



CDIX

CONSUMER DEFAULT INDEX - Extended

Understanding the South African credit consumer within the greater context of the South African economy.

December 2024 | **Quarter 4**



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For the best visualization experience switch to the full screen modality, keyboard shortcut:



Glossary

CDI	Consumer Default Index
CDIx	Consumer Default Index Extended
CPI	Consumer Price Inflation
Eskom	The South African electricity public Utility
NAB	Non-alcoholic Beverages
NCR	National Credit Regulator
SAPIA	South African Petroleum Industry Association
SARB	South African Reserve Bank
StatsSA	Statistics South Africa
USD	United States Dollar
ZAR	South African Rand



Consumer Default Index (CDI) – Tracking first-time default rate for South African consumers

Overview of Index – What does it measure?

The Experian Consumer Default Index (CDI) measures the rolling default behaviour of South African consumers with Home, Vehicle, Personal, Credit Card, and Retail Loan accounts.

Every month, lenders typically classify their consumer accounts into one of several predetermined payment categories to reflect the level of arrears. When a lender deems the statement balance of a consumer account to be uncollectible due to being in arrears for 90 or more days or having statuses such as repossession, foreclosure, charge-off or write-off, the consumer account is said to be in default.

The index tracks the marginal default rate, which measures the sum of first-time defaulted balances, i.e., accounts that have never previously defaulted, as a percentage of the total sum of balances outstanding.

The CDI is published quarterly with a two-month lag, including a balance-weighted composite index and the five product-specific sub-indices. Two grouped indices are also provided:

1. Home Loans, Vehicle Loans and Credit Cards (these products typically are held by the traditionally banked market segments), and
2. Personal Loans and Retail Loans (these products are usually used as entry products into the credit market).

The indices are also determined at a level that provides further insight into the dynamics of specific consumer affluence-related segments experiencing different stresses due to macro forces such as unemployment, interest rate changes and economic growth.



25.04m

consumers with Credit Card, Personal Loan, Vehicle Loan, Home Loan and/or Retail Loan accounts.

30.80m

active accounts across Credit Card, Personal Loan, Vehicle Loan, Home Loan and/or Retail Loan.

R2.26

trillion in outstanding debt.



The **CDI is published quarterly** with a two-month lag, the indices include a balance-weighted composite index, as well as the five product-specific sub-indices.



