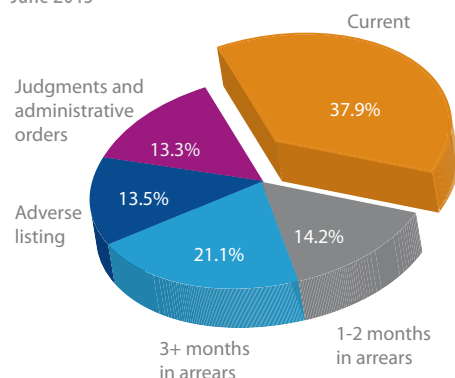


Credit Bureau Monitor

Second Quarter | June 2013

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Credit standing of consumers:
June 2013



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 June 2009 to June 2013, 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 June 2013:

- Credit bureaus held records for 20.21 million credit-active consumers, an increase of 0.6% when compared to the 20.08 million in the previous quarter. Consumers classified in good standing decreased by 31,000, to 10.52 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.5% quarter-on-quarter and 1.0% year-on-year.
- The number of consumers with impaired records increased by 161,000 to 9.69 million, from 9.53 million in the previous quarter.
- The number of accounts increased from 70.73 million in the previous quarter to 71.20 million. The number of impaired accounts increased from 18.31 million to 18.87 million when compared to the previous quarter, an increase of 564,000 quarter-on-quarter and 1.44 million year-on-year.
- A total of 360.01 million enquiries were made on consumer credit records, a decrease of 8.7% quarter-on-quarter and an increase of 8.5% year-on-year. Enquiries initiated by consumers accounted for 15.91 million of all enquiries, an increase of 4.3% quarter-on-quarter and 6.4% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 84.7%, enquiries from retailers accounted for 5.6% and enquiries from telecommunication providers accounted for 4.1%. Banks and other financial institutions' enquiries decreased by 7.3% from the previous quarter, retailers increased by 32.6% and telecommunication providers decreased by 26.7%.
- The number of credit reports issued to consumers increased to 160,702. Of the total credit reports issued, 80.7% (129,761) were issued without charge, and the remaining 19.3% (30,941) were issued with charge.
- There were 18,792 disputes lodged on information held on consumer credit records for the quarter ended June 2013, an increase of 11.4% quarter-on-quarter and 54.7% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor covers the period from the quarter ended June 2009 to June 2013.

Comparisons in this report: "quarter-on-quarter" refers to a comparison between the June 2013 and March 2013 quarters, and "year-on-year" refers to a comparison between the June 2013 and June 2012 quarters.

Credit-active consumers

There were 20.21 million credit-active consumers as at the end of June 2013

Credit bureaus held records for more than 43.72 million individuals on their databases as at the end of June 2013. From these records, 20.21 million (46.2%) were credit-active and the remaining records contained only identification information and no credit activity. The number of credit-active consumers increased by 130,000 quarter-on-quarter and 607,000 year-on-year.

The percentage of consumers in good standing decreased for the quarter

Consumers classified in good standing decreased by 31,000 to 10.52 million consumers. As a percentage of the total number of credit-active consumers, this reflects a decrease of 0.5% quarter-on-quarter and 1.0% year-on-year. Of the total 20.21 million credit-active consumers, 52.0% were in good standing.

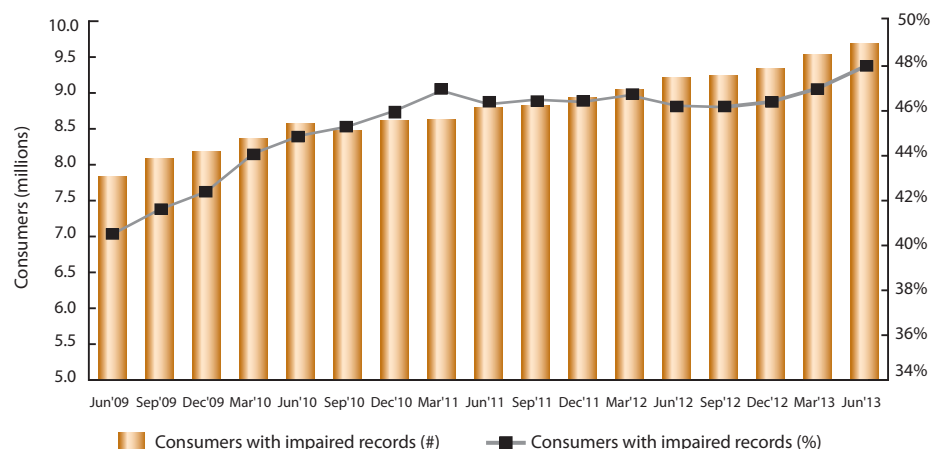
The number of consumers with impaired records (the inverse of those in good standing) increased by 161,000 to 9.69 million. The percentage of credit-active consumers with impaired records increased to 48.0%, comprising of 21.1% of consumers in three months or more in arrears, 13.5% of consumers with adverse listings, and 13.3% 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

