

# Consumer Credit Report

## Introduction

This Consumer Credit Report is the first report by the National Credit Regulator on statistics received from registered credit providers. It is based upon returns that credit providers are required to submit in terms of the National Credit Act (NCA).

The reporting requirements of the NCA differentiate between small credit providers, defined as credit providers for whom annual disbursements are less than R15 million, and large credit providers. Credit providers with annual disbursements of more than R15 million are required to submit quarterly returns. Credit providers with annual disbursements of less than R15 million are only required to submit annual returns. This report is based only on quarterly returns from the most significant lenders.

Apart from banks and similar regulated entities, most credit providers had not been required to submit statistical returns until the implementation of the NCA. Certain of the statistics being collected are also new to banks. Considerable time and resources were invested in the review and analysis of the returns in order to address weaknesses and inconsistencies. In order to avoid extreme delays in the publication of data, the NCR limited this first report to the data submitted by the largest amongst the reporting credit providers, thus enabling detailed scrutiny of the returns processed. The aggregated numbers reflected in this report reflect an estimated 90% of the consumer credit market in South Africa. Estimates of the remainder of the market were not included. The basis of reporting will be expanded in future reports and will provide sufficient information to enable analysis of trends and comparison between different periods.

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It is also important to take into account the fact that the statistics included in the report follow the scope and definitions in the NCA. The report thus reflects all consumer credit, as well as agreements with juristic persons with a turnover or net assets of less than R1 million. It excludes all other juristic persons. It includes credit provided by banks, as well as by any other registered credit providers, but excludes credit providers which are not required to register (e.g. where the entity has fewer than 100 agreements or less than R500,000 in outstanding credit). An attempt will be made in future to estimate the value of such transactions.

The statistics presented in this report cover three quarters, being the quarter from 01 October 2007 to 31 December 2007 (2007-Q4); the quarter from 01 January 2008 to 31 March 2008 (2008-Q1), and the quarter from 01 April 2008 to 30 June 2008 (2008-Q2).

## 1. Market overview

### 1.1 Credit granted

A total of 4.45 million credit agreements were entered into for the quarter to June 2008, consisting of 2.19 million credit transactions and 2.26 million credit facilities. The value of total disbursements on credit transactions during 2008-Q2 was R76.98 billion. This was 4.62% lower than the R80.71 billion reported for 2008-Q1. The value of credit facilities granted (new facilities approved and increases in facility limits) was R8.64 billion for the quarter, reflecting an increase of 5.16% in comparison to the previous quarter.

Table 1.1: Credit granted

| Agreement           | 2007-Q4<br>R000    | 2008-Q1<br>R000   | 2008-Q2<br>R000   | % change<br>(Q1/Q4) | % change<br>(Q2/Q1) |
|---------------------|--------------------|-------------------|-------------------|---------------------|---------------------|
| Credit transactions | 93,974,818         | 80,712,015        | 76,984,032        | -14.11%             | -4.62%              |
| Credit facilities   | 8,396,030          | 8,215,016         | 8,639,240         | -2.16%              | 5.16%               |
| <b>Total</b>        | <b>102,370,848</b> | <b>88,927,031</b> | <b>85,623,272</b> | <b>-13.13%</b>      | <b>-3.72%</b>       |

Table 1.2: Credit granted – number of accounts

| Agreement                     | 2007-Q4<br>000 | 2008-Q1<br>000 | 2008-Q2<br>000 | % change<br>(Q1/Q4) | % change<br>(Q2/Q1) |
|-------------------------------|----------------|----------------|----------------|---------------------|---------------------|
| Number of credit transactions | 2,639          | 2,177          | 2,187          | -17.49%             | 0.48%               |
| Number of credit facilities   | 1,938          | 1,422          | 2,258          | -26.61%             | 58.75%              |
| <b>Total</b>                  | <b>4,577</b>   | <b>3,599</b>   | <b>4,445</b>   | <b>-21.35%</b>      | <b>23.51%</b>       |

Mortgages accounted for 55.46% of total credit transactions granted (excluding credit facilities), at R42,69 billion for the quarter ending June 2008, followed by other credit agreements at 33.49% (R25,78 billion). Unsecured and short-term credit agreements accounted for only 11.06% of the total credit transactions granted for 2008-Q2.

Table 1.3: Credit granted – credit type

| Agreement                  | 2007-Q4<br>R000   | 2008-Q1<br>R000   | 2008-Q2<br>R000   | 2008-Q2%<br>distribution | % change<br>(Q1/Q4) | % change<br>(Q2/Q1) |
|----------------------------|-------------------|-------------------|-------------------|--------------------------|---------------------|---------------------|
| Mortgages                  | 53,139,517        | 44,618,899        | 42,692,789        | 55.46%                   | -16.03%             | -4.32%              |
| Other Credit<br>Agreements | 32,013,865        | 28,142,296        | 25,783,112        | 33.49%                   | -12.09%             | -8.38%              |
| Unsecured<br>Credit        | 7,938,239         | 7,158,456         | 7,595,574         | 9.87%                    | -9.82%              | 6.11%               |
| Short-term                 | 883,197           | 792,363           | 912,558           | 1.19%                    | -10.28%             | 15.17%              |
| <b>Total</b>               | <b>93,974,818</b> | <b>80,712,015</b> | <b>76,984,032</b> | <b>100.00%</b>           | <b>-14.11%</b>      | <b>-4.62%</b>       |

## 1.2 Gross value of debtors book

The gross value of the debtors book stood at R1.12 trillion as at the end of June 2008. This represented a 2.99% increase in the value of the book as compared to a debtors book of R1.08 trillion at the end of March 2008. The category with the biggest increase between the two quarters was unsecured credit, with a Q/Q increase of 7.88%. The second biggest increase was in mortgages with an increase of 3.57%. The outstanding book on short-term credit declined consistently over the three quarters, from R682,14 million at the end of 2007-Q4 to R660,54 million at the end of 2008-Q2.

Mortgage agreements accounted for 63.26% of the total rand value of the debtors book, with Other Credit Agreements at 20.70% of the total book. Credit facilities as reported in Table 1.4 include the outstanding amounts on credit facilities of both retailers and banks. Credit facilities accounted on average 11.93% of the total book over all three quarters.

The types of credit agreements are differentiated as per the definitions contained in the National Credit Regulations. "Other credit agreements" thus consists of all credit that is secured, other than mortgages and credit facilities. Unsecured credit transactions include all transactions in respect of which the lender does not have any security (other than credit facilities or short-term credit). Short-term credit is unsecured credit agreements of less than R8,000, repayable over periods shorter than 6 months.

Table 1.4: Gross value of debtors book– credit type

| Agreement                  | 2007-Q4<br>R000      | 2008-Q1<br>R000      | 2008-Q2<br>R000      | 2008-Q2 %<br>distribution | % change<br>(Q1/Q4) | % change<br>(Q2/Q1) |
|----------------------------|----------------------|----------------------|----------------------|---------------------------|---------------------|---------------------|
| Mortgages                  | 657,592,025          | 682,132,192          | 706,464,782          | 63.26%                    | 3.73%               | 3.57%               |
| Other Credit<br>Agreements | 224,167,486          | 229,565,078          | 231,152,871          | 20.70%                    | 2.41%               | 0.69%               |
| Credit<br>Facilities       | 125,958,625          | 130,044,672          | 133,196,005          | 11.93%                    | 3.24%               | 2.42%               |
| Unsecured<br>Credit        | 40,947,493           | 41,928,813           | 45,232,372           | 4.05%                     | 2.40%               | 7.88%               |
| Short-term                 | 682,144              | 667,055              | 660,539              | 0.06%                     | -2.21%              | -0.98%              |
| <b>Total</b>               | <b>1,049,347,772</b> | <b>1,084,337,810</b> | <b>1,116,706,569</b> | <b>100.00%</b>            | <b>3.33%</b>        | <b>2.99%</b>        |

Banks accounted for 87.38% (R975.83 billion) of the total value of the debtors book at the end of 2008-Q2 while non-bank vehicle financiers were the second largest contributor at 5.63% (R62.86 billion). Retailers accounted for 3.15% of the debtors book. The biggest items included in the "Other" category as per table 1.5 are pension-backed lenders, insurers, non-bank mortgage lenders, and securitisation vehicles.

Table 1.5: Gross value of debtors book– industry type

| Industry                    | 2007-Q4 R000         | 2008-Q1 R000         | 2008-Q2 R000         | 2008-Q2 % distribution | % change (Q1/Q4) | % change (Q2/Q1) |
|-----------------------------|----------------------|----------------------|----------------------|------------------------|------------------|------------------|
| Banks                       | 914,589,956          | 945,678,615          | 975,832,971          | 87.38%                 | 3.40%            | 3.19%            |
| Retailers                   | 35,869,306           | 35,149,605           | 35,203,942           | 3.15%                  | -2.01%           | 0.15%            |
| Non-bank vehicle financiers | 57,946,841           | 61,213,784           | 62,864,250           | 5.63%                  | 5.64%            | 2.70%            |
| Other                       | 40,941,669           | 42,295,805           | 42,805,405           | 3.83%                  | 3.31%            | 1.20%            |
| <b>Total</b>                | <b>1,049,347,772</b> | <b>1,084,337,810</b> | <b>1,116,706,569</b> | <b>100.00%</b>         | <b>3.33%</b>     | <b>2.99%</b>     |

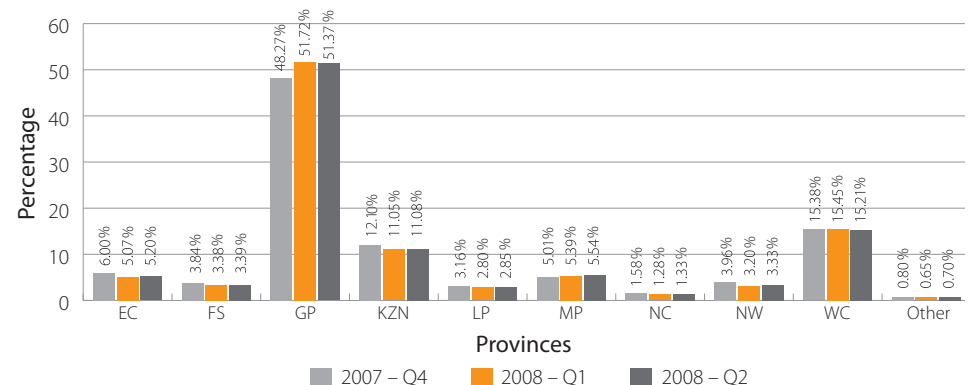
The number of accounts increased from 35.22 million at the end of December 2007 (2007-Q4) to 35.85 million at the end of June 2008 (2008-Q2). The number of accounts declined during 2008-Q1 due to seasonal factors, mainly related to the retail sector. Credit facilities constituted on average 63.17% of total number of accounts over the three quarters.

