



SACRRA | CREDIT & RISK
REPORTING ASSOCIATION

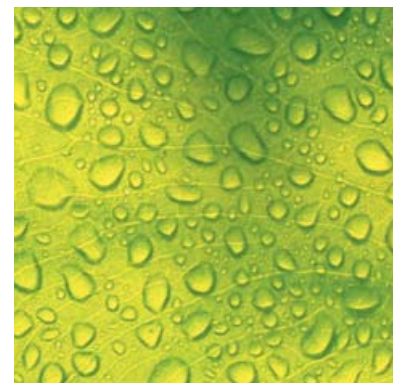
ANNUAL REVIEW

2015



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Water is to life what data is to business.

CHAIRMAN'S REPORT

The year under review has again stretched leaders as they have had to embrace and adapt to change which seems to be the new norm in both the public and private sectors. South Africa has been challenged along with other emerging markets as the price of commodities that these economies so heavily rely on, plunged. The knock-on effect has been a sharp depreciation in our currency and an increase in our inflation rate. This is now above the targeted range resulting in the Monetary Committee having to increase the Repo rate on multiple occasions, and this interest rate rising cycle seems set to be with us for the foreseeable future.

As the economy has slowed, businesses have had to contend with rising input costs and constrained revenue growth which has translated into many organisations having to right-size their people structures. This has left many more South Africans with poor prospects of finding alternative employment in the near term. Rising food and utility costs have eaten into consumers' disposable incomes and even a dramatically lower oil price has not offered sufficient relief as the depreciating Rand offset most of the drop in the commodity prices. These factors and a number of others have resulted in growing unemployment rates and consumers with debt levels that remain stubbornly high.

Racism has again reared its ugly head in our beloved country and it's good to see leadership across the spectrum condemn this and take decisive action to eradicate it in every corner of our society. Government and business have sat together to develop strategies and policies to stimulate our economy back into a higher growth trajectory in an attempt to prevent a downgrading of South Africa below Investment Grade. Should this happen, it would have a detrimental effect on the country as a whole as we would have to contend with higher borrowing costs as a nation. Now is the time for every South African to work together to shape a future we are all proud of.



SACRRA INITIATIVES

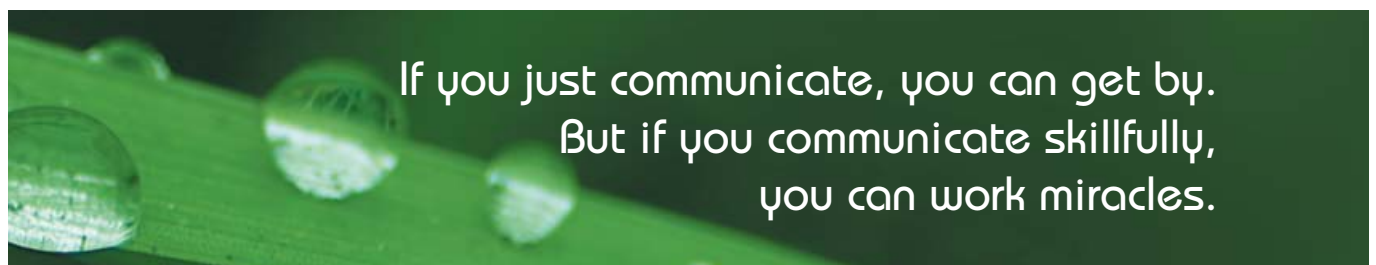
Good progress continues to be made in Project Evolution as we now have more records submitted in the Layout 700 v 2 than we have in the old National Loans Register (NLR) and Layout 700 and 500. This has resulted in lower rejection rates and improved quality statistics. In the year ahead, we will endeavour to have all members using the new version with the support of the Manco, Steerco, Bureaus and the National Credit Regulator's Office.

The Southern African Development Community (SADC) Credit Information Sharing initiative continues to have funding challenges as well as commitment issues from in-country stakeholders. Only Lesotho has made meaningful progress in getting improved data sharing by members of that local association.

The Business Credit Information Sharing Initiative (BCISI) is starting to gain some momentum as the founding members have made seed capital contributions which will cover the costs for the year ahead. We are also obtaining letters of intent for the following two years so that the project can be successfully implemented, after which we believe it can be self-funding from member companies that obtain the value from the new data provided. Successful workshops were held with all founding members, giving the approval to proceed with the initiative in the shortest possible time so that value can be extracted for the member companies without undue delay.

The SACRRA Office automation project has proceeded well and will dramatically reduce the time taken to perform a data quality assessment from days to hours, allowing the team to be more effective. The Data Master Application has started to be adopted by members and allows members to correct data submissions before submission to the Data Hub. Members who are using the application are excited by the insight it brings to their own ability to create quality data submissions and this in turn assists in improving data matching capabilities and the overall quality of shared data.

It is essential to keep the membership numbers increasing to expand the shared data pool and we had the pleasure of welcoming a number of new members through the year, including our fifth hosting bureau, Consumer Profile Bureau (CPB).



FINANCES

The Association remains in a sound financial position with no concerns around not having sufficient funds on hand to run effectively for the year ahead. Funds on hand will be moved to higher yielding interest rate accounts while dynamic cash flow management is being used to determine the movement of funds from the term deposit accounts to the daily transactional accounts. In the year ahead we are planning to use some of these reserves to explore the strategic future structure of the Association in our quest to treat data as the national treasure it is, so that member companies are well equipped to make sound credit and risk decisions with the best and most up-to-date information available.

LEGISLATION

Our members have all been faced with very challenging times as the National Credit Amendment Act came into force. This brought with it another information amnesty and the requirement of prescriptive affordability regulations. The affordability regulations came at the same time as inflation spiked with consumer debt levels remaining high, resulting in providers of goods and services struggling to find consumers who were creditworthy but also who could afford the goods and services. This is placing pressure on member organisations' ability to grow their businesses and associated revenue streams.

The caps on rates and fees have been promulgated for implementation early in May 2016 and these changes are challenging member companies to review their business models and product sets in order to remain relevant and sustainable under a growing costs and constrained revenue environment.

Credit life caps for defined benefits were debated over the period and industry awaits the publication and promulgation of these in the next few months. The cumulative regulatory change impact on businesses has as yet not fully filtered through the various businesses. The true impact will only be realised in the year ahead.

ACKNOWLEDGEMENTS

I would like to thank the committed and dedicated team at the SACRRA Office for their unwavering quest to ensure there is a wealth of accurate and timeous information shared, so that our members are equipped to make the best risk and credit decisions to ensure sustainability of the industries. A special word of thanks to Darrell Beghin, our Executive Director, for keeping a sense of humour during this volatile and challenging period in our Association's transition.

Finally, to my Exco and Manco colleagues and friends, your contributions with no remuneration, clearly highlight your commitment to ensuring a better and sustainable South Africa. We have had some interesting and often heated debates, but these have all made us grow and ensured the Association has been directed and taken to new heights. I hope this will allow us to embrace the future with confidence and determination.