	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13
Good standing (#)	9.86m	9.90m	9.97m	10.04m	10.27m	10.41m	10.44m	10.38m	10.45m	10.62m	10.55m	10.52m
Good standing (%)	53.7%	53.5%	53.6%	53.3%	53.8%	53.8%	53.6%	53.0%	53.0%	53.2%	52.5%	52.0%
Current (%)	39.9%	39.2%	39.1%	39.1%	39.6%	39.1%	38.6%	38.6%	38.8%	38.0%	37.2%	37.9%
1-2 months in arrears (%)	13.8%	14.3%	14.5%	14.2%	14.2%	14.7%	15.0%	14.4%	14.3%	15.3%	15.4%	14.2%
Impaired records (#)	8.49m	8.61m	8.63m	8.80m	8.83m	8.93m	9.05m	9.22m	9.25m	9.34m	9.53m	9.69m
Impaired records (%)	46.3%	46.5%	46.4%	46.7%	46.2%	46.2%	46.4%	47.0%	47.0%	46.8%	47.5%	48.0%
3+ months in arrears (%)	17.0%	17.8%	17.7%	18.5%	18.7%	19.0%	19.9%	19.5%	19.7%	20.1%	20.5%	21.1%
Adverse listings (%)	15.4%	14.6%	14.4%	13.9%	13.2%	12.9%	12.3%	13.3%	12.9%	12.7%	13.5%	13.5%
Judgments and administration orders (%)	13.9%	14.1%	14.3%	14.3%	14.3%	14.3%	14.2%	14.2%	14.3%	13.9%	13.5%	13.3%
Credit-active consumers (#)	18.35m	18.51m	18.60m	18.84m	19.10m	19.34m	19.49m	19.60m	19.69m	19.97m	20.08m	20.21m

Figure 1: Consumers with impaired records



Consumer accounts

There were 71.20 million accounts on record at the bureaus as at the end of June 2013

At the end of the reporting quarter there were 71.20 million accounts recorded at registered credit bureaus. This was an increase of 0.7% quarter-on-quarter and 4.2% year-on-year.

The percentage of accounts in good standing decreased this quarter

Of the 71.20 million accounts, 52.33 million (73.5%) were classified as in good standing, a negative variance of 0.6% quarter-on-quarter and 1.0% year-on-year.

As at the end of June 2013:

- 64.5% of accounts were classified as current (increased quarter-on-quarter by 0.2% and decreased year-on-year by 1.2%).
- 9.0% had missed one or two instalments (decreased quarter-on-quarter by 0.8% and increased year-on-year by 0.2%).
- 18.5% had missed three or more instalments (increased quarter-on-quarter by 0.5% and increased year-on-year by 0.8%).
- 5.1% had adverse listings (increased quarter-on-quarter by 0.1% and year-on-year by 0.4%).
- 2.9% had judgments or administration orders (remained unchanged quarter-on-quarter and decreased year-on-year by 0.2%).

