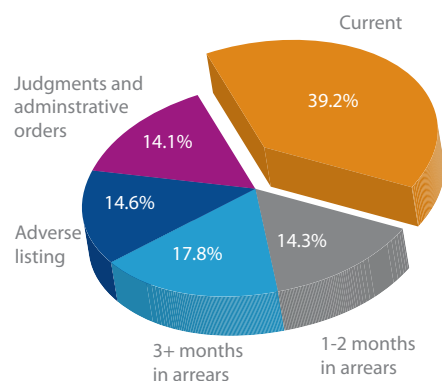


Credit Bureau Monitor

Fourth Quarter | December 2010

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Credit standing of consumers: December 2010



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 is for fifteen* quarters, from quarter ended June 2007 to quarter ended December 2010, and is based on data held by registered credit bureaus in terms of the National Credit Act.

Summary

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

As at the end of December 2010, credit bureaus had records for 18.51 million credit-active consumers:

- Of the 18.51 million credit-active consumers, 53.5% (9.90m) were classified as in good standing.
- The number of consumers with impaired records increased to 8.61m this reporting quarter. This indicates a deterioration in the credit records of 120 000 consumers quarter-on-quarter and 426 000 year-on-year.
- In terms of accounts, the number of impaired accounts decreased by 189 000, to 16.36 million. This is a decrease of 0.2% over the previous quarter.
- A total of 176.65 million enquiries were made on consumer credit records, a decrease of 6.9% quarter-on-quarter and an increase of 20.3% year-on-year. Enquiries initiated by consumers accounted for 11.68 million of all enquiries, an increase of 9.6% quarter-on-quarter and 12.8% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 54.2%, enquiries from retailers accounted for 14.9% and enquiries from telecommunications providers accounted for 14.8%. Banks and other financial institutions' enquiries increased by 25.3% from the previous quarter, retailers decreased by 54.7% and telecommunication providers decreased by 4.3%, compared to the last quarter.
- The number of credit reports issued to consumers increased to 79,635. Of the total credit reports issued, 82.9% (66,034) were issued without charge, and the remaining 17.1% (13,601) were issued with charge.
- There were 14,836 disputes lodged on information held on consumer credit records for the quarter ended December 2010, which was a decrease of 34.3% quarter-on-quarter and an increase of 40.3% year-on-year.

Introduction

The information reflected in this Credit Bureau Monitor is for fifteen* quarters, from quarter ended June 2007 to quarter ended December 2010. (* See note on the last page)

Comparisons in this report: - 'quarter-on-quarter' refers to a comparison between the December 2010 and September 2010 quarters, and 'year-on-year' refers to a comparison between the December 2010 and December 2009 quarters.

Credit-active consumers

There were 18.51 million credit-active consumers as at the end of December 2010

Credit bureaus held records for more than 39.64 million individuals on their databases, of which 18.51 million (46.7%) were credit-active, as at the end of December 2010. The remaining records contained only identification information and no credit activity.

The percentage of consumers in good standing decreased for the quarter

The percentage of consumers in good standing decreased this reporting quarter. Of the total 18.51 million credit-active consumers, 53.5% were in good standing, a decrease of 0.2% quarter-on-quarter and 1.2% year-on-year.

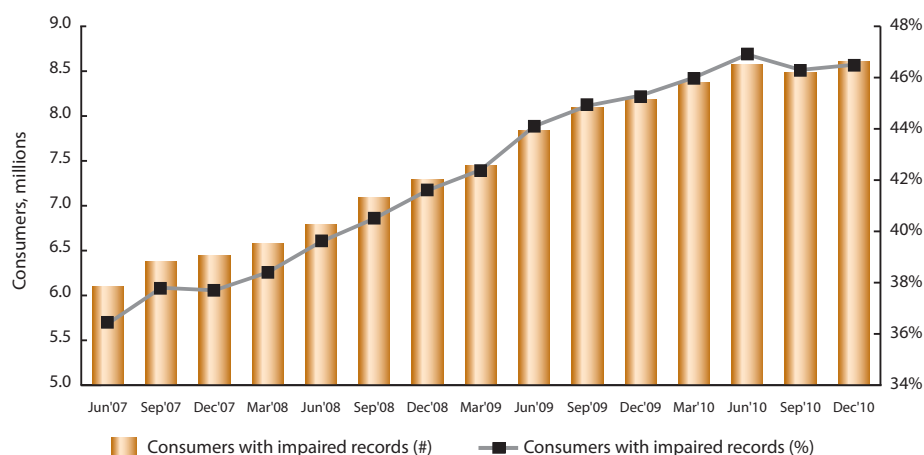
The percentage of consumers with impaired records (the inverse of those in good standing) increased to 46.5% - comprising 17.8% of consumers in 3 months or more in arrears, 14.6% of consumers with adverse listings, and 14.1% of consumers with judgments and administration orders.