Composite Consumer Default Index

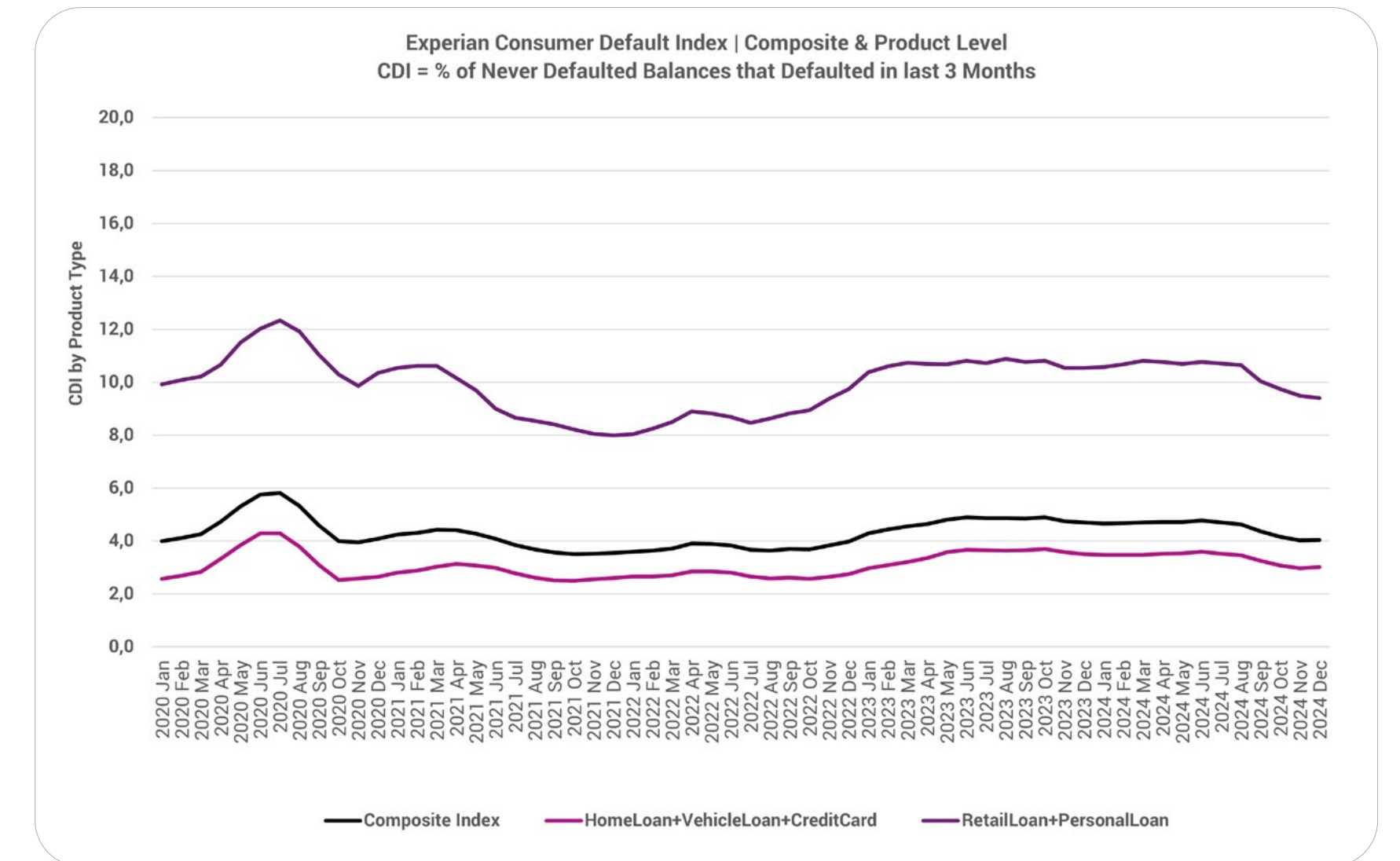
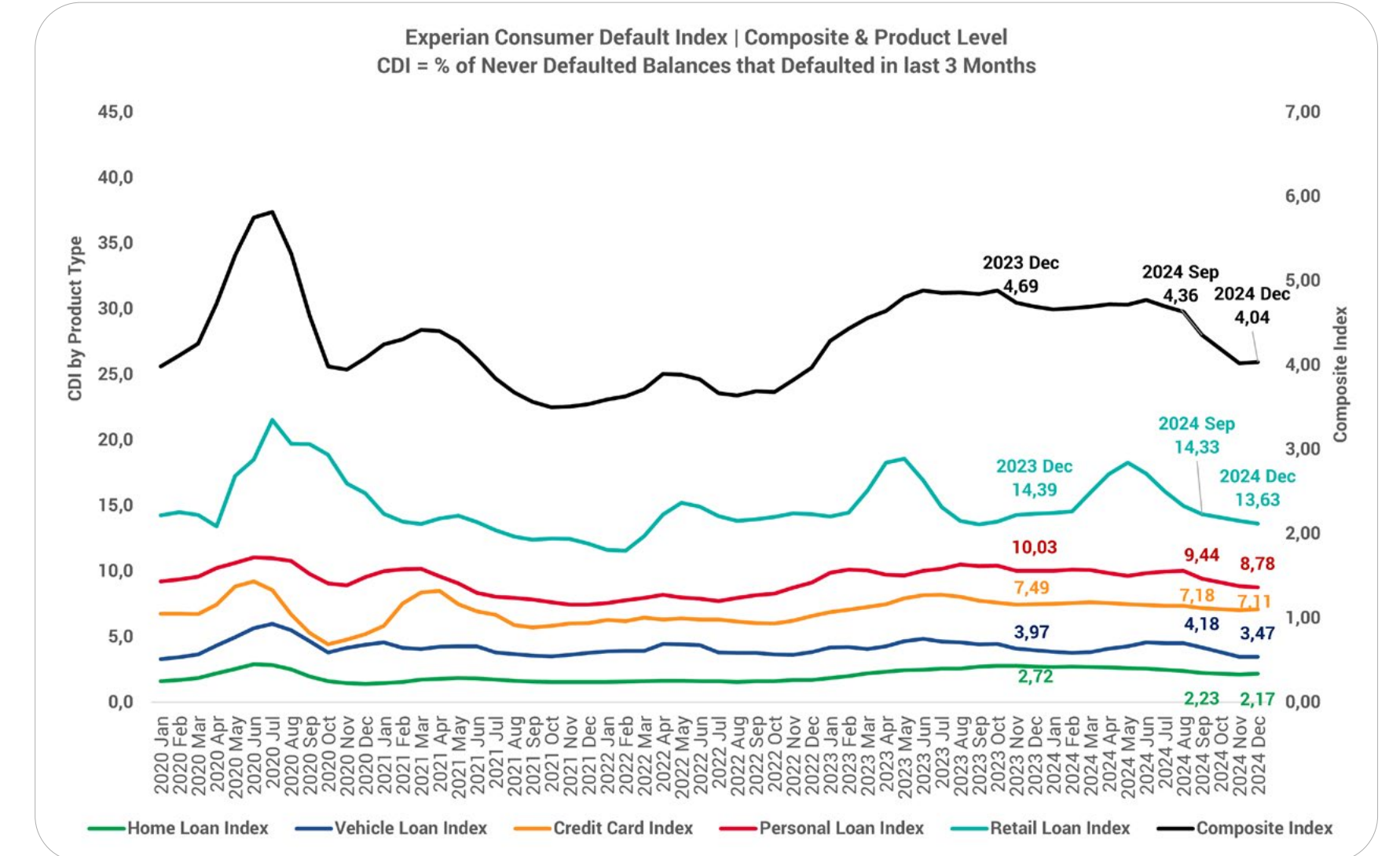
The composite CDI showed relative improvement Q-o-Q, moving from 4.36 in September 2024 to 4.04 in December 2024. Considering the cyclic nature of the CDI, it was expected to see this improvement in Q4, however, it is expected to witness an increase in CDI that ensues early in Q2 the following year. This is usually the result of the Festive season and particularly the Black Friday spending spree that occurs during Q4.