Let's all work together as a collaborative South Africa to take our rightful place on the world stage as a wonderful country to live, work and play in. Take the power of one and play it forward to someone who is less fortunate than us.

Ian Wood
SACRRA Chairman
April 2015 to March 2016

STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 R	2014 R
ASSETS			
Current assets		8 057 006	7 512 849
Trade and other receivables	3	300 232	1 223 032
Cash and cash equivalents	4	7 756 774	6 289 817
Total assets		8 057 006	7 512 849
EQUITY AND LIABILITIES			
Capital and reserves		6 004 290	5 258 667
Retained surplus		6 004 290	5 258 667
Current liabilities		2 052 716	2 254 182
Trade and other payables	5	1 438 818	1 628 983
Short-term bank borrowings	6	724	2 254
Provisions	7	613 174	622 945
Total liabilities		2 052 716	2 254 182
Total equity and liabilities		8 057 006	7 512 849

STATEMENT OF COMPREHENSIVE INCOME

At 31 December 2015

	Notes	2015 R	2014 R
Comprehensive income	8	11 845 753	10 678 296
Other income	9	380 360	419 918
Gross surplus before depreciation and employment cost		12 226 113	11 098 214
Audit fees		(24 295)	(28 020)
Employment costs		(5 633 651)	(4 471 768)
Administration expenses		(6 359 591)	(6 884 554)
Deficit from operations		208 576	(286 128)
Investment income	10	537 046	489 660
Surplus before taxation		745 622	203 531
Taxation	11	0	0
Surplus for the year		745 622	203 531
Other comprehensive income			
Fair value adjustments		0	0
Total comprehensive income for the year		745 622	203 531

STATEMENT OF MANAGEMENT COMMITTEE

For the year ended 31 December 2015

RESPONSIBILITY AND APPROVAL

The Management Committee are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard applicable to Small and Medium-Sized Entities. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standard applicable to Small and Medium-Sized Entities and are based upon appropriate policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Management Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the Management Committee to meet these responsibilities, the Management Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Association and all employees are required to maintain the highest ethical standards in ensuring the Association's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Association is on identifying, assessing, managing and monitoring all known forms of risk across the Association. While operating risk cannot be fully eliminated, the Association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

MANAGEMENT COMMITTEE REPORT

The Management Committee presents their Annual Report which forms part of the Annual Financial Statements of the Association for the year ended 31 December 2015.

MAIN BUSINESS AND OPERATIONS

The Association commenced trading in the Credit and Risk Information management industry from April 1989.

No matter which is material to the financial affairs of the Association and requires disclosure in the financial statements has occurred between 31 December 2015 and the date of the approval of the Annual Financial Statements.

The operating results and state of affairs of the Association are fully set out in the Annual Financial Statements and do not, in our opinion require any other comment, save for those mentioned below.

CHANGE OF NAME

During the current financial year, the name of the Association was changed. Refer to Note 15 of the AFS for further details of the change.

FINANCIAL RESULTS

The financial results show that the Association has made a surplus during the current financial year. The Management Committee expect that the Association will perform adequately in the new financial year. The Association is expected to have sufficient cash resources to meet its obligations.

AUDITORS

Carlisle Financial Services will continue in office in accordance with section 90 (2) of the Companies Act.

MANAGEMENT COMMITTEE

The Management Committee of the Association during the year and to the date of this report are as follows:

Industry represented	Representative	Organisation
	Darrell Beghin	SACRRA
Retail Apparel	Brendan Baynham	Foschini ¹
Retail Apparel	Hugh Wroe-Street	Truworths ²
Retail Furniture	Rika Maharaj	JDG Trading
Retail Furniture	Cobus Bekker	Lewis Stores
Secured Finance	Paul Middleton	Absa
Secured Finance	Louise Le Kay	First National Bank SA
Secured Finance	Dietmar Bohmer	Standard Bank ³
Other	Christopher Harradine	MDB Attorneys ⁴
Insurance	Martin Kgoale	Hollard ⁵
Telecommunications	Adrian Robson	Vodacom
Telecommunications	Jacques Jardine	Neotel ⁶
Unsecured Finance	Alet Griesel	Direct Axis ⁷
Unsecured Finance	Ian Wood	Bayport Financial Services ⁸
Unsecured Finance	Rassie Wentzel	Capitec Bank
Group	Mark Seymour	MFSA
Notes	<ol style="list-style-type: none"> 1 Replacing Sarah-Jane Wilson 2 Vice Chairman 3 Treasurer 4 Replacing Maheshini Naidoo 5 Replacing Hendrik Heyns 6 Replacing Killan Govender 7 Replacing Tracey Wheatley 8 Chairman 	

ECONOMIC OVERVIEW

In 2014 the South African economy grew by 1,5%, the slowest growth since the financial crisis but was expected to grow by 2% by the end of 2015. According to Statistics South Africa's Quarterly Labour Force Survey Q3, 2015, the working-age population was 36,1 million with 15,8 million employed, 5,4 million unemployed and 14,9 million not economically active, resulting in an unemployment rate of 25,5%. For the period January to December 2015, the South African Reserve Bank (SARB) increased its rate leading to the prime lending increasing from 9,25% to 10,25%. The debt-to-income ratio for the year ended 2015 stood at 78,31%.

The inflation rate at January 2015 stood at 3,9% and increased to 5,2% at the end of December 2015.

The Consumer Financial Vulnerability Index (see Table 1) shows that when compared to the previous year, it is clear that consumers were finding it more difficult to manage their cash flow positions. In three of the four sub-components (savings, expenditure and debt servicing) consumers felt less in control, as indicated by the lower index scores.

Indexes in yellow are an indication that consumers are exposed to such a degree that there is a high risk of being financially vulnerable.

Table 1 – CFVI

Period	Savings	Expenditure	Debt servicing	Income	Overall CFVI
Q2 2013	44.38	52.35	53.82	43.43	46.67
Q3 2013	44.78	45.22	51.58	42.11	45.92
Q4 2013	49.96	53.53	53.71	51.28	52.03
Q1 2014	50.23	52.88	46.60	51.00	50.17
Q2 2014	51.73	54.61	48.98	47.71	50.18
Q3 2014	51.97	54.27	48.41	50.98	51.41
Q4 2014	50.52	53.53	49.57	51.42	51.22
Q1 2015	52.69	56.70	49.96	52.09	52.74
Q2 2015	51.49	52.48	47.00	52.08	50.76

The South African consumer was under pressure for the year mainly due to increases in electricity, petrol and food costs. The weakening of the South African Rand meant that imported goods cost more and the full effects of the drought are still to be felt. Consumer access to additional credit will be affected because of the implementation of the new affordability assessments required under the National Credit Amendment Act.

According to the National Credit Regulator's (NCR) Consumer Bureau Monitor, at September 2015 there were 23,34 million credit active consumers with 57.7% (13.53 million) in good standing, an increase of 2.4% compared to September 2014. For the same period there were 80.4 million consumer accounts with 74.9% (60.37 million) in good standing.