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

Table 1: Credit standing of consumers

	Mar'08	Jun'08	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10
Good standing (#)	10.55m	10.38m	10.43m	10.26m	10.15m	9.94m	9.92m	9.89m	9.84m	9.73m	9.86m	9.90m
Good standing (%)	61.6%	60.4%	59.5%	58.4%	57.6%	55.9%	55.1%	54.7%	54.0%	53.1%	53.7%	53.5%
Current (%)	45.1%	44.9%	44.9%	43.6%	42.3%	41.7%	41.2%	40.5%	39.5%	39.2%	39.9%	39.2%
1-2 months in arrears (%)	16.5%	15.5%	14.6%	14.8%	15.3%	14.2%	13.9%	14.2%	14.5%	13.9%	13.8%	14.3%
Impaired records (#)	6.59m	6.79m	7.10m	7.30m	7.46m	7.85m	8.09m	8.18m	8.37m	8.59m	8.49m	8.61m
Impaired records (%)	38.4%	39.6%	40.5%	41.6%	42.4%	44.1%	44.9%	45.3%	46.0%	46.9%	46.3%	46.5%
3+ months in arrears (%)	14.3%	15.3%	15.7%	15.1%	15.3%	16.8%	17.0%	17.3%	17.2%	17.3%	17.0%	17.8%
Adverse listings (%)	12.8%	13.1%	12.2%	13.8%	14.2%	14.2%	14.7%	14.6%	15.0%	15.6%	15.4%	14.6%
Judgments and administration orders (%)	11.3%	11.2%	12.6%	12.7%	12.9%	13.1%	13.3%	13.3%	13.7%	13.9%	13.9%	14.1%
Credit-active consumers (#)	17.14m	17.17m	17.53m	17.56m	17.61m	17.79m	18.01m	18.07m	18.21m	18.32m	18.35m	18.51m

Figure 1: Consumers with impaired records



Consumer accounts

There were 64.28 million accounts on record at the bureaus as at the end of December 2010

At the end of the reporting quarter there were 64.28 million accounts recorded at registered credit bureaus. This was a decrease of 0.2% quarter-on-quarter and an increase of 0.5% year-on-year.

The percentage of accounts in good standing increased slightly

Of the 64.28 million accounts, 74.5% were classified as in good standing, a positive variance of 0.2% quarter-on-quarter and 0.2% year-on-year.

As at the end of December 2010:

- 65.9% of accounts were classified as current (remained unchanged quarter-on-quarter and increased year-on-year by 0.3%);
- 8.6% had missed one or two instalments (increased quarter-on-quarter by 0.2% and decreased year-on-year by 0.2%);
- 16.5% had missed three or more instalments (increased quarter-on-quarter by 0.2% and year-on-year by 0.6%);
- 5.0% had adverse listings (decreased quarter-on-quarter by 0.4% and year-on-year by 0.7%); and
- 3.9% had judgments or administration orders (decreased quarter-on-quarter by 0.1% and year-on-year by 0.1%).

