




The Standard Bank of South Africa
**Transformation
Report 2019**

Standard Bank Moving Forward™

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At the time of writing this report COVID-19 had begun spreading more rapidly across the world. Its impact on our communities and business activities is still being quantified. We intend to include these impacts in our strategy and short- and long-term budget plans.

Introduction

Standard Bank South Africa's (SBSA) transformation report provides an overview of the activities that we perform to support economic inclusion and transformation in South Africa. The report is structured according to the elements of the Financial Sector Code (FSC) and covers the initiatives, projects, and strategies we've put in place to drive transformation within the bank and the economy.

The transformation of South Africa's economy is a multi-faceted and long-term undertaking. We are committed to playing our role in supporting this transformation. We recognise that broad-based black economic empowerment (BBBEE) is a moral, legal and commercial imperative, crucial to securing a more sustainable growth path for South Africa, and central to our legitimacy and social licence to operate in South Africa.

SBSA has made a specific commitment to socioeconomic transformation, as expressed in the Standard Bank Group's purpose: 'Africa is our home, we drive her growth'. As a responsible corporate citizen, we are committed to facilitating and supporting inclusive job-creating economic growth and wealth creation in the economies within which we operate. Further, enabling transformation aligns with our group social, economic and environmental (SEE) value driver, which seeks to generate SEE value for our stakeholders and society through our core business activities. We therefore continuously work to identify opportunities to accelerate transformation, leveraging our skills, expertise and access to various stakeholders in the economy to enable us to achieve transformation internally and be a catalyst for societal transformation.

We have identified seven areas in which we believe the Standard Bank Group can make a significant impact on the societies in which we operate (our SEE impacts). Positive impacts in each of these areas support the social and economic transformation of South Africa and the attainment of the UN Sustainable Development Goals (SDGs):

SEE IMPACT AREAS



Financial inclusion



Job creation and enterprise growth



Infrastructure



African trade and investment



Climate change and sustainable finance



Education



Health

SUSTAINABLE DEVELOPMENT GOALS



TRANSFORMATION PRIORITIES

Ownership

Management control, including employment equity

Empowerment financing

Preferential procurement and supplier development

Enterprise development

Skills development

Socioeconomic development and consumer education

For more information about how we make an impact in each of these areas, please refer to the [Standard Bank Group's report to society](#), and to our [environmental, social and governance \(ESG\) report](#).



A message from Lungisa Fuzile

“Profit with purpose is set to become the new norm.”¹ Simply put, this means that business cannot thrive in a world where people do not. In countries characterised by high inequality, like South Africa, the role of corporates as socio-economic agents of change is amplified. This is the reason why SBSA’s purpose is to “drive Africa’s growth.”

Lungisa Fuzile

Chief executive, Standard Bank South Africa

We reflect our commitment to improving societies in our SEE value driver, which drives our strategy and is one of the measures against which we assess our performance.

In South Africa, our efforts to promote transformation, both within the bank and in society more broadly, are a significant part of our SEE contribution. Internally, these efforts include programmes to recruit and develop young people from disadvantaged backgrounds and providing fair opportunities for our employees to develop their full potential. Externally, we engage in activities to transform the communities in which we operate by creating jobs,

growing enterprises, providing funding for projects, and through corporate social investment. Although this report is structured according to the Financial Sector Code scorecard, our approach to transformation is more holistic than the scorecard (which we consider as an outcome). Our primary driver is impact, rather than compliance.

We constantly review our approach, policies and process with respect to transformation to ensure that we remain relevant to society and aligned to the economic realities of South Africa. Some of the changes we implemented in 2019 include:

- Corporate social investment (CSI): We reviewed our CSI strategy to narrow our education focus to early childhood development and foundation phase education.
- We aligned our transformation focus with our seven SEE impact areas, in order to enhance the impact that we make.
- We developed an addendum to the Standard Bank Group resourcing policy which addresses nuances to be considered during the hiring process (internal and external hiring), in support of achieving a representative staff complement in South Africa.

¹ The future of business? Purpose, not just profit. World Economic Forum. January 2019.

A MESSAGE FROM LUNGISA FUZILE CONTINUED

- We review the construct and effectiveness of the SBSA management committee responsible for overseeing activities related to transformation (our political economy transformation and black economic empowerment committee) and its sub-committees on an ongoing basis to ensure that it is effective in delivering the expected outcomes.
- We are refining our approach to transformation to further focus our efforts, to ensure that there is appropriate accountability and to enable the measurement of impact.

We take our duty to actively engage in the process of developing and amending legislation pertaining to transformation seriously. We are in conversation with the Department of Employment and Labour in respect of the proposed financial sector employment equity targets, which are provided for in the impending amendments to the Employment Equity Act. We contributed to the development of the Conduct of Financial Institutions Bill, which includes specific requirements in relation to transformation, and we have started considering how we can align with its spirit and intent in advance of the promulgation of the legislation. We have also had bilateral engagements with the Financial Sector Conduct Authority on this and other matters relating to transformation in SBSA.

Our focus areas for 2020:

Implementing the changes that we are making to our approach to transformation activities in SBSA

Improving the manner in which impact is measured and reported

Improving on FSC scorecard elements for which we do not meet the stipulated targets

Reviewing our approach to employment equity planning and target setting to align with the requirements of the amended Employment Equity Act.

An aspect of our transformation activities which we cannot quantify, is the engagement that we often have with external stakeholders. A recent example is an engagement we had with a black owned law firm, who made us aware of the realities that are faced by black professionals in the legal fraternity. They challenged us to play a role in remedying the status quo. While we may not always solve such issues to the satisfaction of all interested parties, these engagements provide us with an opportunity to consider transformation through an external lens – one that we sometimes do not consider internally and is often invaluable in enhancing our approach.

We welcome feedback and inputs on how we can continue to drive South Africa's growth through transformation.

The role of a bank in growing the economy

Where does the money we make in South Africa actually go?

Financial results for year ended 31 December 2019



Standard Bank's BEE scorecard 2019

Scorecard element	Element weighting	SBSA score 2019	SBSA score 2018	SBSA score 2017
Ownership	23 + 5	25.79	23.81	23.78
Management control	20	16.18	14.88	12.77
Skills development	20 + 3	16.69	17.62	18.31
Preferential procurement	15 + 4	18.97	18.83	17.49
Socioeconomic development and consumer education	5 + 3	6.09	7.11	5.18
Empowerment financing and enterprise and supplier development	25 + 4	23.65	20.88	24.51
Access to financial services	12	9.95	11.42	11.64
Total points	120 + 19	117.33	114.55	113.68

LEVEL 1 BEE STATUS IN 2019

Element	Element weighting
Broad-based BEE status	Level 1
BEE procurement recognition percentage	135%
Black ownership percentage	24.41%
Black women ownership percentage	10.13%
51% black designated group	No
Empowering supplier	Yes

We maintained our Level 1 rating and also improved our score from 114.55 in 2018 to 117.33 in 2019.



Ownership

For South Africa to become fairer, more equitable and sustainably diverse, more South Africans need to have a stake in the economy, including through direct shareholding in the country's corporations. This is supported by financial inclusion and economic empowerment.

SBSA scored **25.79** out of 28 points against the ownership element of the revised Financial Sector Code (FSC) scorecard. This is an improvement on our 2018 score of 23.81.

We met the FSC targets in terms of voting rights of black people and of black women

We were slightly below target on economic interest of black people, black women and black designated groups

We met the FSC target for net equity value and new entrants

We scored half the available bonus points for direct/indirect ownership in excess of 15%.

The ownership of Standard Bank shares is distributed among global and institutional entities. Our shares are publicly traded on the Johannesburg Stock Exchange. Many of our shareholders are ordinary South Africans who own a stake in Standard Bank through their pension funds and unit trusts. Many of our employees are also shareholders. We allocate shares to senior employees as part of their remuneration package, helping to ensure that they have a vested interest in the long-term success of the company.

Standard Bank Group is 48% owned by South Africans and 52% by international investors, with China (20%), the USA (14%) and Singapore (2%) comprising the top three. Industrial and Commercial Bank of China Limited (ICBC), the world's largest bank by assets, is a 20.1% shareholder. This strategic relationship enables us to work with ICBC to facilitate investment flows and commercial relationships between China and Africa, to the benefit of African countries. Our second largest shareholder is the Government Employees Pension Fund of South Africa which holds 13.3% of shares.

TEN MAJOR SHAREHOLDERS¹

Indicator description	2019 number of shares (million)	% holding	2018 number of shares (million)	% holding
Industrial and Commercial Bank of China	325.0	20.1	325.0	20.1
Government Employees Pension Fund (PIC)	215.0	13.3	199.7	12.3
GIC Asset Management	31.3	1.9	21.0	1.3
Allan Gray Balanced Fund	26.2	1.6	29.7	1.8
Alexander Forbes Investments	24.3	1.5	25.8	1.6
Vanguard Total International Stock Index Fund	21.4	1.3	19.4	1.2
Old Mutual Life Assurance Company	20.6	1.3	23.8	1.5
Vanguard Emerging Markets Stock Index Fund	19.3	1.2	22.1	1.4
Government of Norway	14.4	0.9	14.8	0.9
Abu Dhabi Investment Authority	13.2	0.8	7.5	0.5
	710.7	43.9	688.8	42.5

¹ Beneficial holdings determined from the share register and investigations conducted on our behalf in terms of section 56 of the Companies Act, 71 of 2008.



GEOGRAPHIC SPREAD OF SHAREHOLDERS

Indicator description	2019 number of shares (million)	% holding	2018 number of shares (million)	% holding
South Africa	769.9	47.5	785.1	48.5
Foreign shareholders	849.8	52.5	833.4	51.5
China	327.8	20.2	325.9	20.1
United States of America	232.8	14.4	240.3	14.8
Singapore	34.9	2.2	24.0	1.5
United Kingdom	24.7	1.5	39.0	2.4
United Arab Emirates	19.9	1.2	12.2	0.8
Namibia	19.4	1.2	19.6	1.2
Norway	15.7	1.0	15.4	1.0
Luxembourg	15.3	0.9	10.3	0.6
Netherlands	15.3	0.9	15.6	1.0
Japan	14.9	0.9	15.0	0.9
Ireland	13.5	0.9	13.3	0.8
Hong Kong	12.5	0.8	12.0	0.7
France	10.3	0.6	1.2	0.1
Switzerland	8.1	0.5	6.9	0.4
Other	72.8	5.3	82.7	5.2
	1 619.7	100.0	1 619.3	100.0



The Standard Bank Group black ownership initiative, Tutuwa, has delivered significant value for various groups of stakeholders, including current and former black employees, small business owners, and government. Communities have also benefitted directly from the scheme, particularly since 2016, through the Standard Bank Tutuwa Community Foundation. This non-profit foundation aims to ensure that we help our young people achieve their full potential, by supporting education and skills development and the transition from school/tertiary education to the world of work, by creating innovative partnerships in these domains.



