



CDIX

CONSUMER DEFAULT INDEX - Summary

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

August 2026 | **Quarter 2**



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

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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) is designed to measure 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 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 as it measures the sum of outstanding balances related to first-time incidence of technical arrears, i.e. accounts that are more than 90 days in arrears for the first time, 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 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 the 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.



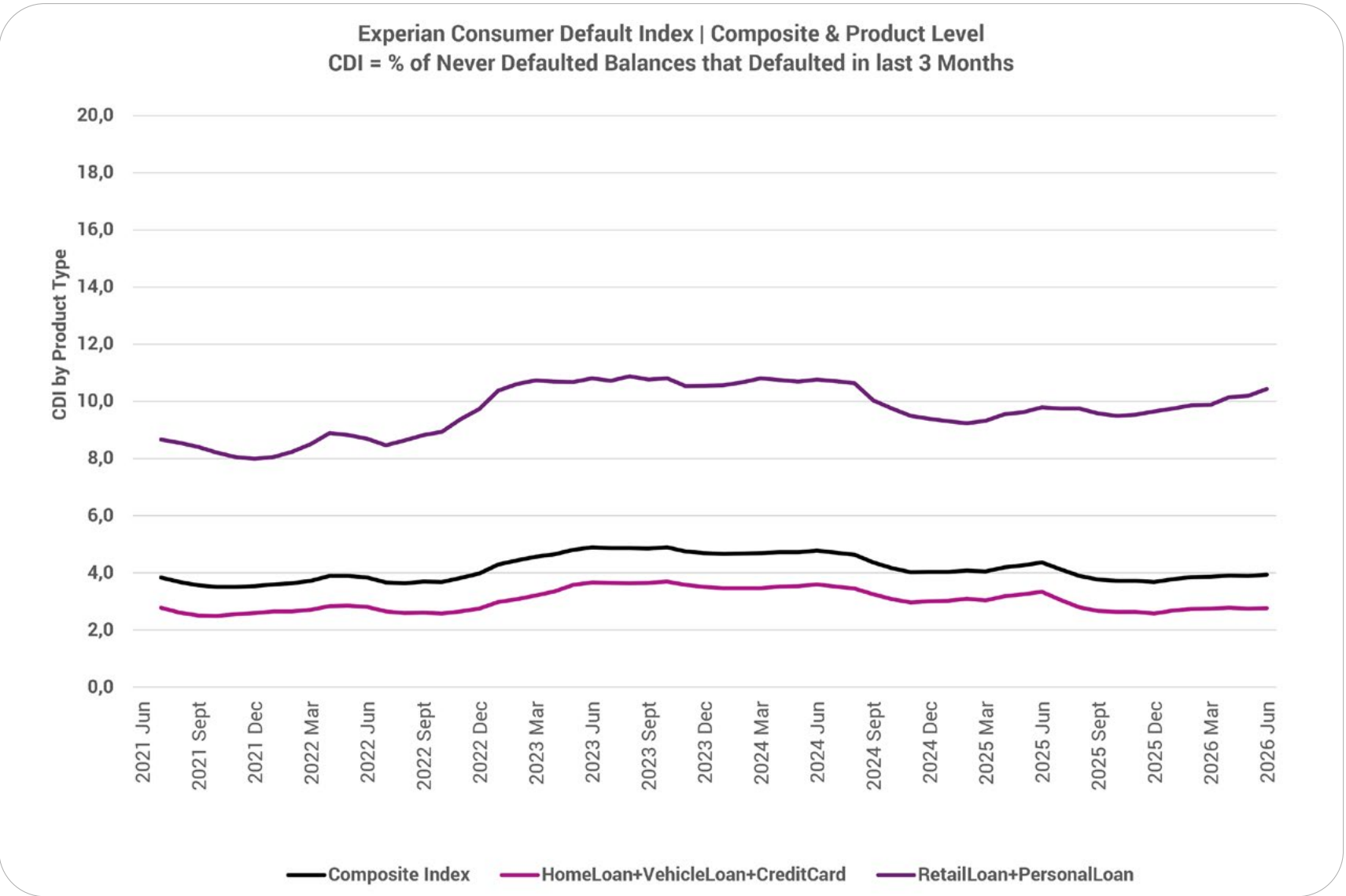
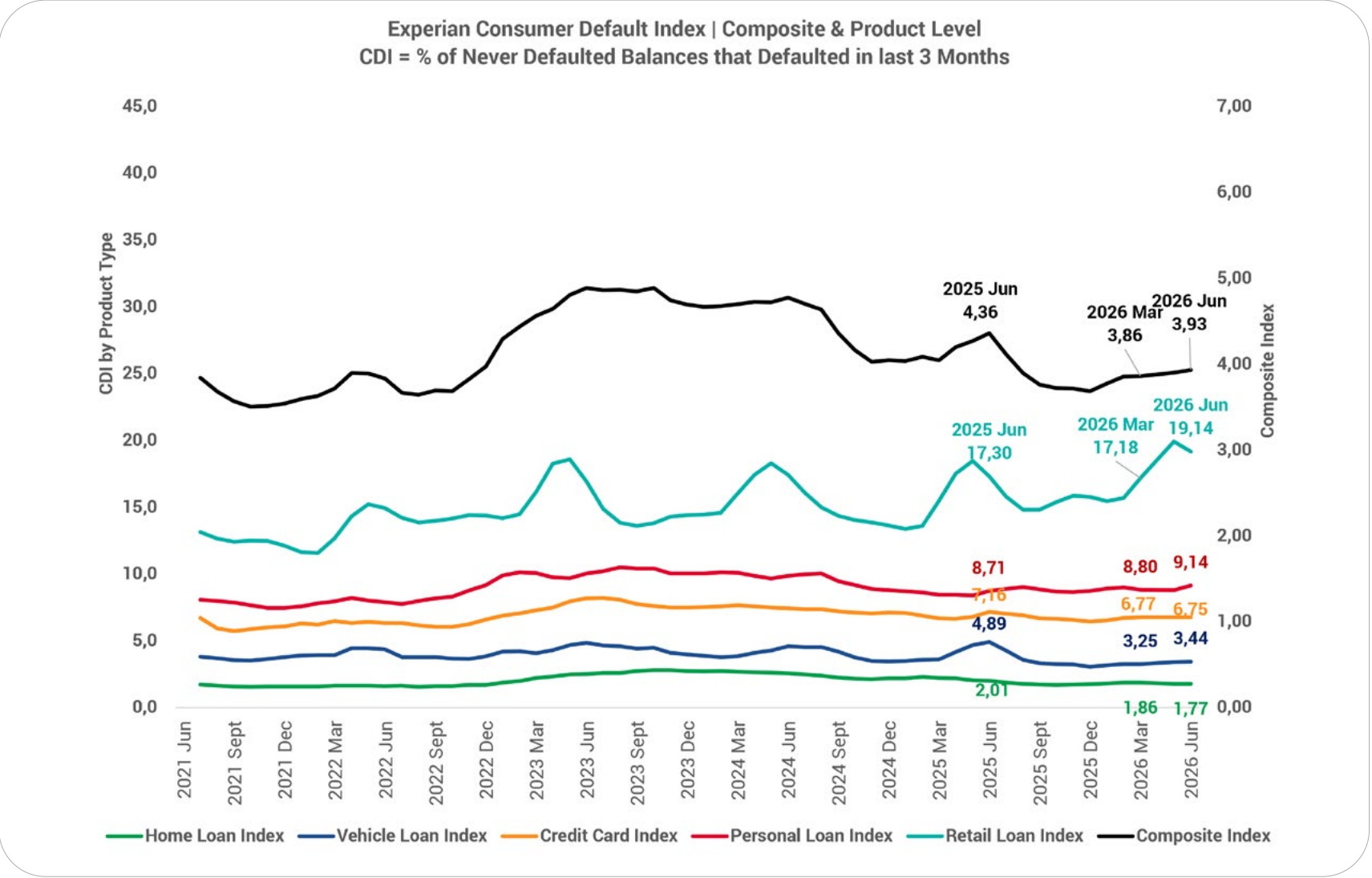
Composite Consumer Default Index

The composite CDI showed relative deterioration Q-o-Q, moving from 3.66 in March 2026 to 3.93 in June 2026. Considering the cyclic nature of the CDI, this deterioration was expected in Q2. This is usually the result of the Festive season, particularly Black Friday spending, during Q4. It is encouraging, though, that the CDI shows signs of returning to the ‘usual’ seasonal pattern, following recent years of heightened and prolonged high CDI levels that deviated from historical norms.

