

**Public Entity: Ithala Development Finance Corporation Limited**  
**Quarter 1 of 2025/2026 Performance Report**








Target achieved ≥ 100%



Target not achieved <100%



OUTCOME	OUTPUT INDICATORS	RESPONSIBLE	2025/26 ANNUAL TARGET	Q1 TARGET	Q1 ACTUAL	DASHBOARD FOR Q1 2025/26	BRIEF COMMENT ON VARIANCE ON PRELIMINARY OUTPUT	CHALLENGES AND CORRECTIVE ACTION
<b>Outcome 4</b> Increased economic transformation and empowerment	CS1 (a). Percentage preferential procurement spend on enterprises that are: Black-owned	Finance / SCM	Black - 60%	Black: 60%	94%			
	CS1 (b). Percentage preferential procurement spend on enterprises that are: Women-owned	Finance / SCM	Women - 30%	Women: 25%	60%			
	CS1 (c). Percentage preferential procurement spend on enterprises that are: Youth-owned	Finance / SCM	Youth - 30%	Youth: 26%	30.6%			
	CS1 (d). Percentage Preferential procurement spend on enterprises that are: Persons with Disabilities (PwDs)-owned	Finance / SCM	PwDs owned - 3%	PwDs owned: 0.5%	5%			
	CS2. Number of beneficiaries that completed accredited training courses	Skills Development Academy	500	0	2			
<b>Outcome 6</b> Well governed, capable, and sustainable organisation	CS3. External audit outcome on previous year financial statement	All Executives	Unqualified	N/A				
	CS4. Number of material findings on the external audit of performance objectives	Office of the GCE / Organisational Strategy, Performance and Efficiency	Zero material findings	N/A				
	CS5. Number of material findings on the external audit of non-compliance with legislation	Group Risk and Compliance	Zero material findings	N/A				
	CS6. Gross collections	Finance	R1.47b	R370m	R313.3m		The target was not achieved.	IDFC relied on Ithala SOC debit order system for collections from clients. The debit order system was not operational during the quarter due to Ithala SOC not being operational. In addition there was misconception that IDFC was also closed for business due to lack of differentiation between the 2 entities. Implementation of ABSA debit order system in July 2025 will improve collections and IDFC will continue with stringent debt collections measures.
	CS7. Net profit	Finance	R159.5m	R16.58m	(R51.4m)		The target was not achieved.	Exoected Credit Losses on loans and rentals debtors was significantly above budget due to dip in collections. IDFC to continue with intensive collections strategy to reduce non-paying clients .
	CS8. Percentage of cost-to-income	Finance	Incl. grant and FV adjust: 78%	Incl. grant and FV adjust: 78%	91%			
	CS9. Number of days cash on hand	Finance	>5 days cash on hand	>5 days cash on hand	>10 days cash on hand			
	CS10. Percentage of business process for Properties and Business Finance	Corporate Services / ICT	40%	N/A				
	CS11. Percentage of consequence management cases related to corruption commenced within 30 days	Corporate Services / Relevant Executive	80%	80%	N/A		No reported corruption cases during the reporting period.	
<b>Outcome 1</b> Increased investment in economic and infrastructure development programme	BF1. Rand value of external funding secured	Business Finance	R20m	N/A				

