

Credit Bureau Monitor

Second Quarter | June 2011

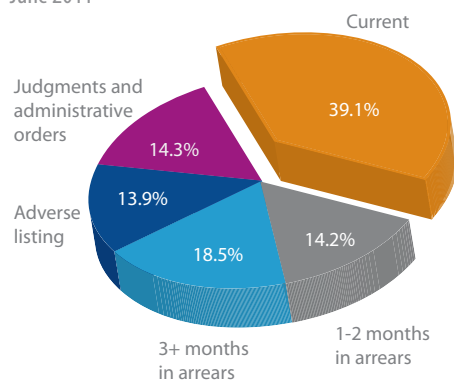
Credit-active consumers..... 2
 Consumer accounts 3
 Credit market activity 4
 Credit bureau activity 7
 Definitions 8

The information reflected in this edition of the Credit Bureau Monitor is for seventeen* quarters, from quarter ended June 2007 to quarter ended June 2011 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.

Credit standing of consumers:
June 2011



As at the end of June 2011:

- Credit bureaus had records for 18.84 million credit-active consumers, an increase of 1.3% over the 18.60 million of the previous quarter. Consumers classified in good standing increased by 69,000, a 0.3% decrease in proportion to the total number of credit-active consumers and a 0.2% increase year-on-year.
- The number of consumers with impaired records increased by 174,000 to 8.80 million, a 0.3% increase quarter-on-quarter and 0.2% decrease year-on-year.
- The number of accounts increased from 63.05 million in the previous quarter to 65.00 million, an increase of 3.1%. The number of impaired accounts increased by 213,000 to 16.47 million, from 16.26 million in the previous quarter.
- A total of 249.70 million enquiries were made on consumer credit records, an increase of 25.3% quarter-on-quarter and 84.5% year-on-year. Enquiries initiated by consumers accounted for 12.18 million of all enquiries, an increase of 10.1% quarter-on-quarter and 18.6% year-on-year.
- Of the total enquiries made on consumer records, enquiries from banks and other financial institutions accounted for 67.9%, enquiries from retailers accounted for 7.9% and enquiries from telecommunication providers accounted for 15.3%. Banks and other financial institutions' enquiries increased by 30.3% from the previous quarter, retailers increased by 2.2% and telecommunication providers increased by 47.0%.
- The number of credit reports issued to consumers decreased to 90,531. Of the total credit reports issued, 82.7% (74,837) were issued without charge, and the remaining 17.3% (15,694) were issued with charge.
- There were 6,437 disputes lodged on information held on consumer credit records for the quarter ended June 2011, which was an increase of 1.7% quarter-on-quarter and a decrease of 51.6% year-on-year.



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

Introduction

The information reflected in this Credit Bureau Monitor is for seventeen quarters, from quarter ended June 2007 to quarter ended June 2011. (* See note on the last page)

Comparisons in this report: “quarter-on-quarter” refers to a comparison between the June 2011 and March 2011 quarters, and “year-on-year” refers to a comparison between the June 2011 and June 2010 quarters.

Credit-active consumers

There were 18.84 million credit-active consumers as at the end of June 2011

Credit bureaus held records for more than 40.71 million individuals on their databases, of which 18.84 million (46.3%) were credit-active, as at the end of June 2011. This was an increase of 243,000 consumers quarter-on-quarter and 519,000 year-on-year. The remaining records contained only identification information and no credit activity.

The number of consumers in good standing increased for the quarter

Consumers classified in good standing increased by 69,000, a 0.3% decrease in proportion to the total number of credit-active consumers and a 0.2% increase year-on-year. Of the total 18.84 million credit-active consumers, 53.3% were in good standing.

