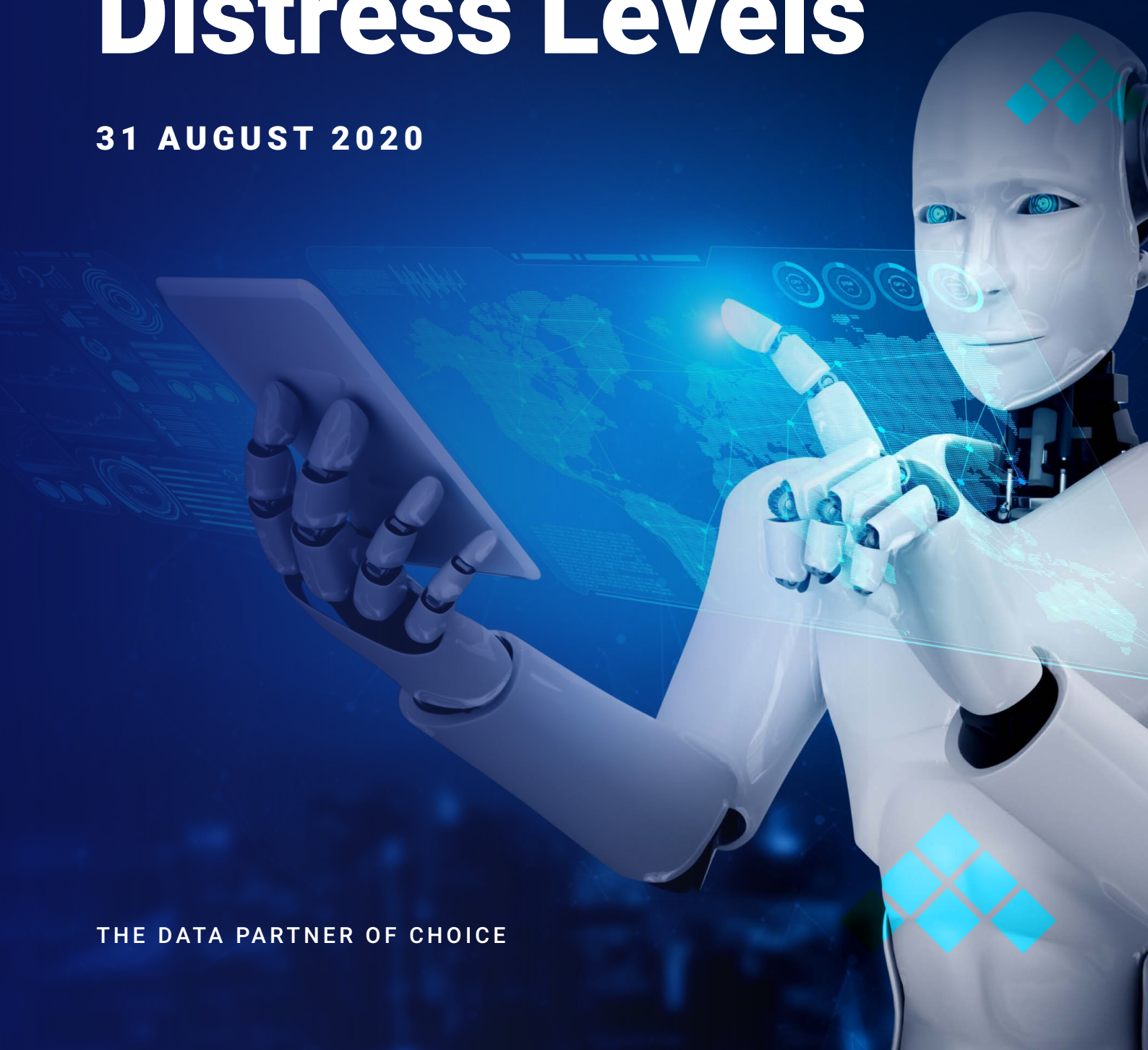




# Consumer Distress Levels

31 AUGUST 2020

THE DATA PARTNER OF CHOICE



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# Introduction

## **An analysis of post covid distress levels in the economic sector of South Africa is challenging.**

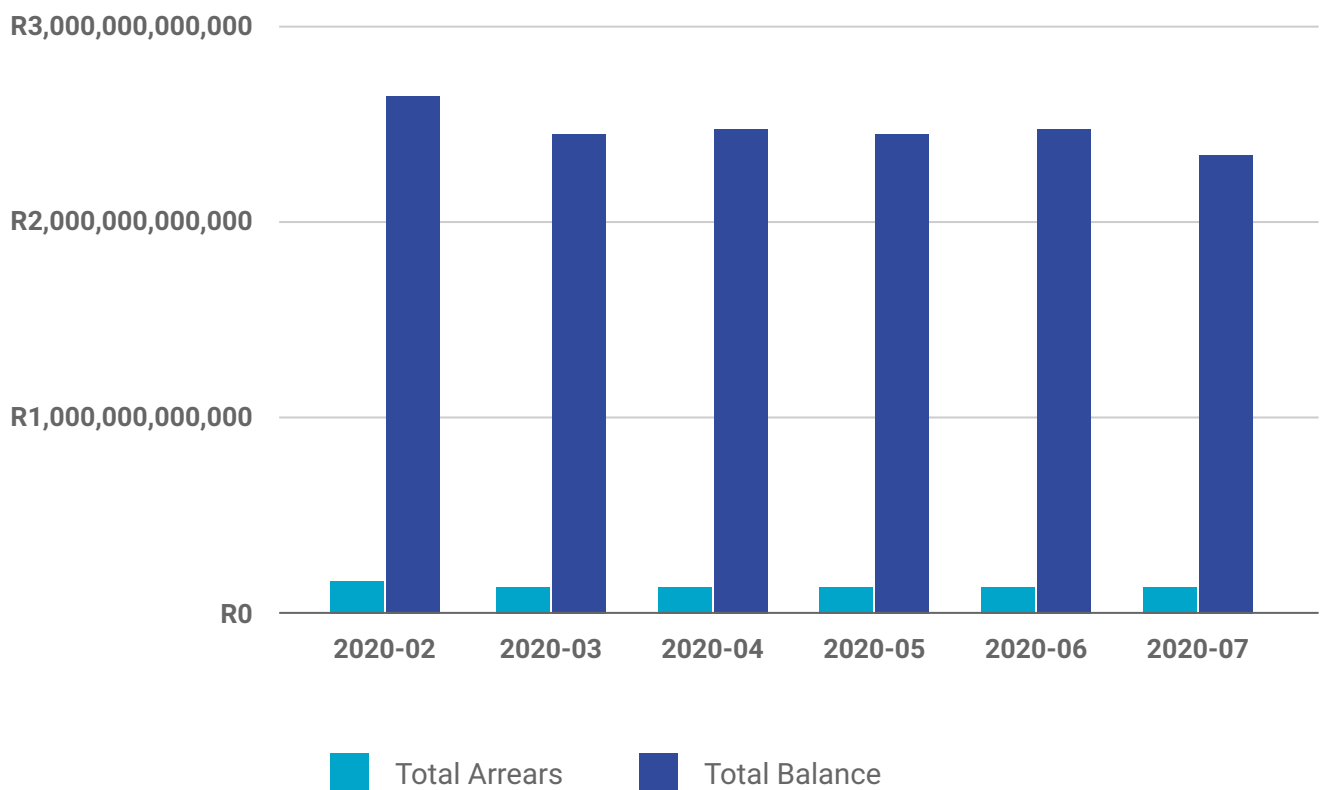
Credit Bureaus are reliant on the data received from credit providers, and in the midst of a global pandemic and various lockdown restrictions in the South African Economy, data submission in many cases has been delayed - compounded by the requirement of many organisations to record high levels of payments holidays.

