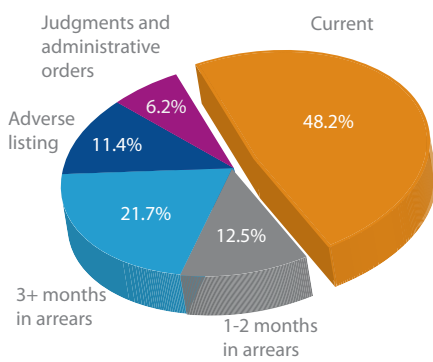


Credit Bureau Monitor

First Quarter | March 2017

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Credit standing of consumers: March 2017



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 March 2013 to March 2017, 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 March 2017:

- Credit bureaus held records for 24.68 million credit-active consumers, an increase of 1.5% when compared to the 24.31 million in the previous quarter. Consumers classified in good standing increased by 442,000 to 14.99 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.8% quarter-on-quarter and 0.7% year-on-year.
- The number of consumers with impaired records decreased by 72,000 to 9.69 million, from 9.76 million in the previous quarter.
- The number of accounts increased from 82.42 million in the previous quarter to 82.43 million. The number of impaired accounts decreased from 20.01 million to 19.70 million when compared to the previous quarter, a decrease of 307,000 quarter-on-quarter and 220,000 year-on-year.
- A total of 436.44 million enquiries were made on consumer credit records, a decrease of 2.2% quarter-on-quarter and an increase of 11.4% year-on-year. Enquiries initiated by consumers accounted for 18.49 million of all enquiries, a decrease of 6.0% quarter-on-quarter and an increase of 8.8% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 64.2%, enquiries from retailers accounted for 6.9% and enquiries from telecommunication providers accounted for 6%. Banks and other financial institutions' enquiries increased by 9.2% from the previous quarter, retailers increased by 11.5% and telecommunication providers decreased by 39.8%.
- The number of credit reports issued to consumers decreased from 157,731 in the previous quarter to 148,498. Of the total credit reports issued, 73.2% (108,695) were issued without charge, and the remaining 26.8% (39,803) were issued with charge.
- There were 38,882 disputes lodged on information held on consumer credit records for the quarter ended March 2017, an increase of 9.0% quarter-on-quarter and 31.5% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended March 2013 to March 2017.

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the March 2017 and December 2016 quarters, and “year-on-year” refers to a comparison between the March 2017 and March 2016 quarters.

Credit-active consumers

There were 24.68 million credit-active consumers as at the end of March 2017

Credit bureaus held records for more than 49.95 million individuals on their databases as at the end of March 2017. From these records, 24.68 million (49.4%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 370,000 quarter-on-quarter and 795,000 year-on-year.

The percentage of consumers in good standing increased this quarter

Consumers classified in good standing increased by 442,000 to 14.99 million consumers. As a percentage of the total number of credit-active consumers, this reflects an increase of 0.8% quarter-on-quarter and 0.7% year-on-year. Of the total 24.68 million credit-active consumers, 60.7% were in good standing.

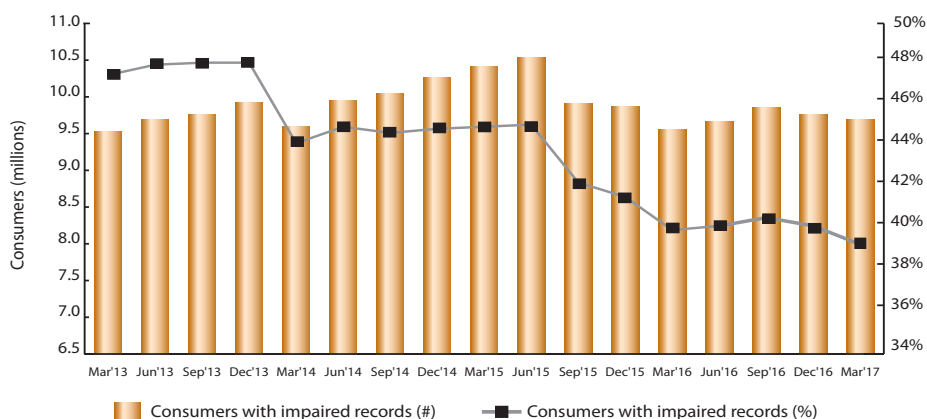
The number of consumers with impaired records (the inverse of those in good standing) decreased by 72,000 to 9.69 million. The percentage of credit-active consumers with impaired records decreased to 39.3%, comprising of 21.7% of consumers in three months or more in arrears, 11.4% of consumers with adverse listings, and 6.2% 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

