



ANNUAL REPORT | 2019

MAKING FINANCIAL MARKETS WORK FOR THE POOR

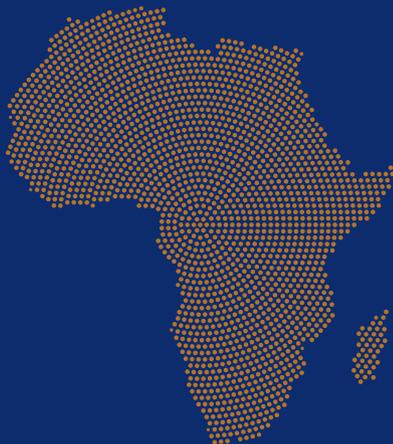
FMT
FINMARK TRUST

LOOKING TO 2020

WE REVISIT OUR PURPOSE:

Making financial markets work for the poor by promoting financial inclusion and inclusive growth.

At FMT we constantly ask ourselves how we can better impact the lives of the poor in the region. In answering this question, it has become clear that financial inclusion is part of a larger development agenda that ultimately results in improved livelihoods. As such, while we continue to focus on inclusive development of financial markets, we will expand our strategies to include a more direct focus on real economy impacts. We have named this broader focus Financial Inclusion 2.0.



“

They also are children of the earth

Cursed shall be the one whose passage in this world
Evades humaneness, engenders greed and hoarding
Cursed is he wallowing alone in caskets of wealth and
Counting rosary beads of accumulated cars
To be human is to humbly cherish the sweat of your toil
In measured style of decency and appreciation
To be human is to consider the plight of the needy
As they also are children of the earth
Yes, men and women of this blessed land ”

Mazisi Kunene

©1997, Mazisi Kunene

From: Igudu IikaSomcabeko, Publisher: Van Schaik, 1997, ISBN: 9780627021114

©Translation: 2007, Vusi Mchunu

Available online on: <https://www.poetryinternational.org/pi/poem/11280/auto/0/0/Mazisi-Kunene/They-also-are-children-of-the-earth/en/tile>

CHAIRMAN'S REPORT

Financial Inclusion in the SADC region has remained at 68% over the last year. This means that 45.7 million adults are still excluded. This level of exclusion is unacceptably high and remains our challenge and focus at FinMark Trust.

Our South Africa FI programme has again grown, and now includes important projects on increasing the financial inclusion outcomes of SASSA social grant recipients and working with National Treasury to improve access to finance for MSMEs.

Our SADC FI programme has convinced regulators in three SADC countries to adopt the SADC Mobile Money Guidelines and to start paying interest on mobile money wallets, thereby encouraging savings. The SADC MAP programme continues to deepen its work in the region, including the duplication of the very successful and affordable South Africa to Lesotho Shoprite Remittances product in four other corridors from South Africa, namely Zimbabwe, Malawi, Eswatini and Mozambique.

Our Data team has implemented FinScope surveys in Mozambique, Malawi, Gambia, South Africa, Eswatini and Rwanda, and has developed a new mobile sms-based demand-side collection tool in partnership with our insight2impact (i2i) programme. Our second MSME diagnostic, which deepens our work in the area of small business development, was successfully completed with stakeholders and donors in Malawi.

This important work will continue in 2020, and beyond, but with a new focus on supporting real sector outcomes, especially inclusive growth and employment creation. These are important policy objectives for all countries in the SADC region to meet the UNDP sustainable development goals. FMT is well positioned to make a significant contribution to this agenda.

Internally, we have managed to maintain a team with high levels of technical and professional delivery. This is valued greatly by our stakeholders in the SADC region, as well as in the rest of the world where we are actively working. For this I would like to thank my fellow trustees for their diligent oversight and management in steering the FMT ship, and to our staff for their tireless work in helping us positively impact the lives of poor people in our region.



Cas Coovadia
CHAIRMAN: FINMARK TRUST



CEO'S REVIEW

2019 has been a productive year in which we embraced the diversity of our people, clients and colleagues on all FinMark Trust projects and initiatives across the SADC region and beyond.

We consolidated our membership of the Financial Sector Deepening (FSD) Network on the African continent, with FMT leading the focus on the SADC region and South Africa. In this regard we have been active in shaping the new direction for financial inclusion to ensure that it contributes more directly to real sector outcomes, particularly economic growth, employment and other sustainable development goals. Together with other FSD's we have coined this development as Financial Inclusion 2.0.

