

## Media Release

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October 2022

### Credit extension marginally slows down

Today, the National Credit Regulator (NCR) released the Consumer Credit Market Report (CCMR) and the Credit Bureau Monitor (CBM), which are based on data submitted by the registered credit providers and credit bureaus respectively. The latest edition of the reports covers credit market information from April 2022 to June 2022. The total value of new credit granted decreased by 1.13% quarter-on-quarter from R159.16 billion to R157.37 billion. The number of credit agreements entered into increased by 4.68% quarter-on-quarter from 3.83 million to 4.01 million.

The following were some of the most significant trends observed in terms of credit granted for the quarter ended June 2022:

- The value of new mortgages granted increased by R1.80 billion (3.22%) quarter-on-quarter and by R916.13 million (1.62%) year-on-year.
- Secured credit which is dominated by vehicle finance, decreased by R2.27 billion (4.78%) quarter-on-quarter, and increased by R1.96 billion (4.55%) year-on-year.
- Credit facilities decreased by R441.79 million (1.79%) quarter-on-quarter and increased by R3.43 billion (16.47%) year-on-year.
- Unsecured credit increased by R292.42 million (1.10%) quarter-on-quarter and by R4.53 billion (20.18%) year-on-year.

The total outstanding consumer credit balances (or gross debtors book) as at June 2022 was R2.19 trillion, representing an increase of 1.13% quarter-on-quarter and of 6.35% year-on-year. The trends for outstanding balances for the quarter ended June 2022 were as follows:

- Mortgages debtors book increased by R18.00 billion (1.60%) quarter-on-quarter and by R82.19 billion (7.75%) year-on-year.
- Secured credit debtors book increased by R1.08 billion (0.23%) quarter-on-quarter and by R20.31 billion (4.42%) year-on-year.
- Credit facilities debtors book increased by R3.67 billion (1.30%) quarter-on-quarter and by R20.71 billion (7.79%) year-on-year.
- Unsecured credit debtors book increased by R2.30 billion (1.07%) quarter-on-quarter and by R6.13 billion (2.92%) year-on-year.

Credit bureaus held records for 26.52 million credit-active consumers, which showed an increase of 0.15% when compared to the 26.48 million in the previous quarter. Consumers classified in good standing increased by 197,993 to 16.63 million consumers. This amounts to 62.73% of the total number of credit-active consumers. The number of credit-active accounts increased from 84.73 million to 85.49 million in the quarter ended June 2022. The number of impaired accounts has decreased from 19.59 million (23.12%) to 19.26 million (22.53%) in June 2022, a decrease of 327,075 quarter-on-quarter and 598,021 year-on-year.

Consumers are encouraged to exercise their consumer rights by getting their free credit reports from the registered credit bureaus. A credit report will outline the consumer's debt and other financial obligations, thus making it easier to draft a budget and work towards the settlement of their debt, thereby improving the state of their credit reports and saving. Consumers who are experiencing financial difficulties and are battling with their debt repayments, should contact their credit providers for assistance. Avoiding credit providers when in distress is not a solution. In worst cases, the assistance of a registered debt

counsellor must be sought. Debt counselling was introduced to assist consumers who are over-indebted, advised Nomsa Motshegare, CEO of the NCR.

***Comparisons in this release- ‘quarter-on-quarter’ refers to a comparison between the March 2022 and June 2022 quarters, and ‘year-on-year’ refers to a comparison between the June 2021 and June 2022.***

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### **About The National Credit Regulator**

The National Credit Regulator (NCR) was established in terms of the National Credit Act 34 of 2005 (the Act) and is responsible for the regulation of the South African credit industry. The NCR is mandated with the registration of Credit Providers, Credit Bureaus, Debt Counsellors, Payment Distribution Agents, and Alternative Dispute Resolution Agents; and monitoring their conduct in compliance with the National Credit Act as amended. The National Credit Regulator offers education and protection to consumers of credit in promotion of a South African credit market that is fair, transparent, accessible and dynamic.

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