

EIGHTY20/XDS CREDIT STRESS REPORT

2026 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.

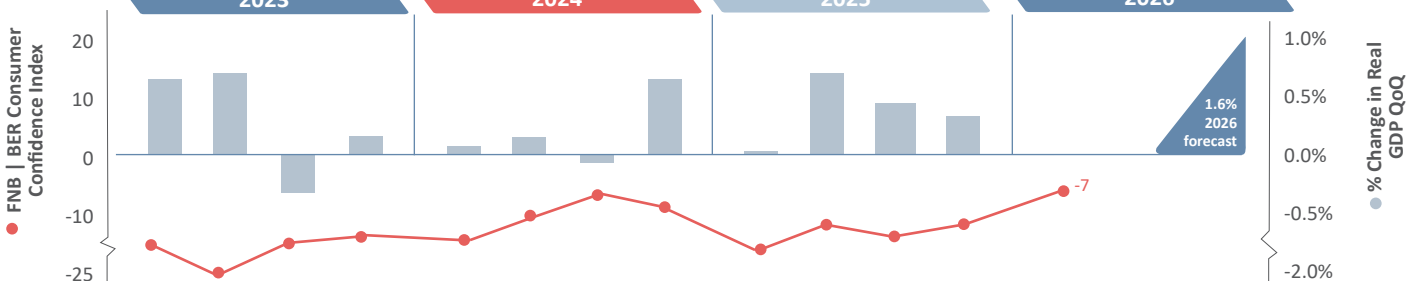
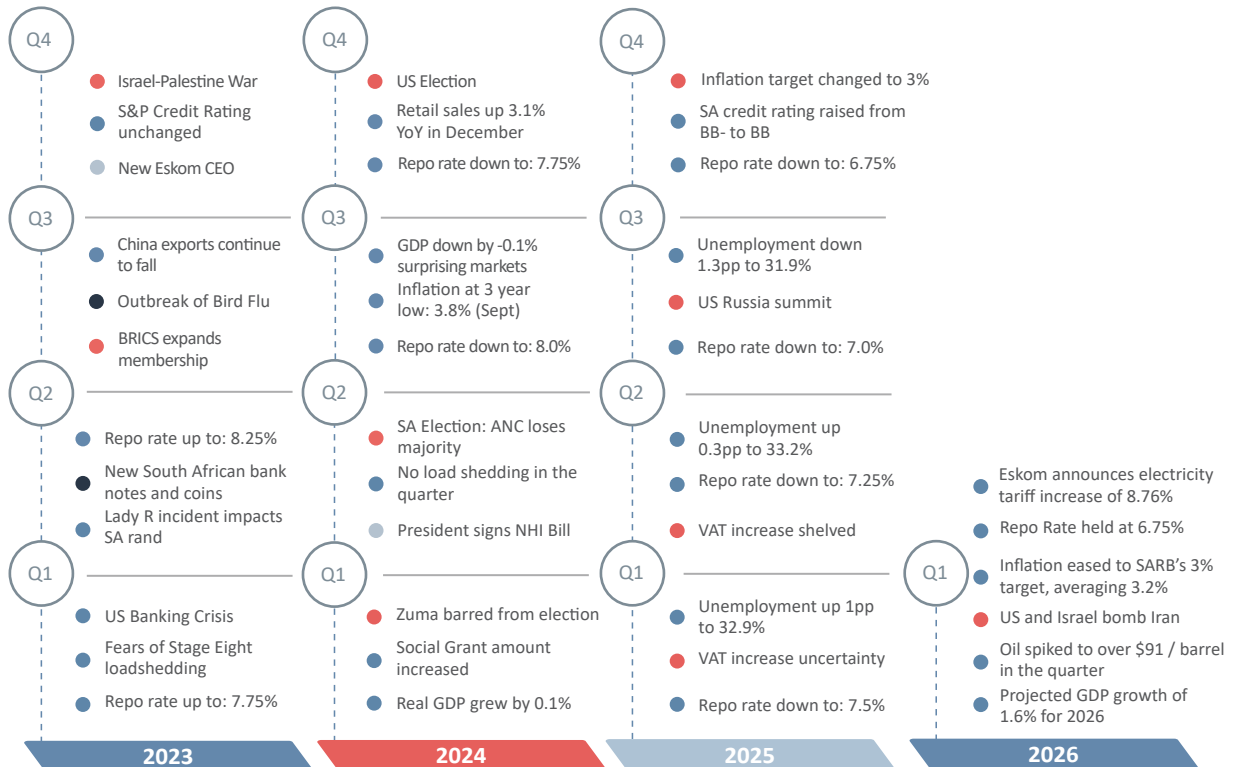
Executive Summary

