

Welcome to our Quarterly Review Newsletter, which highlights the events that took place during the first quarter of 2026. It reflects FSTC's resilience, realignment, and dedication to transformation. It is not only a regulatory imperative but also a societal necessity.



## 20 YEARS OF FINANCIAL SECTOR TRANSFORMATION REPORTING

On 23 February 2026, the Financial Sector Transformation Council (FSTC) held an exclusive soft-launch of its Amalgamated 2023 and 2024 State of Transformation Annual Report (SoTAR), premised on the theme “**20 years of financial sector transformation reporting**”. Having taken place at Nedbank's head office, the SoTAR constitutes FSTC's annual statutory account of progress made towards advancing Broad-based Black Economic Empowerment, financial inclusion, and economic participation across the board within the financial sector. Therefore, this latest report is not merely a historical milestone, but a moment that requires private and public sector stakeholders to pause, reflect, and recommit to actively promoting a transformed, vibrant, and globally competitive financial sector that reflects the demographics of the country.

The report itself adopts a mixed-method approach, balancing numbers with narratives, and is informed by verified data submitted by financial institutions. This includes B-BBEE certificates and scorecard reports from Generic entities (i.e., annual turnover of R50 million and above); and Qualifying Small Financial Institutions (QSFI) (i.e., annual turnover between R10 million and R50 million) that are not at least 51% black-owned.

It also includes valid sworn affidavits from Exempted Micro-Enterprises (EMEs) (i.e., annual turnover below R10 million) and QSFI) that are at least 51% black-owned.



From left to right: Mr. M. Nkuhlu (Council Chairperson); Ms. N. Mlandu (FSTC CEO), Mr. T. Matona (B-BBEE Commissioner), and Ms. B. Dlamini (FSTC COO)

In total, 3181 financial institutions made submissions in 2023, while 2747 submitted in 2024. Overall, the results showed pockets of progress, but transformation in the financial sector remains uneven and below target. This calls for deeper inclusion of previously marginalised people in the financial ecosystem as active participants, rather than just consumers.

Looking ahead, the pace of transformation is only set to accelerate, and in this evolving financial landscape, the finalisation of the review of the Financial Sector Code should remain forward-thinking and responsive to ensure that the legislation progresses transformation.

2023/24 SoTAR report available at: <https://fstc.org.za/state-of-transformation.php>

## KEY FINDINGS

### GENERIC ENTITIES:

#### 1. Ownership:

- Black people's voting rights and economic interests indicators have shown gradual improvement, exceeding minimum thresholds in some subsectors; however, overall, the sector continues to underperform on this priority element.
- Black women and Black designated groups remain underrepresented.

#### 2. Management Control:

- The findings present this element as the weakest-performing, with Black professionals, especially women, underrepresented at senior and executive levels.

#### 3. Skills Development:

- Performance for this priority element remained below target across subsectors, achieving 50–75% of the set targets. This suggests a need for sustainable pipelines for Black professionals.

#### 4. Preferential Procurement, Enterprise and Supplier Development (ESD):

- This priority element experienced relative gains, with the minimum 40% threshold (excluding bonus points) achieved.

#### 5. Socio-economic Development & Consumer Education (SED&CE):

- Stronger results, with several subsectors exceeding targets.

#### 6. Empowerment Financing (industry-specific for Banks & Life Offices):

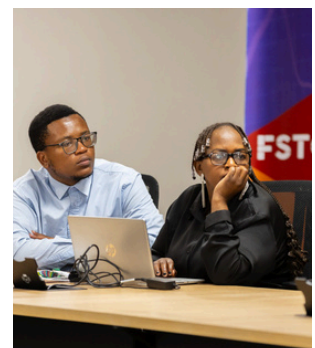
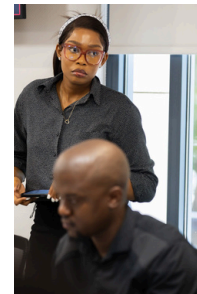
- Mixed performance was observed, with banks achieving partial compliance, while Life Offices showed declines.

#### 7. Access to Financial Services (industry-specific for Banks, Life Offices & Short-term insurers):

- While the Banks performed better than Life Offices and Short-term Insurers, none of the sub-sectors met the weighted target points.

### EMEs & QSFI)S:

- EMEs were recognised as high-level B-BBEE contributors, but reporting mechanisms need improvement to categorise them according to their respective sub-sectors.
- QSFI)S showed a shift from Level 1 to Level 2 contributors, with gaps in Black ownership and voting rights.