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

Table 2: Credit standing of accounts

	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13
Good standing (#)	47.85m	47.91m	46.80m	48.53m	49.48m	50.62m	50.57m	50.88m	51.02m	52.02m	52.42m	52.33m
Good standing (%)	74.3%	74.5%	74.2%	74.7%	74.9%	75.0%	74.9%	74.5%	74.7%	74.8%	74.1%	73.5%
Current (%)	65.9%	65.9%	65.1%	65.4%	66.3%	66.0%	65.6%	65.7%	66.0%	65.4%	64.3%	64.5%
1-2 months in arrears (%)	8.4%	8.6%	9.1%	9.3%	8.7%	8.9%	9.3%	8.8%	8.7%	9.4%	9.8%	9.0%
Impaired records (#)	16.55m	16.36m	16.26m	16.47m	16.54m	16.91m	16.94m	17.43m	17.26m	17.52m	18.31m	18.87m
Impaired records (%)	25.7%	25.5%	25.8%	25.3%	25.1%	25.0%	25.1%	25.5%	25.3%	25.2%	25.9%	26.5%
3+ months in arrears (%)	16.3%	16.5%	16.9%	17.1%	17.3%	17.5%	18.1%	17.7%	17.7%	17.8%	18.0%	18.5%
Adverse listings (%)	5.4%	5.0%	4.9%	4.4%	4.0%	4.1%	3.7%	4.7%	4.5%	4.4%	5.0%	5.1%
Judgments and administration orders (%)	4.0%	3.9%	4.0%	3.8%	3.7%	3.5%	3.3%	3.1%	3.1%	3.0%	2.9%	2.9%
Consumer accounts (#)	64.40m	64.28m	63.05m	65.00m	66.03m	67.53m	67.51m	68.30m	68.28m	69.53m	70.73m	71.20m

Figure 2: Accounts with impaired records

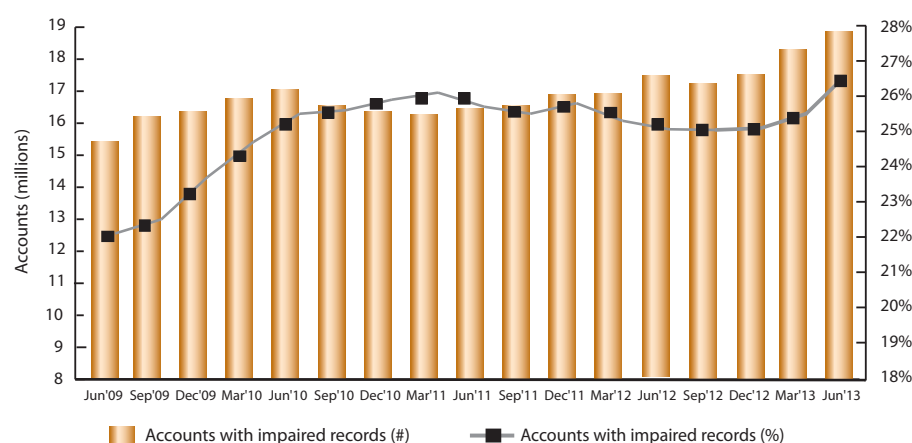
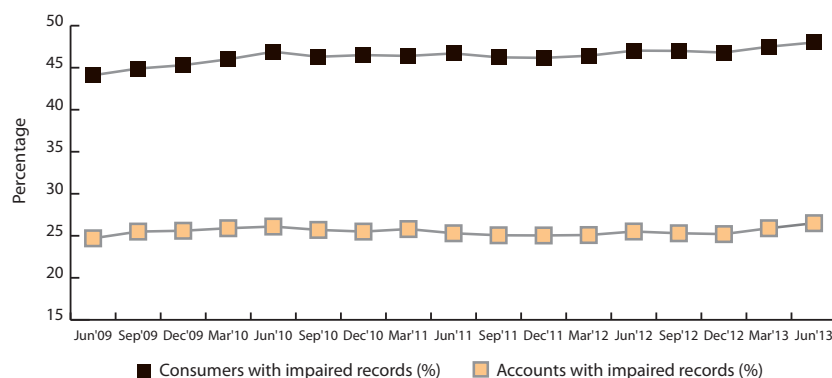