Our work in the SADC region was again acknowledged at the fourth annual SADC Financial Inclusion Forum. We co-hosted this forum with the SADC Secretariat, the CCBG (Committee of Central Bank Governors in SADC) and the SADC Banking Association. Progress was reported on various initiatives, including the reduction of the cost of cross border remittances, digital financial identity, SADC mobile money guidelines, and the regional Women in Financial Inclusion Workshop. At this regional FI Forum stakeholders again provided us with priorities for us to work on over the next twelve months.

At country level significant progress was made in South Africa, Lesotho, Eswatini, Malawi, Zimbabwe and Botswana. The MSME diagnostic was completed in Eswatini and Malawi, providing local stakeholders with a clear roadmap to expand and strengthen MSMEs allowing for growth in their local economies and increasing employment. Key to all this work are the data inputs required to understand these sectors and to sharpen interventions. We again continued to improve our demand-side data collection tools and analysis. All this work contributes to our understanding of how we will make progress in achieving the Financial Inclusion 2.0 agenda.

Internally we have worked tirelessly to ensure that we develop and shape an organisational culture that is conducive to promoting innovation from a relatively young and diverse team. Our experiment with off-site working has paid dividends, resulting in happier and more motivated staff. We will continue with this experiment, and deepen aspects of the initiative, to ensure that our productivity continues to improve.

I would like to thank our Board of Trustees for their support, oversight and invaluable direction, and staff for their hard work and dedication during 2019.

Brendan Pearce

CEO: FINMARK TRUST





Farai Muronda

HEAD: SOUTH AFRICA FI
PROGRAMME

SA FI

The SA FI programme continued to strengthen its work in, and understanding of the infrastructure of South African financial services, including a deeper look into the lives of traditionally under served communities. From the challenges faced by South African MSMEs to agricultural sector growth, our work in South Africa continues to become more robust.

DEEPENING THE OUTCOMES OF SASSA GRANT RECIPIENTS

FMT, in partnership with the UNDP, UNCDF, South Africa Social Security Agency (SASSA), Department of Social Development and National Treasury, is leading a project aimed at increasing the returns from, and the efficiency of, the social protection framework in South Africa.

This project aims to improve the efficiency of the grant payment system, particularly for those recipients in rural and remote locations that have difficulty in accessing grant benefits through the National Payment System. The project also seeks to establish pathways out of poverty. Part of this process will involve improving the financial literacy and financial capability of recipients, so that they are in greater control of their financial lives.

TECHNICAL ASSISTANCE TO NATIONAL TREASURY

FMT was appointed implementing partner for National Treasury under the Financial Sector Development and Reform Program (FSDRP).

Under this programme FMT has led efforts to coordinate MSME Access to Finance strategies across National Treasury, Department of Small Business Development, SEFA, SEDA and various other government departments who impact the MSME Access to Finance agenda.

The MSME Access to Finance Workshop, hosted by FMT, pointedly discussed challenges and blockages impacting MSME access to finance, and built on inputs from stakeholders from government, private sector and development sectors to create alignment on priority focus areas, for addressing these challenges.

MSME ACCESS TO FINANCE

Research has identified the lack of reliable credit information on MSMEs as a major impediment to extending credit to this sector. To assist in assessing applicant creditworthiness, FMT is partnering with JP Morgan and FinFind on the MSME Access to Finance Project. This project seeks to unlock financing for MSMEs by providing the credit industry with an alternative credit scoring mechanism. It is believed that this scoring mechanism will allow funders to assess the credit worthiness of MSMEs using less data than is required with current models.

AGRICULTURE FINANCE DIAGNOSTIC STUDY

FMT is undertaking research for the World Bank, on the obstacles to financing small and medium scale farmers in South Africa. The aim is to assess the performance of agriculture credit and insurance markets in South Africa, and to identify policy actions and investments that can be undertaken by public-sector stakeholders. These investments may enhance benefits from these markets for small and medium scale farmers.

It is expected that the diagnostic findings will contribute to enhancing access to, and use of, suitable, competitive and sustainable credit and insurance services by target client segments.

Insights will enable the South African policymakers to understand the obstacles that need to be removed in order to make the emerging commercial segment

applications for financing more bankable. It is hoped that this will inform decisions regarding credit extended to South African institutions for this target segment.

TIPS PROJECT

FMT has embarked on a project to augment the earnings of service industry workers by facilitating the digital payment of tips, with a particular focus on petrol attendants.

FMT has partnered with digital payments provider, uKeshe, and is set to roll out a pilot in Northern Johannesburg, with a view towards a nationwide roll-out.