Table 1.6: Gross value of debtors book– number of accounts

| Agreement               | 2007-Q4 000   | 2008-Q1 000   | 2008-Q2 000   | 2008-Q2 % distribution | % change (Q1/Q4) | % change (Q2/Q1) |
|-------------------------|---------------|---------------|---------------|------------------------|------------------|------------------|
| Mortgages               | 1,814         | 1,824         | 1,837         | 5.12%                  | 0.56%            | 0.66%            |
| Other Credit Agreements | 5,917         | 5,894         | 5,845         | 16.30%                 | -0.40%           | -0.82%           |
| Credit Facilities       | 22,137        | 22,029        | 22,853        | 63.74%                 | -0.49%           | 3.74%            |
| Unsecured Credit        | 4,907         | 4,839         | 4,896         | 13.66%                 | -1.40%           | 1.19%            |
| Short-term              | 444           | 428           | 421           | 1.17%                  | -3.51%           | -1.65%           |
| <b>Total</b>            | <b>35,220</b> | <b>35,014</b> | <b>35,852</b> | <b>100.00%</b>         | <b>-0.58%</b>    | <b>2.39%</b>     |

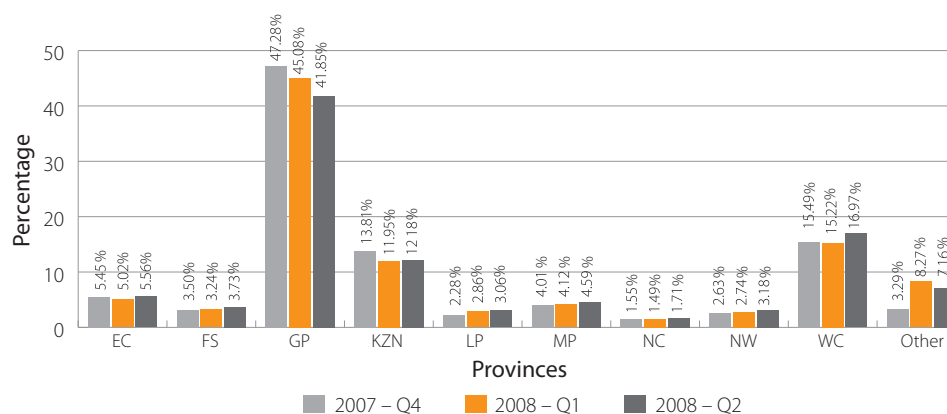
Altogether 51.37% of the R76,98 billion in disbursements in respect of credit transactions during 2008-Q2 went to clients in the Gauteng Province. The province that enjoyed the second largest share of disbursements was the Western Cape with R11,71 billion (15.21%). The category “Other” as per Figure 1.1 relates to credit transactions entered into with persons with addresses outside the Republic of South Africa, the same applies to Figure 1.2. (Refer to detailed breakdown of Figures 1.1 and 1.2 in Tables 1 and 2 of the Appendix.)

Figure 1.1: Provincial distribution of credit transactions granted



Over the three quarters on average, 44.7% of the value of credit facilities agreements entered into went to persons in the Gauteng province followed by the Western Cape and KwaZulu-Natal provinces, with 15.9% and 12.6% respectively.

Figure 1.2: Provincial distribution – credit facilities approved



## 2. Mortgage agreements

### 2.1 Mortgages granted

The value of mortgage disbursements declined from R44.62 billion at the end of 2008-Q1 to R42.69 billion at the end of 2008-Q2, representing a Q/Q decline of 4.32%. This follows a decline of 16.03% between the last quarter of 2007, and the first quarter of 2008. Mortgage agreements in the >R700K loan category accounted for 55.76% of total mortgage disbursements during 2008-Q2, followed by agreements in the R351K-R700K category at 28.29%. The R0-R50K and R51K-R100K loan categories received only 0.41% and 1.61% respectively of total disbursements during the quarter. As expected, the bulk of mortgages were granted by banks, averaging 95% over the three quarters.

The decline in disbursements has been fairly consistent across the different mortgage size categories, although with somewhat greater declines for smaller mortgages between 2007-Q4 and 2008-Q1, while larger mortgages declined somewhat more between 2008-Q1 and 2008-Q2.

Table 2.1: Mortgage disbursements – size of agreements

| Agreement    | 2007-Q4 R000      | 2008-Q1 R000      | 2008-Q2 R000      | 2008-Q2 % distribution | % change Q1/Q4 | % change Q2/Q1 |
|--------------|-------------------|-------------------|-------------------|------------------------|----------------|----------------|
| R0-R50K      | 226,868           | 178,716           | 174,160           | 0.41%                  | -21.22%        | -2.55%         |
| R51K-R100K   | 836,252           | 691,923           | 686,398           | 1.61%                  | -17.26%        | -0.80%         |
| R101K-R150K  | 1,022,415         | 819,692           | 798,904           | 1.87%                  | -19.83%        | -2.54%         |
| R151K-R350K  | 6,113,297         | 5,120,710         | 5,152,515         | 12.07%                 | -16.24%        | 0.62%          |
| R351K-R700K  | 15,022,521        | 12,382,427        | 12,075,755        | 28.29%                 | -17.57%        | -2.48%         |
| >=R700K      | 29,918,164        | 25,425,432        | 23,805,056        | 55.76%                 | -15.02%        | -6.37%         |
| <b>Total</b> | <b>53,139,517</b> | <b>44,618,899</b> | <b>42,692,789</b> | <b>100.00%</b>         | <b>-16.03%</b> | <b>-4.32%</b>  |

The number of mortgage agreements entered into during 2008-Q2 declined by 2.92% from the previous quarter (from 83,627 to 81,187 agreements). The trend in the number of mortgage agreements as per Table 2.2 is similar to that in Table 2.1 with the highest decline in the >R700k loan category (7.83%).

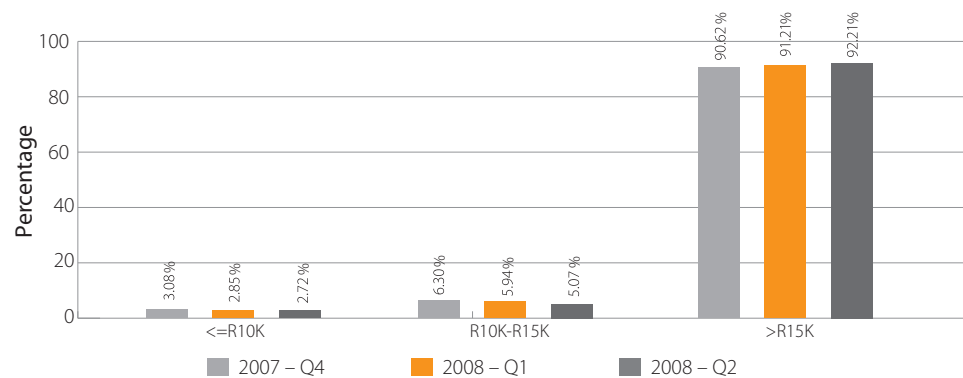
Table 2.2: Distribution by income category – mortgages

| Agreement    | 2007-Q4        | 2008-Q1       | 2008-Q2       | 2008-Q2% distribution | % change Q1/Q4 | % change Q2/Q1 |
|--------------|----------------|---------------|---------------|-----------------------|----------------|----------------|
| R0-R50K      | 7,023          | 5,531         | 5,166         | 6.36%                 | -21.24%        | -6.60%         |
| R51K-R100K   | 10,227         | 8,453         | 8,317         | 10.24%                | -17.35%        | -1.61%         |
| R101K-R150K  | 7,730          | 6,246         | 6,088         | 7.50%                 | -19.20%        | -2.53%         |
| R151K-R350K  | 24,253         | 20,335        | 20,637        | 25.42%                | -16.15%        | 1.49%          |
| R351K-R700K  | 29,319         | 24,264        | 23,652        | 29.13%                | -17.24%        | -2.52%         |
| >=R700K      | 22,201         | 18,798        | 17,327        | 21.34%                | -15.33%        | -7.83%         |
| <b>Total</b> | <b>100,753</b> | <b>83,627</b> | <b>81,187</b> | <b>100.00%</b>        | <b>-17.00%</b> | <b>-2.92%</b>  |

## 2.2 Mortgages granted according to income categories

On average, 91% of the mortgage loans were granted to individuals with a gross monthly income in excess of R15,000 while only 2.89% of the mortgage credit went to individuals earning less than R10,000 per month. (Refer to detailed breakdown of Figure 2.1 in Table 3 of the Appendix.)