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

Table 2: Credit standing of accounts

	Mar'08	Jun'08	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10
Good standing (#)	45.32m	46.81m	47.39m	47.22m	46.16m	46.87m	47.33m	47.56m	47.99m	48.22m	47.85m	47.91m
Good standing (%)	78.0%	77.8%	77.9%	77.5%	76.3%	75.3%	74.5%	74.4%	74.1%	73.9%	74.3%	74.5%
Current (%)	67.3%	68.1%	68.7%	68.3%	66.2%	66.2%	65.6%	65.6%	65.1%	65.4%	65.9%	65.9%
1-2 months in arrears (%)	10.7%	9.7%	9.2%	9.2%	10.1%	9.1%	8.9%	8.8%	9.0%	8.5%	8.4%	8.6%
Impaired records (#)	12.80m	13.32m	13.43m	13.73m	14.36m	15.41m	16.21m	16.38m	16.76m	17.06m	16.55m	16.36m
Impaired records (%)	22.0%	22.2%	22.1%	22.5%	23.7%	24.7%	25.5%	25.6%	25.9%	26.1%	25.7%	25.5%
3+ months in arrears (%)	10.4%	11.4%	12.5%	12.4%	13.3%	14.6%	15.1%	15.9%	15.7%	16.2%	16.3%	16.5%
Adverse listings (%)	6.6%	5.9%	4.9%	5.7%	6.0%	5.9%	6.1%	5.7%	6.1%	5.9%	5.4%	5.0%
Judgments and administration orders (%)	5.0%	4.9%	4.7%	4.4%	4.4%	4.3%	4.2%	4.0%	4.1%	4.1%	4.0%	3.9%
Consumer accounts (#)	58.12m	60.14m	60.82m	60.95m	60.52m	62.29m	63.54m	63.94m	64.75m	65.28m	64.40m	64.28m

Figure 2: Accounts with impaired records

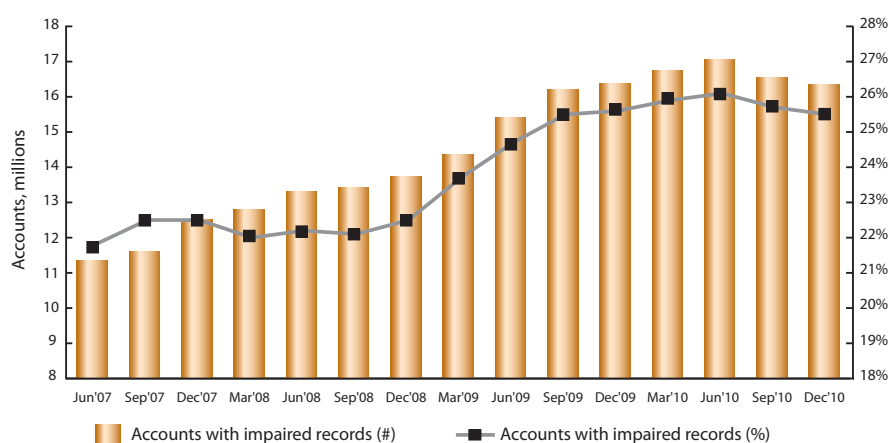
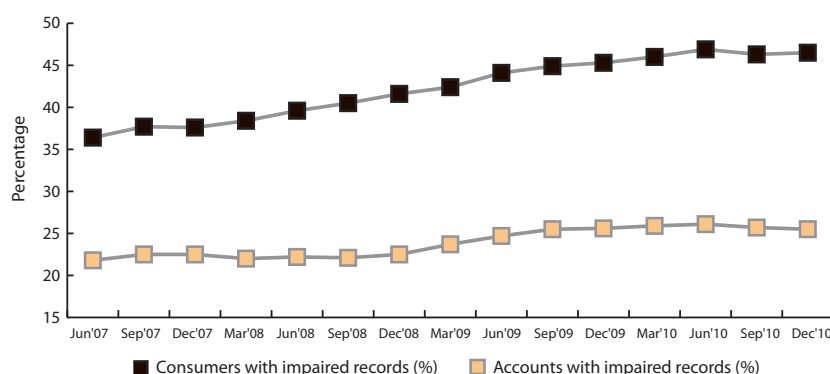


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records decreased for the quarter

