May 2022

Experian Africa
Consumer Default Index
Experian Quarter 1 2022

Contents

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

Overview of Index – What does it measure?

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

On a monthly basis, 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 CDI tracks the marginal default rate as it 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; the indices include a balance-weighted composite index, as well as the five product-specific sub-indices. Two grouped indices are also provided:

1. Home Loans, Vehicle Loans and Credit Cards (these products are typically 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 FAS Type level to provide further insight into the dynamics faced by specific consumer affluence-related segments that are experiencing different stress due to macro forces such as unemployment, interest rate changes and economic growth.

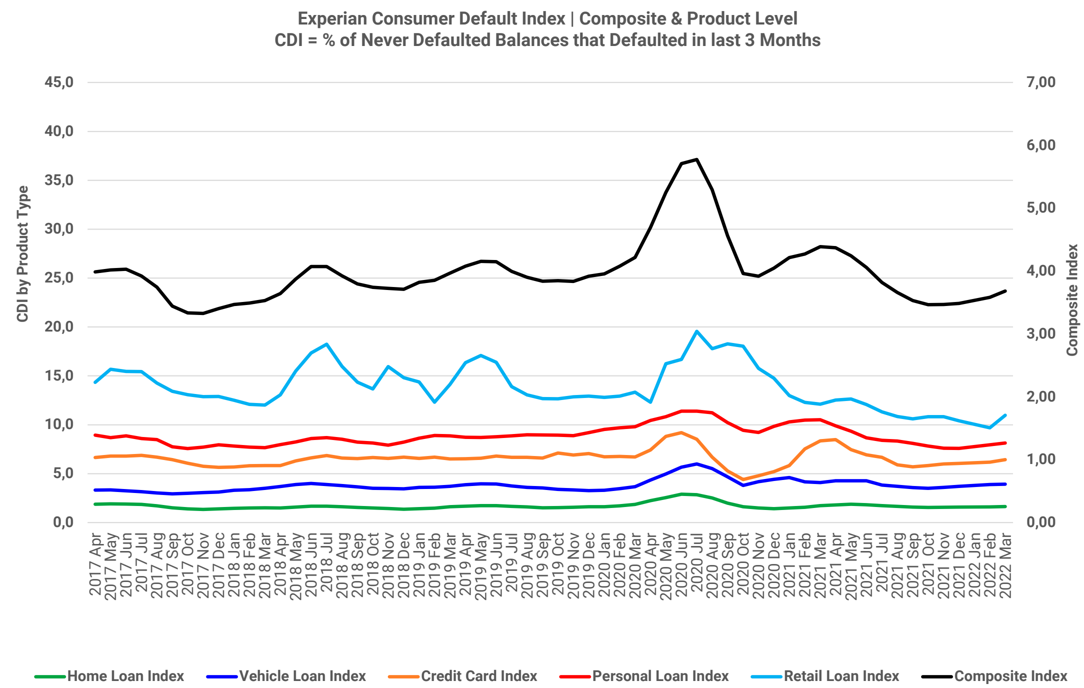
23.1 million consumers with Credit Card, Personal Loan, Vehicle Loan, Home Loan and/or Retail Loan accounts.

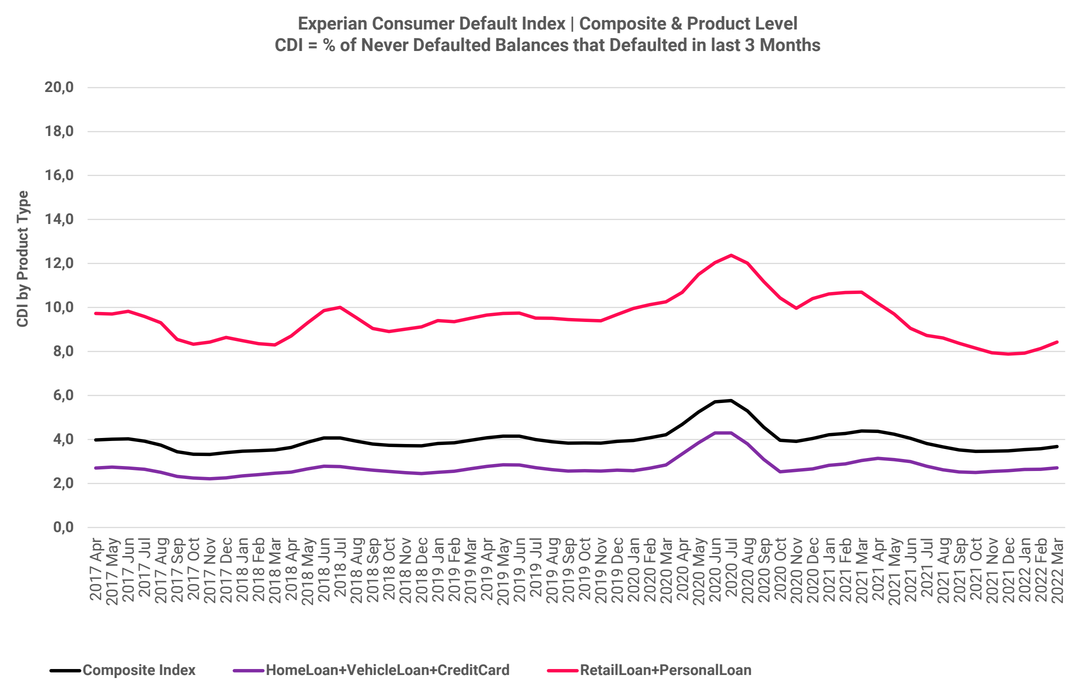
28.2 million active accounts across Credit Card, Personal Loan, Vehicle Loan, Home Loan and/or Retail Loan.

R1.97 trillion in outstanding debt.

Consumer Default Index Q1 2022

Composite Consumer Default Index





	Index	CDI Mar '22	CDI Mar '21	Average Outstanding Jan'22-Mar'22	New Default Balances Jan'22-Mar'22
■	Composite	3,68	4,39	R 1,97 Trillion	R 18,11 Billion
■	Home Loan	1,63	1,73	R 1,04 Trillion	R 4,23 Billion
■	Vehicle Loan	3,93	4,10	R 444,63 Billion	R 4,37 Billion
■	Credit Card	6,44	8,35	R 152,93 Billion	R 2,46 Billion
■	Personal Loan	8,13	10,52	R 298,78 Billion	R 6,07 Billion
■	Retail Loan	10,97	12,11	R 35,4 Billion	R ,97 Billion
■	Home Loan + Veicle Loan + Credit Card	2,71	3,05	R 1,63 Trillion	R 11,06 Billion
■	Retail Loan + Personal Loan	8,43	10,70	R 334,18 Billion	R 7,04 Billion

The CDI showed a meaningful increase Q-o-Q, moving from 3.45 in 2021 Q4 to 3.68 in 2022 Q1. Y-o-Y, however, a significant improvement was observed, moving from 4.39 in 2021 Q1 down to 3.68 in 2022 Q2.

The Y-o-Y improvement was observed for all products, with the most significant Y-o-Y improvement observed for unsecured credit products. Relatively speaking, the improvements observed for Credit Card and Personal Loans were the most significant, with both of these products showing a relative improvement in CDI of almost 23%.

On a Q-o-Q basis, we saw quite a significant deterioration in the CDI for Retail Loans, moving from 10.41 in 2021 Q4 to 10.97 in 2022 Q1.

Composite Consumer Default Index by Macro-FAS

Composite CDI	CDI Mar' 21	CDI Mar' 22	Average Oustanding Jan' 22 - Mar' 22	New Default Balances Jan' 22 - Mar' 22	CDI % Change
Group 1: Luxury Living	2,70	2,53	R 724,14 Billion	R 4,57 Billion	-6%
Group 2: Aspirational Achievers	4,09	3,54	R 823,94 Billion	R 7,29 Billion	-13%
Group 3: Stable Spenders	7,30	5,27	R 187,28 Billion	R 2,47 Billion	-28%
Group 4: Money-Concious Majority	7,25	5,65	R 185,15 Billion	R 2,62 Billion	-22%
Group 5: Laboured Living	13,02	11,27	R 27,03 Billion	R ,76 Billion	-13%
Group 6: Yearning Youth	16,41	13,53	R 9,18 Billion	R ,31 Billion	-18%

2022 Q1 continued to show that the Y-o-Y improvement in CDI was least significant for the most affluent consumer group – Luxury Living. Although this group showed improvement from 2.70 to 2.53, the relative improvement only came to 6%. This number is dwarfed by the relative improvement observed for less affluent groups like Group 3 – Stable Spenders (28%) or Group 4 – Money-Conscious Majority (22%).

Consumers in Luxury Living have an average opening home loan balance in excess of R1.2m (54% owning one home and 25% owning multiple properties) and an average opening vehicle loan balance greater than R450k. This group is highly exposed to secured credit and is typically deemed to be the least risky consumer segment. Their improvement in CDI was relatively modest, compared to that of other consumer segments.

FAS Group 3, the **Stable Spenders**, which make up ~ 7% of the South African population, saw the greatest relative CDI improvement from 7.30 in 2021 Q1 to 5.65 in 2022 Q1 (28% relative CDI change). Stable Spenders is made up of consumers who are mostly young and middle-aged adults, who live from month to month and need credit to make ends meet. Their exposure to secured credit is very limited, with only ~10% owning a home. Exposure to unsecured credit – particularly pay-day loans and retail loans, is more substantial and is used by these consumers to afford certain necessities. Although many consumers in this group have failed to qualify for credit under the more risk averse lending approach being followed by many lenders, there are some exceptions. Some micro-segments (or types) within this group – Stand-Alone Singles (Type 12) and Plugged-in Purchasers (Type 13) – comprise consumers between 20 and 30 years old, who remained employed over the past 2 years, and who saw an improved ability to repay. Following the long period of low interest rates and limited opportunities for travel and entertainment spending, these consumers in many instances qualified for credit and have been able to honour these debt commitments more regularly than was the case a year ago.

The 6 groups that make up macro-FAS include:

- **FAS Group 1: Luxury Living** (2.5% of the credit-active population) - Affluent individuals representing the upper crust of South African society with the financial freedom to afford expensive homes and cars.
- **FAS Group 2: Aspirational Achievers** (9.3% of the credit-active population) - Young and middle-aged professionals with the resources to afford a high level of living while furthering their careers, buying property and establishing families.
- **FAS Group 3: Stable Spenders** (7.2% of the credit-active population) - Young adults that rely on financial products to assist in making ends meet or to afford specific necessities such as clothing and school fees, or seasonal luxuries.
- **FAS Group 4: Money-Conscious Majority** (40.0% of the credit-active population) - Older citizens that are conscious of where and how they spend their money; often seeking out financial products to cover basic needs or for unforeseen expenses.
- **FAS Group 5: Laboured Living** (24.6% of the credit-active population) - Financially limited individuals as salaries are

below national tax thresholds; they spend their money on basic living necessities such as food and shelter.

- **FAS Group 6: Yearning Youth** (16.4% of the credit-active population) - Very young citizens that are new to the workforce; this mix of labourers and possibly working students earn low salaries and are limited to spending on non-essential goods.