Figure 2.1: Mortgage disbursements – gross monthly income of individuals



## 2.3 Gross value of debtors book – mortgages

The gross debtors book for mortgages increased from R682,13 billion at the end of 2008-Q1 to R706,46 billion at the end of 2008-Q2, representing a Q/Q growth of 3.57 % between the last two quarters and an increase of 3.73% between 2007-Q4 and 2008-Q1. The corresponding number of mortgage accounts remained relatively flat, increasing by 0.56% and 0.66% respectively.

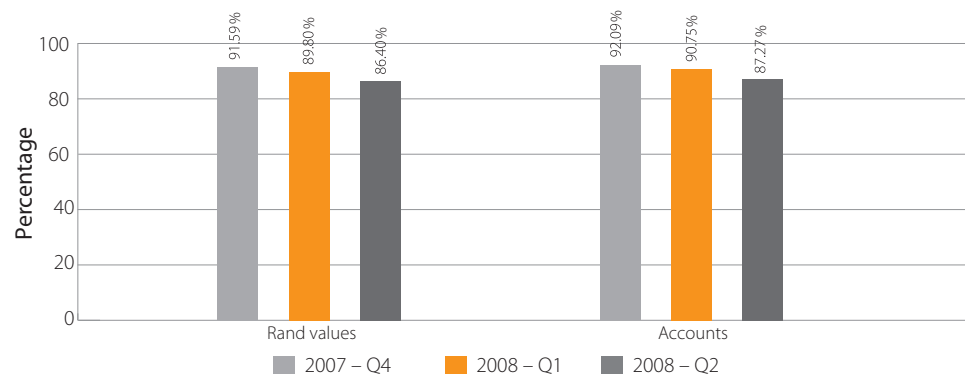
Table 2.3: Gross value of debtors book– mortgages

| Agreement                       | 2007-Q4<br>000 | 2008-Q1<br>000 | 2008-Q1<br>000 | % change<br>(Q1/Q4) | % change<br>(Q2/Q1) |
|---------------------------------|----------------|----------------|----------------|---------------------|---------------------|
| Gross Value of Debtors Book     | R657,592,025   | R682,132,192   | R706,464,782   | 3.73%               | 3.57%               |
| Accounts that make Debtors Book | 1,814          | 1,824          | 1,836          | 0.56%               | 0.66%               |

### 2.4 Age analysis of gross value of debtors book-mortgages

The portion of the gross value of the debtors book for mortgages in “current” declined over the three quarters from 91.59% at the end of 2007-Q4 to 86.40% during 2008-Q2. The number of accounts in “current” decreased from 92.09% to 87,27% between quarter 4 of 2007 and quarter 2 of 2008. (Refer to detailed breakdown of Figure 2.2 in Tables 8 and 9 of the Appendix.)

Figure 2.2: Age analysis of the gross value of debtors book - mortgages



## 3. Other credit agreements

### 3.1 Other credit agreements granted

In terms of the regulations, the category “Other credit agreements” consists of all agreements which do not fall in any of the other categories. It therefore consists of secured agreements other than mortgages and credit facilities. More than 80% of this category consists of motor vehicle finance and the balance includes items such as furniture finance and loans secured against a pension fund, provident fund or insurance policy.

The total value of disbursements of other credit agreements granted declined consistently over the period, with a decline of 12.09% between 2007-Q4 and 2008-Q1 and a further decline of 8.38% to 2008-Q2. Agreements of R60,000 and above accounted for 89.43% of total disbursements during 2008-Q2.

Table 3.1: Other credit agreements – disbursements by size of agreement

| Agreement    | 2007-Q4<br>R000   | 2008-Q1<br>R000   | 2008-Q2<br>R000   | 2008-Q2<br>% distribution |
|--------------|-------------------|-------------------|-------------------|---------------------------|
| <=R1500      | 34,374            | 33,163            | 25,940            | 0.10%                     |
| R1500-R3000  | 364,282           | 263,701           | 242,255           | 0.94%                     |
| R3.1K-R5K    | 874,147           | 493,447           | 444,462           | 1.72%                     |
| R5.1K-R10K   | 1,220,526         | 602,393           | 557,056           | 2.16%                     |
| R10.1K-R20K  | 503,371           | 304,146           | 251,150           | 0.97%                     |
| R20.1K-R40K  | 477,118           | 403,190           | 337,085           | 1.31%                     |
| R40.1K-R60K  | 1,093,226         | 950,907           | 866,219           | 3.36%                     |
| R60.1K-R100K | 4,508,486         | 4,012,209         | 3,656,206         | 14.18%                    |
| R101K-R150K  | 6,846,000         | 6,080,030         | 5,327,329         | 20.66%                    |
| R151K-R200K  | 4,173,971         | 4,036,077         | 3,765,828         | 14.61%                    |
| R201K-R400K  | 7,884,398         | 7,171,013         | 6,376,659         | 24.73%                    |
| >R400K       | 4,033,967         | 3,792,020         | 3,932,923         | 15.25%                    |
| <b>Total</b> | <b>32,013,866</b> | <b>28,142,296</b> | <b>25,783,112</b> | <b>100.00%</b>            |

The total number of new agreements concluded in the category “Other credit agreements” declined by 31.58% between 2007-Q4 and 2008-Q1, and by a further 12.75% to 2008-Q2. Table 3.2 indicates that 63.18% of the agreements were in favour of smaller-sized agreements, i.e. agreements smaller than R10,000 (2008-Q2). This trend was consistent over all three quarters. The bulk of the number of agreements was for small value agreements comprising mainly of furniture accounts.

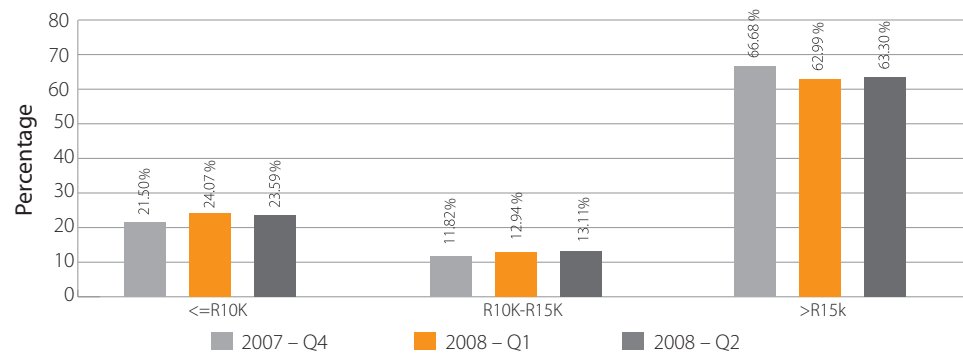
Table 3.2: Other credit agreements – number of agreements by size

| Agreement    | 2007-Q4        | 2008-Q1        | 2008-Q2        | 2008-Q2<br>% distribution |
|--------------|----------------|----------------|----------------|---------------------------|
| <=R1500      | 30,275         | 31,180         | 23,740         | 4.68%                     |
| R1500-R3000  | 165,931        | 118,197        | 102,522        | 20.19%                    |
| R3.1K-R5K    | 223,391        | 130,998        | 113,473        | 22.35%                    |
| R5.1K-R10K   | 182,183        | 90,351         | 81,036         | 15.96%                    |
| R10.1K-R20K  | 39,661         | 23,634         | 18,814         | 3.71%                     |
| R20.1K-R40K  | 16,214         | 13,688         | 11,213         | 2.21%                     |
| R40.1K-R60K  | 21,588         | 18,788         | 17,043         | 3.36%                     |
| R60.1K-R100K | 56,283         | 50,109         | 45,603         | 8.98%                     |
| R101K-R150K  | 55,658         | 49,558         | 43,443         | 8.56%                     |
| R151K-R200K  | 24,469         | 23,592         | 22,009         | 4.34%                     |
| R201K-R400K  | 29,700         | 27,174         | 24,051         | 4.74%                     |
| >R400K       | 5,122          | 4,656          | 4,757          | 0.94%                     |
| <b>Total</b> | <b>850,475</b> | <b>581,925</b> | <b>507,704</b> | <b>100.00%</b>            |

### 3.2 Other credit agreements granted according to income categories

An average of 64% of the disbursements were made to persons with gross monthly incomes above R15,000 during all three quarters. (Refer to detailed breakdown of Figure 3.1 in Table 4 of the Appendix.)

Figure 3.1: Other credit agreements disbursements – gross monthly income of individuals



### 3.3 Gross value of debtors book– other credit agreements

The gross value of the debtors book for other credit agreements remained relatively flat with an increase of 2.41% between 2007-Q4 and 2008-Q1, and a slight increase of 0.69% to 2008-Q2. The corresponding number of accounts declined by 0.40% between 2007-Q4 and 2008-Q1, and further declined by 0.82% to 2008-Q2.

