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**“Transformation is not a future event.  
It is a present-day activity.”**

# STATE OF **2018-2019 & 2019-2020** TRANSFORMATION ANNUAL REPORT

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## Who we are

The Financial Sector Transformation Council is a non-profit company constituted in terms of the Financial Sector Code, gazetted under Section 9(1) of the Broad-Based Black Empowerment Act 46 of 2013.

It is mandated through its constituencies which are the Trade Associations, Government, Nedlac Organised Labour (Labour), Nedlac Organised Community (Community) and the Association of Black Securities and Investment Professionals (ABSIP), to enforce the Financial Sector Transformation Code.

## About this report

"Transformation is not a future event. It is a present-day activity."

An Amalgamated State of Transformation  
Annual Report for 2018/19 and 2019/20.

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# 01 INTRODUCTION



Solly Mapaila, Council Chairperson

## CHAIRPERSON'S FOREWORD

Over the past few decades, the focus and architecture of the South African economy has evolved by gradually moving away from the minerals-based economy to a financial-services-based economy. The prominence and dominance of Financial Services firms – both listed and unlisted – is reflected in the market capitalisation, employment numbers and market power of the institutions within the sector. As the sector itself has evolved to being more than just about the Banks and the Insurance giants, so have the challenges associated with regulation and oversight. Through it all, the one universal duty – to proactively participate in the country's national transformation agenda – has remained fundamentally important. In fact, given the significant and cross-cutting role of the Financial Sector across the country's economy, the duty to provide transformational leadership lies heavily on the shoulders of the sector and its leaders.

The various dimensions of transformation relating to the sector, have been a matter of continuous deliberation since the Financial Sector Summit of 2002. Back then, the nature and importance of the Financial Sector and the profile of transformation, were the pillars that needed to find a pathway to convergence. This convergence pathway needed to ensure that the sector used its collective economic power to drive the country's transformation agenda. Since then, the implementation of sector codes and the concurrent commitment towards Broad-Based Economic Empowerment, have seen the country and the sector make steady progress towards transformation. When measuring financial inclusion for example, it is clear that significant gains have been made in that dimension. Similarly, when it comes to workplace transformation, there is no doubt that the picture of 2022 looks much better than the picture of two decades earlier. But given the evolution of the sector and society itself, some persistent challenges remain.

The holistic transformation of the Financial Sector remains a matter of great importance to ordinary South Africans as an instrument of moving us closer towards economic independence against the backdrop of a system previously developed for the benefit of the white minority. South Africa's history, which was characterised by racial inequality and systematic exclusionary and discriminatory policies, has produced dire consequences which have carried over into the post-apartheid economic landscape and they remain at the crux of socio-economic redress for which the Financial Sector is the critical pillar to achieve inclusive transformation.

To this end, the Preamble in the Amended Financial Sector Code provides that "Broad-Based Black Economic Empowerment (B-BBEE) is a mechanism aimed at addressing inequalities and mobilising the energy of all South Africans to contribute to sustained economic growth, development and social transformation in South Africa." Given these legislative imperatives and the establishment of the Financial Sector Transformation Council (FSTC) as the institution responsible for tracking progress towards the goal of transformation, it is important to track and acknowledge the sector's contribution towards achieving economic inclusion,

considering its role as a sector that can usher in fundamental reforms towards robust and inclusive growth.

With the implementation of the FS Code as a guiding framework, it is imperative that the Council does not just safeguard transformation but also seek to intensify the pace of transformation as the broad Financial Sector and its key stakeholders represent the engine of the economy and are the core conduits of an all-inclusive change. While the FSTC is committed to evaluating the performance of the sector with reference to the Codes as agreed, the disconnect between society's understanding of the transformation of the sector when contrasted with ordinary citizens' experiences and interactions with the sector remains a persistent challenge. In far too many conversations, the sector's consensus on its own transformation profile lacks an alignment with the general public's assessment of the same. Eliminating this disconnect is the collective responsibility of the FSTC, the various trade associations, and market participants at large.

As the FSTC, we crystallise our mandate around the twin pillars of driving and measuring transformation. In the quest to drive and measure transformation, the FSTC has assessed the performance of the sector and developed the 2018/19 and 2019/20 Amalgamated State of Transformation Annual Report (SoTAR). The report's findings on the priority elements indicate that the sector has not advanced sufficient initiatives towards meeting the determined targets which have been identified as key conduits for the promotion of economic and social transformation as well as for the greater participation of Black people in the economy.

It is disheartening that none of the sub-sectors have worked towards achieving the targets on Ownership and Skills Development as South Africa's high unemployment rate remains an area of concern, and it is imperative that the sector equips the previously disadvantaged with adequate skills in order to address the Skills Gap challenges and promote broad economic inclusion.

The affected sub-industries underperformed on Empowerment Financing targets which has an effect on the quantum and effectiveness of necessary support towards funding Black-owned enterprises in line with the FS Code's Black Business Growth Funding provisions.

Despite the sector in general not meeting the prescribed targets for the above-listed elements, there are areas in which certain sub-sectors have exceeded the Enterprise and Supplier Development targets. The noted areas of regression as well as those of improvement reflect the amount of work that still needs to be done within the transformation sphere.

As the FSTC is an important organ that plays a key role in advancing strategic conversations on transformation, it is integral that the FSTC is conversant on all manner of transformation initiatives across the sector. This is especially so given that the Council has been legislated as the authoritative structure empowered to promote and approve the implementation of the FS Code and other relevant empowering provisions as a framework to drive transformation within the Financial Services Sector.

It is evident that a holistically transformed economy requires sector-wide commitment, participation and the advancement of sustainable and pro-transformational initiatives that transcend beyond the scorecards. The future of a transformed and inclusive economy rests on the sector's intentionality and renewed commitment to the transformation agenda and National Treasury remains at the nexus towards the achievement of the sector's transformational goals.

Unfortunately, the recent experience of the FSTC indicates that the key government institution responsible for the regulation and oversight of the Financial Sector at large – the National Treasury – has exhibited a limited interest in engaging in matters relating to the transformation of the sector and has largely contributed, albeit unwittingly, to the lethargic posture the sector has adopted towards necessary changes.

The overall character of the sector towards change is non-committal while committing publicly to support its overall transformation. It is our hope as the FSTC that the sector at large and National Treasury in particular, acknowledge the intersectional roles that they all need to play in support of the FSTC's mandate to foster transformation in the sector.

It is with this in mind that as the rotational Chair of Council for the reporting period proposes the following for consideration by the Government and then the sector and other key role players:

- a) Develop legally binding enforceable compliance mechanism of transformation targets in the sector transformation Codes with punitive measures for failure to comply and meet targets. The penalties incurred should be deployed in the national endowment fund for development of the whole country.
- b) The transformation scorecards must also be measured with and against critical socio-economic indicators and challenges facing the country through the dimensions and prisms of race, class, gender and location inequalities in among others the rate of unemployment, rural versus urban economic inequalities with similar purview and evenly consider the broad social class dimensions to drive strategic deployment of financial resources to the neediest areas for even economic change in the country.
- c) The government must pass a strong and progressive prescribed assets investment legislation regime covering especially the Financial Sector and further put effective enforceable mechanism. This will help to evenly spread deployment of financial resources throughout the country with noted differentiation within the social classification of resources distribution in the country with the intent to deconcentrate them from largely major urban centres.
- d) These economic changes anchored on the urgent transformation of the Financial Sector should not be left to one Minister but shared across the economic cluster of Ministers with the President taking full responsibility for the immediate implementation, monitoring and evaluation of impactful transformation of the sector. To this extent, the economic sector cluster Ministers must be compelled to have at least a minimum of one joint meeting annually with the FSTC or as when required, to give impetus to the almost stalled or at best mark timing process of Financial Sector transformation and diversification, and to drive the new transformation posture necessitated by the fast-worsening socio-economic conditions and needs of the people in our beloved country.
- e) The FSTC must be fully funded and properly capacitated by government and the sectoral contribution should be encouraged to augment the massive tasks ahead facing this sector in its role for the better economy for all the people of the country.

We remain confident together with the FSTC collective that we shall find means and ways to hasten the pace of Financial Sector transformation before it is too late and the rule of chaos descends upon our beautiful motherland as the people scavenge for basic resources to live from day-to-day while the sector has access to resources that can be creatively and strategically deployed to drive the country's national imperatives. As seen in recent times, failure to achieve substantive and meaningful changes in the country's socio-economic structures leaves us all vulnerable to the risk of unrest and social disruptions that affect all of us.

The sector shall transform and it needs your help, and we invite you to share with us ideas and contributions to make this possible!



Khaya Sithole, Board Chairperson



Pumla Ncapayi, CEO

## EXECUTIVE SUMMARY

The fragility of South Africa's economic system and its previous economic architecture have unfortunately remained despite the sector's contributions towards redressing inequality gaps and financial inclusion. As the FSTC was constituted to drive and measure transformation of the Financial Services Sector, its role remains the nexus towards growth and economic development.

However, the inability of the FSTC to fulfil its mandate has far reaching consequences for the future of South Africa and continuous concerns as one of the most unequal societies in the world with a Gini coefficient of 63.

The systemic income inequality requires for implementation of policies aimed at ensuring that appropriate redress measures are considered including but not limited to financial inclusion and economic empowerment. Within this context, the FS Code was developed as a policy framework to realise transformation objectives through the Financial Sector and determine the impact of the empowering provisions.

During the 2018/19 and 2019/20 measurement periods, measured entities submitted B-BBEE reports in line with FS000, clause 8.5 of the FS Code to enable the development of a report over the two (2) measurement periods. The SoTAR analyses sector-specific data to determine compliance with the FS Code by measured entities in the Financial Services Sector as a response to the mandatory requirement contained in the B-BBEE Act 53 of 2003 and the Generic Codes of Good Practice.

The key findings as contained in the SoTAR provides an aerial view indicating that the priority elements namely Ownership, Skills Development, Enterprise and Supplier Development (ESD), Empowerment Financing, and ESD, as prescribed in FS Code should be the central drivers of transformation.

Through the aerial view of the sector's performance, the sector can meaningfully identify areas that require greater initiatives towards holistic transformation. The SoTAR provides the following insight into the efforts of the sector over the measurement periods under review:

- The sector did not meet its Ownership (FS100) targets across the indicators on the scorecard with Life Offices and Asset Managers displaying a marginal increase towards meeting the targets.
- The Management Control (FS200) targets were not met by all industries operating in the Financial Services Sector, however, there is a slight improvement in meeting the prescribed targets.
- None of the sub-sectors met the determined targets on Skills Development (FS300), with Other institutions noticeably regressing.
- All the sub-sectors displayed a marginal increase in the Preferential Procurement (FS400) with an exception of Life Offices and Asset Managers who exceeded their procurement targets while the various sub-sectors performed below target for Enterprise Development and Supplier Development with Life Offices meeting the prescribed targets within the 2019/20 measurement period.
- The Socio-economic Development (FS500) targets were achieved by Life Offices, Short-term Insurers as well as Asset Managers, while the Banks and Other Institutions slightly fell below the targets with noticeable regression from specialised entities.

- The Banks and Life Offices did not meet the prescribed Empowerment Financing (FS 600) targets with Life Offices regressing whilst Banks and Life Offices exceeded the ESD determined targets for the 2019/20 measurement period.
- Banks, Life Offices, and the Short-term Insurance sectors underperformed on the Access to Financial Services element (FS 700) with Banks displaying a slight improvement towards meeting the targets.
- The Specialised Entities performed below target for all elements.
- The Retirement Funds (Schedule 1) targets on Management Control and Preferential Procurement were not met by the sub-sector.

The findings of the SoTAR further allude to key limitations that have hampered the in-depth analysis aimed at accurately depicting the performance of the sector as an appropriate and transparent barometer of transformation. These limitations include but are not limited to:

- Measured entities not submitting B-BBEE Reports as prescribed by the B-BBEE Act and the FS Code, with partial submissions in some instances;
- Inconsistencies in the data submitted;
- Failure to submit required data for weighting purposes.
- Entities submitted data at group level which entails that some reports contain multiple industry data;
- None standardised verification reporting framework created further challenges as B-BBEE reports were filed in varied formats.

In the face of economic challenges and in pursuit of holistic transformation, it is evident that there is a need for a policy system which functions substantially and systematically, and the sector will endeavour to engage policymakers through the FS Code review to remedy the cited limitations.

While there have been demonstrable strides towards transformation, the findings in the report depict the narrative that more advancements are required to contribute to a more equitable South Africa towards a positive paradigm on implementation of pro-transformational sustainable strategies. Understanding the symbiotic relationship between the FS

Code and the sector's improvement towards meeting the prescribed targets is central and accelerated transformation is achievable through sound sector collaborative measures as well as a transparent measurement mechanism.

In realising the transformation mandate of the sector towards a new transformed economic and social landscape, strengthened stakeholder engagements remain central through the joint efforts of the FSTC and the sector at large.

Advancing the FSTC's twin pillars and towards developing a report of this magnitude and import requires collaborative effort, requisite skills and dedication and in this regard, I would like to extend a word of gratitude to the Council, Board, and the RWC for their guidance and contributions towards the advancement of the core deliverable of the FSTC as prescribed in the B-BBEE Act.

Furthermore, the FSTC encourages measured entities to submit their B-BBEE reports in accordance with the determined reporting framework as this will assist in the development of a more accurate and transparent barometer on the advancement of transformation measures for the sector.

Lastly, I would like to express my gratitude towards the employees of the FSTC who have contributed to the finalisation of the report.

"Transformation is not a future event. It is a present-day activity."





## ABOUT THIS REPORT

The FSTC, which was previously known as the Financial Sector Charter Council, drafted and published its first State of Transformation Report in 2006 with the intent of illuminating the sector's progress towards an inclusive and transformed economy. To date, seven (7) State of Transformation Annual Reports have been published and they have enabled the sector to track its progress or lack thereof on an annual basis.

The amalgamated 2018/19 and 2019/20 State of Transformation Annual Report is the eighth (8th) report published by the FSTC that is premised on the notion that "Transformation is not a future event. It is a present-day activity." The specific focus is producing a comprehensive report that will act as a transformational barometer and map sectoral trends that the sector can meaningfully use to assess the state of transformation in the Financial Sector. The report also aims to reflect the sector's contributions towards the broader economic objectives of the country.

In developing this amalgamated report, the FSTC came to the realisation that the previously published reports did not clearly illustrate the pace of transformation over the years. As a result, they did not accurately measure transformation and they lacked transparency.

## Objectives and Scope

The primary objective of this report is to present the status of transformation within the Financial Sector over the two determined measurement periods.

The report analyses sector-specific data to determine compliance with the FS Codes by measured entities in the financial services sector, as a response to the mandatory requirement contained in the B-BBEE Act 53 of 2003 and the COGP, which stipulates that "all sector councils to compile reports on the status of Broad-Based Black Economic Empowerment within the sector, and to share information with sector members, approved accreditation agencies, B-BBEE Commission, B-BEE Presidential Advisory Council, the Line Minister (National Treasury) and the Minister of Trade and Industry". Moreover, Statement 003, Par. 6.4, in the COGP

enables the FSTC to utilise the data received from measured entities as qualified in Section 10(4) of the B-BBEE Act of 2003.

## Methodology and Approach

The report is based on the industry cluster (aggregated) data of the sector for 2018/19 and 2019/20 reporting periods. These periods include reporting entities whose financial year-ends fall between 1 December 2018 and 30 November 2019 as well as 1 December 2019 and 30 November 2020 respectively.

This methodology has been adopted as a mechanism to remedy the limitations that the B-BBEE Reports have previously presented and to assist with developing a more explicit report that details the advancements the sector has made towards achieving its targets against the prescribed FS Code targets. Where B-BBEE Certificates are used, the analysis is based on the actual scores in points against the weighting points. On the other hand, where B-BBEE Scorecards are used, the analysis is based on the actual percentage performance against compliance targets.

With the adopted approach it had been expected for measured entities to submit in accordance with prescribed norms, however, this could not be the case for both measurement periods. As a result of non-adherence to prescribed norms and the non-standardised reporting format by verification agencies, performance of sub-sectors in various elements could not be clearly determined and remains inconclusive.

In line with the FSTC's mandate, data was collected from reporting entities operating in the Financial Sector using the prescribed FSTC reporting framework, which calls for submission of reporting data (B-BBEE certificates and scorecards) in accordance with determined measurement periods.

The collected data was processed using STATA software to calculate descriptive statistics and identify emerging trends. The report recognises that the Financial Sector has distinct industries that require separate analysis to assess their respective contributions towards realising the transformation objectives of the sector.



# Reports submitted as per determined measurement period of 2018/19 and 2019/20

In light of the adopted methodology, the data for the various sub-sectors was analysed for all elements of the FS Code as indicated below:

**Table 1: Generic Scorecard**

Elements	Banks and Life Offices Scorecard	Short-term Insurers Scorecard	Stock Exchanges and Stock Exchange Members	Other Institutions Scorecard	Code series reference
Ownership	23	23	23	25	FS 100
Management Control	20	20	20	20	FS 200
Skills Development	20	20	20	20	FS 300
Procurement and ESD	15	35	35	35	FS 400
Socio-economic Development and Consumer Education	5	5	5	5	FS 500
Empowerment Financing and ESD	25	0	0	0	FS 600
Access to Financial Services	12	12	0	0	FS 700
<b>Total</b>	<b>120</b>	<b>115</b>	<b>103</b>	<b>105</b>	

In analysing the data, simple averages were used due to limitation on data for weighting, and this allowed for a comparative analysis on a year-to-year basis for 2018/2019 and 2019/2020 reporting periods. While data had been requested in the prescribed framework, there have been instances where missing values have been identified and these were excluded from the average calculation. Thereafter, an analysis was conducted to determine the number of entities that have reached their targets per the various elements.

## Entity rankings

A further analysis was considered to rank entities that reached their targets in accordance with the determined rankings of the rating agencies and research institutions that are generally used to describe industry or sector characteristics, including Atlas Magazine (Short-term Insurers), Pricewaterhouse Coopers (Life Offices), Alexander Forbes (Asset Managers) and the JSE Report (Banks) were used as the bases for categorising the sub-sectors. Thus, the entities were divided into the following rankings:

- Top 6 Banks
- Top 6 Life Offices
- Top 7 Asset Managers
- Top 4 Short-term Insurers

The determined rankings were verified across with data on GN000(a) applicable within the prescribed measurement periods.

The rationale of this approach recognises that some sub-sectors, such as banking, are dominated by a few Banks, the “top six banks”, a few conglomerates in the Life and Short-term Insurance industry, which make up the greatest market share. In such circumstances, if targets were met in the ranking that has the highest value, it would indicate that transformation is advanced compared to situations where targets were met in the lower-ranked Banks.

## Data collection

Through Section 10.4 of the B-BBEE Act and the FS Code, the FSTC is required to report annually on the state of transformation in the Financial Services Sector. To be able to provide this report, the FS Code empowers the FSTC to request reporting data from measured entities on their contribution towards the advancement of transformation initiatives.

The reporting process commenced in May 2020 for the 2018/19 measurement period, and in April 2021 for the 2019/20 measurement period.

## Limitations of the report

The State of Transformation Annual report should be reflective of the transparency measures to realise the transformation of the sector. Through accurate reporting, the FSTC is granted the responsibility to develop a status of transformation report reflective of the pace of transformation in specific measurement periods.

Notwithstanding this, the process presented the FSTC with challenges, particularly in obtaining detailed data from measured entities resulting in the partial application of the determined methodology.

**In light of this core challenge, the FSTC identified the below limitations:**

- Measured entities did not submit B-BBEE Reports as prescribed by the B-BBEE Act and the FS Code, with partial submissions in some instances;
- Measured entities submitted data that varied from year to year in some instances, while some entities appear only in one year's data, and this resulted in inconsistencies;
- Data was submitted on percentage performance while requirement is on rand value and actual performance;
- Data requested to perform weighted average was not submitted by all reporting entities as determined in the reporting framework, resulting in simple averages being applied;
- Some indicators on respective elements for the entities contain missing values for both years;
- Entities submitted data at group level, which means that some reports contain multiple industry data;
- None standardised verification reporting framework created further challenges as B-BBEE reports were filed in varied formats.
- Some affidavits could not be submitted due to lockdown restrictions.

## The FSTC: Overview

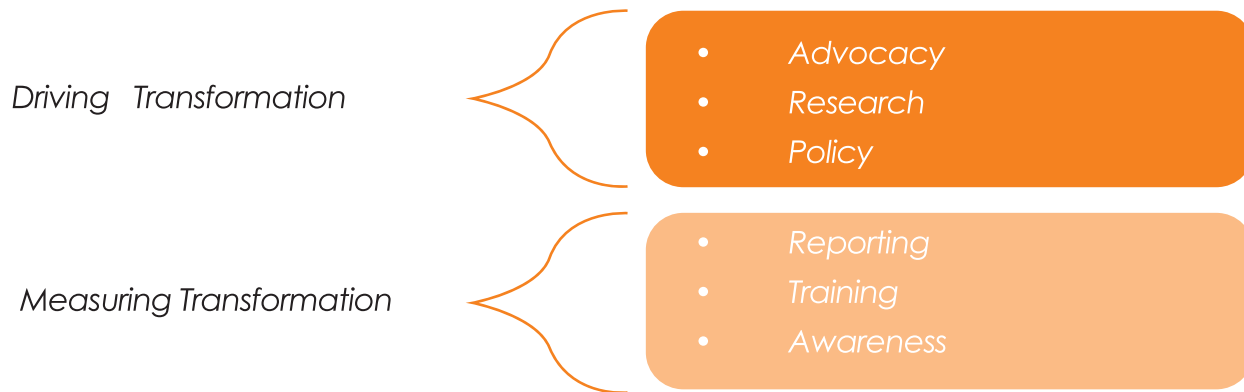
### Mandate

The mandate of the FSTC is to provide strategic leadership to accelerate transformation in the Financial Sector and to promote the Code as an enabler to a sustainable, inclusive and growing economy.

In addition to the above, the broader mandate of the FSTC is to support economic growth and inclusivity while overseeing and enforcing the implementation of the Amended FS Code and other relevant empowering provisions.



## Key pillars of FSTC's Mandate



## Vision

To be the most powerful driving force behind a transformed, transparent and accessible Financial Services Sector.

## Objectives

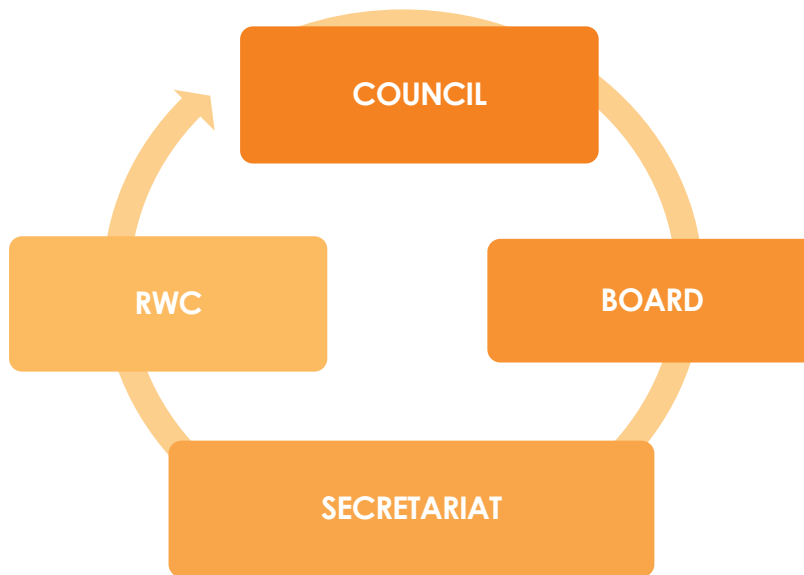
- Engage with policymakers to ensure that legislation enables transformation;
- Engage with financial institutions to promote understanding of the FS Code and to provide support for compliance;
- Regularly review implementation guidelines to ensure relevance and ease of implementation;
- Publish an annual performance report that reflects the sector's transformation;
- Research to understand challenges and identify opportunities to expedite transformation;
- Engage with other relevant stakeholders to promote understanding of the FS Code and its benefits.

## Values

<i>Unity:</i>	We acknowledge that we are stronger together. We strive for a shared vision, a common purpose, and a supportive and collaborative working environment.
<i>Empathy:</i>	We have a genuine concern for our society, and we encourage and support development and empowerment.
<i>Vigilance:</i>	We keep a watchful eye for changes that impact our stakeholders and working with experts, we strive to adapt.
<i>Respect and Integrity:</i>	We always honour the dignity of others, and we will treat others the way we want to be treated. We will always do what is right and build trust and confidence by being honest at all times.



# Governance structure



COUNCIL	BOARD	RWC
<p><b>ROLE OF COUNCIL</b></p> <ul style="list-style-type: none"> <li>Promote and approve the implementation of the FS Code and other relevant empowering provisions as a Framework to drive transformation in the sector</li> <li>Delegate appropriate Code development and review responsibilities to the RWC and other constituted sub-committees.</li> <li>Support the imperatives of the RWC and the Secretariat as it relates to the advancement of transformation.</li> <li>Policy and programme management.</li> </ul>	<p><b>ROLE OF BOARD</b></p> <ul style="list-style-type: none"> <li>The primary responsibility of the Board is to Supervise the management of the Council and foster the long-term success of the Council consistent with the Board's responsibility to the Council and stakeholders.</li> <li>All Board members should exercise their fiduciary duties for the benefit of the FSTC's and its objectives.</li> <li>Responsible for overseeing the FSTC's programmes, activities and supporting budgets thereof.</li> </ul>	<p><b>ROLE OF RWC</b></p> <ul style="list-style-type: none"> <li>Engage on policy matters and make recommendations to the Council. Establish technical sub-committees where appropriate and oversee their work.</li> <li>Review proposed solutions and recommends for the Council's approval where appropriate.</li> <li>Make sound recommendations to the Council and effectively support and advance the initiatives of the Secretariat.</li> </ul>



Khaya S Sithole CA(SA), **Board Chairperson**

## MESSAGE FROM THE BOARD CHAIRPERSON

**R**eflecting on the state and architecture of the South African economy is an exercise in nuance, history and hope. The nuance is critical in formulating an understanding of how history continues to shape the present. The hope is that in spite of where we once were, we can achieve better outcomes towards the pursuit of a future shaped by shared prosperity.

As the largest economy in the Southern African region and the most industrialised player in the African economy, South Africa's endowments come with expectations and responsibilities. As a country seeking to address the effects of economic patterns shaped in a different age, South Africa's mission to address its socio-economic challenges is a national imperative.

The country's commitment to transformation, remains a fundamental instrument of delivering on this challenge. For the Financial Sector – given its role at the epicentre of economic activity – the transformation question is a matter of continuous deliberation.

As the institution established to oversee the transformation progress and evolution of the Financial Sector, the FSTC has a responsibility of providing granular insights on the state of transformation that enables the country at large to understand the sector better. For policymakers, the State of Transformation Report provides an opportunity to assess the impact of policy on institutions and markets at large.

Such an assessment is particularly relevant in a sector that continuously evolves and presents new challenges and opportunities. With this Amalgamated Report covering the periods of 2018/19 and 2019/2020, the FSTC presents to the nation a snapshot of transformation within the sector. We hope that the report serves as a basis for engagement and deliberations on the elements of transformation that are a collective responsibility of all stakeholders within the sector.

## Report Submissions

This section presents the overall number of reports submitted by various entities across all sub-sectors, as per B-BBEE thresholds, for the two reporting periods (2018/19 and 2019/20) under review. This is in response to the provisions of Section 10 (4) of the B-BBEE Act 46 of 2013, which requires “enterprises operating in a sector in respect of which the Minister has issued a sector code of good practice in terms of Section 9, must report annually on their compliance with Broad-Based Black Economic empowerment to the sector council, which may have been established for that sector”.

The code series FS000 of the FS Code outlines the specific B-BBEE thresholds that define the entities in the Financial Services Sector:

- i. **Exempted Micro-Enterprises (EME)** are defined as enterprises with total annual revenue of up to R10m.
- ii. **Qualifying Small Financial Institutions (QSFI)**s are defined as enterprises with a total annual revenue of more than R10m but less than R50m.
- iii. **Large (generic)** enterprises are defined as enterprises with a total annual revenue that is more than R50m.
  - All EMEs and QSFI that have at least 51% Black beneficiaries are only required to obtain an affidavit annually confirming the following:
    - Annual total revenue/allocated budget/gross receipts of R50m or less; and
    - Level of percentage of Black beneficiaries.
  - All Large (Generic) Enterprises and QSFI that are less than 51% Black-owned, are expected to complete a full B-BBEE verification through a SANAS accredited verification agency.

## 2018/19 vs 2019/20 Comparison of B-BBEE submissions

The total number of submissions considered by Generic Entities in the two measurement periods reflect a general decline in the number of Generic Entities that reported in the determined measurement periods of 2018/19 and 2019/20.

The following table presents the number of EMEs and QSFI that reported in the two measurement periods depicting a decline from the number of EME and QSFI that reported in the measurement periods.

**Table 2: B-BBEE Report Submissions – Generic Entities**

	2018-2019	2019-2020
<b>Generic Entities</b>	<b>260</b>	<b>230</b>

**Table 3: B-BBEE affidavit submissions – EMEs and QSFI**

	2018/19	2019/20
<b>EME</b>	2493	1393
<b>QSE</b>	158	122
<b>Total</b>	<b>2651</b>	<b>1505</b>

**Table 4: 2018/19 vs 2019/20 B-BBEE report submissions by industry – Generic Entities**

	2018/19	2019/20
<b>Generic Entities</b>		
Banks	22	21
Life Offices	19	24
Short-term Insurers	18	24
Asset Managers	41	46
Other Institutions	135	97
Specialised Enterprises	12	8
Retirement Funds	13	10
<b>Total</b>	<b>260</b>	<b>230</b>

The table above indicates the number of reports submitted by the various sub-sectors during the measurement periods under review.

## B-BBEE contributor level

The FS Code and the B-BBEE framework recognise nine empowerment levels with level one indicating the highest level of compliance, while level nine being non-compliant.

**Table 5: B-BBEE Recognition Levels**

Contributor level: The formula: (Points achieved/Total number of FSC industry points) X Total number of DTIC points

	Adjusted points	Recognition level
<b>Level 1 Contributor</b>	>= 100	<b>135%</b>
<b>Level 2 Contributor</b>	>= 95 but <100	<b>125%</b>
<b>Level 3 Contributor</b>	>= 90 but <95	<b>110%</b>
<b>Level 4 Contributor</b>	>= 80 but <90	<b>100%</b>
<b>Level 5 Contributor</b>	>= 75 but <80	<b>80%</b>
<b>Level 6 Contributor</b>	>= 70 but <75	<b>60%</b>
<b>Level 7 Contributor</b>	>= 55 but <70	<b>50%</b>
<b>Level 8 Contributor</b>	>= 40 but <55	<b>10%</b>
<b>Non-Contributor</b>	<40	<b>0%</b>

**Table 6: 2018-19 B-BBEE Contributor Level by industry for the Generic Entities**

B-BBEE (BEE) Contributor Level for 2018-19

Empowerment Levels	BEE 1	BEE 2	BEE 3	BEE 4	BEE 5	BEE 6	BEE 7	BEE 8	NC*
<b>Industry</b>									
<b>Banks</b>	5	1	1	5	2	1	0	2	5
<b>Life Offices</b>	4	5	1	0	1	1	1	2	3
<b>Short-term Insurers</b>	2	3	0	2	2	3	0	4	3
<b>Asset Managers</b>	10	12	7	1	0	1	1	2	7
<b>Other Institutions</b>	11	11	10	18	4	6	5	28	42
<b>Specialised Enterprises</b>	1	2	1	3	1	0	1	1	2
<b>Total</b>	<b>33</b>	<b>34</b>	<b>20</b>	<b>29</b>	<b>10</b>	<b>12</b>	<b>8</b>	<b>39</b>	<b>62</b>

\*NC – Non-compliant contributor

Table 6 and Figure 1 depicts that 116 measured entities achieved a satisfactory empowerment contributor level, with satisfactory contributor status defined as empowerment levels 1, 2 and 3 as well as enhanced Procurement recognition shown as level 4 with rand-for-rand recognition.

Figure 1: 2018-19 B-BBEE Contributor Level by industry for the Generic Entities

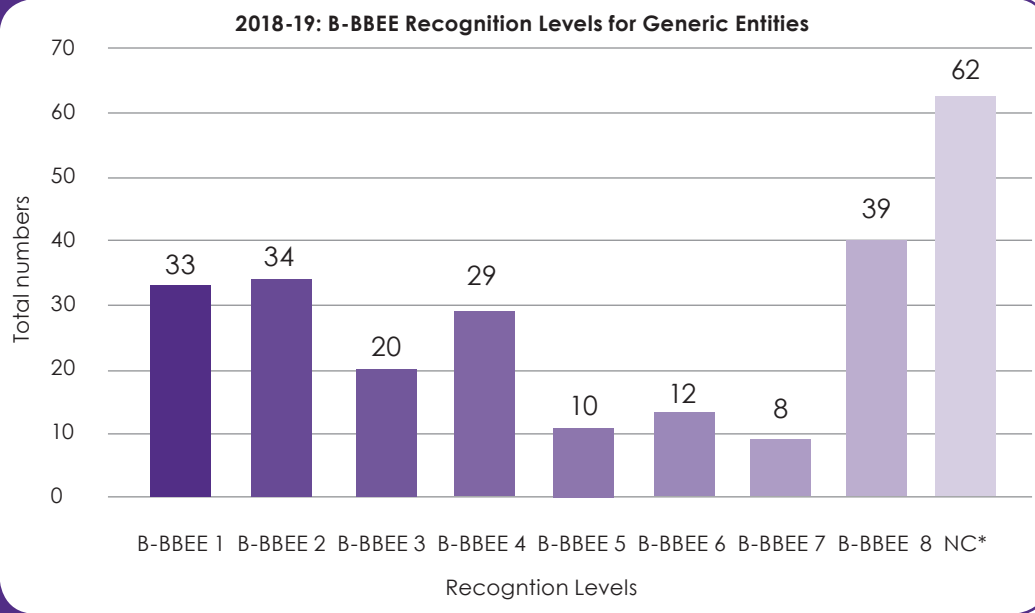


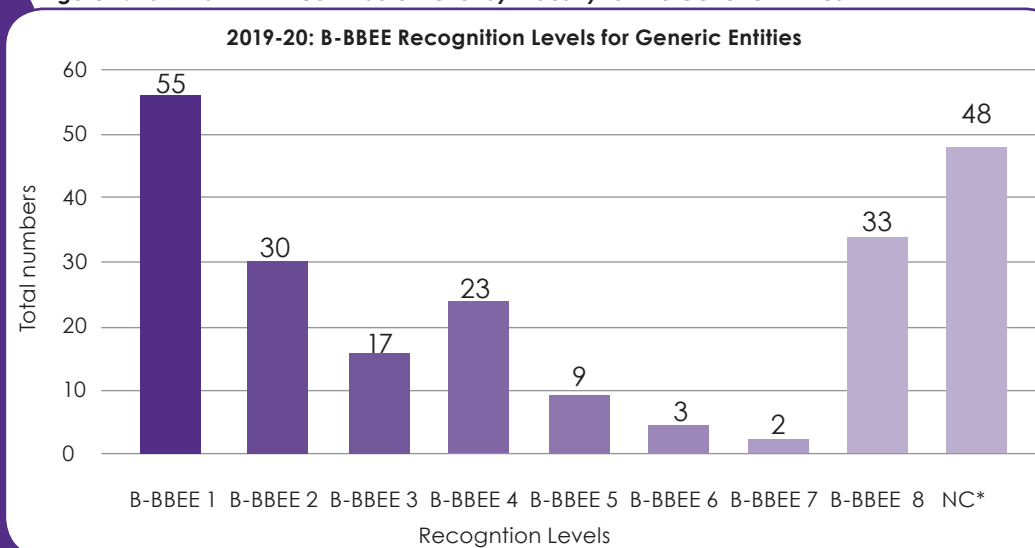
Table 7: 2019-20 B-BBEE Contributor Level by industry for the Generic Entities

B-BBEE (BEE) Contributor Level for 2019-20									
Empowerment Levels	BEE 1	BEE 2	BEE 3	BEE 4	BEE 5	BEE 6	BEE 7	BEE 8	NC*
<b>Industry</b>									
<b>Banks</b>	7	1	1	3	0	1	1	3	4
<b>Life Offices</b>	5	6	0	2	1	0	0	6	4
<b>Short-term Insurers</b>	5	2	5	2	2	2	0	3	3
<b>Asset Managers</b>	20	10	1	3	5	0	0	1	6
<b>Other Institutions</b>	17	11	10	10	1	0	0	18	30
<b>Specialised Enterprises</b>	1	0	0	3	0	0	1	2	1
<b>Total</b>	<b>55</b>	<b>30</b>	<b>17</b>	<b>23</b>	<b>9</b>	<b>3</b>	<b>2</b>	<b>33</b>	<b>48</b>

\*NC – Non-compliant contributor

Table 7 and Figure 2 depicts an increase in measured entities achieving a satisfactory empowerment level for 2019/20 measurement period as compared to 2018/19. Satisfactory contributor status is defined as empowerment levels 1, 2 and 3 with enhanced Procurement recognition, as well as level 4 with rand-for-rand recognition.

Figure 2: 2019-20 B-BBEE Contributor Level by industry for the Generic Entities



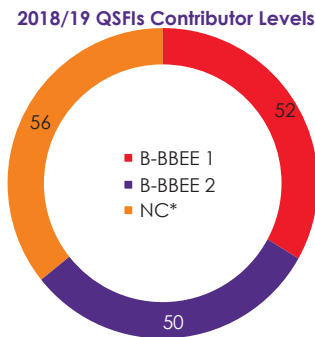


## B-BBEE contributor levels – QSFI

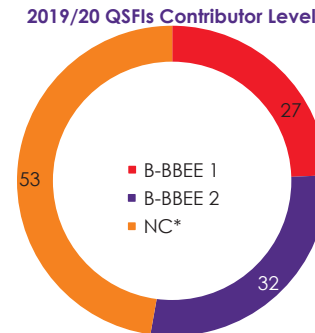
A Qualifying Small Financial Institution (QSFI) is an entity that qualifies for measurement in the QSFI scorecard with a total annual revenue of more than R10m but less than R50m. A QSFI must comply with all of the elements of B-BBEE scorecard, however, a QSFI that is 100% Black-owned qualifies for level one B-BBEE recognition.

