



STANDARD BANK GROUP

# Reporting to Society 2018

Moving Forward, Together

**Standard Bank** Moving Forward™  
Also trading as Stanbic Bank





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# Introduction to the Standard Bank Group

## We are a financial services organisation in, for and across Africa.

**Our purpose is to drive Africa's growth.** We are committed to being more than a provider of financial products and services – we are a catalyst for economic change in our countries of operation and we make life better for our fellow Africans by doing the right business the right way.

We operate in 20 African countries and are headquartered in Johannesburg. Our primary listing is on the Johannesburg Stock Exchange (JSE) in South Africa, with a secondary listing in Namibia. Subsidiary banks are listed on exchanges in Kenya, Malawi, Nigeria and Uganda.



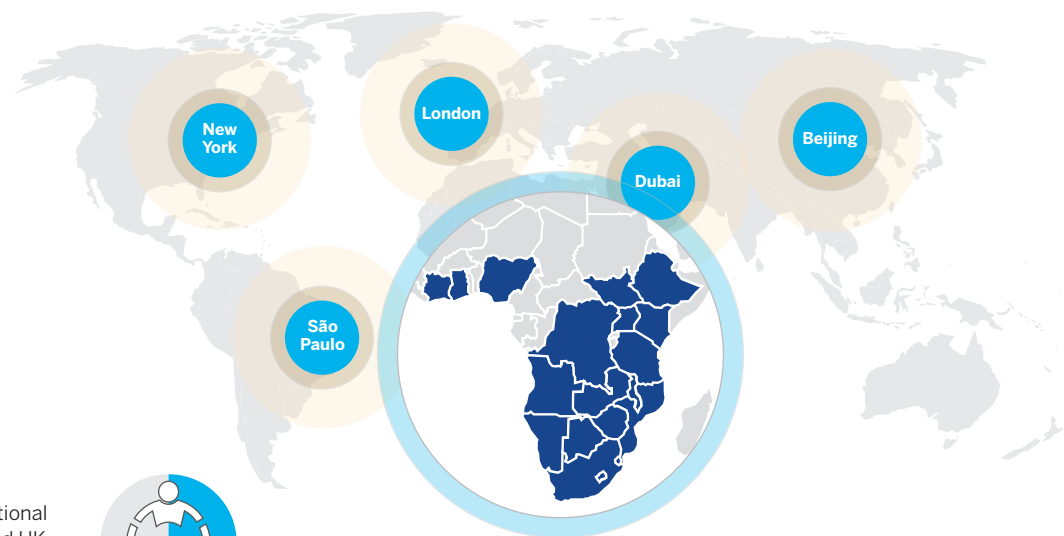
49% of Standard Bank is owned by South Africans.

51% of Standard Bank is owned by international investors, with China (20%), USA (15%) and UK (2%) making up the top three.



### INTERNATIONAL FINANCIAL SERVICES

- Isle of Man
- Jersey
- Mauritius



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 12.3% of shares.

The Standard Bank Group (SBG) is the largest African banking group by assets, with a market capitalisation of approximately R289 billion (USD20 billion), offering a range of banking and related financial services across sub-Saharan Africa.

Our vision is to be the leading financial services organisation in, for and across Africa, delivering exceptional client experiences and superior value.

Being a truly African organisation allows us to create shared value for our clients, our people, our shareholders and society by contributing to their financial wellbeing and the socioeconomic growth of the economies in which we operate.

We have a 157-year history in South Africa, and for 30 years we have been building our franchises across sub-Saharan Africa as well as extending into key international markets.

We subscribe to the Code of Banking Practice, a set of principles governing banking in South Africa which ensures the highest standards of professionalism, integrity and fairness.



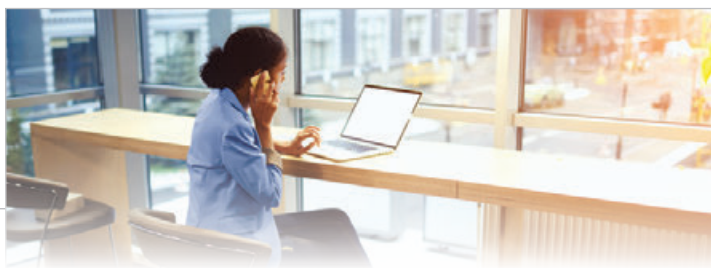
## INTEGRATED FINANCIAL SERVICES



**PERSONAL & BUSINESS BANKING (PBB)** provides banking and other financial services to individual clients and small and medium-sized enterprises (SMEs).



**CORPORATE & INVESTMENT BANKING (CIB)** offers corporate and investment banking services to clients, including governments, parastatals, larger corporates, multinationals and financial institutions.



**WEALTH** offers insurance, investment, fiduciary, bespoke banking and multi-generational wealth preservation solutions to high net worth, retail, business and commercial and corporate clients across the group's footprint.



### LIBERTY

Life insurance and investment management activities of the group companies in the Liberty Holdings Group. Please refer to [www.libertyholdings.co.za](http://www.libertyholdings.co.za) for more information.

### WHO WE ARE

We are an African-focused, **client-centric, digitally enabled, integrated** financial services organisation.

### OUR OPERATING CONTEXT

Our presence across a wide range of countries and sectors presents us with both risks and opportunities.

### OUR STRATEGY

Our strategy remains unchanged, and continues to respond to our operating context, our stakeholders' needs and the related material issues.

### FOCUS AREAS



Client centricity



Digitisation



Integrated group

### OUR VALUE CREATION MODEL

Our business model enables us to respond in a dynamic environment of competing stakeholder expectations, complex competitive forces and regulatory pressures.



Standard Bank's value drivers  
– Arno Daehnke



SEE and why it is important to Standard Bank  
– Sola David-Borha



# Our reporting suite

We publish several reports to provide our stakeholders with the information they need to assess our performance.

Our annual integrated report, our primary report, provides a holistic and material assessment of our ability to create value over time. It considers the issues material to maintaining the commercial viability and social relevance required to achieve our strategy in the medium to long term, and covers both our financial performance and material non-financial information.

Our Reporting to Society platform aims to communicate with a broad group of stakeholders about how we impact on the societies, economies and environments in which we operate.

It provides information on those areas in which we believe we can and do make a significant positive contribution to improving life for our fellow Africans, and mitigating any negative impacts.

## Reporting to Society

An account of our social, economic and environmental impacts and how these contribute to our sustainability and ability to achieve our purpose. It includes our environmental, social and governance report, and Standard Bank South Africa's transformation report.

### Key frameworks applied

- King IV Code of Corporate Governance
- CDP (previously Carbon Disclosure Project)
- United Nations (UN) Sustainable Development Goals
- Equator Principles
- Global Reporting Initiative (as a guide)

### Assurance

PricewaterhouseCoopers Inc. has provided assurance over selected information. Refer below for details.

### REPORT TO SOCIETY

#### FURTHER READING

#### Annual integrated report

Holistic assessment of the group's ability to create value, in the short, medium and long term.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

#### FURTHER READING

#### Governance and remuneration report

A detailed review of the group's governance and remuneration practices.

### SBSA TRANSFORMATION REPORT

#### FURTHER READING

#### The Standard Bank of South Africa (SBSA) annual report

As the group's largest banking subsidiary, SBSA produces its own annual report and audited annual financial statements.

Note: References made to local currencies in Africa Regions include conversions to South African Rand based on the closing rate in 2018.

## ASSURANCE OF THE REPORTING TO SOCIETY

We have a series of internal policies, procedures and controls in place to ensure that accurate data is provided. Our group social and ethics committee provided oversight of this report. PricewaterhouseCoopers provided limited external assurance on selected performance data in this report, indicated by a ✓, in accordance with the International Standard on Assurance Engagements (ISAE 3000). The scope of the assurance engagement and the statement of assurance are provided on page 17 of this report.

# A letter from our CEO

Standard Bank is driven by our purpose: **'Africa is our home, we drive her growth.'** We are an African financial services organisation with a clear understanding of the challenges and opportunities in our countries of operation. We see it as our core job to develop commercially sound ways to address these challenges, thereby accelerating economic growth and human development and making a better life for our fellow Africans.

Some of the ways in which we do this include providing financial services that are relevant and appropriate to the markets in which we operate; facilitating infrastructure development, trade and investment; enabling businesses to invest in the equipment and inputs needed to improve productivity and access new markets, and supporting individuals to save, buy homes, access education, and protect and grow their assets and earnings. Our objective is to create shared value – **benefiting society while achieving financial returns for the group.**

There's a great deal of commentary at present about the potential obsolescence of 'traditional banks'. It's certainly the case that all sorts of companies, from retailers to technology start-ups to global tech giants, can and do offer a variety of banking products and services. We're keenly aware of the competition, and we're evolving to meet it head-on. We're making some significant changes to how we operate. We're working more closely with our clients to ensure we're able to deliver fully integrated, full-service solutions that meet all their financial services needs. We're also partnering with telecommunications and tech companies, and others, to broaden access to financial services, creating new opportunities for Africans to save, borrow, invest and grow their wealth. And we're interrogating the kind of business we do, and the way we do it, to ensure that **the social, economic and environmental impacts arising from our activities have a net benefit for society.**

Last year, we reported that we had adopted five value drivers against which we would measure our success: client focus; employee engagement; managing risk and conduct; financial outcomes; and social, economic and environmental (SEE) impacts. We also noted that we'd begun the journey to get every part of our business to measure and report on its performance against these value drivers, looking beyond traditional financial indicators, and deepening our understanding of our broader impacts. I'm pleased to report that we're making good progress.

Across the group, our management teams have adopted the five value drivers, and have integrated them into decision-making processes. Our internal reporting processes have been adapted to reflect progress against the value drivers, and this year, our annual integrated report is structured according to the value drivers.

**We expect every member of the Standard Bank team, from executives to relationship managers to tellers and call centre staff, to consistently apply a shared value lens to the work we do and the decisions we make.** We should all be continually asking ourselves whether our decisions and activities will help to fulfil our purpose to support sustainable economic growth, job creation and human development in the long term. We all need to think carefully about the impacts of every decision not just for the group, but for the communities in which we operate, the broader economy, and the generations who will follow us.

We're mindful of our direct impacts – the relevance and utility of the products and services we provide, how we treat our customers, our role as an employer and as a purchaser of goods and services.

**We're also looking closely at our indirect impacts, created by the projects we fund and the business activities we enable, and thinking carefully about the trade-offs that need to be made.** Over the course of this year I've participated in many challenging and valuable conversations about whether we should be funding coal-fired power stations, for example. We've heard the arguments in favour, including access to affordable and stable electricity supplies and the protection and creation of jobs, and the counter-arguments regarding damage to the natural environment, damage to the health of local communities, water scarcity and rising carbon emissions. We recognise that most African economies are not currently in a position to walk away

from coal, but that there are opportunities to support cleaner coal technology, while simultaneously supporting the development of renewable energy infrastructure across Africa.

Another challenge we continue to grapple with is how to improve access to credit for Africa's entrepreneurs and start-ups, who have the potential to grow and create new jobs, but who also run a significant risk of defaulting on their loans. We're developing new ways to lend to this market while minimising risk to our depositors – harnessing the potential of technology to better assess and manage risk while actively supporting our small business clients through access to business development support programmes and market access opportunities. At the same time, we're expanding our digital and mobile-based solutions, to extend access to affordable and relevant transactional services.

## **As always, we welcome your feedback.**

Our business is built on long-term relationships with our stakeholders. We rely on our engagements with you to assess what we're doing well, where we need to do better, and how to ensure we remain a financial services partner of choice across Africa.

**Sim Tshabalala,**  
*Chief executive,  
Standard Bank Group*





# Stakeholder engagement

We recognise that we cannot achieve our purpose **‘Africa is our home, we drive her growth’** without our stakeholders. That’s why we engage with our stakeholders on a regular basis, to understand their concerns, build relationships and develop partnerships.

Our stakeholder engagement maintains and strengthens our legitimacy and social licence to operate; and builds on our reputation as a socially relevant and responsible corporate citizen. We rely on engagement with a broad range of stakeholders to better understand the social and environmental impacts of our business activities, including indirect impacts arising from the projects and businesses we fund. We are committed to building constructive

partnerships with our stakeholders, as part of our efforts to support the development and implementation of effective solutions to the social and economic challenges in our countries of operation. We commit to engaging with our stakeholders in a transparent and constructive manner. Engaging with our stakeholders is an important vehicle for developing social and relationship capital.

## Governance of stakeholder engagements

Our engagement is governed by our group stakeholder engagement principles. Standard Bank Group’s social and ethics committee approved group stakeholder engagement principles in 2018. These act as a guideline for our operations across geographical areas, while recognising the need to accommodate local contexts. The principles were developed in consultation with our regional and country chief executives across Africa.

We are committed to:

- Constructive engagements with our stakeholders and taking account of their concerns and suggestions
- Being accessible
- Responding appropriately to legitimate concerns
- Maintaining transparency in our engagements
- Ensuring that our code of ethics and our values underpin and inform our engagements

The Standard Bank Group board has overall responsibility for oversight of stakeholder engagement. It has delegated its oversight function in this regard to the group social and ethics committee, in line with the requirements of the King IV Code of Corporate Governance. The group social and ethics committee is responsible for:

- Setting the underlying ethos and direction of stakeholder engagement
- Approving stakeholder engagement standards and policies
- Delegating to management the responsibility for the implementation of effective stakeholder engagement
- Exercising ongoing oversight of stakeholder engagement
- Disclosing information on stakeholder engagement in our external reporting

The group social and ethics committee receives and considers a quarterly report on material stakeholder engagement across the group. Governance standards, policies and guidelines pertaining to stakeholder engagement are approved by this committee. At country level, the board may have oversight of stakeholder engagement in country or may delegate oversight to the executive committee. Chief executives in country are responsible for engagement with material stakeholders in the country.

Group policy, advocacy and sustainability, within group risk, is responsible for developing the governance framework for stakeholder engagement across the group, including reporting on material stakeholder engagement to the group social and ethics committee. It is responsible for ensuring that material stakeholder concerns and issues are incorporated into Standard Bank’s annual assessment of material issues. It also serves as a subject matter expert on developing good stakeholder engagement practices and managing certain stakeholder engagements on behalf of the Standard Bank Group.

Standard Bank’s stakeholders are those individuals, groups, and organisations that materially affect or could be materially affected by our business activities, products and services and performance. They provide us with the resources we need to achieve our strategy and purpose; influence the environment in which we operate our business; and confer legitimacy on our activities.

## Identifying our stakeholders

Our stakeholders are categorised into **two primary groups**:

**Stakeholders with a direct relationship with the group**

Our clients, our people, our partners, our suppliers, our investors



**Stakeholders with an indirect relationship with the group, but with a stake in our performance**

Civil society organisations, professional bodies, regulators, policy makers, academia, legislators, the diplomatic community, political parties, special-interest and advocacy groups, analysts, researchers and think-tanks, the media and non-governmental organisations



Stakeholder engagement is part of our everyday business. We engage with our different stakeholders in different ways and strive to be responsive to the concerns of our stakeholders. Given the scale of our operations and the diversity of our stakeholders, Standard Bank has adopted a decentralised stakeholder engagement approach. This means that different teams in the bank meet with their stakeholders regularly on matters of mutual interest, exploring potential partnerships, and searching for opportunities to create value. The issues on which we engage with stakeholders are multiple and diverse. Examples include our employee value proposition, progress in achieving transformation and inclusion, understanding the expectations of regulators, communicating strategy and financial performance, and identifying the needs of customers and clients.