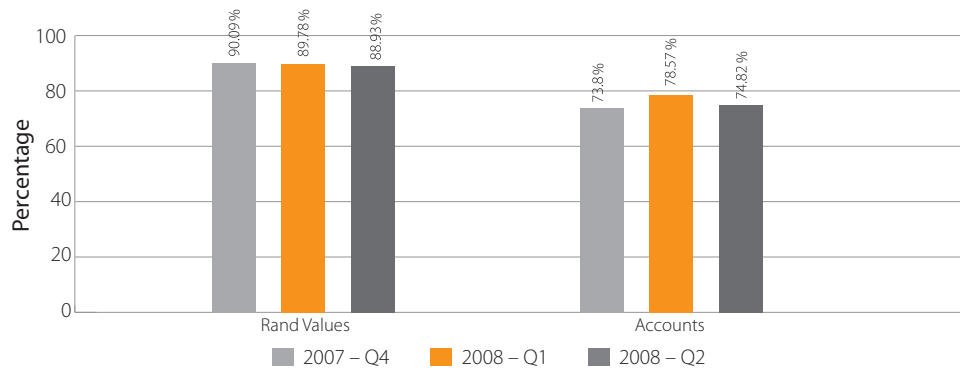
Table 3.3: Gross value of debtors book– other credit agreements

| Agreement                       | 2007-Q4<br>000 | 2008-Q1<br>000 | 2008-Q2<br>000 | % change<br>(Q1/Q4) | % change<br>(Q2/Q1) |
|---------------------------------|----------------|----------------|----------------|---------------------|---------------------|
| Gross Value of Debtors Book     | R224,167,486   | R229,565,078   | R231,152,871   | 2.41%               | 0.69%               |
| Accounts that make Debtors Book | 5,917          | 5,894          | 5,845          | -0.40%              | -0.82%              |

### 3.4 Age analysis of gross value of debtors book– other credit agreements

The gross value of the debtors book for other credit agreements in “*current*” declined over the three quarters from 90.09% at the end of 2007-Q4 to 88.93% at the end of 2008-Q2. The number of accounts in “*current*” increased from 73.80% to 74.82% between 2007-Q4 and 2008-Q2. (Refer to detailed breakdown of Figure 3.2 in Tables 10 and 11 of the Appendix.)

Figure 3.2: Age analysis of gross value of debtors book – other credit agreements



## 4. Credit facilities

### 4.1 Credit facilities approved

A total of R8.64 billion worth of credit was granted for all types of credit facilities during 2008-Q2 (Table 4.1). This represented a 5.16% increase in the value of credit facilities granted (new facilities and increases in facility limits) when compared to 2008-Q1. Credit cards and garage cards accounted for the largest portion of approved credit facilities in rand terms, at 50.15% for 2008-Q2, followed by store cards at 20.71%.

Table 4.1: Credit facilities approvals – rand value

| Agreement          | 2007-Q4 R000     | 2008-Q1 R000     | 2008-Q2 R000     | 2008-Q2% distribution | % change (Q1/Q4) | % change (Q2/Q1) |
|--------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| Credit card/Garage | 4,122,330        | 4,286,599        | 4,332,554        | 50.15%                | 3.98%            | 1.07%            |
| Bank overdraft     | 1,368,499        | 1,277,205        | 1,262,541        | 14.61%                | -6.67%           | -1.15%           |
| Services and other | 256,656          | 282,858          | 325,418          | 3.77%                 | 10.21%           | 15.05%           |
| Store cards        | 1,893,925        | 1,293,461        | 1,789,069        | 20.71%                | -31.70%          | 38.32%           |
| Other facility     | 754,620          | 1,074,894        | 929,658          | 10.76%                | 42.44%           | -13.51%          |
| <b>Total</b>       | <b>8,396,030</b> | <b>8,215,016</b> | <b>8,639,240</b> | <b>100.00%</b>        | <b>-2.16%</b>    | <b>5.16%</b>     |

The number of credit facilities entered into during 2008-Q2 stood at 2.26 million. Of these, store cards accounted for 67.83% of the total for the quarter. The number of agreements for credit and garage cards increased from 257,451 during 2007-Q4 to 537,654 during 2008-Q2. This increase is partly due to the implementation of automatic increases in card limits on existing accounts by a major credit provider. The number of store cards approved increased from 1,515,030 accounts during 2007-Q4 to 1,531,452 accounts during 2008-Q2.

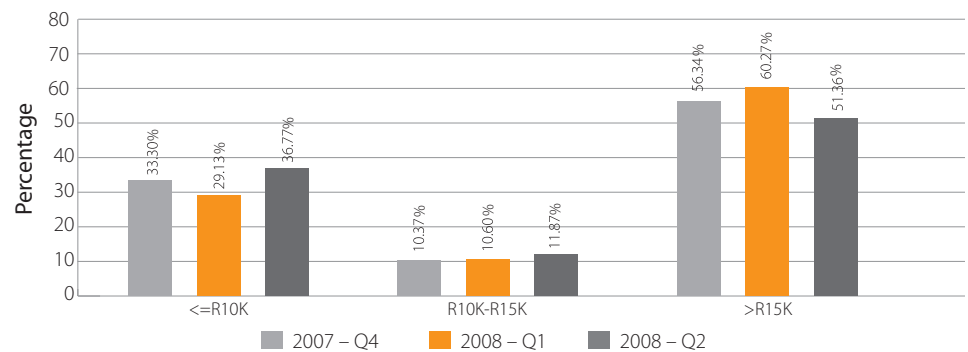
Table 4.2: Credit facilities approved – number of accounts

| Agreement          | 2007-Q4          | 2008-Q1          | 2008-Q2          | 2008-Q2 % distribution |
|--------------------|------------------|------------------|------------------|------------------------|
| Credit card/Garage | 257,451          | 264,177          | 537,654          | 23.81%                 |
| Bank overdraft     | 70,644           | 75,347           | 79,883           | 3.54%                  |
| Services and other | 42,993           | 50,014           | 59,288           | 2.63%                  |
| Store cards        | 1,515,030        | 981,769          | 1,531,452        | 67.83%                 |
| Other facility     | 51,831           | 50,939           | 49,551           | 2.19%                  |
| <b>Total</b>       | <b>1,937,949</b> | <b>1,422,246</b> | <b>2,257,828</b> | <b>100.00%</b>         |

### 4.2 Credit facilities approved by income categories

Persons with a gross monthly income exceeding R15,000 per month received on average 55.99% of the total approved credit on credit facilities over the three quarters, while persons with a gross monthly income of up to R10,000 received credit worth an average of 33.06% of total value of credit approved over the same period. (Refer to detailed breakdown of Figure 4.1 in Table 5 of the Appendix.)

Figure 4.1: Credit facilities – gross monthly income of individuals



### 4.3 Gross value of debtors book– credit facilities

The credit facilities book increased from R130.04 billion at 2008-Q1 to R133.20 billion at 2008-Q2, a Q/Q increase of 2.42%. The number of credit facilities accounts increased by 3.74% over the same period. The number of accounts declined by 0.49% between 2007-Q4 and 2008-Q1 while the book grew by 3.24% over the same period.

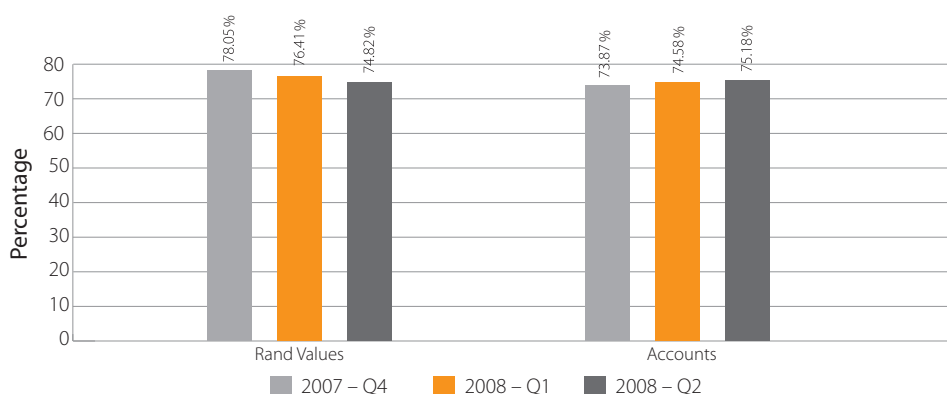
Table 4.3: Gross value of debtors book– credit facilities

| Agreement                       | 2007-Q4 000  | 2008-Q1 000  | 2008-Q2 000  | % change (Q1/Q4) | % change (Q2/Q1) |
|---------------------------------|--------------|--------------|--------------|------------------|------------------|
| Gross Value of Debtors Book     | R125,958,625 | R130,044,672 | R133,196,005 | 3.24%            | 2.42%            |
| Accounts that make Debtors Book | 22,137       | 22,029       | 22,853       | -0.49%           | 3.74%            |

#### 4.4 Age analysis of gross value of debtors book– credit facilities

The gross value of the debtors book for credit facilities in “current” declined over the three quarters from 78.05% at the end of 2007-Q4 to 74.82% at the end of 2008-Q2. The number of accounts in “current” increased from 73.87% to 75.18% between 2007-Q4 and 2008-Q2. (Refer to detailed breakdown of Figure 4.2 in Tables 12 and 13 of the Appendix.)

Figure 4.2: Age analysis of gross value of debtors book– credit facilities



## 5. Unsecured credit transactions

### 5.1 Unsecured credit granted

Unsecured credit transactions include all transactions in respect of which the lender does not have any security (other than credit facilities or short-term credit). Credit granted in respect of unsecured credit agreements increased from R7.16 billion during 2008-Q1 to R7.60 billion during 2008-Q2, representing a Q/Q increase of 6.11%. The distribution of unsecured credit granted according to repayment terms is shown in table 5.1. The largest loan category during 2008-Q2 was the 25-36 months loan category at 34.68%. It is evident that the majority of the unsecured credit granted had relatively longer repayment periods when classified according to their repayment terms. On average 80.71% of the unsecured credit granted had repayment periods of 19-60 months over all three quarters.

