



**Intentionality Beyond
Tick Boxes: How meaningful
is the transformation agenda?**

2020/21

STATE OF
TRANSFORMATION
ANNUAL REPORT

WHO ARE WE: THE FSTC AT A GLANCE



Mandate

The FSTC's mandate 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.

The twin pillar mandate of the FSTC

The FSTC executes its transformational pursuits through its identified twin pillar mandate focused on driving and measuring transformation within the financial sector.

Figure 1: The FSTC's two-tiered directive.



Vision

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



Mission

To influence relevant legislation and oversee the implementation of the FS Code as gazetted under section 9(1) of the B-BBEE Act 53, 2003, in order to have a transformed society.



Objectives

Engage with policymakers and regulators to ensure that legislation enables transformation

Publish an annual performance report that reflects the sector's transformation.

Engage with financial institutions to promote understanding of the FS Code and to provide support for compliance.

Research to understand challenges and identify opportunities to expedite transformation.

Regularly review implementation guidelines to ensure relevance and ease of implementation.

Engage with other relevant stakeholders to promote understanding of the FS Code and its benefits.



Values

Our values serve as an expression of our day-to-day principles that guide us each day as we make strides towards the sector, and nation's transformational agenda.



Unity

We acknowledge that we are stronger together. We strive for a shared vision, a common purpose, and a supportive and collaborative working environment.



Empathy

We have genuine concern for our society, and we encourage and support development and empowerment.



Vigilance

We keep a watchful eye for changes that impact our stakeholders and working with experts, we strive to adapt.



Respect and Integrity

We always honour the dignity of others, and we will treat others the way we want to be treated.



Governance Structures

The FSTC exercises its functions through the below structures:

Figure 2: Roles and Responsibilities

THE COUNCIL

- Promote and approve the implementation of the FS Code and other relevant empowering provisions as a Framework to drive transformation in the sector.
- Delegate appropriate Code development and review responsibilities to the RWC and other constituted sub-committees.
- Support the imperatives of the RWC and the Secretariat as it relates to the advancement of transformation.
- Policy and programme management.

THE BOARD

- 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.
- All Board members should exercise their judiciary duties for the benefit of the FSTC's and its objectives.
- Responsible for overseeing the FSTC's programmes, activities and supporting budgets thereof.

THE RWC

- Engage on policy matters and make recommendations to the Council.
- Establish technical sub-committees where appropriate and oversee their work.
- Review proposed solutions and recommendations for the Council's approval where appropriate.
- Make sound recommendations to the Council and effectively support and advance the initiatives of the Secretariat.

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CHAIRPERSONS' FOREWORD



Solly Mapaila
Outgoing - Council Chairperson



During my tenure, we faced challenges in advancing our transformative agenda, including the lack of political will and a robust governance framework, which necessitates the urgent need for a comprehensive review of the consensus model of decision making adopted from National Economic Development and Labour Council (Nedlac)...



At the core of our mission lies the urgent pursuit of transformation within the financial sector, an imperative rooted in redressing historical imbalances and promoting inclusivity for all South Africans.

Throughout the post-apartheid era, our democracy has made significant strides, but the pressing need for economic inclusion continues to demand attention. The financial services sector, in particular, continues to be heavily dominated by a minority, while the majority faces significant barriers to essential services and opportunities. This disparity perpetuates social and economic inequality, impeding our nation's overall economic growth and potential.

During my tenure, we faced challenges in advancing our transformative agenda, including the lack of political will and a robust governance framework, which necessitates the urgent need for a comprehensive review of the consensus model of decision making adopted from National Economic Development and Labour Council (Nedlac), which cannot be deemed as an effective instrument for socio-economic transformation to be able to fully respond to the realities of society on our on-going journey of realising transformation in the sector, to change the general economic conditions. As a result, this along with tepid support from key financial sector stakeholders limited our effectiveness in driving meaningful change. It is evident that the financial sector will not transform itself without an effective compelling instrument and the government has not shown appetite for change either, on the contrary it is being cajoled by the sector and this matter needs to be fully addressed.

As a determined barometer anchored by the FSTC's strategic pillar of measuring transformation, the State of Transformation Annual Report (SoTAR) plays a critical role in measuring the financial sector's advancement towards meeting the set targets and acknowledging the 2020/21 report as FSTC's 9th iteration. It is disheartening to witness an unwelcome trend of the sector's persistent challenges of meeting the priority elements, including Ownership, Skills Development, Preferential Procurement, Enterprise and Supplier Development as well as Empowerment Financing. Through the analysis the numbers are telling of a financial sector that still requires recommitment towards embracing the Ownership element as none of the sub-sectors have been able to achieve the determined targets on the current and previous reports.

While some progress has been noted in the representation of Black middle and junior management across the sector over the 2019, 2020 and 2021 years, the disjuncture between Skills development and Management Control continues to widen and calls for recommitment from stakeholders in its implementation of the determined targets to fully realise the developmental objectives of the South African economy.

Additionally, despite there having been an upward trend for Supplier Development regarding Banks and Asset Managers, all sub-sectors were unable to meet their determined targets, including Preferential Procurement with Life Offices being the only sub-sector to exceed the Enterprise Development target. When assessing sub-sector specific elements, the Empowerment Financing element holds a key role in driving sustainable economic development, empowering historically disadvantaged individuals and communities, and fostering an inclusive and thriving economy and its underperformance underscores the urgency to evaluate how the relevant sub-sectors are effectively promoting and supporting the financing of transformational infrastructure projects, setting affordable housing standards, and providing adequate funding for black-owned businesses.

This element, together with the Access to Financial Services element is vital for unlocking the potential of South Africa's economic environment towards advancing the transformation agenda. However, during the 2020/21 reporting process, the results for this element proved challenging and as such this critical element aimed at promoting financial inclusion across the operations of Banks, Life Offices and Short-

term Insurers could not be determined as there were no submissions of targets for the respective measured entities and this can be alluded to lack of or poor enforceable compliance mechanism.

Reflecting on 20 years since the enactment of the B-BBEE Act, this report is considered against the backdrop of this legislation and other related empowering laws, inclusive of the FS Code and as such calls for the implementation of an appropriate system to advance the transformation imperatives of the sector. While we have established sound policies, it is crucial that we also incorporate conscious efforts into our institutional strategic designs to ensure the well-being of the nation.

As I hand over the baton, I call upon the Head of State and all stakeholders, who are at the core of redressing the social imperatives, to embrace the collaborative commitment required to redress historical imbalances that continue to

hinder our progress of achieving meaningful and impactful transformation in the sector. These industry players, play a crucial role in realising the envisaged goal of the FS Code and are required to adopt a positive and proactive approach in implementing Broad-Based Black Economic Empowerment (B-BBEE) as a transformational imperative. By fostering a more inclusive financial sector, we can cultivate an environment where the aspirations and talents of all South Africans can flourish, irrespective of their background.

I express my deepest gratitude to all who supported the FSTC during my tenure and call upon all stakeholders to join hands in accelerating transformation within the financial sector. By doing so, we can create an inclusive and just society that fosters prosperity and progress for all South Africans.



Njabulo Sithebe,
Incoming - Council Chairperson



it is imperative to recognise that the heart of our economic transformation is dependent on the commitment of the financial sector, and as we delve deeper, we must approach this transformation with a comprehensive view, addressing critical aspects of race, gender, geo spatial and industrial sectors.

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I assume the chairpersonship of the Financial Sector Transformation Council (FSTC) at a time of tremendous upheaval and change locally and globally, where crises and advancements in nearly every corner of our societies pose both risks and unprecedented opportunities to our aspirations to the creation of a more productive and equitable financial sector in a growing and inclusive economy.

The after effects of Covid-19 pandemic remain with rising geopolitical risks and soaring inflation across the world that has led to higher interest rates resulting in a dire impact on those earning the least, and the accompanying increase in the cost of living has worsened already unacceptable levels of inequality and unemployment.

Additionally, the effects of climate change and environmental neglect can no longer be ignored, and we are seeing its life-changing effects on our environment, quality of life and economies on an almost daily basis. Equally, the necessary and urgent transition to low carbon societies comes with great opportunity, not only for how we produce and consume energy but also for how our financial sector operates and contributes in addressing this challenge. Furthermore, the technological changes, particularly in artificial intelligence and machine learning like large language models, can be used either for good or ill depending on the decisions we make today to regulate and guide its deployment.

These overlapping crises and intersecting opportunities, of uncertainty and new beginnings, of crosscutting risks and rewards, at the global and local level, means that the imperative to transform and grow the South African financial sector will be as urgent as it is complicated, and this calls for us to think carefully and act boldly.

The financial sector remains at the nexus of our productive economy with the critical role of facilitating economic growth, job creation, and transcends as the custodian of the savings of South Africans, a responsibility that must not be taken lightly, as these savings must be deployed in a way that is beneficial to South Africans.

With this in mind, the financial services sector is at the driving seat of wealth creation, serving as a pivotal source for job opportunities and the facilitation of funding avenues to new and existing entrepreneurs. When observing trends in South Africa's financial system, the International Monetary Fund report posits that Banks account for about 120 percent of GDP, with the five largest banks accounting for almost 90 percent of banking sector assets. Additionally, according to Statista 2022, the financial sector, together with real estate and business services contribute an added value of approximately R1.09 trillion to the country's GDP.

Considering this perspective, it is imperative to recognise that the heart of our economic transformation is dependent on the commitment of the financial sector, and as we delve deeper, we must approach this transformation with a comprehensive view, addressing critical aspects of race, gender, geo spatial and industrial sectors. These very challenges also present an opportunity to reorganise the financial sector in a transformed way that embodies inclusivity as this continues to be a central economic imperative for South Africa.

Consequently, the scale and urgency of the challenges that our country is facing cannot be met with "business as usual" as millions of people should not be at risk of falling back into poverty when the sector has the ability to finance SMEs for job creation, as well as finance access to housing and business formation.

In embracing our constitutional duties, the first principle of responding to a crisis is "not to waste the crisis", but instead "capitalise on the crisis" as we have an opportunity to adjust our risk models for the World and the South Africa we live in, in order to benefit the South Africa, we want.

Therefore, in navigating decisions within the realm of the financial sector, we must always remember the many faces of those whose resources we play stewardship roles over as they too want to own and manage assets in the sector, as well as wanting their projects to be financed, and being active participants in the economy as we provide for good livelihoods and opportunities.

In the current context of an economy with significant pockets of growth opportunities, let that growth be based on the new values and ethos of inclusivity, enabling new entrants and players to change the face and posture of the sector to truly reflect the demographics of the country with financial products and services aimed at serving the needs of the communities.

Notwithstanding, much has been achieved since the FSTC was established in 2004, however, there is still much that requires our collective efforts to collaborate of which the 2020/21 reflects on several achievements and gaps that are still evident.

I therefore look forward to a meaningful journey and engagement with all industry stakeholders as we traverse towards common prosperity, that restores dignity, does not create divisions in our society and lives a legacy for generations to come.

Yours in the spirit of common prosperity and inclusive development.



EXECUTIVE SUMMARY



Pumla Ncapayi
CEO



By examining the sector's performance from a broad perspective, it is possible to identify areas that require significant efforts towards achieving financial sector imperatives including addressing inequalities whilst promoting its global competitiveness and financial stability.

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B-BBEE policies continue to face significant challenges with the Financial Sector experiencing considerable obstacles in meeting its determined objectives, particularly in financial inclusion goals, while also simultaneously maintaining financial stability. Furthermore, this was recently highlighted in a 2021 Research Report by the World Bank, which revealed that only 10% of the population holds a staggering 80% of the country's wealth with Time Magazine enouncing South Africa's qualification as the world's most unequal society. Additionally, these disparities were highlighted in the Amalgamated 2019 State of Transformation Annual Report, bringing to light the importance of the sector's commitment to advancing its transformation initiatives as a key contributor towards the redress.

As a Sector Charter Council mandated through the Broad-Based Black Economic Empowerment Act of 2003, as amended by Act 46 of 2013, the FSTC continues to assess and realise the contributions of the sector towards meeting its FS Code targets through the publication of the sector's performance in line with the B-BBEE requirements. As such, in advancing its twin pillar strategy of driving and measuring transformation, the FSTC has considered its 9th iteration on the submission of reports falling between the financial year end 01 December 2020 to 30 November 2021. During the measurement period under review, the country's economic system had been occasioned by slow growth, low foreign direct investment, a weakening currency and the stark income inequality gaps as well as high unemployment. All of these indicators have been exacerbated by the unprecedented COVID-19 pandemic with the most vulnerable segments of society bearing the brunt of the economic impact.

Against this, the underlying theme of the 2020-21 SoTAR is, *"Intentionality beyond tick boxes - How meaningful is the Transformation Agenda?"* which prompts reflection on whether the spirit and purport of the FS Code has been carried within the compliance of its prescripts as the core principle of the B-BBEE philosophy is to promote an economy where black South Africans, who had previously been excluded from meaningful participation would have the opportunity to participate fully. The report presents an insightful dynamic reflective of the glaring challenges and concerns towards achieving inclusive participation of previously marginalised individuals in their pursuit of becoming capital owners and gaining economic emancipation, among other aspects.

By examining the sector's performance from a broad perspective, it is possible to identify areas that require significant efforts towards achieving financial sector imperatives including addressing inequalities whilst promoting its global competitiveness and financial stability. In this regard, the 2020/21 SoTAR provides valuable insight into the sector's progress, shedding light on its achievements and shortcomings.

Through the deep-dive, the 2020/21 SoTAR identifies significant findings which provide aerial view of the financial sector's contribution towards empowerment priorities within a specified measurement period. These priorities include Ownership, Skills Development, Enterprise and Supplier Development (ESD) and Empowerment Financing as prescribed by the FS Code. It is noteworthy that the priority elements- though identified as key contributors towards economic growth and financial inclusion- are yet to be realised.

Like any other report, the 2020/21 SoTAR reflects significant limitations that have hindered a comprehensive assessment aimed at providing an accurate representation of the sector's performance as a reliable and transparent measure of transformation. These limitations encompass various factors, some of which are detailed below but not confined to:

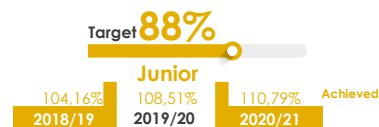
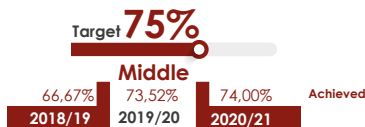
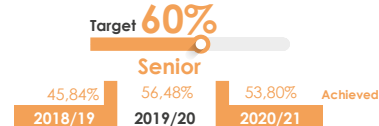
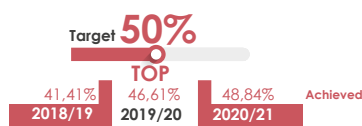
- **Decreased submission of B-BBEE Reports.**
- **Repetitive data submissions leading to duplicates;**
- **Submission of invalid Sworn Affidavits;**
- **Absence of a standardised verification reporting format due to the lack of a prescribed uniform framework in legislation;**
- **Insufficient submission of detailed data summaries;**
- **Lack of support from some constituencies in adopting the 2020/21 reporting framework, hindering the Council's ability to report on the sector's transformation progress accurately;**
- **None submission of targets pertaining to Access to Financial Services as well as Empowerment Financing for the respective measured entities, resulting in the determination of performances being inconclusive.**

Central to the listed limitations is the absence of a harmonised reporting framework which yields a plethora of challenges, i.e., without a prescribed format, entities within the sector may adopt different reporting methodologies, making it challenging and unable to compare and aggregate data accurately, identify trends, patterns, and disparities in transformation efforts. Against this, the FSTC remains committed to building symbiotic relationships within the sector through continuous engagement, knowledge sharing, and proactive interventions with Government as the custodians of the policy to streamline reporting processes whilst promoting adherence to industry-defined targets.

HIGHLIGHTS ON ELEMENT PERFORMANCE



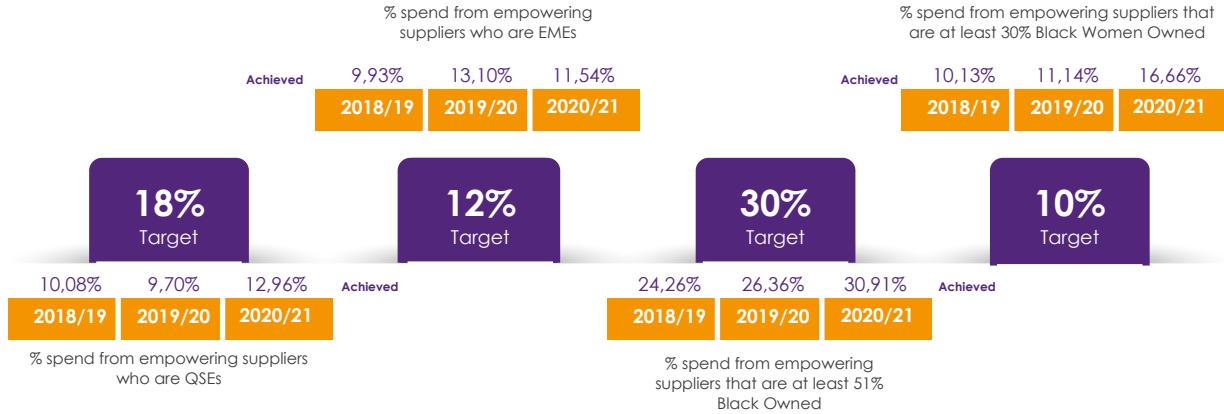
% OF BLACK EMPLOYEES IN MANAGEMENT



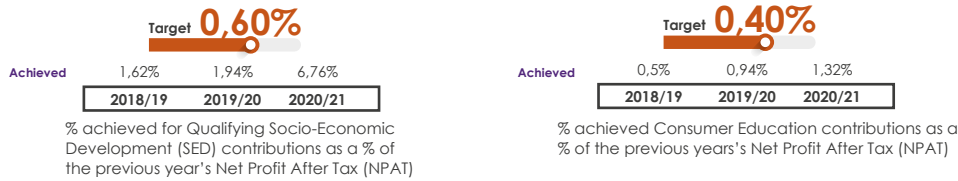
AVERAGE SKILLS DEVELOPMENT PERFORMANCE



AVERAGE PREFERENTIAL PROCUREMENT

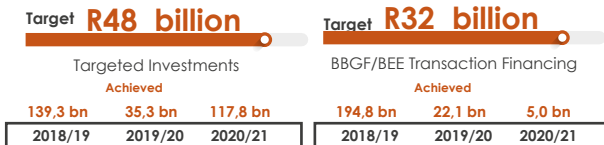


AVERAGE SOCIO-ECONOMIC DEVELOPMENT & CONSUMER EDUCATION

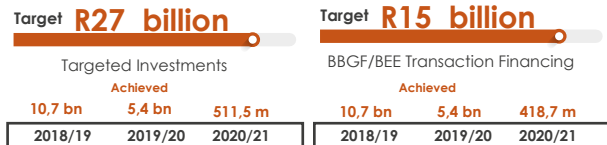


AVERAGE EMPOWERMENT FINANCING

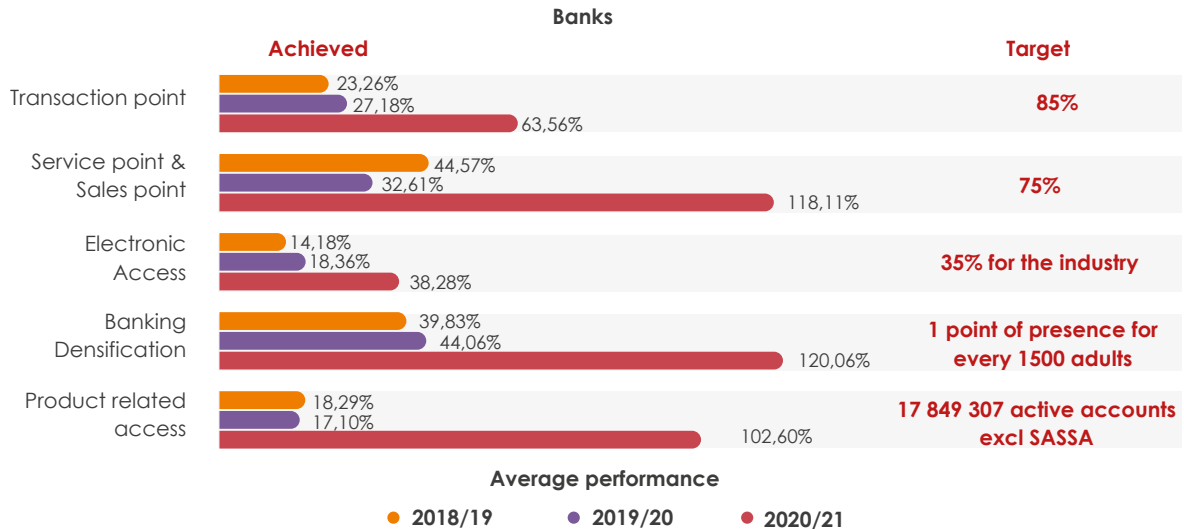
Banks



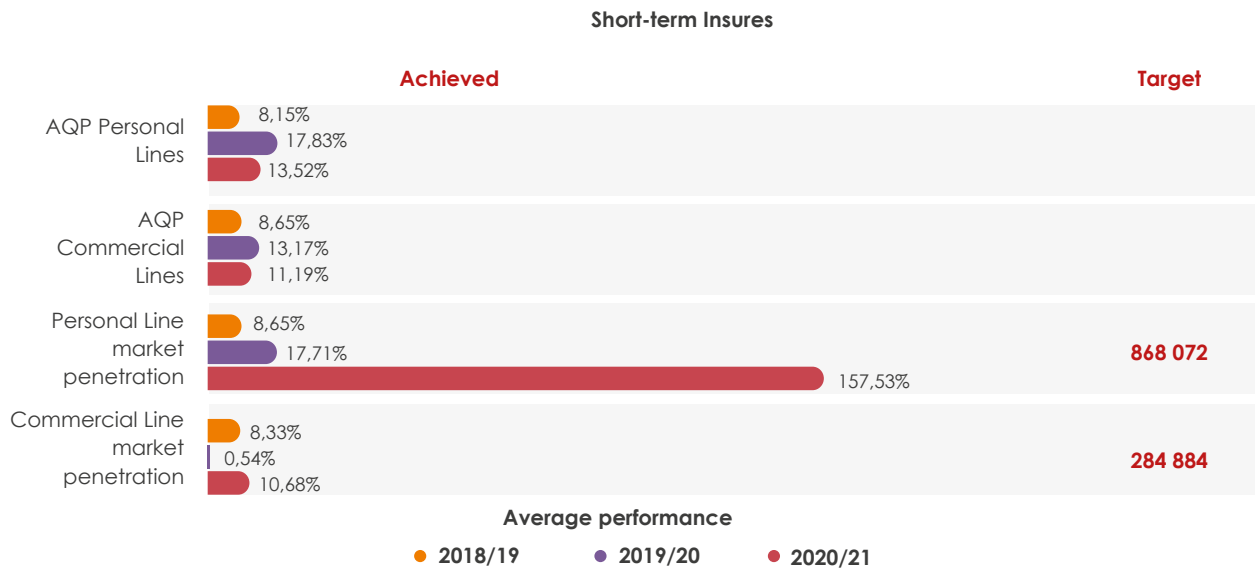
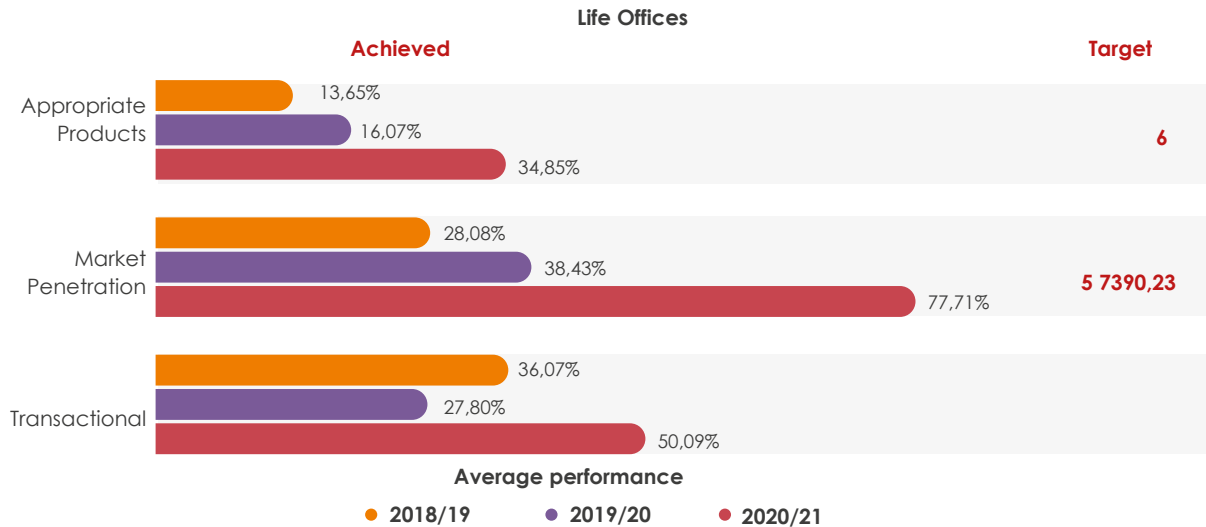
Life Offices



AVERAGE ACCESS TO FINANCIAL SERVICES



AVERAGE ACCESS TO FINANCIAL SERVICES



Drawing from the insights reflected in the 2020/21 SoTAR, it is evident that there is a lack of achievement as it relates to the B-BBEE Scorecard elements, however the sector's steady strides towards attaining its average ownership performance with respect to exercisable voting rights in the hands of black people and black women has been noted. While progress has been recognised towards achieving the Ownership element, particularly from Asset Managers, Life Offices and Short-term Insurers, further efforts are required to achieve effective Management Control across all sub-sectors in order to ensure active participation of black and black female executive directors in decision-making processes at Board level as well as in Senior Management level as there has only been some improvement in the inclusion of black individuals in Middle and Junior management.

The analysis through Skills Development showcases an improvement in the sector's allocation of resources towards educational initiatives for individuals with disabilities, as well as black individuals (both employed and unemployed) who engage in learnerships, apprenticeships, internships, or designated programmes from Others Institutions, Asset Managers and Life Offices. However, a decrease in learner absorption has been observed over time and measures for sustainable programmes on absorption have to be further strengthened. Moreover, the reporting entities, including the Qualifying Small Enterprises (QSEs) and Exempt Micro Enterprises (EMEs) are facing challenges in achieving their expenditure targets, notwithstanding, notable endeavours as observed in the industry's allocation of resources towards enhancing the percentage procurement spend from empowering suppliers who are at least 51% black owned as well as 30% black women owned.

The overall performance of Socio-Economic Development and Consumer Education element in achieving their target continues to demonstrate promotion of B-BBEE participation in the sector through the empowerment of previously disadvantaged groups through its annual SED & CE contributions across all sub-sectors.

Furthermore, at the core of the FS Code is the Empowerment Financing element which pertains to the implementation of funding initiatives for black Small, Medium, and Micro Enterprises (SMMEs) by Banks and Life Offices through the B-BBEE transactions and the provision of Black Business Growth Funding (BBGF). Within this context, the 2020/21 report reveals that Banks surpassed their R48 billion objective for Targeted Investments, achieving R117 billion, whilst they did not meet their target towards BBGF/BEE Transaction Financing with Life Offices falling short of the target for both objectives.

Lastly, on our ongoing journey towards promoting financial inclusion in the sector, the Access to Financial Services element is an industry-specific element important for Banks, Life Offices and Short-term insurers, however for the 2020/21 reporting period, the performance of the industry could not be determined due to non-submission of targets for the respective measured entities. Despite this limitation, an overall improvement in various aspects of Access to Financial Services has been observed for the Banks, including the enhancement in product-related access, banking densification, electronic access, service points, sales points, and transaction points. Similar positive trends can be observed for Life Offices pertaining to transactional activities, market penetration, and the selection of appropriate goods. On the other hand, when observing Short-term insurers, they have displayed an improvement regarding their contribution towards personal line market penetration, however declined in comparison to the previous years (i.e., 2018/19 and 2019/20).

It is evident that the findings of the 2020/21 SoTAR offers profound insights into the sector's strides towards fulfilling its objectives of the FS Code, however there remains a need to address the recurring challenges towards a more inclusive and equitable future and as such signifies the critical need for a wave of renewed commitment towards the shared transformation mandate held by the FSTC, relevant stakeholders, Government, and the sector at large towards nurturing the public and social interests of the country.

Against this, as we traverse this journey, we continue to call upon the measured entities to commit to advancing the twin pillar strategy of the FSTC and submit data in accordance with the FSTC reporting framework. Furthermore, I would like to use this opportunity to extend a message of appreciation to the entities that adhered to the determined reporting framework, including the CEOs who participated in the CEO's survey which had been considered for the first time to enhance the reporting process and to contribute towards strengthened findings, not to forget the guidance of the RWC, the Board and Council as well as the employees who assisted with the development of the report and whose commitment has been instrumental in the execution of this deliverable.



INTRODUCTION

About this report

The State of Transformational Annual Report (SoTAR) serves as the sector's transformational barometers and to date it remains the most critical deliverable of the FSTC in the context of the measurement of transformation within the B-BBEE Framework. Drawing on lessons of two (2) decades of the existence of the B-BBEE framework, there is no theme more fitting than that of reflecting on whether the sector's transformational pursuits have been backed by intent with the 9th iteration of the 2020-2021 SoTAR focusing on, ***"Intentionality beyond tick boxes - How meaningful is the Transformation Agenda?"***.

The purpose of this report is to profile the sector's progress, challenges and opportunities under the pillars of the respective elements as contained in the FS Code. The 2020/21 report came with its share of challenges as it also presented notable recurring limitations that were identified in the Amalgamated 2018/19 and 2019/20 SoTAR and are yet to be remedied as they fall beyond the scope of the FSTC.

Therefore, the FSTC's intention under the identified theme is to foster meaningful discourse on the importance of the B-BBEE Act and the FS Code for economic and social redress.



Objectives, Scope and Data Analysis

The objective of the report is to comply with the B-BBEE legislative framework, specifically Section 10(4) of 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-BBEE Presidential Advisory Council, the Line Minister (National Treasury) and the Minister of Trade and Industry". Furthermore, in accordance with Clause 5.4 of the B-BBEE Act, the FSTC is enabled to annually compile reports on the status of transformation within the financial service sector through the provisions of 8.5 of the FS Code, that ascribes that "Each financial institution must report annually to the Council on its progress in implementing the provisions of this Amended FSC".

To this end, the considered approach to data collection and analysis was based on the progress of financial institutions in implementing the provisions of the Amended FS Code with measured entities submitting their reports in line with the financial year-ends that fall between 01 December 2020 and 30 November 2021.



Methodology and Approach

The adopted methodology and approach is on the basis of the FSTC approved reporting framework, anchored by Section 5.3.4. of the B-BBEE Act, which stipulates that, "The Charter Councils should report to Minister and to the Advisory Council on progress made by the sector subject to the relevant Transformation Charter. Such reports should typically contain qualitative and quantitative information sectoral performance, including details about all the elements of the sector's B-BBEE balanced scorecard."

In this regard, the 2020/2021 methodology adopted a mixed method approach premised on quantitative and qualitative data analysis through the submission of B-BBEE Reports (B-BBEE Certificates, B-BBEE Scorecards), detailed data summary and CEO's Survey. The numerical portion is segmented into two (2) parts including the average sector's performance and element analysis that provides a historical performance overview for the past three (3) reporting periods reflecting a trend analysis, with the qualitative component centred around the analysis of the CEOs Survey as well as a comparative analysis of transformation reports.

Against the backdrop of the FSTC prescribed reporting framework, the sourced data was processed through the performance of statistical analysis on the raw data, however, due to limited information, a simple-average approach was applied to identify emerging sectoral trends.



Entity rankings

An approach was considered to rank top financial institutions per sub-sector against the backdrop that certain industries such as Banks, are dominated by only a few big financial institutions, such as the "top six banks" and similarly in the life and short-term insurance industry there are only a few institutions that hold the largest part of the market share and in such circumstances, the analysis of the performance of these conglomerates that dominate the sub-sector would be a better reflection of the transformation progress in that particular sub-sector.

The ranking was considered through leveraging on reputable rating agencies and research institutions renowned for their expertise in characterising industry or sector performance such as the KPMG South Africa Insurance Survey 2021 (Short-term Insurers & Life Offices), the PWC Report 2020 (Banking Sector), and the Alexander Forbes Manager watch Survey 2021 (Asset Managers).

As a result, the entities were classified into the following distinct rankings:

- Top 6 Banks
- Top 4 Life Offices
- Top 4 Short-term Insurers
- Top 8 Asset Managers



Limitations of the Report

As a result of the limitations on the submissions received, the FSTC experienced various challenges during the development phases of the report, that hampered the formulation of an accurate report. The limitations include but are not limited to:

- a. A decline in the number of filed B-BBEE Reports;***
- b. Repetitive data filed resulting in duplicate submissions;***
- c. Invalid Sworn Affidavits submitted;***
- d. Lack of harmonised reporting framework as legislation does not prescribe a uniformed and standardised verification reporting format¹;***
- e. Inadequate submission of the detailed data summary²;***
- f. Lack of support from some constituencies in advancing the 2020/21 reporting framework for the Council to accurately report on the sector's transformation progress.***
- g. The performance of the industry pertaining to Access to Financial Services as well as Empowerment Financing could not be determined as there were no submissionso of targetsfor respective measured entities.***

¹As a recurring limitation, the B-BBEE reports are filed in non-uniformed formats as the verification manual does not prescribe specific requirements for presenting the results.

² The inadequate submission of the detailed data summary continues be a recurring limitation, restricting the application of the weighted average methodology.



Langa Madonko,
Board Chairperson



Acknowledging the blueprint of the sector, the leadership structures within prominent Financial Services enterprises presents a glaring widening gap between our current state and the desired transformative outcome we strive to achieve...



A well-known English adage often cited when individuals contemplate their journeys states, 'A journey of a thousand miles begins with a single step.' And in examining this adage, there may be one notable aspect that has been omitted. That is, "In order to reach the thousand miles, there must be a willingness to move and a consistency in motion."

This adage with its omission is more relevant as we observe the journey of the FSTC as a transformational institution and indeed the strides by the Financial Services sector towards transformation are undeniable. However, the patterns that impact the discourse surrounding the sector's performance raises an immediate necessity for the sector to prioritise collective endeavours in order to achieve the established

Broad-Based Black Economic Empowerment (B-BBEE) targets that have been in place for more than two decades.

Acknowledging the blueprint of the sector, the leadership structures within prominent Financial Services enterprises presents a glaring widening gap between our current state and the desired transformative outcome we strive to achieve with the matter becoming increasingly worrisome when attention is directed towards gender representation and certain spaces encompassing both "traditional" and "emerging" sectors continue to be predominantly occupied by individuals who are the minority, typically in their late 50s or early 60s.

Remaining cognisant of our history, it is authoritative to engage in a period of introspection to ascertain the extent to which these advancements have indeed reached a transformative level, while simultaneously recognising the barriers that hinder our forward momentum. And while it is fair to acknowledge the government's shortcomings in fulfilling its obligations, we must also scrutinise our own sector's performance as the sector's commitment to transformation remains a fundamental instrument for delivering on the socio-dynamic challenges presented today.

Have we fulfilled our responsibility of nurturing talent that can truly transform our country and the financial services landscape? Have we made adequate investments in developing products that cater to the needs of the majority, enabling them to save, invest, and live decently? Or have our motives primarily revolved around profit-making?

Such appraisals give precedence to the principles of diversity and inclusion across all tiers of our institutions and highlights the urgent need for the industry to proactively deconstruct the obstacles that impede advancement towards expediting our journey towards not just an equal society, but an equitable one necessitates the implementation of tangible measures and comprehensive modifications within the system.

In analysing the architecture of the financial services sector, it is abundantly clear that our responsibility extends beyond the mere transformation of the sector and in the illuminating pages of the 2020/21 State of Transformation Annual report, we are reminded not to underestimate the significance of these poignant questions towards dissecting the concerns as we move forward together with purpose, determination, and taking decisive steps towards a more inclusive and equitable financial services sector that contributes to the broader transformation of our nation.

This collective responsibility requires commitment and dedication from all stakeholders to truly realise the potential of our industry towards creating a future where diversity and fairness are the cornerstones of our financial landscape.

HIGH LEVEL PERFORMANCE REVIEW – 2020/21

Report Submissions

Measured entities across all sub-sectors submitted documents in response to the requirements of the FSTC reporting framework as well as Section 10(4) of the Broad-Based Black Economic Empowerment Act 46 of 2013 for the 2020/21 reporting period as it stipulates that, "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 defines the specific B-BBEE thresholds as follows:

- **Exempted Micro-Enterprises (EMEs)** – enterprises with total annual revenue of up to R10m.
- **Qualifying Small Financial Institutions (QSFI)s** – enterprises with total annual revenue of more than R10m but less than R50m.
- **Large (Generic) enterprises** – enterprises with total annual revenue that is more than R50m.



A total of 1657 entities submitted B-BBEE reports to the FSTC in 2020/21, of which 201 of the submissions were from Generic entities, 108 from QSFI's and 1348 from EMEs, as shown in Table 1.

Table 1: B-BBEE Report Submissions 2019/20 vs 2020/21

	2019/20 submissions	2020/21 submissions	As a % of the submission variances
Generic	230	201	13%
QSFI's	122	108	11%
EMEs	1393	1348	3%
Total	1745	1657	5%

Table 2: B-BBEE report submissions by Large Enterprises

Sub-sector	2019/20	2020/21
Banks	21	22
Life Offices	24	15
Short-term Insurers	24	19
Asset Managers	46	43
Other Institutions	97	81
Specialised Enterprises	8	8
Retirement Funds	10	13
Total	230	201

B-BBEE Contributor Levels

The FS Code measures the financial institutions' transformation progress on its overall score achieved for each scorecard element and grades it into compliance level categories in line with the nine (9) recognised empowerment levels, with level one (1) being the highest level of compliance while level nine (9) represents non-compliance.

Table 3: B-BBEE Recognition Levels

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

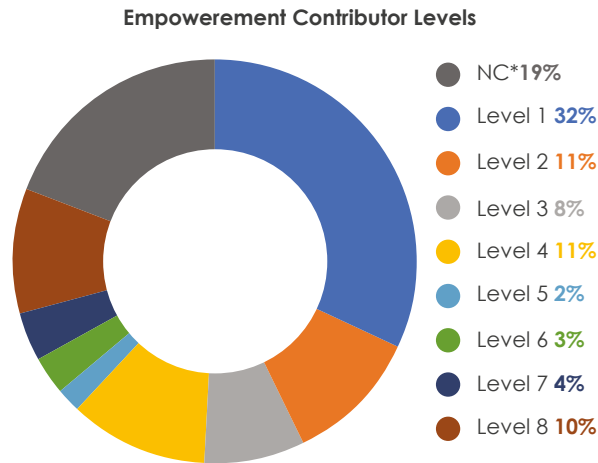
Table 4: 2020/21 B-BBEE Contributor Level by Large Enterprises

Empow- erment levels	B-BBEE (BEE) Contributor level for 2020/2021								
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	NC*
Industry									
Banks	9	1	3	2	0	0	1	2	4
Life Offices	4	2	2	1	0	1	1	1	3
Short-term Insurers	4	4	4	0	2	0	2	1	2
Asset managers	28	5	1	4	0	0	0	1	4
Other institutions	14	7	5	11	2	4	2	14	22
Specialised Entities	1	1	1	3	0	0	1	0	1
Total	60	20	16	21	4	5	7	19	36

*NC- Non-compliant contributor

Based on the data presented in Table 4 and Figure 3, out of the 188 measured entities, excluding Retirement Funds, the highest achievers were those in Level 1, comprising 32%. Additionally, 11% of entities achieved Level 2, indicating a significant proportion of entities at a relatively higher level of compliance, while the lowest achievers being level 8 and non-compliant were 10% and 19% respectively.

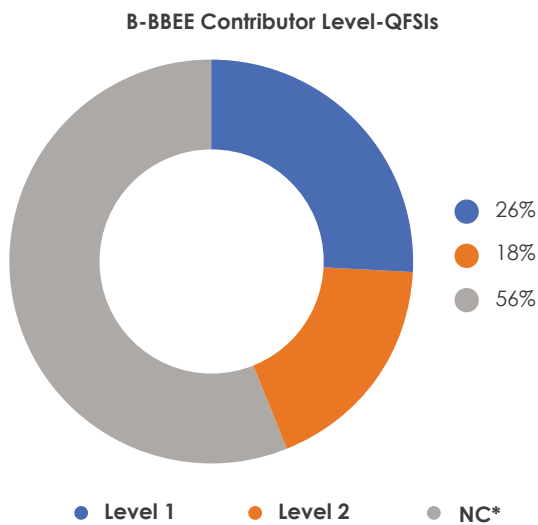
Figure 3: Achieved Empowerment Contributor Levels



B-BBEE Contributor Levels- QFSIs

Qualifying Small Financial Institutions (QSFIs) are classified as entities with a total annual revenue of more than R10m but less than R50m and is eligible for certain benefits and recognition under the B-BBEE scorecard. The designation as a QSFI is intended to encourage the flow of financing and other forms of support to SMEs, which are critical to the growth and development of the South African economy.