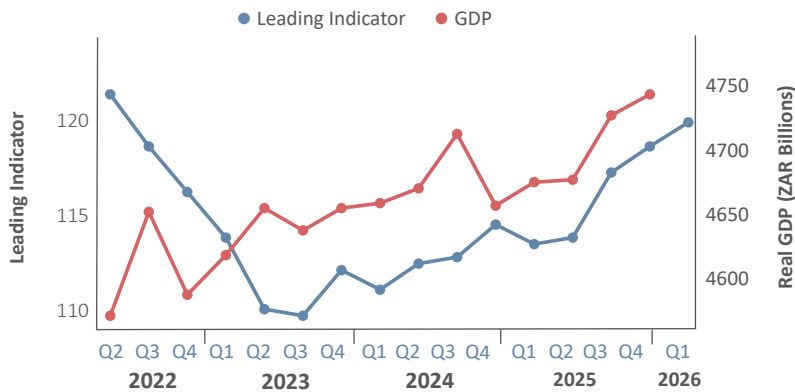
South Africa's economic outlook continued to show modest improvement in the quarter: GDP growth was revised up to 1.6% for the year, inflation eased to 3.2%, and the repo rate held at 6.75% amid external risks. Retail activity grew, with sales up 2.8% YoY. However, unemployment climbed to 32.7%, driven by rising youth unemployment. Credit active consumers and loan balances (especially personal loans) increased, but overdue debt rose 5.6% QoQ, with 35% of loans in arrears. The ongoing conflict in the Middle East is likely to weaken the outlook.

SECTION ONE: ECONOMIC CONTEXT AND IMPACT ON CONSUMER

Timeline: Major Events

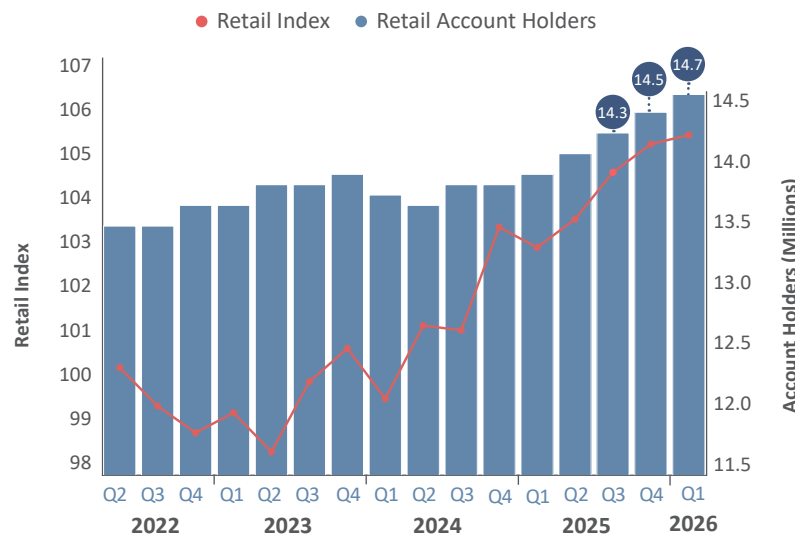
● Economic Events ● Political Events ● Legislative Events ● Other





