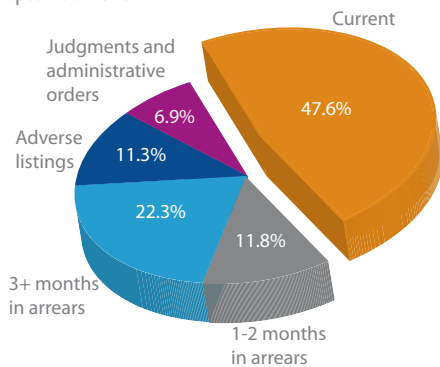


Credit Bureau Monitor

Third Quarter | September 2016

- Credit-active consumers..... 2
- Consumer accounts 3
- Credit market activity 4
- Credit bureau activity..... 7
- Definitions 8

Credit standing of consumers: September 2016



For further information on credit provision, please access the Consumer Credit Market Report on www.ncr.org.za

The information reflected in this edition of the Credit Bureau Monitor covers the period from the quarter ended September 2012 to September 2016, and is based on data held by registered credit bureaus in terms of the National Credit Act No 34 of 2005.

Summary

Credit bureaus create consumer credit profiles based on credit information received from credit providers, courts and utility service providers. The National Credit Regulator (NCR) regulates and monitors registered credit bureaus and the quality of their data.

As at the end of September 2016:

- Credit bureaus held records for 24.25 million credit-active consumers, an increase of 0.7% when compared to the 24.08 million in the previous quarter. Consumers classified in good standing decreased by 11,000 to 14.40 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.4% quarter-on-quarter and an increase of 1.7% year-on-year.
- The number of consumers with impaired records increased by 178,000 to 9.85 million, from 9.67 million in the previous quarter.
- The number of accounts decreased from 84,56 million in the previous quarter to 83.81 million. The number of impaired accounts increased from 20.24 million to 20.37 million when compared to the previous quarter, an increase of 137,000 quarter-on-quarter and 138,000 year-on-year.
- A total of 453.82 million enquiries were made on consumer credit records, an increase of 4.5% quarter-on-quarter and 20.7% year-on-year. Enquiries initiated by consumers accounted for 17.91 million of all enquiries, an increase of 8.6% quarter-on-quarter and 13.4% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 56.7%, enquiries from retailers accounted for 6.6% and enquiries from telecommunication providers accounted for 14.0%. Banks and other financial institutions' enquiries decreased by 12.3% from the previous quarter, retailers increased by 13.7% and telecommunication providers increased by 73.6%.
- The number of credit reports issued to consumers decreased from 145,013 in the previous quarter to 139,402. Of the total credit reports issued, 74.1% (103,258) were issued without charge, and the remaining 25.9% (36,144) were issued with charge.
- There were 36,118 disputes lodged on information held on consumer credit records for the quarter ended September 2016, an increase of 6.3% quarter-on-quarter and 25.2% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended September 2012 to September 2016.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the September 2016 and June 2016 quarters, and “year-on-year” refers to a comparison between the September 2016 and September 2015 quarters.

Credit-active consumers

There were 24.25 million credit-active consumers as at the end of September 2016

Credit bureaus held records for more than 49.42 million individuals on their databases as at the end of September 2016. From these records, 24.25 million (49.1%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 167,000 quarter-on-quarter and 807,000 year-on-year.

The percentage of consumers in good standing decreased this quarter

Consumers classified in good standing decreased by 11,000 to 14.40 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.4% quarter-on-quarter and an increase of 1.7% year-on-year. Of the total 24.25 million credit-active consumers, 59.4% were in good standing.

