

NATIONAL CREDIT REGULATOR

**BRIEFING BY THE NCR ON THE 1ST, 2ND AND 3RD QUARTER FINANCIAL
AND NON-FINANCIAL PERFORMANCE FOR THE 2023/24 FINANCIAL
YEAR TO THE PORTFOLIO COMMITTEE ON
TRADE, INDUSTRY AND COMPETITION**

**PRESENTED BY:
CEO: NOMSA MOTSHEGARE
06 MARCH 2024**

NCR TEAM

Chief Executive Officer:	Ms Nomsa Motshegare
Executive Senior Legal Advisor:	Ms Nthupang Magolego
Chief Financial Officer:	Ms Lynette De Beer
Acting Company Secretary:	Ms Kedilatile Legodi
Risk & Audit Services Manager:	Ms Maphuti Ramuhala

OVERVIEW OF THE PRESENTATION

- ❖ Vision & Mission
- ❖ Legislative mandate of the NCR
- ❖ The credit landscape
- ❖ Quarter 1, 2 & 3 non-financial performance
- ❖ Progress on Ministerial Key Priority Outputs
- ❖ Key challenges
- ❖ Case study
- ❖ International collaborations
- ❖ Quarter 1, 2 & 3 financial performance

VISION & MISSION

VISION

To promote a South African consumer credit market that is fair, transparent, accessible and dynamic.

MISSION

To support the social and economic advancement of South Africa, by:

- ❖ regulating for a fair and non-discriminatory market for access to consumer credit; and
- ❖ promoting responsible credit granting, use and effective redress.

LEGISLATIVE MANDATE OF THE NCR

- To promote a fair & non-discriminatory marketplace for access to consumer credit;
- To provide for general regulation of consumer credit & improved standards of consumer information;
- To prohibit certain unfair credit and credit marketing practices;
- To promote responsible credit granting and use;
- To prohibit reckless credit granting;
- To provide for debt re-structuring in cases of over-indebtedness;
- To regulate credit information; and
- To promote a consistent enforcement framework relating to consumer credit.

THE CREDIT LANDSCAPE



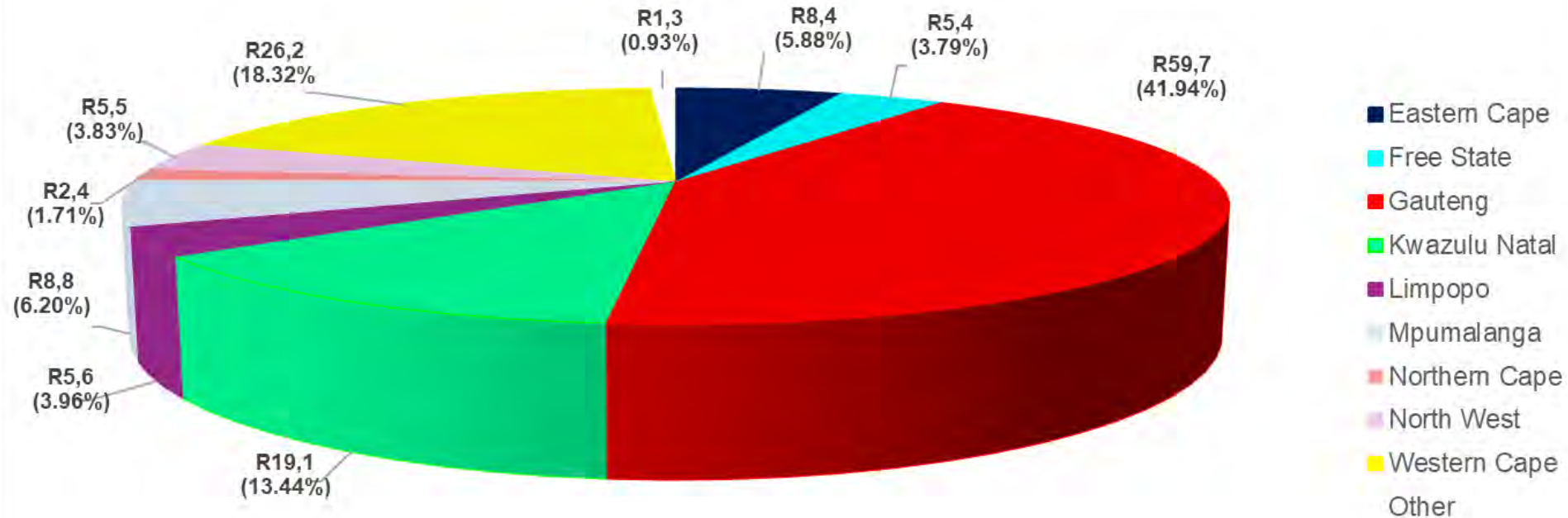
Total gross debtors' book was **R2.32 trillion**.

