

GUIDANCE NOTE GN801(b)

on

CODE SERIES FS800, STATEMENT 801

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

ELECTRONIC ACCESS

1. Introduction

This note serves the purpose of providing guidance to the measurement of Electronic Access. Electronic Access aims to measure the penetration of an identified client base with monthly income of R5 000 on identified channels which will be used as a measure of access for mobile (cell phone) banking, internet banking and others.

2. Definition

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

3. Target Market

The target market is bank customers who earn R5 000 or less per month (the figure to be adjusted by CPIX annually). The customer income should be derived from the customer's account behavior as follows:

- Total credits accumulated every month not exceeding an average of R5 000 per month over six (6) months.

4. Products

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

5. Measurement

Electronic Access will be measured at industry level but with agreed targets per bank. Each bank will be measured on their own against the agreed industry target.

6. Target

The industry target is recommended to be 19% of bank customers with a monthly income of R5 000 or less as adjusted annually with CPIX to be using electronic channels in 2017. The penetration rate as at 2012 is at 14%.

7. Scoring guidance notes - clarification

All banks were requested to submit the following figures to the Banking Association for the 3 years from 2010 to 2012 per year:

- a. Total number of customers with a monthly income of R 5000 or less on the books for all banks
- b. Of (a) above, the number of those who used electronic channels for all banks
- c. Penetration rate was expressed as a percentage of b divided by a.
- d. Each bank is expected to increase its own penetration rate by 5 percentage points from 2012 to 2017 in order to reach the industry target of 19% by December 2017.