AML/KYC

The move to a risk-based AML/KYC regime has opened up space for innovation on how FSPs may reduce documentation requirements such as proof of address. Under the Risk-based approach (RBA), proof of address is not a legal requirement but rather just one of a number of pieces of information FSPs may use to assess and mitigate AML/CTF risk. Such innovations around AML/CTF widen the net for formal financial services, allowing poor South Africans and migrants to access banking and other financial services.

As part of the RBA pilot project, FMT worked with regulators and a number of FSPs to develop risk-based innovations that reduce exclusionary documentation requirements and increase financial inclusion.

Examples of such innovations include Mukuru, which now allows users to sign up for its cross-border remittance service remotely via Facebook or WhatsApp without providing physical documentation. In addition, work with Capitec, the largest provider of consumer

banking by accounts, has resulted in the dropping of proof of address as a requirement on its bank accounts.

FUNERAL INSURANCE STUDY

FMT is conducting a study to better understand drivers of the ever-rising costs of funerals in South Africa and the impact on the financial welfare of South Africans. The project, led by a steering committee which includes National Treasury and the Financial Sector Conduct Authority, has completed secondary research, as well as a small sample qualitative survey of burial society members in Gauteng.

These lavish funerals require South Africans to disproportionately subscribe to funeral insurance policies at the expense of other financial needs. By analysing the supply-side dynamics driving the increasing costs of funerals, as well as the demand-side analysis of the social and cultural issues driving the preference for lavish funerals, we aim to gain a better understanding and recommend effective interventions.



OF SOUTH AFRICANS ARE COVERED BY FUNERAL INSURANCE

South Africans spend over **R12bn** on funerals each year

Average cost of a funeral is **R40,000**

‘The SASSA project aims to improve the efficiency of the grant payment system, particularly for those recipients in rural and remote locations that have difficulty in accessing grant benefits through the National Payment System..’



Nikki Kettles

HEAD: SADC FI PROGRAMME

SADC FI

With a continued focus on the SADC region there have been many successful and notable achievements. Stakeholders and colleagues have worked across countries to enact change and ensure our initiatives and programmes continue to impact the lives of the poor.

REMITTANCES

The Southern African remittance corridors remains amongst the most expensive in the world which has

informed the mandate to reduce pricing to the United Nations Sustainable Development Goals target of 3% by 2030.

Through a SADC DFID programme, FMT continues to leverage its expertise to lower the average price of remittances to the consumer, as well as appropriately increase the use of formal channels. FMT commissioned research on the values and volumes of formal and informal cross border remittances in the South Africa/ SADC corridors, as well as research to assess the average price of formal remittances originating from South Africa destined for countries in the rest of SADC. This research is conducted every 2 to 3 years in the region to inform regulatory and policy decisions, as well as support the Financial Service providers in their endeavours to provide convenient and low-cost services in these corridors.

Under the DfID programme, FMT has also commissioned research to assess the impact that cross border remittances have on financial inclusion and economic inclusivity in the recipient countries. The aim is to understand the real economic impact of cross border remittances in the region.

OUR FIGURES SHOW AN INCREASE IN FORMAL CROSS-BORDER REMITTANCES FROM SOUTH AFRICA



OUTBOUND (FORMAL) REMITTANCE FLOWS OVER THE PERIOD (ZAR mil)

2016	2017	2018	% increase, 2016 to 2018	Average transaction 2018
BOTSWANA				
253	256	289	14%	R1,894
LESOTHO				
258	395	622	141%	R979
MALAWI				
842	1,580	2,352	179%	R864
ESWATINI				
94	99	111	18%	R1,174
ZIMBABWE[‡]				
4,656	4,092	3,175	-32%	R1,063

Source: SARB

[‡]The drop in value of remittances from South Africa to Zimbabwe between 2016 and 2018 is due to a disincentive to use formal money transfer operators. This disincentive is caused by a lack of cash availability in Zimbabwe which promotes a preference for cash as opposed to digital options.

MAP

The implementation of new MAP programmes, as well as the implementation of projects to support the financial inclusion strategy derived from the MAP framework, has been supported by our in-country operations. We have completed MAP MSMEs in both Eswatini and Malawi during 2019. This is an evidence-based framework that supports the development of a country roadmap for growth of their SMMEs.

Our second “SADC Financial Inclusion Measurement and Evaluation” Report for 2019 has been delivered. Including data from five countries, the measurement and tracking of financial inclusion in the region has proven to be a key tool to support financial inclusion in the region. A key insight from the 2019 report is that mobile money has been an important catalyst in expanding formal financial inclusion in the 5 focus countries. However, there are still grounds to be made in driving increased usage of formal payment systems.