Our proactive engagement with stakeholders informs the identification of our material issues, business strategy and operations, shapes products and services, helps us to manage and respond to stakeholder concerns and expectations, minimises reputational risk and influences our operating environment. Underpinning the decentralised operating model is our ethos of listening to, and constructively engaging with, legitimate stakeholders.



We engage with our stakeholders in the following ways:

## Stakeholders with a direct relationship with Standard Bank

STAKEHOLDER GROUP		 CLIENTS AND CUSTOMERS	 OUR PEOPLE	 INVESTORS AND SHAREHOLDERS
WHY?	This is why we think it's important to engage	<p>Our customers and clients are at the centre of everything we do. We have a diverse customer portfolio ranging from individuals and small businesses to large corporates. We need a clear understanding of each of our customers' needs and preferences, to provide an appropriately tailored service offering.</p>	<p>Without our people, we cannot achieve our purpose. As such, regular engagement with our people and their trade union representatives is vital in fostering constructive relationships and truly making Standard Bank a great place to work.</p>	<p>Shareholders provide the financial capital that allows our business to grow and we have a fiduciary duty to manage their investment with care. We need to provide investors with a compelling value proposition to retain their confidence and support.</p>
WHAT?	These are the issues that matter the most to them	<ul style="list-style-type: none"> <li>• Delivering consistently excellent client experiences</li> <li>• Affordable and appropriate products and services</li> <li>• Safety and security of client data and assets</li> <li>• Assisting in times of financial distress (with a particular focus on mortgage defaults and repossession in South Africa)</li> <li>• Ability to compare products/prices</li> </ul>	<ul style="list-style-type: none"> <li>• Access to career advancement opportunities</li> <li>• Creating an environment where our employees are engaged and their wellbeing is supported</li> <li>• Reskilling employees to meet demands of rapidly evolving industry and remain employable</li> <li>• Diversity and inclusion</li> <li>• Accelerating employment equity of senior and top management in South Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Improving efficiency and return on investment</li> <li>• Responding to increased competition in challenging market conditions</li> <li>• Improving performance, including that of Liberty and other banking interests</li> <li>• Leveraging our partnership and collaboration with ICBC</li> </ul>

Stakeholders with a direct relationship with Standard Bank continued

## STAKEHOLDER GROUP



### CLIENTS AND CUSTOMERS

- We've reviewed our internal processes in respect of mortgage defaults and are engaging our stakeholders to improve communication and improve awareness around the options available to assist customers in financial distress
- We run financial literacy programmes to assist customers to better manage their finances, targeting individuals, entrepreneurs and SME owners
- Across Africa, our executives engaged with corporate and business clients in 2018, to explore how best to deliver a tailored, seamless client experience
- We hosted the Nigeria Chamber of Commerce in South Africa, to discuss ways to strengthen cooperation and increase trade and investment between Nigeria and South Africa
- In South Africa, we continue to engage with the taxi industry to see how best to assist clients gain access to larger industry value chains



### OUR PEOPLE

- We regularly engage with trade union representatives
- We're keenly aware of the impacts of increasing digitisation on our workforce, and are working with employees to manage these impacts, which include skills development programmes
- We're participating in industry initiatives to support employees to develop skills relevant for future industry requirements
- We continue to focus on increasing representation of black people at all management levels in SA and have achieved a notable increase in top management representation this year
- We continuously engage with our diversity and inclusion forums on matters of equity in the workplace
- 'Critical Conversations' are held on a regular basis focusing on topical issues that give our people a platform to engage with senior executives and thought leaders on topical issues
- The 'Are You a Fan' group-wide employee survey was conducted in 2018 and 31 409 employees across all our geographies completed the survey, a 62% participation rate. The employee net promoter score improved from +14 to +23, meaning that more employees are willing to recommend Standard Bank as a great place to work



### INVESTORS AND SHAREHOLDERS

- We engaged with analysts and investors in South Africa, the United Kingdom and Europe following the release of our 2017 year end results. Analysts noted that we had achieved good results despite the tough environment in South Africa and Africa Regions, and that we are a purpose-driven organisation
- We engaged with a broad range of existing and potential local and international investors in meetings, calls and conferences both locally and internationally. We ensured that key themes and concerns raised were brought to the attention of relevant internal stakeholders, including the board, and considered in our reporting and planning
- Together with ICBC, we hosted the eighth Africa investors' conference in London. Participants included 46 corporate clients, 204 institutional investors, and senior African policy makers



These are some of the ways we responded and engaged

HOW?





## Stakeholders with an indirect relationship with Standard Bank

STAKEHOLDER GROUP		 REGULATORS	 LEGISLATORS AND NATIONAL GOVERNMENTS	 POLITICAL PARTIES AND CIVIL SOCIETY GROUPS
WHY?	This is why we think it's important to engage	We engage regulators to support evidence-based policy-making and dialogue between the public and private sectors. It's important for us to understand and meet the expectations of our regulators.	Governments create and enforce the regulatory frameworks that ensure a safe financial system conducive to economic development. Constructive engagements with government departments help to shape our operating environment.	To achieve our purpose, we must understand the societies in which we do business and respond in a relevant and appropriate way. We engage with diverse organisations to inform our thinking, including political parties, communities, professional bodies, research institutes and think-tanks, and environmental rights non-governmental organisations (NGOs).
WHAT?	These are the issues that matter the most to them	<ul style="list-style-type: none"> <li>• Protecting against cybercrime and fraud</li> <li>• Treating customers fairly and conduct of banks</li> <li>• Demonstrating highest standards of ethics and integrity</li> <li>• Compliance with laws and regulations</li> <li>• Need for a just and sustainable property rights regime in South Africa</li> <li>• Access to the formal financial system and financial services</li> </ul>	<ul style="list-style-type: none"> <li>• Access to financial services/ financial inclusion</li> <li>• Responsible credit provision and the reduction of overindebtedness in society</li> <li>• Management of credit risk</li> <li>• Accelerating inclusive economic growth, job creation, financial inclusion and transformation</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution to and promotion of a just and equitable society</li> <li>• Mortgage defaults and repossession (South Africa), including communication re process and options</li> <li>• Support to small businesses</li> <li>• Improving access to energy while managing potential environmental impacts</li> </ul>

Stakeholders with an indirect relationship with Standard Bank continued

## STAKEHOLDER GROUP



### REGULATORS

- We hold regular formal engagements with central banks and other regulatory bodies on policy, regulatory and operational issues, and engage in policy-making and regulatory processes through industry bodies
- In South Africa, as part of Business Unity South Africa (BUSA) we participated in engagements with the Minister of Economic Development on proposed amendments to the Competition Act
- Senior managers and executives participated in a roundtable discussion on proposals to amend the Constitution to allow land expropriation without compensation. We also participated in engagements with government at industry level
- SBSA hosted a dialogue with representatives of the South African Reserve Bank (SARB) and National Treasury, focusing on fintech, cryptocurrencies, blockchain and regulatory and risk considerations in this area, including the potential impact of automation and digitisation on jobs in the sector
- At the request of South Sudan's central bank governor, we provided compliance training to government officials within the financial sector



### LEGISLATORS AND NATIONAL GOVERNMENTS

- In South Africa, we have participated in various task teams to develop transformation strategies in response to the Parliamentary hearings of 2017 and in preparation for the Financial Sector Transformation Summit to create a consistent industry approach to transformation
- We engaged with various government departments in South Africa to provide more information about our relationship with ICBC and explore opportunities for ICBC to meet with South African government officials
- We directly engaged with regulators in Malawi, Democratic Republic of Congo (DRC), Ethiopia and South Africa on the need for improved efficiencies, digitisation and ease of banking to facilitate financial inclusion

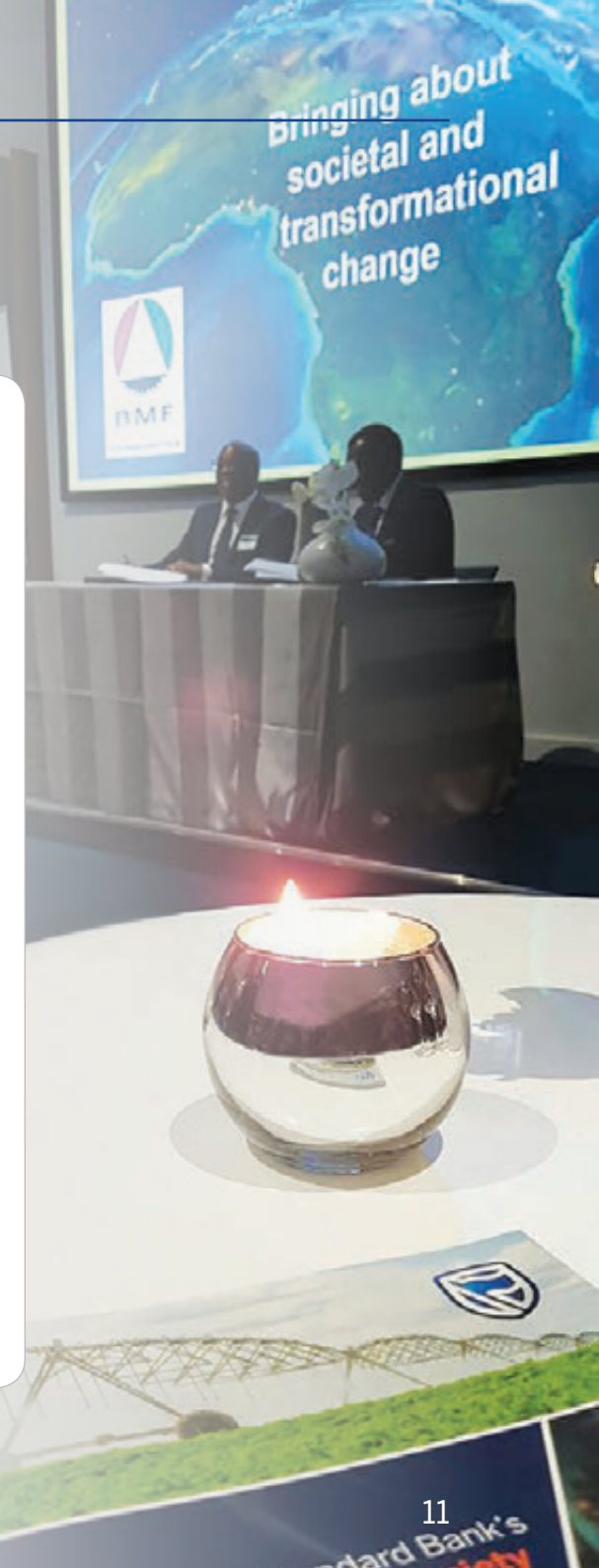


### POLITICAL PARTIES AND CIVIL SOCIETY GROUPS

- We regularly host dialogues/ panel discussions with thought leaders and experts from research institutes and think-tanks to debate socio-political, regulatory and sustainability issues
- We continue to engage with Centre for Environmental Rights, Raith Foundation and shareholder activists to discuss environmental, social and governance (ESG) risk management
- In South Africa, we're active participants in Business Leadership South Africa (BUSA) and the Banking Association South Africa
- We host regular bilateral engagements with South African political parties as part of our Democracy Support Programme through which we provide support for political parties represented in Parliament
- We met with the leadership of the South African National Civics Organisation to provide information on our efforts to support transformation, and to discuss support for private-public partnerships at local government level
- We are chair of the Equator Principles Association. We chaired the meeting of 50 banks in Washington in October 2018

## HOW?

These are some of the ways we responded and engaged





Stakeholders with an indirect relationship with Standard Bank continued

STAKEHOLDER  
GROUP

## REGULATORS

- SBSA proactively participates in public engagements on policy and regulatory developments, through discussions with government departments, Parliamentary processes, and as a member of numerous industry bodies. More detail of these engagements is provided below
- We continue to actively engage and provide input to international standard-setting bodies and have also been playing an important role in creating an awareness of the implications of proposed regulatory changes on Emerging Markets and Developing Economies and on sub-Saharan Africa specifically. During 2018, engagement was mainly with the global Financial Stability Board (FSB), Basel Committee for Bank Supervision (BCBS) and the International Swaps and Derivatives Association (ISDA)

LEGISLATORS  
AND NATIONAL  
GOVERNMENTSPOLITICAL PARTIES AND  
CIVIL SOCIETY GROUPS

- As a member of UNEP FI and vice chairperson of the UNEP FI Banking Committee, we are part of a process to develop a set of global responsible banking principles which will guide the role and responsibilities of the banking industry in financing and shaping a sustainable future. The draft principles were published for consultation in November 2018

- In South Africa, our executives met with Advocate Thuli Madonsela, representatives of her foundation and Stellenbosch University regarding their concerns about home repossessions. The Thuma Foundation issued a press statement and several tweets, thanking Standard Bank for our constructive and open approach, and our 'acceptance of the importance of mainstreaming social justice in banking'

- Standard Bank was the main sponsor of the Responsible Business Forum, held in Johannesburg in June 2018. We participated in panel discussions on youth, innovation and employment; sustainable cities and urbanisation; and small business
- There are times when stakeholders choose to express their concerns through protest marches to our branches or head offices. We have developed a protocol for such incidents to ensure that an appropriate senior representative of the bank is available to receive any memoranda, and that our stakeholder engagement team follows up on resolution of the issues. South Africa experienced a significant number of community protests during 2018, primarily around public service delivery, unrelated to the bank. In some cases, this resulted in branches in impacted areas having to close for a short time, to protect customers and employees. None of these protests were directed specifically against Standard Bank, however