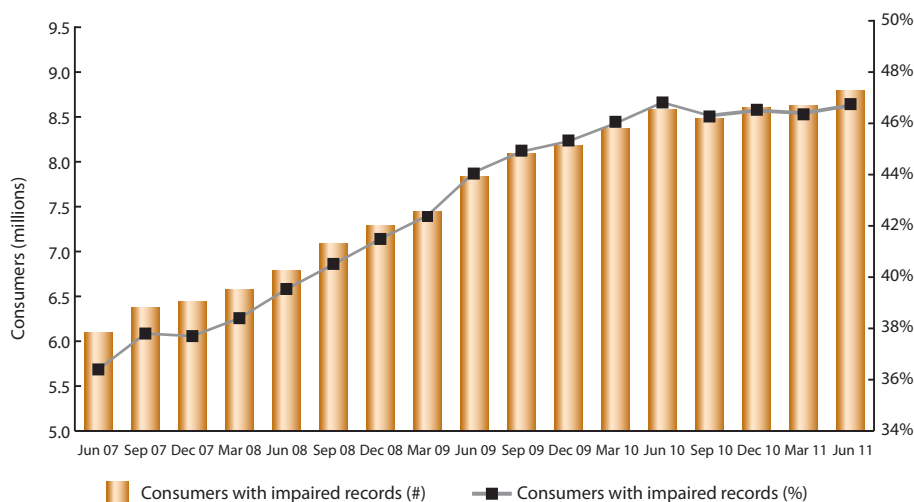
The number of consumers with impaired records (the inverse of those in good standing) increased by 174,000 to 8.80 million, a 0.3% increase quarter-on-quarter and 0.2% decrease year-on-year. The percentage of consumers with impaired records increased to 46.7%, comprising of 18.5% of consumers in three months or more in arrears, 13.9% of consumers with adverse listings, and 14.3% 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 08	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11
Good standing (#)	10.43m	10.26m	10.15m	9.94m	9.92m	9.89m	9.84m	9.73m	9.86m	9.90m	9.97m	10.04m
Good standing (%)	59.5%	58.4%	57.6%	55.9%	55.1%	54.7%	54.0%	53.1%	53.7%	53.5%	53.6%	53.3%
Current (%)	44.9%	43.6%	42.3%	41.7%	41.2%	40.5%	39.5%	39.2%	39.9%	39.2%	39.1%	39.1%
1-2 months in arrears (%)	14.6%	14.8%	15.3%	14.2%	13.9%	14.2%	14.5%	13.9%	13.8%	14.3%	14.5%	14.2%
Impaired records (#)	7.10m	7.30m	7.46m	7.85m	8.09m	8.18m	8.37m	8.59m	8.49m	8.61m	8.63m	8.80m
Impaired records (%)	40.5%	41.6%	42.4%	44.1%	44.9%	45.3%	46.0%	46.9%	46.3%	46.5%	46.4%	46.7%
3+ months in arrears (%)	15.7%	15.1%	15.3%	16.8%	17.0%	17.3%	17.2%	17.3%	17.0%	17.8%	17.7%	18.5%
Adverse listings (%)	12.2%	13.8%	14.2%	14.2%	14.7%	14.6%	15.0%	15.6%	15.4%	14.6%	14.4%	13.9%
Judgments and administration orders (%)	12.6%	12.7%	12.9%	13.1%	13.3%	13.3%	13.7%	13.9%	13.9%	14.1%	14.3%	14.3%
Credit-active consumers (#)	17.53m	17.56m	17.61m	17.79m	18.01m	18.07m	18.21m	18.32m	18.35m	18.51m	18.60m	18.84m

Figure 1: Consumers with impaired records



Consumer accounts

There were 65.00 million accounts on record at the bureaus as at the end of June 2011

At the end of the reporting quarter there were 65.00 million accounts recorded at registered credit bureaus. This was an increase of 3.1% quarter-on-quarter and a decrease of 0.4% year-on-year.

The number of accounts in good standing increased this quarter

Of the 65.00 million accounts, 48.53 million (74.7%) were classified as in good standing, a positive variance of 0.5% quarter-on-quarter and 0.8% year-on-year.

