

## TRANSFORMATION IN SA'S BANKING SECTOR

South Africa has first-world banking infrastructure, that is guided by a comprehensive regulatory and legal framework and managed by an independent Reserve Bank. The sector encompasses numerous domestic banks and foreign institutions which provide competitive, user-friendly services, including commercial, retail, merchant banking, mortgage lending, insurance and investment. The use of information technology in this sector has allowed customers to speedily access financial services to customers at any location in the world.

According to Banking Association South Africa (BASA), the industry is made up of 71 institutions and controls in excess of R5 trillion in assets. Some of the areas where the banking sector performs well are domestic credit to private sector and market capitalisation. Discovery Bank, Bank Zero and Tyme Bank were recently granted banking licences in 2018. This could mean that the consumer can expect more innovative products and services, competitive pricing models and the refinement and innovation of digital banking and security to create a safer, more efficient, cost effective and user-friendly banking experience.

FSC sets a target for empowerment financing in affordable housing, transformational infrastructure, black agriculture, black small businesses and BBBEE transactions, among others. Across these five targeted areas, banks lent a total of R244.3 billion in 2017. Lending for BBBEE transactions increased by 13.6%, affordable housing by 26%, black agriculture by 20.6%

and transformational infrastructure by 7.6%. While lending to black small and medium enterprises shrunk by 7.7%.

Banks employ approximately 158 000 people and have brought many black employees and managers into their ranks including 54 000 junior managers. Between 2016 and 2017, black top level senior managers increased from 26% to 35%; black senior managers increased from 25% to 37%; and black middle managers increased from 59% to 61%. The number of black executive directors doubled in the same year. The target for black ownership in the financial sector is 25% which can consist of direct, as well as indirect ownership. Overall, banks have exceeded the target for black ownership, measured by voting rights. In 2017 BASA reported to the Standing Committee on Finance in the National Assembly that black women made up 8.4% of the total women in senior management positions in the banking industry. This is below the target of 10%. According to official financial reports, banks spent R71 billion on the procurement of goods from local and international suppliers in 2017. It is estimated that R20 billion was spent with black-owned companies and R14 billion with business of which 30% were controlled by black women.

Notwithstanding the strides South Africa has made in terms of empowering black women in the financial sector, more still must be done. South Africa's financial industry should benchmark itself against Finland, France, Germany, Japan, and Spain – all of which employ more than 50% women in the financial industry.



**Empowerment does not end with recruitment. Successful transformation depends on effective training in the dynamic banking environment.**

For more information email Bernadette Felix at [bernadette@frtc.co.za](mailto:bernadette@frtc.co.za) or call 031 207 3245.

### CONTACT US

 [www.frtc.co.za](http://www.frtc.co.za)  
 [www.facebook.com/felixrisktraining](https://www.facebook.com/felixrisktraining)  
 [info@frtc.co.za](mailto:info@frtc.co.za)

B-BBEE Recognition :  
Level 1 contributor to BBBEE  
BEE Procurement Recognition Level : 135%

Black Ownership : 100%  
Black Women Ownership : 100%  
Empowering Supplier : Yes