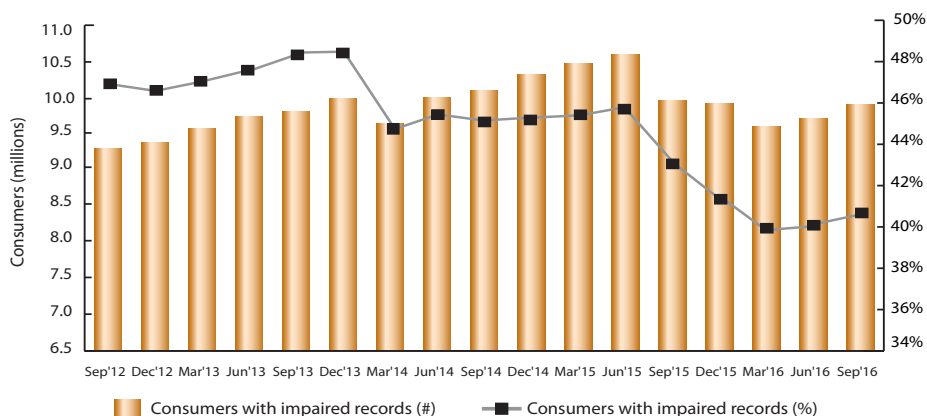
The number of consumers with impaired records (the inverse of those in good standing) increased by 178,000 to 9.85 million. The percentage of credit-active consumers with impaired records increased to 40.6%, comprising of 22.3% of consumers in three months or more in arrears, 11.3% of consumers with adverse listings, and 6.9% of consumers with judgments and administration orders.

A detailed breakdown of the nature of impairments is provided in Table 1 and Figure 1.

Table 1: Credit standing of consumers

	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Sep 16
Good standing (#)	12.11m	12.17m	12.45m	12.58m	12.70m	12.84m	13.53m	13.87m	14.33m	14.41m	14.40m	14.40m
Good standing (%)	55.8%	55.0%	55.3%	55.1%	55.0%	54.9%	57.7%	58.4%	60.0%	59.8%	59.4%	59.4%
Current (%)	41.5%	42.2%	42.3%	42.6%	42.2%	42.8%	46.1%	46.1%	47.6%	48.3%	47.6%	47.6%
1-2 months in arrears (%)	14.3%	12.8%	13.0%	12.5%	12.7%	12.1%	11.6%	12.4%	12.4%	11.6%	11.8%	11.8%
Impaired records (#)	9.60m	9.95m	10.05m	10.26m	10.41m	10.53m	9.91m	9.87m	9.55m	9.67m	9.85m	9.85m
Impaired records (%)	44.2%	45.0%	44.7%	44.9%	45.0%	45.1%	42.3%	41.6%	40.0%	40.2%	40.6%	40.6%
3+ months in arrears (%)	32.4%	28.3%	26.3%	23.8%	22.4%	21.5%	21.6%	22.1%	22.3%	22.1%	22.3%	22.3%
Adverse listings (%)	0.0%	5.2%	7.3%	10.4%	12.2%	13.5%	11.8%	11.0%	10.1%	10.7%	11.3%	11.3%
Judgments and administration orders (%)	11.8%	11.4%	11.1%	10.7%	10.4%	10.1%	8.8%	8.5%	7.6%	7.3%	6.9%	6.9%
Credit-active consumers (#)	21.71m	22.12m	22.50m	22.84m	23.11m	23.37m	23.45m	23.74m	23.88m	24.08m	24.25m	24.25m

Figure 1: Consumers with impaired records



Consumer accounts

There were 83.81 million accounts on record at the bureaus as at the end of September 2016

At the end of the reporting quarter there were 83.81 million accounts recorded at registered credit bureaus. This was a decrease of 0.9% quarter-on-quarter and an increase of 4.0% year-on-year.

The percentage of accounts in good standing decreased this quarter

Of the 83.81 million accounts, 63.44 million (75.7%) were classified as in good standing, a negative variance of 0.4% quarter-on-quarter and a positive variance of 0.8% year-on-year.

As at the end of September 2016:

- 68.5% of accounts were classified as current (decreased quarter-on-quarter by 0.5% and increased year-on-year by 0.9%).
- 7.2% had missed one or two instalments (increased quarter-on-quarter by 0.2% and decreased year-on-year by 0.1%).
- 18.1% had missed three or more instalments (increased quarter-on-quarter by 0.3% and decreased year-on-year by 0.3%).
- 4.6% had adverse listings (increased quarter-on-quarter by 0.1% and decreased year-on-year by 0.2%).
- 1.6% had judgments or administration orders (remained unchanged quarter-on-quarter and decreased year-on-year by 0.4%).

See Table 2 and Figures 2 and 3 for detailed breakdown.