Composite Consumer Default Index by FAS Type

FAS		CDI		
FAS Type Name	**Description**	**Mar'22**	**Mar'21**	**Year on Year Δ**
01. Independent Investors	The most affluent members of South Africa the majority of which are directors and financially savvy individuals that understand how to make their money work for them.	2,53	2,63	-0,11
02. Affluent Couples	Well-educated power couples that understand the importance of investments, the correct handling of finances, and protecting their assets.	2,41	2,67	-0,27
03. Professional Players	Career-driven and well-educated individuals with exceptional entrepreneurial abilities that know how to work hard to support their lifestyles.	2,67	2,79	-0,12
04. Logged-On Lifestyles	Young professionals that are very active when it comes to online retail buying but understand the value investments such as property carry.	1,60	1,92	-0,32
05. Liquid Living	Upper-middle-class, mature individuals with strong family tendencies that rely on financing to afford the extra necessities in life.	2,63	3,22	-0,59
06. Successful Singles	Young and unmarried but successful individuals that are driven by prestige and seek to further their personal and professional accomplishments.	3,10	3,17	-0,07
07. Lifestyle Lending	Established individuals that are eager to spend but are still somewhat reliant on credit to support their lifestyles.	3,59	4,06	-0,47
08. Comfortable Retirees	Stable, mature individuals either approaching or in retirement that are set up for comfortable retirement.	4,07	4,55	-0,48
09. Secure Singles	Young singles that are setting up their lives and with the potential to become a more affluent type as they age and their incomes increase.	4,47	3,84	0,63
10. Comfortable Couples	Couples leading enjoyable lives and whose basic needs are met; however, they are not prepared for the odd financial hiccough.	5,52	6,54	-1,02
11. Steady Entrepreneurs	Middle-aged small business entrepreneurs that can support themselves but would struggle to afford more expensive assets.	9,05	11,62	-2,57
12. Stand-Alone Singles	Young money-savvy and independent singles that are building their personal lives and careers by climbing the ranks and that understand the importance of assets.	3,59	4,67	-1,07
13. Plugged-In Purchasers	Having grown up with the development of technology, most have not known a world without the internet and would leverage technology in their careers.	3,01	5,04	-2,02
14. Payday Pursuers	Living from month to month, these middle-aged individuals rely on finance to bridge the gap between paydays.	4,54	6,93	-2,39
15. Deficient Directors	Owners of small enterprises that are unlikely to see any significant increase in income and whose financial limits impact their ability to budget for unforeseen financial needs.	6,84	7,98	-1,15
16. Credit-Reliant Consumers	Young adults are relying on financing to cover monthly expenses, especially for retail purchases; most likely to elevate their level of lifestyle.	9,71	15,15	-5,44

17. Secure Seniors	Senior citizens who are mostly in their retirement with enough income to provide for the basics and financial security.	3,26	3,74	-0,48
18. Coping Couples	Mature couples in the late stages of their careers as employees with enough income to cover basic needs until they retire.	2,87	3,68	-0,81
19. Restricted Retirees	Senior citizens who struggle to afford the basics, and therefore need to continue working despite being in retirement.	5,61	6,93	-1,32
20. Low Earners	With some of the lowest salaries, these middle-aged individuals are severely restricted in terms of access to financing and purchasing power.	9,48	10,77	-1,28
21. Misfortunate Mature	Approaching retirement age, these wage-based employees would need to continue working well into retirement to supplement their state pensions.	7,60	8,69	-1,10
22. Concerning Citizens	Late middle-aged employees that are ill-equipped to accumulate adequate savings or investments for retirement, instead they use salaries to cover basic needs.	6,21	8,57	-2,36
23. Money-Wise Mature	Mature individuals that are not financially secure and may even need to work part-time during retirement to supplement any pensions received.	6,20	8,33	-2,13
24. Depleted Resources	Employees, probably in the unskilled worker sector, with low resources which restrict access to financial services to afford monthly necessities.	7,68	10,43	-2,75
25. Strained Adults	Low finances leave these middle-aged individuals strained to afford little more than the basics.	8,68	13,96	-5,28
26. Online Survivors	Young adult unskilled or shift workers that are likely cohabiting with significant others or family and are unable to afford more than their basic needs.	12,79	11,27	1,53
27. Struggling Earners	While these individuals struggle to make ends meet, which has led to a reliance on financing to supplement their income, they do understand the value of insuring the little they have.	6,75	9,87	-3,12
28. Minimum-Money Workers	Unskilled labourers, with salaries barely above the minimum wage for South Africa, whose meagre salaries are a huge obstacle in obtaining finance with which to buy assets.	12,03	15,76	-3,74
29. Inexperienced Earners	Young salaried employees that are new to the job market and are beginning to set up their lives; however, they are likely still residing with family or are renting cheaper accommodation.	11,94	15,14	-3,20
30. Eager Youth	The youngest entry-level employees that are beginning to realise the cost of living and are likely reliant on family for support or accommodation.	17,06	19,40	-2,34

2022 Q1 CDI showed deterioration for only two FAS Types: Secure Singles (Type 9) and Online Survivors (Type 26). As for the other 28 FAS Types, they all saw an improved CDI.

Overall, this table re-iterates the observation that more affluent consumers saw less significant improvements in CDI than less affluent consumers did.

It is important to note, that new business volumes over the last year have been even more skewed to the less risky market segments. Although improved affordability (due, in part, to a prolonged period of low interest rates) has offered young consumers who previously 'only just' did not qualify for secured loans, to now qualify, the overall picture remains that of unsecured new business credit not quite recovering to pre-COVID levels.

Online Survivors (Type 26): This consumer type has an average age of 34 years, comprising mostly of unskilled or shift workers that are likely cohabiting with significant others or family and are unable to afford more than their basic needs. They continue to have the largest retail loan credit exposure, but they saw a significant deterioration in CDI from 11.27 in 2021 Q1 to 12.79 in 2022 Q1.

- **Online Survivors** deteriorated from 11.27 in 2021 Q1 to 12.79 in 2022 Q1. This was the greatest Y-o-Y deterioration in CDI of all the FAS Types.

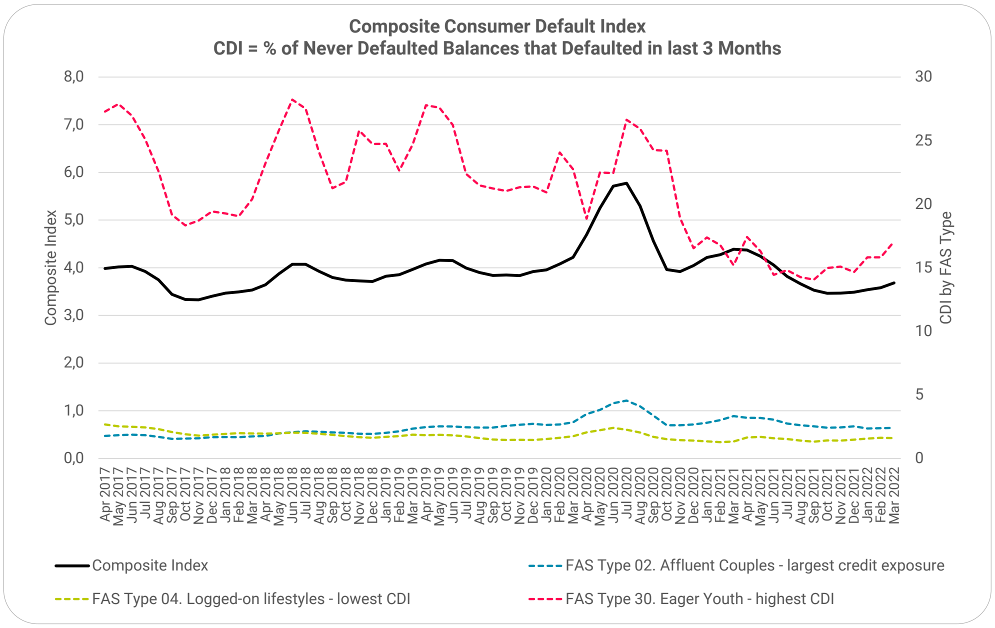
- These consumers form part of FAS Group 5 and reflect the less affluent end of the market. Although this consumer type still holds the biggest market share in retail loans, they have been under increased pressure to honour their debt commitments – particularly following increased credit take-up in unsecured credit during the festive period in 2021.

Credit-Reliant Consumers (Type 16): These consumers are relatively young and have average annual salaries of R146 000. They have high exposure (98%) and utilisation (over 80% of them using at least 75% of their limit) of unsecured loans. In fact, 98% of these consumers held unsecured loans (prior to COVID) and only ~6% held home loans. Due to their risk profile, they have had a higher likelihood of not qualifying for a new unsecured loan under increased risk aversion of lenders over the last 2 years, and as such, exhibit a significant improvement in first-time default rate.

- **Credit-Reliant Consumers** showed a significant Y-o-Y improvement in CDI from 15.15 in 2021 Q1 to 9.71 in 2022 Q1.

These consumers exhibit relatively high risk to lenders and were therefore typically not extended new products – particularly relating to unsecured credit.

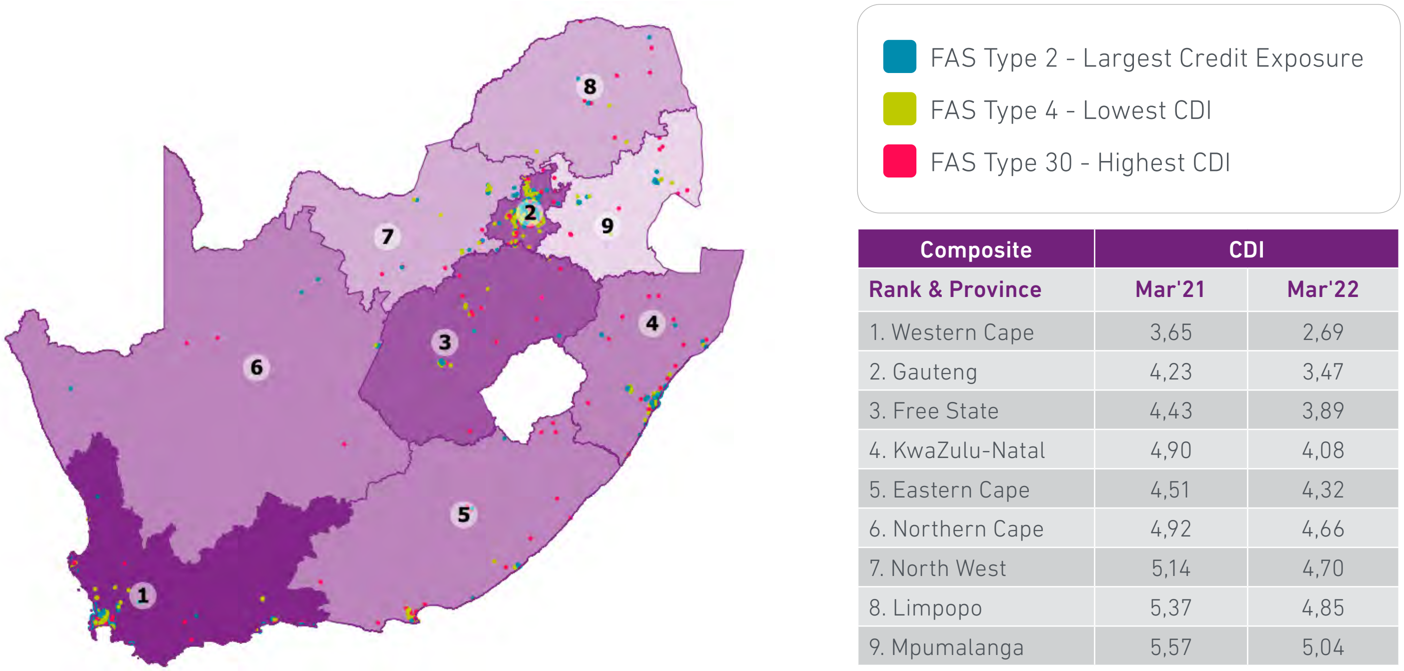
Composite Consumer Default Index by Province



3.68%
of balances on an annualized basis defaulted for first time over the period Jan 2022 to Mar 2022.

R18.11bn
in value defaulted for first time over the period Jan 2022 to Mar 2022.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Composite Index	3,68	4,39	R18 105 990 212
FAS Type 2 - Largest Credit Exposure	2,41	2,67	R1 790 603 199
FAS Type 4 - Lowest CDI	1,60	1,92	R472 521 384
FAS Type 30 - Highest CDI	17,06	19,40	R121 860 478



Composite	CDI	
Rank & Province	Mar'21	Mar'22
1. Western Cape	3,65	2,69
2. Gauteng	4,23	3,47
3. Free State	4,43	3,89
4. KwaZulu-Natal	4,90	4,08
5. Eastern Cape	4,51	4,32
6. Northern Cape	4,92	4,66
7. North West	5,14	4,70
8. Limpopo	5,37	4,85
9. Mpumalanga	5,57	5,04

At a provincial level, the improvement in CDI was evident in all nine provinces - most prominent in the Western Cape.

- The CDI in the **Western Cape** remains the lowest, at 2.69, down from 3.65 observed in 2021 Q1. The Western Cape with its high representation of more affluent consumers remains the province with the lowest CDI overall.
- In terms of 'best improvement in CDI', the Western Cape was followed by **KwaZulu-Natal**. This province typically has a higher representation of less affluent consumers than the Western Cape does.
- At the opposite end of the scale, **Mpumalanga** is the province with the highest CDI, and it showed a less significant improvement in the CDI, moving from 5.57 in 2021 Q1 to 5.04 in 2022 Q1. Considering the relatively high representation of less affluent consumer groups in this province, it is understandable that Mpumalanga exhibits the highest CDI overall.
- The least significant improvement in CDI was observed for the Eastern Cape, down Y-o-Y from 4.51 to 4.32.