The graphs below indicate the QSFI that submitted affidavits for the specified measurement periods:

**Figure 3: 2018-19 B-BBEE Contributor Levels**



**Figure 4: 2019-20 B-BBEE Contributor Levels**

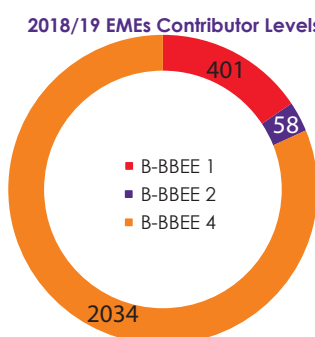


## B-BBEE contributor levels – EMEs

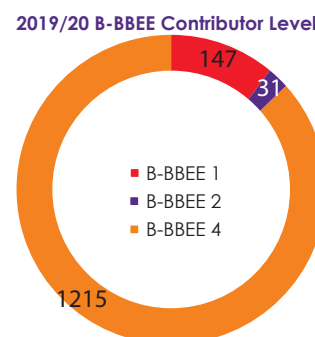
Exempted Micro Enterprises (EMEs) are entities with a total annual revenue of up to R10m. An EME is required to obtain a sworn affidavit, or a Companies and Intellectual Property Commission (CIPC) certificate on an annual basis confirming a total annual revenue of R10m or less and the level of Black ownership.

The graphs below indicate the EMEs that submitted affidavits for the specified measured periods.

**Figure 5: 2018/19 B-BBEE Contributor Levels**



**Figure 6: 2019/20 B-BBEE Contributor Levels**





## Average Sector Performance

To determine the sector's performance, the FS Code provides a scorecard that outlines the elements and performance measures of the various sub-sectors. The scorecards below are a guiding principle of performance assessment.

**Table 8: Generic Scorecard**

Elements	Banks and Life Offices Scorecard	Short-term Insurers Scorecard	Stock Exchanges and Stock Exchange Members	Other Institutions Scorecard	Code series reference
Ownership	23	23	23	25	FS 100
Management Control	20	20	20	20	FS 200
Skills Development	20	20	20	20	FS 300
Procurement and ESD	15	35	35	35	FS 400
Socio-economic Development and Consumer Education	5	5	5	5	FS 500
Empowerment Financing and ESD	25	0	0	0	FS 600
Access to Financial Services	12	12	0	0	FS 700
<b>Total</b>	<b>120</b>	<b>115</b>	<b>103</b>	<b>105</b>	

# Average overall performance: Banks

Figure 7: B-BBEE reports for Banks submitted in 2018/19 is 22 and 21 in 2019/20



The total submissions received from Banks for the 2018/19 measurement period were 22, and for 2019/20 were 21 indicative of the overall performance with a slight increase in all elements except for Empowerment Financing, which indicates an insignificant increase from 11.18. points to 11.27 points.

Figure 8: Average Overall Performance - All Banks

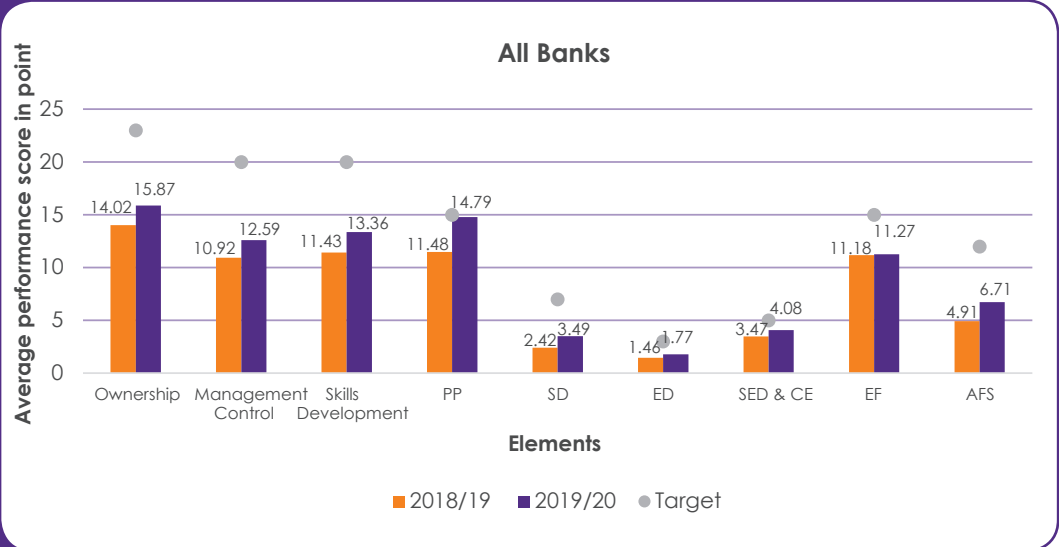
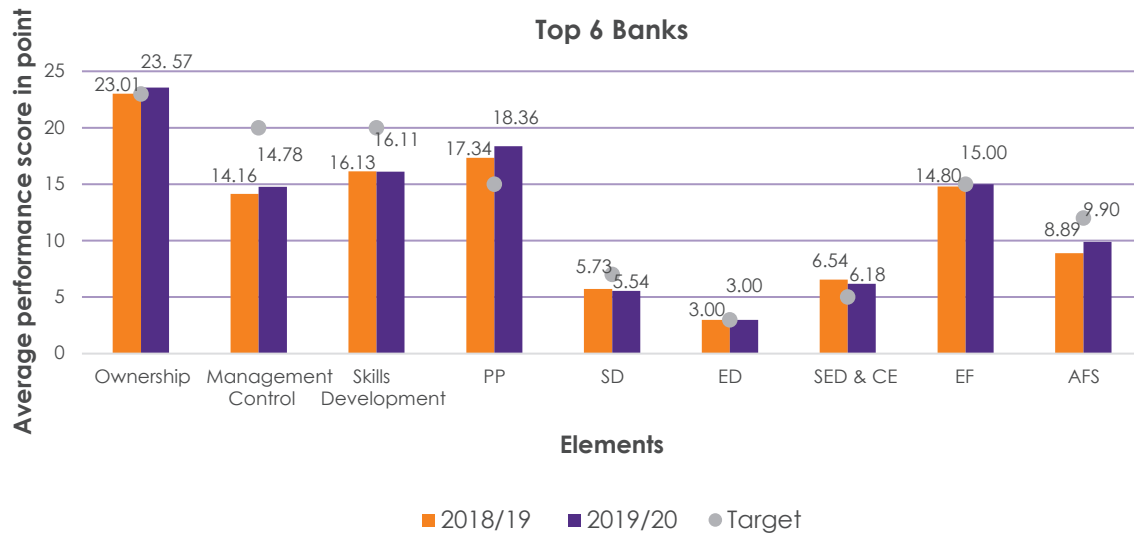


Table 9: Banks that submitted reporting data and percentage achievement on scorecard elements

	2018/19	2019/20
<b>Ownership</b>	32% (7/22)	48% (10/21)
<b>Management Control</b>	0% (0/22)	0% (0/21)
<b>Skills Development</b>	0% (0/22)	0% (0/21)
<b>Preferential Procurement</b>	27% (6/22)	48% (10/21)
<b>Supplier Development</b>	14% (3/22)	14% (3/21)
<b>Enterprise Development</b>	41% (9/22)	48% (10/21)
<b>SED &amp; CE</b>	36% (8/22)	48% (10/21)
<b>Empowerment Financing</b>	23% (5/22)	24% (5/21)
<b>Access to Financial Services</b>	4.5% (1/22)	0% (0/21)

For both 2018/19 and 2019/20 less than 50% of the Banks achieved their Ownership, Procurement, SD, ED, SED & CE and Empowerment Financing targets while none of the Banks contributed to meeting their targets towards Management Control and Skills Development with a significant decline in meeting the Access to Financial Services target.

**Figure 9: Average Overall Performance - Top 6 Banks**



As illustrated above, the Top 6 Banks outperformed the banking sector in all the elements for the two measurement periods, with the Top 6 Banks meeting their targets for Procurement, Enterprise Development and SED & CE as well as Empowerment Financing. It is evident that the Banks are closer to meeting their targets with the exception of Management Control, Supplier Development and Access to Financial Services, of which a concerted effort is required towards meeting the determined targets.

**Table 10: Top 6 Banks that submitted reporting data and percentage achievement on scorecard elements**

	2018/19	2019/20
<b>Ownership</b>	60% (3/5)	67% (4/6)
<b>Management Control</b>	0% (0/5)	0% (0/6)
<b>Skills Development</b>	0% (0/5)	0% (0/6)
<b>Preferential Procurement</b>	80% (4/5)	83% (5/6)
<b>Supplier Development</b>	40% (2/5)	17% (1/6)
<b>Enterprise Development</b>	100% (5/5)	100 (6/6)
<b>SED &amp; CE</b>	100% (5/5)	100% (6/6)
<b>Empowerment Financing</b>	80% (4/5)	67% (4/6)
<b>Access to Financial Services</b>	0% (0/5)	33% (2/6)

As illustrated above, more than 60% of the Top 6 Banks achieved their targets on Ownership, PP, ED, SED & CE, and Empowerment Financing while none of the Top 6 Banks achieved their targets for Management Control and Skills Development for both measurement periods. Less than 50% of the Top 6 Banks achieved the targets on Supplier Development in 2018/19 and there is a significant decline in 2019/20 from the 40% to 17% with a significant improvement on meeting targets for 2019/20 on Access to Financial Services.

As illustrated in Figure 10, it is evident that other Banks, when compared to the Top 6 Banks, need to make significant strides towards achieving their targets with the exception on Procurement, Enterprise Development and SED & CE where they are closer to meeting the targets.

Figure 10: Average Overall Performance: All other Banks excluding Top 6

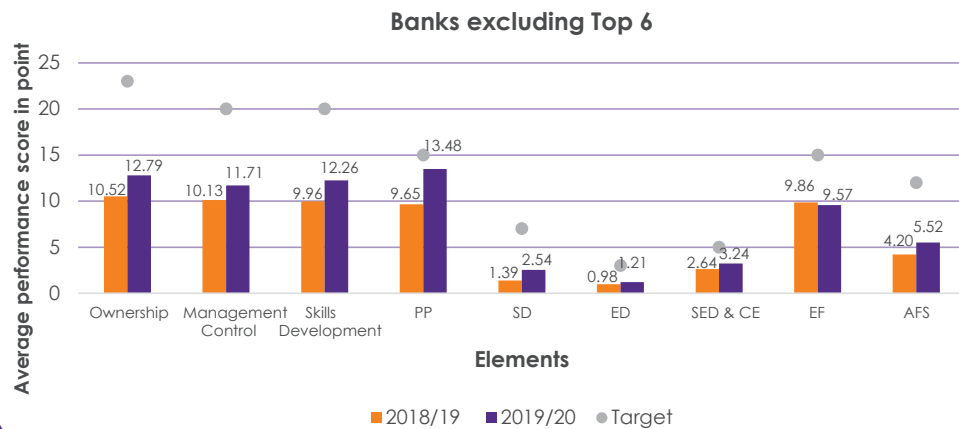


Table 11: Banks excluding Top 6 that submitted reporting data and percentage achievement on scorecard elements

	2018/19	2019/20
<b>Ownership</b>	23% (4/17)	40% (6/15)
<b>Management Control</b>	0% (0/17)	0% (0/15)
<b>Skills Development</b>	0% (0/17)	0% (0/15)
<b>Preferential Procurement</b>	12% (2/17)	40% (6/15)
<b>Supplier Development</b>	18% (3/17)	13% (2/15)
<b>Enterprise Development</b>	23% (4/17)	27% (4/15)
<b>SED &amp; CE</b>	18% (3/17)	7% (1/15)
<b>Empowerment Financing</b>	6% (1/17)	27% (4/15)
<b>Access to Financial Services</b>	6% (1/17)	0% (0/15)

As illustrated above, there is a realised increase towards meeting the targets on Ownership, Procurement, Enterprise Development, SED & CE and Empowerment Financing by Other Banks while on the contrary Supplier Development, SED & CE, and Access to Financial Services outlines a decline in the 2019/20 measurement period.

While there is improvement towards the performance of the banking sector on some elements, it is believed that the sector can advance its efforts towards meeting the prescribed targets aimed at realising transformation.

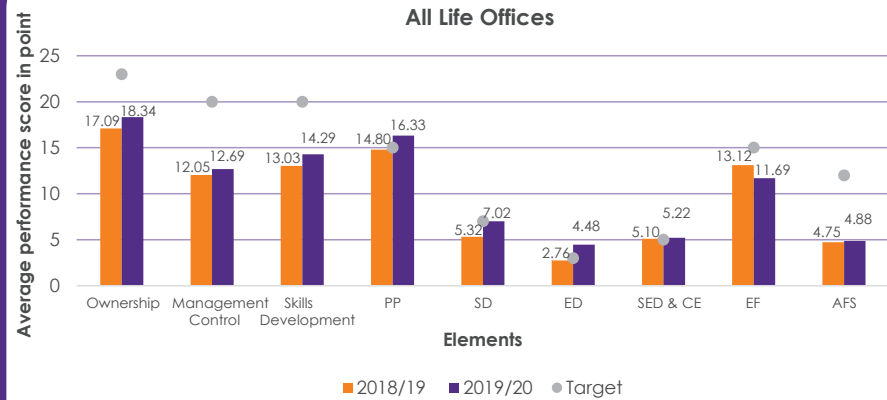
## Average overall performance: Life Offices

Figure 11: B-BBEE reports for Life Offices submitted in 2018/19 is 19 and 24 in 2019/20



The total submissions received from Life Offices were 19 for 2018/19 and 24 for the 2019/20 measurement period. In the reporting periods, Life Offices depict a slight improvements towards meeting determined targets on various elements, including Ownership, Management Control and Skills Development, while targets on Procurement and Supplier Development, Enterprise Development, Enterprise Development as well as SED & CE were met, with Empowerment Financing depicting a significant decrease from 13.12 points to 11.69 points.

**Figure 12: Average Overall Performance: All Life Offices**



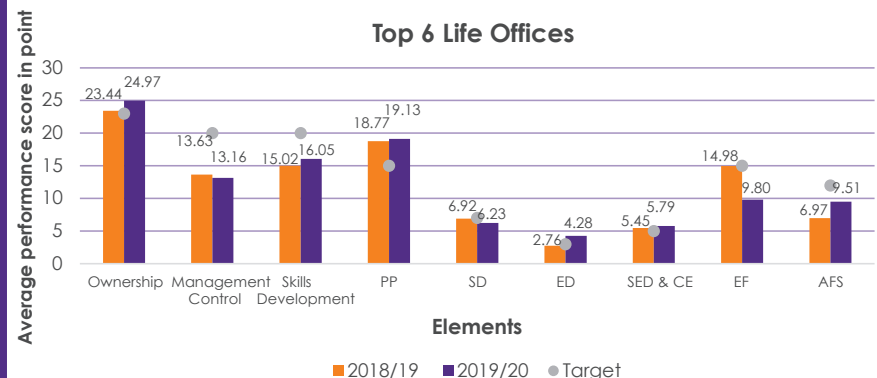
**Table 12: Life Offices that submitted reporting data and percentage achievement on scorecard elements**

	2018/19	2019/20
<b>Ownership</b>	31% (6/19)	33% (8/24)
<b>Management Control</b>	0% (0/19)	4% (1/24)
<b>Skills Development</b>	5% (1/19)	17% (4/24)
<b>Preferential Procurement</b>	58% (11/19)	50% (12/24)
<b>Supplier Development</b>	68% (13/19)	37% (9/24)
<b>Enterprise Development</b>	63% (12/19)	50% (12/24)
<b>SED &amp; CE 5</b>	3% (10/19)	54% (13/24)
<b>Empowerment Financing</b>	21% (4/19)	21% (5/24)
<b>Access to Financial Services</b>	5% (1/19)	0% (0/24)

As illustrated in the table above, there is a slight increase in the overall performance of Life Offices indicating an increased in the number of entities that achieved their Ownership, Management Control, Skills Development and SED & CE targets. However, there is a decline on the number of Life Offices that achieved the targets for Preferential Procurement, Supplier Development, Enterprise Development, and Access to Financial Services with Empowerment Financing remaining the same over the two measurement periods.

As illustrated in Figure 13, the Top 6 Life Offices performed marginally better than All Life Offices for the two measurement periods, specifically on Ownership, SED & CE, with ESD Management Control and Skills Development and Access to Financial Services remaining the same as 2018/19. While targets were met for Ownership, Procurement, Enterprise Development and SED & CE, more effort is still required to meet Management Control, Skills Development Empowerment Financing and Access to Financial Services targets towards realising the determined transformation imperatives.

**Figure 13: Average Overall Performance: Top 6 Life Offices**

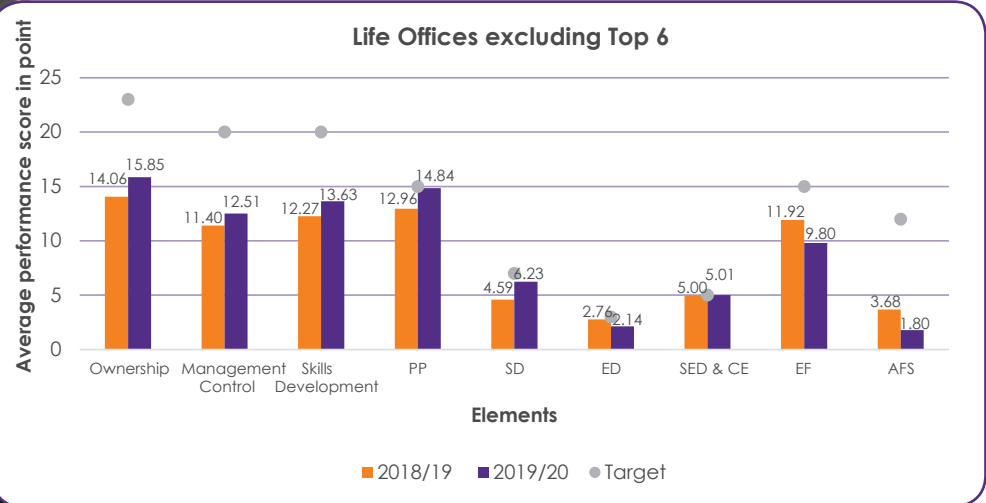


**Table 13: Top 6 Life Offices that submitted reporting data and percentage achievement on scorecard elements**

	2018/19	2019/20
<b>Ownership</b>	33% (2/6)	50% (3/6)
<b>Management Control</b>	0% (0/6)	0% (0/6)
<b>Skills Development</b>	0% (0/6)	0% (0/6)
<b>Preferential Procurement</b>	83% (5/6)	83% (5/6)
<b>Supplier Development</b>	83% (5/6)	83% (5/6)
<b>Enterprise Development</b>	67% (4/6)	100% (6/6)
<b>SED &amp; CE</b>	67% (4/6)	67% (4/6)
<b>Empowerment Finance</b>	17% (1/6)	17% (1/6)
<b>Access to Financial Services</b>	17% (1/6)	0% (0/6)

With the Top 6 Life Offices, there is a significant improvement towards meeting the determined targets on Ownership and Enterprise Development while performance in other element such as Preferential Procurement, Supplier Development, SED & CE, and Empowerment Financing remained the same for both measurement periods. None of the Top 6 Life Offices reached their targets for Management Control and Skills Development for both measurement periods while the number that met targets for Access to Financial Services declined to zero in 2019/20 .

**Figure 14: Overall Performance: Life Offices excluding Top 6**



As illustrated in Figure 14, the performance of the Other Life Offices on determined targets is in line with industry performance, with the exception on Access to Financial Services where there has been a notable regression.



**Table 14: Life Offices excluding Top 6 Life Offices that submitted reporting data and percentage achievement on scorecard elements**

	2018/19	2019/20
<b>Ownership</b>	31% (4/13)	28% (5/18)
<b>Management Control</b>	0% (0/13)	6% (1/18)
<b>Skills Development</b>	8% (1/13)	22% (4/18)
<b>Preferential Procurement</b>	46% (6/13)	39% (7/18)
<b>Supplier Development</b>	61% (8/13)	22% (4/18)
<b>Enterprise Development</b>	61% (8/13)	33% (6/18)
<b>SED &amp; CE</b>	46% (6/13)	50% (9/18)
<b>Empowerment Finance</b>	23% (3/13)	22% (4/18)
<b>Access to Financial Services</b>	0% (0/13)	0% (0/18)

The above table outlines a slight increase in the Life Offices excluding the Top 6 towards achieving targets on Skills Development, and SED & CE initiatives with Management Control depicting a marginal increase. There is a marginal decline in the number of entities that achieved their targets on Ownership, Preferential Procurement, and Empowerment Financing while Supplier Development and Enterprise Development illustrate significant declines and Access to Financial Services remain at zero for both measurement periods.

Notwithstanding the realised improvement in certain elements namely, Ownership, Skills Development as well as SED & CE by Life Offices, there is a need for the sector to make a concerted effort towards meeting Management Control and Access to Financial Services targets to advance the transformation imperatives of the sector.

## Average overall performance: Short-term Insurers

**Figure 15: The B-BBEE Reports submitted for Short-term Insurers is 18 in 2018/19 and 24 for 2019/20**



The total submissions received from the Short-term Insurers were 18 for 2018/19 and 24 for 2019/20, which is reflective of the overall industry performance, with slight improvements in all elements and measured entities achieving their determined targets for SED & CE in the 2019/20 measurement period.



It is evident from Figure 16 that while the sub-sector is closer to achieving targets on Procurement, Supplier Development and Enterprise Development, it is still required of the sector to consider significant strides towards achieving the determined industry targets on all elements with the exception of SED & CE.

Figure 16: Overall Performance: All Short-term Insurers

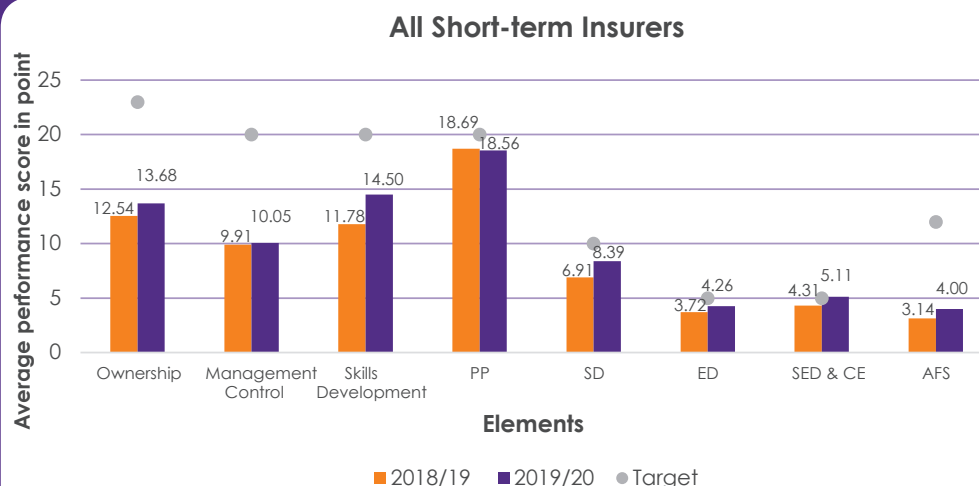
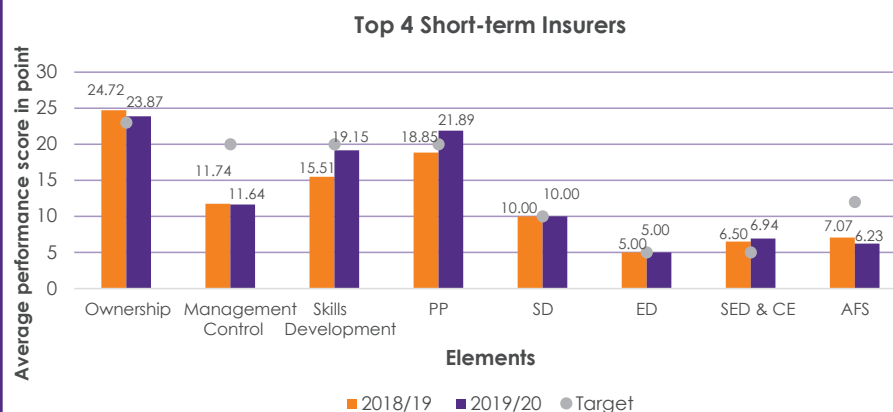


Table 15: Short-term Insurers that submitted reporting data and percentage achievement on scorecard elements

	2018/19	2019/20
<b>Ownership</b>	22% (4/18)	29% (7/24)
<b>Management Control</b>	0% (0/18)	4% (1/24)
<b>Skills Development</b>	6% (1/18)	13% (3/24)
<b>Preferential Procurement</b>	67% (12/18)	42% (8/24)
<b>Supplier Development</b>	50% (9/18)	58% (14/24)
<b>Enterprise Development</b>	72% (9/18)	62% (15/24)
<b>SED &amp; CE</b>	56% (10/18)	67% (16/24)
<b>Access to Financial Services</b>	6% (1/18)	0% (0/24)

As illustrated in the table above, the sector's contribution towards Ownership and Skills Development has slightly improved with significant contributions towards Supplier Development and SED & CE while Preferential Procurement, and Enterprise Development declined slightly with Management Control showing a marginal increase and a notable regression on Access to Financial Services.

Figure 17: Overall Performance: Top 4 Short-term Insurers



As illustrated in Figure 17, the Top 4 Short-term Insurers have contributed towards the achievement of targets on Ownership, Procurement, Supplier Development, Enterprise Development and SED & CE targets. On the contrary, targets on Management Control, Skills Development and Access to Financial Services have not been realised for the 2019/20 measurement period.

**Table 16: Top 4 Short-term Insurers that submitted reporting data and percentage achievement on scorecard elements**

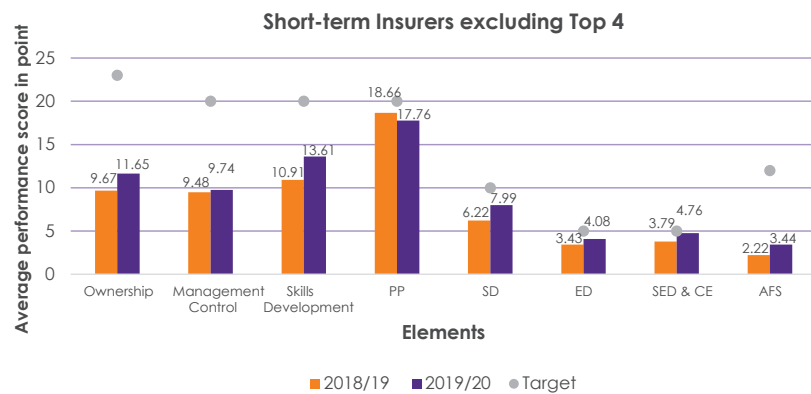
	2018/19	2019/20
<b>Ownership</b>	50% (2/4)	75% (3/4)
<b>Management Control</b>	0% (0/4)	0% (0/4)
<b>Skills Development</b>	0% (0/4)	0% (0/4)
<b>Preferential Procurement</b>	50% (2/4)	75% (3/4)
<b>Supplier Development</b>	100% (4/4)	100% (4/4)
<b>Enterprise Development</b>	100% (4/4)	100% (4/4)
<b>SED &amp; CE</b>	75% (3/4)	75% (3/4)
<b>Access to Financial Services</b>	0% (0/4)	75% (3/4)

As illustrated in the table above, the sector has made meaningful contributions towards meeting Ownership, Preferential Procurement, and Access to Financial Services targets while other elements such as Supplier Development, Enterprise Development and SED & CE have remained the same over the two measurement periods, with none of the measured entities meeting its targets for Management Control and Skills Development for both measurement periods.

To ensure improvement in meeting targets, increased effort is needed towards meeting targets on Management Control, Skills Development, Procurement & ESD.

As illustrated in Figure 18, the Short-term Insurers excluding Top 4 underperformed when compared to the overall sector performance with unmet targets on all elements for both measurement periods.

**Figure 18: Overall Performance: Short-term Insurers excluding Top 4**



**Table 17: Short-term Insurers excluding the Top 4 that submitted reporting data and percentage achievement on scorecard elements**

	2018/19	2019/20
<b>Ownership</b>	14% (2/14)	20% (4/20)
<b>Management Control</b>	0% (0/14)	5% (1/20)
<b>Skills Development</b>	7% (1/14)	15% (3/20)
<b>Preferential Procurement</b>	71% (10/14)	40% (8/20)
<b>Supplier Development</b>	43% (6/14)	45% (9/20)
<b>Enterprise Development</b>	64% (9/14)	55% (11/20)
<b>SED&amp;CE</b>	50% (7/14)	54% (13/20)
<b>Access to Financial Services</b>	7% (1/14)	0% (0/20)

As illustrated in the table above, there is a slight increase in the number of entities that have met their targets on various elements with a notable regression towards meeting Procurement, Enterprise Development and Access to Financial Services targets.

While there is an improvement towards the performance of the Short-term Insurers on various elements the sector can advance towards realising the determined targets specifically with regards to Ownership, Management Control as well as Access to Financial Services.

## Average overall performance: Asset Managers

Figure 19: The B-BBEE Reports Submitted for 2018/19 is 41 and 46 for 2019/20



Total submissions for reports in 2018/19 were 41 and 46 for 2019/20 measurement periods. Figure 20 illustrates the contributions of Asset Managers in the respective measurement periods, with a slight improvement on all elements and the sub-sector only meeting its targets on SED & CE for both measurement periods.

Figure 20: Average overall performance: Asset Managers

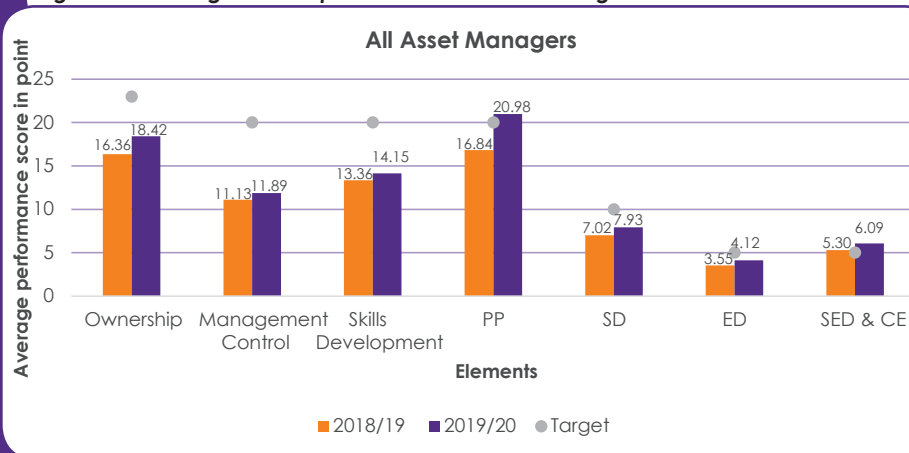


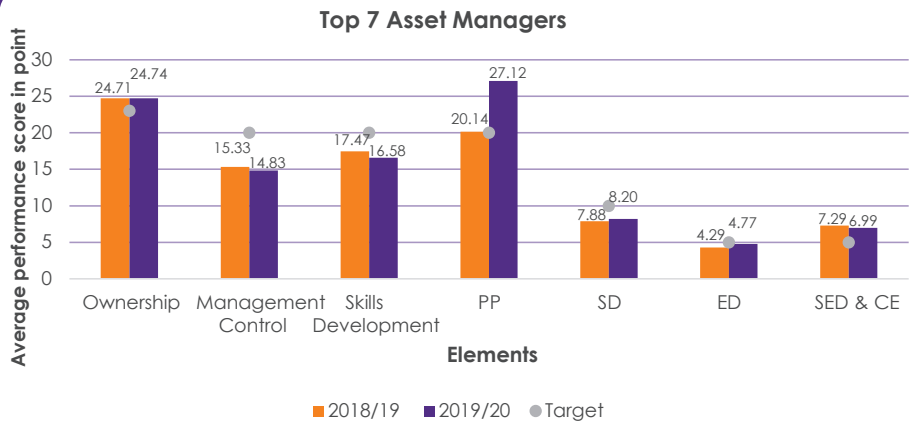
Table 18: Asset Managers that submitted reporting data and percentage achievement on scorecard elements

	2018/19	2019/20
<b>Ownership</b>	27% (11/41)	30% (14/46)
<b>Management Control</b>	0% (0/41)	0% (0/46)
<b>Skills Development</b>	15% (6/41)	11% (5/46)
<b>Preferential Procurement</b>	36% (15/41)	22% (10/46)
<b>Supplier Development</b>	36% (15/41)	26% (12/46)
<b>Enterprise Development</b>	44% (18/41)	30% (14/46)
<b>SED &amp; CE</b>	63% (26/41)	74% (34/46)

As illustrated in the table above, there is a slight increase in the overall performance of Asset Managers with improvements in the number of entities that achieved their targets on Ownership and SED & CE while there is regression in the number of entities that met their Skill Development, Preferential Procurement, Supplier Development, and Enterprise Development with Management Control remaining the same with no entity achieving their determined targets for the two measurement periods.

As illustrated in Figure 21, the Top 7 Asset Managers outperformed the entire sub-industry on various elements with targets being met for Ownership, Procurement and SED & CE for the 2018/19 and 2019/20 measurement periods. The Figure further illustrates a marginal decline for both Management Control, Skills Development and SED & CE.

**Figure 21: Overall performance: Top 7 Asset Managers**

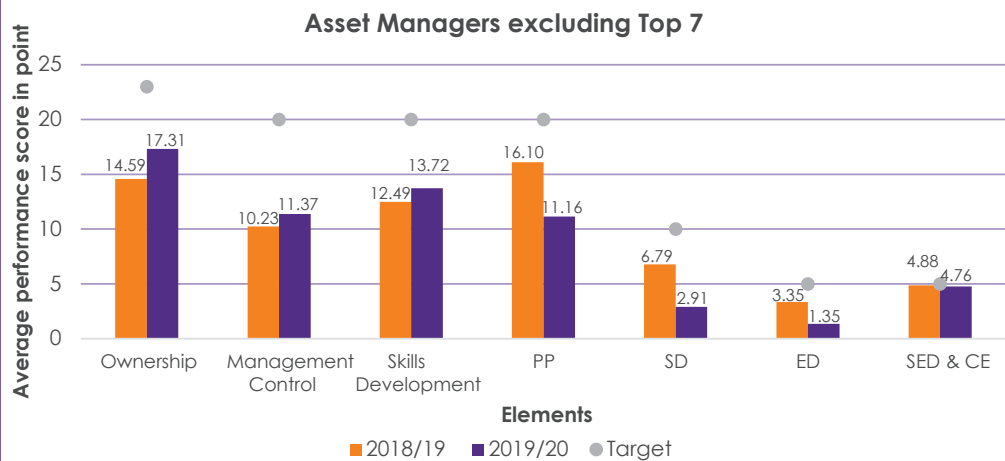


**Table 19: Top 7 Asset Managers that submitted reporting data and percentage achievement on scorecard elements**

	2018/19	2019/20
<b>Ownership</b>	29% (2/7)	43% (3/7)
<b>Management Control</b>	0% (0/7)	0% (0/7)
<b>Skills Development</b>	0% (0/7)	14% (1/7)
<b>Preferential Procurement</b>	57% (4/7)	86% (6/7)
<b>Supplier Development</b>	57% (4/7)	71% (5/7)
<b>Enterprise Development</b>	86 (6/7)	86% (6/7)
<b>SED &amp; CE</b>	86% (6/7)	86% (6/7)

As illustrated in the table above, the Top 7 Asset Managers did not meet their targets for Management Control. However, there is an improvement on meeting targets towards Ownership, Skills Development, Preferential Procurement and Supplier Development with Enterprise Development and SED & CE remaining the same for the two measurement periods, and 6 out of the 7 Asset Managers reaching their targets.

**Figure 22: Asset Managers excluding Top 7 Performance Against Targets**



As illustrated in Figure 22, Asset Managers, excluding the Top 7 performance, is almost aligned with the overall industry performance, with targets not being met on all elements with the exception of SED & CE, which is below target while the overall sub-sector achieved on this target.



**Table 20: Asset Managers excluding Top 7 that submitted reporting data and percentage achievement on scorecard elements**

	2018/19	2019/20
<b>Ownership</b>	26% (9/34)	28% (11/39)
<b>Management Control</b>	0% (0/34)	0% (0/39)
<b>Skills Development</b>	18% (6/34)	10% (4/39)
<b>Preferential Procurement</b>	32% (11/34)	44% (19/39)
<b>Supplier Development</b>	38% (13/34)	51% (20/39)
<b>Enterprise Development</b>	35% (12/34)	64% (25/39)
<b>SED &amp; CE</b>	59% (20/34)	72% (28/39)

As illustrated in the table above, none of the Asset Managers excluding Top 7 met their Management Control targets for both measurement periods, however, there is significant improvement on Preferential Procurement, Supplier Development, Enterprise Development and SED & CE with Skills Development showing a slight decline for the 2019/20 measurement period while Asset Managers have met their targets on SED & CE and are closer to realising the determined industry targets on Ownership, Preferential Procurement, Supplier Development and Enterprise Development, there is significant effort required to achieve the Management control and Skills Development targets towards realising the transformation imperatives.

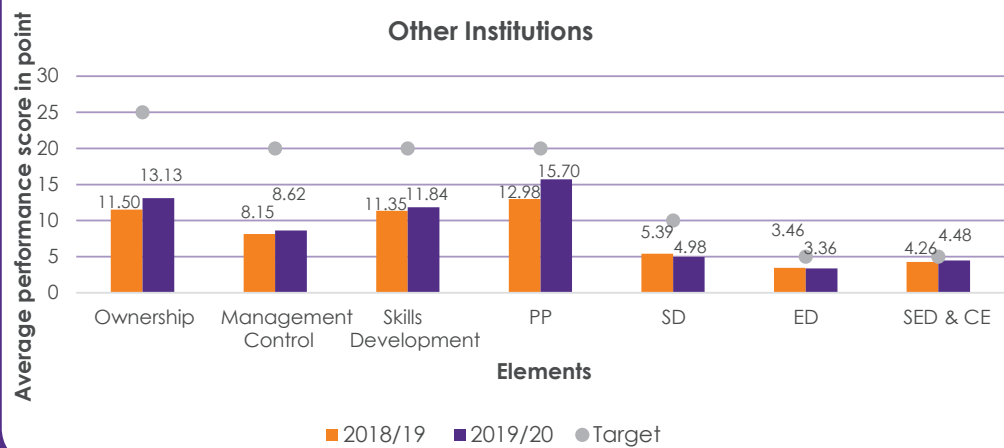
## Average overall performance: Other Institutions

**Figure 23: The number of B-BBEE Reports submitted by Other Institutions in 2018/19 is 135 and 97 for 2019/20**



The total submissions received from Other Institutions were 135 for the 2018/19 measurement period and 97 for the 2019/20 measurement period. Figure 24 illustrates a slight improvement on all elements except for Supplier Development and Enterprise Development, which regressed slightly. However, the performance of the sub-sector requires significant improvements on most elements towards achieving the determined targets.

