



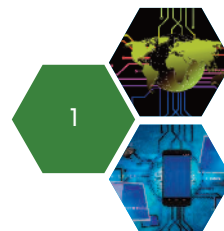
CONTENTS

Chairman’s Message	1
Profile on new Executive Director	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Governing Body	9
Operational Overview of the past financial year	9
The SACRRA Office Team	18

Publication date of Annual Report – May 2023

“You’re either the one that creates the automation or you’re getting automated.”

TOM PRESTON-WERNER



CHAIRMAN'S MESSAGE



The period under review marks the end of an era of building and consolidating SACRRA under the stewardship of Darrell Beghin, and the appointment of Magauta Mphahlele as the new Executive Director (ED) in January 2023.

KEY ACHIEVEMENTS TO DATE

During the last 10 years, Darrell, and the team – with the support of our members in all parts of the credit and risk ecosystem – have ensured a functional organisation that we can all be proud of.

Notable achievements include:

- The rationalisation of the leadership structure from an unwieldy Manco of up to 21 industry reps and associates over the years, to a Governing Body comprising five subject matter experts and two independents. This was introduced in October 2020 and has significantly streamlined operations and improved accountability and transparency by taking a specialist portfolio approach to ensure that we add value to members.
- We went from 43.5 million records per month in 2012 to a monthly average of 54.6 million as of December 2022.
- Despite this uptick in volume, rejection rates have improved. During the last ten years, these have tended to fluctuate within reporting periods, from a high of 2% in 2016 (the year we jointly reduced the number of dormant accounts on bureau databases from just under 3 million to 800 000) to just below 1%. We have worked hard to stabilise fluctuations in rejection rates, and during 2022 we managed to keep it constant at 0.67%. This is well below the maximum allowable rejection rate of 2% and better than our internal target of 0.7%.
- Our membership has also evolved with the organisation and has been expanded to include banks, retailers, furniture suppliers, insurers, telecom and subscription companies. To make SACRRA more inclusive, we introduced the Affiliate-Led Group membership category in 2017 to assist smaller credit and service providers that utilise Secondary Service providers (SSP) and/or Loan Management System Vendors (LMSV) to manage their payment profile data submissions at an affordable and subsidised fee.
- As a result, we almost doubled our member count from 139 in 2011 to 280 in 2022.
- Our revenue has risen far more than inflation from R5.49 million in 2011 to R21.9 million in 2022, primarily due to membership subscriptions, the recovery of Data Transmission Hub costs, income from the BusCRI project, and prudent fiscal management.
- To deal with the above, we have grown our staff complement from six in 2012 to 17, in line with the expanding needs of our members and the increased number of records loaded each month.

With Darrell courageously indicating that she felt it was time to move on, the Governing Body devoted considerable effort during the period under review to finding the right person to fill her shoes. This was a huge ask: a leader with experience in managing a non-profit organisation who also understands credit and risk policy and legislation, with strong strategic skills and a proven track record when it comes to stakeholder engagement and advocacy. In short, someone who can lead SACRRA into the next phase of its strategic development. I believe we have found all that and more in Magauta Mphahlele.

While we have indeed come a long way in the last decade, we need to avoid complacency. As many of you know, I am fond of the data-as-a-utility metaphor: good quality data is like water or power and look where complacency got us with those. We can especially not afford to be complacent in this transformational AI era, where data is so much more than just a utility function. What got us here, won't get us there.

As a result, we have important strategic decisions to make in SACRRA. We need to decide whether, how, and when we increase the data universe with alternative data for consumer reporting and business reporting, and to what extent, if at all, SACRRA extends its role in the data space. The appointment of the new ED is thus a major milestone as it will bed down those elements of our strategy already underway – notably further data improvements, enhancing our digital journey, and amplifying the quality and frequency of our stakeholder engagement; and elevate the strategic conversations around SACRRA's role in the data ecosystem of the future.



CHAIRMAN'S MESSAGE

OUR DIGITAL JOURNEY

Better systems equal better collaboration

At SACRRA, we ascribe to the view that the quality of our support will increasingly hinge on the ability of our software applications to reduce human error, minimise repetitive manual tasks, flag anomalies, and improve decision-making. For this reason, we began our digital journey in 2018, from unstructured, slow, manual, and reactive processes to an automated, faster and proactive self-service model. Despite being a small team, we punch above our weight and have made significant progress in terms of automating our processes. Going forward, the challenge will be to ensure that we can continue to innovate and develop systems to keep pace with the needs of the industry and our members. Right now, we do a lot with relatively little, but this is an area that will need ongoing investment to ensure that our automation is maintained and developed accordingly.

Currently, our automation tools include SACRRA Connect, the central portal that allows our members to submit, view and update information, and the Freshdesk-based SACRRA Support Station, which was successfully launched last year. This not only helps members log and track data quality issue resolution but can also identify corrective action. The implementation of the SACRRA Support Station means that going forward, information from the systems can now be analysed to ensure better prioritisation of data quality issues.

Over and above what we provide to members, the Office uses PowerBI extensively to measure trends and performance against key data quality metrics as well as to manage member data anomalies.

With these tools, we now have the foundation to resolve all reporting issues and, in due course, through improved collaboration and alignment within the ecosystem, achieve the holy grail of 'one truth' across stakeholders.

For SACRRA to be able to deliver on its mandate, we need our members to use these tools as intended, and engage effectively with our SACRRA Stakeholder Managers in our collective quest to ensure data quality. This includes using the DMA (Data Master Application) to test files before live submission; using SACRRA Connect to review rejections, and loading stats across credit bureaus to assist in identifying errors that need to be rectified. But we particularly need your feedback when it comes to further enhancements required to improve data quality, resolve issues, and speed up the onboarding of new members and product files.



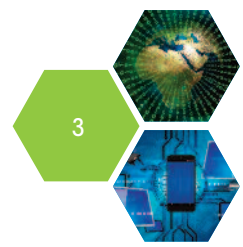
Towards the Proactive Management of the Quality of Data Processed through the Data Transmission Hub

Every year the SACRRA Office receives data quality load reports for approximately 300 000 files, which must be analysed by our current staff complement of eight Stakeholder Managers. These reports are received from our six member bureaus, and while the data is pulled into our warehouse and analysed via Power BI, the process is reactive and time consuming and is dependent on weekly receipt of the reports. In a digital data-driven world, members expect immediate feedback, and if we are to remain relevant, our response needs to be fast and efficient. To this end, we are intending to implement a centralised DMA, hosted in a highly secure environment, which will ingest payment profile file submissions from data contributors, run these files through a rules engine and produce user reports highlighting the instances where the records do not comply with the SACRRA Data Specification rules.

This will significantly improve SACRRA's proactive ability to maintain and improve the quantity, quality and consistency of financial obligation and payment performance data, as well as free up resources to focus on real data quality issues and facilitate further innovative solutions for both our data-contributing and bureau member base.

The right skills are essential to leveraging our systems

While there has been substantial investment in IT, more work needs to be done to ensure that staff are equipped to respond quickly and effectively to queries raised on the SACRRA Support Station. This was one of the key issues flagged in the 2022 Member Survey and prompted the push at the end of last year to enhance the speed and quality of support provided to our members and stakeholders, and our response



CHAIRMAN'S MESSAGE

to data quality issues. These efforts will be amplified in the current period. In addition to in-house training and system changes to address ad hoc and replacement file issues via SACRRA Connect, we are planning to bolster the team with the recruitment of a Data Specialist to proactively manage the design, development and implementation of data specifications and provide input to, and support of our IT solutions required to deliver the data strategy. The new ED will deal with any performance bottlenecks and enhance the culture of accountability and responsiveness.