Leading Indicator of the Economy vs. GDP

South Africa's economic outlook improved in the quarter, with the leading indicator rising by 2.0% QoQ to 119.9, following a 1.6% increase in the previous quarter. Real GDP (at constant 2015 prices) remained broadly stable in 2025 Q4, and the GDP forecast for 2026 improved from 1.4% predicted in 2025 Q4 to 1.6% this quarter. Despite these positive signals, labour market conditions weakened: the unemployment rate increased from 31.4% to 32.7% in 2026 Q1, partly reflecting a rise in youth unemployment.

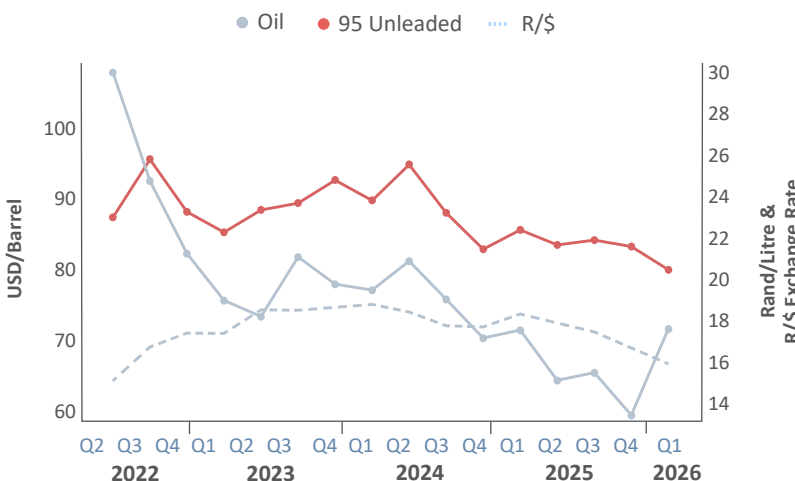
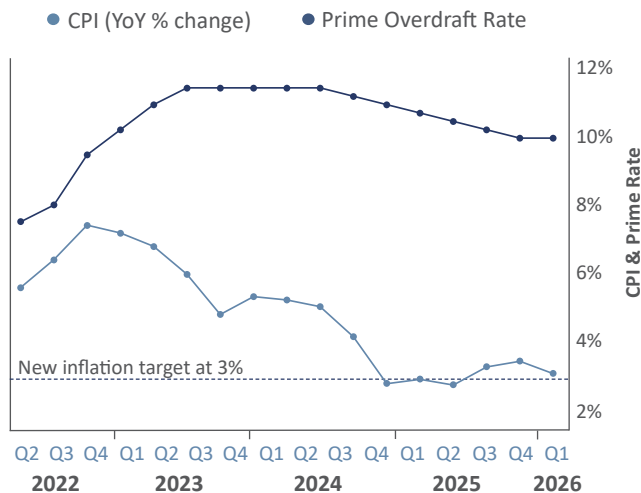


Retail Sales Index

The SARB retail sales index, an indicator of consumer spending and retail trade performance, increased by 2.8% YoY from 103.58 to 106.43 in 2026 Q1, reflecting continued resilience in consumer activity. The number of retail credit account holders, increased by 1.0% QoQ to 14.7 million account holders, indicating ongoing growth in consumer participation in the retail credit market. StatsSA reported that retail trade sales, measured in real terms (constant 2019 prices), rose by 2.8% YoY in 2026 Q1. Growth was driven mainly by 'other' retailers (e.g. e-commerce and specialty stores), up 9.4%, and by textiles, clothing, footwear and leather goods retailers, up 6.0%.

