

GUIDANCE NOTE GN 700(ab)**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
ELECTRONIC ACCESS****1. Introduction**

This note serves the purpose of providing guidance to the measurement of Electronic Access. Electronic Access aims to measure the penetration of an identified client base with monthly income of ≤R6 880 per month (the income to be adjusted annually by CPIX) on digital channels which will be used as a measure of access for mobile (cell phone) banking, internet banking and others.

2. Definition

Access via any customer owned or third party infrastructure which will include but is not limited to, mobile (cellphone) banking, telephone banking, internet banking or any new electronic product and or technology.

3. Target Market

The target market is bank customers who earn ≤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. The customer income should be derived from the customer's account behavior as follows:

- Total credits accumulated every month not exceeding an average of R6 880 per month over six (6) months (180 days).

4. Products

Qualifying transactions on products include but are not limited to; money transfers, account to account transfers, prepaid purchases and balance enquiries using mobile phone, telephone, internet banking or any other new technology.

5. Measurement

Each bank will be measured against the agreed industry target of 35%.

6. Target

The industry target is 35% of bank customers with a monthly income of ≤R6 880 per month adjusted annually with CPIX, using electronic channels during the measurement period.

7. Scoring guidance notes - clarification

The formula is as follows:

$$\left(\frac{\text{Number of active customers earning } \leq \text{R6880 per month with electronic access}}{\text{Number of active customers earning } \leq \text{R6880 per month}} \right) \div \text{Industry target} \times \text{available points}$$

For example:

Bank A has 60 000 number of active customers that earn ≤ R6 880 per month. 15 000 of those customers have utilized electronic access, therefore the calculation will be as follows:

$$\left[\frac{15\,000}{60\,000} \div 35\% \right] \times 3 = 2.14 \text{ points}$$