Management control

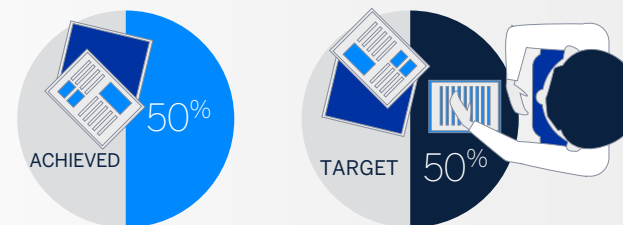
Black South Africans remain under-represented at senior and executive levels of management across the business sector. As part of our commitment to empowering our people, establishing a diverse workforce and creating a culture of inclusion, SBSA actively promotes transformation of the demography of our workforce at all levels.

SBSA scored **16.18** out of 20 for this element of the FSC in 2019. This is an improvement against our score of 14.88 in 2018, and 12.77 in 2017.

Our score is calculated based on the membership of the SBSA board and executive committee, including Standard Bank Group and SBSA executive committees. The score also measures representation of black people, black women and African people, as well as people with disabilities, in senior middle and junior management levels, and black people with disabilities, as defined in the Employment Equity Act.

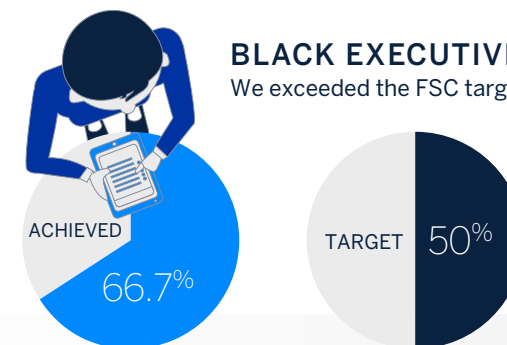
BLACK BOARD MEMBERS

We met the FSC target



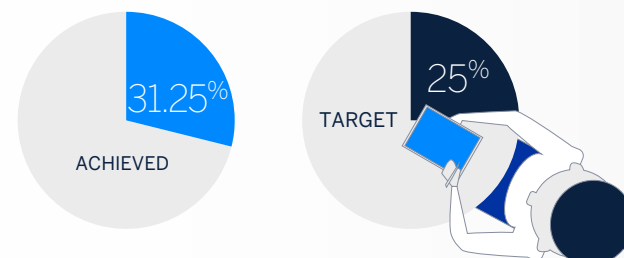
BLACK EXECUTIVE DIRECTORS

We exceeded the FSC target



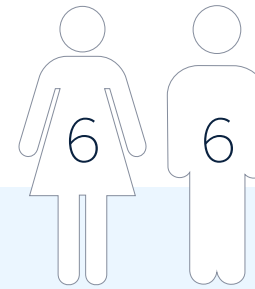
BLACK WOMEN BOARD MEMBERS

We exceeded the FSC target



MANAGEMENT CONTROL
CONTINUED

SBSA executive committee



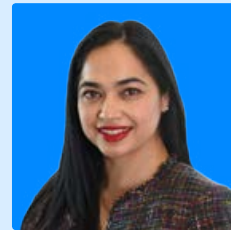
Lungisa Fuzile
Chief executive,
Standard Bank
South Africa



Libby King
Chief financial officer,
SBSA and head, finance
operations



Jörg Fischer
Group head of shared
services and real
estate services



Ayesha Hansa
Head of legal,
South Africa



David Hodnett
Group chief risk
officer and group
ethics officer



Peggy-Sue Khumalo
Chief executive,
Wealth, South Africa



Milton Kotze
Chief compliance officer,
South Africa



Disebo Moephuli
Chief executive,
CIB South Africa



Funeka Montjane
Chief executive,
PBB South Africa



Myen Moodley
Head of human
capital, South Africa



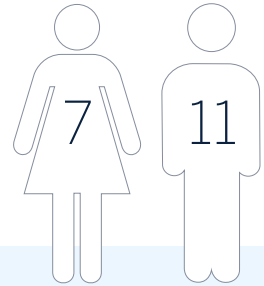
Khomotso Molabe
Chief information
officer, South Africa



Thulani Sibeko
Group head marketing
and communication

MANAGEMENT CONTROL
CONTINUED

The SBSA board



EXECUTIVE DIRECTORS



Lungisa Fuzile
Chief executive,
Standard Bank
South Africa



Sim Tshabalala
Chief executive,
Standard Bank Group



Arno Daehnke
Group financial director,
Standard Bank Group

Dr Hao Hu stepped down from the board and as deputy chairman in March 2020. ICBC, as a 20% shareholder, is entitled to nominate a replacement and will do so in due course. Peter Sullivan will retire from the board at the close of the 2020 AGM. His role on the board includes being the chairman of the group remuneration committee (remco), as well as that of lead independent director. The board approved the appointment of Gesina Maria Beatrix (Trix) Kennealy as the chairman-designate of group remco. Upon the retirement of Peter Sullivan in May 2020, Trix Kennealy will take over as chairman of group remco, as well as the board's lead independent director. We thank both these board members for their contribution to the board.

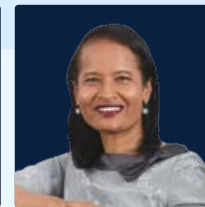
NON-EXECUTIVE DIRECTORS



Thulani Gcabashe
Chairman and independent non-executive director



Maureen Erasmus
Independent non-executive director



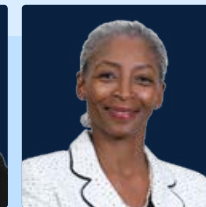
Geraldine Fraser-Moleketi
Independent non-executive director



Hao Hu
Non-executive director



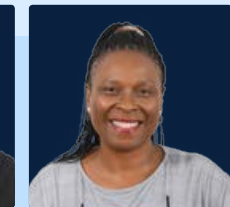
Trix Kennealy
Independent non-executive director



Nonkululeko Nyembezi
Independent non-executive director



Jacko Maree
Non-executive director



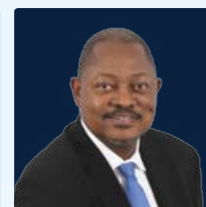
Nomgando Matyumza
Independent non-executive director



Kgomotso Moroka
Non-executive director



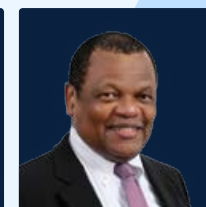
Priscillah Mabelane
Independent non-executive director



Martin Oduor-Otieno
Independent non-executive director



André Parker
Independent non-executive director



Atedo Peterside
Independent non-executive director



Myles Ruck
Independent non-executive director



Peter Sullivan
Independent non-executive director



John Vice
Independent non-executive director

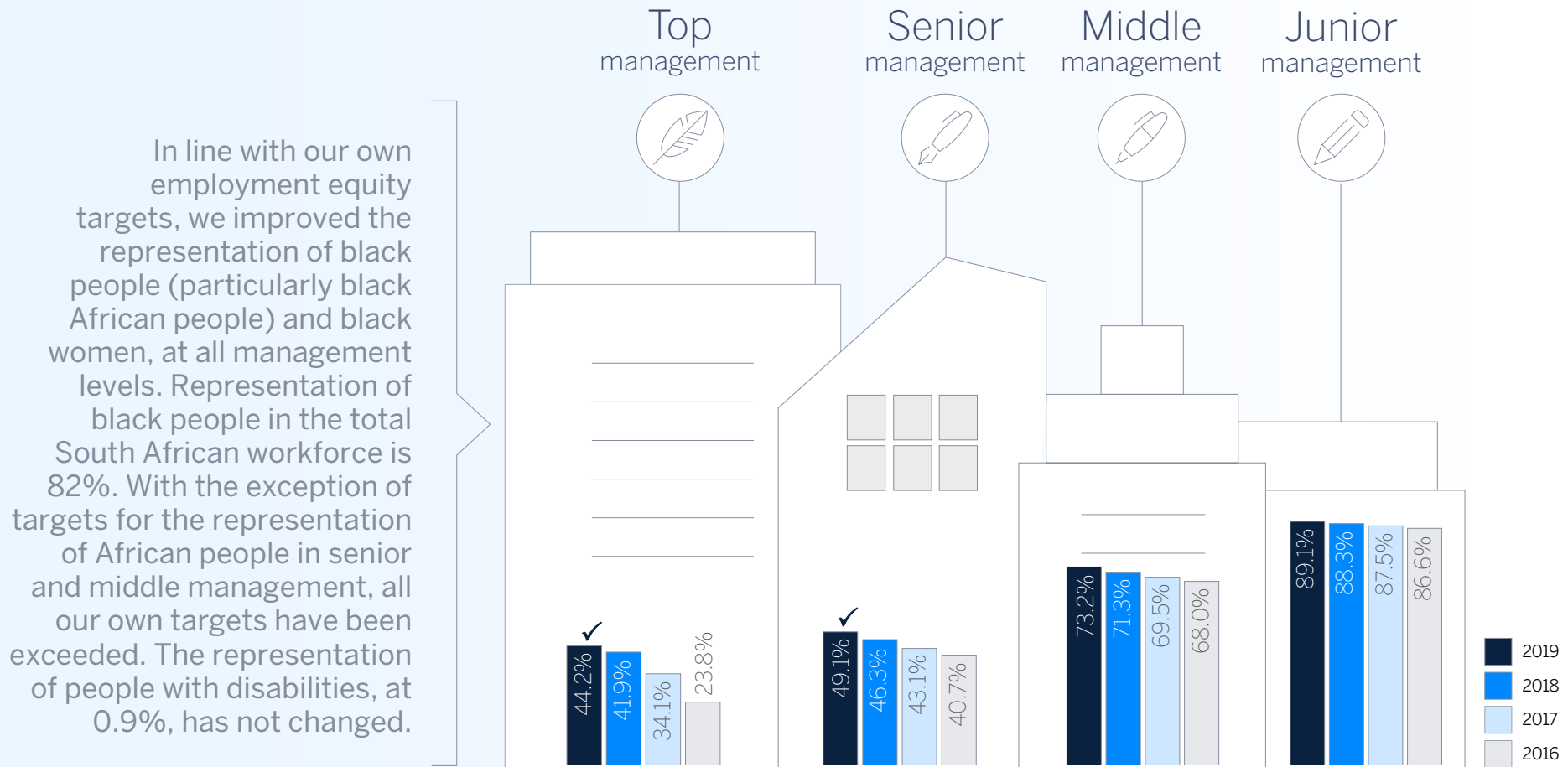


Lubin Wang
Non-executive director

MANAGEMENT CONTROL
CONTINUED

Employment equity

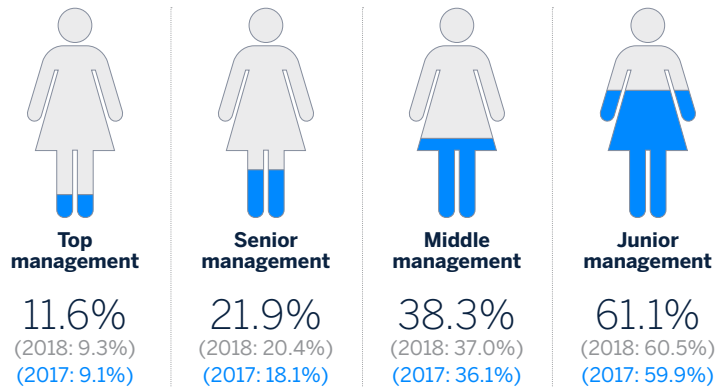
**SBSA – BLACK EMPLOYEES PER EE OCCUPATIONAL LEVEL
(SOUTH AFRICAN CITIZENS) (DECEMBER 2019)**