	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17
Good standing (#)	12.17m	12.45m	12.58m	12.70m	12.84m	13.53m	13.87m	14.33m	14.41m	14.40m	14.55m	14.99m
Good standing (%)	55.0%	55.3%	55.1%	55.0%	54.9%	57.7%	58.4%	60.0%	59.8%	59.4%	59.9%	60.7%
Current (%)	42.2%	42.3%	42.6%	42.2%	42.8%	46.1%	46.1%	47.6%	48.3%	47.6%	47.6%	48.2%
1-2 months in arrears (%)	12.8%	13.0%	12.5%	12.7%	12.1%	11.6%	12.4%	12.4%	11.6%	11.8%	12.3%	12.5%
Impaired records (#)	9.95m	10.05m	10.26m	10.41m	10.53m	9.91m	9.87m	9.55m	9.67m	9.85m	9.76m	9.69m
Impaired records (%)	45.0%	44.7%	44.9%	45.0%	45.1%	42.3%	41.6%	40.0%	40.2%	40.6%	40.2%	39.3%
3+ months in arrears (%)	28.3%	26.3%	23.8%	22.4%	21.5%	21.6%	22.1%	22.3%	22.1%	22.3%	21.8%	21.7%
Adverse listings (%)	5.2%	7.3%	10.4%	12.2%	13.5%	11.8%	11.0%	10.1%	10.7%	11.3%	11.8%	11.4%
Judgments and administration orders (%)	11.4%	11.1%	10.7%	10.4%	10.1%	8.8%	8.5%	7.6%	7.3%	6.9%	6.6%	6.2%
Credit-active consumers (#)	22.12m	22.50m	22.84m	23.11m	23.37m	23.45m	23.74m	23.88m	24.08m	24.25m	24.31m	24.68m

Figure 1: Consumers with impaired records



Consumer accounts

There were 82.43 million accounts on record at the bureaus as at the end of March 2017

At the end of the reporting quarter there were 82.43 million accounts recorded at registered credit bureaus. This was a increase of 0.01.% quarter-on-quarter and a decrease of 3.0% year-on-year.

The percentage of accounts in good standing increased this quarter

Of the 82.43 million accounts, 62.73 million (76.1%) were classified as in good standing, a positive variance of 0.4% quarter-on-quarter and a negative variance of 0.4% year-on-year.

As at the end of March 2017:

- 68.8% of accounts were classified as current (increased quarter-on-quarter by 0.4% and decreased by 0.2% year-on-year).
- 7.3% had missed one or two instalments (remained unchanged quarter-on-quarter and decreased year-on-year by 0.2%).
- 17.8% had missed three or more instalments (decreased quarter-on-quarter by 0.1% and increased year-on-year by 0.1%).
- 4.6% had adverse listings (decreased quarter-on-quarter by 0.3% and increased year-on-year by 0.5%).
- 1.5% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.2%).