Composite Consumer Default Index by Micro-FAS

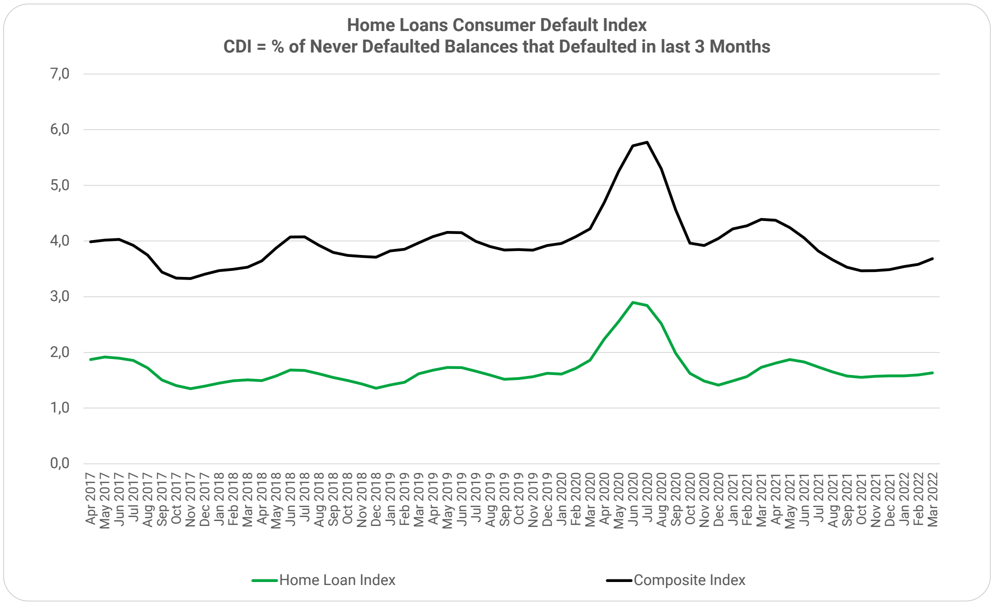
FAS	CDI		
FAS Type Name	Mar'22	Mar'21	Year on Year Δ
01. Independent Investors	2,53	2,63	-0,11
02. Affluent Couples	2,41	2,67	-0,27
03. Professional Players	2,67	2,79	-0,12
04. Logged-On Lifestyles	1,60	1,92	-0,32
05. Liquid Living	2,63	3,22	-0,59
06. Successful Singles	3,10	3,17	-0,07
07. Lifestyle Lending	3,59	4,06	-0,47
08. Comfortable Retirees	4,07	4,55	-0,48
09. Secure Singles	4,47	3,84	0,63
10. Comfortable Couples	5,52	6,54	-1,02
11. Steady Entrepreneurs	9,05	11,62	-2,57
12. Stand-Alone Singles	3,59	4,67	-1,07
13. Plugged-In Purchasers	3,01	5,04	-2,02
14. Payday Pursuers	4,54	6,93	-2,39
15. Deficient Directors	6,84	7,98	-1,15
16. Credit-Reliant Consumers	9,71	15,15	-5,44
17. Secure Seniors	3,26	3,74	-0,48
18. Coping Couples	2,87	3,68	-0,81
19. Restricted Retirees	5,61	6,93	-1,32
20. Low Earners	9,48	10,77	-1,28
21. Misfortunate Mature	7,60	8,69	-1,10
22. Concerning Citizens	6,21	8,57	-2,36
23. Money-Wise Mature	6,20	8,33	-2,13
24. Depleted Resources	7,68	10,43	-2,75
25. Strained Adults	8,68	13,96	-5,28
26. Online Survivors	12,79	11,27	1,53
27. Struggling Earners	6,75	9,87	-3,12
28. Minimum-Money Workers	12,03	15,76	-3,74
29. Inexperienced Earners	11,94	15,14	-3,20
30. Eager Youth	17,06	19,40	-2,34

At a Financial Affluence Segment Group level, FAS Groups 1 and 2 jointly have over 75% of the total banking and retail market exposure. This is due to their large exposure to the high-value products associated with secured credit. These consumers are also generally deemed to be of lower credit risk. As such, their CDI is typically at the lower end of the scale. All the FAS Types that make up these two groups also showed Y-o-Y improvement in CDI in 2022 Q1, although the improvement was smaller, in absolute terms than what was observed for less affluent consumers.

- **Affluent Couples (02)**,who are well-educated power couples that understand the importance of investments, finances, and insurance, have the ***largest credit exposure*** across all segments. This type showed an improvement in CDI from 2.67 in March 2021 to 2.41 in March 2022.
- **Logged-on Lifestyles (04)** are young professionals that are very active when it comes to online retail buying but understand the value of investments such as property. They have the ***lowest CDI*** and are showing improvement in their first-time default rate from a CDI of 6.81 in March 2021 to 3.05 in March 2022.
- **Eager Youth (30)**, who are young entry-level employees that are beginning to realise the cost of living and are likely reliant on their family for support or accommodation, have the ***highest CDI***. However, as this is the population that is typically excluded from credit in a tightening environment, their CDI has shown a marked improvement over the past year, moving from a CDI of 19.40 in March 2021 to 17.06 in March 2022.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Composite Index	3,68	4,39	R18 105 990 212
FAS Type 2 - Largest Credit Exposure	2,41	2,67	R1 790 603 199
FAS Type 4 - Lowest CDI	1,60	1,92	R472 521 384
FAS Type 30 - Highest CDI	17,06	19,40	R121 860 478

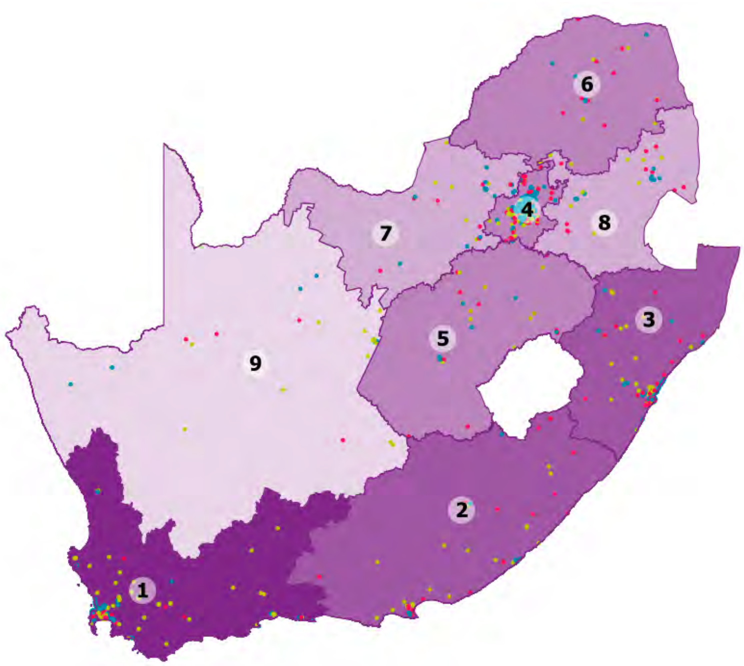
Home Loan Consumer Default Index by Province



1.63%
of home loan balances on an annualized basis defaulted for first time over the period Jan 2022 to Mar 2022.

R4.01bn
in value defaulted for first time over the period Jan 2022 to Mar 2022.

	CDI Mar'22	CDI Mar'22	New Default Balances Jan'22-Mar'22
Home Loan Index	1,63	1,73	R4 225 878 121
FAS Type 2 - Largest Credit Exposure	1,44	1,69	R685 512 588
FAS Type 29 - Lowest CDI	0,32	2,18	R270 200
FAS Type 30 - Highest CDI	7,03	1,13	R4 223 458



- FAS Type 2 - Largest Credit Exposure
- FAS Type 29 - Lowest CDI
- FAS Type 30 - Highest CDI

Home Loans	CDI	
Rank & Province	**Mar'21**	**Mar'22**
1. Western Cape	1,39	1,11
2. Eastern Cape	1,73	1,62
3. KwaZulu-Natal	1,83	1,69
4. Gauteng	1,84	1,74
5. Free State	1,70	1,83
6. Limpopo	1,76	1,89
7. North West	1,86	1,98
8. Mpumalanga	1,74	2,08
9. Northern Cape	1,47	2,22

Home loans showed a slight improvement in CDI, moving from 1.73 in March 2021 to 1.63 in March 2022. Q-o-Q the Home Loans CDI saw a very slight deterioration, moving from 1.58 in December 2021 to 1.63 in March 2022. The Y-o-Y improvement constituted a relative change of 6% for the Home Loans CDI and contributes ~50% to the composite CDI due to the high exposure associated with home loans.

Most provinces with a high representation of very low affluence consumers generally saw a deterioration, while higher affluence provinces showed an improvement.

- The Home Loans CDI in the **Western Cape** remained the lowest and showed improvement from 1.39 in March 2021 to 1.11 in March 2022. The Western Cape also showed the most significant improvement in Home Loans CDI at a provincial level.
- At the opposite end of the scale, the **Northern Cape** had the highest Home Loans CDI and showed the most significant deterioration, moving from 1.47 in March 2021 to 2.22 in March 2022.

Home Loan Consumer Default Index by Micro-FAS

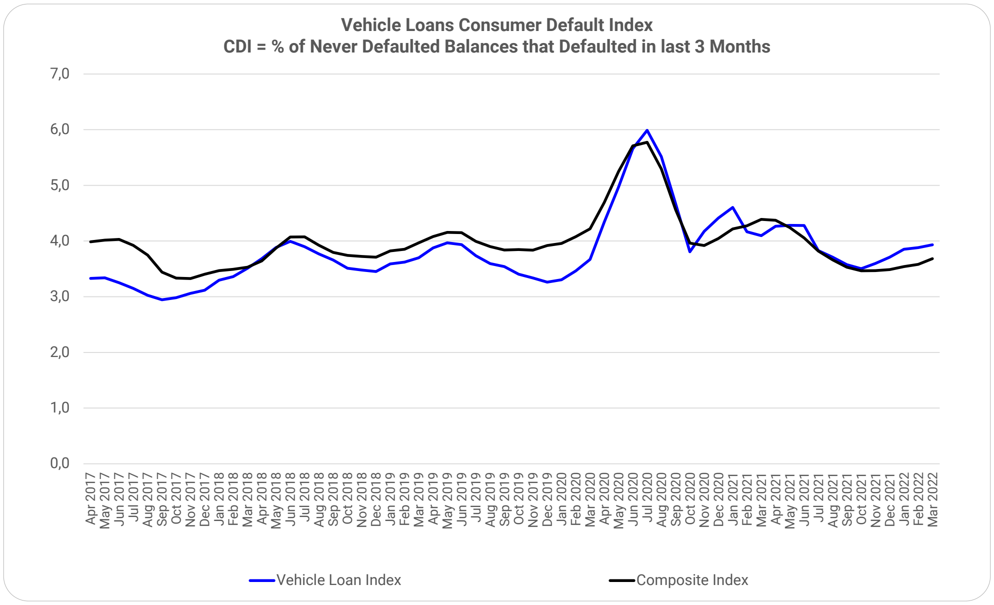
FAS	CDI		
FAS Type Name	Mar'22	Mar'21	Year on Year Δ
01. Independent Investors	1,96	1,87	0,09
02. Affluent Couples	1,44	1,69	-0,25
03. Professional Players	1,46	1,45	0,02
04. Logged-On Lifestyles	1,42	1,38	0,04
05. Liquid Living	1,34	1,58	-0,24
06. Successful Singles	1,20	1,27	-0,07
07. Lifestyle Lending	2,18	2,39	-0,21
08. Comfortable Retirees	2,10	2,11	-0,01
09. Secure Singles	1,94	1,72	0,22
10. Comfortable Couples	2,74	2,76	-0,02
11. Steady Entrepreneurs	4,69	7,93	-3,24
12. Stand-Alone Singles	0,93	0,82	0,11
13. Plugged-In Purchasers	1,13	1,48	-0,35
14. Payday Pursuers	1,54	1,73	-0,18
15. Deficient Directors	3,01	2,61	0,40
16. Credit-Reliant Consumers	2,51	3,01	-0,51
17. Secure Seniors	1,96	2,15	-0,19
18. Coping Couples	1,99	2,00	-0,01
19. Restricted Retirees	1,99	2,76	-0,78
20. Low Earners	2,48	1,92	0,57
21. Misfortunate Mature	2,53	2,59	-0,06
22. Concerning Citizens	2,51	2,66	-0,14
23. Money-Wise Mature	2,89	2,64	0,25
24. Depleted Resources	3,28	2,32	0,96
25. Strained Adults	1,87	2,27	-0,41
26. Online Survivors	2,86	1,68	1,19
27. Struggling Earners	1,77	4,05	-2,28
28. Minimum-Money Workers	2,51	4,19	-1,68
29. Inexperienced Earners	0,32	2,18	-1,86
30. Eager Youth	7,03	1,13	5,90

The largest credit exposure from a home loans perspective falls in FAS Groups 1 and 2. While not immune to the distressed environment, consumers with access to home loans have a lower likelihood of defaulting on loans due to the strict credit risk criteria lenders have in place when assessing applicants.

