



Extended Monthly Report - January to March 2019

Product Level Analysis & Quarterly Trend Review



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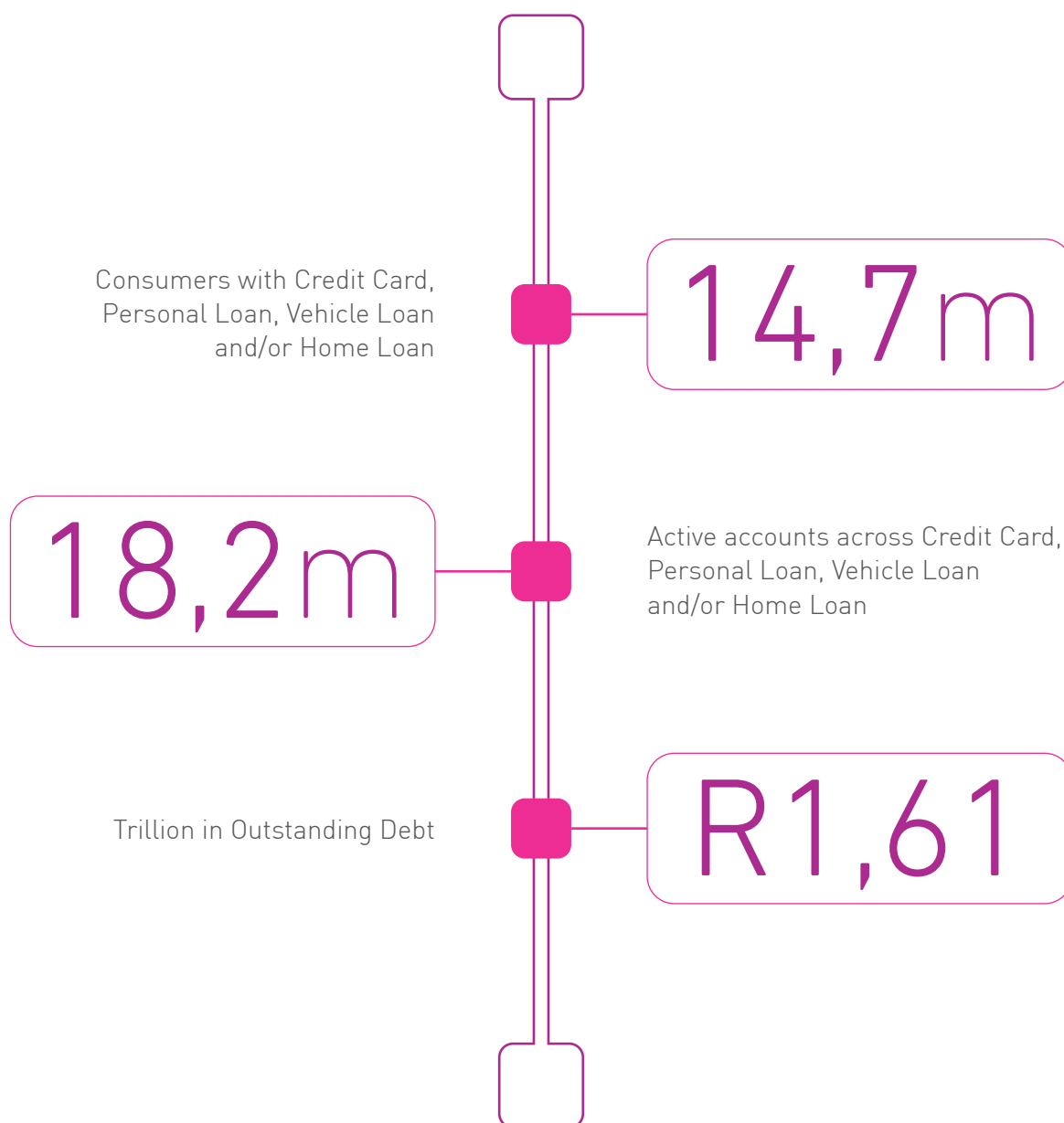
Experian Consumer Default Index (CDI) Overview

What it measures?

The Experian Consumer Default Index (CDI) is designed to measure rolling default behaviour of South African consumers with Home Loan, Vehicle Loan, Personal Loan and Credit Card 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 it being in arrears 90 or more days or statuses such as repossession, foreclosure, charge-off or write-off, the consumer account is said to be in default.