**Left to right:**  
**Back row:** Mr. M. Davids (ABSIP), Mr. M. Nkuhlu (Council Chairperson), Mr. K. Moyane (ASISA), Mr. J. Maphutha (Dtic), Mr. R. King (FIA), Mr. M. Mhlambi (BASA), and Mr. M Masuku (FSTC)  
**Middle row:** Mr. T. Radebe (Organised Community), Ms. L. Saungweme (ASISA), Mr. T. Tlaba-Mokoena (BASA), Ms. A. Thela (National Treasury), Ms. K. Govender (Office of the Council Chairperson), Dr. T. Chilaone (BASA), Ms. N. Mlandu (FSTC CEO), Ms. V. Pearson (SAIA), Mr. B. Frank (FIA), and Ms. A. Khomunala (FSTC)  
**Front row:** Ms. M. Mongalo (FSTC), Ms. V. Lee (JSE), and Ms. A. Diale (Organised Labour)

# THE FINANCIAL SECTOR TRANSFORMATION COUNCIL'S 10-YEAR STRATEGIC PLANNING SESSION

The regulatory environment in South Africa has undergone significant changes over the years, and as the custodians of transformation oversight in the financial sector, the FSTC members, as well as Council and Board members, gathered for a Strategic Planning Session on 30 and 31 March 2026.

The two-day session held at Momentum in Centurion took a deliberate direction towards the development of the 10-Year Strategic Plan, which represents a defining moment in the institutional evolution of an agile and future-fit FSTC.

FSTC requires a strategy that is clear in purpose, disciplined in scope, defensible in governance terms, and resilient across successive Councils, leadership tenures, and economic cycles.

Facilitated by Alona Advisory Services Ltd, the session was marked by a vibrant and constructive atmosphere

for the statutory body operating within a complex transformation ecosystem. The room resonated with positive, thought-provoking discussions, as members carefully dissected and refined medium - to long -term strategic objectives aimed at better positioning the FSTC to execute its mandate more effectively and with greater impact.

*"We cannot fail South Africa; we have a responsibility to fulfill. While we may not find a perfectly fit solution now, we need to act decisively and deliberately, drawing the line in the sand for future generations to continue the work of the FSTC."*

- Mr M. Nkuhlu (Council Chairperson)

## MINISTER PARKS TAU, INVITES B-BBEE SECTOR CHARTER COUNCILS TO ENGAGE ON THE REPOSITIONING OF TRANSFORMATION

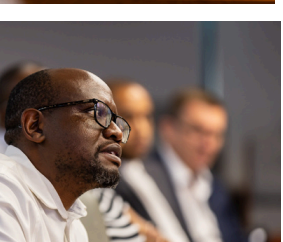
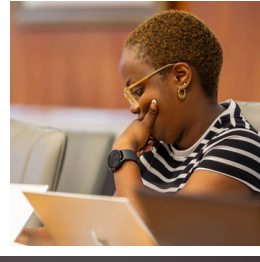
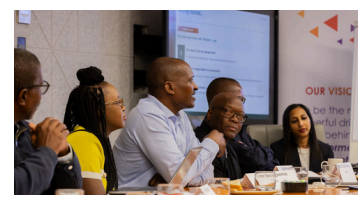
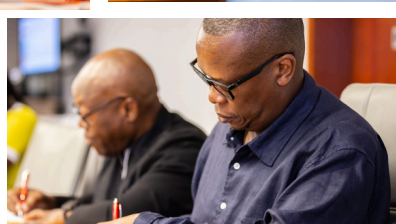
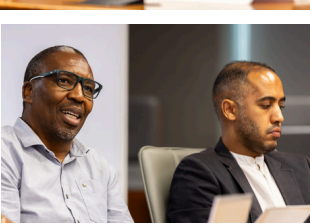
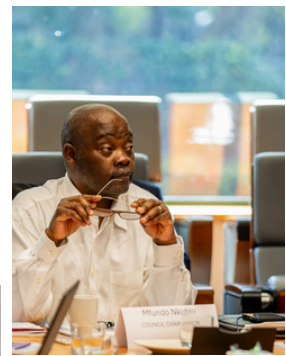


In January 2026, the Department of Trade, Industry and Competition (Dtic) published for public commentary the draft amendments to the Codes of Good Practice, in terms of Section 9 (5) of the Broad-Based Black Economic Empowerment Amendment Act 2003 (Act No. 53 of 2003) as amended by the B-BBEE Act 46 of 2013. Subsequently, Dtic Minister Parks Tau invited B-BBEE Sector Charter Councils for an engagement focused on "repositioning" transformation on 24 February 2026. The FSTC honoured this invitation with Ms. Nobambo Mlandu, the CEO of FSTC, and Mr. Mfundo Nkuhlu, Council Chairperson, present in the deliberations.

*"Crossroads are not places of collapse; they are places of choice and now, choices must be made."*

- Minister P. Tau (Dtic)

This session marked the first time all Sector Charter Councils convened collectively with the custodian of the B-BBEE Act to assess progress, confront weaknesses, and chart a strengthened outcomes-focused path to economic transformation in South Africa.





## THANK YOU FOR WALKING THIS JOURNEY WITH US.

*We recognise the responsibility of the financial sector as a significant contributor to South Africa's economy, and remain committed to the broader transformation objective.*

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