Added to that is the cash-based sector of the economic sector, where physical payments in cash were precluded due to lockdown closures, fear of travelling and co-morbidity risks.

# Overview of Economic Sector

Feb 2020 to July 2020

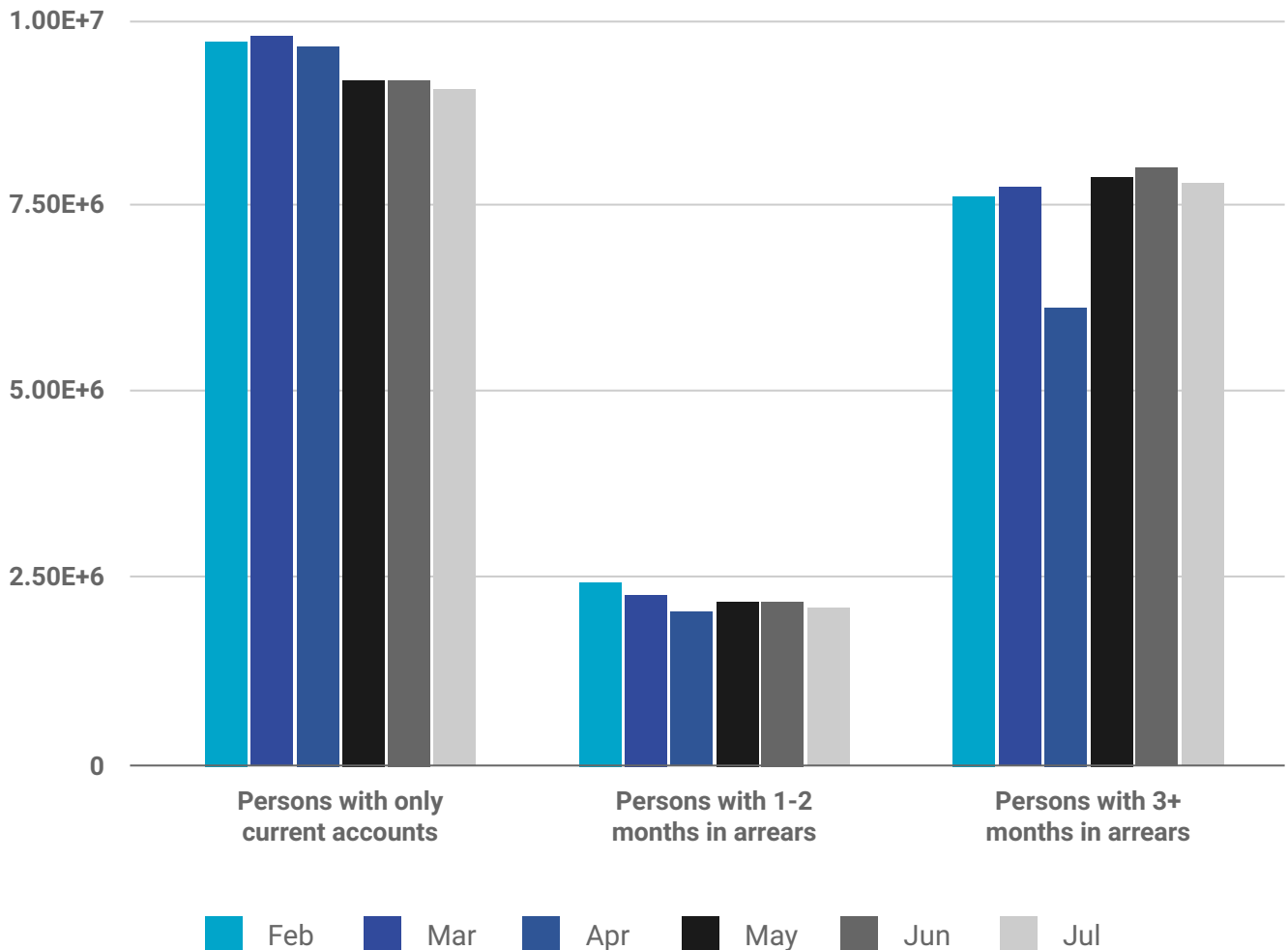
## Total Balance And Arrears - Feb 2020 To Jul 2020