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

Table 2: Credit standing of accounts

	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17
Good standing (#)	58.15m	59.55m	59.84m	59.66m	60.47m	60.37m	63.56m	65.03m	64.32m	63.44m	62.41m	62.73m
Good standing (%)	73.2%	73.3%	72.9%	72.7%	73.6%	74.9%	76.1%	76.5%	76.1%	75.7%	75.7%	76.1%
Current (%)	65.4%	65.5%	65.2%	64.7%	66.1%	67.6%	68.4%	69.0%	69.1%	68.5%	68.4%	68.8%
1-2 months in arrears (%)	7.9%	7.8%	7.6%	8.0%	7.5%	7.3%	7.7%	7.5%	7.0%	7.2%	7.3%	7.3%
Impaired records (#)	21.28m	21.64m	22.28m	22.38m	21.71m	20.24m	19.99m	19.92m	20.24m	20.37m	20.01m	19.70m
Impaired records (%)	26.8%	26.7%	27.1%	27.3%	26.4%	25.1%	23.9%	23.5%	23.9%	24.3%	24.3%	23.9%
3+ months in arrears (%)	21.3%	20.7%	20.1%	19.8%	18.9%	18.4%	17.8%	17.7%	17.8%	18.1%	17.9%	17.8%
Adverse listings (%)	2.9%	3.4%	4.6%	5.1%	5.2%	4.8%	4.4%	4.1%	4.5%	4.6%	4.9%	4.6%
Judgments and administration orders (%)	2.6%	2.5%	2.4%	2.3%	2.2%	1.9%	1.8%	1.7%	1.6%	1.6%	1.6%	1.5%
Consumer accounts (#)	79.42m	81.18m	82.13m	82.04m	82.17m	80.60m	83.55m	84.96m	84.56m	83.81m	82.42m	82.43m

Figure 2: Accounts with impaired records

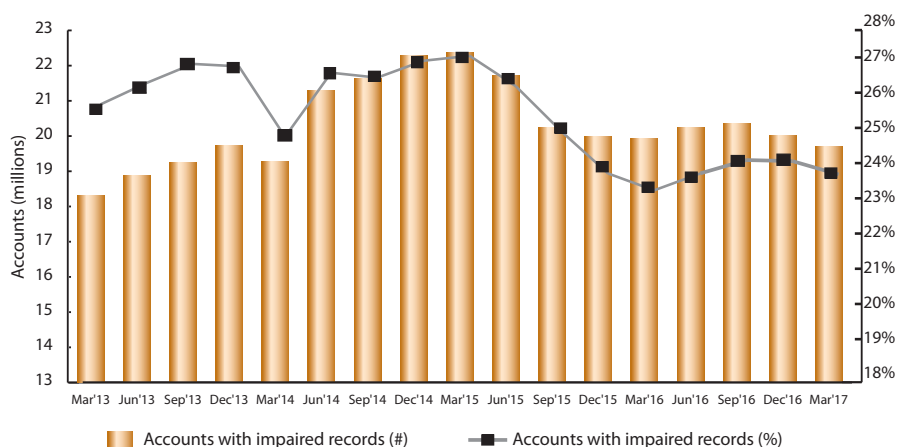
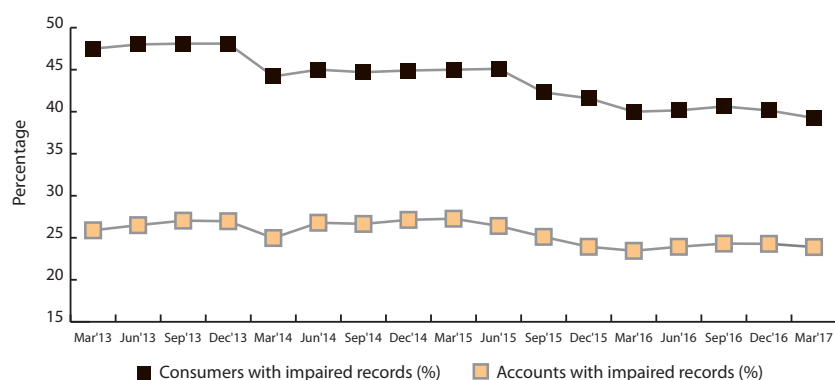