Table 5.1: Unsecured loans disbursements – term of loan

| Agreement     | 2007-Q4 R000     | 2008-Q1 R000     | 2008-Q2 R000     | 2008-Q2 % distribution |
|---------------|------------------|------------------|------------------|------------------------|
| <= 6 months   | 355,520          | 260,263,         | 263,544          | 3.47%                  |
| 7-12 months   | 701,579          | 604,695          | 662,308          | 8.72%                  |
| 13-18 months  | 426,412          | 318,513          | 353,451          | 4.65%                  |
| 19-24 months  | 1,574,883        | 1,285,933        | 1,342,098        | 17.67%                 |
| 25-36 months  | 2,565,297        | 2,360,902        | 2,633,798        | 34.68%                 |
| 3-1-5 years   | 2,218,361        | 2,172,839        | 2,155,878        | 28.38%                 |
| 5.1-10+ years | 96,186           | 155,312          | 184,496          | 2.43%                  |
| <b>Total</b>  | <b>7,938,239</b> | <b>7,158,456</b> | <b>7,595,574</b> | <b>100.00%</b>         |

A total of 795,595 unsecured credit agreements were concluded for the quarter ending June 2008. This represented an increase of 2.05% in the number of new unsecured loans concluded in comparison to 2008-Q1. The 25-36 months loan category had the largest portion of unsecured loans granted during 2008-Q2.

Table 5.2: Number of unsecured loans – term of loan

| Agreement     | 2007-Q4        | 2008-Q1        | 2008-Q2        | 2008-Q2<br>% distribution |
|---------------|----------------|----------------|----------------|---------------------------|
| <= 6 months   | 109,829        | 99,239         | 91,316         | 11.48%                    |
| 7-12 months   | 190,427        | 168,350        | 164,057        | 20.62%                    |
| 13-18 months  | 62,709         | 48,712         | 52,590         | 6.61%                     |
| 19-24 months  | 187,483        | 152,484        | 157,912        | 19.85%                    |
| 25-36 months  | 218,666        | 204,496        | 219,059        | 27.53%                    |
| 3.1-5 years   | 109,317        | 103,482        | 107,455        | 13.51%                    |
| 5.1-10+ years | 1,804          | 2,856          | 3,206          | 0.40%                     |
| <b>Total</b>  | <b>880,235</b> | <b>779,619</b> | <b>795,595</b> | <b>100.00%</b>            |

The bulk of unsecured credit granted (70.71%) during 2008-Q2 was for loans of R10,000 and more. Only 3.12% of total unsecured credit granted during 2008-Q2 was for loans of up to R3,000. The R10,100 – R15,000 loan category experienced the largest Q/Q change, with an 18.12% increase when compared to 2008-Q1.

Table 5.3: Unsecured loans disbursements – size of loan

| Agreement    | 2007-Q4<br>R000  | 2008-Q1<br>R000  | 2008-Q2<br>R000  | 2008-Q2<br>% distribution |
|--------------|------------------|------------------|------------------|---------------------------|
| R0K-R3K      | 291,821          | 262,207          | 237,187          | 3.12%                     |
| R3.1K-R5K    | 534,204          | 466,080          | 474,881          | 6.25%                     |
| R5.1K-R8K    | 849,057          | 740,973          | 776,950          | 10.23%                    |
| R8.1K-R10K   | 778,725          | 686,921          | 735,696          | 9.69%                     |
| R10.1K-R15K  | 2,137,827        | 1,685,624        | 1,991,017        | 26.21%                    |
| > R15.1K     | 3,346,606        | 3,316,651        | 3,379,843        | 44.50%                    |
| <b>Total</b> | <b>7,938,239</b> | <b>7,158,456</b> | <b>7,595,574</b> | <b>100.00%</b>            |

In terms of the number of agreements, 24.17% of unsecured credit was granted in favour of loans of up to R3,000 during 2008-Q2 (Table 5.4). Unsecured credit agreements in the category R3,100 – R5,000 accounted for 14.62% of the unsecured credit granted during the quarter.

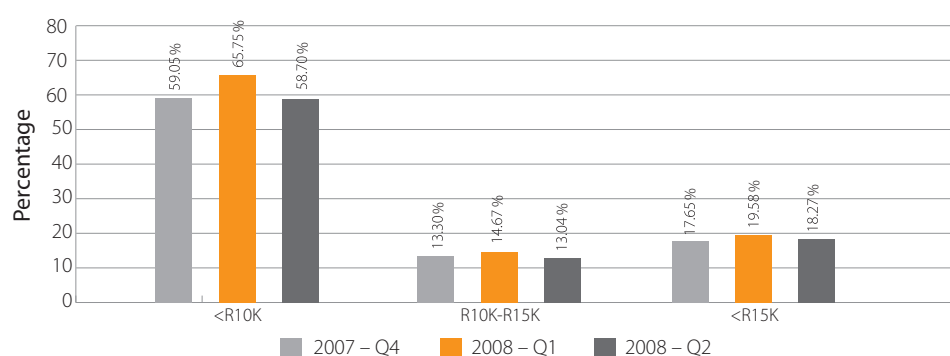
Table 5.4: Number of unsecured loans – size of loan

| Agreement    | 2007-Q4        | 2008-Q1        | 2008-Q2        | 2008-Q2<br>% distribution |
|--------------|----------------|----------------|----------------|---------------------------|
| R0K-R3K      | 230,848        | 213,663        | 192,317        | 24.17%                    |
| R3.1K-R5K    | 131,602        | 114,045        | 116,321        | 14.62%                    |
| R5.1K-R8K    | 135,529        | 118,057        | 121,624        | 15.29%                    |
| R8.1K-R10K   | 83,858         | 73,832         | 78,326         | 9.84%                     |
| R10.1K-R15K  | 172,653        | 135,503        | 158,725        | 19.95%                    |
| > R15.1K     | 125,745        | 124,519        | 128,282        | 16.12%                    |
| <b>Total</b> | <b>880,235</b> | <b>779,619</b> | <b>795,595</b> | <b>100.00%</b>            |

## 5.2 Unsecured credit granted according to income categories

The percentage of unsecured credit disbursed to individuals with a gross monthly income of up to R10,000 declined slightly from 59.05% during 2007-Q4 to 58.70% during 2008-Q2. (Refer to detailed breakdown of Figure 5.1 in Table 6 of the Appendix.) The percentage of unsecured credit granted to individuals with a gross monthly income greater than R15,000 increased to 18.27% during 2008-Q2 from 17.65% during 2007-Q4.

Figure 5.1: Unsecured loan disbursements – gross monthly income of individuals



## 5.3 Gross value of debtors book– unsecured credit

The value of the unsecured debtors book grew by 7.88%, from R41,93 billion at the end of 2008-Q1 to R45,23 billion at the end of 2008-Q2. Between 2007-Q4 and 2008-Q1 the value of the unsecured book grew by 2.40%. The number of accounts that make up the unsecured debtors book increased slightly, by 1.17% to 4,89 million accounts at the end of June 2008 (from 4.84 million accounts for the March 2008 quarter).

Table 5.5: Gross Value of Debtors Book– unsecured credit

| Agreement                          | 2007-Q4<br>000 | 2008-Q1<br>000 | 2008-Q2<br>000 | % change<br>(Q1/Q4) | % change<br>(Q2/Q1) |
|------------------------------------|----------------|----------------|----------------|---------------------|---------------------|
| Gross value of Debtors Book        | R40,947,493    | R41,928,813    | R45,232,372    | 2.40%               | 7.88%               |
| Accounts that make<br>Debtors Book | 4,905          | 4,835          | 4,892          | -1.41%              | 1.17%               |

## 5.4 Age analysis of gross value of debtors book– unsecured credit

The gross value of the debtors book for unsecured credit in “*current*” decreased over the three quarters from 75.22% at the end of 2007-Q4 to 74.89% at the end of 2008-Q2. The number of accounts in “*current*” declined slightly from 70.43% to 70.30% between 2007-Q4 and 2008-Q2. (Refer to detailed breakdown of Figure 5.4 in Tables 14 and 15 of the Appendix.)

Figure 5.2: Age analysis of gross value of debtors book– unsecured credit



## 6. Short-term credit transactions

### 6.1 Short-term credit granted

Short-term credit is unsecured credit agreements of less than R8,000, repayable over periods shorter than six months. Disbursements for short-term credit increased by 15.17% from R792,36 million in 2008-Q1 to R912.56 million in 2008-Q2. The disbursements for short-term transactions in 2008-Q1 declined by 10.29% in comparison to 2007-Q4 (R883,20 million), due to seasonal factors. The majority of the short-term disbursements had a repayment term of a month or less for all quarters covered (Table 6.1). The short-term figures reported reflect only data reported by entities that submit quarterly returns. The majority of short-term lenders that report on an annual basis are excluded from these figures.

Table 6.1: Short-term disbursements – repayment term

| Agreements   | 2007-Q4<br>R000 | 2008-Q1<br>R000 | 2008-Q2<br>R000 | 2008-Q2<br>% distribution |
|--------------|-----------------|-----------------|-----------------|---------------------------|
| 1 month      | 442,306         | 426,930         | 472,115         | 51.74%                    |
| 2-3 months   | 231,494         | 209,443         | 247,854         | 27.16%                    |
| 4-6 months   | 209,397         | 155,991         | 192,589         | 21.10%                    |
| <b>Total</b> | <b>883,197</b>  | <b>792,363</b>  | <b>912,558</b>  | <b>100.00%</b>            |

The number of short-term transactions with a repayment period of up to one month increased from 608,675 during 2007-Q4 to 621,117 during 2008-Q2, while the number of transactions in the other repayment categories declined between 2007-Q4 and 2008-Q2 (Table 6.2).

Table 6.2: Short-term transactions – number of transactions by repayment term

| Agreements   | 2007-Q4        | 2008-Q1        | 2008-Q2        | 2008-Q2<br>% distribution |
|--------------|----------------|----------------|----------------|---------------------------|
| 1 month      | 608,675        | 568,004        | 621,117        | 77.35%                    |
| 2-3 months   | 116,953        | 103,825        | 115,475        | 14.38%                    |
| 4-6 months   | 81,461         | 59,985         | 66,374         | 8.27%                     |
| <b>Total</b> | <b>807,089</b> | <b>731,814</b> | <b>802,966</b> | <b>100.00%</b>            |

In terms of transaction size, 56.51% of the short-term credit disbursed was for loans not exceeding R2,000 (2008-Q2). Only 11.38% of the short-term disbursements were for amounts exceeding R5,000. When comparing the three quarters, it is evident that the short-term loans were dominated by relatively smaller-sized transactions with shorter repayment periods.

