

# EIGHTY20/XDS CREDIT STRESS REPORT

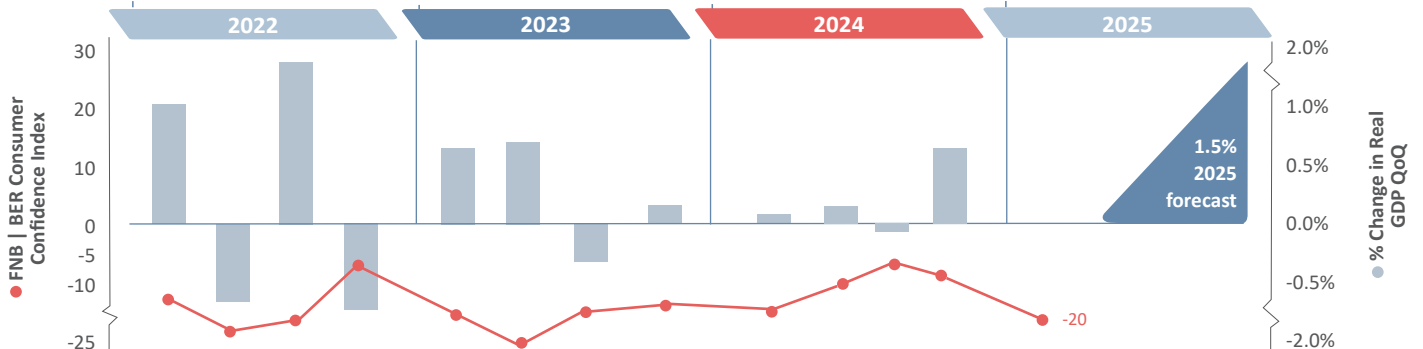
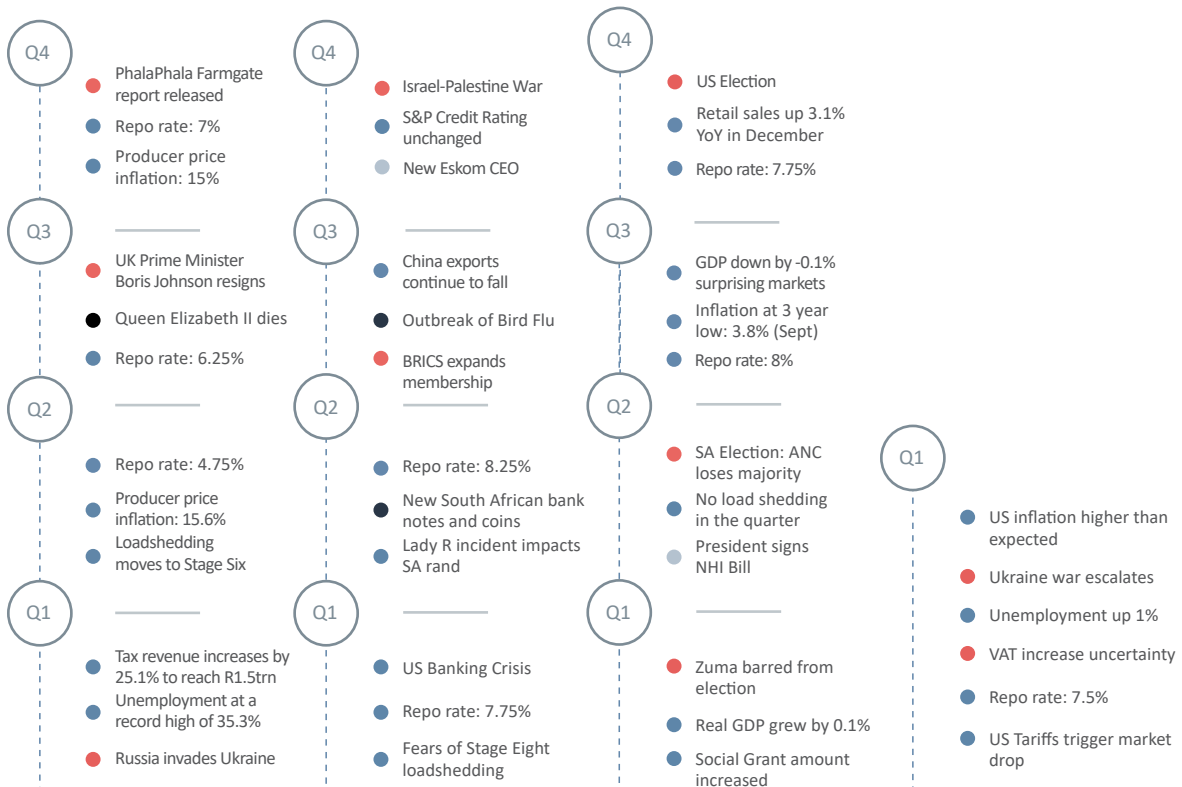
## 2025 Q1