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

There were 436.44 million enquiries made in the quarter ended March 2017. This was a decrease of 2.2% quarter-on-quarter and an increase of 11.4% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 18.49 million enquiries were made due to consumers seeking credit (decreased by 6.0% quarter-on-quarter and increased by 8.8% year-on-year).
- 1.05 million enquiries were related to telecommunication services (decreased by 9.7% quarter-on-quarter and increased by 50.1% year-on-year).
- 21.00 million enquiries were made for tracing/debt collection purposes (increased by 0.8% quarter-on-quarter and increased by 8.7% year-on-year).
- 395.90 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 2.2% quarter-on-quarter and increased 11.6% 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							
	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	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	Sep 16 to Dec 16	Dec 16 to Mar 17
Consumers seeking credit	12.76	13.23	15.79	15.64	16.99	16.48	17.91	19.66	18.49	3.6%	19.4%	-0.9%	8.6%	-3.0%	8.6%	9.8%	-6.0%
Telecommunication services	0.81	0.91	0.74	0.64	0.70	0.67	0.85	1.16	1.05	12.2%	-18.4%	-13.5%	8.6%	-3.9%	25.7%	37.6%	-9.7%
Tracing/debt collection purposes	17.51	22.62	15.77	14.47	19.32	36.54	35.35	20.83	21.00	29.2%	-30.3%	-8.3%	33.5%	89.2%	-3.2%	-41.1%	0.8%
Other	304.99	376.01	343.74	387.93	354.77	380.68	399.71	404.79	395.90	23.3%	-8.6%	12.9%	-8.5%	7.3%	5.0%	1.3%	-2.2%
Total	336.08	412.77	376.04	418.69	391.78	434.37	453.82	446.44	436.44	22.8%	-8.9%	11.3%	-6.4%	10.9%	4.5%	-1.6%	-2.2%

Figure 4: Enquiries due to consumers seeking credit

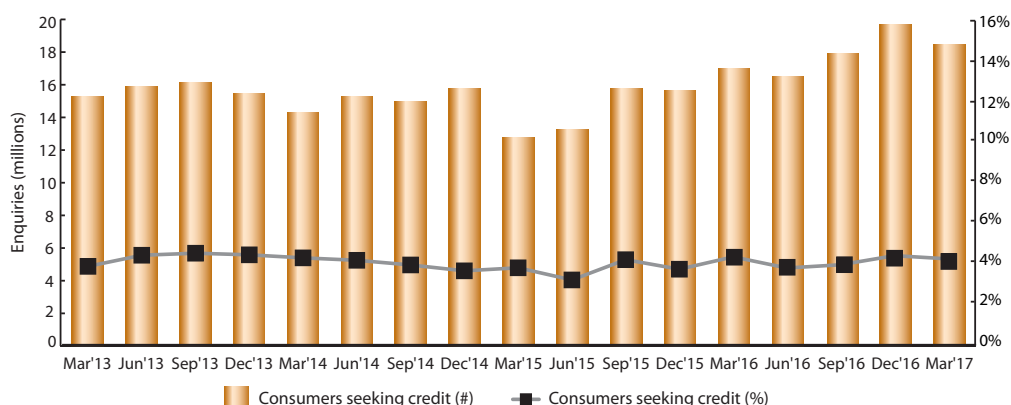
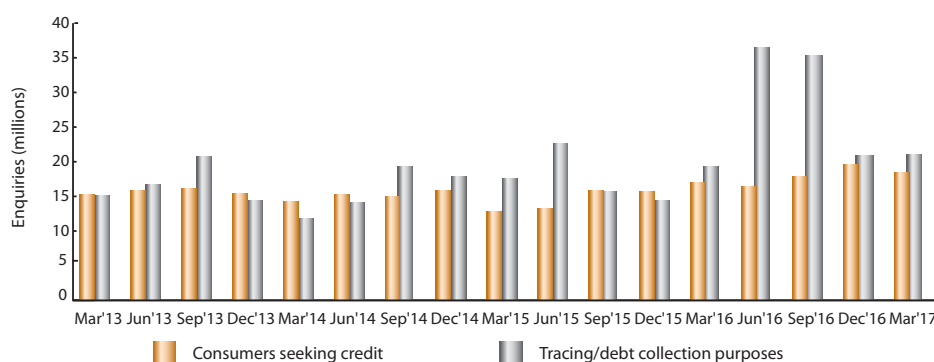


