	(In millions, except per share data)				
Summary of Operations:					
Operating revenue	\$3,144.9	\$2,663.6	\$2,436.4	\$2,303.9	\$2,073.0
Operating expenses	2,327.0	1,969.7	1,798.2	1,692.7	1,593.0
Operating income	817.9	693.6	638.2	611.2	480.0
Consolidated income from continuing operations	495.1	434.8	374.0	341.5	275.3
Discontinued operations, net of tax ⁽²⁾⁽⁷⁾	—	—	—	18.4	5.5
Net income attributable to Equifax	\$488.8	\$429.1	\$367.4	\$351.8	\$272.1
Dividends paid to Equifax shareholders	\$157.6	\$137.8	\$121.2	\$106.7	\$86.0
Diluted earnings per share					
Net income from continuing operations attributable to Equifax	\$4.04	\$3.55	\$2.97	\$2.69	\$2.18
Discontinued operations attributable to Equifax	—	—	—	0.15	0.04
Net income attributable to Equifax	\$4.04	\$3.55	\$2.97	\$2.84	\$2.22
Cash dividends declared per share	\$1.32	\$1.16	\$1.00	\$0.88	\$0.72
Weighted-average shares outstanding (diluted)	121.1	120.9	123.5	123.7	122.5
	As of December 31,				
	2016 ⁽¹⁾	2015 ⁽²⁾⁽³⁾	2014 ⁽⁴⁾	2013 ⁽⁵⁾⁽⁶⁾	2012 ⁽⁷⁾⁽⁸⁾
	(In millions)				
Balance Sheet Data:					
Total assets	\$6,664.0	\$4,501.5	\$4,661.0	\$4,522.5	\$4,505.9
Short-term debt and current maturities	585.4	49.3	380.4	296.5	283.3
Long-term debt, net of current portion	2,086.8	1,138.4	1,145.7	1,145.5	1,447.4
Total debt, net	2,672.2	1,187.7	1,526.1	1,442.0	1,730.7
Total equity	2,721.3	2,350.4	2,234.6	2,341.0	1,959.2

(1) In the first quarter of 2016, we completed the acquisition of 100% of the ordinary voting shares of Veda for cash consideration plus debt assumed of approximately \$1.9 billion. The acquisition provides a strong platform for Equifax to offer data and analytic services and further broaden the Company's geographic footprint. Additionally, on August 23, 2016, the Company completed the acquisition of 100% of the assets and certain liabilities of

unemployment tax and claims management specialists Barnett & Associates ("Barnett"), as well as the verifications business, Computersoft,

LLC ("Computersoft"). For the year ended December 31, 2016, we recorded \$40.2 million (\$28.2 million, net of tax) for Veda acquisition related amounts. Of this amount, \$30.1 million relates to transaction and integration costs in operating income, \$9.2 million is recorded in other income and is the impact of foreign currency changes on the transaction structure, including the economic hedges, \$0.2 million is recorded in depreciation and amortization, and \$0.7 million is recorded in interest expense. For additional information, see Note 3 of the Notes to the Consolidated Financial Statements in this report.

In the first quarter of 2015, we recorded a \$20.7 million restructuring charge (\$13.2 million, net of tax) all of which was recorded in selling, general and administrative expenses on our Consolidated Statements of Income. This (2) charge resulted from our continuing efforts to realign our internal resources to support the Company's strategic objectives and increase the integration of our global operations. For additional information, see Note 12 of the Notes to Consolidated Financial Statements in this report.

During the second quarter of 2015, the management of Boa Vista Servicos S.A. ("BVS"), in which we hold a 15% cost method investment, updated the financial projections. The updated projections, along with the continued (3) weakness in the Brazilian consumer and small commercial credit markets were considered indicators of impairment. As a result of these changes, and the associated near-term changes in cash flow expected from the business, we recorded a 46.0 million Brazilian Reais (\$14.8 million) impairment of our investment. For additional information, see Note 2 of the Notes to Consolidated Financial Statements in this report.

During the first quarter of 2014, we acquired 100% of the stock of TDX, a data, technology and services company in the United Kingdom that specializes in debt collections and recovery management through the use of analytics, data exchanges and technology platforms. The results of this acquisition have been included in our USIS and (4) International operating segments subsequent to the acquisition. We also purchased Forseva, a provider of end-to-end, cloud-based credit-management software solutions. The results of this acquisition have been included in our USIS operating segment subsequent to the acquisition. For additional information about these acquisitions, see Note 3 of the Notes to Consolidated Financial Statements in this report.

During the first quarter of 2013, we divested two non-strategic business lines, Equifax Settlement Services, which was part of our Mortgage business within the USIS operating segment, and Talent Management Services, which (5) was part of our Employer Services business within our Workforce Solutions operating segment, for a total of \$47.5 million. We have presented the Equifax Settlement Services and Talent Management Services operations as discontinued operations for all periods presented.

During the fourth quarter of 2013, the management of BVS, in which we hold a 15% cost method investment, revised its near-term outlook and its operating plans to reflect reduced near-term market expectations for credit (6) information services in Brazil and increased investment needed to achieve its strategic objectives. As a result of these changes, and the associated near-term changes in cash flow expected from the business, we recorded a 40 million Brazilian Reais (\$17.0 million) impairment of our original investment of 130 million Brazilian Reais. For additional information, see Note 2 of the Notes to Consolidated Financial Statements in this report.

On December 28, 2012, we acquired certain credit services business assets and operations of Computer Sciences Corporation for \$1.0 billion. We financed the acquisition with available cash, the issuance of \$500 million of (7) 3.30% ten-year senior notes, and commercial paper borrowings under our CP program. The results of this acquisition are included in our USIS segment after the date of acquisition and were not material for 2012.

(8) During the fourth quarter of 2012, we offered certain former employees a voluntary lump sum payment option of their pension benefits or a reduced monthly annuity. Approximately 64% of the vested terminated participants elected to receive the lump sum payment which resulted in a payment of \$62.6 million from the assets in the

pension plan. An amendment to the USRIP was also approved which froze future salary increases for non-grandfathered participants and offered a one-time 9% increase to the service benefit. The settlement and amendment resulted in a \$38.7 million pension charge.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

All references to earnings per share data in Management's Discussion and Analysis, or MD&A, are to diluted earnings per share, or EPS, unless otherwise noted. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding.

BUSINESS OVERVIEW

We are a leading global provider of information solutions, employment and income verifications and human resources business process outsourcing services. We leverage some of the largest sources of consumer and commercial data, along with advanced analytics and proprietary technology, to create customized insights which enable our business customers to grow faster, more efficiently and more profitably, and to inform and empower consumers.

Businesses rely on us for consumer and business credit intelligence, credit portfolio management, fraud detection, decisioning technology, marketing tools, debt management and human resources-related services. We also offer a portfolio of products that enable individual consumers to manage their financial affairs and protect their identity. Our revenue stream is diversified among businesses across a wide range of industries, international geographies and individual consumers.

On February 24, 2016, we completed the acquisition of Veda for cash consideration plus debt assumed of approximately \$1.9 billion. We financed the cash portion of the purchase price through a combination of new debt, including the Term Loan, the 364-Day Revolver, and commercial paper. Refer to Note 5 for further information on debt.

Segment and Geographic Information

Segments. The USIS segment, the largest of our four segments, consists of three service lines: Online Information Solutions; Mortgage Solutions; and Financial Marketing Services. Online Information Solutions and Mortgage Solutions revenue is principally transaction-based and is derived from our sales of products such as consumer and commercial credit reporting and scoring, identity management, fraud detection and modeling services. USIS also markets certain decisioning software services, which facilitate and automate a variety of consumer and commercial credit-oriented decisions. Financial Marketing Services revenue is principally project and subscription based and is derived from our sales of batch credit and consumer wealth information such as those that assist clients in acquiring new customers, cross selling to existing customers and managing portfolio risk.

The International segment consists of Europe, Asia Pacific, Latin America and Canada. Following the acquisition of Veda, we have created an Asia Pacific reporting unit which consists mainly of our Australia and New Zealand operations. Canada's services are similar to our USIS offerings, while Europe, Asia Pacific and Latin America are made up of varying mixes of service lines that are in our USIS reportable segment. In Europe, Asia Pacific and Latin America, we also provide information and technology services to support lenders and other creditors in the collections and recovery management process.

The Workforce Solutions segment consists of the Verification Services and Employer Services business lines. Verification Services revenue is transaction-based and is derived primarily from employment and income verification.

Employer Services revenues are derived from our provision of certain human resources business process outsourcing services that include both transaction and subscription based product offerings. These services include unemployment claims management, employment-based tax credit services and other complementary employment-based transaction services.

Global Consumer Solutions revenue is both transaction and subscription based and is derived from the sale of credit monitoring and identity theft protection products, which we deliver electronically to consumers primarily via the internet in the U.S., Canada, and the U.K. We reach consumers directly and indirectly through partners. We also sell consumer and credit information to resellers who combine our information with other information to provide direct to consumer monitoring, reports and scores.