These are  
some of the  
ways we  
responded  
and engaged  
continued

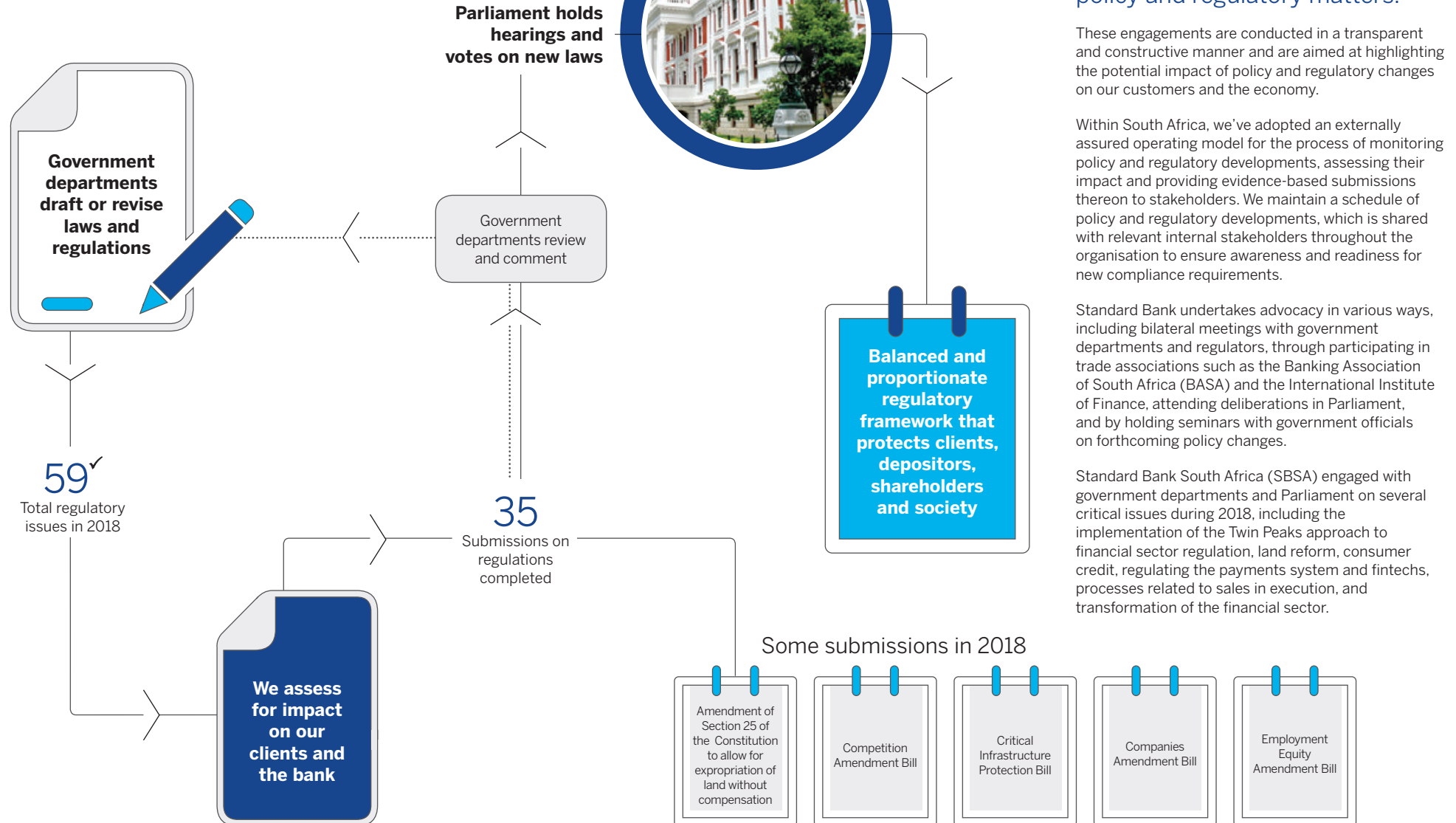
## HOW?



**Prof Thuli Madonsela** @Thu... · 19m  
Thank you @StandardBankZA for meeting us and for the cooperative spirit that characterizes the meeting on foreclosures @ThumaFoundation @StellenboschUni

## Responsible advocacy on policy and regulatory issues

### ENGAGING WITH POLICY MAKERS



POLICY AND REGULATORY THEME	ADVOCACY ACTIVITIES	
<b>Conduct of financial institutions and treating customers fairly</b>	Standard Bank has had programmes in place for several years to ensure the integration of the treating customers fairly (TCF) framework into our business. In 2018, the draft Conduct of Financial Institutions (CoFI) Bill was released and deals with regulating and supervising the conduct of the financial sector, market integrity and consumer education. In anticipation of this draft Bill, Standard Bank engaged with National Treasury and the Financial Sector Conduct Authority, both bilaterally and through BASA, on conduct issues throughout 2018. We also participated in workshops held by the regulators, including a workshop on the World Bank retail diagnostic report to input into the development of CoFI.	
<b>Combating financial crime, money laundering, bribery and corruption</b>	We have been working with BASA and the Financial Intelligence Centre in the SARB to implement the changes to the Financial Intelligence Centre Act to combat financial crime. This is ongoing.	
<b>Consumer credit and tackling overindebtedness</b>	In 2018, Parliament's Portfolio Committee on Trade and Industry published the National Credit Amendment Bill to propose ways of assisting overindebted, vulnerable customers. Standard Bank participated in the public consultation process, including presenting to Parliament, both on an individual bank basis and through BASA. In addition, as part of our standing annual stakeholder engagement programme, we met with the Department of Trade and Industry, the National Credit Regulator and National Treasury on the impact the proposals in the Bill are likely to have on customers, as well as additional interventions which could be considered when customers are facing debt challenges.	
<b>Economic transformation, including the Financial Sector Code, and land reform</b>	<p>Standard Bank participated in Nedlac's Financial Sector Transformation Workshop in April 2018. From the workshop, four working groups were formed. The SBSA CE is the business representative in the group on 'Market Concentration, Monopolisation, Ownership and Licensing'. The working groups are currently drafting resolutions to accelerate transformation. These will be presented at the Financial Sector Summit for adoption. We are also participating in the BASA working groups to develop industry proposals.</p> <p>On land reform, we have been involved in engagements with government as part of the broader industry, through collaborations with BASA, BUSA and the Agricultural Business Chamber. These have included presenting in Parliament to the Constitutional Review Committee on the amendment of Section 25 of the Constitution, participating in roundtables with the Deputy Minister of Public Works on the Expropriation Bill, preparing submissions accordingly, and reaching out to President Cyril Ramaphosa's land reform advisors to further engage on the issue.</p>	
<b>Safety and stability of the financial system</b>	The SARB and National Treasury released the draft Financial Sector Laws Amendment Bill which covers the processes to be followed if a bank is in distress and needs to be remediated or wound up in a way that ensures the financial system and economy are safe and customers are protected. This draft Bill also sets up the mechanism of depositor insurance for customers to be insured in the case of a bank closure or distress. Standard Bank continues to participate in the SARB technical working groups to develop these safety and stability mechanisms, and we are working with BASA on engaging with law and policy makers.	
<b>Sustainable finance</b>	<p>Together with some other member banks of BASA, we participated in a positive impact working group led by National Business Institute (NBI). This working group discussed the relevance of the UN's Sustainable Development Goals (SDGs) to the finance sector and which goals the sector could specifically make a significant impact on. During 2018, we finalised the sectors goals and associated targets of the SDGs.</p> <p>We provided input to BUSA on the draft Climate Change Bill, as well as the Carbon Tax Bill. We also commented on the carbon offset regulation from National Treasury released late in 2018.</p>	



## Material issues during the reporting period

Our material issues are those that matter most to our key stakeholders and providers of capital, and that impact on our ability to create value in the short, medium and long term. We therefore consider an issue to be material if it has the potential to substantially impact on our commercial viability, our social relevance and our relationships with our stakeholders. Our material issues are informed by the expectations of our stakeholders, and the economic, social and environmental context in which we operate (the triple bottom line).

We measure our ability to create shared value in terms of our five strategic value drivers – **client focus**, **employee engagement and risk and conduct**, which determine our **financial outcomes** and our **social, economic and environmental (SEE) impacts**. Our material issues encompass the risks and opportunities in relation to each of these value drivers.

While material issues evolve over time, in response to changes in our operating environment and stakeholder expectations, the broad themes tend to be relatively stable. We view the materiality determination process as a business tool that facilitates integrated thinking.

## HOW WE DETERMINE OUR MATERIAL ISSUES



### Identification

of issues based on engagement with internal and external stakeholders to generate a list of material issues, categorised by value driver, and supplemented by a review of internal reports, emerging risks and strategic priorities, stakeholder engagement and media coverage.



### Engagement

with stakeholders to test the completeness of the list of material issues and define priorities.



### Discussion

by group executive committee members to develop a final list of material issues.



### Review and approval

of final material issues by the group social and ethics committee.

## OUR VALUE DRIVERS



Client focus



Employee engagement



Risk and conduct



Financial outcomes



SEE impacts

Place the **client at the centre** of everything we do

Make Standard Bank a **great place to work**

Do the **right business, the right way**

Deliver **superior value** to our shareholders

Create and maintain **sustainable value**

## OUR MATERIAL ISSUES

- Deliver a compelling value proposition for our clients in an increasingly competitive environment
- Protect and maintain the integrity of client data
- Work with our customers to mitigate overindebtedness (including sales-in-execution)

- Diversity and inclusion (particular focus on gender equity)
- Transformation in South Africa
- Impact of digitisation and automation on workforce requirements
- Build and retain local skills and capabilities in countries of operation

- Cybersecurity
- Stability, security and speed of IT systems
- Reputational and operational risk associated with third parties, counterparties and suppliers
- Card fraud
- Policy, regulatory, and legal risks in key markets
- Constructive relationships with regulatory authorities
- Increase in physical security threats/incidents in Africa Regions

- Returns on IT investment
- Maintain resilience of our balance sheet
- Improve efficiencies and manage the cost base
- Sustainable revenue growth

- Contribute to job creation and enterprise development in countries of operation
- Deepen financial inclusion across Africa with appropriate digital offerings
- Balancing Africa's power and energy needs with the negative impact of climate change
- Adaptation to and mitigation of climate change, especially in relation to water in key sectors and markets



# Assurance statement

Independent Auditor's Limited Assurance Report on the Selected Sustainability Information in Standard Bank Group Limited's Report to Society and Environmental, Social and Governance Report and The Standard Bank of South Africa's Transformation Report

## To the Directors of Standard Bank Group Limited and Standard Bank South Africa

We have undertaken a limited assurance engagement in respect of the selected sustainability information, as described below, and presented in the Report to Society and Environmental, Social and Governance Report of Standard Bank Group Limited (the "Group", "SGB" or "you") for the year ended 31 December 2018 and the Transformation Report of Standard Bank South Africa (the "Company", "SBSA" or "you") for the year ended 31 December 2018 (the "Reports"). This engagement was conducted by a multidisciplinary team including social, environmental and assurance specialists with relevant experience in sustainability reporting.

## Subject matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected sustainability information, marked with a '✓' on the relevant pages in the Reports. The selected sustainability information described below have been prepared in accordance with the Group's reporting criteria that accompanies the sustainability information on the relevant pages of the Reports (the accompanying reporting criteria). Please note the different reports where the selected sustainability information has been reported.

Selected sustainability information	Unit of measurement	Boundary	Report and pages
<b>Employment</b>	Percentage of black employees in: <ul style="list-style-type: none"> <li>• Top management</li> <li>• Senior management</li> </ul>	%	SBSA Transformation, page 9. Environmental, Social and Governance, page 49.
	Percentage of woman in: <ul style="list-style-type: none"> <li>• Executive management</li> <li>• Senior management</li> </ul>	%	SBG Transformation, page 9. Environmental, Social and Governance, page 27.
	Employee voluntary turnover rate	%	SBG Environmental, Social and Governance, page 31.
<b>Education, learning and development</b>	Percentage of black staff who completed SBSA Leadership training	%	SBSA Report to Society, page 70. Environmental, Social and Governance, page 29. Transformation, page 11.
<b>Good governance</b>	Number of regulatory issues assessed for impact in a calendar year	#	SBSA Report to Society, page 13.
<b>Financial inclusion</b>	Number of affordable housing clients where the bank restructured accounts within the reporting period	#	SBSA Report to Society, page 26. Transformation, page 21.
	Total wealth protected through life and short term insurance	ZAR (million)	SBSA Report to Society, page 34.
	Total number of students who received funding by FEENIX in 2018	#	SBSA Report to Society, page 60. Transformation, page 16.
<b>Environmental, sustainability and climate change mitigation and adoption</b>	Total number of Equator Principle projects that reached financial close within 2018	#	SBG Environmental, Social and Governance, page 11.
	Total carbon footprint for 2018	tCO <sub>2</sub> e	SBSA Environmental, Social and Governance, page 23.
	Energy produced through SBSA renewable energy systems	MWh	SBSA Environmental, Social and Governance, page 23.
<b>Infrastructure</b>	Ratio of green (renewables) vs brown (fossil fuel based) energy projects financed by Standard Bank from 2012 to 2018	%	SBG Report to Society, page 48. Environmental, Social and Governance, page 15.

We refer to this information as the selected sustainability information for Limited Assurance, respectively, and collectively as the "selected sustainability information".

## Your responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with Standard Bank Group Limited's reporting criteria which can be found at <https://sustainability.standardbank.com/documents/pdf/RTS-Selected-non-financial-indicators.pdf> (the "Reporting Criteria").

### This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- the design, implementation and maintenance of internal control relevant to the preparation of the Reports that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the Report users.

## Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work will not include examination of the derivation of those factors and other third party or laboratory information.

## Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability information are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410, involves assessing the suitability in the circumstances of the Group and Company's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

### Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability information; and
- Evaluated whether the selected sustainability information presented in the Reports are consistent with our overall knowledge and experience of sustainability management and performance at the Group and Company.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Group and Company's selected sustainability information have been prepared, in all material respects, in accordance with the accompanying the Group's reporting criteria.



## Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the Subject Matter paragraph above for the year ended 31 December 2018 are not prepared, in all material respects, in accordance with the reporting criteria.

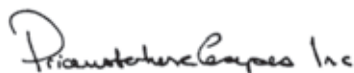
## Other matter(s)

No assurance procedures were performed on the previous Report to Society and Environmental, Social and Governance Report of Standard Bank Group Limited and Transformation Report of Standard Bank South Africa. The information relating to the prior reporting periods has not been subject to assurance procedures.

The maintenance and integrity of Standard Bank Group Limited's website is the responsibility of Standard Bank Group Limited's directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Reports or our independent assurance report that may have occurred since the initial date of presentation on Standard bank Group Limited's website.

## Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the directors of the Group and Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Group and Company, for our work, for this report, or for the conclusion we have reached.



### **PricewaterhouseCoopers Inc.**

Director: Jayne Mammatt  
Registered Auditor  
PwC Johannesburg, 4 Lisbon Lane,  
Waterfall City

**4 April 2019**

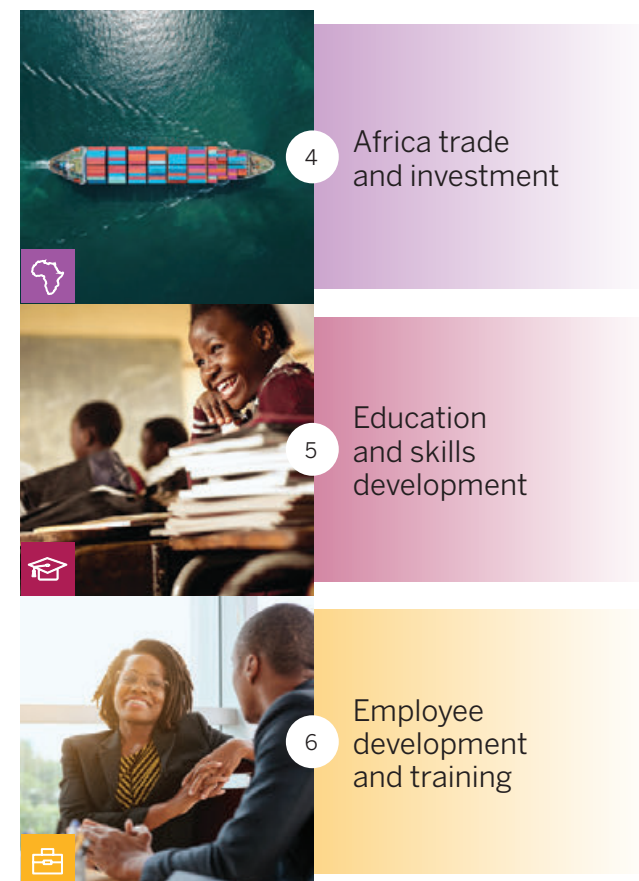
# Impact reporting

In 2017, we identified 10 areas in which we believed that Standard Bank could make a significant positive social, economic and environmental (SEE) impact.