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

There were 280.10 million enquiries made by banks and other financial institutions in the quarter ended March 2017, an increase of 9.2% quarter-on-quarter and a decrease of 2.8% year-on-year. Retailers made 30.01 million enquiries on consumer records, which was an increase of 11.5% quarter-on-quarter and 13.2% year-on-year. Enquiries made by telecommunication providers decreased by 39.8% quarter-on-quarter and increased by 79.8% year-on-year, to 26.23 million in the March 2017 quarter. Enquiries made by debt collection agencies increased by 36.8% quarter-on-quarter and 97.1% year-on-year, to 5.26 million in March 2017 quarter. Enquiries made by all other entities decreased by 17.9% quarter-on-quarter and increased by 58.5% year-on-year, to 94.84 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							
	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	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	Sep 16 to Dec 16	Dec 16 to Mar 17
Banks and other financial institutions	251.74	313.86	262.10	279.00	288.18	293.41	257.26	256.56	280.10	24.7%	-16.5%	6.4%	3.3%	1.8%	-12.3%	-0.3%	9.2%
Retailers	10.03	10.27	26.19	26.90	26.52	26.24	29.83	26.93	30.01	2.5%	155.0%	2.7%	-1.4%	-1.0%	13.7%	-9.7%	11.5%
Telecommunication providers	13.04	22.08	13.38	11.14	14.59	36.65	63.61	43.60	26.23	69.4%	-39.4%	-16.7%	30.9%	151.2%	73.6%	-31.5%	-39.8%
Debt collection agencies	4.87	3.90	4.01	3.10	2.67	3.71	3.42	3.85	5.26	-19.9%	2.7%	-22.6%	-13.9%	38.9%	-7.9%	12.6%	36.8%
All other entities	56.40	62.65	70.37	98.55	59.82	74.36	99.70	115.50	94.84	11.1%	12.3%	40.1%	-39.3%	24.3%	34.1%	15.8%	-17.9%
Total	336.08	412.77	376.04	418.69	391.78	434.37	453.82	446.44	436.44	22.8%	-8.9%	11.3%	-6.4%	10.9%	4.5%	-1.6%	-2.2%

Figure 6: All enquiries – distribution according to sectors

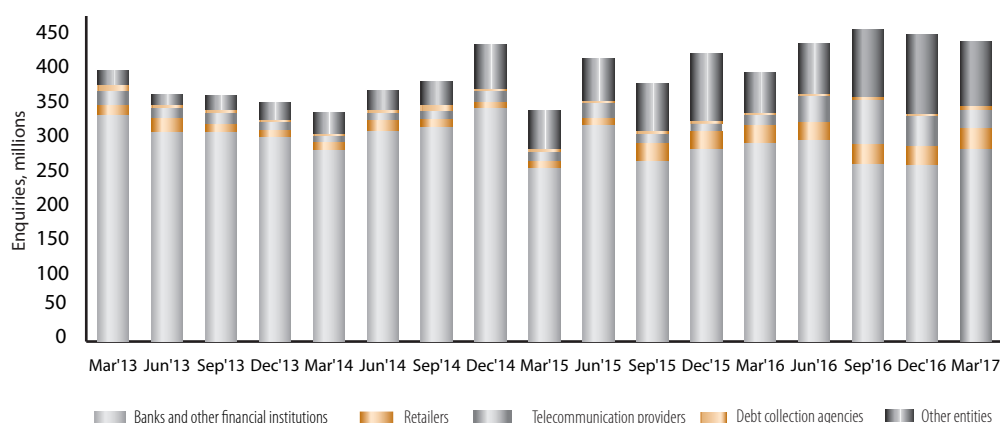


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	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	Sep 16 to Dec 16	Dec 16 to Mar 17	
Consumers seeking credit	10.37	10.77	13.11	13.20	14.97	14.14	14.89	16.58	16.03	3.9%	21.7%	0.7%	13.4%	-5.5%	5.3%	11.4%	-3.3%	
Tracing/debt collection purposes	1.57	1.36	1.34	1.77	3.02	5.35	2.44	1.81	1.92	-13.7%	-1.2%	31.5%	71.1%	77.2%	-54.4%	-25.7%	6.2%	
Other purposes	239.79	301.73	247.65	264.03	270.19	273.92	239.94	238.17	262.14	25.8%	-17.9%	6.6%	2.3%	1.4%	-12.4%	-0.7%	10.1%	
Banks and other financial institutions	251.74	313.86	262.10	279.00	288.18	293.41	257.26	256.56	280.10	24.7%	-16.5%	6.4%	3.3%	1.8%	-12.3%	-0.3%	9.2%	