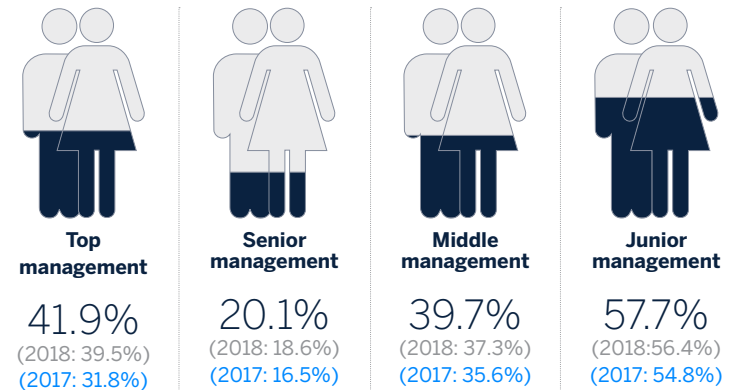
MANAGEMENT CONTROL CONTINUED

We continue to take advantage of the full human capital value chain to support our employment equity efforts. This includes attraction, appointment, development, advancement and retention. Over the last three years we have been seeing positive trends in this regard.

SBSA – BLACK FEMALE EMPLOYEES PER EE OCCUPATIONAL LEVEL (South African citizens) (Dec 2019)



SBSA – AFRICAN EMPLOYEES PER EE OCCUPATIONAL LEVEL (South African citizens) (Dec 2019)



MANAGEMENT CONTROL CONTINUED

Gender equity

In line with our group wide efforts to promote gender equity, our group CEO, Sim Tshabalala, is a Thematic Champion of UN Women HeForShe, a global initiative for the advancement of gender equality. HeForShe is rooted in the understanding that gender equality will only be achieved with the involvement of men.

The movement invites all people to stand together to create a gender equal world. It recognises that fairness is not about treating everyone the same, but about treating people in a way which enables them to achieve their full potential. In line with the UN HeForShe ethos, we aim to create an inclusive culture, and to engage men and women to interrogate and address the systemic and societal constraints that

many women face. This includes making it easier for all employees, men and women, to manage the often-conflicting demands of work and home life, making it easier for women to integrate back into their positions after maternity leave, and offering opportunities for employees to take sabbaticals and extended leave periods when certain conditions are met.

During 2019, we encouraged our people across the group, from executives to front line employees, to make their own HeForShe pledges. We received an excellent response, and we're delighted to see the enthusiasm with which our people have embraced the movement.

Our HeForShe targets include a commitment to increase the representation of women in executive positions* in SBSA from 35% in 2018 to 40% by 2021.

* These are Standard Bank Group levels linked to levels of job complexity and not EE/BEE management levels.

UNEQUAL RIGHTS

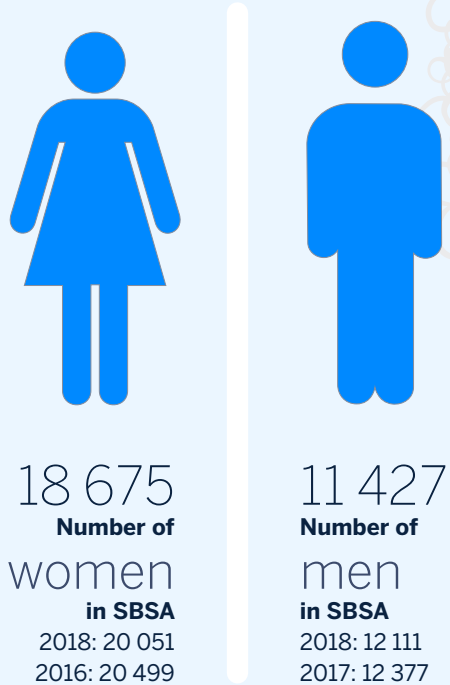
"I am passionate about promoting gender equality at work via learning for development. This means creating an environment that is conducive for my people to develop their full potential. In my personal capacity, I engage in age appropriate conversations with my children about the negative effects of gender stereotyping. Children pick up subtle clues about our behaviour as adults, so it is important to empower the next generation not to repeat our mistakes."

Kabelo Makeke
Provincial Head: Retail and Business Banking, Gauteng

In support of
HeForShe
UN Women Solidarity Movement
for Gender Equality

MANAGEMENT CONTROL
CONTINUED

SBSA GENDER EQUITY



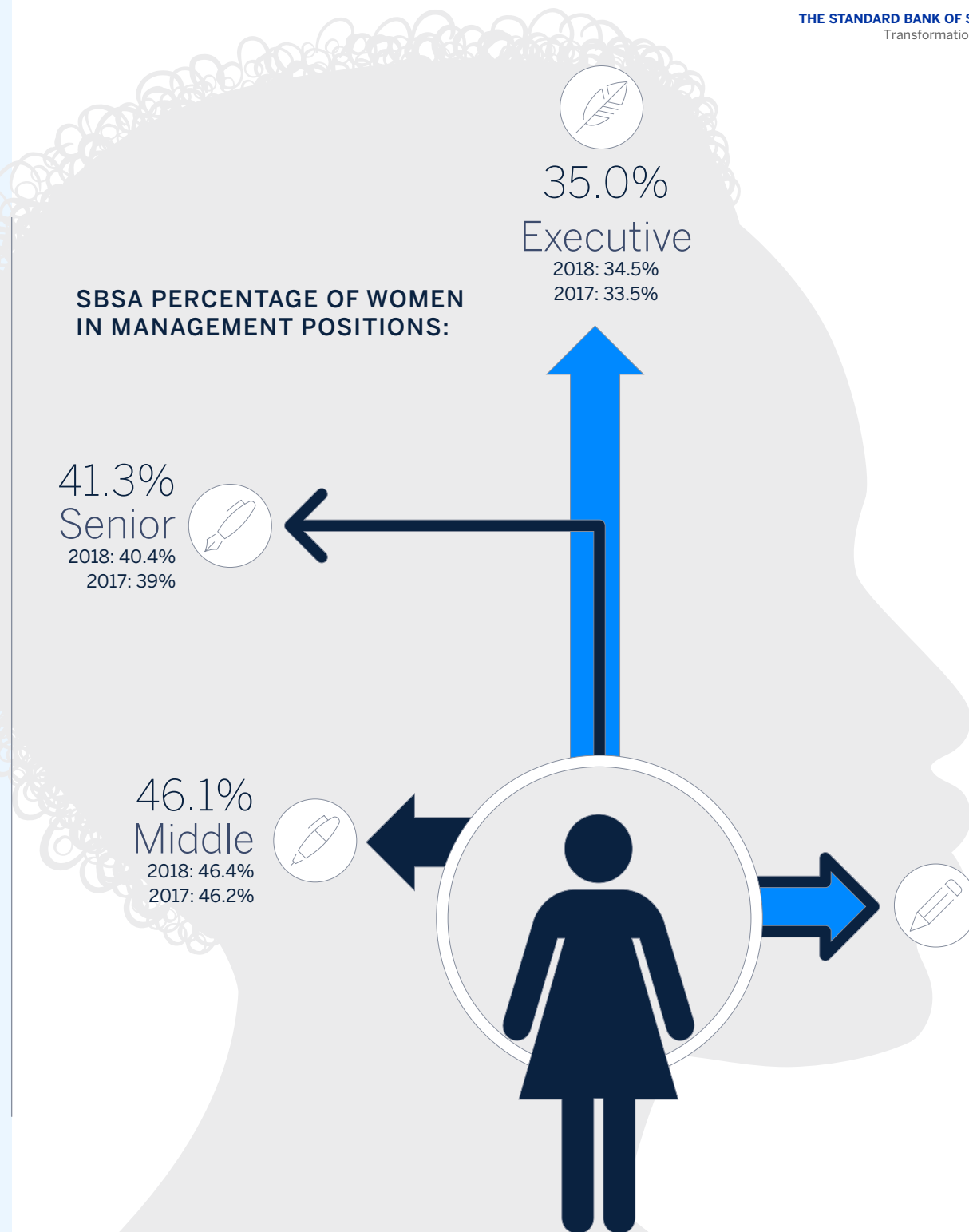
**SBSA PERCENTAGE OF WOMEN
IN MANAGEMENT POSITIONS:**

41.3%
Senior
2018: 40.4%
2017: 39%

46.1%
Middle
2018: 46.4%
2017: 46.2%

35.0%
Executive
2018: 34.5%
2017: 33.5%

56.8%
Junior
2018: 55.1%
2017: 55.3%





Skills development

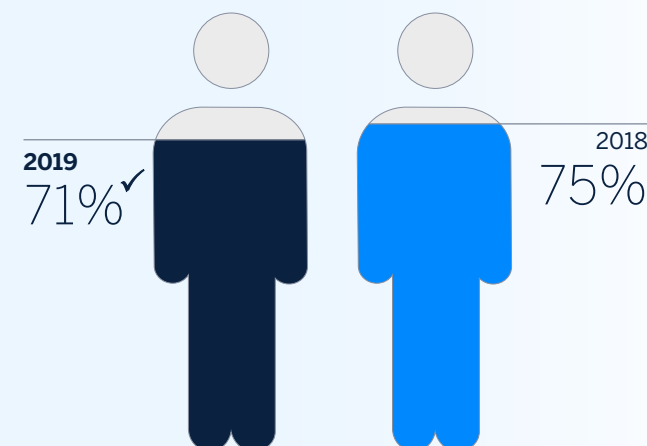
As part of our efforts to enable all our employees to reach their full potential and transform our workforce at all levels, we invest in skills development. Education is one of our seven SEE impact areas, including internal employee development and external efforts to improve access to education and to support skills development opportunities in the broader economy.

SBSA scored **16.69** out of 23 (including 3 bonus points) on the skills development element of the scorecard. This is lower than the score of 17.62 in 2018, and 18.31 we achieved in 2017.

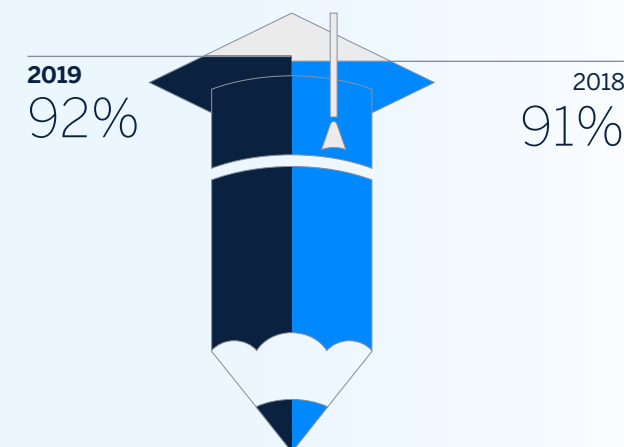
In 2019, we spent approximately 82% of our total skills development budget on the development of black employees across all levels of the organisation. Approximately 15% was spent on senior and executive management levels.