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

In the quarter ended June 2013, 360.01 million enquiries were made. This was a decrease of 8.7% quarter-on-quarter and an increase of 8.5% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 15.91 million enquiries were made due to consumers seeking credit (increased by 4.3% quarter-on-quarter and 6.4% year-on-year).
- 0.70 million enquiries were related to telecommunication services (increased by 2.3% quarter-on-quarter and decreased by 7.9% year-on-year).
- 16.78 million enquiries were made for tracing/debt collection purposes (increased by 10.7% quarter-on-quarter and 26.9% year-on-year).
- 326.61 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact information update (decreased by 10.1% quarter-on-quarter and increased by 7.8% 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							
	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13
Consumers seeking credit	12.18	13.36	14.88	13.39	14.96	15.92	17.18	15.26	15.91	9.6%	11.4%	-10.0%	11.7%	6.4%	7.9%	-11.2%	4.3%
Telecommunication services	0.84	0.99	1.02	0.81	0.76	0.73	0.74	0.68	0.70	17.3%	2.9%	-20.7%	-6.4%	-3.5%	1.8%	-8.4%	2.3%
Tracing/debt collection purposes	19.62	20.34	20.84	18.46	13.22	14.19	10.41	15.16	16.78	3.7%	2.5%	-11.4%	-28.4%	7.3%	-26.6%	45.6%	10.7%
Other	217.06	223.64	249.21	277.75	302.91	290.05	310.86	363.37	326.61	3.0%	11.4%	11.5%	9.1%	-4.2%	7.2%	16.9%	-10.1%
Total	249.70	258.33	285.95	310.42	331.84	320.89	339.20	394.47	360.01	3.5%	10.7%	8.6%	6.9%	-3.3%	5.7%	16.3%	-8.7%

Figure 4: Enquiries due to consumers seeking credit

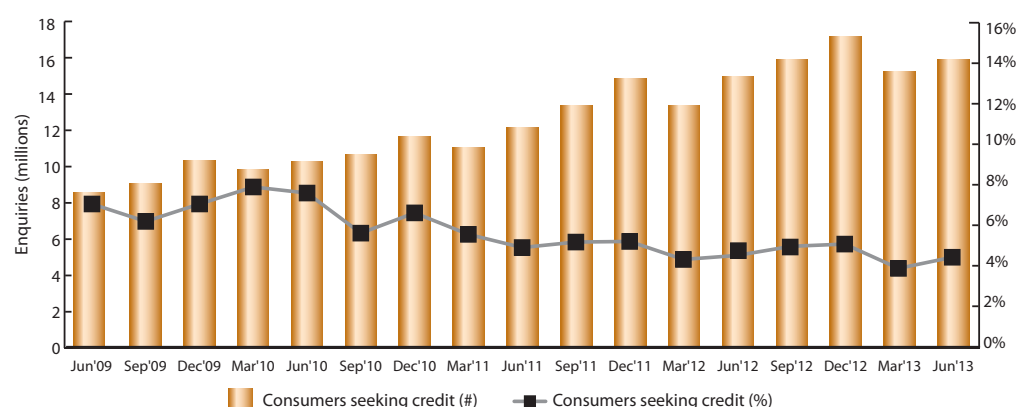
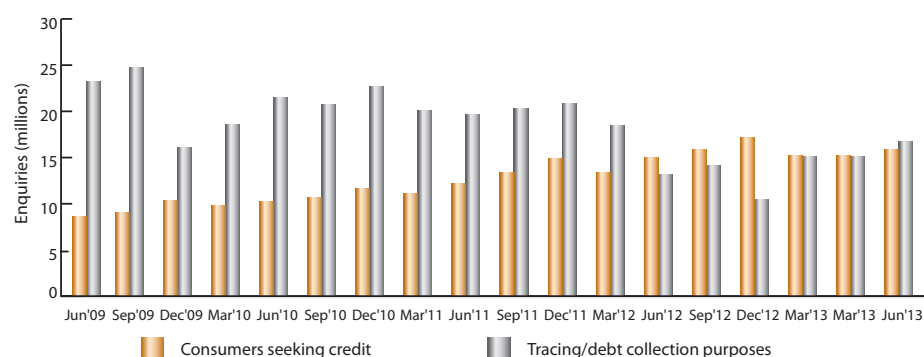