As at the end of June 2011:

- 65.4% of accounts were classified as current (increased quarter-on-quarter by 0.3% and remained unchanged year-on-year).
- 9.3% had missed one or two instalments (increased quarter-on-quarter by 0.2% and year-on-year by 0.8%).
- 17.1% had missed three or more instalments (increased quarter-on-quarter by 0.2% and year-on-year by 0.9%).
- 4.4% had adverse listings (decreased quarter-on-quarter by 0.5% and year-on-year by 1.5%).
- 3.8% had judgments or administration orders (decreased quarter-on-quarter by 0.2% and year-on-year by 0.3%).

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

Table 2: Credit standing of accounts

	Sep 08	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11
Good standing (#)	47.39m	47.22m	46.16m	46.87m	47.33m	47.56m	47.99m	48.22m	47.85m	47.91m	46.80m	48.53m
Good standing (%)	77.9%	77.5%	76.3%	75.3%	74.5%	74.4%	74.1%	73.9%	74.3%	74.5%	74.2%	74.7%
Current (%)	68.7%	68.3%	66.2%	66.2%	65.6%	65.6%	65.1%	65.4%	65.9%	65.9%	65.1%	65.4%
1-2 months in arrears (%)	9.2%	9.2%	10.1%	9.1%	8.9%	8.8%	9.0%	8.5%	8.4%	8.6%	9.1%	9.3%
Impaired records (#)	13.43m	13.73m	14.36m	15.41m	16.21m	16.38m	16.76m	17.06m	16.55m	16.36m	16.26m	16.47m
Impaired records (%)	22.1%	22.5%	23.7%	24.7%	25.5%	25.6%	25.9%	26.1%	25.7%	25.5%	25.8%	25.3%
3+ months in arrears (%)	12.5%	12.4%	13.3%	14.6%	15.1%	15.9%	15.7%	16.2%	16.3%	16.5%	16.9%	17.1%
Adverse listings (%)	4.9%	5.7%	6.0%	5.9%	6.1%	5.7%	6.1%	5.9%	5.4%	5.0%	4.9%	4.4%
Judgments and administration orders (%)	4.7%	4.4%	4.4%	4.3%	4.2%	4.0%	4.1%	4.1%	4.0%	3.9%	4.0%	3.8%
Consumer accounts (#)	60.82m	60.95m	60.52m	62.29m	63.54m	63.94m	64.75m	65.28m	64.40m	64.28m	63.05m	65.00m

Figure 2: Accounts with impaired records

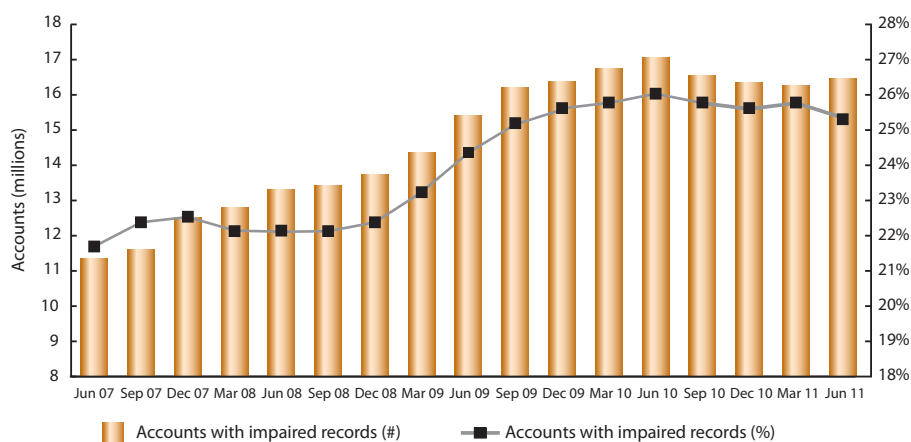
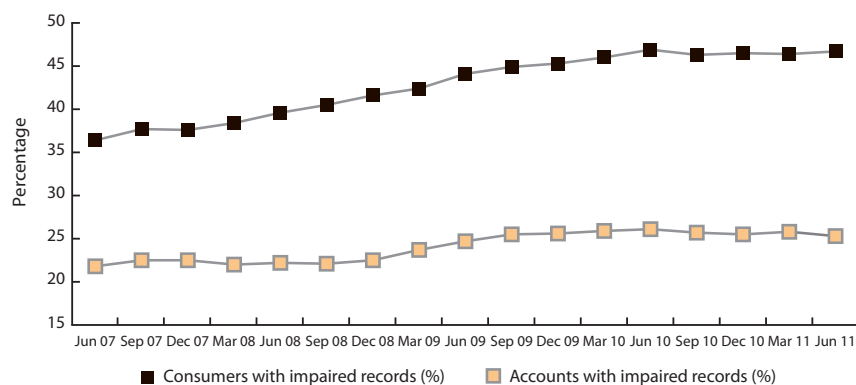