DIGITAL FINANCIAL IDENTITY

Digital Financial Identity has been confirmed as a key enabler to support financial inclusion in the region. The Lesotho pilot was officially launched in July 2019 and is very promising. Numerous stakeholders are involved, including Ministry of Health (MOH), Ministry of Home Affairs, Vodacom, FNB, and Finance Lesotho with development of the legal framework by The World Bank.

In other countries, such as Malawi, Eswatini and Zimbabwe, progress is good and various engagements will be held to ensure institutions and key stakeholders understand the relevance and distinction of the digital financial identity when compared to the normal country identity.

MOBILE MONEY AND PAYMENTS

The CCBG SADC Mobile Money guidelines remains a focus for both FMT and regulators. The payment of interest to consumers on the value of money stored in the wallet, is of relevance to the region to support the savings agenda. Four countries have adopted the

HIGHLIGHTS* FROM M&E REPORT 2019

*These figures do not reflect the number of customers but rather the number of accounts, therefore customers could have multiple accounts.



ESWATINI	
Increase in mobile money accounts (30-day active)	
2017	2018
79%	92%

LESOTHO	
Increase in mobile money accounts (90-day active)	
2017	2018
41%	54%

MALAWI	
Increase in mobile money accounts (90-day active)	
2017	2018
15%	20%

BOTSWANA	
Mobile money accounts (90-day active)**	
2017	2018
61%	54%

ZIMBABWE	
Mobile money accounts (90-day active)**	
2017	2018
43%	45%

Source: M&E REPORT 2019. **IMF Financial Access Survey (FAS)

guidelines, with Lesotho and Malawi being the most advanced in the endeavour to support savings via the mobile wallet. In November 2019 Malawi became the first country in SADC to pay interest on Mobile Money wallets.

RISK BASED KYC/AML

The Risk Based Framework developed in South Africa for Low Value Cross Border Remittances and bank accounts will be implemented in SADC in support of the Financial Action Task Force (FATF) requirements.

As not all countries in the region are at the same level of progress in implementing the Risk Based KYC, FMT convened a regional capacity building workshop in Johannesburg in July 2019, attended by Regulators and Central Banks from SADC countries. Work will continue to support countries in the region.

The challenges faced in the SADC region continue to expand and change; however, changes in regulation and programmes that benefit the poor, are what drives us to work harder each year.

‘The challenges faced in the SADC region continue to expand and change; however, changes in regulation and programmes that benefit the poor, are what drives us to work harder each year.’



Dr Kingstone Mutsonziwa

HEAD: INFORMATION AND RESEARCH

FinScope

THE ONLY CONSTANT IS CHANGE

The FinScope Surveys (both consumer and MSME) continue to be most comprehensive and reputable surveys on financial inclusion, especially in the SADC region. Over the last year, both surveys went through important changes, and will continue to be adjusted to ensure that they remain relevant and capture the most important aspects of understanding people's financial lives and their livelihoods. The FinScope MSME methodology has been greatly improved, taking into account the latest developments in technology.

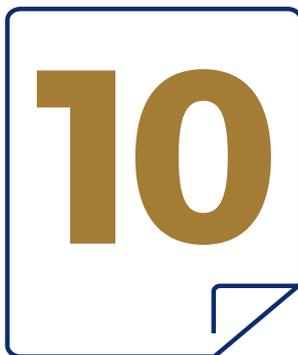
The FinScope team has been actively collaborating with other FMT workstreams in areas such as data training, to ensure our findings make a real difference across not only our own organisation, but those of our partners.

35

COUNTRIES GLOBALLY HAVE IMPLEMENTED FINSCOPE TO DATE

FINSCOPE IN 2018/2019

- FinScope Consumer surveys have now been implemented in 35 countries in different geographies;
- FinScope MSME surveys have been implemented in 10 SADC countries;
- FinScope Malawi MSME is the first repeat survey, and makes use of improvements to the MSME methodology and questionnaire content; and
- All surveys continue to involve local stakeholders to enrich the process and ensure ownership of the findings and results.



2 SURVEYS COMPLETED IN SADC
SOUTH AFRICA & ESWATINI

2 SURVEY COMPLETED IN WEST AFRICA
BENIN & GAMBIA

5 DISSEMINATED RESULTS OF CONSUMER SURVEYS IN
SOUTH AFRICA, BENIN, ESWATINI, HAITI & GAMBIA

1 REPEAT MSME SURVEY
MALAWI

In total 5 FinScope Consumer survey results were launched (South Africa, Benin, Eswatini, Haiti and Gambia). The FinScope team continues to work closely with FSD counterparts and other partners on the implementation of FinScope surveys. It is a process of shared learning and aims to empower our partners in the process.