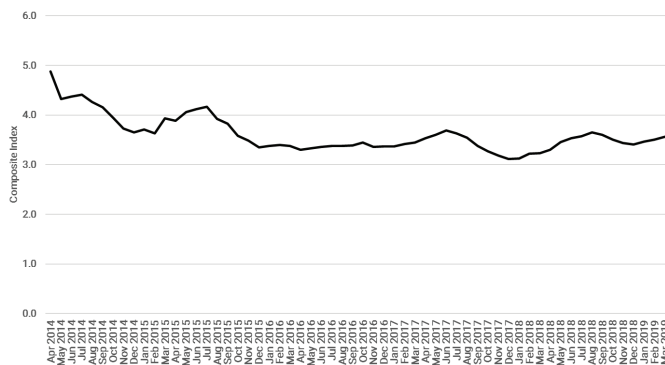
The index tracks the marginal default rate as it measures the sum of first-time (accounts that have never) defaulted balances as a percentage of the total sum of balances outstanding. Published on a monthly basis, with a 2 month lag, the indices include a balance-weighted composite index as well as the 4 product specific sub-indices. Each of the indices are also determined at Mosaic type level to provide further insight into the dynamics faced by specific consumer segments that are experiencing different stress due to macro forces such as unemployment, interest rate changes and economic growth.



Experian CDI | Composite & Product Level

Experian Consumer Default Index | Composite

CDI = % Never Default Balances that Defaulted in the last 3 Months

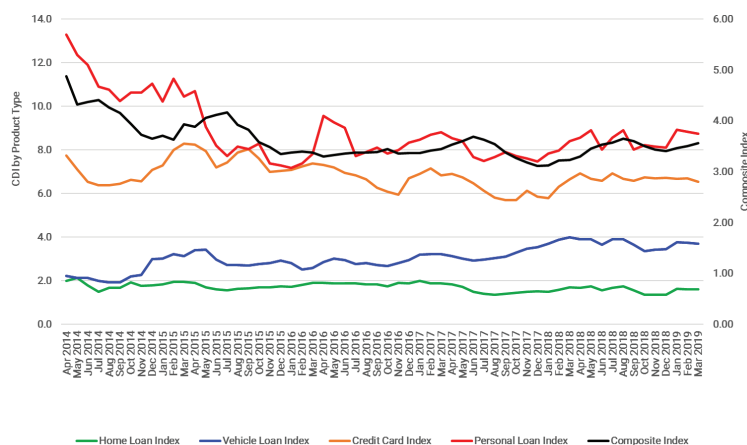


MONTHLY HIGHLIGHTS

Overall index of 3.56% in Mar 2019, tracking higher year on year.

Experian Consumer Default Index | Product Level

CDI = % Never Default Balances that Defaulted in the last 3 Months



MONTHLY HIGHLIGHTS

Year on year decrease in new default rate observed across Home Loan, Credit Card and Vehicle Loan products, while Personal Loans increased.

Experian CDI	CDI Mar'19	CDI Mar'18	Average Outstanding Jan'19 - Mar'19	New Default Balances Jan'19 - Mar'19
Composite Index	3,56	3,24	1,594,233,462,329	14,822,681,615
Home Loan Index	1,61	1,69	816,196,148,348	3,289,703,816
Vehicle Loan Index	3,70	3,99	403,412,217,897	3,730,492,803
Credit Card Index	6,53	6,65	116,446,820,320	1,902,413,452
Personal Loan Index	8,74	8,41	270,082,200,498	5,900,071,544

Mosaic Segmentation

What is Mosaic?

Experian Marketing Solutions' Mosaic SA is a consumer lifestyle segmentation system that classifies the South African population and enumeration areas into 36 unique types and 9 overarching groups, providing a 360-degree view of consumers' choices, preferences and habits.

This classification system paints a rich picture of SA consumers and their socio-demographics, lifestyles, behaviours, and culture, providing marketers with the most accurate and comprehensive view of their customers, prospects, and markets. Mosaic SA offers a common customer language to define, measure, describe and engage target audiences through accurate segment definitions that enable more strategic and sophisticated conversations with consumers.

All of the indices are also determined at Mosaic segmentation level to provide further insight into the dynamics faced by specific consumer segments that are experiencing different stress due to macro forces such as unemployment, interest rate changes and economic growth.