Figure 3: Consumers and accounts with impaired records



Credit market activity

Enquiries made on consumer records increased for the quarter

In the quarter ended June 2011, 249.70 million enquiries were made. This was an increase of 25.3% quarter-on-quarter and 84.5% year-on-year. Enquiries done in bulk by banks and other financial institutions formed the largest portion of all enquiries.

- 12.18 million enquiries were made due to consumers seeking credit (increased by 10.1% quarter-on-quarter and 18.6% year-on-year).
- 0.84 million enquiries were related to telecommunication services (increased by 0.3% quarter-on-quarter and 20.8% year-on-year).
- 19.62 million enquiries were made for tracing/debt collection purposes (decreased by 2.5% quarter-on-quarter and 8.6% year-on-year).
- 217.06 million enquiries were made for other purposes – excluding those purposes mentioned above, e.g. account management and contact update (increased by 29.8% quarter-on-quarter and 111.0% 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 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	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	Dec 10 to Mar 11	Mar 11 to Jun 11
Consumers seeking credit	8.60	9.05	10.35	9.85	10.28	10.65	11.68	11.07	12.18	5.3%	14.3%	-4.9%	4.4%	3.7%	9.6%	-5.2%	10.1%
Telecommunication services	0.69	0.81	0.82	0.74	0.70	0.84	1.37	0.84	0.84	16.5%	0.7%	-8.8%	-6.2%	19.9%	63.9%	-38.7%	0.3%
Tracing/debt collection purposes	23.19	24.70	16.06	18.57	21.47	20.72	22.68	20.12	19.62	6.4%	-35.0%	15.6%	15.6%	-3.5%	9.5%	-11.3%	-2.5%
Other	89.51	111.73	119.65	95.68	102.89	157.63	140.92	167.24	217.06	24.9%	7.1%	-20.0%	7.5%	53.2%	-10.6%	18.7%	29.8%
Total	121.99	146.30	146.88	124.84	135.34	189.84	176.65	199.26	249.70	19.9%	0.4%	-15.0%	8.4%	40.3%	-6.9%	12.8%	25.3%