The NCR's Consumer Credit Market Report (CCMR) for the period ended September 2015 showed that the total debt owing by consumers stood at R1.63 trillion comprised of 41.29 million accounts. A total of 52.81% (R862 billion) is owing for mortgages.

All in all a challenging environment for South African policy makers, regulators, business and consumers alike.

Sources

NCR, CCMR, Q3, 2015

NCR, CBM, Q3, 2015

SARB, www.tradingeconomics.com | South African Reserve Bank

SARB, www.tradingeconomics.com | Statistics South Africa

Statistics South Africa, QLFS, Q3, 2015

Unisa, Consumer Financial Vulnerability Index, Q2, 2015

MEMBER AND DATA OVERVIEW

The entire credit and risk industry benefits if complete, accurate and up-to-date data is available to assess affordability, risk and credit worthiness and to make quality decisions in managing customers. SACRRA is committed to working with our stakeholders to ensure that all sectors benefit from these collective efforts.

With the National Credit Amendment Act, passed in March 2015, affecting the sharing of credit and risk information, SACRRA has had to enhance our data driven mandate and value proposition to ensure that data continues to be shared and accessed by both voluntary and legislated data contributors. Risks identified in certain sectors around the sharing of data are being addressed to ensure that the data pool remains uncompromised and that complete and accurate data continues to be shared for the benefit of all legitimately accessing it. The concepts of good business practice and social responsibility need to be embraced by all members. If effectively complied with, the spirit of the new credit legislation, will guide business ethics and protect consumers in our fragile economy.

Following consultation with the NCR regarding small lender inclusion and in light of member management challenges arising from Project Evolution, we recognised the need to reconsider the SACRRA membership categories, with the view to including Secondary Service Providers (SSP) and Loan Management System vendors. These companies typically manage data submissions for smaller credit and service providers.

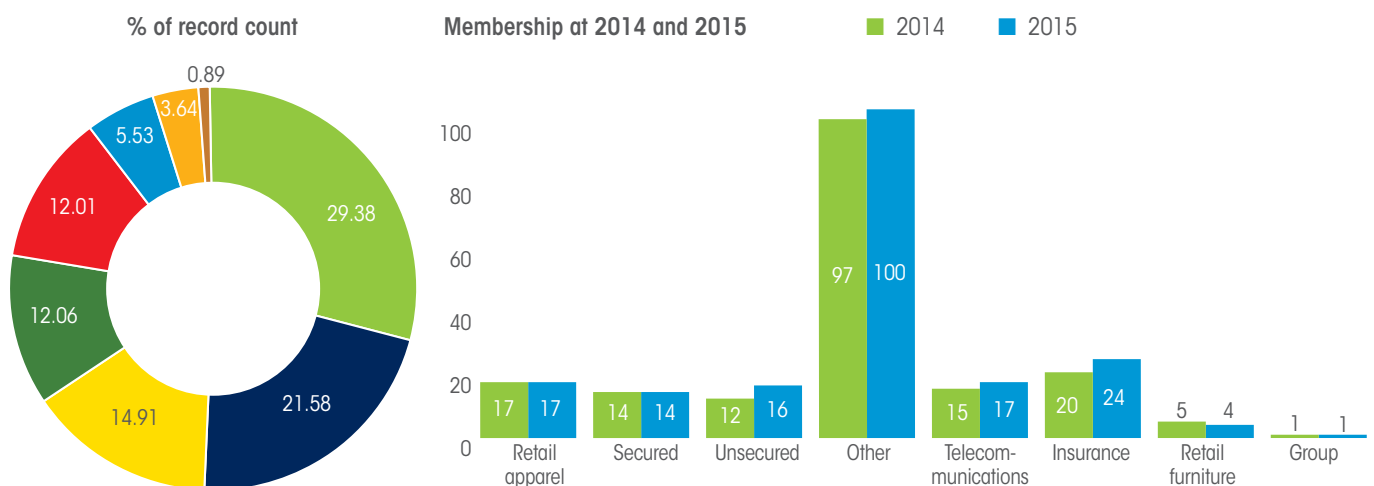
The membership category review is further compelled by the NCAA intent of removing the previous threshold requiring credit providers to register with the National Credit Regulator. This will result in thousands of smaller credit providers having to access the SACRRA data sharing environment in order to comply with legislation.

We received applications for Full Membership from 33 applicants and 15 (45%) progressed with developing their data submissions and have paid their membership fees. The remaining 14 applications have not progressed. Eight applications were received for Affiliate Membership and four applicants have provided the necessary supporting Access Authorisation Forms from Full SACRRA Members and have paid their membership fees.

We also welcomed Consumer Profile Bureau (CPB) as our fifth Associate Member and started engagements with VeriCred Credit Bureau around their membership application which will be submitted in 2016.

This table indicates the member count and submission record volumes per sector. The volume of records submitted for the period ending December 2015 was in excess of 60.6 million and includes the NLR, Project Evolution and SACRRA (formally CPA) datasets.

Member sectors	2014 Member count	2015 Member count	2014 Record count	2015 Record count	% Record count
Retail Apparel	17	17	17 148 107	17 823 900	29.38
Secured	14	14	12 242 703	13 091 936	21.58
Unsecured	12	16	7 497 450	9 048 011	14.91
Other	97	100	9 506 581	7 314 251	12.06
Telecommunications	15	17	8 300 051	7 288 240	12.01
Insurance	20	24	1 747 514	3 354 795	5.53
Retail Furniture	5	4	2 789 488	2 211 369	3.64
Group	1	1	566 814	538 433	0.89
Grand Total	181	193	59 798 708	60 670 935	100.00