Y-o-Y, the Composite CDI improved, moving down from 4.36 to 3.93, a meaningful improvement of 10%. This improvement suggests that even though consumers are still finding it very challenging to honour debt commitments, the situation is improving.

Home Loans, Vehicle Loans and Credit cards saw a Y-o-Y improvement in CDI. Vehicle and Home Loans saw the most substantial improvement, moving from 4.89 to 3.44 and from 2.01 to 1.77, respectively. This meant that Vehicle Loans saw a significant 30% improvement, and Home Loans a meaningful 12% improvement over the last year. The improvement in Home Loans and Vehicle Loans may be attributed to the multiple interest rate cuts seen over the last year.

	Index	CDI Jun'26	CDI Jun'25	Average Outstanding Apr'26-Jun'26	New Default Balances Apr'26-Jun'26	Relative Impr/Deter
█	Composite Index	3,93	4,36	R 2 400 045 443 061	R 23 580 774 097	-10%
█	Home Loan Index	1,77	2,01	R 1 238 668 022 658	R 5 505 744 796	-12%
█	Vehicle Loan Index	3,44	4,89	R 585 416 455 338	R 5 031 460 795	-30%
█	Credit Card Index	6,75	7,16	R 206 097 720 182	R 3 475 383 859	-6%
█	Personal Loan Index	9,14	8,71	R 319 876 368 424	R 7 308 658 711	5%
█	Retail Loan Index	19,14	17,30	R 47 219 784 073	R 2 259 525 936	11%
█	Home Loan + Vehicle Loan + Credit Card	2,76	3,33	R 2 032 949 290 564	R 14 012 589 450	-17%
█	Retail Loan + Personal Loan	10,43	9,78	R 367 096 152 496	R 9 568 184 647	7%