- **Affluent Couples (02)** are typically well-educated power couples that understand the importance of investments, the correct handling of finances, and protecting their assets, have by far ***the largest credit exposure in Home Loans***. While financially mature, this type experienced an improvement in Home Loans CDI from 1.73 in March 2021 to 1.63 in March 2022.
- **Inexperienced Earners (Type 29)**, have improved from a Home Loans CDI of 2.18 in March 2021 to 0.32 in March 2022 and are the consumer type with the ***lowest CDI for Home Loans***. Keep in mind that these consumers have very low exposure to the home loan market (they hold < 0.1% of total value) and as such are quite volatile in their associated CDI.
- **Eager Youth (30)**, who are young entry-level employees that are beginning to realise the cost of living and are likely reliant on their family for support or accommodation, have the ***highest Home Loans CDI***. Again, this segment has very low exposure in the home loans market and exhibits high volatility. Eager Youth deteriorated from a CDI of 1.13 in March 2021 to 7.03 in March 2022.

	CDI Mar'22	CDI Mar'22	New Default Balances Jan'22-Mar'22
Home Loan Index	1,63	1,73	R4 225 878 121
FAS Type 2 - Largest Credit Exposure	1,44	1,69	R685 512 588
FAS Type 12 - Lowest CDI	0,32	2,18	R270 200
FAS Type 30 - Highest CDI	7,03	1,13	R4 223 458

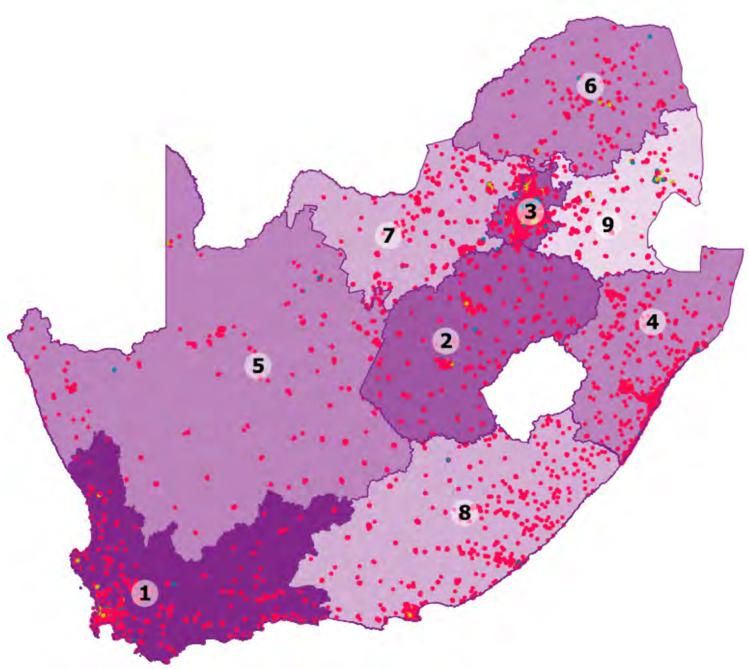
Vehicle Loan Consumer Default Index by Province



3.93%
of vehicle loan balances on an annualised basis defaulted for the first time over the period of Jan 2022 to Mar 2022.

R4.37bn
in value defaulted for the first time over the period of Jan 2022 to Mar 2022.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Vehicle Loan Index	3,93	4,10	R4 373 024 094
FAS Type 2 - Largest Credit Exposure	2,73	2,96	R430 875 587
FAS Type 4 - Lowest CDI	1,50	2,26	R50 570 794
FAS Type 19 - Highest CDI	19,49	11,39	R4 035 420



FAS Type 2 - Largest Credit Exposure
FAS Type 4 - Lowest CDI
FAS Type 19 - Highest CDI

Vehicle Loans	CDI	
Rank & Province	Mar'21	Mar'22
1. Western Cape	3,51	3,01
2. Free State	3,79	3,50
3. Gauteng	4,14	3,78
4. KwaZulu-Natal	4,32	4,08
5. Northern Cape	4,16	4,18
6. Limpopo	4,02	4,36
7. North West	4,15	4,46
8. Eastern Cape	3,88	4,66
9. Mpumalanga	4,82	4,96

Vehicle Loans CDI has shown significant Y-o-Y improvement, moving from 4.10 in March 2021 to 3.93 in March 2022. Q-o-Q the Vehicle Loan CDI deteriorated from 3.71 in December 2021 to the present 3.93.

- The Vehicle Loans CDI in the **Western Cape** ranks the lowest of all the South African provinces. This is reflective of the high representation of the more affluent FAS Groups 1 and 2 in the province. The Western Cape showed an improvement Y-o-Y, moving from 3.51 in March 2021 to 3.01 in March 2022.
- **Mpumalanga** is still showing the highest CDI for Vehicle Loans, worsening Y-o-Y from 4.82 in March 2021 to 4.96 in March 2022.
- The **Eastern Cape** showed the most significant Y-o-Y deterioration in Vehicle Loan CDI, moving from 3.88 up to 4.66 in March 2022.

Vehicle Loan Consumer Default Index by Micro-FAS

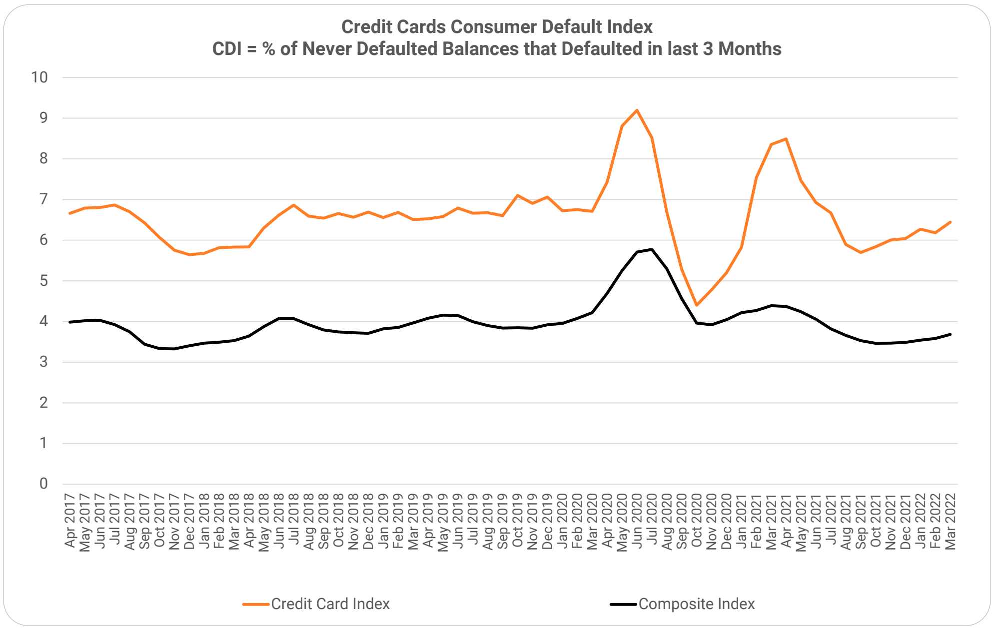
FAS	CDI		
FAS Type Name	Mar'22	Mar'21	Year on Year Δ
01. Independent Investors	2,83	3,41	-0,59
02. Affluent Couples	2,73	2,96	-0,22
03. Professional Players	3,41	3,16	0,25
04. Logged-On Lifestyles	1,50	2,26	-0,76
05. Liquid Living	3,06	3,32	-0,27
06. Successful Singles	4,64	3,64	1,01
07. Lifestyle Lending	3,21	3,28	-0,07
08. Comfortable Retirees	3,59	3,51	0,08
09. Secure Singles	4,45	3,21	1,24
10. Comfortable Couples	4,63	4,57	0,06
11. Steady Entrepreneurs	8,33	8,91	-0,58
12. Stand-Alone Singles	4,52	5,19	-0,67
13. Plugged-In Purchasers	4,97	4,48	0,49
14. Payday Pursuers	7,06	9,30	-2,24
15. Deficient Directors	7,60	7,65	-0,05
16. Credit-Reliant Consumers	7,00	6,03	0,97
17. Secure Seniors	4,20	4,46	-0,26
18. Coping Couples	3,63	4,75	-1,12
19. Restricted Retirees	19,49	11,39	8,11
20. Low Earners	11,44	9,06	2,38
21. Misfortunate Mature	14,76	6,54	8,22
22. Concerning Citizens	14,96	5,47	9,49
23. Money-Wise Mature	7,97	8,15	-0,18
24. Depleted Resources	8,61	7,11	1,50
25. Strained Adults	8,51	7,66	0,85
26. Online Survivors	13,42	4,79	8,62
27. Struggling Earners	2,37	2,52	-0,15
28. Minimum-Money Workers	14,10	10,52	3,58
29. Inexperienced Earners	5,26	5,18	0,08
30. Eager Youth	9,88	3,93	5,96

Access to vehicle loans is predominantly targeted at macro-FAS Groups 1 and 2. The largest credit exposure is in FAS Group 2, who holds ~46% of the market.

- **Affluent Couples (02)** who can best be described as well-educated power couples that understand the importance of investments, the correct handling of finances, and protecting their assets have the ***largest credit exposure in Vehicle Loans*** of all consumer segments. While financially mature, this type (as was the case with most other FAS types) experienced an improvement in CDI from 2.96 in March 2021 to 2.73 in March 2022.
- **Logged-on Lifestyles (4)**, who are young professionals that are very active when it comes to online retail buying, but understand the value of investments such as property, have the ***lowest Vehicle Loan CDI*** and are showing improvement in their first-time default rate from a CDI of 2.26 in March 2021 to 1.50 in March 2022.
- **Restricted Retirees (19)** are senior citizens who struggle to afford the basics and therefore need to continue working despite being at retirement age. As such, the few individuals in this segment who do have a vehicle finance product (6% are likely to be pushing their limits in terms of affordability, and as a result are exhibiting the ***highest Vehicle Loan CDI***. They have deteriorated from 11.39 to 19.49 Y-o-Y. This drastic deterioration is partly due to the small sample of individuals in this FAS Type, who hold Vehicle Finance, which leads to high volatility in their Vehicle Loan CDI.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Vehicle Loan Index	3,93	4,10	R4 373 024 094
FAS Type 2 - Largest Credit Exposure	2,73	2,96	R430 875 587
FAS Type 4 - Lowest CDI	1,50	2,26	R50 570 794
FAS Type 19 - Highest CDI	19,49	11,39	R4 035 420

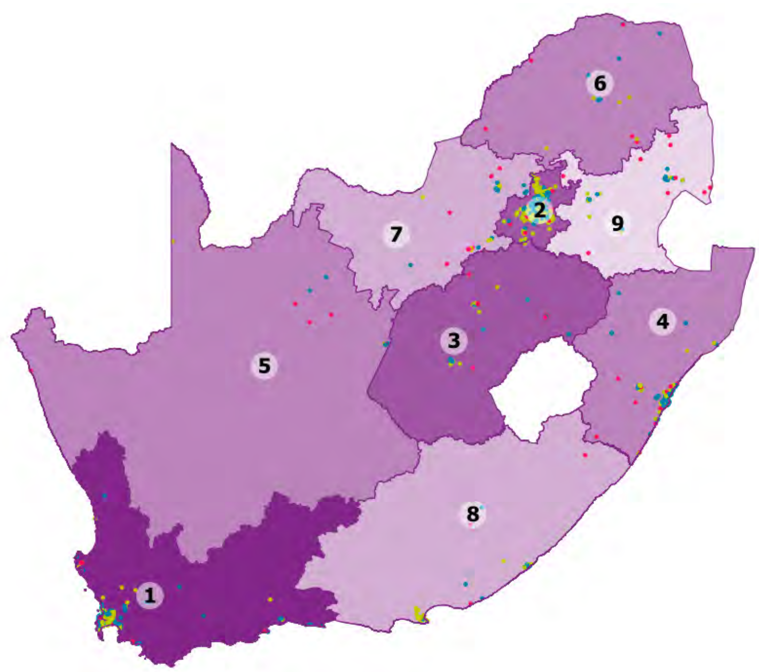
Credit Card Consumer Default Index by Province



6.44%
of credit card balances on an annualised basis defaulted for the first time over the period of Jan 2022 to Mar 2022.