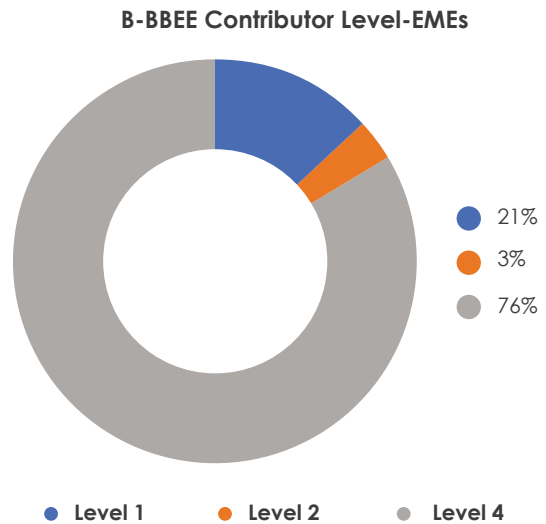
Figure 4: 2020/21 B-BBEE Contributor Levels for QFSIs



B-BBEE Contributor Levels – EMEs

Within the context of B-BBEE, Exempted Micro Enterprises (EMEs) are small businesses that meet certain criteria, including generating an annual turnover of less than R10 million and employ fewer than fifty (50) employees. EMEs are exempt from certain B-BBEE compliance requirements, such as having to undergo a B-BBEE verification process as they are required to obtain a sworn affidavit, or the Companies and Intellectual Property Commission (CIPC) certificate. This, however, does not preclude EMEs from participating in B-BBEE initiatives and to striving for transformation and empowerment within their operations.

Figure 5: 2020/21 B-BBEE Contributor Levels for EMEs



AVERAGE PERFORMANCE: SUB-SECTORS ANALYSIS

The B-BBEE Scorecards of the respective elements as contained in the FS Code outline the measurement principles of the various sub-sectors.

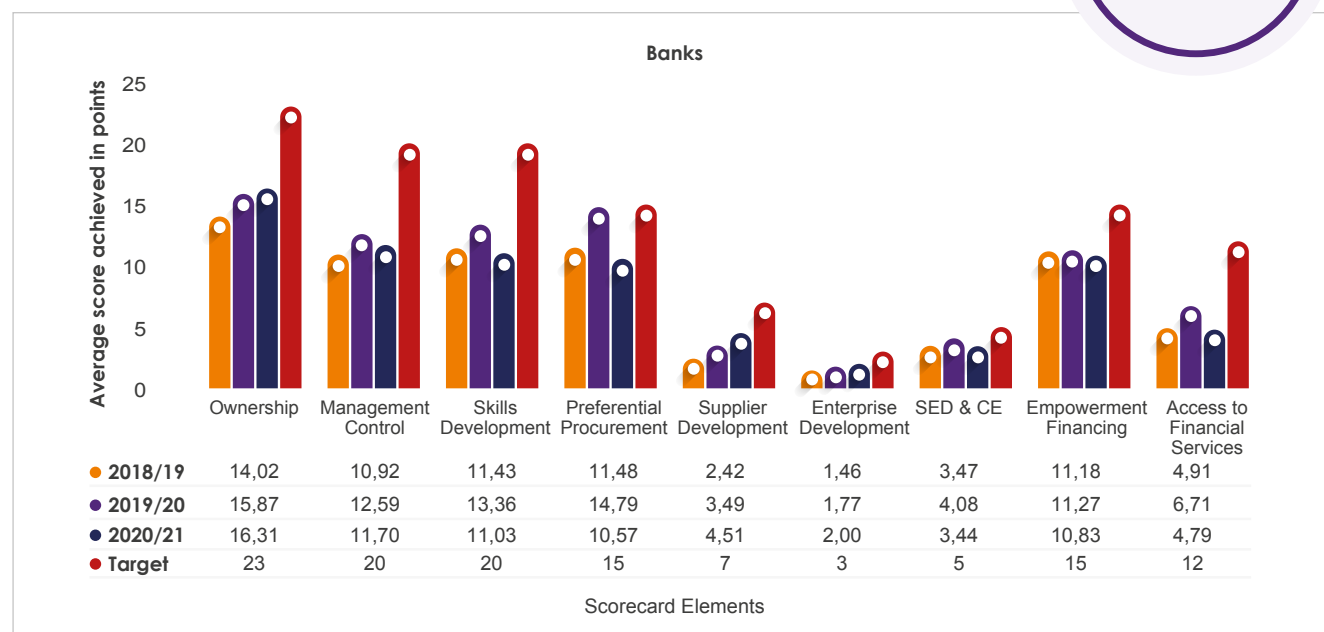
Table 5: Generic Scorecard

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
Total	120	115	103	105	

Average Overall Performance – Banks

22
Bank Submissions
in 2020/21

Figure 6: Banking Sector's average overall performance



During the 2020/21 measurement period, a total of 22 submissions were received from the banking sector, which were considered to evaluate the overall performance of the sub-sector and the assessment indicate that none of the scorecard elements were met.

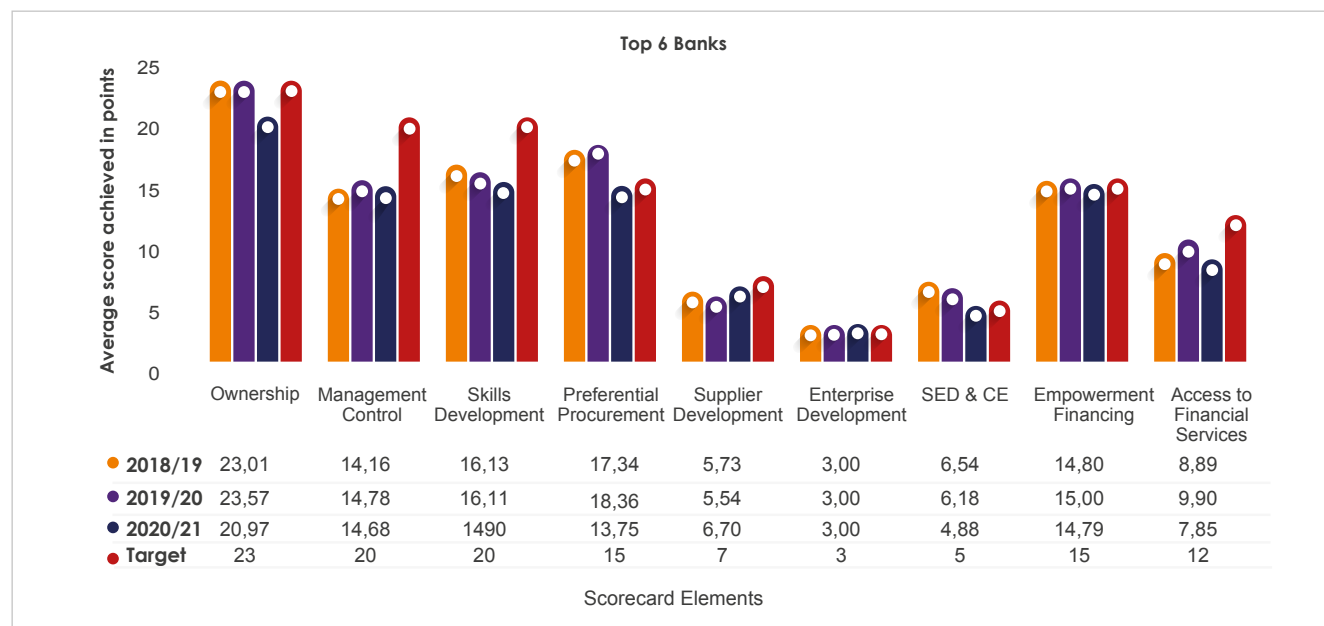
Table 6: % achievements on respective scorecard elements for All Banks

Scorecard Element	2020/21	
Ownership	6 /22	27%
Management Control	0 /22	0%
Skills Development	0 /22	0%
Preferential Procurement	3 /22	14%
Supplier Development	12 /22	55%
Enterprise Development	14 /22	64%
SED & CE	11 /22	50%
Empowerment Financing	7 /22	32%
Access to Financial Services	2 / 19	11%

* Investec Limited; China Construction Bank Johannesburg Branch and Sasfin Holdings.were exempted from the provision of Access to Financial Services (FS700)

As depicted in Table 6, the performance analysis of 22 Banks illustrates that over 50% of these banks attained their Supplier Development and Enterprise Development targets while none of the Banks achieved their targets for Management Control and Skills Development.

Figure 7: Top 6 Bank's average overall performance



3

As illustrated in Figure 7, the Top 6 Banks attained the prescribed Enterprise Development target, albeit performing slightly below targets for Supplier Development, Socio-Economic Development and Empowerment Financing for the 2020/21 measurement period. These findings indicate a commitment from the Banks in achieving their targets. However, further measures need to be taken to enhance their performance in Management Control and Skills Development.

³Top 6 Banks (PwC Report 2020): Standard Bank Limited (Approved to report as a Group); FirstRand Limited (Approval for Group reporting not granted but reported as a Group); ABSA Bank Limited (Reported in Group but did not file the exemption for Group Reporting); Nedbank Limited (Approved to report as a Group); Investec Limited; Capitec Bank Limited.

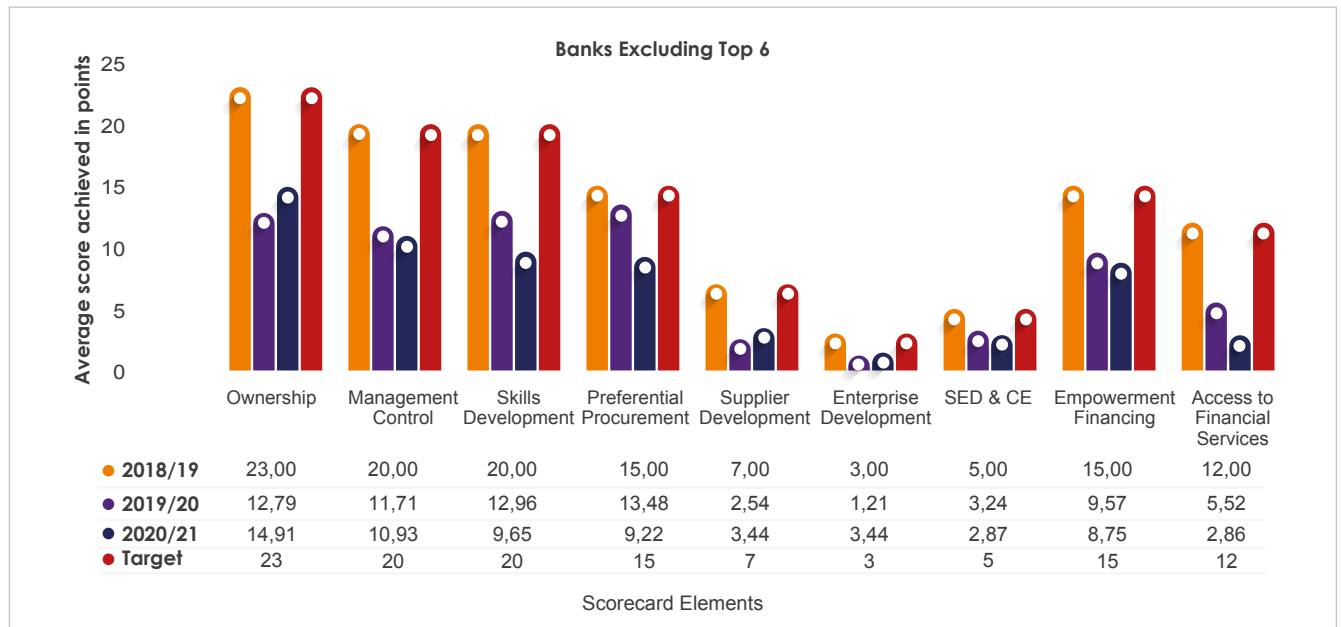
Table 7: % achievements on respective scorecard elements for Top 6 Banks

Scorecard Element	2020/21	
Ownership	3 / 6	50%
Management Control	0 / 6	0%
Skills Development	0 / 6	0%
Preferential Procurement	1 / 6	17%
Supplier Development	5 / 6	83%
Enterprise Development	5 / 6	83%
SED & CE	4 / 6	67%
Empowerment Financing	4 / 6	67%
Access to Financial Services	0 / 5	0%

*Investec Bank was exempted from the provision of the Access to Financial Services (FS700).

As displayed in Table 7, the performance evaluation of the Top 6 Banks illustrates that over 80% of these Banks achieved their determined target on Supplier Development and Enterprise Development, and 67% achieved their SED&CE and Empowerment Financing targets while none of the Top 6 Banks achieved their targets for Management Control, Skills Development and Access to Financial Services.

Figure 8: Banking Sector excluding Top 6 average overall performance



As illustrated in Figure 8, other Banks, excluding the Top 6, require more efforts towards meeting the designated targets as none of the scorecard elements were achieved during 2020/21.

Table 8: % achievements on respective scorecard elements for Banking sector excluding Top 6

Scorecard Element	2020/21	
Ownership	2 / 16	13%
Management Control	0 / 16	0%
Skills Development	0 / 16	0%
Preferential Procurement	1 / 16	6%
Supplier Development	7 / 16	44%
Enterprise Development	8 / 16	50%
SED & CE	9 / 16	56%
Empowerment Financing	3 / 16	19%
Access to Financial Services	2 / 14	14%

*China Construction Bank & Sasfin Holdings were exempted from the provision of the Access to Financial Services (FS700).

As depicted in Table 8, other Banks, excluding the Top 6, have made fair progress towards achieving the targets for Supplier Development, Enterprise Development, and SED&CE while performance in other elements require greater strides. While acknowledging the efforts of the banking sector, there remains a considerable potential for the Banks to further improve their endeavours in meeting the set objectives for achieving transformation within the financial sector. This is particularly crucial given that the Banks hold a significant proportion of the total assets value of the economy, and have a key role to play in driving countrywide change.



Average Overall Performance – Life Offices

15
Life Offices
submissions in
2020/21

Figure 9: Life Offices' average overall performance



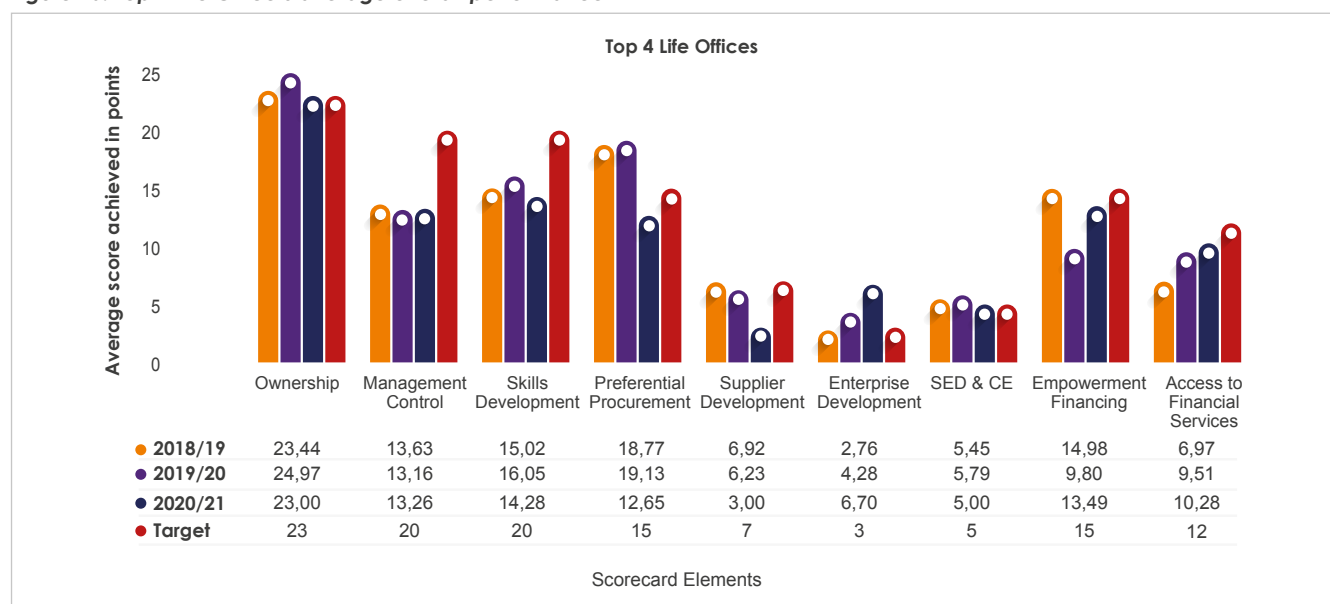
During 2020/21, a total of 15 submissions which were considered to evaluate the overall performance of the Life Offices and the assessment indicate that none of the scorecard elements targets were achieved by reported Life Offices.

Table 9: % achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	8 /15	53%
Management Control	0 /15	0%
Skills Development	1 /15	7%
Preferential Procurement	4 /15	27%
Supplier Development	7 /15	47%
Enterprise Development	12 /15	80%
SED & CE	10 /15	67%
Empowerment Financing	4 /15	27%
Access to Financial Services	1 /15	7%

As depicted in Table 9, target 67% of the 15 Life Offices that reported attained their targets for SED and SED&CE, target 80% while recording 0% on achieving the Management Control target.

Figure 10: Top 4 Life Office's average overall performance



As illustrated in Figure 10, the Top 4 Life Offices' assessment indicates a slightly better performance when compared to all Life Offices with the target being achieved in Ownership, Enterprise Development and SED&CE. However, further actions are required in order to improve performance on elements where targets were not met, such as Management Control, Skills Development and Supplier Development.

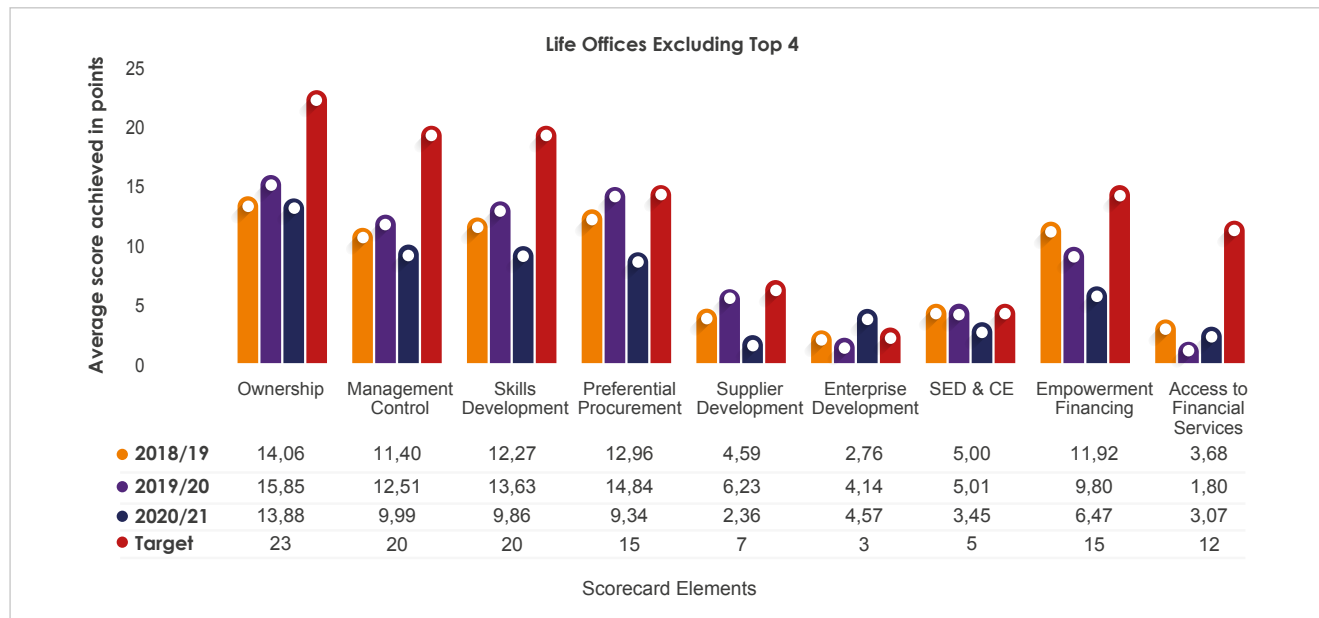
Table 10: % achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	4 /4	100%
Management Control	0 /4	0%
Skills Development	0 /4	0%
Preferential Procurement	2 /4	50%
Supplier Development	2 /4	50%
Enterprise Development	4 /4	100%
SED & CE	4 /4	100%
Empowerment Financing	1 /4	25%
Access to Financial Services	1 /4	25%

⁴ Top 5 Life Offices (KPMG South Africa Insurance Survey 2021, excluding Discovery Life as reported under Discovery Bank Limited): Sanlam Limited; Old Mutual Limited; Liberty Holding, Momentum Metropolitan Holdings.

As depicted in Table 10, the Top 4 Life Offices demonstrated notable progress in achieving the determined targets for Ownership and Enterprise Development and Supplier Development. However, their performance in other elements, such as Management Control and Skills Development targets recorded a 0% attainment.

Figure 11: Life Offices excluding Top 4 average overall performance



As illustrated in Figure 11, the performance of other Life Offices excluding Top 4 in achieving the determined targets declined during the measurement period under review, except for Enterprise Development where the target was exceeded.

Table 11: % achievements on respective scorecard elements

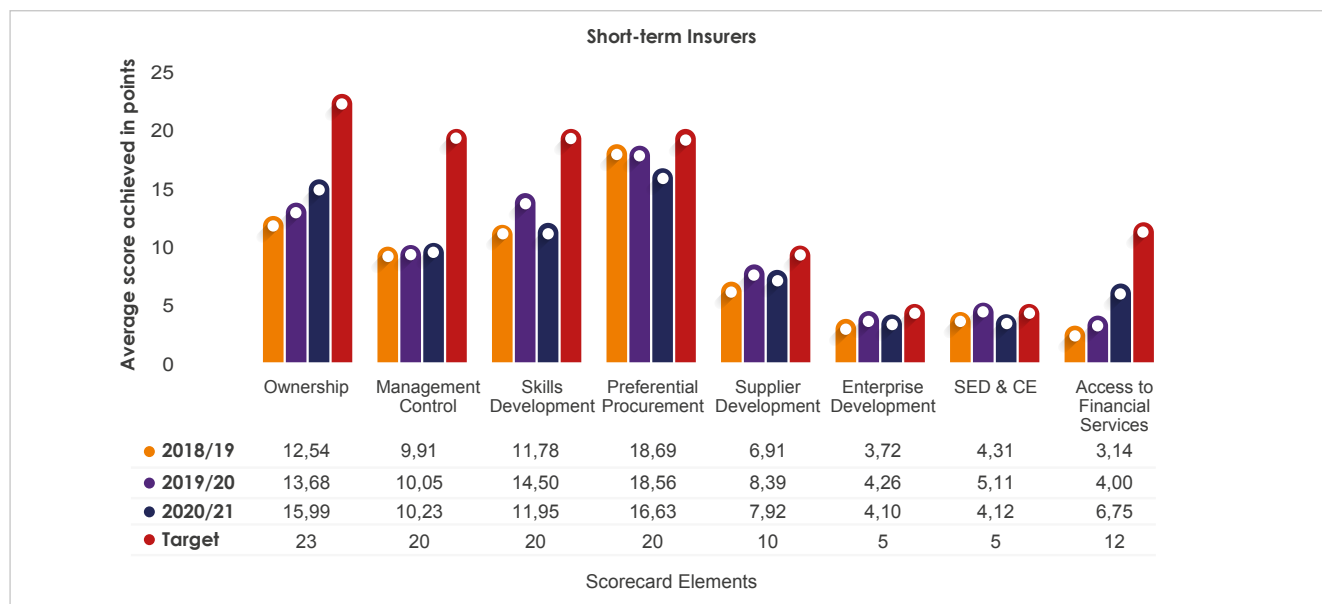
Scorecard Element	2020/21	
Ownership	4 / 11	36%
Management Control	0 / 11	0%
Skills Development	1 / 11	9%
Preferential Procurement	2 / 11	18%
Supplier Development	4 / 11	36%
Enterprise Development	8 / 11	73%
SED & CE	6 / 11	55%
Empowerment Financing	3 / 11	27%
Access to Financial Services	0 / 11	0%

As depicted in Table 11, 73% + 55% of Life Offices excluding the Top 4 attained the Enterprise Development and SED&CE targets. However, the performance of Life Offices excluding the Top 4 recorded 0% achievement for Management Control and Access to Financial Services and it is imperative for Life Offices to collectively strive in achieving the targets for Management Control and Access to Financial Services as these targets are critical in promoting the transformation imperatives of the sector.

Average Overall Performance – Short-Term Insurers

19
Short-term
Insurers
submissions
in 2020/21

Figure 12: Short-term Insurers' average overall performance



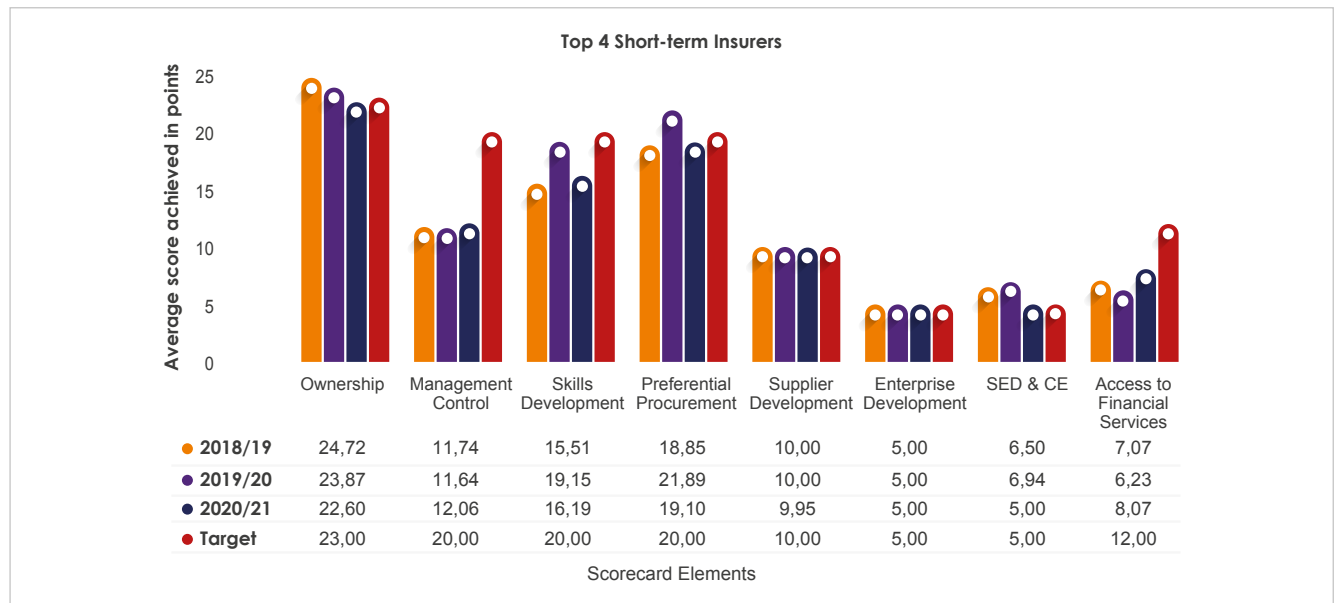
The performance analysis of the 19 Short-term Insurers that reported during 2020/21 indicates that none of the sub-industry members met their designated scorecard element targets.

Table 12: achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	5 / 19	26%
Management Control	0 / 19	0%
Skills Development	0 / 19	0%
Preferential Procurement	5 / 19	26%
Supplier Development	12 / 19	63%
Enterprise Development	13 / 19	68%
SED & CE	13 / 19	68%
Access to Financial Services	1 / 19	5%

As depicted in Table 12, the performance of the 19 Short-term Insurers that reported, indicated that over 60% achieved their Supplier Development, Enterprise Development, and SED&CE targets, while none made progress in achieving the Management Control and Skills Development targets.

Figure 13: Top 4 Short-term Insurers' average overall performance



5

As illustrated in Figure 13, during the 2020/21 measurement period, the Top 4 Short-term Insurers have achieved their determined targets on Enterprise Development and SED & CE, with performance on Ownership, Procurement, and Supplier Development requiring marginal improvement and performance on Management Control, Skills Development and Access to Financial Services requiring significant efforts.

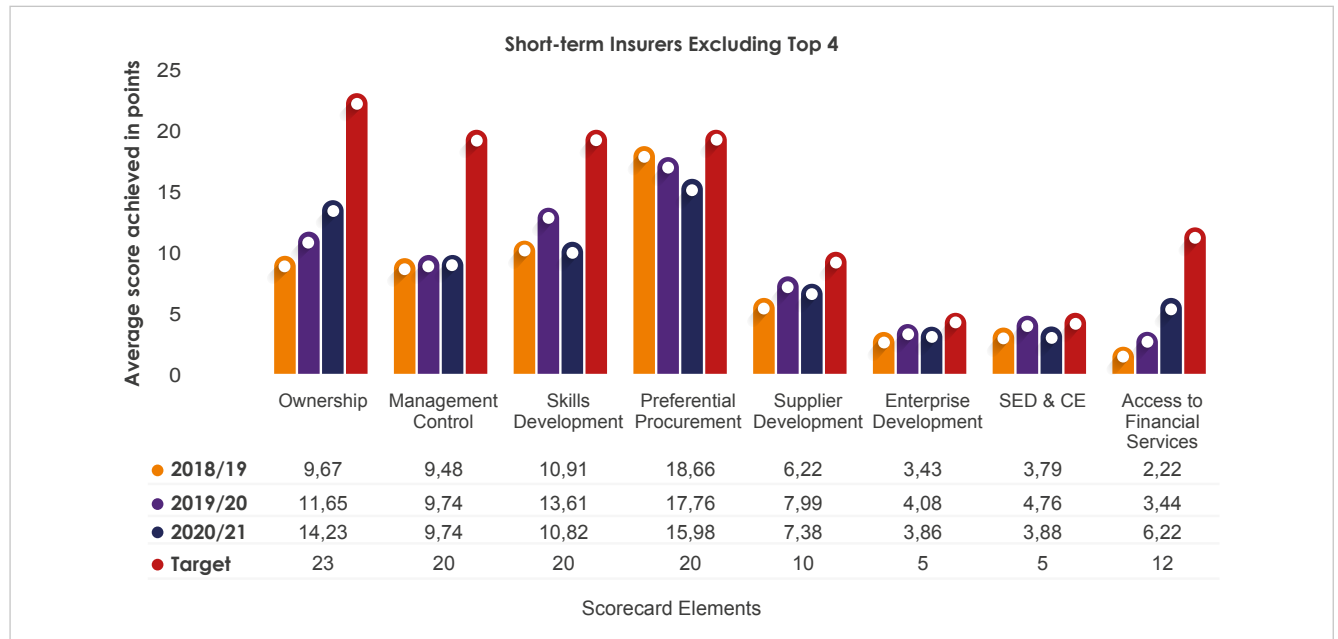
Table 13: achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	3 / 4	75%
Management Control	0 / 4	0%
Skills Development	0 / 4	0%
Preferential Procurement	3 / 4	75%
Supplier Development	4 / 4	100%
Enterprise Development	4 / 4	100%
SED & CE	4 / 4	100%
Access to Financial Services	0 / 4	0%

As depicted in Table 13, over 74% of the Top 4 Short-term Insurers have considered sound measures towards meeting Ownership, Preferential Procurement, Supplier Development, Enterprise Development and SED & CE targets. However, none of the Top 4 Short-term Insurers attained their Management Control, Skills Development and Access to Financial Services targets.

⁵ Top 5 Short-term Insurers (KPMG South Africa Insurance Survey 2021, excluding GuardRisk Limited as reported under Momentum Metropolitan Holdings): Santam Limited; Hollard Insure Limited; Old Mutual Insure Limited; OUTsurance Insure Limited.

Figure 14: Short-term Insurers excluding Top 4 average overall performance.



As illustrated in Figure 14, the data presented outlines an overall underperformance among the Short-term Insurers excluding Top 4, with none of the scorecard element targets achieved.

Table 14: achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	3 / 15	20%
Management Control	0 / 15	0%
Skills Development	0 / 15	0%
Preferential Procurement	3 / 15	20%
Supplier Development	9 / 15	60%
Enterprise Development	10 / 15	67%
SED & CE	10 / 15	67%
Access to Financial Services	1 / 15	7%

As illustrated in Table 14, over 60 % of other Short-term Insurers excluding the Top 4 achieved the Enterprise Development, and SED&CE targets while none of them attained their Management Control and Skills Development targets.

It is necessary for Short-term Insurers to consider employing improved transformation strategies aimed at attaining the determined industry targets as enhanced effort towards meeting the targets of the elements in which they underperformed is required.

Average Overall Performance – Asset Managers

43
Asset Managers
submissions in
2020/21

Figure 15: Asset Managers' average overall performance



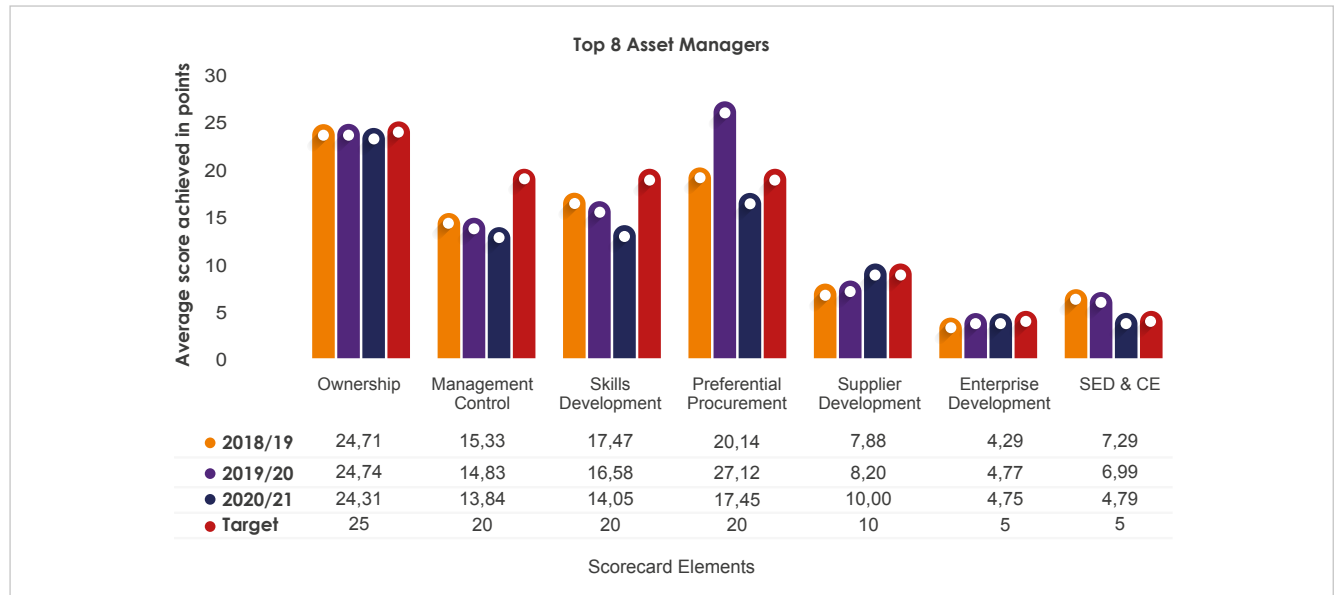
During the measurement period under review, Asset Managers submitted a total of 43 reports. According to the assessment results, none of the scorecard elements' targets were met.

Table 15: % achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	17 /43	40%
Management Control	0 /43	0%
Skills Development	3 /43	7%
Preferential Procurement	11 /43	26%
Supplier Development	33 /43	77%
Enterprise Development	33 /43	77%
SED & CE	32/ 43	74%

As depicted in Table 15, more than 70% of the 43 Asset Managers who reported achieved their Supplier Development, Enterprise Development, and SED&CE targets, while none attained the determined Management Control target.

Figure 16: Top 8 Asset Managers' average overall performance



6

Figure 16 illustrates the Top 8 Asset Managers' performance with only Supplier Development targets being achieved, Ownership, Enterprise Development, and SED&CE performed slightly below targets and Management Control and Skills Development requiring enhanced efforts to improve performance. The results reiterate the significance of sustained efforts in maintaining the achieved targets whilst improving on the targets that exhibited underperformance.

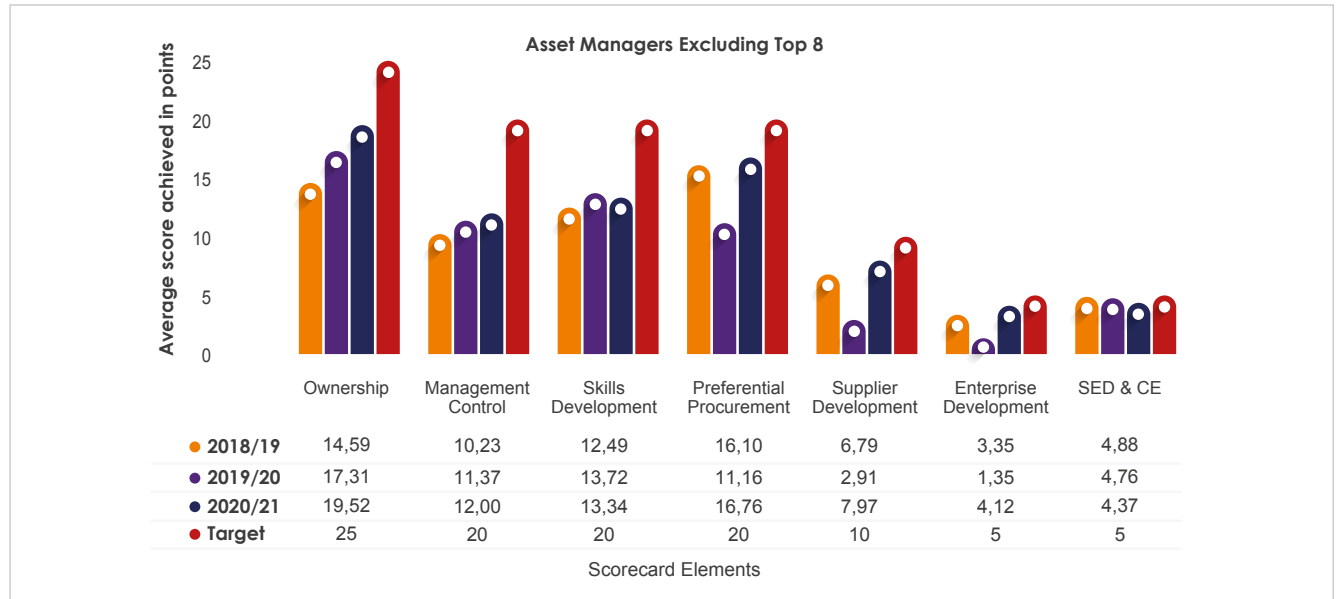
Table 16: % achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	5 / 8	63%
Management Control	0 / 8	0%
Skills Development	0 / 8	0%
Preferential Procurement	1 / 8	13%
Supplier Development	8 / 8	100%
Enterprise Development	5 / 8	63%
SED & CE	7 / 8	88%

As depicted in Table 16, over 60 % of the Top 8 Asset Managers achieved their Ownership, Supplier Development, Enterprise Development and SED&CE with Management Control and Skills Development recording 0% attainment.

⁶ Top 8 Asset Managers (Alex Forbes Management Watch Survey 2021, excluding Nedgroup Investments as reported under Nedbank Limited and Sanlam Multi Managers as reported under Sanlam Investment third party business): Ninety-One Limited, Stanlib Limited, Coronation Fund Managers Limited; Sanlam Investment third party business; Allan Gray Proprietary Limited; Old Mutual Investment Holding Company; Alex Forbes Group Holdings; Taqanta Investment Holdings.

Figure 17: Asset Managers excluding Top 8 average overall performance



As illustrated in Figure 17, the performance of Asset Managers excluding the Top 8 illustrates that none of the scorecard elements were met with Enterprise Development and SED&CE indicating improvements towards meeting the target.

Table 17: % achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	14 /35	40%
Management Control	0 /35	0%
Skills Development	2 /35	6%
Preferential Procurement	10 /35	29%
Supplier Development	28 /35	80%
Enterprise Development	29 /35	83%
SED & CE	30 /35	86%

Table 17 depicts that over 75% of Asset Managers excluding the Top 8 met the targets for Supplier Development, Enterprise Development, and SED&CE. However, Management Control remains a challenge as none of the Asset Managers achieved target.

Average Overall Performance – Other Institutions

81
Other Institutions
submissions in
2020/21

Figure 18: Other Institutions' average overall performance



During 2020/21, a total of 81 submissions were received from the Other Institutions, which were considered to evaluate the overall performance of the sub-sector and the results depicted that none of the scorecard element targets were achieved.