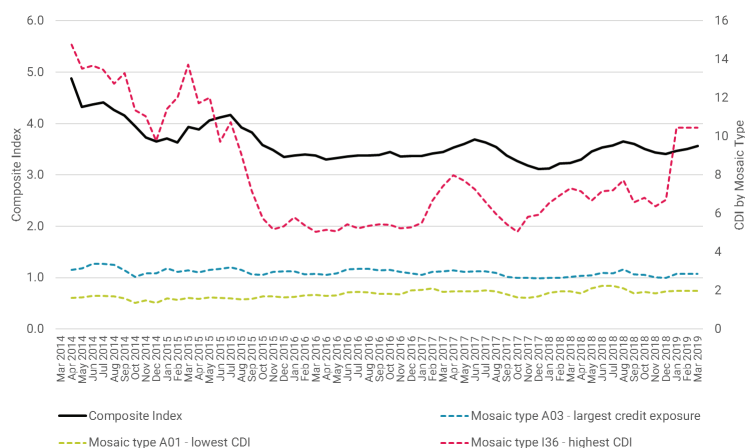
Group	Description	Type	Description
A	Wealth To Do 9,84%	A1	Midlife Cruisers
		A2	Secured Affluence
		A3	Hard-working Money
		A4	Platteland Progressives
		A5	Prosperous Pensioners
B	Up-and-Coming 4,37%	B6	Upwardly Mobile
		B7	Would-be Wealth
		B8	City Convenience
		B9	Student Digs
C	Settlement Traditionalists 7,56%	C10	Diligent Settlement Households
		C11	Adult Settlement Families
		C12	Elderly-headed Homes
D	Loyal Labourers 7,84%	D13	In the Family
		D14	Manufactory Middle Class
		D15	Farmworking Communities
		D16	Senior Migrant Farmhands
		D17	Migratory Hard Labour
E	Blue-collar Communities 18,43%	E18	Generational Settlement Family
		E19	Middle-aged Marginalists
		E20	Coastal Low-wage Households
		E21	Informal Country Tenants
		E22	Breadline Families
		E23	Modest Settlement Living
F	Young Urban Survivors 9,28%	F24	Migrant City Settler
		F25	Indigent Settlement Families
		F26	Single Room Landlords
G	Subsidised Dependents 10,57%	G27	Sustainable Subsidised Families
		G28	Subsidised Poor Households
		G29	Impoverished Reliants
		G30	Subsidised Penniless Transients
H	Rural Traditionalists 17,58%	H31	Eastern Tribal Gap Households
		H32	Inland Traditional Gap Households
		H33	Senior Single Traditionalists
I	Outskirts Families 14,04%	I34	Borderline Gap Households
		I35	Baseline Gap Families
		I36	Minimum Wage Rural Families

*percentages relate to proportion of SA population and not the index value per segment

Experian CDI | Mosaic Segmentation

Experian Composite Consumer Default Index | Mosaic Segmentation

CDI = % Never Default Balances that Defaulted in the last 3 Months



3,56%

of balances on an annualized basis defaulted for first time over the period Jan 2019 to Mar 2019

R14,80bn

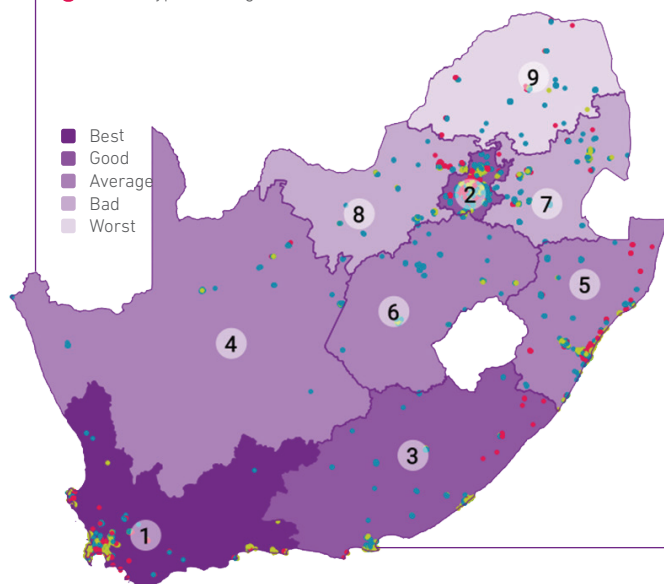
in value defaulted for first time over the period Jan 2019 to Mar 2019

Experian CDI	CDI Mar'19	CDI Mar'18	New Default Balances Jan'19 - Mar'19
Composite Index	3,56	3,24	14,822,681,615
Mosaic type A03 - Largest credit exposure	2,87	2,68	1,439,390,082
Mosaic type A01 - Lowest CDI	1,97	1,92	551,902,519
Mosaic type I36 - Highest CDI	10,45	7,36	57,823,928

Geospatial & Mosaic Insights

Province & Rank	CDI
1. Western Cape	2,58
2. Gauteng	3,36
3. Eastern Cape	3,63
4. Free State	3,80
5. KwaZulu-Natal	3,92
6. Northern Cape	3,92
7. North West	4,71
8. Limpopo	4,82
9. Mpumalanga	4,87

- Mosaic type A03 - Largest Credit Exposure
- Mosaic type A01 - Lowest CDI
- Mosaic type I36 - Highest CDI



The Composite index was tracking higher than in Mar 2019 at 3.56% compared to 3.41% in Dec 2018. The increasing trend is also observed Y-o-Y with a Mar 2018 CDI of 3.24%.