R2.46bn
in value defaulted for the first time over the period of Jan 2022 to Mar 2022.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Credit Card Index	6,44	8,35	R2 462 744 347
FAS Type 2 - Largest Credit Exposure	5,30	5,85	R324 477 091
FAS Type 4 - Lowest CDI	3,05	6,18	R22 567 555
FAS Type 16 - Highest CDI	13,41	16,88	R122 243 824



- FAS Type 2 - Largest Credit Exposure
- FAS Type 4 - Lowest CDI
- FAS Type 16 - Highest CDI

Credit Cards	CDI	
Rank & Province	Mar'21	Mar'22
1. Western Cape	7,85	5,54
2. Gauteng	8,34	6,18
3. Free State	7,73	6,69
4. KwaZulu-Natal	9,12	6,99
5. Northern Cape	7,85	7,12
6. Limpopo	8,54	7,20
7. North West	9,16	7,23
8. Eastern Cape	7,65	7,39
9. Mpumalanga	9,68	7,93

The Credit Card CDI has shown a significant improvement Y-o-Y (moving from 8.35 in March 2021 to 6.44 in March 2022). However, we have been seeing a consistent deterioration in Credit Card CDI since September 2021, with the Q-o-Q deterioration being from 6.04 in December 2021 to the current level of 6.44.

All nine provinces have shown a Y-o-Y improvement in the Credit Card CDI in March 2022.

- The Credit Card CDI in the **Western Cape** continues to be the lowest from a provincial perspective, at 5.54 in March 2022. This proved to be the most significant improvement at a provincial level, moving from the 7.85 observed in March 2021. This aligns with the high representation of FAS Groups 1 and 2 in the Western Cape, where these are the consumer groups typically have the lowest CDI.
- The CDI for Credit Cards in **Mpumalanga** remains the highest, at 7.93 in March 2022, improving from 9.68 observed in March 2021.
- The least significant improvement in Credit Card CDI was observed in the Eastern Cape. Here we saw a relatively modest improvement from 7.65 in March 2021 to 7.39 in March 2022.

Credit Card Consumer Default Index by Micro-FAS

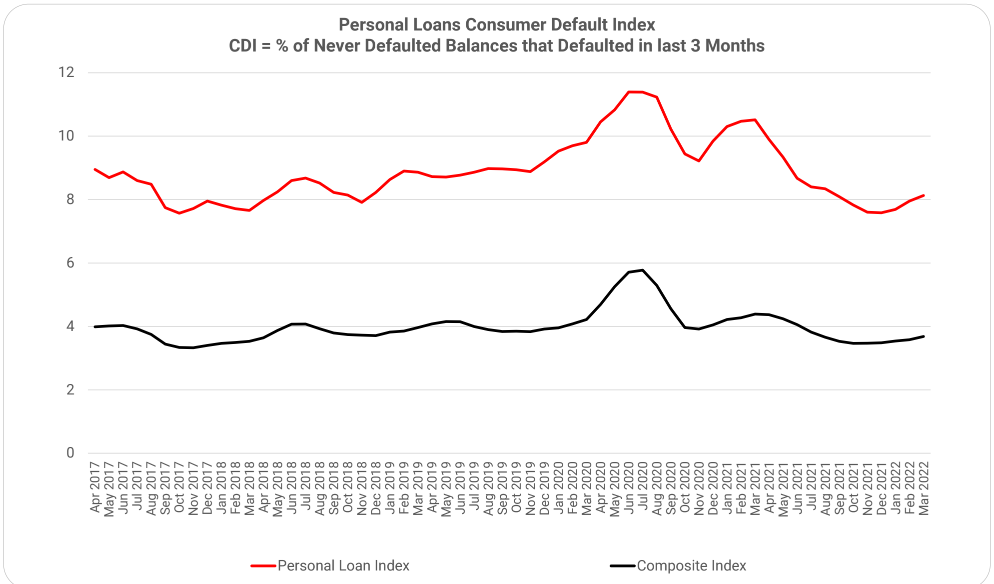
FAS	CDI		
FAS Type Name	Mar'22	Mar'21	Year on Year Δ
01. Independent Investors	4,00	4,11	-0,11
02. Affluent Couples	5,30	5,85	-0,56
03. Professional Players	6,20	7,25	-1,05
04. Logged-On Lifestyles	3,05	6,18	-3,13
05. Liquid Living	5,00	7,30	-2,30
06. Successful Singles	7,41	9,37	-1,96
07. Lifestyle Lending	6,91	9,01	-2,10
08. Comfortable Retirees	6,38	8,53	-2,15
09. Secure Singles	8,79	8,37	0,42
10. Comfortable Couples	8,40	11,41	-3,01
11. Steady Entrepreneurs	10,22	18,83	-8,61
12. Stand-Alone Singles	5,84	8,63	-2,78
13. Plugged-In Purchasers	4,94	9,77	-4,84
14. Payday Pursuers	5,46	13,80	-8,34
15. Deficient Directors	9,72	13,27	-3,55
16. Credit-Reliant Consumers	13,41	16,88	-3,47
17. Secure Seniors	4,46	5,16	-0,70
18. Coping Couples	4,03	7,39	-3,36
19. Restricted Retirees	8,05	8,70	-0,65
20. Low Earners	7,00	8,70	-1,70
21. Misfortunate Mature	7,07	9,67	-2,60
22. Concerning Citizens	6,57	9,57	-3,00
23. Money-Wise Mature	8,62	9,01	-0,39
24. Depleted Resources	11,11	11,34	-0,23
25. Strained Adults	9,62	12,72	-3,10
26. Online Survivors	6,65	17,21	-10,56
27. Struggling Earners	10,09	9,58	0,51
28. Minimum-Money Workers	10,59	14,78	-4,19
29. Inexperienced Earners	9,86	16,36	-6,50
30. Eager Youth	10,05	17,75	-7,70

The wider access to credit cards across the various FAS segments results in the Credit Card CDI being substantially higher than what is seen for secured credit products. Still, FAS Groups 1 and 2 have the biggest value exposure to Credit Cards, constituting roughly 75% of the total Credit Card exposure in the market.

- **Affluent Couples (02)**, who can best be described as well-educated power couples that understand the importance of investments, the correct handling of finances, and protecting their assets, have by far the ***largest Credit Card exposure*** across all segments. Their Credit Card CDI improved from 5.85 in March 2021 to 5.30 in March 2022.
- **Logged-on Lifestyles (04)**,who are young professionals that are very active when it comes to online retail buying, but understand the value of investments such as property, have the ***lowest Credit Card CDI*** and are showing improvement in their first-time default rate from a CDI of 3.02 in December 2020 to 2.79 in December 2021.
- **Credit-Reliant Consumers (16)** are relatively young consumers, having average annual salaries of R146 000, have high exposure (98%) and utilisation (over 80% of them using at least 75% of their limit) of unsecured loans. They have the ***highest Credit Card CDI***. They have improved from 16.88 in March 2021 to 13.41 in March 2022 and hold roughly 2.5% of the total exposure in the Credit Card market.

	CDI Mar'22	CDI Jan'21	New Default Balances Jan'22-Mar'22
Credit Card Index	6,44	8,35	R2 462 744 347
FAS Type 2 - Largest Credit Exposure	5,30	5,85	R324 477 091
FAS Type 4 - Lowest CDI	3,05	6,18	R22 567 555
FAS Type 16 - Highest CDI	13,41	16,88	R122 243 824

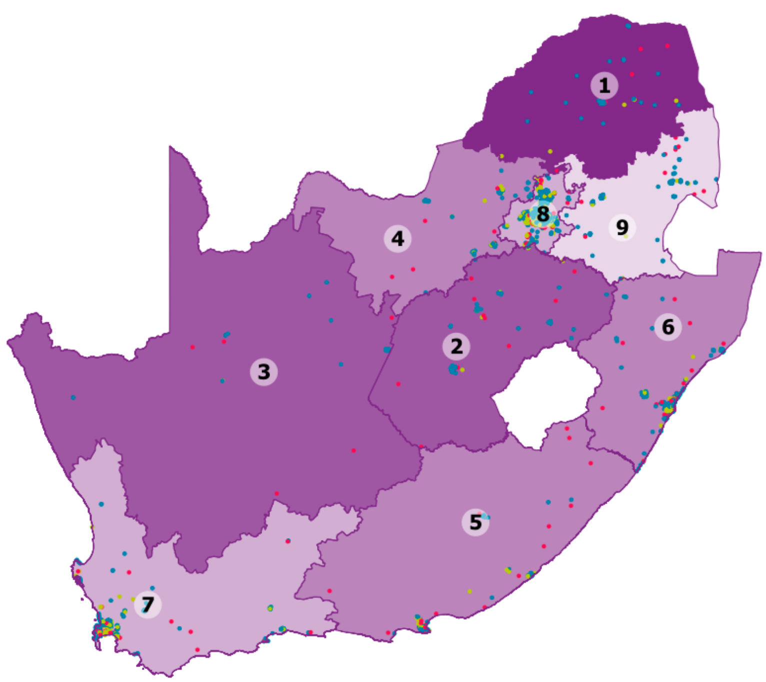
Personal Loan Consumer Default Index by Province



8.13%
of personal loans on an annualised basis defaulted for the first time over the period of Jan 2022 to Mar 2022.

R6.07bn
in value defaulted for the first time over the period of Jan 2022 to Mar 2022.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Personal Loan Index	8,13	10,52	R6 073 344 679
FAS Type 5 - Largest Credit Exposure	6,51	8,46	R395 977 094
FAS Type 4 - Lowest CDI	4,18	7,15	R48 122 185
FAS Type 30 - Highest CDI	12,00	14,10	R17 380 915



FAS Type 5 - Largest Credit Exposure
FAS Type 4 - Lowest CDI
FAS Type 30 - Highest CDI

Personal Loans	CDI	
Rank & Province	Mar'21	Mar'22
1. Limpopo	8,89	7,01
2. Free State	8,73	7,10
3. Northern Cape	9,20	7,74
4. North West	9,38	7,81
5. Eastern Cape	8,90	7,98
6. KwaZulu-Natal	10,36	8,13
7. Western Cape	11,53	8,15
8. Gauteng	11,22	8,37
9. Mpumalanga	10,77	8,54

The Personal Loans CDI showed significant improvement Y-o-Y, moving from 10.52 in March 2021 to 8.13 in March 2022. Q-o-Q, however, this CDI also saw a deterioration from 7.59 observed in December 2021. This short-term deterioration is typical of this time of year, as increased new credit take-up for these unsecured loans tends to occur over the festive period (end of Q4) and then lead to increased first-time defaults towards the end of Q1.

From a market-exposure and credit-active population penetration perspective, the primary FAS segments that actively engage with credit providers for Personal Loans exhibit a higher representation of the FAS Groups 4, 5 and 6 (> 33%).

- The **Western Cape** has again shown the most significant improvement in Personal Loans CDI, moving from 11.53 in March 2021 to 8.15 in March 2022. Nonetheless, this province still has a relatively high CDI, when compared to the other provinces.
- **Limpopo** had the lowest CDI in March 2022, also showing meaningful improvement from 8.89 in March 2021 down to 7.01 in March 2022.
- The highest Personal Loans CDI was observed for **Mpumalanga**, where we also saw a significant Y-o-Y improvement from 10.77 in March 2021 to 8.54 in March 2022.