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	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	Sep 16 to Dec 16	Dec 16 to Mar 17	
Consumers seeking credit	2.39	2.45	2.68	2.43	2.02	2.34	3.02	3.07	2.46	2.6%	9.2%	-9.2%	-17.1%	16.1%	29.0%	1.7%	-20.1%	
Tracing/debt collection purposes	1.00	1.22	1.31	1.27	1.86	1.80	0.81	0.5	1.02	21.4%	7.5%	-2.7%	46.1%	-3.1%	-55.2%	-38%	103.6%	
Other purposes	6.63	6.60	22.20	23.19	22.64	22.10	26.00	23.35	26.54	-0.4%	236.4%	4.4%	-2.4%	-2.4%	17.6%	-10.2%	13.6%	
Retailers	10.03	10.27	26.19	26.90	26.52	26.24	29.83	26.93	30.01	2.5%	155.0%	2.7%	-1.4%	-1.0%	13.7%	-9.7%	11.5%	

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)										Percentage change							
	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	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	Sep 16 to Dec 16	Dec 16 to Mar 17	
Telecommunication services	0.81	0.91	0.74	0.64	0.70	0.67	0.85	1.16	1.05	12.2%	-18.4%	-13.5%	8.6%	-3.9%	25.7%	37.6%	-9.7%	
Tracing/debt collection purposes	8.27	14.64	7.27	6.71	8.52	16.39	26.72	13.22	10.11	77.2%	-50.3%	-7.7%	26.9%	92.5%	63.0%	-50.5%	-23.5%	
Other purposes	3.96	6.53	5.36	3.79	5.37	19.58	36.04	29.22	15.06	64.8%	-17.9%	-29.4%	41.8%	264.8%	84.1%	-18.9%	-48.5%	
Telecommunication providers	13.04	22.08	13.38	11.14	14.59	36.65	63.61	43.60	26.23	69.4%	-39.4%	-16.7%	30.9%	151.2%	73.6%	-31.5%	-39.8%	

Credit bureau activity

Demand for credit reports decreased for the quarter

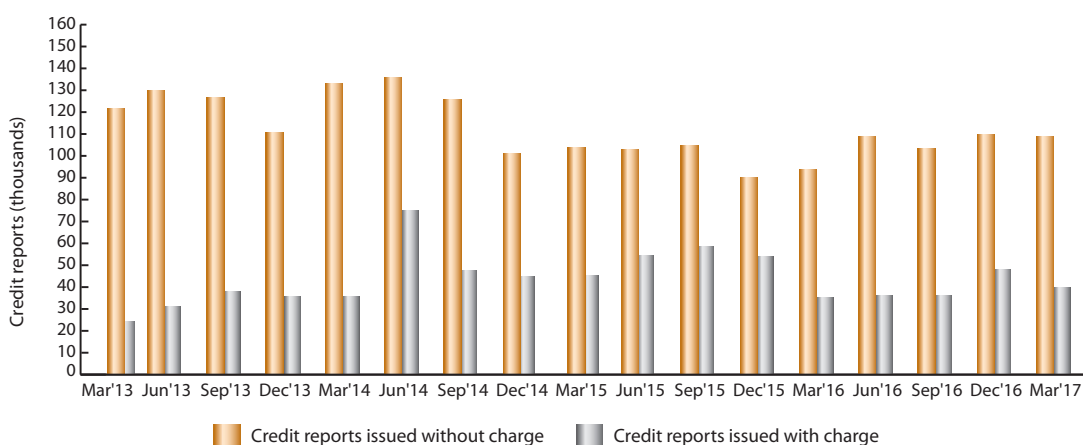
Of the total 148,498 credit reports issued to consumers at their request during the quarter ended March 2017, 73.2% (108,695) were issued without charge, and the remaining 26.8% (39,803) were issued with charge. The total number of credit reports issued decreased by 5.9% quarter-on-quarter and increased by 14.7% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change								
	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	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	Sep 16 to Dec 16	Dec 16 to Mar 17
Issued without charge	101,119	103,771	102,967	104,688	90,150	93,977	108,818	103,258	109,797	108,695	2.6%	-0.8%	1.7%	-13.9%	4.2%	15.8%	-5.1%	6.3%	-1.0%
Issued with charge	44,804	45,451	54,283	58,435	54,060	35,481	36,195	36,144	47,934	39,803	1.4%	19.4%	7.6%	-7.5%	-34.4%	2.0%	-0.1%	32.4%	-17.0%
Total issued	145,923	149,222	157,250	163,118	144,210	129,458	145,013	139,402	157,731	148,498	2.3%	5.4%	3.7%	-11.6%	-10.2%	12.0%	-3.9%	13.1%	-5.9%