Consumer Price Index & Prime Rate

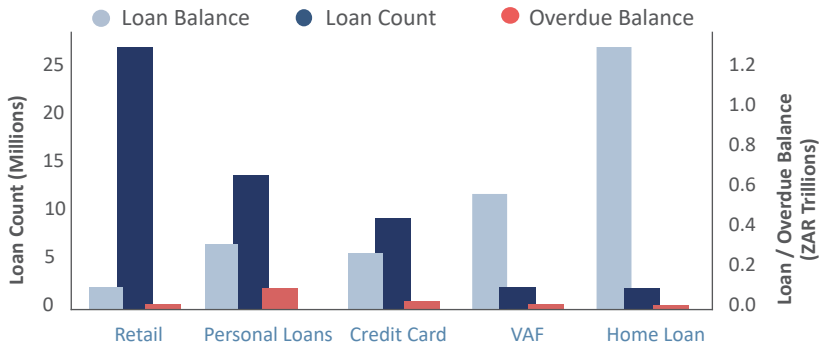
Inflation eased to 3.2% in 2026 Q1 from 3.6% in 2025 Q4. Key drivers were housing and utilities (+4.8% YoY), food and non-alcoholic beverages (+4.4% YoY), and insurance and financial services (+6.8% YoY). Despite these pressures, the SARB held the repo rate at 6.75% (prime at 10.25%), signalling caution amid risks from global supply shocks, rand weakness, and rising fuel costs, with CPI already up to 4.0% in April 2026.



Exchange Rate, Oil & Fuel Price

In 2026 Q1, global oil markets reversed their earlier decline, with oil averaging \$72.00 per barrel, up from \$59.64 in 2025 Q4, as geopolitical tensions disrupted supply chains. The rand strengthened by 4.2% QoQ, supported by a weaker dollar driven by political uncertainty. Fuel prices reflected stronger currency and softer oil markets - petrol fell 4.7% QoQ, while diesel dropped by 5.9% QoQ overall. Steep increases in electricity tariffs, conflict in the Middle East and the delay in government's implementation of the full budgeted tariffs, will add further upward pressure via higher oil prices and currency volatility.

The total number of open loans rose 8.5% YoY to 56.0m in 2026 Q1. Loan balances increased modestly by 5.4%, while overdue debt climbed 13.9% YoY, driven by an 18.8% YoY rise in credit card overdue balances and a 24.4% YoY increase in VAF overdue balances. Personal loans overdue balances grew by R8.2bn (8.4% YoY). Meanwhile, the number of home loans declined 1.1% YoY, ending the quarter at 1.8m open accounts.



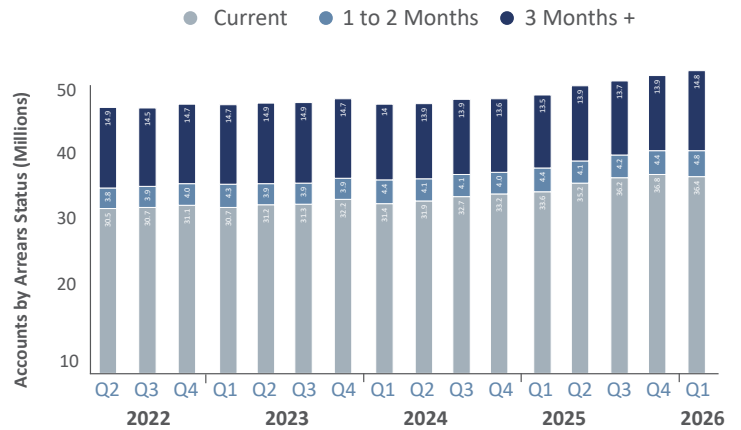
Loan count, balance and YoY growth

Credit Product	Count (m)	YoY Growth	Balance (R bn)	YoY Growth	Overdue Balance (R bn)	YoY Growth*
Retail	26.3	5.6%	90.0	8.7%	27.4	2.0%
Personal Loans	13.1	16.7%	331.1	6.7%	106.1	1.6%
Credit Card	9.6	6.0%	301.0	9.5%	48.0	8.4%
VAF	2.2	3.1%	606.5	9.3%	21.1	13.8%
Home Loan	1.8	-1.1%	1 331	2.3%	29.3	17.2%