Five FinScope Consumer Surveys and one FinScope MSME Survey are underway:

- South Africa;
- Sudan;
- Rwanda (TA to AFR);
- Mozambique; and
- Malawi (MSME Survey).

Some of the ongoing FinScope Surveys included the FinNeeds, Financial Health, Financial Capability and some aspects of real economy indicators.

REFOCUSING OUR SOUTH AFRICAN FINSCOPE

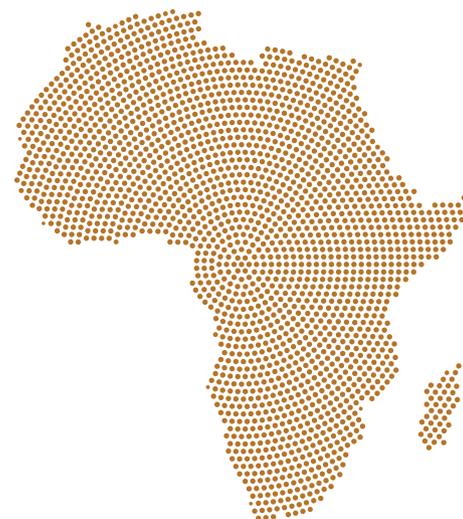
In an effort to constantly add value to our partners in South Africa, the South African FinScope offering is undergoing change. A stakeholder engagement process was key to understanding the data needs and other areas to ensure the survey continues to be relevant. By being adaptive to change we aim to provide a survey, which includes a focus on Financial Inclusion 2.0, that is comprehensive and relevant.

Key changes are:

- That FinScope MSME and Consumer surveys should be done in alternate years;
- Both FinScope Consumer and MSME Surveys in South Africa will be done in 2020;
- Syndicate members will fund both surveys; and
- Incorporation of annual thematic research topics.

FINSCOPE DATASETS ON THE DATA PORTAL

More FinScope datasets (both consumer and MSME) have been loaded on our i2i data portal and are publicly available. Users can now easily access raw data as well as indicator analytics.



FINSCOPE TEAM IS WORKING ON

TRAINING

CENTRAL BANKS ON FINSCOPE PROCESSES

TECHNICAL ASSISTANCE

TO A NUMBER OF FSDs TO IMPLEMENT THEIR DEMAND SIDE SURVEYS

GUIDING FINANCIAL SERVICE PROVIDERS

ON HOW TO USE FINSCOPE DATA TO SUPPORT THEIR WORK

HELPING POLICY MAKERS AND REGULATORS

ON THE USE FINSCOPE TO SUPPORT THEIR WORK

COLLABORATING WITH BUREAUS OF STATISTICS

AND ENSURING EFFECTIVE SKILLS TRANSFER TO IN-COUNTRY STAKEHOLDERS WHERE WE IMPLEMENT FINSCOPE SURVEYS

‘The FinScope MSME methodology has been greatly improved, taking into account the latest developments in technology.’



Grant Robertson

HEAD: DATA4FI

Data for Financial Markets (DFM)

DEEPENING OUR DATA FOR FINANCIAL MARKETS OFFERING

FMT launched the Data for Financial Markets programme (DFM) in 2018 to ensure that we remain the data provider of choice in an environment where new data types (e.g. real economy indicators) new data collection methods (e.g. SMS, web) and new data sources (e.g. transactional, social media) are driving the demand for new data solutions and insights to support and track real economy indicators that intersect with the financial sector. We will continue to support the development of the data ecosystems in SADC countries through our new data offerings.

2019 saw the deepening of the integration of the i2i Data 4 Financial Inclusion (Data4FI) team into the broader FMT data structure. This integration firmly places our focus on data innovation that enhances our understanding of the lives of people as well as how financial inclusion intersects with the real economy. The DFM offering includes the FinScope (both Consumer and MSME), geospatial mapping & analytics, mobile data collection, the Data Portal

and Analytics. The i2i and FinScope teams have improved the FinScope Survey by redesigning the MSME measurement and sampling frameworks that gives us better insights into small businesses as well as more accurate market sizing information. The FinScope Consumer survey was enhanced to include new measurement frameworks such as financial needs and new analytical frameworks applied to the data to extract more relevant insights. A number of pilots using these new frameworks have been completed and the results have been encouraging and widely shared by our stakeholders. The DFM team have also completed a project with World Savings Banks Institute (WSBI), detailing Savings and Retail Banking in Africa, which will continue to give our work a competitive advantage in the analytics space. During 2020 we will continue to innovate around our data offerings, particularly around real economy indicators.