STAKEHOLDER ENGAGEMENT

A collaborative approach to creating shared value

The risk and credit sector is a diverse ecosystem with each party contributing to our common purpose of using complete, accurate, quality data to drive effective business decisions. For the ecosystem to function effectively, cooperation amongst our members is not optional. It is essential. I am very pleased with the heightened levels of engagement that took place in 2022, demonstrating a collaborative approach to improving the ecosystem: tactically and operationally; and at a strategic level from a data quality perspective and regulatory data quality management and mitigation. To continue to refine and improve the tools and our organisation, we will strive to listen to our stakeholders and to seek feedback from users. However, we rely on our members for feedback: Is this working for you? What can we do better? How else could we add value? What else should we be doing? This will allow us to incorporate your feedback into the new strategy that will shape the SACRRA of the next decade.

Stakeholder engagement is also essential to resolving issues amicably, such as the IP dispute and the renegotiation of the Memorandum of Agreement between the Credit Bureau Association and the National Credit Regulator, which is set to expire early in September 2023; and to initiate new projects – such as the quest for alternate data to create a more inclusive economy – and kickstart old ones, such as Business Credit & Risk Information (BusCRI) project. Initiated in 2011, the BusCRI project has not progressed as fast as we might have hoped. Although we have tried to reinvigorate this project, we have been slowed by legal concerns around privacy and competition laws, given that a large part of the information that will be shared falls outside the ambit of the National Credit Act. While members have restated their commitment to the project, we need to ensure that the BusCRI project is based on a solid legal foundation. We are in the process of seeking a legal opinion that considers competition law and other recent legislative changes affecting the reporting of business credit and risk data, including POPIA.

I cannot overstate the importance of this project to South Africa, and our association, both for entrepreneurs who want to start businesses and create jobs and for members to grow their client base. Just as Project Evolution and the introduction of Layout 700 version 2 have been game changers for consumer credit and risk, BusCRI has the potential to transform the business credit and risk environment.

DATA AS A STRATEGIC ISSUE

As a data-sharing association, SACRRA is among the best of its kind in the world in respect of consumer credit. In a society that has become data dependent, this achievement is something to be celebrated. However, the recent massive leaps in generative AI are going to be more disruptive than we anticipate, and the way we acquire and use our data will change. There are all sorts of new challenges, from the regulatory to issues around IP and analytics, that will profoundly affect our businesses and the way we function. Now more than ever, we will need to collaborate and work together to ensure that our people, platforms, and policies serve our members, the regulators, and the South African economy.

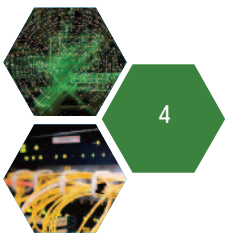
ELECTION YEAR FOR THE GOVERNING BODY

The Governing Body has worked hard to establish and develop the new operating model, and I believe we have made good progress thus far. We are also in a sound financial position. We are going into the second election cycle of the new Governing Body structure this year, our members' job is to evaluate how we are doing and to ensure that the next Governing Body is suitably skilled to take us forward.

GRATITUDE AND ACKNOWLEDGEMENTS

Many people have played a key role in getting us to this point. My sincere thanks go to:

- The Governing Body for giving so generously of their time and expertise, irrespective of their day jobs, and for their strategic direction and support to the SACRRA Office team.
- The various subcommittees, including the Selection Committee that led the search for the new Executive Director, along with Hendrik Heyns, the Stakeholder Relations Lead; and the DITSC, so ably led by Sharief Allie and supported by Josh Souchan who was instrumental in upping our game in 2022.



CHAIRMAN'S MESSAGE

- The FRCAC led by Louise le' Kay, the Risk Lead, and supported by Chaz Jafftha, our Treasurer, who – along with many others – maintain SACRRA's solid financial footing, ensuring effective internal controls, appropriate oversight to manage the Association-wide risks, and compliance and good governance.
- I'd also like to thank Rubendran Naidoo and Gabriel Davel, who stepped down from the Governing Body in 2022, for their time and contribution to SACRRA.

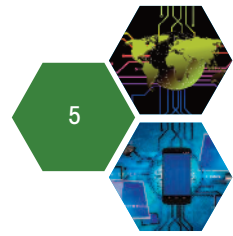
I reiterate our thanks to Darrell, for getting us to this point, and for the collaborative way she expedited the handover process. We wish Darrell – as well as those members of the team who retired or moved on last year, such as Carike Gerber, who resigned after 13 years of service – all the very best.

A big thanks also to all those in the Office who continue to strive to deliver on our mandate.

On behalf of the SACRRA team, I would also like to acknowledge Lesiba Mashaba, under the capable leadership of Nomsa Motshegare, the CEO of the National Credit Regulator, for the outstanding work he has done for our industry. We honour his dedication to ensuring fair play and transparency in the industry and wish him a speedy recovery.

If we can see and do more, it is only because we stand on the shoulders of giants who have come before us. Let us collectively ensure that we build on this very solid foundation to take it to the next level.


Charles Chemel
Chair



PROFILE ON NEW EXECUTIVE DIRECTOR



We are pleased to announce that the Governing Body of SACRRA has appointed Ms. Magauta Mphahlele as our new Executive Director who took over from Darrell Beghin on 1 April 2023. We believe that the Association will benefit greatly from Magauta's knowledge and network and look forward to SACRRA moving forward in the next era under her leadership.

Magauta Mphahlele is the former Ombudsman for the Consumer Goods and Services Ombud Office. The CGSO is an Alternative Dispute Resolution Scheme for the Consumer Goods and Services Industry. The CGSO mediates disputes between suppliers of goods and services and their customers. Before being appointed as the Ombudsman she was the Chairperson of the Board of the CGSO.

Magauta's extensive experience in credit and general consumer protection spans more than 18 years. The Consumer Protection Act and National Credit Act were conceptualized, consulted on and passed into law under her leadership as the Consumer Law Reform Project Manager at the Department of Trade and Industry. Her role also include managing the transition from the then Micro Finance Regulatory Council to the establishment of the National Credit Regulator. She served as the full-time member of the National Consumer Tribunal.

As the previous CEO of the National Debt Mediation Association, Magauta established strong ties with the credit industry and was able to successfully transition the NDMA into a successful Alternative Dispute Agent company called Ithuseng Credit Solutions (ICS). ICS has since 2013 been working mainly in the mining sector to reduce the abuse of the payroll system by assessing and challenging illegal Garnishee and Administration Orders. ICS also assisted thousands of mineworkers to improve their credit profiles to enable them to qualify for mortgage and vehicle finance through disputing incorrect credit bureau information, credit health and budgeting coaching as well as running debt management workshops

She holds an Honors Degree in Applied Linguistics and a Postgraduate Diploma in English Education from Wits University. She was also a Junior Lecturer at Wits from 1995 to 1998 in the Applied Linguistics Department. In 2019 she completed the International Executive Development Program in Developmental Finance offered by Wits University. The IEDP included study tours to Brazil, Ghana, and Tanzania to study best practices in financial inclusion. She put the knowledge gained to good use when she became a Presenter on **Ke-Zaka**, a Television program that was

aired on SABC 2 for 13 episodes. Her role was to provide expert content to the producers, interview Stokvels, provide expert advice and link the Stokvels with suitable experts to assist them to transform from consumption to investment and wealth creation vehicles. The Stokvel groups included a mix of Burial Societies, Investment Groups, Cooperatives and Savings Groups.