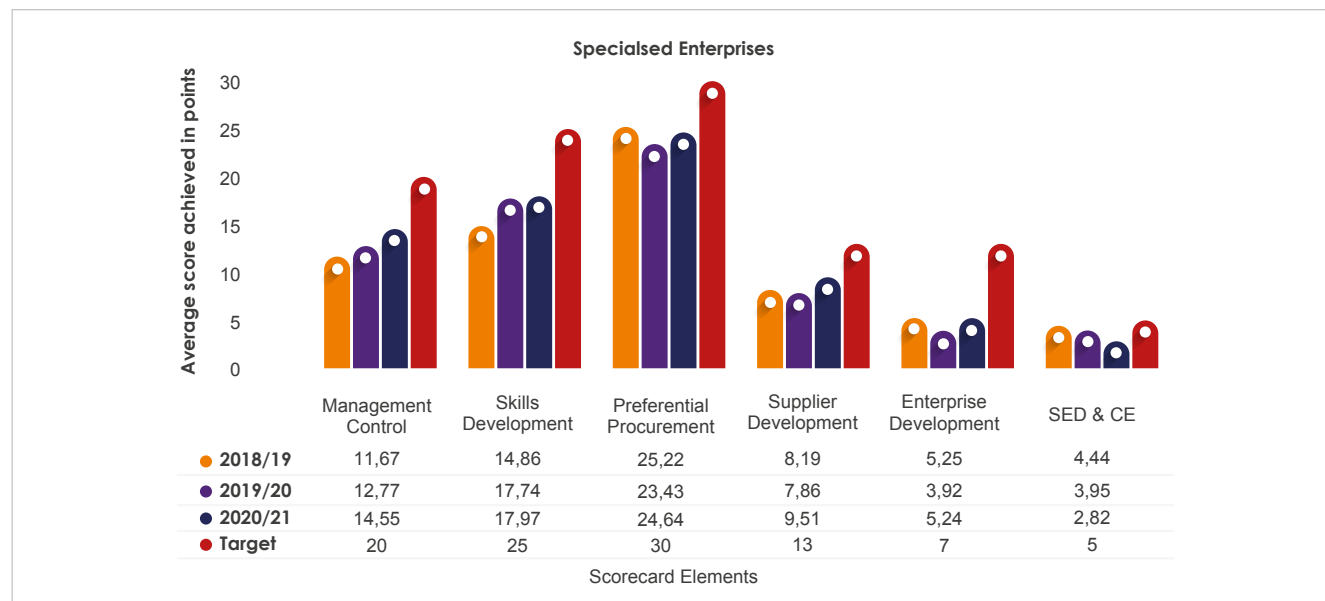
Table 18: % achievements on respective scorecard elements

Scorecard Element	2020/21	
Ownership	15 /81	19%
Management Control	2 /81	2%
Skills Development	10 /81	12%
Preferential Procurement	18 /81	22%
Supplier Development	33 /81	41%
Enterprise Development	48 /81	59%
SED & CE	37 /81	46%

Table 18 displays that out of the 81 Other Institutions that reported, 59% met their, Enterprise Development target, however Management Control remains a challenge with only 2% of the sub-sector attaining its target.

Average Overall Performance – Specialised Enterprises

Figure 19: Specialised Enterprises' average overall performance



During the 2020/21 measurement period, a total of 8 submissions were received from the Specialised Enterprises, which were used to evaluate the overall performance of the sub-sector and the results depicted that none of the scorecard element targets were achieved.

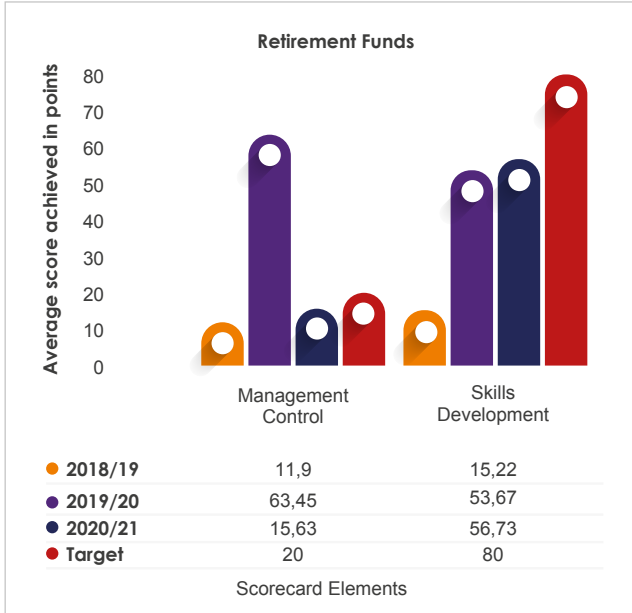
Table 19: % achievements on respective scorecard elements

Scorecard Element	2020/21	
Management Control	0 / 8	0%
Skills Development	1 / 8	13%
Preferential Procurement	3 / 8	38%
Supplier Development	3 / 8	38%
Enterprise Development	4 / 8	50%
Socio-economic Development	2 / 8	25%

Table 19 illustrated that out of the 8 Specialised Enterprises that reported, 50% achieved their Preferential Procurement, Supplier Development, and Enterprise Development targets while none attained the prescribed Management Control target.

Average Overall Performance – Retirement Funds

Figure 20: Retirement Funds' average overall performance

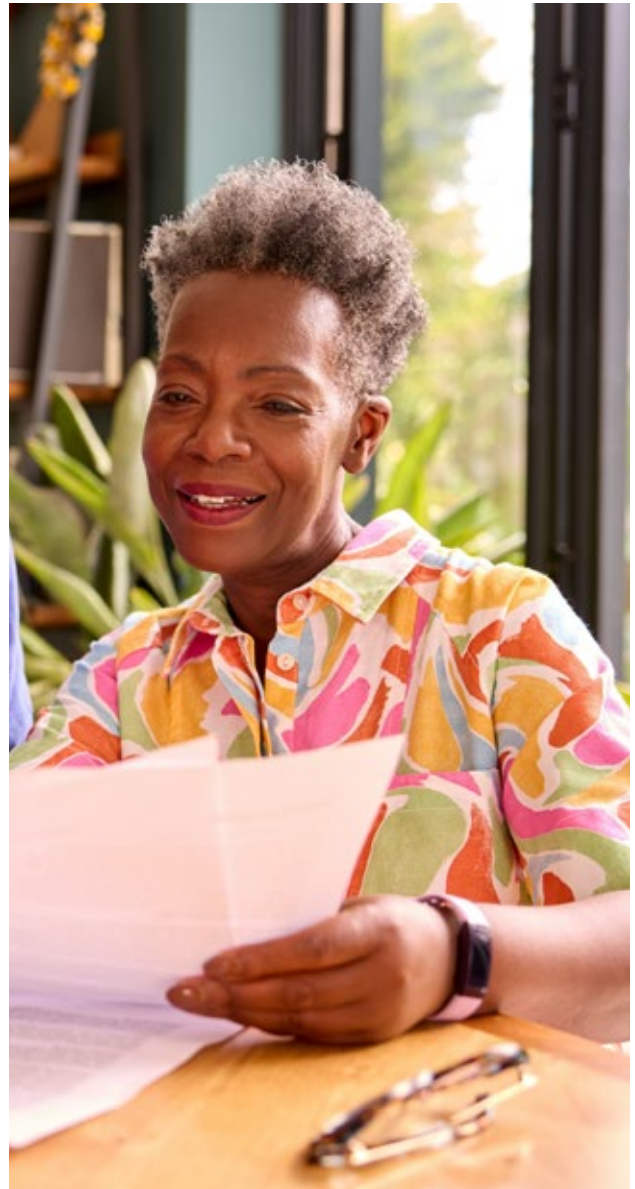


During the 2020/21 measurement period, a total of 13 submissions were received from Retirement Funds, which were used to assess the sub-sector's overall performance, and the outcomes revealed that none of the scorecard elements were achieved.

Table 20: % achievements on respective scorecard elements

Scorecard Element	2020/21	
Management Control	3 / 13	23%
Preferential Procurement	0 / 13	0%

As depicted in Table 20, out of the 13 Retirement Funds that reported, 23% achieved their Management Control target while recording 0% for Preferential Procurement.



ELEMENT ANALYSIS

The Element Analysis section of the report applies an in-depth analysis of the performance on each element against target.

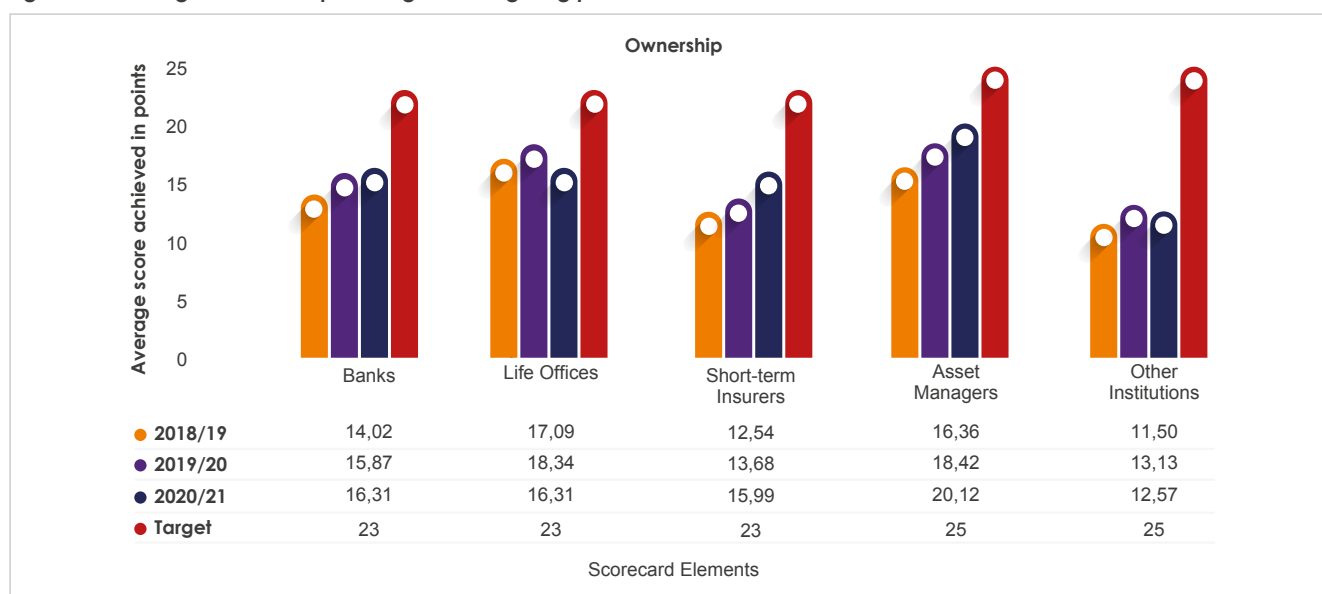
FS100 – OWNERSHIP

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.

Table 21: Ownership Scorecard

		Description	Points	Target
2.1 Exercisable voting rights	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. Economic interest rights	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 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%

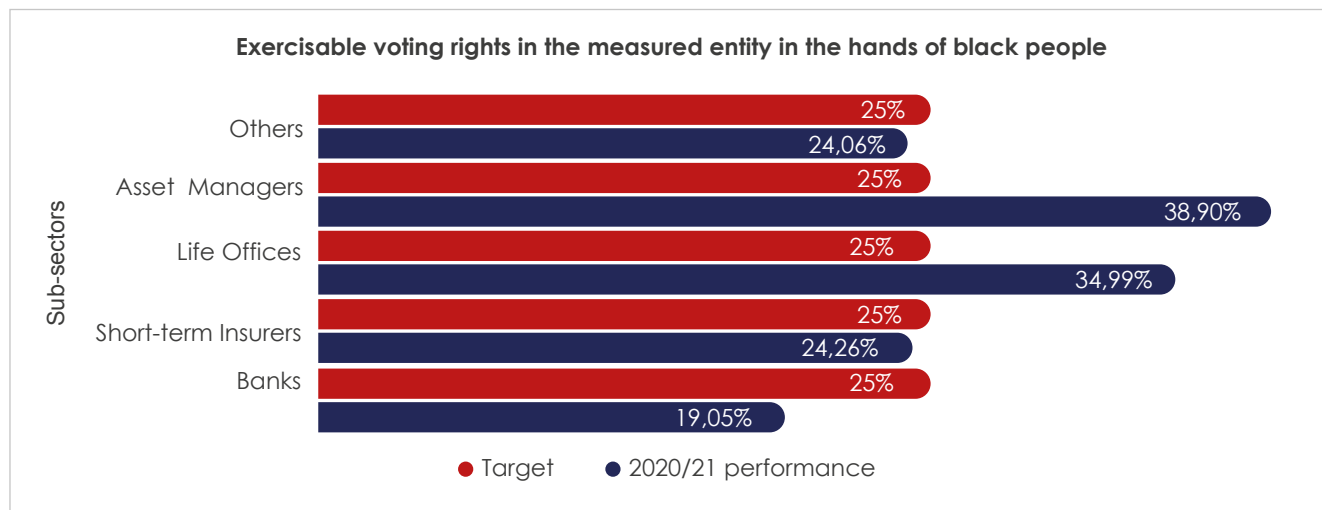
Figure 21: Average scorecard points against weighting points



As illustrated in Figure 21, all sub-sectors underperformed on Ownership element with Asset Managers recording the highest performance in 2020/21. Albeit not meeting the targets.

EXERCISABLE VOTING RIGHTS IN THE MEASURED ENTITY IN THE HANDS OF BLACK PEOPLE AND BLACK WOMEN

Figure 22: Average % achieved on exercisable voting rights in the measured entity in the hands of Black people



As illustrated in Figure 22, the various sub-sectors underperformed on this element in respect of the 25% target of Exercisable voting rights in the hands of Black People with only Asset Managers and Life Offices significantly exceeding the determined targets in 2020/21, while Short-term Insurers and Others slightly performed below the determined target with Banks having been the furthest from achieving the determined target.

EXERCISABLE VOTING RIGHTS IN THE HANDS OF BLACK WOMEN

Figure 23: Average % achieved on exercisable voting rights in the measured entity in the hands of Black women

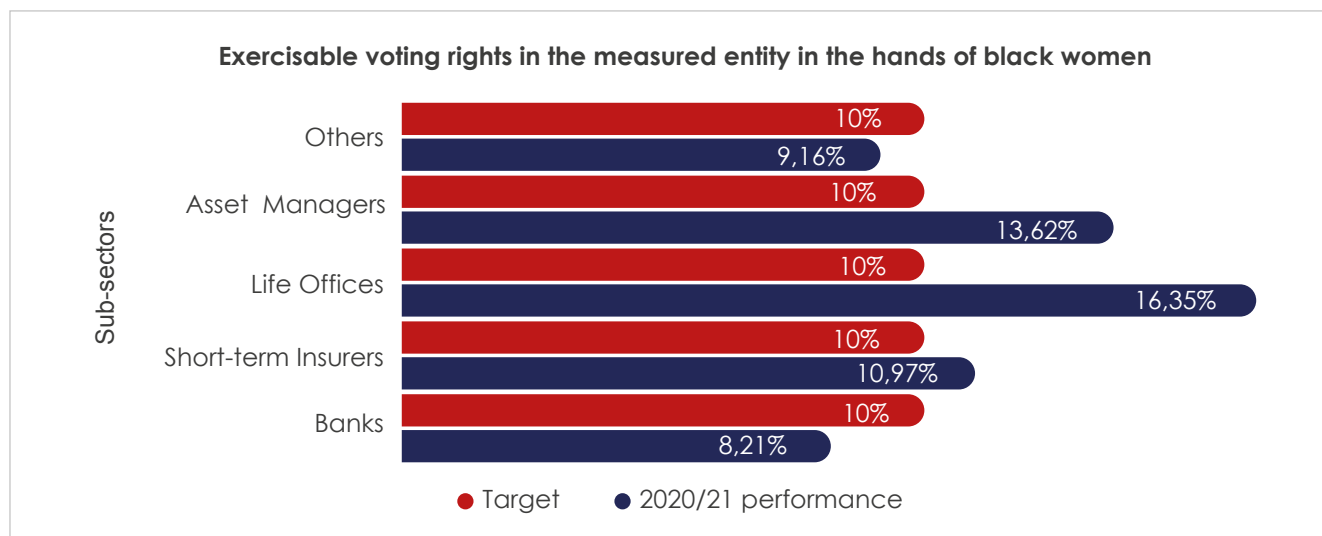


Figure 23 illustrates the sector's realised efforts towards meeting the prescribed 10% target of Exercisable voting rights in the hands of Black Women with the Short-term Insurers, Life Offices and Asset Managers contributing significantly in 2020/21, whereas Banks and Other Institutions performed slightly below their determined target.

Figure 24: Average % achieved on economic Interest rights in the measured entity to which Black people are entitled.

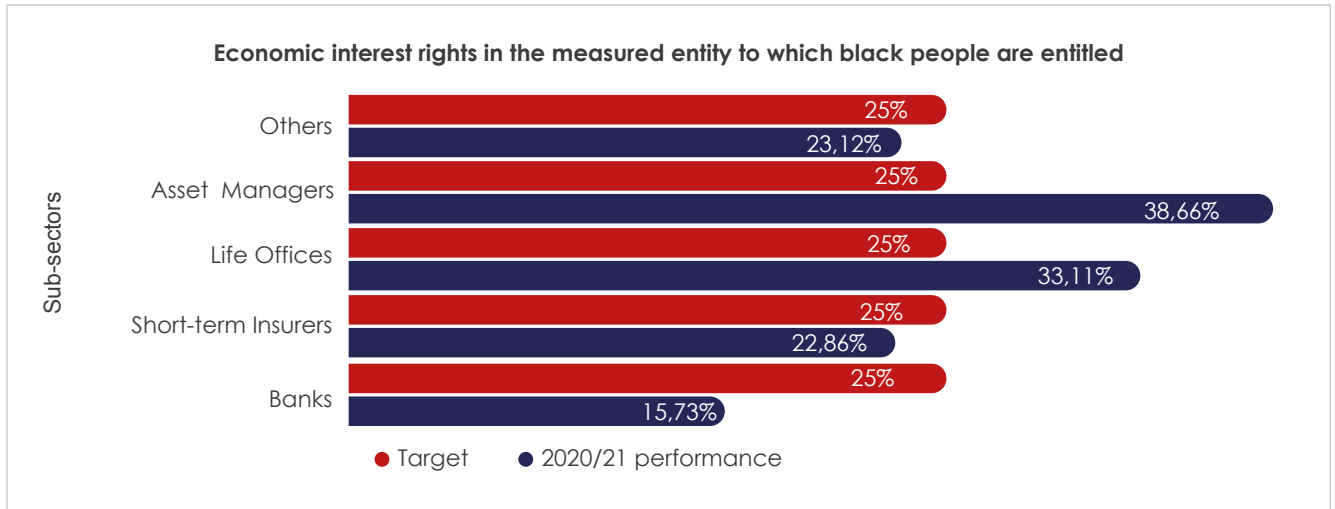


Figure 24 illustrates that, for the 2020/21 measurement period, only Life Offices and Asset Managers significantly exceeded the prescribed target of attaining the 25% economic interests rights to which Black people are entitled, while Short-term Insurers and Other Institutions did not meet the determined target with Banks performing the lowest.

Figure 25: Average % achieved on economic Interest rights in the measured entity to which Black women are entitled

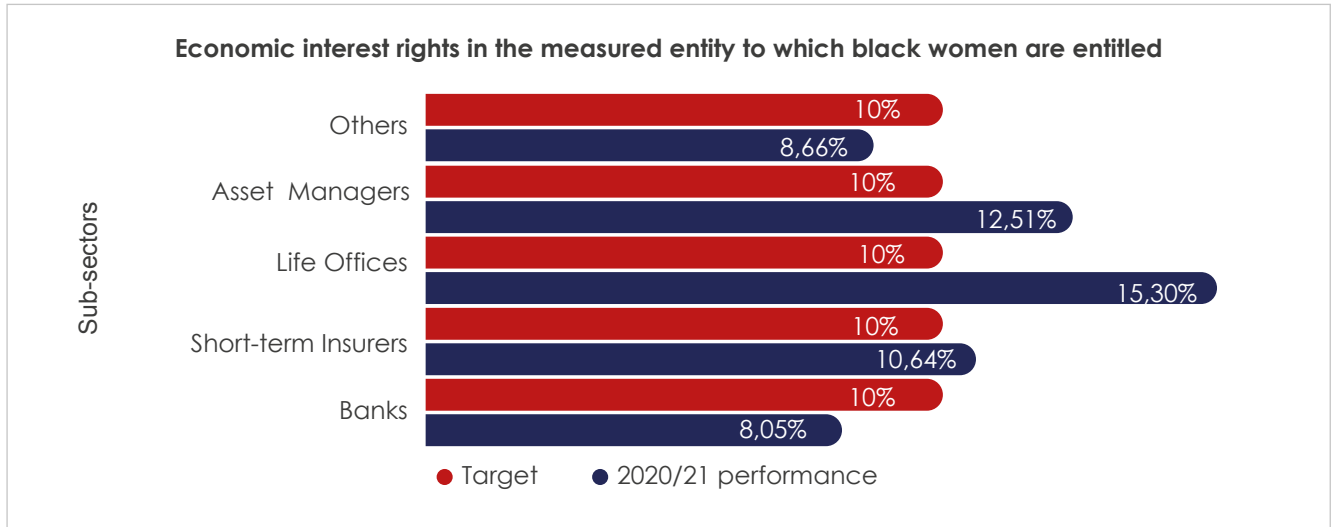


Figure 25 illustrates the sector's performance in achieving the set target of 10% economic interests in the measured entity to which Black women are entitled with only Short-term Insurers, Life Offices and Asset Managers having exceeded the determined target for the measurement period under review, while Banks and Other Institutions performed slightly below the target.

Figure 26: Average % achieved on economic Interest in the hands of Black designated groups

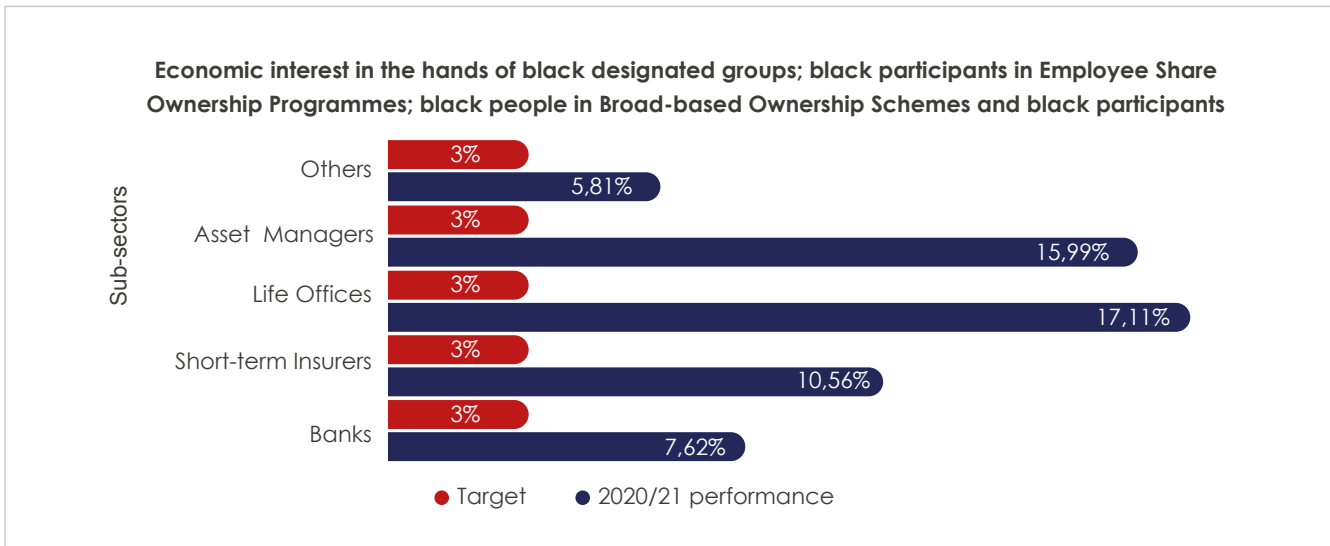


Figure 26 illustrates the sector's performance in achieving the set target of 3% economic interests in the measured entity to which Black designated groups, including ESOPs⁷ are entitled, with all sub-sectors having exceeded the determined target for the measurement period under review.



⁷ Employees Share Ownership Programmes

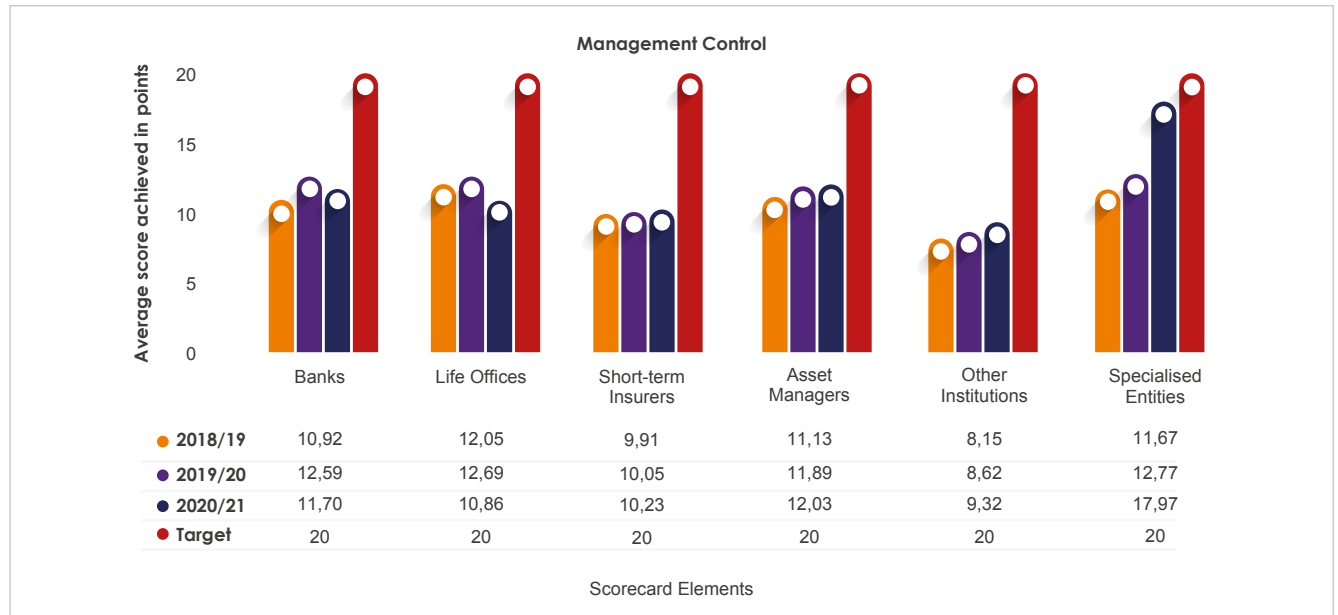
FS200 - MANAGEMENT CONTROL

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 22: 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 such employees	2	75%
	2.4.2. Black female employees in middle management as a percentage of all middle managers	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 such employees	2	88%
	2.5.2. Black female employees in junior management as a percentage of all junior managers	1	44%
	2.5.3. African junior managers as a percentage of all junior managers	1	EAP%
2.6.	2.6. Black employees with disabilities as a percentage of all employees	1	2%
	TOTAL	20	

Figure 27: Average scorecard points against weighting points



As illustrated in Figure 27, during 2020/21, none of the sub-sectors achieved their Management Control target, with the highest performance recorded for Specialised Enterprises. Albeit not meeting target.

BOARD PARTICIPATION

BLACK PEOPLE AND BLACK FEMALE BOARD MEMBERS

Figure 28: Average % achieved on exercisable voting rights of Black board members

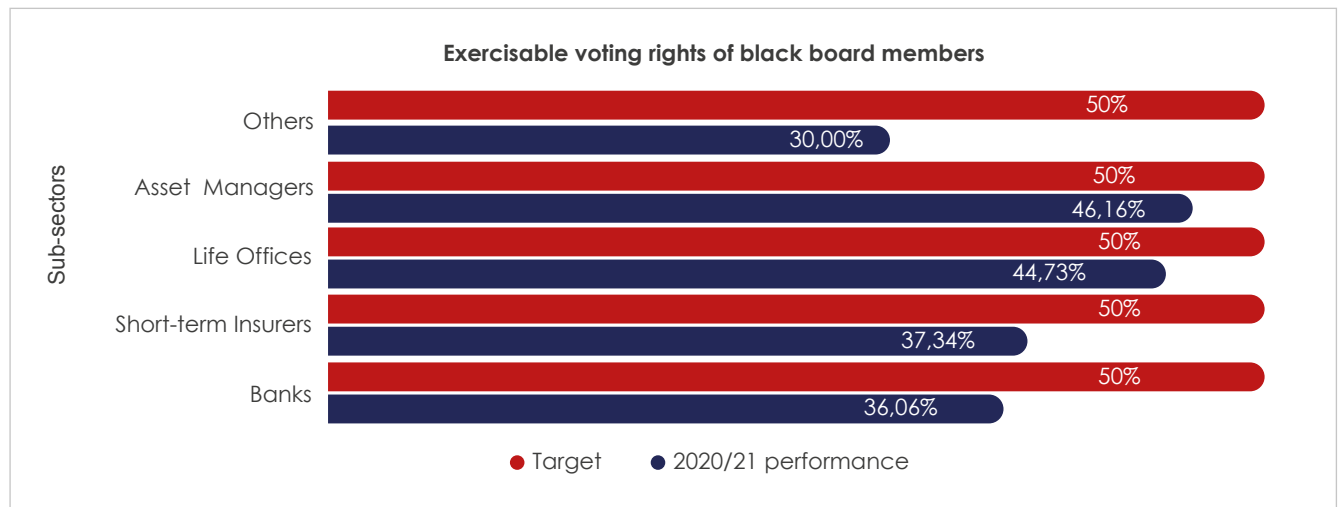
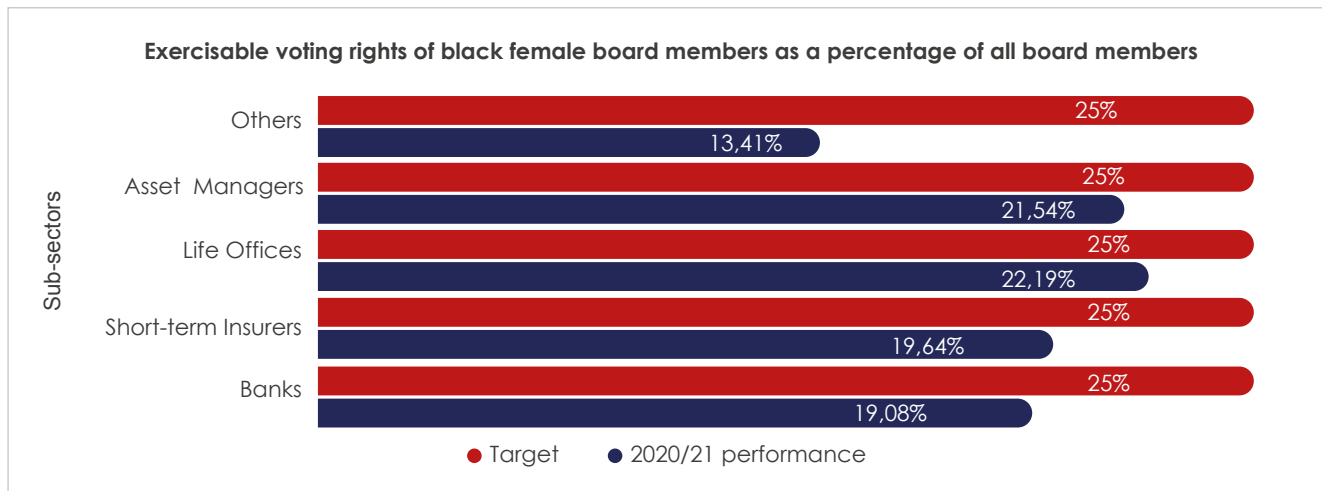


Figure 28 illustrates the overall performance of the sector in attaining the 50% target of Exercisable voting rights of Black board members with none of the sub-sectors meeting the prescribed target, however, Asset Managers, Life Offices and Short-term Insurers displayed marginal progress towards achieving the target.

Figure 29: Average % achieved on exercisable voting rights of Black female board members



As illustrated in Figure 29, the realised efforts of the sector towards attaining the 25% target of the exercisable voting rights of Black female board members as a percentage of all board members was not achieved by any of the sub-sectors during 2020/21, with Life Offices and Asset Managers displaying improved performance towards attaining the target.

BLACK PEOPLE AND BLACK FEMALE EXECUTIVE DIRECTORS

Figure 30: Average % achieved on Black executive directors

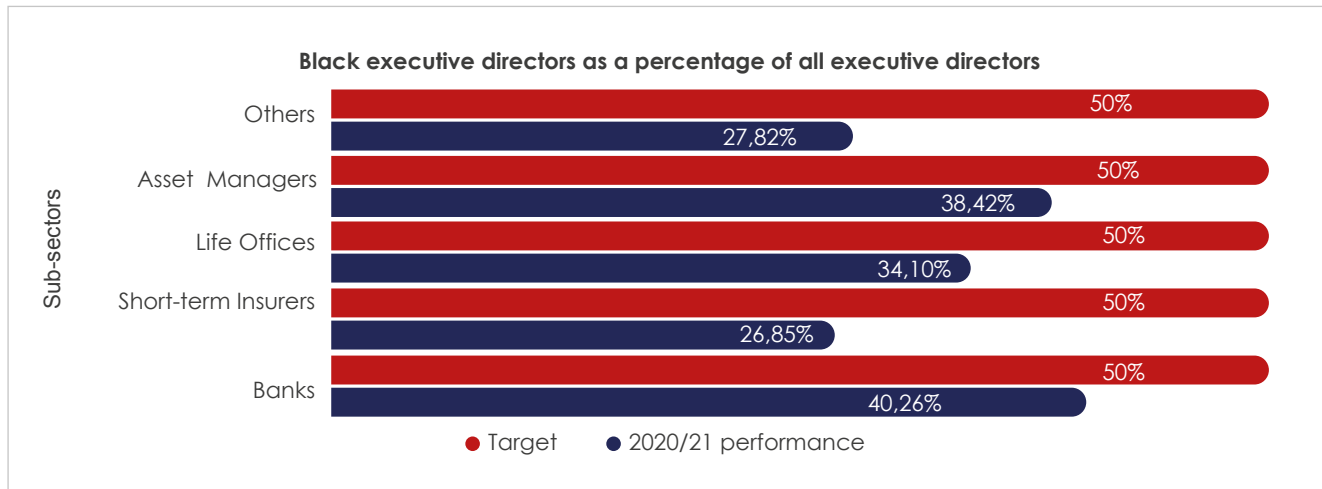
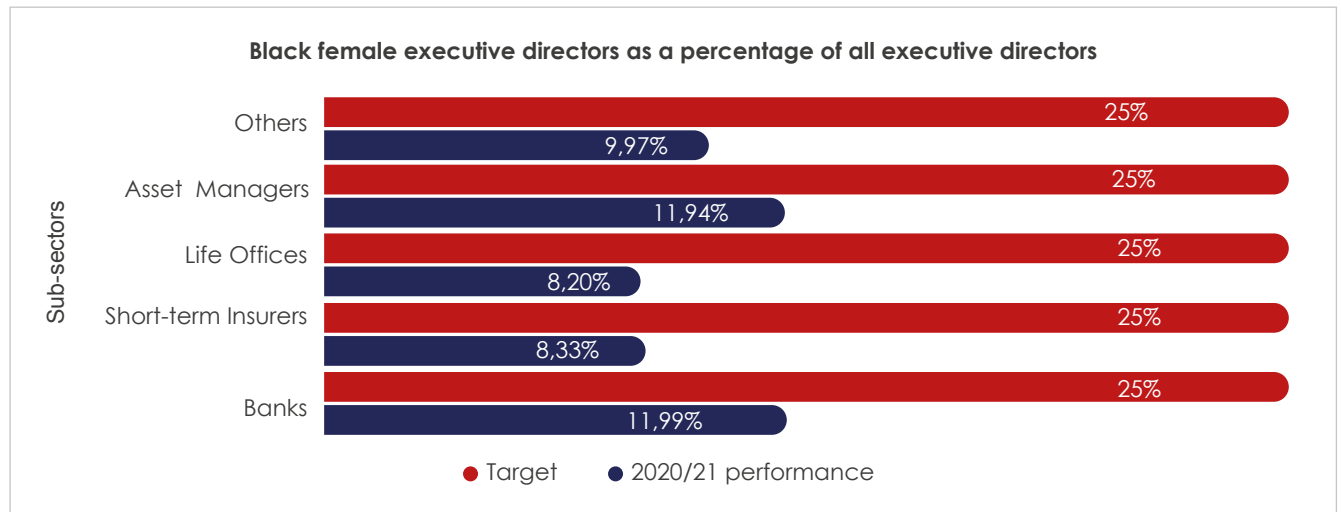


Figure 30 illustrates the overall performance of the sector in achieving the 50% target of the Black executive directors as a percentage of all executive directors, with none of the sub-sectors meeting their designated target, however Banks and Asset Managers recorded the highest performance towards realising the determined target for the measurement period 2020/21.

Figure 31: Average % achieved performance Black female executive directors



As illustrated in Figure 31, the sector's average performance in relation to meeting the 25% target ascribed to Black female executive directors as a percentage of all executives was not achieved by any of the sub-sectors during 2020/21 with Banks and Asset managers recording the highest performance towards realising the determined target.

OTHER EXECUTIVE MANAGEMENT

BLACK PEOPLE AND BLACK FEMALE EXECUTIVE MANAGEMENT

Figure 32: Average % achieved Black executive management

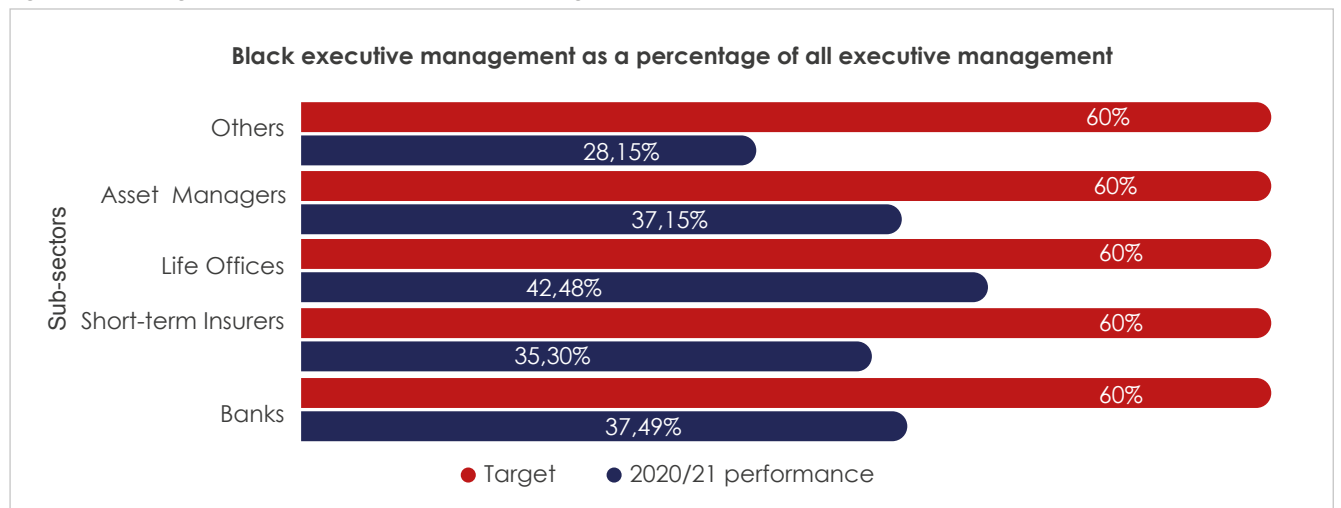


Figure 32 illustrates the sector's efforts towards attaining the 60% target for Black executive management as a percentage of all executive management with the analysis of the data displaying that none of the sub-sectors achieved the determined target for the reporting period under review, with Life Offices Banks and Asset managers performing the highest towards realising the determined target.

Figure 33: Average % achieved Black female executive management

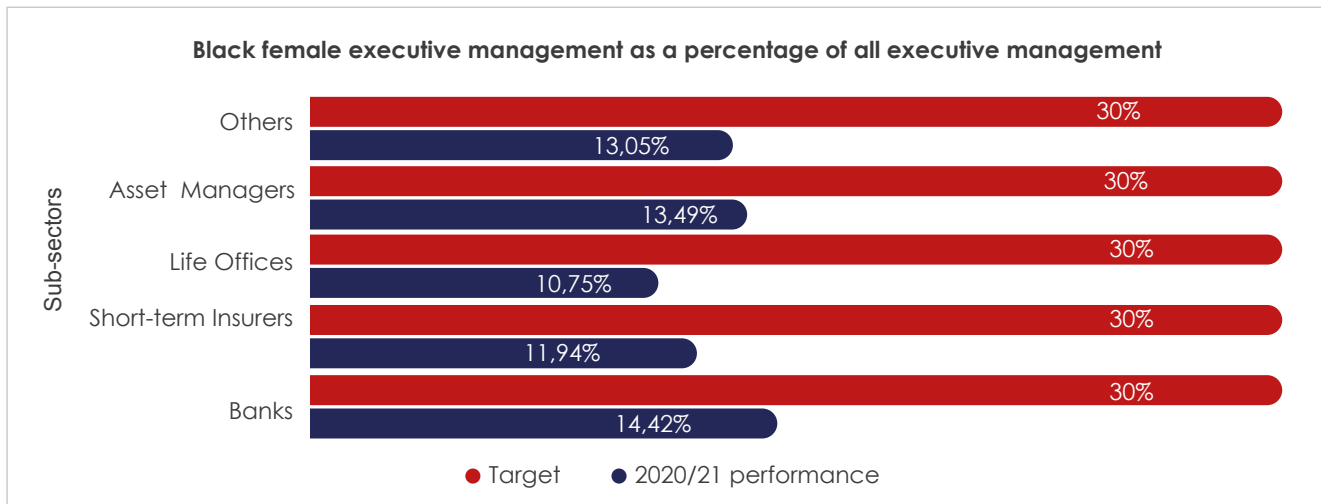


Figure 33 illustrates the realised performance of the sector in meeting the 30% target for Black female executive management as a percentage of all executive management with all sub-sectors underperforming in 2020/21.