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

In the quarter ended June 2013, 304.81 million enquiries were made by banks and other financial institutions, a decrease of 7.3% quarter-on-quarter and an increase of 19.9% year-on-year. Retailers made 20.14 million enquiries on consumer records, which was an increase of 32.6% quarter-on-quarter and 55.1% year-on-year. Enquiries made by telecommunication providers decreased by 26.7% quarter-on-quarter and 60.8% year-on-year, to 14.76 million in June 2013 quarter. Enquiries made by debt collection agencies decreased by 47.5% quarter-on-quarter and 16.1% year-on-year, to 4.53 million in June 2013 quarter. Enquiries made by all other entities showed a quarter-on-quarter decrease of 27.8% and 27.3% year-on-year, to 15.76 million.

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

Table 4: All enquiries – distribution according to sectors

Number of enquiries (millions)										Percentage change							
Enquiries by:	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13
Banks and other financial institutions	169.64	192.51	220.68	236.31	254.14	262.00	285.27	328.68	304.81	13.5%	14.6%	7.1%	7.5%	3.1%	8.9%	15.2%	-7.3%
Retailers	19.65	13.42	14.55	11.89	12.99	14.04	12.60	15.18	20.14	-31.7%	8.4%	-18.3%	9.2%	8.1%	-10.3%	20.5%	32.6%
Telecommunication providers	38.28	24.02	22.69	32.83	37.62	24.45	22.56	20.16	14.76	-37.3%	-5.5%	44.7%	14.6%	-35.0%	-7.7%	-10.7%	-26.7%
Debt collection agencies	7.06	10.21	10.95	7.66	5.40	7.07	3.88	8.64	4.53	44.6%	7.3%	-30.1%	-29.4%	30.9%	-45.1%	122.4%	-47.5%
All other entities	15.07	18.17	17.08	21.73	21.70	13.32	14.89	21.82	15.76	20.6%	-6.0%	27.2%	-0.1%	-38.6%	11.7%	46.5%	-27.8%
Total	249.70	258.33	285.95	310.42	331.84	320.89	339.20	394.47	360.01	3.5%	10.7%	8.6%	6.9%	-3.3%	5.7%	16.3%	-8.7%

Figure 6: All enquiries – distribution according to sectors

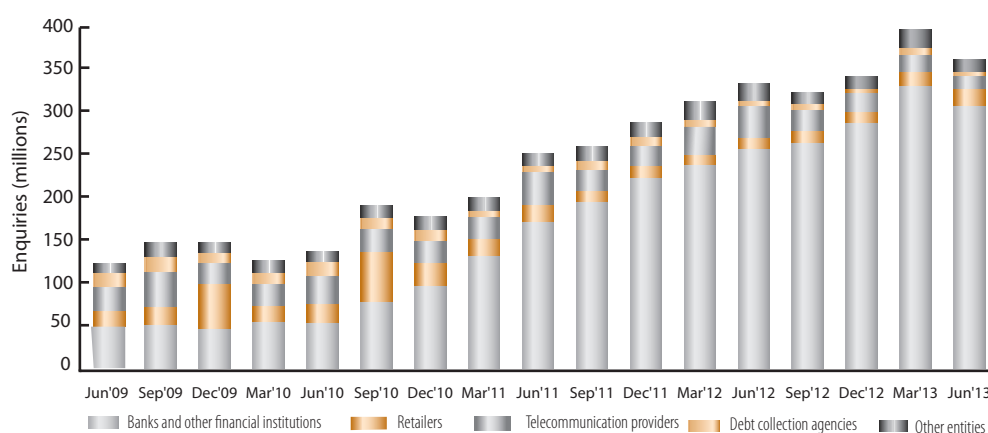


Table 5: Enquiries by banks and other financial institutions

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13
Consumers seeking credit	10.05	11.16	12.22	11.49	12.40	13.26	14.08	12.96	13.34	11.0%	9.5%	-6.0%	7.9%	7.0%	6.2%	-8.0%	2.9%
Tracing/debt collection purposes	1.32	3.47	5.13	7.18	2.68	2.18	2.17	1.45	2.06	163.0%	47.8%	40.0%	-62.8%	-18.4%	-0.7%	-33.3%	42.3%
Other purposes	158.27	177.88	203.33	217.64	239.06	246.55	269.02	314.27	289.42	12.4%	14.3%	7.0%	9.8%	3.1%	9.1%	16.8%	-7.9%
Banks and other financial institutions	169.64	192.51	220.68	236.31	254.14	262.00	285.27	328.68	304.81	13.5%	14.6%	7.1%	7.5%	3.1%	8.9%	15.2%	-7.3%