In the quarter ended December 2010, 176.65 million enquiries were made. This was a decrease of 6.9% quarter-on-quarter and an increase of 20.3% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 11.68 million enquiries were made due to consumers seeking credit (increased by 9.6% quarter-on-quarter and 12.8% year-on-year);
- 1.37 million enquiries were related to telecommunication services (increased by 63.9% quarter-on-quarter and 68.1% year-on-year);
- 22.68 million enquiries were made for tracing / debt collection purposes (increased by 9.5% quarter-on-quarter and 41.2% year-on-year); and
- 140.92 million enquiries were made for other purposes – excluding those purposes mentioned above (decreased by 10.6% quarter-on-quarter and increased by 17.8% 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							
	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10	Sep'10 to Dec'10
Consumers seeking credit	8.99	8.24	8.60	9.05	10.35	9.85	10.28	10.65	11.68	-8.4%	4.4%	5.3%	14.3%	-4.9%	4.4%	3.7%	9.6%
Telecommunication services	0.73	0.58	0.69	0.81	0.82	0.74	0.70	0.84	1.37	-19.7%	19.2%	16.5%	0.7%	-8.8%	-6.2%	19.9%	63.9%
Tracing/debt collection purposes	11.15	9.39	23.19	24.70	16.06	18.57	21.47	20.72	22.68	-15.8%	147.1%	6.4%	-35.0%	15.6%	15.6%	-3.5%	9.5%
Other	80.66	80.68	89.51	111.73	119.65	95.68	102.89	157.63	140.92	0.0%	10.9%	24.9%	7.1%	-20.0%	7.5%	53.2%	-10.6%
Total	101.53	98.89	121.99	146.30	146.88	124.84	135.34	189.84	176.65	-2.6%	23.4%	19.9%	0.4%	-15.0%	8.4%	40.3%	-6.9%

Figure 4: Enquiries due to consumers seeking credit

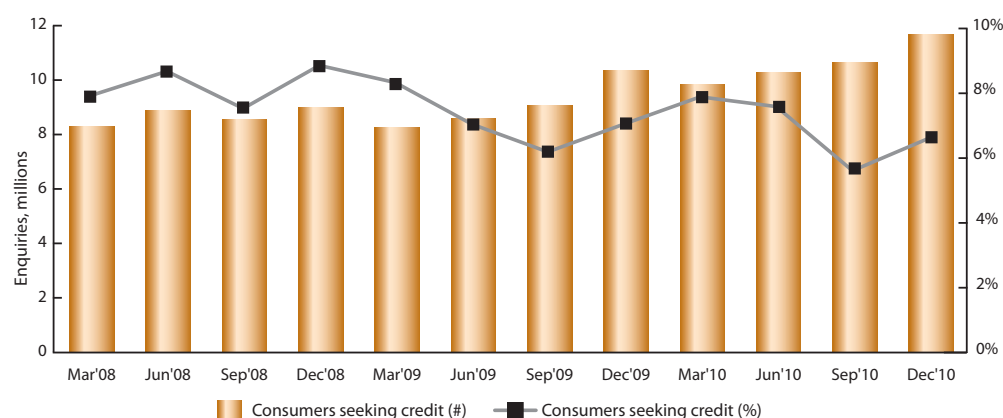
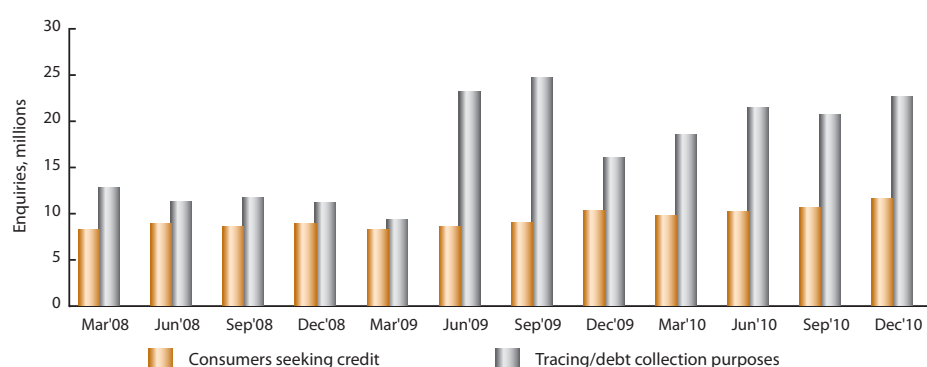