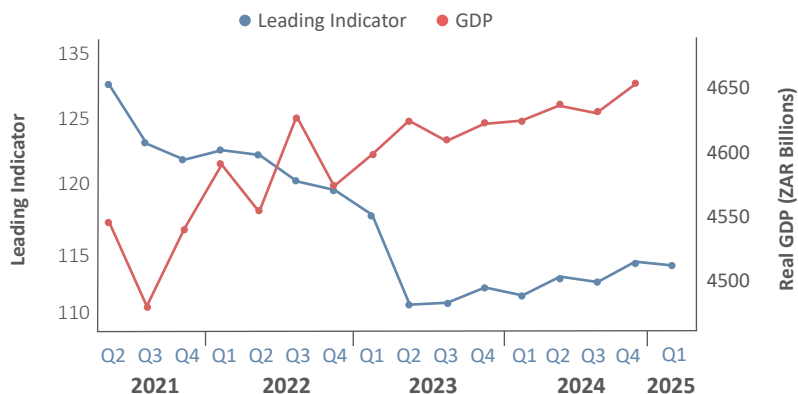
This quarterly report highlights the impact of economic forces on the South African consumer, with particular focus on consumer credit behaviour. All credit data in this report was sourced from the Eighty20 / XDS Online Credit Portal.

### SECTION ONE: ECONOMIC CONTEXT AND IMPACT ON CONSUMER

#### Timeline: Major Events

● Economic Events ● Political Events ● Legislative Events ● Other





### Leading Indicator of the South African Economy vs. GDP

Real GDP grew by 0.6% QoQ in 2024 Q4, recovering from quarter three's decline. Growth in 2024 Q4 was driven by the agriculture, forestry & fishing and the finance, real estate & business services industries. The real GDP forecast was revised downward to 1.5% by both Moody's Ratings and the BER from their earlier forecasts of 1.7% and 2% respectively. Globally, economic growth forecasts are also being cut, largely due to the possible impact of US import tariffs. In South Africa, the unemployment rate increased by 1 percentage point QoQ to 32.9% in 2025 Q1, bringing the number of unemployed individuals up to 8.2m.

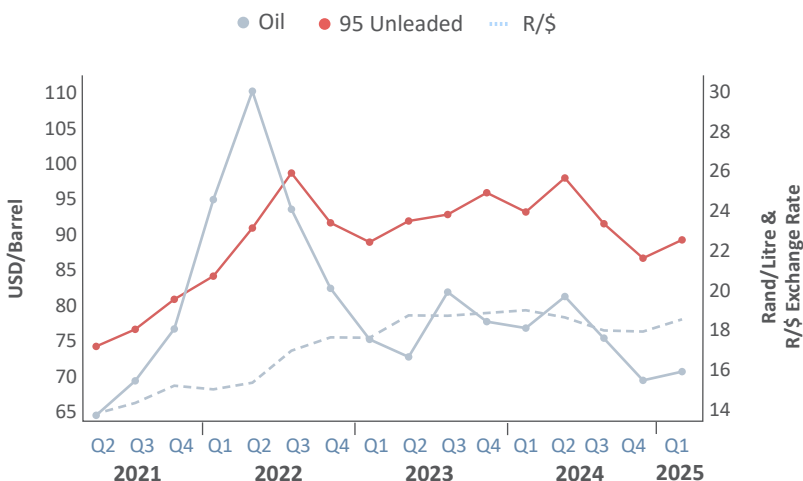
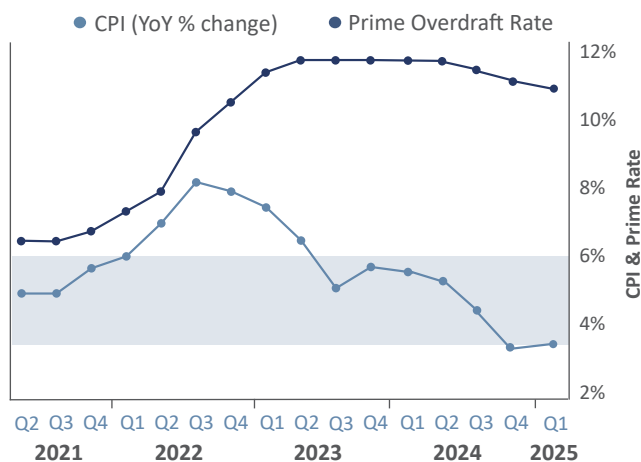