Her passion is to ensure a healthy and fair credit and consumer protection market in South Africa through influencing policy and legislation as well as empowering consumers with information about their rights, obligations, and options when they are experiencing financial difficulties. She a respected speaker and commentator on credit and general consumer protection issues and has addressed conference locally and internationally, including in Kenya, Zimbabwe, Zambia, Germany, UK and USA.

She currently holds the following non-Executive positions:

- Board Member of the Short-Term Insurance Ombudsman.

Previous Non-Executive Positions include:

- Member of the Financial Services Board Legislative Committee
- Non-Executive Chair of the Consumer Goods and Services Ombudsman
- Non-Executive Director of the South African Fraud Prevention Service
- Board Member of Micro Finance South Africa
- Board Member of the Credit Ombudsman
- Mediator at the Gauteng Housing Rental Tribunal
- Adjudicator at the Gauteng Consumer Court
- Adjudicator at the National Consumer Tribunal
- Member of the Unfair Practices Committee of the Department of Trade and Industry
- Board Member of the National Home Builders Registration Council, and Estate Agency Affairs Boards
- Chair of the Credit Industry Forum



STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2022

RESPONSIBILITY AND APPROVAL

The Governing Body is required in terms of the Association's Constitution 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 Governing Body acknowledges that it is ultimately responsible for the system of internal financial control established by the Association and places considerable importance on maintaining a strong control environment. To enable the Governing Body to meet these responsibilities, the Governing Body 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.

The Governing Body is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Governing Body has reviewed the Association's cash flow forecast for the year to 31 December 2023 and, in light of this review and the current financial position, they are satisfied that the Association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for auditing and reporting on the Annual Financial Statements. The Annual Financial Statements have been examined by the external auditors and his report is contained in the full Annual Financial Statements.

The Annual Financial Statements, which have been prepared on the going concern basis, were approved by the Governing Body on 14 April 2023 and were signed on its behalf by:


Charles Chemel
Chair


Chazlian Jaffha
Treasurer

“ The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will magnify the inefficiency.”

BILL GATES



STATEMENT OF FINANCIAL POSITION

At 31 December 2022	2022 R	2021 R
ASSETS		
Non-current assets	8 916 134	144 806
Property, plant and equipment	85 693	144,806
Other financial assets	8 830 441	0
Current assets	16 344 636	22 994 650
Trade and other receivables	824 174	512 121
Cash and cash equivalents	15 520 462	22 482 529
Total assets	25 260 770	23 139 456
EQUITY AND LIABILITIES		
Capital and reserves	23 816 039	21 293 521
Retained surplus	23 816 039	21 293 521
Current liabilities	1 444 731	1 845 935
Trade and other payables	1 055 728	1 550 358
Short-term bank borrowings	28 787	7 953
Provisions	360 216	287 624
Total liabilities	1 444 731	1 845 935
Total equity and liabilities	25 260 770	23 139 456

STATEMENT OF COMPREHENSIVE INCOME

At 31 December 2022	2022 R	2021 R
Comprehensive income	21 907 380	21 097 885
Gross surplus	21 907 380	21 097 855
Other income	586 423	41 935
Audit fees	(48,360)	(47 075)
Depreciation	(75 323)	(104 065)
Employment costs	(11 403 809)	(10 942 708)
Other operating expenses	(9 559 584)	(9 507 422)
Surplus from operations	1 406 727	538 550
Investment income	1 125 782	1 016 787
Profit before capital items	2 532 509	1 555 337
Unrealised loss	(9 991)	-
Surplus before taxation	2 522 518	1 555 337
Taxation	0	0
Surplus for the year	2 522 518	1 555 337
Other comprehensive income	0	0
Total comprehensive income for the year	2 522 518	1 555 337



THE GOVERNING BODY'S REPORT

The Governing Body presents their Annual Report which forms part of the Annual Financial Statements of the Association for the year ended 31 December 2022.

Main business and operations

The Association commenced with the facilitation of credit and risk information reporting from April 1989.

During the current financial year the following changes to the Governing Body occurred:

Changes in the Governing Body

Gabriel Davel (Independent Representative) – Resigned September 2022.

Rubendran Naidoo (Technology Lead) – Resigned June 2022

Josh Souchon (Technology Lead) – Appointed September 2022.

The Intellectual Property challenge commencing in 2021, is still ongoing for the current year and is set out below:

Challenge to the SACRRA's Intellectual Property

The mediation with the Credit Bureau Association is still ongoing.

Financial results

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

Going concern

The Association presently operates as a going concern and is expected to continue to do so for the foreseeable future, consequently annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

Auditors

Carlisle Financial Services continued in office as the auditor of the Association for the 2022 financial year. Auditors will be appointed annually by the Governing Body and any such appointment will be ratified at the Annual General Meeting of the Association.

Governing Body

The Governing Body of the Association from 15 October 2020 to the date of this report are as follows:

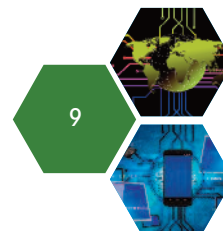
Representative	Seat
Charles Chemel	Chair
Chazlian Jaffha	Finance and Audit
Gabriel Davel	Independent ¹
Louise le' Kay	Risk
Rubendran Naidoo	Technology ²
Josh Souchon	Technology ³
Sharief Allie	Data
Hendrik Heyns	Stakeholder Relations ⁴

¹ Gabriel Davel resigned from the Governing Body of the Association on the 30th of September 2022.

² Rubendran Naidoo resigned from the Governing Body of the Association on the 30th of June 2022.

³ Josh Souchon joined the Governing Body of the Association on the 2nd of September 2022.

⁴ Hendrik Heyns joined the Governing Body of the Association on the 28th of August 2021.



OPERATIONAL PERFORMANCE

FINANCIAL AND MEMBER OVERVIEW

Your contributions matter

Achieving financial sustainability is a vital component of sound financial management. It ensures that resources are utilised efficiently and effectively to meet both current and future financial obligations. Over the past financial year, the Association has remained committed to its efforts to attain financial sustainability through careful planning, monitoring, and management of income, expenses, and investments. As a result of these efforts, adequate resources were available to support ongoing operations, facilitate growth and innovation, and tackle unforeseen challenges. However, it is important to note that membership contributions play a pivotal role in achieving long-term success and stability in the pursuit of our mission.

Considering the continued market uncertainty, a conservative investment strategy was retained for the 2022 financial year. A key objective was to mitigate the concentration risk of funds and to maximise value to members by optimising capital allocation within a conservative SACRRA investment appetite (limited to no appetite to risk capital losses). Funds not needed to cover operational expenses, with consideration of income received via annual membership fees, was invested with PSG Wealth.