Geographic Information. We currently have significant operations in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, India, Mexico, New Zealand, Paraguay, Peru, Portugal, the Republic of Ireland, Spain, the U.K., Uruguay and the U.S. We also offer Equifax branded credit services in India and Russia through joint ventures, we have investments in consumer and/or commercial credit information companies through joint

ventures in Cambodia, Malaysia and Singapore, and have an investment in a consumer and commercial credit information company in Brazil. Of the countries we operate in, 73% of our revenue was generated in the U.S. during the twelve months ended December 31, 2016.

Key Performance Indicators. Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include measurements of operating revenue, change in operating revenue, operating income, operating margin, net income, diluted earnings per share, cash provided by operating activities and capital expenditures. Key performance indicators for the twelve months ended December 31, 2016, 2015 and 2014, include the following:

Key Performance Indicators				
Twelve Months Ended				
December 31,				
	2016	2015	2014	
(In millions, except per share data)				
Operating revenue	\$3,144.9	\$2,663.6	\$2,436.4	
Operating revenue change	18	% 9	% 6	%
Operating income	\$817.9	\$693.9	\$638.2	
Operating margin	26.0	% 26.1	% 26.2	%
Net income attributable to Equifax	\$488.8	\$429.1	\$367.4	
Diluted earnings per share	\$4.04	\$3.55	\$2.97	
Cash provided by operating activities	\$795.8	\$742.1	\$616.2	
Capital expenditures*	\$(191.5)	(150.7)	\$(86.4)	

*Amounts above also include capital expenditures in accounts payable.

Business Environment and Company Outlook

Demand for our services tends to be correlated to general levels of economic activity and to consumer credit activity, both enhanced by our own initiatives to expand our products and markets served, and to small commercial credit and marketing activity. In 2017, in the United States, we expect modest but improving growth in overall economic activity and consumer credit. Mortgage market originations are expected to be down in the double digit range for the year. The economic environments impacting five of our six largest international operations, in the U.K., Australia, Canada, Argentina, and Chile, are expected to strengthen in 2017 relative to 2016. In Spain, economic growth is expected to remain good in 2017, although somewhat slower than in 2016. In addition, at their current levels, weaker foreign exchange rates compared to the prior year, will negatively impact both growth in revenue and profit when reported in U.S. dollars.

Over the long term, we expect that our ongoing investments in new product innovation, business execution, enterprise growth initiatives, technology infrastructure, and continuous process improvement will enable us to deliver long-term multi-year average organic revenue growth ranging between 6% and 8% with additional growth of 1% to 2% derived from strategic acquisitions consistent with our long-term business strategy. We also expect to grow earnings per share at a somewhat faster rate than revenue over time as a result of both operating and financial leverage.

RESULTS OF OPERATIONS —

TWELVE MONTHS ENDED DECEMBER 31, 2016, 2015 AND 2014

Consolidated Financial Results

Operating Revenue

	Twelve Months Ended December 31			Change			
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014	
Operating Revenue				\$	%	\$	%
	(In millions)						
U.S. Information Solutions	\$1,236.5	\$1,171.3	\$1,079.9	\$65.2	6 %	\$91.4	8 %
International	803.6	568.5	572.2	235.1	41 %	(3.7)	(1)%
Workforce Solutions	702.2	577.7	490.1	124.5	22 %	87.6	18 %
Global Consumer Solutions	402.6	346.1	294.2	56.5	16 %	51.9	18 %
Consolidated operating revenue	\$3,144.9	\$2,663.6	\$2,436.4	\$481.3	18 %	\$227.2	9 %

Revenue for 2016 increased by 18% compared to 2015. The growth was driven by broad-based organic growth due to revenue increases in mortgage, government, healthcare, and direct to consumer reseller verticals as well as the Veda acquisition. The effect of foreign exchange rates reduced revenue by \$75.2 million or 3% in 2016 compared to 2015.

Revenue for 2015 increased by 9% compared to 2014. This broad-based growth was organic, and was driven by revenue increases in mortgage, direct to consumer reseller, healthcare, government, and auto verticals. The effect of foreign exchange rates reduced revenue by \$75.7 million or 3% in 2015 compared to 2014.

Operating Expenses

	Twelve Months Ended December 31			Change			
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014	
Operating Expenses				\$	%	\$	%
	(In millions)						
Consolidated cost of services	\$1,113.4	\$887.4	\$844.7	\$226.0	25 %	\$42.7	5 %
Consolidated selling, general and administrative expenses	948.2	884.3	751.7	63.9	7 %	132.6	18 %
Consolidated depreciation and amortization expense	265.4	198.0	201.8	67.4	34 %	(3.8)	(2)%
Consolidated operating expenses	\$2,327.0	\$1,969.7	\$1,798.2	\$357.3	18 %	\$171.5	10 %

Cost of Services. Cost of services increased \$226.0 million in 2016 compared to the prior year. The increase in cost of services, when compared to 2015, was due to the increase in production costs driven by higher revenues including the Veda acquisition, as well as increases in people costs, and to a lesser extent an increase in technology costs. The effect of changes in foreign exchange rates reduced cost of services by \$21.4 million.

Cost of services increased \$42.7 million in 2015 compared to the prior year. The increase in cost of services, when compared to 2014, was due to the increase in production costs driven by higher revenues, as well as increases in people costs, and to a lesser extent an increase in professional services. The effect of changes in foreign exchange rates reduced cost of services by \$25.3 million.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased \$63.9 million in 2016 as compared to 2015. The increase was due to Veda selling, general and administrative expense and integration and transaction costs and increases in people costs across the business. The increase was offset by a

decline in costs related to the

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realignment of internal resources. The impact of changes in foreign currency exchange rates decreased our selling, general and administrative expenses by \$23.7 million.

Selling, general and administrative expenses increased \$132.6 million in 2015 as compared to 2014. The increase was principally due to increases in people costs, and to a lesser extent to increases in marketing expenses, professional fees, as well as litigation expenses. The increase was also due to the costs related to the realignment of internal resources of \$20.7 million recorded in the first quarter of 2015. The impact of changes in foreign currency exchange rates decreased our selling, general and administrative expenses by \$24.6 million.

Depreciation and Amortization. Depreciation and amortization expense for 2016 increased by \$67.4 million primarily due to the Veda acquisition.

Depreciation and amortization expense for 2015 were slightly lower compared to 2014, due to foreign currency fluctuations of \$4.1 million

Operating Income and Operating Margin

Operating Income and Operating Margin	Twelve Months Ended December 31,			Change					
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014			
	(In millions)			\$	%	\$	%		
Consolidated operating revenue	\$3,144.9	\$2,663.6	\$2,436.4	\$481.3	18	% \$227.2	9	%	
Consolidated operating expenses	2,327.0	1,969.7	1,798.2	357.3	18	% 171.5	10	%	
Consolidated operating income	\$817.9	\$693.9	\$638.2	\$124.0	18	% \$55.7	9	%	
Consolidated operating margin	26.0	% 26.1	% 26.2	%	(0.1)pts			(0.1)pts	

Total company margin decreased slightly in 2016 versus 2015 due to transaction and integration costs as well as increased amortization of acquired intangibles related to the acquisition of Veda. This was partially offset by a decline in costs related to realignment of internal resources. Margins in our USIS, Workforce Solutions and Global Consumer businesses all increased in 2016, with these increases offset by lower margins in International, principally due to the Veda transaction and integration costs and related amortization of intangibles.

Total company margin decreased slightly in 2015 versus 2014, due to the costs for the realignment of internal resources of \$20.7 million and other increases in people costs. Margins increased substantially in both the Workforce Solutions and USIS segments, and partially offset by a decline in the margins of Global Consumer Solutions and lower margins in the International segment principally due to foreign exchange.

Interest Expense and Other Income (Expense), net

Consolidated Interest and Other Income (Expense), net	Twelve Months Ended December 31,			Change					
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014			
	(In millions)			\$	%	\$	%		
Consolidated interest expense	\$(92.1)	\$(63.8)	\$(68.6)	\$(28.3)	44	% \$4.8	(7)	%	
Consolidated other income, net	2.4	6.5	4.6	(4.1)	(63)	% 1.9	(41)	%	
Average cost of debt	3.5	% 4.5	% 4.3	%					
Total consolidated debt, net, at year end	\$2,672.2	\$1,187.7	\$1,526.1	\$1,484.5	125	% \$(338.4)	(22)	%	

Interest expense increased in 2016, when compared to 2015, due to an overall increase in our consolidated debt outstanding as of December 31, 2016 to fund the acquisition of Veda in 2016. Our average cost of debt decreased in 2016 compared to the prior year, due to the higher balance of low rate commercial paper outstanding and lower long-term rates related to the issuance of 2.3% and 3.25% Senior Notes.