We identified these areas by looking at the overlap between our core business as a provider of financial services, and the needs of Africa's people, businesses and economies. The priority issues and targets contained in the UN's Global Sustainable Development Goals (SDGs), the African Union's Agenda 2063 and South Africa's National Development Plan (NDP) informed our thinking.

We're in the process of refining our impact areas to narrow them down for monitoring purposes and remove overlap.

For the purposes of this report, we're focusing on **six impact areas**, namely:



Our Reporting to Society suite provides an update on our contribution in each of these impact areas.

It also includes our environmental, social and governance (ESG) report, and an update on our progress on transformation in South Africa. The table that follows provides a summary of our reporting suite and illustrates how each theme relates to our material issues and the relevant SDGs.



## SEE IMPACT AREAS

## STANDARD BANK'S MATERIAL ISSUES

## ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

1



### FINANCIAL INCLUSION

- Improving access and affordability – convenient digital products and services, accessible even without a bank account
- Rethinking security/collateral requirements for loans
- Providing consumer education to enable people to manage their finances more effectively
- Helping our customers save, invest and plan for the future, according to their individual needs

Deepen financial inclusion across Africa with appropriate digital offerings

Work with our customers to mitigate overindebtedness (including sales-in-execution)



**SDG 8.10** – Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

2



### JOB CREATION AND ENTERPRISE DEVELOPMENT

- Helping Africa's small businesses access the tools and resources they need to become viable and sustainable
- Providing financial products designed to meet the needs of SMEs and entrepreneurs

Contribute to job creation and enterprise development in countries of operation

Deepen financial inclusion across Africa with appropriate digital offerings



**SDG 9.3** – Increase the access of small enterprises to financial services, including affordable credit, and their integration into value chains and markets

3



### INFRASTRUCTURE

Working with African governments and development institutions to structure appropriate funding instruments and mobilise funding for crucial developmental infrastructure:

- Energy
- Water
- Transport (roads and railways, ports and harbours)
- Telecoms

Balancing Africa's power and energy needs with the negative impact of climate change

Adaptation to and mitigation of climate change, especially in relation to water in key sectors and markets



**SDG 7** – Access to affordable, reliable, sustainable and modern energy for all



**SDG 9** – Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

## SEE IMPACT AREAS

## STANDARD BANK'S MATERIAL ISSUES

## ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

4



### AFRICA TRADE AND INVESTMENT

- Enabling businesses to grow and expand into new markets, invest in innovation and improve productivity and create jobs
- Facilitating African trade and investment, particularly in the Africa-China corridor in conjunction with ICBC

Contribute to job creation and enterprise development in countries of operation



**SDG 8** – Promotion of sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

5



### EDUCATION AND SKILLS DEVELOPMENT

- Supporting early childhood development
- Supporting improved access to education and improved educational outcomes
- Improving access to student finance (including Feenix)
- Supporting access to work opportunities and skills development

Contribute to job creation and enterprise development in countries of operation



**SDG 4** – Inclusive and equitable quality education and the promotion of lifelong learning opportunities for all

6

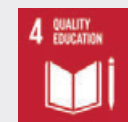


### EMPLOYEE DEVELOPMENT AND TRAINING

- Building and retaining local skills in our countries of operation
- Helping school leavers and graduates access the workplace

Impact of digitisation and automation on workforce requirements

Build and retain local skills and capabilities in countries of operation



**SDG 4** – Inclusive and equitable quality education and the promotion of lifelong learning opportunities for all

## What is our 'SEE impact' all about?

Standard Bank's business activities have social, economic and environmental (SEE) impacts in the economies and communities in which we operate.

We are committed to understanding these impacts, which are direct and indirect, and using this understanding to inform our decision-making at every level. This enables us to maximise the positive impacts of our business, and minimise and mitigate the negative impacts, while simultaneously generating new business opportunities and financial returns for the group. We've adopted SEE impacts as one of the five value drivers which inform our strategy, and against which we measure our performance.

SEE provides us with a lens to assess how we create value for our stakeholders and Standard Bank:





## SEE impact areas

<p>1</p>   <p>Financial inclusion</p> <p>PAGE 25</p>	<p>2</p>   <p>Job creation and enterprise development</p> <p>PAGE 35</p>	<p>3</p>   <p>Infrastructure</p> <p>PAGE 46</p>	<p>4</p>   <p>Africa trade and investment</p> <p>PAGE 52</p>	<p>5</p>   <p>Education and skills development</p> <p>PAGE 59</p>	<p>6</p>   <p>Employee development and training</p> <p>PAGE 69</p>
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SEE IMPACT AREA ONE

# Financial inclusion

## Summary

In 2018, we helped **4 958** South African affordable housing customers purchase a home. We work closely with the Department of Human Settlements to enable access to finance, and access to information to support responsible debt management.

We're committed to partnering with our customers during difficult times, and endeavour to work with our customers to develop workable solutions when they find themselves struggling to repay their debt. Options include a debt moratorium, extended loan terms or reduced repayment. Currently 7% of our affordable housing customers are making use of such facilities.

Accessible and convenient **digital channels** are essential to broaden and deepen financial inclusion across the continent. Standard Bank products such as Instant Money, which issued more than two million vouchers in South Africa, and Slydepay, SnapScan and Shyft offer users greater convenience and

cheaper transaction rates than branch or ATM options and are safe and secure. Cardless cash deposits, available in most of our countries of operation, allow customers to deposit cash at an ATM, without using an ATM card. We've also developed targeted remittance products which enable affordable transfers across national borders.

We're keenly aware of our responsibility to ensure that our customers have a clear understanding of our products and services, and how to use them cost-effectively. We run **consumer education** programmes in several of our countries of operation, including South Africa, Nigeria and Ghana.



**SDG 8.10**  
Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

**MATERIAL ISSUE**  
Deepen financial inclusion across Africa with appropriate digital offerings

Work with our customers to mitigate over-indebtedness (including sales-in-execution)

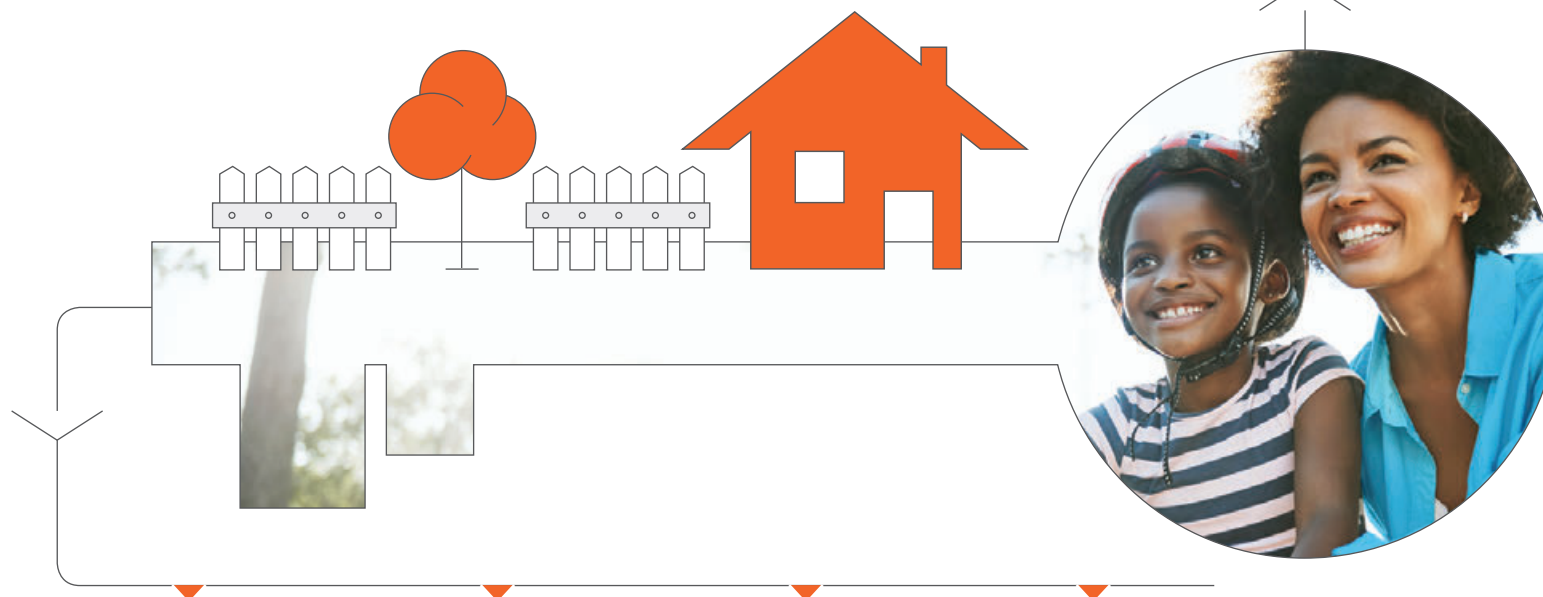


## Enabling home ownership to improve financial inclusion

Helping people buy a home is one of the most important roles we play in society. A home provides shelter and dignity for families and provides an opportunity to build intergenerational wealth. Standard Bank is a major provider of home loans in South Africa, with a 34% market share.



Since 2013, we have helped over **103 000 women** register **R73.2 billion** in home loans, of which R13 billion were registered in 2018, an 11.1% increase on the prior year



Total number of home loans on our books: 538 195 accounts to the value of **R306 billion**

Since 2013, we have helped over 189 000 historically disadvantaged customers register **R108 billion** in home loans

In 2018, we registered **R20.5 billion** in loans for historically disadvantaged customers, an increase of 16% on the prior year

In 2018, **2 054** ✓ home loans were restructured to keep families in their homes

### Affordable housing The Financial Sector Code

requires banks to provide affordable housing for consumers who earn a gross monthly income of between R3 500 and R23 300. Our affordable housing book is valued at around R25 billion. In 2018, we registered 4 958 new affordable home loans. As the largest lender in the affordable housing sector, we have assisted 96 359 customers to purchase a new home since 2008.

We offer our affordable housing mortgage customers online or classroom-based training to help manage their home ownership obligations. Training is provided by external service providers and funded by the bank. In 2018, 726 customers participated in the programme.

Despite South Africa's tough economic conditions, 88% of our affordable housing customers are keeping up with their repayments. We're 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 2018, **2 054** ✓ home loans were restructured to keep families in their homes.





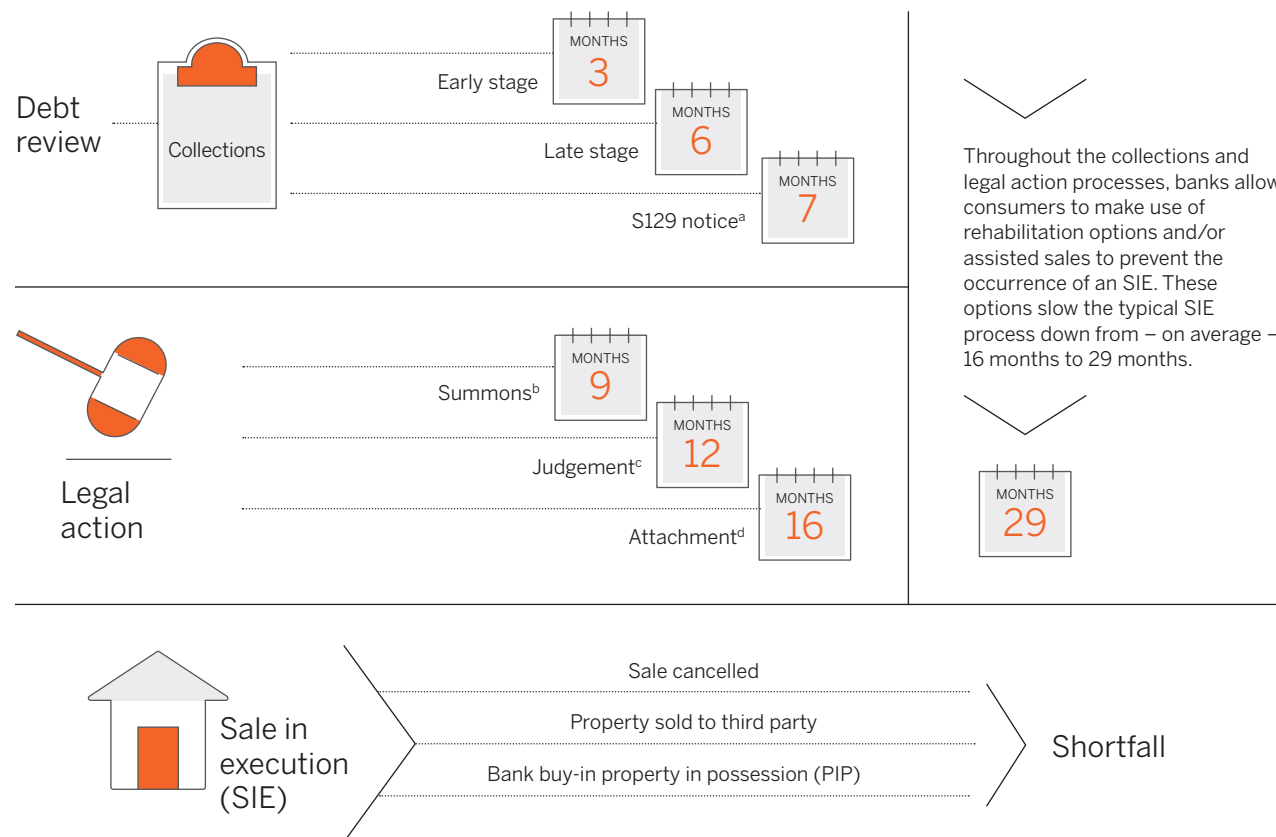
## We do everything we can to help our customers stay in their homes.

However, in 2018, we regrettably had to enter legal processes with 5% of our customers who were in default, after all alternative arrangements had been exhausted. Over the past two years, we have undertaken a wide range 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. Our group social and ethics committee has mandated various areas within the bank to communicate more proactively with stakeholders regarding the processes followed in cases of default, and the various 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 clients in distress prior to taking the matter to court. We continue to work with National Treasury, Lungelo Lethu Human Rights Foundation and other relevant stakeholders to try to develop practical and sustainable solutions. We recognise the need to provide more regular, user-friendly communication to customers, to better support understanding of their rights and responsibilities, and how they can access assistance when payments first fall behind. We're working with Lungelo Lethu Human Rights Foundation to improve our communication in this regard.



**In Uganda,** Stanbic Bank has launched a partnership with the Buganda Land Board to provide an affordable financing solution, Kyapa Loans, to enable bibanja holders to acquire land titles. Bibanja holders can approach the Buganda Land Board's Lease Access Financing initiative (LAFI) offices to survey and authenticate their land. LAFI will provide them with a letter of recommendation to the bank and an invoice of total cost, which will be presented to the bank for financing. Once tenants have proper leasehold titles, they can use this as collateral to access further bank finance, to enable building work or renovation, for example. The solution is available to both salaried and self-employed customers. Repayment is over 24 months at a competitive interest rate. The entire loan acquisition process is completed in under 48 hours.