Table 6.3: Short-term disbursements – size of transaction

| Agreements   | 2007-Q4<br>R000 | 2008-Q1<br>R000 | 2008-Q2<br>R000 | 2008-Q2<br>% distribution |
|--------------|-----------------|-----------------|-----------------|---------------------------|
| R0-R1000     | 269,105         | 246,460         | 265,590         | 29.10%                    |
| R1001-R2000  | 243,633         | 225,720         | 250,092         | 27.41%                    |
| R2001-R3000  | 149,396         | 128,485         | 143,378         | 15.71%                    |
| R3001-R5000  | 137,111         | 121,042         | 149,691,        | 16.40%                    |
| R5001-R7000  | 69,462          | 60,544          | 88,229          | 9.67%                     |
| >R7000       | 14,491          | 10,113          | 15,577          | 1.71%                     |
| <b>Total</b> | <b>883,197</b>  | <b>792,363</b>  | <b>912,558</b>  | <b>100.00%</b>            |

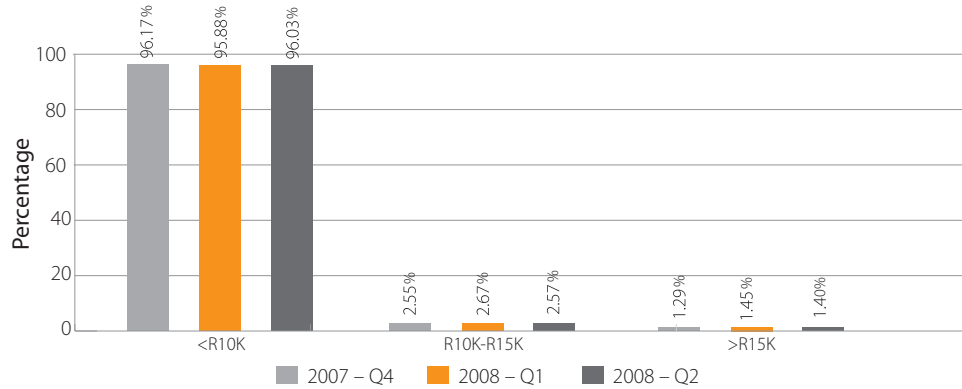
Table 6.4: Number of short-term agreements – size of transaction

| Agreements   | 2007-Q4        | 2008-Q1        | 2008-Q2        | 2008-Q2<br>% distribution |
|--------------|----------------|----------------|----------------|---------------------------|
| R0-R1000     | 537,394        | 489,141        | 526,699        | 65.59%                    |
| R1001-R2000  | 162,051        | 149,965        | 165,612        | 20.63%                    |
| R2001-R3000  | 59,231         | 50,565         | 56,236         | 7.00%                     |
| R3001-R5000  | 35,493         | 31,255         | 38,465         | 4.79%                     |
| R5001-R7000  | 11,051         | 9,584          | 13,915         | 1.73%                     |
| >R7000       | 1,869          | 1,304          | 2,039          | 0.25%                     |
| <b>Total</b> | <b>807,089</b> | <b>731,814</b> | <b>802,966</b> | <b>100.00%</b>            |

## 6.2 Short-term credit granted according to income categories

Short-term credit transactions were predominantly used by low-income persons with 96.03% of the short-term loan disbursements being granted to persons with a gross monthly income of less than R10,000 (Figure 6.1). Only 1.40% of the short-term disbursements went to persons with a gross monthly income above R15,000 (2008-Q2). (Refer to detailed breakdown of Figure 6.1 in Table 7 of the Appendix.)

Figure 6.1: Short-term loans disbursements – gross monthly income of individuals



### 6.3 Gross value of debtors book– short-term credit

The short-term debtors book declined consistently over the three quarters. The book declined by from R667,06 million at the end of 2008-Q1 to R660,54 million at the end of 2008-Q2, a decline of 0.98%. The corresponding number of accounts declined by 1.65% over the same period. In the previous period (between 2007-Q4 and 2008-Q1) the gross value of the debtors book declined by 2.21% while the corresponding number of accounts declined by 3.51%.

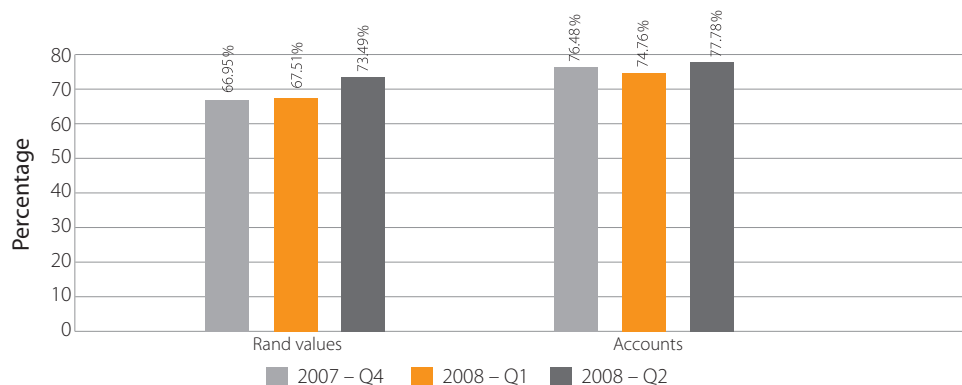
Table 6.5: Gross Value of Debtors Book– Short-term Credit

| Agreement                       | 2007-Q4<br>000 | 2008-Q1<br>000 | 2008-Q2<br>000 | % Change<br>(Q1/Q4) | % Change<br>(Q2/Q1) |
|---------------------------------|----------------|----------------|----------------|---------------------|---------------------|
| Gross value of Debtors book     | R682,144       | R667,055       | R660,539       | -2.21%              | -0.98%              |
| Accounts that make Debtors Book | 444            | 428            | 421            | -3.51%              | -1.65%              |

### 6.4 Age analysis of gross value of debtors book– short-term credit

The gross value of the debtors book for unsecured credit in “*current*” increased over the three quarters from 66.95% at the end of 2007-Q4 to 73.49% during 2008-Q2. The number of accounts in “*current*” increased from 76.48% to 77.78% between 2007-Q4 and 2008-Q2. (Refer to detailed breakdown of Figure 5.4 in Tables 16 and 17 of the Appendix.)

Figure 6.2: Age analysis of gross value of debtors book– short-term credit



### Independent opinion on credit providers June 2008 by Econometrix

The figures just released must be seen in the light of the global recession, which is gathering momentum. Governments overseas are taking measures to limit the economic slowdown, and more importantly, to ensure that there is confidence in major credit providers. The figures appear to confirm that South African credit providers are not facing the severe situation currently prevailing in some of the major economies of the world. There are however, signs that consumers, whilst facing some stress, are adjusting their finances to cope with the tighter prevailing economic conditions and higher interest rates.

Such trends include the following:

- Mortgages and unsecured loan Debtors Books showed slightly above average increases and there has been a small but perceptible shift in loans toward banks from retailers and other categories.
- Mortgage disbursements declined across all sizes of bonds as did the number of agreements and new loans entered into.
- The mortgages Debtors Book increased, while the number of mortgage accounts remained relatively constant, indicating that the average size of the loan increased slightly. The average age of the book increased slightly.
- Credit card and other credit debt increased and there was a slight decline in the percentage of the book that was current and hence an increase in overdue accounts.
- The amount outstanding on unsecured loans over the past three quarters increased as did the number of loans. In addition, longer period loans and the average value of loans tended to increase but the quality of the loan book did not appear to deteriorate.
- There was a substantial increase in short-term loan disbursements and there was an increase in the average value of each loan. The overall Debtors Book declined and the portion of the book that was current improved.
- Total disbursements for other credit agreements declined as did the number of agreement. The average Debtors Book did not change unduly.

The figures indicate that policies are leading to a correction of previously excessive credit extension and that this correction is occurring in a healthy manner and furthermore that any exceptional stress is confined to a relatively small number of consumers or sectors of institutions. There are five main reasons why the South African economy is responding relatively well in comparison with several other economies:

- South Africa's financial institutions are far more insulated from the global financial derivatives fall-out.
- The steep depreciation of the rand in recent months has acted as a shock absorber for the real economy.
- Companies have had the benefit of substantial profits; this together with the infrastructure development by government and parastatals has ensured a cushion from more difficult financial conditions.
- On the domestic front, big wage increases are kicking in just at a time when inflation could be contracting very sharply.
- There is liquidity in the market; M3 growth, although slower, is still high and the money market has sufficient cash with confidence being shown by institutions.

There is no room for complacency but at this stage, it would appear that South Africa is in a sounder position than many other world economies to sustain a combination of financial sector stability and positive real economic growth. The current conservative monetary policies continue to support and stabilise the system.