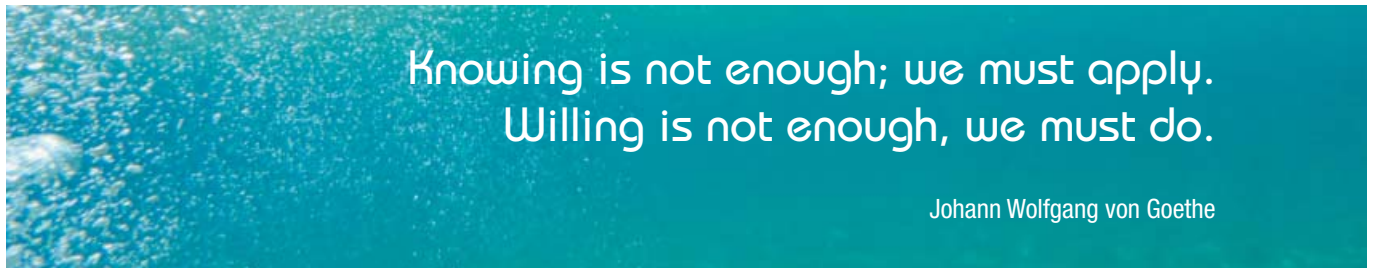
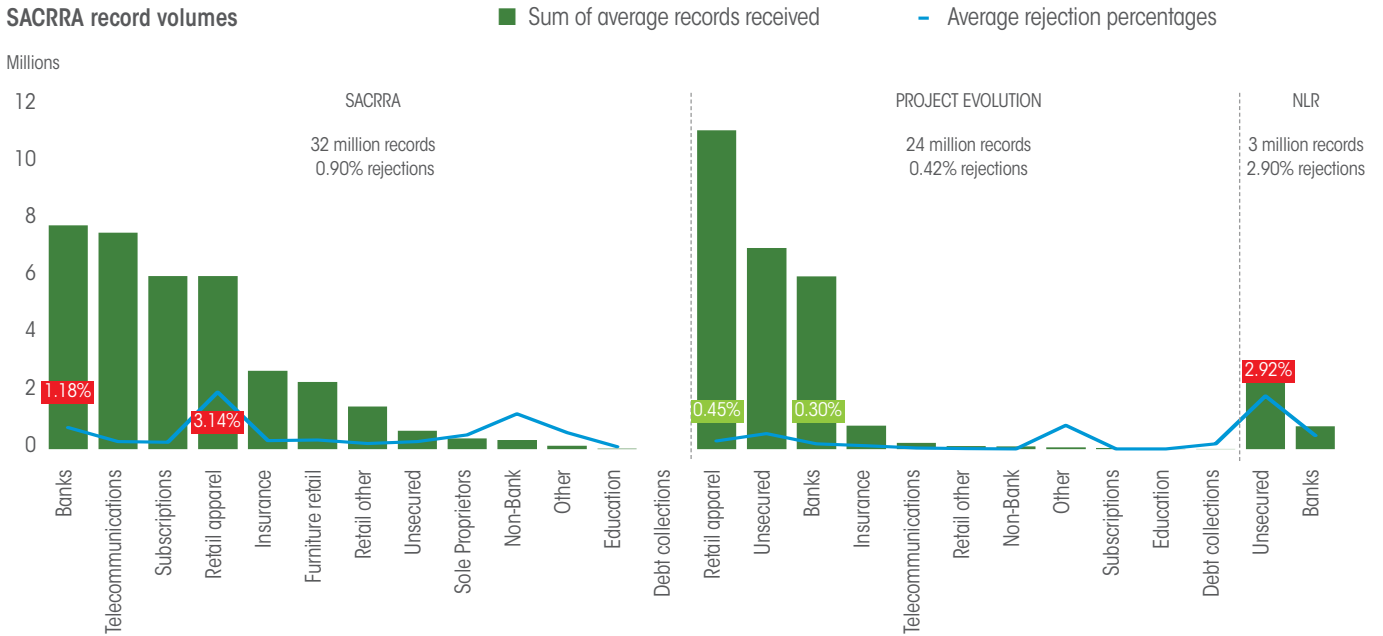


DATA OVERVIEW

SACRRA DATA QUALITY

The chart of the datasets for SACRRA (formerly CPA), Project Evolution and NLR indicates the submission volumes and the rejection percentages for each member sector. It is evident that the rejection percentages in Project Evolution are much improved.

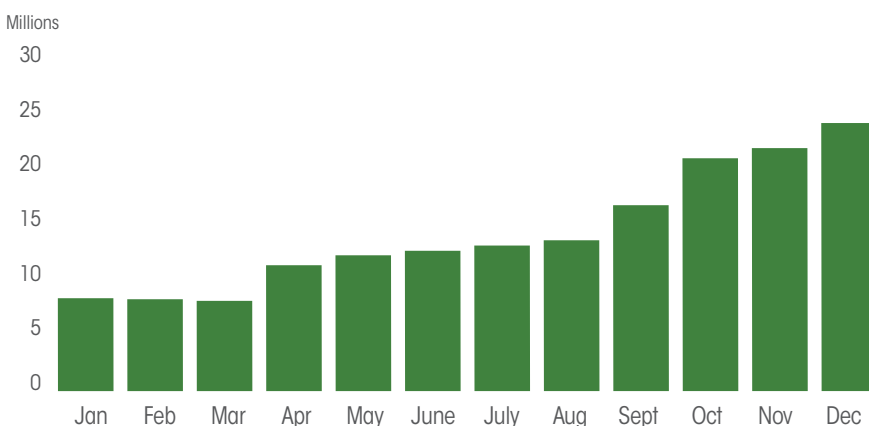
SACRRA record volumes



PROJECT EVOLUTION DATA

The Project Evolution record volumes increased rapidly since August 2015. This was due to the effort our members made in getting their files developed, tested and moved to the new Layout 700 v 2 format. In total 24.1 million records were moved to the Project Evolution dataset during 2015.

Record volumes

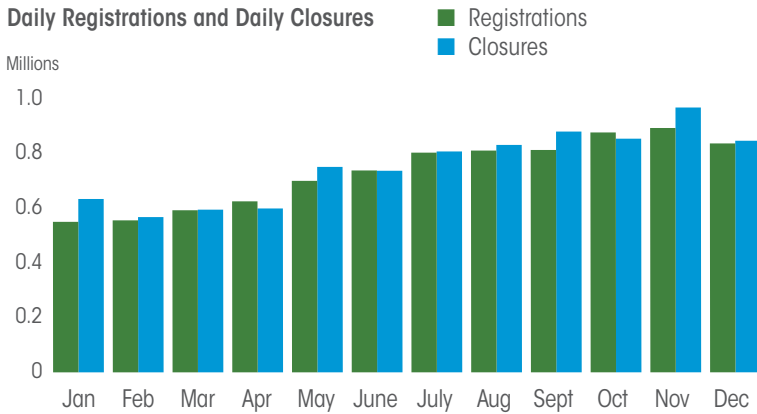


Month	Record volumes
January	8 356 182
February	8 264 535
March	8 118 932
April	11 323 393
May	12 216 859
June	12 622 044
July	13 093 101
August	13 566 096
September	16 721 963
October	20 943 242
November	21 856 248
December	24 115 783

Providing daily updates on new and closed accounts will have a positive impact on the quality of assessments and credit and risk decisions made by data providers as this data will be updated at the bureaus within 48 hours of consumer transactions being concluded.

The volumes of daily transactions in November 2015 exceeded 1.7 million and declined in December. Daily transaction volumes are expected to increase again in the first quarter of 2016 and exceed the two million mark by March 2016.