Table 2: Credit standing of accounts

	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16
Good standing (#)	53.44m	57.91m	58.15m	59.55m	59.84m	59.66m	60.47m	60.37m	63.56m	65.03m	64.32m	63.44m
Good standing (%)	73.0%	75.0%	73.2%	73.3%	72.9%	72.7%	73.6%	74.9%	76.1%	76.5%	76.1%	75.7%
Current (%)	64.2%	66.1%	65.4%	65.5%	65.2%	64.7%	66.1%	67.6%	68.4%	69.0%	69.1%	68.5%
1-2 months in arrears (%)	8.8%	8.9%	7.9%	7.8%	7.6%	8.0%	7.5%	7.3%	7.7%	7.5%	7.0%	7.2%
Impaired records (#)	19.74m	19.27m	21.28m	21.64m	22.28m	22.38m	21.71m	20.24m	19.99m	19.92m	20.24m	20.37m
Impaired records (%)	27.0%	25.0%	26.8%	26.7%	27.1%	27.3%	26.4%	25.1%	23.9%	23.5%	23.9%	24.3%
3+ months in arrears (%)	18.0%	22.3%	21.3%	20.7%	20.1%	19.8%	18.9%	18.4%	17.8%	17.7%	17.8%	18.1%
Adverse listings (%)	6.2%	0.0%	2.9%	3.4%	4.6%	5.1%	5.2%	4.8%	4.4%	4.1%	4.5%	4.6%
Judgments and administration orders (%)	2.8%	2.7%	2.6%	2.5%	2.4%	2.3%	2.2%	1.9%	1.8%	1.7%	1.6%	1.6%
Consumer accounts (#)	73.18m	77.18m	79.42m	81.18m	82.13m	82.04m	82.17m	80.60m	83.55m	84.96m	84.56m	83.81m

Figure 2: Accounts with impaired records

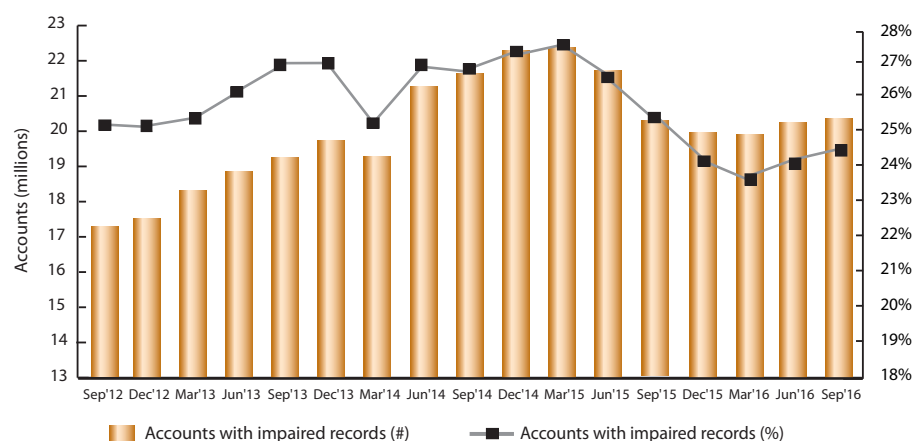
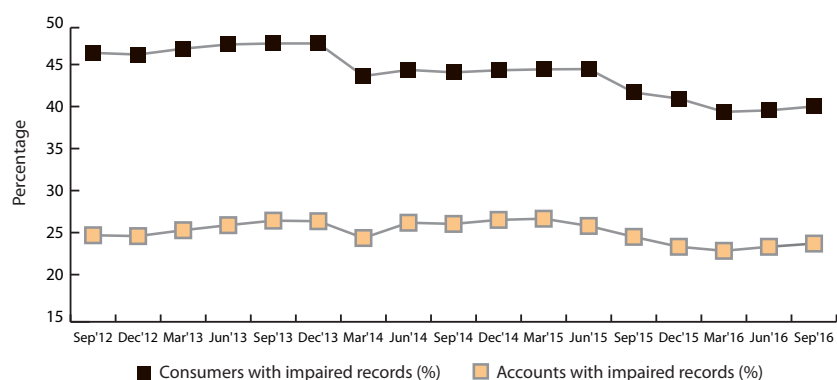


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

There were 453.82 million enquiries made in the quarter ended September 2016. This was an increase of 4.5% quarter-on-quarter and 20.7% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 17.91 million enquiries were made due to consumers seeking credit (increased by 8.6% quarter-on-quarter and 13.4% year-on-year).
- 0.85 million enquiries were related to telecommunication services (increased by 25.7% quarter-on-quarter and 13.5% year-on-year).
- 35.35 million enquiries were made for tracing/debt collection purposes (decreased by 3.2% quarter-on-quarter and increased by 124.1% year-on-year).
- 399.71 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (increased by 5.0% quarter-on-quarter and 16.3% year-on-year).