BLACK REPRESENTATION IN MANAGEMENT

SENIOR MANAGEMENT

Figure 34: Average % achieved on Black representation in Senior Management

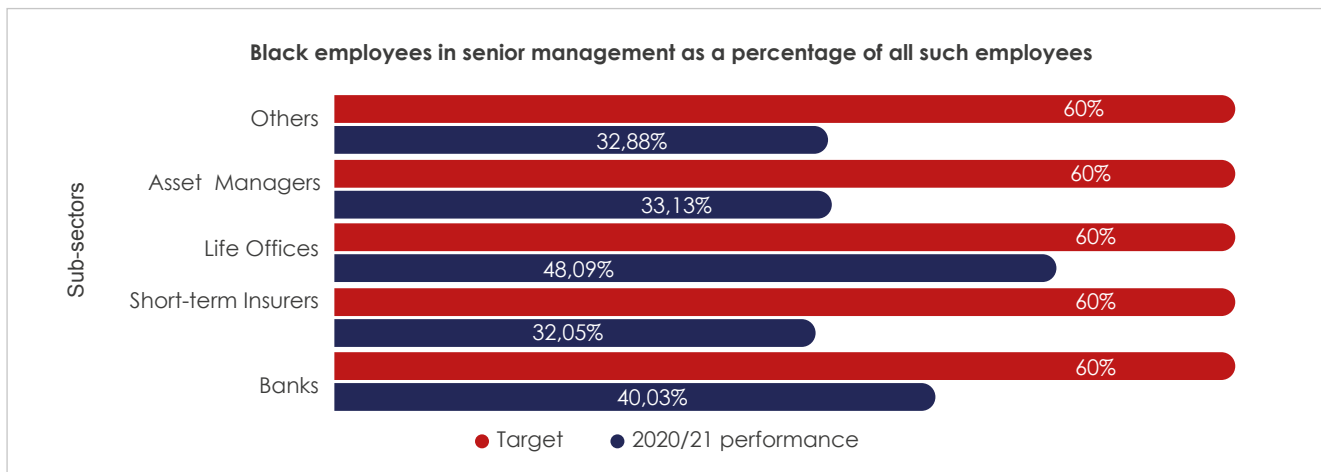


Figure 35: Average % achieved on Black Female Employees in Senior Management

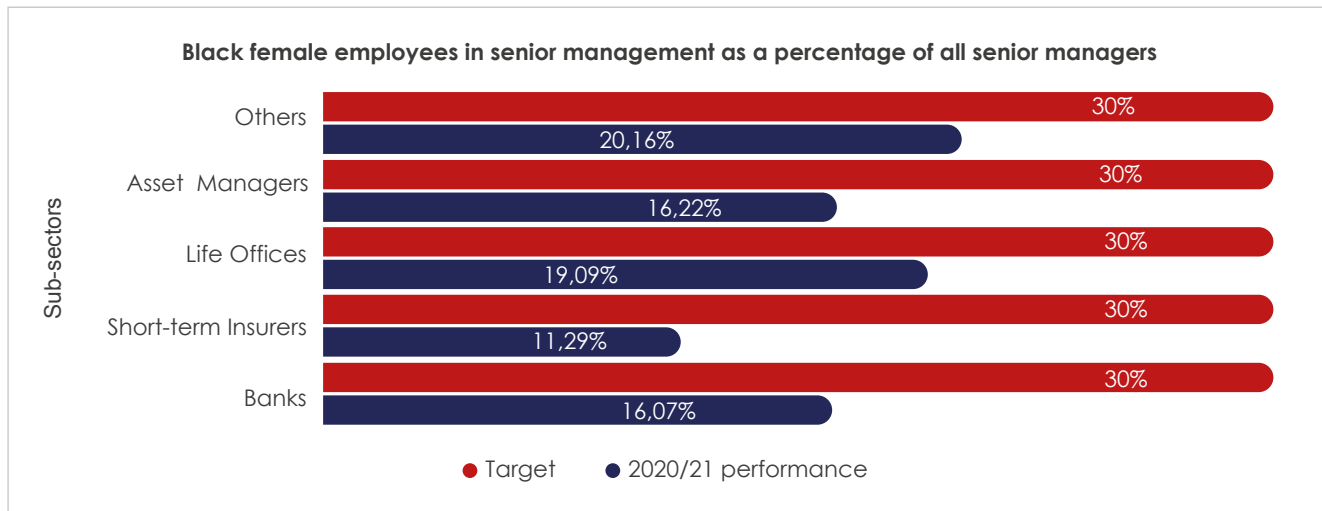
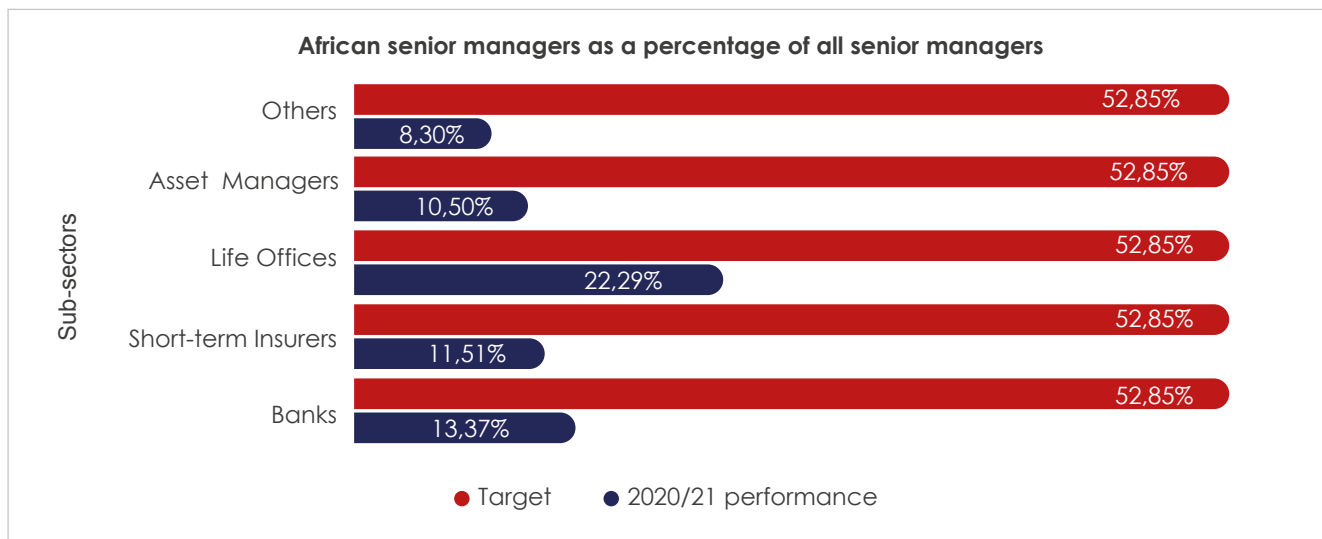


Figure 36: Average % achieved on African senior managers



Figures 34, 35 and 36 depicts the sectors overall performance in achieving all the prescribed targets with none of the sub-sectors achieved their designated targets for Black senior managers, Black female senior managers, and African senior managers.

*The EAP is aligned with the National target, however cognisance is taken that some measured entities reported on Provincial target

MIDDLE MANAGEMENT

Figure 37: Average % achieved on Black representation in middle management

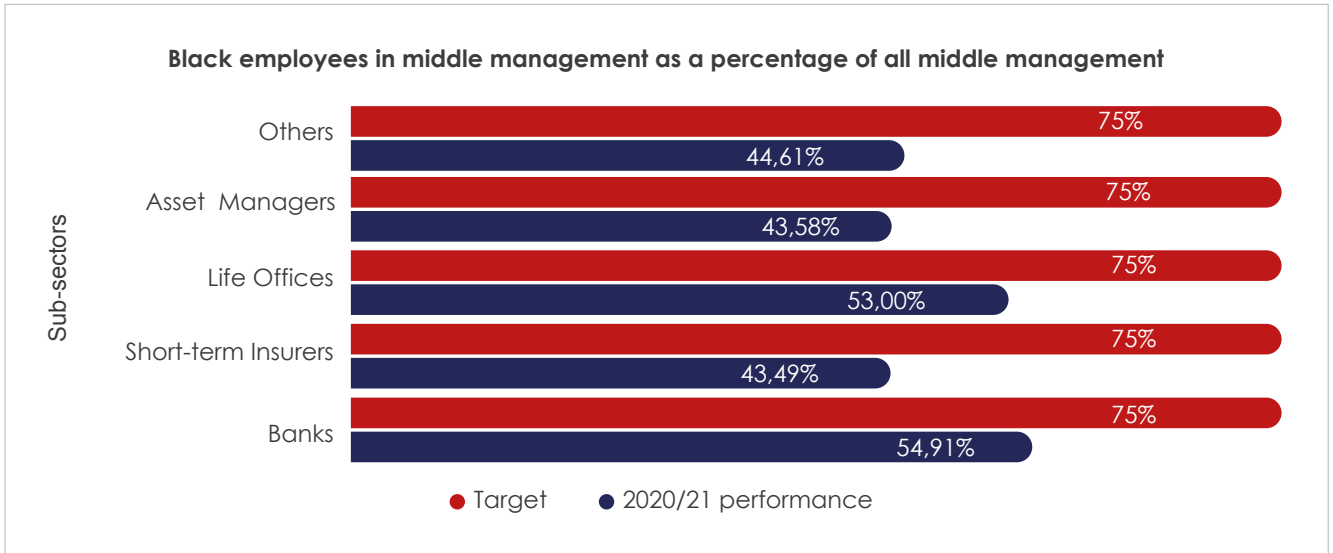


Figure 38: Average % achieved on Black Female Employees in Middle Management

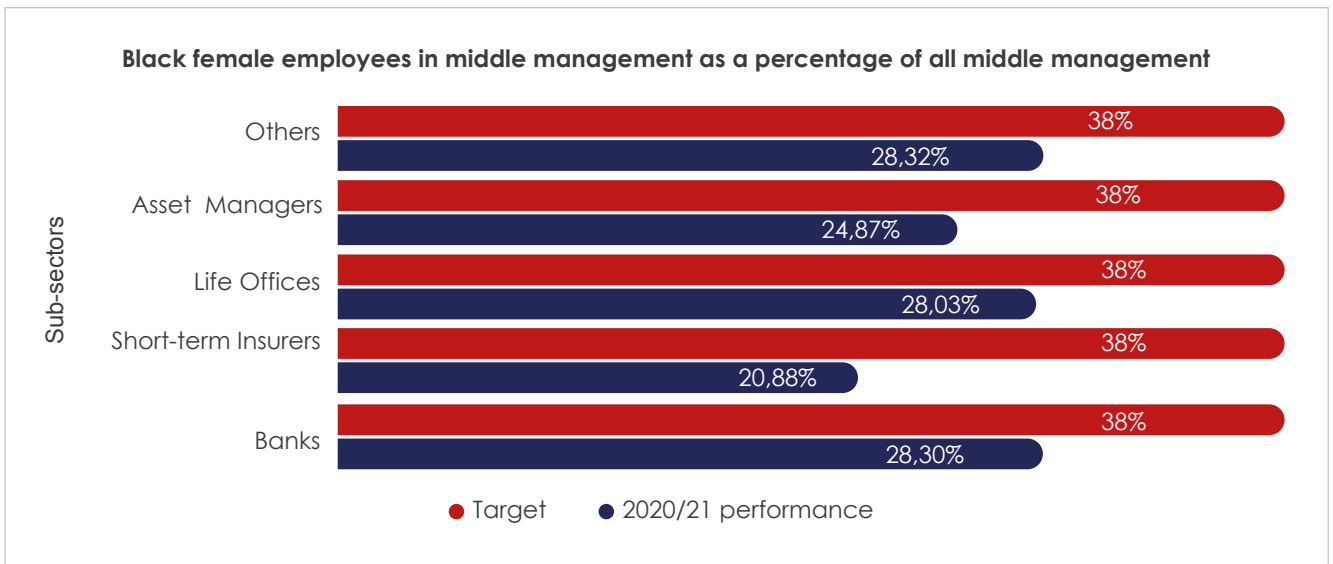
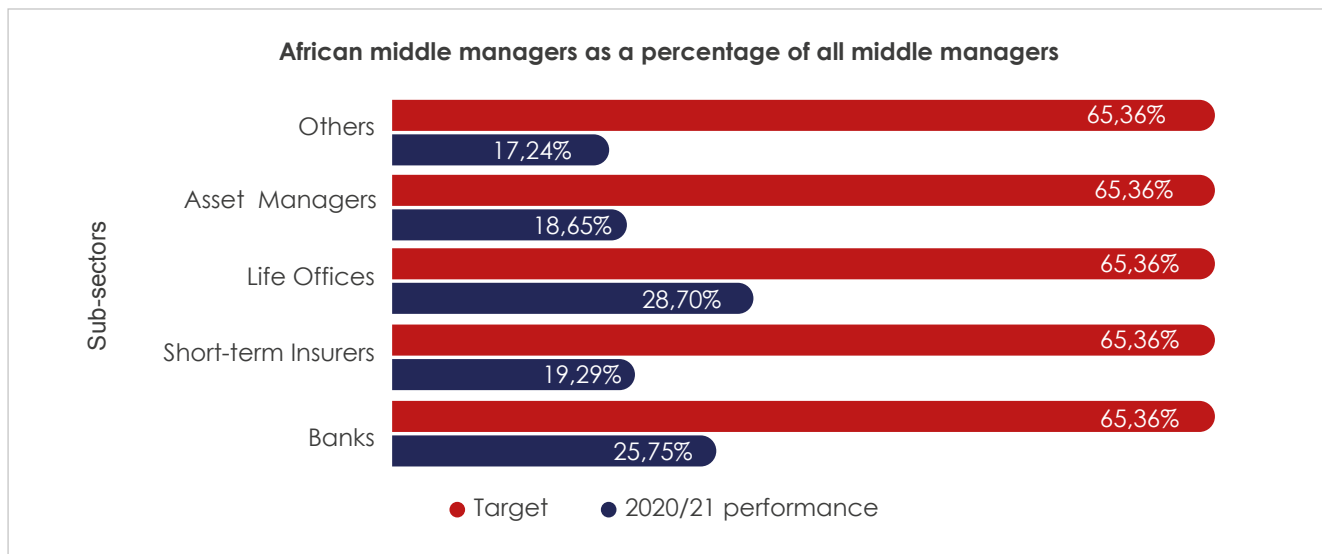


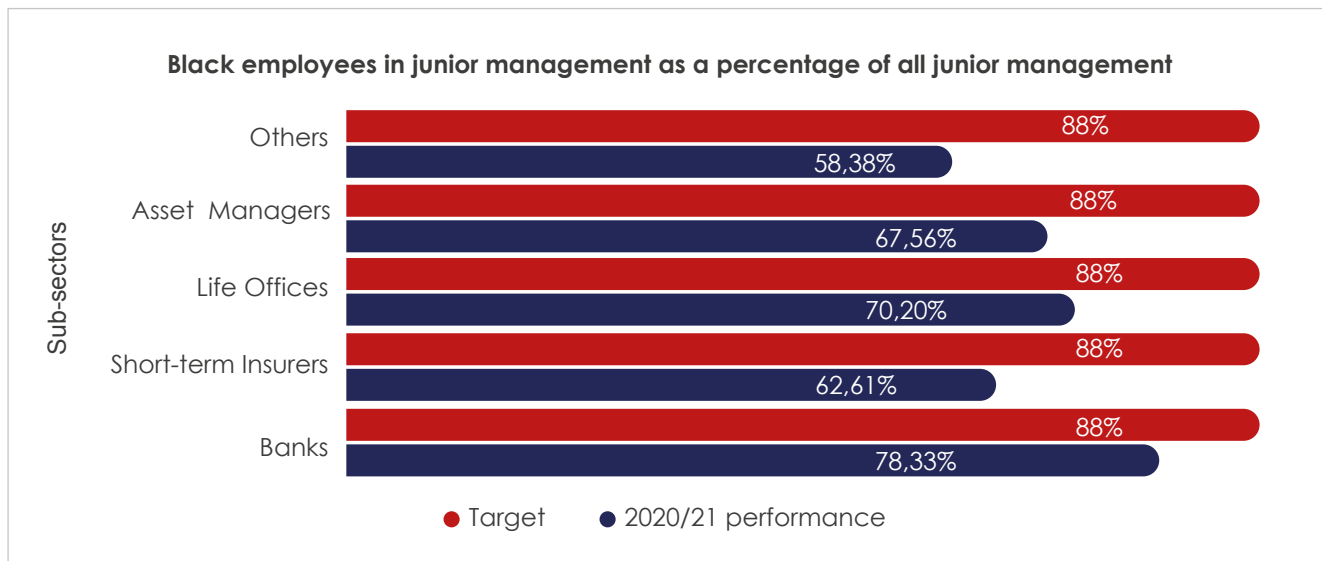
Figure 39: Average % achieved on African Middle Managers



Figures 37, 38, and 39 depict the sector's performance in meeting the prescribed targets for Black middle managers, Black female managers, and African managers as a percentage of all middle managers, with none of the sub-sectors were able to achieve their targets.

JUNIOR MANAGEMENT

Figure 40: Average % achieved on Black employees in Junior management



*The EAP is aligned with the National target, however cognisance is taken that some measured entities reported on Provincial target.

Figure 41: Average % achieved on Black female employees in Junior management

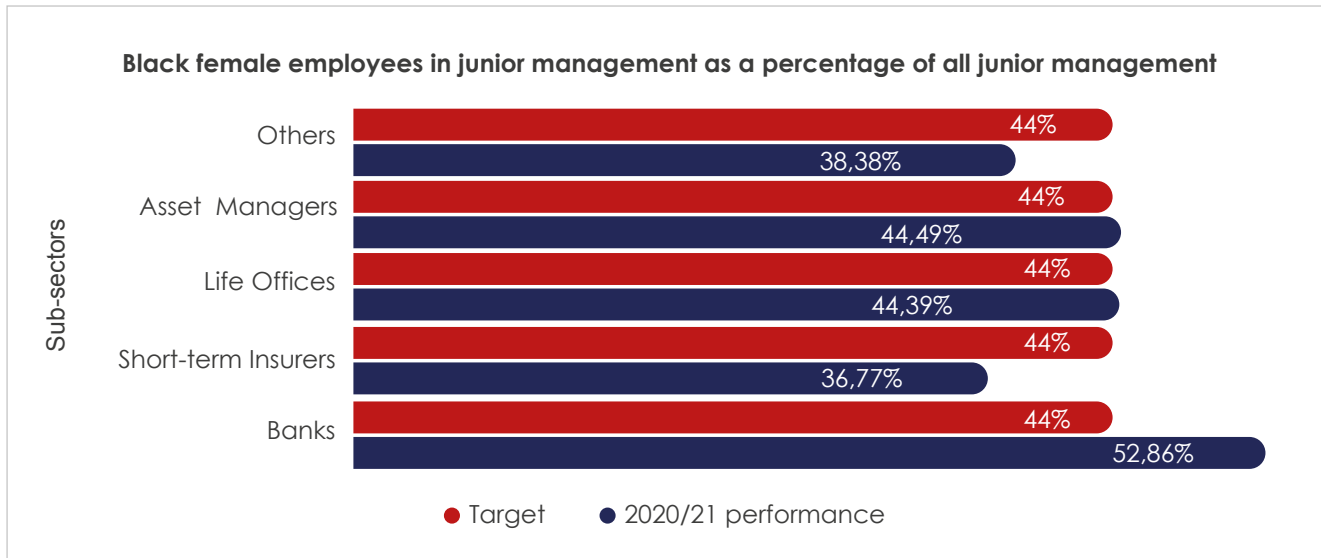
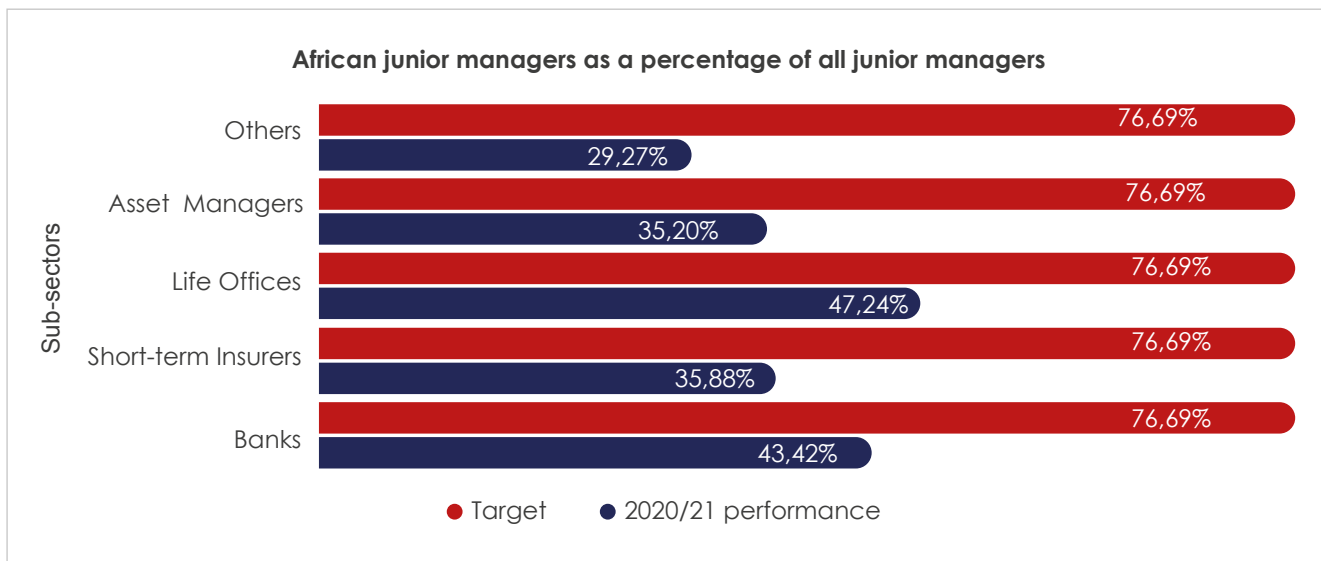


Figure 42: Average % achieved on African Junior managers



Figures 40, 41, and 42 provides an overview of the sector's performance in achieving the prescribed targets for Black junior managers as a percentage of all junior managers.

None of the sub-sectors were able to achieve the 88% prescribed target for Black employees in junior management as a percentage of all junior management. However, Banks had the highest performance, achieving 78.33% in 2020/21. Regarding the sector's efforts to meet the 44% target for Black female employees in junior management as a percentage of all junior management, Life Offices and Asset Managers met the target scoring 44.39% and 44.49%, respectively, while Banks significantly exceeded the prescribed target, achieving 52.86%.

*The EAP is aligned with the National target, however cognisant is taken that some measured entities reported on Provincial target.

Figure 43: Average % achieved on Black employees with disabilities

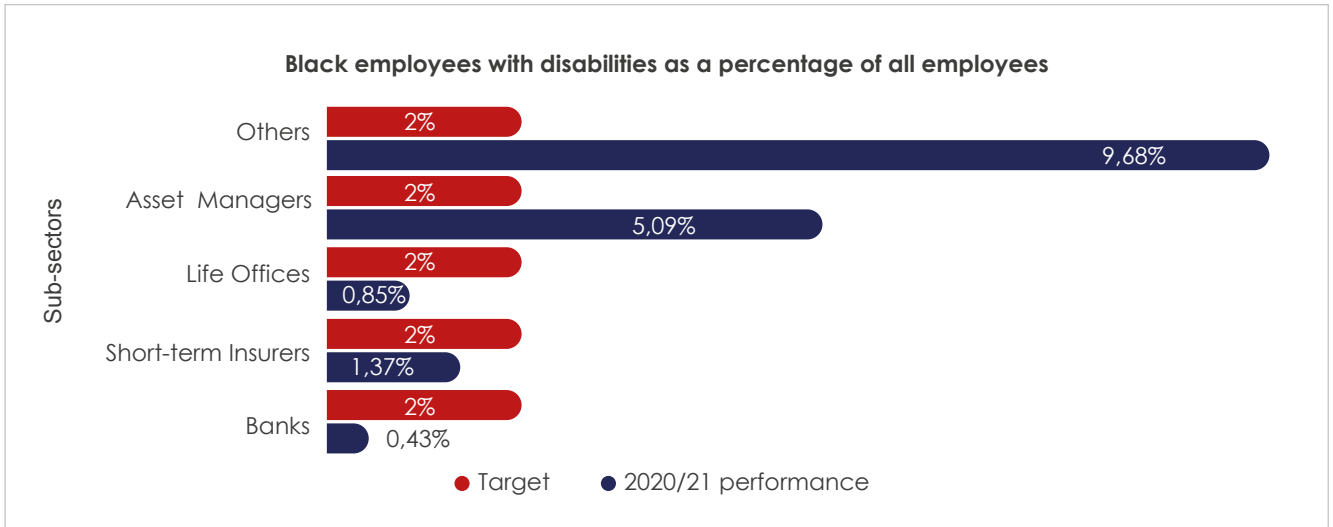


Figure 43 illustrates the efforts of the sector in achieving the 2% target for Black employees with disabilities as a percentage of all employees with Asset Managers and Other Institutions significantly exceeding the target, while Banks, Short-term Insurers and Life Offices fell below the determined target.



FS300 - SKILLS DEVELOPMENT

The primary aim of Skills Development as a priority element is to facilitate the training and development of Black people, including empowerment of learners and interns towards bridging the managerial gap and enabling adequate representation of Black people across all organisational levels and it is measured as a percentage of the leviabale amount applicable to specific level of management.

Table 23: Skills Development Scorecard

		Points	Target
2.1.	Senior Management	2	
	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 leviabale amount applicable to this level	1	2%
	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 leviabale amount applicable to this level	0.5	1%
	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 leviabale amount applicable to this level	0.5	EAPs%
2.2.	Middle Management	2	
	2.2.1. Skills development expenditure on learning programmes specified in the learning programme matrix for black middle managers as a percentage of the leviabale amount applicable to this level	1	3%
	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 leviabale amount applicable to this level	0.5	1.5%
	2.2.3. Skills development expenditure on learning programmes specified in the learning programme matrix for African middle managers as a percentage of the leviabale amount applicable to this level	0.5	EAPs%
2.3.	Junior Management	3	
	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	5%
	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	2.5%
	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	EAP%
2.4.	Non-Management Staff	4	
	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	8%
	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%
	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	EAP%
2.5.	2.5.1. Skills development expenditure on learning programmes specified in the learning programme matrix for black unemployed people as a percentage of the leviabale amount	4	1.5%
2.6.	2.6.1. 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	0.30%
2.7.	2.7.1. 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	5%
	TOTAL	20	
2.8	2.8.1. 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.	3	100%

Figure 44: Average scorecard points against weighting points



Figure 44 illustrates that none of the sub-sectors met the determined target for Skills Development with Specialised Enterprises attaining the highest performance for 2020/21.

SENIOR AND EXECUTIVE MANAGEMENT

Figure 45: Average % achieved on Skills Development spend for Black senior and executive management

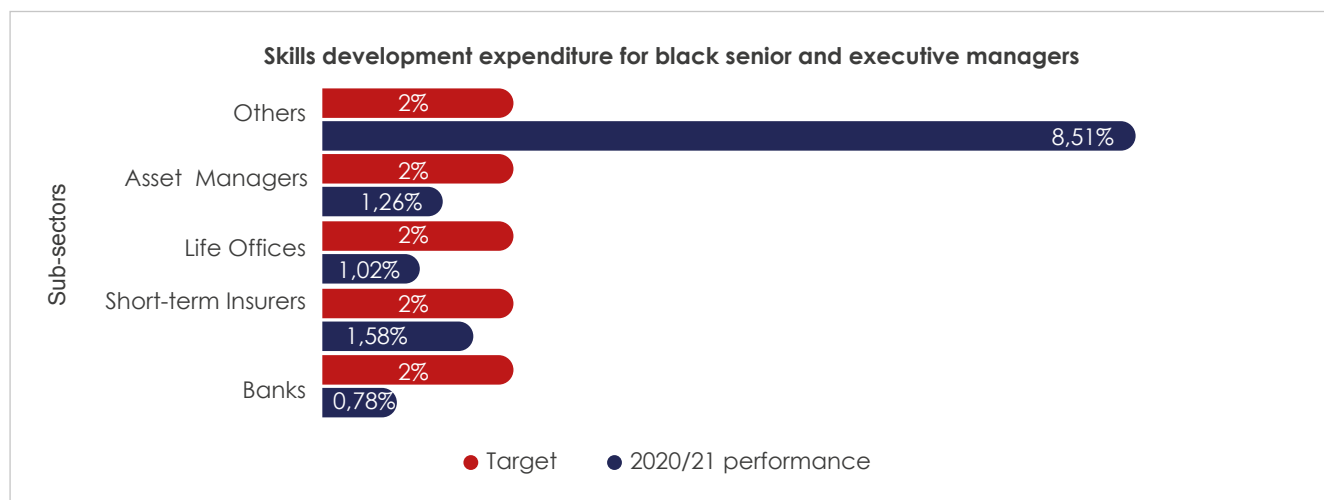


Figure 45 illustrates the overall performance of the sector as it relates to the 2% target for Skills Development expenditure on learning programmes for Black senior and executives managers with Other Institutions significantly exceeding the determined target, whereas Banks, Short-term Insurers, Life Offices and Asset Managers did not meet the prescribed target.

Figure 46: Average % achieved on Skills Development spend for Black female senior and executive management

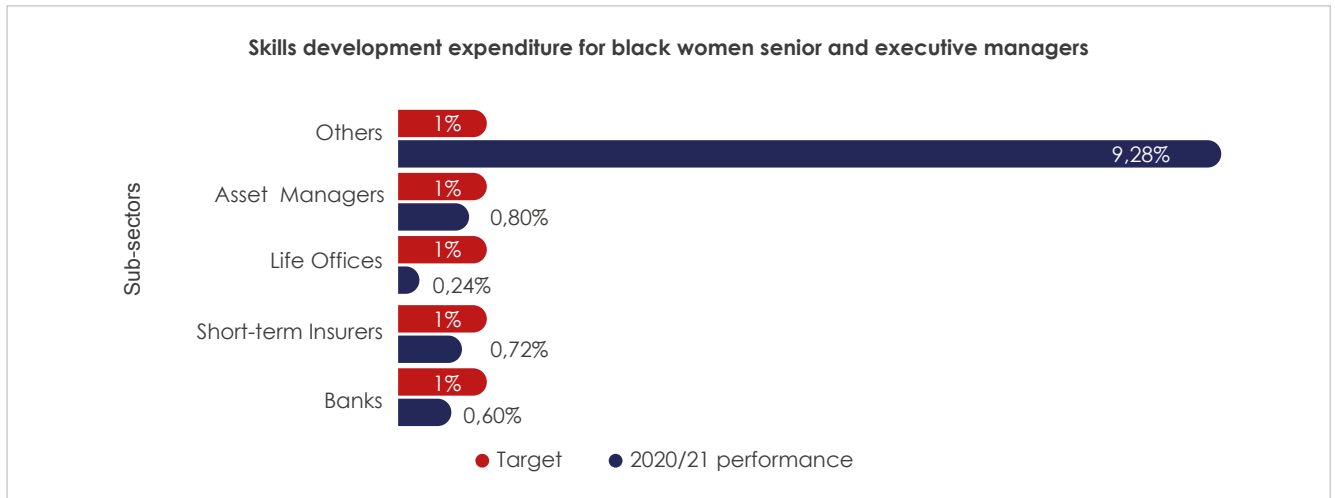


Figure 46 illustrates the sector's average performance towards attaining the 1% target for Skills Development expenditure on learning programmes specified in the learning programme matrix for Black women senior and executive managers as a percentage of the leviable amount applicable to this level with Other Institutions significantly achieving the target, while Banks, Short-term Insurers, Life Offices and Asset Managers performed below the target.

Figure 47: Average % achieved on Skills Development spend for African senior and executive management

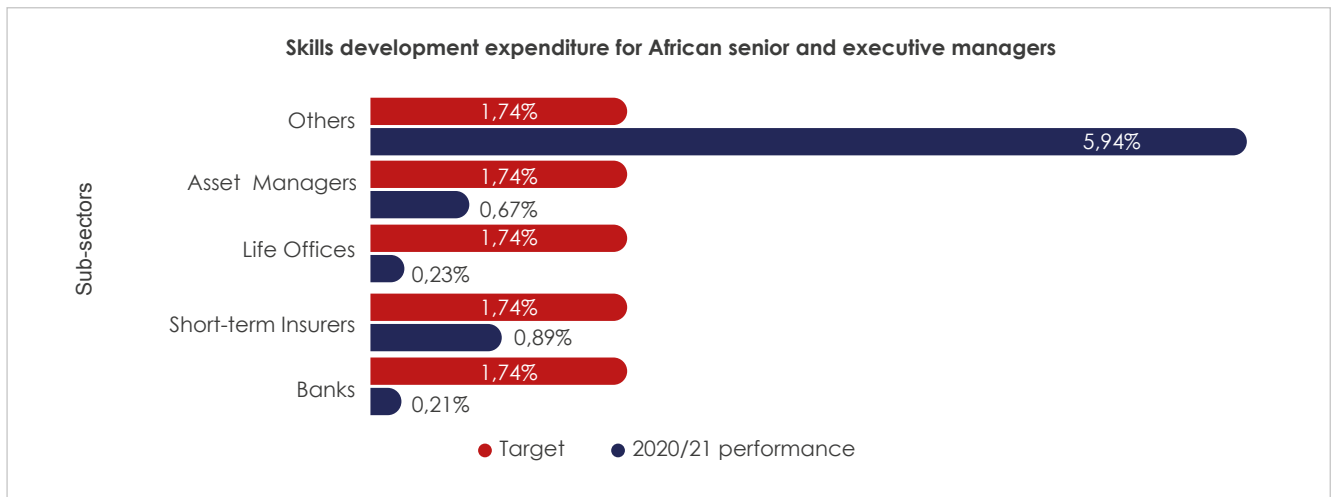


Figure 47 illustrates the sector's efforts in meeting the 1.74% National EAP target in relation to the performance for Skills Development expenditure on learning programmes specified in the learning programme matrix for African senior and executive managers as a percentage of the leviable amount applicable to this level with Other Institutions significantly exceeding the target, whereas all the other sub-sectors performed below target.

*The EAP is aligned with the National target, however cognisant is taken that some measured entities reported on Provincial target.

MIDDLE MANAGEMENT

Figure 48: Average % achieved on Skills Development spend for Black Middle Management

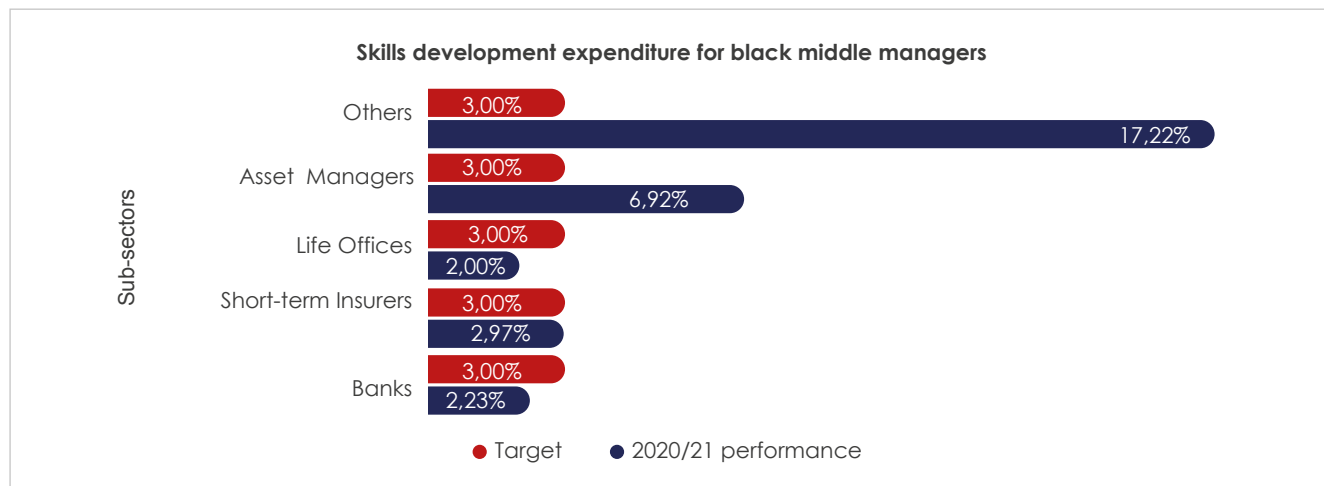


Figure 48 illustrates the sub-sectors performance in achieving the 3% target for advancing Skills Development expenditure on learning programmes, with Asset Managers and Other Institutions exceeding the determined target, while Banks, Short-term Insurers and Life Offices performed slightly below the determined target.

Figure 49: Average % achieved on Skills Development spend for Black female middle management

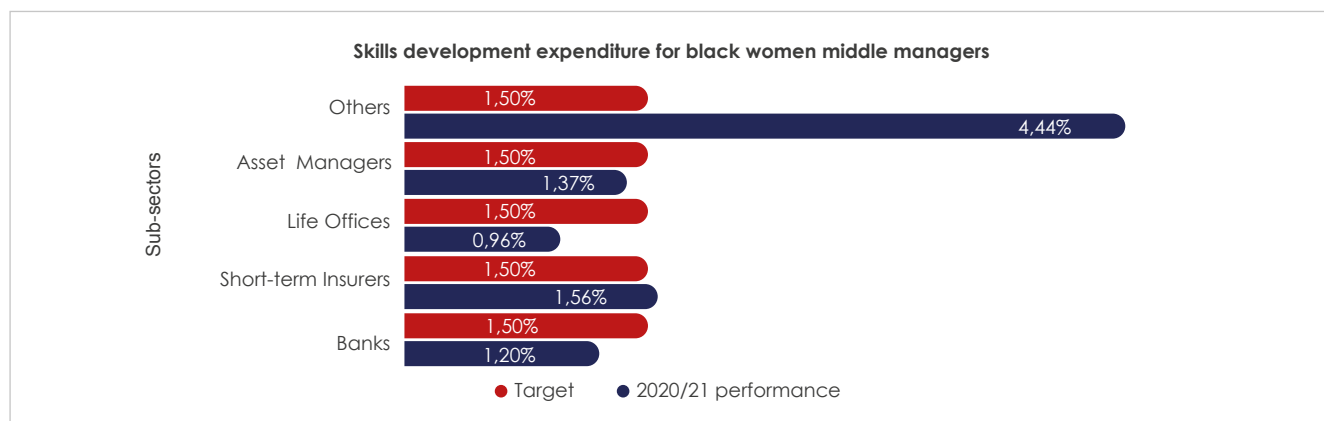


Figure 49 illustrates the sector's progress towards realising the prescribed 1.50% target for Skills development expenditure on learning programmes specified in the learning programme matrix for Black women middle managers as a percentage of the leviable amount applicable to this level. The data displayed that, Short-term insurers achieved target while Other Institutions significantly exceeded the determined target. On the contrary, Banks, Life Offices and Asset Managers performed below the target.

Figure 50: Average % achieved on Skills development spend for African middle management

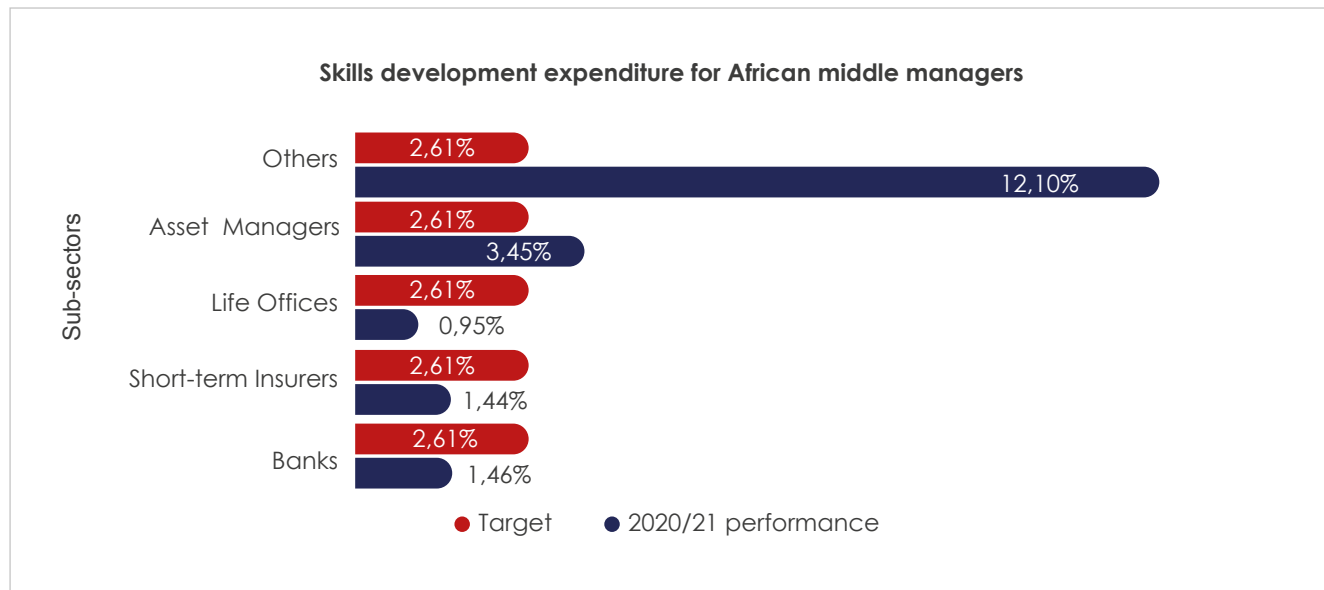


Figure 50 illustrates the average Skills Development expenditure for the sector needing the ascribed 2.61% National EAP target for African middle managers as a percentage of the leviable amount applicable to this level. Asset Managers and Other Institutions exceeded the determined target, while the other sub-sectors did not meet the target.