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



a. 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 or the sale of such property to recover outstanding debt.



## Digital solutions to improve access and affordability

Standard Bank is keeping pace with rapid technological change by partnering with fintech companies to introduce safe and secure financial solutions in a responsible manner.



We've developed a sourcing and scouting model to identify fintech companies which have the potential to provide solutions to better serve customers and business supported by an engagement framework with clear guidelines and principles for business to execute. We have an internal fintech working group, with shared capabilities to identify the most suitable fintech partners. Our fintech investment portfolio includes utility providers, enhanced payment capabilities, lending businesses and technology providers.

Our digital wallets and apps, including Instant Money, SnapScan, Masterpass, Shyft and WeChat wallet, enable our customers to transact efficiently, safely and conveniently, while Business Online provides convenient digital banking for small businesses.

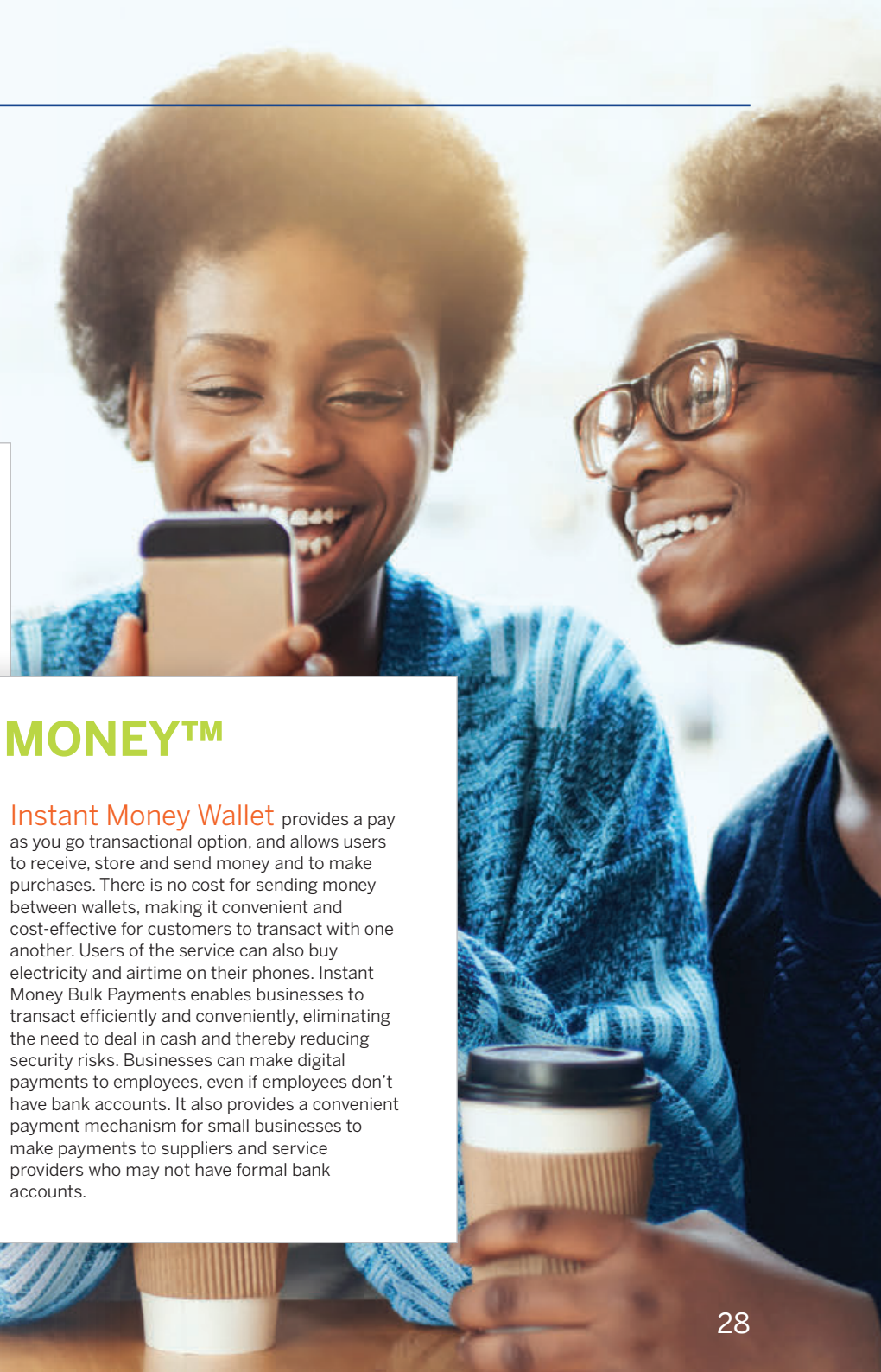
The World Bank's Findex Report 2018 notes that 42.6% of adults (over the age of 15) in sub-Saharan Africa now have a bank account, up from 34.2% in 2014. 32.8% have an account at a formal financial institution, while 20.9% have a mobile money account, up from just 11.6% in 2014. While this represents an impressive improvement in just a few years, more than half the adult population across Africa is still excluded from the formal financial system. Even among those with bank accounts, many rely solely on family and friends or informal micro-lenders when they need credit, and many consider personal or business insurance an

unaffordable luxury. Nonetheless, the Findex report notes that 'the power of financial technology to expand access to and use of accounts is demonstrated most persuasively in sub-Saharan Africa', where 34% of adults have made or received digital payments in the past year.

### INSTANT MONEY™

**Instant Money™** is a safe, affordable and reliable way to send money, even if neither the sender nor receiver have a bank account. Money can be sent instantly from an ATM, via the banking app, online banking, cellphone banking or through our retail partners, and is delivered instantly. Instant Money is available in Botswana, Ghana, Lesotho, Namibia, South Africa, eSwatini, Uganda and Zambia. Instant Money currently has over 3.2 million users, of whom 1.5 million are Standard Bank customers.

**Instant Money Wallet** provides a pay as you go transactional option, and allows users to receive, store and send money and to make purchases. There is no cost for sending money between wallets, making it convenient and cost-effective for customers to transact with one another. Users of the service can also buy electricity and airtime on their phones. Instant Money Bulk Payments enables businesses to transact efficiently and conveniently, eliminating the need to deal in cash and thereby reducing security risks. Businesses can make digital payments to employees, even if employees don't have bank accounts. It also provides a convenient payment mechanism for small businesses to make payments to suppliers and service providers who may not have formal bank accounts.





## OTHER DIGITAL CHANNELS INCLUDE:

### Cardless cash deposits

Customers can deposit cash at an ATM, at any time, to any Standard Bank account, without using an ATM card. The service is available in all our Africa Regions countries with the exception of Kenya, Zimbabwe and Mauritius. The service removes the need for customers to visit bank branches and deposits don't have to be made during branch hours.

### Virtual Card

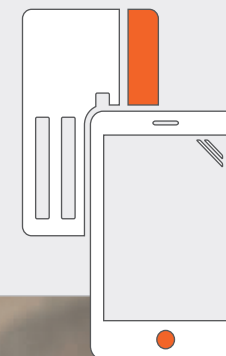
Customers can shop online using the mobile banking app, with an additional layer of security. This provides ease and security for customers without credit cards.

### Stanbic IBTC's International Remittance

Foreign nationals in Nigeria can open bank accounts with Stanbic IBTC and transact from another country, at low cost and in real time. The service can be used in France, Germany, Israel and Italy.

### Stanbic Uganda's School Pay and Merchant Pay

enables customers to pay school fees using a feature phone, with no need to visit a branch or to know account numbers, as they simply use the merchant ID.



### Mukuru money transfer

Enables affordable transfers from South Africa to Mozambique. Amounts transferred from Mukuru in South Africa are credited to current accounts at Standard Bank in Mozambique, or collected at no cost from a branch. The fixed rate of 10% for a transfer is significantly lower than the average of 16.3% on money transfers between the countries.

### Stanbic Nigeria's SAMI

is a digital assistant for customers that can assist with account opening, balance enquiries, general enquiries and 'A Quick Chat'. Customers can access SAMI through Stanbic IBTC Chatbot, on Facebook or Facebook Messenger.

### Stanbic Tanzania's Uhuru Banking

offers the flexibility of pay-as-you-go, with no monthly admin fee, together with a Visa card which can be used globally.



Slydepay enables SMEs to accept digital payments from users who have loaded their wallets from Mobile Money, currently available in Ghana.



PayPulse is a digital payment wallet for our Namibian customers.





## Cutting waiting times in branches to serve our customers better

We recognise that while digital channels offer ease of access and more cost-effective solutions for customers, many people still prefer to visit a branch and talk to a bank representative face to face.

The kinds of technological solutions that have made online and mobile banking so convenient, can also be used to improve our services to customers in our branches. We've implemented Moby Banker, a technology solution that helps to make branch transactions more efficient, cutting down waiting times and reducing the amount of paperwork required from our customers. This has enabled us to serve customers more quickly and efficiently, while also reducing the risk of human error, by automating certain processes. We've implemented Moby Banker in five of our countries of operation, resulting in a 40% reduction in transaction processing time, and 37% improvement in total teller capacity – meaning that a smaller number of tellers can now manage the same volume of transactions in our branches.



### THE CHALLENGE

Many low-income customers still rely heavily on cash and expensive service channels (branches and ATMs), rather than cheaper options of card, digital and cash withdrawal at retail partners.

Low levels of awareness and take-up of insurance and pension products in low-income communities.



### THE SOLUTION

Awareness raising and consumer education targeting low-income communities and youth, including WalletWise in South Africa.



### THE IMPACT

Improved consumer awareness of how to select financial services and products suitable to their needs.

## Helping customers make informed financial decisions through consumer education

A 2018 study conducted by the World Bank on behalf of South Africa's National Treasury highlighted the extent to which bank customers may find it difficult to access information about different products and fee structures, making it difficult for them to know whether they're getting value for money and to identify the most appropriate solution for their particular needs.

The report also noted that low-income customers often favour branch transactions and ATM withdrawals, despite these being considerably more expensive than digital transactional channels. Our consumer education initiatives aim to empower our customers to manage their finances more effectively. In South Africa, for example, our WalletWise programme aims to educate people on effective financial management. In Nigeria, we work with students and teachers to educate clients about the products and services available to them, and to raise awareness of sound financial management.

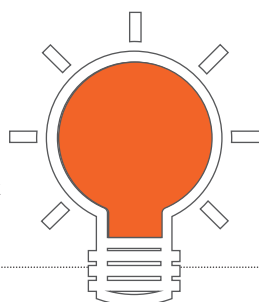


**In South Africa**, Standard Bank's WalletWise aims to help people use financial services effectively and affordably, by providing clear and accessible information about financial products and services, and raising awareness of digital platforms and how to use them. The programme targets those with 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. We also provide training for aspirant small businesses on basic business skills, and help struggling businesses to identify pitfalls and find ways around them through coaching. 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 2018, we spent R50.9 million on the programme, and reached approximately 490 000 people.

In 2018, WalletWise provided classroom-based training for small business owners, to empower participants to set up and manage sustainable businesses and create jobs:

**1 600**

aspiring and novice entrepreneurs, on the basic skills and tools needed to start a business in a peri-urban community. Training took place across the country in peri-urban areas.



**120**

established SME owners, on how to streamline operations, grow their businesses and boost sustainability, including help with business plans, pricing and basic bookkeeping.



**PLUGGED**

POWERED BY

**BEYOND  
THE CONVERSATION**



**Standard Bank South Africa** launched *Plugged: Beyond the Conversation* in 2018. It's a platform led by 16- to 25-year-olds who are prominent on social media. It enables discussion, capacity building, networking and action around issues that matter to the youth. During 2018, we engaged with students at six South African universities, running 60-minute *Plugged: Beyond the Conversation* sessions. The sessions were facilitated by individuals identified as youth influencers, recruited via a radio-based Plug Search campaign, and included participation by Standard Bank representatives. Discussions covered entrepreneurship, financial literacy, financial management and work readiness. Sessions were live-streamed and tweeted to enable broad participation. We also provided booklets providing information on entrepreneurship, starting a business and building wealth.





## Helping our customers save, invest and plan for the future

We work closely with our customers to develop financial solutions that enable them to save, invest, grow their assets and plan for the future. This is important in maintaining generational wealth, as well as growing new wealth and planning for the unexpected.

Examples of these services include the following:

- We work with our clients to help them save more effectively for their long-term goals, such as educating their children. In South Africa, clients have invested R390 million in 57 000 tax free investment accounts and over R410 million in 14 000 auto share investment accounts.
- Our online share trading business hosted 86 education sessions, reaching 13 080 people in South Africa, to promote investment on the stock exchange in 2018. Our online share trading business also participated in She Invest, an event that focuses on inspiring women to become investors and providing financial advice. Our Nigerian asset management business hosted 93 workshops on saving.
- Standard Trust Limited manages over R1.7 billion in trusts for orphaned children, providing much needed monthly distributions to the guardians of these children to fund their basic education and other needs.
- Our insurance business manages 1.1 million funeral policies, 1.5 million credit life policies (which have paid out more than R800 million in claims in 2018), and 130 000 debt protection plan policies.
- Our Wealth and Investment business runs leadership academies for our clients and their families, to support thoughtful, responsible multi-generational wealth management. In 2018, we hosted academies in South Africa, Kenya and the United Kingdom, at which 175 attendees were exposed to the latest thinking on investment principles, banking and lending, financial planning, leadership and philanthropy.
- In Nigeria, our micro-pension scheme targets the 70% of Nigeria's working population which operates in the informal sector. It aims to improve the standard of living for the elderly, ensure funds are safe, and improve access to mortgage facilities, health insurance and estate planning. The scheme offers flexible contributions, and the opportunity to make withdrawals prior to retirement.

“As the largest pension fund administrator in Nigeria, Stanbic IBTC sees our micro-pension scheme as a great opportunity to deepen financial inclusion in the country. My primary role is to champion the inclusion of every self-employed and hard-working Nigerian within the informal sector market to save for future retirement.”

**Bimbo Ladele,**  
*Head of micro-pension and  
agency department,  
Stanbic IBTC Pension  
Managers Limited*







## Our diverse transactional channels provide multiple ways to bank

In 2018, we provided personal credit card accounts for 1.2 million customers and over 60 000 corporate credit accounts.