A03 - Hard-working Money

Middle-aged educated families with a mid to high income living in the suburbs around industrial and mining areas recorded a marginally higher CDI of 2.87% in Mar 2019 compared to the 2.68% in Mar 2018. Q-o-Q the Composite CDI has also increased from 2.66% in Dec 2018. This was the consumer type with the highest credit exposure in the market in Mar 2019.

A01 - Midlife Cruisers

Highly educated wealthy individuals residing on exclusive estates in luxury homes in prime city suburbs recorded the lowest CDI of 1.97% in Mar 2019, which was a deterioration from the 1.92% recorded in Mar 2018.

I36 - Minimum Wage Rural Families

Mixed-age families on minimum wages, living in small informal dwellings in the rural areas of the Northern Cape and the Free State was the worst performing consumer type, also showing the worst Y-o-Y deterioration in composite CDI, with a value of 10.45% in Mar 2019, deteriorating from 7.36% in Mar 2018.

D16 - Senior Migrant Farmhands

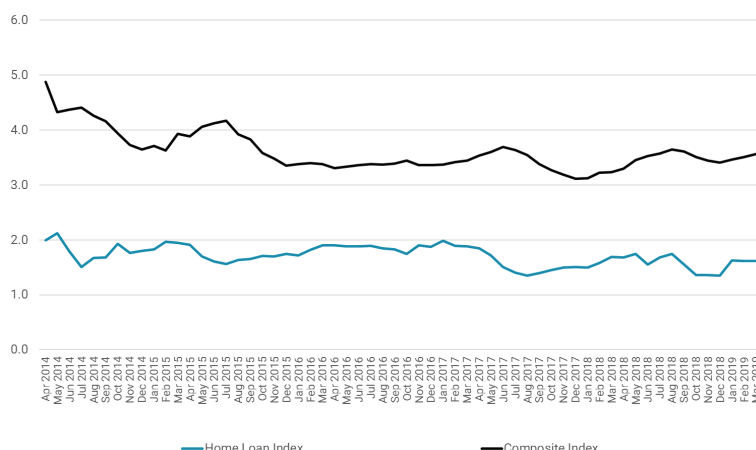
Mature male migrant farmworkers living and employed in private households to support their out-of-state families showed the best improvement in composite CDI, moving from 4.99% down to 3.79%.



Experian Home Loan Consumer Default Index

Experian Home Loans Consumer Default Index

CDI = % Never Default Balances that Defaulted in the last 3 Months



1,61%

of home loan balances on an annualized basis defaulted for first time over the period Jan 2019 to Mar 2019

R3,29 bn

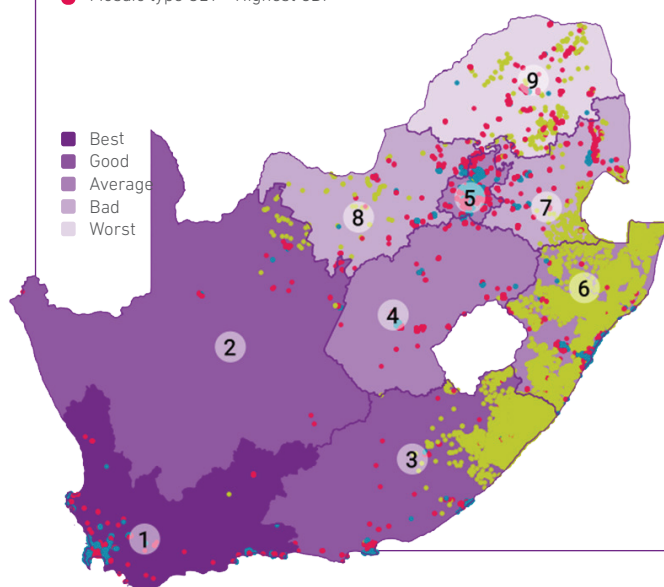
in value defaulted for first time over the period Jan 2019 to Mar 2019

	CDI Mar'19	CDI Mar'18	New Default Balances Jan'19 - Mar'19
Home Loan Index	1,61	1,69	3,289,703,816
Mosaic type A02 - Largest credit exposure	1,26	1,00	401,914,905
Mosaic type I36 - Lowest CDI	0,54	0,65	443,051
Mosaic type G29 - Highest CDI	3,33	0,51	3,411,611

Geospatial & Mosaic Insights

Province & Rank	CDI
1. Western Cape	1,10
2. Northern Cape	1,39
3. Eastern Cape	1,43
4. Kwazulu-Natal	1,58
5. Free State	1,62
6. Gauteng	1,74
7. Limpopo	2,24
8. North West	2,32
9. Mpumalanga	2,34

- Mosaic type A02 - Largest Credit Exposure
- Mosaic type I36 - Lowest CDI
- Mosaic type G29 - Highest CDI



The Home Loan Index was tracking lower in Mar 2019 at 1.61% compared to 1.69% in Mar 2018 (Y-o-Y).