Table 6: Enquiries by retailers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar13 to Jun 13
Consumers seeking credit	2.13	2.20	2.66	1.91	2.56	2.66	3.10	2.30	2.57	3.1%	21.1%	-28.4%	34.1%	3.9%	16.8%	-25.8%	11.8%
Tracing/debt collection purposes	0.41	0.53	0.61	0.54	0.56	0.55	0.72	0.48	0.59	28.7%	15.4%	-11.1%	3.1%	-1.1%	31.0%	-32.7%	21.1%
Other purposes	17.12	10.70	11.28	9.45	9.87	10.84	8.78	12.40	16.97	-37.5%	5.4%	-16.3%	4.5%	9.8%	-19.0%	41.2%	36.9%
Retailers	19.65	13.42	14.55	11.89	12.99	14.04	12.60	15.18	20.14	-31.7%	8.4%	-18.3%	9.2%	8.1%	-10.3%	20.5%	32.6%

Table 7: Enquiries by telecommunication providers

Number of enquiries (millions)										Percentage change							
Enquiry purpose:	Jun 11	Sep 11	Dec 11	Mar12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13
Telecommunication services	0.84	0.99	1.02	0.81	0.76	0.73	0.74	0.68	0.70	17.3%	2.9%	-20.7%	-6.4%	-3.5%	1.8%	-8.4%	2.3%
Tracing/debt collection purposes	10.25	5.48	3.65	2.42	3.92	1.68	2.85	3.69	8.49	-46.5%	-33.4%	-33.8%	62.2%	-57.3%	70.0%	29.5%	130.0%
Other purposes	27.19	17.55	18.02	29.61	32.94	22.04	18.97	15.78	5.58	-35.5%	2.7%	64.3%	11.2%	-33.1%	-13.9%	-16.8%	-64.7%
Telecommunication providers	38.28	24.02	22.69	32.83	37.62	24.45	22.56	20.16	14.76	-37.3%	-5.5%	44.7%	14.6%	-35.0%	-7.7%	-10.7%	-26.7%

Credit bureau activity

Demand for credit reports increased for the quarter

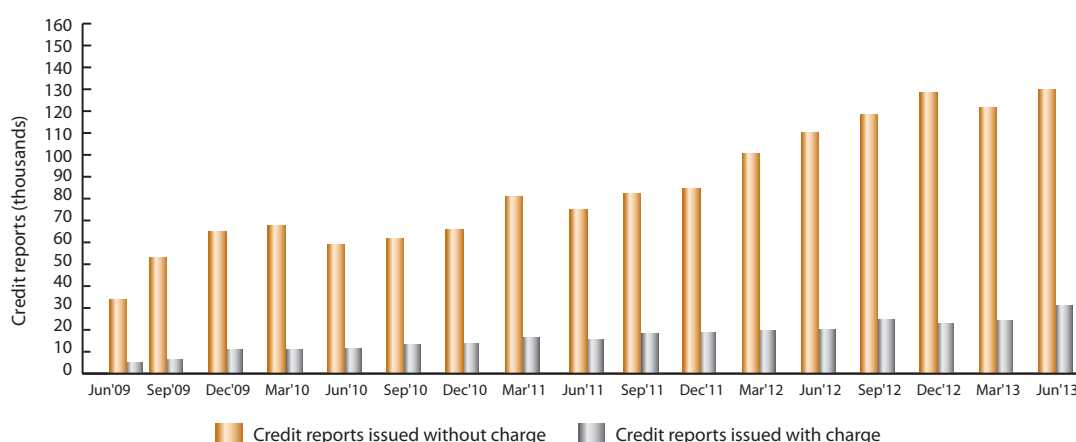
Of the total 160,702 credit reports issued to consumers at their request during the quarter ended June 2013, 80.7% (129,761) were issued without charge, and the remaining 19.3% (30,941) were issued with charge. The total number of credit reports issued increased by 10.3% quarter-on-quarter and 23.1% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Number of credit reports											Percentage change								
Credit reports:	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Jun 13	Dec 10 to Mar 11	Mar11 to Jun11	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	
Issued without charge	81,179	74,837	82,348	84,561	100,446	110,137	118,503	128,339	121,659	129,761	22.9%	-7.8%	10.0%	2.7%	18.8%	9.6%	7.6%	8.3%	6.7%
Issued with charge	16,399	15,694	18,537	18,842	19,648	20,384	24,590	23,077	24,061	30,941	20.6%	-4.3%	18.1%	1.6%	4.3%	3.7%	20.6%	-6.2%	28.6%
Total issued	97,578	90,531	100,885	103,402	120,094	130,521	143,093	151,416	145,720	160,702	22.5%	-7.2%	11.4%	2.5%	16.1%	8.7%	9.6%	5.8%	10.3%