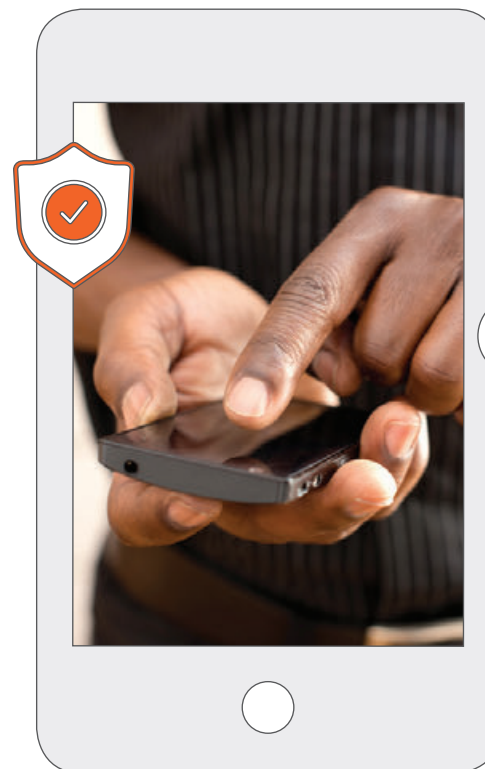


### Internet Banking

1.2 billion  
transactions  
in 2018



Value  
**R787 billion**

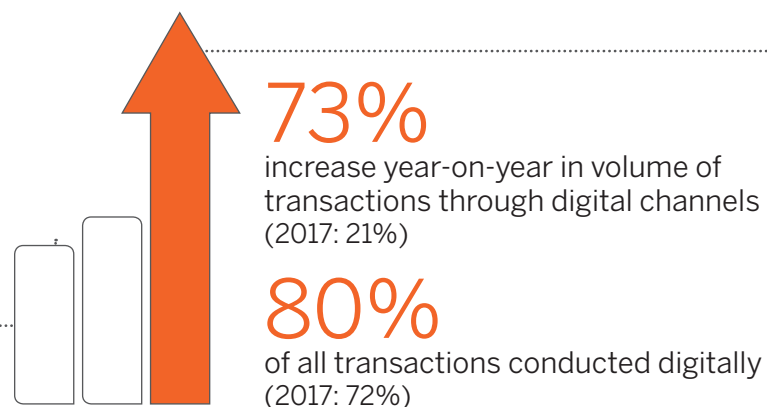


### Mobile Banking

3.0 billion  
transactions in 2018

Value  
**R455 billion**

Average value of financial  
flow through digital  
channels per day  
**R3.4 billion**  
(2017: R2.6 billion)





## Protecting people's wealth

Standard Bank's insurance business exists to protect our customers' families, livelihoods and property.

We provide an insurance safety net to help them protect their wealth and dignity in the face of unforeseen circumstances, and to ensure their loved ones are financially secure.

Many small business owners are underinsured or uninsured. For such individuals, a burglary or damage to premises or stock may be impossible to recover from. We're engaging with this market, particularly in township economies, to develop affordable and accessible plans to provide that security.



### WEALTH PROTECTED AND RESTORED THROUGH INSURANCE



Businesses  
**R101 million**



Homes  
**R800 million**



Life  
**R808 million**  
(including accident and health)



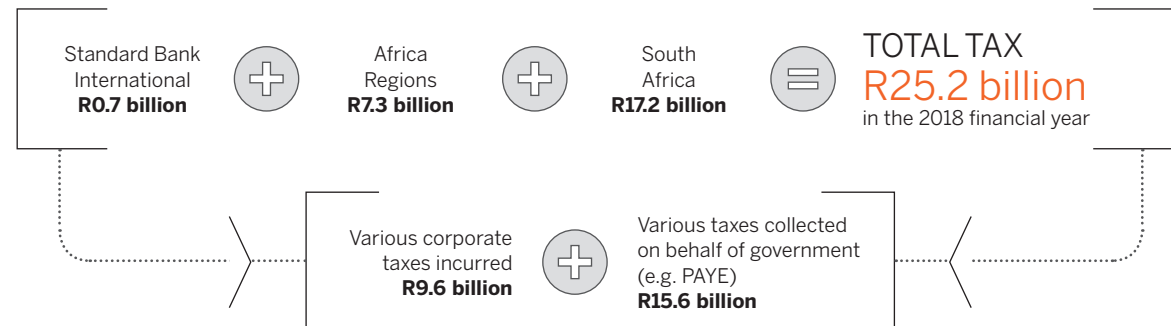
Vehicles  
**R428 million**  
(including value added products)

Total wealth protected  
**R2 137 million** ✓  
(SBSA)

## Generating revenues that drive economic growth

Standard Bank contributes towards the development and growth of the economies in which we operate by paying direct and indirect tax revenues to governments, salaries to our employees, payments to suppliers and dividends to our shareholders.

We are a major investor, taxpayer, employer and purchaser of goods and services. We contribute directly to public finances through corporate and employee taxes, as well as indirect taxes paid by the suppliers we support. We also collect other taxes, including withholding taxes, on behalf of revenue authorities. Standard Bank assists tax authorities with tax administration, collection processes and by obtaining independent verification of third-party data. We participate in industry forum meetings with revenue authorities to ensure tax policy objectives are achieved. In our dealings with tax authorities, we are committed to transparent and constructive relationships based on accurate, transparent and timely compliance with tax laws.





SEE IMPACT AREA TWO

# Job creation and enterprise development

## Summary

Micro, small and medium enterprises are key drivers of economic growth and job creation across Africa. But many struggle to move from start-up businesses to sustainable firms with the potential to expand and employ others.

In 2018, we worked with more than 12 000 SMEs across Africa and invested more than R30 million to grow and develop start-up small enterprises, providing them with **help to access finance, tap into new markets and value chains, and access business development support.**

We've established dedicated **SME Incubators** in Ghana and Mozambique, both of which include a strong focus on supporting women entrepreneurs. In Nigeria, we've partnered with the Kaduna State government to establish an Entrepreneurship Centre, hosting workshops that benefited over 8 000 business owners in 2018. In South Africa, our 2018 *My Fearless Next* campaign saw us helping to facilitate the leap from part-time to full-time entrepreneurship. We also invested in more than 150 technology start-ups across Africa in 2018, through our Moonshots Programme, our partnership with Founders Factory, and our Innovation Challenge in Nigeria.

**We work with SMEs to develop financial solutions tailored for their needs**, including solutions to deal with cash flow and working capital challenges. In South Africa, we've partnered with provincial government to provide working capital to SMEs that have secured government contracts. In Ghana, we've designed invoice discounting loans against SME invoices, and Enterprise Smart Loans which serve the formal and informal sector. We've enabled Uber drivers in Kenya to buy their own vehicles and work for themselves, while Stanbic Tanzania has extended our digital offering for SMEs, with our Biashara Direct digital solution. In Zambia, our Enterprise Online system and Instant Money app enable customers to make payments and withdrawals securely and more cost-effectively.

Our core business supports the broadening of economic opportunity and job creation by **helping businesses to expand and become more productive**. Examples in 2018 included loan finance to support the development of Botswana's local diamond beneficiation companies, improved access to finance for Nigeria's small-scale farmers, and black economic empowerment deals in South Africa in the transport and mining sectors.



### SDG 9.3

**Increase the access of small enterprises to financial services, including affordable credit, and their integration into value chains and markets**

### MATERIAL ISSUE

**Contribute to job creation and enterprise development in countries of operation**

**Deepen financial inclusion across Africa with appropriate digital offerings**





## Incubators and training

Standard Bank incubators provide small businesses with working space, capacity building and business development support services, access to mentoring and coaching, access to market opportunities in the Standard Bank value chain and the value chains of our business and commercial clients, and access to finance, either directly from the bank, or with the bank acting as a facilitator.

We have incubators in Ghana, Mozambique and South Africa, and an entrepreneurship centre in Nigeria, together supporting approximately 12 000 entrepreneurs.



### Stanbic Bank Ghana's Business Incubator

was launched in January 2018. It aims to provide funding and support to 1 500 SMEs. It targets businesses that have been operating for less than three years. Areas of support include helping SMEs to differentiate themselves, helping them grow their profitability and helping them to access corporate supply chains.

### IN 2018 WE:

Provided  
**mentorship**  
to **471 people**



Hosted **four**  
**hackathons**,  
and provided  
**17 internships**  
through our  
hackathons



Partnered with the  
National Board for Small  
Scale Industries (NBSSI)  
to **support the Women  
Entrepreneurship One  
Roundtable  
Programme**, which aims  
to improve business  
management, benefiting  
200 women  
business owners



Ran **11 training  
programmes**



Partnered with Vodafone to  
launch the two-day Women in  
Entrepreneurship Workshop,  
**training 60 women** on how to  
run a successful small business



Directly impacted **210 SMEs**,  
**510 women entrepreneurs**  
and **business owners**, and  
over **2 000 young people**



Reached  
**220 000 people**  
via social media  
campaigns



“We came up with this initiative in recognition of the struggles faced by women entrepreneurs and the need to help them overcome the challenges and succeed. From Stanbic we have two messages for you: the first, for women, we say Stanbic Bank is here to help you move forward; the second, which is to everyone, we emphasise that advancing women is good for business, good for society and great for Africa's prospects.”

**Doreen Kweiba Iliasu,**  
Head: Legal, Stanbic Bank Ghana







87  
people  
received  
mentorship



over 900  
women  
directly  
impacted



1 870  
youth  
impacted



620  
people  
impacted from  
networking  
events



32  
training  
programmes



4  
access to  
finance master  
classes



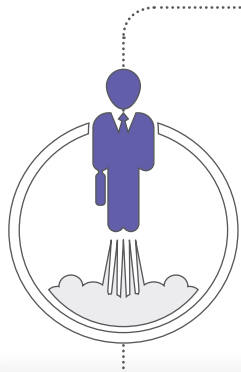
## Standard Bank Mozambique's Incubator

was launched in August 2017. It focuses on youth employment, female economic empowerment and local content development.

In 2018 we:

- Hosted over 3 000 entrepreneurs at a range of events, partnering with organisations such as the World Bank, Facebook, Seedstars Maputo and Seedstars Africa, Startup Grind powered by Google, Shell and local municipalities
- Trained over 500 entrepreneurs in areas such as entrepreneurship, insurance, angel investment, tech skills and access to funding
- Partnered with *Lionesses of Africa* and the Embassy of the Kingdom of the Netherlands to host six events reaching 660 women
- Sponsored 250 women to participate in Start-up Girl, an entrepreneurship and leadership programme for young women between 15 and 26 years old
- Launched our flagship boot camp programme, #iDeate, in partnership with Idealab, hosting three boot camps for 126 participants, just under half of whom were women
- Signed agreements with Shell and ENI Rovuma Basin, which will see Standard Bank partnering with these companies to assist Mozambican small enterprises in accessing enterprise development programmes and developing their capacity to participate in corporate value chains, in the oil and gas sector
- Won the Southern Africa Start-up Award for Best Incubator/Accelerator Programme in Mozambique in 2018





### In Nigeria,

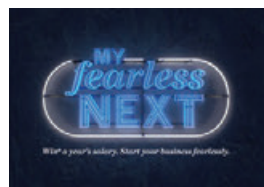
Stanbic IBTC has partnered with the Kaduna State government to establish the **Kaduna-Stanbic IBTC Entrepreneurship Centre (KADSEC)**. The centre serves as an incubator to nurture entrepreneurs and SMEs. Services include capacity building programmes, mentorship, on-site business management counselling, market development assistance, networking opportunities, export assistance, and access to loans from Stanbic IBTC Bank. The Kaduna Tech Accelerator programme, a start-up ecosystem for tech entrepreneurs, and the Agribusiness Incubation programme, will also be run from the centre. In addition, Stanbic IBTC organises annual enterprise workshops in cities across Nigeria. The workshops provide participants with marketing, financial and management skills. In 2018, over **8 000 business** owners participated in the workshops.



### Standard Bank South Africa

has run a variety of successful training programmes and events through our dedicated Small Enterprise Incubators. Going forward, we will focus on reaching a larger number of enterprises through incubation initiatives that won't necessarily be tied to a specific place.

- We collaborated with the Institute for Health Professionals and the Alliance of South African Independent Practitioners Association to sponsor a series of seminars to capacitate medical professionals to run their practices more efficiently. The courses were delivered free of charge and covered a range of topical issues, including the impact of regulatory change on the sector. Interactive seminars were delivered in four locations around the country, reaching **68 delegates**. All four events were considered a success, with positive feedback from both delegates and bankers.
- Standard Bank South Africa sponsored the 5th Annual Green Youth Indaba, an event which brings together industry experts and young people to expose participants to career and entrepreneurial opportunities within the green economy. The indaba attracted more than 600 young people. The Green Innovator 5.0 pitch saw 10 entrepreneurs selected to pitch their businesses to a panel of adjudicators, which included Standard Bank. The top three – Nubrix, which manufactures bricks from recycled paper; Palesa pads, which manufactures reusable sanitary pads that last for five years; and Cubic 38, which produces low-cost shoe polish using old waste tyres – won seed capital to grow their businesses.



- Our 2018 *My Fearless Next* campaign helped young entrepreneurs take their ventures from part-time sidelines to fully fledged businesses. **36 entrepreneurs** competed, pitching their businesses and testing their growth potential during one-day boot camps. The competition winner, Nonhlanhla Mthethwa from Pietermaritzburg, received R1 million to cover her salary for a year, together with mentorship from Standard Bank's Entrepreneur Development Programme. The other finalists also received cash prizes to assist them with their entrepreneurial goals.





## Developing economic opportunities with fintech entrepreneurs in Africa

The financial services industry is evolving in response to changing client behaviour, increased expectations, channel proliferation and the adoption of new technologies. Ongoing digitisation improves ease of access and convenience for customers, while boosting process efficiency, mitigating risk, reducing costs and increasing competition. Staying true to our African journey, Standard Bank is working to support and develop Africa's fintech entrepreneurs, recognising their potential as future partners in our business.

We established the **Standard Bank Moonshots** division in 2017, with the objective of starting new businesses for Standard Bank which focus on creating jobs across Africa while generating material new revenue streams for the bank. The team develops its own ideas and partners with innovative local and international businesses to solve complex challenges faced by our clients. Current initiatives include disruptive new technology platforms and solutions to drive trade in Africa, and a product which solves industry-wide challenges in business lending. We've also invested in Founders Factory Africa to build and grow 100 disruptive tech companies across Africa in the next five years. Through these initiatives, Moonshots will provide new innovative services and products to our clients across Africa, while simultaneously generating revenues for the bank.



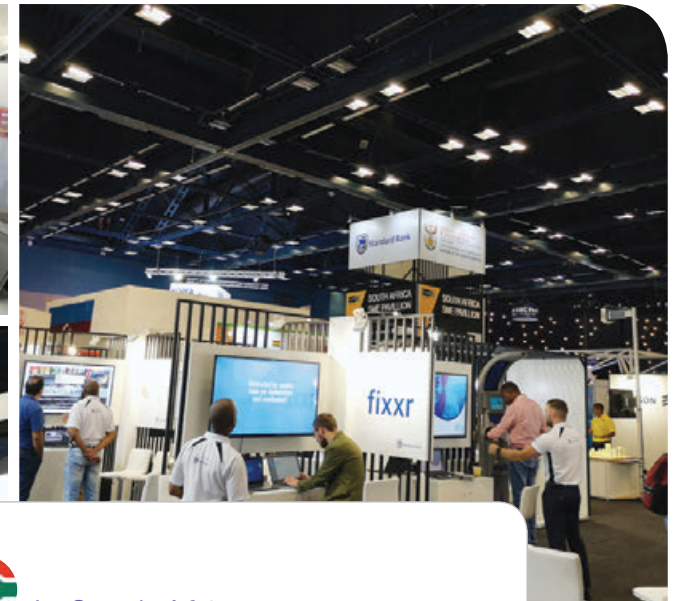
**In Nigeria, Stanbic IBTC Bank's Innovation Challenge** aims to leverage digital technology, innovation and expertise outside traditional financial service providers, to improve service offerings and delivery for our customers. It's open to technology start-ups and product development teams across Nigeria. 2018's winner was Yochaa, a start-up with a stockbroking mobile platform. Yochaa received USD12 500 and workspace in the Stanbic IBTC Blue Lab, with access to IT infrastructure for testing and development.