**Figure 24: Average overall performance: Other Institutions**



**Table 21: Other Institutions that submitted reporting data and percentage achievement on scorecard elements**

	2018/19	2019/20
<b>Ownership</b>	16% (22/135)	25% (24/97)
<b>Management Control</b>	0% (0/135)	1% (1/97)
<b>Skills Development</b>	18% (24/135)	19% (18/97)
<b>Preferential Procurement</b>	23% (31/135)	30% (29/97)
<b>Supplier Development</b>	26% (35/135)	27% (26/97)
<b>Enterprise Development</b>	33% (45/135)	40% (39/97)
<b>SED &amp; CE</b>	38% (51/135)	48% (47/97)

As illustrated in the table above, there is an improvement in the number of measured entities that are achieving the determined industry targets across the various elements except for Management Control, Skills Development and Supplier Development which show marginal increases.



## Average overall performance: Specialised Enterprises

Figure 25: The B-BBEE Reports submitted for 2018/19 is 12 and 8 for 2019/20

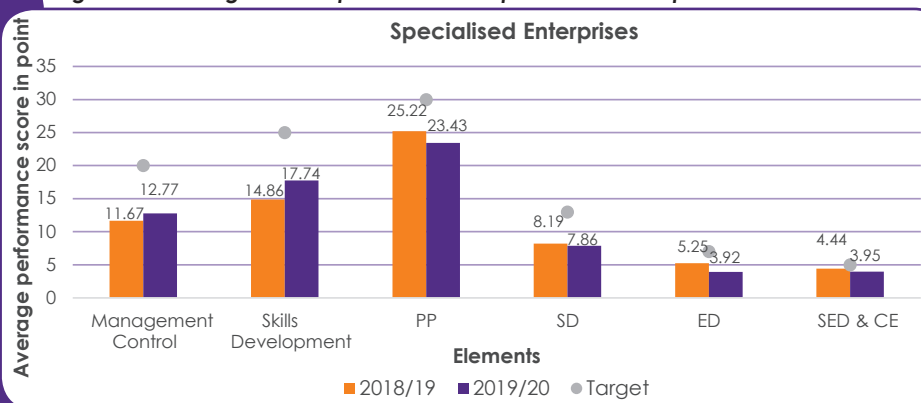


According to the FS Codes, measured entities are required to comply with the elements outlined in the B-BBEE Scorecard, including Ownership. However, some entities are limited by guarantee, or are either state-owned or have no shareholding or equity structure that can be measured against the requirements of the ownership element.

Table 22: The Specialised Enterprise scorecard

Element	Weighting	Code Series FS900
Management control	20 points	FS901
Skills Development	25 points	FS902
Enterprise and Supplier Development	50 points	FS903
Socio-economic Development	5 points	FS904
<b>Total</b>	<b>100 points</b>	

Figure 26: Average overall performance: Specialised Enterprises



The total submission for Specialised Enterprises were 12 for 2018/19 and 8 for 2019/20 measurement periods indicative of their overall performance which is below the determined target.

# ELEMENT ANALYSIS

An in-depth review against targets in each of the elements of the FS Code.

## FS 100 – Ownership

The main objective of B-BBEE is to promote economic participation and equitable wealth distribution by including Black people in the economy with a broader goal towards national empowerment which targets the previously disadvantaged people of South Africa hence the objective of the Ownership element is to increase the number of Black people with ownership of existing and new enterprises within the Financial Sector.

The Ownership element measures the extent to which Black people can influence the strategic direction of the business through their shareholding and the current net value of their shares in relation to the total value of the company. This is achievable through measuring exercisable voting rights, Economic Interest and net value in the hands of Black people as a result of direct or indirect participation by Black people in a measured entity.

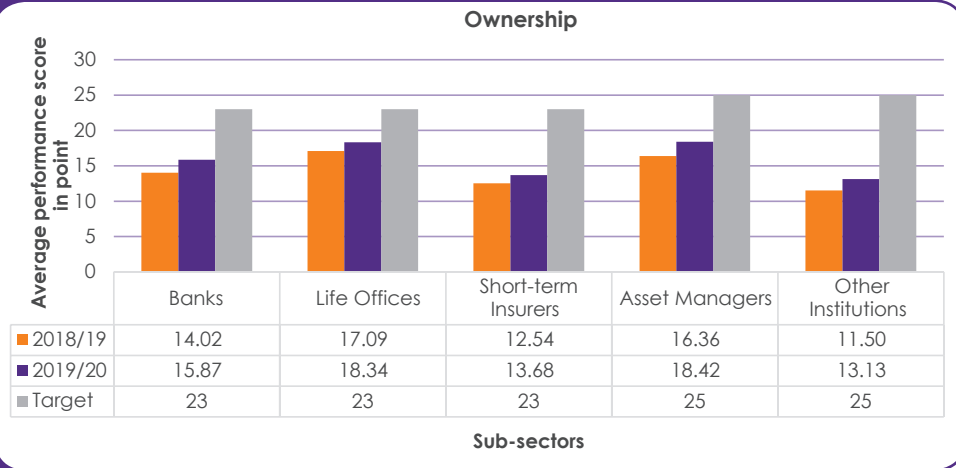
**Table 23: Ownership Scorecard**

Description		Points	Target	
2.1	2.1.1	Exercisable voting rights in the measured entity in the hands of Black people	4	25%+ 1 Vote
	2.1.2	Exercisable voting rights in the measured entity in the hands of Black women	2	10%
2.2	2.2.1	Economic Interest rights in the measured entity to which Black people are entitled	3	25%
	2.2.2	Economic Interest rights in the measured entity to which Black women are entitled	2	10%
	2.2.3	Economic Interest in the hands of Black designated groups; Black participants in Employee Share Ownership Programmes; Black people in Broad-based Ownership Schemes and Black participants in co-operatives	3	3%
	2.2.4	New entrants	3	2%
2.3		Net value	6	Formula Annexe 100(C)
		Total before bonus	23	
2.4		Bonus: Direct/Indirect Ownership in excess of 15%	3	10%
2.5		Bonus: Economic interest and voting rights above 32.5%	2	1 point @ 32.5% and 1 point @ 40%



As illustrated in Figure 27, the various sub-sectors underperformed on this element and have not met their targets. However, there is a slight improvement for all sub-sectors towards meeting the determined targets with Banks, Life Offices and Asset Managers being closer to achieving targets when compared to Short-term Insurers and Other Institutions who are further from achieving the determined targets.

**Figure 27: Average scorecard points against weighting points**



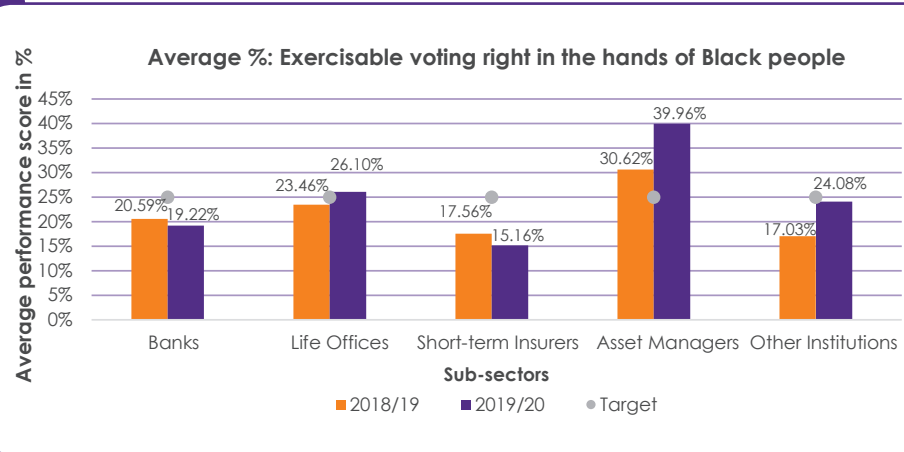
## Exercisable voting rights

Exercisable voting rights in the hands of Black people

Figure 28 illustrates the industry's performance towards meeting the targets on exercisable voting rights with Asset Managers and other institutions contributing significantly for 2019/20 while Banks and Short-term Insurers have shown a slight regression.

The analysed data shows Life Offices having achieved their targets for 2019/20 while Asset Managers is the only sub-sector that achieved its targets in both measurement periods.

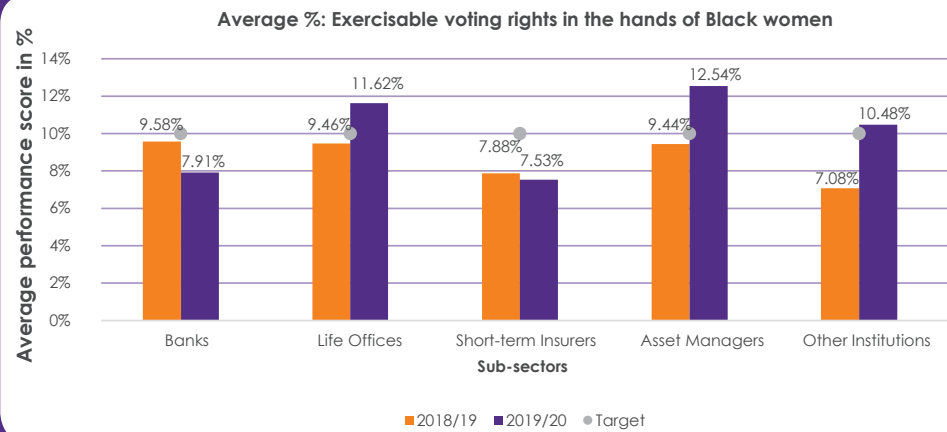
**Figure 28: Average % Exercisable voting rights in the hands of Black people**



## Exercisable Voting rights in the hands of Black women

Figure 29 indicates that Life Offices, Asset Managers and Other Institutions made significant strides in 2019/20, as they addressed their underperformance and exceeded their targets. However, Banks and Short-term Insurers are performing below target and regressed in 2019/20 measurement period.

**Figure 29: Average Exercisable voting rights in the hands of Black women**



## Economic interest

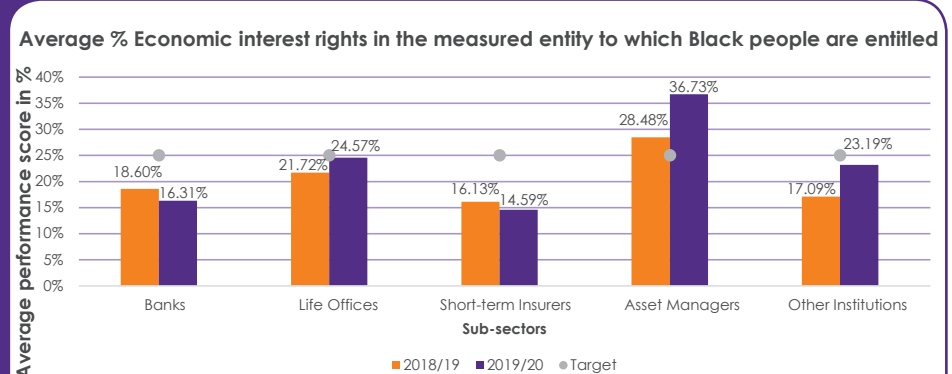
Economic interest measures the extent to which equity held by Blacks are unencumbered by debt. The following three indicators measure Economic interest of Black people in an entity:

- Economic interest rights in the measured entity to which Black people are entitled;
- Economic interest rights in the measured entity to which Black women are entitled; and
- Economic interest in the hands Black designated groups.

### Economic interest rights in the measured entity to which Black people are entitled

Figure 30 illustrates the Economic interest of Black people in the Financial Sector which continues to be an unmet target, with only Asset Managers exceeding the 25% Economic interest target for the two measurement periods. For the 2019/20 reporting period, the average for Banks and Short-term Insurers in meeting the targets regressed while Life Offices and Other Institutions showed marginal increases.

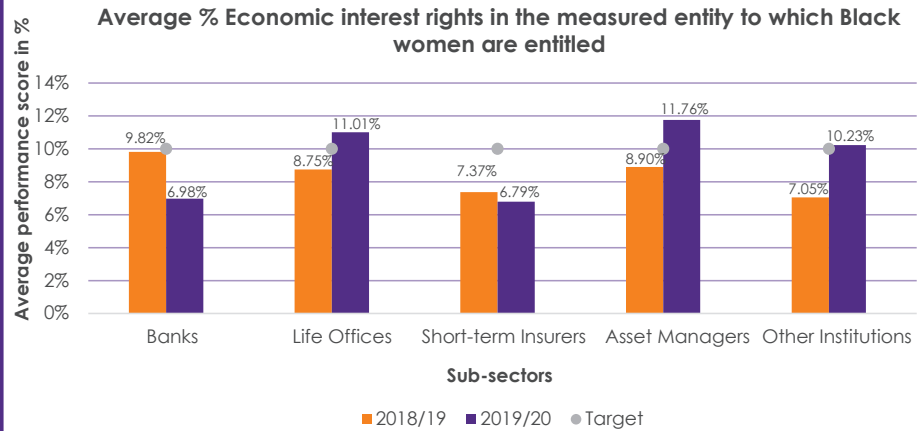
**Figure 30: Average % Economic interest to which Black people are entitled**



## Economic interest in the hands of Black Women

Figure 31 represents an average percentage of Economic interest rights that accrue to Black women across the various sub-sectors with Life Offices, Asset Managers and Other Institutions managed to reaching their targets in 2019/20 and with Banks and Short-term Insurers displaying a decrease in performance for 2019/20.

**Figure 31: Average % Economic interest rights in the measured entity to which Black women are entitled**

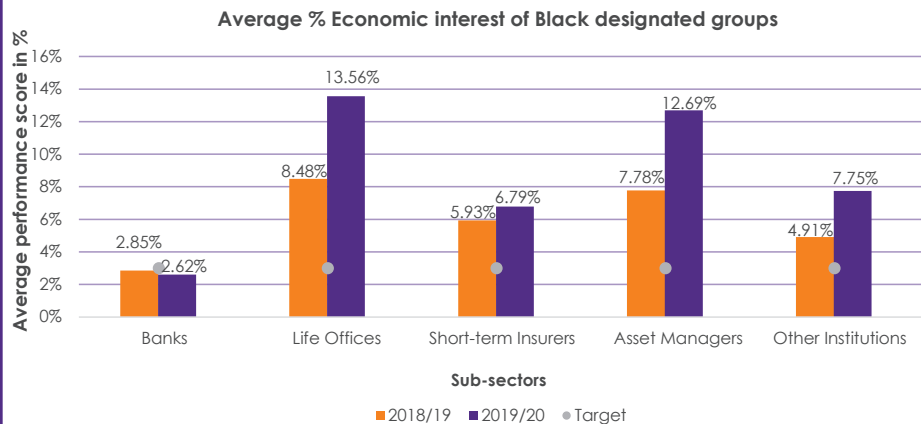


## Economic interest of Black designated groups

Figure 32 represents an average percentage of Economic interest rights that accrue to Black designated groups across the various sub-sectors with all sub-sectors met and exceeding their targets for both measurement periods except for Banks as they not only underperformed but regressed in 2019/20 measurement period.

The target for Economic interest in the hands of Black designated groups is set at 3% and the highest achievers are in 2019/20, with Life Offices and Asset Managers at 13,56% and 12,69%, respectively.

**Figure 32: Average % Economic interest of Black designated groups**





## FS 200 – Management Control

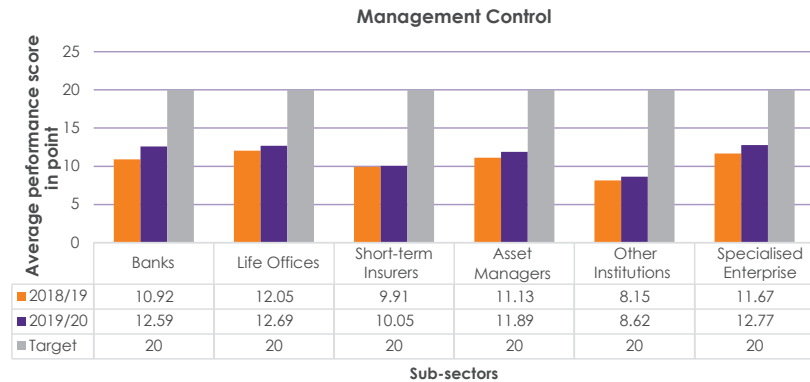
The Management Control element as set out in Code series FS 200 is intended to facilitate the participation of Black people in the higher structures of the organisation by measuring the proportion of Black people and Black women who control the direction of the business as well as those in management positions who control day-to-day operations.

**Table 24: Management Control Scorecard**

Management Control Scorecard			
	Description	Points	Target
2.1	Board Participation	5	
2.1.1	Exercisable voting rights of Black board members as a percentage of all board members	1	50%
2.1.2	Exercisable voting rights of Black female board members as a percentage of all board members	1	25%
2.1.3	Black executive directors as a percentage of all executive directors	2	50%
2.1.4	Black female executive directors as a percentage of all executive directors	1	25%
2.2	Other Executive Management	3	
2.2.1	Black executive management as a percentage of all executive management	2	60%
2.2.2	Black female executive management as a percentage of all executive management	1	30%
2.3	Senior Management	4	
2.3.1	Black employees in senior management as a percentage of all such employees	2	60%
2.3.2	Black female employees in senior management as a percentage of all senior managers	1	30%
2.3.3	African senior managers as a percentage of all senior managers	1	EAP %
2.4	Middle Management	4	
2.4.1	Black employees in middle management as a percentage of all middle management	2	75%
2.4.2	Black female employees in middle management as a percentage of all middle management	1	38%
2.4.3	African middle managers as a percentage of all middle managers	1	EAP %
2.5	Junior Management	4	
2.5.1	Black employees in junior management as a percentage of all junior management	1	88%
2.5.2	Black female employees in junior management as a percentage of all junior management	1	44%
2.5.3	African junior managers as a percentage of all junior managers	1	EAP %
2.6	Black employees with disabilities as a percentage of all employees	1	2%
	<b>Total</b>	<b>20</b>	

Figure 33 illustrates a marginal improvement towards meeting the determined industry targets. However, none of the sub-sectors is meeting its targets on Management Control with the lowest performance recorded for Other Institutions and highest for Life Offices for 2018/19 and Specialised Enterprises for 2019/20.

**Figure 33: Average scorecard points against weighting points**

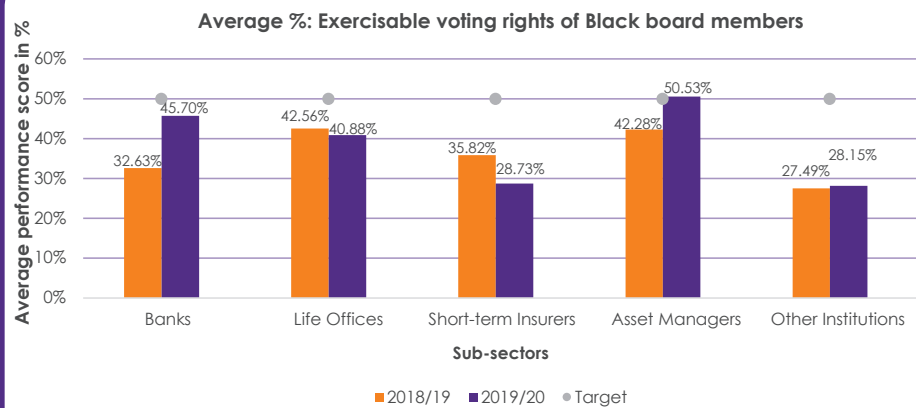


## Board Participation

Exercisable voting rights of Black people and Black female board members

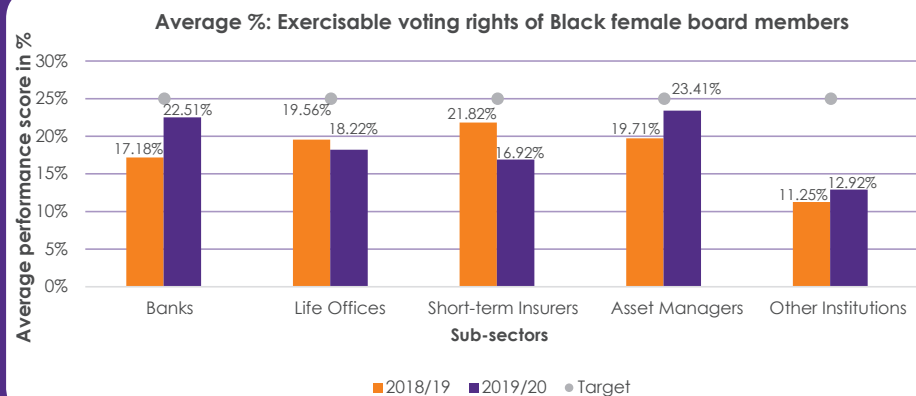
**Figure 34: Exercisable voting rights of Black people board members**

Figure 34 indicates the average percentage of Exercisable voting rights of Black board members as a percentage of all board members with all sub-sectors not meeting the target for exercisable voting rights in the hands of Black people at board level for the 2018/19 reporting period, while for the 2019/20 measurement period, the target of 50% was not met by all with the exception of Asset Managers who achieved 50,50%.



**Figure 35: Exercisable voting rights of Black female board members**

As illustrated in Figure 35, none of the sub-sectors achieved targets for both 2018/19 and 2019/20 measurement periods, with some sub-sectors such as Banks, Asset Managers and Other Institutions displaying marginal improvement towards achieving targets whereas Life Offices and Short-term Insurers declined in performance.

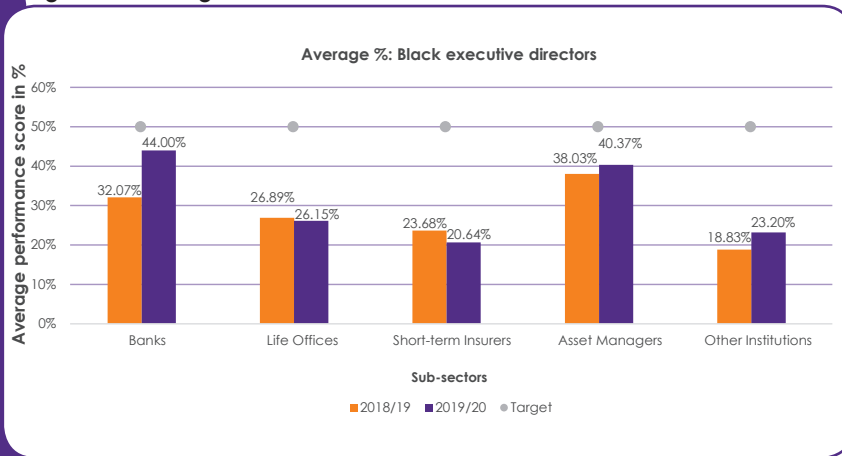


Black people and Black female executive directors

Figure 36 indicates the average percentage of Black executive directors in the measured entities who are responsible for the oversight of the various companies on a day-to-day basis across various sub-sectors of the Financial Sector with all sub-sectors underperforming during the 2018/19 reporting period while Short-term Insurers achieved the lowest percentage of 20.64% in 2019/20.

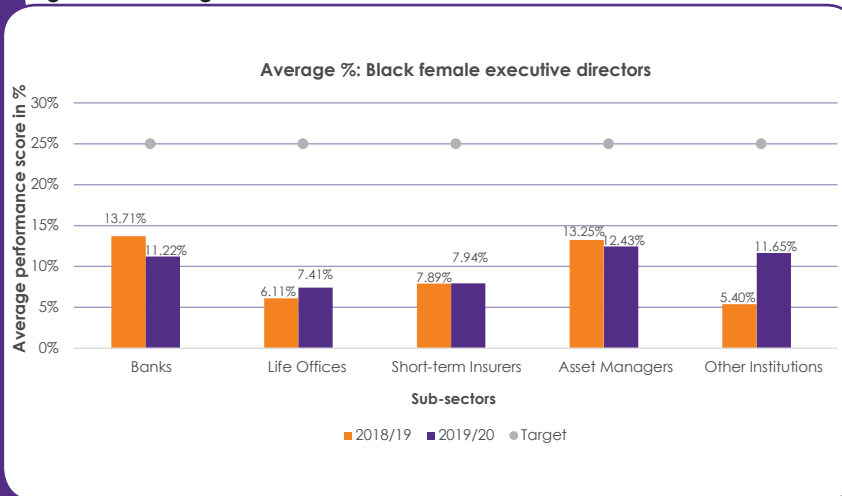
During the 2019/20, Banks and Asset Managers achieved 44% and 40.37%, respectively, with Life Offices displaying a marginal regression while Other Institutions slightly improved.

**Figure 36: Average %: Black executive directors**



**Figure 37: Average %: Black female executive directors**

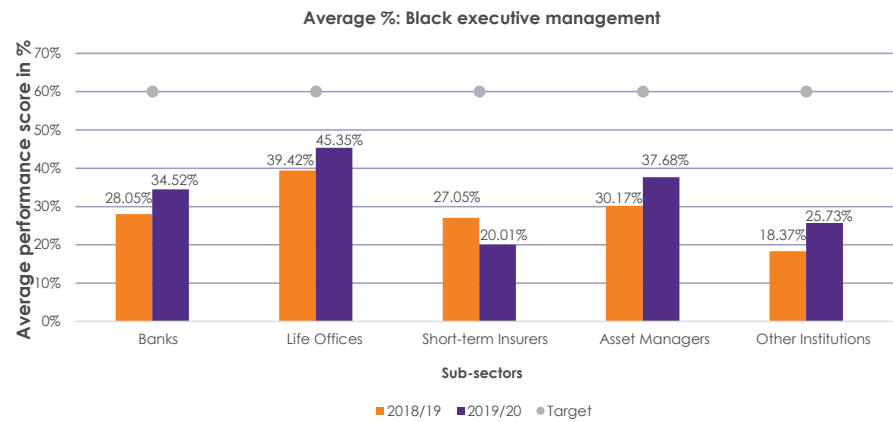
Figure 37 indicates the average percentage of Black women executive directors in the measured entities with all sub-sectors underperforming for both measurement periods.



Black people representation in other executive management

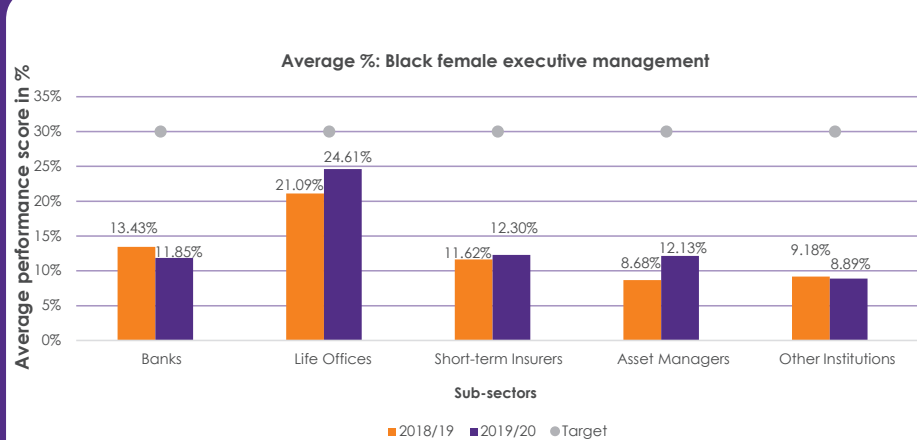
Figure 38 represents the average percentage achieved by various sub-sectors for participation of Black people at other executive management levels with all sub-sectors underperforming. All sub-sectors displayed marginal improvement with the exception of Short-term Insurers whose performance regressed significantly in the 2019/20 measurement period.

**Figure 38: Black people representation in other executive management**



As illustrated in Figure 39, none of the sub-sectors achieved the determined target for this category. All sub-sectors displayed marginal improvement with the exception of Other Institutions whose performance regressed in the 2019/20 measurement period.

**Figure 39: Average %: Black female executive management**



# Black representation in management: Senior, Middle and Junior

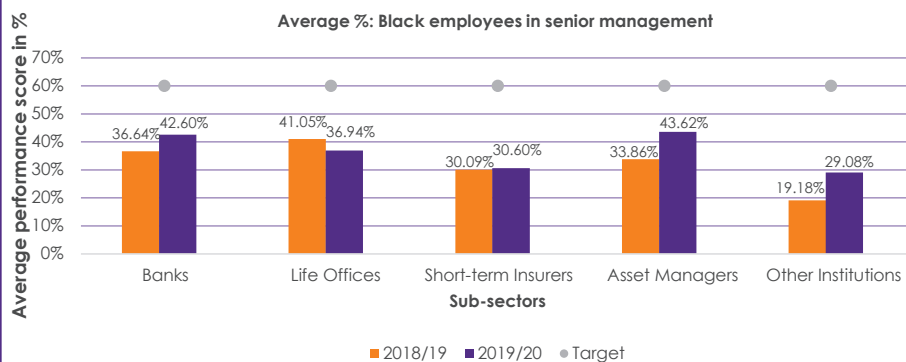
## Black representation in management: Senior

Figure 40, 41 and 42 represent an average percentage of Black senior managers as a percentage of all senior managers at the time of the B-BBEE verification. As illustrated, all sub-sectors did not achieve the determined targets for Black senior managers, Black female senior managers and African senior managers. For Black senior managers, both Banks and Asset Managers advanced towards achieving 60% targets at 42.6% and 43.62%, respectively, while Short-term Insurers and Other Institutions need to consider significant strides to achieve determined target.

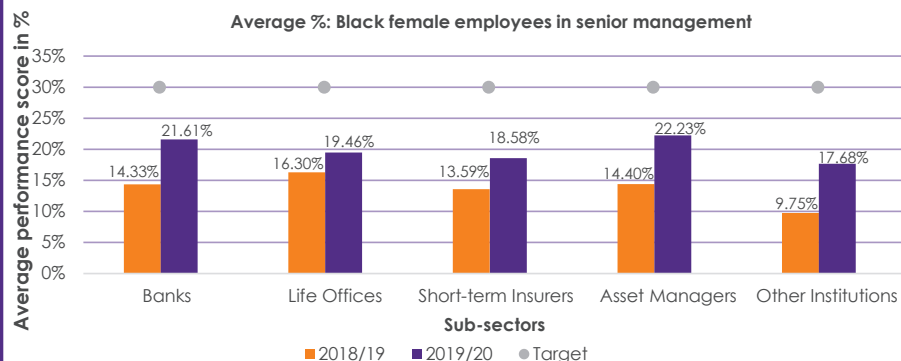
The targets for Black senior management for Banks and Asset Managers displayed advanced performances towards achieving the 30% target, with other sub-sectors displaying marginal improvement.

For African senior managers the measured entities performed under 20% and targets were considered using the National EAP figures, which enable senior, middle and junior management levels to be measured in line with the national and provincial EAP.

**Figure 40: Average %: Black employees in senior management**



**Figure 41: Average %: Black female employees in senior management**



**Figure 42: Average %: African senior managers**

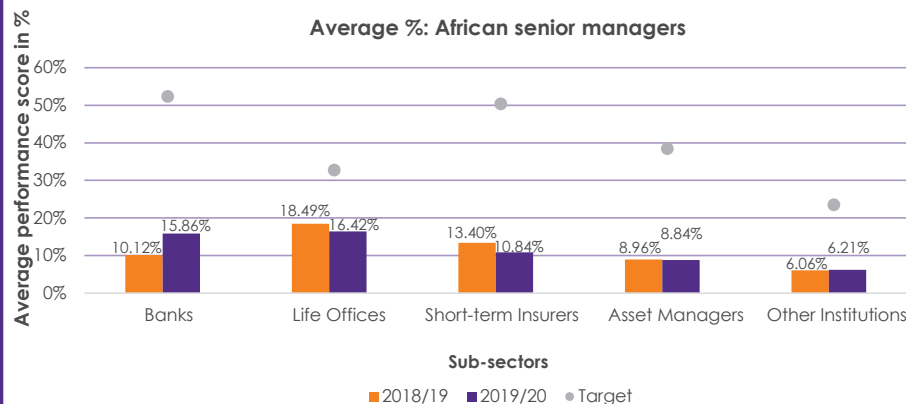
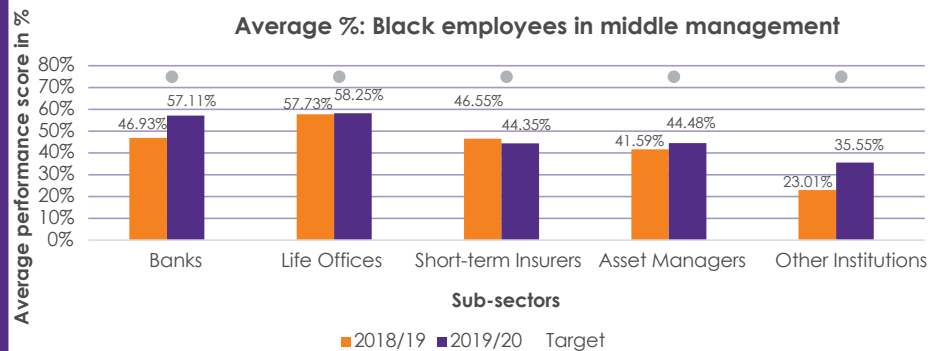




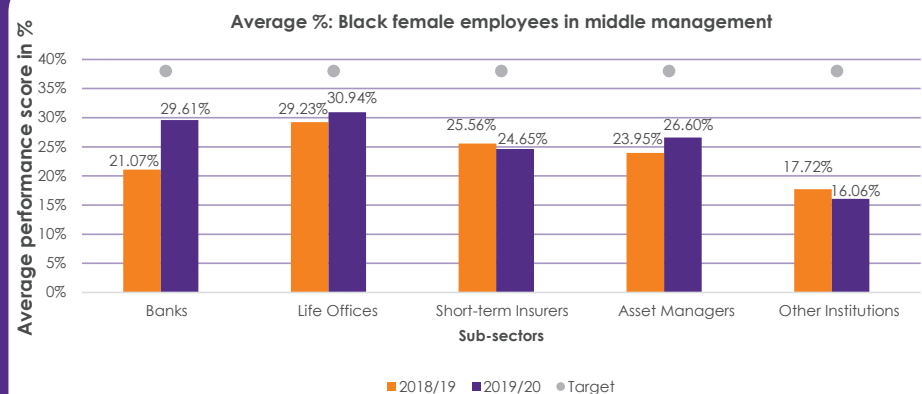
Figure 43, 44 and 45 represent an average percentage of Black middle managers as a percentage of all middle managers at the time of the B-BBEE verification. As illustrated, none of the sub-sectors achieved its targets for Black middle managers and Black female middle managers for the 2018/19 and 2019/20 measurement periods. Notwithstanding this, Banks and Life Offices are closer to reaching targets for both Black middle managers and Black female managers when compared to the Short-term Insurers, with Asset Managers displaying a slight progression towards meeting their target for both measurement periods.

In order for significant progress to be realised, Other Institutions and Short-term Insurers are required to advance their efforts towards meeting the determined industry targets, particularly on Black female middle managers and Black managers respectively. On EAP, Life Offices and Banks outperformed the other sub-sectors at slightly below 30%.

**Figure 43: Average %: Black employees in middle management**



**Figure 44: Average %: Black female employees in middle management**



**Figure 45: Average %: African middle managers**

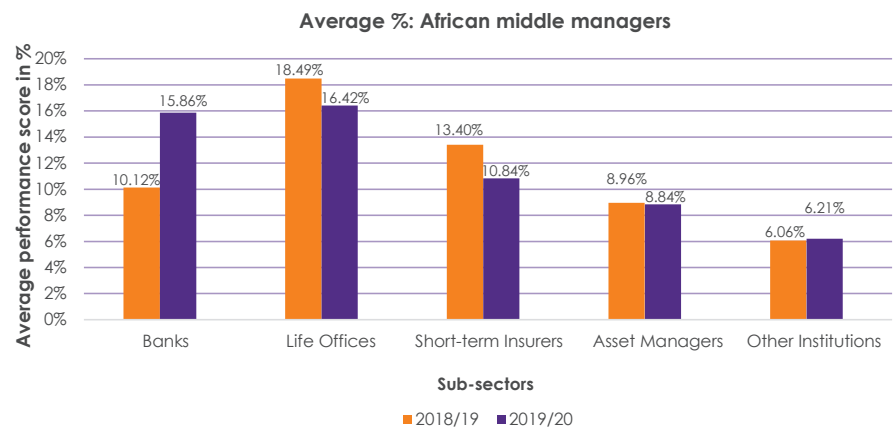
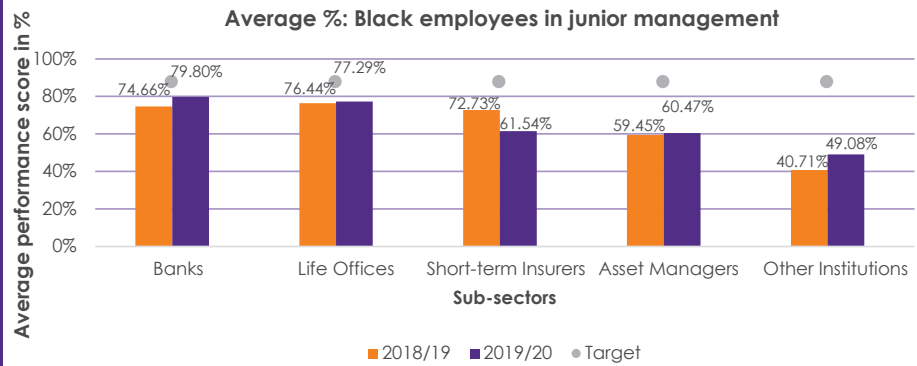


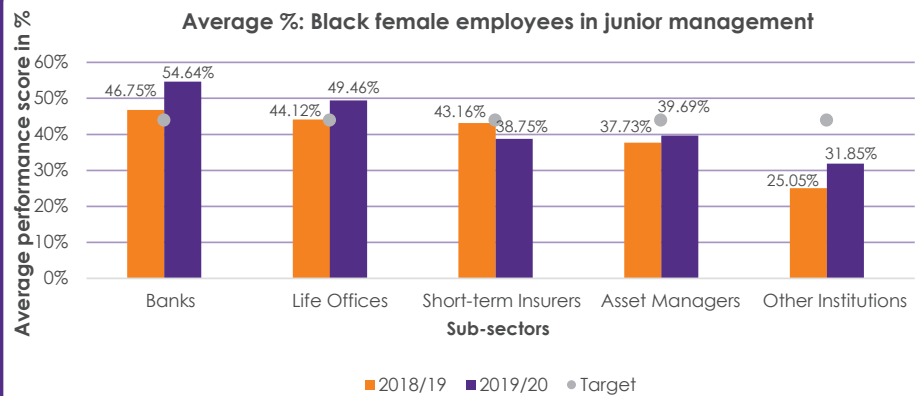
Figure 46, 47 and 48 represent an average percentage of Black junior managers as a percentage of all junior managers. As illustrated, none of the sub-sectors reached their determined industry targets on junior management. However, there is an improvement with performance on Black female junior management, with Banks and Life Offices reaching their targets for both measurement periods.