The statistics provided above are as at 30 September 2023.

CREDIT GRANTED: RAND VALUES

Agreements	2022-Q3 R000	2022-Q4 R000	2023-Q1 R000	2023-Q2 R000	2023-Q3 R000	2023-Q3 % Distribution	% Change (Q3/Q2)	% Change (Y/Y)
Mortgages	62,983,755	57,916,362	45,067,547	47,814,194	46,660,544	32,80%	-2,41%	-25,92%
Secured credit	47,636,256	50,091,814	45,467,184	44,987,158	46,142,737	32,43%	2,57%	-3,14%
Credit facilities	25,784,062	24,658,931	23,746,234	22,607,132	21,980,288	15,45%	-2,77%	-14,75%
Unsecured credit	28,169,815	26,846,123	23,251,160	22,896,289	23,254,987	16,35%	1,57%	-17,45%
Short-term credit	2,230,822	2,527,141	2,109,825	2,344,914	2,633,749	1,85%	12,32%	18,06%
Developmental credit	1,306,980	1,583,970	2,142,997	1,344,696	1,589,973	1,12%	18,24%	21,65%
Total	168,111,690	163,624,342	141,784,947	141,994,383	142,262,278	100,00%	0,19%	-15,38%

PROVINCIAL DISTRIBUTION: R'BILLION



DEBTORS BOOK: PER CREDIT TYPE

Agreements	2022-Q3 R000	2022-Q4 R000	2023-Q1 R000	2023-Q2 R000	2023-Q3 R000	2023-Q3 % Distribution	% Change (Q3/Q2)	% Change (Y/Y)
Mortgages	1,165,976,857	1,184,338,300	1,199,004,490	1,207,628,598	1,219,653,494	52,44%	1,00%	4,60%
Secured credit	485,163,785	493,471,629	498,876,742	501,898,407	503,141,112	21,63%	0,25%	3,71%
Credit facilities	292,866,752	304,206,959	312,224,548	317,621,119	318,754,407	13,70%	0,36%	8,84%
Unsecured credit	218,227,222	221,506,217	222,481,450	221,571,275	219,367,495	9,43%	-0,99%	0,52%
Short-term credit	1,962,918	2,230,124	2,093,108	2,199,191	2,424,365	0,10%	10,24%	23,51%
Developmental Credit	57,329,307	57,554,786	60,318,110	61,117,022	62,536,376	2,69%	2,32%	9,08%
Total	2,221,526,842	2,263,308,016	2,294,998,447	2,312,035,612	2,325,877,249	100,00%	0,60%	4,70%

DEBTORS BOOK: PER SECTOR

Industry	2022-Q3 R000	2022-Q4 R000	2023-Q1 R000	2023-Q2 R000	2023-Q3 R000	2023-Q3 % Distribution	% Change (Q3/Q2)	% Change (Y/Y)
Banks	1,877,503,038	1,912,700,986	1,941,475,675	1,957,124,178	1,971,615,152	84,77%	0,74%	5,01%
Retailers	42,858,535	46,198,039	44,524,579	45,692,590	45,467,439	1,95%	-0,49%	6,09%
Non-bank vehicle financiers	113,643,654	115,263,894	118,739,207	119,551,752	117,346,435	5,05%	-1,84%	3,26%
Other credit providers	187,521,615	189,145,097	190,258,986	189,667,092	191,448,222	8,23%	0,94%	2,09%
Total	2,221,526,842	2,263,308,016	2,294,998,447	2,312,035,612	2,325,877,249	100,00%	0,60%	4,70%

SUMMARY OF PERFORMANCE

Total performance targets for the 2023/24 financial year: 12

Achieved performance targets: 4 out of 12 = 33.33%

Exceeded performance targets: 4 out of 12 = 33.33%

Total annual performance targets (enforcement): 4 out of 12 = 33.33%

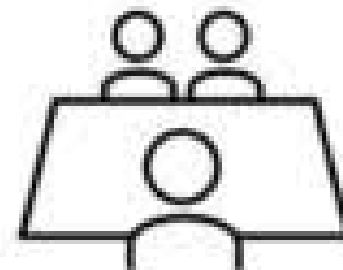
QUARTER 1, 2 & 3 NON-FINANCIAL PERFORMANCE