Interest expense decreased in 2015, when compared to 2014, due to an overall decrease in our consolidated debt outstanding as of December 31, 2015. Our average cost of debt increased slightly in 2015 compared to the prior year, due to the higher ratio of higher interest debt and the low balance of low rate commercial paper outstanding.

The decrease in other income (expense), net, in 2016 is due to 2016 foreign exchange losses related to the Veda acquisition and the 2015 income from the settlement of escrow amounts related to an acquisition from January 2014 which did not recur in 2016. These items were partially offset by the impairment of our cost method investment in Brazil in the second quarter of 2015 which did not recur in 2016.

The increase in other income (expense), net, in 2015 is due to income from the settlement of escrow amounts related to an acquisition from January 2014, and the gain on foreign currency options put in place as an economic hedge of Veda's purchase price. This was partially offset by the impairment of our cost method investment in Brazil in the second quarter of 2015.

Income Taxes

	Twelve Months Ended December 31,			Change			
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014	
Provision for Income Taxes				\$	%	\$	%
	(In millions)						
Consolidated provision for income taxes	\$(233.1)	\$(201.8)	\$(200.2)	\$(31.3)	16%	\$(1.6)	1%
Effective income tax rate	32.0	% 31.7	% 34.9	%			

Overall, our effective tax rate was 32.0% for 2016, up from 31.7% for the same period in 2015. The 2016 rate benefited by 2% due to international related items, specifically higher earnings in lower tax jurisdictions and the rationalization of the structure of foreign subsidiaries. This was offset by other non-recurring permanent items that benefited the 2015 tax rate including the settlement of escrow related to a past acquisition and state law changes, that did not recur in 2016.

Overall, our effective tax rate was 31.7% for 2015, down from 34.9% for the same period in 2014. The 2015 rate benefited by 2% due to international related items specifically the increased recognition of foreign tax credits, and a permanent item associated with the settlement of escrows related to past acquisitions, and 1.4% due to state tax law changes.

Net Income

	Twelve Months Ended December 31,			Change			
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014	
Net Income				\$	%	\$	%
	(In millions, except per share amounts)						
Consolidated operating income	\$817.9	\$693.9	\$638.2	\$124.0	18%	\$55.7	9%
Consolidated other expense, net	(89.7)	(57.3)	(64.0)	(32.4)	57%	6.7	(10)%
Consolidated provision for income taxes	(233.1)	(201.8)	(200.2)	(31.3)	16%	(1.6)	1%
Consolidated net income	495.1	434.8	374.0	60.3	14%	60.8	16%
Net income attributable to noncontrolling interests	(6.3)	(5.7)	(6.6)	(0.6)	11%	0.9	(14)%
Net income attributable to Equifax	\$488.8	\$429.1	\$367.4	\$59.7	14%	\$61.7	17%
Diluted earnings per share:							
Net income attributable to Equifax	\$4.04	\$3.55	\$2.97	\$0.49	14%	\$0.58	20%
	121.1	120.9	123.5				

Weighted-average shares used in computing diluted earnings per share

Consolidated net income increased by \$60.3 million, or 14%, in 2016 compared to 2015 due to increased operating income in our USIS and Workforce Solutions businesses. This increase was partially offset by declines due to foreign

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exchange rates that impacted the International operating segment, the increase in interest expense, as well as increased corporate expenses as described below.

Consolidated net income increased by \$60.8 million, or 16%, in 2015 compared to 2014 due to increased operating income in our USIS and Workforce Solutions businesses. This increase was partially offset by declines due to foreign exchange rates that impacted the International operating segment, declines in the Global Consumer Solutions operating segment, as well as increased corporate expenses due significantly to the realignment of our internal resources, and increases in people costs.

Segment Financial Results

U.S. Information Solutions

U.S. Information Solutions	Twelve Months Ended December 31,			Change		2015 vs.	
	2016	2015	2014	2016 vs. 2015	%	2015 vs. 2014	%
	(In millions)						
Operating revenue:							
Online Information Solutions	\$879.3	\$842.1	\$779.5	\$37.2	4 %	\$62.6	8 %
Mortgage Solutions	142.2	124.1	105.7	18.1	15 %	18.4	17 %
Financial Marketing Services	215.0	205.1	194.7	9.9	5 %	10.4	5 %
Total operating revenue	\$1,236.5	\$1,171.3	\$1,079.9	\$65.2	6 %	\$91.4	8 %
% of consolidated revenue	39	% 44	% 44		%		
Total operating income	\$537.0	\$491.2	\$421.0	\$45.8	9 %	\$70.2	17 %
Operating margin	43.4	% 41.9	% 39.0		% 1.5 pts		2.9 pts

U.S. Information Solutions revenue increased 6% in 2016 as compared to the prior year. USIS realized solid growth from our mortgage business, as well as continued revenue growth in the automotive and financial services verticals.

U.S. Information Solutions revenue increased 8% in 2015 as compared to the prior year. USIS realized solid growth from our mortgage business, as well as continued revenue growth in the automotive and financial services verticals.

Online Information Solutions. Revenue for 2016 increased 4% when compared to the prior year, due to higher average revenue per unit and increased volumes to mortgage resellers, auto, and other resellers. Revenue also benefited from growth in identity and fraud solutions.

Revenue for 2015 increased 8% when compared to the prior year, due to higher average revenue per unit and increased volumes to mortgage resellers, auto, and other resellers. Revenue also benefited from growth in identity and fraud solutions.

Mortgage Solutions. Revenue increased 15% in 2016 when compared to prior year, driven by a strong market for refinancing and purchase activity, as well as growth from other mortgage product offerings.

Revenue increased 17% in 2015 when compared to prior year, driven by a strong market for refinancing and purchase activity, as well as growth from other mortgage product offerings.

Financial Marketing Services. Revenue increased 5% in 2016 as compared to 2015. The increases were driven by growth in our credit marketing services due to increased demand from financial services customers.

Revenue increased 5% in 2015 as compared to 2014. The increases were driven by growth in our credit marketing services due to increased demand from financial services customers.

U.S. Information Solutions Operating Margin. USIS operating margin increased to 43.4% in 2016 as compared to 2015 of 41.9%. Margin expansion resulted from strong revenue growth and product mix. USIS operating margin increased to 41.9% in 2015 as compared to 2014 of 39.0%. Margin expansion resulted from strong revenue growth and product mix.

International

International	Twelve Months Ended December 31, 2016			Change					
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014			
	(In millions)			\$	%	\$	%		
Operating revenue:									
Europe	\$253.6	\$237.5	\$234.9	\$16.1	7%	\$2.6	1%		
Asia Pacific	244.2	9.0	7.5	235.2	nm	1.5	20%		
Latin America	183.9	199.6	192.2	(15.7)	(8)%	7.4	4%		
Canada	121.9	122.4	137.6	(0.5)	—%	(15.2)	(11)%		
Total operating revenue	\$803.6	\$568.5	\$572.2	\$235.1	41%	\$(3.7)	(1)%		
% of consolidated revenue	26%	21%	23%						
Total operating income	\$111.4	\$113.5	\$121.0	\$(2.1)	(2)%	\$(7.5)	(6)%		
Operating margin	13.9%	20.0%	21.1%		(6.1)pts		(1.1)pts		

International revenue increased by 41% in 2016 as compared to 2015. Local currency organic revenue growth for 2016, which excludes Veda, was 12%, primarily driven by strong growth in Europe and Latin America. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$69.8 million, or 12%.

International revenue decreased by 1% in 2015 as compared to 2014. Local currency international revenue increased by 12% in 2015 as compared to prior year, as a result of growth across many geographies, including solid growth in Argentina and the U.K., compared to prior year. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$70.5 million, or 13%.

Europe. Local currency revenue growth was 18% in 2016 primarily due to growth in U.K. debt management services and analytical services in both the U.K. and Spain. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$25.9 million, or 11%, for 2016. Reported revenue increased 7% in 2016.

Local currency revenue growth was 12% in 2015 primarily due to increased revenue in the U.K. across most verticals. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$25.8 million, or 10%, for 2015. Reported revenue increased 1% in 2015.

Asia Pacific. Revenue growth of \$235.2 million in 2016 was driven by the Veda acquisition.

Latin America. Local currency revenue increased 12% in 2016 driven by core organic growth primarily in Argentina, Chile, and Paraguay. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$39.5 million, or 20%, in 2016, most notably due to depreciation in the foreign exchange rate of the Argentine peso. Reported revenue decreased 8% in 2016.

Local currency revenue increased 17% in 2015 driven by core organic growth primarily in Argentina. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$25.5 million, or 13%, in 2015, most notably due to depreciation in the foreign exchange rate of the Argentine peso and the Chilean peso. Reported revenue increased 4% in 2015.

Canada. Local currency revenue increased 3% in 2016 compared to 2015, primarily due to core organic growth. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$4.4 million, or 4%, in 2016. Reported revenue was flat in 2016.