Y-o-Y, the Composite CDI also improved significantly, moving from 4.69 to 4.04 – a relative improvement of 14%, marking the most significant improvement in over two years. This improvement suggests that even though consumers are still finding it very challenging to honour debt commitments, the situation is improving.

From a product perspective, all products saw a Y-o-Y improvement in CDI, contributing to the overall CDI improvement.

Home Loans, Vehicle Loan and Personal Loans saw the most substantial improvement in CDI, moving from 2.72 to 2.17, from 3.97 to 4.37 and from 10.03 to 8.78 respectively, Y-o-Y. This meant that Home Loans saw a relative improvement of 20%, Vehicle Loans saw a relative improvement of 13% and Personal Loans a relative improvement of 12% over the last year. This points to the fact that mid-to-high affluence consumers – who typically qualify for high-end credit products such as Home Loans – are now starting to see a turn in the tide of relentless deterioration observed over the last 2 years.

Index	CDI Dec'24	CDI Dec '23	Average Outstanding Oct'24-Dec'24	New Default Balances Oct'24-Dec'24	Relative Impr/Deter
Composite Index	4,04	4,69	R 2 260 256 814 358	R 22 813 765 065	-14%
Home Loan Index	2,17	2,72	R 1 188 920 206 295	R 6 457 370 574	-20%
Vehicle Loan Index	3,47	3,97	R 520 581 684 419	R 4 515 326 422	-13%
Credit Card Index	7,11	7,49	R 185 551 543 518	R 3 296 430 209	-5%
Personal Loan Index	8,78	10,03	R 318 183 363 190	R 6 984 430 177	-12%
Retail Loan Index	13,63	14,39	R 45 802 178 862	R 1 560 207 683	-5%
Home Loan + Vehicle Loan + Credit Card	3,01	3,51	R 1 896 271 272 306	R 14 269 127 205	-14%
Retail Loan + Personal Loan	9,39	10,54	R 363 985 542 052	R 8 544 637 860	-11%