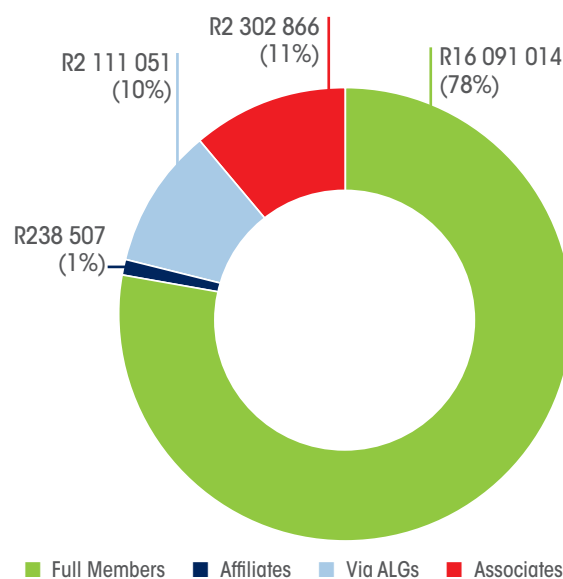
Through membership fees, we can provide resources, training, relevant tools, expert suppliers and enhance processes that support SACRRA's strategic goal of continued automation for real time file submissions and data quality management. This includes the integration of additional data sources to enrich risk management and decision-making models and processes.

The comprehensive income of the Association consists of subscription fees (member contributions) equalling R20.7m (94.69%) in 2022, 50% refund from the Credit Bureau Association (CBA) towards the co-owned Data Transmission Hub (DTH) maintenance cost totalling R741K (3.38%), the prescribed fees paid by non-members to comply with Regulation 19(13) and as a result of the Memorandum of Agreement (MOA) with the National Credit Regulator (NCR) equalling R25 500 (0.12%), and BusCRI project fees of R397K (1.81%).

Even though the rand value of membership fees increased with 14% from 2021 to 2022, there was a 4.76% reduction in the membership count as reflected below:

Membership Category	Member Count	
	2021	2022
Category A	54	54
Category B	17	19
Category C	59	53
Category D	30	33
Category E	23	21
Category F	62	56
Total Full Members	245	236
Affiliate	31	27
Associates	5	6
Affiliate Group Leaders	13	11
Total	294	280

Membership income contributions



Collectively, the Full Members contributed 78% of the total fee income. The Associate Members, which has the smallest number of members, contributed 11% towards the total fee income.

The SACRRA Office invested in several projects, including SACRRA Connect and statistical reporting using PowerBI. By using PowerBI's statistical analysis capabilities, the Office gained deeper insights into member's data quality, allowing for the identification of trends and performance measurement against key data quality metrics. Our commitment to sound financial management and conservative spending enabled us to provide an effective and shared data reporting infrastructure that supports our members' needs and add value.



OPERATIONAL PERFORMANCE

DATA QUALITY OVERVIEW

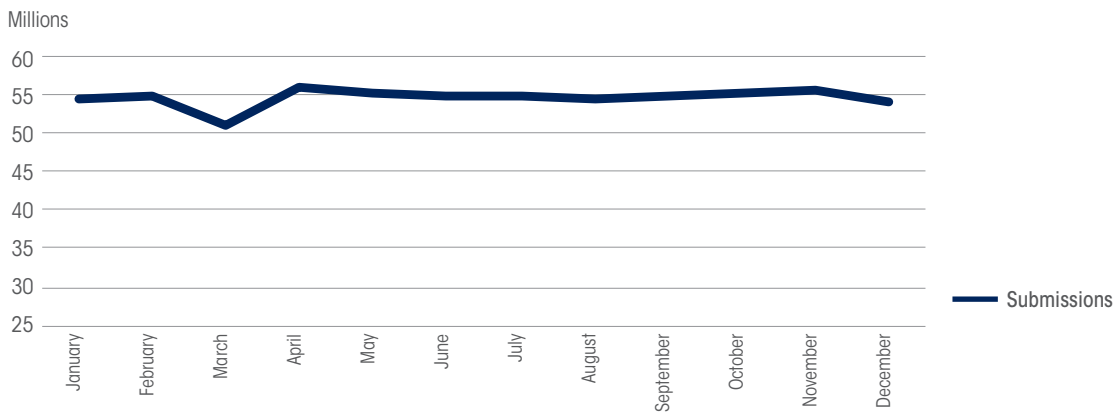
The key objectives set for the 2022 year were as follows:

- Setting, tracking and influencing the overall data sharing primary key performance indicators i.e. submission volume, rejection volume and rejection rates. The overall rejection rate of 0.7% was targeted.
- Acquiring data insights at the sectorial, company and Supplier Reference Number (SRN) level to effectively focus the SACRRA Office’s efforts in the most impactful areas.
- Continue to drive stable data submission volumes across all data contributors.
- Maintain a high level of data quality without any disruption.
- Support member compliance by driving the development and testing for Project Evolution Compliance Phase.

SUBMISSION VOLUMES

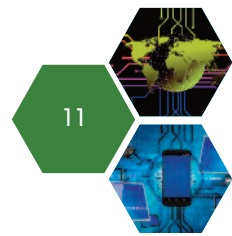
- Generally, the submission volumes remained very stable over the year at circa 54.6m, which supports good governance of the data sharing ecosystem.
- The two instances of volatility in March and December stemmed from known reporting anomalies impacting the calculated average. The SACRRA Office reports all figures from original and single-sourced bureau reports at the time, and would only adjust figures once the corrected bureau reporting is received.
- The SACRRA Stakeholder Management (SHM) Unit continued prioritising and managing larger volume file submissions due to the larger impact on industry files.
- Non-submissions (excluding Affiliate-Led Groups) were curtailed to 810 (or 0.13%) for the entire year.

Average Monthly Bureau Submission Volume



“Anything that you do more than twice has to be automated”