We can see that economic activity overall appears to be depressed - likely due to non submission of data by credit providers not operating under lockdown, as significant portions of the entire credit profile is made up of long term loans like Home Loans and VAF. Short term products like one month personal loans would also be lower than traditionally seen.

# Months in Arrears Trends

Feb 2020 to July 2020



We have an anomaly in the data set in March / April (Yellow Bar) data where 3+ months is under reported. This is likely due to non submissions of data from credit providers not trading under Lockdown Level 4, or unable to submit data in that period.

Once we returned to May, the trends again stabilised. While we can see an increase in 3+ month trends subsequent to April, it's worth noting that July data may be incomplete as at the time of writing this report, which can affect the trend line.

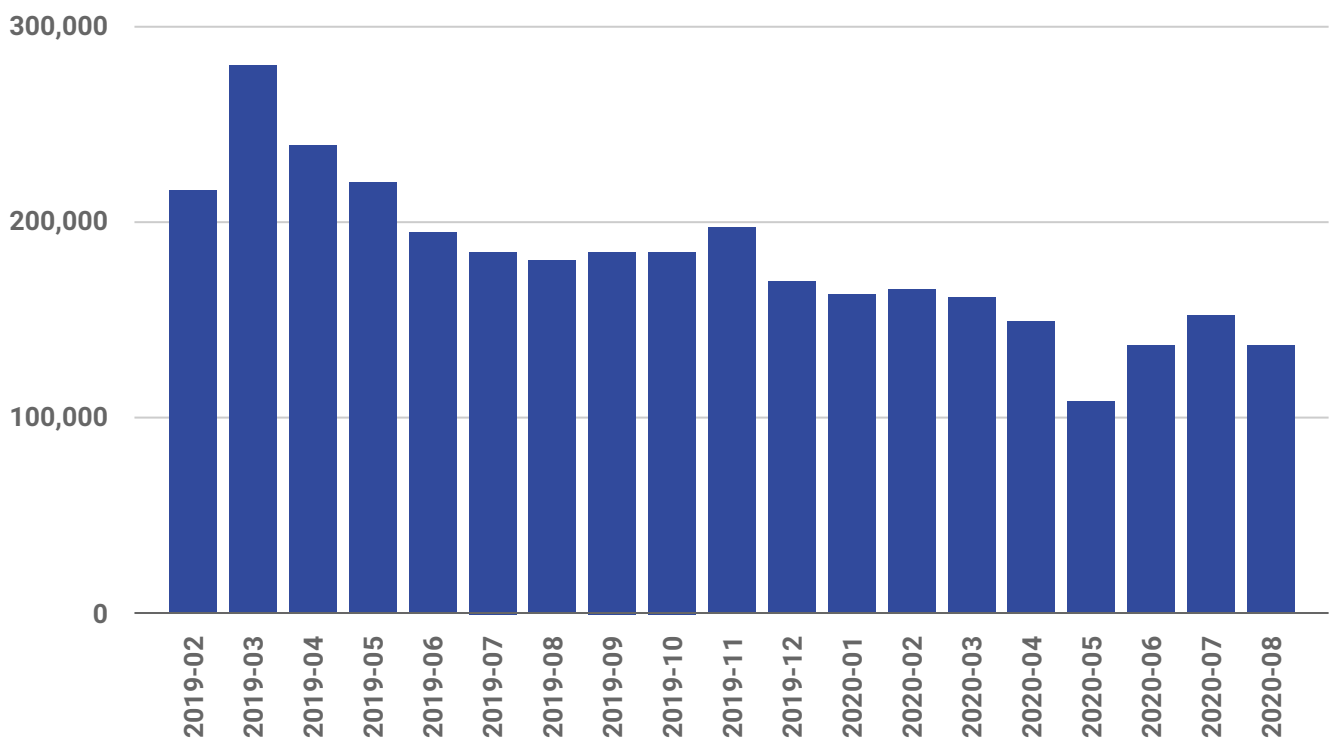
# First Time Adverse

Bureaus may only report on Adverse for 12 months, so this data is pruned to that restriction. August 2020 data is not yet fully supplied, and already we can see early signs of an increase in adverse being loaded. Up until July 2020 the trend was downwards.

It is very important to remember that "First Time Adverse" is influenced by the data on hand and the time frames used when tracking this metric. The longer back we look for an adverse code the more the figures will shift - we worked on a window that takes into consideration both the display periods as per NCA as well as being long enough to be most representative. Adjusting the window would adjust the "first adverse" status codes, and it is important to keep this in mind.

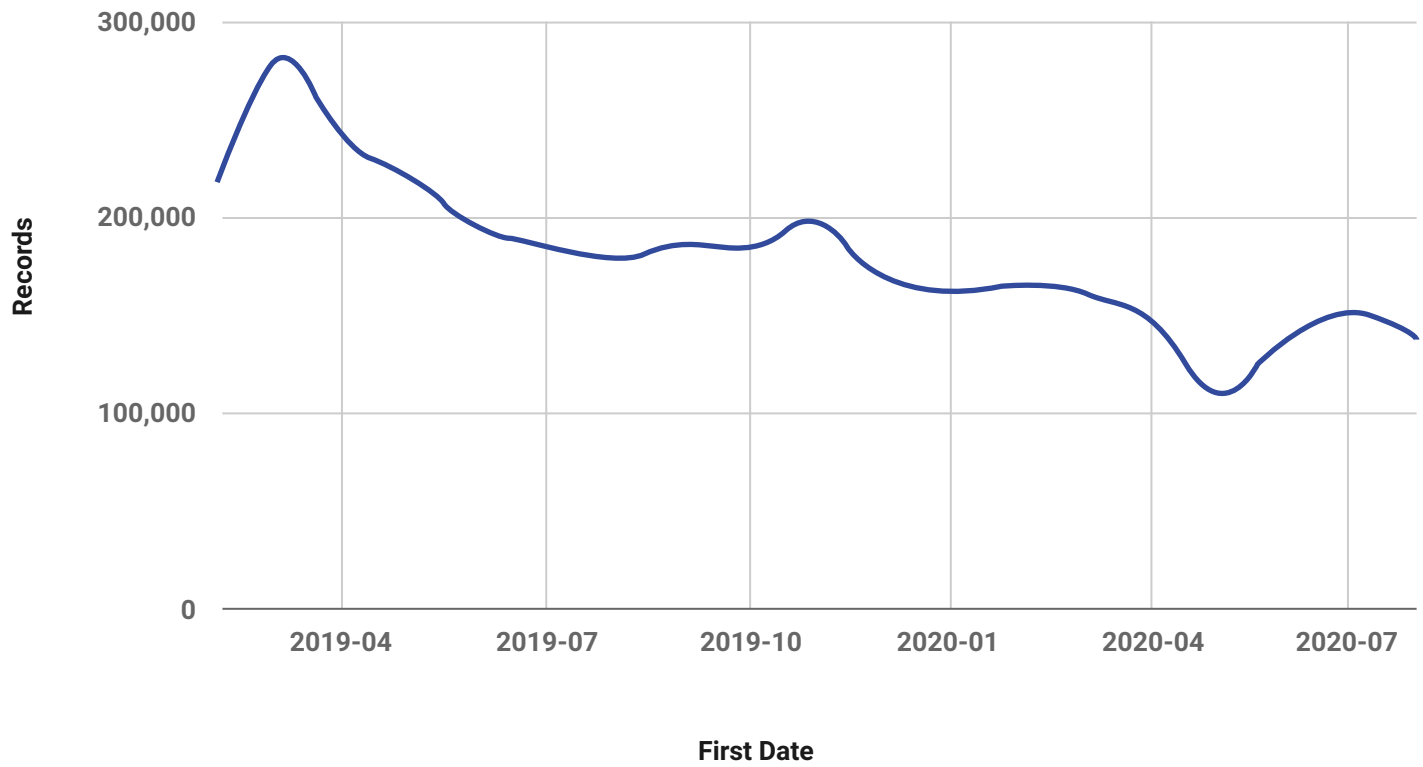
Graphs are shown as bar and line charts to highlight trends better.