Outputs	Output indicators	2023/24 Annual Target	1 st , 2 nd & 3 rd Quarter milestones	Actual Achievement	Reason for Variance
Programme: Improved regulatory environment					
Consumer education and awareness on consumer rights.	Number of consumer education and awareness campaigns and activities conducted on the NCA.	Conduct 1500 consumer education and awareness campaigns and activities on the NCA.	1200	<u>Exceeded</u> 1258	Received an increased number of invitations from stakeholders and there was an interest from the media release topics and campaigns initiated.
Impact assessment on evaluation on activities relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement.	Reports on impact assessment for activities conducted relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement.	Four evaluation reports on activities relating to educational awareness, investigations, complaints evaluations, compliance monitoring, debt counselling and enforcement.	Three evaluation reports.	<u>Achieved</u> Three evaluation reports produced.	

CONSUMER EDUCATION & AWARENESS ACTIVITIES

Examples of consumer education & awareness activities:

- ❖ Radio interviews
- ❖ Television interviews
- ❖ Workshops
- ❖ Exhibitions
- ❖ Campaigns
- ❖ Webinars
- ❖ Media releases
- ❖ Media and Publications Articles
- ❖ Mobile Unit Activations
- ❖ Conferences and Seminars
- ❖ Mall Activations
- ❖ Podcasts
- ❖ Media Briefings
- ❖ Community and Public Events



COMMUNITY OUTREACH PROGRAMMES

NCR team raising awareness amongst the University of Free State community which was a build-up event to the NCR & NCC signing MoU.



The NCR and the Gauteng Office of Consumer Affairs conducted a workshop for the elderly on 19 October 2023 in Mamelodi in the City of Tshwane Metro.

COMMUNITY OUTREACH PROGRAMMES

The NCR, the NCC and Limpopo Office of the Consumer Protector under the Department of Economic Development, Environment and Tourism raising awareness at Burgersfort in the Sekhukhune District Municipality



Bergville Municipality Wellness Day – 15 November 2023. The NCR educated the municipality employees about their consumer rights and responsibilities, and the protection offered by the National Credit Act. Bergville is in KZN under the uThukela District Municipality

COMMUNITY OUTREACH PROGRAMMES

The NCR, partaking at a youth Expo in Elorado Park – 10 June 2023



The NCR exhibited at the Youth Day celebration at Patrice Molemela Stadium in Bloemfontein on 16 – 17 June 2023.



The NCR & the dtic stall at the 2023 National Youth celebration event in Bloemfontein on 16 – 17 June 2023.

COMMUNITY OUTREACH PROGRAMMES

The NCR, in partnership with MIOSA and the Council for Debt Collectors presenting to a youthful congregation at a church in Mametlhake Village in the Nkangala District of Mpumalanga Province – 24 June 2023



The NCR sharing the stage with the National Lotteries Commission and the KwaZulu Natal Office of the Consumer Protector during a community workshop at Emaderssini Emondlo, just outside Vryheid in the Zululand District Municipality – 14 July 2023

COMMUNITY OUTREACH PROGRAMMES

Outside Broadcast with Ukhozi FM
at Emondlo Mall – 14 July 2023



A night shift workshop for the
Pikitup employees. 03 August 2023



Consumer education activation with ICASA
and the NCR at KwaMaqhkwkwa Shopping
Centre – eNhlizeni District Municipality on
26 August 2023

COMMUNITY OUTREACH PROGRAMMES

The NCR heeded the call by the Financial Sector Conduct Authority to take consumer education to Phalaubeni Village in the Mopani District Municipality – 12 October 2023.



A mainly youthful audience attending a consumer education workshop conducted by the NCR and the FSCA at Hlomela Village in the Mopani District Municipality on the 13th October 2023



CONSUMER EDUCATION AND AWARENESS CAMPAIGNS AND ACTIVITIES PER PROVINCE & DISTRICT MUNICIPALITY

PROVINCE	MUNICIPALITY	Total
Gauteng	Sedibeng District	76
	West Rand District	8
	City of Ekurhuleni Metropolitan	42
	City of Johannesburg Metropolitan	122
	City of Tshwane Metropolitan	83
Eastern Cape	Alfred Nzo District	5
	Amathole District	36
	Chris Hani District	9
	Joe Gqabi District	0
	OR Tambo District	3
	Sarah Baartman District	44
	Buffalo City Metropolitan	2
	Nelson Mandela Bay Metropolitan	4