Refer to Table 3 and Figures 4 and 5 for detailed breakdown.

Table 3: Enquiries

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Sep 16	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16	Jun 16 to Sep 16
Consumers seeking credit	15.78	12.76	13.23	15.79	15.64	16.99	16.48	17.91	17.91		3.6%	19.4%	-0.9%	8.6%	-3.0%	8.6%	8.6%
Telecommunication services	0.77	0.81	0.91	0.74	0.64	0.70	0.67	0.67	0.85		12.2%	-18.4%	-13.5%	8.6%	-3.9%	25.7%	25.7%
Tracing/debt collection purposes	17.83	17.51	22.62	15.77	14.47	19.32	36.54	36.54	35.35		29.2%	-30.3%	-8.3%	33.5%	89.2%	-3.2%	-3.2%
Other	398.33	304.99	376.01	343.74	387.93	354.77	380.68	380.68	399.71		23.3%	-8.6%	12.9%	-8.5%	7.3%	5.0%	5.0%
Total	432.71	336.08	412.77	376.04	418.69	391.78	434.37	434.37	453.82		22.8%	-8.9%	11.3%	-6.4%	10.9%	4.5%	4.5%

Figure 4: Enquiries due to consumers seeking credit

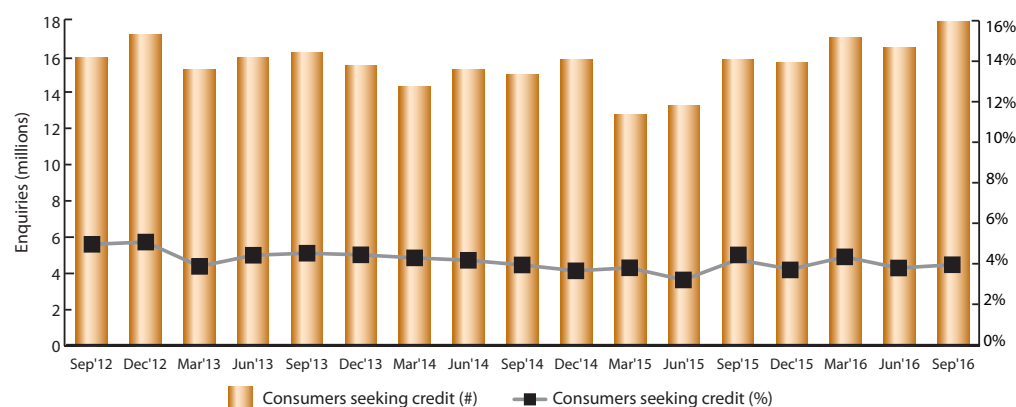
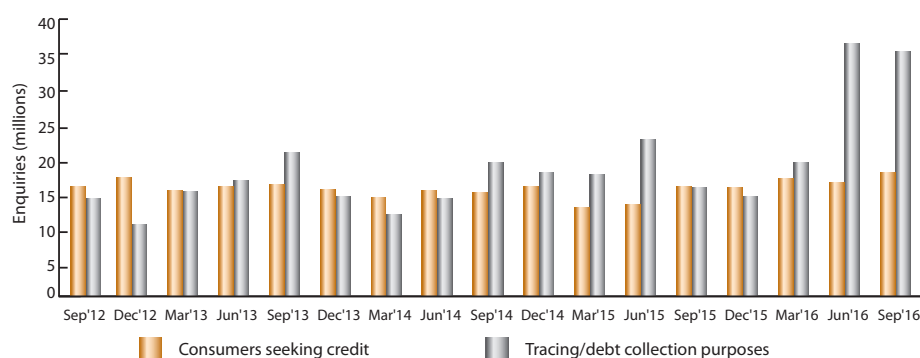


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 257.26 million enquiries made by banks and other financial institutions in the quarter ended September 2016, a decrease of 12.3% quarter-on-quarter and 1.8% year-on-year. Retailers made 29.83 million enquiries on consumer records, which was an increase of 13.7% quarter-on-quarter and 13.9% year-on-year. Enquiries made by telecommunication providers increased by 73.6% quarter-on-quarter and 375.5% year-on-year, to 63.61 million in September 2016 quarter. Enquiries made by debt collection agencies decreased by 7.9% quarter-on-quarter and 14.8% year-on-year, to 3.42 million in September 2016 quarter. Enquiries made by all other entities increased by 34.1% quarter-on-quarter and 41.7% year-on-year, to 99.70 million.