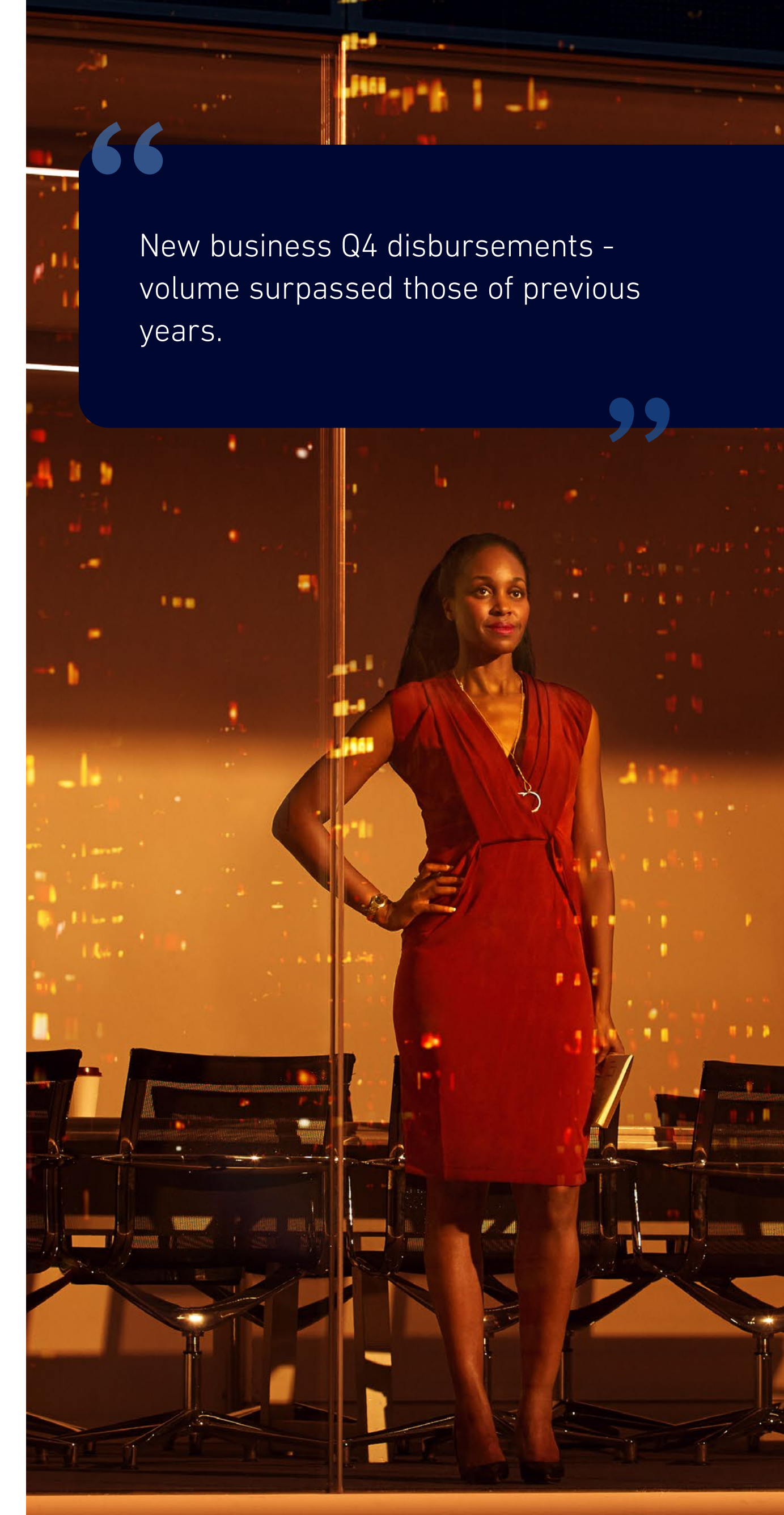
Summary of the CDIx

- CPI fell to 3% in December 2024, driven by lower food and transport inflation and falling fuel prices.
- **Market appetite for credit in Q3** (NCR data):
 - Record-high credit applications indicate strong market demand.
 - Marginal growth in approvals reflects cautious lender response.
 - Loosened creditworthiness assessments have slightly increased approval rates.
- **New business Q4 disbursements - volume surpassed those of previous years, but from a disbursement-value perspective, has not translated into corresponding growth.**
- Notably, Home loans are becoming less prevalent in both volume and value over time, while Personal loans and Retail loans are gaining prominence.
- The Composite **CDI** showed relative improvement
 - Th Y-o-Y improvement was seen for all products.
 - **The most significant improvement was seen for Home loans.**
 - All FAS Groups experienced a meaningful Y-o-Y improvement in CDI. This positive trend was mimicked across all products, each showing significant Y-o-Y improvement in CDI.
- **Vintages** in Home Loans portfolios have shown marginal improvement for both the @ 6 months and @ 12 months views, but regardless of the improvement, they continue to surpass that of Vehicle Loans.
- FAS Groups 1 and 2 account for no less than 40% of the total volume of credit products for which **Debt Review** applications have been lodged.

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New business Q4 disbursements - volume surpassed those of previous years.

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Experian Solutions used in the CDI and CDIx

This report leverages Experian data, analytics and technology solutions to bring you insights into consumers in South Africa.

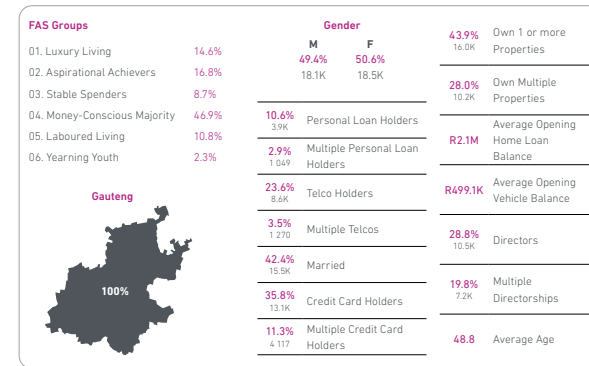
Our solutions used to develop the CDI and CDIx include:

- Consumer macro- and micro segmentation (FAS)
- Bespoke CDI views (benchmarking your business against rest of market)
- Analytics Benchmark reports (quarterly full packs or monthly lite reports)
- Macro-economic views expanded on in the Business Debt Index (built and maintained in collaboration with Econometrix (Pty) Ltd)



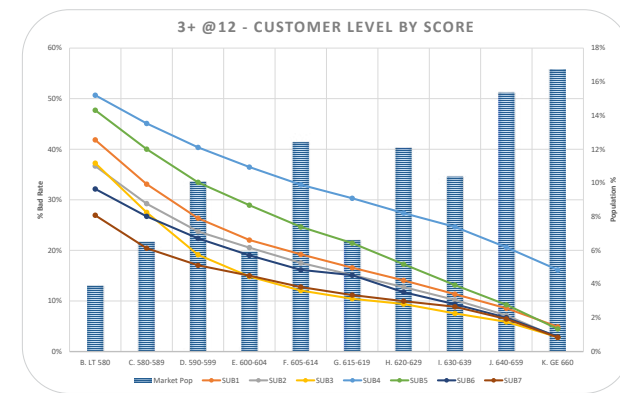
Understanding your Customers

The Financial Affluence Segmentation tool helps companies ideal target populations likely to take up your product or engage with your services.



Locate your Ideal Customer

Experian's FAS Location solution allows you to select your ideal segment based on their FAS profiles and/or area to get insights into the population at a more granular level.



Industry Benchmarking Reports

Understand how your company is performing against the industry in our comprehensive benchmarking reports.



The unpredictable nature of the future can be daunting – let us help you understand your situation and how you can overcome your business obstacles through data and analytics.