A02 - Secured Affluence

Mature, well educated, wealthy couples living in free-standing high-value established homes in city suburbs had the highest outstanding Home Loan debt and recorded a higher CDI of 1.26% in Mar 2019 compared to the 1.69% in Mar 2018.

I36 - Minimum Wage Rural Families

Mixed-age families on minimum wages, living in small informal dwellings in the rural areas of the Northern Cape and the Free State were the best performing consumer type with a Home Loan CDI of 0.54% in Mar 2019 which is marginally lower than the CDI of 0.65% in Mar 2018.

G29 - Impoverished Reliants

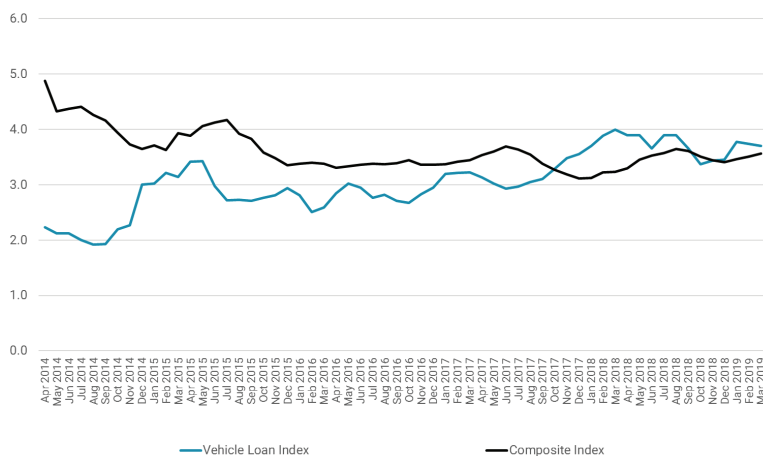
Families with children relying on government grants and living rent-free in informal dwellings in residential areas were the worst performing segment with a Home Loan CDI of 3.33% in Mar 2019, which was significantly worse than the 0.51% recorded in Mar 2018.



Experian Vehicle Loan Consumer Default Index

Experian Vehicle Loans Consumer Default Index

CDI = % Never Default Balances that Defaulted in the last 3 Months



3,70%

of vehicle loan balances on an annualized basis defaulted for first time over the period Jan 2019 to Mar 2019

R3,73bn

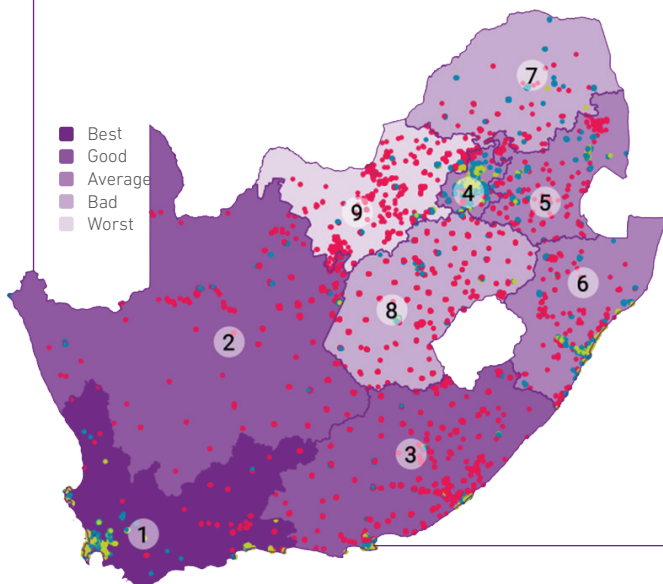
in value defaulted for first time over the period Jan 2019 to Mar 2019

	CDI Mar'19	CDI Mar'18	New Default Balances Jan'19 - Mar'19
Vehicle Loan Index	3,70	3,99	3,730,492,803
Mosaic type A03 - Largest credit exposure	2,75	2,83	342,354,968
Mosaic type D15 - Lowest CDI	2,26	2,52	42,799,435
Mosaic type I36 - Highest CDI	9,00	7,54	11,190,699

Geospatial & Mosaic Insights

Province & Rank	CDI
1. Western Cape	2,58
2. Northern Cape	3,25
3. Eastern Cape	3,36
4. Free State	3,55
5. Gauteng	3,57
6. KwaZulu-Natal	3,81
7. Limpopo	3,95
8. Mpumalanga	3,96
9. North West	4,08

- Mosaic type A03 - Largest Credit Exposure
- Mosaic type D15 - Lowest CDI
- Mosaic type I36 - Highest CDI



The Vehicle Loan index has deteriorated from 3.46% last quarter (Oct – Dec 2018) to 3.59% in Jan 2019. This is still better than the 3.70% recorded in Jan 2018.