Refer to Tables 4 to 7 and Figure 6 for a detailed breakdown.

Table 4: All enquiries – distribution according to sectors

Enquiries by:	Number of enquiries (millions)									Percentage change							
	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Sep 14 to Dec 14	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16
Banks and other financial institutions	311.16	338.76	251.74	313.86	262.10	279.00	288.18	293.41	257.26	8.9%	-25.7%	24.7%	-16.5%	6.4%	3.3%	1.8%	-12.3%
Retailers	11.49	9.73	10.03	10.27	26.19	26.90	26.52	26.24	29.83	-15.3%	3.1%	2.5%	155.0%	2.7%	-1.4%	-1.0%	13.7%
Telecommunication providers	12.32	15.36	13.04	22.08	13.38	11.14	14.59	36.65	63.61	24.6%	-15.1%	69.4%	-39.4%	-16.7%	30.9%	151.2%	73.6%
Debt collection agencies	8.13	3.02	4.87	3.90	4.01	3.10	2.67	3.71	3.42	-62.9%	61.7%	-19.9%	2.7%	-22.6%	-13.9%	38.9%	-7.9%
All other entities	36.25	65.84	56.40	62.65	70.37	98.55	59.82	74.36	99.70	81.6%	-14.3%	11.1%	12.3%	40.1%	-39.3%	24.3%	34.1%
Total	379.35	432.71	336.08	412.77	376.04	418.69	391.78	434.37	453.82	14.1%	-22.3%	22.8%	-8.9%	11.3%	-6.4%	10.9%	4.5%

Figure 6: All enquiries – distribution according to sectors

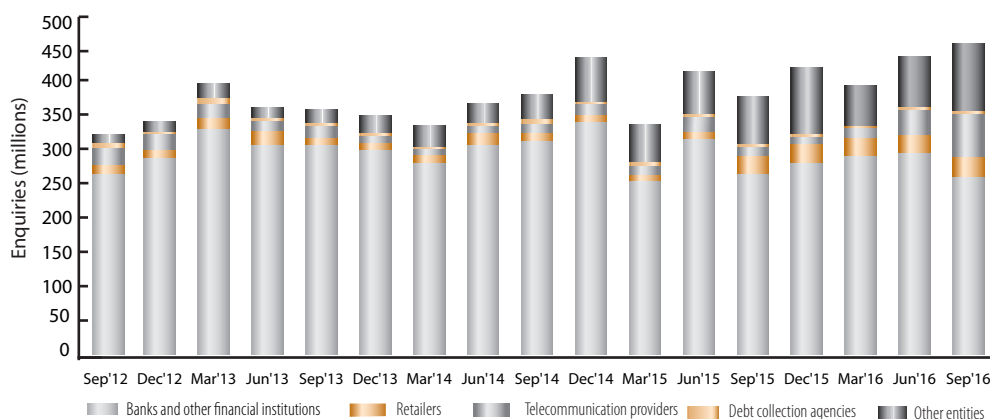


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Sep 14 to Dec 14	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16
Consumers seeking credit	12.13	12.44	10.37	10.77	13.11	13.20	14.97	14.14	14.89	2.6%	-16.7%	3.9%	21.7%	0.7%	13.4%	-5.5%	5.3%
Tracing/debt collection purposes	3.70	2.93	1.57	1.36	1.34	1.77	3.02	5.35	2.44	-20.8%	-46.3%	-13.7%	-1.2%	31.5%	71.1%	77.2%	-54.4%
Other purposes	295.33	323.39	239.79	301.73	247.65	264.03	270.19	273.92	239.94	9.5%	-25.9%	25.8%	-17.9%	6.6%	2.3%	1.4%	-12.4%
Banks and other financial institutions	311.16	338.76	251.74	313.86	262.10	279.00	288.18	293.41	257.26	8.9%	-25.7%	24.7%	-16.5%	6.4%	3.3%	1.8%	-12.3%