Up powered by Experian

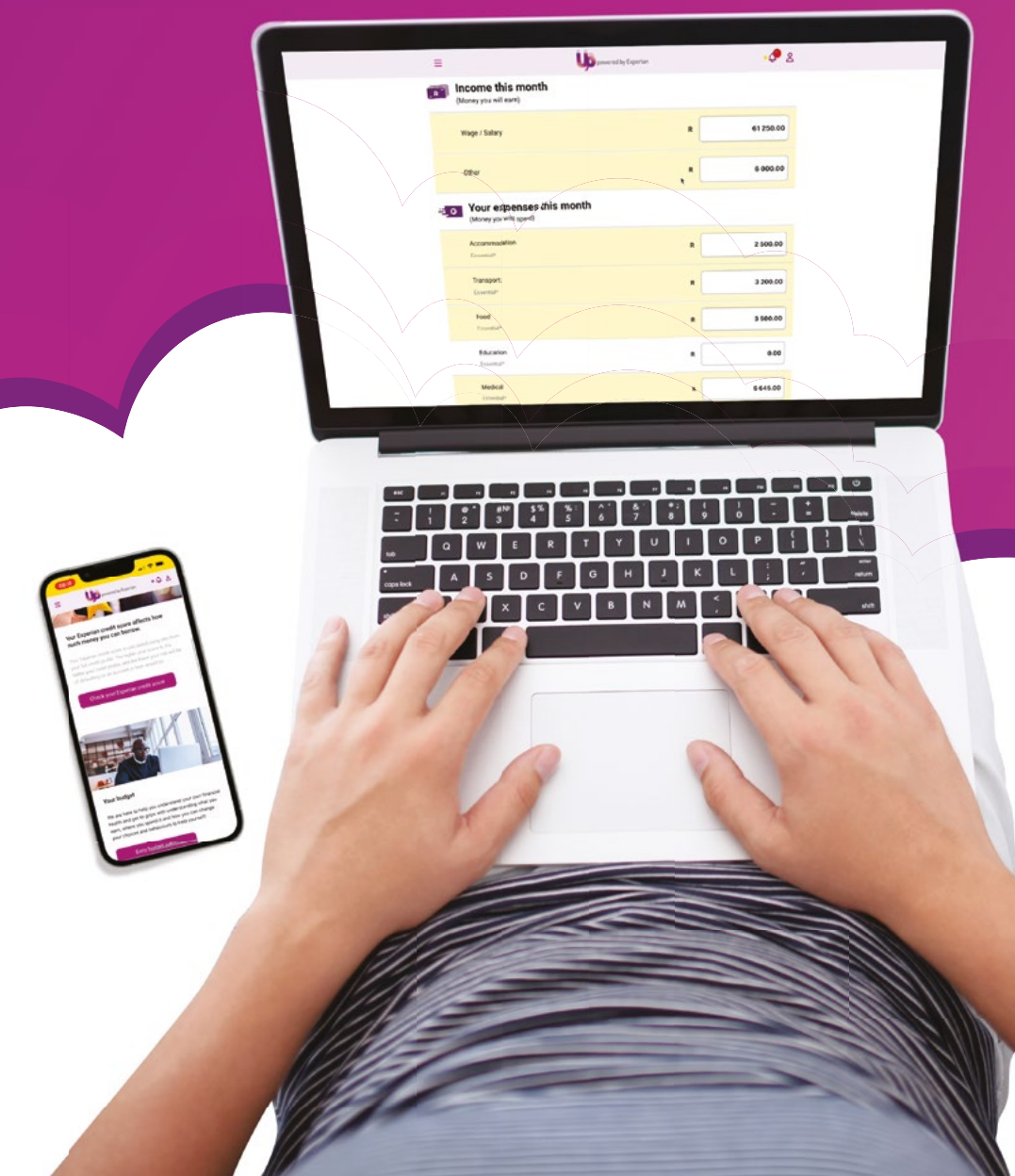


In order to improve consumer financial health and to drive financial education, Experian has launched a web-based app called 'Up'. This platform is made available to consumers free of charge. We make it available to businesses for publishing on corporate websites as well through an annually renewable Up Partnership agreement. Please contact us for more information.

WISE UP with Experian's free credit information and education app.

A credit, budgeting and learning experience to help you take control of your financial health.

www.up.experian.co.za





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or if you would like to book an analytics consultation, please contact us.

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