Daily Registrations and Daily Closures

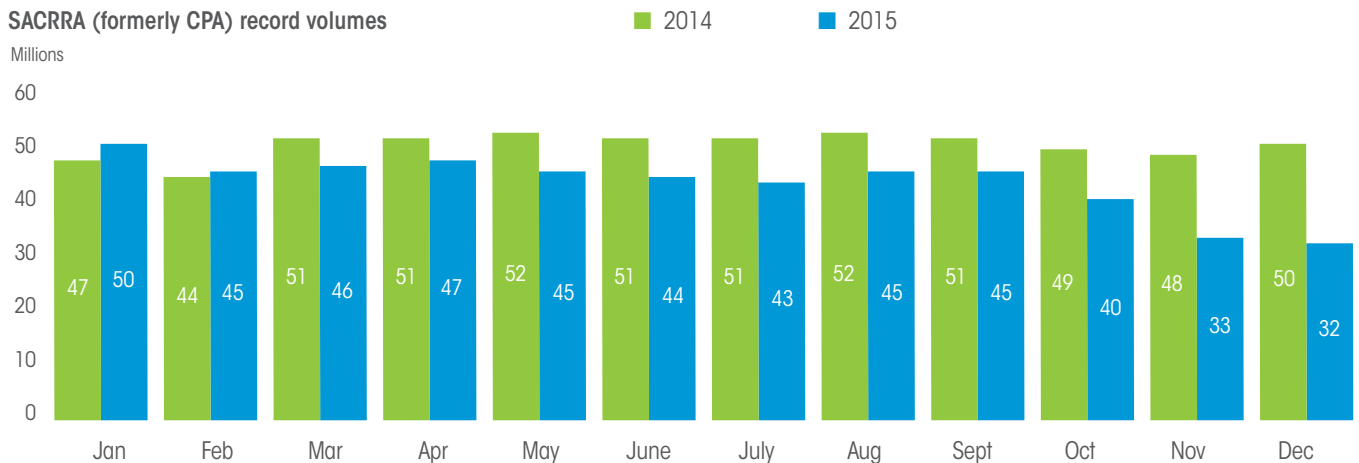


Month	Registrations	Closures
January	507 155	584 283
February	512 036	523 687
March	546 856	548 531
April	576 857	552 608
May	645 911	692 878
June	680 136	679 738
July	740 933	744 558
August	747 703	766 255
September	749 560	811 360
October	808 452	787 382
November	823 124	892 951
December	771 644	780 848

SACRRA (FORMERLY CPA) DATA

The evident decline in these records is attributed to the movement of data to the new improved Layout 700 v 2 dataset as part of Project Evolution.

SACRRA (formerly CPA) record volumes



QUALITY EXCEPTIONS (QE1)

The chart shows the average volume of records received within the SACRRA (formally CPA) dataset over the past five years as well as the QE1s relevant to this period. QE1s are a count of accounts that have been submitted over the past 24 months where there has been no update for more than 60 days.

The credit amnesty played a major role in the increase QE1s between 2014, 2015 however this declined somewhat in 2015 due to data providers migration to the Project Evolution dataset.

Average records supplied and QE1s – SACRRA (formerly CPA) dataset



DATA OVERVIEW

NATIONAL LOANS REGISTER (NLR)

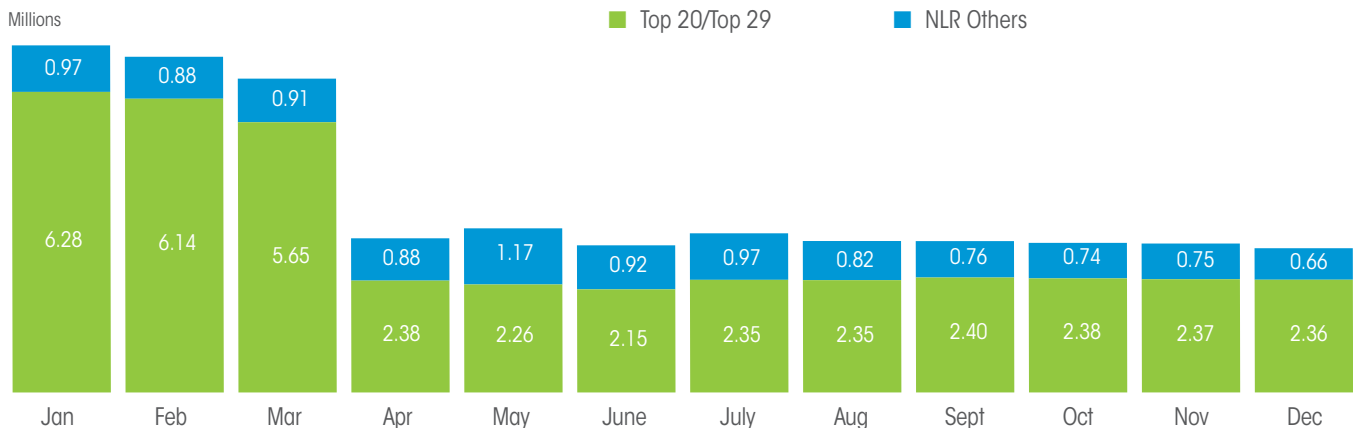
With the NLR database, SACRRA's aim has always been to maintain stability of data quality. NLR data submissions have always been erratic and continue to be so. The format for the NLR dataset that was launched in 2000, although intended to create standardisation in data submissions, has not resulted in this. The knock-on effect is inconsistency in data submissions and bureau reporting. SACRRA has been working diligently with members to improve data submissions and bureau reporting, resulting in some great wins for SACRRA members, however more work is still required.

Project Evolution will ultimately be the savior of the NLR as NLR data providers migrate from the NLR dataset to the Project Evolution dataset. Not all NLR data providers are either SACRRA or MFSA members, creating a challenge in how SACRRA can manage the data from these parties. In close cooperation with the NCR, who owns the NLR database, SACRRA is working towards a resolution aimed at creating more inclusion and alignment.

As planned, the volume of records in the NLR dataset has declined since April 2015. Prior to migration, members undergo a data clean-up process to reduce the volume of QE1 records on the NLR databases at the respective credit bureaus. Stricter data validations and continuous data quality monitoring processes are the focus of engagement with members on their NLR data. There are still a significant number of NLR data providers that have not moved to the Project Evolution database and this remains a challenge because of the pending June 2016 deadline to get all data providers into the Project Evolution database.

January to December 2015 – NLR Data Submissions

NLR Top 29 – This comprises a select number of members with large debtors' books. The Top 29 was evolved from the original Top 20 members identified for Project Evolution prioritisation after some of the larger data providers migrated to the Project Evolution dataset. The Top 29 members were proposed and accepted at the July 2015 NLR Manco Meeting. NLR Others are all other micro lenders where the number of accounts per member are low.



	January	February	March	April	May	June	July	August	September	October	November	December
Total NLR submissions	7 251 092	7 014 615	6 557 468	3 262 459	3 430 269	3 074 481	3 325 848	3 165 142	3 163 384	3 126 260	3 111 432	3 014 572
Top 20/29	6 279 517	6 137 307	5 646 384	2 377 921	2 256 900	2 154 614	2 353 447	2 3463 07	2 401 985	2 383 621	2 365 280	2 355 708
NLR Others	971 575	877 308	911 084	884 538	1 173 369	920 868	972 404	818 835	761 399	742 639	749 153	658 863

The drop in submissions seen in the April month end is a result of a large data provider migrating to the Project Evolution database, great news for SACRRA members as this shows the new Project Evolution database is growing and the NLR dataset is diminishing, which is the intention.