ADAM STONE

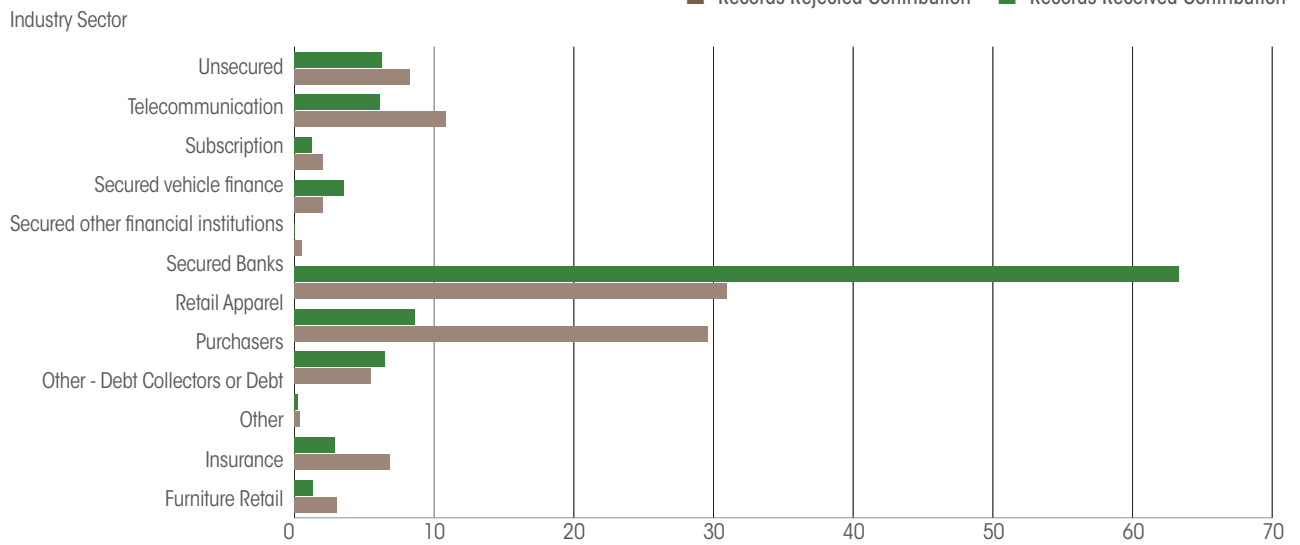


OPERATIONAL PERFORMANCE

REJECTION VOLUME & RATE

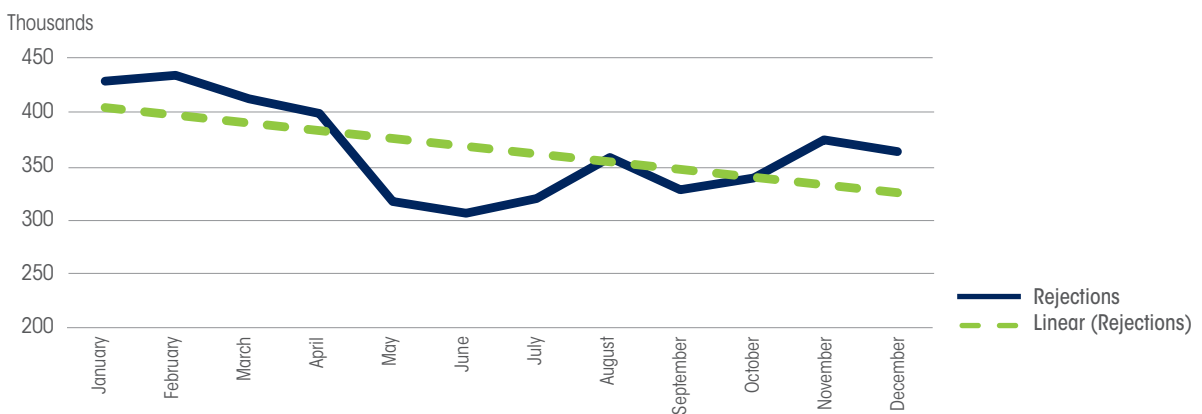
Following a strong focused effort on rejection volumes and Project Evolution Phase 2 compliance within sectorial and SRN segments, the rejections volume reduced considerably over the year. The sector that contributed the most to rejection volumes was the secured banking sector. Our SHM unit will continue to provide support to members to reduce the rejection volumes.

Volume Rejections by Industry



The rejection target of 0.7% was sustainably achieved by mid-year which follows the stable submission volumes and reduced rejections volumes.

Average Monthly Bureau Rejection Volume



Average Monthly Rejection Percentage





OPERATIONAL PERFORMANCE

VOLUME OF FILES PROCESSED

There were 98 882 files submitted via the Data Transmission Hub (DTH) to the bureaus and 98,4% of these files were in layout L700v2 with the rest being paid up judgment files. A total of 1 266 test files were submitted during the year. These files were for testing Project Evolution Compliance Phase, data quality testing prior to load, new files from existing member, or new members being onboarded.

Ad hoc files indicate activities undertaken to correct erroneous data that was already submitted and loaded or to update the status of records that was not done in normal submissions. There were 1 230 ad hoc files submitted during 2022.

Members are encouraged to utilise the Data Master Application (DMA) to ensure acceptable data quality prior to the submission of their live files to the DTH, as ad hoc files are extremely resource intensive to manage and process which creates a risk to industry.

The rectification of data quality issues has been the primary reason for the submission of replacement files throughout the year. There have been 1 029 replacement files submitted during 2022. This is a risky process, because Associate Members load files shortly after receiving them from the DTH, and then it often requires these loaded files to be backed out before the replacement file can be loaded.

MDM ALERTS ISSUED

The Materiality Decision Matrix (MDM) has been implemented because of a need identified by SACRRA members that alerts must be generated where issues or problems with members’ files could potentially have a material impact on decisions or application of payment profile data. By sharing information such as the issue or problem with the file, the sector or industry of the member, the number of records as well as the timelines involved to rectify the issue, will enable members to evaluate the extent of the issue and if needed, implement any mitigating remedies.

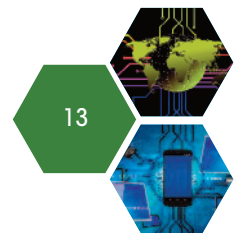
Twelve Materiality Decision Matrix Alerts (MDM) were issued throughout 2022. Of these, nine were high severity alerts due to incorrect data submitted and loaded by the bureaus which needed to be fixed by the data contributors.

Three were new data alerts due to additional data added to submissions by members who were not submitting this data previously.

INDUSTRY SECTOR

Data is received by various Industry Sectors. As seen in the table, the Secured Banking and Retail Apparel industries remain the largest contributors of records.

Industry Classification	Member Count	SRN Count	Monthly Records Received (Avg)	Contribution %
Secured Banks	23	145	17 139 703	31.39%
Retail Apparel	9	141	16 645 715	30.49%
Telecommunication	11	13	5 865 978	10.74%
Unsecured	3 166	3 561	3 899 816	7.14%
Insurance	24	30	4 116 561	7.54%
Other - Debt Collectors or Debt Purchasers	14	63	2 881 397	5.28%
Furniture Retail	16	26	1 750 669	3.21%
Secured vehicle finance	19	29	1 180 248	2.16%
Subscription	6	6	628 236	1.15%
Secured other financial institutions	45	62	279 314	0.51%
Other	16	23	209 392	0.38%
Total	3 349	4 099	54 597 029	100,00%



OPERATIONAL PERFORMANCE

ACCOUNT TYPE

The account type is used in conjunction with an SRN to identify the specific product/s submitted by the data contributors. As seen in the table below, the revolving credit store cards and one-month personal loans are the largest number of records submitted monthly.

Account Type	Member Count	SRN Count	Monthly Records Received (Avg)	Contribution %
R - Revolving Credit Store Cards	21	119	18 321 807	33.56%
M - One Month Personal Loan	2 949	3 284	7 200 594	13.19%
F - Open Services	23	27	6 443 710	11.80%
C - Credit Card	16	30	6 444 092	11.80%
S - Short Term Insurance	21	27	3 305 569	6.05%
P - Personal Loan	281	335	2 944 286	5.39%
Y - Vehicle and Asset Finance	40	42	2 254 251	4.13%
H - Home Loan	54	76	2 180 585	3.99%
Z - Revolving - Non Store Card	23	31	1 550 581	2.84%
I - Instalment	43	60	1 617 575	2.96%
L - Life Insurance	2	2	810 984	1.49%
D - Debt Recovery	4	7	545 178	1.00%
E - Single Credit Facility	4	7	365 833	0.67%
B - Building Loan	9	10	371 098	0.68%
T - Student Loans	10	13	95 860	0.18%
N - Secured Pension / Policy Backed Lending	16	17	84 187	0.15%
W - Rental Asset	9	9	36 870	0.07%
X - Rentals Property	1	1	12 445	0.02%
O - Open / Limitless	1	1	11 524	0.02%
V - Overdrafts	1	1	0	0.00%
Total	3 349	4 099	54 597 029	100.00%

“Overall, the more ambitious your vision, the more risk and time it can take to see any meaningful results from AI. Plus, some ideas may be so complex that they will never materialize until newer supporting technologies emerge. Ultimately, AI requires long-term commitment and a willingness to adapt with time.”