Figure 4: Enquiries due to consumers seeking credit

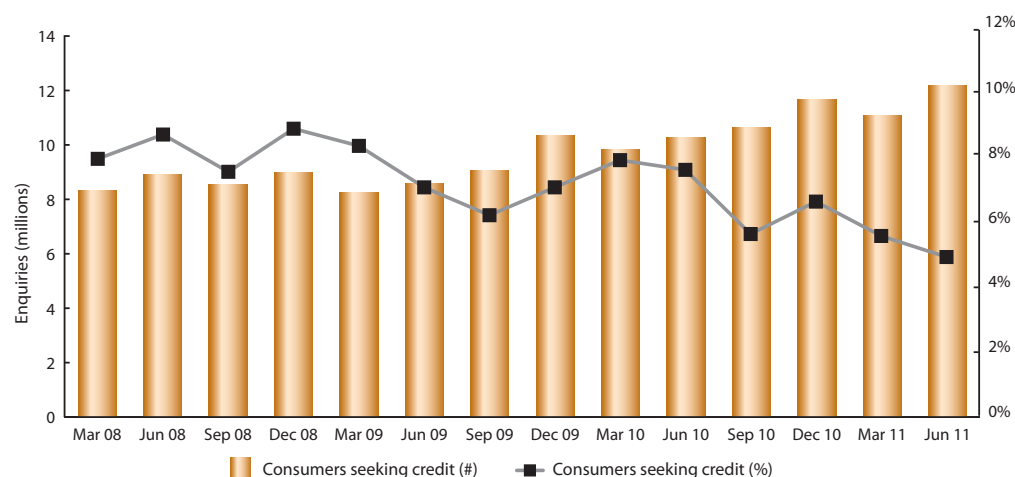
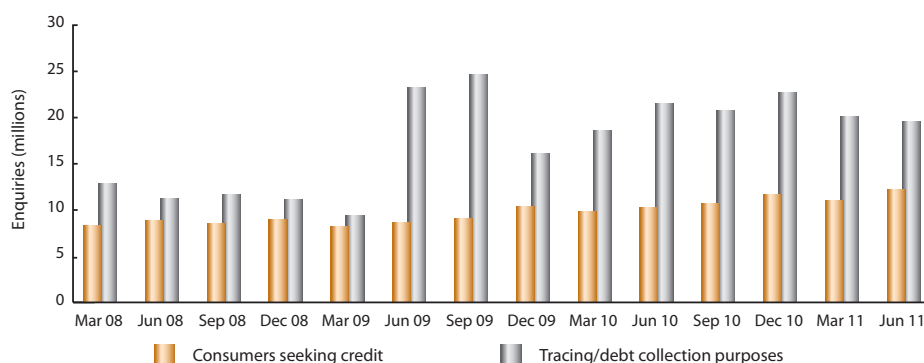


Figure 5: Enquiries due to consumers seeking credit and enquiries for tracing/debt collection purposes



Enquiry sectoral analysis

In the quarter ended June 2011, 169.64 million enquiries were made by banks and other financial institutions, an increase of 30.3% quarter-on-quarter and 223.9% year-on-year. Retailers made 19.65 million enquiries on consumer records, which was an increase of 2.2% quarter-on-quarter and a decrease of 12.2% year-on-year. Enquiries made by telecommunication providers increased by 47.0% quarter-on-quarter and 21.6% year-on-year, to 38.28 million in June 2011 quarter. Enquiries made by debt collection agencies increased by 3.7% quarter-on-quarter and decreased by 58.4% year-on-year, to 7.06 million in June 2011 quarter. Enquiries made by all other entities showed a quarter-on-quarter decrease of 11.2% and a year-on-year increase of 23.9%, to 15.07 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							
	Jun 09	Sept 09	Dec 09	Mar 10	Jun 10	Sept 10	Dec 10	Mar 11	Jun 11	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	Dec 10 to Mar 11	Mar 11 to Jun 11
Banks and other financial institutions	48.34	49.40	45.23	53.04	52.37	76.34	95.69	130.22	169.64	2.2%	-8.4%	17.3%	-1.3%	45.8%	25.3%	36.1%	30.3%
Retailers	17.21	21.46	52.73	18.67	22.37	57.89	26.25	19.23	19.65	24.7%	145.7%	-64.6%	19.8%	158.8%	-54.7%	-26.7%	2.2%
Telecommunication providers	28.75	40.73	23.79	25.75	31.48	27.36	26.18	26.04	38.28	41.7%	-41.6%	8.3%	22.2%	-13.1%	-4.3%	-0.5%	47.0%
Debt collection agencies	15.93	17.87	11.33	12.57	16.97	12.26	12.36	6.81	7.06	12.1%	-36.6%	11.0%	34.9%	-27.7%	0.8%	-44.9%	3.7%
All other entities	11.76	16.84	13.79	14.81	12.16	16.00	16.17	16.96	15.07	43.5%	-18.1%	7.3%	-17.9%	31.5%	1.1%	4.9%	-11.2%
Total	121.99	146.30	146.88	124.84	135.34	189.84	176.65	199.26	249.70	19.9%	0.4%	-15.0%	8.4%	40.3%	-6.9%	12.8%	25.3%