There is also significant progression towards meeting the targets by the Short-term Insurers and Asset Managers for both categories. It is noteworthy that, while the Short-term Insurers have progressed towards achieving the determined targets, there was regression in both categories in 2019/20. During the 2019/20 Asset Managers and Other Institutions displayed marginal improvement. In this category of management there is improvement in the representation of Africans, with Banks and Life Offices outperforming the other sub-sectors for both measurement periods at slightly below 50%.

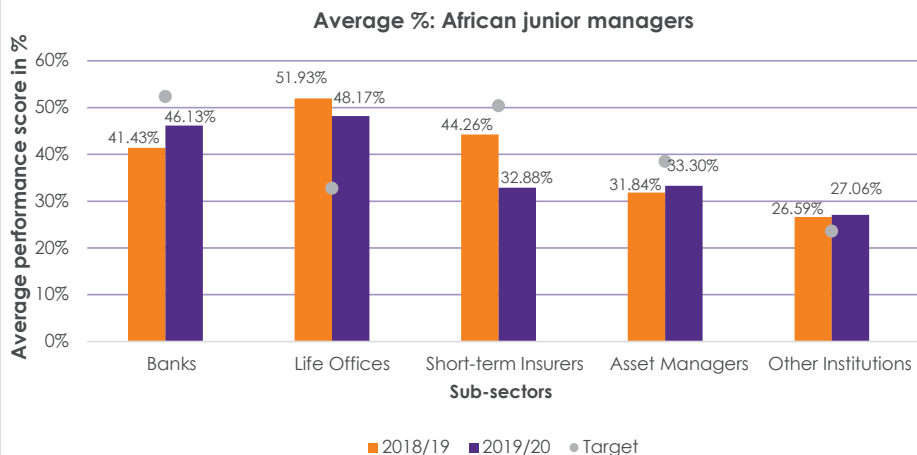
**Figure 46: Average %: Black employees in Junior management**



**Figure 47: Average %: Black female employees in junior management**

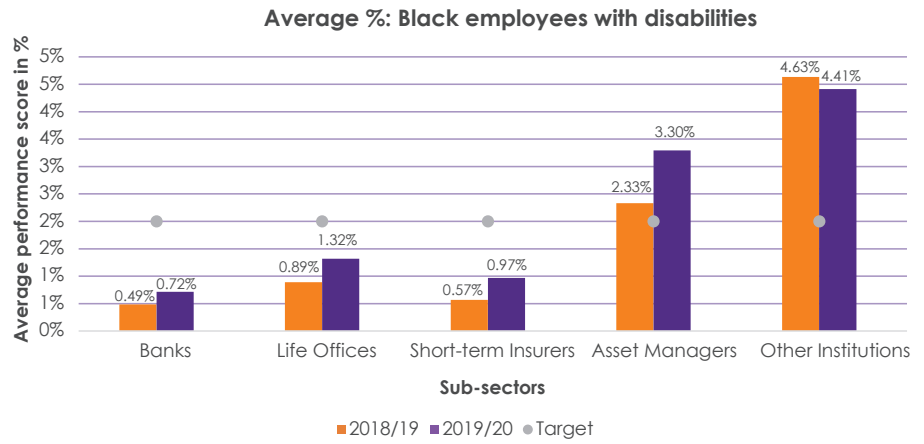


**Figure 48: Average %: African junior managers**



As illustrated in Figure 49, Short-term Insurers, Life Offices and Banks have not met the determined industry targets over the two measurement periods while Asset Managers and Other Institutions have exceeded the determined industry targets.

Figure 49: Average %: Black employees with disabilities



## FS 300 – Skills Development

The central aim of Skills Development is to promote the training and development of Black people focusing on the investment in training activities as well as the empowerment of learners and interns. As one of the priority elements, its performance is measured within the FS Code at various management levels with its target based on a percentage of the leviable amount applicable to the specific level of management.

**Table 25: The Skills Development element scorecard**

<b>2.1</b>	<b>Senior Management</b>		<b>2</b>	
2.1.1	Skills development expenditure on learning programmes specified in the learning programme matrix for Black senior and executive managers as a percentage of the leviable amount applicable to this level.		1	<b>2.00%</b>
2.1.2	Skills development expenditure on learning programmes specified in the learning programme matrix for Black women senior and executive managers as a percentage of the leviable amount applicable to this level.		0.5	<b>1.00%</b>
2.1.3	Skills development expenditure on learning programmes specified in the learning programme matrix for African senior and executive managers as a percentage of the leviable amount applicable to this level.		0.5	<b>EAP%</b>
<b>2.2</b>	<b>Middle Management</b>		<b>2</b>	
2.2.1	Skills development expenditure on learning programmes specified in the learning programme matrix for Black middle managers as a percentage of the leviable amount applicable to this level.		1	<b>3.00%</b>
2.2.2	Skills development expenditure on learning programmes specified in the learning programme matrix for Black women middle managers as a percentage of the leviable amount applicable to this level.		0.5	1.50%
2.2.3	Skills development expenditure on learning programmes specified in the learning programme matrix for African middle managers as a percentage of the leviable amount applicable to this level.		0.5	EAP%

<b>2.3</b>	<b>Junior Management</b>		<b>3</b>
2.3.1	Skills development expenditure on learning programmes specified in the learning programme matrix for Black junior managers as a percentage of leviabale amount applicable to this level.	1	<b>5.00%</b>
2.3.2	Skills development expenditure on learning programmes specified in the learning programme matrix for black women junior managers as a percentage of the leviabale amount applicable to this level.	1	<b>2.50%</b>
2.3.3	Skills development expenditure on learning programmes specified in the learning programme matrix for African junior managers as a percentage of the leviabale amount applicable to this level.	1	<b>EAP%</b>
<b>2.4</b>	<b>Non-management staff</b>		<b>4</b>
2.4.1	Skills development expenditure on learning programmes specified in the learning programme matrix for Black non-management staff as a percentage of the leviabale amount applicable to this level.	2	<b>8.00%</b>
2.4.2	Skills development expenditure on learning programmes specified in the learning programme matrix for black women non-management staff as a percentage of the leviabale amount applicable to this level.	1	4.00%
2.4.3	Skills development expenditure on learning programmes specified in the learning programme matrix for African non-management staff as a percentage of the leviabale amount applicable to this level.	1	<b>EAP%</b>
<b>2.5</b>	Skills development expenditure on learning programmes specified in the learning programme matrix for black unemployed people as a percentage of the leviabale amount.	4	<b>1.5%</b>
<b>2.6</b>	Skills development expenditure on learning programmes specified in the learning programme matrix for Black people with disabilities as a percentage of the leviabale amount	1	<b>0.30%</b>
<b>2.7</b>	Number of Black people (employed or unemployed) participating in learnerships, apprenticeships, internships or Category B, C or D programmes as a percentage of total employees.	4	<b>5.00%</b>
	<b>Total</b>	<b>20</b>	
<b>2.8</b>	<b>Bonus Points: Number of previously unemployed Black people Absorbed by the measured entity/industry at the end of the learnerships, apprenticeships, internships, or Category B, C or D programmes.</b>	<b>3</b>	<b>100%</b>



**Figure 50: Average scorecard points against weighting points**

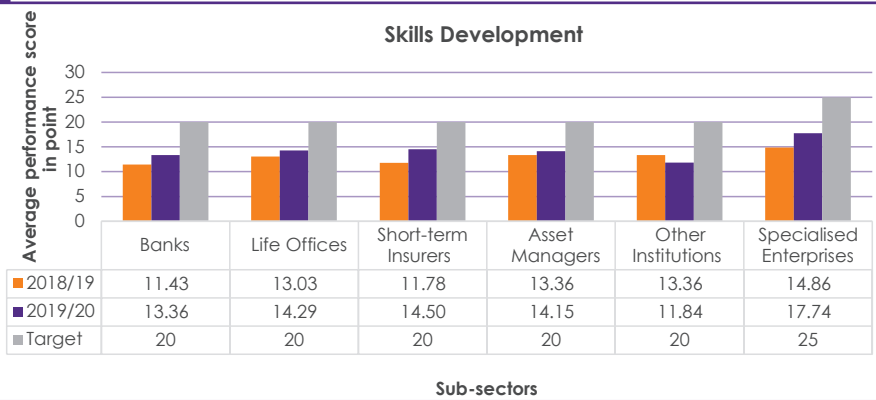


Figure 50 illustrates that none of the sub-sectors have met their targets similarly to Ownership and Management Control elements over the two measurement periods. However, there is a slight improvement year on year with the exception of Other Institutions who regressed in 2019/20 from 13,36 points to 11,84 points.

## Skills Development spend at senior and executive management

**Figure 51: Average % Skills development spend for Black senior and executive management**

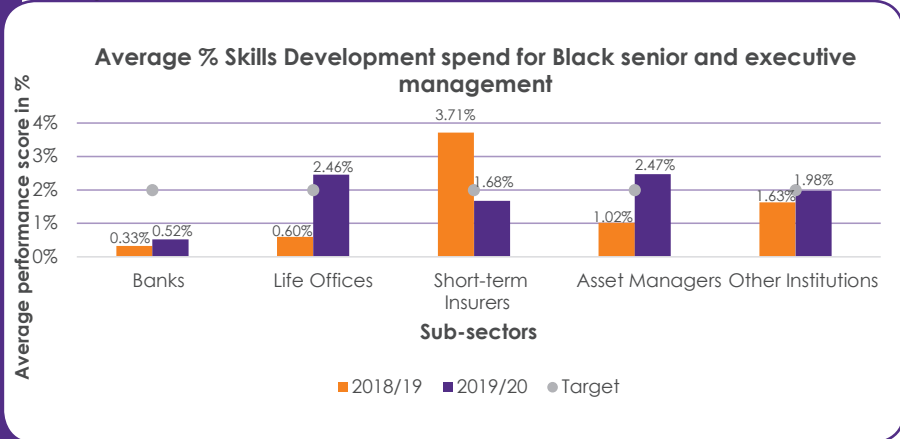


Figure 51 indicates the average skills development expenditure on Black executive and senior managers as a percentage of the leviable amount of all executive and senior managers, achieved by various sub-sectors. The target for this indicator is 1% of the leviable amount.

As illustrated in this figure, Life Offices and Asset Managers achieved the prescribed industry targets for the 2019/20 measurement period while Other Institutions performed below the target of 2% and during the two measurement periods Banks underperformed with Short-term Insurers having achieved the target in 2018/19 and regressed in 2019/20 performing below the determined target.

## Skills Development spend for Black female senior and executive management

**Figure 52: Average % Skills Development spend for Black women senior and executive management**

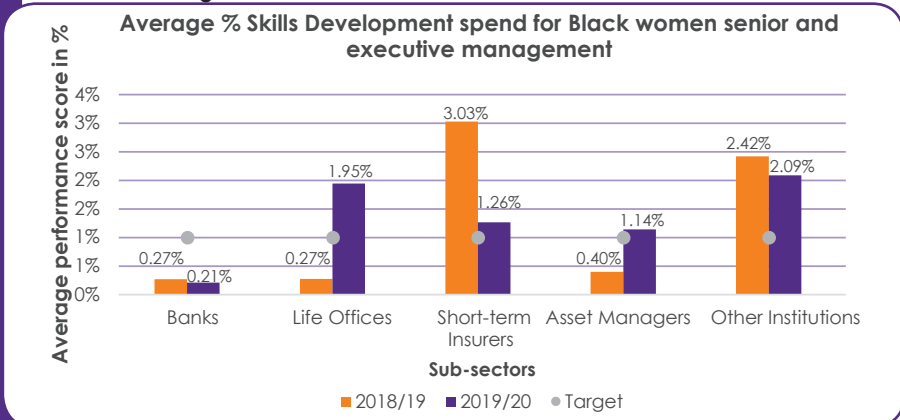


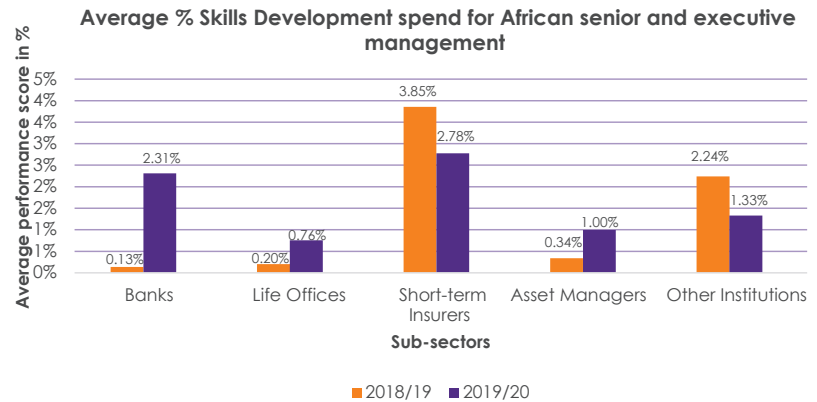
Figure 52 indicates the average Skills Development expenditure on Black female executives and senior managers as a percentage of the leviable amount of all executives and senior managers, achieved by various sub-sectors.

As detailed in this figure, all sub-sectors met their determined targets in the 2019/20 measurement period with the exception of Banks underperformed for both measurement periods.

# Skills Development spend for African senior and executive management

Figure 53 indicates the average Skills Development expenditure on African executives and senior managers as a percentage of the leviable amount with Short-term Insurers performing at 3.85% and 2.78%, respectively, for both measurement periods followed by Banks at 2.31% in 2019/20 towards the training of African senior executives.

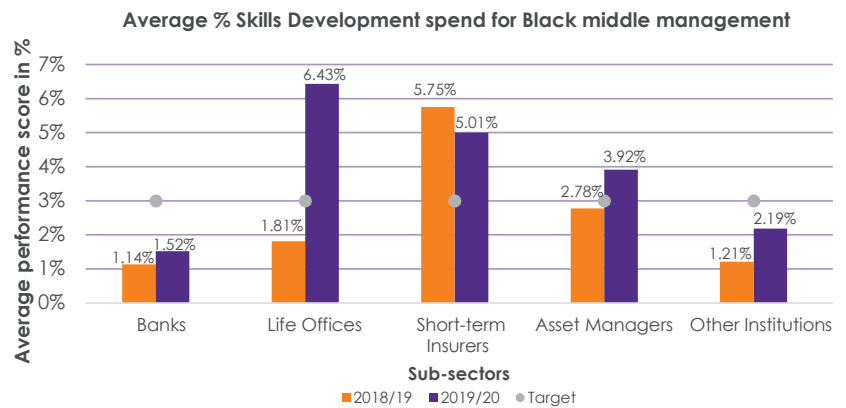
**Figure 53: Average % Skills Development spend for African senior and executive management**



# Skills Development spend at middle management

Figure 54 indicates the average Skills Development expenditure on Black middle managers as a percentage of the leviable amount for all middle managers as achieved by various sub-sectors with Short-term Insurers meeting the determined target for both measurement periods, while Life Offices and Asset Managers managed to achieve the determined targets in 2019/20. During the two measurement periods Banks and Other Institutions underperformed.

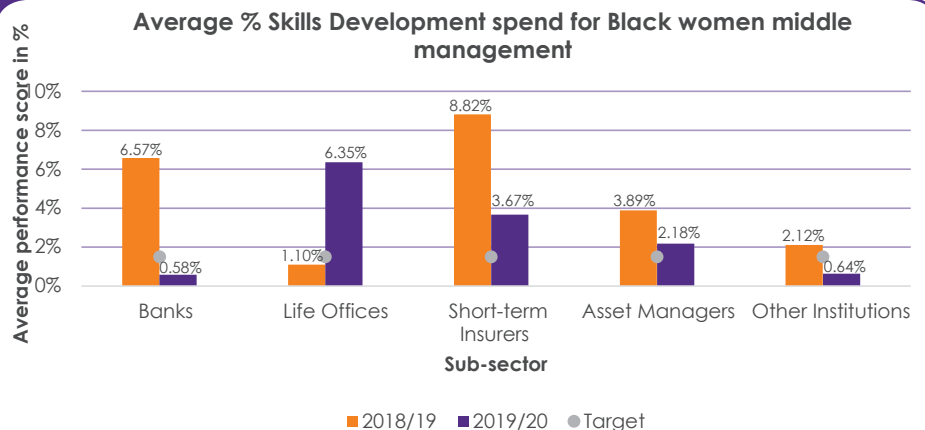
**Figure 54: Average % Skills Development spend for Black middle management**



# Skills Development spend for Black women middle management

Figure 55 indicates the average Skills Development expenditure on Black women managers as a percentage of the leviable amount for all middle managers as achieved by various sub-sectors with Short-term Insurers and Asset Managers achieving their determined targets for both measurement periods while Life Offices achieved the target in 2019/20. During the 2018/19 Banks and Other Institutions met their target but regressed and fell below their target in 2019/20 measurement period.

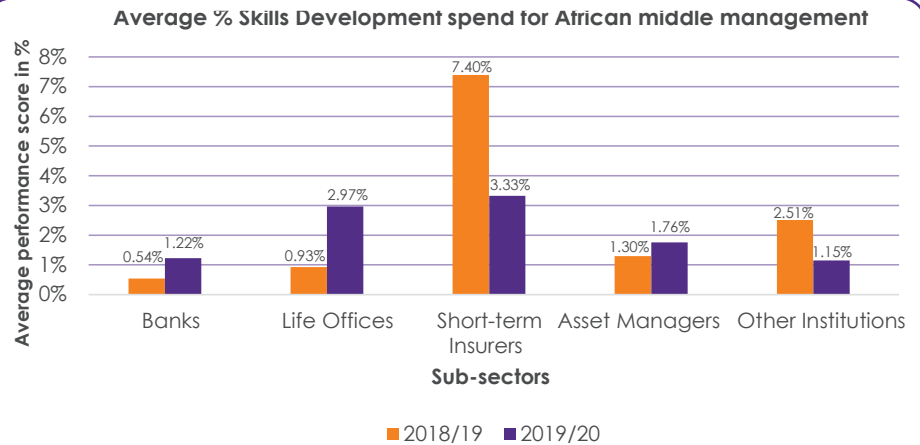
**Figure 55: Average % Skills Development spend for Black women middle management**



## Skills Development spend for African middle management

Figure 56 indicates the average Skills Development expenditure on African middle managers as a percentage of the leviable amount for all middle managers as achieved by various sub-sectors with Short-term Insurers achieving 7.40% and 3.33%, respectively, for both measurement periods followed by Life Offices at 2.97% in 2019/20.

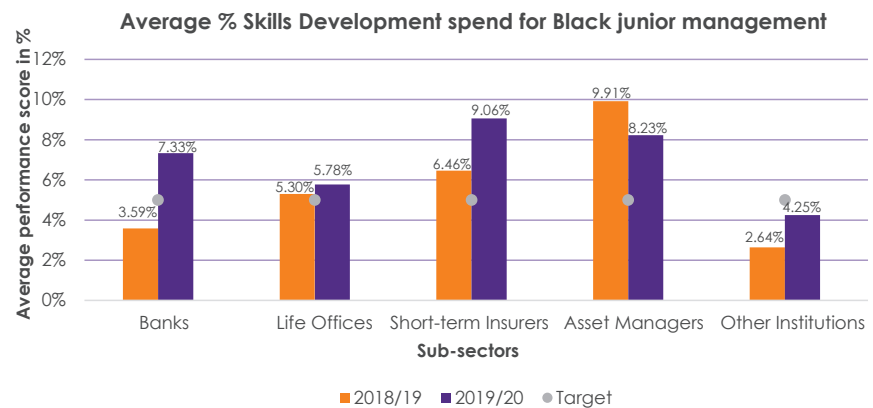
**Figure 56: Average % Skills Development spend for African middle management**



## Skills Development spend for junior managers

Figure 57 indicates the average Skills Development expenditure on Black junior managers as a percentage of the leviable amount for all junior managers achieved at various sub-sectors with Life Offices, Short-term Insurers and Asset Managers achieving their determined target for both measurement periods except for Banks which achieved the target in 2019/20 while Other Institutions underperformed for both measurement periods.

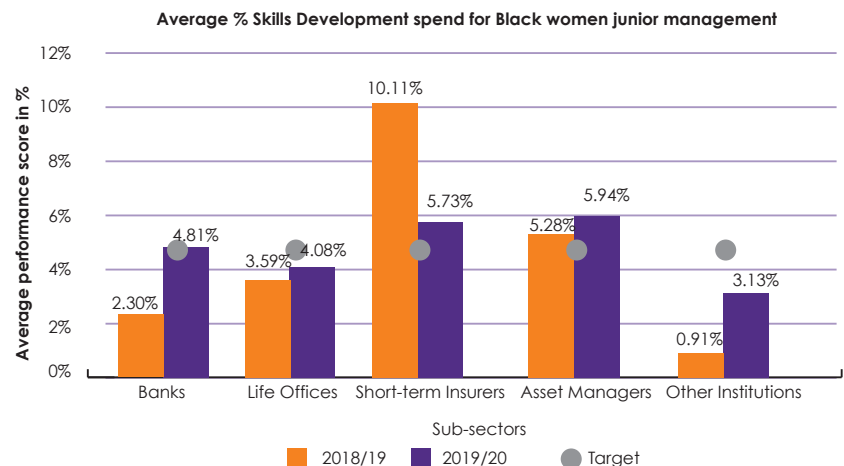
**Figure 57: Average % Skills Development spend for Black junior management**



## Skills Development spend for Black women junior managers

Figure 58 indicates the average Skills Development expenditure on Black women junior managers as a percentage of the leviable amount for all junior managers with all the sub-sectors meeting the 2.5% target on expenditure for Black junior women managers for both measurement periods.

**Figure 58: Average % Skills Development spend for Black women junior management**

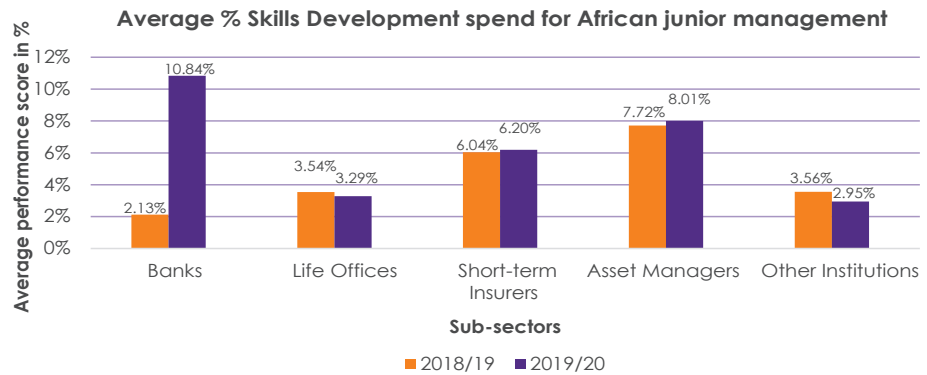




## Skills Development spend for African junior managers

Figure 59 indicates the average Skills Development expenditure on African junior managers as a percentage of the leviable amount for all junior managers with Banks achieving 10.84% in the training of African junior managers, followed by Asset Managers at 8.01% and Short-term Insurers at 6.20% in the 2019/20 measurement period.

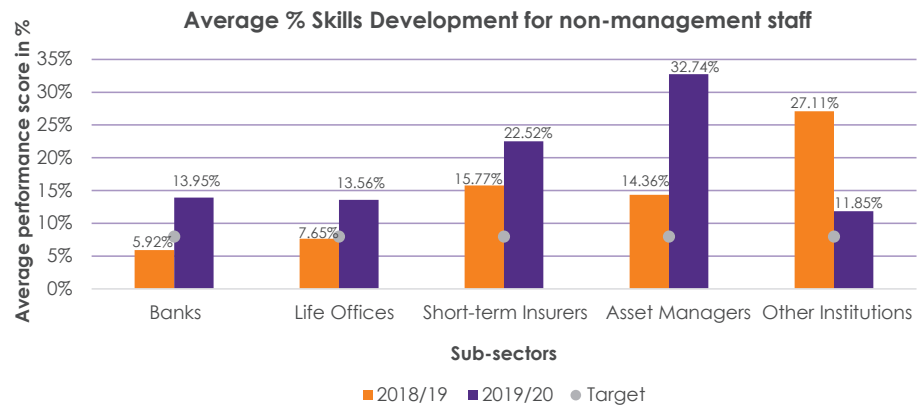
Figure 59: Average % Skills Development spend for African junior management



## Skills Development spend on Black people non-management

Figure 60 indicates the average Skills Development expenditure on Black non-managers as a percentage of the leviable amount for all non-managers with all the sub-sectors exceeding the determined targets in 2019/20.

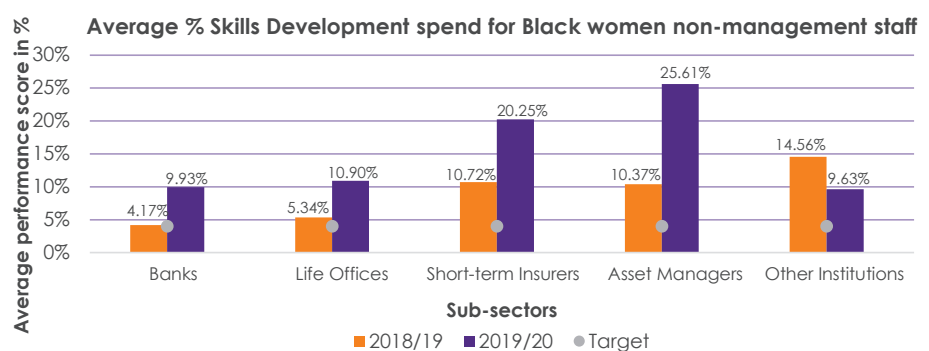
Figure 60: Average % Skills Development for non-management staff



## Skills Development spend on Black women non-management

Figure 61 indicates the average Skills Development expenditure on Black women non-managers as a percentage of the leviable amount for all non-managers with all sub-sectors exceeding the Skills Development target for Black women non-management employees in both measurement periods.

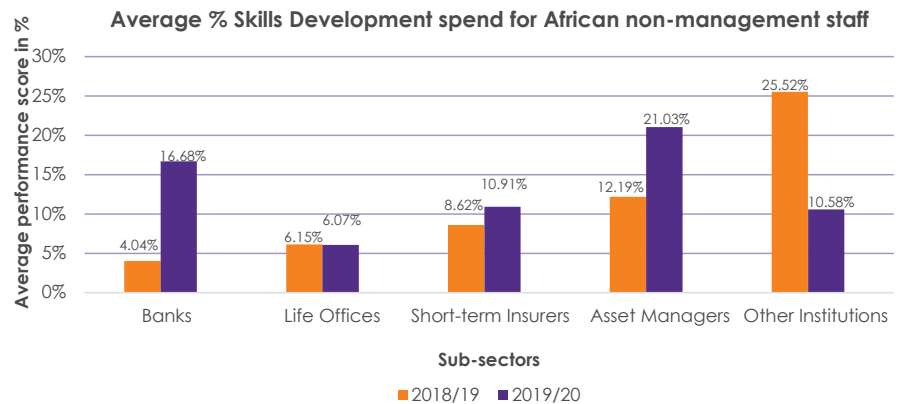
Figure 61: Average % Skills Development spend for Black women non-management staff



## Skills Development spend on African non-management

Figure 62 indicates the average Skills Development expenditure on African non-managers as a percentage of the leviable amount for all non-managers with Other Institutions achieving 25.52% in 2018/19 but regressed to 10.58% in 2019/20 measurement period while Asset Managers achieved 21.03%, followed by Banks at 16.68% in 2019/20 measurement period.

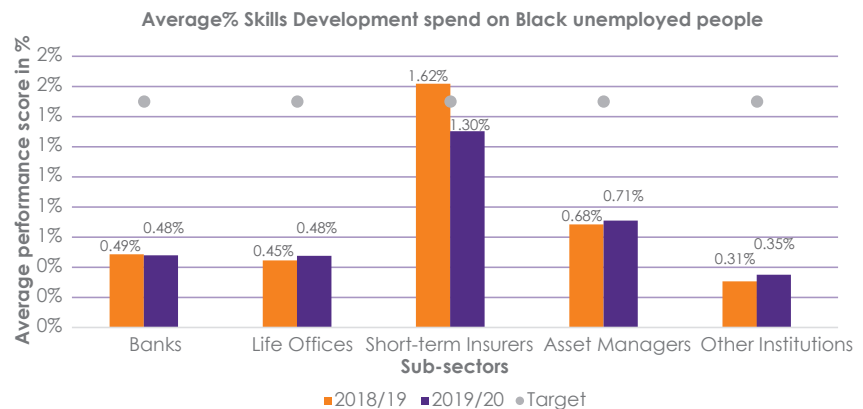
Figure 62: Average % Skills Development spend for African non-management staff



## Skills Development spend on unemployed people

Figure 63 indicates the average Skills Development expenditure for Black unemployed people as a percentage of the leviable with all sub-sectors performing below target for both measurement periods except Short-term Insurers which achieved the target in 2018/19 measurement period and regressed in 2019/20 falling below the determined target.

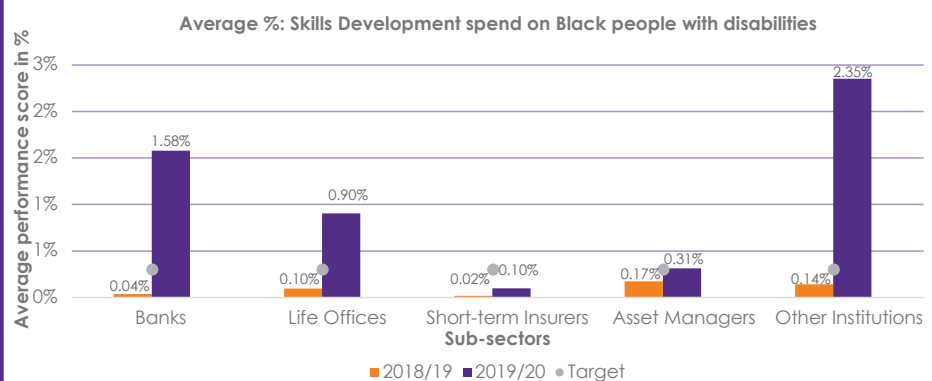
Figure 63: Average % Skills Development spend on Black unemployed people



## Skills Development spend on people with disabilities

Figure 64 indicates the average Skills Development expenditure on Black people with disabilities as a percentage of the total leviable amount with all sub-sectors achieving the determined targets for the 2019/20 measurement period except for Short-term Insurers which performed below target for both measurement periods while Other Institutions, Banks and Life Offices performed above the target of 0.30% during 2019/20.

Figure 64: Average %: Skills Development spend on Black people with disabilities



# FS 400 – Preferential Procurement

The objective of the preferential procurement and enterprise and supplier development is to support Black suppliers through local procurement in order to build an equitable South African industrial base in critical sectors of production and value-added manufacturing.

**Table 26: Procurement, Enterprise, and Supplier Development Scorecard**

Description		Others	Banks and Life officers	Targets year 1-3	Targets year 3+
		Weightings		Targets	
2.1	<b>Procurement</b>		<b>20</b>	<b>15</b>	
2.1.1	B-BBEE Procurement Spend <b>from all Empowering Suppliers</b>	5	4	75%	80%
2.1.2	B-BBEE procurement spend from empowering suppliers who are QSEs	3	2	14%	18%
2.1.3	B-BBEE procurement spend from empowering suppliers who are EMEs	2	2	8%	12%
2.1.4	B-BBEE procurement spend from empowering suppliers that are at least 51% Black-owned	7	5	20%	30%
2.1.5	B-BBEE procurement spend from empowering suppliers that are at least 30% Black women-owned	3	2	9%	10%
2.2	<b>Supplier Development</b>	<b>10</b>	<b>0</b>		
2.2.1	Annual value of all Supplier Development contributions made by the measured entity	10	0	2% of NPAT	
2.3	<b>Enterprise and Supplier Development</b>		<b>5</b>	<b>0</b>	
2.3.1	Annual value of enterprise development contributions and sector specific programmes made by the measured entity	5	0	1% of NPAT	
	<b>Total</b>		<b>35</b>	<b>15</b>	
2.4	<b>Bonus Points</b>				
2.4.1	Graduation of one or more Enterprise Development beneficiaries to graduate to the Supplier Development level	1	0	1	
2.4.2	For creating one or more jobs directly as a result of supplier development and enterprise development initiatives by the measured entity	1	0	1	
2.4.3(a)	B-BBEE procurement spend from intermediated Black professional service providers who are empowering suppliers based on the B-BBEE procurement recognition levels as a percentage of intermediated spend	2	2	5%	
Or					
2.4.3(b)	B-BBEE procurement spend from Black stockbrokers or Black fund managers who are empowering suppliers based on the B-BBEE procurement recognition levels as a percentage of total value of all trade allocated	2	2	5%	
2.4.4	B-BBEE procurement spend from designated group suppliers that are at least 51% Black-owned as a percentage of the total measured spend	2	2	2%	
2.4.5	Enterprise development support of Black stockbrokers, Black fund managers or intermediaries	2	0	0.5% of NPAT (Recoverable or non-recoverable)	
	<b>Total bonus points</b>	<b>8</b>	<b>4</b>		

Figure 65 illustrates that the various sub-sectors, except for Life Offices and Asset Managers, are performing below targets. All the sub-sectors are showing marginal improvements over the two years, with the exception of Specialised Enterprises, which display a slight decline while Short-term Insurers remained relatively the same as in 2018/19. Over the two measurement periods performance on Procurement is closer to targets when compared to performance on Ownership, Management Control and Skills Development elements.

**Figure 65: Average Overall Performance - Preferential Procurement**

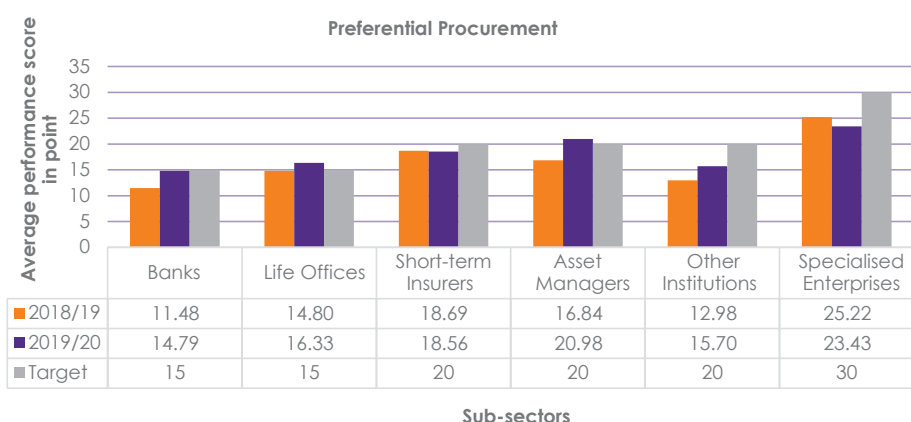


Figure 66 illustrates the sectors' underperformance towards meeting the Supplier Development targets with some of the sub-sectors displaying marginal improvements over the two years.

**Figure 66: Average Overall Performance - Supplier Development**

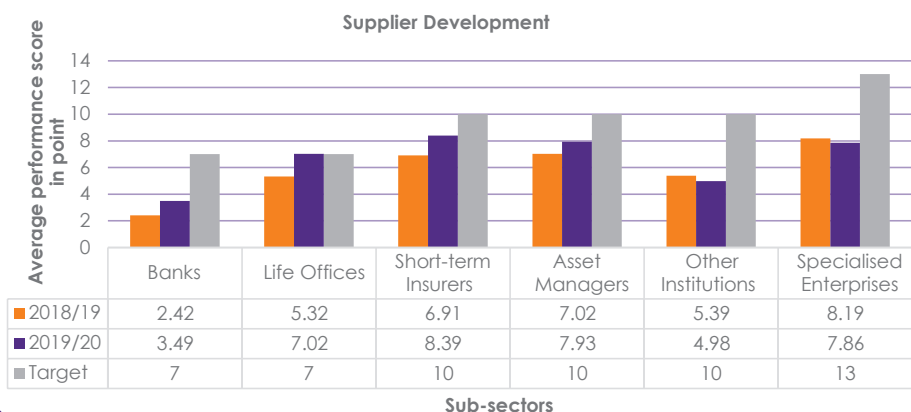
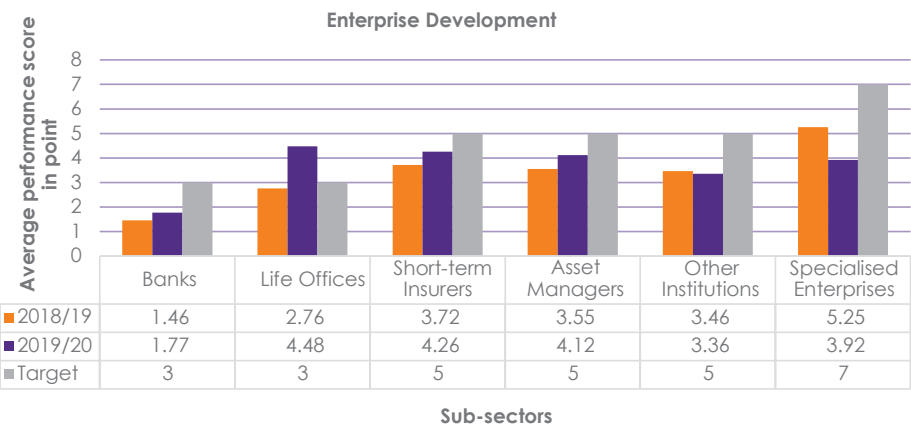


Figure 67 illustrates the sectors' underperformance towards meeting the prescribed Enterprise Development targets with some of the sub-sectors displaying marginal improvements over the two years while others such as Other Institutions and Specialised Enterprises display a slight decline in 2019/20 and significant strides are required by the Specialised Enterprises to reach their determined targets.