- Skills development spending on black executives and senior managers was below the FSC targets
- We exceeded the FSC targets for skills development spending on black middle managers and junior managers
- We met the target for skills development spend on black non-management staff
- Our spending on unemployed black people was below the FSC target
- Spending on learnerships for black employees significantly exceeded the FSC target.

SBSA leadership training: % of black attendees



SBSA graduate programmes: % of black attendees



TRAINING AND DEVELOPMENT

	2019	2018	2017
SBSA graduate programmes: % of black attendees	92	91	89
SBSA graduate programmes: % of black African attendees	77	75	40
SBSA learnership programmes:	709	1 009	924
% of learnership students absorbed into permanent employment	47	64	83
SBSA leadership training: total employees	2 708	4 920	3 543
SBSA leadership training: % of black attendees	71	75	68
SBSA leadership training: % of black female attendees	43	46	35

SKILLS DEVELOPMENT CONTINUED

Graduate programme

We strive to attract and retain talented individuals to the banking sector.

Our graduate programme provides an entry point into the corporate world for university graduates, supporting skills development and on-the-job training, nurturing future skills within the bank and building a diverse workforce to drive South Africa's growth. It offers a variety of options that cater to students' interests, preference, area of study, and skills, and provides diverse development prospects. Participants are exposed to different departments and opportunities across the bank and work closely with a variety of senior colleagues. They also have opportunities to grow their networks through attendance at industry conferences and events.



Most of our **graduates stay with the bank for at least four to five years**, and half are still employed at the bank.



76% are rated as **high performers.**



SBSA is committed to offering our employees opportunities for growth within the organisation. **58% of our 2012 graduates are now in middle, senior or executive manager roles**, while 12% of our 2016 graduates are now in middle management.

Recruitment channels include social media, campus visits and targeted events. SA Graduate Employers Association (SAGEA) awarded SBSA '**Best Integrated Campaign and Best Digital Campaign**' for our graduate recruitment campaign in 2019.



Our 2019 **intake welcomed 155 graduates** in South Africa, of whom 92% were black and 61% were female.



In 2019, we were awarded SAGEA, '**Employer of Choice in Commercial and Retail Banking**' for the ninth time in the last ten years.

SKILLS DEVELOPMENT
CONTINUED

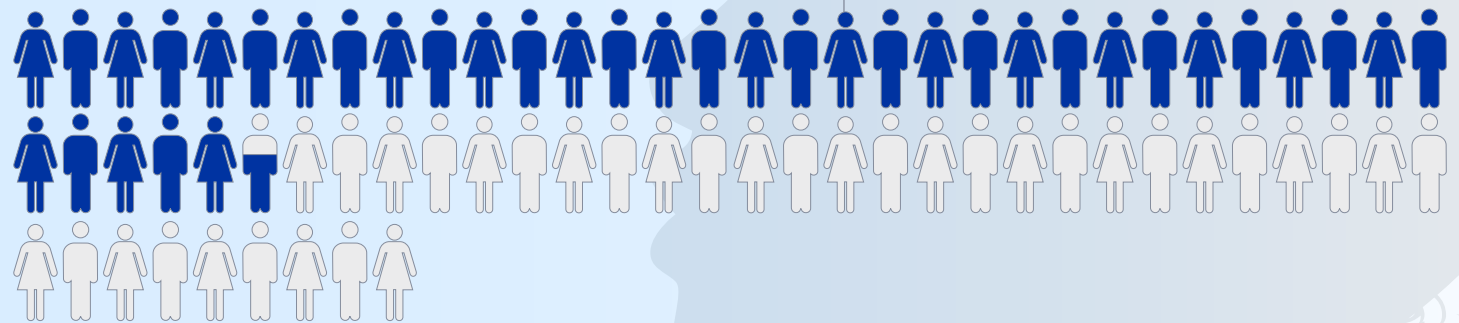
Learnerships for unemployed young people

To build a bridge for young people entering the world of work to address racial, gender and geographical challenges to educational advancement, and develop the kind of skills needed by SBSA, we introduced learnership programmes for unemployed young people in 2007.

The programmes provide a crucial opportunity to gain work experience. For many participants it's their first job. Applicants are required to have matric, or to have partial or full tertiary qualifications, depending on the programme they're applying for. They undergo a rigorous recruitment process to ensure the right fit for the role. Each learner is assigned a coach, mentor and line manager for support during the learnership programme.

374 of these learners were retained by SBSA

In 2019, we enrolled **709** unemployed young people in learnership and internship programmes.



729 learners from the 2018 intake completed their programmes during 2019

SKILLS DEVELOPMENT CONTINUED

Youth Employment Scheme

SBSA participated in the government's Youth Employment Scheme for the first time in 2019. The initiative was started to address the challenge of youth unemployment.

Businesses create 12 month paid work experiences for youth aged between 18 and 35. Our participation was guided by the following principles:

Quality of work experience:

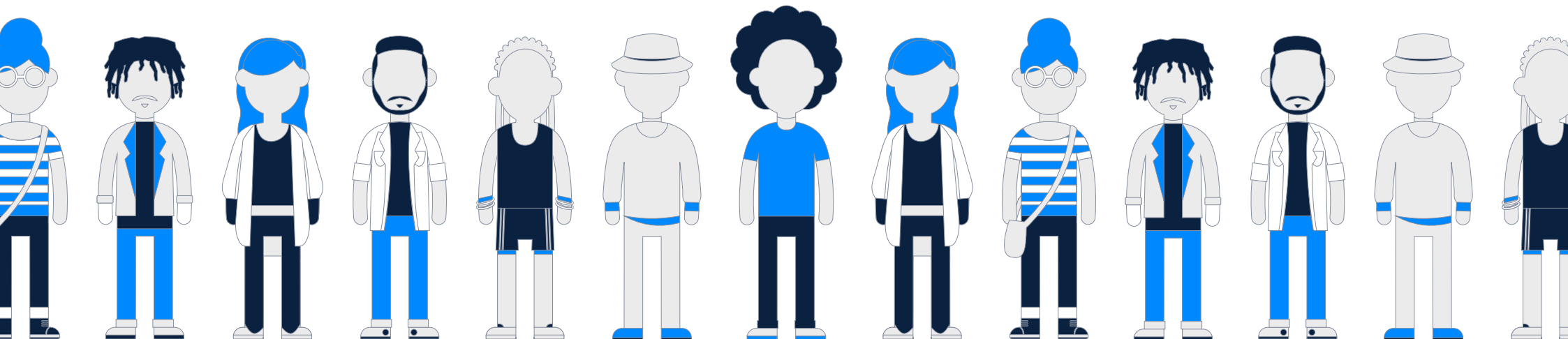
We were deliberate about creating opportunities which provided a combination of work experience and training, to empower the youth with the right skills for their career paths.

Sustainable employment:

We aim to create opportunities which enhance young people's ability to attain further employment after the 12-month period.

Of our 709 learnerships and internships for unemployed young people, 300 were recruited through the Youth Employment Scheme.

These young people were employed across various areas in the bank, with the intent of nurturing skills which are aligned to our strategic value drivers. Some of them have already been offered permanent roles either in SBSA or externally, testament to the high calibre of youth and the training they received on the programme. We will continue to participate in the Youth Employment Scheme in 2020.





Preferential procurement

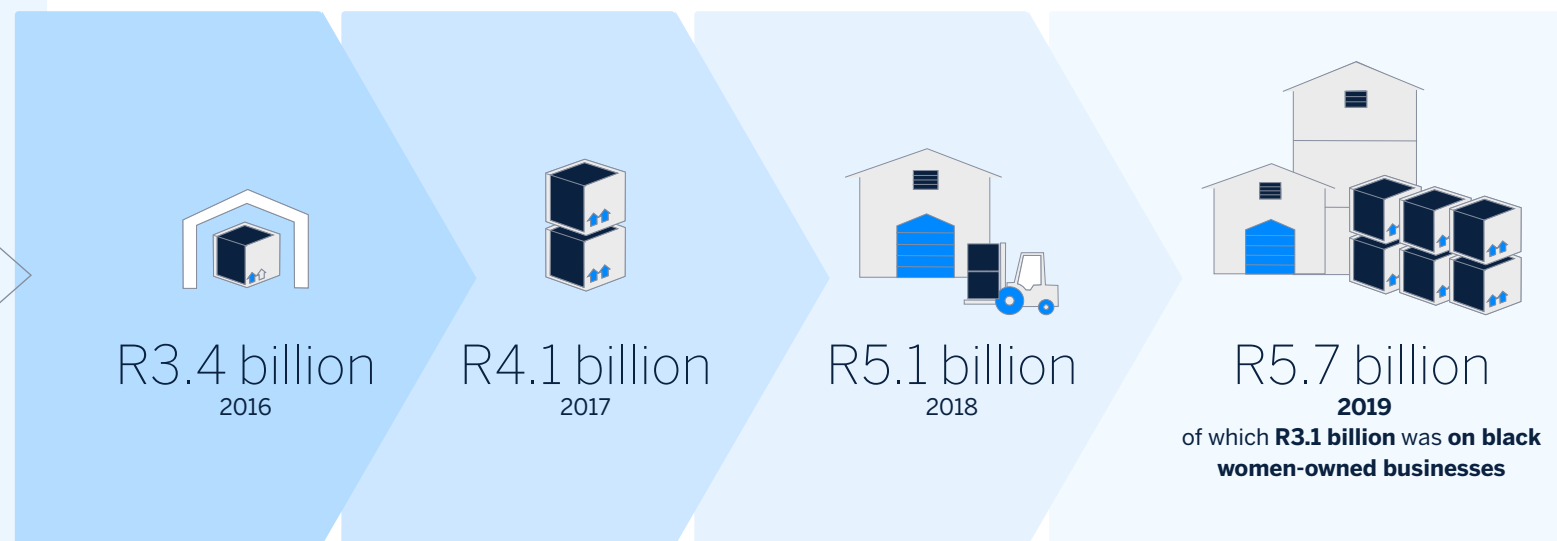
To promote enterprise growth and job creation across the economy, South Africa's big businesses need to ensure that their value chains provide accessible opportunities for black-owned businesses.

SBSA is committed to advancing job creation and economic transformation by providing opportunities in our supply chain to black-owned suppliers and small enterprises, and has well-established policies and processes to do so. We scored **18.97** out of 19 for preferential procurement (including 4 bonus points), a 0.14 point increase from 2018.

Spend with black-owned suppliers has increased over the past four years in actual rand terms:

We work with potential and current suppliers to identify appropriate opportunities, and we provide successful candidates with business development support. We also provide suppliers who meet specific criteria with access to finance where needed.