Figure 6: All enquiries – distribution according to sectors

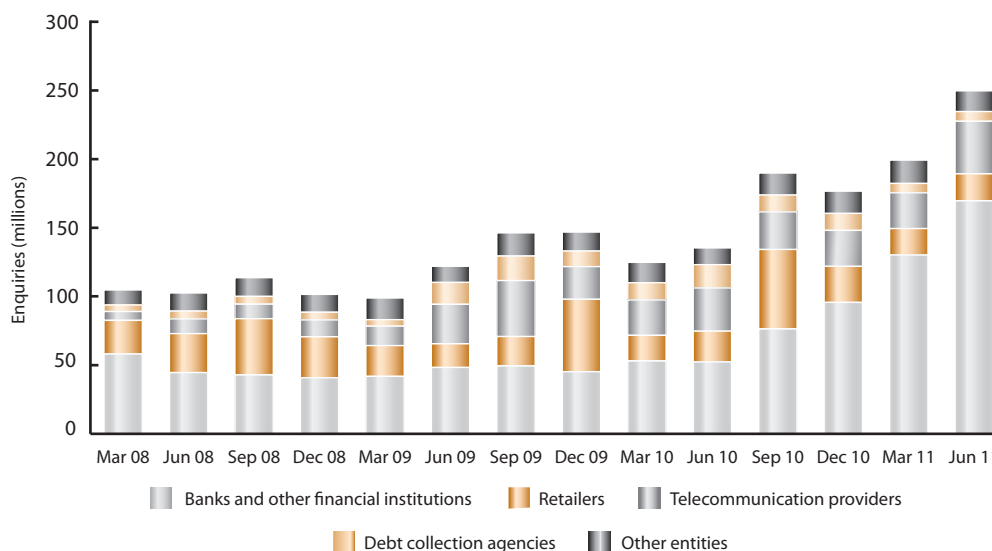


Table 5: Enquiries by banks and other financial institutions

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	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	Dec 10 to Mar 11	Mar 11 to Jun 11
Consumers seeking credit	6.79	7.39	8.29	8.29	8.46	8.82	9.34	9.37	10.05	8.8%	12.2%	0.0%	2.0%	4.3%	6.0%	0.2%	7.3%
Tracing/debt collection purposes	5.10	2.78	2.70	2.33	2.51	3.12	3.68	6.02	1.32	-45.4%	-3.0%	-13.6%	7.9%	24.1%	18.0%	63.4%	-78.1%
Other purposes	36.45	39.23	34.25	42.41	41.40	64.4	82.66	114.84	158.27	7.6%	-12.7%	23.9%	-2.4%	55.6%	28.4%	38.9%	37.8%
Banks and other financial institutions	48.34	49.40	45.24	53.04	52.37	76.34	95.69	130.22	169.64	2.2%	-8.4%	17.3%	-1.3%	45.8%	25.3%	36.1%	30.3%

Table 6: Enquiries by retailers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	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	Dec 10 to Mar 11	Mar 11 to Jun 11
Consumers seeking credit	1.80	1.66	2.06	1.55	1.82	1.84	2.33	1.70	2.13	-7.6%	23.9%	-24.7%	17.1%	0.9%	27.1%	-27.1%	25.3%
Tracing/debt collection purposes	0.57	0.67	0.55	0.57	0.53	0.59	0.63	0.49	0.41	18.7%	-18.9%	4.1%	-6.7%	10.9%	7.2%	-22.0%	-17.2%
Other purposes	14.84	19.12	50.12	16.54	20.02	55.47	23.29	17.04	17.11	28.8%	162.1%	-67.0%	21.0%	177.1%	-58.0%	-26.8%	0.4%
Retailers	17.21	21.46	52.73	18.67	22.37	57.89	26.25	19.23	19.65	24.7%	145.7%	-64.6%	19.8%	158.8%	-54.7%	-26.7%	2.2%