KAVITA GANESAN



OPERATIONAL PERFORMANCE

SACRRA AUTOMATION AND TOOLS

The IT Unit within SACRRA, subscribes to the following view stated by Satya Nadella, the CEO of Microsoft:

“Every company is a software company. You have to start thinking and operating like a digital company. It’s no longer just about procuring one solution and deploying one. It’s not about one simple software solution. It’s really you yourself thinking of your own future as a digital company.”

Similarly, in *“Software eats the world”*, Marc Andreessen stated that:

“If your organization provides services, the software should coordinate the entire workflow, support customer service, build loyalty, manage the treasury, and aggregate indicators for management decisions. When more than 95% of an organization’s operations can be supported by software, it is undeniable that your business is a software business.”

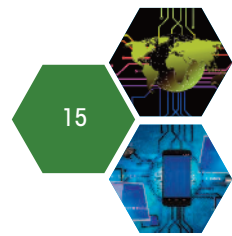
The SACRRA is on the way to becoming a software company.....fast by:

- Providing service solutions
- Coordinating the entire workflow
- Supporting members (users)
- Aggregating indicators for management and customer decisions

“ The important thing is to dare to dream big, then take action to make it come true”

Our digital journey, as depicted below, allowed us to move away from unstructured, slow, manual and reactive processes where members were reliant on the SACRRA Office for data quality oversight to an automated, faster and pro-active, member “self-service” state.





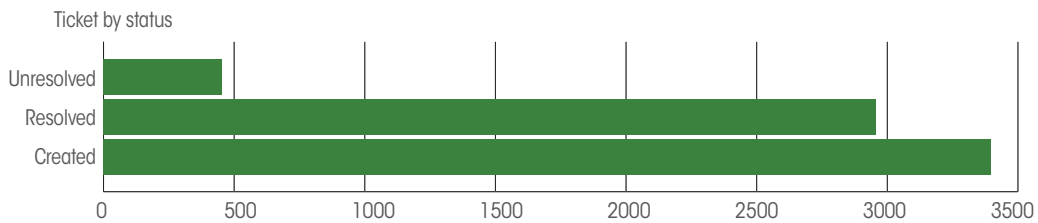
OPERATIONAL PERFORMANCE

To improve our stakeholder communication and support standards through better monitoring and management of member issues and requests, we launched the SACRRA Support System in 2022. Our SACRRA Support Station (SSS) helps achieve this by facilitating:

- A transparent and comprehensive view to you of a ticket’s communication history
- Prioritisation of requests
- Consolidation of all interactions with respect to an issue
- SLAs and escalations of requests
- Reporting facility to do trend analysis of issues
- A reduction in requests going unanswered
- Possible automation of similar type queries that will reduce query resolution timelines



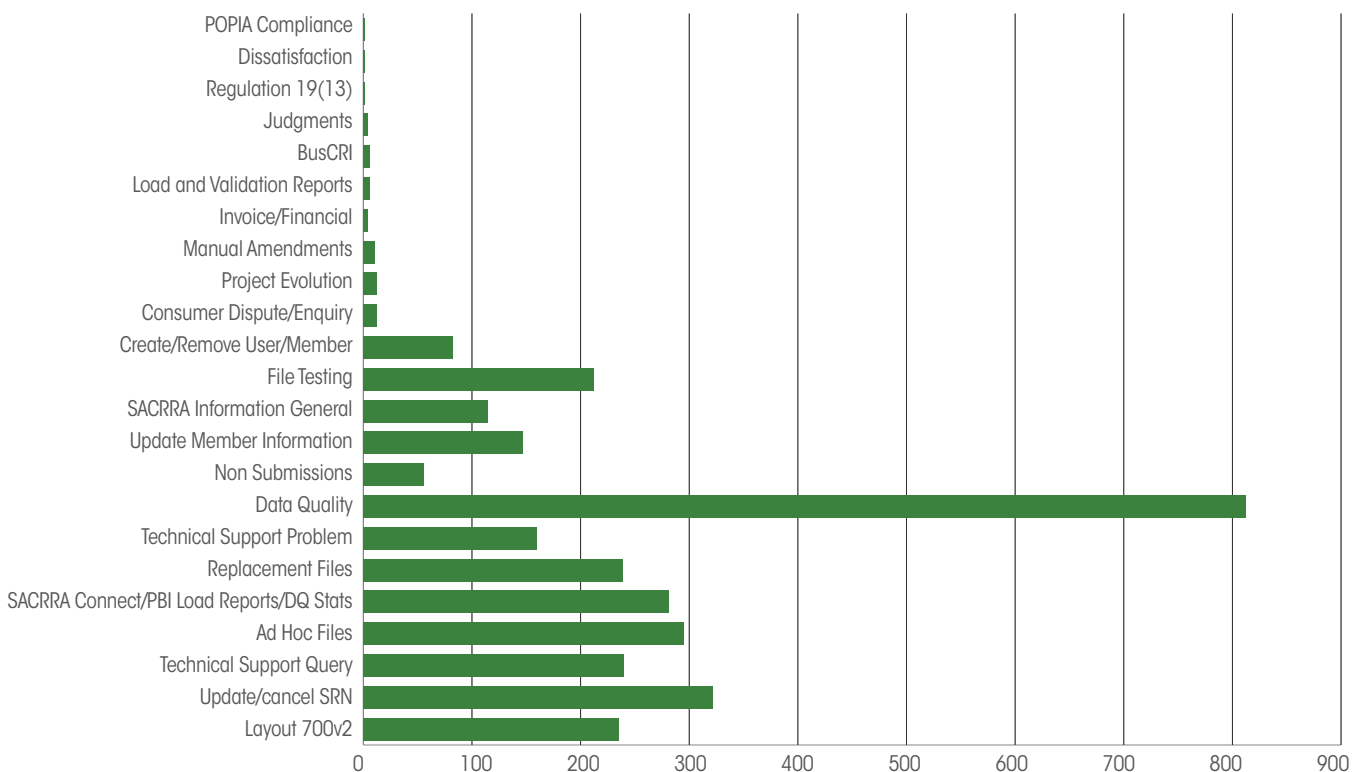
SACRRA Support Station – tickets logged and resolved

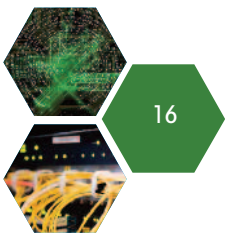


- SSS was developed to enable SACRRA Members to log and track queries.
- As a first step to addressing service and system challenges, we have begun monitoring our response time, including the quality of responses. In the process, we have identified various factors that create blockages.
- Once analysed and addressed, they are expected to translate into quarter-on-quarter improvements.