**Figure 67: Average Overall Performance - Enterprise Development**

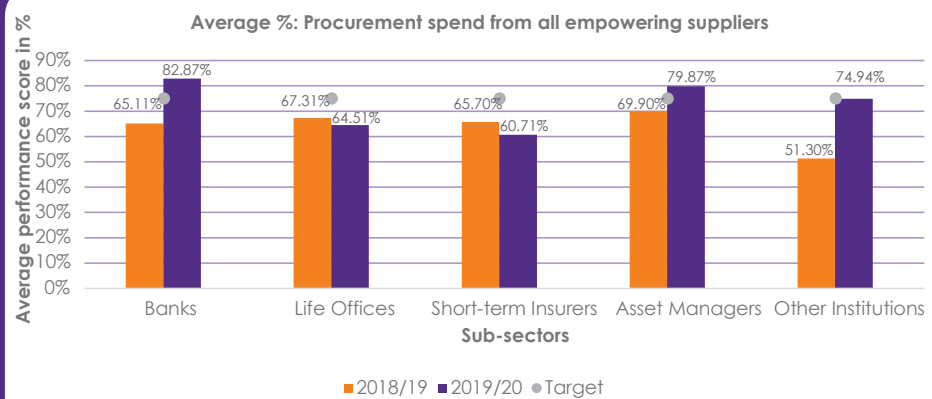


## Preferential Procurement spends from all empowering suppliers

Figure 68 illustrates the average percentage achieved by the various sub-sectors on spend from all suppliers as a percentage of the total measured procurement spend ("TMPS") with all sub-sectors underperforming during the 2018/19 reporting period, while in 2019/20 Banks and Asset Managers achieved the target.

On average, there is noticeable improvement towards increased performance, with the exception of Life Offices and Short-term Insurers displaying a regression in 2019/20 measurement period.

**Figure 68: Average %: Procurement spend from all empowering suppliers**



## Procurement spends from empowering suppliers who are QSEs and EMEs

Figure 69 illustrates the average percentage achieved by the various sub-sectors on spend from suppliers who are Qualifying Small Enterprises (entities with an annual turnover of between R10m and R50m) as a percentage of the TMPS with all sub-sectors underperforming for both measurement periods except for Short-term Insurers which achieved the determined targets in 2018/19 and regressed in the 2019/20 measurement period. For the 2019/20 measurement period Banks and Other Institutions displayed an improvement in their performance towards meeting the targets while Life Offices, Short-term Insurers and Asset Managers regressed.

**Figure 69: Average %: Procurement spend from empowering suppliers who are QSFI**

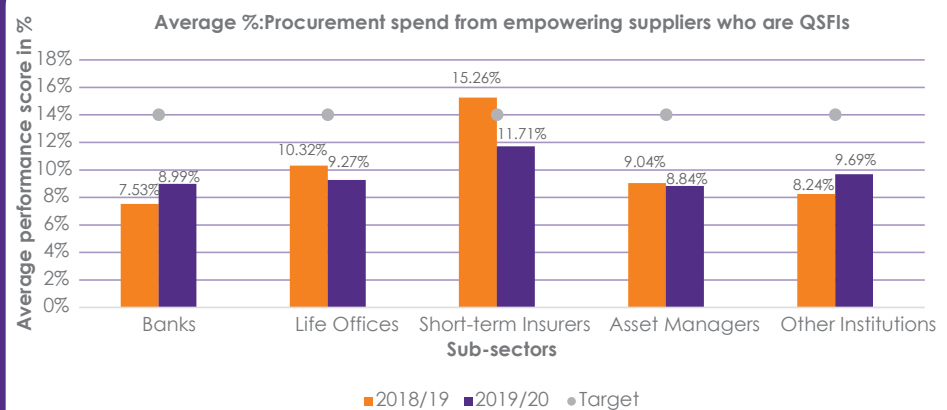


Figure 70 illustrates the sector's improved performance with all sub-sectors exceeding the determined industry targets during the 2019/20 measurement period.

**Figure 70: Average %: Procurement spend from empowering suppliers who are EMEs**

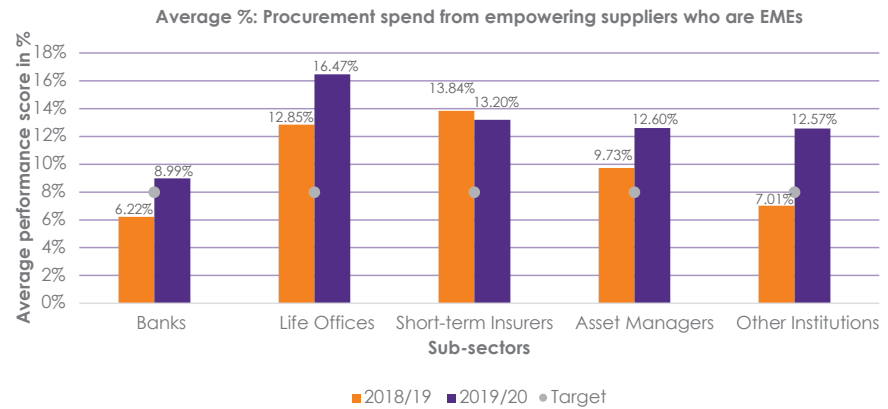


Figure 71 illustrates the sector's improved performance towards meeting their determined targets with the exception of Banks who regressed during the 2019/20 measurement period.

**Figure 71: Average %: Procurement spend from empowering suppliers who are at least 51% Black-owned**

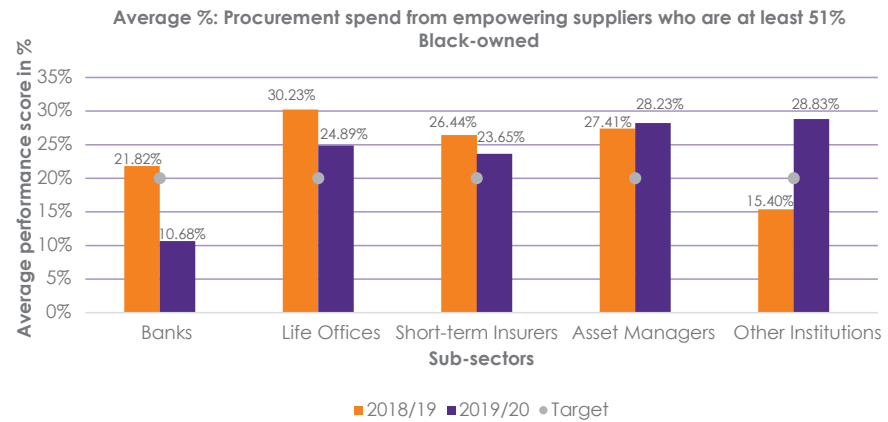
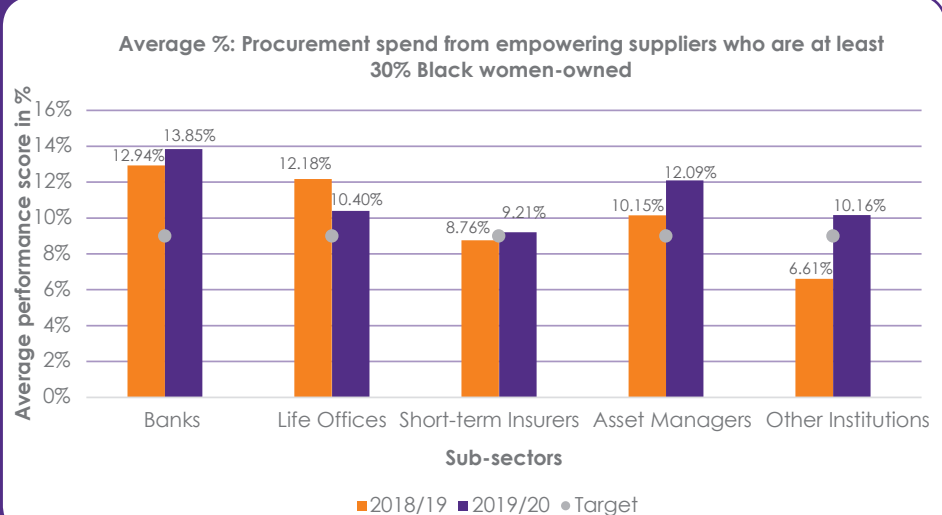


Figure 72 illustrates the sector's performance with all sub-sectors exceeding the determined industry targets with the exception of Short-term Insurers falling slightly below the target for 2018/19 measurement period.

**Figure 72: Average %: Procurement spend from empowering suppliers who are at least 30% Black women-owned**

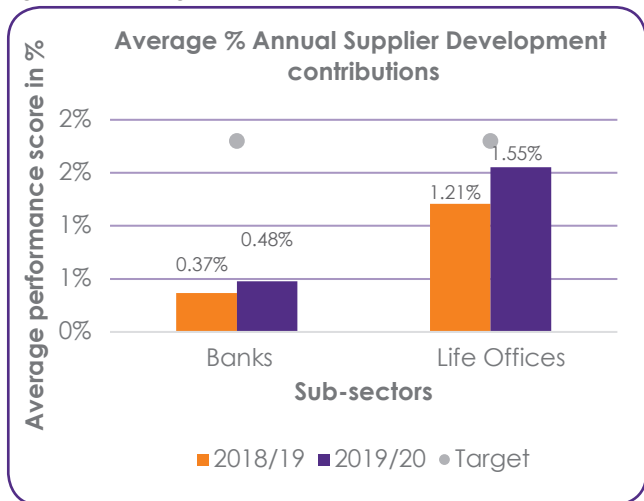


The overall performance on Preferential Procurement for the sector reflects underperformance on procurement spend from all empowering suppliers and QSFI's with some sub-sectors achieving their targets on procurement from EMEs, Black-owned suppliers and Black women-owned suppliers.

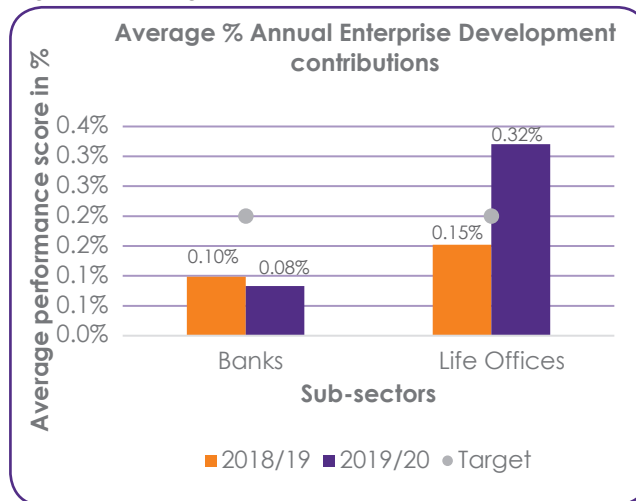
# Enterprise and Supplier Development

Enterprise and Supplier Development is aimed at increasing the number of Black businesses by developing and supporting them throughout the value chain. This is achieved by measuring the monetary and non-monetary contributions made by entities in the sector, carried out for the benefit of entities that are at least 51% Black-owned and with a turnover below R50m.

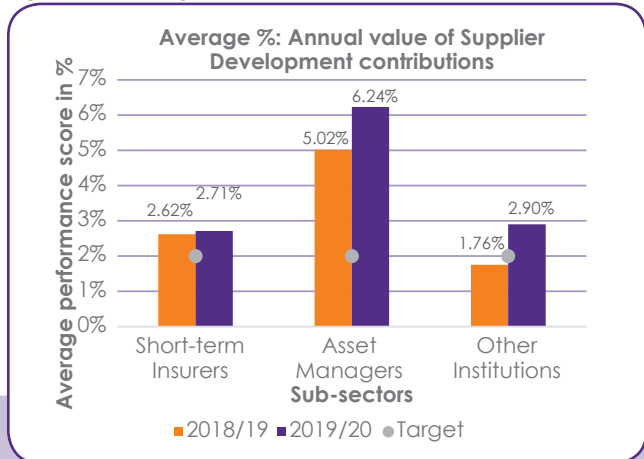
**Figure 73: Average %: Annual value of Supplier Development**



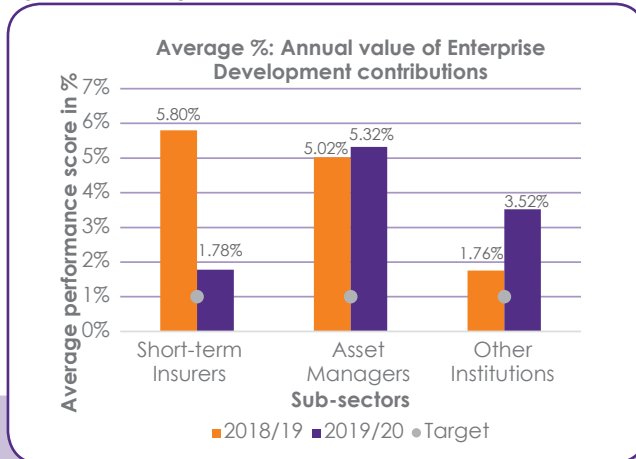
**Figure 74: Average %: Annual value of Enterprise Development**



**Figure 75: Average %: Annual value of Supplier Development**



**Figure 76: Average %: Annual value of Enterprise Development**

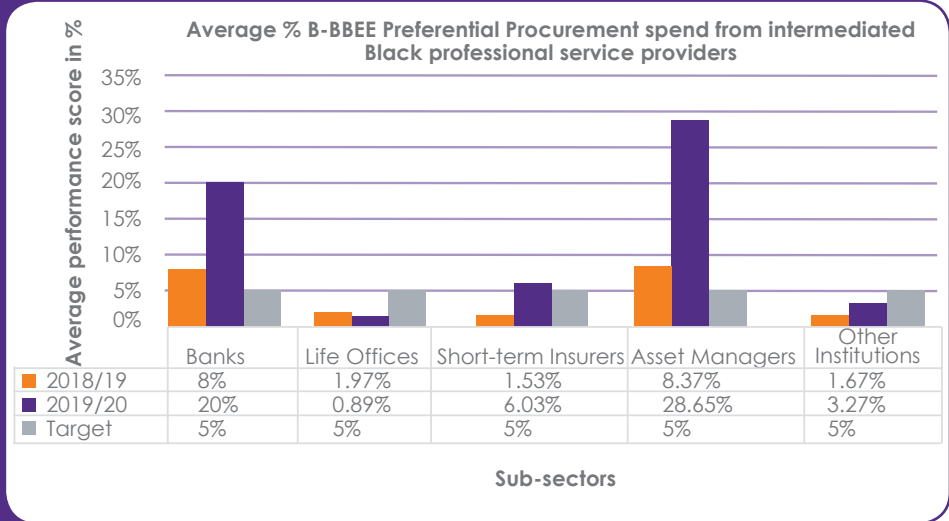


As illustrated in Figure 73 and Figure 75, all sub-sectors underperformed except for Asset Managers which exceeded the determined target for Supplier Development for both measurement periods with Banks, Life Offices, Short-term Insurers and Other Institutions depicting an increase in performance towards meeting target in 2019/20.

While Figure 74 and 76 are indicative of the sector's performance exceeding the prescribed Enterprise Development targets for both Measurement periods with the exception of Banks underperforming for the two measurement periods with regression in 2019/20.

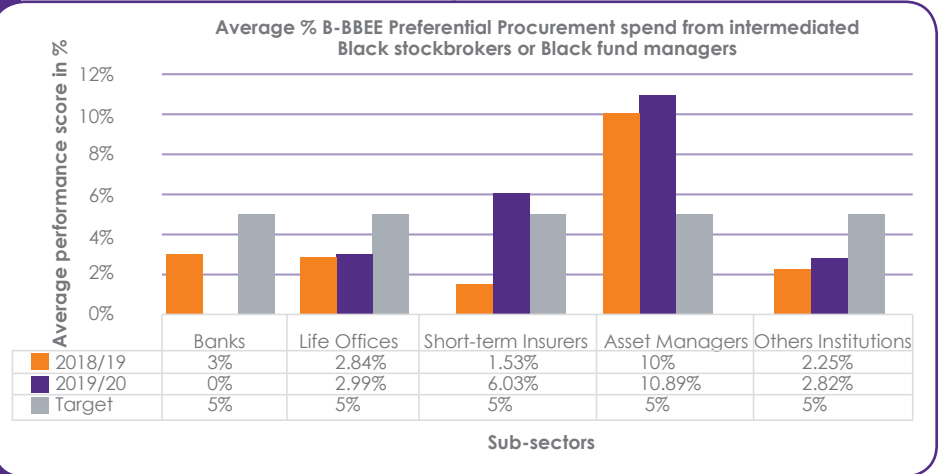
**Figure 77: Average % B-BBEE Preferential Procurement spend from intermediated Black professional service providers**

Figure 77 illustrates the average percentage achieved by the various sub-sectors on spend from intermediated professional service providers as a percentage of all intermediated spend with Banks and Asset Managers exceeding the determined targets while other sub-sectors underperformed for both measurement periods.



**Figure 78: Average % B-BBEE Preferential Procurement spend from intermediated Black stock brokers or Black fund managers**

Figure 78 illustrates the average percentage achieved by the various sub-sectors on spend from Black stockbrokers or fund managers as a percentage of the total value of all trade allocated, with all sub-sectors underperforming for both measurement periods except Asset Managers who exceeded the determined target while Life Offices only met the prescribed target during 2019/20.







## FS 500 – Socio-economic Development and Consumer Education

This element measures the scorecard points achieved for contributing towards socio-economic development initiatives. Socio-economic Development contributions means monetary or non-monetary contributions initiated and implemented in favour of beneficiaries.

**Table 27: The Socio-economic Development and Consumer Education Scorecard**

Element		Target for foreign branches of International Banks, SAVCA members and Reinsurers	Target for Other Institutions	Points
<b>2.1</b>	Annual value of all Qualifying Socio-economic Development contributions by the measured entity as a percentage of NPAT	0.7%	0.60%	3
<b>2..2</b>	Annual value of all Qualifying Consumer Education contributions by the measured entity as a percentage of NPAT	0	0.40%	2
	<b>Total</b>	<b>0.7%</b>	<b>1.00%</b>	<b>5</b>
<b>2.3</b>	<b>Bonus Points</b>			
<b>2.3.1</b>	Additional CE contributions made by the measured Entity as a percentage of NPAT	0.10%	0.10%	1
<b>2.3.2</b>	Grant contribution to Fundisa Retail Fund and other similar initiatives	0.20%	0.2%	2

Figure 79 illustrates the sector's performance towards meeting the determined targets with Life Offices and Asset Managers exceeding the determined targets over the two measurement periods with the exception of Specialised Enterprises which regressed in 2019/20 when compared to 2018/19.

**Figure 79: Socio-economic Development and Consumer Education: average scorecard points against weighting points**

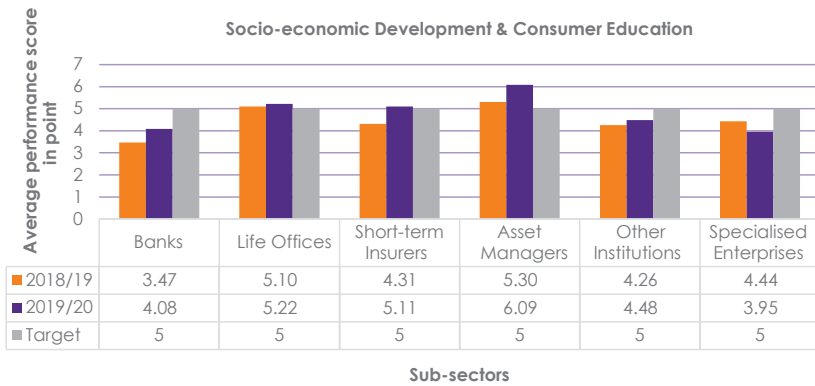


Figure 80 illustrates the sector's performance towards meeting the prescribed targets with the sector exceeding the targets for both measurement periods.

**Figure 80: Average % Annual value of all qualifying SED contributions**

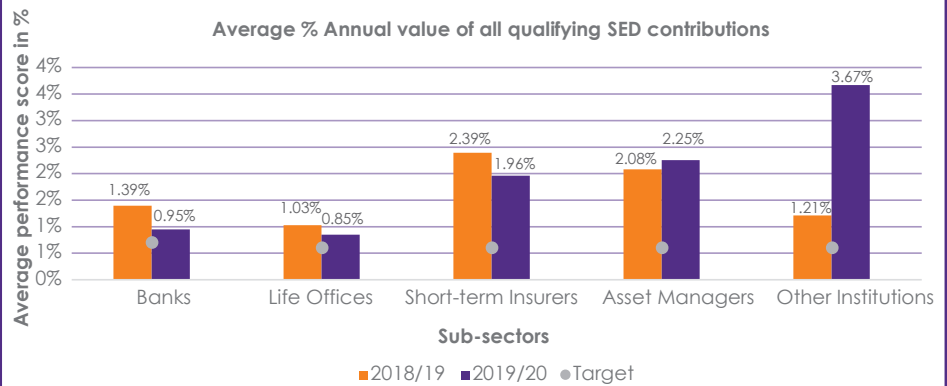
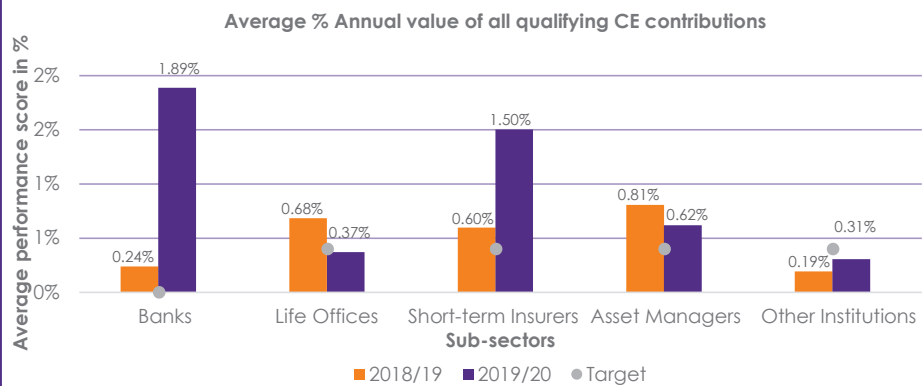


Figure 81 illustrates the sector's performance towards meeting the determined targets with Banks and Short-term Insurers exceeding the targets for both measurement periods while Life Offices fell below target in 2019/20 and Other Institutions remained below targets for the two years under review.

**Figure 81: Annual value of qualifying Consumer Education contributions**



## FS 600 – Empowerment Financing

Empowerment Financing element seeks to empower the previously disenfranchised through the provision of affordable housing, financing of Black Small, Medium and Micro Enterprises (SMMEs) and agricultural activities and investing in various types of transformational infrastructure that help to create the necessary platform to grow the economy on an equitable basis.

**Table 28: The Empowerment Financing Scorecard**

Measurement Criteria	Weighting Points	Banks Target	Weighting Points	Long-term Assurers Target
<b>2.1 Targeted Investments</b>	<b>12</b>	<b>R48bn</b>	<b>12</b>	<b>R27bn</b>
Transformational Infrastructure				
Black Agricultural Financing				
Affordable Housing				
Black Business Growth and SME Funding				
<b>2.2 B-BBEE transaction financing and Black Business Growth/SME Funding</b>	<b>3</b>	<b>R32bn</b>	<b>3</b>	<b>15bn</b>
<b>Empowerment Financing Total</b>	<b>15</b>			<b>15</b>

**Figure 82: Average scorecard points against weighting points**

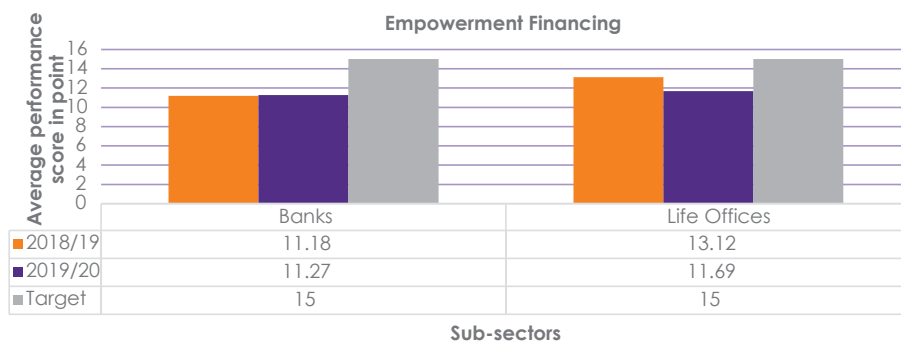


Figure 82 illustrates the sub-sectors' performance towards meeting the determined targets with Banks and Life Offices performing below target for both measurement periods.

# ANNUAL VALUE OF EMPOWERMENT FINANCING

Figure 83: Average % Targeted Investment

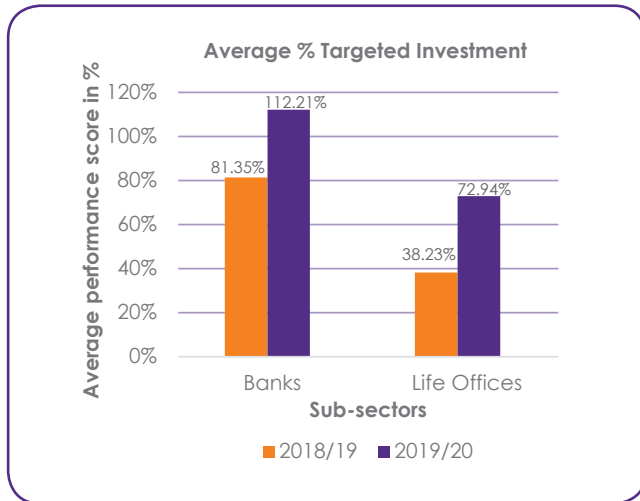


Figure 84: B-BBEE transactions financing and BBGF

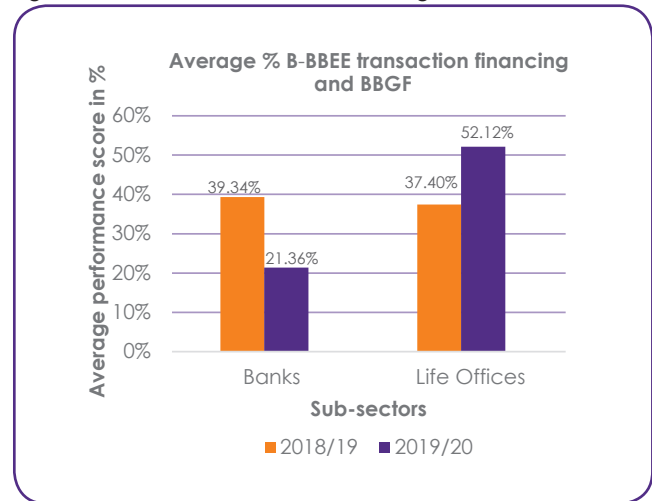


Figure 85: Targeted investments performance in (R)

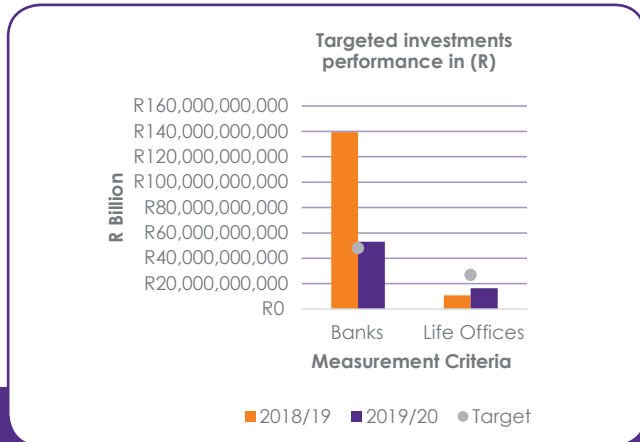


Figure 86: B-BBEE transactions financing and BBGF performance in (R)

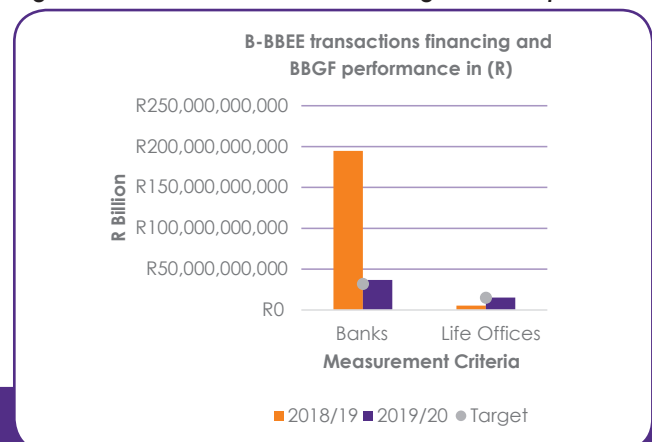


Figure 83, 84, 85 and 86 display the sector's performance towards Empowerment Financing on Targeted Investments and B-BBEE Transaction Financing and BBGF which could not be determined as the reporting framework is not harmonised with other measured entities reporting on rand value while others reported on percentage performance.

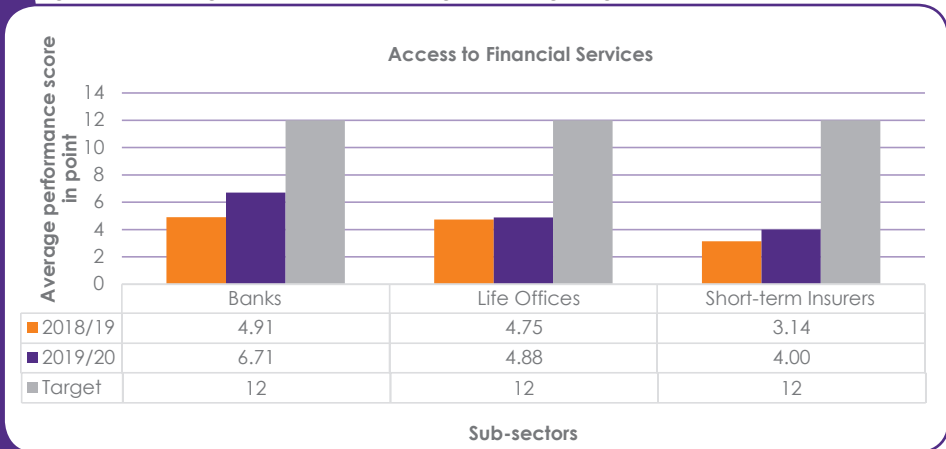


## FS 700 – Access to Financial Services

Access to Financial Services products and services is a financial sector-specific pillar that carries the intent of ensuring financial inclusivity and applies to Banks, Long-term and Short-term Insurers. The purpose is to create access to appropriate financial products and services for people who historically were not afforded these benefits. This includes affordable banking products as well as understandable insurance policies.

Figure 87 illustrates the overall performance by all sub-sectors towards meeting the prescribed targets with Banks, Life Offices and Short-term Insurers underperforming towards meeting the targets for both measurement periods.

Figure 87: Average Scorecard points against weighting points



## Access to Financial Services average performance for Banks

Table 29: Banks Scorecard for Access to Financial Services

Access to Financial Services						
	Access Method	Qualifying Market/Arrear	Qualifying Criteria	Range	Target	Available points
2.1	<b>Geographic Access (Reach)</b>		One or more of:			6
2.1.1	Transaction point	50% or more of households fall within LSM 1-5	draw cash, or	5 km	85%	1
			purchase from their accounts			
2.1.2	Service point		reset a PIN	10 km	70%	1
			money transfers,			
		get a statement, or				
		Initiate account queries				
2.1.3	Sales point		replace a card,	15 km	60%	2
		deposit cash into their accounts, or				
		acquire:				
		a transaction account, a				
		funeral policy,				
		a savings account, or				
		a loan				

2.1.4	Electronic Access	Individuals earning less than R5,000 per month increasing by CPIX p.a.	The use of telephones, mobile phones, internet banking or any other new technology for money transfers, account to account transfers, prepaid purchases, balance enquiries (list not exhaustive)	National	19% of account holders within the target market	2
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Figure 88: Average % Performance for Banks

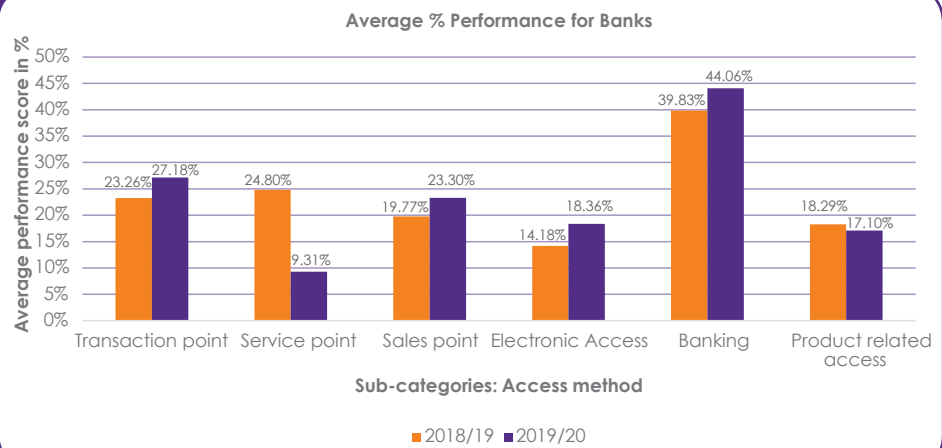


Figure 88 illustrates the sub-sector's performance towards meeting the prescribed targets with Banks displaying a slight improvement in meeting the Banking densification target for both measurement periods.

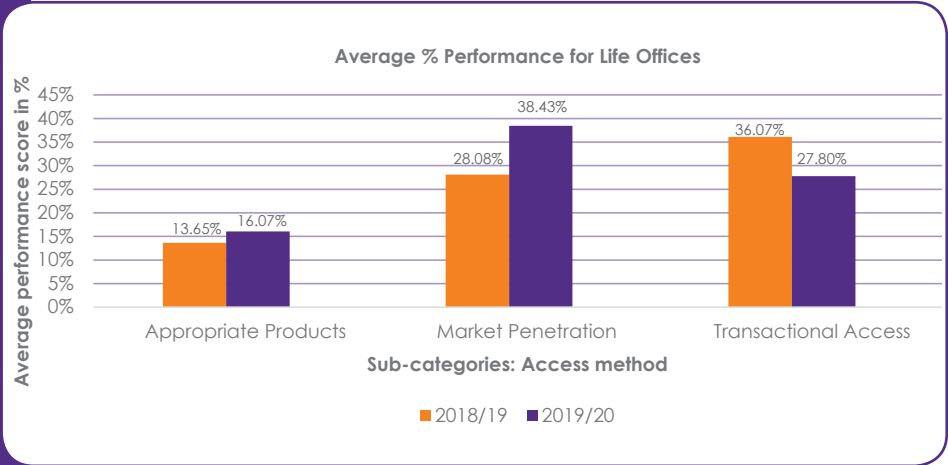
## Access to Financial Services average performance for Life Offices

Table 30: The Life Offices Scorecard for Access to Financial Services

Description	Weighting	Target
<b>2.1 Appropriate Products</b>	3	6
<b>2.2 Market Penetration</b>	7	5,739,23
2.2.1 Target: 2014	4,878,170	
2.2.2 Target: 2015	5,165,121	
2.2.3 Target: 2016	5,452,072	
2.2.4 Target: 2017	5,739,023	
<b>2.3 Transactional Access</b>	2	As per Guidance Note
<b>Total</b>	12	

Figure 89 illustrates the average percentage achieved by Life Offices towards the various indicators with Life Offices underperforming in providing appropriate Access products, achieving market penetration as well as providing transactional Access for both measurement periods.

**Figure 89: Average % Performance for Life Offices**



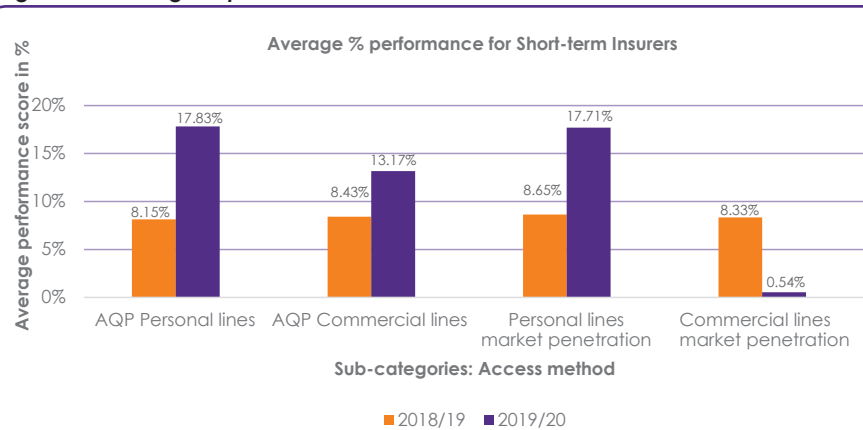
## Access to Financial Services average performance for Short-term Insurers

**Table 31: The Scorecard for Access to Financial Services for Short-term Insurers**

Element	Weighting	Industry Targets
<b>2.1 Appropriate Products</b>	<b>2</b>	<b>8</b>
2.1.1 Personal Lines	1	
2.1.2 Commercial Lines	1	
<b>2.2 Insurance Policies</b>	<b>10</b>	
2.2.1 Personal Lines	8	868 072
2.2.2 Commercial Lines	2	284 884
<b>Total</b>	<b>12</b>	

Figure 90 illustrates the Short-term Insurers' performance towards meeting the determined targets in providing AQPs as well as market penetration through the requisite number of active qualifying policies for both measurement periods.