PROVINCE	MUNICIPALITY	Total
Northern Cape	Frances Baard District	10
	John Taolo Gaetsewe District	19
	Namakwa District	35
	Pixley Ka Seme District	0
	ZF Mgcawu District	7
Mpumalanga	Ehlanzeni District	39
	Gert Sibande District	2
	Nkangala District	69
Free State	Fezile Dabi District	35
	Lejweleputswa District	4
	Thabo Mofutsanyana District	67
	Xhariep District	2
	Mangaung Metropolitan	10

CONSUMER EDUCATION AND AWARENESS CAMPAIGNS AND ACTIVITIES PER PROVINCE & DISTRICT MUNICIPALITY (cont..)

PROVINCE	MUNICIPALITY	Total
KwaZulu-Natal	Amajuba District	2
	Harry Gwala District	0
	iLembe District	0
	King Cetshwayo District	1
	Ugu District	4
	uMgungundlovu District	1
	uMkhanyakude District	0
	uMzinyathi District	31
	uThukela District	7
	Zululand District	4
	eThekwini Metropolitan	73
North West	Bojanala Platinum District	34
	Dr Kenneth Kaunda District	6
	Dr Ruth Segomotsi Mompati District	5
	Ngaka Modiri Molema District	13

PROVINCE	MUNICIPALITY	Total
Limpopo	Capricorn District	110
	Mopani District	9
	Vhembe District	8
	Waterberg District	5
	Sekhukhune District	2
Western Cape	Cape Winelands District	8
	Central Karoo District	5
	Garden Route District	11
	Overberg District	0
	West Coast District	0
	City of Cape Town Metropolitan	3

QUARTER 1, 2 & 3 NON-FINANCIAL PERFORMANCE

Outputs	Output indicators	2023/24 Annual Target	1 st , 2 nd & 3 rd Quarter milestones	Actual Achievement	Reason for Variance
Programme: Improved regulatory environment					
Improve efficiency in the registration process of persons and entities.	% of new persons and entities registered in the consumer credit market within a number of business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 7 business days of receipt of signed proposed conditions and payment of registration fees.	Register 98% of persons and entities in the consumer credit market within 7 business days of receipt of signed proposed conditions and payment of registration fees.	<u>Exceeded</u> 99.02% applicants were registered within 7 business days of receipt of signed proposed conditions and payment of registration fees.	Improved turnaround times as a result of building efficiencies in processing applications.

REGISTRATIONS

- ❖ The NCR was able to register **99.02%** applications within 7 business days, translating into **1567** (**1434** Credit providers, **130** Debt Counsellors and **3** Credit Bureaus) registration certificates (licences) being issued to registrants in all provinces.
- ❖ Efficient registration of new entrants in the consumer credit market increases the participation of Small Micro Medium Enterprises which then facilitates the creation of job opportunities and ultimately contributes towards economic growth.



NCR REGISTRATION CERTIFICATES & WINDOW DECAL

Examples of
NCR
Registration
certificates &
window
decals



REGISTRATIONS PER PROVINCE & DISTRICT MUNICIPALITY

PROVINCE	MUNICIPALITY	Total
Gauteng	Sedibeng District	21
	West Rand District	36
	City of Ekurhuleni Metropolitan	119
	City of Johannesburg Metropolitan	257
	City of Tshwane Metropolitan	173
Eastern Cape	Alfred Nzo District	2
	Amathole District	8
	Chris Hani District	12
	Joe Gqabi District	1
	OR Tambo District	23
	Sarah Baartman District	9
	Buffalo City Metropolitan	30
	Nelson Mandela Bay Metropolitan	22
KwaZulu-Natal	Amajuba District	9
	Harry Gwala District	6
	iLembe District	6
	King Cetshwayo District	14
	Ugu District	14
	uMgungundlovu District	27
	uMkhanyakude District	8
	uMzinyathi District	14
	uThukela District	4
	Zululand District	21
North West	eThekweni Metropolitan	81
	Bojanala Platinum District	28
	Dr Kenneth Kaunda District	25
	Dr Ruth Segomotsi Mompati District	8
	Ngaka Modiri Molema District	10