JUNIOR MANAGEMENT

Figure 51: Average % achieved on Skills Development spend for Junior management

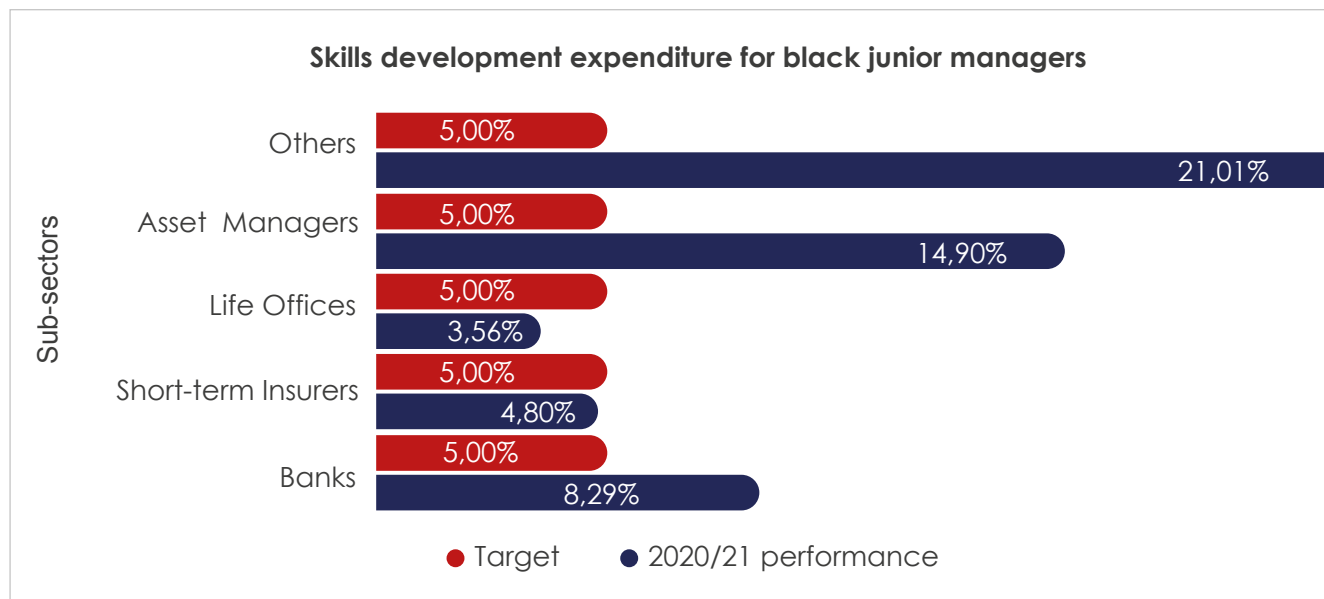


Figure 51 illustrates the sub-sectors' average Skills Development expenditure performance in meeting the prescribed 5% target for Black junior managers leviable amount applicable to this level, with the analysis revealing that Banks, Asset Managers, and Other institutions exceeded the target by a significant margin, while Short-term Insurers and Life Offices fell slightly below the target.

*The EAP is aligned with the National target, however cognizant is taken that some measured entities reported on Provincial target.

Figure 52: Average % achieved on Skills Development spend for Black female junior management

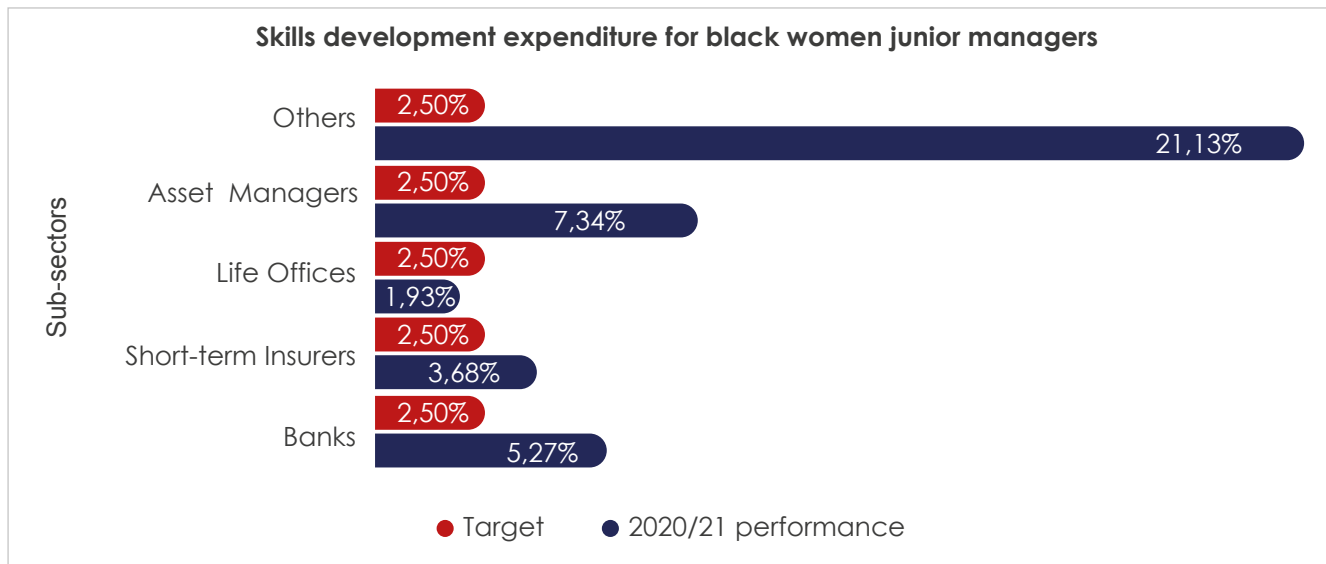


Figure 52 illustrate the performance of sub-sectors in achieving the prescribed 2.50% target for Skills Development expenditure on learning programmes for Black women junior managers, and with the exception for Life Offices, all sub-sectors met the determined target with Other Institutions significantly exceeding the target.

Figure 53: Average % achieved on Skills Development spend for African junior management

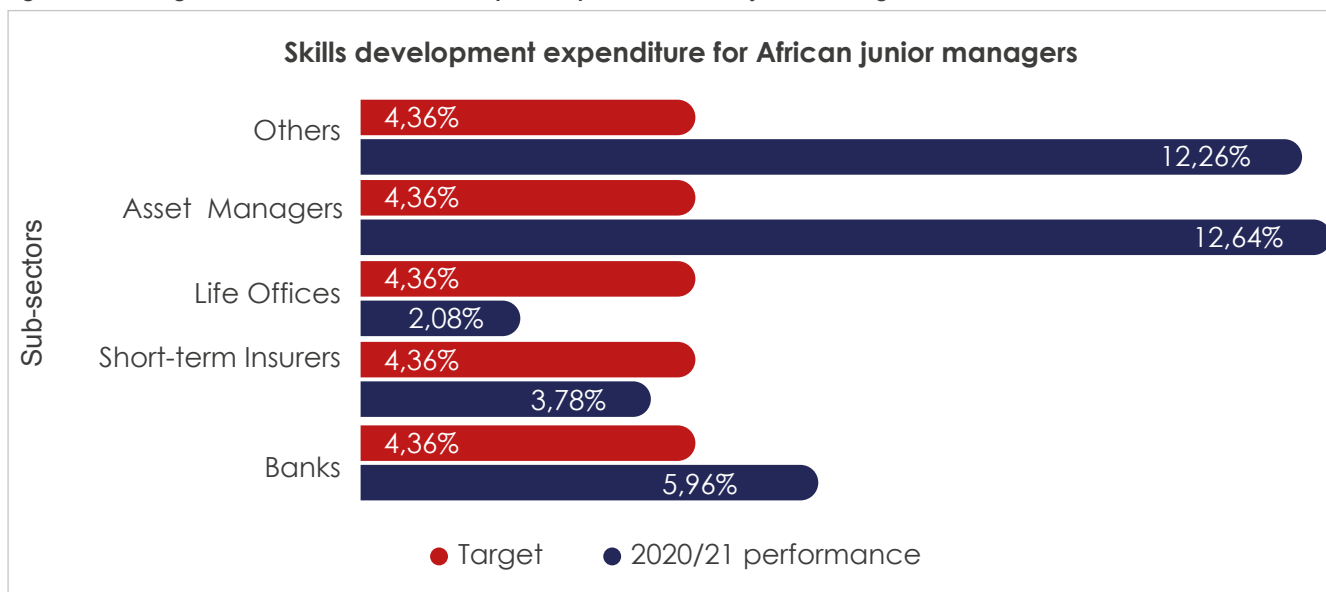


Figure 53 illustrates the sector's average Skills Development expenditure performance in achieving the 4.36% National EAP target for African junior managers with Banks meeting the target, while Asset managers and Other Institutions exceeded the determined target significantly, whereas Short-term Insurers and Life Offices performed below the target.

NON-MANAGEMENT EMPLOYEES

Figure 54: Average % achieved on Skills Development spend for Black non-management employees

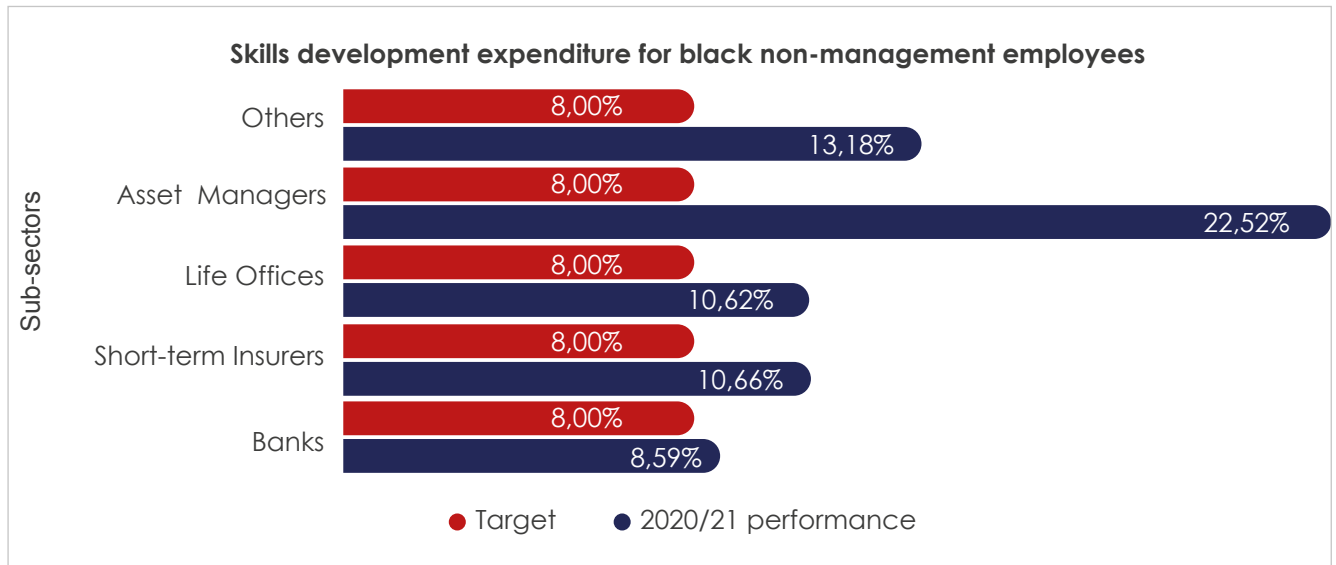


Figure 54 illustrates the overall performance of the sector in attaining the 8% target for Skills Development expenditure on learning programmes for Black non-management staff as a percentage of the leviable amount applicable to this level, with Banks, Short-term Insurers, Life Offices and Other Institutions achieving the target and Asset Managers significantly exceeding the determined target.

Figure 55: Average % achieved on Skills Development spend for Black female non-management employees

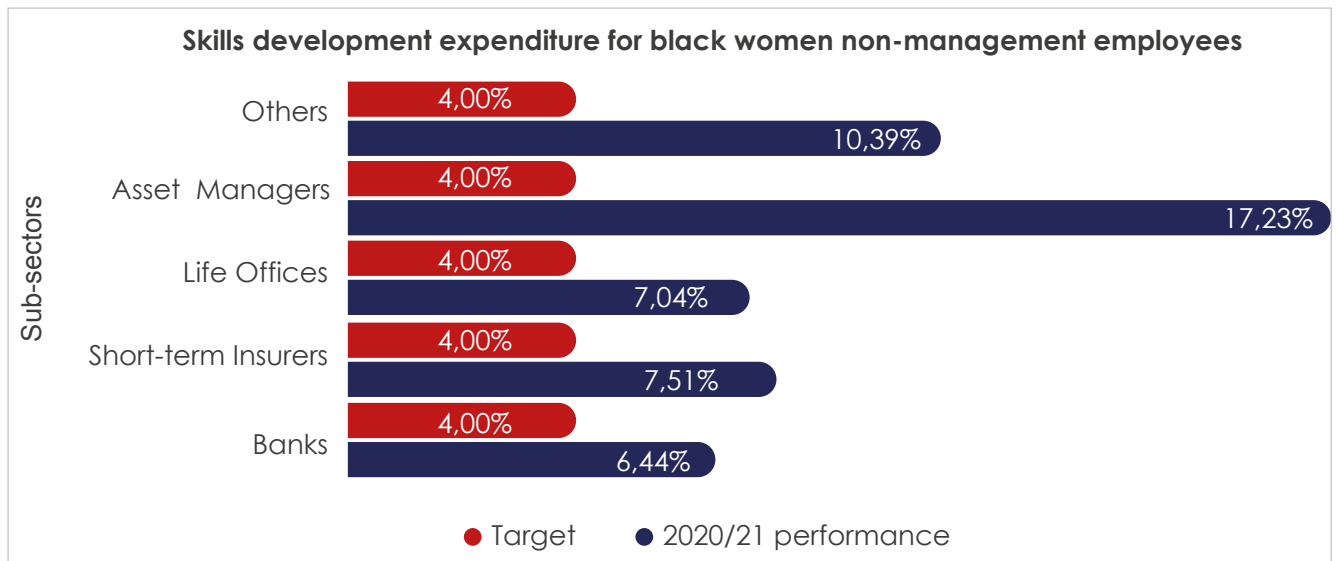


Figure 55 illustrates the sector's average efforts towards meeting the 4% target for Skills Development expenditure on learning programmes for Black women non-management staff as a percentage of the leviable amount applicable to this level with all sub-sectors meeting the determined target and Asset Managers and Other Institutions significantly exceeding the target.

*The EAP is aligned with the National target, however cognisant is taken that some measured entities reported on Provincial target.

Figure 56: Average % achieved on Skills Development spend for African non-management employees

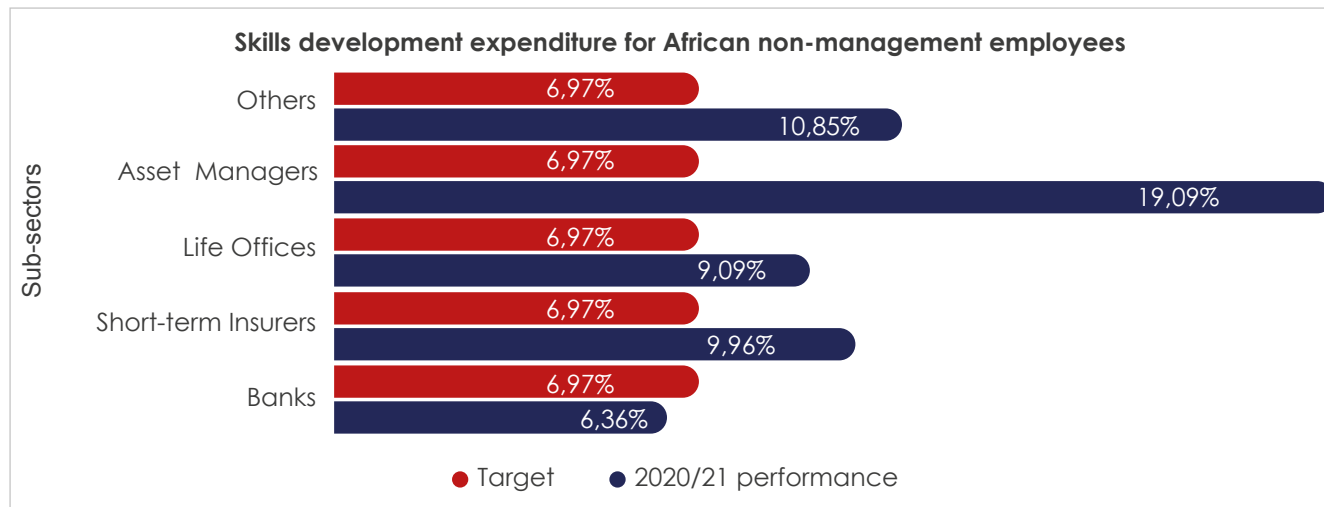


Figure 56 illustrates the sector's average Skills Development expenditure performance in meeting the 6,97% National EAP target on learning programmes for African non-management staff as a percentage of the leviable amount applicable to this level with all sub-sectors, with the exception of Banks, achieving the target and Asset Managers significantly exceeding the determined target.

BLACK UNEMPLOYED AND BLACK DISABLED PEOPLE

Figure 57: Average % achieved on Skills Development spend for Black unemployed people

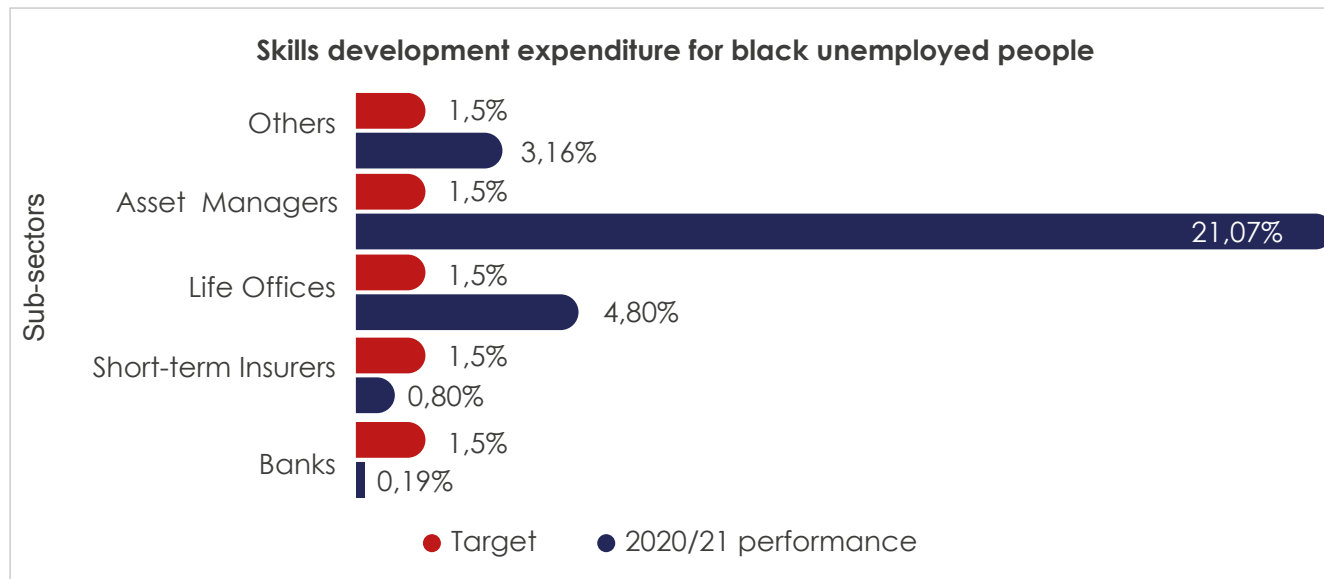


Figure 57 illustrates the sector's performance in achieving the 1,5% target for Skills Development expenditure on learning programmes for Black unemployed people as a percentage of the leviable amount with Life Offices and Other Institutions meeting the target and Asset managers significantly exceeding the determined target, while Banks and Short-term Insurers performed below the target.

Figure 58: Average % achieved on Skills Development spend for Black people with disabilities

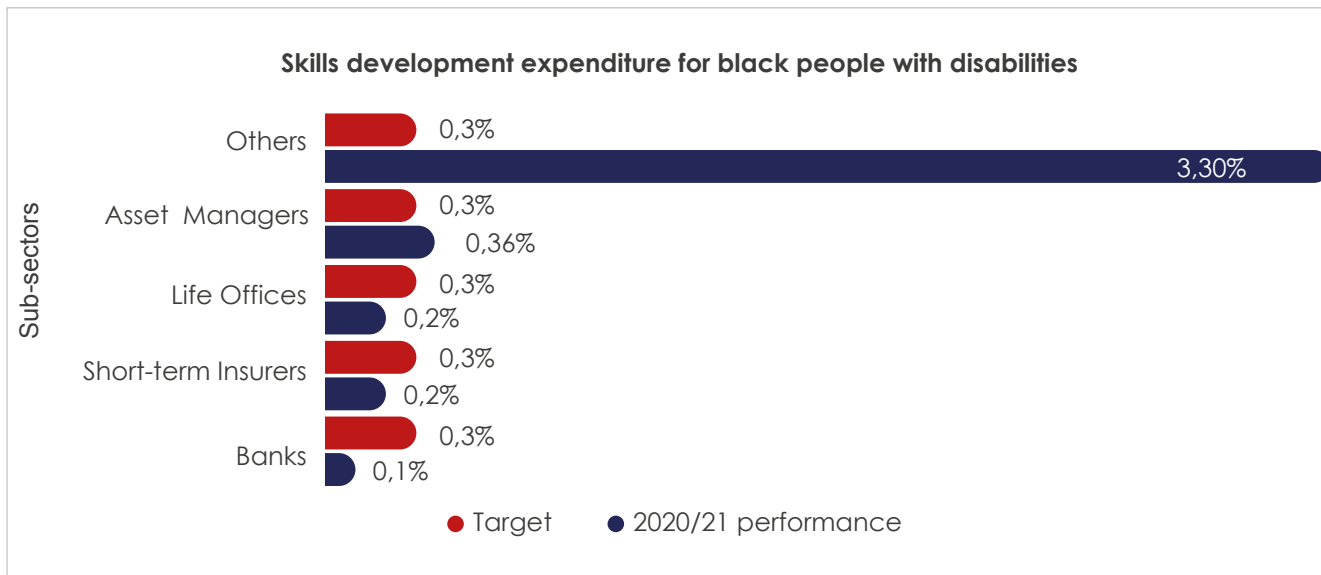


Figure 58 illustrates the overall performance of the sector in meeting the 0,30% target for Skills Development expenditure on learning programmes for Black people with disabilities as a percentage of the leviable amount, with Asset Managers attaining the target and Other Institutions significantly exceeding the target, while the other sub-sectors performed below the prescribed target.



FS 400 - PREFERENTIAL PROCUREMENT

Preferential Procurement is one (1) of the four (4) priority elements and is aimed at driving transformation towards an inclusive economy by increasing the economic participation of Black people through the promotion of large and small black suppliers, black-women owned suppliers and black designated groups across all value chains while simultaneously empowering black businesses through enterprise and supplier development initiatives.

Table 24: Preferential Procurement and ESD Scorecard

	Description	Others	Banks and Life Offices	Targets year3+
		Weightings		
2.1. Procurement		20	15	
2.1.1.	B-BBEE Procurement Spend from all Empowering Suppliers	5	4	80%
2.1.2.	B-BBEE procurement spend from empowering suppliers who are QSEs	3	2	18%
2.1.3.	B-BBEE procurement spend from empowering suppliers who are EMEs	2	2	12%
2.1.4.	B-BBEE procurement spend from empowering suppliers that are at least 51%	7	5	30%
2.1.5.	B-BBEE procurement spend from empowering suppliers that are at least 30% black women owned	3	2	10%
2.2. Supplier Development		10	0	
2.2.1.	Annual value of all supplier development contributions made by the measured entity	10	0	2% of NPAT
2.3. Enterprise Development		5	0	
2.3.1.	Annual value of enterprise development contributions and sector specific programmes made by the measured entity	5	0	1% of NPAT
TOTAL		35	15	
2.4. Bonus Points				
2.4.1.	Graduation of one or more enterprise development beneficiaries to graduate to the supplier development level	1	0	
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	
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	0	
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	
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	
2.4.5.	Enterprise development support of black stockbrokers, black fund managers or intermediaries	2	0	
Total Bonus Points		8	4	

Figure 59: Average Overall Performance- Preferential Procurement

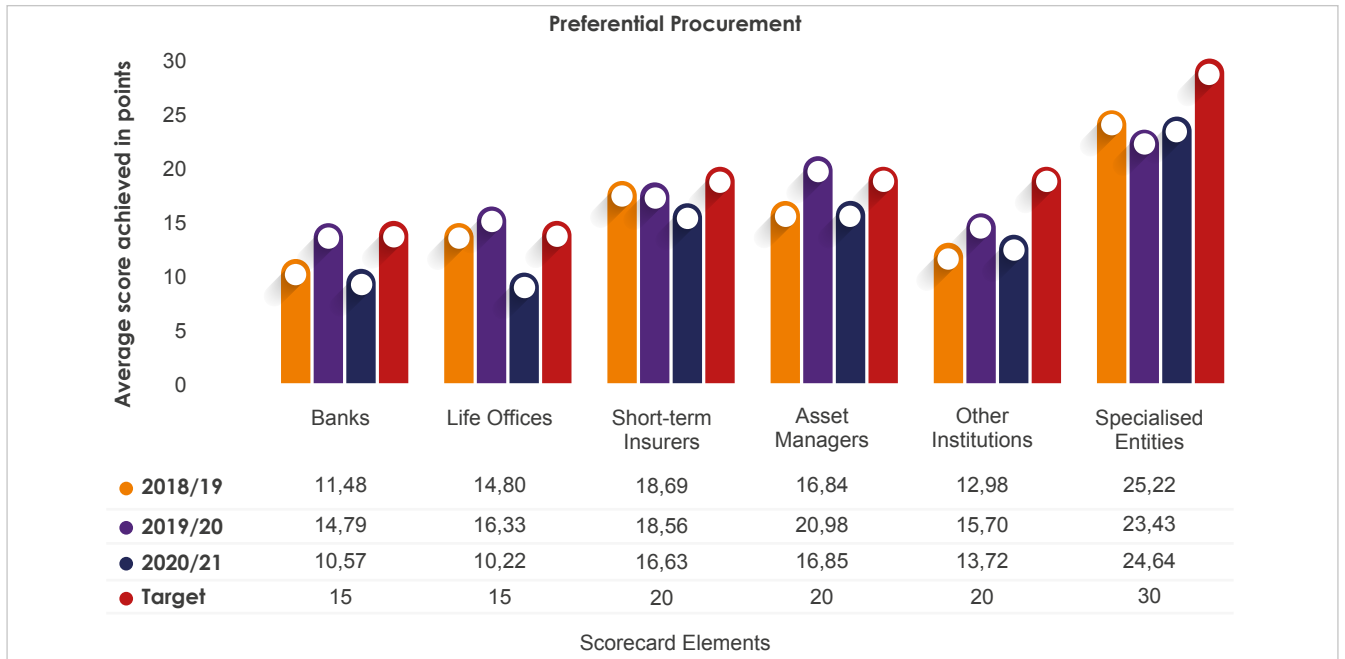


Figure 60: Average Overall Performance - Enterprise Development

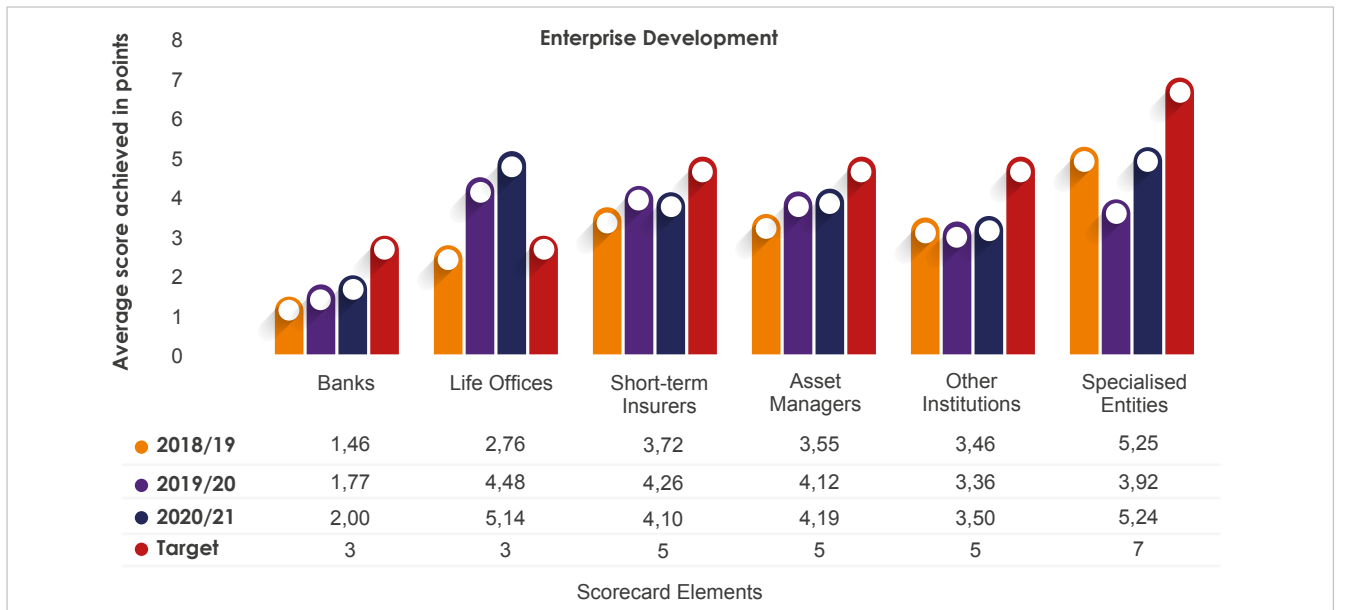
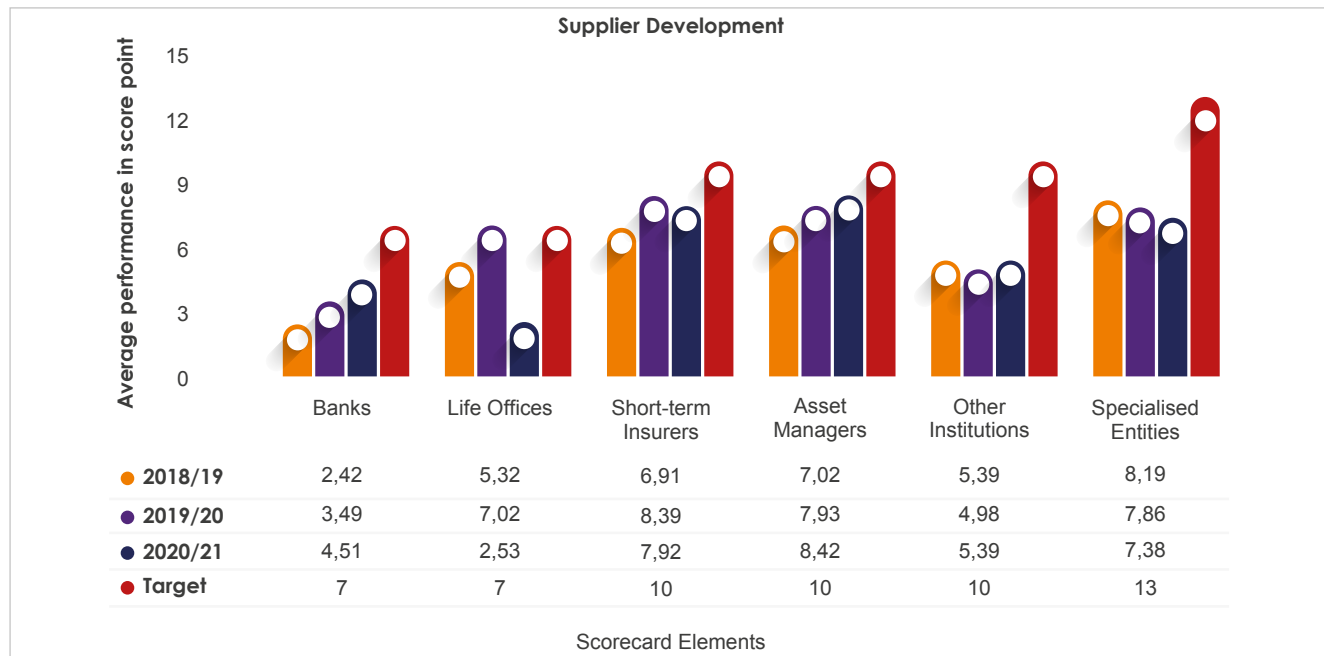


Figure 61: Average Overall Performance-Supplier Development



Figures 59,60 and 61 illustrates the sectors' average performance towards meeting the Preferential Procurement, Enterprise Development and Supplier Development prescribed targets and in the 2020/21 period, all sub-sectors performed below target with Life Offices being the only sub-sector to exceed the Enterprise Development target.

Preferential Procurement spend

ALL EMPOWERING SUPPLIERS

Figure 62: Average % achieved on Procurement Spend from all Empowering Suppliers

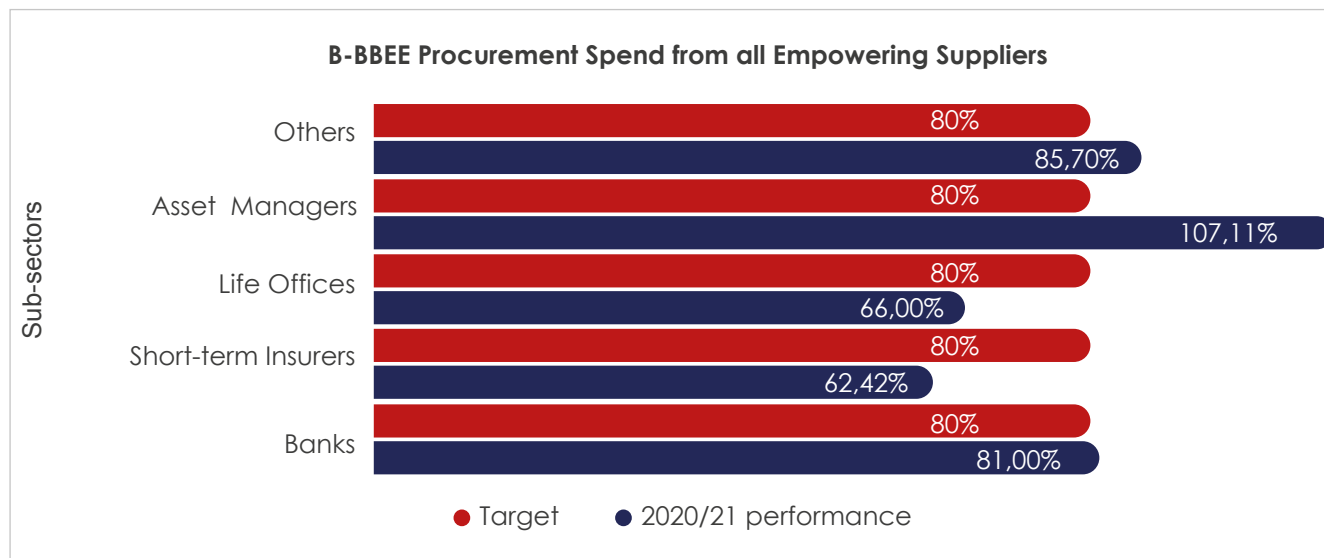


Figure 62 illustrates the realised efforts of the sector in meeting the 80% target for B-BBEE Procurement Spend from all Empowering Suppliers as a percentage of total measured procurement spend ("TMPS") with Banks and Other Institutions meeting the determined target and Asset Managers significantly exceeding the determined target, whereas Short-term Insurers and Life Offices performed below target.

Figure 63: Average % achieved on Procurement Spend from all Empowering Suppliers who are QSEs

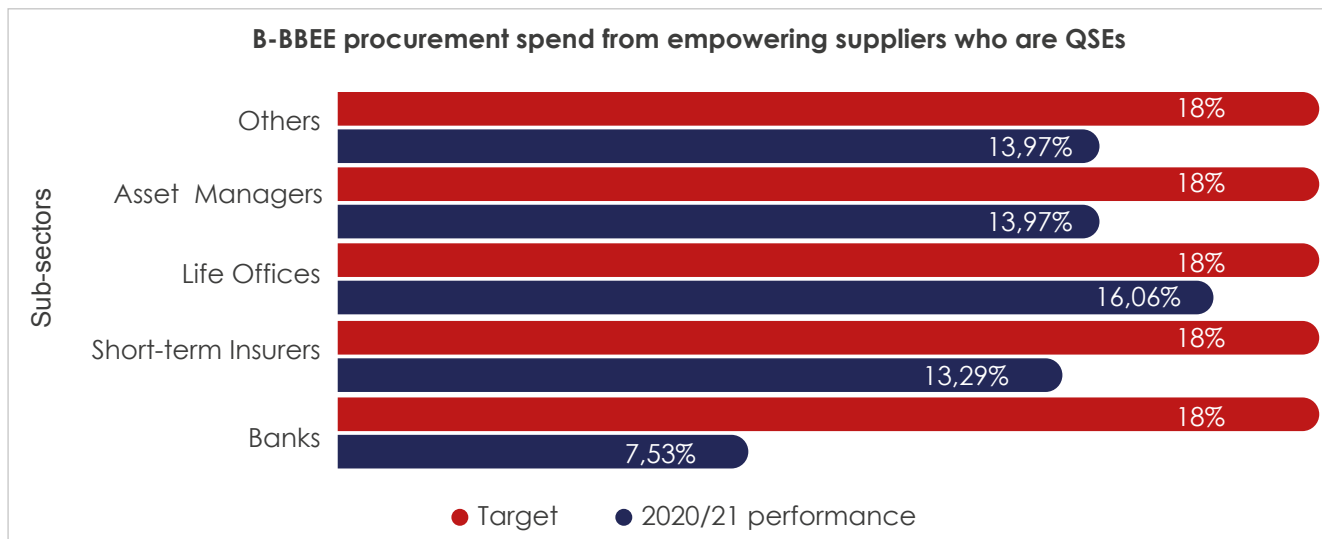


Figure 63 illustrates the sector's efforts in achieving the 18% target for B-BBEE procurement spend from empowering suppliers who are QSEs (*entities with an annual turnover between R10 million and R50 million*) as a percentage of total measured procurement spend with none of the sub-sectors meeting the designated target for the reporting period.

Figure 64: Average % achieved on Procurement Spend from all Empowering Suppliers who are EMEs

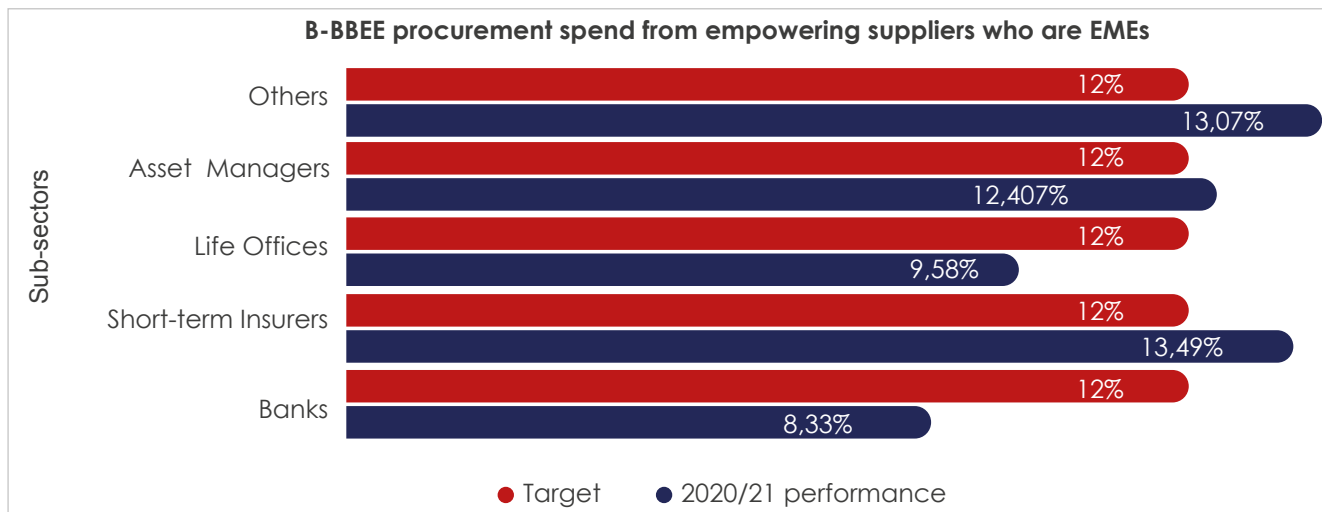


Figure 64 illustrates the sectors performance in meeting the prescribed 12% target for B-BBEE procurement spend from empowering suppliers who are EMEs (*entities with an annual turnover of less than R10 million*), as a percentage of total measured procurement spend with Short-term Insurers, Asset Managers, and Other Institutions achieving the determined target, while Banks and Life Offices performed below the target.