### Retail Sales Index

The retail sales index decreased by 0.55pp QoQ but was still up 4.1pp from one year ago. Although the number of retail accounts remained stable QoQ, there was a 2.4% increase YoY. The overdue value of retail accounts fell significantly by 2.5% QoQ to R24.7bn. Retail trade sales were up 1.5% YoY in March, but slightly softer QoQ, with six out of seven types of retailers showing positive YoY growth in March. The exception was food, beverages and tobacco in specialised stores which saw negative YoY growth in two out of the three months in the quarter.

### Consumer Price Index & Prime Rate

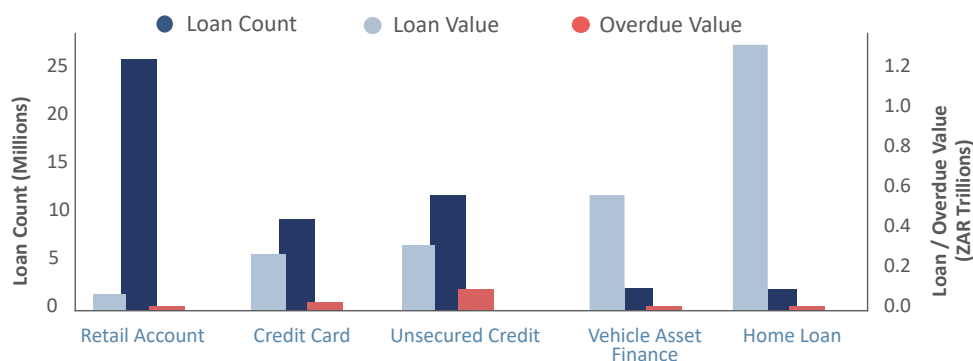
Inflation increased marginally to 3.03% in 2025 Q1 from 2.9% in the previous quarter, marking the first increase in inflation since its steady decline from 2023 Q4. This slight uptick in inflation was mainly driven by increases in housing and utilities costs, as well as food prices. In response to the subdued inflation environment, the SARB cut the repo rate by 25 basis points to reach 7.50% in January. This brought the prime rate down to 11% from 11.25%.



### Exchange Rate, Oil & Fuel Price

The first quarter of 2025 saw a reversal of some of the encouraging trends observed in 2024 Q4. The exchange rate shifted unfavourably, with the rand weakening by 3.1% QoQ. This depreciation contributed to a rise in domestic fuel prices, with the price of petrol increasing by 3.9% QoQ, reaching R22.11 per litre. Diesel prices increased more sharply by 6.2% QoQ to R19.93 per litre. These increases in domestic fuel costs were driven by a combination of the weaker rand and a 1.6% QoQ increase in global oil prices.

The outstanding balance on all loans was up 2.1% QoQ at R2.56trn, with overdue balances increasing by 4% QoQ up to R208bn. This increase in overdue balances was primarily driven by a R3.2bn increase (3.4% QoQ) in overdue balance of unsecured loans, a R2.3bn increase (6.1% QoQ) in overdue balance of credit cards, and a ~R1bn increase in the overdue balance of both home loans and VAF (up 4.7% and 6.7% QoQ respectively).