We surpassed all our internal minimum targets, and the FSC target, for preferential procurement, except for the qualifying small enterprises (QSEs) category. Efforts to increase spend with the QSE category remain a challenge. We have developed deliberate initiatives, such as 'set aside' strategies, and identified preferential procurement opportunities, which are currently being implemented across all business areas to address this.



We increased our spending with black-owned suppliers from R5.1 billion in 2018 to **R5.7 billion** in 2019. The trend on spending with a number of black-owned SMEs (BSMEs) is positive; the number increased from 528 suppliers in 2017 to **833** suppliers in 2019. However, this trend peaked in 2019 and for the first time in three years there was a **decline of 8.26%** between 2018 and 2019.

The actual rand spend with BSMEs was maintained at just over **R2.4 billion**. About **30%** of procurement spend for 2019 was with black-owned suppliers and 17% with black owned suppliers.



Socioeconomic development and consumer education

Effective financial inclusion requires relevant products and services for diverse customer needs, and engagement and communication with customers to ensure they are well-informed about options available to them and able to make choices that best suit their requirements. Consumer education covers a broad range of activities, from helping individuals identify and access cheaper and more convenient transaction channels, to helping entrepreneurs and small business owners manage their cash flows and grow their businesses. More broadly, SBSA supports education and skills development through our corporate social investment programme, and through the provision of financial products that enable students to access finance. We also provide CSI funding for sports development, arts and culture, and health-related and agricultural support programmes. We scored **6 .09** out of 8 for socioeconomic development and consumer education (inclusive of 3 bonus points).

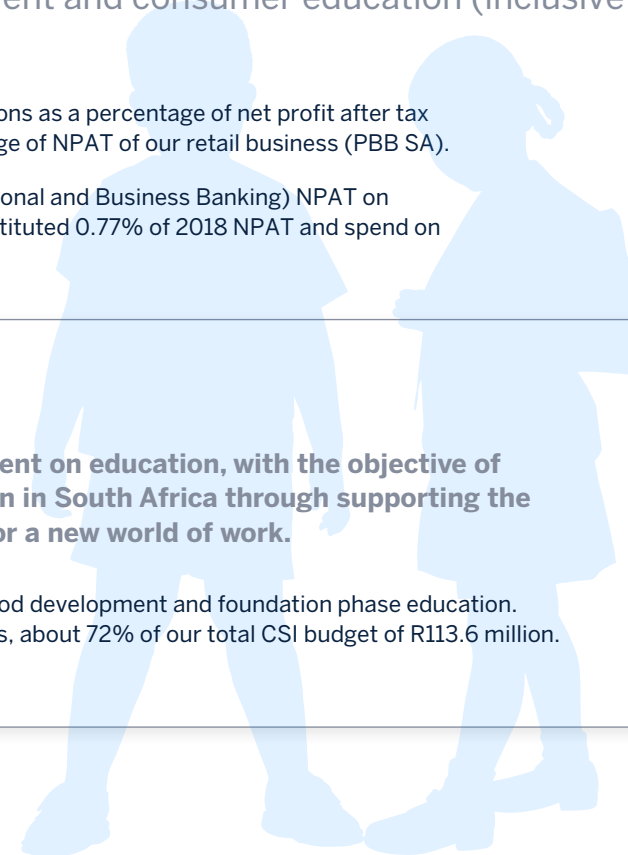
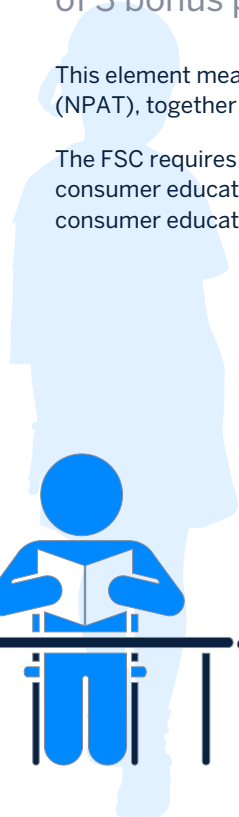
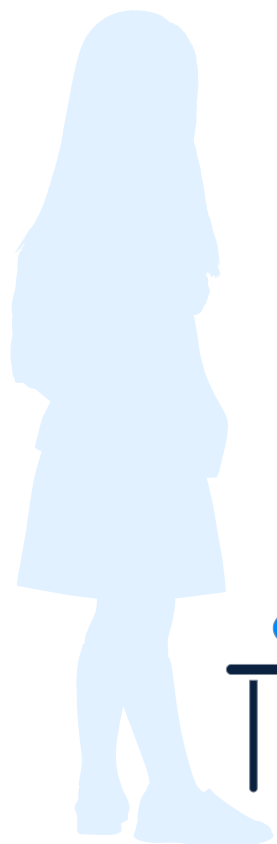
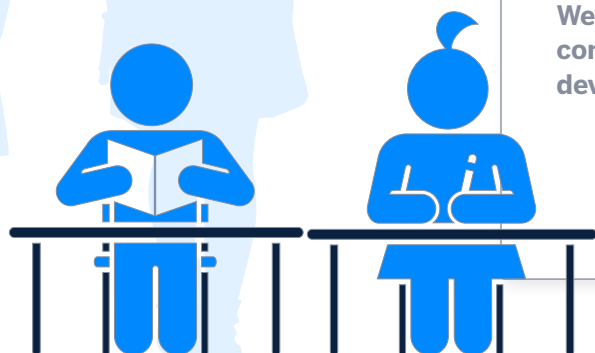
This element measures the annual value of the bank's qualifying socioeconomic development contributions as a percentage of net profit after tax (NPAT), together with the annual value of all qualifying consumer education contributions as a percentage of NPAT of our retail business (PBB SA).

The FSC requires that we spend 0.6% of NPAT on socioeconomic development, and 0.4% of retail (Personal and Business Banking) NPAT on consumer education. In 2019, SBSA's total spend on socioeconomic development of R122.7 million constituted 0.77% of 2018 NPAT and spend on consumer education was 0.42% of 2018 retail NPAT.

Education

We focus our socioeconomic development investment on education, with the objective of contributing to social and economic transformation in South Africa through supporting the development of future-fit children who are ready for a new world of work.

The particular focus of our strategy is on early childhood development and foundation phase education. In 2019, we spent R83.6 million on education initiatives, about 72% of our total CSI budget of R113.6 million.



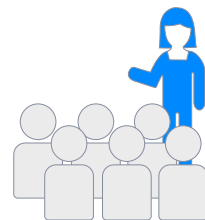
SOCIOECONOMIC DEVELOPMENT AND CONSUMER EDUCATION CONTINUED



In 2019, we invested CSI funding of R83.6 million in educational programmes.

This included:

- R26.4 million in foundation skills programmes** with NGOs Edupeg, Shikaya, READ, Uplands Outreach and Mfundo Development Foundation, and with North West University and University of the Western Cape. The Teacher Development Programme at Uplands Outreach, in Mpumalanga, for example, aims to boost teacher effectiveness by engaging primary school teachers in vibrant, professional learning communities. Independent evaluators report quantifiable improvements in respect of the programme's key metrics, which include overall teaching confidence, overall classroom effectiveness, pedagogical confidence, reading skills (teachers), maths content (teachers), and maths and SiSwati in grade 3 and 6 (learners). The programme has benefitted 43 teachers, over 7 400 learners, and 15 schools. Another example is the Mfundo Development Foundation programme, which targets English, maths and science teachers in 16 schools in the Francis Baard District in Kimberley, Northern Cape. Teachers in grades 4 to 6 receive ongoing professional mentoring and support to assist them in improving learner outcomes.



- R7.1 million in programmes for high school learners**, including Hulisani Educational Resource Centre which provides Saturday school classes to high schools in Sekhukhune, Limpopo, working with learners from grade 10 to grade 12 to improve their marks in mathematics, science, English, accounting and life sciences, as well as the Wits' Targeting Talent programme for high school learners.

- R4.5 million** in programmes run by the National Educational Collaboration Trust.
- R33.7 million** in bursaries to support deserving students to obtain degrees in critical skills areas. This includes bursaries directly awarded and managed by SBSA and bursaries administered through the Ikusasa Financial Aid Programme (ISFAP). ISFAP is a public-private partnership between government and corporates, aimed specifically at addressing the funding gap for the so-called 'missing middle'.

Raised
R35 million
2017 – 2019
1 000 students funded

Total number of FEENIX students
who received funding in
2019: 307 ✓



RTS page 74.

In addition, we continue to support the Feenix Trust NPO, launched by Standard Bank in June 2017 to make tertiary education more accessible for economically disadvantaged students. Over the past three years, **2017 – 2019**, Feenix has raised over **R35 million**, providing support for over **1 000 students**. Standard Bank has extended our sponsorship of Feenix beyond the three years to which we originally committed.

The platform enables university students in need of funding for current or historic debt to create profiles and request donations toward their education journey. As a crowd-funding platform, Feenix enables individuals and businesses to take meaningful action to solve social problems. Funding in the pool is divided to ensure at least 75% goes toward black, coloured and Indian students, 50% goes toward female students and preference is given to students who are actively engaged on the platform.

To qualify, students need to be registered at a South African public university, and have an annual household income of below R600 000. To register, they must upload a copy of their ID and an up-to-date fee statement. Academic achievement is not a criterion for registration.



SOCIOECONOMIC DEVELOPMENT AND CONSUMER EDUCATION CONTINUED

Sports development

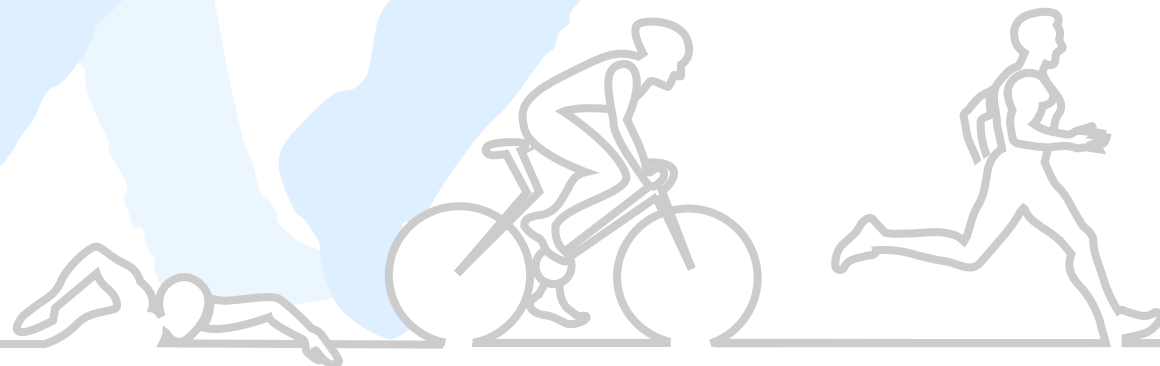
SBSA has been a long-term sponsor of South Africa's national men's cricket team, the Proteas. As part of our sponsorship philosophy, we have invested in youth development in the sport.