Figure 65: Average % achieved on Procurement Spend from all Empowering Suppliers who are at least 51% Black-owned

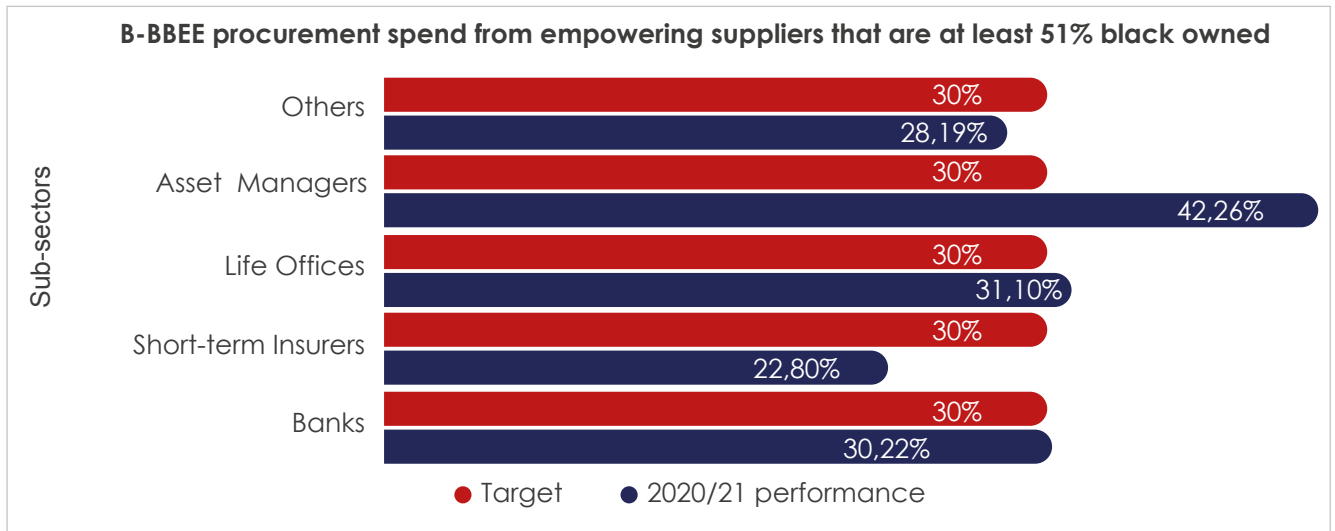


Figure 65 illustrates the sector's performance in attaining the 30% target for B-BBEE procurement spend from empowering suppliers that are at least 51% Black owned as a percentage of total measured procurement spend with Banks, Life Offices and Asset Managers achieving the determined target, whereas Short-term Insurers and Other Institutions performed below the target.

Figure 66: Average % achieved on Procurement Spend from all Empowering Suppliers who are at least 30% Black women-owned

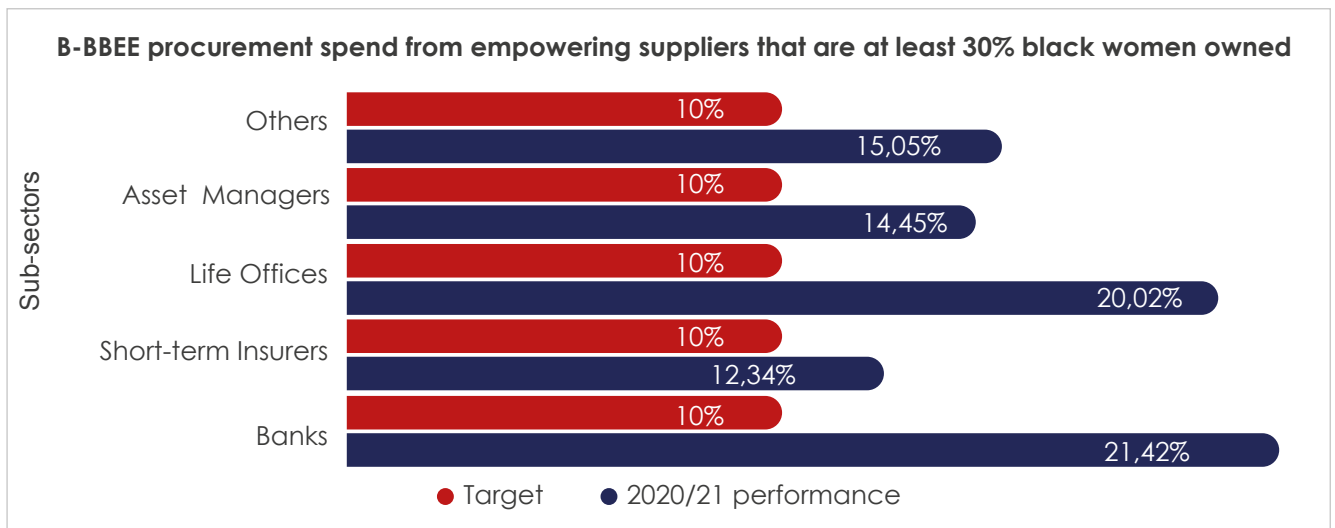


Figure 66 indicates the overall performance of the sector in meeting the 10% target for B-BBEE procurement spend from empowering suppliers that are at least 30% Black women as a percentage of total measured procurement spend and all sub-sectors exceeded the designated target with Banks and Life Offices significantly exceeding the determined target.

ENTERPRISE AND SUPPLIER DEVELOPMENT (ESD)

Figure 67: Average % achieved on Annual value of Supplier Development

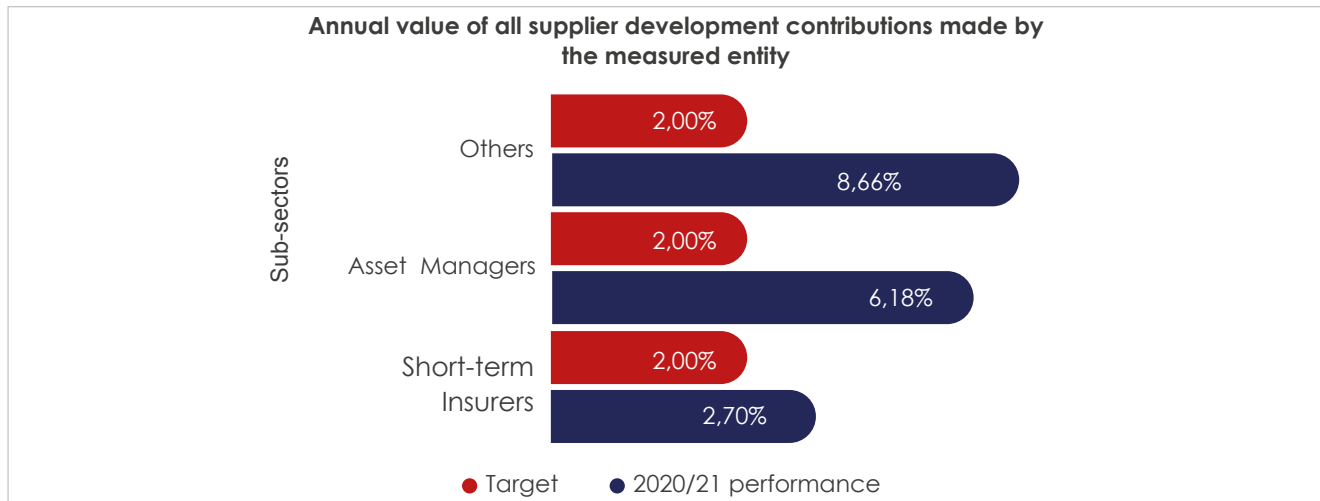


Figure 67 illustrates the performance of the three sub-sectors in obtaining the 2% target for the annual value of all Supplier Development contributions made by the measured entity and the analysis illustrates that the reported sub-sectors achieved the target with Asset Managers and Other Institutions significantly exceeding the determined target.

Figure 68: Average % achieved on Annual value of Enterprise Development

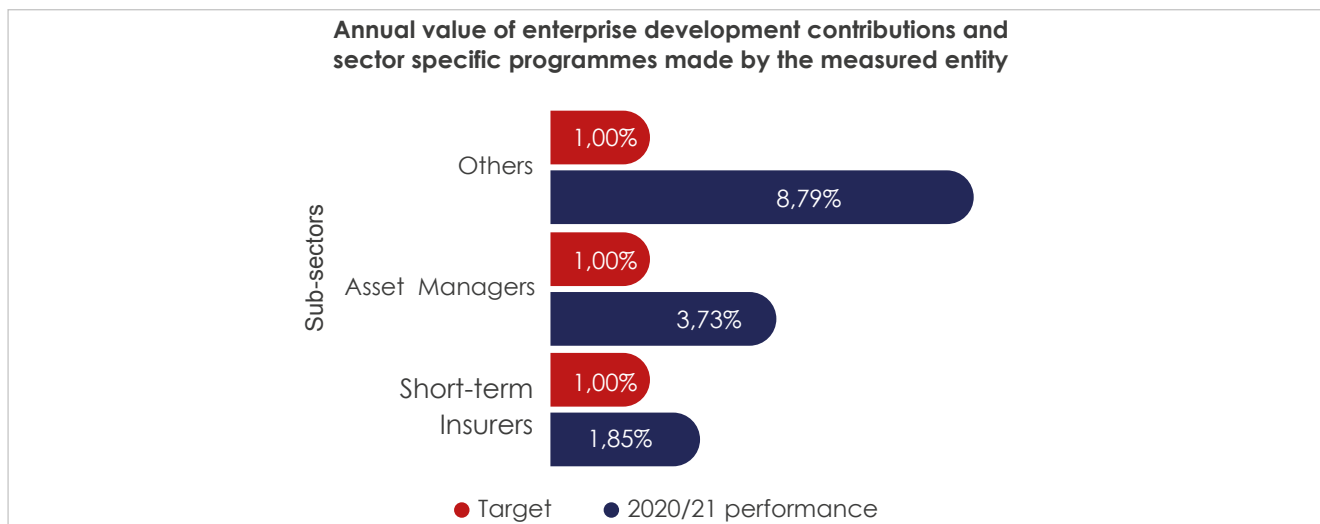


Figure 68 illustrates the overall performance of the three sub-sectors in attaining the 1% target for annual value of Enterprise Development contributions and sector specific programmes made by the measured entity with all sub-sectors achieving the designated target whilst Other Institutions significantly exceeded the target.

FS500 - SOCIO-ECONOMIC DEVELOPMENT AND CONSUMER EDUCATION

Socio-Economic Development and Consumer Education (SED&CE) elements are key to the upliftment of previously marginalised ethnic groups through the promotion of the financial inclusion framework and ensure that SMEs and consumers are equipped with the necessary knowledge and skills to enable them to make informed financial decisions and the full value is achieved through monetary or non-monetary contributions that benefit communities and where at least 75% of the beneficiaries are Black people.

Table 25: Socio-economic Development and Consumer Education

Element	Target for Foreign branches of International Banks, SAVCA members and Reinsurers	Target for other Institutions	Points
2.1. Annual value of all Qualifying Socio-Economic Development contributions by the measured entity as a percentage of NPAT	0.7%	0.60%	3
2.2. Annual value of all Qualifying Consumer Education contributions by the measured entity as a percentage of NPAT	0	0.40%	2
TOTAL	0.70%	1.0%	5
2.3. Bonus Points			
2.3.1. Additional CE contributions made by the measured Entity as a percentage of NPAT	0.10%	0.10%	1
2.3.2. Grant contribution to Fundisa Retail Fund and other similar initiatives	0.20%	0.20%	2

Figure 69: Average scorecard points against weighting points

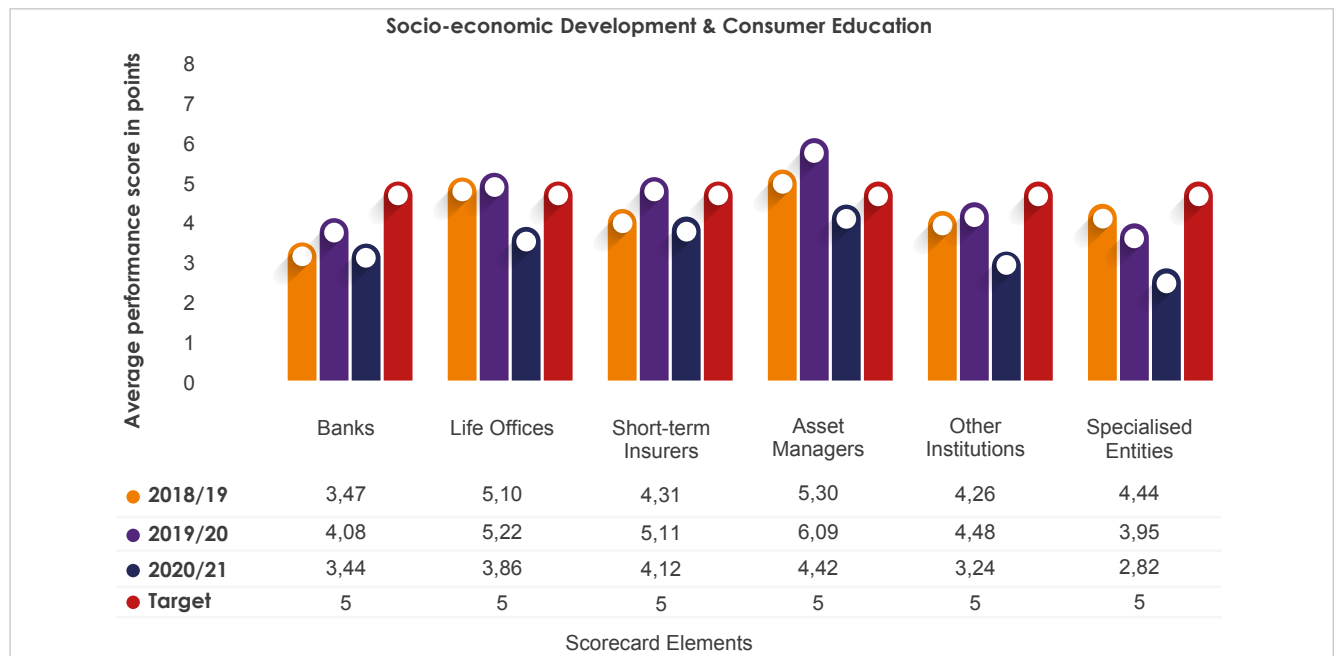


Figure 69 illustrates the performance of the various sub-sectors in achieving their targets for the Socio-economic Development and Consumer Education element with none of the sub-sectors achieving their targets in 2020/21.

Figure 70: Average % achieved on Annual value of all qualifying SED contributions

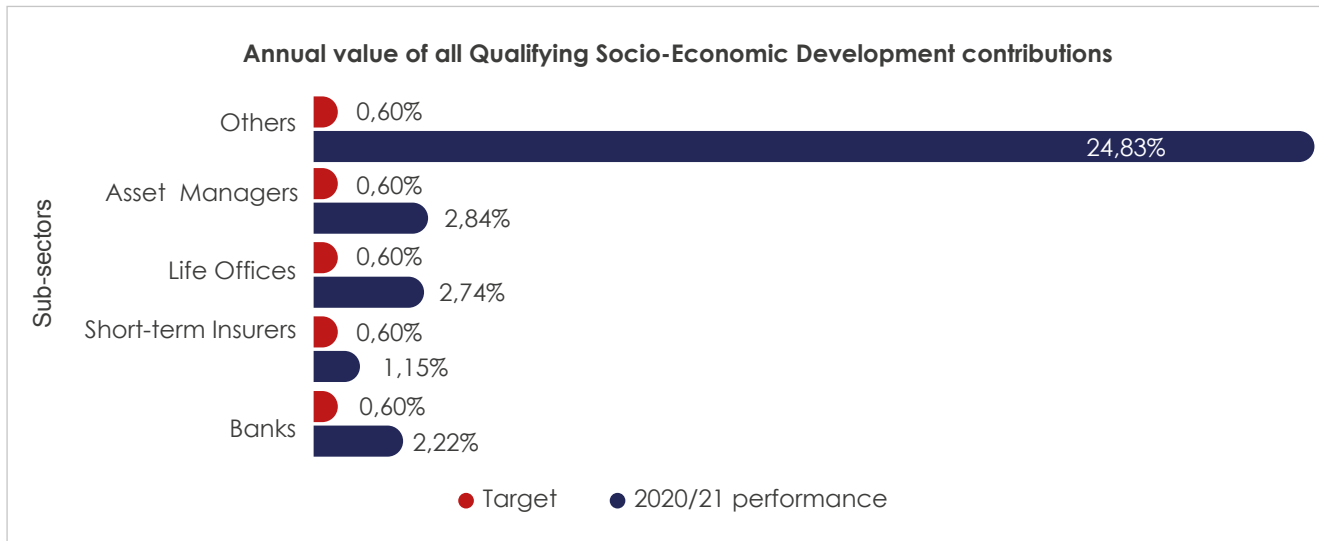


Figure 70 illustrates the realised performance of the sector in meeting the 0.6% target for annual value of all Qualifying Socio-Economic Development contributions a percentage of NPAT* with all sub-sectors exceeding the prescribed target and Other Institutions significantly outperforming.

Figure 71: Average % achieved on Annual value of all Qualifying Consumer Education

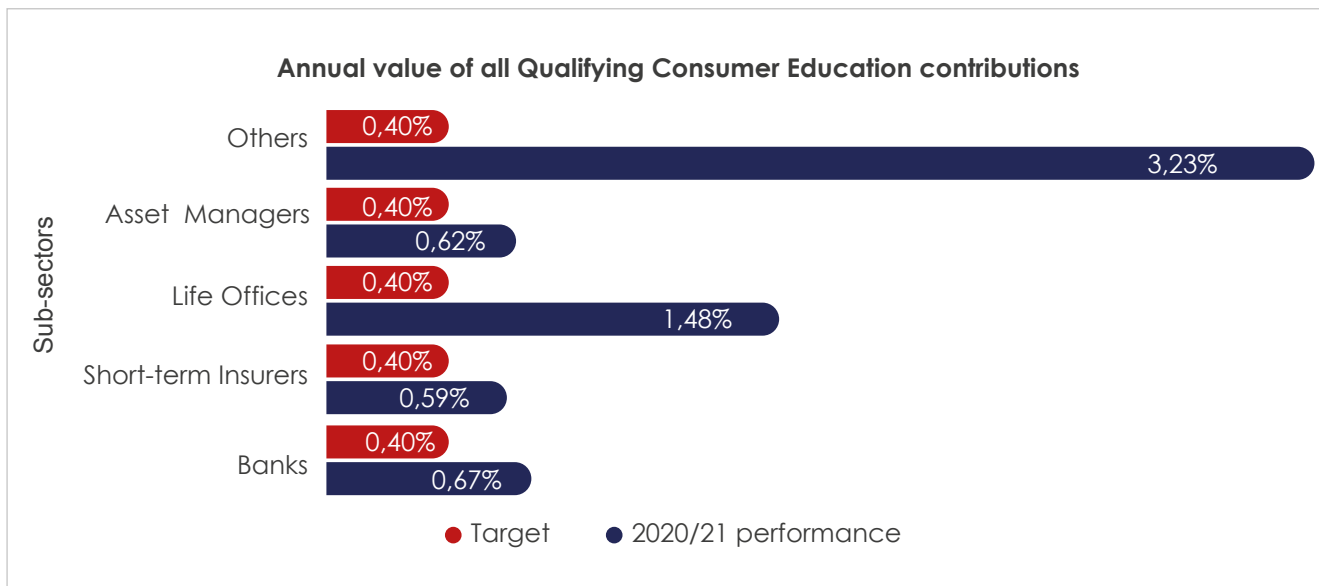


Figure 71 indicates the sector's efforts towards meeting the 0.40% target for annual value of all Qualifying Consumer Education contributions a percentage of NPAT with all the sub-sectors exceeding the determined target.

*NPAT: Net Profit After Tax

FS600 - EMPOWERMENT FINANCING

Empowerment Financing as a priority element addresses targeted investments such as SME development, agricultural development, affordable housing, transformational infrastructure projects, financing of B-BBEE transactions and funding of Black businesses through Black Business Growth Funding (BBGF).

Table 26: Empowerment Financing Scorecard

Measurement Criteria		Weighting Points	Bank Targets	Weighting Points	Long-term Assurers
2.1.	Targeted Investments	12	R48bn	12	R27bn
	Transformational Infrastructure				
	Black Agricultural Financing				
	Affordable Housing				
	Black Business Growth and SME Funding				
2.2.	B-BBEE transaction financing and Black Business Growth/ SME Funding	3	R32bn	3	R15bn
TOTAL		15		15	

Figure 72: Average scorecard points against weighting points

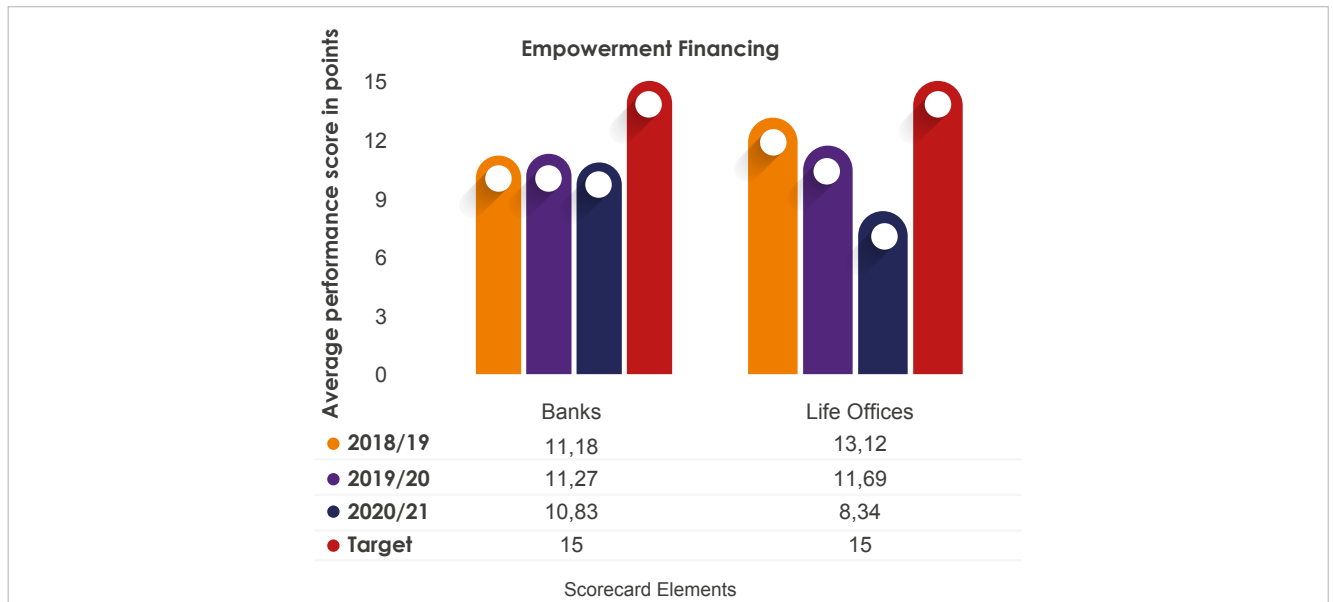


Figure 72 illustrates the performance of the sub-sectors in meeting the determined targets, with both Banks and Life Offices performing below the determined target in 2020/21.

Figure 73: Average rand value achieved on Targeted Investments and B-BBEE transaction financing and Black Business Growth Funding

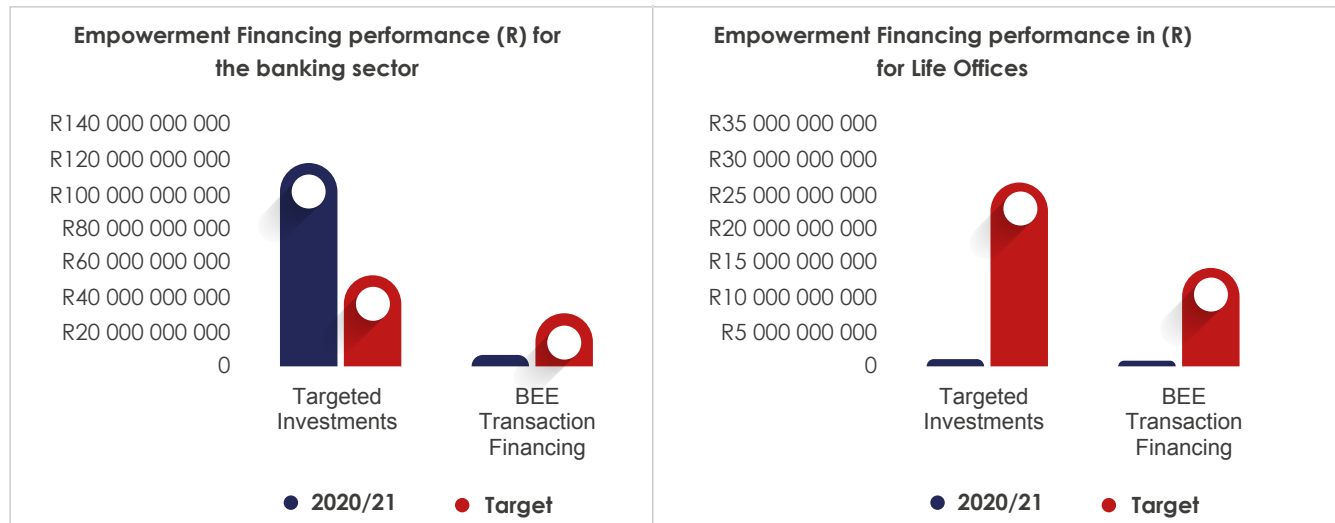


Figure 73 depicts the submissions received for the 2020/21 measurement period from Banks and Life Offices in respect of meeting the industry-specific targets for Targeted Investment, B-BBEE Transaction Financing, and Black Business Growth/SME Funding. Of the 22 Banks and 15 Life Offices that reported, only 5 Banks and 3 Life Offices provided submissions in rand value and based on these submission, it is evident that Banks significantly exceeded the industry target of R48 billion for Targeted Investments, however fell short of meeting the BEE Transaction Financing and Black business Growth / SME funding target of R32 billion rand, while Life Offices performed below the R27 billion rand target for Targeted Investments and R15 billion rand target for BEE Transaction Financing and Black Business Growth/ SME funding.

The reporting framework's inconsistencies and non-submission of determined target prevented a detailed assessment of the performance of the designated sub-sectors as the determined framework primarily measures targets in terms of rand value.

Figure 74: Targeted Investment & B-BBEE transaction financing & BBGF Performance

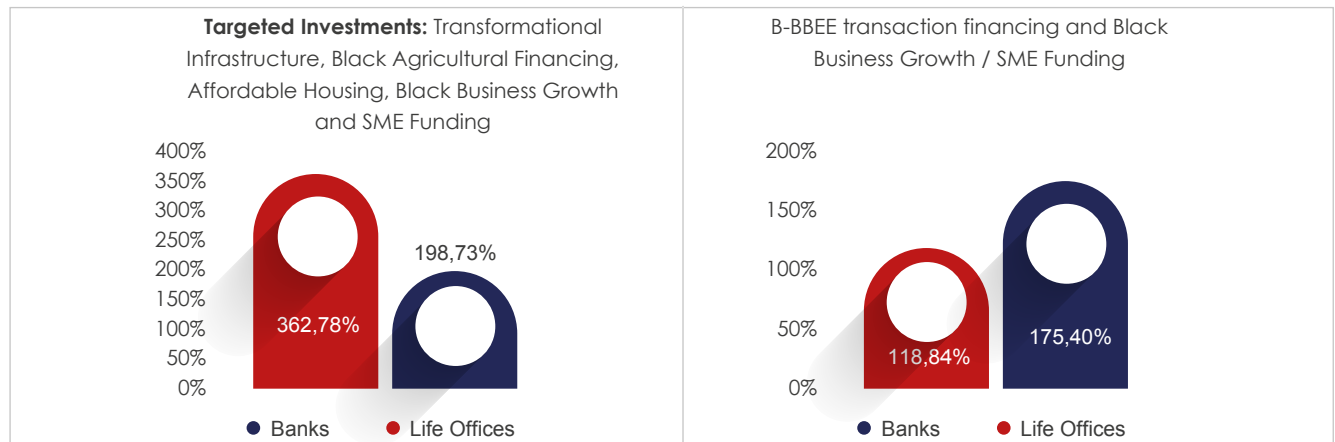


Figure 74 depicts the submissions received from the 17 Banks and 12 Life Offices for 2020/21 of in respect meeting the industry-specific targets* for Targeted Investment, B-BBEE Transaction Financing, and Black Business Growth/SME Funding and the contributions of these entities could not be determined due to the inconsistencies in the reporting framework** as the determined framework measures targets in rand value.

**Non-submission of industry determined targets

*Inconsistencies in the reporting framework utilised by various measured entities (i.e., some reported on rand value, others reported on percentage performance).

Figure 75: Annual value of all Enterprise Development contributions made by the measured entity

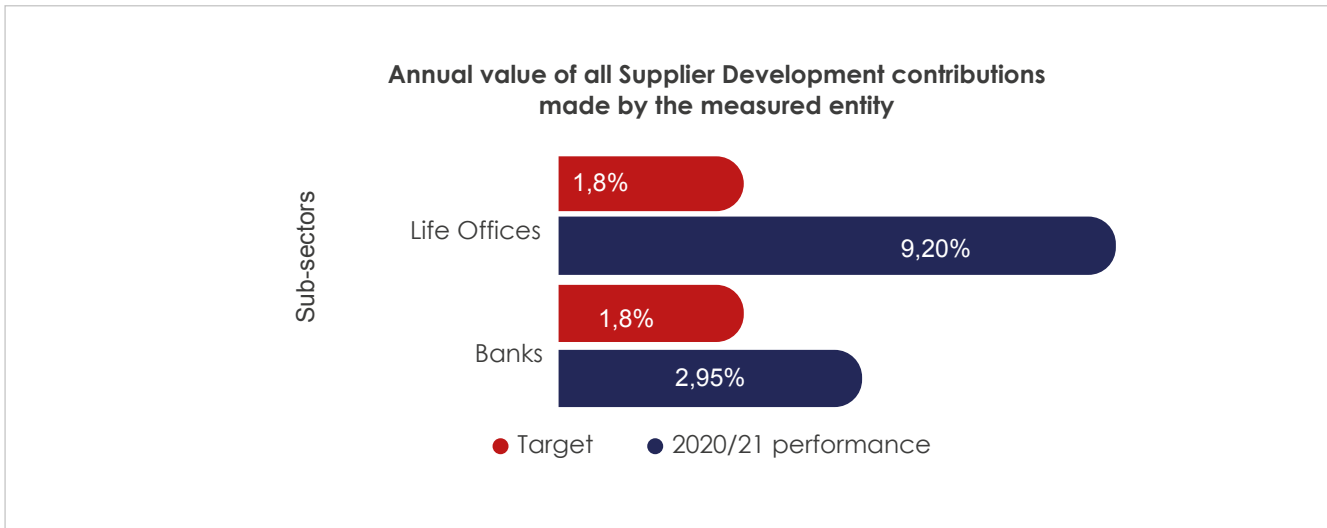


Figure 75 illustrates the Banks and Life Offices performance in meeting the 1.8% target for annual value of all Supplier Development contributions made by the measured entity, with both sub-sectors exceeding the determined target.

Figure 76: Annual value of all Supplier Development contributions made by the measured entity

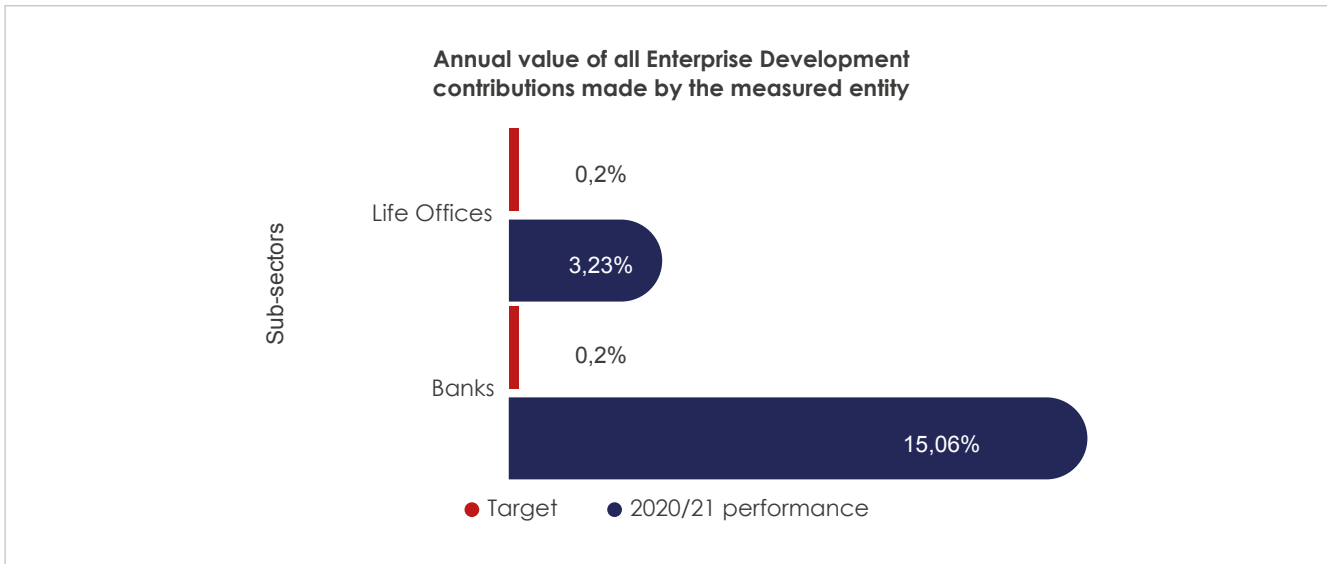


Figure 76 illustrates the performance of Banks and Life Offices in achieving the 0.2% target for annual value of all Enterprise Development contributions made by the measured entity with both sub-sectors exceeding the determined target.

FS 700- ACCESS TO FINANCIAL SERVICES

Access to Financial Services is an industry-specific element ascribed within the FS Code for Banks, Long-Term Assurers and Short-Term Insures to promote financial inclusion and expand the reach of affordable financial products and services using the appropriate infrastructure and developing products that are easily accessible and cater for the previously marginalised groups.

Table 27: Access to Financial Services Scorecard for Banks

	Access Method	Qualifying Market/ Area	Qualifying Criteria	Range	Target	Available Points
2.1.	Geographic Access (Reach)	50% or more of households fall within LSM 1-5	One or more of:			6
2.1.1.	Transaction point		draw cash, or purchase from their accounts	5km	85%	1
2.1.2	Sales & Service Point		reset a PIN money transfers, get a statement, or initiate account queries	15km	75%	2
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	35% for the industry	3
2.2.	Banking Densification	Individuals in the LSM 1-5 group nationally	Access to cash withdrawal facility per measuring unit	National	1, 500 adults per point of presence	3
2.3.	Product related access	Individuals in the LSM 1-5 group nationally	Number of active accounts for qualifying products per institution	Includes store of value accounts	17 849 307 active accounts in 2017 (SASSA accounts not included)	3
TOTAL						12

Figure 77: Average scorecard points against weighting points

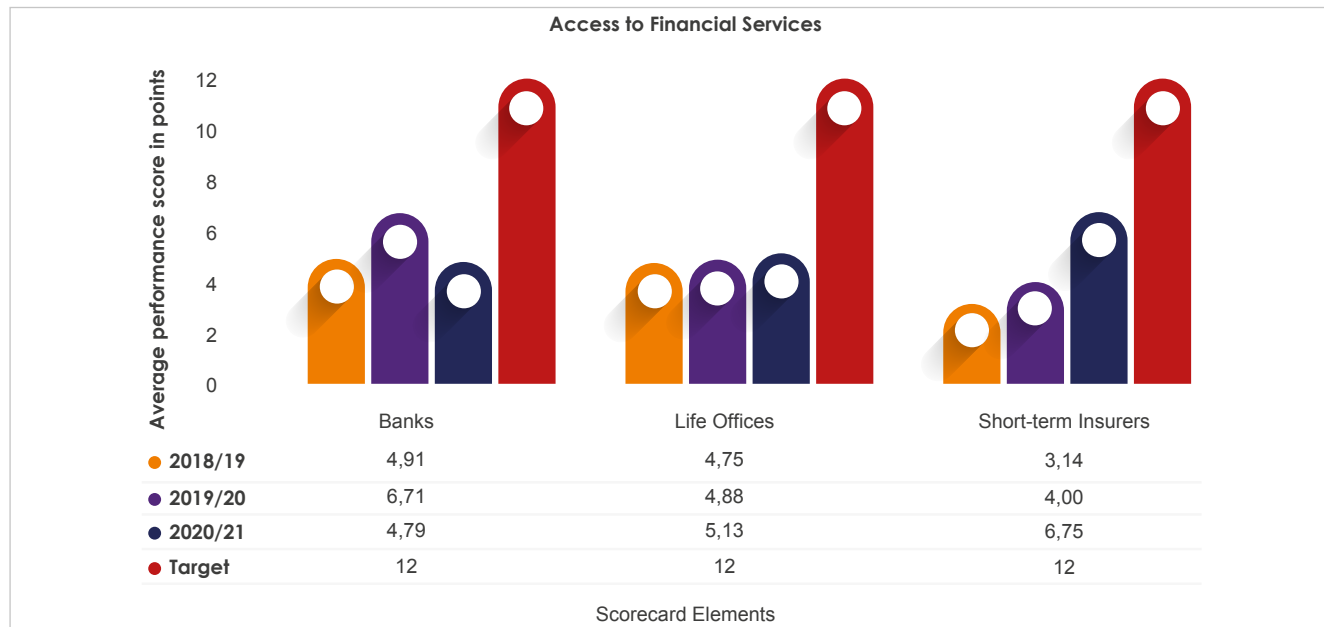


Figure 77 illustrates the performance of the sub-sectors in meeting the determined targets for Access to Financial Services, with all sub-sectors performing below the determined target during 2020/21.

Figure 78: Submissions by Banks for 2020/21

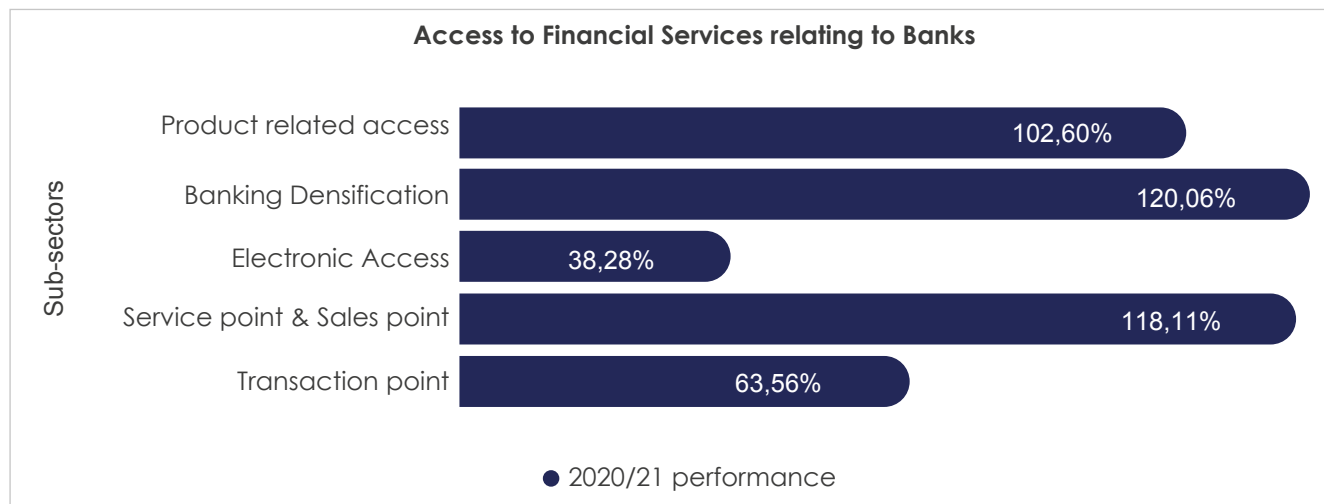


Figure 78 illustrates the Banks submissions for 2020/21 in achieving Access to Financial Services, however, the performance of the industry could not be determined as there were no submissions of targets for the respective measured entities.

¹⁶Multinational banks are exempt from the provisions of Access to Financial Services (FS700)

Table 28: Access to Financial Services Scorecard for Life Offices

	Description	Weighting	Target
3.1.	Appropriate Products	3	6
3.2.	Market Penetration	7	
3.2.1.	Target 2014	4,878,170	
3.2.2.	Target 2015	5,165,121	5,739,023
3.2.3.	Target 2016	5,452,072	
3.2.4.	Target 2017	5,739,023	
3.3.	Transactional Access	2	As per Guidance Note
TOTAL		12	

Figure 79: Submissions by Life Offices for 2020/21

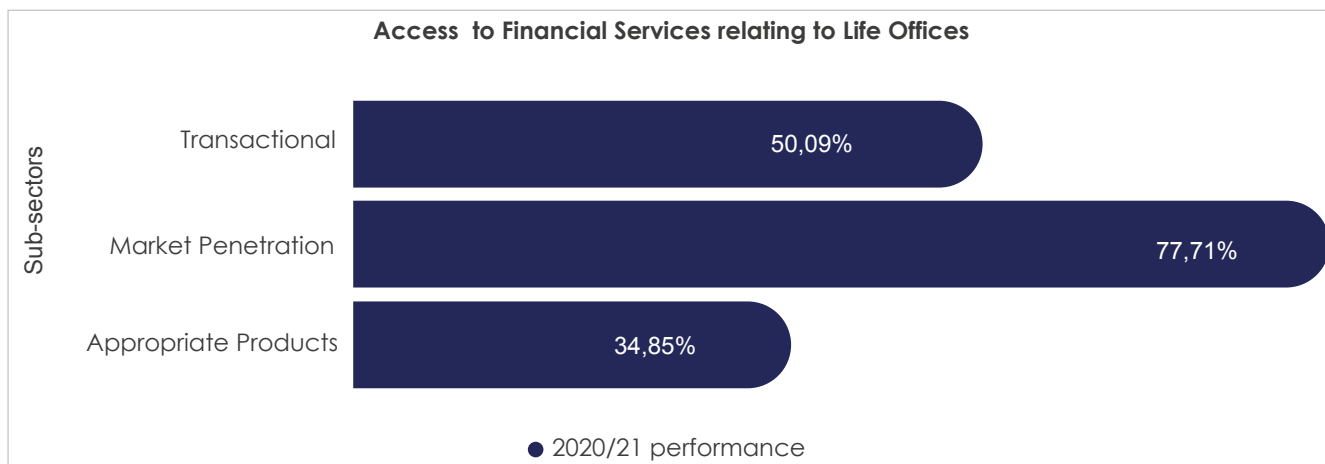


Figure 79 illustrates Life Offices submissions for 2020/21 in relation to achieving Access to Financial Services, however the performance of the industry could not be determined as there were no submissions of targets for the respective measured entities.