Figure 7: Credit reports issued



Consumer disputes

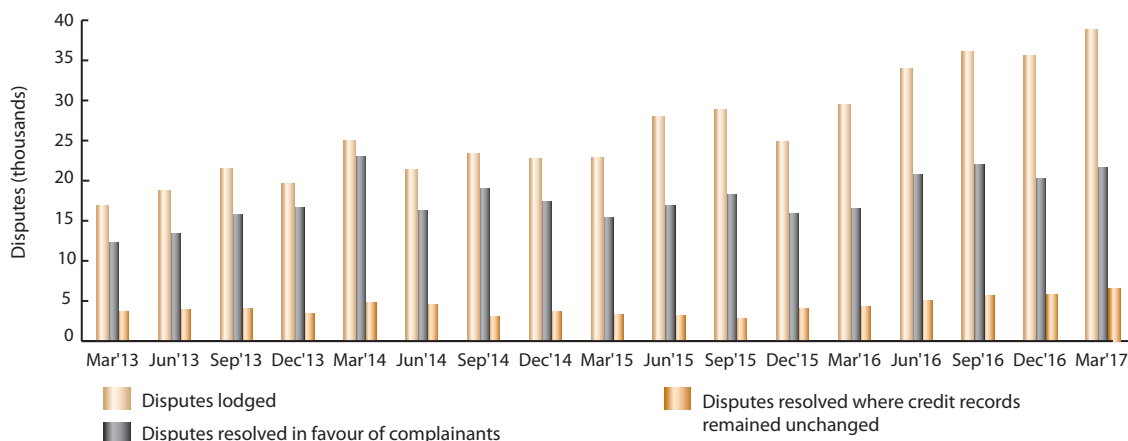
There were 38,882 disputes lodged in respect of the accuracy of the information recorded on consumer credit records in the quarter ended March 2017. This was an increase of 9.0% quarter-on-quarter and 31.5% year-on-year. More disputes were resolved in favour of complainants (21,594) as compared to disputes where credit records remained unchanged (6,573).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	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	Sep 16 to Dec 16	Dec 16 to Mar 17
Lodged	22,912	27,988	28,856	24,920	29,558	33,989	36,118	35,673	38,882	22.2%	3.1%	-13.6%	18.6%	15.0%	6.3%	-1.2%	9.0%
Resolved in favour of complainants	15,349	16,896	18,275	15,870	16,587	20,825	22,060	20,333	21,594	10.1%	8.2%	-13.2%	4.5%	25.6%	5.9%	-7.8%	6.2%
Resolved where credit record remained unchanged	3,371	3,187	2,845	4,068	4,246	5,004	5,687	5,807	6,573	-5.5%	-10.7%	43.0%	4.4%	17.9%	13.6%	1.4%	13.2%

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 forty quarters from december 2007 to March 2017.