A03 - Hard-working Money

Middle-aged educated families, with a mid to high income living in the suburbs around industrial and mining areas had the highest outstanding Vehicle Loan debt and recorded a lower CDI of 2.54% in Jan 2019 compared to the 2.71% in Jan 2018.

D15 - Farmworking Communities

Mature, well educated, wealthy couples living in free-standing high-value established homes in city suburbs were the best performing segment with a Vehicle Loan CDI of 2.24% in Jan 2019, slightly down from the 2.44% recorded in Jan 2018.

I36 - Minimum Wage Rural Families

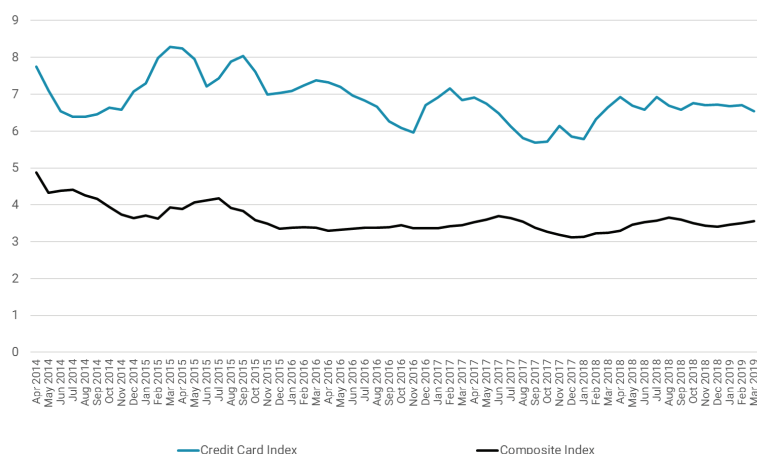
Mixed-age families on minimum wages, living in small informal dwellings in the rural areas of the Northern Cape and the Free State recorded the worst Vehicle Loan CDI of 8.32% in Jan 2019 which was significantly worse than the 4.79% recorded in Jan 2018.



Experian Credit Card Consumer Default Index

Experian Credit Cards Consumer Default Index

CDI = % Never Default Balances that Defaulted in the last 3 Months



6,53%

of credit card balances on an annualized basis defaulted for first time over the period Jan 2019 to Mar 2019

R1,90bn

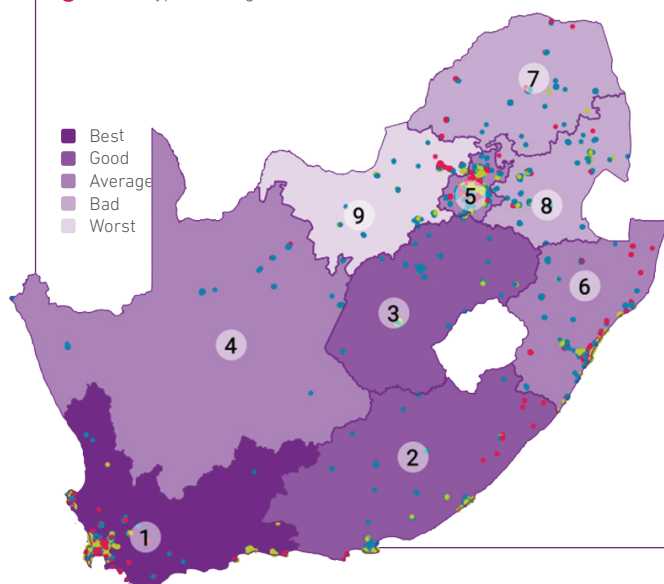
in value defaulted for first time over the period Jan 2019 to Mar 2019

	CDI Mar'19	CDI Mar'18	New Default Balances Jan'19 - Mar'19
Vehicle Loan Index	6,53	6,65	1,902,413,452
Mosaic type A03 - Largest credit exposure	5,60	4,99	216,850,291
Mosaic type A01 - Lowest CDI	4,36	4,13	77,572,284
Mosaic type I36 - Highest CDI	13,97	10,15	4,006,456

Geospatial & Mosaic Insights

Province & Rank	CDI
1. Western Cape	5,35
2. Eastern Cape	5,96
3. Gauteng	6,24
4. Free State	6,42
5. Northern Cape	6,49
6. KwaZulu-Natal	6,69
7. Limpopo	6,94
8. North West	7,35
9. Mpumalanga	7,87

- Mosaic type A03 - Largest Credit Exposure
- Mosaic type A01 - Lowest CDI
- Mosaic type I36 - Highest CDI



The Credit Card index was tracking lower in Mar 2019 at 6.53% compared to 6.65% in Mar 2018. It is, however, slightly higher than the 6.72% CDI observed in Dec 2018.