Personal Loan Consumer Default Index by Micro-FAS

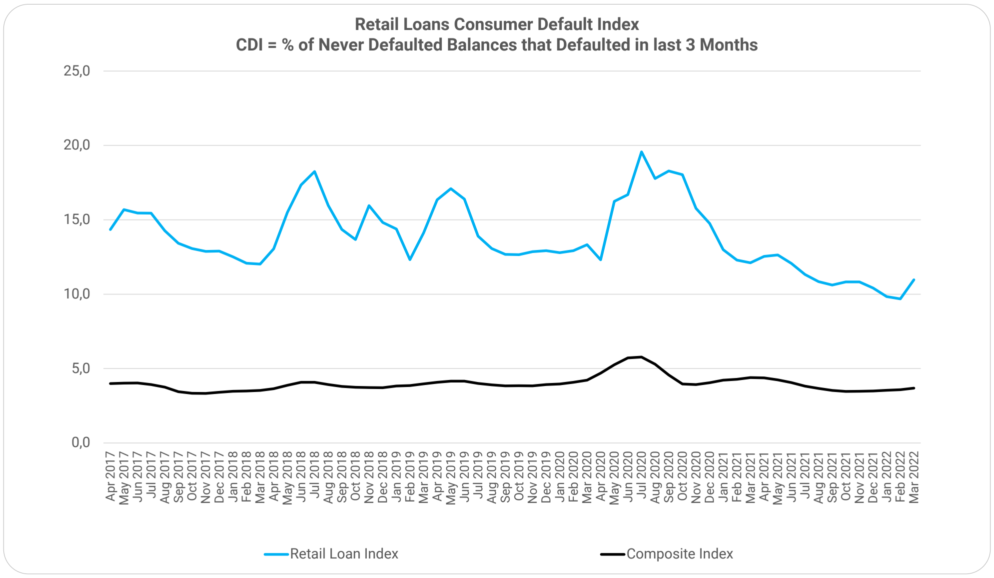
FAS	CDI		
FAS Type Name	Mar'22	Mar'21	Year on Year Δ
01. Independent Investors	5,99	6,41	-0,43
02. Affluent Couples	7,08	7,48	-0,40
03. Professional Players	7,89	9,23	-1,33
04. Logged-On Lifestyles	4,18	7,15	-2,97
05. Liquid Living	6,51	8,46	-1,94
06. Successful Singles	8,93	9,82	-0,89
07. Lifestyle Lending	7,52	9,22	-1,70
08. Comfortable Retirees	6,66	8,20	-1,54
09. Secure Singles	9,12	7,96	1,16
10. Comfortable Couples	8,29	10,87	-2,58
11. Steady Entrepreneurs	10,16	14,94	-4,79
12. Stand-Alone Singles	6,54	8,66	-2,13
13. Plugged-In Purchasers	7,61	10,98	-3,37
14. Payday Pursuers	6,81	9,04	-2,24
15. Deficient Directors	9,24	9,74	-0,51
16. Credit-Reliant Consumers	10,97	18,05	-7,08
17. Secure Seniors	4,72	6,64	-1,91
18. Coping Couples	4,99	6,54	-1,55
19. Restricted Retirees	5,45	7,45	-2,00
20. Low Earners	9,44	10,48	-1,04
21. Misfortunate Mature	8,23	9,16	-0,93
22. Concerning Citizens	6,65	9,89	-3,24
23. Money-Wise Mature	6,72	9,87	-3,14
24. Depleted Resources	8,52	12,56	-4,04
25. Strained Adults	8,90	14,50	-5,60
26. Online Survivors	11,14	8,18	2,96
27. Struggling Earners	8,38	9,71	-1,33
28. Minimum-Money Workers	11,59	15,79	-4,20
29. Inexperienced Earners	11,59	15,41	-3,82
30. Eager Youth	12,00	14,10	-2,09

The wider access to personal loans across specifically FAS Groups 4, 5 and 6, results in the overall Personal Loans CDI being substantially higher than that of other traditional banking products.

- **Liquid Living (Type 5)** are upper-middle-class mature individuals that have an average age of 52. 69% of them are married, probably having children in their late teens and early twenties. With an average annual income of R415 000, these consumers have the ***largest credit exposure in Personal Loans*** and are typically deemed to be of relatively low credit risk. This type saw an improvement in Personal Loan CDI Y-o-Y, moving from 8.46 in March 2021 to 6.51 in March 2022.
- **Logged-on Lifestyles (04)**, who are young professionals that are very active when it comes to online retail buying, but understand the value of investments such as property, have the ***lowest Personal Loans CDI*** and are showing improvement moving from a CDI of 7.15 in March 2021 to 4.18 in March 2022.
- **Eager Youth (30)**, who are young entry-level employees that are beginning to realise the cost of living and are likely reliant on their family for support or accommodation, have the ***highest Vehicle Loans CDI***. However, as this is the population that is typically excluded from credit in a tightening environment, this improved CDI, moving from 14.10 in March 2021 to 12.00 in March 2022, is not an indication of improved finances for these consumers.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Personal Loan Index	8,13	10,52	R6 073 344 679
FAS Type 5 - Largest Credit Exposure	6,51	8,46	R395 977 094
FAS Type 4 - Lowest CDI	4,18	7,15	R48 122 185
FAS Type 30 - Highest CDI	12,00	14,10	R17 380 915

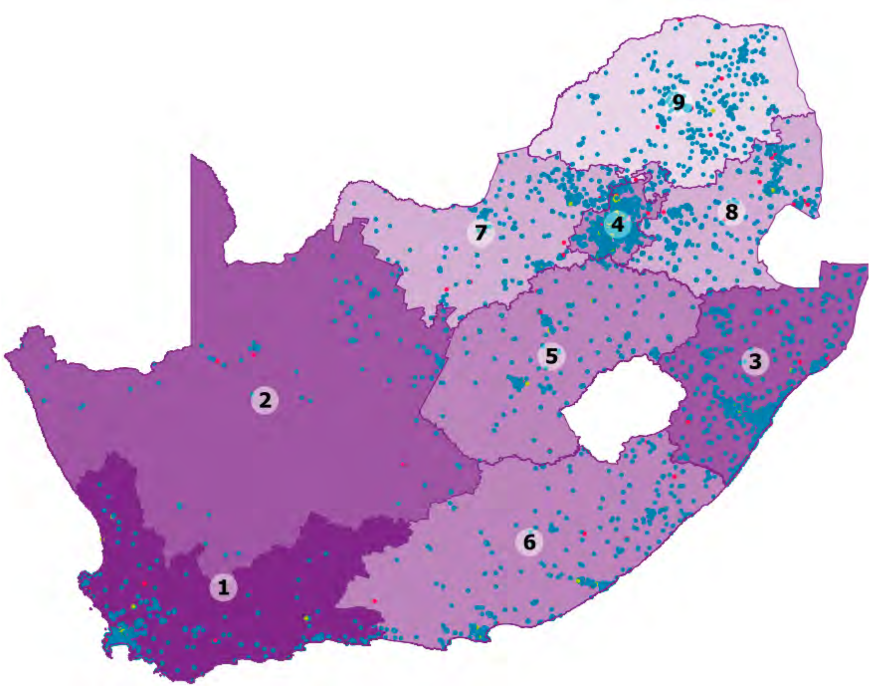
Retail Loans Consumer Default Index by Province



10.97%
of retail loans on an annualised basis defaulted for the first time over the period of Jan 2022 to Mar 2022.

R0.97bn
in value defaulted for first time over the period Jan 2022 to Mar 2022.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Retail Loan Index	10,97	12,11	970 998 971
FAS Type 26 - Largest Credit Exposure	16,45	18,85	166 174 688
FAS Type 4 - Lowest CDI	4,38	6,10	8 564 203
FAS Type 30 - Highest CDI	25,17	28,13	81 674 632



FAS Type 26 - Largest Credit Exposure
FAS Type 4 - Lowest CDI
FAS Type 30 - Highest CDI

Retail Loans	CDI	
Rank & Province	Mar'21	Mar'22
1. Western Cape	10,74	8,74
2. Northern Cape	11,72	9,94
3. KwaZulu-Natal	12,41	10,02
4. Gauteng	11,66	10,32
5. Free State	11,53	10,69
6. Eastern Cape	12,27	10,84
7. North West	11,97	10,98
8. Mpumalanga	14,23	12,93
9. Limpopo	14,38	13,02

Retail Loans CDI has again shown significant improvement in CDI, moving from 12.11 in March 2021 to 10.97 in March 2022. On a Q-o-Q base, however, significant deterioration was observed, moving from 10.41 in December 2021 to the present 10.97. This deterioration in Q1 is typical for unsecured credit products following the flurry of new credit being taken up during the festive season in Q4.

Retail Loans is the product set in which the least affluent consumer groups, FAS Groups 4, 5 & 6, hold the most significant portion (~60%) of the market.

- **Western Cape** has again represented the lowest Retail Loans CDI, improving from 10.74 to 8.74 Y-o-Y.
- The most significant improvement was observed for **KwaZulu-Natal**. This province moved from 12.41 in March 2021 to 10.02 in March 2022.
- **Limpopo** fared the worst in provincial Retail Loans CDI ranking, but also still showed a Y-o-Y improvement from 14.38 in March 2021 to 13.02 in March 2022.



Retail Loans Consumer Default Index by Micro-FAS

FAS	CDI		
FAS Type Name	Mar'22	Mar'21	Year on Year Δ
01. Independent Investors	6,38	4,32	2,05
02. Affluent Couples	5,90	5,74	0,17
03. Professional Players	6,55	6,68	-0,13
04. Logged-On Lifestyles	4,38	6,10	-1,72
05. Liquid Living	5,55	6,19	-0,64
06. Successful Singles	8,66	9,28	-0,62
07. Lifestyle Lending	7,82	8,56	-0,74
08. Comfortable Retirees	6,14	7,03	-0,89
09. Secure Singles	11,78	11,04	0,75
10. Comfortable Couples	8,82	10,29	-1,47
11. Steady Entrepreneurs	11,46	14,31	-2,85
12. Stand-Alone Singles	9,62	12,06	-2,44
13. Plugged-In Purchasers	9,47	11,53	-2,06
14. Payday Pursuers	7,76	9,98	-2,22
15. Deficient Directors	10,48	12,75	-2,27
16. Credit-Reliant Consumers	14,83	16,47	-1,64
17. Secure Seniors	5,33	6,32	-0,99
18. Coping Couples	4,61	6,72	-2,11
19. Restricted Retirees	8,05	10,21	-2,16
20. Low Earners	13,16	15,01	-1,85
21. Misfortunate Mature	8,45	10,28	-1,82
22. Concerning Citizens	10,57	12,26	-1,69
23. Money-Wise Mature	7,96	11,16	-3,19
24. Depleted Resources	10,85	12,65	-1,80
25. Strained Adults	11,51	13,05	-1,53
26. Online Survivors	16,45	18,85	-2,39
27. Struggling Earners	11,64	15,52	-3,88
28. Minimum-Money Workers	20,28	20,05	0,23
29. Inexperienced Earners	22,48	18,38	4,09
30. Eager Youth	25,17	28,13	-2,96

On a Y-o-Y basis, the Retail Loans CDI decreased in March 2022, improving from 12.11 in March 2021 to 10.97 in March 2022. Q-o-Q this index showed the typical deterioration associated with the Q4 to Q1 transition, i.e., following festive season spending sprees associated with Q4.

When looking at the FAS type level segmentation, we observe the following:

- **Online Survivors (26)**, who are young adult unskilled or shift workers that are likely cohabiting with significant others or family and are unable to afford more than their basic needs, still have the ***largest Retail Loans credit exposure*** but saw a significant improvement in CDI from 18.85 in March 2021 to 16.45 in March 2022.
- **Logged-on Lifestyles (04)** who are young professionals that are very active when it comes to online retail buying, but understand the value of investments such as property, have the ***lowest Retail Loans CDI*** and are showing Y-o-Y improvement in their CDI from 6.10 in March 2021 to 4.38 in March 2022.
- **Eager Youth (30)** are young entry-level employees that are beginning to realise the cost of living. They are likely reliant on family for support or accommodation and 94% are likely to have retail clothing accounts. This FAS type has the ***highest Retail Loans CDI***, but, still show an improvement from 28.13 in March 2021 to 25.17 in March 2022.

	CDI Mar'22	CDI Mar'21	New Default Balances Jan'22-Mar'22
Retail Loan Index	10,97	12,11	970 998 971
FAS Type 26 - Largest Credit Exposure	16,45	18,85	166 174 688
FAS Type 4 - Lowest CDI	4,38	6,10	8 564 203
FAS Type 30 - Highest CDI	25,17	28,13	81 674 632

Experian Financial Affluence Segmentation

What is FAS, and how is it calculated?

What is FAS?

Financial Affluence Segmentation is a powerful tool that gives you the ability to...

- understand your most profitable customers' demographics, affluence, lifestyles and life stage traits.
- benchmark your customer penetration within each market segment.
- compare your most valuable customer segments to an affinity or loyalty partners' customer segments by using a common market segmentation currency.
- align or design your offers and marketing campaigns to appeal to available market segments.
- target ONLY specific market segments in both above- and below-the-line marketing campaigns to reduce wastage in spend.

Applications of FAS

Applications of Financial Affluence Segmentation include:

- Lead generation matched from proprietary data
- Lead generation using groups and types
- Marketing strategies and execution
- Product development
- Like-audience matching
- Digital media audiences and execution
- Business expansion strategies
- Targeted marketing campaigns

How FAS Works

1. Data or Description

The Financial Affluence Segmentation tool uses either a supplied list of customers or a broad description of your overall target market. Supplied data is cleaned and deduplicated to ensure that quality data used.

2. Development

During the development phase, we stamp FAS onto the supplied dataset at an individual level and overlay additional information as required, typically demographic and geolocation information. For those supplying a description, a suitable audience is matched according to that description and your output needs.

3. Delivery

We deliver the data in several ways, such as a raw batch, in a visualised format or as a ready-to-go campaign file, depending on your needs.

4. Deployment

You can execute your marketing campaigns using the output dataset, whether you are using one of our execution products, an in-house marketing execution team or a marketing agency.

A Universe of Data

To create 6 groups and 30 subtypes, Experian's Financial Affluence Segmentation tool uses machine learning, analytics, our universe of data and a variety of data points, including:

- Affluence/Income
- Age
- Gender
- Marital status
- Business ownership
- Property holding
- Purchasing behaviour
- Vehicle ownership
- Financial products
- Online activity
- Risk profile
- Financial limitations
- Rental use

Smart Coverage

Marketing to a wide audience is a costly method with unreliable results. The Financial Affluence Segmentation tool allows you to be smart in your marketing strategies by only targeting those that match your best customer.