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

In the quarter ended December 2010, 95.69 million enquiries were made by banks and other financial institutions, an increase of 25.3% quarter-on-quarter and 111.5% year-on-year. Retailers made 26.25 million enquiries on consumer records, which was a decrease of 54.7% quarter-on-quarter and 50.2% year-on-year. Enquiries done by telecommunication providers decreased by 4.3% quarter-on-quarter and increased by 10.1% year-on-year, to 26.18 million in December 2010 quarter. Enquiries done by debt collection agencies increased by 0.8% quarter-on-quarter and 9.1% year-on-year, to 12.36 million in December 2010 quarter. Enquiries by all other entities showed a quarter-on-quarter increase of 1.1% and a year-on-year increase of 17.2%, to 16.17 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							
	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10	Sep'10 to Dec'10
Banks and other financial institutions	40.82	41.86	48.34	49.40	45.24	53.04	52.37	76.34	95.69	2.6%	15.5%	2.2%	-8.4%	17.3%	-1.3%	45.8%	25.3%
Retailers	29.83	22.39	17.21	21.46	52.73	18.67	22.37	57.89	26.25	-24.9%	-23.1%	24.7%	145.7%	-64.6%	19.8%	158.8%	-54.7%
Telecommunication providers	12.30	14.13	28.75	40.73	23.79	25.75	31.48	27.36	26.18	14.9%	103.5%	41.7%	-41.6%	8.3%	22.2%	-13.1%	-4.3%
Debt collection agencies	5.59	4.77	15.93	17.87	11.33	12.57	16.97	12.26	12.36	-14.8%	234.1%	12.1%	-36.6%	11.0%	34.9%	-27.7%	0.8%
All other entities	12.99	15.74	11.76	16.84	13.79	14.81	12.16	16.00	16.17	21.2%	-25.3%	43.5%	-18.1%	7.3%	-17.9%	31.5%	1.1%
Total	101.53	98.89	121.99	146.30	146.88	124.84	135.34	189.84	176.65	-2.6%	23.4%	19.9%	0.4%	-15.0%	8.4%	40.3%	-6.9%

Figure 6: All enquiries – distribution according to sectors

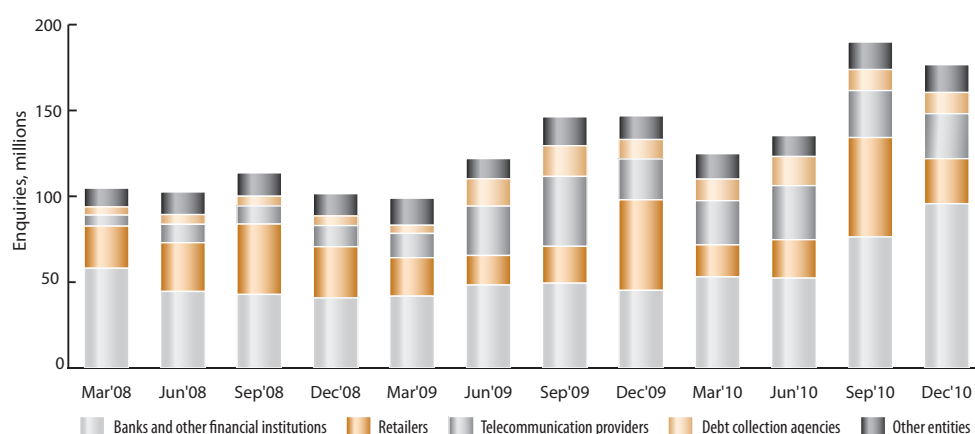


Table 5: Enquiries by banks and other financial institutions

Number of enquiries (Millions)										Percentage change							
Enquiry Purpose:	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10	Sep'10 to Dec'10
Consumers seeking credit	6.61	6.64	6.79	7.39	8.29	8.29	8.46	8.82	9.34	0.4%	2.3%	8.8%	12.2%	0.0%	2.0%	4.3%	6.0%
Tracing/debt collection purposes	2.64	2.42	5.10	2.78	2.70	2.33	2.51	3.12	3.68	-8.2%	110.7%	-45.4%	-3.0%	-13.6%	7.9%	24.1%	18.0%
Other purposes	31.57	32.80	36.45	39.23	34.25	42.41	41.40	64.4	82.66	3.9%	11.1%	7.6%	-12.7%	23.9%	-2.4%	55.6%	28.4%
Banks and other financial institutions	40.82	41.86	48.34	49.40	45.24	53.04	52.37	76.34	95.69	2.6%	15.5%	2.2%	-8.4%	17.3%	-1.3%	45.8%	25.3%