Figure 7: Credit reports issued



Consumer disputes

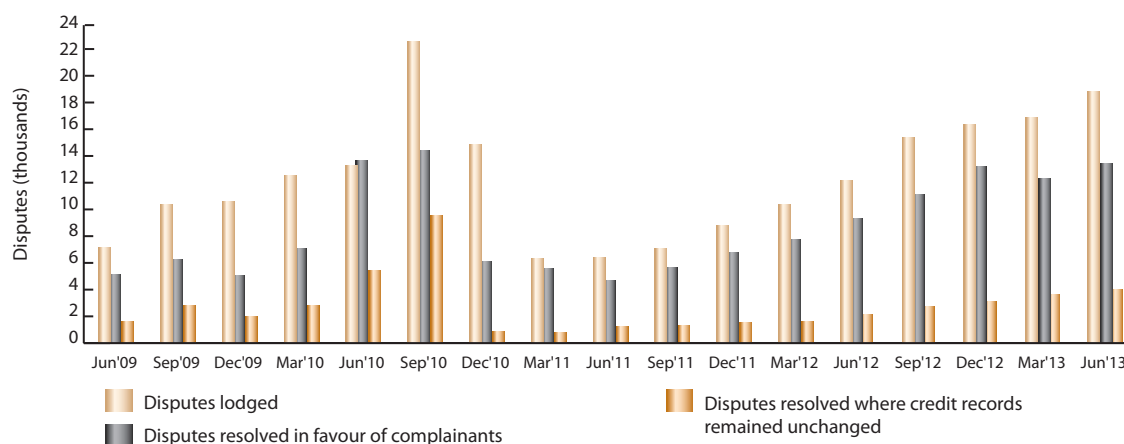
In the quarter ended June 2013, 18,792 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 11.4% and a year-on-year increase of 54.7%. More disputes were resolved in favour of complainants (13,449) as compared to disputes where credit records remained unchanged (3,989).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13	Mar 13	Jun 11 to Sep 11	Sep 11 to Dec 11	Dec 11 to Mar 12	Mar 12 to Jun 12	Jun 12 to Sep 12	Sep 12 to Dec 12	Dec 12 to Mar 13	Mar 13 to Jun 13
Lodged	6,437	7,070	8,826	10,357	12,149	15,356	16,368	16,868	18,792	9.8%	24.8%	17.3%	17.3%	26.4%	6.6%	3.1%	11.4%
Resolved in favour of complainants	4,715	5,652	6,761	7,722	9,351	11,137	13,198	12,313	13,449	19.9%	19.6%	14.2%	21.1%	19.1%	18.5%	-6.7%	9.2%
Resolved where credit record remained unchanged	1,257	1,305	1,562	1,646	2,162	2,759	3,143	3,670	3,989	3.8%	19.7%	5.4%	31.3%	27.6%	13.9%	16.8%	8.7%

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

- Where values have been rounded off, the percentage calculations and summed totals are calculated off the unrounded values.
- Refer to the NCR website for complete tables of twenty-five quarters from June 2007 to June 2013.