

# **NATIONAL CREDIT REGULATOR**

**A BRIEFING TO THE PORTFOLIO COMMITTEE ON TRADE AND  
INDUSTRY**

**FOURTH QUARTER FINANCIAL AND NON FINANCIAL PERFORMANCE  
REPORT ENDING MARCH 2016**

**PRESENTED BY  
NCR CEO, MS NOMSA MOTSHEGARE  
31 AUGUST 2016**

# ***OVERVIEW OF THE PRESENTATION***

- ❖ NCR Programmes: Snapshot
- ❖ Fourth Quarter Performance Report
- ❖ Consumer Education & Enforcement
- ❖ Fourth Quarter Financial Report

# **NCR PROGRAMMES: A SNAPSHOT**

**To promote responsible credit granting**

**To protect consumers from abuse and unfair practices in the consumer credit market and address over-indebtedness**

**To enhance the quality and accuracy of credit bureau information**

**To improve NCR's operational effectiveness**

**To ensure effective implementation of the National Credit Amendment Act (NCAA).**

# FOURTH QUARTER PERFORMANCE REPORT

## SO1: To promote responsible credit granting

Output	Performance Measure or Indicator	2015/16 Annual Target	4 <sup>th</sup> Quarter milestones	Actual Achievement
Improve compliance with affordability assessment regulations.	Number of workshops conducted on affordability assessment regulations and appropriate enforcement action taken where necessary.	7 workshops conducted on affordability assessment regulations.	1 workshop	<b>Exceeded</b> 4 workshops conducted.
	Number of provinces visited to monitor compliance and appropriate enforcement action taken where necessary.	7 provinces visited to monitor credit provider compliance and appropriate enforcement action taken on non-compliant credit providers where necessary.	1 provinces	<b>Exceeded</b> 2 provinces visited to monitor credit provider compliance.

# FOURTH QUARTER PERFORMANCE REPORT

## SO1: To promote responsible credit granting

Output	Performance Measure or Indicator	2015/16 Annual Target	4 <sup>th</sup> Quarter milestones	Actual Achievement
Increase compliance with regulations pertaining to total cost of credit	Number of investigations conducted to enforce regulations and appropriate enforcement action taken where necessary.	Conduct 15 investigations and appropriate enforcement action taken where necessary.	5 investigations	<b>Exceeded</b> 11 investigations concluded in this quarter.

# FOURTH QUARTER PERFORMANCE REPORT

## SO 2: To protect consumers from abuse and unfair practices in the consumer credit market and address Over-indebtedness

Output	Performance Measure or Indicator	Annual Target	4 <sup>th</sup> Quarter milestones	Actual Achievement
Conduct reckless lending investigations and take appropriate enforcement action where necessary.	Number of credit providers investigated and appropriate enforcement action taken where necessary.	40 credit providers investigated and appropriate enforcement action taken where necessary.	15 credit providers investigated	<b>Exceeded</b> 21 Investigations on reckless lending completed

# FOURTH QUARTER PERFORMANCE REPORT

## SO 3: To enhance the quality and accuracy of credit bureau information

Output	Performance Measure or Indicator	2015/16 Annual Target	4 <sup>th</sup> Quarter milestones	Actual Achievement
Increase compliance by credit bureaus in respect of consumer credit information.	Number of credit bureaus investigated and appropriate enforcement action taken where necessary.	2 Credit bureau investigated and appropriate enforcement action taken where necessary.	Appropriate enforcement action taken where necessary.	<b>Achieved</b> Investigations into two credit bureaus completed. Both credit bureaus reported to have complied.
	Number of credit bureau audited reports reviewed and appropriate corrective action taken where necessary.	14 credit bureau audited reports reviewed and appropriate corrective action taken where necessary.	Continue to take appropriate corrective action where necessary.	<b>Not Applicable</b> 6 entities were referred for investigation in the 1 <sup>st</sup> quarter. Instructional letters sent , one credit bureau voluntarily cancelled registration, one credit bureau referred to NCT.

