

Executive Summary

Client Indebtedness Levels

Conducted by Debt Rescue
 Year on Year Comparison – Q1 2017 to Q1 2018.

Introduction

This research was done on Debt Rescue’s clients over a period of 3 months. The purpose of the report was to establish the types of debt incurred, the age-group debt exposure and the debt-type ratio.

Overview

The data was collected on all clients for the given period, taking into account the credit agreement type, age groups, as well as gender. The data was analysed to investigate the ratio between male and female applicants under debt review. It was also grouped according to debt type exposure in relation to the whole exposure for all age groups. And finally it was classified into groupings of the debt categories, to determine the types of debt that consumers incur.

Summary of Results

- The ratio of applicants between male and female for the 2 periods showed a slight shift towards more male applicants in the First Quarter of 2018:

| | Male | Female |
|----------------|------|--------|
| Q1 2017 | 50% | 50% |
| Q1 2018 | 51% | 49% |

The following was noted:

- The ratio of applicants between male and female for the 2 periods showed a slight shift towards more male applicants in the First Quarter of 2018:

The age groups of applicants are spread as follows:

| Age Group | 18-20 | 21-25 | 26-30 | 31-45 | 46-55 | 56-65 | >66 |
|----------------|-------|-------|-------|-------|-------|-------|-----|
| Q1 2017 | 0% | 4% | 16.5% | 52.9% | 20% | 5.6% | 1% |
| Q1 2018 | 1% | 5.5% | 21.3% | 50.3% | 15.4% | 5.5% | 1% |

The following was noted:

- There was a slight increase in the age groups between 18 and 30.
- There was a slight decrease in the age groups between 31 and 65.

The type of debt obligation for all ages, as part of a whole:

| | Home Loans | Vehicle Finance | Credit Cards | Personal Loans | Overdrafts | Store Cards |
|----------------|------------|-----------------|--------------|----------------|------------|-------------|
| Q1 2017 | 2.9% | 9.4% | 24.2% | 41.3% | 7% | 15.2% |
| Q1 2018 | 2.5% | 9.2% | 21.7% | 38.9% | 6.9% | 20.8% |

The following was noted:

- The asset categories remained fairly similar in terms of the percentages.
- There was a slight reduction in credit cards and personal loans as a category of credit agreement.
- Personal loans remained the category of credit agreement that continuous to outnumber other types of debt.
- There was a significant increase in store cards as a category of credit agreement.

The type of debt obligation for all ages, as part of a whole:

| Period | Age Groups | Vehicles | Mortgage | Credit Card | Personal Loan | Overdraft | Store Card |
|---------|------------|----------|----------|-------------|---------------|-----------|------------|
| Q1 2017 | 18-20 | 0% | 0% | 0% | 0% | 0% | 0% |
| Q1 2018 | | 0.0% | 0.0% | 16.7% | 16.7% | 16.7% | 50.0% |
| Q1 2017 | 21-25 | 6.7% | 0.6% | 16.3% | 48.3% | 4.5% | 23.6% |
| Q1 2018 | | 8.7% | 0.0% | 17.7% | 46.0% | 5.3% | 22.2% |
| Q1 2017 | 26-30 | 8.9% | 0.8% | 22.2% | 42.1% | 6.0% | 20.0% |
| Q1 2018 | | 9.3% | 0.8% | 18.4% | 42.9% | 5.1% | 23.4% |
| Q1 2017 | 31-45 | 9.5% | 2.9% | 22.9% | 43.5% | 7.2% | 14.0% |
| Q1 2018 | | 9.4% | 2.6% | 20.9% | 39.7% | 7.1% | 20.4% |
| Q1 2017 | 46-55 | 9.2% | 4.6% | 26.9% | 37.6% | 7.4% | 14.2% |
| Q1 2018 | | 9.6% | 4.0% | 23.9% | 34.8% | 7.7% | 20.0% |
| Q1 2017 | 56-65 | 10.1% | 2.7% | 30.3% | 35.7% | 7.1% | 14.1% |
| Q1 2018 | | 8.2% | 4.5% | 31.8% | 31.0% | 8.2% | 16.4% |
| Q1 2017 | 66> | 11.3% | 1.3% | 46.3% | 18.8% | 10.0% | 12.5% |
| Q1 2018 | | 2.6% | 2.6% | 36.8% | 18.4% | 9.2% | 30.3% |

The following was noted:

- Personal loans as a type of credit agreement continues to outnumber other forms of debt for most age categories.
- In the over-65-year-old age category credit cards is the largest percentage of debt.
- In the below-21-year-old age category store cards is the largest percentage of debt.