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<b>Outcome 3</b> Innovative and sustainable small enterprises	BF2. Rand Value of stages 1&2 loan book	Business Finance	R570m	R420m	R362.4m		The target was not achieved.	The ceasing of Ithala Soc operations led to decline in loan applications and non-payment of loan instalments, NSNP deals through DOE MOU relied on Ithala SOC bank account and was severely impacted, approvals for Richards Bay and PMB branches combined declined by 75% compared to prior year. The plan is to be more visible in the market to re-build market trust and re-affirm IDFC's operational status.
	BF3 Rand Value of Stage 3 loan book	Business Finance	<R531m	<R550m	R688.4M		The target was not achieved.	Collections was behind target due to the challenges at Ithala SOC. Proceed with the clean-up of loan book through write offs and uncollectable interest revenue. The debit order system has been implemented in July 2025. IDFC to continue with stringent debt collections measures.
	BF4. Average turnaround time for approval of loans from date of valid application (All documentation in order)	Business Finance	Within 15 working days	Within 15 working days	7 working days			
	BF5. Rand value of disbursed loans	Business Finance	R200m	R50m	R44.9M		The target was not achieved.	The ceasing of Ithala Soc operations led to decline in loan applications and non-payment of loan instalments, NSNP deals through DOE MOU relied on Ithala SOC bank account and was severely impacted, approvals for Richards Bay and PMB branches combined declined by 75% compared to prior year. The plan is to be more visible in the market to re-build market trust and re-affirm IDFC's operational status. Letter sent to DOE with new proposed terms for payment collection.
	BF6. Percentage of businesses funded that are performing two years after first disbursement	Business Finance	85%	N/A				
	BF7. Number of jobs facilitated through small enterprises that received funding from IDFC	Business Finance	2000	500	390			
	BF8. Number of enterprises completing the entrepreneurship and Black industrialists incubation programme	Business Finance	5	N/A				
<b>Outcome 4</b> Increased economic transformation and empowerment	BF9(a). Percentage of funding approved to designated groups per annum: Black, African in particular	Business Finance	Black, African in particular: 85%	Black, African in particular: 85%	61%			
	BF9(b). Percentage of funding approved to designated groups per annum: Women	Business Finance	Women: 40%	Women: 30%	25%			
	BF9(c). Percentage of funding approved to designated groups per annum: Youth, 35 years and under	Business Finance	Youth: 40%	Youth: 30%	55%			
	BF9(d). Percentage of funding approved to designated groups per annum: PwDs	Business Finance	PwDs: 1%	PwDs: 0.5%	0%		The target was not achieved.	Refer to comments under BF 9(b) above
	BF10. Rand value of funding provided to small enterprises that are benefiting from Provincial Government procurement spend	Business Finance	R100m	R25m	R4.6m		The target was not achieved.	Refer to comments under BF 5 above
	BF11. Number of SMME's and co-operatives supported in rural and township economies	Business Finance	25	5	7			
<b>Outcome 1</b> Increased investment in economic development programme	Pr1. Rand value of investments secured and/or capital raised for property developments	Properties	R200m	N/A				
<b>Outcome 2</b> Optimised and competitive and property portfolio	Pr2. Number of rebuild projects completed	Properties	7	N/A				
	Pr3. Rand value of capital expenditure on property portfolio	Properties	R184m	R20m	R31m			
	Pr4. Number of jobs facilitated through the Capital Expenditure Programme and new leases	Properties	3000	500	827			
	Pr5. Number of new (and renewed) leases concluded with tenants	Properties	270	50	94			
	PR6. Percentage vacancy rate of gross lettable space	Properties	<18%	<19.5%	19.1%			
	PR7. Number of new long-term leases concluded	Properties	5	1	0		The target was not achieved.	The conclusion of the long term leases for KwaMashu and Umlazi Shopping Centres is in progress and is taking longer than expected. A pipeline of over 15 proposals for long term leases for vacant commercial land are currently being assessed and the target should be achieved in Q2.
	Pr8. Repairs and maintenance as a percentage of portfolio value (excluding non-lettable and vacant land)	Properties	3.0%	0.90%	1.08%			

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	Pr9. Percentage of non-core assets disposed of	Properties	20%	N/A				
<b>Outcome 5</b> Timely and high-quality delivery of development projects	IA1. Number of new external projects acquired by Implementing Agent Unit	OSPE / Business Development	3	0	1			
	IA2. Number of projects completed	OSPE / Business Development	3	N/A				
	IA3. Rand value of income generated from projects assigned to IDFC for implementation	OSPE / Business Development	R15m	N/A				
	IA4. Number of jobs facilitated through construction projects implemented	OSPE / Business Development	400	100	132			

I **Pearl Bengu (GCE)** hereby certify that the non-financial data submitted for Q1 of 2025/26 is correct and gives an overview of the performance of the public entity.

Signed by: 

Summary Performance: Q1: 2025/26	
	57%
	43%