Supplier Reference Numbers (SRNs)

Supplier Reference Numbers or SRNs are unique identifiers that are allocated to each NLR member and are used by bureaus to identify whose data is loaded.

SACRRA allocated 244 new SRNs to NLR members from January to December 2015. We also undertook the updating of 179 NLR SRNs resulting in an increase from 2014 of 93 and 85 respectively. On 2 December 2015, to aid the Project Evolution implementation plan, the NLR Manco decided to stop the allocation of NLR SRNs and to only provide Project Evolution SRNs for new members.

DATA CLEAN-UPS

Data clean-ups are undertaken when incorrect data is loaded against a member's SRN. This can result in duplications of records at the credit bureaus and for this to be rectified the data must be moved to the correct payment profile line, this removes the duplicate and ensures the continuation of the account history.

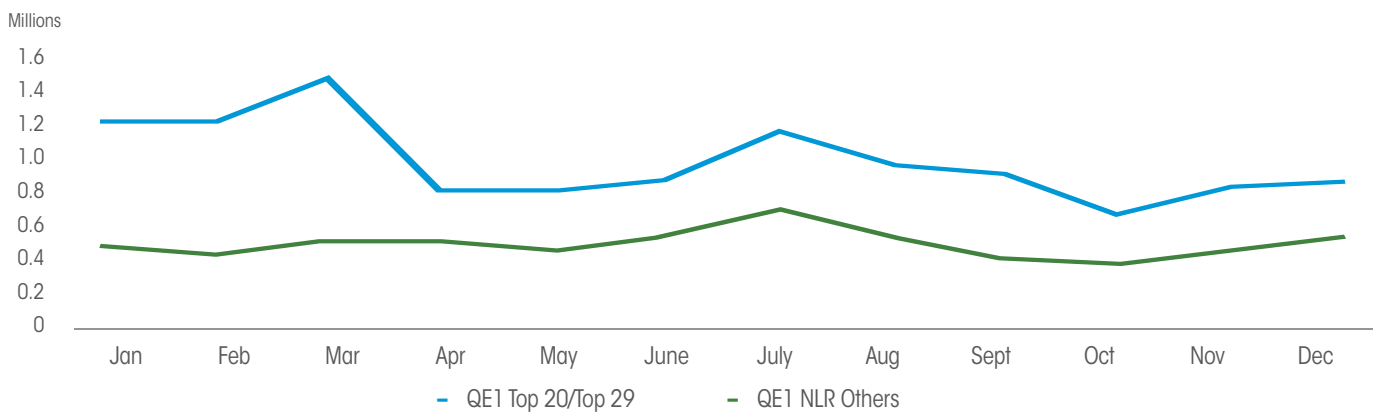
During the year, a total of 2 207 169 consumer records were moved to the correct SRN, with the majority of these corrections being initiated by the need for a clean Project Evolution dataset.

There were 8 440 consumer account conversions performed. These were as a result of the NLR members changing their Secondary Service Providers. These conversions were necessary to avoid consumer account duplication. Although still a large amount of conversions, there was a 90% drop from 2014 which shows more stability in data consistency and submissions.

The focus on cleaning up poor data quality is evident in the rejection percentages which reduced by more than 50% over the year.

January – December 2015 – Dormant Accounts

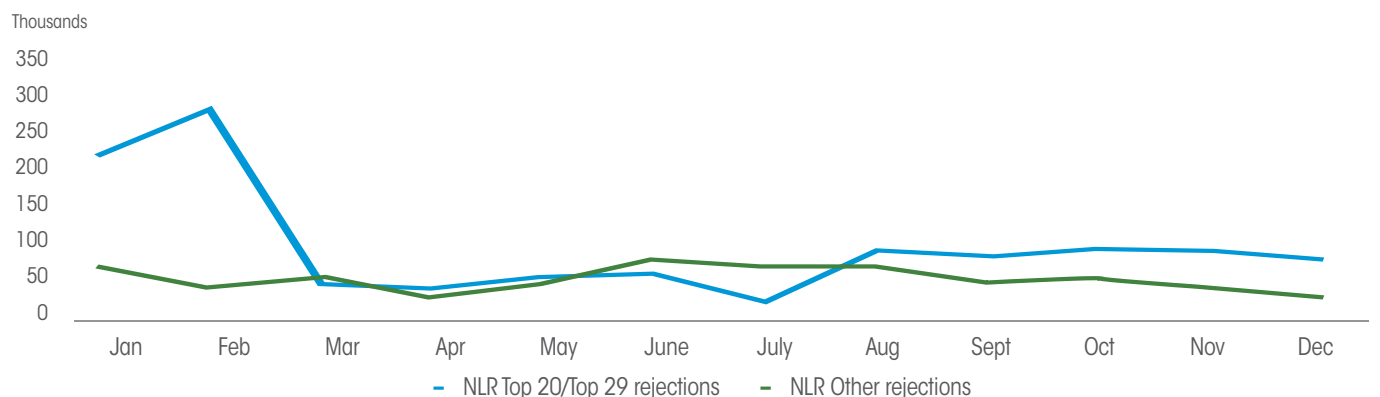
Accounts which have not been updated for 60 days or more since the last data load (QE1)



The dormant account rate depicted in the graph shows some inconsistency, however overall this dormancy rate has decreased. This decrease is a result of SRN clean-ups as well as a decrease in the rejection volumes.

January – December 2015 – Rejections

Total number of records rejected due to poor data quality



	January	February	March	April	May	June	July	August	September	October	November	December
NLR Top 20/Top 29 rejections	252 907	321 907	58 723	50 498	65 311	70 082	30 343	106 707	100 262	108 856	105 620	94 670
NLR Other rejections	84 242	52 430	66 163	38 495	57 300	91 613	83 729	82 655	61 239	63 907	51 140	35 865

The number of records rejected decreased substantially during the year. This is a step in the right direction and ensures good quality data.