Local currency revenue increased 3% in 2015 compared to 2014, primarily due to growth within information and analytical services. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$19.2 million, or 14%, in 2015. Reported revenue decreased 11% in 2015.

International Operating Margin. Operating margin decreased to 13.9% in 2016 as compared to 20.0% in 2015. The decline primarily resulted from increased purchased intangibles amortization, integration costs related to the Veda acquisition and a decline in the margin in Latin America. The decline was partially offset by increased margins in Europe and Canada. Operating

margin decreased in 2015 as compared to 2014 due to geographic and product mix, regionalization efforts, and investments in the U.K. The declines in margin were also a result of inflation-driven pressures on margin in Argentina.

Workforce Solutions

	Twelve Months Ended December 31			Change					
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014			
	(In millions)			\$	%	\$	%		
Workforce Solutions									
Operating Revenue:									
Verification Services	\$437.3	\$364.4	\$292.6	\$72.9	20 %	\$71.8	25 %		
Employer Services	264.9	213.3	197.5	51.6	24 %	15.8	8 %		
Total operating revenue	\$702.2	\$577.7	\$490.1	\$124.5	22 %	\$87.6	18 %		
% of consolidated revenue	22 %	22 %	20 %						
Total operating income	\$295.5	\$218.8	\$160.7	\$76.7	35 %	\$58.1	36 %		
Operating margin	42.1 %	37.9 %	32.8 %		4.2pts		5.1pts		

Workforce Solutions revenue increased by 22% in 2016 as compared to 2015 due to strong growth in the healthcare, mortgage, government, and financial verticals.

Workforce Solutions revenue increased by 18% in 2015 as compared to 2014 due to strong growth in the mortgage, healthcare, government, and financial verticals.

Verification Services. Revenue increased 20% in 2016 compared to prior year, due to strong growth in mortgage, government, financial, pre-employment screening and auto verticals, and continued addition of new records to The Work Number database.

Revenue increased 25% in 2015 compared to prior year, due to strong growth in mortgage, auto, pre-employment screening and government verticals, and continued addition of new records to The Work Number database.

Employer Services. Revenue grew 24% in 2016, as compared to 2015 due to growth in our workforce analytics and other employer services businesses.

Revenue grew 8% in 2015, as compared to 2014. Revenue growth was due to continued higher employment based tax credit activity due to the delayed approval of the Federal Work Opportunity Tax Credit program for 2014, as well as growth in our employer-based compliance solutions and workforce analytics business.

Workforce Solutions Operating Margin. Operating margin increased 420 basis points to 42.1% in 2016 as compared to 37.9% in 2015. Margin expansion in 2016 was driven by strong revenue growth in 2016. Operating margin increased 510 basis points to 37.9% in 2015 as compared to 32.8% in 2014. Margin expansion in 2015 was driven by product mix, as well as strong revenue growth in 2015.

Global Consumer Solutions

	Twelve Months Ended December 31			Change					
	2016	2015	2014	2016 vs. 2015		2015 vs. 2014			
	(In millions)			\$	%	\$	%		
Global Consumer Solutions									

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Total operating revenue	\$402.6	\$346.1	\$294.2	\$56.5	16 %	\$51.9	18 %
% of consolidated revenue	13	% 13	% 12	%			
Total operating income	\$112.4	\$95.2	\$93.4	\$17.2	18 %	\$1.8	2 %
Operating margin	27.9	% 27.5	% 31.8	%	0.4pts	(4.3)pts	

Revenue increased 16% for 2016, as compared to prior year. Local currency revenue grew 18% in 2016, principally due to the growth of direct to consumer reseller revenue, and to a lesser extent, due to consumer direct revenue growth

globally. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$5.4 million, or 2%, for 2016. Operating margin increased in 2016 to 27.9% as compared to 27.5% in the prior year, due to lower marketing expenses partially offset by higher production costs due to reseller product mix and increases in partner implementation costs.

Revenue increased 18% for 2015, as compared to prior year. Local currency revenue grew 19% in 2015, principally due to the growth of direct to consumer reseller revenue, and to a lesser extent, due to consumer direct revenue growth in the U.K. and the U.S. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$5.2 million, or 1%, for 2015. Operating margin decreased in 2015 to 27.5% as compared to 31.8% in prior year, due to higher technology and marketing expenses.

General Corporate Expense

Twelve Months Ended December 31,				Change			
				2016 vs.		2015 vs.	
				2015	2014	2015	2014
				\$	%	\$	%
General Corporate Expense				2016	2015	2014	
				(In millions)			
General corporate expense				\$238.4	\$224.8	\$157.9	\$13.6 6% \$66.9 42%

Our general corporate expenses are unallocated costs that are incurred at the corporate level and include those expenses impacted by corporate direction, including shared services, technology, administrative, legal, restructuring, and the portion of management incentive compensation determined by total company-wide performance. General corporate expense increased \$13.6 million in 2016 due to Veda transaction and integration costs as well as other increases in people costs, offset by a decline in costs related to the realignment of internal resources.

General corporate expense increased \$66.9 million in 2015, of which \$20.7 million relates to the realignment of internal resources in the first quarter of 2015, and increases in people costs, and to a lesser extent to increases in professional fees, as well as litigation expenses.

LIQUIDITY AND FINANCIAL CONDITION

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities and remain in a strong financial position managing our capital structure to meet short- and long-term objectives including reinvestment in existing businesses and strategic acquisitions.

Sources and Uses of Cash

Funds generated by operating activities and our credit facilities continue to be our most significant sources of liquidity. We expect that funds generated from results of operations will be sufficient to finance our anticipated working capital and other cash requirements (such as capital expenditures, interest payments, debt payments, potential pension funding contributions and dividend payments) for the foreseeable future. In the event that credit market conditions were to deteriorate, we would rely more heavily on borrowings from the commercial paper or corporate bond markets; or in the event that credit market conditions were to deteriorate, we would rely more heavily on borrowings from the Revolver, as described below. At December 31, 2016, \$589.2 million was available to borrow under our Revolver. Our Revolver does not include a provision under which lenders could refuse to allow us to borrow under this facility in the event of a material adverse change in our financial condition, as long as we are in compliance with the covenants contained in the lending agreement.

We were also a party to the 364-Day Revolver, which is an \$800.0 million revolving credit facility. On May 16, 2016, we repaid all outstanding borrowings of \$475 million and terminated the 364-Day Revolver using a portion of the net proceeds from the issuance of the senior notes discussed below.

Information about our cash flows, by category, is presented in the Consolidated Statements of Cash Flows. The following table summarizes our cash flows for the twelve months ended December 31, 2016, 2015 and 2014:

	Twelve Months Ended December 31,			Change	
Net cash provided by (used in):	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(In millions)				
Operating activities	\$795.8	\$742.1	\$616.2	\$53.7	\$ 125.9
Investing activities	\$(1,975.9)	\$(147.8)	\$(429.3)	\$(1,828.1)	\$ 281.5
Financing activities	\$1,187.5	\$(612.0)	\$(283.4)	\$1,799.5	\$ (328.6)

Operating Activities

Cash provided by operating activities for 2016 increased by \$53.7 million over the prior year, due to \$60.3 million growth in net income, partially offset by an increase in working capital mostly driven by an increase in accounts receivable, lower growth in other liabilities, current and long-term, excluding debt, compared to 2015.

Cash provided by operating activities for 2015 increased by \$125.9 million over the prior year, due to \$75.6 million growth in net income, adjusted for the Brazil impairment, and improvements in working capital, notably an increase in current liabilities related to current payables, incentives and unearned income.

Fund Transfer Limitations. The ability of certain of our subsidiaries and associated companies to transfer funds to us may be limited, in some cases, by certain restrictions imposed by foreign governments. These restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends. We currently hold \$117.4 million of cash in our foreign subsidiaries.

Investing Activities

	Twelve Months Ended December 31,			Change	
Net cash used in:	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(In millions)				
Capital expenditures*	\$(173.5)	\$(146.2)	\$(86.4)	\$(27.3)	\$ (59.8)

*Amounts above exclude capital expenditures in accounts payable.

Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding equipment, updating systems for regulatory compliance, licensing of standard software applications, investing in system reliability, security and disaster recovery enhancements, and updating or expanding our office facilities.

Capital expenditures in 2016 and 2015 increased from 2015 and 2014, respectively, as we are continuing to invest in new products and technology infrastructure.

Acquisitions, Divestitures and Investments

	Twelve Months Ended December 31,			Change	
Net cash provided by (used in):	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(In millions)				
Acquisitions, net of cash acquired	\$(1,791.6)	\$(4.4)	\$(341.0)	\$(1,787.2)	\$ 336.6
Cash paid to settle economic hedges	\$(10.8)	\$—	\$—	\$(10.8)	\$ —
Cash received from divestitures	\$—	\$2.9	\$0.6	\$(2.9)	\$ 2.3
Investment in unconsolidated affiliates, net	\$—	\$(0.1)	\$(2.5)	\$0.1	\$ 2.4

2016 Acquisitions and Investments. During the first quarter of 2016, the Company completed the acquisition of 100% of the ordinary voting shares of Veda for cash consideration of approximately \$1.7 billion. During the first quarter of 2016, we settled all of the foreign currency options related to the Veda acquisition on the respective settlement dates for a net cash

payment of \$10.8 million. During the third quarter of 2016, the Company completed the acquisition of Barnett and Computersoft. Refer to Note 3 for more information on these acquisitions.