## Consumers with a First-Time Arrears



# First Time Adverse (continued)

## Consumers with a First-Time Arrears





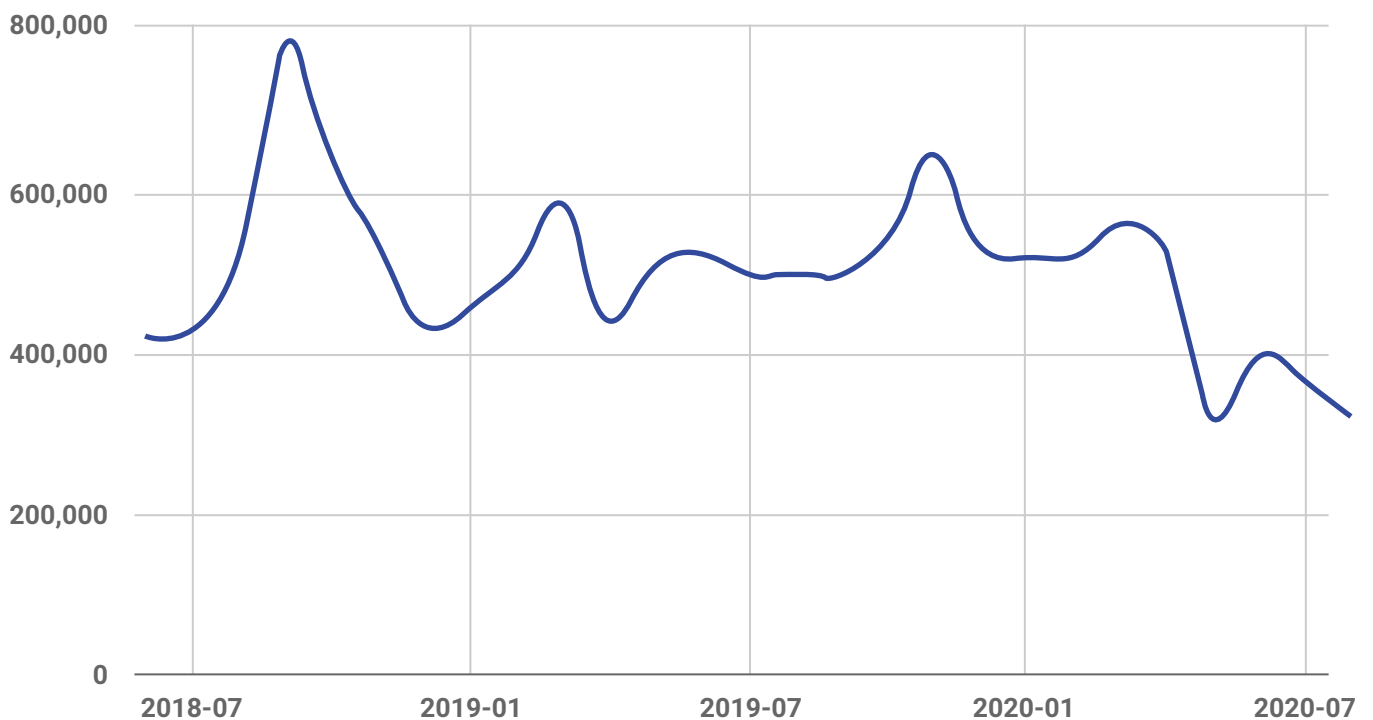
# New Adverse Codes Loaded

New adverse status codes loaded over time - the trend in COVID has a sharp decrease.