## 7. Definitions

| <b>Terms used in the report</b>      | <b>Definition</b>   |
|--------------------------------------|---|
| <b>Applications received</b>         | Includes solicited and unsolicited applications for credit.   |
| <b>Credit facility</b>               | An agreement that meets all the criteria as set out in section 8 (3) of the NCA. The values (rand value and number of accounts) reported for a credit facility include both new credit facilities and limit increases under existing credit facility agreements. These values represent potential exposure for the credit providers and not usage by consumers. This does not apply to the Gross Value of the Debtors Book values where actual credit usage by consumers is reported. |
| <b>Credit transaction</b>            | An agreement that meets all the criteria as set out in section 8 (4) of the NCA. Includes all types of credit agreements except credit facility agreements.   |
| <b>Gross value of Debtors Book</b>   | The outstanding balances as at the end of the period, including fees and interest that have been earned and capitalised to the Debtors Book.  |
| <b>Mortgages</b>                     | A pledge of immovable property that serves as security for a mortgage agreements.   |
| <b>Other credit agreements</b>       | Credit transactions that do not fall within the other named categories in the NCA. It includes pension-backed loans, insurance-backed loans, retail furniture accounts and motor vehicle accounts.  |
| <b>Short-term credit transaction</b> | An agreement that meets all the criteria as set out in section 39 (2) of the National Credit Regulations  |
| <b>Unsecured credit transaction</b>  | An agreement that meets all the criteria as set out in section 39 (3) of the National Credit Regulations.   |

## 8. Appendix: Statistical tables

Table 1: Provincial distribution – credit transactions granted

| Provincial         | 2007-Q4                | 2007-Q4<br>% dist | 2008-Q1                | 2008-Q1<br>% dist | 2008-Q2                | 2008-Q2<br>% dist |
|--------------------|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|
| Eastern Cape       | R5,634,213,151         | 6.00%             | R4,093,840,692         | 5.07%             | R4,004,435,242         | 5.20%             |
| Free State         | R3,608,275,568         | 3.84%             | R2,728,559,264         | 3.38%             | R2,608,869,454         | 3.39%             |
| Gauteng            | R45,358,658,060        | 48.27%            | R41,744,761,130        | 51.72%            | R39,545,589,991        | 51.37%            |
| KwaZulu-Natal      | R11,282,330,606        | 12.01%            | R8,917,365,902         | 11.05%            | R8,526,980,173         | 11.08%            |
| Limpopo            | R2,972,154,289         | 3.16%             | R2,259,292,216         | 2.80%             | R2,195,382,443         | 2.85%             |
| Mpumalanga         | R4,709,804,133         | 5.01%             | R4,347,637,367         | 5.39%             | R4,262,583,308         | 5.54%             |
| Northern Cape      | R1,485,951,446         | 1.58%             | R1,034,263,155         | 1.28%             | R1,023,816,029         | 1.33%             |
| North West         | R3,725,891,492         | 3.96%             | R2,592,778,308         | 3.21%             | R2,567,103,387         | 3.33%             |
| Western Cape       | R14,449,144,847        | 15.38%            | R12,466,426,109        | 15.45%            | R11,708,641,068        | 15.21%            |
| Other              | R748,394,596           | 0.80%             | R527,090,382           | 0.65%             | R540,631,587           | 0.70%             |
| <b>Grand total</b> | <b>R93,974,818,188</b> | <b>100.00%</b>    | <b>R80,712,014,524</b> | <b>100.00%</b>    | <b>R76,984,032,682</b> | <b>100.00%</b>    |

Table 2: Provincial distribution – credit facilities approved

| Provincial         | 2007-Q4               | 2007-Q4<br>% dist | 2008-Q1               | 2008-Q1<br>% dist | 2008-Q2               | 2008-Q2<br>% dist |
|--------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
| Eastern Cape       | R457,924,163          | 5.45%             | R412,585,482          | 5.02%             | R480,237,383          | 5.56%             |
| Free State         | R294,278,290          | 3.50%             | R266,261,255          | 3.24%             | R322,414,273          | 3.73%             |
| Gauteng            | R3,969,358,874        | 47.28%            | R3,702,984,891        | 45.08%            | R3,615,445,534        | 41.85%            |
| KwaZulu-Natal      | R1,159,441,958        | 13.81%            | R981,783,230          | 11.95%            | R1,052,477,564        | 12.18%            |
| Limpopo            | R250,228,929          | 2.98%             | R234,701,714          | 2.86%             | R264,752,168          | 3.06%             |
| Mpumalanga         | R336,782,785          | 4.01%             | R338,854,602          | 4.12%             | R396,970,486          | 4.59%             |
| Northern Cape      | R130,206,600          | 1.55%             | R122,468,215          | 1.49%             | R147,602,782          | 1.71%             |
| North West         | R221,050,812          | 2.63%             | R225,324,276          | 2.74%             | R274,346,628          | 3.18%             |
| Western Cape       | R1,300,723,070        | 15.49%            | R1,250,585,655        | 15.22%            | R1,466,141,847        | 16.97%            |
| Other              | R276,034,661          | 3.29%             | R679,466,902          | 8.27%             | R618,851,004          | 7.16%             |
| <b>Grand total</b> | <b>R8,396,030,142</b> | <b>100.00%</b>    | <b>R8,215,016,222</b> | <b>100.00%</b>    | <b>R8,639,239,669</b> | <b>100.00%</b>    |

Table 3: Disbursements by income category – mortgages

| Agreement    | 2007-Q4                |                | 2008-Q1                |                | 2008-Q2                |                |
|--------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
|              | Rand value             | % dist         | Rand value             | % dist         | Rand value             | % dist         |
| R0-R3500     | R34,076,629            | 0.07%          | R21,614,057            | 0.05%          | R23,081,394            | 0.06%          |
| R3501-R5500  | R131,115,918           | 0.25%          | R100,472,152           | 0.23%          | R107,423,763           | 0.26%          |
| R5501-R7500  | R397,673,634           | 0.77%          | R321,824,872           | 0.74%          | R306,649,564           | 0.74%          |
| R7501-R10K   | R1,034,946,957         | 2.00%          | R791,165,312           | 1.82%          | R691,176,264           | 1.67%          |
| R10.1K-R15K  | R3,261,858,100         | 6.30%          | R2,576,972,692         | 5.94%          | R2,100,253,817         | 5.07%          |
| >R15K        | R46,951,534,158        | 90.62%         | R39,547,567,288        | 91.21%         | R38,193,814,888        | 92.21%         |
| <b>Total</b> | <b>R51,811,205,396</b> | <b>100.00%</b> | <b>R43,359,616,373</b> | <b>100.00%</b> | <b>R41,422,399,690</b> | <b>100.00%</b> |

Table 4: Disbursements by income category – other credit

| Agreement    | 2007-Q4                |                | 2008-Q1                |                | 2008-Q2                |                |
|--------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
|              | Rand value             | % dist         | Rand value             | % dist         | Rand value             | % dist         |
| R0-R3500     | R1,700,175,870         | 5.84%          | R1,487,285,454         | 5.74%          | R944,993,756           | 5.74%          |
| R3501-R5500  | R1,161,868,375         | 3.99%          | R1,242,915,724         | 4.80%          | R1,267,181,350         | 4.80%          |
| R5501-R7500  | R1,407,067,131         | 4.83%          | R1,456,700,361         | 5.62%          | R1,529,883,130         | 5.62%          |
| R7501-R10K   | R1,995,041,498         | 6.85%          | R2,050,516,662         | 7.91%          | R1,873,453,653         | 7.91%          |
| R10.1K-R15K  | R3,443,205,436         | 11.82%         | R3,352,646,905         | 12.94%         | R3,121,955,321         | 12.94%         |
| >R15K        | R19,429,533,442        | 66.68%         | R16,323,297,256        | 62.99%         | R15,071,449,677        | 62.99%         |
| <b>Total</b> | <b>R29,136,891,753</b> | <b>100.00%</b> | <b>R25,913,362,362</b> | <b>100.00%</b> | <b>R23,808,916,888</b> | <b>100.00%</b> |

Table 5: Disbursements by income category – credit facilities

| Agreement    | 2007-Q4               |                | 2008-Q1               |                | 2008-Q2               |                |
|--------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|
|              | Rand value            | % dist         | Rand value            | % dist         | Rand value            | % dist         |
| R0-R3500     | R983,114,756          | 12.22%         | R805,871,935          | 10.22%         | R1,206,986,177        | 14.43%         |
| R3501-R5500  | R573,235,113          | 7.13%          | R499,514,900          | 6.34%          | R605,821,093          | 7.24%          |
| R5501-R7500  | R502,983,469          | 6.25%          | R499,661,005          | 6.34%          | R636,306,334          | 7.61%          |
| R7501-R10K   | R618,486,309          | 7.69%          | R491,429,300          | 6.23%          | R626,823,244          | 7.49%          |
| R10.1K-R15K  | R833,647,573          | 10.37%         | R835,385,672          | 10.60%         | R992,814,804          | 11.87%         |
| >R15K        | R4,530,861,686        | 56.34%         | R4,751,708,354        | 60.27%         | R4,297,002,440        | 51.36%         |
| <b>Total</b> | <b>R8,042,328,905</b> | <b>100.00%</b> | <b>R7,883,571,167</b> | <b>100.00%</b> | <b>R8,365,754,093</b> | <b>100.00%</b> |

Table 6: Disbursements by income category – unsecured credit

| Agreement    | 2007-Q4               |                | 2008-Q1               |                | 2008-Q2               |                |
|--------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|
|              | Rand value            | % dist         | Rand value            | % dist         | Rand value            | % dist         |
| R0-R3500     | R2,584,314,175        | 32.59%         | R2,017,094,214        | 28.22%         | R2,431,730,599        | 32.05%         |
| R3501-R5500  | R1,145,099,857        | 14.44%         | R996,473,527          | 13.94%         | R1,101,759,123        | 14.52%         |
| R5501-R7500  | R846,752,565          | 10.68%         | R820,289,532          | 11.48%         | R844,462,214          | 11.13%         |
| R7501-R10K   | R898,391,477          | 11.33%         | R865,189,104          | 12.11%         | R834,338,187          | 11.00%         |
| R10.1K-R15K  | R1,054,652,562        | 13.30%         | R1,048,336,367        | 14.67%         | R989,124,940          | 13.04%         |
| >R15K        | R1,399,505,857        | 17.65%         | R1,399,563,013        | 19.58%         | R1,386,071,219        | 18.27%         |
| <b>Total</b> | <b>R7,928,716,493</b> | <b>100.00%</b> | <b>R7,146,945,757</b> | <b>100.00%</b> | <b>R7,587,486,282</b> | <b>100.00%</b> |