Table 29: Access to Financial Services Scorecard for Short-term Insurers

	Description	Weighting	Target
3.1.	Appropriate Products	2	8
3.1.1	Personal Lines	1	
3.1.2.	Commercial Lines	1	
3.2.	Insurance Policies	10	
3.2.1.	Personal Lines	8	868 072
3.2.2.	Commercial Lines	2	284 884
TOTAL		12	

Figure 80: Submissions by Short-term Insurers for 2020/21

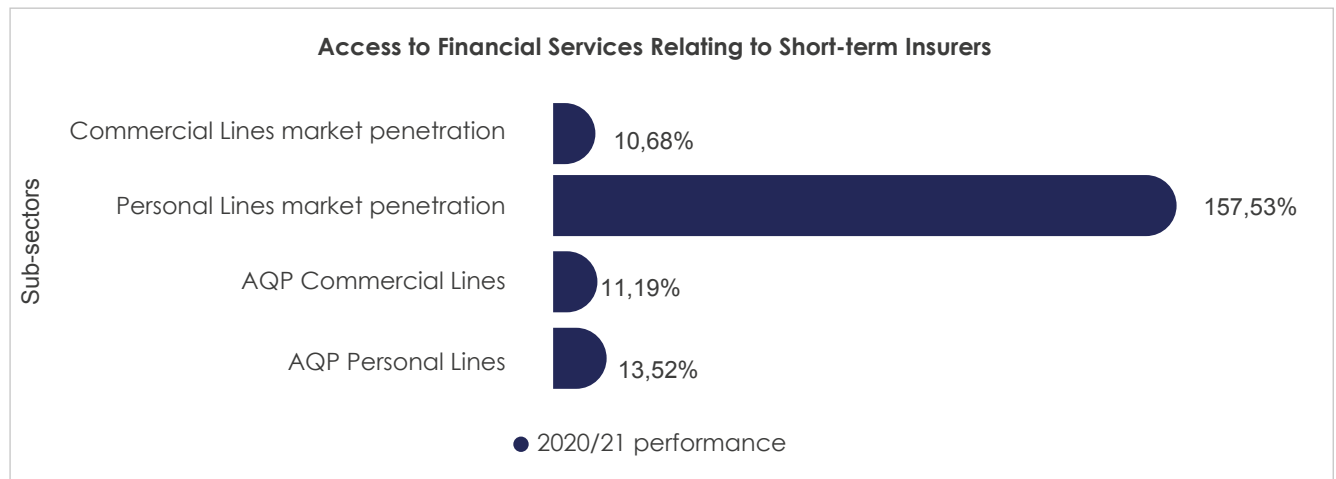


Figure 80 illustrates the Short-term Insurers submissions for 2020/21 towards attaining Access to Financial Services through the development and provision of AQPs, as well as increasing the Market Penetration, however the performance of the industry could not be determined as there were no submissions of targets for the respective measured entities.

FS 900 SPECIALISED ENTERPRISES

Specialised Enterprises are defined as entities that are limited by guarantee or are either state-owned or have no shareholding or equity structure incapable of being measured against the requirements of the Ownership element including DFIs, reinsurers and mutual insurers. To accord a dispensation for the nature of such entities, the FS Code caters for a Specialised scorecard in FS 900 which serves as a guide in respect of their B-BBEE measurement.

Table 30: Specialised Enterprises Scorecard

Element	Weighting	Code Series FS 900
Management Control	20 points	FS901
Skills Development	25 points	FS902
Enterprise and Supplier Development	50 points	FS903
Socio-economic Development	5 points	FS904
Total	100 points	

Figure 81: Average scorecard points against weighted points

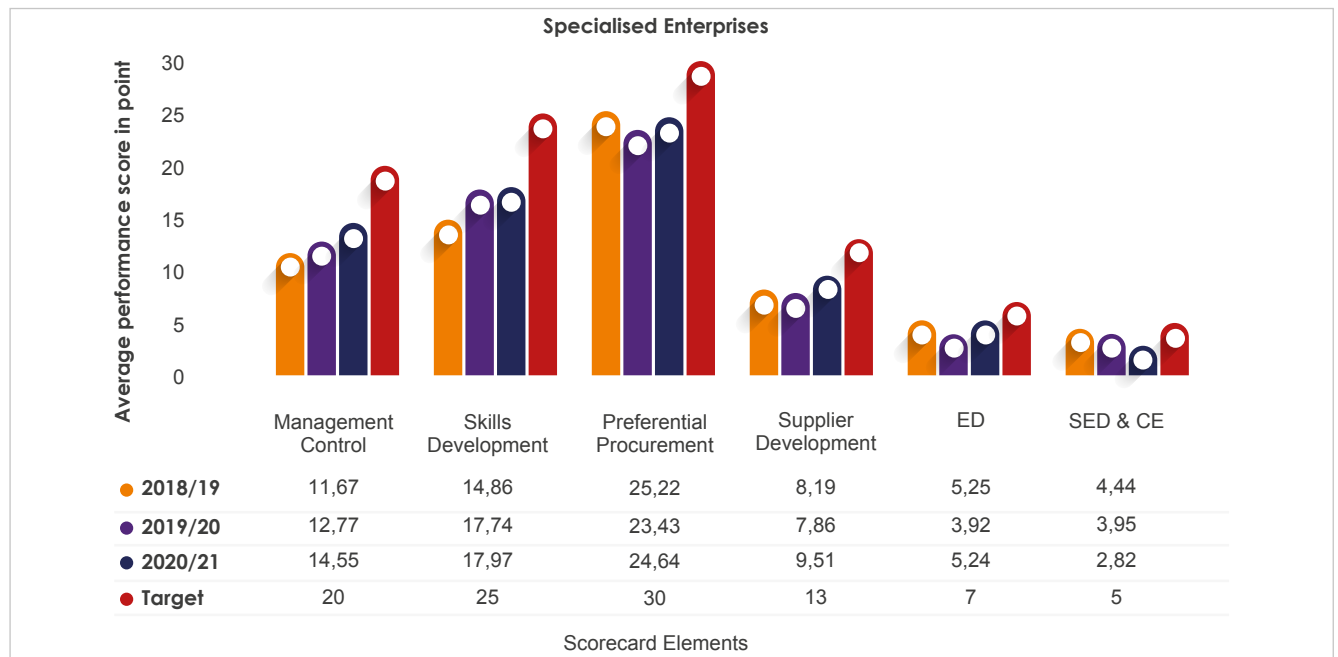


Figure 81 illustrates the performance of the sub-sector in meeting the determined targets for the respective B-BBEE elements, with the sub-sectors performing below the determined targets during 2020/21.

FS 901 MANAGEMENT CONTROL

Figure 82: Average % achieved on Black Board and Executive Participation

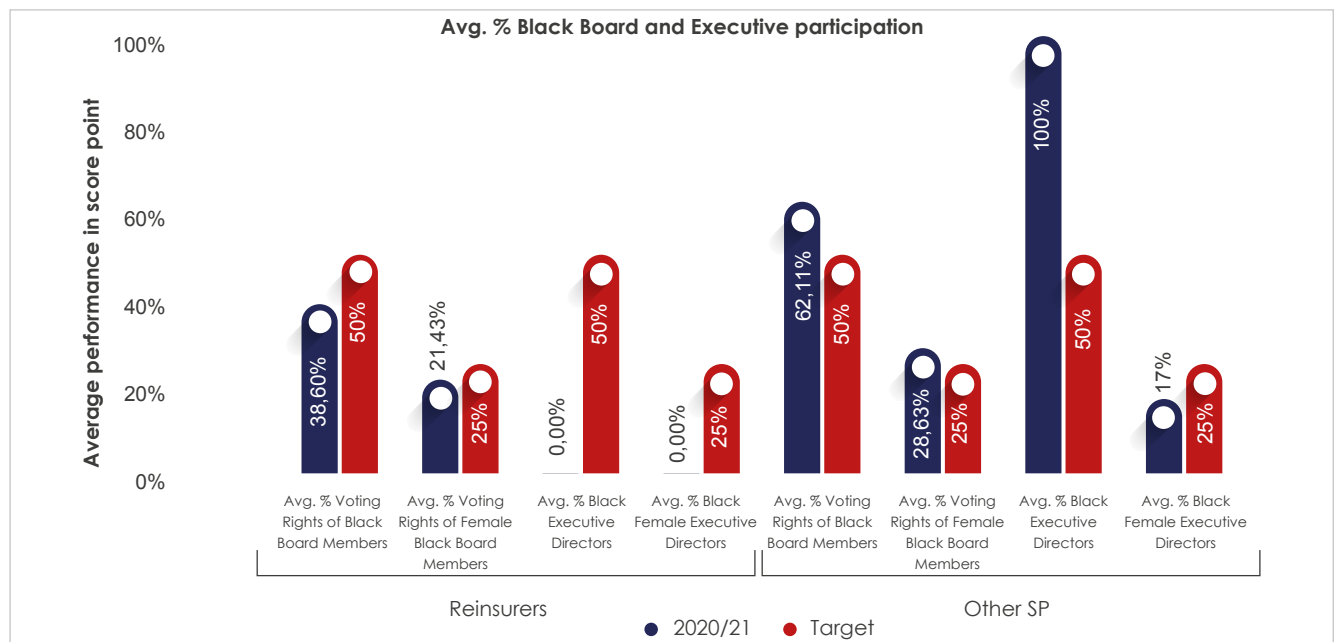


Figure 82 illustrates the overall performance of Specialised Enterprises for Black Board and Executive participation across the respective sub-categories with Other Specialised Enterprises exceeding the determined 50% target, while Reinsures performed below the prescribed target, recording no Black and black female executive directors.

Figure 83: Average % achieved for Black and Black Female Executive Management

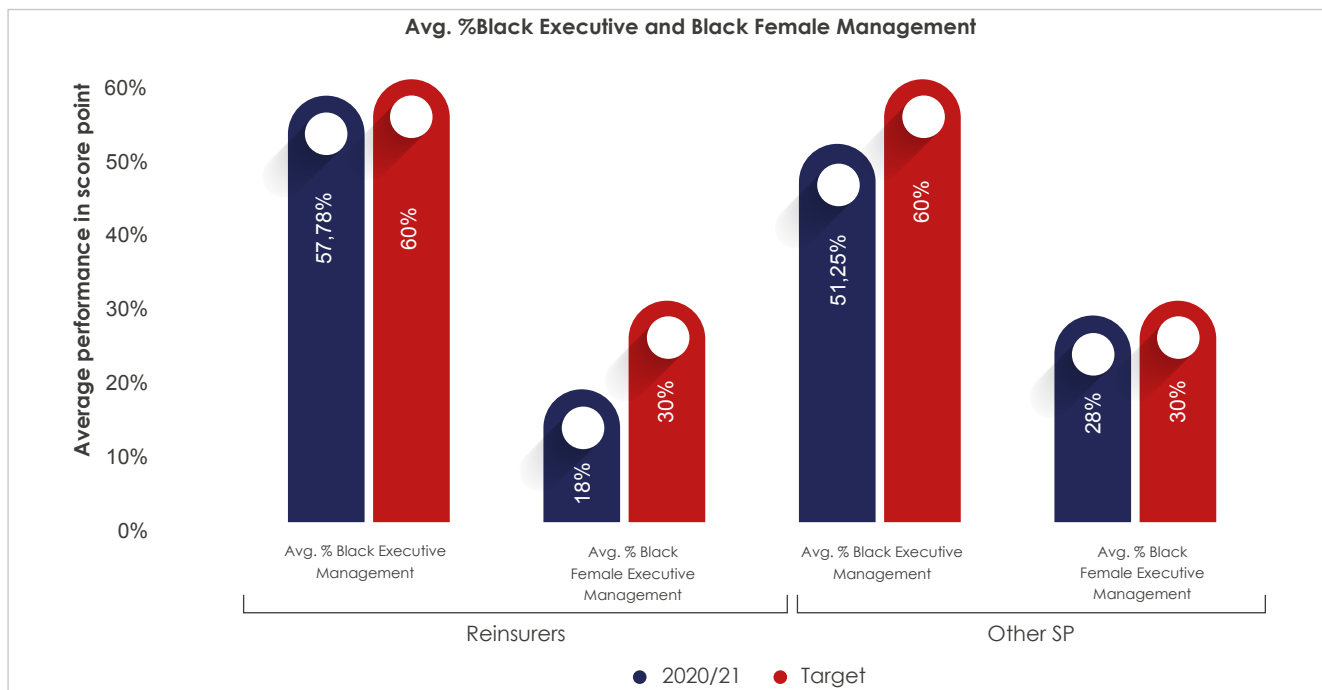


Figure 83 illustrates the Specialised Enterprises progress towards achieving the 60% and 30% targets for Black Executive and Black female management respectively, with both Reinsurers and Other Specialised Enterprises performing below the prescribed target.

Figure 84: Average % achieved on Black Representation under Middle Management

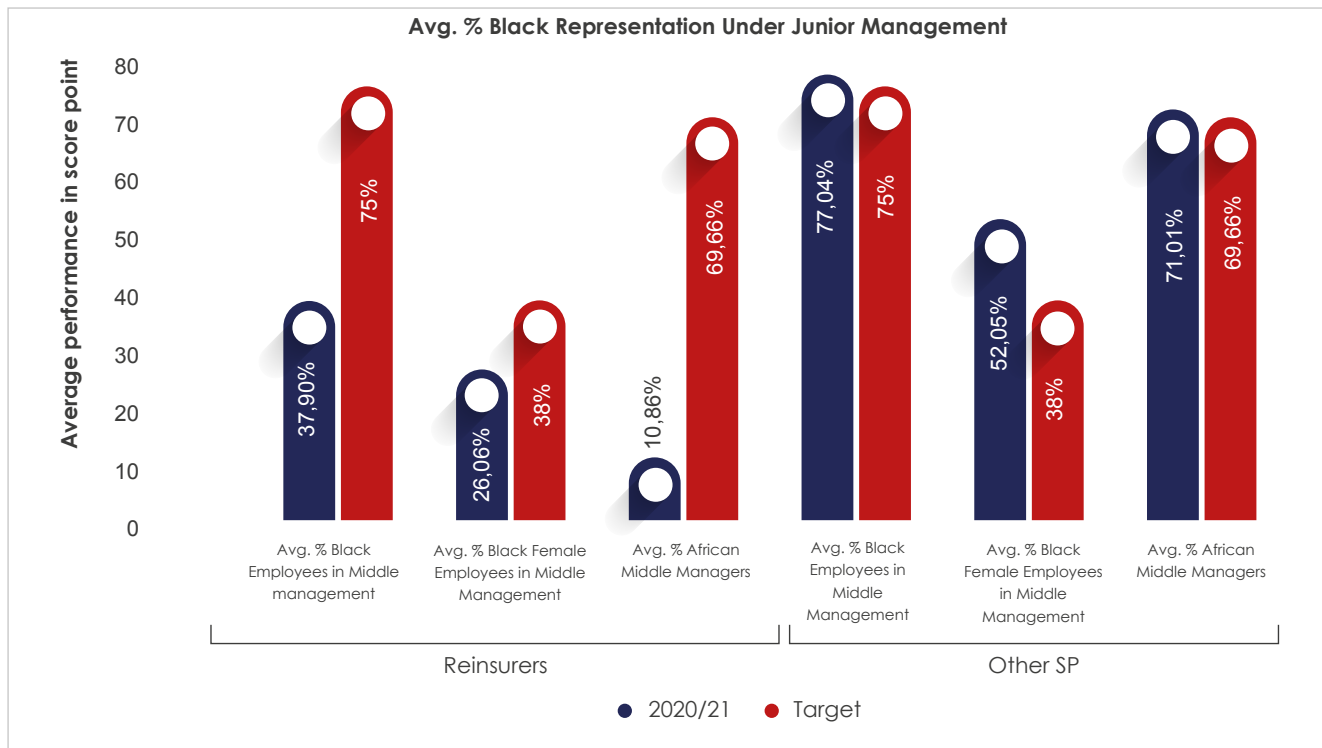


Figure 84 illustrates the Specialised Enterprises efforts in attaining the prescribed targets for Black representation under Middle Management across the respective sub-elements with Other Specialised Enterprises achieving the prescribed target across all measurements, while Reinsurers performed below target.

Figure 85: Average % achieved on Black representation under Junior Management

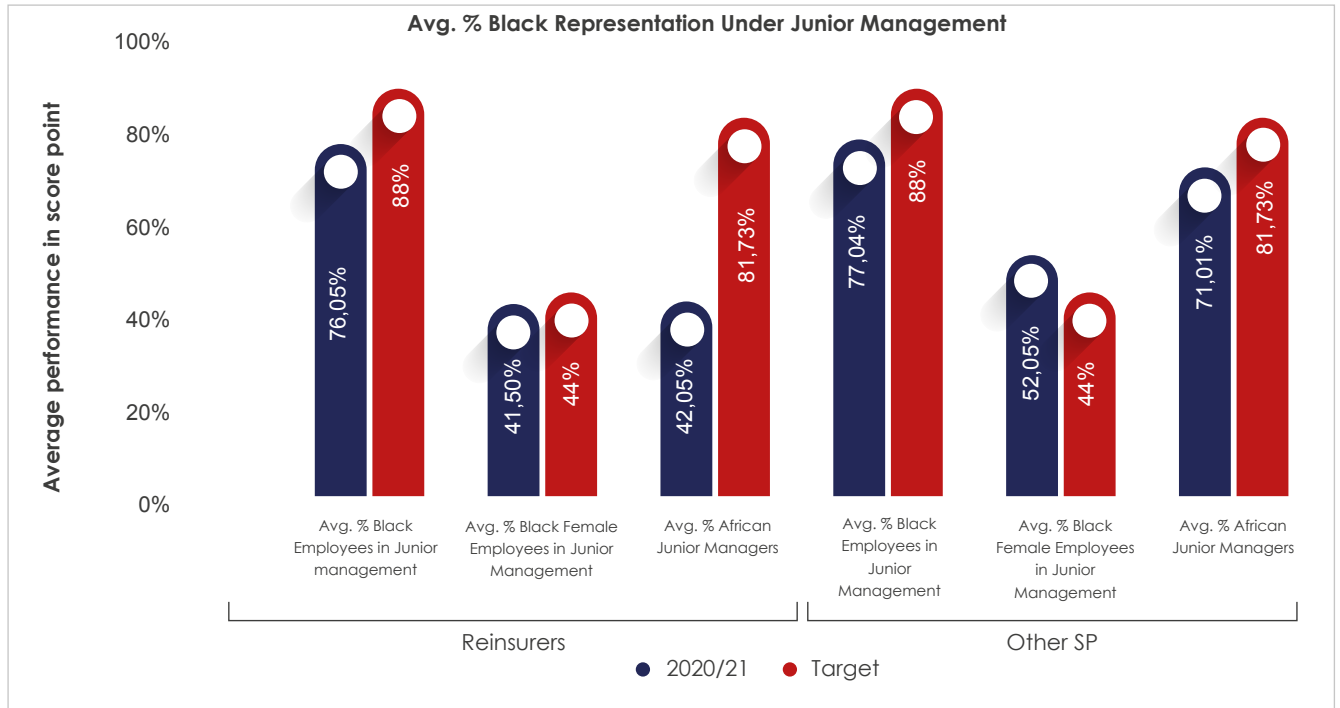


Figure 85 illustrates Specialised Enterprises overall performance towards achieving the predetermined targets of Black Junior management across its respective categories with Other Specialised Enterprises exceeding the determined 44% target for Black female in junior management.

Figure 86: Average % achieved on Black representation for Black employees with disabilities

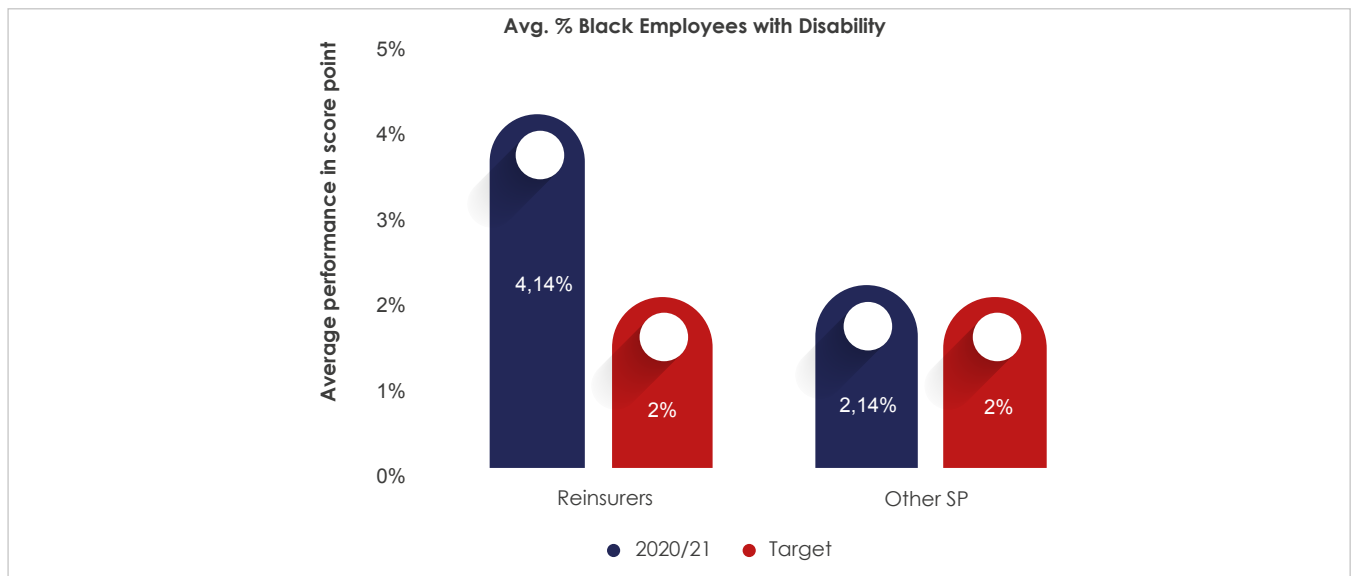


Figure 86 illustrates the Specialised Enterprises performance towards achieving the determined 2% target for Black employees with disabilities and both Reinsurers and Other Specialised Enterprises exceeding the prescribed target.

FS 902- SKILLS DEVELOPMENT

Figure 87: Average % achieved on Skills Development spend on Black Senior and executive Management

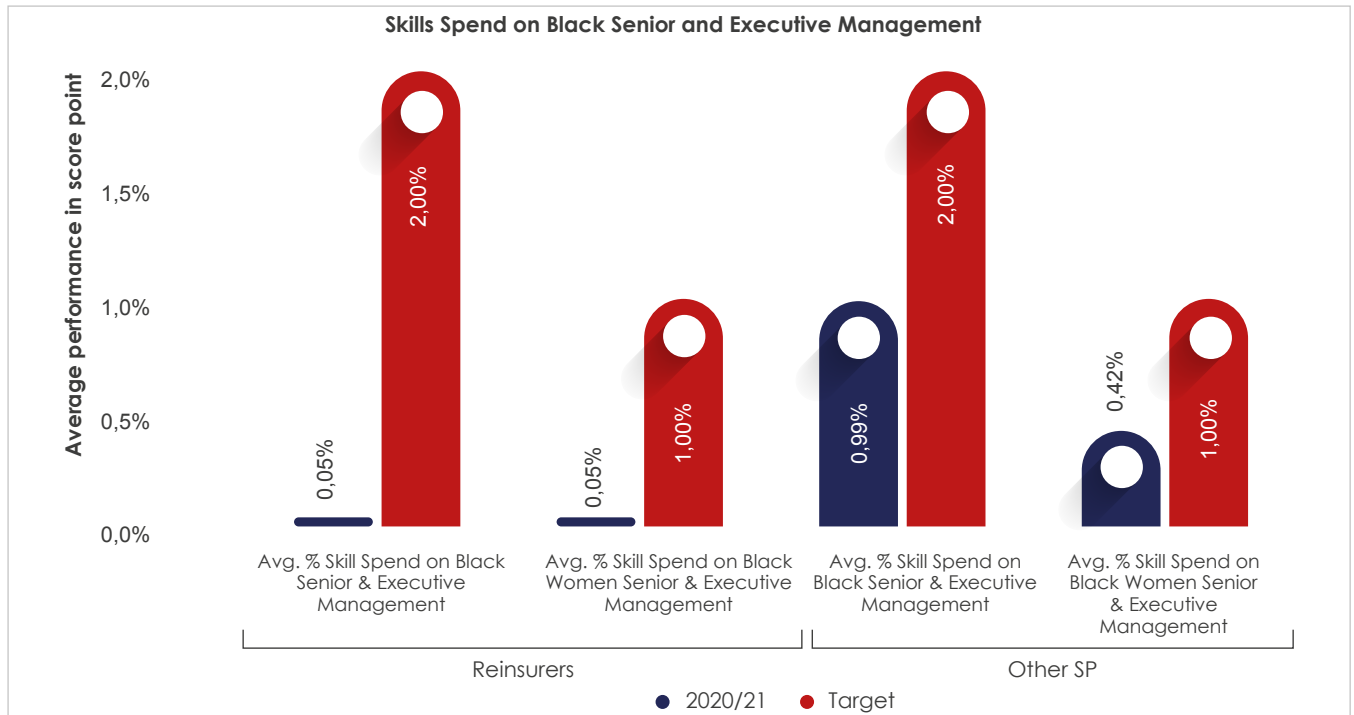


Figure 87 illustrates the Specialised Enterprises efforts towards attaining the prescribed 2% and 1% targets for Skills Development spend on Black people and Black female senior and executive management and both Reinsurers and Other Specialised Enterprises performing below target.

Figure 88: Average % achieved on Skills Development spend on Black Middle Management

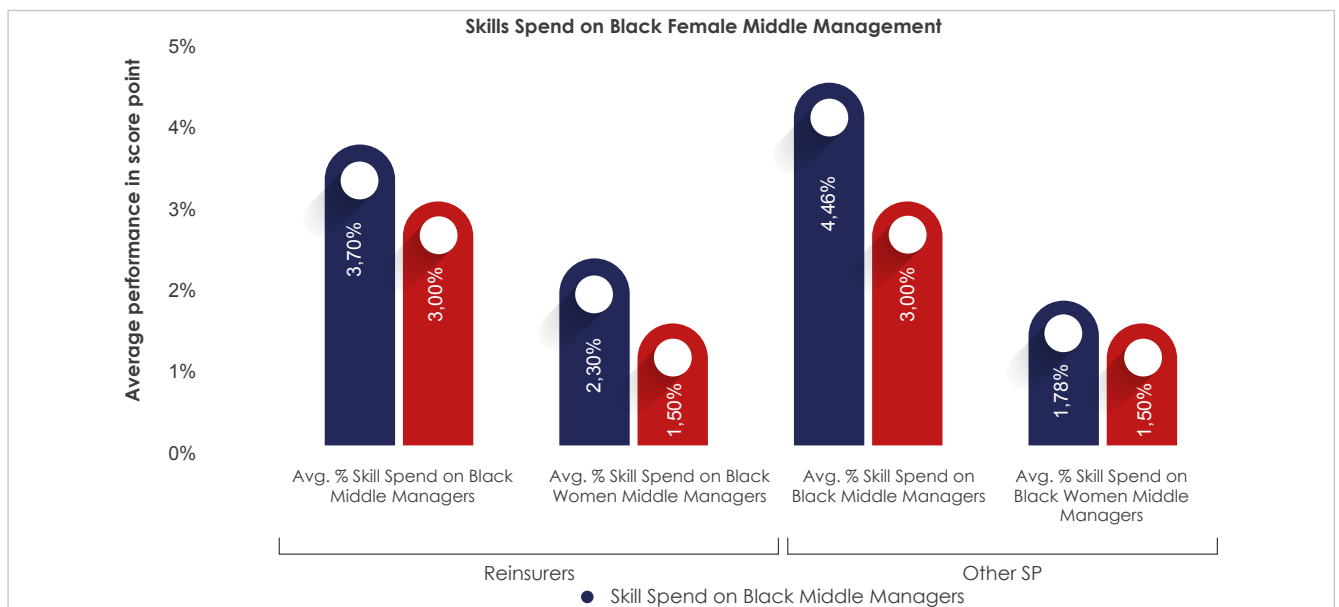


Figure 88 illustrates the Specialised Enterprises' overall performance in achieving the determined 3% and 1.50% target for Skills spend on Black and Black female middle management with both Reinsurers and Other Specialised Enterprises exceeding the determined targets for both sub-categories.

Figure 89: Average % achieved on Skills Development spend on Black and Black Female Junior Management

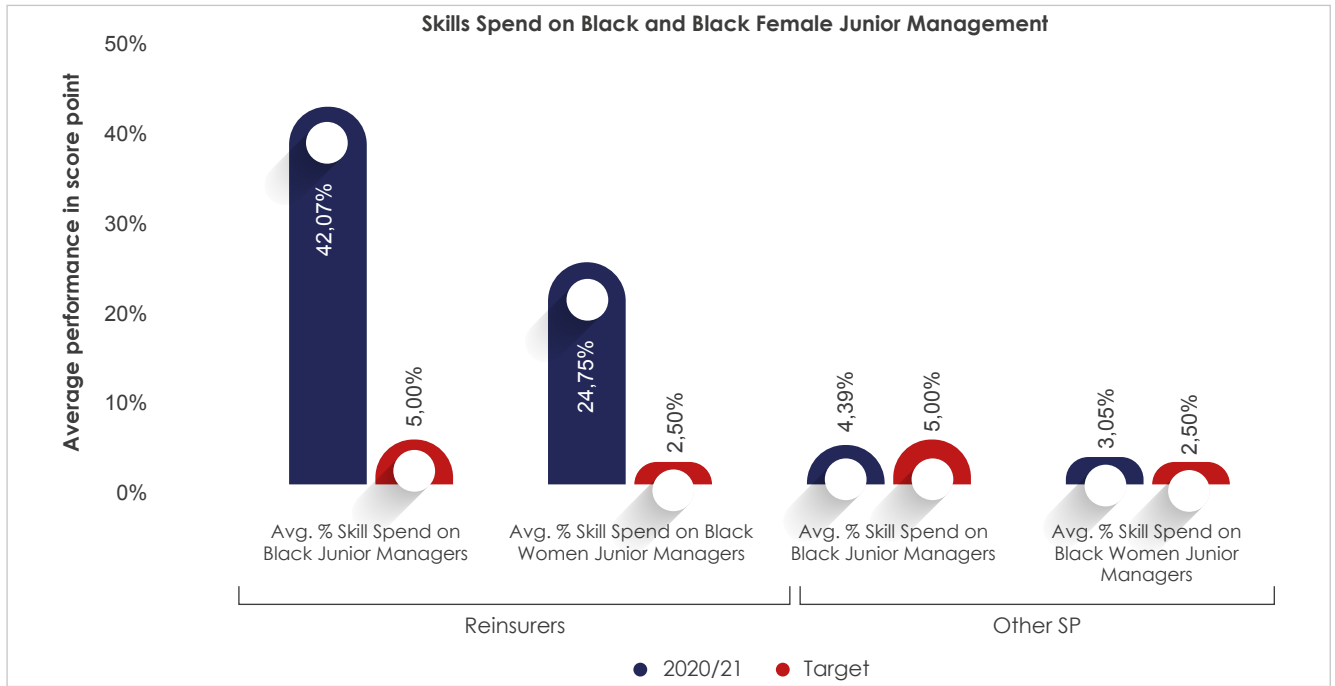


Figure 89 illustrates the Specialised Enterprises overall performance in achieving the determined 5% and 2.50% targets for Skills spend on junior managers and Black women junior managers with Reinsurers significantly exceeding the Skill spend on both categories, while Other Specialised Enterprises only met the target for Skill spend on Black women junior managers.

Figure 90: Average % achieved on Skills Development spend on Black non-Management

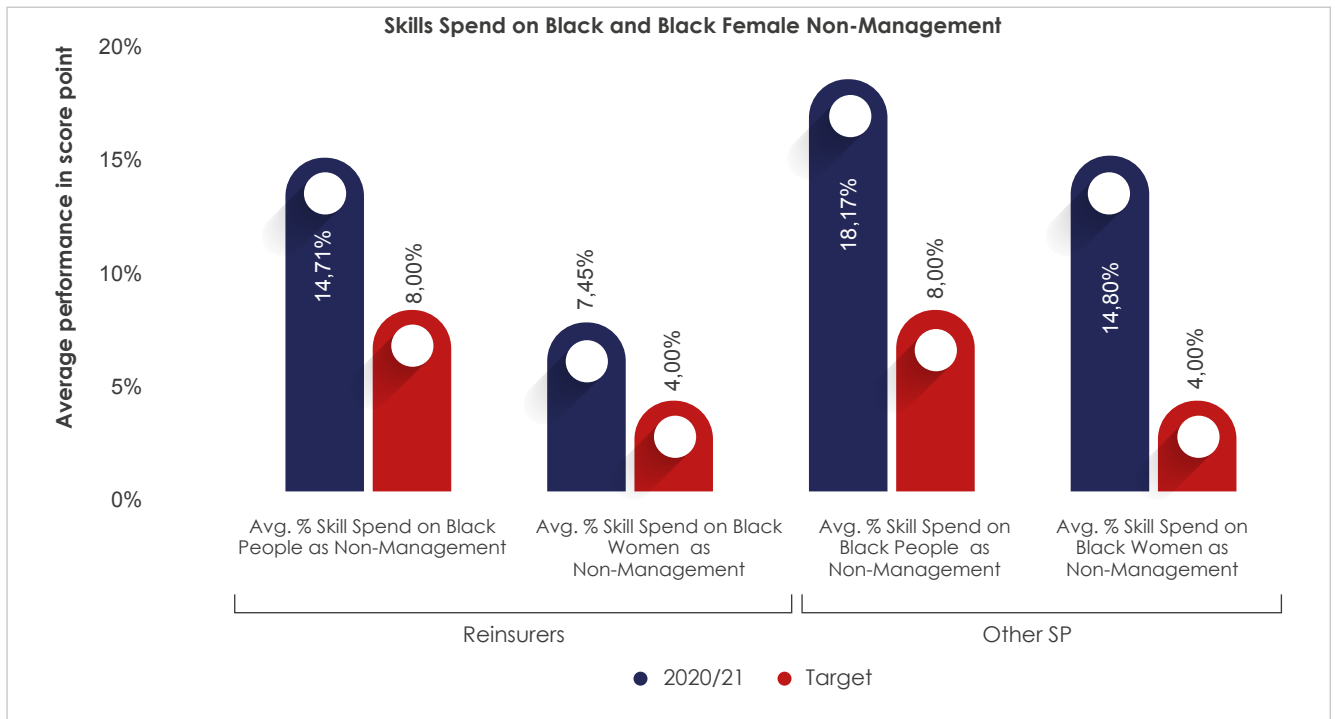


Figure 90 illustrates the Specialised Enterprises performance towards achieving the prescribed 8% and 4% target for Skills spend on non-management Black people and Black women with Reinsurers and Other Specialised Enterprises' significantly exceeding the determined targets on both categories.

Figure 91: Average % achieved on Skills Development spend on Black Employees with disabilities

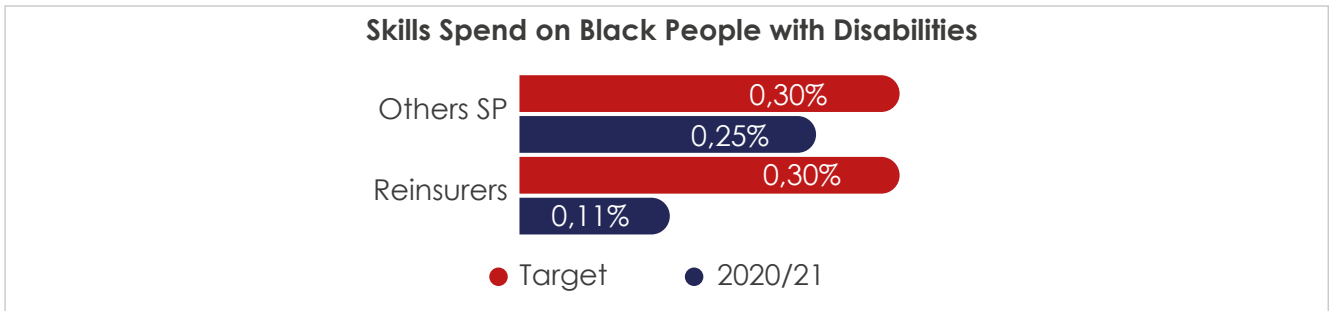


Figure 91 illustrates Specialised Enterprises overall performance in attaining the prescribed 0.30% target for Skills Development spend on Black people with disabilities and both Reinsures and Other Specialised Enterprises performed below the target.



Figure 92: Average % achieved on Preferential Procurement spend

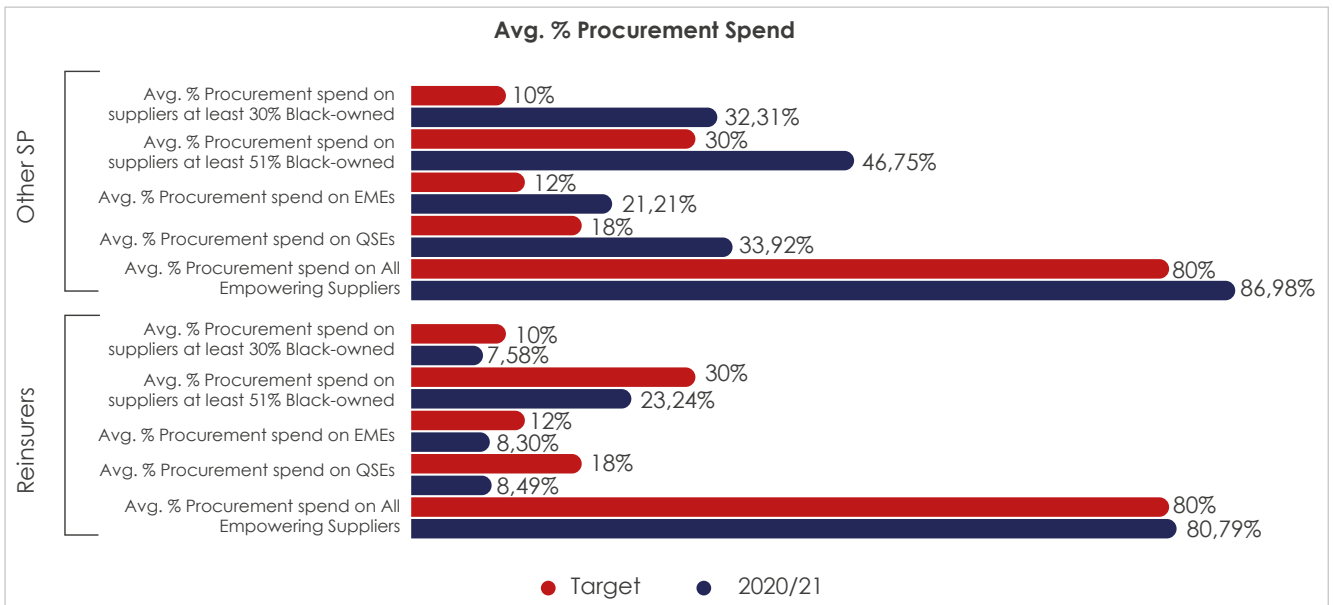


Figure 92 illustrates the Specialised Enterprises' average percentage achieved on Preferential Procurement spend in attaining the prescribed targets across the respective sub-elements with Other Specialised Enterprises attaining their determined targets across all procurement spend categories and exceeding significantly on suppliers that are at least 30% Black owned, while Reinsurers performed below target across the respective categories with the exception of the procurement spend on all empowering supplies.

Figure 93: Average % achieved on Annual value of supplier and enterprise development



Figure 93 illustrates the Specialised Enterprises' efforts towards attaining the prescribed target for the annual values of all Supplier Development and Enterprise Development contributions and Reinsurers exceeded the ascribed 2% target for Supplier Development, while Other Specialised Enterprises performed below target. Furthermore, both Reinsurers and Other Specialised Enterprises did not meet the determined target of 1% for the annual value on Enterprise Development contributions.