Accuracy

Marketing targeting is only as accurate as the data it consumes. This tool accesses our up-to-date, clean and accurate bureau and non-bureau data to provide you with actionable marketing insights and.

Find potential customers

By matching the Financial Affluence Segmentation profile of your consumer database, lookalike audiences are developed for digital media matching and lead generation.

Safe and Secure

Data security and data access are one of our top priorities. All our products adhere to the strictest data security protocols, and business practices are 100% compliant with the latest legislation and regulations.

Group 1

Luxury Living – 2,5%

Luxury Living is exactly what individuals in this group do! They represent the upper crust of South African society with the financial freedom to afford expensive homes and cars. Luxury Living are the highest earners across all groups, which allows them to make maximum use of their high-limit credit facilities, while still being able to service these agreements. With almost half having multiple directorships, their professional lives are important to them and are the gateway to their ability to invest in multiple properties and live in luxury.

R58 962,33
Average Gross Monthly Income

R707 547,96
Average Estimated Annual Income

37% Female

63% Male

68% Married

44 Average Age
25-65 Age Range

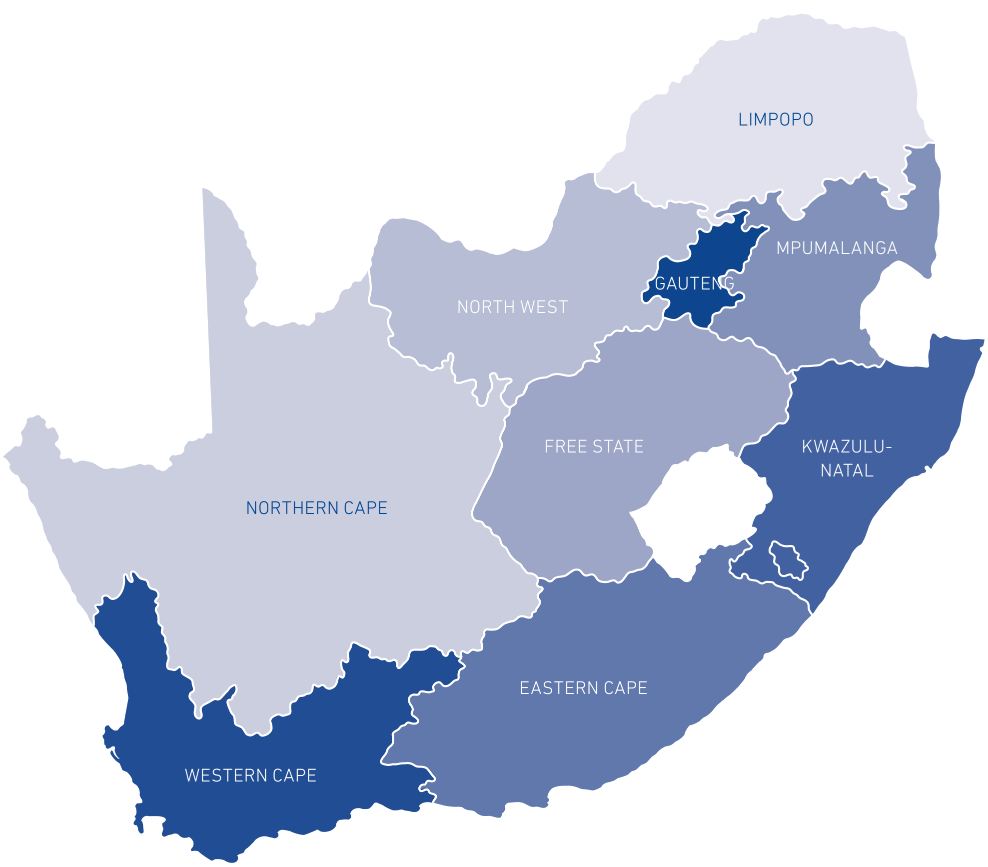
68% Directors
46% Multiple Directorships

54% Own 1 Property
25% Own Multiple Properties

R1 258 325,73
Opening Home Loan Balance:

R481 329,22
Opening Balance on Vehicle and Asset Finance

Black: 43.51%
Coloured: 2.99%
Indian: 7.38%
White: 45.27%



- Gauteng: 38.73%
- Western Cape: 20.69%
- KwaZulu-Natal: 14.24%
- Eastern Cape: 6.82%
- Mpumalanga: 3.62%
- Free State: 3.16%
- North West: 3.01%
- Northern Cape: 1.87%
- Limpopo: 1.36%

Aspirational Achievers – 9,3%

Aspirational Achievers are made up of young and middle-aged individuals, most many of which have grounded professional careers and personal lives. While money isn't in excess for Aspirational Achievers, they are mostly able to meet their home loan agreements of half a million Rand and vehicle finance for a mid-range car. Easy access to credit encourages these individuals to buy retail, especially online. Understanding the value of their possessions, the majority have insurance. However, Aspirational Achievers don't always have the cash to buy that which they desire, and therefore rely somewhat on revolving and retail accounts, as well as personal loans to achieve the lifestyles they aspire to live.

R27 388,45
Average Gross Monthly Income

R328 661,40
Average Estimated Annual Income

47% Female

53% Male

53% Married

42 Average Age
25-65 Age Range

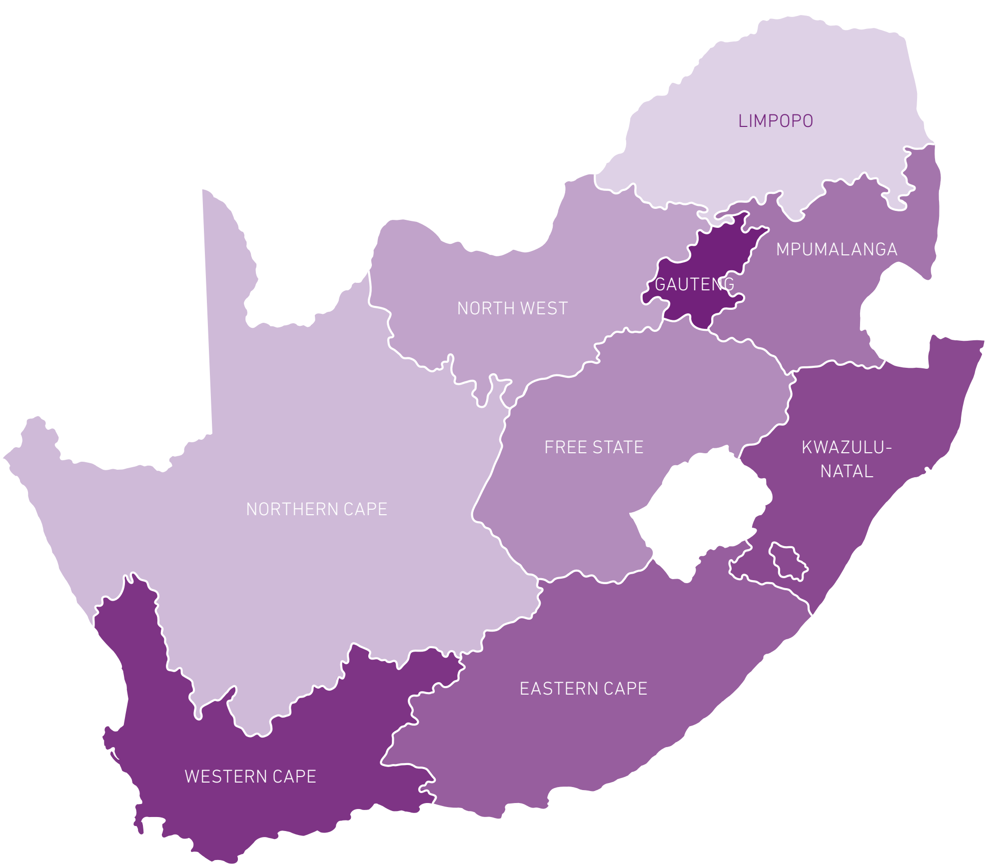
41% Directors
19% Multiple Directorships

43% Own 1 Property
8% Own Multiple Properties

R557 150,16
Opening Home Loan Balance:

R244 919,88
Opening Balance on Vehicle and Asset Finance

Black: 62.6%
Coloured: 4.69%
Indian: 4.18%
White: 28.07%



- Gauteng: 35.75%
- Western Cape: 19.5%
- KwaZulu-Natal: 15.04%
- Eastern Cape: 7.57%
- Mpumalanga: 4.09%
- Free State: 3.95%
- North West: 3.61%
- Northern Cape: 2.15%
- Limpopo: 2.1%

Stable Spenders – 7,2%

Stable Spenders comprise mostly of young adults that are starting their careers as well as those approaching middle age. Finances are rather tight for these individuals as their below-average incomes need to be stretched. The majority live month to month and turn to credit to either tie them over, or to afford certain necessities such as clothing and school fees, or seasonal luxuries. With low homeownership rates, it's highly probable that they've used paid-day loans to cover the rent on which they are short. Despite financial limits, there are only a few who have access to home loans and vehicle and asset finance; however, more than half of Stable Spenders have difficulties paying back the money.

R12 954,88
Average Gross Monthly Income

R155 458,56
Average Estimated Annual Income

40% Female

60% Male

22% Married

33 Average Age
20-45 Age Range

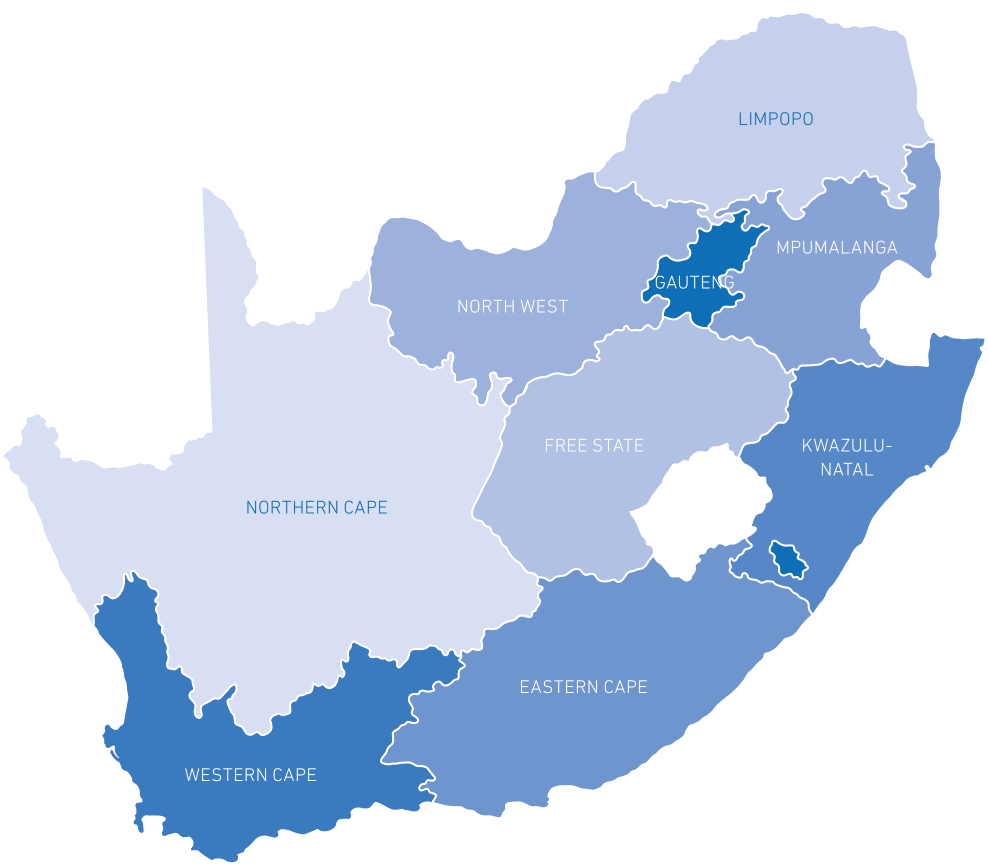
26% Directors
9% Multiple Directorships

10% Own 1 Property
1% Own Multiple Properties

R405 630,90
Opening Home Loan Balance:

R171 290,04
Opening Balance on Vehicle and Asset Finance

Black: 73.16%
Coloured: 4.83%
Indian: 2.94%
White: 18.75%



Gauteng: 35.99%
Western Cape: 18.58%
KwaZulu-Natal: 15.04%
Eastern Cape: 7.07%
Mpumalanga: 4.61%
North West: 4.19%
Free State: 3.95%
Limpopo: 2.38%
Northern Cape: 2.29%

Money-Conscious Majority – 40,0%

The Money-Conscious Majority are the largest group and have the highest average age. These are individuals that are unable to afford luxuries and can barely get by on their salaries of less than R100 000 a year. Constantly needing to be conscious of how they spend their money, not many can afford communication accounts, credit cards or insurance, but rather opt for furniture accounts and unsecured loans to ensure they cover their basic needs. Their ability to maximise on credit use is stunted by their inability to afford the repayments and indirectly correlates with delinquency rates.