# FOURTH QUARTER PERFORMANCE REPORT

## SO 4: To improve NCR's operational effectiveness

Output	Performance Measure or Indicator	Annual Target	4th Quarter milestones	Actual Achievement
Improve operational efficiency through automated processes.	% of uptime availability of the IT system	95% of uptime availability of the IT system	95% of uptime availability of the IT system	<b>Exceeded</b> 100% of uptime availability of the IT System



# FOURTH QUARTER PERFORMANCE REPORT

## SO 5: To ensure effective implementation of the National Credit Amendment Act (NCAA)

Output	Performance Measure or Indicator	Annual Target	4th Quarter milestones	Actual Achievement
Improve awareness and compliance	Number of workshops conducted with relevant stakeholders.	40 workshops with relevant stakeholders.	12 workshops with relevant stakeholders.	<b>Achieved</b>
	Number of multimedia awareness campaigns (radio/TV/news print) conducted.	40 of any of the following: -Radio -TV interviews -News print	14 of any of the following: -Radio -TV interviews -News print.	<b>Exceeded</b> 15 interviews

# FOURTH QUARTER PERFORMANCE REPORT

## SO 5: To ensure effective implementation of the National Credit Amendment Act (NCAA)

Output	Performance Measure or Indicator	Annual Target	3rd Quarter milestones	Actual Achievement
Improve awareness and compliance	Number of outreach programmes and exhibitions (mall activations/ Outside Broadcast/ Road shows/ Imbizos) conducted.	8 of any of the following activities: -exhibitions -mall activations -Outside Broadcast (OB)/ road shows/Imbizos in peri-urban and rural areas.	2 of any of the following activities: -exhibitions -mall activations -Outside Broadcast (OB) -Road shows.	<b>Exceeded</b> 3 exhibitions

# FOURTH QUARTER PERFORMANCE REPORT

## SO 5: To ensure effective implementation of the National Credit Amendment Act (NCAA)

Output	Performance measure or indicator	Annual Target	3rd Quarter milestone	Actual achievement
Conduct special investigations and appropriate enforcement action taken where necessary	Number of raids conducted in number of provinces and appropriate enforcement action taken where necessary.	Conduct raids in three (3) provinces and take appropriate enforcement action where necessary	Conduct 1 raid in one province and appropriate enforcement action taken where necessary.	<b>Achieved</b> A raid was conducted in Limpopo Province. 11 entities were raided and/or investigated. 11 people arrested, and criminal cases opened; 301 ID Books , 944 Bank Cards and SASSA Cards seized .

# CONSUMER EDUCATION & ENFORCEMENT

- The “Know your credit status” campaigns jointly conducted with credit bureaus at shopping centres, offices of the dti, and the South African Revenue Services.
- Working jointly with local Tribal Authorities in rural areas such as Qwaqwa in the Free State, Gaidikgale in Limpopo, Escort in Kwa-Zulu Natal, Taung in North West, George in Western Cape and Kwa Mhlanga in Mpumalanga Provinces. We conducted outreach programmes (“Imbizos”) aimed at mainly pensioners and other social grant recipients to educate them about their rights and to create awareness relating to undesirable practices of credit providers, especially retailers.
- Referrals to the NCT - 20
- Matters Closed - 20
- Investigations completed - 72

# FOURTH QUARTER FINANCIAL PERFORMANCE

	Actual	Budget	Variance	ANNUAL BUDGET
	Apr – Mar 2016	Apr – Mar 2016	Apr – Mar 2016	2015/2016
	R	R	%	R
Fees from registrants	32,900,685	56,051,554	-41.3%	56,051,554
DTI Transfers	66,899,044	65,727,000	1.8%	65,727,000
Other Income	7,598,545	2,000,000	279%	2,000,000
<b>TOTAL INCOME</b>	<b>107,398,274</b>	<b>123,778,554</b>	<b>-13.2%</b>	<b>123,778,554</b>
Personnel costs	73,794,292	78,849,124	6.4%	78,849,124
Programme costs	17,161,705	21,877,039	21.5%	21,877,039
Administrative costs	23,240,674	17,952,852	-29.5%	17,952,852
<b>OPERATING EXPENDITURE incl non-cash items</b>	<b>114,196,671</b>	<b>118,679,015</b>	<b>3.8%</b>	<b>118,679,015</b>
<b>CAPITAL EXPENDITURE</b>	<b>2,815,338</b>	<b>5,099,539</b>	<b>44.8%</b>	<b>5,099,539</b>

# *Thank You!*

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