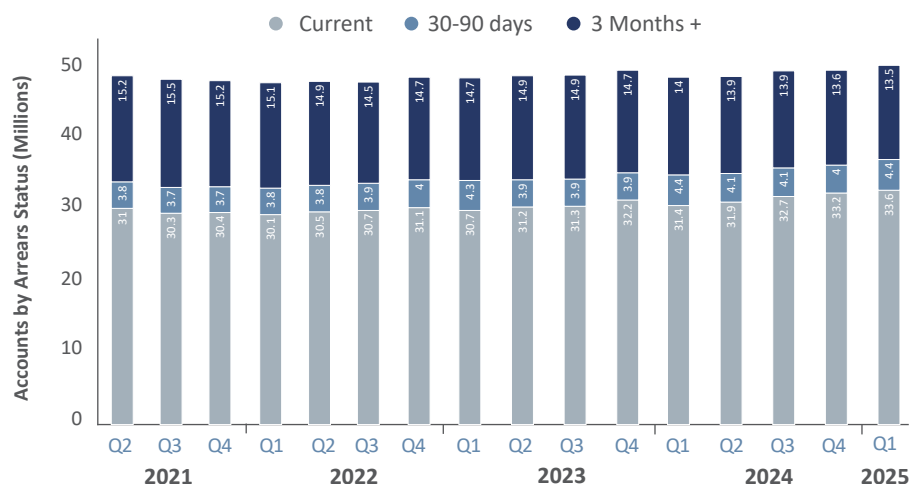


Year-on-Year Change			
Credit Product	Loan Count	Loan Value	Overdue Value
Retail Account	2.4%	7.1%	0.4%
Credit Card	0.0%	7.2%	10.1%
Unsecured Credit	0.4%	2.6%	9.5%
Vehicle Asset Finance	-2.7%	3.1%	4.8%
Home Loan	-1.8%	6.2%	13.5%

\* Change in Overdue Value as a % of total loan value.

### Credit Accounts by Arrears Status

The number of loans in arrears increased QoQ by 353 395 to 17.97m, with the percentage of loans in arrears increasing from 34.7% last quarter to 34.8%. This increase was the first reversal of the downward trend in the proportion of loans in arrears in two years. The number of loans in good standing has increased by 473 667 this quarter, a 1.4% QoQ increase.



### Credit Behaviour by ENS Segment

#### Mass Credit Market



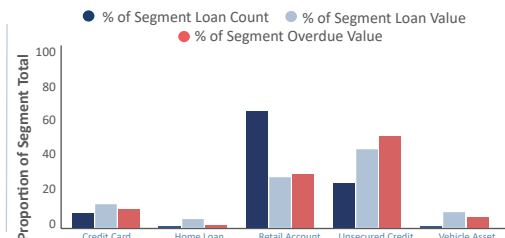
This quarter, roughly 325 000 new to credit joined this segment, taking out roughly 380 000 loans, more than half of which were retail. Similarly, of the 1.7m new loans taken out by the segment in Q1 for this segment, almost all were retail and unsecured. The number of credit card holders for the segment increased by 1.6% QoQ to 1.2m, with credit card overdue balances increasing by 9.7% QoQ. The percentage of defaulters across all lending products in the segment was down 1.2% QoQ, however still represents 53% of the total segment.

Percentages are YoY change

**R111bn** ↓ 2.9%  
Total Loan Balances

**R1 815** ↓ 1.2%  
Avg. Monthly Instalments

**19%**  
Instalment to Monthly Income Ratio (Median)



#### Middle Class Workers

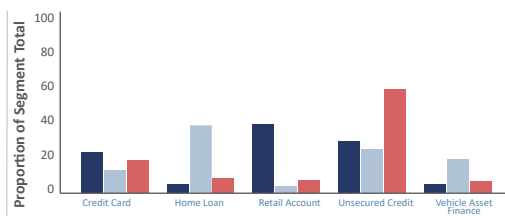


The segment saw a 9% YoY increase in the number of new loans taken out, with 1m new loans taken out this quarter, mostly unsecured (734 081). The total balance of unsecured loans decreased to R132bn, a 1% QoQ decrease. Overall overdue balances increased by 3.4% QoQ, driven primarily by a 2% QoQ increase in unsecured loan overdue balances and a 5% QoQ increase in credit card overdue balances.

**R537bn** ↓ 2.6%  
Total Loan Balances

**R9 581** ↓ 6.1%  
Avg. Monthly Instalments

**37%**  
Instalment to Monthly Income Ratio (Median)



#### Heavy Hitters

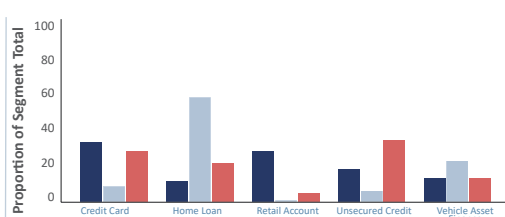


There were just over 5 000 new to credit in this segment, but they accounted for 15% of the new loan balances for the quarter. Total loan balances for the segment increased by 2.5% QoQ to R1.7trn, 65% of overall total loan balances. Home loans make up the majority of total loan balances at R996bn, increasing by 3.1% QoQ. There was a 5.8% QoQ increase in the total overdue balances on home loans up to R11.3bn, contributing to the 4.5% QoQ increase in total overdue balances.