R7 719,80
Average Gross Monthly Income

R92 637,60
Average Estimated Annual Income

50% Female

50% Male

44% Married

51 Average Age
40-75 Age Range

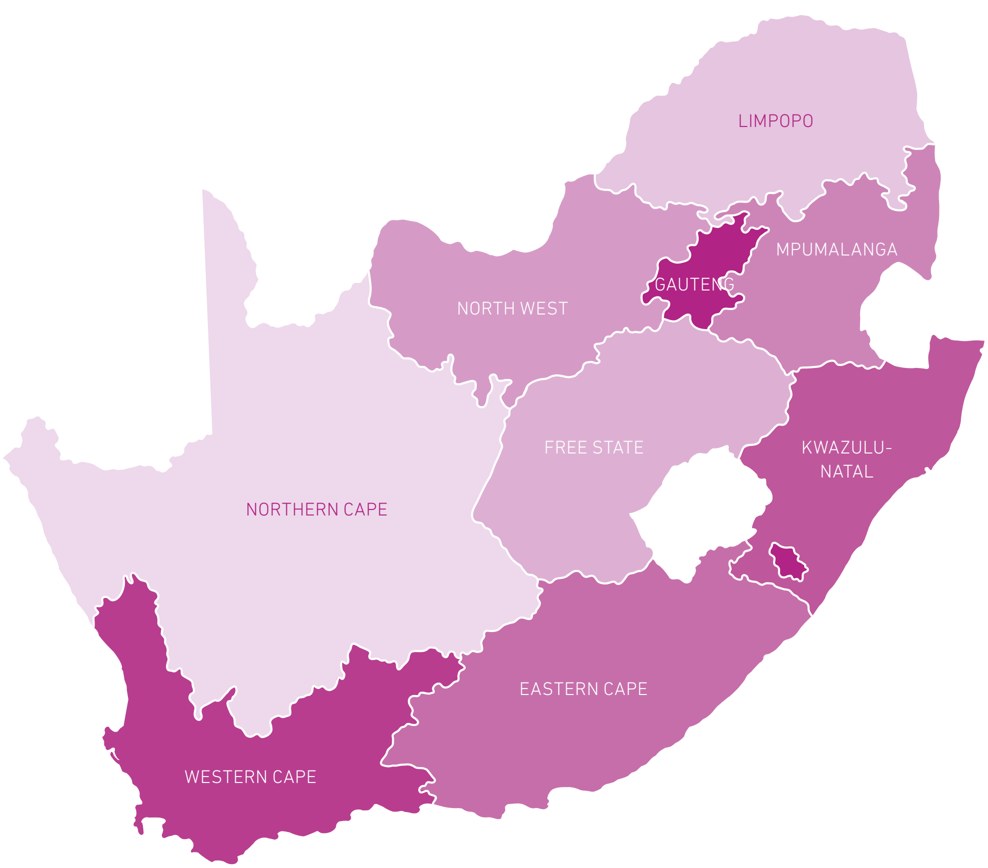
12% Directors
4% Multiple Directorships

23% Own 1 Property
2% Own Multiple Properties

R239 494,30
Opening Home Loan Balance:

R165 722,20
Opening Balance on Vehicle and Asset Finance

Black: 78.68%
Coloured: 5.77%
Indian: 1.59%
White: 13.67%



- Gauteng: 33.81%
- Western Cape: 17.97%
- KwaZulu-Natal: 14.39%
- Eastern Cape: 8.43%
- Mpumalanga: 4.92%
- North West: 4.78%
- Free State: 4.32%
- Limpopo: 3.15%
- Northern Cape: 2.21%

Laboured Living – 24,6%

The Laboured Living lead very restricted lives. Their monthly salaries are so low they don't even qualify to pay tax. They most likely work in the unskilled job sector. These are individuals that struggle to afford basic life necessities such as clothing, shelter and security. Their access to additional finance is severely limited. Those that can access finance, use it to compensate for their low salaries, resulting in high occurrences of unsecured loans, retail accounts and revolving accounts. Unable to afford the basics means that the Laboured Living also have difficulty in paying back their debts, resulting in the highest delinquency rates of all groups.

R4 836,25
Average Gross Monthly Income

R58 035,00
Average Estimated Annual Income

53% Female

47% Male

15% Married

34 Average Age
25-40 Age Range

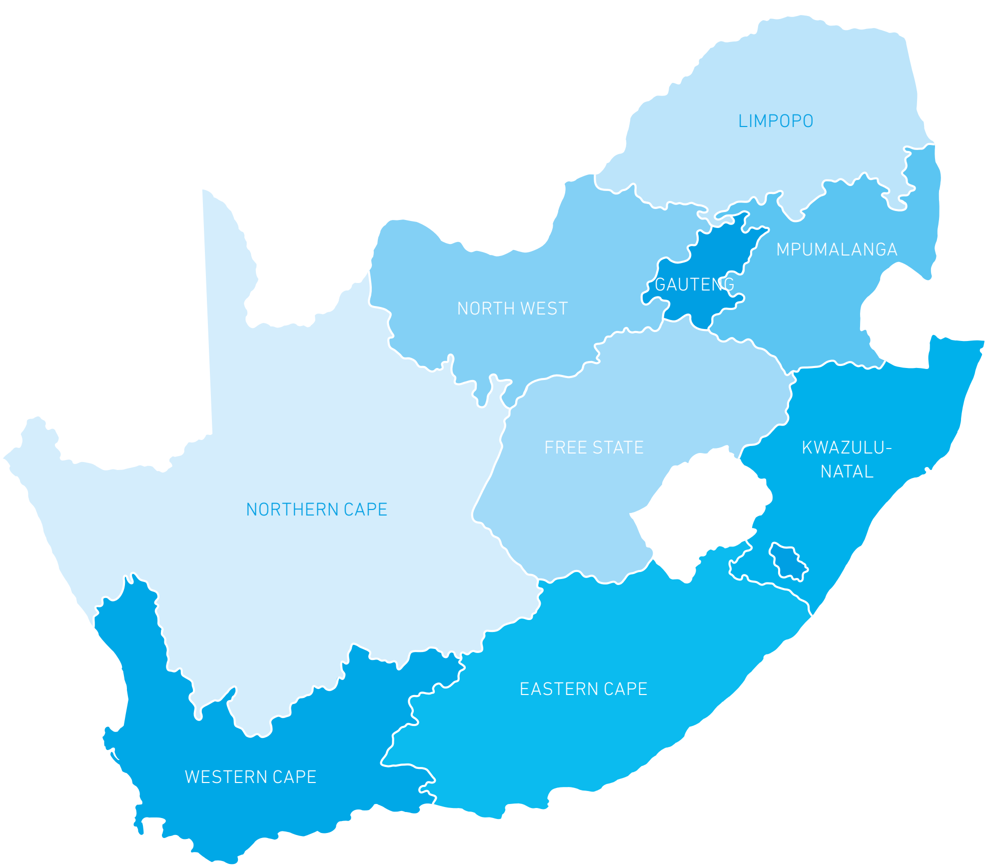
10% Directors
2% Multiple Directorships

3% Own 1 Property
0% Own Multiple Properties

R272 128,46
Opening Home Loan Balance:

R141 934,81
Opening Balance on Vehicle and Asset Finance

Black: 86.18%
Coloured: 4.54%
Indian: 1.06%
White: 7.99%



- Gauteng: 33.7%
- Western Cape: 17.84%
- KwaZulu-Natal: 15.29%
- Eastern Cape: 7.75%
- Mpumalanga: 5.4%
- North West: 4.34%
- Free State: 4.09%
- Limpopo: 3.19%
- Northern Cape: 2.12%

Yearning Youth – 16,4%

The Yearning Youth are the youngest of all 6 groups; they also have the lowest salaries. Despite carrying a very high risk, there are those few Yearning Youth that manage to get access to formal credit, mostly in the form of unsecured loans. Understandably, they have the lowest spread of account types with the majority using less than 75% of the balances. Limited salaries contribute both to the low maximised use of credit limits but also the high delinquency rates amongst the Yearning Youth.

R4 621,36
Average Gross Monthly Income

R55 456,32
Average Estimated Annual Income

45% Female

55% Male

15% Married

26 Average Age
low - 30 Age Range

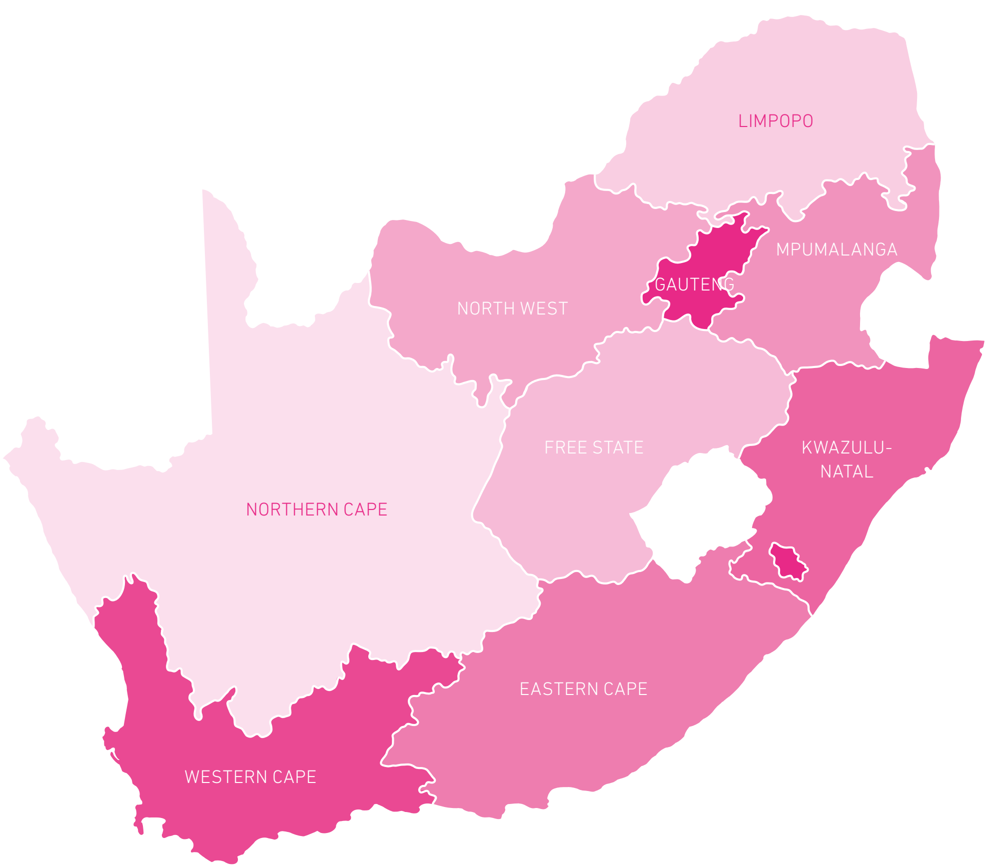
5% Directors
1% Multiple Directorships

1% Own 1 Property
0% Own Multiple Properties

R259 100,76
Opening Home Loan Balance:

R152 401,58
Opening Balance on Vehicle and Asset Finance

Black: 80.27%
Coloured: 5.17%
Indian: 1.66%
White: 12.57%



- Gauteng: 32.74%
- Western Cape: 17.84%
- KwaZulu-Natal: 15.23%
- Eastern Cape: 7.75%
- Mpumalanga: 5.11%
- North West: 3.91%
- Free State: 3.85%
- Limpopo: 2.9%
- Northern Cape: 2.12%

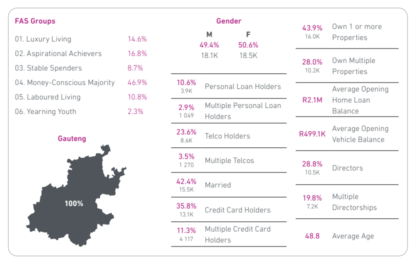
Scoresharp

experian analytics

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.

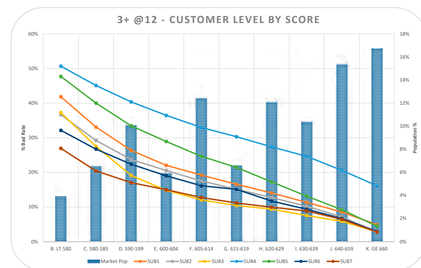
Understanding your Customers

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.



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