

Media Release

Association for Savings and Investment South Africa (ASISA)

5 December 2024

Life companies and asset managers report strong growth in Black shareholding over the past six years

Black South African shareholders owned 27% of life offices that are members of the Association for Savings and Investment South Africa (ASISA) in 2023, exceeding the 25% net value target of the Broad-Based Black Economic Empowerment (B-BBEE) ownership scorecard for the first time. The net value target applies to Black shareholders' unencumbered (debt-free) shareholding and is, therefore, a key indicator of the ownership element of the B-BBEE scorecard. The unencumbered black ownership of life offices was 14% in 2018.

An updated overview of the collective transformation progress by ASISA members also shows that Black shareholders owned 38% of asset managers in 2023. Asset managers had reached the 25% net value target in 2020. The unencumbered black ownership of asset managers was 22% in 2018.

ASISA released the [third transformation progress update](#) for the savings and investment industry this week, providing a trend analysis for the six years since the Amended Financial Sector Code (FSC) took effect on 1 December 2017. The FSC provides the framework against which the empowerment progress of the financial sector is measured using a balanced B-BBEE scorecard.

The data for the progress update was collected from members representing 98% of assets under management (AUM) for life offices and 87% of AUM for asset managers.

Kaizer Moyane, CEO of ASISA, says the progress made by ASISA members over the past six years is not insignificant, especially in the face of a struggling economy, confirming the industry's commitment to transformation.

He says while the numbers for 2023 reveal progress across most elements of the FSC scorecard against which ASISA members are measured, the most significant progress has been achieved for the ownership element. This element measures the extent to which Black people own equity in a company and enjoy voting rights. Life offices and asset managers met or exceeded all B-BBEE ownership targets in 2023.

Moyane points out that in recognition of Enterprise and Supplier Development (ESD) as a critical pillar of economic growth, ASISA members also supported small, medium and micro enterprises (SMMEs) with loans, investments, and grants worth an average of R772 million annually over the six-year period.

He adds that socio-economic development initiatives received R2.4 billion in funding between 2018 and 2023, with R644 million dedicated to consumer financial education, underscoring its importance as a key enabler for sector growth and long-term sustainability.

In addition, ASISA members also fund the efforts of the ASISA Academy, the ASISA Foundation, and the ASISA Enterprise and Supplier Development (ESD) initiative, established to collaboratively fast-track progress towards meeting and exceeding a number of transformation goals.

“While the 2024 Transformation Report reflects consistent progress over the past six years, we must also acknowledge the ongoing challenges. After all, a progress update, by its nature, indicates that the targeted goal has not yet been achieved. While our industry does not yet fully reflect the demographics of the people it serves, our members are fully committed to transformation.”

Overcoming challenges

Lister Saungweme, ASISA Senior Policy Advisor for Transformation, Skills Development and Education, says despite the overall growth in Black ownership, the representation of Black people in executive director roles does not yet mirror the pace of ownership change. “This is true for life companies and asset managers,” according to Saungweme.

She points out, however, that there has been encouraging growth in the number of executive management positions held by Black people over the past six years for both life companies and asset managers, with a healthy improvement in the number of women occupying C-suite positions. “The executive management category shows the most consistent growth, suggesting a focused effort on increasing Black representation within executive management,” comments Saungweme.

Life companies grew the representation of Black people in executive management from 29% in 2018 to 46% in 2023 against a target of 60%. The number of Black women in executive positions at life offices more than doubled in the six-year period, from 8% in 2018 to 22% in 2023 against a target of 30%.

Black people in executive management at asset managers grew from 39% in 2018 to 59% in 2023, almost reaching the target of 60% for the first time. The number of Black female executives grew from 15% in 2018 to 26% in 2023 against a target of 30%.

Saungweme says while there was a slight decline in the number of Black people in junior management positions at asset managers from 2018 to 2023, it is encouraging to see an increase in Black professionals in middle management—mainly those requiring critical skills—drawing from the Black junior management pipeline coupled with increased expenditure.

“The momentum towards investment in skills development also spans various employment levels, with a combined expenditure of R12 billion by life companies and asset managers over the past six years. This reflects a comprehensive approach to workforce capacity building and demonstrates a strong commitment to focused training interventions.”

Conclusion

Saungweme says the 2024 Transformation Report is the industry's most representative progress overview to date.

The ASISA Board commissioned the research to help members identify areas that require more focus. "We therefore urge individual member companies to use the weighted averages achieved for each element of the FSC as a yardstick against which to measure their progress and to take corrective action where necessary."

Ends

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Issued on behalf of:

The Association for Savings and Investment South Africa (ASISA)

ASISA represents the majority of South Africa's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers, and life insurance companies.