FS 904 - SOCIO-ECONOMIC DEVELOPMENT AND CONSUMER EDUCATION

Figure 94: Average % achieved on Annual value of SED & CE Contributions

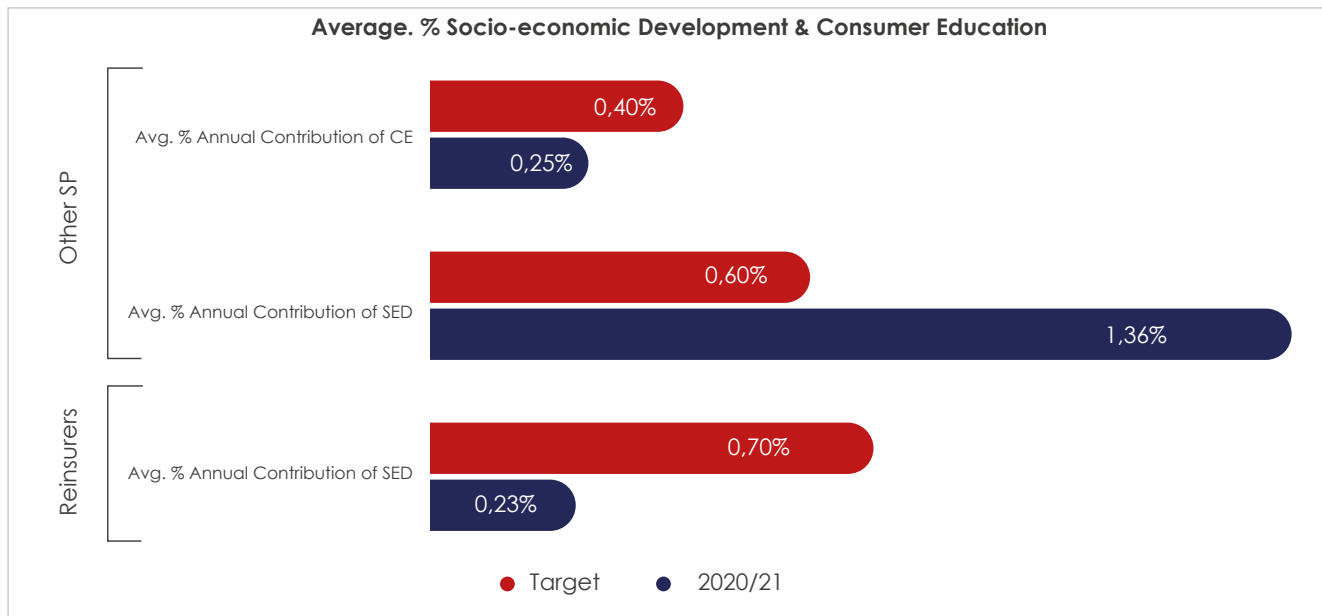


Figure 94 illustrates the Specialised Enterprises' overall performance towards achieving the prescribed targets for the annual contribution of Socio-economic Development and Consumer Education with Other Specialised Enterprises exceeding the determined target for the annual contribution of SED, while Reinsurers performed below target on SED.

Schedule 1 – Retirement Funds

Retirement Funds Scorecard is one of the key components of the Financial Sector considering the size of assets under their management that when invested appropriately through Black service providers, can drive inclusive growth and yield the desired sectoral transformation objectives.

Table 31: Schedule 1 Retirement Funds Scorecard

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
Empowering Financing, Enterprise, and Supplier Development			
Access to Financial Services	N/A		
Socio-economic Development			
TOTAL	100		

Management Control- Retirement Funds

Table 32: Detailed 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 95: Average % achieved on board and executive management participation

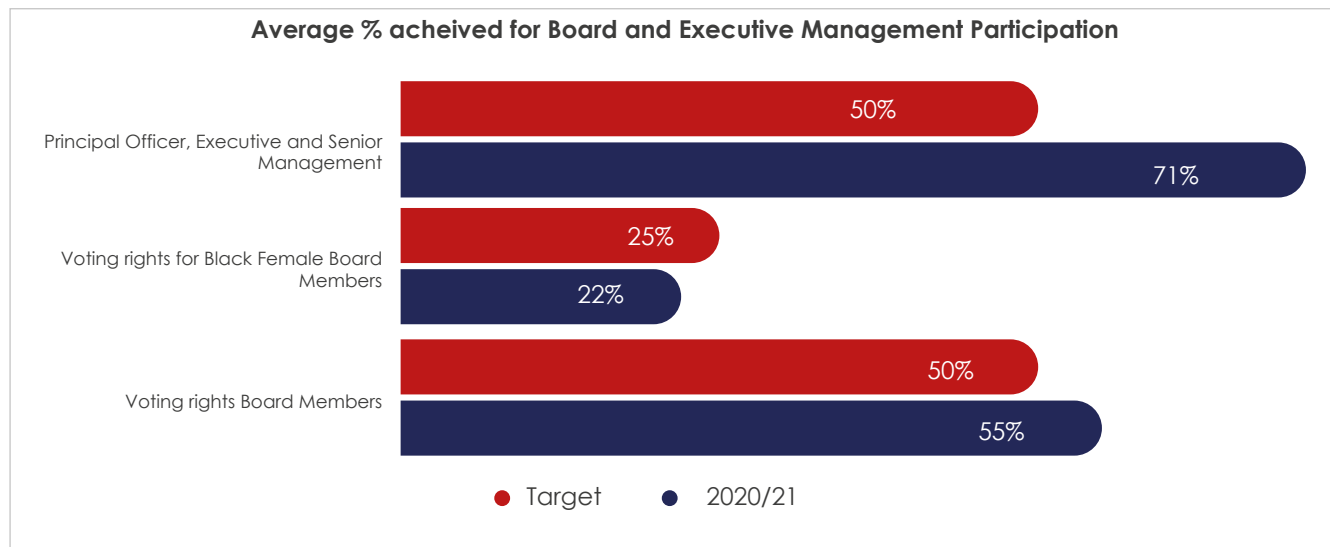


Figure 95 illustrates the Retirement Funds efforts in attaining the prescribed targets for Board and Executive Management participation with the sub-sector meeting the voting rights for Black Board Members target as well as the Principal Officer, executive and Senior Management target, while performing slightly below the target on voting rights for Black Female Board Members.

Preferential Procurement- Retirement Funds

Table 33: Preferential Procurement Scorecard

	Points	Target year
Preferential Procurement Indicator	80	
B-BBEE procurement spend from all empowering suppliers based on B-BBEE procurement recognition levels as a percentage of total measured procurement.	35	80%
B-BBEE procurement spend from all empowering suppliers who are QSEs and EMEs based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement.	10	25%
B-BBEE procurement spend from all empowering suppliers who are at least 51% Black-owned based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement.	25	25%
B-BBEE procurement spend from all empowering suppliers who are at least 30% Black women-owned based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement.	10	12.5%

Figure 96: Average % achieved on Average for Preferential Procurement

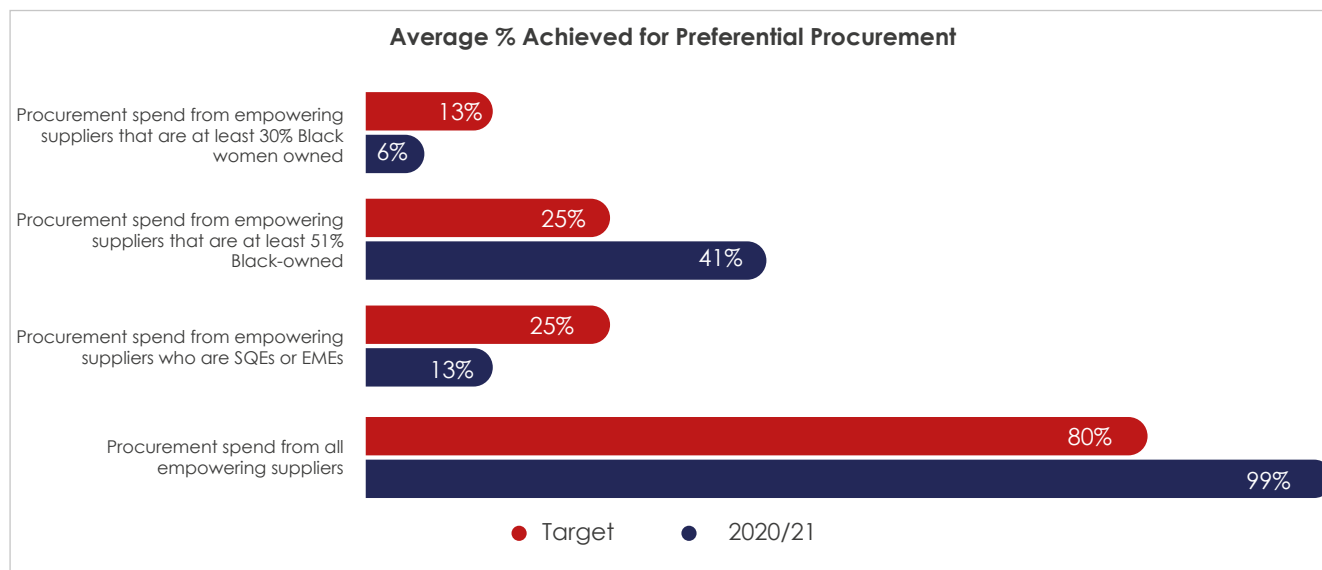


Figure 96 illustrates the Retirement funds' overall performance in attaining the determined targets for Preferential Procurement with the sub-sector exceeding the 80% and 25% target for spend from all empowering suppliers and spend from empowering suppliers that are at least 51% Black owned, while performing below target for procurement spend from empowering suppliers who are QSEs or EMEs as well as those that are at least 30% Black women owned.

QUALITATIVE PERFORMANCE REVIEW



Fatima Vawda: RWC Chairperson



We hope that this report will serve as a catalyst to inspire us in persisting on our transformation journey, igniting deliberate action specifically targeted at underperforming areas

”

As we mark twenty years of the financial services sector's commitment to transformation, it's nearly impossible not to reflect on the past and look ahead to the future.

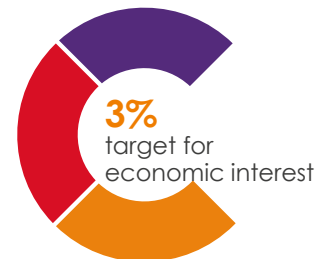
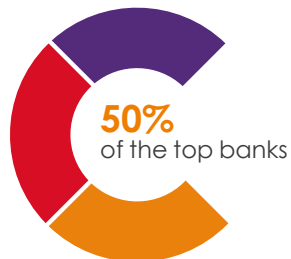
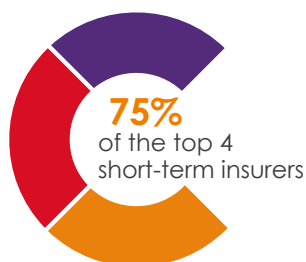
Two decades ago, the Financial Sector Charter made a commitment to the transformation agenda that emerged from the Financial Sector Summit held in 2002. This commitment came into effect in January 2004 and marked the first voluntary Black Economic Empowerment Charter. It pledged the financial services sector to actively promote a transformed, vibrant, and globally competitive financial sector that reflects the demographics of South Africa.

Moreover, it aimed to contribute to the establishment of an equitable society by effectively providing accessible financial services to black people and directing investment into targeted sectors of the economy. Recognising the critical role of the sector in facilitating inclusive economic growth and social development, the scorecard of the charter included two distinctive elements for banks and life offices: empowerment financing and access to financial services.

Since then, the charter has undergone two amendments to align with the evolving needs of the country. In 2012, it was revised to adhere to the government's Generic Codes of Good Practice and was officially enacted as the Financial Sector Code. The second revision, implemented in 2017 in line with the amended Codes of Good Practice, brought about changes in the weightings assigned to various elements of the scorecard and introduced other amendments such as the introduction of priority elements for large enterprises.

The theme of the 9th edition of the State of Transformation Annual Report serves as a reminder of the original commitment to intentionally transform the financial services sector. It also goes further and asks how meaningful is the transformation agenda? In other words, how do we perform in supporting real economic activity?

The report shows that the top large enterprises are making significant progress on ownership.



The State of Transformation Annual Report 2020-2021 provides rich and granular data which enables us to reflect on how we are performing as a sector. The report shows that the top large enterprises are making significant progress on ownership.

All four top life offices met the target, while 75% of the top four short-term insurers, 63% of the top eight asset managers and 50% of the top banks were compliant. The good news is that there was a general increase in the number of overall banks, short-term insurers and asset managers who met the ownership target since the previous year of reporting. The financial services sector exceeded the target for economic interest in the hands of Black designated groups by far, albeit the target was only 3%. It is heartening to see that the engine of our economy has a relatively broad-based ownership profile.

Similarly, there was a general increase in the sector meeting the enterprise development target with the exception of short-term insurers showing a decline. The top life offices and short-term insurers attained the target set for enterprise development, while 83% of the top banks and 63% of the top asset managers met the target.

Unfortunately, there was a decline in the number of banks and short-term insurers reaching the target for empowerment financing. Only one third of the banks (32%) and one quarter (27%) of the life offices achieved the target. This finding raises concerns given the context of persistent low economic growth and high unemployment levels.

There was also general decline in skills development across the sector with the exception of specialised enterprises since the last report. None of the top enterprises met the skills development target. Only 7% of all life offices and asset

managers, 12% of other institutions and 13% of specialised enterprises were compliant with the skills development element of the scorecard. Granular analysis shows that the sector generally met the skills development targets set for Black and African employees below management levels but underperformed in training executives and management. At the same time the report shows that the sector is underperforming in the management control element raising concern about the sector's commitment to this element of the scorecard.

The report raises concerns regarding the notable decrease of 5% in submissions, signalling a decline that demands attention. Of particular worry is the significant drop of 13% in submissions from large enterprises, as well as the absence of information regarding industry-determined targets related to access to financial services and empowerment financing. This presents considerable challenges for the Council in delivering data-backed strategic guidance to expedite transformation within the sector. We hope that this report will serve as a catalyst to inspire us in persisting on our transformation journey, igniting deliberate action specifically targeted at underperforming areas.

This reflection and the future agenda for the transformation of the sector would not have been possible without the dedicated efforts of the executive leadership and team of the Financial Sector Transformation Council, who have diligently compiled this edition of the State of Transformation Annual Report.

QUALITATIVE ANALYSIS – CEO Surveys



In consideration of a deep-dive assessment to obtain the view of market participants in relation to the B-BBEE framework, specifically the understanding, interpretation, and implementation of the FS Code prescripts as well as their contributions towards the betterment of the economy, the FSTC conducted CEO survey's in order to ascertain the impediments yielding to the slow pace of transformation.

Out of the 201 reports filed by the sector, 101 CEOs participated in the survey with 11 from the Banks, 5 Life Offices, 10 Asset Managers, 3 Specialised Enterprises, 5 Retirement Funds, 17 Other Institutions and 50 EMEs.

Through the surveys, critical questions were considered and not limited to, including agreed consideration on assessment of transformation impact, considered initiatives by the sector, etc.

Figure 97: Is transformation in the financial sector significant for South Africa and its economy?



Figure 98: Considering the requirements of the B-BBEE Act and its intended goals, is the organisation's role in leading a way for transformation in the form of job creation, diversity, inclusivity and equity significant?



Figure 99: Does the organisation incur costs and limitations related to the implementation process of the Amended Financial Sector Code?

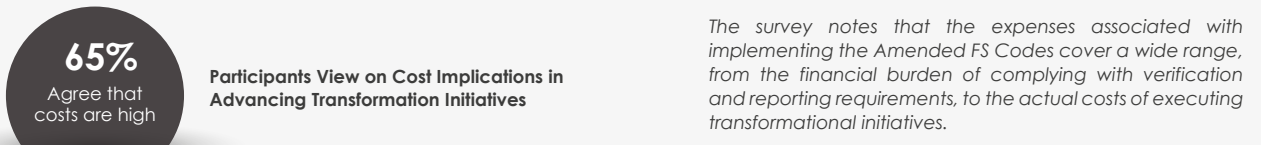


Figure 100: Are you well-versed with the provisions of the Amended Financial Sector Code, applicable B-BBEE empowering legislations and requirements?

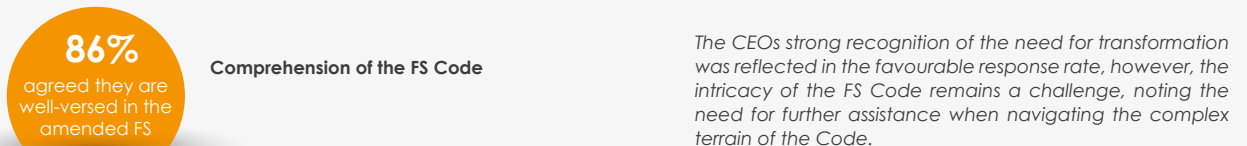
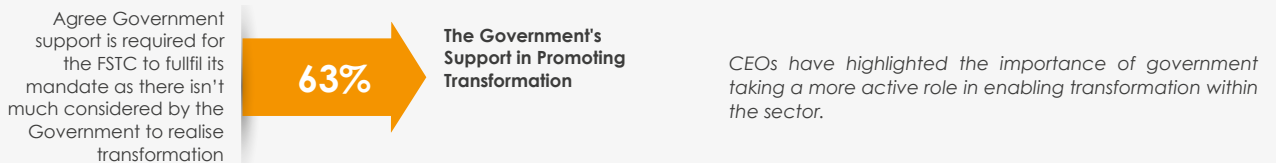


Figure 101: Is the government doing enough with the current legislation associated with the B-BBEE?



LITERATURE REVIEW - TRANSFORMATION IN THE FINANCIAL SERVICES SECTOR: IS THE DISCOURSE ALIGNED?

The intent of the literature review is to provide a comprehensive comparison of sector specific reports which explore the discourses and narratives surrounding transformation within the auspices of the B-BBEE framework. To accommodate this comparison, the FSTC has identified four (4) reports to juxtapose with its 2020/21 State of Transformation Annual Report, namely the 2021 B-BBEE Commission National Status and Trends on B-BBEE Transformation Report, 2022 Sanlam Gauge Report, Banking Association South Africa 2022 Transformation Report, and Association for Savings and Investment South Africa (2018-2020).

B-BBEE Commission National Status and Trends on B-BBEE Transformation Report 2021



The 2022 B-BBEE Commission Sectoral Report and the 2020/21 State of Transformation Annual Report draws on a wealth of evidence and data to illuminate the advancements of the sector and the narrative points to a sector that underperformed in almost all respects from an elemental perspective. However, the SoTAR references a notable improvement on one (1) of the four (4) priority elements, namely Preferential Procurement while the B-BBEE Commission report records a steady overall performance across the sector.

Although the comparison of the two (2) reports is favourable from an insight perspective, it is important to acknowledge that the SoTAR is a sector specific report while the B-BBEE commissions report monitors national transformational trends across the active sectors that account for South Africa's economy. Additionally, cognisance must be taken that while these reports are comparable, the FS Code has embedded to its prescripts sector specific elements namely, Empowerment Financing, and Access to Financial Services, which are excluded within the measurement framework of the B-BBEE Commission.

2022 Sanlam Gauge Report



The 2022 Sanlam Gauge Report (SGR) provides detailed insights into the performance of South African companies in terms of transformation. The two reports have a number of similarities and differences in terms of the elements they measure and the data they provide with both reports depicting the sector has not met the determined targets on all elements, with the exception of SED & CE element.

Both reports point to the same conclusion, that there is a need for the financial sector to transform in order for the entire economy to realise its developmental objectives..

The findings of both the SoTAR and SGR report demonstrate that the sector has not met the determined targets across some of the scorecard elements, with the SoTAR depicting an achievement on Preferential Procurement, Enterprise Development, SED & CE and Empowerment Financing while the SGR outline that none of the sub-sectors achieved their targets, with an exception of the SED & CE element.

Both reports point to the same conclusion, that there is a need for the financial sector to transform in order for the entire economy to realise its developmental objectives.

Banking Association South Africa (BASA) 2022 Transformation Report



The 2022 BASA Transformation Report offers a comprehensive evaluation of how the banking sector has progressed within the landscape of transformation at the industry specific perspective. By contrast, while both reports provide valuable insight into the state of transformation, the reporting periods of these reports differ, in that the BASA report measures a span of four (4) reporting periods, whereas the SoTAR focuses solely on the 2020/2021 period. Furthermore, the applied methodology utilised to analysis BASA's findings is premised on weighted averages while the SoTAR is based on simple averages.

Notwithstanding the applied distinct methodologies, the respective reports indicate the underperformance of the sub-sector in relation to meeting the Ownership, Management Control, Enterprise Development and SED & CE targets for the periods under review. However, in accordance with the BASA Report, the banking sector exceeded its Skills Development, Preferential Procurement, Supplier Development, Empowerment Financing and Access to Financial Services targets, while on the contrary, the SoTAR portrays a different narrative as it outlines that the only element exceeded by the banking sector is Empowerment Financing with regards to targeted investments. In understanding these findings, readers must take heed that BASA's report depicts data against the backdrop of nineteen (19) reports whilst the SoTAR provides an analysis of twenty-two (22) banks.

Conclusion to Literature Review

The four (4) reports although distinct in their respective considerations, their findings are telling of the alignment of the discourse that while there are notable strides advanced by the sector, in order to realise the ultimate transformation goal, the sector requires the enforcement of an intensive and rigorous and forward thinking efforts.

Association for Savings and Investment South Africa (ASISA) (2018-2020)



In keeping to the task of analysing sector-specific reports, ASISA published its 2018 - 2020 ASISA Report on the journey towards transformation of South Africa's Savings and Investment Industry which provided an in-depth analysis on the progress of Life Offices and Asset Managers over the course of the past three (3) years. Similarly to the BASA report, the measurement periods of the ASISA publication and SoTAR differ in terms of the reporting periods as the ASISA report outlines findings against three (3) reporting periods, while the SoTAR merely focuses on the 2020/2021 period. Additionally, the ASISA report based its findings on weighted averages while the SoTAR's results were calculated using simple averages.

As per the ASISA Report, Life Offices' met the targets for Ownership, Preferential Procurement and Empowerment Financing while the SOTAR is indicative of underperformance thereof by the sub-sector to meet the prescribed targets including Ownership, Skills Development and Empowerment Financing targets. The only alignment between the respective reports is with regards to the Life Offices advancements in meeting the Preferential Procurement target. Moreover, the ASISA report illustrates that Asset Managers exceeded the Ownership, Preferential Procurement, Supplier Development and Enterprise Development as well as SED & CE determined targets which is contrary to what is depicted in the SoTAR outlining that the industry has underperformed in these elements. However, both these reports detail notable sentiments towards achieving the Preferential Procurement , Enterprise Development and SED & CE elements.

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 of Southern Africa.
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
2020/21 Measurement Period		
Hannover RE	4	Re-insurance
Monarch - to reported as part of Lewis Group	2	Short-term Insurance
Nedbank	18	Banking
Professional Provident Society	6	Long-term Insurance
Alexander Forbes Group Holdings	8	Asset Managers
Momentum Metropolitan Holdings	93	Long-term Insurance
Citigroup	2	Banking
Sanlam	124	Long-term Insurance
Santam	20	Short-Term Insurance
Standard Bank	30	Banking

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

Entity	Associated Industry
China Construction Corporate Johannesburg Branch	Bank
Professional Provident Society	Long-term Insurance
Just Retirement Life	Retirement
Investec Limited	Banking
Lombard Insurance Company Limited	Short-term Insurance
Sasfin Holdings	Banking

APPENDIX C: Entities that submitted B-BBEE reports in the prescribed framework.

ABSA Pension Fund (PTY) Ltd	Maitland Group
African Bank (PTY) Ltd	Matrix Fund Managers (PTY) Ltd
Akhile Management and Consulting	Mergence Investment Managers
Albaraka Bank PTY Ltd	Multichoice Group
Bidvest Bank (PTY) Ltd	Munich Reinsurance Company of Africa Ltd
Bidvest Life (PTY) Ltd	Nest Asset Management
BMW Financial Services	Novare CIS Re (PTY) Ltd
Citibank South Africa	PPS Holdings Trust
City of Johannesburg Pension fund	Peregrine Capital (PTY) Ltd
Convergence Partners Management	Rand Mutual Assurance
Deutsche Bank (PTY) Ltd	Raubex Group Limited and Subsidiaries
Discovery Bank (PTY) Ltd	Rezco Casset Management (PTY) Ltd
Ethos Private Equity	Salt Employee Benefits
Fairheads Benefits Services	Sanlam Limited
Finbond Bank (PTY) Ltd	Sanlam Investment Third Party Business
Futuregrowth Asset Management	Santam Limited
General Reinsurance Africa Ltd	Santam Investment Third Party Business
Global Choices Lifestyle (PTY) Ltd	Sasfin Asset Managers (Pty) Ltd

Goldman Sachs (PTY) Ltd	Seed Investment
Grindrod Bank (PTY) Ltd	Sesfikile Capital (PTY) Ltd
Hannover Reinsurance Group Africa	Shield Life
Hollard Life Assurance Company Ltd	Standard Bank of South Africa (PTY) Ltd
iMAS Group (PTY) Ltd	Standard Chartered
ISASA Pension Scheme	Transport Sector Retirement Fund
Insight Actuaries & Consultants (PTY) Ltd	Towers Watson (PTY) Ltd
Intembeko Investment administrators	UBS South Africa (PTY) Ltd
Indwe Risk Services	Unison Risk Management
Liberty Holdings Ltd	Zarclear Securities
27Four Investment Managers	Lateral Unison Insurance Brokers (Pty) Ltd

The number of submissions below encompasses all the measured entities that submitted valid affidavit.

	Affidavits 2020/21	
	EME	1348
	QSE	108

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

10X Investments (Pty) Ltd	King Price Insurance Company Ltd
Abacus	Legal Expenses Insurance Southern Africa Ltd
Abax Investments	Leppard & Associates (Pty) Ltd
ABSA Bank	Lion of Africa
AECI Limited and Subsidiaries	LIPCO Group (Pty) Ltd
AEON Investment Management	Macquarie Advisory and Capital Markets South Africa (Pty) Ltd
Alan Gray	Mango 5 (Pty) Ltd
Alexander Forbes	Marsh (Pty) Ltd and Subsidiaries
Alusi Asset Management	Marsh Marine (Pty) Ltd
Aluwani Capital Partners	Massmart Holdings Limited
Ampersand Asset Managers	Mazi Asset Management
Aon South Africa	Mediclinic Retirement Fund
Aramex south Africa (Pty) Ltd	Merrill Lynch South Africa (Pty) Ltd
Argon Asset Management	Milliman (Pty) Ltd
Assupol Life Ltd	Momentum Metropolitan Holdings Limited
Aurora insurance Company Limited	Motus Holding Limited
Automotive VAP Solutions (Pty) Ltd	Navigare Securities (Pty) Ltd
Avior Capital Markets (Pty) Ltd	NBC Holdings (Pty) Ltd
Balondolozzi Investment Services	Nedbank Group Limited
Betterlife Distribution Services (Pty) Ltd	Nedgroup Pension Fund
Bidvest Insurance Limited	Ninety One SA Limited
Bravura Capital (Pty) Ltd	Novare Holdings (Pty) Ltd
Bryte Insurance Company Limited	Old Mutual Insure Limited
Bryte Life Company Limited	Old Mutual Investment Group Holdings
Capitec Bank (PTY) Ltd	Old Mutual Limited
Caterpillar Financial Services South Africa (Pty) Ltd	Optimum Professional Financial Planning (Pty) Ltd
Change Financial Solutions (Pty) Ltd	Optivest Health Services (Pty) Ltd
China Construction Bank	OUTsurance Holding Limited

Chrysalis Capital Proprietary Limited	Pembani Remgro Infrastructure Managers (Pty) Ltd
CIB Proprietary Limited	Peter Christie Insurance brokers CC
Citigroup Incorporated	Price Forbes (Pty) Ltd
Clarendon Transport Underwriting Managers (Pty) Ltd	Professional Provident Society (Pty) Ltd
Coface South Africa Insurance Company Ltd	Prudential Investment Managers
Commercial & Industrial Acceptances (Pty) Ltd	Public Investment Corporation
Conduit Capital Limited	Rand Merchant Investment Holdings Limited
Consolidated of Hollard Life	ResCura Holdings (Pty) Ltd
Constantia Risk & Insurance Holdings (Pty) Ltd	Riparian Advisory 9Pty) Ltd
Coronation Fund Managers	Sabvest Capital Limited
Curo Fund Services	Sanne Fund Managers Proprietary Limited
Customer Loyalty Consultants Proprietary Limited	SARS Retirement Fund
De Beers Pension Fund	Scottfin Insurance Brokers (Pty) Ltd
Debtsource (Pty) Ltd	Sirago Underwriting Managers (Pty) Ltd
Discovery Insure	Smartadvance (Pty) Ltd
Edge Capital	Smit & Kie Brokers (Pty) Ltd
Emerald Life	Southridge Global Capital (Pty) Ltd
Export Credit Insurance Corporation of South Africa	Stanlib Limited
Fairheads Umbrella Beneficiary Fund	State Bank of India
Fairtree Asset Management	Strate (Pty) Ltd
FFS Finance South Africa (Pty) Ltd	Sygnia Asset Management
Financial Intermediaries Association of Southern Africa	Taqanta Investment Holdings
FINMAP Financial Services Proprietary Limited	Telesure Investment Holdings
Firstrand Bank Limited	The Federated Employees Mutual Assurance Company
Fisher Dugmore Financial Centurion (Pty) Ltd	The Healthcare Solutions Company (Pty) Ltd
Foord Asset Management	The Hollard Insurance Company Limited
Fulcrum Collect (Pty) Ltd	The Standard General
Generic Insurance Company Limited	Toyota Financial Services (South Africa) Limited
Granate Asset Management	Trafalgar Financial Services (Pty) Ltd
Guy Carpenter & Company (Pty) Ltd	TriAlpha Investment Managers
HDI Global SA Ltd	Truffel Asset Management (No Scorecard)
Hollard insurance Company Limited & Hollard Specialist Insurance Limited	University of Cape Town Retirement Fund
Hollard Specialist Insurance Limited	Unilever SA Pension Fund
HSBC Bank Plc	UniQ Benefit Solutions (Pty) Ltd
HW Brokers (Pty) Ltd	UNISA Retirement Fund
ICICI Bank	Van Flymen & Associates (Pty) Ltd
Insights Actuaries & Consultants (Pty) Ltd	Visio Fund Management
Investec Limited	Viva Life Insurance
JP Morgan South Africa	Vunani Fund Managers (Pty) Ltd
JSE Limited	Vunani Limited and Subsidiaries
JSN Motors (Pty) Ltd	Woolworth Group Retirement Fund
Kagiso Asset Management	
Kapara Insurance Brokers (Pty) Ltd	
Kganya Insurance Administration (Pty) Ltd	

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

Adcorp Support Services	Massmart Provident Fund
AECI Defined Contribution Pension Fund	Mercedes Benz Financial Services SA
AECI Employees Pension Fund	Midbay Motors
Aegis Outsourcing SA	NFB Private Wealth Management
ALG South Africa Ltd	O'Keefe & Swartz Consultant
Altron Group Pension Fund	Persec Derivatives
ASI Financial Services	Polar Star Management
Arcelormittal South Africa Pension Fund	Prescient Fund Services
Auto Workers Provident Fund	Prescient Investment Management
Benguela Global Fund Managers	PSG Group Ltd
Bidvest South Africa Pension Fund	PSG Konsult
Blue Quanta Risk Management	QED Actuaries and Consultant
BNP Paribas Johannesburg	Safire Insurance
BNP Paribas Personal Finance SA	SAHL
Cape Joint Municipal	SATIB Insurance Brokers
Capfin South Africa	Sentraal Suid Co-operative
Cargill RSA	Small Enterprise Finance Agency
CCA Insurance Brokers	The Small Life Insurance Company
Chartered Employee Benefits	TransUnion Credit Bureau
Chemical Industries National Provident Fund	TSA Administration
Cims South Africa	Value Capital Partners
Consolidated Fund for Local Government	Volkswagen Highlands
Contract Forwarding	Knife Capital
CSIR Pension Fund	kula Partners
CSS Credit Solutions Services	North-West University Pension Fund
Denel Retirement Fund	Pensioenfonds Van Die Universiteit Van Die Vrystaat
EDCON Provident Fund	Phumula Retirement Fund
Efficient Financial Services	Pick n Pay Contributory Provident Fund
EJOBURG Retirement Fund	Political Office-Bearers Pension Fund
Engen Pension Fund	Post Office
Eskom Pension and Provident Fund	PRASA Provident Fund
Europe Assistance Worldwide	Private Security Sector Provident Fund
Finrite Administrators	Rand Water Provident Fund
FNB Pension Fund	Retail Provident Fund
Fundsatwork Umbrella Pension Fund	SAB Provident Fund
Fundsatwork Umbrella Provident Fund	SABC Pension Fund
Glencore Provident Fund	SACCAWU National Provident Fund
Government Employee Pension Fund	Sanlam Staff Umbrella Pension Fund
Hellmann Worldwide Supply	Sasol Pension Fund
HLAC & HSL	Sentinel Retirement Funds
Impala Workers Provident Fund	South African Local Authorities Pension Fund
IDA Risk Management	Standard Bank Group Retirement Funds
Iemas Financial Services	Sun International Provident Fund
Imperial Group Provident Fund	The Consolidated Retirement Fund for Local Government

Implats Pension Fund	The Soweto City Council Pension Fund
Independent Schools Association of Southern Africa	The Transport Sector Retirement Fund
IUA Solutions	Tongaat Hulett Pension Fund 2010
NMS Insurance	Transnet
Investec Group Provident Fund	Tshwane Municipal Pension Fund
Isacor Employees Umbrella Provident Fund	Tshwane Municipal Provident Fund
Jardine Llyod Thomson	Universiteit Van Stellenbosch Aftrede Fonds
Just Retirement Life	University of KwaZulu-Natal Retirement Fund
La Retirement Fund	University of Pretoria Pension Fund
Liberty Provident Fund	University of Pretoria Provident Fund
Life Healthcare Provident Fund	University of The Witwatersrand Retirement Fund
Masakhane Provident Fund (1998)	Vodacom Group Pension Fund

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

Citigroup	2	1. Citibank, N.A. Incorporated in the USA
		2. Citigroup Global Markets (Pty) Ltd
JP Morgan	3	1. JPMorgan Chase Bank N.A.: Johannesburg Branch
		2. J.P. Morgan Equities South Africa (Pty) Ltd
		3. J.P. Morgan Securities South Africa (Pty) Ltd
MMH	93	1. 102 Rivonia Road (Pty) Ltd
		2. 129 Rivonia Road (Pty) Ltd
		3. CDC Parallel Investments (Pty) Ltd
		4. C&G Engineering Risk Underwriters (Pty) Ltd
		5. C&G Guarantees(Pty) Ltd
		6. ERIS Investments Holdings (Pty) Ltd
		7. ERIS Property Group (Pty) Ltd
		8. ERIS Property Holdings (Pty) Ltd
		9. Gallic Hennops Park (Pty) Ltd
		10. Gamaphuteng Enterprises (Pty) Ltd
		11. Global Doctor Networks (Pty) Ltd
		12. Guardrisk Allied Products & Services (Pty) Ltd
		13. Guardrisk Group (Pty) Ltd
		14. Guardrisk Insurance Company Ltd
		15. Guardrisk Life Ltd
		16. Guardrisk Premium Finance (Pty) Ltd
		17. Hawley Road Developments (Pty) Ltd
		18. Healthvybe (Pty) Ltd
		19. Kambanjani EPG(Pty) Ltd
		20. Kemparkto (Pty) Ltd
		21. Landplan Beleggings (Pty) Ltd
		22. Mall of the Northwest (Pty) Ltd
		23. Marine Underwriting Managers (Pty) Ltd
		24. Matador Building (Pty) Ltd
		25. MET Collective Investments (RF) (Pty) Ltd

	26. Metropolitan Capital (Pty) Ltd
	27. Metropolitan Health Corporate (Pty) Ltd
	28. Metropolitan Health (Pty) Ltd
	29. Metropolitan Health Risk Management (Pty) Ltd
	30. Metropolitan International Holdings (Pty) Ltd
	31. Metropolitan International Support (Pty) Ltd
	32. Metropolitan Life International Ltd
	33. Metropolitan Life Ltd
	34. Momentum Metropolitan Lending (Pty) Ltd
	35. Momentum Metropolitan ESD Trust
	36. MMI Short Term Insurance Administration (Pty) Ltd
	37. Momentum Ability Ltd
	38. Momentum Alternative Insurance Ltd
	39. Momentum Alternative Investments (Pty) Ltd
	40. Momentum Asset Management Nominees (Pty) Ltd
	41. Momentum Asset Management (Pty) Ltd
	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
		86. Chuma Mall Proprietary Ltd
		87. MPOF Hammarsdale (Pty) Ltd
		88. Rilarex (Pty) Ltd
		89. Umgeni Development 1 (Pty) Ltd
		90. Umgeni Development 2 (Pty) Ltd
		91. Units on Park Street (Pty) Ltd
		92. MPOF General Partner (Pty) Ltd
		93. The Makro Carnival City En Comondite Partnership Hammarsdale PFC (Pty) Ltd
Nedbank Ltd	12	1. Nedbank (Pty) Ltd
		2. BoE Developments (Pty) Ltd
		3. BoE Private Client & Trust Company (Pty) Ltd
		4. BoE Private Equity Investments (Pty) Ltd
		5. Oepfin Investments (Pty) Ltd
		6. Nedbank Group Insurance Holdings (Pty) Ltd
		7. Nedgroup Insurance Administrators (Pty) Ltd
		8. Nedgroup Investment 102 (Pty) Ltd
		9. Nedgroup Private Wealth (Pty) Ltd
		10. Nedgroup Investments (Pty) Ltd
		11. Nedgroup Securities (Pty) Ltd
		12. Ned Settle Services (Pty) Ltd
SAHL Investment Holdings	4	SAHL Insurance Company Ltd
		SAHL Life Assurance Company Ltd
		SAHL Office Park (Pty) Ltd
		SA Home Loans (Pty) Ltd

Standard Bank Ltd	28	1. Standard Bank Financial Services Holdings (Pty) Ltd
		2. Standard Bank Nominees (RF) (Pty)Ltd
		3. Standard Bank Insurance Brokers (Pty) Ltd
		4. Blue Managers Ltd
		5. Ecentric Payment Systems (Pty) Ltd
		6. Greystone Technologies (Pty) Ltd
		7. Diners Club SA (Pty) Ltd
		8. John Platter SA Wine Guide (Pty) Ltd
		9. FireID Payments (Pty) Ltd
		10. FHP Managers (Pty) Ltd
		11. Melville Douglas Investment Management (Pty) Ltd
		12. Standard Trust Ltd
		13. Standard Insurance Ltd
		14. Greenfield Newgate (Pty) Ltd
		15. Blue Waves Properties 78 (Pty) Ltd
		16. Standard Bank Properties (Pty) Ltd
		17. SBG Securities (Pty) Ltd
		18. S.E. Nominees (RF) (Pty) Ltd
		19. Oltio (Pty) Ltd
		20. Mogale's Gate (Pty) Ltd
		21. Alisier Investments (Pty) Ltd
		22. JSG Developments (Pty) Ltd
		23. Stanvest
		24. Blue Holdings (Pty) Ltd
		25. Gloster Farm (Pty) Ltd
		26. IPS Electronic Payments (Pty) Ltd
		27. Oltio Holdings (Pty) Ltd
		28. SB-Debtors Discounting No.1 (Pty) Ltd
Abacus	2	1. Abacus Life (Pty) Ltd
		2. Abacus Insurance (Pty) Ltd
Hannover Re	4	1. Hannover Life Reassurance Africa (Pty) Ltd
		2. Lireas Holdings (Pty) Ltd
		3. Hannover Reinsurance Africa (Pty) Ltd
		4. Compass Insurance Company (Pty) Ltd

Professional Provident Society	18	1. Financial Solutions 4 Professionals (Pty) Ltd
		2. Plexus Properties (Pty) Ltd
		3. Professional Provident Property Fund Trust
		4. Professional Provident Society Educational Trust
		5. Professional Provident Society Foundation Trust
		6. Professional Provident Society Healthcare Administrators (Pty) Ltd
		7. Professional Provident Society Holdings Trust
		8. Professional Provident Society Insurance Company (Pty) Ltd
		9. Professional Provident Society Investment Administrators (Pty) Ltd
		10. PPSI Investments Foundation(RF) NPC
		11. PPSI Long Term Incentive Scheme Trust
		12. Professional Provident Society Investments (Pty) Ltd
		13. Professional Provident Society Management Company (RF) (Pty) Ltd
		14. Professional Provident Society Multi-Managers (Pty) Ltd
		15. Professional Provident Society Short-Term Insurance Company (Pty) Ltd
		16. Professional Provident Society Training Academy (Pty) Ltd
		17. Six Anerley Road Holdings (Pty) Ltd
		18. PPS Nominees (Pty) Ltd
Sanlam Ltd	84	1. ACA Employee Benefits (Pty) Ltd
		2. Afflulink Nominees (Pty) Ltd
		3. African Rainbow Life (Pty) Ltd
		4. Agulhas Nominees (Pty) Ltd
		5. Amplify Investment Partners (Pty) Ltd
		6. Associated Insurance Brokers (Cape) 2006 (Pty) Ltd
		7. Anson Holdings (Pty) Ltd
		8. Axis Nominee (Pty) Ltd
		9. Brackenhams Holdings (Pty) Ltd
		10. Brackenhams Investments (Pty) Ltd
		11. BrightRock (Pty) Ltd
		12. BrightRock Holdings (Pty) Ltd
		13. BrightRock Life Ltd
		14. BroLink (Pty) Ltd
		15. Catalyst Fund Managers (Pty) Ltd
		16. Catalyst Fund Managers Global (Pty) Ltd
		17. Catalyst Fund Managers SA (Pty) Ltd
		18. Centriq Insurance Company Ltd
		19. Centriq Insurance Holdings Ltd
		20. Centriq Life Insurance Company Ltd
		21. Channel Life Ltd
		22. CreditInnovation (Pty) Ltd
		23. Echelon Private Client Solutions (Pty) Ltd
		24. Emerald Risk Transfer (Pty) Ltd
		25. Genbel Securities (Pty) Ltd
		26. Glacier Advisory Services (Pty) Ltd
		27. Glacier Financial Holdings (Pty) Ltd
		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
		17. CreditInnovation (Pty) Ltd
		18. Vantage Insurance Acceptances (Pty) Ltd
		19. Snyman & Van der Vyfer
		20. H & L Underwriting Manager (Pty) Ltd
Monarch		1. Applied to report as part of the Lewis Group

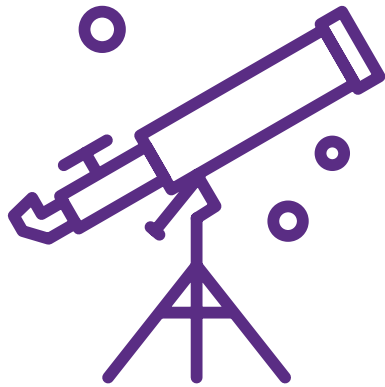
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