PROVINCE	MUNICIPALITY	Total
Northern Cape	Frances Baard District	8
	John Taolo Gaetsewe District	5
	Namakwa District	5
	Pixley Ka Seme District	5
	ZF Mgcawu District	3
Free State	Fezile Dabi District	17
	Lejweleputswa District	13
	Thabo Mofutsanyana District	11
	Xhariep District	3
	Mangaung Metropolitan	34
Mpumalanga	Ehlanzeni District	54
	Gert Sibande District	27
	Nkangala District	39
Limpopo	Capricorn District	42
	Mopani District	45
	Vhembe District	53
	Waterberg District	35
	Sekhukhune District	15
Western Cape	Cape Winelands District	22
	Central Karoo District	0
	Garden Route District	14
	Overberg District	4
	West Coast District	1
	City of Cape Town Metropolitan	124

QUARTER 1, 2 & 3 NON-FINANCIAL PERFORMANCE

Outputs	Output indicators	2023/24 Annual Target	1 st , 2 nd & 3 rd Quarter milestones	Actual Achievement	Reason for Variance
Programme: Enforcement of the National Credit Act					
Improve compliance with regulations pertaining to reckless lending	Number of investigations conducted on credit providers relating to reckless lending.	Conduct 410 investigations on credit providers relating to reckless lending.	317	<u>Exceeded</u> 457 investigations on credit providers relating to reckless lending conducted.	Increased staff capacity, implementation of innovative approach to investigations and receipt of adequate reckless lending complaints.

QUARTER 1, 2 & 3 NON-FINANCIAL PERFORMANCE

Outputs	Output indicators	2023/24 Annual Target	1 st , 2 nd & 3 rd Quarter milestones	Actual Achievement	Reason for Variance
Programme: Enforcement of the National Credit Act					
Improve compliance of the NCA by debt counsellors.	Number of investigations conducted on debt counsellors relating to compliance with the NCA.	Conduct 200 investigations conducted on debt counsellors relating to compliance with the NCA.	150	<u>Exceeded</u> 417 investigations conducted on debt counsellors relating to compliance with the NCA.	Investigations were theme based, as a result in some quarters more investigations were conducted.

INVESTIGATIONS BY PROVINCE & DISTRICT MUNICIPALITY

PROVINCE	MUNICIPALITY
Gauteng	Sedibeng District
	West Rand District
	City of Ekurhuleni Metropolitan
	City of Johannesburg Metropolitan
	City of Tshwane Metropolitan
Eastern Cape	Alfred Nzo District
	Amathole District
	Joe Gqabi District
	OR Tambo District
	Sarah Baartman District
	Buffalo City Metropolitan
	Nelson Mandela Bay Metropolitan

PROVINCE	MUNICIPALITY
Limpopo	Capricorn District
	Mopani District
	Vhembe District
	Waterberg District
	Sekhukhune District
Mpumalanga	Ehlanzeni District
	Gert Sibande District
	Nkangala District
Free State	Fezile Dabi District
	Lejweleputswa District
	Thabo Mofutsanyana District
	Mangaung Metropolitan

INVESTIGATIONS BY PROVINCE & DISTRICT MUNICIPALITY (cont...)

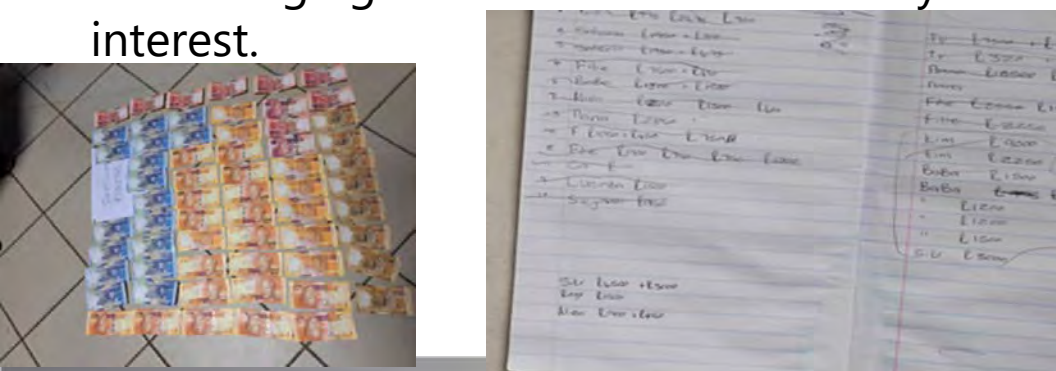
PROVINCE	MUNICIPALITY
KwaZulu-Natal	Amajuba District
	Harry Gwala District
	iLembe District
	King Cetshwayo District
	Ugu District
	uMgungundlovu District
	uMkhanyakude District
	uMzinyathi District
	uThukela District
	eThekweni Metropolitan
North West	Bojanala Platinum District
	Dr Kenneth Kaunda District
	Dr Ruth Segomotsi Mompati District
	Ngaka Modiri Molema District