“We believe that technology holds the key to enhancing certain operations within our business, principal of which is making our card issuance and delivery system more seamless and cost-efficient for the banking subsidiary. The three finalists, Yochaa, Flutterwave and Venture Garden Group, have created life-enhancing applications, all of which have the potential to improve efficiency, simplicity, and robustness in delivering the right customer experience.”

**Dr Demola Sogunle,**  
Chief executive, Stanbic IBTC Bank PLC





**In South Africa**, we sponsored 20 start-ups and SMEs in the information and communications technologies (ICT) sector to showcase their businesses at ITU Telecom World, an annual event organised by the UN, which brings together digital start-ups and SMEs, governments, regulators, industry leaders and experts from around the world. We provided them with training and financial support in preparation for the event, and ongoing mentoring for six months following the event. Three of the four ITU category awards, which are independently adjudicated by a global panel, were awarded to SMEs from the Standard Bank pavilion, including the overall ITU SME category winner, Pulego Communications.

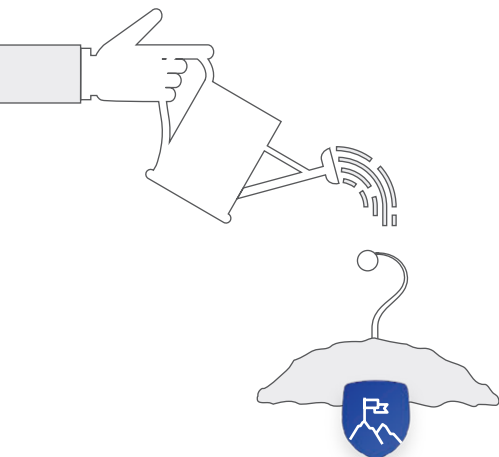
We also had five cash prize-winners for the Standard Bank SME award for innovation, fourth industrial revolution capability, and taking South African entrepreneurs to the 'next level'.

1. R400 000 – A2D24
2. R300 000 – Tuse Applications
3. R200 000 – Empty Trips
4. R100 000 – Litabe Technologies (tie fourth place)
5. R100 000 – Senso (tie fourth place)



## Finance for entrepreneurs to grow their businesses

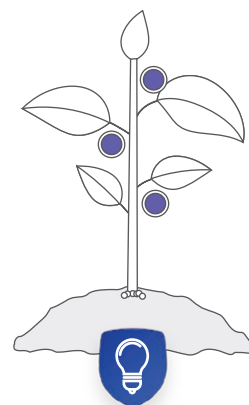
A major challenge for small enterprises is managing the consistency and predictability of cash flow. We're working with our clients to address this challenge, to help businesses get through crunch times without compromising their ability to deliver to their clients. Solutions include credit issues against government contracts, or invoices payable, as well as working capital loans.



### THE CHALLENGE

The default risk associated with lending to SMEs makes it difficult and expensive for SMEs to access credit from commercial banks.

SME owners need quick, convenient and real-time solutions to make and receive payments and manage their accounts.

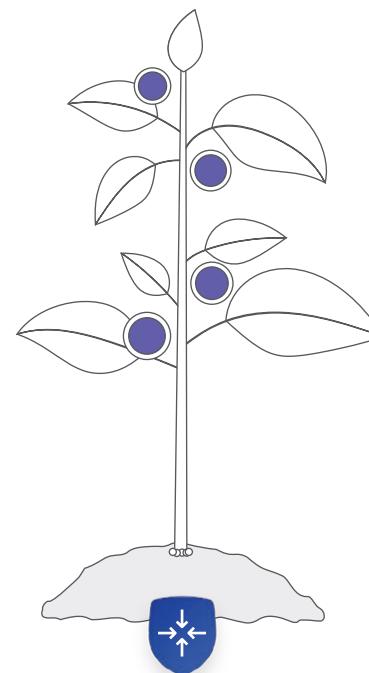


### THE SOLUTION

**Partnership with Uber, CMC motors and Suzuki** to enable Kenya's Uber drivers to buy their own vehicles.

**Invoice discounting** and Enterprise Smart Loans in Ghana, and **contract-linked finance** for SMEs working for the Limpopo provincial government in South Africa.

A range of **digital solutions tailored for SMEs**, including Biashara Direct in Tanzania and Enterprise Online in Zambia.



### THE IMPACT

**More SMEs able to access affordable finance, grow their businesses and create jobs.**

**Hassle-free banking through digital channels, which saves time and money for SME owners.**







## EXAMPLES OF HOW WE FINANCED ENTREPRENEURS TO GROW THEIR BUSINESSES:



**Stanbic Ghana** offers our SME clients invoice discounting – a short-term working capital loan against a firm's debtor book, which sees Stanbic Ghana finance up to 70% of the invoice accepted by a reputable company. We also offer Enterprise Smart Loans, which provide working capital for SMEs in the informal and formal sectors.



**Stanbic Kenya** has partnered with Uber Kenya and CMC Motors, a Suzuki franchise holder, to support Uber Chap Chap drivers to purchase fuel-efficient 800cc Suzuki Altos. The Chap Chap service operates in limited areas in central Nairobi, with a significantly cheaper rate per kilometre. The cars are offered at a substantially reduced price to the drivers with support from Suzuki Japan. By October 2018, around 500 drivers had benefited from this collaboration agreement between Stanbic Kenya, Uber Kenya and Suzuki. This programme supports entrepreneurship, job creation and safe mobility.



**In South Africa**, we've signed a cooperation agreement with the Limpopo Provincial Treasury in South Africa to provide access to funding for SMEs who have secured government contracts but lack the finance to execute such projects. We have committed R300 million over three years to this initiative. Funding includes a short-term/once-off revolving facility for suppliers undertaking work valued below R500 000; and short-, medium-term and asset finance for contracts above R500 000.



**Standard Bank South Africa's Tshwaranang Trust**, established in 2016 as a means to provide collateral against which to extend loans to small businesses, experienced a rising default rate during 2018. Concerns were also raised by the relevant regulator regarding the use of a trust mechanism as a means of disbursing enterprise development funds. We have undertaken an extensive review of the model, drawing on the lessons learned to develop better ways of enabling access to finance for SMEs who lack collateral or surety.

*Signing of the cooperation agreement between the Limpopo Provincial Treasury and Standard Bank.*





## Improving financial access with digital solutions for SMEs

The growth of an inclusive economy depends significantly on the growth of the SME sector. We are developing digital solutions for SMEs that make their business easier to operate and enable easier access to the financial services they need to grow. We have developed various products to assist SMEs.



### Stanbic Bank Zambia's SME

customers can use **Enterprise Online** to issue bulk instant money transactions. Employees without bank accounts can be paid using the recipients' phone numbers – a cheaper and more secure option than withdrawing large amounts of cash. The issuer receives a PIN and the recipient receives a voucher number. Customers can also view their past transactions. Details of each transaction are stored, enabling customers to repeat similar transactions without having to re-enter the same details.



### Stanbic Bank Tanzania, recognised

at the Banker Africa awards as Tanzania's best SME bank, launched **Biashara Direct** in 2018, a digital solution for convenient, hassle-free banking for SMEs. The service includes a dedicated business banker to assist enterprises with financial advice via phone or email. It includes a Swahili language option. The product offers USSD payment solutions through all mobile phones, and can accommodate accounts with multiple signatories. SMEs can transfer funds, pay bills and monitor the activities on their accounts.

“At Stanbic Bank, we realise that everything we do sets something in motion for the client, that our actions have consequences for the client and that's why it's important for us to put the client at the centre of everything we do. We draw our inspiration from the young Tanzanians who are eager to unlock the tremendous opportunities in the country through innovation and diversification. We want to empower their dreams of financial success.”

**Desideria Mwegelo**

Head: Marketing and communications, Stanbic Bank Tanzania





## Helping businesses to thrive

Businesses, large and small, require access to finance to expand their operations and improve productivity. Accessing finance enables them to access supply chains and buy equipment, access new markets, create jobs and boost profitability. We invested in various opportunities across Africa from manufacturing in Botswana to agriculture in Nigeria and Zimbabwe, and the taxi and mining sectors in South Africa.







## EXAMPLES OF HOW STANDARD BANK FACILITATED SUCH EXPANSION IN 2018 INCLUDE THE FOLLOWING:



### Stanbic Bank Botswana,

the Overseas Private Investment Corporation (US), and Lazare Kaplan International signed a USD125 million loan guarantee, which will encourage and support lending to local diamond beneficiation companies, while allowing the organisations involved to share credit risk. The agreement will strengthen the diamond beneficiation supply chain in Botswana, promote local job creation, diversify Botswana's economic growth, and bring global trade opportunities.



### Stanbic IBTC

is working to enhance its services to Nigeria's small-scale farmers, who struggle to access finance to purchase the equipment and inputs needed to improve productivity and yield. Our products include financing solutions to support mechanisation, and crop and weather-related insurance. We aim to provide complete solutions to smallholder farmers to enable business growth and ensure long-term sustainability and food security.



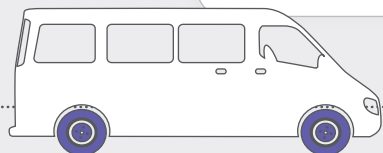
### Standard Bank South Africa

advised on, structured and part-financed a major black economic empowerment deal for the South African National Taxi Council (Santaco). The R1.7 billion deal enabled Santaco to acquire a 25% stake in SA Taxi, a subsidiary of Transaction Capital that specialises in sales, financing and insurance of minibus taxis. The deal will benefit thousands of taxi operations and drivers, enabling Santaco to expand into higher-margin upstream sectors, including vehicle sales, finance, and insurance.



### Standard Bank South Africa

financed Seriti Resources' acquisition of Anglo American's Eskom-supplying coal assets. Seriti is a 91% black-owned and controlled South African mining company. The acquisition makes Seriti Eskom's largest black-controlled coal supplier.







SEE IMPACT AREA THREE

# Infrastructure

## Summary

Standard Bank works with governments, development finance institutions and other commercial banks to structure and provide appropriate financial solutions to address Africa's infrastructure gaps, with appropriate risk sharing arrangements.

Inadequate power, water, transport and telecommunications infrastructure inhibits Africa's economic growth and potential for job creation and human development. The African Development Bank has estimated that Africa needs USD170 billion per year in infrastructure investment. This is essential to cater for a rapidly growing, rapidly urbanising population. It's also necessary to support the regional integration needed to enable efficient trade of goods and services and create economies of scale. While several African governments have invested heavily in large-scale infrastructure investment in recent years, the continent still faces major gaps in terms of energy, water, transport and telecommunications infrastructure. The challenge is exacerbated by the lack of capacity in most African capital markets to finance large-scale infrastructure projects. Africa's commercial banks play a key role in structuring appropriate funding instruments, and in partnering with governments and development finance institutions to mobilise funding. We have used our access to international capital markets to help governments in Africa secure the funding needed.

Our **energy** finance portfolio is increasingly focused on renewable energy projects. In 2018, we financed 135 MWs of wind power

projects and 300 MWs of solar PV projects in South Africa. We also financed a 37 MW solar PV project in Namibia. It is the country's first large-scale independent power producer project, and has increased Namibia's energy capacity by 7%.

Reliable, regionally integrated **transport** networks, together with efficient **port facilities**, are crucial to enable African economies to access regional and international markets and grow their export capacity. Standard Bank financed a number of transport infrastructure projects during 2018. In Ghana, we financed the development of the first phase of the Tema Port development, which will establish Ghana as a leading maritime hub in West Africa.

Water shortages and irregular rainfall patterns have placed significant **water** stresses across Africa. In the Western Cape in South Africa, we financed portable desalination plants, producing seven million litres of potable water per day, improving water security for businesses and homes in the area. In the **telecommunications** sector, we provided a USD100 million loan facility to grow Ghana's telecom sector through the merger of Bharti Airtel and Millicom to launch Airtel-Tigo.



**SDG 7**  
Access to affordable, reliable, sustainable and modern energy for all



**SDG 9**  
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

**MATERIAL ISSUE**  
Balancing Africa's power and energy needs with the negative impact of climate change

Adaptation and mitigation of climate change, especially in relation to water in key sectors and markets

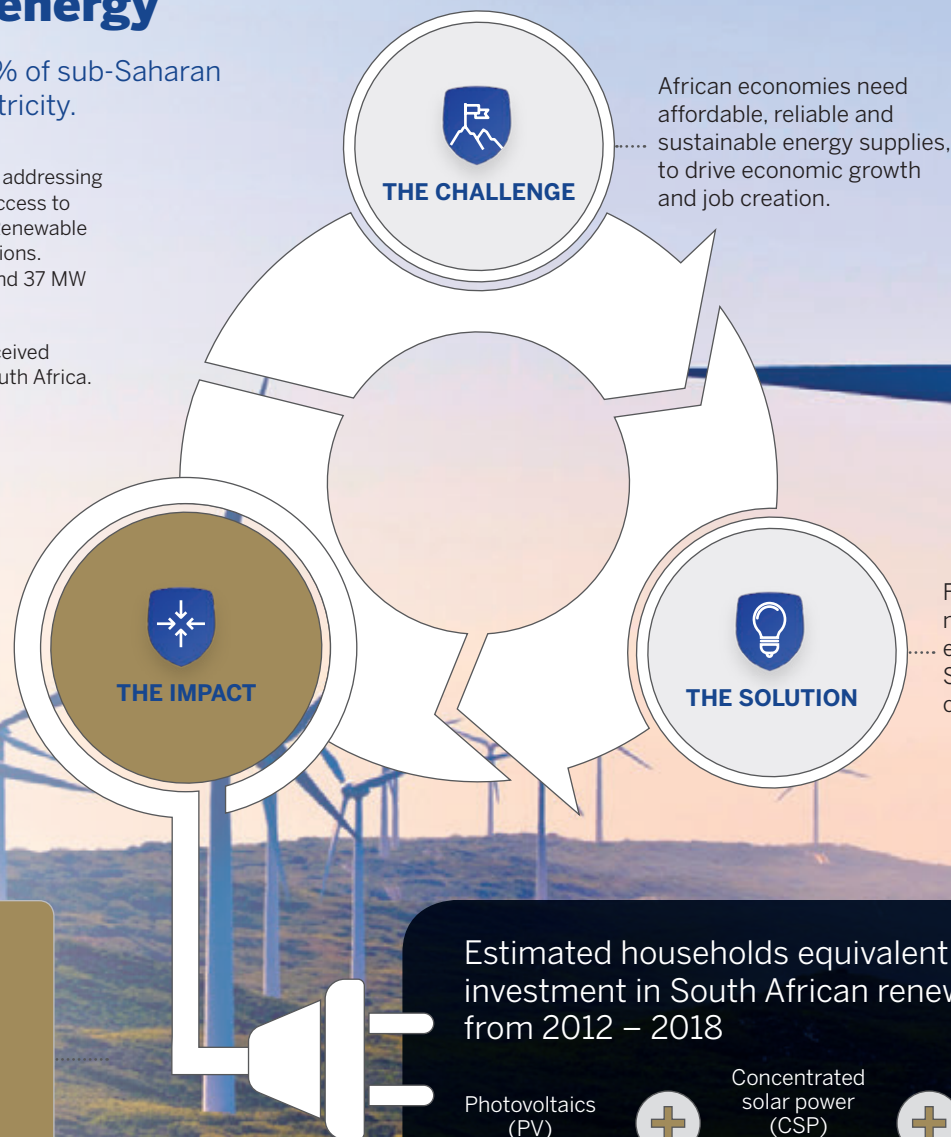


## Investing in renewable energy

The World Bank estimates that just over 60% of sub-Saharan Africa's population is without access to electricity.