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

Credit Accounts by Arrears Status

The number of open loans increased by 1.6% QoQ to 56.0m. The number of loans in arrears (at least one month past due) grew by 1.3m to 19.6m from 18.3m in the previous quarter. This means that 35.0% of loans were in arrears, up 1.8pp from 33.2% in 2025 Q4. There were 14.8m loans in arrears by over three months, an increase of 2.2% compared to the previous quarter, while loans in good standing fell by roughly 430 000 in the quarter, a 1.2% decrease.



Credit Behaviour by ENS Segment

[Click here for more information on the Eighty20 National Segmentation](#)

Mass Credit Market



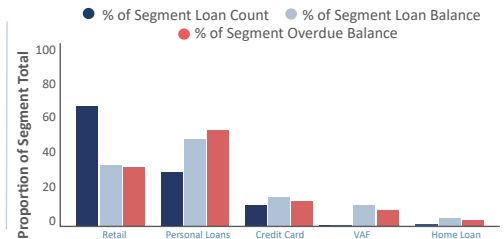
The number of credit active individuals in the Mass Market segment has remained consistent at 8.6m QoQ, but grew by 3.8% YoY. Total loan balance amounted to R111.8bn this quarter, an increase of 1.3% QoQ, and 0.7% YoY. The average loan balance for the segment increased by just R74 QoQ, for an average of roughly R13 000. The total overdue balance on open loans increased by 6.6% QoQ to R46.2bn, with the percentage of defaulters increasing by 4% to 52%.

Percentages are YoY change

R112bn +0.7%
Total Loan Balances

R1 909 +5.2%
Avg. Monthly Instalments

R5 355 +3.4%
Average Overdue Balances



Middle Class Workers

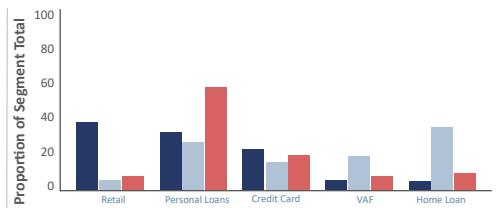


The number of credit active individuals in the Middle Class Workers segment reached 3.8m this quarter, an increase of 0.7% QoQ and 5% YoY. The segment held 13.3m open loans, up from 12.5m in 2025 Q1. Personal loan balances made up 25% of the total loan balance, with VAF contributing 20%. Total overdue balances increased to R92.5bn, up by 4.9% QoQ, while the percentage of defaulters increased by 2% to 43% in 2026 Q1.

R531bn -1.1%
Total Loan Balances

R9 503 -0.8%
Avg. Monthly Instalments

R24 583 +4.4%
Average Overdue Balances



Heavy Hitters

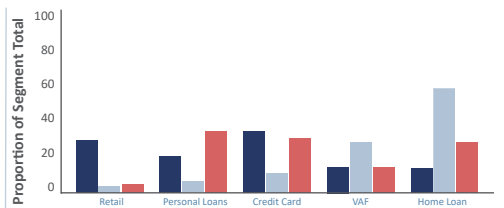


Heavy Hitters saw an increase in credit active individuals QoQ, rising 1.9% to 2.4m. Total open loans in the segment increased 2.0% QoQ, with a total open loan balance of R1.8trn. The number of personal loan holders recorded the largest annual and quarterly increase, rising 11% YoY and 3.3% QoQ to roughly 976 000 this quarter. Total overdue balances among Heavy Hitters increased 5.7% QoQ to R62.2bn, increasing the percentage of loan defaulters to 24%, from 23% in 2025 Q1.