PROVINCE	MUNICIPALITY
Northern Cape	Frances Baard District
	John Taolo Gaetsewe District
	Namakwa District
	Pixley Ka Seme District
	ZF Mgcawu District
Western Cape	Cape Winelands District
	Central Karoo District
	Garden Route District
	Overberg District
	West Coast District
	City of Cape Town Metropolitan

RAIDS

NCR conducted 15 raids in 6 provinces for various contraventions of the NCA, such as:

- ❖ Extending credit whilst not being registered;
- ❖ Retention of prohibited consumer instruments;
- ❖ Failure to conduct affordability assessments which results in reckless credit lending; and
- ❖ Overcharging of cost of credit mostly interest.



RAIDS PER DISTRICT MUNICIPALITY

NO	PROVINCE	DISTRICT MUNICIPALITY	ENFORCEMENT STATUS
1	Northern Cape	Frances Baard District Pixley Ka Seme District	Referrals to National Consumer Tribunal (NCT) and Compliance Notices issued.
2	Eastern Cape	OR Tambo District	
3	Northwest	Moses Kotane District	
4	Western Cape	Cape Winelands District Cape Town	
5	Limpopo	Vhembe District	
6	Gauteng	City of Tshwane Metropolitan	

QUARTER 1, 2 & 3 NON-FINANCIAL PERFORMANCE

Outputs	Output indicators	2023/24 Annual Target	1st, 2nd & 3rd Quarter milestones	Actual Achievement
Programme: Enforcement of the National Credit Act				
Improve compliance by hosting credit bureaus in respect credit reports issued for employment purposes in terms of the NCA, the removal of record of debt adjustment/ judgments, automatic removal of adverse consumer credit information and paid-up judgements.	Number of investigations conducted on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, the removal of record of debt adjustment/ judgments, automatic removal of adverse consumer credit information and paid-up judgements	Conduct 5 investigations on hosting credit bureaus in respect of credit reports issued for employment purposes in terms of the NCA, the removal of record of debt adjustment/ judgments, automatic removal of adverse consumer credit information and paid-up judgements	4	<u>Achieved</u> 4

QUARTER 1, 2 & 3 NON-FINANCIAL PERFORMANCE

Outputs	Output indicators	2023/24 Annual Target	1st, 2nd & 3rd Quarter milestones	Actual Achievement
Programme: Enforcement of the National Credit Act				
Improve compliance by credit bureaus in respect of the NCA	% of evaluated credit bureau annual compliance reports certified by an independent auditor for their previous financial year.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by credit bureaus for the 2022 financial year.	Evaluate 100% annual compliance reports certified by an independent auditor submitted by credit bureaus for their 2022 financial year.	<u>Achieved</u>

QUARTER 1, 2 & 3 NON-FINANCIAL PERFORMANCE

Outputs	Output indicators	2023/24 Annual Target	1st, 2nd & 3rd Quarter milestones	Actual Achievement
Programme: Enforcement of the National Credit Act				
Reports on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	Number of reports produced on the impact of the enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	Three progress reports and one final report on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year	Three progress reports on the impact of enforcement action taken on entities and persons that were found to be non-compliant in the previous financial year.	<u>Achieved</u>

REFUNDS AND BALANCE ADJUSTMENTS

Refunds and credit account balance adjustments of over **R96.7 million** were made to consumers as a result of complaints evaluations, compliance monitoring and investigations.



ENFORCEMENT

- ❖ Two registrants were referred to the NCT.
- ❖ Two debt counsellors' registrations were cancelled, and one debt counsellor's registration was suspended for a period of 2-years.

PROGRESS ON MINISTERIAL KEY PRIORITY OUTPUTS

2023/24 Annual Target	1st, 2nd & 3rd Quarter milestones	Actual Achievement
Key Priority Output 2: Driving R40 billion additional local output committed or achieved		
25% of Procurement spent on SMMEs and/or women and/or youth.	75% of Procurement spent on SMMEs and/or women and/or youth.	<u>Exceeded</u> 93.6% of procurement was spent on SMME which included women and/or youth.
Key Priority Output 7: R15 Billion support programmes to enterprises in areas outside the 5 main metros		
20 workshops conducted in areas outside the 5 main metros to support SMMEs.	16 workshops conducted in areas outside the 5 main metros to support SMMEs.	<u>Exceeded</u> 17 workshops were conducted in areas outside the 5 main metros to support SMMEs.