**Figure 90: Average % performance for Short-term Insurers**



# FS 900 – Specialised Enterprises

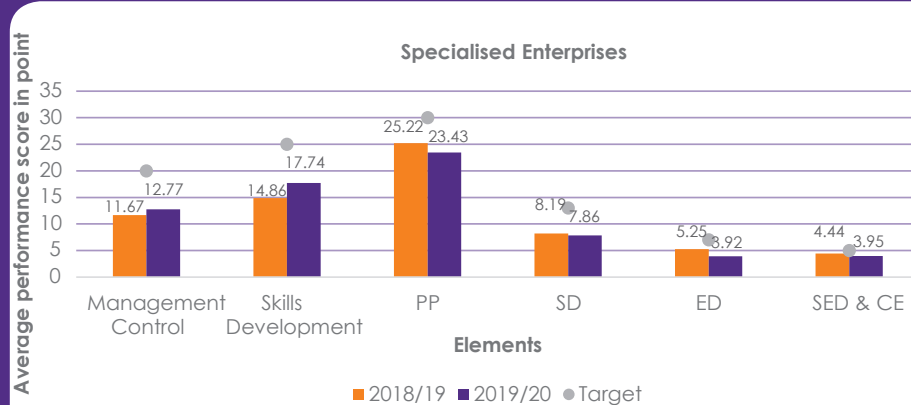
According to the FS Codes, measured entities are required to comply with the elements outlined in the B-BBEE scorecard, which include Ownership. However, there are some entities that are limited by guarantee or are either state-owned or have no shareholding or equity structure capable of being measured against the requirements of the Ownership element. For such entities, the FS Codes provide a specialised scorecard in FS 900 to guide their B-BBEE measurement. Therefore, a specialised scorecard is a B-BBEE scorecard that excludes Black ownership from the measurement of determining compliance with B-BBEE. Entities applying the specialised scorecards are named specialised enterprises.

Entities that reported using a Specialised Enterprises scorecard are DFIs, Reinsurers and Other Entities that include non-Bank lenders as well as specialised and mutual Insurers.

**Table 32: Specialised Enterprises Scorecard**

Element	Weighting	Code Series FS900
Management Control	20 points	FS901
Skills Development	25 points	FS902
Enterprise and Supplier Development	50 points	FS903
Socio-economic Development	5 points	FS904
<b>Total</b>	<b>100 points</b>	

**Figure 91: Average overall performance: Specialised Enterprises**



The total submissions received from Specialised Enterprises were 12 for 2018/19 and eight (8) for 2019/20 indicative of the overall underperformance across all elements for both measurement periods.

**Table 33: Percentage of Specialised Enterprises that submitted reporting data**

	2018/19	2019/20
Management Control	0% (0/12)	0% (0/8)
Skills Development	0% (0/12)	25% (2/8)
Preferential Procurement	58% (7/12)	75% (6/8)
Supplier Development	17% (2/12)	50% (4/8)
Enterprise Development	33% (4/12)	50% (4/8)
SED & CE	0% (0/12)	0% (0/8)

The table above illustrates that none of the Specialised Enterprises reached its determined targets on Management Control and SED & CE for both measurement periods. However, there is a slight improvement on Skills Development and Preferential Procurement and ESD for the 2019/20 measurement period.



## FS 901 – Management Control

Figure 92: Average % board participation

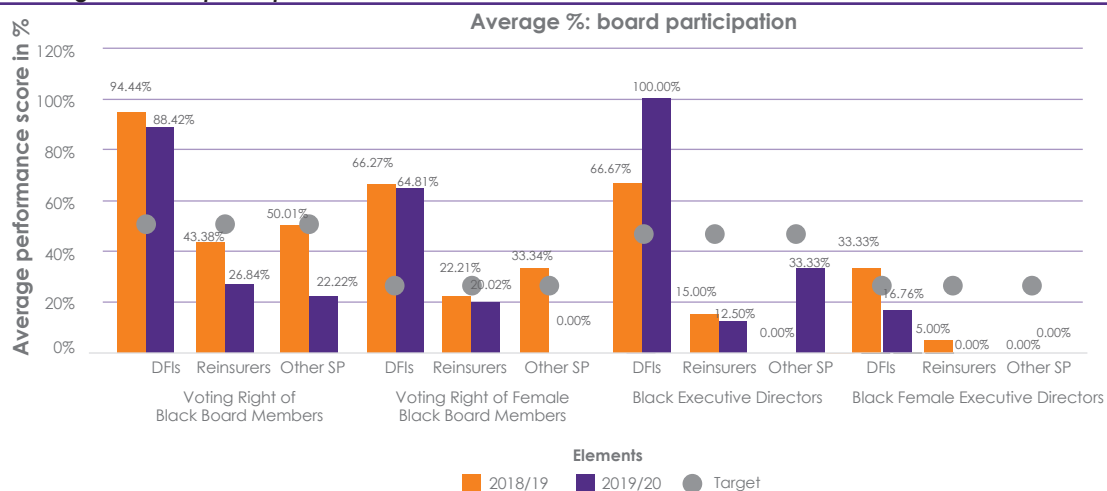


Figure 92 details the sub-sector's performance towards meeting the prescribed targets with DFIs achieving the targets on voting rights of Black board members and Black female board members for both measurement periods while Reinsurers underperformed in both categories for both measurement periods.

Other Specialised Enterprises met the target for Black board members in 2018/19, however, they did not achieve the target for Black board members in 2019/20 and Black female board members in both measurement periods.

During the two measurement periods the DFIs achieved the target for Black executives for both measurement periods but underperformed on Black female executive directors with both the Reinsurers and the Other Specialised Enterprises underperforming on Black executive directors as well as Black female executive directors.

Figure 93 details the sub-sector's performance towards meeting the prescribed targets with DFIs achieving target on Black executive management and Black female executive management for both measurement periods while Reinsurers and other Specialised Enterprises performed below target on Black executive management and Black female executive management.

**Figure 93: Average %: Black and Black female executive management**

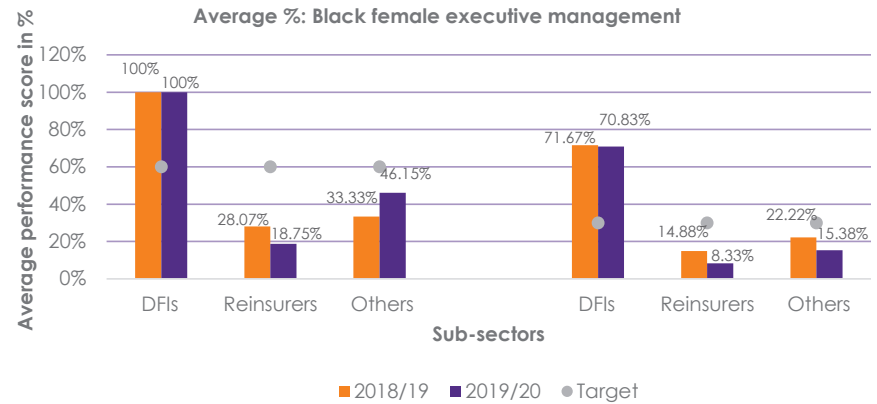


Figure 94 details the sub-sector's performance towards meeting the determined target with DFIs achieving the targets on both categories of Black senior and Black female senior management for both measurement periods while Reinsurers performed below target for both categories and other Specialised Enterprises achieved their targets in both categories during the 2019/20 measurement period.

**Figure 94: Average %: Black and Black female employees in senior management**

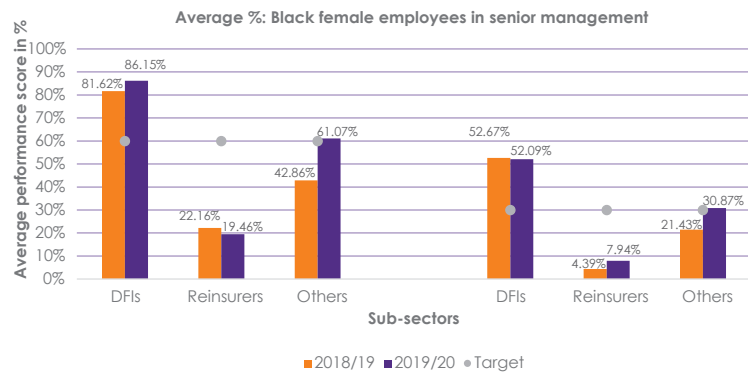


Figure 95 illustrates the sub-sector's performance towards meeting the prescribed targets with DFIs achieving 73.72% in African senior management for 2018/19 and 79.40% during the 2019/20 measurement period, respectively, while Reinsurers and Other Specialised Enterprises require more effort in advancing Africans in senior management.

**Figure 95: Average %: African senior managers**

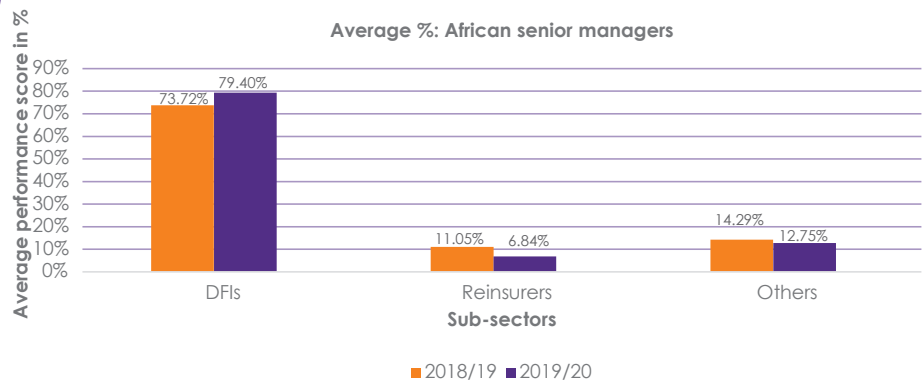


Figure 96 illustrates the sub-sector's performance towards meeting the determined targets with DFIs achieving the targets for Black middle managers and Black female middle managers for both measurement periods while Other Specialised Enterprises met the target for Black middle managers in 2019/20, with the exception of Reinsurers falling below target on both categories during both measurement periods.

**Figure 96: Average %: Black and Black female in middle management**

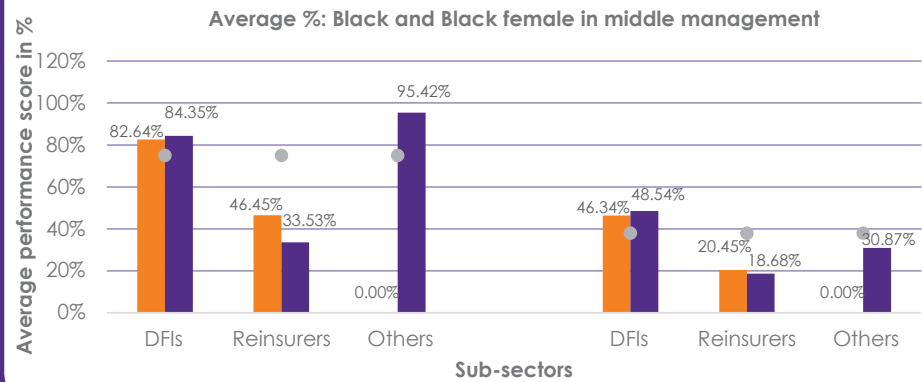


Figure 97 illustrates the sub-sector's performance towards meeting the prescribed targets with DFIs achieving 71.23% for 2018/19 and 73.91% during 2019/20 measurement periods, respectively while Reinsurers and Other Specialised Enterprises require more effort in advancing Africans in senior management.

**Figure 97: Average %: African middle managers**

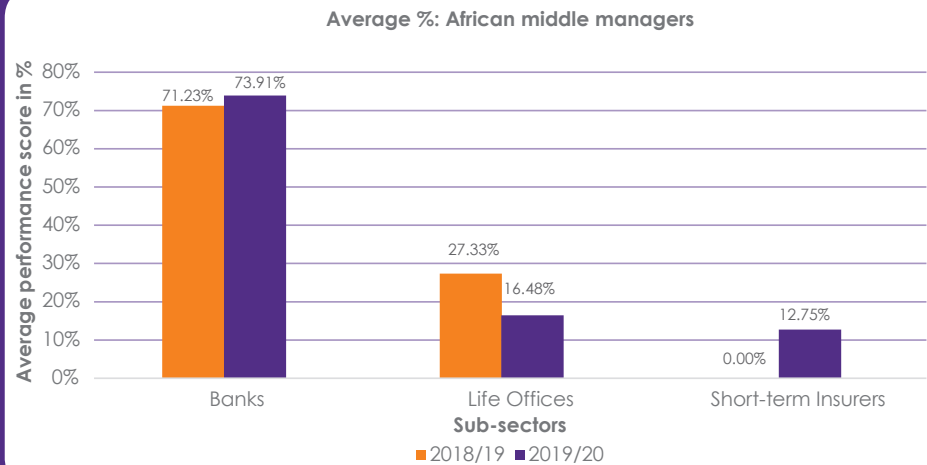


Figure 98 illustrates the sub-sector's performance towards meeting the prescribed targets with DFIs achieving the targets for Black junior managers and Black female junior managers in the two measurement periods while Reinsurers performed below target in both categories with Other Specialised Enterprises achieving the determined targets in the 2019/20 measurement period.

**Figure 98: Average %: Black and Black female junior management**

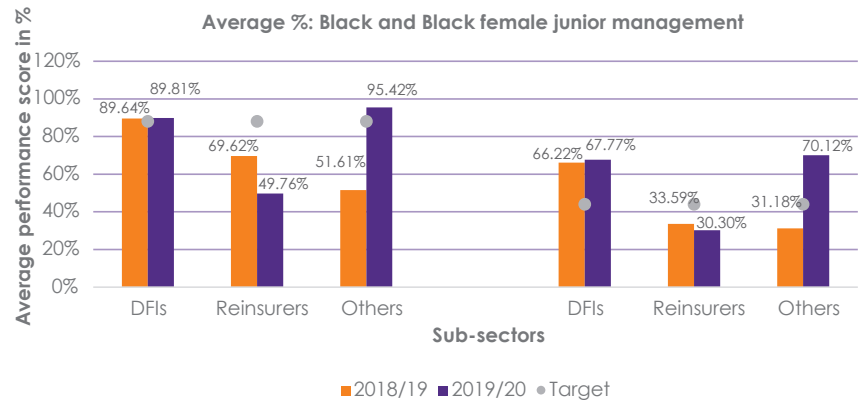


Figure 99 illustrates the sub-sector's performance towards meeting the determined targets with DFIs achieving 79.33% in 2018/19 and 80.46% during the 2019/20 measurement periods while Reinsurers and Other Specialised Enterprises performed below target for both measurement periods.

**Figure 99: Average %: African junior managers**

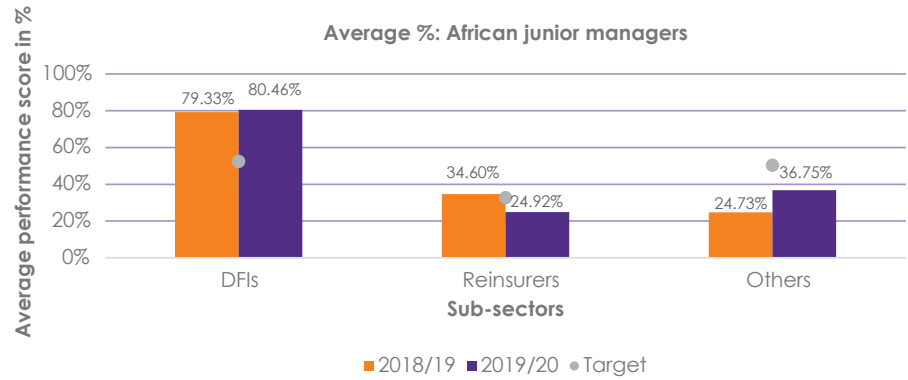
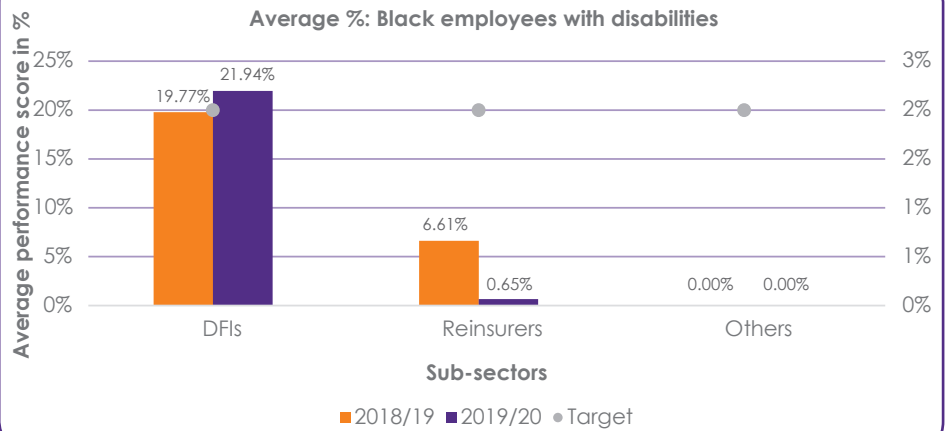


Figure 100 illustrates the sub-sector's performance towards meeting the prescribed targets with Reinsurers and Other Specialised Entities underperforming for both measurement periods except for DFIs who exceeded the target during the 2019/20 measurement period.

**Figure 100: Average %: Black employees with disabilities**





## FS 902 – Skills Development

Figure 101 illustrates the performance of Specialised Entities on Skills Development spend for Black and female senior and executive management with all sub-sectors not meeting the prescribed targets for both measurement periods except for Reinsurers who met the target during the 2019/20 measurement period.

**Figure 101: Average % Skills Development spend for Black and female senior and executive management**

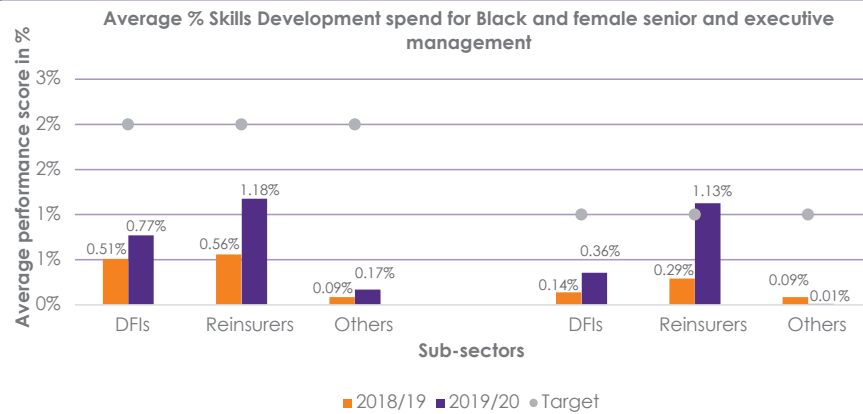


Figure 102 illustrates the performance of Specialised Enterprises on Skills Development spend for Black and female middle management with Reinsurers exceeding the determined target for both measurement periods while all other sub-sectors underperformed, falling below targets for both measurement periods.

**Figure 102: Average % Skills Development spend for Black and female middle management**

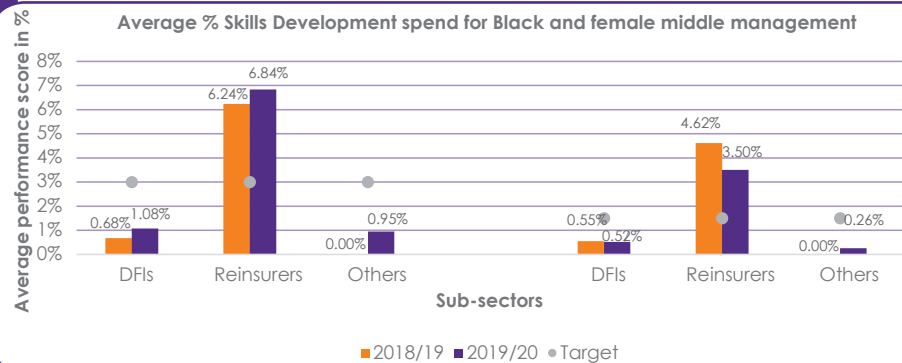


Figure 103 illustrates the performance of Specialised Enterprises on Skills Development spend for Black and female junior management with only Reinsurers exceeding the target for 2018/19 measurement period while Other Specialised Enterprises met the target during 2019/20.

**Figure 103: Average % Skills Development spend for Black and female junior management**

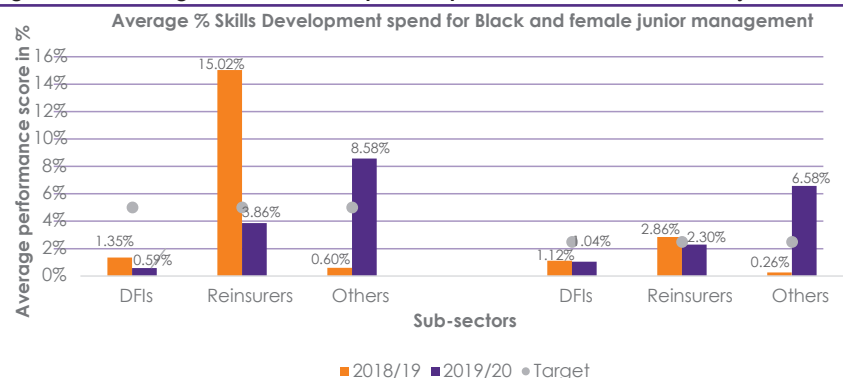


Figure 104 illustrates the performance of Specialised Enterprises on Skills Development spend for non-management employees with DFIs and Other Specialised Enterprises exceeding the determined targets for the 2018/19 measurement period while none of the sub-sectors met the targets during 2019/20.

**Figure 104: Average % Skills Development for non-management staff**

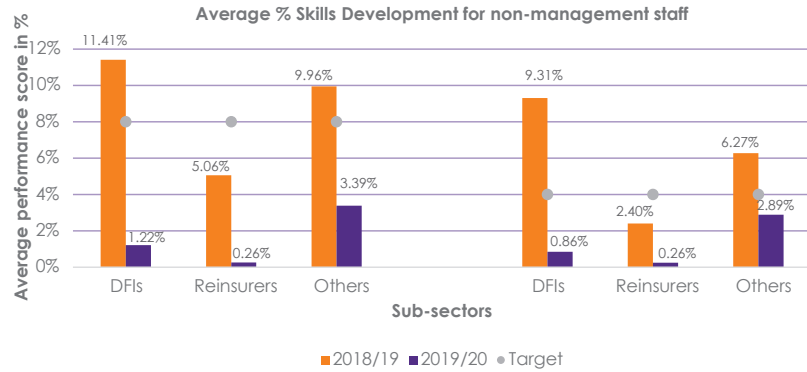


Figure 105 illustrates the performance of Specialised Enterprises on Skills Development spend for Black people with disabilities, with all sub-sectors underperforming during 2018/19 while DFIs and Reinsurers exceeding the prescribed targets for the 2019/20 measurement period.

**Figure 105: Average %: Skills Development spend for Black people with disabilities**

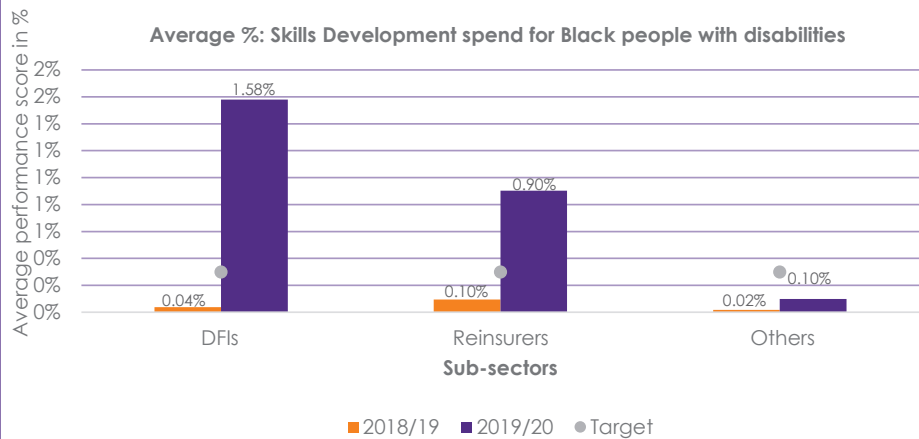
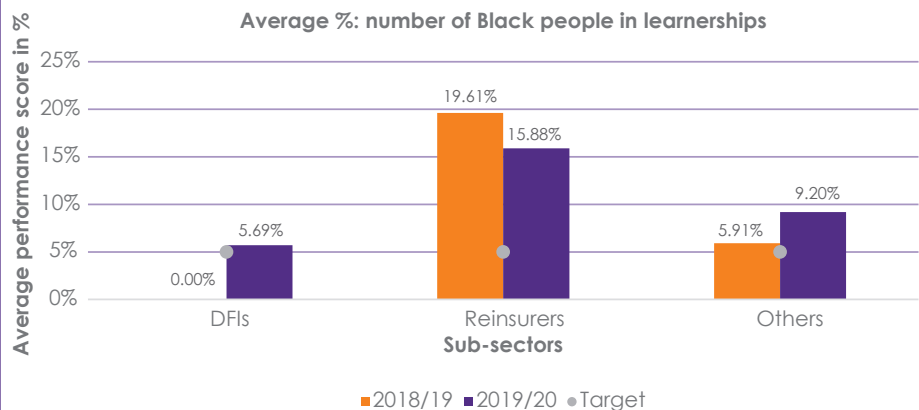


Figure 106 illustrates the performance of Specialised Enterprises on Skills Development spend on the number of Black people participating in learnerships with DFIs underperforming during 2018/19 while other sub-sectors exceeded the prescribed targets for both measurement periods.

**Figure 106: Average %: number of Black people in learnerships**





## FS 903 – Enterprise and Supplier Development

Figure 107 illustrates the performance of Specialised Enterprises on Preferential Procurement spend from all empowering suppliers with Other Specialised Enterprises meeting the determined targets for both measurement periods while DFIs fell below target and Reinsurers regressed during the 2019/20 measurement period.

**Figure 107: Average %: Procurement spend from all empowering suppliers**

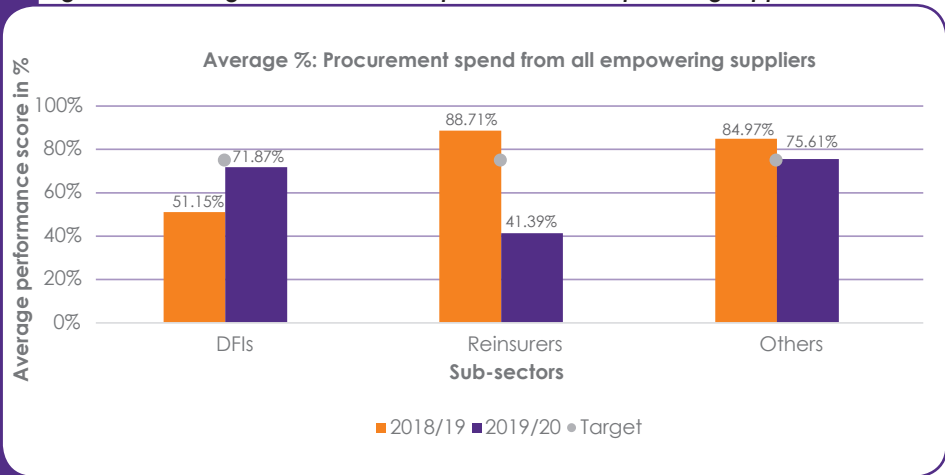
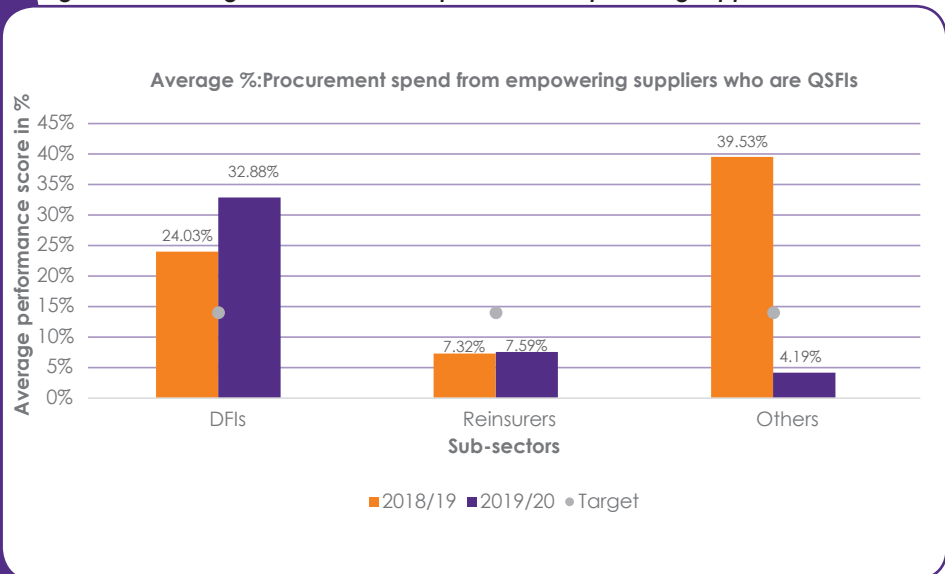


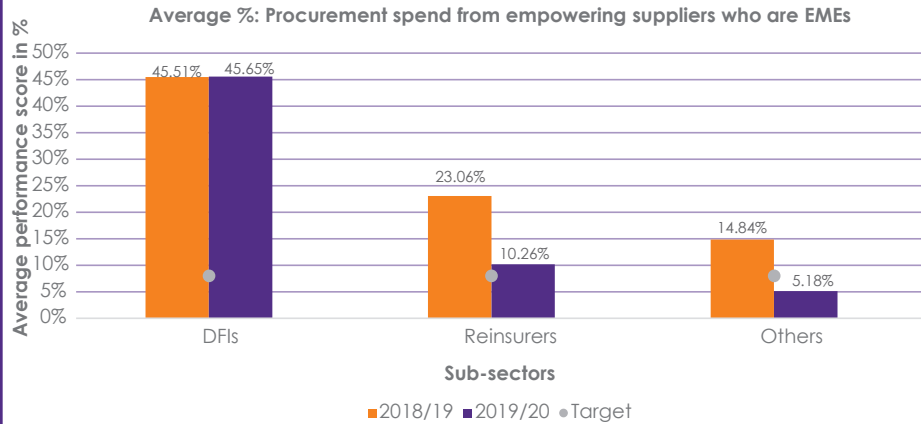
Figure 108 illustrates the performance of Specialised Enterprises on Preferential Procurement spend from empowering suppliers who are QSFI with DFIs exceeding the determined targets for both measurement periods while Reinsurers remained below the target and Other Specialised Enterprises regressed during the 2019/20 measurement period.

**Figure 108: Average %: Procurement spend from empowering suppliers who are QSFI**



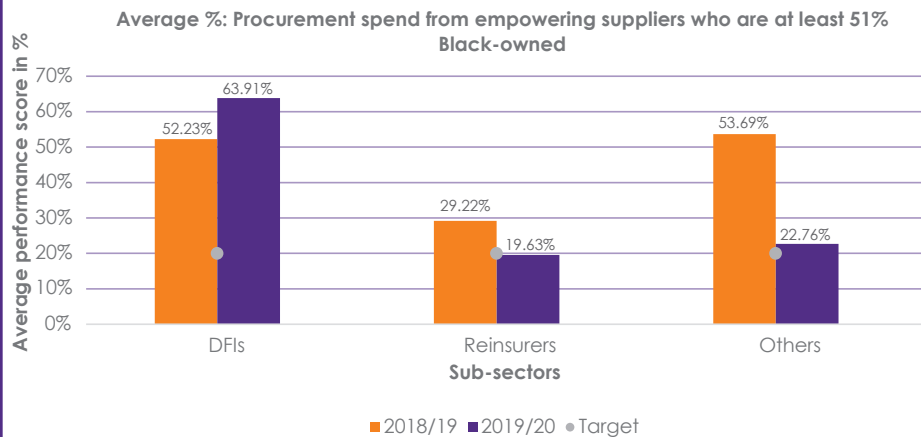
**Figure 109: Average %: Procurement spend from empowering suppliers who are EMEs**

Figure 109 illustrates the performance of Specialised Enterprises on Preferential Procurement spend from empowering suppliers who are EMEs with DFIs and Reinsurers exceeding the determined targets for both measurement periods while Other Specialised Entities regressed during the 2019/20 measurement period.



**Figure 110: Average %: Procurement spend from empowering suppliers who are at least 51% Black-owned**

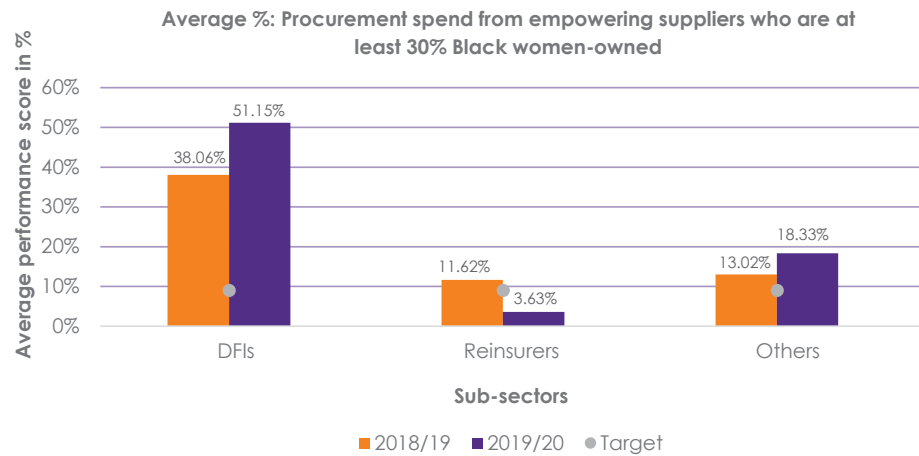
Figure 110 illustrates the performance of Specialised Enterprises on Preferential Procurement spend from empowering suppliers who are at least 51% Black-owned with DFIs and Other Specialised Enterprises exceeding the prescribed targets for both measurement periods, except for Reinsurers who regressed during the 2019/20 measurement period.



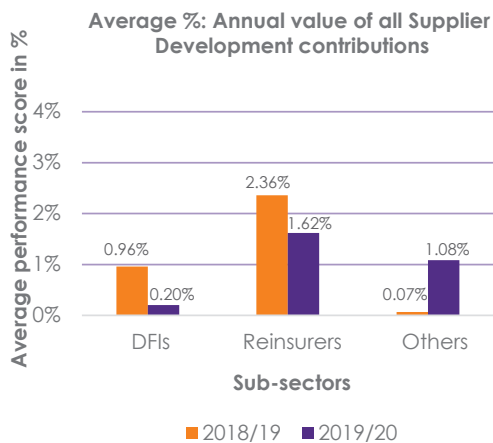


**Figure 111: Average %: Procurement spend from empowering suppliers who are at least 30% Black women-owned**

Figure 111 illustrates the performance of Specialised Enterprises on Preferential Procurement spend from empowering suppliers who are at least 30% Black women-owned with DFIs and Other Specialised Enterprises exceeding the determined targets in both measurement periods while Reinsurers regressed during the 2019/20 measurement period.



**Figure 112: Average Annual value of all Supplier Development Contributions**



**Figure 113: Average Annual value of all Enterprise Development Contributions**

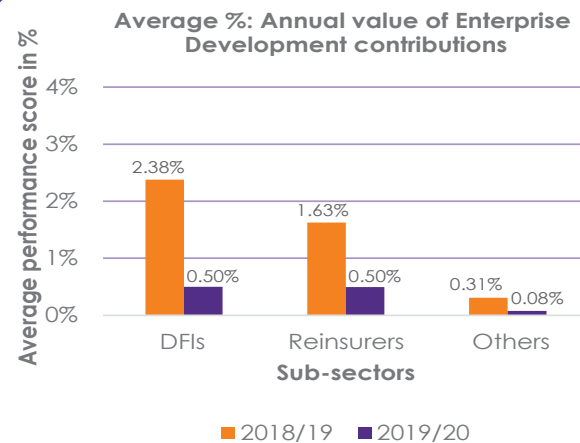
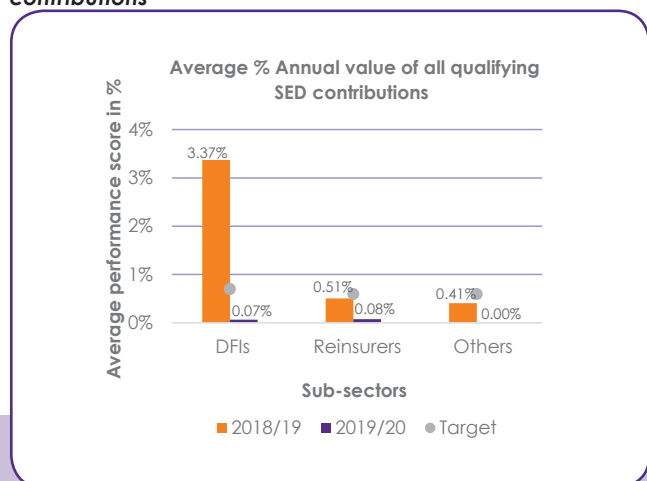


Figure 112 and Figure 113 illustrate the performance of Specialised Enterprises on annual value of all Supplier and Enterprise Development contributions with Reinsurers exceeding the determined target during 2018/19 with other sub-sectors underperforming on meeting the Supplier Development target for both measurement periods while DFIs and Reinsurers exceeded the determined Enterprise Development target during 2018/19 and regressed in the 2019/20 measurement period.



## FS 904 – Socio-economic Development and Consumer Education

**Figure 114: Average % Annual value of all qualifying SED contributions**



**Figure 115: Average % Annual value of all qualifying CE contributions**

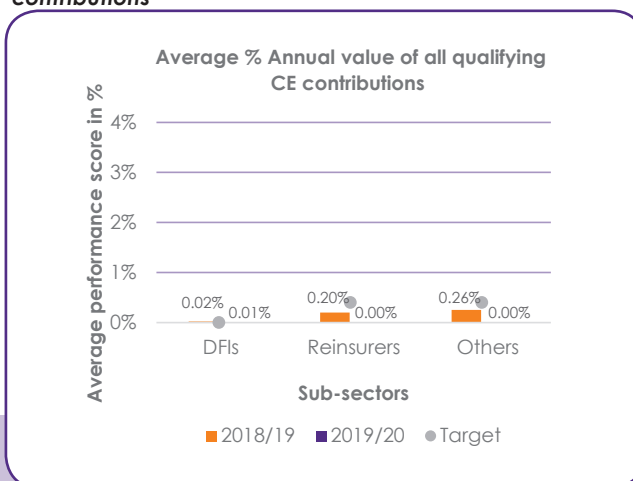


Figure 114 and Figure 115 illustrate the performance of Specialised Enterprises on SED and CE contributions with DFIs achieving the determined SED target during 2018/19 and regressed in the 2019/20 measurement period while Reinsurers and Other Specialised Enterprises underperformed for both measurement periods. During the two measurement periods under review, none of the Specialised Enterprises achieved the determined CE target.





