

on

**CODE SERIES FS700, STATEMENT 701**

**THE MEASUREMENT OF THE ACCESS TO FINANCIAL SERVICES ELEMENT OF BROAD-BASED  
BLACK ECONOMIC EMPOWERMENT AS IT RELATES TO BANKS**

**GEOGRAPHIC ACCESS**

**1. Introduction**

This note serves the purpose of providing guidance to the measurement of Geographic Access. Geographic Access measures the availability of physical points of presence (POPs) that offer or enable financial services. These may include bank managed, third party and client owned resources.

**2. Definition**

Points of presence or representation are defined as:

2.1 **Transaction points** are points at which customers can withdraw cash or make purchases using their accounts.

2.2 **Sales & service points** are points at which customers can: replace a card, deposit cash, acquire a transaction account, acquire a savings account, acquire a funeral policy, get a loan, reset a PIN, do many transfers, get a statement, or initiate account queries and at least one of the services listed under Transaction Points.

**3. Target Market**

The qualifying target market are individuals that qualify as low income earners, earning

≤R6 880 per month in the 2019 measurement period (the income to be adjusted annually by CPIX). In 2012 the qualifying target market was ≤R5 000 per month, this has been adjusted over the years annually by CPIX.

#### 4. Measurement Principles

4.1 The sector will be measured as a collective. However, institutions will be scored according to their contribution towards the industry target.

4.2 This means that in the target areas defined above, there must be at least one sales and service point within a 15 km radius and a transaction point within a 5 km radius.

4.3 A point of presence that meets the criteria for all two categories may be counted under both categories.

#### 5. Measurement Process

5.1 Identify existing points of presence within the country

5.2 Allocate points on the basis of targets as outlined below:

##### Targets

	Points	FSC Target	Range
Transaction Point	1	85%	5km
Sales & Service point	2	75%	15km

#### 6. Scoring guidance notes - clarification

The sector targets, measurement and performance be adopted however individual banks should be scored according to their performance in relation to the industry performance.

The formula is as follows:

$[(\text{Bank A performance} / \text{FSC target}) \times (\text{industry performance} / \text{FSC Target})] \times \text{available points}$

For example, for Transaction Points:

If the industry performance is 80% coverage

If Bank A's performance is 70% coverage, Bank A will score:

$$[(70\%/85\%) \times (80\%/85\%)] \times 1 = 0.78 \text{ points}$$

This relative measurement will be applicable to Transaction Point and Sales & Service Point.

**Important Note:** *The industry has been using an independent service provider to do a geocoding mapping of physical footprint of financial points of service. The findings of the geocoding are overlaid with a population data set to determine the profile of the people that are being served. The Census 2011 data on SAL level was used.*