R1 789bn +7.2%
Total Loan Balances

R22 392 +3.1%
Avg. Monthly Instalments

R26 163 +12.6%
Average Overdue Balances



Students and Scholars



The number of credit active Students and Scholars grew notably by 8.4% YoY, reaching a total of 1.0m. Among them, 84% hold retail accounts, amounting to roughly 865,000 retail account holders. Personal loan holders increased sharply by 28% YoY. Their total loan balance rose by R461.8m (4.2% QoQ), bringing the total to R11.4bn. Meanwhile, overdue loan payments reached R1bn (up 6% QoQ), and the percentage of defaulters increased by 2% to 45% QoQ.

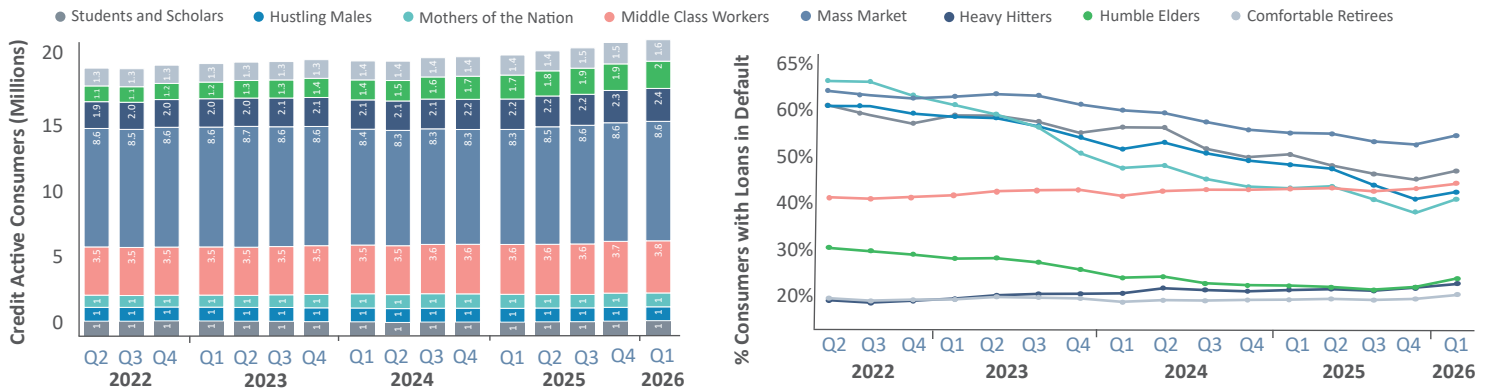
R11.4bn +14.4%
Total Loan Balances

R878 +10.1%
Avg. Monthly Instalments

R1 177 +0.4%
Average Overdue Balances

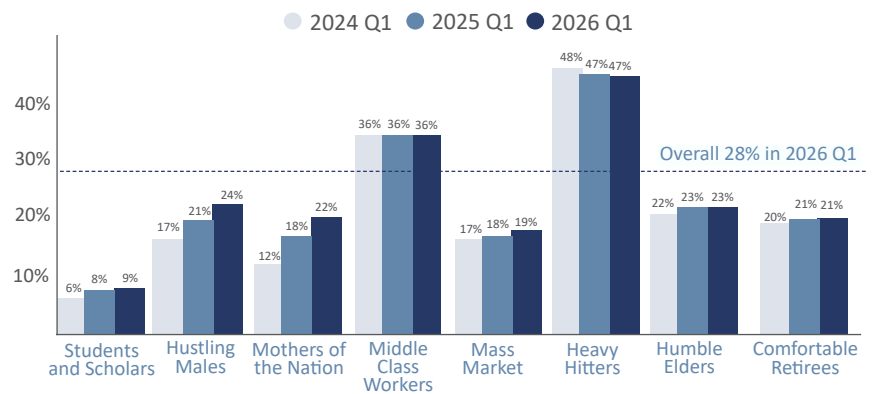


The number of credit active individuals grew 5.9% YoY, largely driven by an 11% increase in personal loan holders. Overdue balances also rose significantly, increasing 13.9% to R237.2bn YoY. The strongest growth in people taking up personal loans came from Students and Scholars and Humble Elders, with both ENS segments recording a 28% increase. Quarterly, Humble Elders experienced the largest rise in credit active individuals, up 2.5% QoQ. Meanwhile, the Mass Market segment reported the highest proportion of defaulters at 52%, up 4% from the previous quarter.