We have sponsored 12 Standard Bank Regional Performance Centre (RPC) development programmes, which we have run in partnership with Cricket South Africa nationally. The RPC programme identifies talented young players from ages 11 to 18 years, from townships and rural communities where there are no cricket playing schools. The youngsters become part of a high-performance environment within their own community. They are provided with the

necessary support structure to help them along on their journey from #budtobloom. In 2019, our investment in the centres totalled **R6.67 million**. In December 2019, we announced that we would not renew our sponsorship of the South African national men's cricket team when the current contract expires in April 2020, owing to concerns regarding governance at Cricket SA.



The **Standard Bank IRONMAN African Championship** is one of Africa's most prestigious endurance events. Standard Bank sponsored the Siyaphambili Triathlon Participation Programme, which supports the introduction of athletes from previously disadvantaged backgrounds and with financial constraints to triathlon, as a way of growing the sport. Applicants are assessed based on socioeconomic background, finances, athlete history and experience. Athletes selected to the team follow the training programmes of the Siyaphambili manager and participate at World Endurance Holding events. The focus is on participation, enabling athletes to continue with the programme as long as they continue to show the desire to participate. In 2019, we donated **R250 000** to the programme, enabling Eastern Cape-based Siyaphambili athletes to participate in the Standard Bank IRONMAN African Championship in Nelson Mandela Bay and the Standard Bank IRONMAN 70.3 South Africa in Buffalo City. Standard Bank's sponsorship of IRONMAN ended on 31 December 2019.



SOCIOECONOMIC DEVELOPMENT AND CONSUMER EDUCATION CONTINUED

Arts and culture

SBSA supports a wide range of initiatives to nurture young talent and showcase the rich diversity of Africa's creative arts. Our commitment to investing in the arts represents a 40-year legacy and we are proud to provide ongoing support for a variety of projects which have become highlights on Africa's cultural calendar.

In 2019, we invested over
R11.4 million in arts projects and
programmes, including:



The Standard Bank
National Youth Jazz Festival
R4.5 million



Standard Bank
Young Artist Awards
R6.2 million



Standard Bank Gallery
outreach programmes
R535 000



The Children's Arts Festival
R180 000



In 2019, SBSA celebrated 21 years of sponsoring the **Standard Bank Joy of Jazz** in South Africa. An important component of the festival is Geleza Kleva & Learn workshops, a free two-day workshop for young people hoping to make a career in the music and entertainment industry. The workshop, which took place in Johannesburg, saw about 200 young people gather for information-sharing sessions led by jazz musicians and other industry professionals. Topics covered included entertainment law, scoring for films, marketing and communications, event production and event management, and finance for young entrepreneurs.

SOCIOECONOMIC DEVELOPMENT AND CONSUMER EDUCATION CONTINUED

The Standard Bank Gallery, located in central Johannesburg, serves as an educational tool and research resource. Many primary school children have never been exposed to art as a subject or an interest and have never visited an art gallery. SBSA actively engages with schools to encourage visits to the gallery and provides an educational supplement to support educators to ensure children derive maximum benefit from their visit. This includes the option of booking guided tours with our education officer, and workshops and walkabouts by guest curators. We also provide material and information that may not be readily available to educators and learners in the prescribed curriculum, for each of our exhibits. While the content is targeted at learners at primary school and secondary school levels, it can also be useful for tertiary students enrolled in arts programmes.

As part of our commitment to supporting the arts, we encourage university departments to engage with our arts collections to encourage research output. Our collections comprise the Standard Bank Corporate Art Collection, and the Standard Bank African Art Collection which is co-owned with Wits University. The Standard Bank Corporate Art Collection consists of almost 1 200 artworks by over 250 contemporary artists. The African Art Collection consists of approximately 6 000 objects comprising classical, indigenous and contemporary African art pieces.

The Standard Bank Gallery collaborates with various post-graduate studies programmes from institutions across the country. We encourage the use of the Standard Bank African Art Collection as a resource for research output for exhibitions, publications and other projects. We have a close partnership with the Wits History of Art and Heritage Management unit, which offers a post-graduate programme focused on curatorial studies. This programme includes an annual exhibition proposed by post-graduate students.



SOCIOECONOMIC DEVELOPMENT AND CONSUMER EDUCATION CONTINUED

Development programmes

Standard Bank launched a new partnership with UN Women in 2019, a programme to empower women by enhancing agricultural productivity and income, through climate smart agriculture – farming methods and commodities that are resilient to climate change. Standard Bank has pledged USD3 million over two years. The programme is running in Malawi, Nigeria, South Africa and Uganda. It includes a focus on improved weather forecasting, early warning systems, financial literacy training and insurance to help farmers reduce risk.

The programme is run in partnership with local farmer associations and cooperatives, relevant UN agencies and international aid agencies, national and local governments, local private sector partners and NGOs. In South Africa, our focus is on bean and vegetable farmers in Limpopo province and Free State province. Standard Bank will train participants in financial literacy, while Vodacom will assist with digital literacy skill training. The Standard Bank Group contributed **R21.8 million** to the programme in 2019, R8.7 million of which was allocated to the South African component of the programme.

2019 saw the final year of the bank's multi-year partnership with the UN Global Fund to fight Malaria, Aids and TB in Africa. In South Africa, Standard Bank donated **R5.1 million** to the fund in 2019.

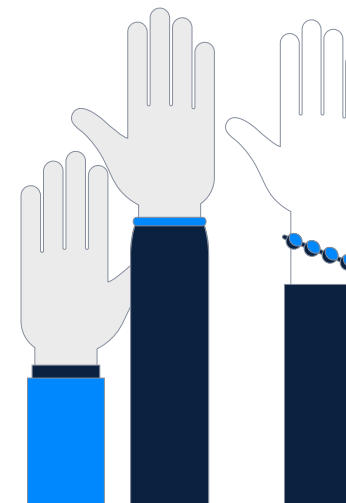
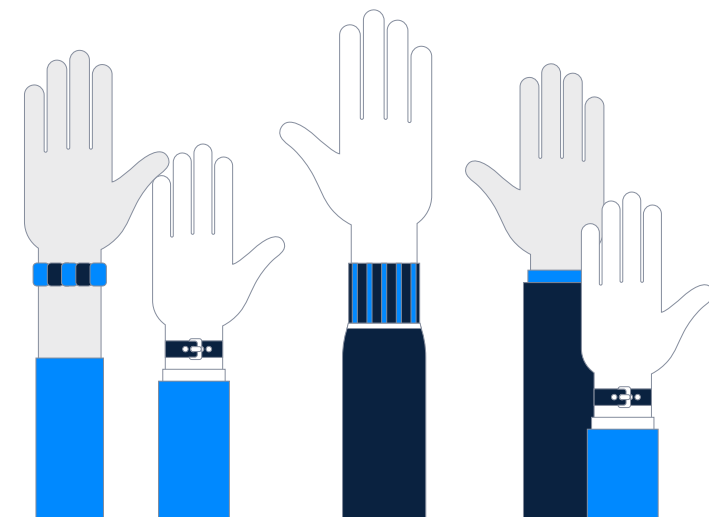


Employee volunteering

We encourage employee engagement in CSI activities, including volunteering in meaningful, sustainable volunteer work in the communities in which we operate.

We see a positive effect on employee engagement and team cohesion, and consequently on productivity, when we encourage, enable and support employee community involvement through volunteering. We work with the NGOs to structure appropriate volunteering opportunities for our employees.

Our staff matching scheme means that, when our employees donate to a registered charitable organisation, we match the donation using our CSI funds, doubling the funds received by the beneficiary organisation. In 2019, the bank matched almost R2.4 million in employee donations and donated R8.9 million for employee-volunteering initiatives, which included library and ECD centre makeovers and a house-building project.



SOCIOECONOMIC DEVELOPMENT AND CONSUMER EDUCATION CONTINUED

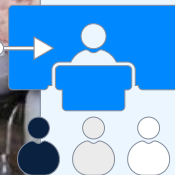
Consumer education

Standard Bank's WalletWise programme aims to help people use financial services effectively and affordably by providing information about financial products and services and raising awareness of digital platforms and how to use them.

The programme targets those with a household income of less than R15 000 per month, and includes content tailored for young people, small enterprises and people without formal bank accounts, with a focus on rural and non-metro areas. WalletWise raises awareness through edutainment, using print and digital media, social media, radio and television, community outreach, and in-branch training in selected communities. Content is provided in nine of South Africa's official languages.



In 2019, we spent **R53 million** on the programme.



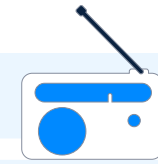
We reached **8 500 people** through classroom training, including in rural areas



Over **6 000 young people** through activations at high schools and tertiary institutions; **500 000** people through community activations, including at taxi ranks

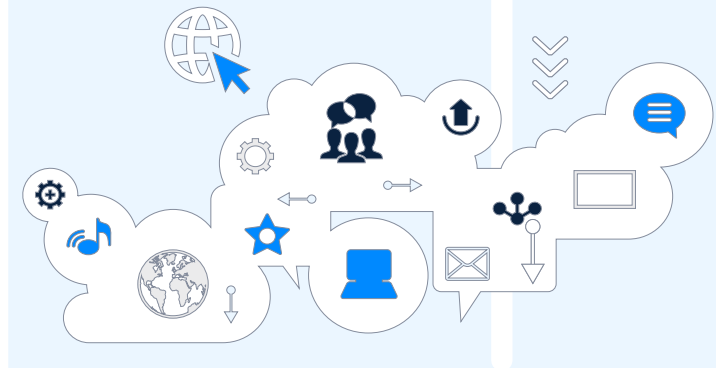


About **30 million** people through television campaigns



25 million people through radio campaigns

200 000 unique visits to the website



Reached a further **35 000 people** through engagement on social media





Empowerment financing and enterprise and supplier development

To promote enterprise growth and job creation, there is a need to grow the black business sector, from entrepreneurs and small business owners to large businesses.

Standard Bank has well-established programmes to support empowerment financing and enterprise development. Our enterprise development team works closely with our procurement team to ensure we make the most of opportunities to incorporate small enterprises into our supply chain and help them grow into larger businesses. We scored **23.65** out of 29 for the empowerment financing and enterprise development element (including 2.53 of 4 bonus points).

Empowerment financing

We scored **9.6** out of 9.6 for empowerment financing – targeted investments. This category includes targeted investment in transformational infrastructure, black agriculture and affordable housing, as well as black SME financing.

From 1 January 2018, we made targeted investments of R5.8 billion, including but not limited to:



R208 million
in transformational
infrastructure



R81.6 million
in black agriculture



R3 billion
in affordable housing



R2.5 billion
in black SME financing

We also invested R15.763 billion in BBBEE transactions and black business growth over the same period. We scored **2.4** out of 2.4 for Black SME financing, and **3** out of 3 for BBBEE transaction financing and black business growth/SME funding.