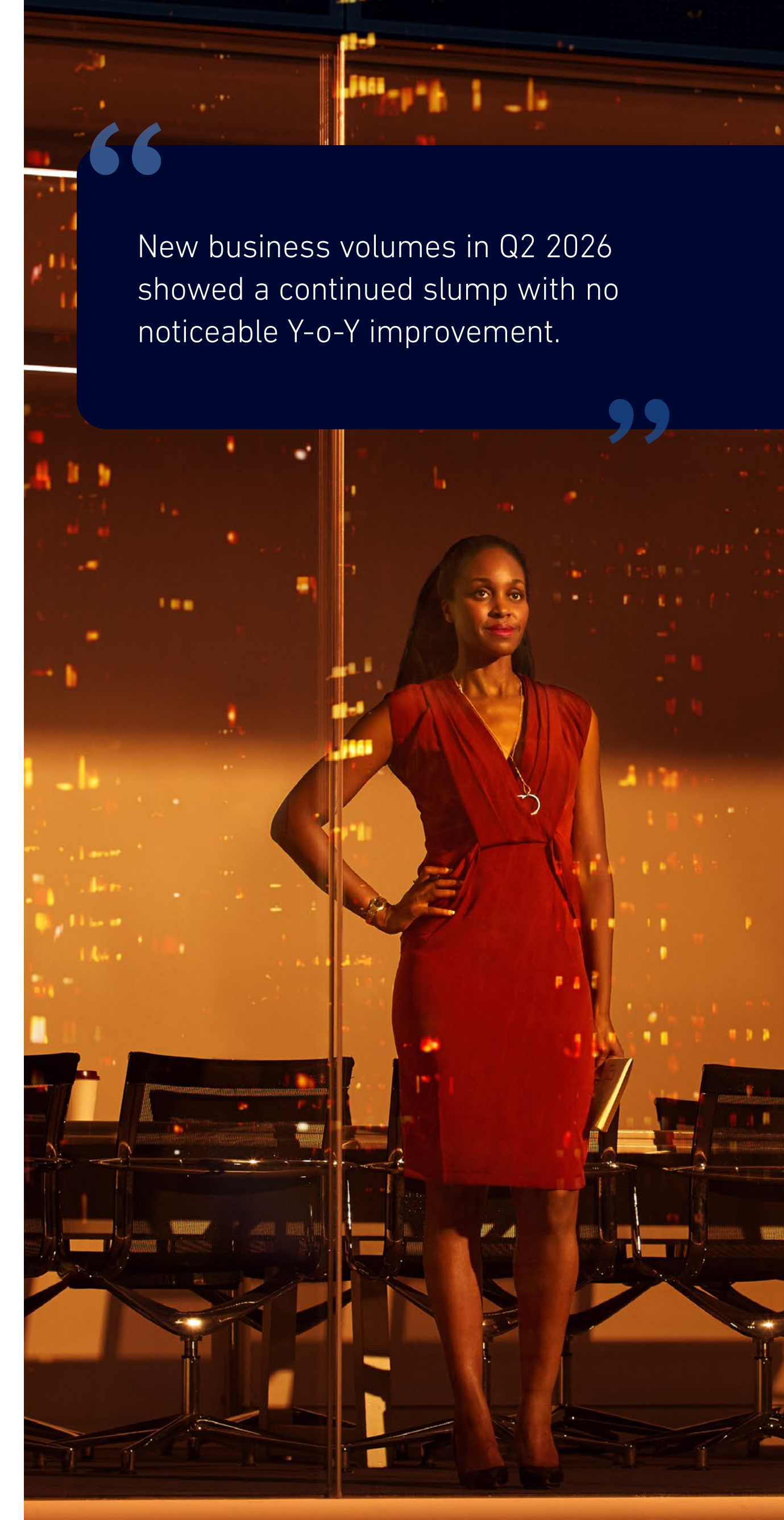
Summary of the CDIx

- CPI increased to 5% in June 2026, driven by housing and utilities, food and non-alcoholic beverages, as well as alcoholic beverages and tobacco.
- **Market appetite for credit in Q1** (NCR data):
 - Application moved sideways after a record high, signalling cooling demand.
 - Approvals declined, indicating tighter lending or increased caution.
- **New business volumes in Q2 2026 showed a continued slump with no noticeable Y-o-Y improvement.**
- Notably, Home Loans New Business have seen sustained lower levels, while Personal loans and Retail Loans are seeing increased activity.
- The Y-o-Y Composite **CDI** improvement was seen for home loan, credit card and vehicle finance.
 - The Q-o-Q CDI showed a deteriorating movement.
 - Most significant improvement was seen for **Vehicle loans**.
 - All FAS Groups except for FAS Group 1 experienced a meaningful Y-o-Y improvement in CDI. This positive trend was also reflected across most products, except for retail and personal loans, which each showed significant Y-o-Y improvement in CDI.
- **Vintages in Home Loans** portfolios continue along the path of increasing distress levels in both the 6- and 12-month vintage analysis. This shows sustained pressure across Home Loan portfolios. Market-wide strain remains evident.
- 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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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.

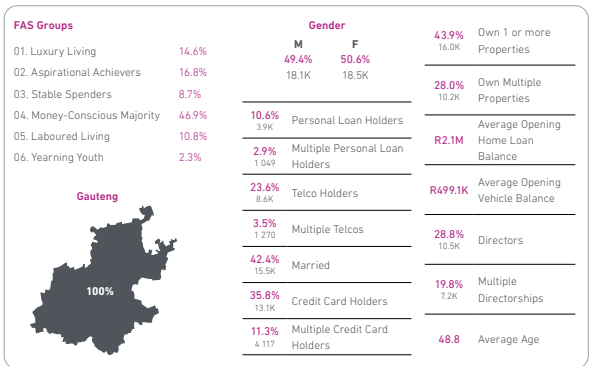
Our solutions used to develop the CDI and CDIx include:

- 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)