## Schedule 1 – Retirement Funds Scorecard

The Retirement Funds Scorecard plays a critical role in the Financial Sector due to their size of assets under their management that can be used to contribute to the transformation imperatives of the sector through the appointment of Black service providers.

Figure 116: The number of B-BBEE Reports submitted by Other Institutions in 2018/19 is 13 and 10 for 2019/20



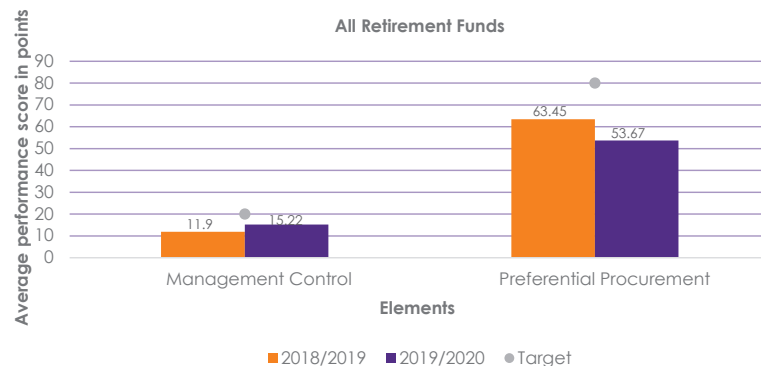
Table 34: Schedule 1 Retirement Funds Scorecards

ELEMENT	SCORECARD	PUBLIC DISCLOSURE	CODE SERIES REFERENCE
Ownership	N/A	Recommended	FS100
Management Control	20	Recommended	FS200
Skills Development/Trustee Education	N/A	Recommended	FS300/500
Preferential Procurement	80	Recommended	FS400
Empowerment Financing, Enterprise and Supplier Development	N/A		
Access to Financial Services			
Socio-Economic Development			
<b>TOTAL</b>	<b>100</b>		

## Average Overall Performance: Retirement Funds

Figure 117 illustrates the overall performance of the Retirement Funds that submitted the requisite data for 2018/19 and 2019/20 with none of the Retirement Funds meeting the determined targets for both measurement periods.

Figure 117: Average overall performance: Retirement Funds



**Table 35: Percentage of all Retirement Funds that submitted data and reached the targets**

	2018/19	2019/20
<b>Management Control</b>	8% (1/13)	20% (2/10)
<b>Preferential Procurement</b>	38% (5/13)	0% (0/10)

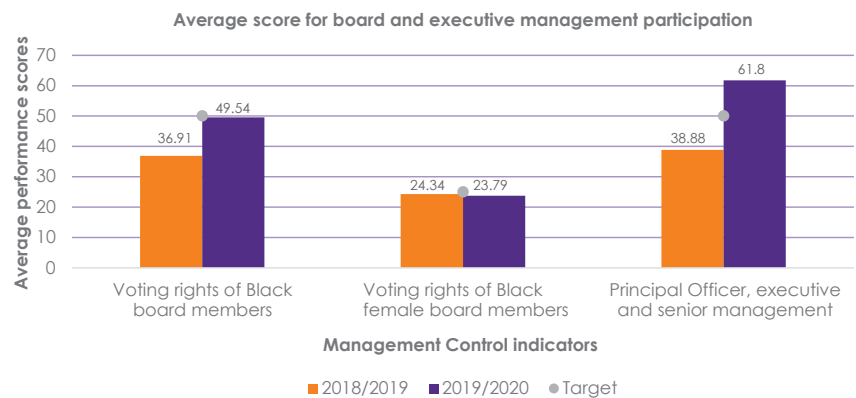
Table 35 illustrates the performance of the Retirement Funds industry with one reporting entity achieving the target of 2018/19 and two for 2019/20 on Management Control while five (5) reporting entities achieved the determined target on Preferential procurement during 2018/19 and none for 2019/20.

**Table 36: Detailed Management Control Scorecard**

RETIREMENT FUNDS SCORECARD		
Management Control Scorecard		
Description	Points	Target
Board and executive management participation	20	
Exercisable voting rights of Black board members as a percentage of all board members	8	50%
Exercisable voting rights of Black female board members as a percentage of all board members	4	25%
Principal Officer, executive and senior management if applicable	8	50%

Figure 118 illustrates the Retirement Funds performance on the Management Control element with Retirement Funds underperforming and falling below the prescribed targets on voting rights of Black board members and Black female board members for both measurement periods with the exception on Principal Officer, Executive and Senior management where targets were exceeded for 2019/20.

**Figure 118: Average performance score for board and executive management participation**



**Table 37: Detailed Preferential Procurement Scorecard**

PREFERENTIAL PROCUREMENT SCORECARD	Points	Target y1-3	Target y 3+
<b>Preferential Procurement Indicator</b>	<b>80</b>		
<b>B-BBEE procurement spend from all empowering suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend.</b>	35	75%	80%
<b>B-BBEE procurement spend from empowering suppliers who are QSEs or EMEs based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend.</b>	10	15%	25%
<b>B-BBEE procurement spend from empowering suppliers that are at least 51% Black-owned based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend.</b>	25	15%	25%
<b>B-BBEE procurement spend from empowering suppliers that are at least 30% Black women-owned based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend.</b>	<b>10</b>	<b>7.5%</b>	<b>12.5%</b>

**Figure 119: Average scores for Preferential Procurement**

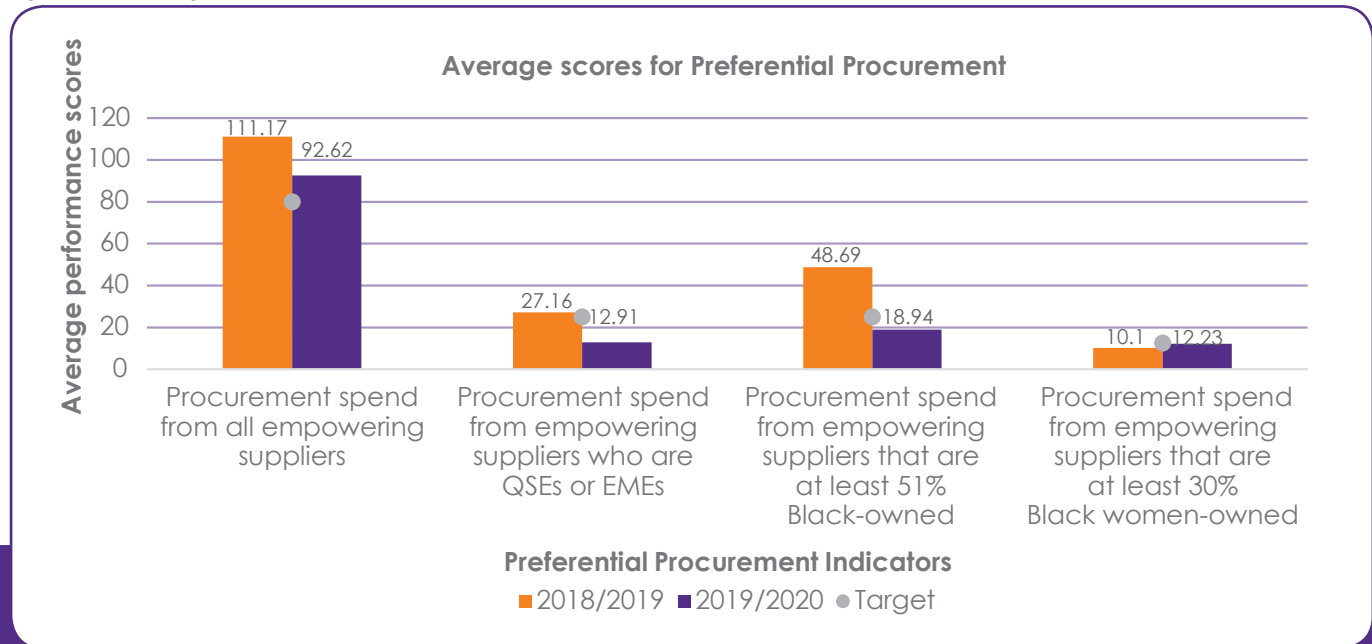


Figure 119 details the Retirement Funds performance towards meeting the determined targets with Procurement from all empowering suppliers exceeding the target for both measurement periods while Procurement from 30% Black women suppliers was only met during the 2019/20 measurement period and Targets for Procurement from QSEs, EMEs and 51% Black-owned suppliers were met in 2018/19.

Cognisance is taken that the scorecard is voluntary, however, the number of entities that reported is concerning. Moreover, it is also unsettling that the performance against targets for the entities that reported was mostly below the prescribed industry targets, which proves that the sector needs to prioritise areas such as scorecard preparation, trustee training on transformation imperatives, transformation policy and strategy development.



Fatima Vawda, **RWC Chairperson**

### Reporting Working Committee Chairperson's Report on the State of Transformation Annual Report

**T**he formulation of the eight Financial Sector State of Transformation Report occurred while we celebrated 25 years of our Constitution. Our Constitution provides South Africa not only a democratic governance structure that ensures the freedom of every citizen from all forms of oppression, but it is also a powerful means to redress the "injustices of our past".

The preamble to our Constitution unequivocally states one of its objects is to "heal the division of the past and establish a society based on democratic values, social justice and fundamental human rights". The Broad-Based Black Economic Empowerment (B-BBEE) Act No. 53 of 2003 and the Codes of Good Practice are powerful mechanisms to redress the deep inequality resulting from colonisation and apartheid that excluded the majority of South Africans from effectively participating in the economy.

Monitoring and reporting on the implementation of the Financial Sector Code give effect to these mechanisms and contribute to the right to equality and to inclusive economic growth. As such, I am deeply thankful to the team that put together the report that summarises the progress made between 2018 and 2020 by the Financial Sector in meeting the agreed targets in the elements of their respective subsector scorecards.

It is unfortunate that there was a decline in the number of reports submitted between the two reporting periods. Preparing B-BBEE reports is an integral part of good governance and affords companies the opportunity to meaningfully reflect on their respective transformation trajectories and adjust their social and governance strategies accordingly. When these tasks are done in accordance with the spirit of the above-mentioned legislations they can genuinely contribute to the long-term sustainability of enterprises and, therefore, should not be seen as bureaucratic compliance activities.

It is really great to share the good news: the sector is, to a large extent, meeting its targets in the Enterprise and Supplier Development and socio-economic development and consumer education elements. Unfortunately, while there are positive shifts towards meeting the targets set for the other elements of the scorecard, progress is too slow. The overall sector has not met the targets set for two of the priority elements, namely Ownership and Skills Development; on average it meets the 40% of the net value of points in the elements to avoid any discounting by one B-BBEE level.

A real concern is that none of the top Banks, Life Offices, Short-term Insurers and Asset Managers that submitted scorecards reached the respective subsector targets set for Management Control – that is, representation of Black people in general as well as African people and Black women (in particular) – on boards and other executive, senior, middle and junior management positions. Similarly, not a single top Bank, Life Office and

Short-term Insurer met the skills development target. Only in 2019/20 did one of the top 10 Asset Managers meet the Skills Development target for the sub-sector. Both these elements give a glimpse into the operational priorities of enterprises in the sector. The picture is wanting.

In relation to Black women, the low targets for exercisable voting rights and Economic interest in the Ownership element have been met or close to the goal by the sector, respectively. Unfortunately, Short-term Insurers, Asset Managers and Other Institutions are underperforming significantly on the targets set for Black women at executive director and middle manager levels. None of the subsectors met its targets for Black women at senior management level. On average, enterprises in the Other Institutions sub-sector was the only one that did not meet the target set for Black women at junior management level.

It is noteworthy that one in five Generic Enterprises and roughly half of qualifying small financial institutions were non-compliant in the 2019/20 financial year.

Meeting the targets for elements in the respective sub-sector scorecards is only the beginning of the transformation process. It should be seen as inputs to a broader Theory of Change that offers a pathway to achieving the aspirations of our Constitution – substantive equality. Now is the time for the Financial Sector to make quantum leaps in transformation so that it can take its rightful place as the engine for inclusive economic growth and not the perpetuator of deep inequality.

## STAKEHOLDER ENGAGEMENTS WITH VARIOUS RELEVANT PROFESSIONAL BODIES

This section details the sector's view on its transformational advancements and unpacks the challenges impeding on accelerated transformation as well as the initiatives that move beyond the scorecard and contribute to holistic transformation.

As implementers of the FS Code and other provisions that advance transformation, it is critical that the sector reflects on its advancements, or lack thereof, in order to map out the

direction it needs to take if it is to achieve an inclusive economy and build an equitable society.

The Financial Sector comprises many role players that constitute various industries and form part of professional associations. For the purposes of this report, questionnaires were circulated to the various FSTC constituencies so as to gain insight into the sector's efforts to achieve its transformation mandate, implemented strategies, challenges and achievements within its various sub-sectors.

The following associations that constitute the Council responded to the questionnaire:

- Southern African Venture Capital and Private Equity Association (SAVCA)
- Financial Intermediaries Association (FIA)
- The Association of Black Securities and Investment Professionals (ABSIP)

## THE SOUTHERN AFRICAN VENTURE CAPITAL AND PRIVATE EQUITY ASSOCIATION (SAVCA)

SAVCA is fully supportive of our country's transformation objectives, including the implementation mechanisms such as B-BBEE legislation and the FS Code..

Playing a meaningful role in the transformation of the private equity and venture capital sector is one of SAVCA's key strategic objectives and, as an association, we have embarked on several initiatives to achieve greater levels of transformation within the industry. These initiatives include the Fund Manager Development Programme (FMDP), which was launched in 2019, as well as the Women Empowerment Mentoring and Incubation Programme (WE>MI), which was launched early in 2021. WE>MI aims to achieve increased levels of Ownership of private equity and venture capital firms by historically disadvantaged persons. SAVCA also recently launched the Venture Capital Fund Manager Programme (VCFMP), which will be rolled out in 2022.

Private equity plays a unique function in the investment marketplace due to the fund manager's (private equity and

venture capital investment firms') deep knowledge and skills as active investors involved in growing companies, alongside the leaders and management teams of those companies. Private equity, therefore, focuses on the real economy being a major source of funding for small and medium-sized businesses and building successful companies through a combination of capital and strategic know-how.

An impact study commissioned by SAVCA in 2020 found that private equity and venture capital-backed companies report better outcomes after investment on all BEE elements as illustrated on the next page:

### **What is your general view of the performance of the Financial Sector in the measured period?**

In comparison to previous measured periods, there has been improvement in the performance of the Financial Sector on certain elements, while more needs to be done to achieve transformation targets in other areas. During the measured period though, the Financial Sector, like many others, not only had to prioritise achieving transformation targets, but also had to trade in a difficult economic climate and business environment.

### **What are the areas that you believe have been done well in terms of transformation?**

Based on the report, the areas that seem to have fared well related to ESD and Empowerment Financing. Given the outperformance of these two elements, a review of targets may need to be undertaken. In some sub-sectors, there was also considerable improvements in Ownership levels. Concerted efforts to improving ownership levels should continue.

### **What are some of the challenges that the sector and or specific sub-sector have faced when trying to address transformation issues?**

For the private equity and venture capital sub-sector, some of the challenges faced relate to internal and external factors. Internally, some of the challenges include:

- The difference in size of the fund managers in the industry. There is a small pool of fund managers with sizeable teams and funds under management, who have the opportunity

to make a considerable difference to all the elements in the scorecard. However, the majority of fund managers operate lean teams and smaller funds and may not have the same level of funding or access to expertise to positively affect transformation internally.

- Given that the average lifecycle of a fund is 10+ years, achieving transformation once a fund has been established, especially at ownership and management control levels, is difficult due to existing fund structures and fund agreements with investors. A key consideration for sophisticated investors committing capital to a 10+ year fund is the alignment of interest with both the investor and the staff within the fund manager. This is affected through long-term incentive structures that seek to retain the staff directly responsible for making investment decisions and executing the active management/value creation strategies for the duration of the fund's life.

In partial response to these challenges, SAVCA has observed an exponential increase of transformed fund managers that are being established with the aim to raise capital and invest to create a more equitable society. These transformed fund managers are, however, confronted by the external factors as set out below:

External factors that pose challenges for the industry include: The ability to raise funds to deploy due to a lack of investor appetite to invest in emerging fund managers (also known as first-time fund managers). Most of the fund managers entering the market are women and/or Black-owned. These fund managers find it quite difficult to raise funds and become sustainable. More support is needed from investors with an appetite for investing in emerging Black and female-owned fund managers. These fund managers have the ability to positively impact transformation of businesses they invest in.

### **Based on our findings, none of the sub-sectors achieved Management Control (MC) targets. What are some of the solutions proposed to improve on MC?**

Potential prioritisation of management control over the next few measured periods and sharing of case studies and lessons learnt from other sectors that have been able to achieve MC targets. PE fund managers are in a unique position within the South



African economy to drive transformation within the unlisted businesses they invest in, specifically where capital is being utilised to grow the staff compliment within these entities.

The underlying businesses are required to comply with their sector's B-BBEE codes, but perhaps more should be done to encourage/reward the fund managers (through the FSC) that utilise their active management strategic position to drive improved transformation within businesses that receive PE investment.

**What recommendations or interventions can you suggest to address the transformation challenges that you have identified?**

SAVCA has launched a series of programmes aimed at supporting the development and sustainability of Black and female-owned fund managers through the FMDP and WE>MI. Through workshops, mentoring, coaching and access to service providers, fund managers are upskilled in the successful management of a fund. However, more effort is needed by investors to prioritise and invest in emerging Black and female fund managers, if we want these emerging fund managers to prosper.

Mechanisms that can be explored to achieve greater investment and support include instruments such as a fund-of-fund that's focused on supporting and investing in emerging fund managers, more Black Business Growth Fund (BBGF) capital allocated to emerging Black-owned fund managers and/or a first loss/match funding facility that will de-risk investing into emerging Black-owned fund managers for investors.

**Do you believe that more can be done to improve transformational impact: YES/NO?**

Yes.

**If YES, what specific interventions are required to ensure that there is impact across the implementation of all the elements in the sector?**

- Accurate data to be submitted by all entities in a uniform way to ensure comparisons can be drawn between entities, sub-sectors and elements.

- Targets to be reviewed for all elements based on historical evidence and prioritisation of elements that would have the biggest impact, either for the sector or per sub-sector.
- Being intentional on achieving the targets based on sector or sub-sector prioritisation.

**Do you believe that the unique elements for the FSC, that is empowerment financing, access to financial services and consumer financial education are and have been appropriately utilised to advance transformation, and if you had to change anything regarding the implementation of these elements, what would they be?**

SAVCA has noted that specific interventions in the industry, such as clearly defining a "Black fund manager" in the codes, have proved instrumental in increasing the overall amount of Black-owned and Black-managed fund managers in the industry.

SAVCA was also able to perform research on specific interventions required by these managers and has included these in our transformation programmes (that is, FMDP, WE>MI and the VCFMP). We are now also starting to see an increase in allocation by institutional investors to these fund managers.

The performance of the unique elements varies depending on the sub-sector. Although these elements have been utilised, more can be done to improve access to financial services and consumer financial education.

According to the data presented in the report, empowerment financing has outperformed, but this may indicate that a review of the targets is necessary given the outperformance.

**Do you believe that the current scorecard (points and targets) are still an effective tool for measuring and implementing transformation in the sector?**

During the FS Code review process, various aspects that could increase the efficacy of the scorecard for measuring and implementing transformation were discussed and debated in detail. Specific areas where SAVCA felt the scorecard could be improved related to BBGF funding for the private equity industry as well as enhancements to the ESD pillar, including the definition of an ESD fund and the Benefit Factor Matrix, among others.

### **Are there any specific elements that you believe should be prioritised over and above the existing priority elements?**

As part of the FS Code review process and ongoing discussions, elements that need to be prioritised have already been discussed and debated in detail.

### **In terms of legislation, what do you think should be done if transformation/B-BBEE imperatives are to be met?**

Harmonisation of legislation and reporting among the sectors and sub-sectors will go a long way to obtain accurate data to determine progress and impact.

### **What other mechanisms can be incorporated in legislation to ensure that jobs are created and SMMEs are developed over and above what is embedded in the current legislation?**

SAVCA is part of an ecosystem consortium that is advocating for the development of a Start-up Act for South Africa. Kindly find more information contained in the position paper with recommendations that could positively impact job creation and support growing SMMEs.

The position paper lists a series of interventions such as tax breaks and incentives to encourage investment, removal of regulatory barriers and hurdles that stifle the growth of start-ups.

### **Are there any additional comments that you would like to make with respect to transformation?**

Achieving transformation objectives in South Africa is paramount. SAVCA remains committed to playing a positive contributing role in this regard.

## **FINANCIAL INTERMEDIARIES ASSOCIATION (FIA)**

### **What is your general view of the performance of the Financial Sector in the measured period?**

The FIA is unable to comment on the performance of the Financial Sector as we do not request or keep records of member transformation. The data received from the Department of

Employment and Labour points to the poor economic growth in the country over the past few years. This has affected the industry's ability to improve transformation efforts. Furthermore, a lack of understanding how to transform influence the rate of transformation.

There have been engagements with the Regulator who has requested similar information from the FIA. The Regulator is in the process of appointing an entity to conduct the relevant research.

### **What are the areas that you believe have been done well in terms of transformation?**

The collaborative work in the industry between INSETA, insurers and intermediaries has fully supported the internship and learnership programmes that assist in bringing in new BEE administrative and sales skills into the industry and thus created employment.

Some corporate entities and independent brokers have created internal development programmes to attract new entrants to the market, while others have rolled out enterprise development programmes to coach, mentor and assist Black FSPs. In addition to financial assistance, they provide practice management and technical support to developing brokers. However, very few of these learners are being absorbed into the industry, which is a concern.

Many take up employment with larger insurers and banks as opposed to the distribution channel, possibly due to financial security. This affects SMMEs and entrepreneurs, where the main source of income is commission. Intermediaries cannot compete with larger entities in respect of salaries.

More experience is required than in other areas in the sector in order to successfully operate as an intermediary.

### **What are some of the challenges that the sector and or specific sub-sector have faced when trying to address transformation issues?**

Over the past decade the South African economy has contracted significantly. This has limited the ability of the financial services industry to grow, spend more money on transformation and create more jobs. The overall high levels of joblessness have also limited the market for non-bank financial services, thereby exacerbating the problem.

The pandemic that hit us towards the end of the reporting period also resulted in many of the gains of the past years being undone. Not only did it result in many job losses, but it also curtailed many of the other broad-based empowerment projects.

Although the pandemic has increased the speed of digitisation, it has already been a disruptor in the financial services sector for a number of years prior to the pandemic. Not only does Fintech rate as a threat to the intermediaries that form the membership of the FIA through disintermediation, but it also limits the growth in the current labour force of all financial services.

While we believe that digitisation will in future result in more jobs being created and many intermediaries becoming holistic financial coaches to their clients, it will again require more critical skills that the industry lacks. From a procurement perspective, the industry is reliant on IT systems to aid the business and assist with compliance. Due to the limited skills in this area, providers often have to resort to international systems, which affects transformation.

A lack of critical skills is at this stage the biggest challenge the industry faces. The latest results from the Department of Education again highlights the fact that most school leavers lack the skills required by business, and therefore limits the number of candidates considering entering the financial services industry. While significant resources are being poured into upskilling these candidates, it lengthens the timeline considerably and does not address many of the required skills.

The rise of Black entrepreneurs, which can partly be attributed to the success of enterprise development projects, has had an unintended consequence of drawing some of the limited number of skilled employees from the incumbent players to create their own businesses, thereby reducing the transformation within the incumbents.

### **Intermediary market**

Intermediaries only earn commission on their sales. In the absence of sales, they get no remuneration. Due to the complexity of the industry, it takes intermediaries on average five years to build a sufficient income stream on which to survive. This lack of income security limits the attractiveness and ability to vest new intermediaries.

Due to the high mandatory qualifications, including specific regulatory exams, people who qualify to become intermediaries also have many other positions to choose from. These high qualification requirements also make it difficult to accommodate school leavers.

Add to this the additional skills required to build relationships with clients and the complex regulatory landscape, and the table is set for battling to appoint new intermediaries.

Finally, the level of literacy in the target market also limits the ease in creating a client base and therefore significantly increases the cost to vest new intermediaries.

In addition to the above, the following may also be seen as inhibitors to new entrants into the market:

- The volume of regulation as well as the complexity creates uncertainty. Furthermore, dual and sometimes conflicting regulations in some sectors, for example health, lead to greater complexity and uncertainty.
- FAIS conflict of interest provisions, although expanded, still limit the ability of business to support Black representatives.
- High regulatory start-up costs, for example application fees and licensing fees (FSCA, CIPC, CMS etc.) make it difficult to start a new business.
- Ongoing FSCA levies, which will be further increased by the Levies Bill, working capital and liquidity requirements under FAIS BN 194, as well as the cost of professional indemnity cover required by the General Code of Conduct make the ongoing cost of business a challenge.

### **Based on our findings none of the sub-sectors achieved MC targets. What are some of the solutions proposed to improve on Management Control?**

Due to the highly technical nature of the industry, the qualifications, additional skills and expertise required, most senior management positions are filled by targeting senior managers from competitors.

To successfully solve Management Control, the industry, together with Labour and Government, will need to create a development pipeline for all the critical and scarce human resources needed within the Financial Services Sector.

What is required is a career path that commences at primary school level and not only when a person graduates from a tertiary institution. If we do not solve the problem, the symptoms will continue for years to come.

A further concern is the lack of movement at senior management level. This frustrates the new entrants to the market. In the absence of business growth where additional senior positions could be made available, retirements or resignations are the only opportunities for new entrants.

Statistics over the past three years indicate that there has been less than 5% movement of White employees in the sector, compared to the movement of ACI employees which was above 15%. There should be a focus on retaining those important skills (for example consulting), without hindering opportunities for ACI candidates to start occupying senior positions.

### **What recommendations or interventions can you suggest in addressing the transformation challenges you have identified?**

We believe that a solution will not be developed by one constituency alone. It will require a combined partnership from all. The starting point, however, is to address the economy, which will result in employment growth. With the economy in its current state, there is no job creation and this results in a lack of transformation. Without job creation there is no transformation.

The first step to a successful economy is to have a fully functioning and effective government that will enable and assist in building strategies to grow us to our full potential.

Specifically in relation to the challenges posed by the regulatory burden, we propose:

- Regulators (for example, FSCA, CMS, FSTC) to offer more guidance and support for SMMEs.
- Regulatory training by the regulators for the SMME market in partnership with various associations and professional bodies.
- Further amendments to the FAIS provisions to allow for greater investment into black intermediaries and not just black FSPs.
- Acknowledgement/credit for those entities that develop

Black talent, even though that talent might eventually leave to start their own businesses, for example, Black asset managers who leave employers to start their own funds.

- Reduced fees for SMMEs to start up and obtain new licences.
- Outcome-based regulation as proposed in the Conduct of Financial Institutions (COFI) Bill to be implemented sooner rather than later which introduces a proportional approach to the application of regulation.
- Review of financial soundness requirements to determine level of risk for SMME's.
- Regular review of the efficacy of legislation by government to determine whether or not it is actually delivering the desired outcomes, and a willingness to change legislation if found to not be meeting requirements.

### **Do you believe more can be done to improve transformational impact: YES/NO?**

Yes.

### **If yes, what specific interventions are required to ensure there is impact across the implementation of all the elements in the sector?**

The success of transformation lies not within the hands of a company or even business as a whole. What is required, is a combined effort from all the role players (industry and government) to work towards developing a talent pool for the financial services industry.

One of the areas of concern is the country's education system, and not so much the curriculum. The influence of teachers' unions often results in the focus being shifted from learners' needs to battles with employers.

Another concern is that the industry, especially smaller businesses, might not know how to transform. As it is, transformation is theoretical, but its practical application, that is how to implement it, including the benefits and impact it could have if pursued correctly, is not fully understood.

The FIA focuses on what is within its control, which is to highlight the incentives and provide training to our constituents. It is further proposed that transformation be part of the scorecard of the CEO, and not only be focussed on profit and growth.

**Do you believe the unique elements to the FSC, that is empowerment financing, access to financial services and consumer financial education are being appropriately utilised to advance transformation. If you had to change anything regarding the implementation of these elements what would that be?**

Empowerment financing and access to financial services are not applicable to us. We, therefore, cannot provide comment on the effectiveness of this. Consumer financial education is, however, critical in solving many of the challenges we currently face. Given all the investments currently directed towards financial education, we do not believe we are achieving our goals. Financial education as it is presently conducted should be reconsidered.

**Do you believe that the current scorecard (points and targets) are still an effective tool for measuring and implementing transformation in the sector?**

The cost of compliance with the FSC scorecard should not be underestimated for smaller businesses. The problem is that the size of businesses is measured by their turnover. This is not an accurate measurement, especially in the case of intermediaries. Turnover here includes all commission paid out to intermediaries. The only actual income of the business is the overriding commission it earns. Intermediary businesses are, in fact, up to 10 times smaller than the size indicated by their turnover.

The level of differentiation in these SMMEs also makes it extremely difficult to comply with the FSC scorecard. If these costs are added to all the other regulatory costs, transformation becomes prohibitively expensive.

As highlighted previously, the FS Code is not easy to understand. The scorecard is a compliance requirement to some as opposed to an incentive or a tool that measures impact.

For larger enterprises, the FS Code should work if solutions to the transformation blockages are found, and would, in turn, lead to the correct measurements on the scorecard. If industry is of the opinion that it is impossible to achieve the targets due to the blockages, no measurement system will make a difference.

**Are there any specific elements that you believe should be prioritised over and above the existing priority elements?**

No. It is important to note our main comment about transformation. Successful transformation requires a joint effort by Business, Labour and Government. One aspect of transformation should not be treated as more or less important than another.

**In terms of legislation, what do you think should be done to meet transformation/B-BBEE imperatives?**

- a. Targets
- b. Indicators
- c. Areas of mandatory reporting
- d. Any new additions

We do not believe a change in legislation pertaining to the B-BBEE scorecard and its measurement will improve transformation in South Africa. The problem is not with the measurement or scoring. The solution, therefore, is solving the problems and/or blockages that hold transformation back.

From an FIA perspective, more support could be provided to our constituents in understanding how to transform.

**What other mechanisms can be incorporated into legislation to ensure that jobs are created and SMMEs are developed over and above what is embedded in the current legislation?**

We believe the intermediary space is one of the gateways to the development of SMMEs and by the functions they perform, access to financial services and financial education. Please see our responses in relation to question 5.

The FIA is, however, concerned that there is a disconnect between what is expected from the industry and how it actually operates. There should be collaboration between industry, regulators and government for them to better understand our unique challenges and realities. The intention to transform is there, but the realities make it extremely difficult to comply with specific provisions.

We wish to reiterate that if businesses do not grow, there's not necessarily a need for more positions, especially senior appointments within an entity. Government has an active role to play in stimulating economic growth, which will, in turn, ensure growth within the industry.

## **THE ASSOCIATION OF BLACK SECURITIES AND INVESTMENT PROFESSIONALS (ABSIP)**

### **What is your general view of the performance of the Financial Sector in the measured period?**

The B-BBEE Financial Sector targets and B-BBEE targets must be based on race and gender demographics. The B-BBEE targets have been set well below the population demographics, just like putting the pass mark of 25%, which is far below the Black population of 90%. The real lived experience of Black people is that while there may have been some progress in transformation, it is, however, misleading to say it is enough as the targets and bar have been set too low.

### **What are the areas that you believe have been done well in terms of transformation?**

The targets have been set too low, so it is difficult to provide a compliment considering a 25% pass mark and a sector that has effectively set the exams for itself.

### **What are some of the challenges that the sector and/or specific sub-sector have faced when trying to address transformation issues?**

As a Financial Sector participant, we have not had difficulties in achieving set targets. In fact, we have reached targets that are very close to population demographics and achieved the gender demographic of 50%.

### **Based on our findings, none of the sub-sectors achieved Management Control targets. What are some of the solutions proposed to improve these targets?**

There should be consequences for not achieving the low targets set. Naming and shaming, ability not to do business with government, and SOE's will only partially address a potential solution.

The DoEL should implement race and gender demographic targets, name and shame the non-compliant and poorly rated entities. The DoEL should apply and collect penalties on the size of the annual payroll of the entity.

### **What recommendations or interventions can you suggest to address the transformation challenges you have identified?**

The population race and gender demographics must be set as the targets to be achieved by 2025. Not achieving targets should have consequences.

### **Do you believe more can be done to improve transformational impact: YES/NO?**

Yes.

### **If YES, what specific interventions are required to ensure there is impact across the implementation of all the elements in the sector?**

The population race and gender demographics must be set as targets to be achieved by 2025. Not achieving targets should have consequences.

### **Do you believe the unique elements to the FSC, that is, empowerment financing, access to financial services and consumer financial education are and have been appropriately utilised to advance transformation? If you had to change anything regarding the implementation of these elements, what would that be?**

Recently, very little Empowerment Financing transactions have been done. Most of it are legacy transactions. Access to financial services has given the Financial Sector 10 or 12 free B-BBEE points each year for growing the market size, which they should have done anyway. There's no need to reward a fish for swimming. Access to financial products should be removed from the B-BBEE scorecard.



**Do you believe that the current scorecard (points and targets are) still an effective tool for measuring and implementing transformation in the sector?**

Changing the targets to population race and gender demographics, tightening and removing loopholes will help the transformation effort.

**Are there any specific elements that you believe should be prioritised over and above the existing priority elements?**

None.

**In terms of legislation, what do you think should be done if transformation/B-BBEE imperatives are to be met?**

- a. Targets: Targets must be race and gender populations demographics.
- b. Indicators – Not sure what is meant here.
- c. Areas of mandatory reporting: Must be made mandatory.
- d. Any new additions: Procurement must include the local production and local labour criteria and elevated as a high priority element.

**What other mechanisms can be incorporated into legislation to ensure that jobs are created and SMMEs are developed over and above what is embedded in the current legislation?**

The proposed Black Business Growth Fund (BBGF) guidance note will help encourage funding for SMMEs.

A sandbox approach to limit start-up and related costs as well as compliance requirements would assist smaller entities to enter the market.

Legislation should make provision for larger corporate entities

to provide more support to SMMEs to grow, with the necessary acknowledgement or incentives.

**Are there any additional comments that you would like to make with respect to transformation?**

It is imperative that stakeholders such as the FSTC, FSCA and INSETA perform their roles in supporting the industry to transform.

**Are there any additional comments that you would like to make with respect to transformation?**

None.



## LITERATURE REVIEW

### An aerial view of transformation in the Financial Services Sector

This section is aimed at reviewing published transformation reports that have also been considered during the period under review. For the purposes of this comparative analysis, the FSTC has set its focus on the B-BBEE Commission 2020 National State of Transformation and Trend Analysis Sectoral Report, 2020 Sanlam Gauge Report as well as The Banking Association South Africa Transformation 2020 Report.

### B-BBEE Commission 2020 National State of Transformation and Trend Analysis Sectoral Report

The B-BBEE Commission Trend Analysis Sectoral Report (B-BBEE Commissions report) published in 2020 measures the performance of various sectors, including the Financial Services Sector for the financial year ended 31 December 2019, and is, therefore, more comparable to the 2018/19 section of the FSTC report that looks at the performance for the year ended 30 November 2019.

According to the findings contained in both reports, the B-BBEE Commission's report indicates a decline in the sector's performance in meeting the prescribed ownership targets while the FSTC report depicts marginal improvements across all sub-sectors. The FSTC's State of Transformation Annual Report (SoTAR) illustrates an improvement of the sector in meeting the Management Control targets while the B-BBEE Commission report records a decline for the overall sector's performance.

Both reports highlight the sector's need to accord additional measures towards meeting its transformation initiatives on Management Control.

As detailed in both reports, none of the sub-sectors met the prescribed Skills Development targets. However, the reports referenced the notable improvement in the sector's performance in meeting the determined Skills Development targets, with a regression in the Short-term Insurers and Other Institutions as entailed in the FSTC report.

Furthermore, the B-BBEE Commission's report details that the sector has not met the prescribed Socio-Economic Development targets, whereas the findings in the FSTC report illustrate that most sub-sectors met the determined targets, with some sub-sectors, namely Life Offices and Other Institutions, slightly falling below the Consumer Education target.

A comparative analysis could not be concluded on the sector-specific elements, namely Empowerment Financing, Enterprise and Supplier Development and Access to Financial Services, as they are excluded from the B-BBEE Commission report.

### Sanlam Gauge Report

The Sanlam Gauge Report (SGR), published in 2021, is the continuation of the measurement of the work of the sector towards the achievement of B-BBEE targets. The report provides a more defined outlook of how industries within South Africa are contributing towards achieving the transformation mandate.

The Sanlam Report is similar to the SoTAR in terms of some of its findings on the performance of the sector, with both reports indicative of notable areas of improvement as well as concerning areas of regression. All of this points to the centrality of the Financial Sector and its key role towards accelerated growth and realisation of an inclusive and growing economy.

The SGR highlighted a concern relating to the supposed box-ticking approach as well as the outright fronting adopted by the sector, which has contributed towards a misrepresentation of the true performance of the sector. This, as indicated in the report, remains a challenge as the sector cannot meaningfully measure the pace of transformation at a granular level.



This can be likened to the limitations as contained in the FS Code, which focuses on the acknowledgment of points without impactful interventions. It can also be equated to the absence of a standardised reporting framework, and both these aspects resulting in a distorted view of the sector's efforts to transform. The glaring findings in both the SoTAR and the SGR indicate that the sector has not met the determined targets for all priority elements.

For the periods under review, none of the sub-sectors have met the targets, including the Skills Development targets, which have also contributed towards the Management Control targets not being met for the periods under review to achieve holistic transformation.

## The Banking Association South Africa Transformation Report 2020

The Banking Association South Africa Transformation (BASA) Transformation in Banking Report, which was published in 2021, provides a detailed overview of the progress the sub-sector has made towards meeting the prescribed FS Code targets.

The BASA Report, as well as the SoTAR, illustrate the underperformance of the sector in meeting the prescribed ownership targets for the 2018/19 measurement period as the comparison can only be performed against the 2019 BASA data as contained in their report, which details performance of the banking sector in the preceding three years. Both reports detail the achievements of the sector as well as the elements that require the implementation of sound pro-transformational strategies.