2015 Acquisitions and Investments. During the first quarter of 2015, we acquired a 75% equity interest investment in a debt collections and recovery management venture in the U.K., as more fully described in Note 1. During the third quarter of 2015, we received \$2.9 million proceeds from the escrow related to a past disposition. We did not make significant investments in unconsolidated affiliates during 2015.

2014 Acquisitions and Investments. During the first quarter of 2014, we acquired TDX, included as part of our International operating segment, and Forseva, included as part of our USIS operating segment.

We invested \$2.5 million in our joint venture in India during 2014.

During the first quarter of 2013, we divested two non-strategic business lines, Equifax Settlement Services which was part of our Mortgage business within the USIS operating segment and Talent Management Services which was part of our Employer Services business within our Workforce Solutions operating segment, for a total of \$47.5 million. \$3.5 million of the proceeds of the sale of Talent Management Services was placed into an escrow account to be released to us at a later date. During 2014, we received \$0.6 million of the proceeds from the escrow.

For additional information about our acquisitions, see Note 3 of the Notes to Consolidated Financial Statements in this report.

Financing Activities

	Twelve Months Ended December 31, 2016			Change	
Net cash provided by (used in):	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(In millions)				
Net short-term borrowings (repayments)	\$73.0	\$(331.0)	\$379.9	\$404.0	\$(710.9)
Proceeds from issuance of long-term debt	\$1,574.7	\$—	\$—	\$1,574.7	\$—
Payments on long-term debt	\$(350.0)	\$—	\$(290.0)	\$(350.0)	\$290.0
Payment of contingent consideration	\$(4.4)	\$—	\$—	\$(4.4)	\$—
Debt issuance costs	\$(6.2)	\$(4.9)	\$—	\$(1.3)	\$(4.9)

Credit Facility Availability. Our principal unsecured revolving credit facility with a group of banks, which we refer to as the Revolver, permits us to borrow up to \$900.0 million through November 2020. The Revolver may be used for general corporate purposes. Availability of the Revolver for borrowings is reduced by the outstanding face amount of any letters of credit issued under the facility and, pursuant to our existing Board of Directors authorization, by the outstanding principal amount of our commercial paper (CP) notes.

Our \$900.0 million CP program has been established to allow for borrowing through the private placement of CP with maturities ranging from overnight to 397 days. We may use the proceeds of CP for general corporate purposes. The CP program is supported by our Revolver and, pursuant to our existing Board of Directors authorization, the total amount of CP which may be issued is reduced by the amount of any outstanding borrowings under our Revolver.

At December 31, 2016, the Company had \$310.3 million of CP and \$0.5 million of letters of credit outstanding, and there were no borrowings outstanding under the Revolver. At December 31, 2016, a total of \$589.2 million was available under the Revolver.

At December 31, 2016, approximately 72% of our debt was fixed rate and 28% was effectively variable rate. Our variable-rate debt consists of our issued commercial paper, which bears short-term interest rates based on the CP

market for investment grade issuers. The interest rates reset periodically, depending on the terms of the respective financing arrangements. At December 31, 2016, interest rates on our variable-rate debt ranged from 1.0% to 1.9%.

Borrowing and Repayment Activity. Net short-term borrowings (repayments) primarily represent borrowings or repayments of outstanding amounts under our CP program. We primarily borrow under our CP program, as needed and availability allows.

The increase in net short-term borrowings (repayments) primarily relates to the net activity of CP notes in 2016, as well as the draw down on the 364-Day Revolver during the first quarter of 2016 and the pay off of the Veda assumed debt in the first quarter and the 364-Day Revolver during the second quarter of 2016. The decrease in net short-term borrowings (repayments) in 2015 primarily relates to the net activity of CP notes in 2015, and reflects the increase in cash flow from operations as well as no material acquisitions entered into during the year.

On May 12, 2016, we issued \$500.0 million principal amount of 2.3%, five-year senior notes and \$275.0 million principal amount of 3.25%, ten-year senior notes in an underwritten public offering. Interest is payable semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2016. The net proceeds of the sale of the notes were used to repay borrowings under our 364-Day Revolver and a portion of the borrowings under our commercial paper program incurred to finance the acquisition of Veda. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

Payments on long-term debt in 2016 reflect \$350 million of payments on our Term Loan Facility. Borrowings on long-term debt reflect an \$800 million draw down in the first quarter of 2016 on our Term Loan Facility and the issuance of \$500.0 million of senior notes due 2021 and \$275.0 million of senior notes due 2026 during the second quarter of 2016, as discussed above.

The decrease in payments on long-term debt in 2015 reflects the 2014 pay-off of our \$15.0 million 7.34% Notes and \$275.0 million 4.45% Senior Notes with borrowings under our CP program.

The debt issuance costs in 2016 and 2015 reflect the debt issuance costs paid in connection with the new Senior Credit Facilities entered into in May 2016 and November 2015, respectively.

Debt Covenants. The outstanding indentures and comparable instruments contain customary covenants including, for example, limits on secured debt and sale/leaseback transactions. In addition, the Senior Credit Facilities require us to maintain a maximum leverage ratio of not more than 3.5 to 1.0. As permitted under the terms of the Senior Credit Facilities, we made the election to increase the covenant to 4.0 to 1.0, effective for four consecutive quarters, beginning with the first quarter of 2016 and continuing through the fourth quarter of 2016. None of these covenants are considered restrictive to our operations and, as of December 31, 2016, the Company was in compliance with all of our debt covenants.

The Company does not have any credit rating triggers that would accelerate the maturity of a material amount of the outstanding debt; however, the 6.3% Senior Notes due 2017, 2.3% Senior Notes due 2021, 3.3% Senior Notes due 2022, 3.25% Senior Notes due 2026 and 7.0% Senior Notes due 2037 (together, the "Senior Notes") contain change in control provisions. If the Company experiences a change of control or publicly announces the Company's intention to effect a change of control and the rating on the senior notes is lowered by Standard & Poor's, or S&P, and Moody's Investors Service, or Moody's, below an investment grade rating within 60 days of such change of control or notice thereof, then the Company will be required to offer to repurchase the senior notes at a price equal to 101% of the aggregate principal amount of the senior notes plus accrued and unpaid interest.

Credit Ratings. Credit ratings reflect an independent agency's judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower's industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company's cash flows to changes in the economy. The two largest rating agencies, S&P and Moody's, use alphanumeric codes to designate their ratings. The highest quality rating for long-term credit obligations is AAA and Aaa for S&P and Moody's, respectively. A security rating is not a recommendation to buy, sell or hold securities and may be subject to

revision or withdrawal at any time by the assigning rating agency.

Long-term ratings of BBB- and Baa3 or better by S&P and Moody's, respectively, reflect ratings on debt obligations that fall within a band of credit quality considered to be "investment grade". At December 31, 2016, the long-term ratings for our obligations were BBB+ and Baa1, which are consistent with the ratings and outlooks which existed at December 31, 2015. A downgrade in our credit rating would increase the cost of borrowings under our CP program and credit facilities, and could limit, or in the case of a significant downgrade, preclude our ability to issue CP. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any new debt. In addition, the market's demand for, and thus our ability to readily issue, new debt could become further affected by the economic and credit market environment.

For additional information about our debt, including the terms of our financing arrangements, basis for variable interest rates and debt covenants, see Note 5 of the Notes to Consolidated Financial Statements in this report.

Equity Transactions

	Twelve Months Ended December 31, 2016 vs. 2015 vs. 2014				
Net cash provided by (used in):	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(In millions)				
Treasury stock purchases	\$—	\$(196.3)	\$(301.6)	\$196.3	\$ 105.3
Dividends paid to Equifax shareholders	\$(157.6)	\$(137.8)	\$(121.2)	\$(19.8)	\$(16.6)
Dividends paid to noncontrolling interests	\$(5.8)	\$(6.4)	\$(7.9)	\$0.6	\$ 1.5
Proceeds from exercise of stock options	\$31.5	\$34.4	\$39.7	\$(2.9)	\$(5.3)
Excess tax benefits from stock-based compensation plans	\$35.9	\$30.0	\$17.7	\$5.9	\$ 12.3
Purchase of redeemable noncontrolling interests	\$(3.6)	\$—	\$—	\$(3.6)	\$ —

Sources and uses of cash related to equity during the twelve months ended December 31, 2016, 2015 and 2014 were as follows:

Under share repurchase programs authorized by our Board of Directors, we repurchased 2.1 million and 3.9 million common shares during the twelve months ended December 31, 2015 and 2014, respectively, for \$196.3 million and \$301.6 million, respectively, at an average price per common share of \$94.97 and \$76.55, respectively. We did not repurchase any shares in 2016. As of December 31, 2016, under the existing board authorization, the Company is approved for additional stock repurchases valued at \$667.2 million.