A03 - Hard-working Money

Middle-aged educated families, with a mid to high income living in the suburbs around industrial and mining areas had the highest outstanding Credit Card debt and recorded a higher CDI of 5.60% in Mar 2019 compared to the 4.99% in Mar 2018.

A01 - Midlife Cruisers

Highly educated wealthy individuals residing on exclusive estates in luxury homes in prime city suburbs recorded the lowest Credit Card CDI of 4.36% in Mar 2019. This was slightly higher than the CDI of 4.13% observed in Mar 2018.

I36 - Minimum Wage Rural Families

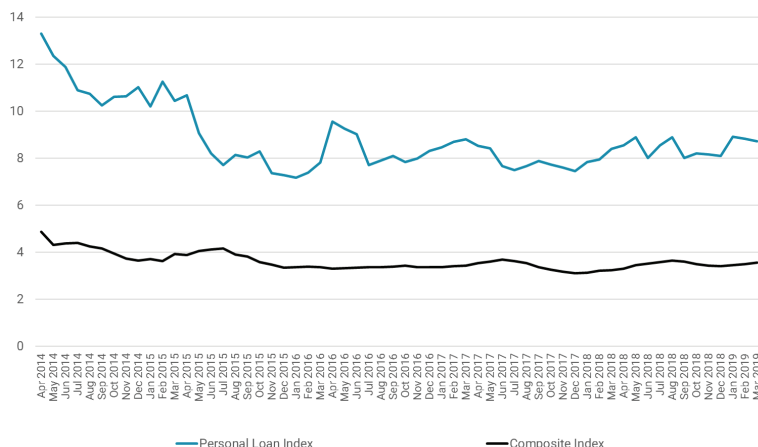
Mixed-age families on minimum wages, living in small informal dwellings in the rural areas of the Northern Cape and the Free State were the worst performing segment with a Credit Card CDI of 13.97% in Mar 2019. This is a significant deterioration from the Mar 2018 CDI of 10.15%.



Experian Personal Loan Consumer Default Index

Experian Personal Loans Consumer Default Index

CDI = % Never Default Balances that Defaulted in the last 3 Months



8,74%

of personal loan balances on an annualized basis defaulted for first time over the period Jan 2019 to Mar 2019

R5,90bn

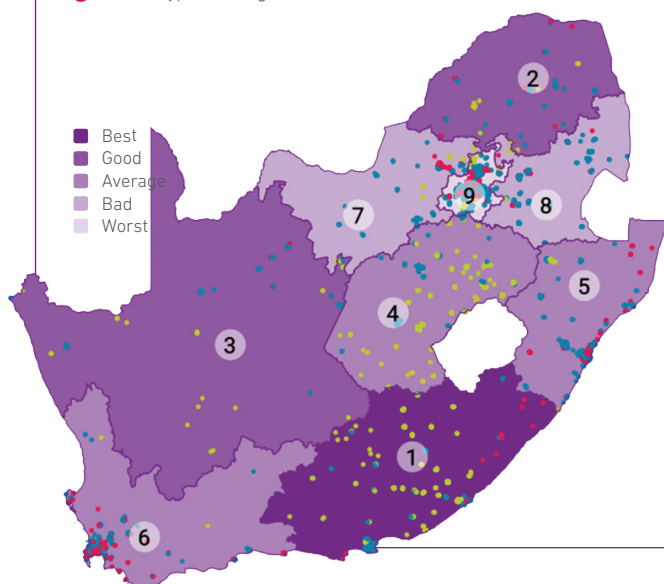
in value defaulted for first time over the period Jan 2019 to Mar 2019

	CDI Mar'19	CDI Mar'18	New Default Balances Jan'19 - Mar'19
Personal Loan Index	8,74	8,41	5,900,071,544
Mosaic type A03 - Largest credit exposure	6,79	6,11	375,393,806
Mosaic type E23 - Lowest CDI	5,15	4,13	7,379,547
Mosaic type I36 - Highest CDI	13,27	8,82	42,183,722

Geospatial & Mosaic Insights

Province & Rank	CDI
1. Eastern Cape	7,41
2. Free State	7,48
3. Northern Cape	7,85
4. Limpopo	7,87
5. KwaZulu-Natal	7,95
6. Western Cape	8,49
7. North West	8,59
8. Gauteng	8,79
9. Mpumalanga	9,61

- Mosaic type A03 - Largest Credit Exposure
- Mosaic type E23 - Lowest CDI
- Mosaic type I36 - Highest CDI



The Personal Loan index slightly deteriorated from 8.41% in Mar 2018 to 8.74% in Mar 2019. This is also higher than the 8.10% recorded in Dec 2018.