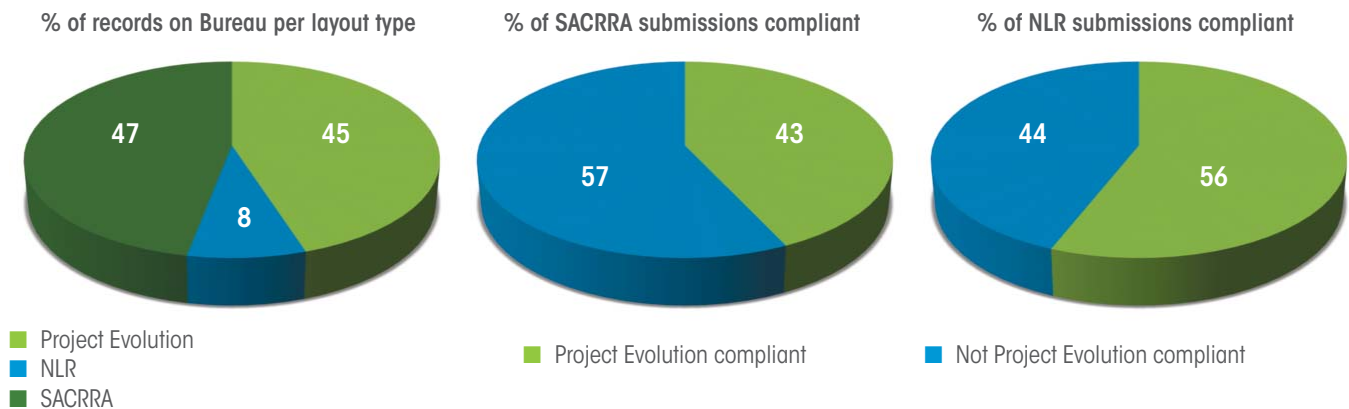
OPERATIONS OVERVIEW

2015 proved a busy year, with our core focus on Project Evolution, the automation of integral data assessment tools, the Business Credit Information Sharing Initiative and supporting FinMark Trust in establishing the credit information sharing associations within the SADC region.

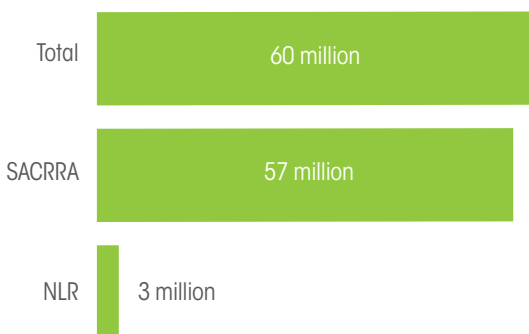
PROJECT EVOLUTION

The roll-out of members within the new Layout 700 v 2 gained momentum during 2015. The year ended on a high note with Project Evolution data being the majority data held at the bureaus.

The graphs below show statistics as at the end of 2015, these statistics are obtained from the bureau data bases and may differ from other statistics presented in this report as those are based on SACRRA member submissions. The reason for using bureau statistics is that data volumes can then be measured against what is actually loaded at the bureaus.



Number of record submissions



The project team was kept busy finalising the layout changes for the compliance portion of the project. These changes have bearing on the removal of adverse indicators within seven days of payment, overdrafts, mortgages, prescription of debt and debt recovery.

To facilitate compliance with the NCAA, interim solutions were investigated and implemented for the removal of adverse indicators and prescription of debt. These solutions are to be used until such time as members have completed the required developments.

The development for removing paid-up adverse indicators was finalised by all the bureaus, and data providers compliant with the Layout 700 v 2 were able to use the daily submission file to easily remove these.

DATA MASTER APPLICATION (DMA)

The DMA is a software application that was developed to empower members to pro-actively take responsibility for their data quality. It provides members with feedback based on the SACRRA layouts which includes; validation errors, a graphical representation of historic data loads, and an high-level overview on the number of records, months in arrears and status code submissions.

This ambitious project kicked off in November 2014 with development and testing continuing until March 2015. The application was launched

at selected member pilot sites in June 2015 during which minor system enhancements and corrections were made. The beta version, inclusive of these changes was deployed in November 2015.

Members who formed part of the initial pilot and Phase 2 rollout have gained the benefit of the application, with testing turnaround times on Project Evolution being cut considerably. We encourage all members to contact their Stakeholder Manager to arrange to have this application installed within their environment.

DATA SPECIFICATION MATRIX (DSM)

Over the past few years the single Layout 700 has expanded to Layout 700 v 2 which now also includes a Daily Layout and an excess of 800 validation rules. Under Project Evolution Compliance an additional four addendums have also been added. A Debt Recovery Layout is under construction and at least four additional layouts under the Business Credit Information Sharing Initiative will be introduced over the next year or two.

As part of the SACRRA Automation Project, the requirement for an automated management approach to these layouts was identified and as a result the Data Specification Matrix (DSM) Project was registered.

This system will allow for the dynamic construction of a layout specification with different dimensions of data available. It is envisaged that this system will allow members to easily access any of these dimensions as and when required.

The dimensions will be rapidly updated as needed and the updates to other integrated SACRRA systems will be automated to ensure that amendments to the layouts are filtered through the entire organisation and to our individual members.

This project is another significant step towards driving standardisation among our members within the SACRRA environment.

QLIKVIEW REPORTING TOOL

In 2015 development and implementation of the Qlikview Reporting Tool was achieved. This became a necessity due to progress on Project Evolution which resulted in the number of reports received from our Associate Member Bureaus increasing exponentially. Due to this Stakeholder Managers were required to evaluate and analyse an average of 104 Excel reports monthly to identify data quality concerns.

With the introduction of Qlikview, these reports are now being loaded into a central repository that allows the various Stakeholder Managers to review and analyse the information rapidly.

Phase 1 development included reports from the National Loans Register, SACRRA (formally CPA) and Project Evolution datasets.

By eliminating the need for manual processing, we estimate that we have cut down the time it takes to consolidate and analyse the bureau reports from two days to four hours. This additional time allows Stakeholder Managers to engage more effectively with members on actual data quality issues.

Qlikview will also provide the SACRRA Office with additional insight into the data, which was previously not possible. The intention is to share these new data perspectives with our members.

DATA HUB

During 2015 many challenges were addressed within the Data Hub Environment. One of the issues that was resolved was the concern around sufficient capacity to deal with increased volumes of files.

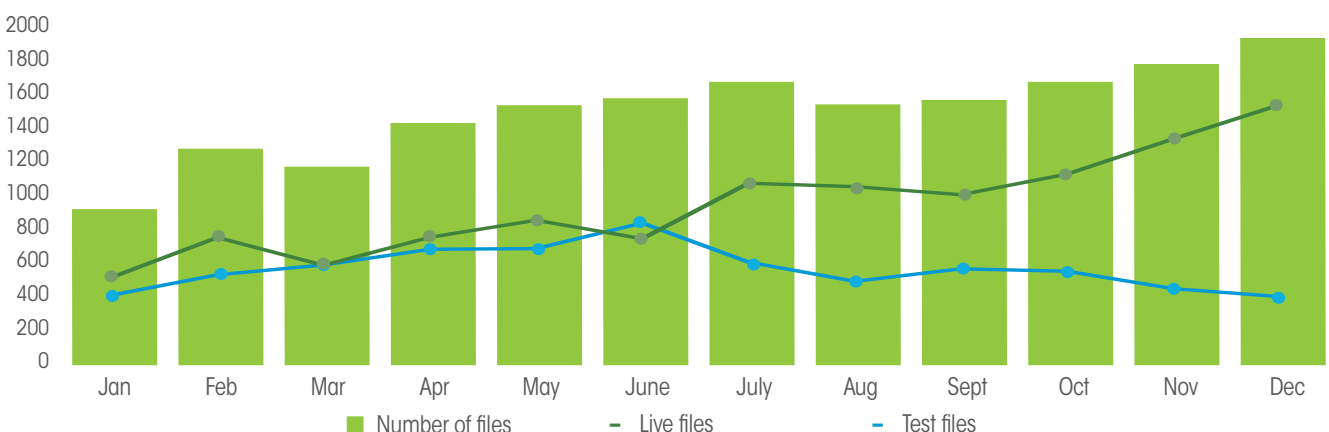
This capacity problem was solved through the implementation of a SQL server license upgrade in September 2015. This allowed a large increase in the data base capacity and supported the inclusion of our 5th hosting bureau (CPB). It also facilitated additional time to investigate alternate options for the future expansion of the Data Hub, without having to commit to any immediate costly upgrades.