Table 6: Enquiries by retailers

Number of enquiries (Millions)										Percentage change							
Enquiry Purpose:	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10	Sep'10 to Dec'10
Consumers seeking credit	2.38	1.60	1.80	1.66	2.06	1.55	1.82	1.84	2.33	-32.9%	13.0%	-7.6%	23.9%	-24.7%	17.1%	0.9%	27.1%
Tracing/debt collection purposes	1.66	0.55	0.57	0.67	0.55	0.57	0.53	0.59	0.63	-66.6%	2.5%	18.7%	-18.9%	4.1%	-6.7%	10.9%	7.2%
Other purposes	25.79	20.24	14.84	19.12	50.12	16.54	20.02	55.47	23.29	-21.5%	-26.7%	28.8%	162.1%	-67.0%	21.0%	177.1%	-58.0%
Retailers	29.83	22.39	17.21	21.46	52.73	18.67	22.37	57.89	26.25	-24.9%	-23.1%	24.7%	145.7%	-64.6%	19.8%	158.8%	-54.7%

Table 7: Enquiries by telecommunication providers

Number of enquiries (Millions)										Percentage change							
Enquiry purpose:	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10	Sep'10 to Dec'10
Telecommunication services	0.73	0.58	0.69	0.81	0.82	0.74	0.70	0.84	1.37	-19.7%	19.2%	16.5%	0.7%	-8.8%	-6.2%	19.9%	63.9%
Tracing/debt collection purposes	0.30	0.37	0.58	1.60	0.43	0.24	0.41	2.42	3.85	20.7%	56.1%	177.7%	-73.2%	-45.2%	74.6%	487.9%	59.2%
Other purposes	11.27	13.17	27.48	38.32	22.54	24.77	30.37	24.10	20.96	16.9%	108.6%	39.4%	-41.2%	9.9%	22.6%	-20.6%	-13.0%
Telecommunication providers	12.30	14.13	28.75	40.73	23.79	25.75	31.48	27.36	26.18	14.9%	103.5%	41.7%	-41.6%	8.3%	22.2%	-13.1%	-4.3%

Credit bureau activity

Demand for credit reports increased for the quarter

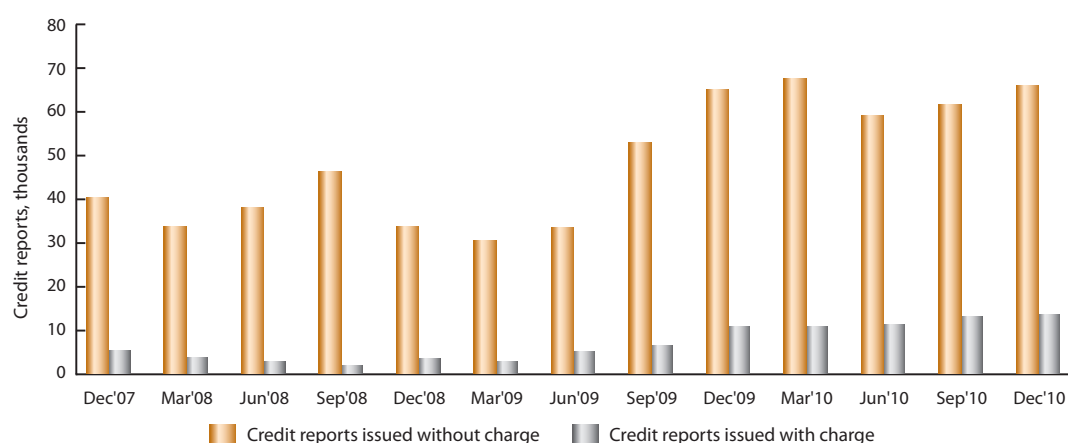
Of the total 79,635 credit reports issued to consumers at their request during the quarter ended December 2010, 82.9% (66,034) were issued without charge, and the remaining 17.1% (13,601) were issued with charge. The total number of credit reports issued increased by 6.4% quarter-on-quarter and 4.8% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit Reports:	Number of credit reports										Percentage change								
	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10	Sep'08 to Dec'08	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10	Sep'10 to Dec'10
Issued without charge	46,459	33,827	30,652	33,662	52,973	65,082	67,694	59,220	61,592	66,034	-27.2%	-9.4%	9.8%	57.4%	22.9%	4.0%	-12.5%	4.0%	7.2%
Issued with charge	2,072	3,528	2,889	5,288	6,559	10,935	10,938	11,486	13,220	13,601	70.3%	-18.1%	83.0%	24.0%	66.7%	0.0%	5.0%	15.1%	2.9%
Total issued	48,531	37,355	33,541	38,950	59,532	76,017	78,632	70,706	74,812	79,635	-23.0%	-10.2%	16.1%	52.8%	27.7%	3.4%	-10.1%	5.8%	6.4%