During the twelve months ended December 31, 2016, 2015 and 2014, we paid cash dividends to Equifax shareholders of \$157.6 million, \$137.8 million and \$121.2 million, respectively, at \$1.32 per share for 2016, \$1.16 per share for 2015 and \$1.00 per share for 2014.

Contractual Obligations and Commercial Commitments

The following table summarizes our significant contractual obligations and commitments as of December 31, 2016. The table excludes commitments that are contingent based on events or factors uncertain at this time. Some of the excluded commitments are discussed below the footnotes to the table.

	Payments due by				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	Thereafter
	(In millions)				
Debt ⁽¹⁾	\$2,685.4	\$ 585.4	\$ 450.0	\$ 500.0	\$ 1,150.0
Operating leases ⁽²⁾	162.7	29.5	42.2	31.9	59.1
Data processing, outsourcing agreements and other purchase obligations ⁽³⁾	137.6	74.6	27.9	13.6	21.5
Other long-term liabilities ^{(4) (6)}	122.6	8.6	13.9	16.0	84.1
Interest payments ⁽⁵⁾	725.8	88.8	133.7	120.4	382.9
	\$3,834.1	\$ 786.9	\$ 667.7	\$ 681.9	\$ 1,697.6

The amounts are gross of unamortized discounts totaling \$13.2 million at December 31, 2016. Total debt on our (1) Consolidated Balance Sheets is net of the unamortized discounts and fair value adjustments. There were no fair value adjustments to our debt at December 31, 2016.

(2) Our operating lease obligations principally involve office space and equipment, which include the ground lease associated with our headquarters building that expires in 2048.

These agreements primarily represent our minimum contractual obligations for services that we outsource (3) associated with our computer data processing operations and related functions, and certain administrative functions. These agreements expire between 2017 and 2021.

These long-term liabilities primarily relate to obligations associated with certain pension, postretirement and other compensation-related plans, some of which are discounted in accordance with U.S. generally accepted accounting (4) principles, or GAAP. We made certain assumptions about the timing of such future payments. In the table above, we have not included amounts related to future pension plan obligations, as such required funding amounts beyond 2017 have not been deemed necessary due to our current expectations regarding future plan asset performance.

For future interest payments on variable-rate debt, which are generally based on a specified margin plus a base rate (LIBOR) or on CP rates for investment grade issuers, we used the variable rate in effect at December 31, 2016 to calculate these payments. Our variable rate debt at December 31, 2016, consisted of CP. Future interest payments (5) related to our Senior Credit Facilities and our CP program are based on the borrowings outstanding at December 31, 2016 through their respective maturity dates, assuming such borrowings are outstanding until that time. The variable portion of the rate at December 31, 2016 ranged from 1.0% to 1.9% for all of our variable-rate debt. Future interest payments may be different depending on future borrowing activity and interest rates.

(6) This table excludes \$36.0 million of unrecognized tax benefits, including interest and penalties, as we cannot make a reasonably reliable estimate of the period of cash settlement with the respective taxing authorities.

Off-Balance Sheet Transactions

We do not engage in off-balance sheet financing activities.

Pursuant to the terms of certain industrial revenue bonds, we have transferred title to certain of our fixed assets with total costs of \$117.0 million and \$108.5 million, as of December 31, 2016 and 2015, respectively, to a local governmental authority in the U.S. to receive a property tax abatement related to economic development. The title to these assets will revert back to us upon retirement or cancellation of the applicable bonds. These fixed assets are still recognized on the Company's Consolidated Balance Sheets as all risks and rewards remain with the Company.

Letters of Credit and Guarantees

We will from time to time issue standby letters of credit, performance bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance bonds and standby letters of credit was not material at December 31, 2016, and all have a remaining maturity of one year or less. Guarantees are issued from time to time to support the needs of our operating units. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2016.

Benefit Plans

We sponsor a qualified defined benefit retirement plan (the U.S. Retirement Income Plan, or USRIP) that covers approximately 15% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was frozen to new participation at December 31, 2008. This plan also covers many retirees as well as certain terminated but vested individuals not yet in retirement status. We also sponsor a defined benefit plan that covers most salaried and hourly employees in Canada (the Canadian Retirement Income Plan, or CRIP). The CRIP was frozen to new participants entering the plan on or after October 1, 2011.

At December 31, 2016, the USRIP met or exceeded ERISA's minimum funding requirements. During the twelve months ended December 31, 2016 and 2015, we did not make any contributions to the USRIP. We contributed \$0.8 million and \$0.2 million to the CRIP during the twelve months ended December 31, 2016 and 2015, respectively. In the future, we will make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and liquidity needs. We believe additional funding contributions, if any, would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, and our credit facilities.

For our non-U.S., tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For the non-qualified supplementary

retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with GAAP.

For additional information about our benefit plans, see Note 10 of the Notes to Consolidated Financial Statements in this report.

Seasonality

We experience seasonality in certain of our revenue streams. Revenue generated by the online consumer information services component of our USIS operating segment is typically the lowest during the first quarter, when consumer lending activity is at a seasonal low. Revenue generated from the Employer Services business unit within the Workforce Solutions operating segment is generally higher in the first quarter due primarily to the provision of Form W-2 preparation services which occur in the first quarter each year. Revenue generated from our financial wealth asset products and data management services in our Financial Marketing Services business is generally higher in the fourth quarter each year due to the significant portion of our annual renewals and deliveries which occur in the fourth quarter of each year.

Effects of Inflation and Changes in Foreign Currency Exchange Rates

Equifax's operating results are not materially affected by inflation, although inflation may result in increases in the Company's expenses, which may not be readily recoverable in the price of services offered. To the extent inflation results in rising interest rates and has other adverse effects upon the securities markets and upon the value of financial instruments, it may adversely affect the Company's financial position and profitability.

A portion of the Company's business is conducted in currencies other than the U.S. dollar, and changes in foreign exchange rates relative to the U.S. dollar can therefore affect the value of non-U.S. dollar net assets, revenues and expenses. Potential exposures as a result of these fluctuations in currencies are closely monitored. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

RECENT ACCOUNTING PRONOUNCEMENTS

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in this report.

APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles, or GAAP. This requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. The following accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used in the current period, or changes in the accounting estimates that we used are reasonably likely to occur from period to period, either of which may have a material impact on the presentation of our Consolidated Balance Sheets and Statements of Income. We also have other significant accounting policies which involve the use of estimates, judgments and assumptions that are relevant to understanding our results.

For additional information about these policies, see Note 1 of the Notes to Consolidated Financial Statements in this report. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

Revenue Recognition

Revenue is recognized when persuasive evidence of an arrangement exists, collectibility of arrangement consideration is reasonably assured, the arrangement fees are fixed or determinable and delivery of the product or service has been completed. A significant portion of our revenue is derived from the provision of information services to our customers on a transaction basis, in which case revenue is recognized, assuming all other revenue recognition criteria are met, when the services are provided. A smaller portion of our revenues relate to subscription-based contracts under which a customer pays a

preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue related to subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are completed. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract's subscription period. Revenue related to subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectibility is not reasonably assured, revenue is deferred until the earlier of when collectibility becomes probable or the receipt of payment. If there is uncertainty as to the customer's acceptance of our deliverables, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period. If at the outset of an arrangement, we determine that the arrangement fee is not fixed or determinable, revenue is deferred until the arrangement fee becomes fixed or determinable, assuming all other revenue recognition criteria have been met.

The determination of certain of our tax management services revenue requires the use of estimates, principally related to transaction volumes in instances where these volumes are reported to us by our clients on a monthly basis in arrears. In these instances, we estimate transaction volumes based on average actual volumes reported in the past. Differences between our estimates and actual final volumes reported are recorded in the period in which actual volumes are reported. We have not experienced significant variances between our estimates and actual reported volumes in the past. We monitor actual volumes to ensure that we will continue to make reasonable estimates in the future. If we determine that we are unable to make reasonable future estimates, revenue may be deferred until actual customer data is obtained. Also within our Workforce Solutions operating segment, the fees for certain of our tax credits and incentives revenue are based on a percentage of the credit delivered to our clients. Revenue for these arrangements is recognized based on the achievement of milestones, upon calculation of the credit, or when the credit is utilized by our client, depending on the provisions of the client contract.