Table 7: Enquiries by telecommunication providers

Enquiry purpose:	Number of enquiries (millions)									Percentage change							
	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	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	Dec 10 to Mar 11	Mar 11 to Jun 11
Telecommunication services	0.69	0.81	0.82	0.74	0.70	0.84	1.37	0.84	0.84	16.5%	0.7%	-8.8%	-6.2%	19.9%	63.9%	-38.7%	0.3%
Tracing/debt collection purposes	0.58	1.60	0.43	0.24	0.41	2.42	3.85	5.20	10.25	177.7%	-73.2%	-45.2%	74.6%	487.9%	59.2%	35.2%	96.9%
Other purposes	27.48	38.32	22.54	24.77	30.37	24.10	20.96	20.00	27.19	39.4%	-41.2%	9.9%	22.6%	-20.6%	-13.0%	-4.6%	36.0%
Telecommunication providers	28.75	40.73	23.79	25.75	31.48	27.36	26.18	26.04	38.28	41.7%	-41.6%	8.3%	22.2%	-13.1%	-4.3%	-0.5%	47.0%

Credit bureau activity

Demand for credit reports decreased for the quarter

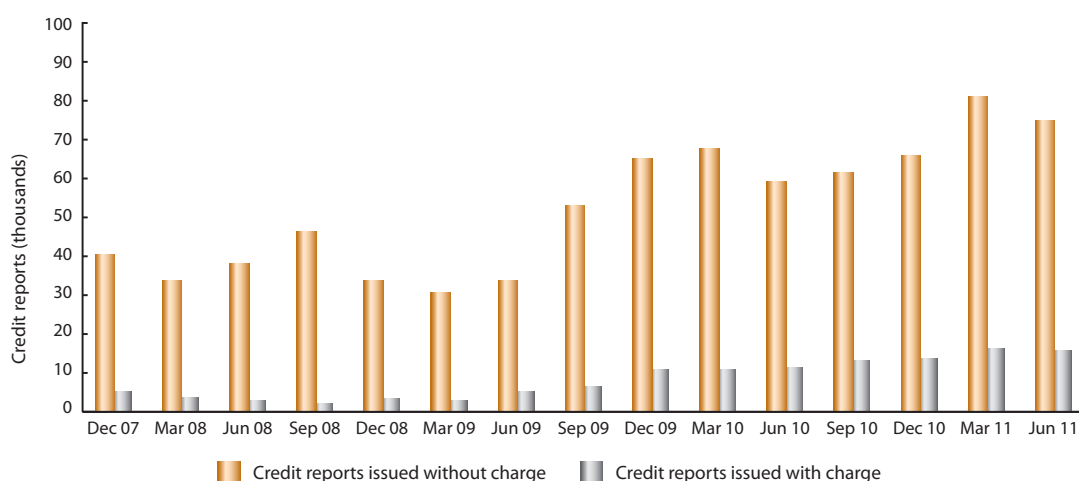
Of the total 90,531 credit reports issued to consumers at their request during the quarter ended June 2011, 82.7% (74,837) were issued without charge, and the remaining 17.3% (15,694) were issued with charge. The total number of credit reports issued decreased by 7.2% quarter-on-quarter and increased by 28.0% year-on-year.

See Table 8 and Figure 7 for details.