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Sep 14 to Dec 14	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16
Consumers seeking credit	2.83	3.34	2.39	2.45	2.68	2.43	2.02	2.34	3.02	18.0%	-28.3%	2.6%	9.2%	-9.2%	-17.1%	16.1%	29.0%
Tracing/debt collection purposes	0.94	1.07	1.00	1.22	1.31	1.27	1.86	1.80	0.81	14.5%	-6.5%	21.4%	7.5%	-2.7%	46.1%	-3.1%	-55.2%
Other purposes	7.72	5.31	6.63	6.60	22.20	23.19	22.64	22.10	26.00	-31.2	24.7%	-0.4%	236.4%	4.4%	-2.4%	-2.4%	17.6%
Retailers	11.49	9.73	10.03	10.27	26.19	26.90	26.52	26.24	29.83	-15.3%	3.1%	2.5%	155.0%	2.7%	-1.4%	-1.0%	13.7%

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Sep 14 to Dec 14	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16
Telecommunication services	0.76	0.77	0.81	0.91	0.74	0.64	0.70	0.67	0.85	1.8%	5.6%	12.2%	-18.4%	-13.5%	8.6%	-3.9%	25.7%
Tracing/debt collection purposes	4.94	9.45	8.27	14.64	7.27	6.71	8.52	16.39	26.72	91.1%	-12.5%	77.2%	-50.3%	-7.7%	26.9%	92.5%	63.0%
Other purposes	6.62	5.14	3.96	6.53	5.36	3.79	5.37	19.58	36.04	-22.4%	-23.0%	64.8%	-17.9%	-29.4%	41.8%	264.8%	84.1%
Telecommunication providers	12.32	15.36	13.04	22.08	13.38	11.14	14.59	36.65	63.61	24.6%	-15.1%	69.4%	-39.4%	-16.7%	30.9%	151.2%	73.6%

Credit bureau activity

Demand for credit reports decreased for the quarter

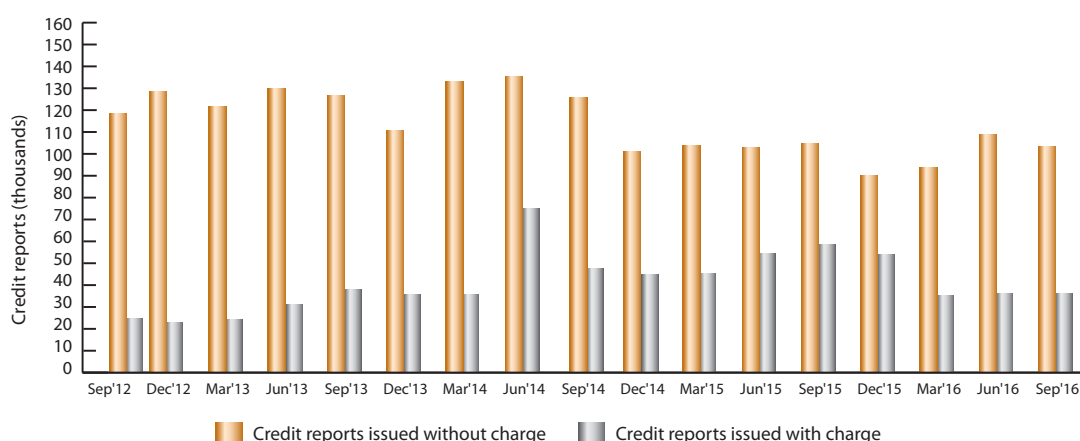
Of the total 139,402 credit reports issued to consumers at their request during the quarter ended September 2016, 74.1% (103,258) were issued without charge, and the remaining 25.9% (36,144) were issued with charge. The total number of credit reports issued decreased by 3.9% quarter-on-quarter and 14.5% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change								
	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Jun 14 to Sep 14	Sep 14 to Dec 14	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16
Issued without charge	135,650	125,689	101,119	103,771	102,967	104,688	90,150	93,977	108,818	103,258	-7.3%	-19.5%	2.6%	-0.8%	1.7%	-13.9%	4.2%	15.8%	-5.1%
Issued with charge	75,019	47,505	44,804	45,451	54,283	58,435	54,060	35,481	36,195	36,144	-36.7%	-5.7%	1.4%	19.4%	7.6%	-7.5%	-34.4%	2.0%	-0.1%
Total issued	210,669	173,194	145,923	149,222	157,250	163,118	144,210	129,458	145,013	139,402	-17.8%	-15.7%	2.3%	5.4%	3.7%	-11.6%	-10.2%	12.0%	-3.9%