According to the FSTC report, although the Banks did not meet the determined ownership targets, there was a realised regression for the 2019/20 measurement period. This is in contrast with the BASA report, which details that the banking sector remained above the prescribed ownership target. In light of this, the FSTC is cognisant that some Banks had to be excluded from the ownership in-depth analysis as the manner in which the data was presented on the scorecard hampered the ability to conduct such an analysis.

The BASA report records an improvement towards the banking sector's initiatives in meeting targets for Management Control while the FSTC report depicts a slight increase towards meeting Management Control targets. This is indicative of the sub-sector's efforts towards meeting the Management Control targets.

There is generally an increase in the Skills Development spend for Black people although the FSTC report notes some decline spend towards the skilling of Black women in certain categories of management. The BASA report illustrates a decline in the spending for Socio-economic Development while the FSTC report may provide an impression that there is an increase in this regard. This is due to the Socio-Economic Development being combined with Consumer Education. Further analysis shows a decline in Socio-economic Development and a sharp increase in the Consumer Education spend.

The BASA report details that the banking sector is exceeding its targets on Preferential Procurement while the FSTC report records that, although the banking industry is achieving the determined targets on certain indicators, there are still areas that require more intentional efforts in order to meet the targets.

According to the BASA report, the banking sector remains above the empowerment financing targets although the sector has slowed down on its intentionality towards the advancement of more initiatives within this space. The report notes that "... empowerment financing has fallen but remains well-above target".

This is telling of the FSTC's report finding as it details that Banks that reported on the percentage performance illustrate an increase within the Targeted Investments and a decline in BBGF/Transaction Financing with the Banks that reported in rand amounts, in that way indicating a regression in both Targeted Investments and BBGF/Transaction Financing.

In conclusion, central to all three reports is the urgent implementation of sound sector initiatives that are geared towards economic emancipation, financial inclusion, inclusivity and intentionally meeting the determined targets and moving beyond the scorecard.





## Conclusions and Recommendations

It is evident that while the Financial Sector continues to evolve with the implementation of transformative measures, the economic challenges remain largely unchanged and require a renewed consciousness and commitment towards a transformed and inclusive economy.

Although the report is indicative of slight improvement when comparing the performance of the previous measurement periods, emphasis should be placed on adopting progressive mechanisms that do not only prioritise the achievement of the prescribed targets but also promote moving beyond the scorecard.

The findings of the report indicate that there are pockets of progress as well as areas of regression, and the sector is urged to apply an appropriate theory of change that will address the cited limitations and allow for a renewed commitment and consider qualitative measures towards effective transformation. This principle is in line with some of the constituencies' views, in particular SAVCA, ABSIP and FIA .

With the Council's mandate, it is, therefore, integral for the sector to reflect on its efforts towards transformation imperatives as its constituencies, together with government, have a shared responsibility to contribute to the holistic change of the economy as the Financial Sector is the central driver of change in various industries and sitting at the core of this process is the review of the FS Code to fulfil its outstanding commitments. Moreover, the standardisation of the reporting framework is essential to mitigate the limitations and present a more accurate and transparent report.

The above recommendations are paramount to the transformation agenda and indicative that the sector has the ability and drive to step more rapidly into a forward-looking and positive paradigm towards a win-win approach to implement pro-transformational sustainable strategies. Furthermore, accelerated transformation is achievable through sound sector collaborative measures as well as enhanced stakeholder engagements.

## List of Acronyms/Abbreviations

ABSIP	Association of Black Securities and Investment Professionals
AFS	Access to Financial Services
ASISA	Association for Savings and Investment South Africa
AQPs	Access Qualifying Products
BASA	Banking Association of South Africa
BATSETA	Council of Retirement Funds South Africa
B-BBEE	Broad-Based Black Economic Empowerment
CoGP	Codes of Good Practice
DFIs	Development Finance Institutions
DTIC	Department of Trade, Industry and Competition
EAP	Economically Active Population
ED	Enterprise Development
EF	Empowerment Financing
EME	Exempted Micro Enterprise
ESOP	Employee Share Ownership Programme
FIA	Financial Intermediaries Association
FS CODE	Amended Financial Sector Code
FSC	Financial Sector Code
FSCC	Financial Sector Campaign Coalition
FSTC	Financial Sector Transformation Council
IBA	International Bankers' Association
IFA	Independent Financial Advisors
NEDLAC	National Economic Development and Labour Council
NPAT	Net Profit After Tax
PP	Preferential Procurement
QSFI	Qualifying Small Financial Institution
QSE	Qualifying Small Enterprise
SAIA	South African Insurance Association
SD	Supplier Development
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SED	Socio-economic Development
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro Enterprise
SoTAR	State of Transformation Annual Report
STATA	Software for Statistics and Data Science
TMPS	Total Measured Procurement Spend

## Constituencies that serve at various Governance Structures of the FSTC



**Appendix A:** List of measured entities that were granted exemption to report as a group

Group	No. of Subsidiaries	Associated Industries
<b>2018/19 Measurement period</b>		
ABSA	19	Banking
Alexander Forbes Group	8	Asset Managers
Citigroup	2	Banking
JP Morgan	2	Banking
MMH	69	Asset Managers
Nedbank	11	Banking
NMS Insurance	9	Insurance Services
SAHL Investment Holdings	3	Long-term & Short-term Insurance
SBG Securities	1	Asset Consultants
Simeka Consultants & Actuaries	1	Asset Consultants
Standard Bank	30	Banking
Group	No. of Subsidiaries	Associated Industries
<b>2019/20 Measurement Period</b>		
Abacus Life	2	Long-term Insurance
Capfin & Tenacity	2	Financial Service Provider
Citigroup	2	Banking
First Rand	11	Banking
Guardrisk	1	Captive Insurance
Hannover Re	4	Re-Insurance
Nedbank	11	Banking
Professional Provident Society	3	Long-term Insurance
Sanlam	124	Long-term Insurance
Santam	20	Short-term Insurance

**Appendix B:** List of measured entities that were granted exemption from Access to Financial Services

Entity	Associated Industry
China Construction Corporation Johannesburg Branch	Bank
Chubb Insurance	Banking
Credit Guarantee Insurance Corporation	Short-term Insurance
Investec Ltd	Insurance
Professional Provident Society	Banking
Sasfin Holdings	Long-term Insurance
	Banking

**APPENDIX C:** Entities that submitted completed B-BBEE reports

This list below comprises measured entities that submitted their B-BBEE reports in the prescribed framework.

27four Investment Managers (Pty) Ltd	Mercedes Benz Financial Services SA
Absa Bank Ltd	Mergence Investment Managers
Adcorp Support Services	Midbay Motors
AECI Captive Company Insurance Ltd	Milliman
Aegis Outsourcing SA	MMH Holding Company Ltd
Aeon Investment Management	Motus Holdings
African Bank Ltd	Navigare Securities
AIG South Africa Ltd	Nedbank Bank Ltd
Albaraka Bank Ltd	Nedgroup Retirement Funds
Alexander Forbes Group Holding Ltd	NFB Private Wealth Management
Alexander Forbes Group Holdings	Ninety-One Ltd
Alusi Asset Management	Nvest Securities
Aluwani Capital Partners	O'Keefe & Swartz Consultants
Aragon Asset Management	Old Mutual Insure
ASI Financial Services	Old Mutual Ltd
Assupol Life Ltd	OUTsurance Holding
Benguela Global Fund Managers	OUTsurance Insurance
Betterlife Distribution Services	OUTsurance Life Insurance
Bidvest Bank Ltd	Peresec Derivatives
Bidvest Insurance	Polar Star Management
Blue Quanta Risk Management	PPS Holdings
BMW Financial Services	PPS Insurance
BNP Paribas Johannesburg	Prescient Fund Services
BNP Paribas Personal Finance SA	Prescient Investment Management
Bryte Insurance Company Ltd	PSG Group Ltd
Bryte Life Insurance	PSG Konsult
Capfin South Africa	Public Investment Corporation
Capitec Bank Ltd	QED Actuaries and Consultants
Cargill RSA	Rand Merchant Investment
Caterpillar Financial Services	Safire Insurance
CCA Insurance Brokers	SAHL
Chartered Employee Benefits	Sanlam Ltd
Cims South Africa	Santam Insurance
CitiBank South Africa	SATIB Insurance Brokers
Coface South Africa Insurance Company	Seed Investment
Commercial & Industrial Acceptances	Sentraal Suid Co-Operative
Conduit Capital Ltd	Sesfikile Capital
Consolidation of Hollard Insurance	Shield Life Insurance
Contract Forwarding	Sirago Underwriting Managers
CSS Credit Solutions Services	Small Enterprise Finance Agency

Deutsche Bank Ag: South Africa Operations	Standard Bank of South Africa Ltd	
Discovery Bank Ltd	Sygnia Asset Management	
Discovery Insure	Sygnia Ltd	
Discovery Life	Taquanta Investment Holdings	
Discovery Ltd	Telesure Investment Holdings	
ECIC	The Healthcare Solutions Company	
Edge Capital	The Smart Life Insurance Company	
Edge Growth Ventures	Towers Watson	
Efficient Financial Services	Trafalgar Financial Services	
Ethos Private Equity	TransUnion Credit Bureau	
Europe Assistance Worldwide	Truffle Asset management	
Fairheads Benefits Services	TSA Administration	
Fairheads Umbrella Beneficiary Fund	University of Cape Town Retirement Fund	
Fairtree Asset management	Value Capital Partners	
FFS Financial SA	Viva Life Insurance	
Finrite Administrators	Vodacom Group Ltd	
FirstRand Ltd	Volkswagen Highlands	
Foord Asset Management	Vunani Fund Managers	
General Reinsurance	Vunani Ltd	
Generic Insurance	Zarclear Securities	
Grindrod Bank Ltd		
Hannover Reinsurance Group	The number of submissions below encompasses all the measured entities that submitted valid affidavit.	
HDI Global		
Hellmann Worldwide Supply		
HLAC & HSL		
Hollard Insure		
Hollard Life	Affidavits	2018/19
Hollard Specialist Insurance	EME	2493
Hollard Specialist Life	QSE	158
HSBC Bank Plc, Johannesburg		
HW Brokers	Affidavits	2019/20
IDA Risk Management	EME	1393
Iemas Financial Services	QSE	122
Indwe Risk Services		
Infiniti Insurance		
Insight Actuaries		
Intasure		
IP Management Company		
IUA Business Solutions		
Jardine Lloyd Thompson		
JP Morgan South Africa		
Just Retirement Life		
Kagiso Asset Management		
Kapara Insurance Brokers		

Kganya Insurance Administrators	
King Price Insurance	
Knife Capital	
Kula Partners	
Laurium Capital	
Liberty Holdings Ltd	
Lion Oof Africa Life Assurance	
Maitland Group SA	
MAN Financial Services	
Marsh Proprietary	
Matrix Fund Managers	
Mazi Asset Management	

**APPENDIX D:** Entities that submitted B-BBEE Certificate and/or B-BBEE scorecards.

The list below encompasses measured entities that partially submitted their B-BBEE report.

36ONE Asset Management	Nvest Financial Holdings Ltd
Abax Investment (Pty) Ltd	Oasis Controlling Company (Pty) Ltd
AECI Captive Insurance Company	Old Mutual Assurance
Alexander Forbes	Old Mutual Insure
Allan Gray (Pty) Ltd	Old Mutual Investment Group holding (Pty) Ltd
ASI Financial Services	Peresec Prime Brokers
AU Administration	Prescient Fund Services
Avbob Mutual Assurance	Prescient Holdings
Bank of China	Prescient Investment
BNP Paribas	Prescient Securities
Cannon Asset	Prudential
CC&A Insurance Brokers	PSG Konsult
City of Johannesburg Pension Fund	Sanlam Umbrella Pension Fund
Coface South Africa	Sanlam Ltd
Commercial & Industrial	South African Reserve Bank Retirement Fund
Consideration of Hollard Insurance	Sesfikile Capital (Pty) Ltd
Curo Fund Services (Pty) Ltd	Standard Chartered – Johannesburg branch
DMC Debt Management	Telesure Investment Holdings (Pty) Ltd
De Beers Pension Fund	The Insurance Institute of South Africa
Durban Pension Fund	Sesfikile Capital (Pty) Ltd
Edge Capital (Pty) Ltd	The Long-Term Insurance Ombudsman Association
EOH Holdings Ltd	The Ombudsman for Short Term Insurance
Fulcrum Collect	TFG Retirement Fund
Future growth Asset Management (Pty) Ltd	Toyota South Africa Pension Fund
Germiston Municipal Retirement Fund	Up-Front Investment 167
Healthcare Solutions Company	Unilever SA Pension Fund
Hollard Insure	Vunani Fund

Hollard Specialised	VWSA Pension Fund
Investec Bank Ltd	Woolworths Group Retirement Fund
ISASA Pension Scheme	
Joint Municipal Pension Fund	
Kganya Insurance Administration	
Mettle Ltd	
National Risk Managers	
Novare Holdings	

**APPENDIX E:** Entities that did not submit B-BBEE report in terms of CoGP Schedule 1\*

AECI Defined Contribution Pension Fund	North-West University Pension Fund
AECI Employees Pension Fund	Pensioenfonds Van Die Universiteit Van Die Vrystaat
Altron Group Pension Fund	Phumula Retirement Fund
Arcelormittal South Africa Pension Fund	Pick n Pay Contributory Provident Fund
Auto Workers Provident Fund	Political Office-Bearers Pension Fund
Bidvest South Africa Pension Fund	Post Office
Cape Joint Municipal	PRASA Provident Fund
Chemical Industries National Provident Fund	Private Security Sector Provident Fund
Consolidated Fund for Local Government	Rand Water Provident Fund
CSIR Pension Fund	Retail Provident Fund
Denel Retirement Fund	Retirement-Online Pension Fund
EDCON Provident Fund	Retirement-Online Retirement Fund
EJOBURG Retirement Fund	SAB Provident Fund
Engen Pension Fund	SABC Pension Fund
Eskom Pension and Provident Fund	SACCAWU National Provident Fund
FNB Pension Fund	Sanlam Staff Umbrella Pension Fund
Fundsatwork Umbrella Pension Fund	Sasol Pension Fund
Fundsatwork Umbrella Provident Fund	Sentinel Retirement Funds
Glencore Provident Fund	South African Local Authorities Pension Fund
Government Employee Pension Fund	Standard Bank Group Retirement Funds
Impala Workers Provident Fund	Sun International Provident Fund
Imperial Group Provident Fund	The Consolidated Retirement Fund for Local Government
Implats Pension Fund	The M Retirement Fund
Independent Schools Association of Southern Africa Pension Scheme	The Soweto City Council Pension Fund
Investec Group Provident Fund	The Transport Sector Retirement Fund
Iscor Employees Umbrella Provident Fund	Tongaat Hulett Pension Fund 2010
La Retirement Fund	Transnet
Liberty Provident Fund	Tshwane Municipal Pension Fund
Life Healthcare Provident Fund	Tshwane Municipal Provident Fund
Masakhane Provident Fund (1998)	Universiteit Van Stellenbosch Aftrede Fonds
Massmart Provident Fund	University of KwaZulu-Natal Retirement Fund



Media24 Retirement Fund	University of Pretoria Pension Fund
Mediclinic Retirement Fund	University of Pretoria Provident Fund
Metal & Engineering Industries	University of South Africa Retirement Fund
Mineworkers Provident Fund	University of The Witwatersrand Retirement Fund
Mondi Mpaact Group Fund Provident Section	Vodacom Group Pension Fund
Motor Industry Provident Fund	
Municipal Councilors Pension Fund	
Municipal Employees Pension Fund	
Municipal Gratuity Fund	
Municipal Gratuity Fund	
Municipal Workers' Retirement Fund	
Natal Joint Municipal	
National Fund for Municipal Workers	
National Tertiary Retirement Fund	
NBC Umbrella Retirement Fund	
Nestle Defined Benefit Pension Fund	
Netcare 1999 Provident Fund	
NMG Umbrella Smartfund (Provident Section)	

**APPENDIX F:** List of subsidiaries falling under the respective measured entities who were granted exemptions to report as part of the group.

Absa	49	<ol style="list-style-type: none"> <li>1. Absa Bank Ltd</li> <li>2. Absa Life Ltd</li> <li>3. Absa Insurance Company Ltd</li> <li>4. Absa Financial Services Ltd</li> <li>5. Absa Alternative Asset Management (Pty) Ltd</li> <li>6. Absa Asset Management (Pty) Ltd</li> <li>7. Absa Capital Securities (Pty) Ltd</li> <li>8. Absa Development Company Holdings (Pty) Ltd</li> <li>9. Absa Financial Services Africa Holdings (Pty) Ltd</li> <li>10. Absa Fleet Services (Pty) Ltd</li> <li>11. Absa Fund Managers (RF) (Pty) Ltd</li> <li>12. Absa idirect Ltd</li> <li>13. Absa Insurance and Financial Advisers (Pty) Ltd</li> <li>14. Absa Insurance Risk Management Services Ltd</li> <li>15. Absa Investment Management Services (Pty) Ltd</li> <li>16. Absa Ontwikkelingsmaatskappy Eiendoms Beperk</li> <li>17. Absa Property Development Proprietary Ltd</li> <li>18. Absa Secretarial Services (Pty) Ltd</li> <li>19. Absa Stockbrokers and Portfolio Management (Pty) Ltd</li> <li>20. Absa Technology Finance Solutions (Pty) Ltd</li> <li>21. Absa Trading and Investment Solutions Holdings (Pty) Ltd</li> <li>22. Absa Trading and Investment Solutions (Pty) Ltd</li> </ol>
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		<ul style="list-style-type: none"> <li>23. Absa Trust Ltd</li> <li>24. Absa Vehicle Management (Pty) Ltd</li> <li>25. Absa Vehicle Management Solutions (Pty) Ltd</li> <li>26. ABSAN (Pty) Ltd</li> <li>27. AIMS Nominees (RF) (Pty) Ltd</li> <li>28. Alberton Industrial Properties (Pty) Ltd</li> <li>29. Allied Development Company (Pty) Ltd</li> <li>30. Barrie Island Property Investments (Pty) Ltd</li> <li>31. Blue Age Properties 60 (Pty) Ltd</li> <li>32. Compro Holdings (Pty) Ltd</li> <li>33. Diluculo Investments (Pty) Ltd</li> <li>34. Diluculo Property Trading (Pty) Ltd</li> <li>35. Fradey Nominees (RF) (Pty) Ltd</li> <li>36. Goldreef Village Share Block Ltd</li> <li>37. Instant Life (Pty) Ltd</li> <li>38. Lekkerleef Eiendoms Beperk</li> <li>39. Marmanet Retirement Village (Pty) Ltd</li> <li>40. Merfin (Pty) Ltd</li> <li>41. NewFunds (RF) (Pty) Ltd</li> <li>42. Ngwenya River Estate (Pty) Ltd</li> <li>43. Nkwe Rosslyn Properties (Pty) Ltd</li> <li>44. Pienaarsrivier Properties (Pty) Ltd</li> <li>45. Roodekop Townships (Pty) Ltd</li> <li>46. United Towers (Pty) Ltd</li> <li>47. 1900 Summerstrand Share Block Ltd</li> <li>48. Woolworths Financial Services (Pty) Ltd</li> <li>49. Home Obligor Mortgage Enhanced Securities (RF)</li> </ul>
Alexander Forbes Group	16	<ul style="list-style-type: none"> <li>1. Alexander Forbes Life Ltd</li> <li>2. Alexander Forbes Investments Ltd</li> <li>3. Alexander Forbes Investments Administration (Pty) Ltd</li> <li>4. Alexander Forbes Investments Unit Trusts Ltd</li> <li>5. Caveo Fund Solutions (Pty) Ltd</li> <li>6. Alexander Forbes Health (Pty) Ltd</li> <li>7. Alexander Forbes Financial Services (Pty) Ltd</li> <li>8. Alexander Forbes Financial Planning Consultants (Pty) Ltd</li> <li>9. Alexander Forbes Financial Planning Consultants (Pty) Ltd</li> <li>10. Alexander Forbes Individual Client Administration (Pty) Ltd</li> <li>11. Alexander Forbes Retail Client Administration (Pty) Ltd</li> <li>12. Alexander Forbes Fiduciary Services Ltd</li> <li>13. Alexander Forbes Ltd</li> <li>14. Alexander Forbes Group Services (Pty) Ltd</li> <li>15. Alexander Forbes Health (Pty) Ltd</li> <li>16. Alexander Forbes Financial Services (Pty) Ltd</li> </ul>
Citigroup	2	<ul style="list-style-type: none"> <li>1. Citibank, N.A. Incorporated in the USA</li> <li>2. Citigroup Global Markets (Pty) Ltd</li> </ul>

JP Morgan	2	<ol style="list-style-type: none"> <li>1. JPMorgan Chase Bank N.A.: Johannesburg Branch</li> <li>2. J.P. Morgan Equities South Africa (Pty) Ltd</li> <li>3. J.P. Morgan Securities South Africa (Pty) Ltd</li> </ol>
MMH	93	<ol style="list-style-type: none"> <li>1. 102 Rivonia Road (Pty) Ltd</li> <li>2. 129 Rivonia Road (Pty) Ltd</li> <li>3. CDC Parallel Investments (Pty) Ltd</li> <li>4. C&amp;G Engineering Risk Underwriters (Pty) Ltd</li> <li>5. C&amp;G Guarantees(Pty) Ltd</li> <li>6. ERIS Investments Holdings (Pty) Ltd</li> <li>7. ERIS Property Group (Pty) Ltd</li> <li>8. ERIS Property Holdings (Pty) Ltd</li> <li>9. Gallic Hennops Park (Pty) Ltd</li> <li>10. Gamaphuteng Enterprises (Pty) Ltd</li> <li>11. Global Doctor Networks (Pty) Ltd</li> <li>12. Guardrisk Allied Products &amp; Services (Pty) Ltd</li> <li>13. Guardrisk Group (Pty) Ltd</li> <li>14. Guardrisk Insurance Company Ltd</li> <li>15. Guardrisk Life Ltd</li> <li>16. Guardrisk Premium Finance (Pty) Ltd</li> <li>17. Hawley Road Developments (Pty) Ltd</li> <li>18. Healthvybe (Pty) Ltd</li> <li>19. Kambanjani EPG(Pty) Ltd</li> <li>20. Kemparkto (Pty) Ltd</li> <li>21. Landplan Beleggings (Pty) Ltd</li> <li>22. Mall of the Northwest (Pty) Ltd</li> <li>23. Marine Underwriting Managers (Pty) Ltd</li> <li>24. Matador Building (Pty) Ltd</li> <li>25. MET Collective Investments (RF) (Pty) Ltd</li> <li>26. Metropolitan Capital (Pty) Ltd</li> <li>27. Metropolitan Health Corporate (Pty) Ltd</li> <li>28. Metropolitan Health (Pty) Ltd</li> <li>29. Metropolitan Health Risk Management (Pty) Ltd</li> <li>30. Metropolitan International Holdings (Pty) Ltd</li> <li>31. Metropolitan International Support (Pty) Ltd</li> <li>32. Metropolitan Life International Ltd</li> <li>33. Metropolitan Life Ltd</li> <li>34. Momentum Metropolitan Lending (Pty) Ltd</li> <li>35. Momentum Metropolitan ESD Trust</li> <li>36. MMI Short Term Insurance Administration (Pty) Ltd</li> <li>37. Momentum Ability Ltd</li> <li>38. Momentum Alternative Insurance Ltd</li> <li>39. Momentum Alternative Investments (Pty) Ltd</li> <li>40. Momentum Asset Management Nominees (Pty) Ltd</li> <li>41. Momentum Asset Management (Pty) Ltd</li> </ol>

42. Momentum Collective Investments (RF) (Pty) Ltd
43. Momentum Connect (Pty) Ltd
44. Momentum Consult (Pty) Ltd
45. Momentum Consultants and Actuaries (Pty) Ltd
46. Momentum Health Solutions (Pty) Ltd
47. Momentum Healthcare Distribution (Pty) Ltd
48. Momentum Insurance Administration Services (Pty) Ltd
49. Momentum Insurance Solutions (Pty) Ltd
50. Momentum Insurance Company Ltd
51. Momentum Investment Consulting (Pty) Ltd
52. Momentum Metropolitan Finance Company (Pty) Ltd
53. Momentum Metropolitan Foundation NPC
54. Momentum Metropolitan Holdings Ltd
55. Momentum Metropolitan Infrastructure & Operations (Pty) Ltd
56. Momentum Metropolitan Life Ltd
57. Momentum Metropolitan Strategic Investments (Pty) Ltd
58. Momentum Metropolitan Umhlanga (Pty) Ltd
59. Momentum Multiply (Pty) Ltd
60. Momentum OCSA (Pty) Ltd
61. Momentum Outcome-Based Solutions (Pty) Ltd
62. Momentum Property Investments (Pty) Ltd
63. Momentum Securities Nominees (RF) (Pty) Ltd
64. Momentum Securities (Pty) Ltd
65. Momentum Short term Insurance Company Ltd
66. Momentum Structured Insurance Ltd
67. Momentum Student Accommodation Impact Fund (Pty) Ltd
68. Momentum Thebe Ya Bophelo (Pty) Ltd
69. Momentum Trust Ltd
70. Momentum Wealth Nominees (Pty) Ltd
71. Momentum Wealth (Pty) Ltd
72. MPOF General Partner (Pty) Ltd
73. New Smal Construction co (Pty) Ltd
74. Parc du Cap Body Corporate
75. Providence Risk Managers (Pty) Ltd
76. SMH Land Development (Pty) Ltd
77. Southern Life Property Development (Pty) Ltd
78. Taung Square (Pty) Ltd
79. Umgeni Development 3 (Pty) Ltd
80. Umgeni Development No.4 (Pty) Ltd
81. Von Brandis Square Development Co (Pty) Ltd
82. Vulindlela Centre (Pty) Ltd
83. Zuri Property Solutions (Pty) Ltd
84. Stonewood Properties (Pty) Ltd
85. The Pinnacles at Menlyn (Pty) Ltd

		<ul style="list-style-type: none"> <li>86. Chuma Mall Proprietary Ltd</li> <li>87. MPOF Hammarsdale (Pty) Ltd</li> <li>88. Rilarex (Pty) Ltd</li> <li>89. Umgeni Development 1 (Pty) Ltd</li> <li>90. Umgeni Development 2 (Pty) Ltd</li> <li>91. Units on Park Street (Pty) Ltd</li> <li>92. MPOF General Partner (Pty) Ltd</li> <li>93. The Makro Carnival City En Commodity Partnership Hammarsdale PFC (Pty) Ltd</li> </ul>
Nedbank Ltd	12	<ul style="list-style-type: none"> <li>1. Nedbank (Pty) Ltd</li> <li>2. BoE Developments (Pty) Ltd</li> <li>3. BoE Private Client &amp; Trust Company (Pty) Ltd</li> <li>4. BoE Private Equity Investments (Pty) Ltd</li> <li>5. Oepfin Investments (Pty) Ltd</li> <li>6. Nedbank Group Insurance Holdings (Pty) Ltd</li> <li>7. Nedgroup Insurance Administrators (Pty) Ltd</li> <li>8. Nedgroup Investment 102 (Pty) Ltd</li> <li>9. Nedgroup Private Wealth (Pty) Ltd</li> <li>10. Nedgroup Investments (Pty) Ltd</li> <li>11. Nedgroup Securities (Pty) Ltd</li> <li>12. Ned Settle Services (Pty) Ltd</li> </ul>
NMS Insurance		For both years, NMS Insurance did not file their B-BBEE Reports following the approval of their group reporting exemption application.
SAHL Investment Holdings	4	<ul style="list-style-type: none"> <li>1. SAHL Insurance Company Ltd</li> <li>2. SAHL Life Assurance Company Ltd</li> <li>3. SAHL Office Park (Pty) Ltd</li> <li>4. SA Home Loans (Pty) Ltd</li> </ul>
Standard Bank Ltd	28	<ul style="list-style-type: none"> <li>1. Standard Bank Financial Services Holdings (Pty) Ltd</li> <li>2. Standard Bank Nominees (RF) (Pty) Ltd</li> <li>3. Standard Bank Insurance Brokers (Pty) Ltd</li> <li>4. Blue Managers Ltd</li> <li>5. Ecentric Payment Systems (Pty) Ltd</li> <li>6. Greystone Technologies (Pty) Ltd</li> <li>7. Diners Club SA (Pty) Ltd</li> <li>8. John Platter SA Wine Guide (Pty) Ltd</li> <li>9. FireID Payments (Pty) Ltd</li> <li>10. FHP Managers (Pty) Ltd</li> <li>11. Melville Douglas Investment Management (Pty) Ltd</li> <li>12. Standard Trust Ltd</li> <li>13. Standard Insurance Ltd</li> <li>14. Greenfield Newgate (Pty) Ltd</li> <li>15. Blue Waves Properties 78 (Pty) Ltd</li> <li>16. Standard Bank Properties (Pty) Ltd</li> <li>17. SBG Securities (Pty) Ltd</li> </ul>

		<ul style="list-style-type: none"> <li>18. S.E. Nominees (RF) (Pty) Ltd</li> <li>19. Oltio (Pty) Ltd</li> <li>20. Mogale's Gate (Pty) Ltd</li> <li>21. Alisier Investments (Pty) Ltd</li> <li>22. JSG Developments (Pty) Ltd</li> <li>23. Stanvest</li> <li>24. Blue Holdings (Pty) Ltd</li> <li>25. Gloster Farm (Pty) Ltd</li> <li>26. IPS Electronic Payments (Pty) Ltd</li> <li>27. Oltio Holdings (Pty) Ltd</li> <li>28. SB-Debtors Discounting No.1 (Pty) Ltd</li> </ul>
Abacus Life	2	<ul style="list-style-type: none"> <li>1. Abacus Life (Pty) Ltd</li> <li>2. Abacus Insurance (Pty) Ltd</li> </ul>
First Rand Ltd	26	<ul style="list-style-type: none"> <li>1. FirstRand Bank (Pty) Ltd</li> <li>2. First National Bank</li> <li>3. Rand Merchant Bank</li> <li>4. WesBank</li> <li>5. FirstRand Investment Holdings (Pty) Ltd</li> <li>6. RMB Private Equity Holdco 1 (Pty) Ltd</li> <li>7. RMB Private Equity (Pty) Ltd</li> <li>8. RMB Securities (Pty) Ltd</li> <li>9. RMB Morgan Stanley (Pty) Ltd</li> <li>10. FNB Stockbroking/Portfolio Management</li> <li>11. Direct Axis (Pty) Ltd</li> <li>12. Hyphen Technology (Pty) Ltd</li> <li>13. MotoVantage Holdings (Pty) Ltd</li> <li>14. FirstRand Investment Management Holdings</li> <li>15. Ashburton Fund Managers (Pty) Ltd</li> <li>16. FNB Investor Services (Pty) Ltd</li> <li>17. Ashburton Management Company</li> <li>18. FNB CIS Manco (RF) (Pty) Ltd</li> <li>19. FirstRand Insurance Holdings (Pty) Ltd</li> <li>20. FirstRand Life Assurance (Pty) Ltd</li> <li>21. FirstRand Short-Term Insurance (Pty) Ltd</li> <li>22. Engine Room (Pty) Ltd</li> <li>23. Motorite Administrators (Pty) Ltd</li> <li>24. Streamline Repairs (Pty) Ltd</li> <li>25. Smart UMA (Pty) Ltd</li> <li>26. MotoVantage Operations (Pty) Ltd</li> </ul>
Hannover Re	4	<ul style="list-style-type: none"> <li>1. Hannover Life Reassurance Africa (Pty) Ltd</li> <li>2. Lireas Holdings (Pty) Ltd</li> <li>3. Hannover Reinsurance Africa (Pty) Ltd</li> <li>4. Compass Insurance Company (Pty) Ltd</li> </ul>
Professional Provident Society	18	<ul style="list-style-type: none"> <li>1. Financial Solutions 4 Professionals (Pty) Ltd</li> <li>2. Plexus Properties (Pty) Ltd</li> </ul>

		<ul style="list-style-type: none"> <li>3. Professional Provident Property Fund Trust</li> <li>4. Professional Provident Society Educational Trust</li> <li>5. Professional Provident Society Foundation Trust</li> <li>6. Professional Provident Society Healthcare Administrators (Pty) Ltd</li> <li>7. Professional Provident Society Holdings Trust</li> <li>8. Professional Provident Society Insurance Company (Pty) Ltd</li> <li>9. Professional Provident Society Investment Administrators (Pty) Ltd</li> <li>10. PPSI Investments Foundation(RF) NPC</li> <li>11. PPSI Long Term Incentive Scheme Trust</li> <li>12. Professional Provident Society Investments (Pty) Ltd</li> <li>13. Professional Provident Society Management Company (RF) (Pty) Ltd</li> <li>14. Professional Provident Society Multi-Managers (Pty) Ltd</li> <li>15. Professional Provident Society Short-Term Insurance Company (Pty) Ltd</li> <li>16. Professional Provident Society Training Academy (Pty) Ltd</li> <li>17. Six Anerley Road Holdings (Pty) Ltd</li> <li>18. PPS Nominees (Pty) Ltd</li> </ul>
Sanlam Ltd	84	<ul style="list-style-type: none"> <li>1. ACA Employee Benefits (Pty) Ltd</li> <li>2. Afflulink Nominees (Pty) Ltd</li> <li>3. African Rainbow Life (Pty) Ltd</li> <li>4. Agulhas Nominees (Pty) Ltd</li> <li>5. Amplify Investment Partners (Pty) Ltd</li> <li>6. Associated Insurance Brokers (Cape) 2006 (Pty) Ltd</li> <li>7. Anson Holdings (Pty) Ltd</li> <li>8. Axis Nominee (Pty) Ltd</li> <li>9. Brackenham Holdings (Pty) Ltd</li> <li>10. Brackenham Investments (Pty) Ltd</li> <li>11. BrightRock (Pty) Ltd</li> <li>12. BrightRock Holdings (Pty) Ltd</li> <li>13. BrightRock Life Ltd</li> <li>14. Brolink (Pty) Ltd</li> <li>15. Catalyst Fund Managers (Pty) Ltd</li> <li>16. Catalyst Fund Managers Global (Pty) Ltd</li> <li>17. Catalyst Fund Managers SA (Pty) Ltd</li> <li>18. Centriq Insurance Company Ltd</li> <li>19. Centriq Insurance Holdings Ltd</li> <li>20. Centriq Life Insurance Company Ltd</li> <li>21. Channel Life Ltd</li> <li>22. CreditInnovation (Pty) Ltd</li> <li>23. Echelon Private Client Solutions (Pty) Ltd</li> <li>24. Emerald Risk Transfer (Pty) Ltd</li> <li>25. Genbel Securities (Pty) Ltd</li> <li>26. Glacier Advisory Services (Pty) Ltd</li> <li>27. Glacier Financial Holdings (Pty) Ltd</li> </ul>

28. Glacier Financial Solutions (Pty) Ltd
29. Glacier International Advisory Services (Pty) Ltd
30. Glacier Management Company (RF) (Pty) Ltd
31. Graviton Financial Partners (Pty) Ltd
32. Graviton Wealth Management (Pty) Ltd
33. H & L Underwriting Managers (Pty) Ltd
34. Kingsmead Trust (Pty) Ltd
35. MiAdmin (Pty) Ltd
36. MiWay Group Holdings (Pty) Ltd
37. MiWay Insurance Ltd
38. Mirabills Engineering Underwriting Managers (Pty) Ltd
39. NASASA Financial Services
40. Nelesco 569 (Pty) Ltd
41. Nova Risk Partners Ltd
42. Phoenix Industriële Park (Pty) Ltd
43. Real Futures (Pty) Ltd
44. Rycklof-Beleggings (Pty) Ltd
45. Safrican Insurance Company Ltd
46. San Lameer (Pty) Ltd
47. Sanlam Africa Real Estate Advisor (Pty) Ltd
48. Sanlam Capital Markets (Pty) Ltd
49. Sanlam Collective Investments (RF) (Pty) Ltd
50. Sanlam Credit Fund Advisor (Pty) Ltd
51. Sanlam Developing Markets (Pty) Ltd
52. Sanlam Emerging Markets (Pty) Ltd
53. Sanlam Investments General Partner (Pty) Ltd
54. Sanlam Investment Holdings (Pty) Ltd
55. Sanlam Investment Management (Pty) Ltd
56. Sanlam Investment Management Holdings (Pty) Ltd
57. Sanlam Invest (Pty) Ltd
58. Sanlam Life Insurance (Pty) Ltd
59. Sanlam Linked Investments (Pty) Ltd
60. Sanlam Multi-Manager International (Pty) Ltd
61. Sanlam Personal Loans (Pty) Ltd
62. Sanlam Prefco (Pty) Ltd
63. Sanlam Private Wealth (Pty) Ltd
64. Sanlam Capital Markets Property Holdings (Pty) Ltd
65. Sanlam Securities (Pty) Ltd
66. Sanlam Trust (Pty) Ltd
67. Sanpref (Pty) Ltd
68. Sanlam Ltd
69. Santam SI Investments (Pty) Ltd
70. Sanlam Structured Insurance Ltd
71. Sanlam Structured Life Ltd
72. Satrix Investments (Pty) Ltd



		73. Satrix Managers (RF) (Pty) Ltd
		74. Simeka Consultants and Actuaries (Pty) Ltd
		75. Simeka Employee Benefit Holdings (Pty) Ltd
		76. Simeka Health (Pty) Ltd
		77. Simeka Wealth (Pty) Ltd
		78. Snyman & Van der Vyfer
		79. Stalker Hutchison Admiral
		80. Succession Financial Planning Advisory Services (Pty) Ltd
		81. U.R.D Beleggings (Pty) Ltd
		82. Vantage Insurance Acceptances (Pty) Ltd
		83. Waterfall JVCO (Pty) Ltd
		84. Waterfall JVCO (Pty) Ltd
Santam Ltd	20	1. Santam Ltd
		2. Brolink (Pty) Ltd
		3. Centriq Insurance Holdings Ltd
		4. Centriq Insurance Company Ltd
		5. Centriq Life Insurance Company Ltd
		6. Echelon Private Client Solutions (Pty) Ltd
		7. Emerald Risk Transfer (Pty) Ltd
		8. MiWay Insurance Ltd
		9. MiWay Group Holdings (Pty) Ltd
		10. MiAdmin (Pty) Ltd
		11. Mirabilis Engineering Underwriting Managers (Pty) Ltd
		12. Nova Risk Partners Ltd
		13. Stalker Hutchison Admiral (Pty) Ltd
		14. Santam Structured Insurance Ltd
		15. Santam SI Investments (Pty) Ltd
		16. Santam Structured Life Ltd
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