Our GIS offering continues to evolve and assists governments to develop better financial access strategies using spatial data analytics.

LOW COST SUSTAINABLE DATA COLLECTION

The i2i data team has completed the technical work of the Digital Financial Services multi- mobile data collection pilots and the results have been shared with our funders, the BMGF (Bill & Melinda Gates Foundation) and Mastercard Foundation, as well as many other stakeholders in Africa, Asia, Europe and the United States. The outcome of this work is that we have demonstrated that we are able to collect key financial inclusion indicators at low cost using multiple modes of data collection. This work is now being extended to collect gender sensitive data as there is a general lack of good quality and regular women specific data. This methodology is expected to become a key data product for FMT in 2020 and beyond and will significantly contribute to our positioning as the Data Partner in the FSD network and SADC.

'Data makes previously financially excluded people visible. Data allows us to count people and populations, to describe who they are, to assess what they have access to, to understand perceptions and attitudes'



Dumisani Dube

HEAD: APPLAB



Obert Maposa

SENIOR RESEARCH SPECIALIST

Innovation

Innovation is a key enabler that supports financial services access and links the real economy to financial inclusion.

In September 2019 FMT commissioned a scoping study to assess the state of innovation ecosystems in the SADC region, with one of the key objectives being to support efficiency in supporting innovative solutions in the region and individual countries.

Our i2i programme supported DataHack4FI competitions across 7 countries, namely South Africa, Zambia, Kenya, Uganda, Rwanda, Nigeria and Ghana, with an innovation team from South Africa being awarded the overall prize. In the last season of DataHack4FI 48 emerging technology companies participated in the competition. Data skills training and course-work was completed by 169 individuals in the Microsoft professional program in Data Science. The programme was offered in partnership with Microsoft and Liquid Telecoms' 21cSkills e-learning platform.

FMT also hosted two hackathon competitions, one in Zimbabwe and the other in Eswatini, bringing the number of hackathons run in the region to 4 in the last 18 months.

A SADC regional innovation competition is set to be launched in January 2020, and the country competitions will commence thereafter. The competition will be run in two phases, with 5 countries in each phase, starting with South Africa, Tanzania, Malawi, Lesotho and Zambia.

MSME

SIZING THE MSME MARKET

The MSME work within FMT made significant progress in 2019. The completion of the FinScope Malawi MSME 2019 survey highlighted the benefits of an improved methodology on sizing the informal and formal MSME sectors, and planning SMME interventions in supported economies.

This ability to size the sectors contributes to the understanding of Africa's economy, as the bulk of the population operate in the informal sector. With an in-depth understanding of MSMEs and segmentation, the study is complemented by a supply-side, regulatory and policy diagnostic to give a full view of the sector within an economy referred to as MAP MSME. This allows for evidence-based interventions in supporting growth in all avenues of the economy.

MSME PROGRAMME MAKES WAVES

This approach was showcased at the SME Finance Working Group at AFI Global Policy Forum (Alliance for Financial Inclusion) in Kigali, Rwanda. The forum attracted an audience of over 40 regulators and policy makers, including central bank governors. The implementation of the outputs of the study captured in the roadmap/action plan were also presented at the Lesotho Financial Inclusion Day, together with the Eswatini Center for Financial Inclusion.

Interesting developments on geospatial sampling of enterprises are being explored to continue improving the robustness of the methodology.



Abel Motsomi
SENIOR RESEARCH SPECIALIST



Petronella Tizora
RESEARCH SPECIALIST

Gender and Youth

GENDER STRATEGY

The FMT Gender Strategy aims to bring together gender initiatives, programmes and progress across the region. FMT will leverage existing strategies to assist countries whose programmes need direction and assistance as well as position more advanced countries as thought leaders and experts in the region.

FMT and our gender programme was also proudly represented at the AFI Global Policy Forum. We provided a regional view of Women FI in SADC in a panel discussion titled “Enabling Financial Inclusion of women & youth through strategic investments”, together with FSD Zambia and FSD Mozambique. Tough questions were asked on the drivers of FI for women and youth in SADC, the role of technology in driving FI, and policy considerations to address these challenges.

The Gambia gender module is undergoing review and modifications as part of finalising the content and the focus. These modifications are to ensure that data forms a more substantial indicator in what is being collected and analysed to inform country programmes.