Table 7: Disbursements by income category – short-term credit

| Agreement    | 2007-Q4             |                | 2008-Q1             |                | 2008-Q2             |                |
|--------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|
|              | Rand value          | % dist         | Rand value          | % dist         | Rand value          | % dist         |
| R0-R3500     | R657,905,923        | 74.49%         | R581,157,642        | 73.34%         | R669,865,723        | 73.41%         |
| R3501-R5500  | R104,145,908        | 11.79%         | R94,636,435         | 11.94%         | R109,937,697        | 12.05%         |
| R5501-R7500  | R56,811,940         | 6.43%          | R55,036,793         | 6.95%          | R63,309,760         | 6.94%          |
| R7501-R10K   | R30,484,124         | 3.45%          | R28,867,650         | 3.64%          | R33,214,731         | 3.64%          |
| R10.1K-R15K  | R22,495,307         | 2.55%          | R21,190,954         | 2.67%          | R23,457,767         | 2.57%          |
| >R15K        | R11,353,775         | 1.29%          | R11,473,834         | 1.45%          | R12,772,387         | 1.40%          |
| <b>Total</b> | <b>R883,196,977</b> | <b>100.00%</b> | <b>R792,363,308</b> | <b>100.00%</b> | <b>R912,558,065</b> | <b>100.00%</b> |

Table 8: Age analysis of gross value of debtors book – mortgages

| Ageing             | 2007-Q4                 | 2008-Q1                 | 2008-Q2                 |
|--------------------|-------------------------|-------------------------|-------------------------|
| Current            | R602,263,639,831        | R612,521,283,601        | R610,449,119,956        |
| 30 days            | R24,983,774,217         | R26,201,658,765         | R41,065,333,273         |
| 31-60 days         | R9,083,980,860          | R13,430,877,347         | R17,826,002,525         |
| 61-90 days         | R4,481,939,844          | R7,372,284,591          | R8,060,096,039          |
| 91-120 days        | R3,307,320,530          | R5,928,106,020          | R8,712,997,130          |
| 120+ days          | R13,471,369,488         | R16,677,982,085         | R20,351,233,478         |
| <b>Grand total</b> | <b>R657,592,024,770</b> | <b>R682,132,192,409</b> | <b>R706,464,782,401</b> |

Table 9: Age analysis of accounts – mortgages

| Ageing             | 2007-Q4          | 2008-Q1          | 2008-Q2          |
|--------------------|------------------|------------------|------------------|
| Current            | 1,670,785        | 1,655,683        | 1,602,706        |
| 30 days            | 69,352           | 71,379           | 120,134          |
| 31-60 days         | 22,298           | 31,157           | 37,900           |
| 61-90 days         | 10,278           | 16,035           | 17,156           |
| 91-120 days        | 6,677            | 10,734           | 15,390           |
| 120+ days          | 34,896           | 39,467           | 43,236           |
| <b>Grand total</b> | <b>1,814,286</b> | <b>1,824,455</b> | <b>1,836,522</b> |

Table 10: Age analysis of gross value of debtors book – other credit agreements

| Ageing             | 2007-Q4                 | 2008-Q1                 | 2008-Q2                 |
|--------------------|-------------------------|-------------------------|-------------------------|
| Current            | R201,963,004,361        | R206,092,695,604        | R205,571,021,431        |
| 30 days            | R11,482,177,187         | R11,641,554,526         | R12,409,496,902         |
| 31-60 days         | R3,896,948,887          | R4,052,486,174          | R4,356,075,300          |
| 61-90 days         | R1,805,334,714          | R2,014,273,202          | R2,186,558,841          |
| 91-120 days        | R1,225,051,186          | R1,517,829,695          | R1,528,607,423          |
| 120+ days          | R3,794,969,844          | R4,246,238,513          | R5,101,110,889          |
| <b>Grand total</b> | <b>R224,167,486,180</b> | <b>R229,565,077,713</b> | <b>R231,152,870,786</b> |

Table 11: Age analysis of accounts – other credit agreements

| Ageing             | 2007-Q4          | 2008-Q1          | 2008-Q2          |
|--------------------|------------------|------------------|------------------|
| Current            | 4,367,082        | 4,630,622        | 4,373,120        |
| 30 days            | 642,086          | 465,458          | 531,653          |
| 31-60 days         | 320,191          | 249,302          | 282,523          |
| 61-90 days         | 185,604          | 163,106          | 182,724          |
| 91-120 days        | 122,761          | 130,335          | 127,319          |
| 120+ days          | 279,671          | 254,727          | 347,733          |
| <b>Grand total</b> | <b>5,917,395</b> | <b>5,893,549</b> | <b>5,845,071</b> |

Table 12: Age analysis of gross value of debtors book – credit facilities

| Ageing             | 2007-Q4                 | 2008-Q1                 | 2008-Q2                 |
|--------------------|-------------------------|-------------------------|-------------------------|
| Current            | R98,311,207,885         | R99,362,694,835         | R99,657,247,295         |
| 30 days            | R11,083,206,260         | R11,459,787,677         | R11,829,126,810         |
| 31-60 days         | R3,617,238,490          | R4,600,998,319          | R3,883,420,778          |
| 61-90 days         | R2,169,651,844          | R3,702,302,736          | R3,068,532,932          |
| 91-120 days        | R1,448,917,949          | R1,546,431,171          | R1,616,306,370          |
| 120+ days          | R9,328,402,435          | R9,372,457,137          | R13,141,370,445         |
| <b>Grand total</b> | <b>R125,958,624,863</b> | <b>R130,044,671,875</b> | <b>R133,196,004,630</b> |

Table 13: Age analysis of accounts – credit facilities

| Ageing             | 2007-Q4           | 2008-Q1           | 2008-Q2           |
|--------------------|-------------------|-------------------|-------------------|
| Current            | 16,352,955        | 16,429,299        | 17,180,093        |
| 30 days            | 2,789,894         | 2,482,835         | 2,348,452         |
| 31-60 days         | 1,009,172         | 1,072,932         | 925,405           |
| 61-90 days         | 612,188           | 614,582           | 578,912           |
| 91-120 days        | 357,253           | 356,404           | 409,910           |
| 120+ days          | 1,015,383         | 1,072,895         | 1,410,622         |
| <b>Grand total</b> | <b>22,136,845</b> | <b>22,028,947</b> | <b>22,853,394</b> |

Table 14: Age analysis of gross value of debtors book – unsecured credit

| Ageing             | 2007-Q4                | 2008-Q1                | 2008-Q2                |
|--------------------|------------------------|------------------------|------------------------|
| Current            | R30,802,281,488        | R30,983,562,561        | R33,875,148,654        |
| 30 days            | R2,048,904,759         | R2,209,615,468         | R2,031,777,760         |
| 31-60 days         | R961,332,672           | R1,041,480,602         | R1,045,717,339         |
| 61-90 days         | R734,387,045           | R776,109,054           | R834,673,427           |
| 91-120 days        | R553,290,557           | R553,568,868           | R652,693,101           |
| 120+ days          | R5,847,296,538         | R6,364,476,185         | R6,792,361,749         |
| <b>Grand total</b> | <b>R40,947,493,059</b> | <b>R41,928,812,738</b> | <b>R45,232,372,030</b> |

Table 15: Age analysis of accounts – unsecured credit

| Ageing             | 2007-Q4          | 2008-Q1          | 2008-Q2          |
|--------------------|------------------|------------------|------------------|
| Current            | 3,456,344        | 3,361,219        | 3,442,254        |
| 30 days            | 277,872          | 289,470          | 255,509          |
| 31-60 days         | 163,750          | 163,674          | 150,952          |
| 61-90 days         | 129,531          | 125,839          | 119,534          |
| 91-120 days        | 96,309           | 90,150           | 91,624           |
| 120+ days          | 783,396          | 808,325          | 836,312          |
| <b>Grand total</b> | <b>4,907,202</b> | <b>4,838,677</b> | <b>4,896,185</b> |

Table 16: Age analysis of gross value of debtors book – short-term credit

| Ageing             | 2007-Q4             | 2008-Q1             | 2008-Q2             |
|--------------------|---------------------|---------------------|---------------------|
| Current            | R456,670,900        | R450,326,050        | R485,419,109        |
| 30 days            | R53,758,352         | R40,336,312         | R26,590,601         |
| 31-60 days         | R24,413,064         | R26,457,011         | R20,033,837         |
| 61-90 days         | R17,718,671         | R19,914,033         | R15,775,662         |
| 91-120 days        | R7,636,002          | R8,636,836          | R7,364,363          |
| 120+ days          | R121,946,512        | R121,384,552        | R105,355,114        |
| <b>Grand total</b> | <b>R682,143,501</b> | <b>R667,054,794</b> | <b>R660,538,686</b> |

Table 17: Age analysis of accounts – short-term credit

| Ageing             | 2007-Q4        | 2008-Q1        | 2008-Q2        |
|--------------------|----------------|----------------|----------------|
| Current            | 339,427        | 320,189        | 327,635        |
| 30 days            | 21,128         | 23,063         | 16,150         |
| 31-60 days         | 11,786         | 14,224         | 11,919         |
| 61-90 days         | 9,450          | 9,856          | 9,273          |
| 91-120 days        | 4,355          | 4,098          | 4,033          |
| 120+ days          | 57,685         | 56,833         | 52,201         |
| <b>Grand total</b> | <b>443,831</b> | <b>428,263</b> | <b>421,211</b> |