PROGRESS ON MINISTERIAL KEY PRIORITY OUTPUTS

Cont....

2023/24 Annual Target	1st, 2nd & 3rd Quarter milestones	Actual Achievement
Key Priority Output 8: 100 000 Jobs to be created (50 000 full time jobs)		
1000 registration certificates issued to new entrants and branches of registered entities to support opportunities for job creation.	750 registration certificates issued to new entrants and branches of registered entities to support opportunities for job creation.	<u>Exceeded</u> 1616
Key Priority Output 10: R800 Million in equity equivalent invest programme agreements agreed or administered And Key Priority Output 16: 10 High-impact outcomes on addressing market concentration at sector or firm level		
2 Reports on compliance with conditions of registration provided for in *Section 48 (1) (a) of the NCA by registrants. * Section 48 (1) (a): If a person qualifies to be registered as a credit provider, the National Credit Regulator must further consider the application, relating to the following criteria: (a) to the extent it is appropriate having regard to the nature of the applicant or associated person in terms of black economic empowerment considering the purpose, objects and provisions of the Broad-based Black Economic Empowerment Act, 2003 (Act 53).	A report on compliance with conditions of registration provided for in Section 48 (1) (a) of the NCA by registrants.	<u>Achieved</u> A report on compliance with conditions of registration provided for in Section 48 (1) (a) of the NCA by registrants.
2 Reports on market concentration.	A report on market concentration.	<u>Achieved</u> A report on market concentration.

PROGRESS ON MINISTERIAL KEY PRIORITY OUTPUTS

Cont....

2023/24 Annual Target	1st, 2nd & 3rd Quarter milestones	Actual Achievement
Key Priority Output 32: 1000 case studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures, including 12 local films/documentaries telling the SA story.		
50 NCR's success stories profiled through stakeholder engagements, advertising campaigns and awareness activities.	40 NCR's success stories profiled through stakeholder engagements, advertising campaigns and awareness activities.	<u>Substantially achieved</u> 34 NCR's success stories profiled. There were challenges experienced with the appointed travel agency that led to limited travelling for stakeholder engagements. The matter has since been resolved and the campaigns are continuing as planned.
Key Priority Output 33: 52 Community outreach programmes by the dtic group		
Community outreach initiatives on consumer education and awareness completed in 52 district municipalities.	Community outreach initiatives on consumer education and awareness completed in 39 district municipalities.	<u>Exceeded</u> Community outreach initiatives on consumer education and awareness were completed in all 52 district municipalities.

KEY CHALLENGES

- ❖ **Financial Constraints:** Insufficient funding resulting in the NCR's inability to fully execute strategic objectives. **Solution:** The NCR is in the process of reviewing registration fees as well as benchmarking with IFC on funding model.
- ❖ **Human Resources:** The NCR loses key personnel to the industry and is unable to attract and retain competent skills due to the specialised nature of the NCR mandate. **Solution:** exploring ways of partnering with other key stakeholders.
- ❖ **Information Technology:** Compatibility of legacy infrastructure/systems. Digitisation of structures, systems and processes to improve operational efficiency and responsiveness with NCR. **Solution:** The NCR is in the process of addressing the ICT challenges and part of the solution relating to the automation of the NCR's processes is the technical advice that the NCR is getting from the IFC (part of the World Bank Group). NCR will implement some of the ICT solutions in a phased approach, as informed by the availability of funding.
- ❖ **Lack of amendments to the NCA:** Implementation of the NCA in its current form, and in some instances adversely impacts the NCR's regulatory, enforcement action and consumer protection mandate. **Solution:** Consideration by the dtic to conduct legislative amendments of the NCA.

INTERNATIONAL COLLABORATIONS

- ❖ The NCR hosted a delegation from the **Bank of Namibia and Bank Of Uganda** for a benchmarking visit to the NCR. The purpose of the visits amongst others focused on:
 - Credit information sharing legislation: key features of the NCA in data sharing.
 - Role of NCR in data sharing.
 - How the NCR monitors compliance with the NCA in relation to data sharing.