A03 - Hard-working Money

Middle-aged educated families, with a mid to high income living in the suburbs around industrial and mining areas had the highest outstanding Personal Loan debt and recorded a lower CDI of 6.62% in Jan 2019 compared to the 6.46% in Jan 2018.

E23 - Modest Settlement Living

Mixed-age, minimum wage, extended families, living in their own small shacks or poor quality housing in cities and town settlements recorded the lowest Personal Loan CDI of 5.15% in Mar 2019 which was a deterioration from the 4.13% recorded in Mar 2018.

I36 - Minimum Wage Rural Families

Mixed-age families on minimum wages, living in small informal dwellings in the rural areas of the Northern Cape and the Free State had the worst Personal Loan CDI of 13.27% in Mar 2019 which represents a highly significant deterioration from the 8.82% recorded in Mar 2018.



How is the Experian CDI calculated?

A cleaner way to look at consumer credit trends: new, incremental default rates

Published monthly, each index is based upon the following core metric:
percent of open, outstanding credit newly in default in the most recent month

Core Metric
for March

=

SUM OF

March balances for accounts
that **first** default in March

March balances for open
accounts **never** defaulted,
unless it occurred
in March

The index is the 3-month, balance-weighted moving average of the core metric,

Index Value
for March

= 12 X

SUM OF

Core Metric numerators for
January, February, March

Core Metric denominators for
January, February, March

An index of 8.1751 means: annualized rate of 8.1751% of never-defaulted balances defaulted in the recent three months

Experian CDI readings for each Mosaic segmentation type

MOSAIC		CDI	CDI	Average Outstanding	New Default Balances
		Mar'19	Mar'18	Jan'19 - Mar'19	Jan'19 - Mar'19
A1	Midlife Cruisers Secured Affluence Hard-working Money Platteland Progressive Prosperous Pensioners	1,97	1,92	111,974,130,750	183,967,506
A2		2,04	1,73	185,905,015,933	315,328,649
A3		2,87	2,68	200,402,808,350	479,796,694
A4		3,08	2,80	73,559,724,892	188,850,662
A5		2,33	2,29	25,398,300,195	49,389,908
B6	Upwardly Mobile Would-be Wealth City Convenience Student Digs	2,48	2,26	118,762,101,603	245,693,512
B7		3,37	3,14	60,342,990,949	169,351,105
B8		2,42	2,13	96,982,096,952	195,463,408
B9		3,39	3,21	16,447,603,135	46,472,863
C10	Diligent Settlement Households Adult Settlement Families Elderly-headed Homes	3,64	3,64	69,649,873,496	211,030,054
C11		4,35	4,23	27,262,611,720	98,933,196
C12		4,16	3,67	52,003,901,351	180,136,512
D13	In the Family Manufactory Middle Class Farmworking Communities Senior Migrant Farmhands Migratory Hard Labour	4,20	3,87	109,635,963,665	383,737,128
D14		5,74	4,99	37,183,911,858	177,884,073
D15		3,00	3,18	24,499,850,468	61,180,098
D16		3,79	4,99	3,054,563,555	9,647,675
D17		4,40	4,53	8,583,857,262	31,475,549
E18	Generational Settlement Family Middle-aged Marginalists Coastal Low-wage Households Informal Country Tenants Breadline Families Modest Settlement Living	6,52	6,06	19,036,498,271	103,463,230
E19		6,54	5,94	14,528,240,462	79,189,547
E20		7,47	7,01	34,572,056,321	215,204,067
E21		6,82	6,07	11,800,221,851	67,020,615
E22		4,95	4,37	18,429,050,180	75,981,488
E23		3,87	3,37	2,188,541,428	7,053,645
F24	Migrant City Settler Indigent Settlement Families Single Room Landlords	4,64	3,99	27,900,858,911	107,903,895
F25		8,36	6,80	9,995,912,284	69,609,140
F26		7,13	6,52	27,797,430,927	165,160,056
G27	Sustainable Subsidised Families Subsidised Poor Households Impoverished Reliants Subsidised Penniless Transients	7,08	6,38	12,377,733,463	73,044,866
G28		7,12	6,37	11,895,678,879	70,605,853
G29		6,37	4,55	1,445,905,418	7,680,466
G30		5,55	5,32	2,131,705,298	9,859,801
H31	Eastern Tribal Gap Households Inland Traditional Gap Households Senior Single Traditionalists	6,85	6,08	2,534,217,051	14,455,707
H32		6,21	5,20	9,229,565,484	47,746,299
H33		4,26	3,82	1,464,406,983	5,203,183
I34	Borderline Gap Households Baseline Gap Families Minimum Wage Rural Families	4,47	4,24	13,818,575,187	51,496,112
I35		6,00	4,67	7,263,919,236	36,348,528
I36		10,45	7,36	2,213,936,558	19,274,643