**R1 669.2bn** ↑ 5.9%  
Total Loan Balances

**R21 717** ↓ 3.4%  
Avg. Monthly Instalments

**48%**  
Instalment to Monthly Income Ratio (Median)



#### Comfortable Retirees

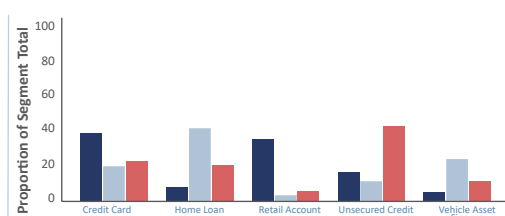


There were fewer than 10 000 new to credit in this segment accounting for 4% of new credit this quarter. The segment saw an 8.8% QoQ increase in the number of open loans, up to 4.4m, with the total loan balance reaching R204bn, a 2.7% QoQ increase. Comfortable Retirees took out 163 997 new loans this quarter, a 4.5% QoQ decrease, with more than half being unsecured loans. Overdue balances grew 3.4% QoQ to R19.6bn, with the number of defaulters increasing to 299 023, a 3.2% QoQ increase.

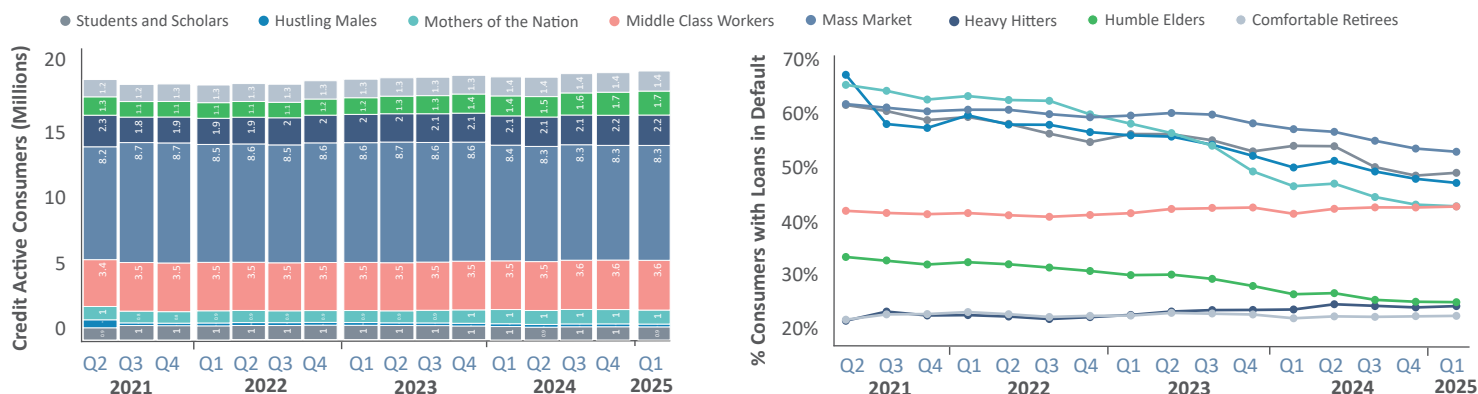
**R203.6bn** ↑ 7.8%  
Total Loan Balances