REVENUE BUDGET VS ACTUAL

Revenue	YTD Q1-3				PROJECTED Q4				2023-2024			
	Budget	Actual	Variance	% Variance	Budget	Projected	Variance	% Variance	Budget	Projected	Variance	% Variance
Fees from registrants	51 544 965	45 930 316	5 614 649	11%	0	0	0	0%	51 544 965	45 930 316	5 614 649	11%
DTIC Transfers	84 060 000	81 538 000	2 522 000	3%	0	0	0	0%	84 060 000	81 538 000	2 522 000	3%
Other income	0	890 659	-890 659	0%	3 265 832	7 089 795	-3 823 963	-117%	3 265 832	7 980 454	-4 714 622	-144%
Interest received	2 085 165	5 849 357	-3 764 192	-181%	695 055	1 922 492	-1 227 437	-177%	2 780 220	7 771 849	-4 991 629	-180%
TOTAL INCOME	137 690 130	134 208 332	3 481 798	3%	3 960 887	9 012 287	-5 051 400	-128%	141 651 017	143 220 619	-1 569 602	-1%

Notes:

- The lower fee revenue is due to more than expected Financial Institutions closing physical branches and the closing down of other registrants (e.g. Debt Counsellors).
- Full payment of the final tranche from **dtic** was received.
- Other income has increased due to PDAs increased interest earned (bank interest rate increase) on funds received from consumers under debt review.
- Interest received is more than budget for due to increase in bank interest rates.

EXPENDITURE BUDGET VS ACTUAL

Expenditure	YTD Q1-3				PROJECTED Q4				2023-2024			
	Budget	Actual	Variance	% Variance	Budget	Projected	Variance	% Variance	Budget	Projected	Variance	% Variance
Personnel costs	63 671 718	60 948 924	2 722 794	4%	21 055 206	23 717 192	-2 661 986	-13%	84 726 924	84 666 116	60 808	0%
Premises and Equipment	9 460 069	7 784 523	1 675 546	18%	3 128 315	4 537 810	-1 409 495	-45%	12 588 384	12 322 333	266 051	2%
Communication	1 325 432	1 233 241	92 191	7%	64 639	199 228	-134 589	-208%	1 390 071	1 432 469	-42 398	-3%
Information technology	6 742 021	4 605 458	2 136 563	32%	1 759 457	4 043 427	-2 283 970	-130%	8 501 478	8 648 885	-147 407	-2%
Professional fees	8 429 422	2 893 095	5 536 327	66%	3 051 265	8 492 011	-5 440 746	-178%	11 480 687	11 385 106	95 581	1%
Consumer education	3 337 014	1 420 287	1 916 727	57%	2 115 900	3 995 605	-1 879 705	-89%	5 452 914	5 415 892	37 022	1%
Stakeholder communication	699 150	452 698	246 452	35%	313 450	502 085	-188 635	-60%	1 012 600	954 783	57 817	6%
Debt relief	566 569	559 816	6 753	1%	399 523	406 354	-6 831	-2%	966 092	966 170	-78	0%
General expenses	7 562 879	6 951 543	611 336	8%	2 835 102	3 475 045	-639 943	-23%	10 397 981	10 426 588	-28 607	0%
Capital replacement (CAPEX)	4 433 901	2 991 686	1 442 215	33%	700 000	2 527 048	-1 827 048	0%	5 133 901	5 518 734	-384 833	-7%
TOTAL EXPENDITURE	106 228 175	89 841 271	16 386 905	15%	35 422 857	51 895 806	-16 472 949	-47%	141 651 032	141 737 077	-86 045	0%

EXPENDITURE BUDGET VS ACTUAL (YTD)

(CONTINUED)

Overall:

Out of the total unspent of R16m for Q1-3, R16m is carried forward to spend in the last quarter of 2023/24.

YTD variances > 10%:

- ❖ **Premises and maintenance cost:** The unspent of R1,7m is due to the late procurement of services for preventative maintenance. This amount will be spent in Q4 of the financial year.
- ❖ **Information technology:** The unspent amount of R2,1m is due to the late procurement of support and maintenance services. This amount will be spent in Q4 of the financial year.
- ❖ **Professional fees:** The unspent of R5,5m is due to delayed completion of specifications for Consulting Services. Those RFQs have been completed in Q4.
- ❖ **Consumer Education:** The unspent of R1,9m is due to delayed completion of the advertising campaign procurement, to be completed in Q4.
- ❖ **Stakeholder Communication:** The unspent of R0,2m is due to postponement of the staff wellness event.
- ❖ **Capital replacement cost:** The unspent of R1,4m is due to be procured in Q4 in line with ICT license renewals.

Thank You!



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Q & A