We have certain offerings that are sold as multiple element arrangements. The multiple elements may include consumer or commercial information, file updates for certain solutions, services provided by our decisioning technologies personnel, training services, statistical models and other services. To account for each of these elements separately, the delivered elements must have stand-alone value to our customer. If we are unable to unbundle the arrangement into separate units of accounting, we apply one of the accounting policies described above. This may lead to the arrangement consideration being recognized as the final contract element is delivered to our customer or ratably over the contract.

Many of our multiple element arrangements involve the delivery of services generated by a combination of services provided by one or more of our operating segments. No individual information service impacts the value or usage of other information services included in an arrangement and each service can be sold alone or, in most cases, purchased from another vendor without affecting the quality of use or value to the customer of the other information services included in the arrangement. Some of our products require the development of interfaces or platforms by our decisioning technologies personnel that allow our customers to interact with our proprietary information databases. These development services do not meet the requirement for having stand-alone value, thus any related development fees are deferred when billed and are recognized over the expected period that the customer will benefit from the related decisioning technologies service. Revenue from the provision of statistical models is recognized as the service is provided and accepted, assuming all other revenue recognition criteria are met. The direct costs of set up of a customer are capitalized and amortized as a cost of service during the term of the related customer contract.

We have some multiple element arrangements that include software. We recognize the elements for which we have established vendor specific objective evidence at fair value upon delivery, in accordance with the applicable guidance.

We record revenue on a net basis for those sales in which we have in substance acted as an agent or broker in the transaction.

The debt collections and recovery management revenue is calculated as a percentage of debt collected on behalf of the customer and, as such, is primarily recognized when the cash is collected assuming all other revenue recognition criteria are met.

Deferred revenue consists of amounts billed and collected in excess of revenue recognized on sales relating generally to the deferral of subscription fees and arrangement consideration from elements not meeting the criteria for having stand-alone value discussed above. Deferred revenues are subsequently recognized as revenue in accordance with our revenue recognition policies.

Judgments and uncertainties — Each element of a multiple element arrangement must be considered separately to ensure that appropriate accounting is performed for these deliverables. These considerations include assessing the price at which the element is sold compared to its relative fair value; concluding when the element will be delivered; evaluating collectibility; and determining whether any contingencies exist in the related customer contract that impact the prices paid to us for the services.

In addition, as stated above, the determination of certain of our marketing information services and tax management services revenue requires the use of estimates, principally related to transaction volumes in instances where these volumes are reported to us by our clients on a monthly basis in arrears. In these instances, we estimate transaction volumes based on average actual volumes reported in the past. Differences between our estimates and actual final volumes reported are recorded in the period in which actual volumes are reported.

Effects if actual results differ from assumptions — We have not experienced significant variances between our estimates of marketing information services and tax management services revenues reported to us by our customers and actual reported volumes in the past. We monitor actual volumes to ensure that we will continue to make reasonable estimates in the future. If we determine that we are unable to make reasonable future estimates, revenue may be deferred until actual customer data is obtained. However, if actual results are not consistent with our estimates and assumptions, or if our customer arrangements become more complex or include more bundled offerings in the future, we may be required to recognize revenue differently in the future to account for these changes. We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to recognize revenue.

Goodwill and Indefinite-Lived Intangible Assets

We review goodwill and indefinite lived intangible assets for impairment annually (as of September 30) and whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. These events or circumstances could include a significant change in the business climate, legal factors, operating performance or trends, competition, or sale or disposition of a significant portion of a reporting unit. We have eight reporting units comprised of U.S. Information Solutions (which includes part of Online Information Solutions, Mortgage Solutions and Financial Marketing Services), Asia Pacific, Europe, Latin America, Canada, Global Consumer Solutions, Verification Services, and Employer Services.

The goodwill balance at December 31, 2016, for our eight reporting units was as follows:

	December 31, 2016 (In millions)
Asia Pacific	1,402.4
U.S. Information Solutions	1,071.3
Europe	150.2
Latin America	228.9
Canada	33.1
Global Consumer Solutions	136.3
Verification Services	772.9
Employer Services	179.2
Total goodwill	\$ 3,974.3

Qualitative Assessments

We performed a qualitative assessment to determine whether further impairment testing was necessary for all of our reporting units. In this qualitative assessment, we considered the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, the most recent fair value determination resulted in an amount that exceeded the carrying amount of the reporting units. Based on these assessments, we determined the likelihood that a current fair value determination would be less than the current carrying amount of the reporting unit is not more likely than not. As a result of our conclusions, no further testing was required for all of our reporting units.

Loss Contingencies

We are subject to various proceedings, lawsuits and claims arising in the normal course of our business. We determine whether to disclose and/or accrue for loss contingencies based on our assessment of whether the potential loss is estimable, probable, reasonably possible or remote.

Judgments and uncertainties — We periodically review claims and legal proceedings and assess whether we have potential financial exposure based on consultation with internal and outside legal counsel and other advisors. If the likelihood of an adverse outcome from any claim or legal proceeding is probable and the amount can be reasonably estimated, we record a liability on our Consolidated Balance Sheets for the estimated amount. If the likelihood of an adverse outcome is reasonably possible, but not probable, we provide disclosures related to the potential loss contingency. Our assumptions related to loss contingencies are inherently subjective.

Effect if actual results differ from assumptions — We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to determine loss contingencies. However, if facts and circumstances change in the future that change our belief regarding assumptions used to determine our estimates, we may be exposed to a loss that could be material.

Income Taxes

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. We assess the likelihood that our deferred tax assets will be recovered from future taxable income or other tax planning strategies. To the extent that we believe that recovery is not likely, we must establish a valuation allowance to reduce the deferred tax assets to the amount we estimate will be recoverable.

Our income tax provisions are based on assumptions and calculations which will be subject to examination by various tax authorities. We record tax benefits for positions in which we believe are more likely than not of being sustained under such examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals.

Judgments and uncertainties — We consider accounting for income taxes critical because management is required to make significant judgments in determining our provision for income taxes, our deferred tax assets and liabilities, and our future taxable income for purposes of assessing our ability to realize any future benefit from our deferred tax assets. These judgments and estimates are affected by our expectations of future taxable income, mix of earnings among different taxing jurisdictions, and timing of the reversal of deferred tax assets and liabilities.

We also use our judgment to determine whether it is more likely than not that we will sustain positions that we have taken on tax returns and, if so, the amount of benefit to initially recognize within our financial statements. We review our uncertain tax positions and adjust our unrecognized tax benefits in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law. These adjustments to our unrecognized tax benefits may affect our income tax expense. Settlement of uncertain tax positions may require use of our cash. At December 31, 2016, \$36.0 million was recorded for uncertain tax benefits, including interest and penalties, of which it is reasonably possible that up to \$7.1 million of our unrecognized tax benefit may change within the next twelve months.

Effect if actual results differ from assumptions — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ, and we may be exposed to increases or decreases in income tax expense that could be material.

Pension and Other Postretirement Plans

We consider accounting for our U.S. and Canadian pension and other postretirement plans critical because management is required to make significant subjective judgments about a number of actuarial assumptions, which include discount rates, expected return on plan assets, interest cost and mortality and retirement rates. Actuarial valuations are used in determining our benefit obligation and net periodic benefit cost.

During 2016, we adopted the new MP-2016 mortality scale in determining the liability for the U.S. pension plan. This updated scale partially offset the decrease in the discount rate in 2016, the net of which resulted in the increase in the projected benefit obligation as of December 31, 2016.

During 2015 we adopted the new generational projection scale with MP-2015 in determining the liability for the U.S. pension plan. This updated scale, along with the change in the discount rate, contributed to the decrease in the projected benefit obligation as of December 31, 2015.

During 2014, we adopted the new RP-2014 mortality tables and generational projection scale with MP-2014 in determining the liability for the U.S. pension plan. This new table, along with the change in the discount rate, contributed to the increase in the projected benefit obligation as of December 31, 2014.

Judgments and uncertainties — We believe that the most significant assumptions related to our net periodic benefit cost are (1) the discount rate and (2) the expected return on plan assets, in each case as it relates to our U.S. pension plan. Our Canadian plan is not significant, and the impact of changes in assumptions for that plan is not material.

We determine our discount rates primarily based on high-quality, fixed-income investments and yield-to-maturity analysis specific to our estimated future benefit payments available as of the measurement date. Discount rates are updated annually on the measurement date to reflect current market conditions. We use a third-party yield curve to develop our discount rates. The yield curve provides discount rates related to a dedicated high-quality bond portfolio whose cash flows extend beyond the current period, from which we choose a rate matched to the expected benefit payments required for each plan.

The expected rate of return on plan assets is based on both our historical returns and forecasted future investment returns by asset class, as provided by our external investment advisor. In 2016, the U.S. pension plan investment gains of 6.8% were below the expected return of 7.25% for the third time in eight years. The expected return for the USRIP for 2017 is at 7.25%. The CRIP earned 7.6% in 2016 which was above its expected return of 6.0% for the sixth time in eight years. The expected return for the CRIP for 2017 is at 6.0%. The CRIP has a lower expected return due to a higher asset allocation to fixed income securities. Our weighted-average expected rate of return for both plans for 2017 is 7.14% which is consistent with the 2016 expected rate.