A long term and a 6 month view are provided.

This indicates just W,I,J,L codes loaded during a month.

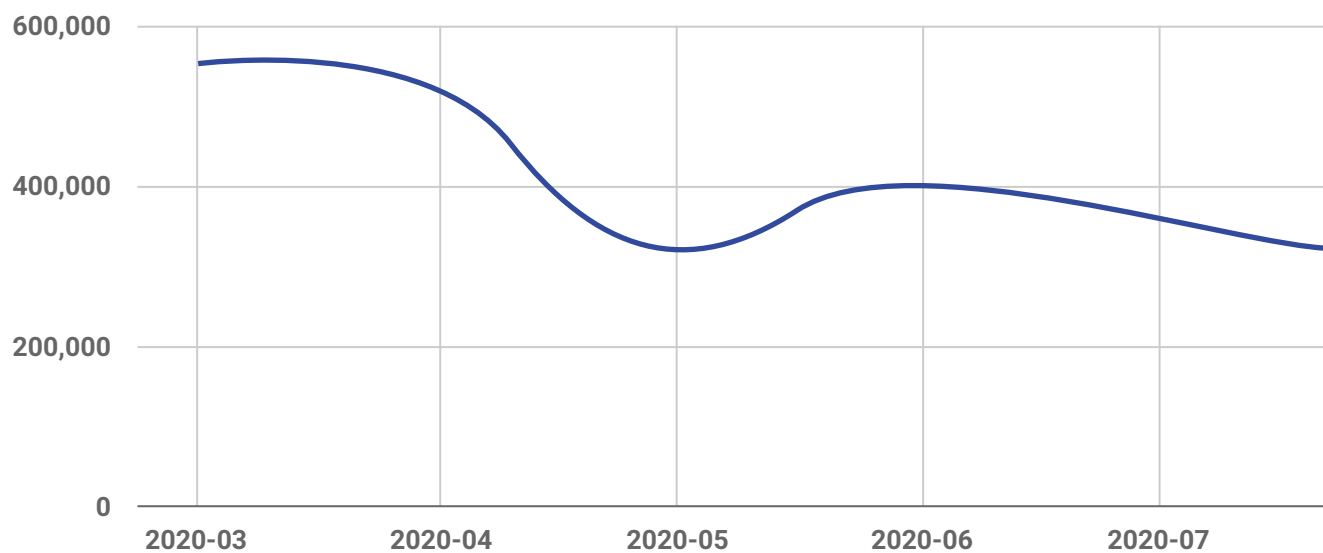
## New Adverse Codes Loaded





## New Adverse Codes Loaded (continued)

### New Adverse Codes Loaded – Last 6 months only



# About Consumer Profile Bureau

Consumer Profile Bureau (Pty) Ltd is a proudly South African Payment Profile Hosting Credit Bureau.

Our industry-leading, innovative, real-time solutions span from bespoke reporting and analytics, digital identification, paperless FICA and online data analytics. This is in addition to the standard credit bureau offerings such as tracing, credit verification and debtor profiling. We utilise our in-house, industry-transforming algorithms and matching tools (both on-line and through API integration) to leverage big data in every aspect of on-boarding and credit life cycle activities.

CPB is a registered Credit Bureau terms of the National Credit Act No 34 of 2005, with registration number NCRCB2.

## Have a question?

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