Tickets logged and resolved

Tickets by Topic





OPERATIONAL PERFORMANCE

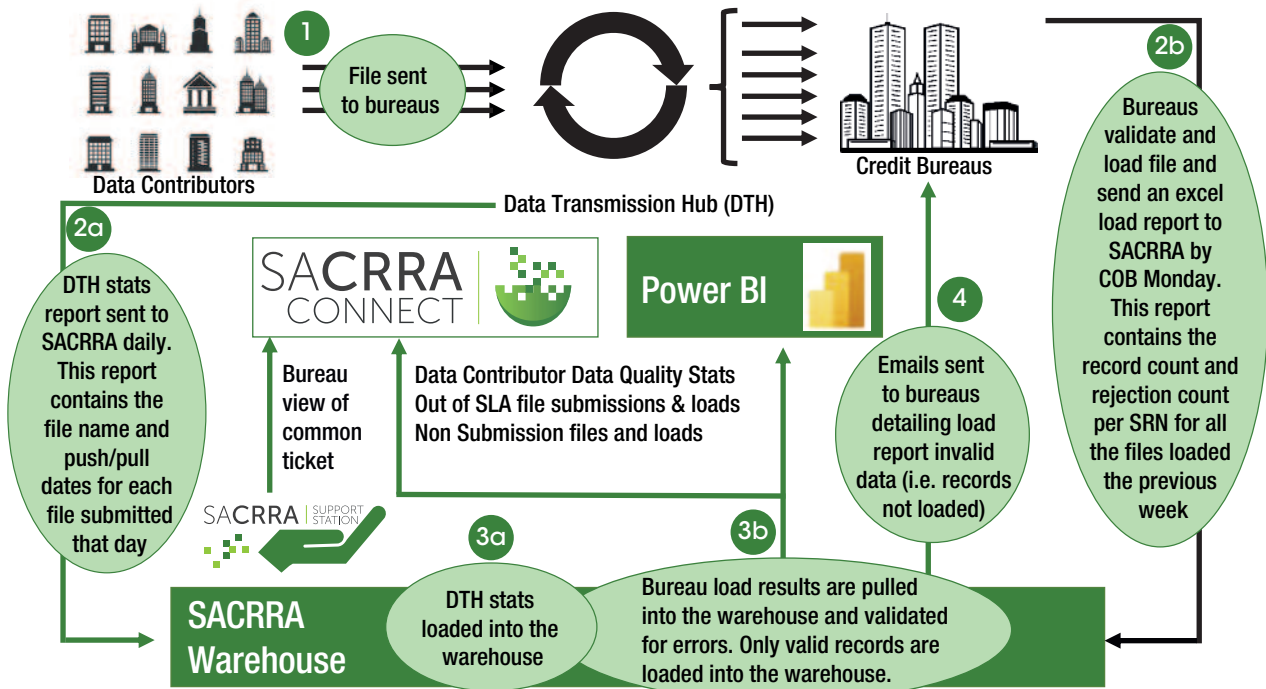
Since the launch of SACRRA Connect, the SACRRA Warehouse and Power BI in 2020, these applications have become integral to the running of the SACRRA Office. Our processes have been standardised and work is managed through a workflow engine which integrates with the warehouse and SACRRA Connect providing near real time data quality exception management and dashboards.

Since our first implementation, the following key enhancements have been implemented:

- Automated record validation and feedback to bureaus on warehouse load
- File level statuses
- Rollout schedule
- Data quality SHM exception tasks
- DITSC power BI data quality dashboards
- Industry ranking and benchmarks
- Bureau/SACRRA Support Station ticket integration
- OSLA reason management
- Member & SRN Status Updates
- Automated ALG Invoicing



Alongside the larger items noted above, we also did a number of smaller enhancements and upgrades and these combined has resulted in the completion of 3 625 development tasks.



Members are encouraged to use SACRRA Connect to view their submissions' data quality and address and correct any anomalies within agreed timelines. This system could be an early warning and a very helpful tool to identify problem areas, trends over time and to measure performance against the agreed submission standards. The SACRRA Office will assist members with addressing data anomalies as we support the common goal of good quality data.



OPERATIONAL PERFORMANCE

MEMORANDUM OF AGREEMENT BETWEEN THE CREDIT BUREAU ASSOCIATION (CBA), THE NATIONAL CREDIT REGULATOR (NCR) AND THE SACRRA (MOA)

The original MOA lapsed on 8 November 2020 and engagements and negotiations continued between the parties, which eventually resulted in a Revival MOA to be signed on 17 March 2022. This agreement reinstated the original MOA terms and shall continue for a period of 18 months from date of signature.

Most of the 2022 year was dedicated to data quality reporting workshops between the NCR, CBA, the bureau representatives, the SACRRA Office Management and Governing Body Data Lead, Sharief Allie, to discuss and understand the NCR’s reporting requirements. The assessment of NCR registrants as well as onboarding of parties also continued during the year.

THE BUSCRI INITIATIVE

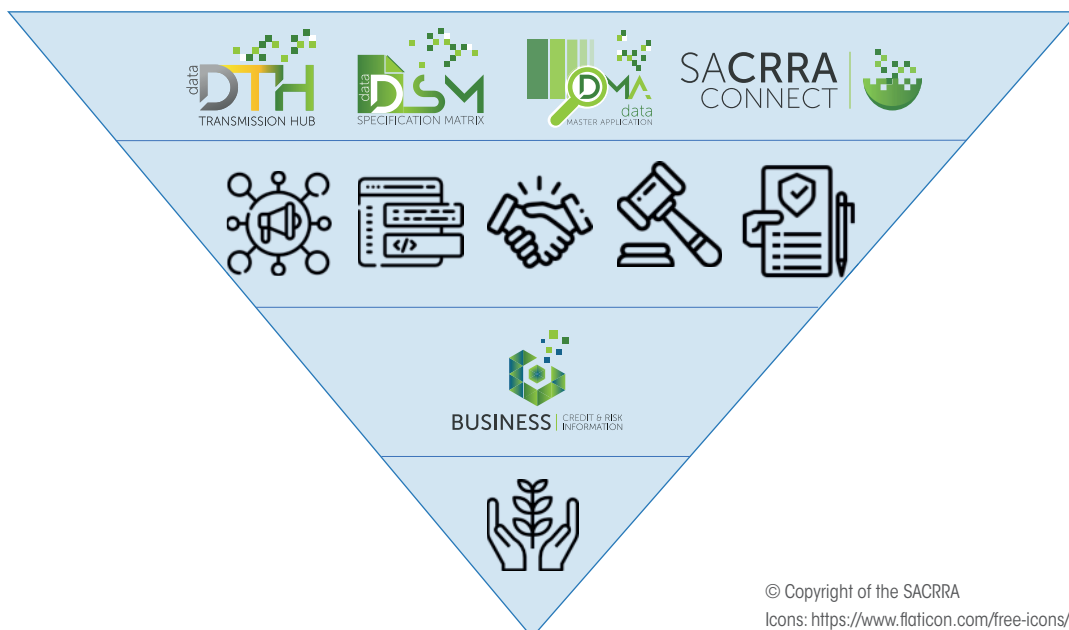
We are progressing the business information sharing project and are keen to build up a base of willing participants and contributors to the process. The BusCRI Initiative is to create a common sharing of credit and risk information to foster financial inclusion and effective decision making.