Table 8: Credit reports issued

Credit reports:	Number of credit reports										Percentage change								
	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	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	Dec 10 to Mar 11	Mar 11 to Jun 11
Issued without charge	30,652	33,662	52,973	65,082	67,694	59,220	61,592	66,034	81,179	74,837	9.8%	57.4%	22.9%	4.0%	-12.5%	4.0%	7.2%	22.9%	-7.8%
Issued with charge	2,889	5,288	6,559	10,935	10,938	11,486	13,220	13,601	16,399	15,694	83.0%	24.0%	66.7%	0.0%	5.0%	15.1%	2.9%	20.6%	-4.3%
Total issued	33,541	38,950	59,532	76,017	78,632	70,706	74,812	79,635	97,578	90,531	16.1%	52.8%	27.7%	3.4%	-10.1%	5.8%	6.4%	22.5%	-7.2%

Figure 7: Credit reports issued



Consumer disputes

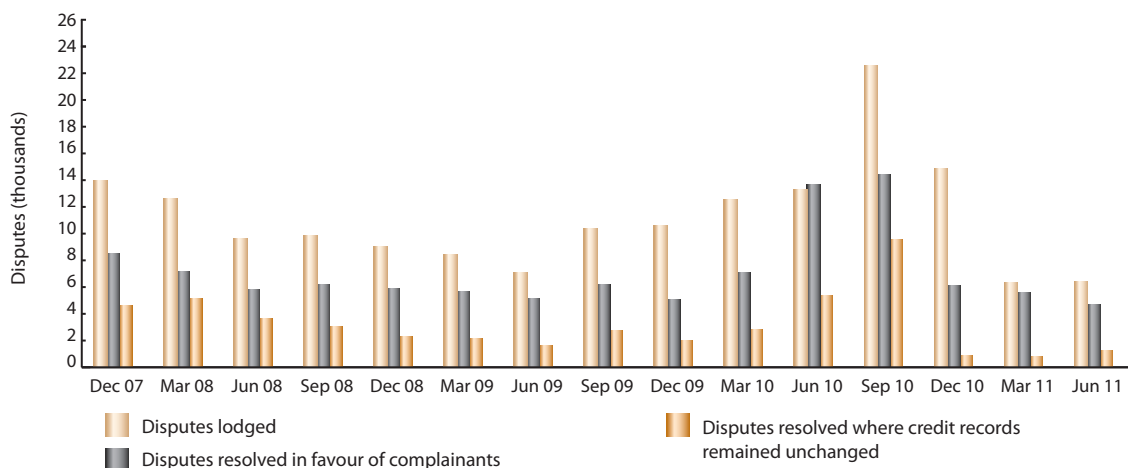
In the quarter ended June 2011, 6,437 disputes were lodged in respect of the accuracy of the information recorded on consumer credit records. This was a quarter-on-quarter increase of 1.7% and a year-on-year decrease of 51.6%. For quarterly resolution of disputes, more disputes were resolved in favour of complainants (4,715) as compared to disputes where credit records remained unchanged (1,257).

See Table 9 and Figure 8 for details.

Table 9: Disputes

Disputes:	Number of disputes										Percentage change						
	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	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	Dec 10 to Mar 11	Mar 11 to Jun 11
Lodged	7,122	10,395	10,573	12,530	13,300	22,569	14,836	6,329	6,437	46.0%	1.7%	18.5%	6.1%	69.7%	-34.3%	-57.3%	1.7%
Resolved in favour of complainants	5,131	6,226	5,038	7,112	13,652	14,400	6,086	5,614	4,715	21.3%	-19.1%	41.2%	92.0%	5.5%	-57.7%	-7.8%	-16.0%
Resolved where credit record remained unchanged	1,620	2,784	2,026	2,834	5,401	9,583	847	806	1,257	71.9%	-27.2%	39.9%	90.6%	77.4%	-91.2%	-4.8%	56.0%

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 table below for omitted quarters and to the NCR website for complete tables of seventeen quarters from June 2007 to June 2011.

Topic	Reporting Quarter
Consumers	June 2008
Accounts	June 2008
Enquiries	March 2009
Disputes	March 2009
Credit Reports	December 2008