CONVENING A REGIONAL GENDER WORKSHOP

FMT proudly convened the first two-day SADC Regional Gender Workshop in Johannesburg, South Africa, in March 2019. Our partners were the SADC Secretariat, the SADC Banking Association, FSD Mozambique, FSD

Zambia, FSD Tanzania and the Graça Machel Trust. The workshop brought together key stakeholders in the women’s financial inclusion agenda including financial sector regulators, ministries of gender/women’s affairs, ministries of finance, private sector, development partners, gender & financial inclusion experts and interested donors to promote women financial inclusion. We aim to strengthen the institutional capacity of SADC member states to effectively apply a gender lens to strategic planning and evaluation of their programmes and projects. This will form part of our gender programme in 2020.

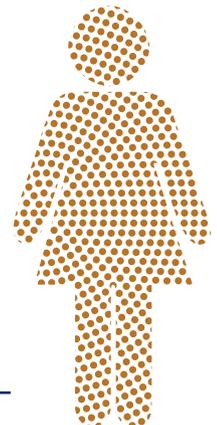
WAVING THE YOUTH FLAG HIGH FOR FMT

FMT also co-hosted the 5th International Child & Youth Finance (CYFI) Summit in Johannesburg, South Africa, in June 2019, and shared learnings from FinScope South Africa on product development at a tailored Product Design Workshop for the local financial service providers.

CO-HOSTED 5TH INTERNATIONAL CHILD & YOUTH FINANCE SUMMIT

CONVENED SADC REGIONAL GENDER WORKSHOP

100 Representatives
from **16 countries**





Michael Dos Santos

PORTAL MANAGER

Data Portal

We facilitate the data market and bridge the data gap to sustainably connect decision-makers with the data they need. We accomplish this by building on and

showcasing the existing knowledge base of financial inclusion data and collaborating with a wide range of partners.

37

Countries

61

Consumer surveys

14

Financial diaries

46

Geographic data

7

MSME surveys

TRAFFIC ON THE CONTINENT

Portal traffic on the continent by percent



ANALYTICS

Portal website analytics



115 000

Website views this year



1 200

Raw dataset downloads



13 200

Organic searches

insight2impact

In our insight2impact journey, together with our funders the Bill & Melinda Gates Foundation and the Mastercard Foundation, we've continued to support financial inclusion by promoting smarter use of data this year.

In year 5 of this ground-breaking programme, the two host companies (FinMark Trust and Cenfri) have ramped up research and dissemination activities. This comes as the programme heads towards finalisation in 2020 with several projects coming to a close and various event sprints and country visits taking place.

KEY I2I ACTIVITIES OVER THE PAST YEAR

- Launched our needs-based measurement framework (#FinNeeds) at the Alliance for Financial Inclusion (AFI)'s Global Policy Forum held in September in Rwanda. FinNeeds pilots in Mexico and Nigeria have been successfully concluded.
- In mobile pilots' work, data from 8 countries has been collected and analysed. The results of this work was presented at the Bill & Melinda Gates Foundation in September.
- Additional datasets have been added to the insight2impact Data Portal, bringing the total number of datasets available on the portal to 88. The Portal has also received an increase in pageviews as visitors have been interacting with these available datasets.
- Client Insights, in partnership with Irrational Labs, ran the successful Behavioural Science Academy with various FSPs in June in Cape Town, South Africa.
- Building on insight2impact's growing portfolio of work on African Digital Platforms (ADP) and the ADP database, a project looking at the market size relating to ADPs has kicked off this year.
- Finalised technical assistance projects to the Bank of Kigali (Rwanda) and Fidelity Bank (Ghana).
- Delivered a productive Season 3 of DataHack4FI Competition. This season brought together a total of 44 teams, composed of 228 participants. These teams pitched at the country finals held in each of the 7 participating countries in July. The Grand Finale was held in August in Kigali, Rwanda, with 13 teams making it through to pitch their solutions. Bothale AI, from South Africa, won the grand prize, with Naledi - a multilingual, conversational banking assistant.
- The Nigeria and Rwanda2Rwanda sprints saw insight2impact host or participate in many events in several countries, with multiple bi-lateral engagements in April and August/September, respectively. These sprints involved individuals from all insight2impact workstreams and enabled them to leverage the momentum created for bigger impact of insight2impact work.
- Launched Openi2i, an initiative in partnership with NextBillion, to share the learnings from insight2impact that we've gained over the years the programme has been running.