EMPOWERMENT FINANCING AND ENTERPRISE AND SUPPLIER DEVELOPMENT CONTINUED

Affordable housing

The FSC requires banks to provide affordable housing for consumers that earn a gross income between R3 500 and R23 300. Standard Bank's Affordable Housing book is valued at around R25.6 billion. In 2019, we registered 5 667 new affordable home loans. As the largest lender in the affordable housing sector, with a 27% market share, we have almost 99 500 customers on our books.

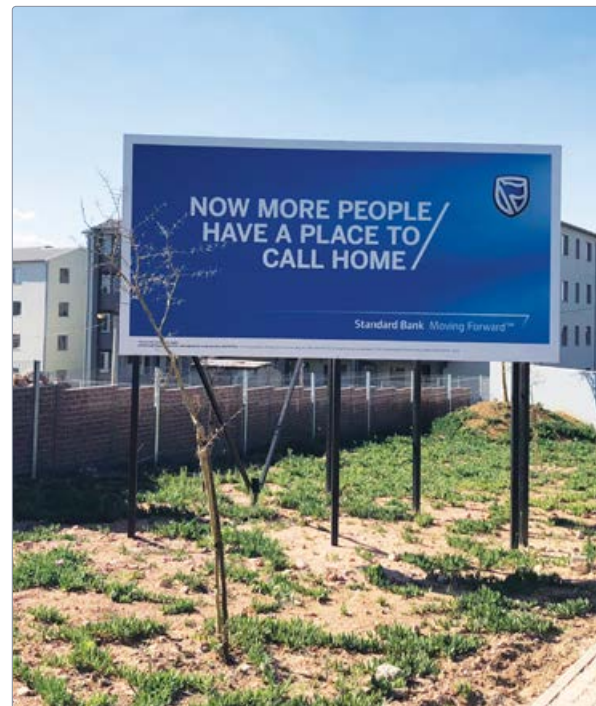
Standard Bank offers all our affordable housing mortgage customers online or classroom-based training to help manage their home ownership obligations. Training is provided by the external service providers and funded by the bank. In 2019, 1 037 customers participated in the programme.

We work closely with the National Department of Human Settlements, National Housing Finance Corporation and the provincial housing departments to help our customers access the Finance Linked Individual Subsidy Programme (FLISP) offered by the government. The programme targets the gap market – households earning more than R3 501 but less than R22 000. These families find it hard to qualify for housing finance, as their income is regarded as too low for traditional mortgage finance from banks, but too high to qualify for the government free basic housing subsidy scheme. Qualifying households can access a FLISP subsidy, ranging between R27 960 and R121 626, depending on the applicant's monthly income.

Despite South Africa's tough economic conditions, 82% of our affordable housing customers are keeping up with their repayments. We are working with 7% of our customers who are showing signs of struggling to

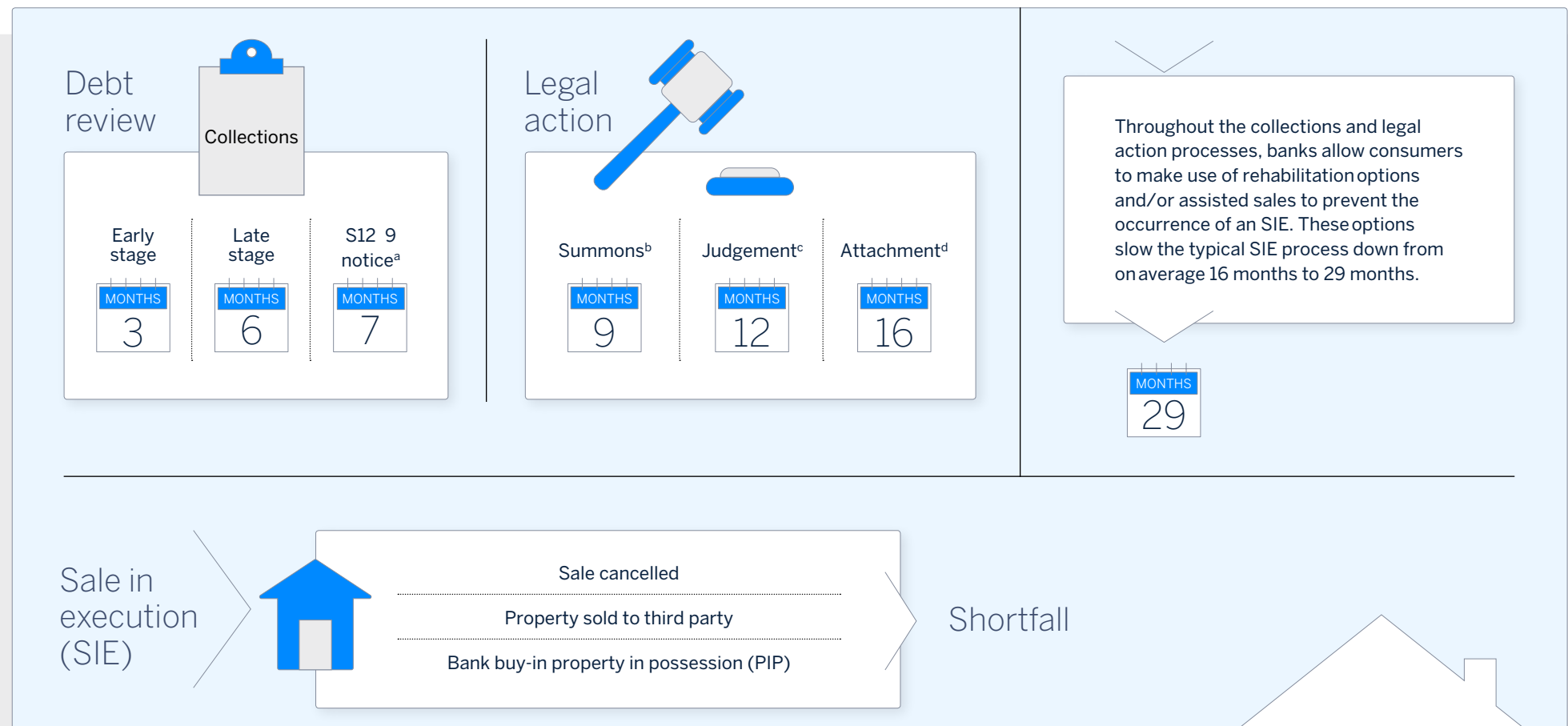
service their home loan to get back on track, providing them with alternative options that include a pause on their loan, an extension on the loan terms or a reduced repayment. **In 2019, 2 861 home loans were restructured** to keep families in their homes.

We do everything we can to help our customers stay in their homes. However, in 2019, we regrettably had to enter legal processes with 1.6% of our customers who were in default, after all alternative arrangements had been exhausted. During 2017 and 2018, we undertook a series of engagements with government officials, members of parliament, and civil society groups to gain a better understanding of what we, as a bank, can do to try to prevent mortgage defaults. We have since implemented various changes, including more proactive communication with stakeholders regarding the processes followed in cases of default, and the options available to customers, including loan restructuring and assisted sales. We have also increased our focus on ensuring the courts have the relevant information on steps taken to try to assist customers in distress prior to taking the matter to court.



EMPOWERMENT FINANCING AND ENTERPRISE AND SUPPLIER DEVELOPMENT CONTINUED

KEEPING PEOPLE IN THEIR HOMES: THE LEGAL PROCESS WE FOLLOW WHEN CLIENTS FALL BEHIND ON THEIR MORTGAGES



a. Section 129 notice is the first step in the legal process when one has defaulted on a loan repayment. It is the notice issued in terms of Section 129 of the National Credit Act (NCA), advising a consumer that they are in arrears of a certain amount in unpaid instalment(s) at a given date. A credit provider, or an attorney appointed by the credit provider, may issue notice according to Section 129 of the NCA at any time after the client has been in arrears for more than 20 business days. The credit provider may not proceed with any legal action without having fully complied with NCA requirements as contemplated in Sections 129 and 130.

b. An order to appear before a judge or magistrate.

c. Decision by the court.

d. The transfer of the property to the creditor

EMPOWERMENT FINANCING AND ENTERPRISE AND SUPPLIER DEVELOPMENT CONTINUED



BBBEE transaction financing and black business growth

We were involved in several major transactions in 2019, which increased economic participation by black people and led to the creation of new companies and jobs.

For example, we acted as sole advisor, third party lender, external preference share subscriber, equity secured funder, bookrunner on delta hedge execution and JSE sponsor for Sanlam's transformative R8 billion BBBEE transaction which aimed to position Sanlam's South African operations for strong growth through enhanced economic empowerment credentials. We played a key role in explaining the merits and importance of the transaction to Sanlam's international investors to secure the requisite 75% shareholder approval. Thanks to a seamless collaboration across advisory, corporate broking, equity capital markets, debt and global markets, we were able to provide a fit-for-purpose solution that will enable Sanlam to meet its transformational objectives and create long-term value.

Sanlam is one of the first major South African insurers to achieve a Level 1 BBBEE scorecard rating in accordance with the updated Financial Services Charter. Beneficiaries of the transaction include professional black women, rural and urban black women groups, black youth and black business partners.

In 2018, SBSA advised on, structured and part-financed a deal for the South African National Taxi Council (SANTACO), which enabled SANTACO to acquire a 25% stake in SA Taxi, a subsidiary of Transaction Capital. By enabling SANTACO to access a direct stake in SA Taxi, the transaction has contributed to SME empowerment and economic transformation. SANTACO's members are now able to expand into higher margin upstream sectors, and to benefit from deals negotiated alongside SA Taxi. In 2019, for example, SA Taxi partnered with Bridgestone tyres to offer taxi owners a R450 discount per tyre on the normal retail price. SA Taxi's recently established parts business is providing quality and affordable second-hand parts to the taxi industry. Both deals are delivering cost savings for the industry, while helping to improve the safety and reliability of the country's taxi industry, to the benefit of the millions of South Africans who depend on it every day.

Standard Bank's Agribusiness Transformation Programme develops black commercial farmers and black owned agribusinesses to contribute to the transformation and economic viability of the agricultural sector in the Free State, support job creation and improve food security. Objectives include developing black sustainable commercial farmers, developing sustainable secondary agribusinesses, cultivating mutually beneficial relationships among stakeholders, strengthening agricultural training and development networks in Africa, improving academic programme and graduate employability. In 2019, we ran six training sessions in conjunction with the University of the Free State, in Bloemfontein, QwaQwa and Kroonstad.

EMPOWERMENT FINANCING AND ENTERPRISE AND SUPPLIER DEVELOPMENT CONTINUED

Supplier development

Our supplier development (SD) programme includes a focus on access to market, access to business development and bespoke financial solutions. In 2019, we scored 3.12 out of 7 for supplier development, and an additional 2 out of 4 bonus points. Supplier beneficiary numbers have increased from 115 to about 415 in 2019.

274 suppliers participating in our supplier development programme received procurement opportunities amounting to **R1.2 billion** in 2019. Of these, **115** beneficiaries have received business development support, including technical support, coaching and training in various aspects of their business.

