



News release

Experian, Absa and Township Fleva join forces to drive financial inclusion

Empowering township entrepreneurs during Global Entrepreneurship Week

Johannesburg, 20 November 2019: Joining forces, Experian South Africa, Absa and Township Fleva, today launched project Spana, an annual programme developed to provide small business loans to local entrepreneurs in Gauteng townships.

MSMEs (Micro, small and medium-sized Enterprises) are the 'unseen sector' of the South African economy and the challenges facing these businesses are evident, according to a 2018 report by the World Bank Group's International Finance Corporation (IFC). The IFC report estimates that the total size of South Africa's MSME market, including formal and informal enterprises, is 5.78 million of which only 14% are formalised. The MSME sector only grew in population by 15% between 2008 and 2017 according to the World Bank report, which is a reflection of the low survival rate, and almost stagnant growth rate of these entrepreneurs within this sector. According to the study, this can be attributed to the difficulties experienced when attempting to access finance, because 75% of MSME credit applications are rejected with only 2% able to access bank loans.

Experian and Absa have come together to determine how to effectively support and grow entrepreneurs based in local townships, driving financial inclusion and unlocking the value of this 'unseen' economy.

The Spana programme consists of three key components:

1. Experian will provide valuable credit insight on the selected entrepreneurs' credit behaviour using their GeleZAR app.
2. ABSA has committed to extend short term business loans totalling R15 million across 300 entrepreneurs.
3. Township Fleva, a community development NPO, operates as an entrepreneur incubator responsible for assisting the entrepreneurs through the cycle of acquiring and utilising business loans, as well as financial education and capital management to help them become self-sustaining businesses.

"From a credit bureau perspective, there are millions of 'thin file' people and MSMEs in South Africa. These are people with limited information on a traditional credit bureau or have no information at all and find themselves excluded from mainstream finance. They often face more difficulty – or higher costs - when applying for financial products or services," explains Simon Rudman, Social Innovation Lead at Experian SA.

"We believe that introducing new and more appropriate data sources is the key. There are many forms of alternative data that could help build a financial footprint and positively impact the lives of many. Through the Spana programme, we are extremely excited to work alongside Absa and

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Township Fleva to bring more micro, small and medium sized enterprises into the mainstream economy. With their permission, micro-entrepreneurs, over time, will be able to build an alternative credit score using hundreds of mobile data points through the GeleZAR app, to help determine their creditworthiness," he adds.

This advanced technology will enable Absa to see individuals, who are typically considered to be invisible in the credit world, in a new way in order to be able to offer them the credit and interest rates they deserve. In addition, GeleZAR has been developed in a way to help entrepreneurs gain basic business and financial education skills. The app integrates financial educational content through an interactive gamification experience to help consumers on their credit journey as they manage their finances, budget and credit score in a fun and easily relatable way.

Township Fleva will manage the implementation of the Spana programme. As a community development NPO, they are already providing development and jobs within township communities through learnerships, enterprise and supplier development projects.

"We are extremely pleased to be able to work alongside Experian and Absa to facilitate the selection, monitoring and coaching of the selected entrepreneurs. Our primary focus is on the entrepreneurs who are already part of Township Fleva's programmes and those showing revenue streams. The purpose is to accelerate township-based small businesses through these loans which should grow their monthly income by an average of R2,000," says Alef Meuleberg, Chairman Rhiza Babuyile and Township Fleva.

"By enabling successful entrepreneurship and job creation, we believe that the Spana programme can decrease extreme poverty and associated socio-economic consequences in township communities. As the selected entrepreneurs' monthly salaries increase, they will be able to focus on building a better future for themselves and their families. We've seen first-hand that when poverty declines, we can expect crime, teenage pregnancies, infant mortality, substance abuse and HIV/aids rates to drop significantly and that is a really exciting outcome for us," he says.

The township economy has the potential not only to generate economic benefits for the communities that they operate in but also for the broader country.

"Our Enterprise Development programmes focus on stimulating inclusive economic growth by providing emerging Small and Medium Enterprises (SME) with access to finance, products (and services) and business opportunities, thereby enabling their growth and development. We also provide entrepreneurs with training, business development support and access to markets. The partnership with Experian and Township Fleva is an exciting opportunity to provide loans that entrepreneurs can use to grow their businesses and is aligned to our strategy to support SMEs," says Oscar Siziba, Regional Managing Executive: Relationship Banking at Absa Retail and Business Bank.

Spana was launched in the spirit of Global Entrepreneurship Week, a celebration of the development and support of small businesses and entrepreneurs that create jobs in their communities and drive economic growth.

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About Experian

Experian is the world's leading global information services company. During life's big moments – from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers – we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organisations to prevent identity fraud and crime.

We have 17,200 people operating across 44 countries and every day we're investing in new technologies, talented people and innovation to help all our clients maximise every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

Learn more at www.experianplc.com or visit our global content hub at our [global news blog](#) for the latest news and insights from the Group.

About ABSA

Absa Bank Limited ('Absa Bank') is a wholly-owned subsidiary of Absa Group Limited, which is listed on the Johannesburg Stock Exchange and is one of Africa's largest financial services groups. Absa offers a range of retail, business, corporate and investment banking and wealth management and insurance products and services primarily in South Africa and Namibia.

Absa Group is represented in 12 countries, with approximately 42 000 employees.

For further information about Absa, please visit our website www.absa.co.za

About Township Fleva

Township Fleva and Rhiza Babuyile have been implementing projects within community development since 2010. We implement projects relating to the rights of vulnerable people groups through health, skills development, education (prevention) and enterprise development. Some examples of these projects are the Mobile Clinic in Diepsloot, the JOZI Business Hub in Diepsloot, BUZZ @ Orange Farm business hub and the TB Clinic in Thabong (opening 2017). Through all these projects we currently help over 17.000 people annually.