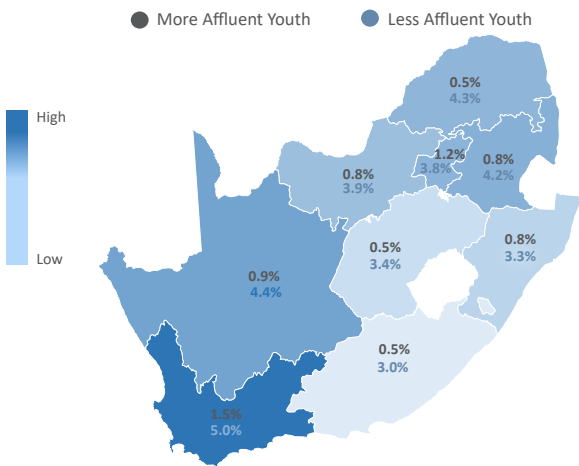


Instalment to Net Monthly Income Ratio (Median)

Overall, credit active individuals allocated 28% of net monthly income to debt repayments, one percentage point lower than in 2025 Q4. Nearly one-third of monthly income is directed toward servicing debt. Heavy Hitters had the highest burden, spending 47% of income on debt, unchanged from 2025 Q1 and slightly lower than 2024 Q1. Mothers of the Nation showed the largest rise, from 18% in 2025 to 22% in 2026, followed by Hustling Males, rising from 21% to 24%.



Provincial Penetration of Credit Active Youth



Quarter Focus: Youth and Credit

The ENS Students and Scholars segment, of which only 11% have credit, (<2% of all credit active), but are 17% of the adult population, was split into two distinct groups: Less Affluent Youth (7m) and More Affluent Youth (550 000).

The Western Cape has the highest overall penetration across both these groups, followed by N. Cape and Mpumalanga.

Almost half of the total exposure of Less Affluent Youth is with retail loans, whilst the More Affluent Youth have the same proportion in VAF. As with the overall credit market, we see the less wealthy leverage unsecured credit to augment their income to make ends meet. Higher default rates among Less Affluent Youth results in more cautious credit risk decisioning by lenders, with these consumers at 47% in default versus 30% among More Affluent Youth.

Eighty20 & XDS Consumer Credit Solutions:

Eighty20 and XDS have developed the Eighty20 National Segmentation (ENS) Customer Profiling Tool, combining credit bureau data with external sources to enrich customer data, improve segmentation, and support alternative credit lifecycle modelling. While ensuring customer privacy and data protection, ENS provides a comprehensive view of South African adults, mapping 1,000+ variables per consumer. Customers are mapped to 1,500+ micro-segments, 46 sub-segments, and 8 segments using SA ID or cell phone in a POPIA-compliant way.

Notes:

- 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.
- Retail Sales Index (SARB) is an indexed macroeconomic measure of real retail activity, while Retail Trade Sales (Stats SA) reports surveyed retail turnover in rand terms.
- All economic data sourced from the South African Reserve Bank (SARB) and StatsSA
- The consumer confidence index is sourced from the Bureau for Economic Research (BER) and First National Bank (FNB).
- The oil price is sourced from the U.S. Energy Information Administration.
- The fuel prices quoted refer to the Gauteng price sourced from the Automobile Association of South Africa.
- GDP forecasts are according to the BER Consensus.
- All consumer credit related measures are sourced from XDS.
- The Leading Indicator was developed by the South African Reserve Bank and shows the expected business cycle movements in the SA economy.