**R8 077** ↓ 2.7%  
Avg. Monthly Instalments

**21%**  
Instalment to Monthly Income Ratio (Median)

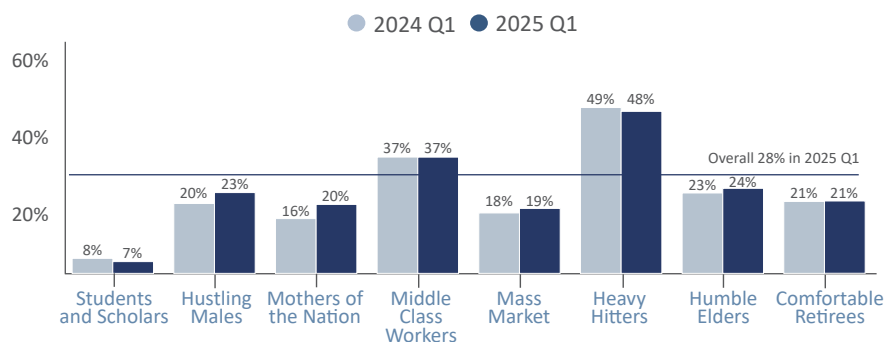


The credit active population grew by 2% YoY, but total overdue balances grew by 14% in the same period, up to R208bn. The overall proportion of credit active individuals with 1+ loans in default decreased to 41.6%, a consistent trend since 2023 Q3, however for the first time in two years, the percentage of loans in arrears increased. Heavy Hitters, Humble Elders and Comfortable Retirees exhibited the lowest proportions in default, while Mass Market has the highest proportion of individuals in default.



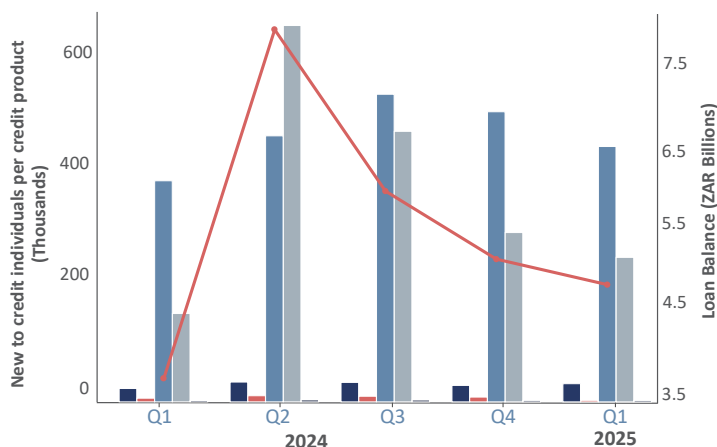
## Instalment to Net Monthly Income Ratio (Median)

The overall instalment to net income ratio for all South Africans was 28%. This means that between a quarter and third of the net income of all credit active people goes toward servicing debt. It was highest for the Heavy Hitters, at 48% of income going to instalments, followed by the Middle Class at 37%. The Mass Credit Market pays 19% of their income towards debt, with Comfortable Retirees at 21%.



\*The calculation for Instalment to Net Income changed from mean to median, so numbers will differ from previous periods

● Credit Card ● Home Loan ● Retail ● Unsecured ● VAF — Loan Balance



## New to Credit by Product

The number of new to credit individuals this quarter was 705 161, a 27% YoY increase. The number of retail accounts opened by new to credit individuals decreased by 12% QoQ to 446 191 in 2025 Q1. Unsecured credit also saw a decrease with 252 629 unsecured credit products taken out by new to credit individuals this quarter, a 15% QoQ decrease. The loan balance of new to credit individuals has been decreasing since 2024 Q2, decreasing by 5.9% QoQ in 2025 Q1 to 4.8bn.

## Eighty20 & XDS Consumer Credit Solutions

Eighty20 and XDS have created a National Segmentation (ENS) Customer Profiling Tool which fuses Credit Bureau data with external data sets such as the MAPS dataset which helps companies enrich their customer data, create better segmentations, as well as providing alternative data for credit lifecycle modelling.

The ENS, while protecting customer privacy and data protection, enables the most comprehensive view of South African adults, mapping over one thousand variables to each consumer. Your consumers are mapped to one of 1 500 micro-segments, 46 sub-segments and 8 segments using either SA ID or mobile number (in a POPIA compliant manner). Call us for more information.

### Notes:

1. The Economic Context graph in Section One is not an exhaustive list. Only events that are highly publicised and believed to have a significant influence on the economy and the political environment are included.
2. Retail Sales Index: Retail trade sales at constant 2019 prices.
3. All economic data sourced from the South African Reserve Bank (SARB) and StatsSA
4. The consumer confidence index is sourced from the Bureau for Economic Research (BER) and First National Bank (FNB).
5. The oil price is sourced from the U.S. Energy Information Administration.
6. The 95 Unleaded fuel price refers to the Gauteng price sourced from the Automobile Association of South Africa.
7. GDP forecasts are according to the BER Consensus.
8. All consumer credit related measures are sourced from XDS.
9. The Leading Indicator was developed by the South African Reserve Bank and shows the expected business cycle movements in the SA economy.