A total of 17 549 files were transmitted via the Data Hub resulting in 170 549 emails that were received and monitored by the SACRRA Stakeholder Managers.

In January 899 files were transmitted, this increased over the year to a total of 1 870 files in December.

It is clear that as membership increases and more files are signed-off in Project Evolution, adaptations in capacity and overall transmission management processes will need to be made, to ensure that the Data Hub can handle the rapid growth in transmission volumes.

Live files versus Test files



OPERATIONS OVERVIEW

WEBSITE

The Association's name change in March 2015 was the perfect opportunity to also update our website. The site was designed around the theme of **Quality water is to life, what quality data is to business**, to emphasize the criticality of sharing quality data.

The member's area was designed to allow the SACRRA Office to regularly update the website to communicate effectively with members. As the

Association continues to adapt and adjust to industry changes and challenges we will keep members informed. Members are encouraged to visit our website at www.sacra.org.za and register as a user to receive our exciting and important news.

Water's perfect memory makes it constantly seek its pure unpolluted state; for data to be effective it must also hold to its essential truth.

The SACRRA team with the aid of Toni Morrison

BUSINESS CREDIT INFORMATION SHARING INITIATIVE (BCISI)

Background

Continuing the initiative from 2011 and with the assistance of FinMark Trust, a part-time project manager was contracted to pursue the initiative of business credit information sharing. The BCISI project operates within the mandate of SACRRA and the project has its own steering committee consisting of the following founding members:

- **Data Providers:** ABSA, Standard Bank, Nedbank, Firststrand Bank, Neotel, Land Bank, Cell C,
- **Credit Bureaus:** Experian, TransUnion, XDS, Compuscan, Consumer Profile Bureau, Inoxico
- **Key Partners:** FinMark Trust and the National Treasury

Leadership of the project comprises of the following individuals:

Jacques Jardine (Neotel)	Chairperson replaced Neville Kuhn (ABSA)
Sakhumzi May (Land Bank)	Deputy Chairperson
Dietmar Bohmer (Standard Bank of SA)	Treasurer
Rajeen Devpruth (FinMark Trust/SACRRA)	Project Manager
Darrell Beghin (SACRRA)	Project Owner

Progress

- The operating principles of the project have been accepted by the founding members.
- The founding members have each contributed R65 000 towards the initial costs.
- A legal review has been commissioned to ensure that the intended sharing of business credit and risk information complies with prevailing legislation.
- Engagement with National Treasury and the Department of Small Business Development (DSDB) has ensured that the BCISI project and the credit rating agency project run by the DSDB are aligned and will complement each other moving forward.
- A marketing roadmap was designed with the emphasis on attracting new members to the project.
- The project has commenced with focus on the banking/agriculture sectors first, followed by the telecommunications sector in Phase 1.
- Data layouts have been developed for these sectors and valuable feedback received from all the stakeholders on these.
- It is estimated that at least a three-year period will be needed to achieve the project's objectives.

SADC CREDIT REPORTING ALLIANCE PROJECT (SADC-CRA)

The SADC-CRA project is a SACRRA and FinMark Trust (FMT) initiative which started in 2011 and which was launched in six countries, Botswana, Lesotho, Namibia, Swaziland, Zambia and Zimbabwe, to support the establishment and effective functioning of credit provider associations. The BCISI project forms part of the SADC-CRA Project as a pilot programme for small, medium and micro enterprises (SMME) credit information sharing, using South Africa as the lead country. Significant progress has been made in establishing important building blocks for more effective information sharing, awareness and advocacy within regional and national structures, the registration and launch of the associations in the six initial countries, and the development of, and agreement on, the key principles for credit reporting within the SADC region.

The project has two levels of engagement: country specific and regional.

Country level

At this level, proposed interventions are aimed at directly creating and supporting mechanisms to strengthen credit information sharing practices. This includes creating awareness, ensuring the sustainability of the newly established associations, ensuring data subject education, protection and privacy. Guidance is given to inform operational activities to support good governance, the creation of data protocols and standards, and to ensure effective regulatory compliance. Important objectives of the project are the development and piloting of alternative sources of data which include credit, transaction and other information, and the application of alternative approaches to facilitating assessment of credit worthiness amongst broader target markets.

Regional level

At a regional level, the project seeks to have harmonised principles for credit information sharing accepted and applied by the participating countries. These principles are based on international best practice and norms. Therefore, to ensure sharing at a regional level, country associations are critical to fostering localised data sharing. As the project progresses, the remaining countries in SADC will be approached for inclusion.

Progress

Significant progress has been made in establishing and registering the legal entities in each country. Each Association/Alliance has its own set of members, directors and/or trustees. Stakeholders from all industries are represented within the Associations/Alliances.

- The Swaziland Credit Data Association was registered in October 2014 and officially launched in Mbabane on 19 November 2015.
- The Namibia Data Sharing Alliance was officially launched to the public on 2 March 2015 in Windhoek. The Governor of the Bank of Namibia was the keynote speaker, Dr Prega Ramsamy from FinMark Trust and the SACRRA Executive Director presented at the launch.
- The Credit Providers Association of Lesotho was registered in January 2015 and was officially launched in Maseru on 19 January 2016. Data providers in Lesotho are now using Compuscan for risk assessment and more than 120 000 records have been submitted to Compuscan. The event was well publicised in the local newspapers and on radio stations and television.
- The Zambia Credit Reporting Association was registered in December 2014 and officially launched in Lusaka on 15 October 2015. The SACRRA Executive Director made a presentation at the launch where more than 60 guests were present.
- The Credit Providers Association of Zimbabwe was registered as a trust in March 2015.
- The Botswana Data and Risk Association was registered as a legal entity during December 2015.

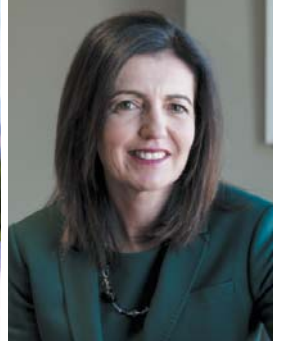
The major risk to the SADC-CRA project is the financial sustainability of the local associations and donor funding is critical to the continuance of the initiative.



Coming together is a beginning.
Keeping together is progress. Working together is success.

Henry Ford, Founder Ford Motor Company

OUR HEROES





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