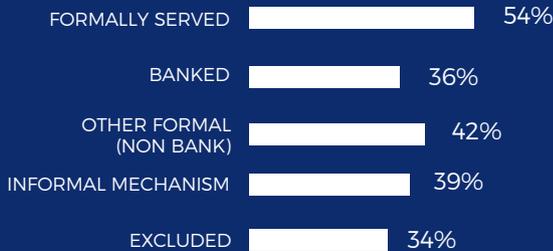
FI IN SADC

32% of adults in the region are financially excluded, which is around 45.7 million individuals. Overall levels of financial inclusion vary considerably across the region, from 97% in Seychelles to 40% in Mozambique. Updated figures now include South Africa and Eswatini.

2015

66%

FINANCIALLY INCLUDED



ACCESS STRAND 2015



■ BANKED ▣ OTHER FORMAL (NON BANK)

2019

68%

FINANCIALLY INCLUDED



ACCESS STRAND 2019



■ BANKED ▣ OTHER FORMAL (NON BANK) ▣ INFORMAL ONLY □ EXCLUDED

EXCLUSION DOWN BY
2% FROM 2015

FINANCIAL STATEMENT

FinMark Trust

(Registration number IT4167/02 (T))

Annual Financial Statements for the year ended 28 February 2019

Statement of Financial Position

Figures in Rand	2019	2018
Assets		
Non-Current Assets	535,484	499,032
Property, plant and equipment	535,484	499,032
Current Assets		
Investments	10,240,188	-
Cash and cash equivalents	36,602,984	55,669,679
Trade and other receivables	12,033,130	7,675,745
	58,876,302	63,345,424
Total Assets	59,411,786	63,844,456
Equity and Liabilities		
Capital and Reserves		
Trust capital	200	200
Accumulated surplus/(deficit)	19,376,360	(1,159,711)
	19,376,560	(1,159,511)
Non-Current Liabilities		
Deferred income	35,363,593	57,018,316
	35,363,593	57,018,316
Current Liabilities		
Trade and other payables	4,671,633	7,985,651
	4,671,633	7,985,651
Total Liabilities	40,035,226	65,003,967
Total Equity and Liabilities	59,411,786	63,844,456

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	2019	2018
Revenue	75,847,295	75,071,185
Other income	22,100,983	-
Total income	97,948,278	75,071,185
Operating expenses	(79,362,214)	(77,374,032)
Operating surplus/(deficit)	18,586,064	(2,302,847)
Investment revenue	1,950,007	2,327,225
Surplus/(deficit) before taxation	20,536,071	24,378
Taxation	-	-
Surplus/(deficit) for the year	20,536,071	24,378
Other comprehensive income	-	-
Total comprehensive surplus/(deficit) for the year	20,536,071	24,378

BOARD OF TRUSTEES



CAS COOVADIA

Cas Coovadia is the chairman of FinMark Trust. He is the Managing Director of the Banking Association South Africa, Board Member and interim CEO at BUSA, National Business Initiative, African Union for Housing Finance and University of Wits.



ETHEL MATENGE-SEBESHO

Ethel Matenge-Sebesho is a Trustee of FinMark Trust. She is an experienced banker and financial services expert, and has served on the board of FirstRand Limited. She continues to serve on the board of some subsidiaries of FirstRand Limited and Distell Group Limited. Until the end of 2017, Ethel was involved with establishing new markets for Home Finance Guarantors Africa Reinsurance in a number of African countries.



ISHMAEL MKHABELA

Ishmael Mkhabela is the Chairperson of Steve Biko Foundation and Johannesburg Inner City Partnership as well as Deputy President of the South African Institute of Race Relations. He also serves as board member of Nelson Mandela Children's Hospital Trust, FinMark Trust, Centre for Development Enterprise, Mbhetsa Academy, and Donaldson Trust. He bears vast experience in community organising, corporate governance, housing policy formulation and implementation, community and city regeneration, fields that require stakeholder engagement, awareness raising, advocacy, disputes resolution, mediation and facilitation processes.



LUMKILE MONDI

Lumkile Mondl is a Trustee of FinMark Trust, a senior lecturer at the School of Economic and Business Sciences of the University of the Witwatersrand in Johannesburg. He worked extensively on the African continent during his tenure at the Industrial Development Corporation (IDC) as an executive for eleven years, and is a director of Gemfields Group Limited and Thelo Rolling Stock Leasing.



VIMBAI TSOPOTSA

Vimbai Tsopotsa is a Trustee of FinMark Trust and executive director of Amaciko Film Investments (Pty) Ltd. She has considerable experience in the financial industry in South Africa and Zimbabwe, mainly in banking and ICT. She also serves as director of Aigle Finance and was formerly managing director of Venture Communications SA.

DONORS

BILL & MELINDA
GATES *foundation*



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

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