Figure 7: Credit reports issued



Consumer disputes

In the quarter ended December 2010, 14,836 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter decrease of 34.3% and a year-on-year increase of 40.3%. For quarterly resolution of disputes, more disputes were resolved in favour of complainants (6,086) as compared to disputes where credit records remained unchanged (847).

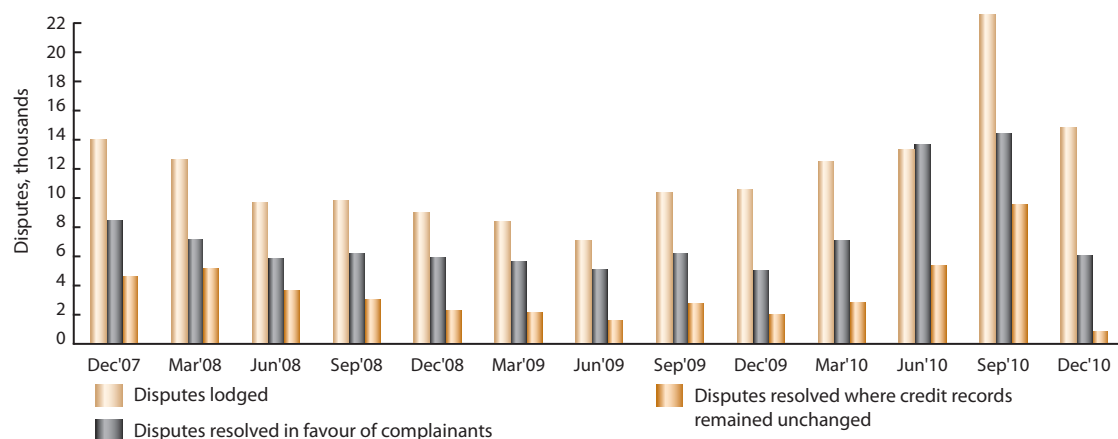
See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes									Percentage change							
	Dec'08	Mar'09	Jun'09	Sep'09	Dec'09	Mar'10	Jun'10	Sep'10	Dec'10	Dec'08 to Mar'09	Mar'09 to Jun'09	Jun'09 to Sep'09	Sep'09 to Dec'09	Dec'09 to Mar'10	Mar'10 to Jun'10	Jun'10 to Sep'10	Sep'10 to Dec'10
Lodged	9,020	8,406	7,122	10,395	10,573	12,530	13,300	22,569	14,836	-6.8%	-15.3%	46.0%	1.7%	18.5%	6.1%	69.7%	-34.3%
Resolved in favour of complainants	5,892	5,678	5,131	6,226	5,038	7,112	13,652	14,400	6,086	-3.6%	-9.6%	21.3%	-19.1%	41.2%	92.0%	5.5%	-57.7%
Resolved where credit record remained unchanged	2,275	2,131	1,620	2,784	2,026	2,834	5,401	9,583	847	-6.3%	-24.0%	71.9%	-27.2%	39.9%	90.6%	77.4%	-91.2%

Note: Changes in the previous and current quarters relate to a major bureau revising their reporting of queries and disputes.

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 table below for omitted quarters and to the NCR website for complete tables of fifteen quarters - June 2007 to December 2010.

Topic	Reporting Quarter
Consumers	December 2007
Accounts	December 2007
Enquiries	September 2008
Disputes	June 2008
Credit Reports	June 2008