Annual differences, if any, between the expected and actual returns on plan assets are included in unrecognized net actuarial gain or loss, a component of other comprehensive income. In calculating the annual amortization of the unrecognized net actuarial gain or loss, we use a market-related value of assets that smooths actual investment gains and losses on plan assets over a period up to five years. The resulting unrecognized net actuarial gain or loss amount is recognized in net periodic pension expense over the average remaining life expectancy of the participant group since almost all participants are inactive. The market-related value of our assets was \$541.2 million at December 31, 2016. We do not expect our 2017 net periodic benefit cost, which includes the effect of the market-related value of assets, to be materially different than our 2016 cost. See Note 10 of the Notes to the Consolidated Financial Statements for details on changes in the pension benefit obligation and the fair value of plan assets.

Effect if actual results differ from assumptions — We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions that are used in our actuarial valuations. Adjusting our weighted-average expected long-term rate of return (7.14% at December 31, 2016) by 50 basis points would change our estimated pension expense in 2016 by approximately \$2.7 million. Adjusting our weighted-average discount rate (4.23% at December 31, 2016) by 50 basis points would change our estimated pension expense in 2016 by approximately \$0.8 million. However, if actual results are not consistent with our estimates or assumptions, we may be exposed to changes in pension expense that could be material.

Purchase Accounting for Acquisitions

We account for acquisitions under Accounting Standards Codification 805, Business Combinations, which changed the application of the acquisition method of accounting in a business combination and also modified the way assets

acquired and liabilities assumed are recognized on a prospective basis. In general, the acquisition method of accounting requires companies to record assets acquired and liabilities assumed at their respective fair market values at the date of acquisition. We primarily estimate fair value of identified intangible assets using discounted cash flow analyses based on market participant based inputs. Any amount of the purchase price paid that is in excess of the estimated fair values of net assets acquired is recorded in the line item Goodwill in our Consolidated Balance Sheets. Transaction costs, as well as costs to reorganize acquired companies, are expensed as incurred in our Consolidated Statements of Income.

Judgments and uncertainties — We consider accounting for business combinations critical because management's judgment is used to determine the estimated fair values assigned to assets acquired and liabilities assumed and amortization periods for intangible assets, which can materially affect our results of operations.

Effect if actual results differ from assumptions — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ, and we may be exposed to an impairment charge if we are unable to recover the value of the recorded net assets.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of our business, we are exposed to market risk, primarily from changes in foreign currency exchange rates and interest rates that could impact our results of operations and financial position. We manage our exposure to these market risks through our regular operating and financing activities, and, when deemed appropriate, through the use of derivative financial instruments, such as interest rate swaps, to hedge certain of these exposures. We use derivative financial instruments as risk management tools and not for speculative or trading purposes.

Foreign Currency Exchange Rate Risk

A substantial majority of our revenue, expense and capital expenditure activities are transacted in U.S. dollars. However, we do transact business in other currencies, primarily the British pound, the Australian dollar, the Canadian dollar, the Chilean peso, the Argentine peso and the Euro. For most of these foreign currencies, we are a net recipient, and, therefore, benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currencies in which we transact significant amounts of business.

We are required to translate, or express in U.S. dollars, the assets and liabilities of our foreign subsidiaries that are denominated or measured in foreign currencies at the applicable year-end rate of exchange on our Consolidated Balance Sheets and income statement items of our foreign subsidiaries at the average rates prevailing during the year. We record the resulting translation adjustment, and gains and losses resulting from the translation of intercompany balances of a long-term investment nature within other comprehensive income, as a component of our shareholders' equity. Foreign currency transaction gains and losses, which have historically been immaterial, are recorded on our Consolidated Statements of Income. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

For the year ended December 31, 2016, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2016 would have increased our revenue by \$50.2 million and our pre-tax operating profit by \$16.5 million. For the year ended December 31, 2015, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2015 would have increased our revenue by \$52.9 million and our pre-tax operating profit by \$17.9 million. A 10% stronger U.S. dollar would have resulted in similar decreases to our revenue and pre-tax operating profit for 2016 and 2015.

On average across our mix of international businesses, foreign currencies at December 31, 2016, were weaker against the U.S. dollar than the average foreign exchange rates that prevailed across the full year 2016. As a result, if foreign exchange rates were unchanged throughout 2017, foreign exchange translation would reduce growth as reported in U.S. dollars. As foreign exchange rates change daily, there can be no assurance that foreign exchange rates will remain constant throughout 2017, and rates could go either higher or lower.

The Veda cash consideration of approximately \$1.7 billion (2.4 billion Australian dollars) was denominated in Australian dollars and as such was subject to fluctuations related to the exchange rate of the Australian dollar. In December 2015, in anticipation of the Veda acquisition, we purchased foreign currency options to buy Australian dollars with a weighted average strike price of \$0.7225 and a notional value of 1.0 billion Australian dollars. These foreign currency options ("options") were designed to act as economic hedges for the pending Veda acquisition and are marked to market. In January 2016, we purchased additional options with a weighted average strike price of \$0.7091 and a notional value of 1.0 billion Australian dollars. We settled all of the options on the respective settlement dates in February 2016. We recognized a net loss of \$15.4 million related to the options in the first quarter of 2016. See Note 1 for further discussion.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates to our variable-rate commercial paper borrowings. We attempt to achieve the lowest all-in weighted-average cost of debt while simultaneously taking into account the mix of our fixed- and floating-rate debt, and the average life and scheduled maturities of our debt. At December 31, 2016, our weighted average cost of debt was 3.5% and weighted-average life of debt was 5.72 years. At December 31, 2016, 72% of our debt was fixed rate, and the remaining 28% was variable rate. Occasionally we use derivatives to manage our exposure to changes in interest rates by entering into interest rate swaps. A 100 basis point increase in the weighted-average interest rate on our variable-rate debt would have increased our 2016 interest expense by \$7.6 million.

Based on the amount of outstanding variable-rate debt, we have exposure to interest rate risk. In the future, if our mix of fixed-rate and variable-rate debt were to change due to additional borrowings under existing or new variable-rate debt, we could have additional exposure to interest rate risk. The nature and amount of our long-term and short-term debt, as well as the proportionate amount of fixed-rate and variable-rate debt, can be expected to vary as a result of future business requirements, market conditions and other factors.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors and Shareholders of Equifax Inc.:

We have audited Equifax Inc.'s ("Equifax" or "the Company") internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("2013 framework") (the COSO criteria). Equifax's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Annual Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Veda Group Limited, which is included in the 2016 consolidated financial statements of Equifax Inc. and constituted \$2,117.1 million and \$1,915.2 million of the consolidated total assets and net assets, respectively, as of December 31, 2016 and \$236.1 million and \$55.6 million of operating revenue and net loss, respectively, for the year then ended. Our audit of internal control over financial reporting of Equifax Inc. also did not include an evaluation of the internal control over financial reporting of Veda Group Limited.

In our opinion, Equifax Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

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We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Equifax, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, cash flows, and shareholders' equity and other comprehensive income for each of the three years in the period ended December 31, 2016, of Equifax Inc. and our report dated February 22, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 22, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Equifax Inc.:

We have audited the accompanying consolidated balance sheets of Equifax Inc. as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, cash flows, and shareholders' equity and other comprehensive income for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Equifax Inc. at December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Equifax Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("2013 framework") and our report dated February 22, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 22, 2017

CONSOLIDATED STATEMENTS OF INCOME

	Twelve Months Ended December 31,		
	2016	2015	2014
(In millions, except per share amounts)			
Operating revenue	\$3,144.9	\$2,663.6	\$2,436.4
Operating expenses:			
Cost of services (exclusive of depreciation and amortization below)	1,113.4	887.4	844.7
Selling, general and administrative expenses	948.2	884.3	751.7
Depreciation and amortization	265.4	198.0	201.8
Total operating expenses	2,327.0	1,969.7	1,798.2
Operating income	817.9	693.9	638.2
Interest expense	(92.1)	(63.8)	(68.6)
Other income, net	2.4	6.5	4.6
Consolidated income before income taxes	728.2	636.6	574.2
Provision for income taxes	(233.1)	(201.8)	(200.2)
Consolidated net income	495.1	434.8	374.0
Less: Net income attributable to noncontrolling interests	(6.3)	(5.7)	(6.6)
Net income attributable to Equifax	\$488.8	\$429.1	\$367.4
Basic earnings per share:			
Net income attributable to Equifax	\$4.10	\$3.61	\$3.03
Weighted-average shares used in computing basic earnings per share	119.3	118.7	121.2
Diluted earnings per share:			
Net income attributable to Equifax	\$4.04	\$3.55	\$2.97
Weighted-average shares used in computing diluted earnings per share	121.1	120.9	123.5
Dividends per share	\$1.32	\$1.16	