Figure 7: Credit reports issued



Consumer disputes

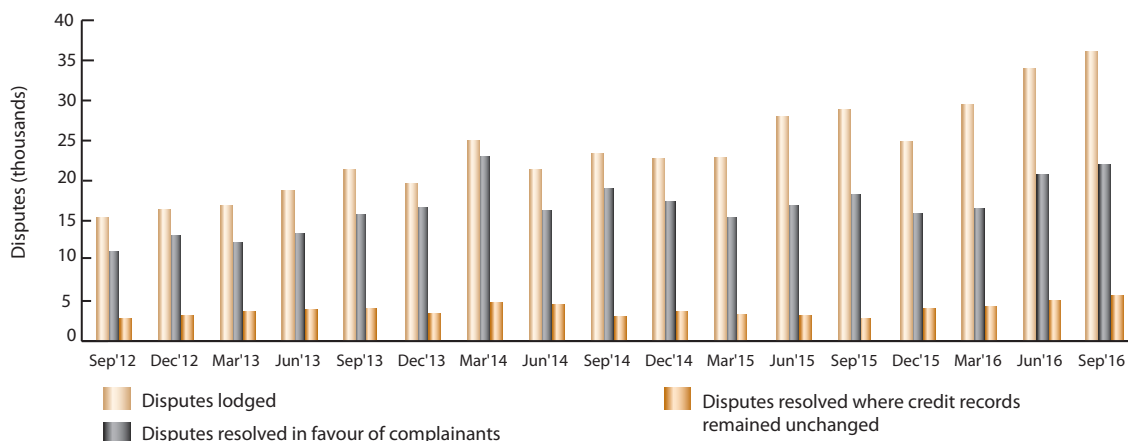
There were 36,118 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended September 2016. This was an increase of 6.3% quarter-on-quarter and 25.2% year-on-year. More disputes were resolved in favour of complainants (22,060) as compared to disputes where credit records remained unchanged (5,687).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Sep 14 to Dec 14	Dec 14 to Mar 15	Mar 15 to Jun 15	Jun 15 to Sep 15	Sep 15 to Dec 15	Dec 15 to Mar 16	Mar 16 to Jun 16	Jun 16 to Sep 16
Lodged	23,334	22,822	22,912	27,988	28,856	24,920	29,558	33,989	36,118	-2.2%	0.4%	22.2%	3.1%	-13.6%	18.6%	15.0%	6.3%
Resolved in favour of complainants	19,003	17,397	15,349	16,896	18,275	15,870	16,587	20,825	22,060	-8.5%	-11.8%	10.1%	8.2%	-13.2%	4.5%	25.6%	5.9%
Resolved where credit record remained unchanged	3,117	3,710	3,371	3,187	2,845	4,068	4,246	5,004	5,687	19.0%	-9.1%	-5.5%	-10.7%	43.0%	4.4%	17.9%	13.6%

Figure 8: Disputes



Definitions

Terms used in this report	Definitions
Credit-active consumers	Consumers obligated to pay credit providers and/or service providers, etc. These obligations result in transactional entries on the consumer's credit record at the credit bureaus.
Impaired record	A record on which a consumer and/or any of the accounts, are either classified as three or more payments or months in arrears, or which has an "adverse listing", or that reflects a judgment or administration order.
Good standing	An account or consumer showing as current or on which the client has not missed more than one or two instalments, which has no adverse listings and has no judgments.
Adverse listing	Accounts with adverse classifications such as 'handed over' and/or 'written-off'.
Current	A consumer or account is up-to-date with payments and has not missed any instalment over the period of the credit agreement.

Notes

1. Where values have been rounded off, the percentage calculations and summed totals are calculated off the unrounded values.
2. Refer to the NCR website for complete tables of thirty eight quarters from June 2007 to September 2016.