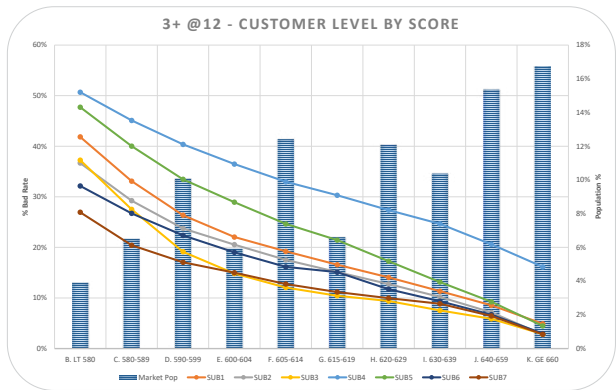
Understanding your Customers

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

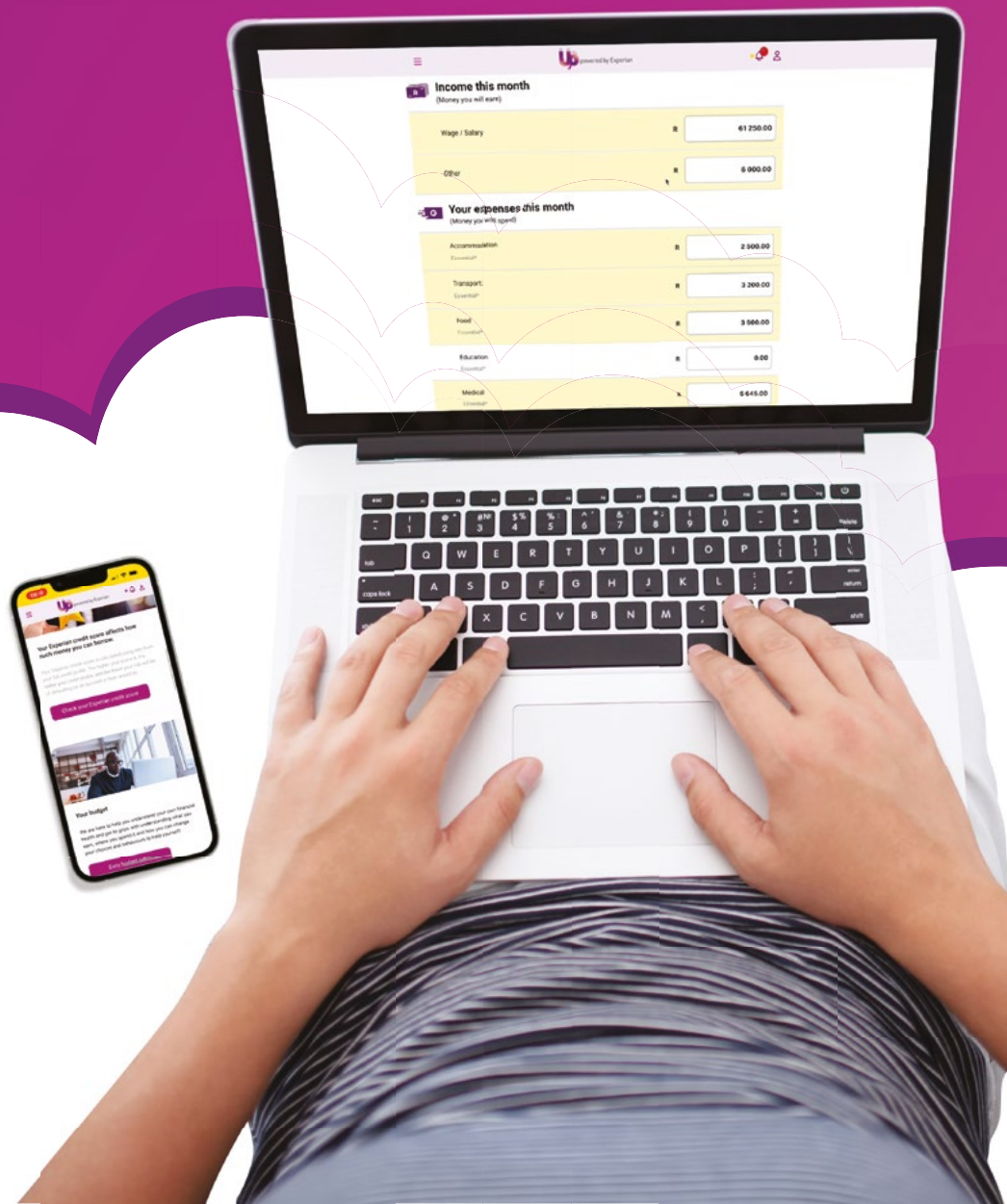


In order to improve consumer financial health and to drive financial education, Experian has launched a web-based app called 'Up'. This platform is made available to consumers free of charge. We make it available to businesses for publishing on corporate websites as well through an annually renewable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

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

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