In 2019, we achieved improved alignment in our supplier development initiatives across the bank. As a result, 36% of the opportunities identified as 'set aside' were converted and successfully awarded to black-owned emerging micro enterprises (EME) and qualifying small enterprises (QSEs).

Supplier development also provides concessionary rates and pricing to suppliers that participate in our SD programme. The current SD loan portfolio is around **R139 million**, comprising business lending, VAF, home loans and commercial property finance products.

In our credit rehabilitation and recoveries (CRR) value chain, procurement from black-owned suppliers increased from 44% of total spend in 2017, to 68% in 2018, to 76% in December 2019 (with 2019's weighted spend reported at 115%). The team proactively identifies non-performing suppliers as part of its standard

supplier performance process. These suppliers are placed on probation. Any black-owned suppliers placed on probation are invited to participate in our supplier development programme and receive business development support. In 2018, 50% of the black-owned suppliers referred to the supplier development programme improved their performance and were re-instated on the credit rehabilitation and recoveries panel. During 2019, one black-owned supplier was placed on probation and invited to participate in our supplier development programme to receive business development support. Following this intervention, the supplier remains on the panel.

Black advocate representation and spending on CRR in 2019:

- **48% representation against target of 40% and 35% spend against target of 40%**
- **Representation target increased to 50% for 2020, with spend remaining at 40%.**

Total CRR attorney spend versus black-owned attorney spend:

- **Year-on-year the total spend allocation in respect of black-owned firms increased from 41% in 2017 to 48% in 2018 and to 66% in 2019, exceeding our internally set 2018 and 2019 targets.**

The Standard Insurance Limited (SIL) team which provides a wide range of short-term insurance solutions, is committed to using locally-based, black-owned enterprises to service customer claims. We onboarded a number of new qualifying black-owned service providers to service SIL claims. In 2019, 99% of our spending (amounting to over R1 billion) was on Level 1–4 service providers, of which 67% were black-owned businesses (R671.2 million) and 22% were black women-owned businesses (R225.7 million).

The SIL supply chain management team visited small black-owned service providers in metro areas around the country to provide information and support. We'll expand our visits to non-metro areas in 2020. We also held regular sessions with industry associations to support the development of their black-owned member companies. And we're a signatory to the SAIA Interim Measures Agreement, which aims to increase participation of black-owned panel beaters. We continue to work with the enterprise and supplier development team to identify and address specific developmental areas within newly onboarded businesses, to help improve operational efficiencies and grow their businesses.

In the **motor and non-motor space***, we're developing specific criteria to support local black-owned enterprises. Only 1% of current spend is allocated to non-compliant BBBEE suppliers. This is due to the specific customer demands in outlying areas where qualifying candidates may not be available.

* Refers to monies spent on repairing insured motor vehicles (motor space), and spend on repairing damage to buildings and/or the replacement of lost or damaged personal items insured on the policy (non-motor space).

EMPOWERMENT FINANCING AND ENTERPRISE AND SUPPLIER DEVELOPMENT CONTINUED

Enterprise development

We aim to make funding more accessible to small black owned businesses. We scored **3** out of **3** on the scorecard for **enterprise development**. Our focus is on sustainable business growth. We spent **R41.17 million** on Enterprise Development initiatives in 2019, creating **1 054 jobs** and benefitted **488** entrepreneurs and small business owners.

Funding support

One of the main areas in which ED supports small businesses, is by making funding more affordable. Over R11 million was spent in 2019 on working capital and equipment funding to help support small businesses become operational. This funding support additionally helped maintain existing jobs, as well as create over 120 new sustainable jobs. Some of these businesses supported include:

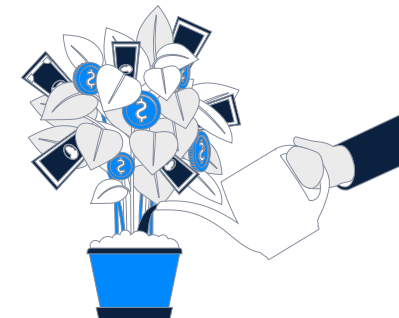
- Ivili Loboya, Africa's first cashmere fabric manufacturer, was established in 2015 as a wool processing hub in Ibika. Ivili was founded by Dr Vuyo Mahlali and is built on a value chain approach that recognises communal farmers, most of whom are women, together with other suppliers, including commercial farmers and wool agents. We continue to support this black-female owned business across the value chain.
- Vinnie's Grill, food and beverage, a first of its kind restaurant in Mthata, Eastern Cape. We financed the final kitchen equipment and helped grow the company's turnover by 400% within six months.
- Little Beaker, a distributor of Liquified Petroleum Gas, identified an opportunity in the community as the sole distributor within a 100km radius. The owner invested his life savings on getting the infrastructure set up and licensing. With one additional investment, the business grew in revenue by 200% within four months.

Other investments include the technology, professional services, agriculture, construction, renewable energy, food and beverage, retail, travel management and fashion design sectors.

Initiatives leading with development

Over R14 million was invested in 2019 to support small businesses to access funding, through leading with development initiatives. This included a number of investment programmes, alongside industry exposure events. We worked with developmental support agencies, and made capital available to support post development operations. Initiatives included:

- **The Women in ICT Programme**, in partnership with the Department of Telecommunications and Postal Services (DTPS). The winner of this programme, Simangele Mphahlele's Ejoobi, was awarded business development support to the value of R300 000 from Standard Bank. Ejoobi's mission is to enable organisations to connect to hard-to-reach job seekers through customised USSD and SMS campaigns.
- **ITU Industry 4.0 Challenge**, again in partnership with the DTPS, supported six ICT businesses to attend ITU Telecom World in Budapest, an annual event which brings together digital start-ups and SMEs, governments, regulators, industry leaders and experts from around the world. These businesses further received developmental support preparing them both for the international and local markets.
- **Business in a Box initiative**: partnering with Coca-Cola Beverages South Africa, 30 retail businesses have been set up in Merafong, servicing and supporting their local communities. These businesses will have the opportunity to receive investment to become self-sustainable and growing retail entities, with an expanded product line and service offering.
- Other initiatives included the BMF Innovators and Inventors Programme, the Tshwane Youth Idea Validation, the Grain Agriculture development and fund support, Accounting Services and other business development support for numerous small businesses nationwide.



Accessing funding through loans with concessionary pricing and conditions

We offer solutions to support small businesses that have purchase orders or contracts to access funding and accessible interest rates. Examples include:

- Construction contractors loans for working capital and materials, along with development support through professional services company Tusk. Over R68 million was dispersed in 2019, with 0 losses. 843 jobs were created.
- Working with Limpopo and Mpumalanga provincial governments, we dispersed over R24 million to suppliers with valid purchase orders.
- Early stage travel management companies were supported in collaboration with Diner's Card, providing working capital for these emerging players in the tourism industry.
- A rehabilitation fund was established and dispersed more than R18 million in interest-free loans to financially rehabilitate businesses with judgements against them, but with valid contracts in place. These efforts have resulted in multiple businesses re-entering the formal banking market and able to access funding.



Access to financial services

Financial inclusion is related to economic growth, efficiency, dignity and welfare. Low levels of financial inclusion undermine the integrity of the financial system and pose a risk to socioeconomic development. We scored **9.95** out of 12 for this element of the scorecard, lower than our scores in 2018 and 2017.



* Availability of cash withdrawal facilities per number of qualifying customers based on population density in the agreed measured area.

Our offering is aligned with the banking behaviour of the majority of South Africans, who increasingly choose digital channels over face-to-face options to conduct their financial transactions. In 2019, 99% of transactions by SBSA customers were conducted digitally. However, SBSA scored only 14% against a target of 35% for electronic access for people earning up to R6 880 per month, owing to the specific parameters against which the indicator is assessed.

ACCESS TO FINANCIAL SERVICES CONTINUED

Digital solutions to improve access and affordability

Digital solutions enable us to meet human needs and to further human aspirations, in a cost-effective and sustainable manner. Our digital wallets and apps enable our customers to transact efficiently, safely and conveniently.

For example:



- The **MyMo** transactional account can be opened digitally and costs just R4.95 per month. This includes the monthly account fee, cash withdrawal fee, debit order fees and electronic account payments fees. Customers also get free airtime or data every month.
- **Samsung pay** enables our customers to transact securely with their phones and other digital devices at contactless-enabled merchants and traditional point of sale devices, with technology that mimics the magnetic stripe on a bank card. Between the launch in late 2018 and December 2019, over **37 000** customers had digitised their cards and almost **500 000** transactions had been concluded.
- We have partnered with Cape Town based technology company **iiDENTIFii** to enable new customers to open accounts remotely, using biometric digital identity verification. Customers can open an account in under 60 seconds, from wherever they are, with no need to visit a branch. All they need is a mobile phone (Android or iOS) and an official identity document (ID). They validate their ID by taking a selfie, verify their address, and provide additional information such as their source of income. iiDENTIFii matches the data from the selfie and the ID with a facial biometric at an issuing authority or government department. The technology is safe and secure, and iiDENTIFii has been verified as legally compliant by ENSAfrica. Customers can use the iiDENTIFii process to open a MyMo or Shyft account and are able to transact the same day.
- Our customers can purchase Apple, Samsung and Huawei smartphone devices through the bank. Devices can be financed over 24 months using an extended payment facility on Standard Bank credit card accounts. Benefits include a 10% discount on handsets, free voice and data to the value of a customer's monthly account fees, 1MB of data for every R20 swipe, UCount points and up to 2GB of free data.
- Use of our **Instant Money** service grew by an average of 70 000 new customers per month in 2019. Transaction volumes grew by 18% year-on-year, while transactional values saw a 22% increase year-on-year. Average user transaction values have grown from under R500 to over R700 in the last few years. The service is particularly in demand at month-end, during long weekends, school breaks and holiday periods. SBSA offers the Instant Money transfer service at more than 6 500 access points across South Africa. Average charges are between R9.95 and R12.50 per transaction, with no fee to the beneficiary.
- Instant Money for businesses shows annual growth of over 100%. **Bulk Instant Money** allows businesses of any size to disburse funds through the Instant Money platform to any person in real time. Recipients don't need a bank account and can collect their funds at a convenient date and time.

ACCESS TO FINANCIAL SERVICES CONTINUED

Branch closures in South Africa

As our clients move increasingly toward digital channels and away from the use of branch-based services, we need to adjust accordingly.

In line with changing customer behaviour, we closed 90 branches in South Africa in 2019. Fewer than 100 employees were formally retrenched. Many of the impacted employees were successfully redeployed to other roles in the bank. 920 opted for voluntary retrenchment.

We currently have 528 branches in South Africa, and are investing in the development of 244 of our most used branches, to better meet our customers' needs. We continue to work with our clients to raise awareness of alternative options to branch services, while acknowledging that some people prefer to use a physical branch for certain banking requirements.



Where to find more information

For more information about the ways in which Standard Bank is impacting on the economies and societies in which we operate, please visit our [Report to Society](#) website. For detailed information on our material issues, and our performance against our five value drivers, please refer to the [Standard Bank Group's Annual Integrated Report](#) and our [ESG report](#)