BUSINESS | CREDIT & RISK INFORMATION

Building on the work done to date, the next phase of this project would be to finalise the legal opinion and update the legal framework that was developed in 2016. The legal review will consider competition law as well as recent legislative changes. Based on the legal opinion, any changes to the existing BusCRI Data Specification will be considered as well as an implementation/roll-out plan developed. Thereafter we need to obtain sufficient commitment from data contributors and hosts to start their Data Specification and infrastructure development for the submission and loading of commercial data. Continued funding is required for further development and maintenance in support of this initiative.

Strategic discussions are underway with potential business credit and risk data contributors and hosts, industry bodies and donors, to form a consortium. Other than the endorsement of the BusCRI Data Specification by the National Credit Regulator (NCR) for the submission of sole proprietor data under Regulation 19(13), under their alternative data project with the NCR, interest was also obtained so far from the banking sector and other industry participants.



© Copyright of the SACRRA
Icons: <https://www.flaticon.com/free-icons/vision>

Members are invited to grab this vital opportunity to expand their client base, grow their business and ultimately to stimulate economic growth!



THE SACRRA OFFICE TEAM

In the period under review, much of the Governing Body's energy was focused on the appointment of the next Executive Director following Darrell Beghin's announcement that she would be stepping down after almost a decade at the helm. After an extensive search process, Magauta Mphahlele, the former Consumer Goods and Services Ombud, accepted an offer in November 2022, and a two-day-a-week handover period was devised between January 2023 and her official appointment date of 1 April 2023.

We also bid farewell to stakeholder managers, Mpho Makenzie and Sewela Ramaotswa, who resigned last year, and to Ansa Jordaan, our Finance & Office Administrator, who retired in June after 30 years at SACRRA! One of the original team members, Ansa will be remembered by many members as the well-organised and principled go-to person at SACRRA. Carike Gerber, whose passion for Data was legendary, resigned as Head: Data Design, Deployment & Stakeholder Engagement after 13 years at SACRRA. We wish them all the very best and thank them all for their contribution.

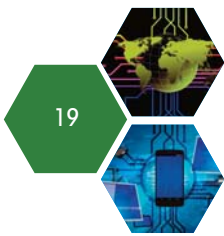
As a result, management worked hard to fill these vacancies. We welcomed Anestacia Burger, who took the reins from Ansa; and our new Stakeholder Managers, Damien Dube and Thandile Gubevu as well as Stakeholder Manager Team Lead, Fiona Pottinger.

Despite the recent staff turnover, we want to assure our members that our team remains strongly committed to providing unwavering support to meet members' needs in this dynamic environment. Our focus remains on fostering strong member relationships and working alongside our valued members for a prosperous future.

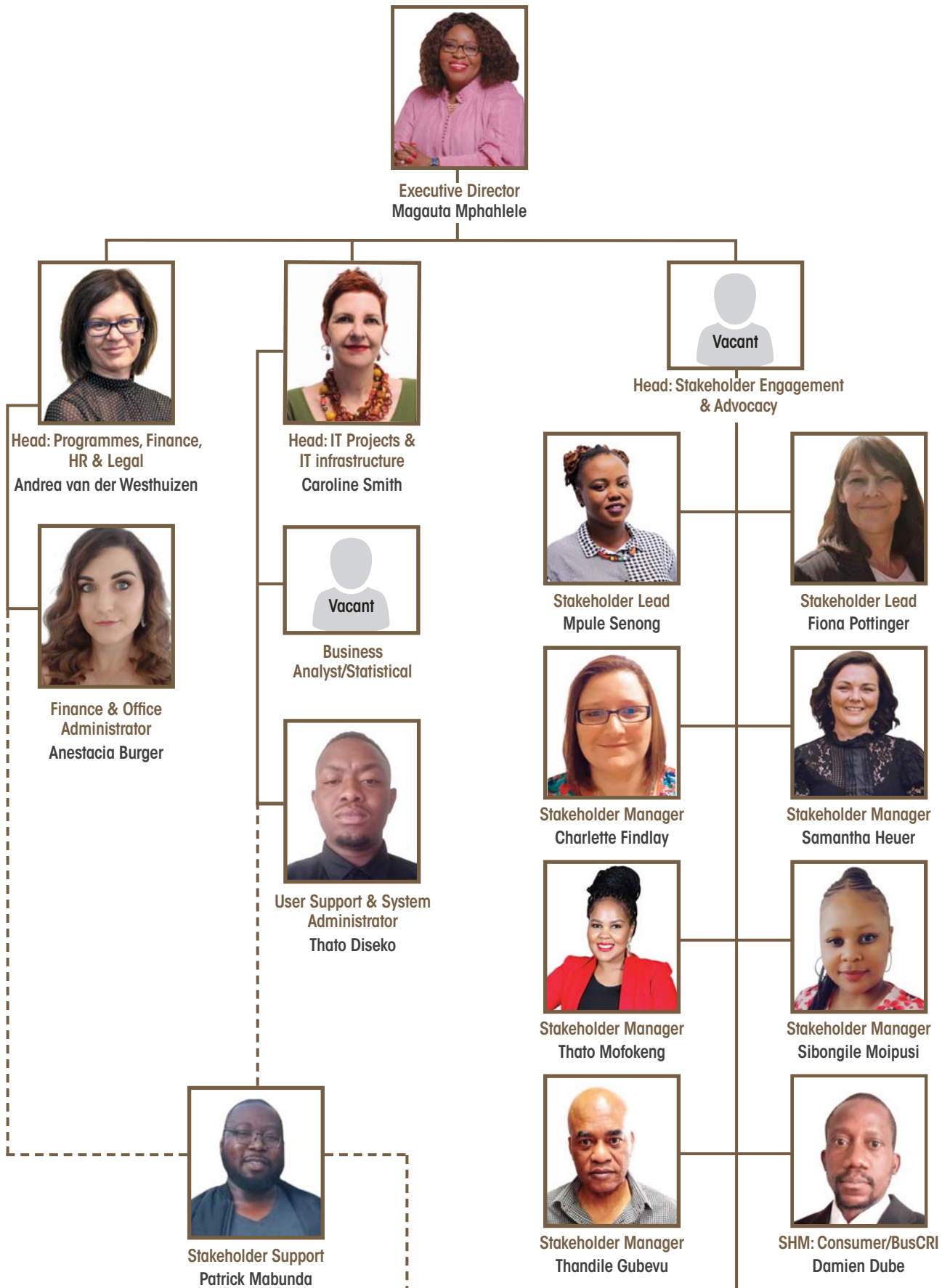
On behalf of the entire Governing Body, our Chair, and Executive Director, we would like to extend our deepest gratitude to all stakeholders and staff for their unwavering commitment and support throughout the 2022 financial year. This year has been filled with numerous challenges and milestones, but it is through collective efforts and dedication that we have successfully navigated these obstacles. As we look ahead, we are confident that, with your continued support and collaboration, we will reach even greater heights and continue to make a lasting impact. Thank you for being an integral part of our Association's ongoing success.



“ Ultimate automation ...
will make our modern industry as primitive and outdated
as the stone age man looks to us today.”



THE TEAM THAT IS HERE TO SUPPORT YOU





SACRRA | CREDIT & RISK
REPORTING ASSOCIATION

www.sacrra.org.za
Birchwood Court | 43 Montrose Street
Vorna Valley 1686

T: 087 701 3254 | F: 086 606 5974

W: www.sacrra.org.za