Access to reliable and affordable energy is a pre-condition for addressing a broad range of challenges, including access to healthcare, access to education, food security, economic growth and job creation. Renewable energy technologies offer cost-effective and sustainable solutions. We invested in 435 MW of renewable energy in South Africa and 37 MW in Namibia in 2018.

Since 2012, an estimated 984 900 equivalent homes have received renewable power from Standard Bank financed projects in South Africa.



- 435 MW of renewable energy added to South Africa's energy supply, providing reliable and affordable energy for local communities and creating jobs.
- 37 MW of solar power added to Namibia's grid, increasing energy capacity by 7%, avoiding emissions of 33 000 metric tonnes of CO<sub>2</sub> equivalent every year, reducing dependence on regional power imports, and bringing down the cost of electricity for consumers.

Estimated households equivalent powered by our investment in South African renewable energy projects from 2012 – 2018

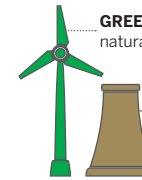
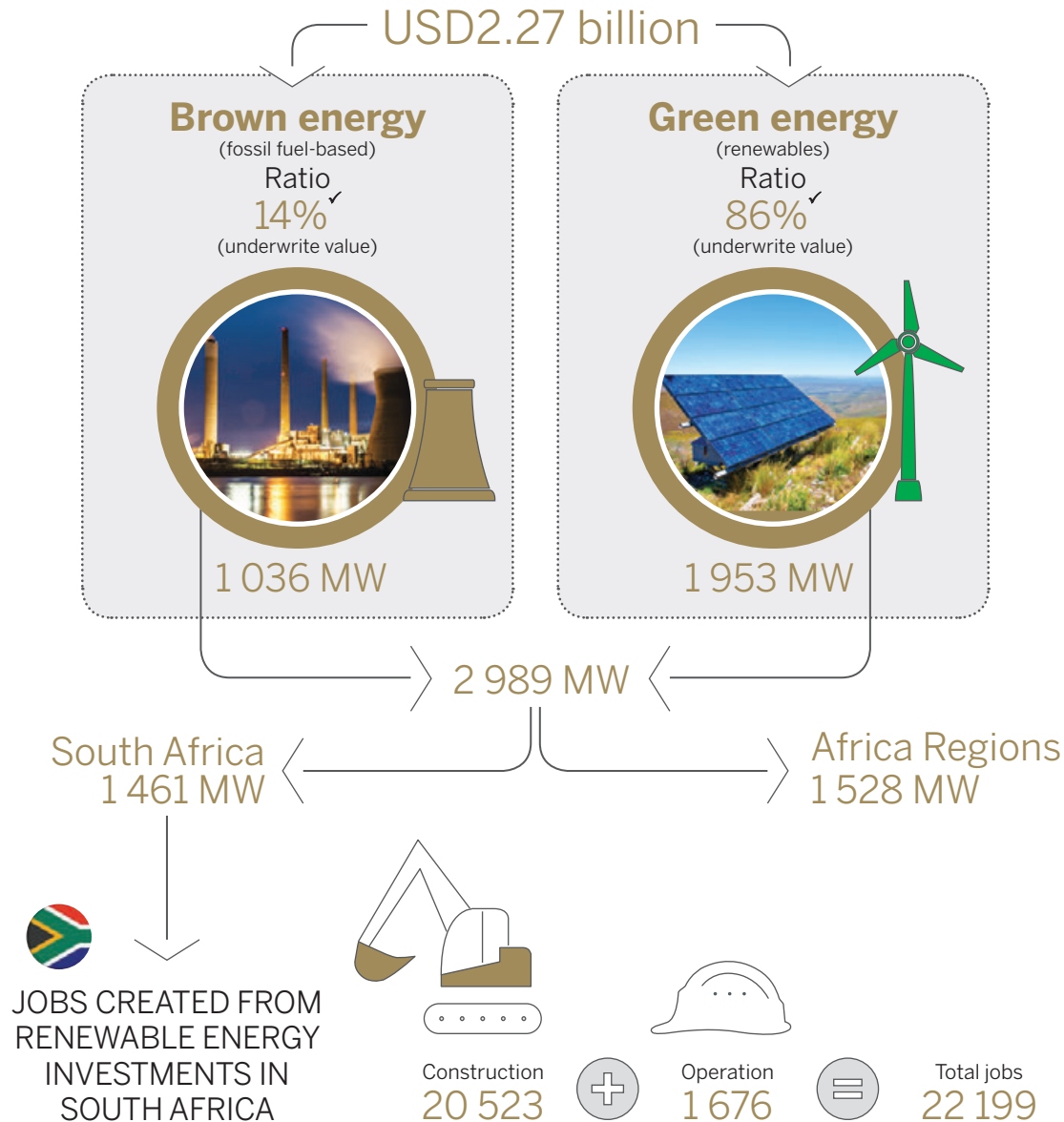
Photovoltaics (PV)	+	Concentrated solar power (CSP)	+	Wind	=	Total households
399 091		71 147		514 661		984 900

Average household electricity consumption sourced from Exon Consulting –  
How much electricity does my home use, August 2016





## ENERGY PROJECTS FINANCED BY STANDARD BANK SINCE 2012



**GREEN** – Clean, non-polluting and renewable energy sources that are naturally replenished over time, such as solar or wind.

**BROWN** – Fossil fuel-based energy sources that release pollutants during processing and are not replenished over time, such as coal, oil or natural gas.

### Standard Bank provided finance for six green energy projects in South Africa in 2018:

Standard Bank was the mandated lead arranger, underwriter and hedge provider for the 33 MW Wesley-Ciskei wind project facility in the Eastern Cape. The project is run by the Riverbank Wind Power consortium, comprising EDF Renewables, Telagystix, Uncedo Lwethu Winds of Change, a group of black small-scale farmers with a 5% shareholding, and Riverbank Winds of Change BEE company, which benefits the local communities living within 50 km of the project, with a 12.5% shareholding. The project secured a 20-year power purchase agreement with Eskom under Round 4 of South Africa's REIPPP, in April 2018. Construction will begin in December 2019 and production in June 2021.

Standard Bank was the sole mandated lead arranger and underwriter for the three Scatec Solar projects procured under Round 4 of South Africa's REIPPP, each of which will deliver three 75 MW projects to the grid under a 20-year power purchase agreement with Eskom. Standard Bank also provided long-dated interest rate and currency hedges to minimise risk to Eskom, and brought Liberty Group, Prescient Investment Management, Sanlam Capital Markets and Development Bank of Southern Africa on board as additional lenders.

Standard Bank participated in financing for the 102 MW Copperton wind farm facility in the Northern Cape. The project is being constructed by Nordex Energy South Africa and Raubex Infra and will be operated by Elawan Energy. The wind facility has a minimum 10% BBBEE shareholding, with 5% held by the Copperton Community Trust. The project is currently under construction, with operations scheduled to commence by the end of 2020. The project secured a 20-year power purchase agreement with Eskom under Round 4 of South Africa's REIPPP. Local communities will benefit from job opportunities associated with the project, in addition to direct shareholding in the facility.

Standard Bank and DBSA were mandated lead arrangers for the financing of the 75 MW Solar Capital Orange photovoltaic project. The project was awarded under the Round 4 of the SA REIPP programme and will be located close to Loeriesfontein in the Northern Cape. As with the other Round 4 projects, grid connection is delayed and as such construction is expected to commence in April 2019. Sterling and Wilson will provide the engineering, procurement and construction services as well as the operations and maintenance programme, with management services provided by Solar Capital.





**In Namibia**, Standard Bank partnered with Proparco, a French development finance institution, to develop the funding structure for the 37 MW Mariental solar photovoltaic plant. Stanbic Namibia was the co-mandated lead arranger and underwriter with Proparco. The plant is the first large-scale independent power producer project in Namibia, and one of the largest photovoltaic plants in Africa outside South Africa. It will increase Namibia's generation capacity by 5%, generating 120 000 MW hours per year for over 25 years, and avoid emission of 33 000 metric tonnes of CO<sub>2</sub> equivalent every year. It will also reduce Namibia's dependence of regional power imports and contribute towards Namibia's long-term vision to be a self-sufficient solar power generator. Standard Bank's strong in-country balance sheet enabled Proparco to denominate and assume credit risk in local currency, significantly reducing the quantum of risk. Reduced risk costs, together with competitive terms secured under the long-term electricity sale agreement, ensure consumers will pay less for their electricity per kilowatt hour, compared to current Namibian rates. The innovative use of local currency lending also has the potential to deepen African capital markets by developing new mechanisms to use African savings and capital to drive African growth.



#### **Environmental and social risk management for the Hardap Solar PV Project**

Standard Bank undertook an environmental and social (E&S) risk due diligence on Alten Solar Power (Hardap) Proprietary Ltd, the consortium selected to construct the plant, prior to the pre-credit application. We reviewed the project's environmental and social impact assessment and commissioned an independent environmental audit against IFC performance standards. On the basis of gaps identified in the audit, Alten developed a comprehensive Environmental and Social Management System (ESMS) for the project. This included specific commitments applicable to pre-construction, and during construction and operation. Quarterly independent E&S audits were carried out during construction to ensure compliance with the IFC performance standards, ESMS and specific commitments of the financing. The main concerns related to the construction phase included labour recruitment and accommodation. Audit findings were addressed with corrective action plans, which were followed up to ensure implementation. An independent audit will be undertaken during the first year of operation to further ensure E&S compliance. Ongoing monitoring and annual reporting will continue for the tenor of the transaction.





### THE CHALLENGE

African economies need reliable, regionally integrated transport infrastructure to facilitate access to markets and grow import and export capacity.



### THE SOLUTION

**In Ghana**, finance for Tema Port, and partnership with Port Authority to improve port efficiency with paperless transactions.



### THE IMPACT

Establishes Ghana as a leading maritime hub in West Africa, supporting import and export capacity and driving economic growth and job creation.

## Financing transport infrastructure to boost trade



**In Ghana**, Standard Bank and ICBC were part of a consortium, led by the International Finance Corporation, to arrange finance for Phase I of Ghana's new container terminal at Tema Port. The expansion of the terminal will be one of the largest infrastructure projects ever undertaken in Ghana and will establish Ghana as a leading maritime hub in West Africa. Phase 1 includes construction of

a quay with three container berths, creating a 92 ha yard, constructing a breakwater and dredging an access channel, harbour basin, and other maritime access infrastructure. Upon completion of this phase, the new facility is expected to have an annual capacity of one million containers and be able to service some of the world's largest container ships. Work began in October 2016 and is scheduled for completion during 2019.

Investing in transport infrastructure such as ports and roads supports economic growth and job creation. During 2018, Standard Bank financed major transport infrastructure projects in Ghana, Mozambique and Malawi.

Standard Bank is also working with Meridian Port Services to improve the efficiency of the port, implementing paperless transactions with the introduction of the MPS Pay Gate web portal. This will greatly improve efficiency and cost-effectiveness for port users, cutting time and cost of cross-border trade. Stanbic Ghana is developing the e-payment portion of the portal, ensuring full compliance with data protection regulations and security for users.



## Expanding telecommunications infrastructure

Bharti Airtel and Millicom are global players in the telecoms sector.

They partnered with Stanbic Bank Ghana to finance their merger and launched the Airtel-Tigo brand. The USD100 million loan facility provides Airtel Ghana with the flexibility required as the merger processes move toward conclusion. The collaborative work of Standard Bank's onshore and offshore businesses enabled the structuring of a unique fit-for-purpose facility, which reflects local requirements and international lending standards, while ensuring currency availability and timely payment execution.

## Funding water infrastructure, an increasingly scarce resource

During 2016 and 2017, much of east and southern Africa suffered from severe drought.

South Africa's Western Cape was particularly hard hit, resulting in the looming threat of *Day Zero*, the day the taps would run dry in the City of Cape Town, in early 2018. While strict water management, concerted efforts by residents, and long-awaited rains have delayed *Day Zero*, however, Cape Town remains a severely water stressed city.

The municipality of Cape Town required an alternative feedstock for the production of potable water and given the city's proximity to the Atlantic and Indian oceans, seawater desalination technology was selected.

Standard Bank provided finance for the installation of two desalination plants in Monwabisi and Strandfontein. This included a marine intake, onshore process plant, product injection and brine return pipeline. The plant was built in a modular format to enable future expansion. Both plants are currently running at capacity and each producing about 7 million litres of potable water per day. The plants will operate as a temporary solution to the city's urgent water requirements. Proxa and Water Solutions SA, together with the city, collaborated with the local communities to promote job creation during the project construction phase. At the time of plant decommissioning, the area will be rehabilitated, and the buildings used to house the plants could be converted to community halls or other

facilities which will benefit the local communities.

This provision of financing for the desalination plants with revenue collected from the supply of water into the city's existing reticulation system, assisted the city in meeting its emergency needs.

In addition to the above, Standard Bank also assisted Proxa with financing for the expansion of a desalination plant at the Seriti Colliery. Seriti Colliery (previously New Vaal colliery) supplies coal to the adjacent Lethabo Power Station in the Free State of South Africa. Due to an excess of water in the mining operations, Seriti Colliery desalinates contaminated water arising from its mining operations for re-use within the mine and power station. In 2018, Proxa undertook the expansion of one of the desalination plants at Seriti Colliery as well as the addition of a salt recovery facility for the brine from the desalination plant. The upgraded and expanded plant, using state-of-the-art technologies such as evaporation, crystallisation and cooling crystallisation, treats a total of 10 million litres of mine water daily and produces high purity sodium sulphate that will be recycled in various industries, as well as calcium salts for use as soil ameliorants in agriculture. The plant reduces the risk of contaminated water being released from the colliery and the overall intake of clean water from natural sources by the mine and power station.







SEE IMPACT AREA FOUR

# Africa trade and investment

## Summary

Our purpose is to drive Africa's growth. A core part of our business is to facilitate trade and investment flows between African countries, and between African countries and global markets.

We partner with international investors to connect them to opportunities in Africa, and with African governments, SOEs and businesses to facilitate their access to global capital markets. **We helped raise over USD15 billion of finance** for our African clients in 2018. We're also working with African firms, and small enterprises in particular, to improve their access to trade finance. We've identified the development of **digital solutions that simplify and broaden access to trade finance** among Africa's SME segments in key markets as a strategic focus, and we're working with businesses and regional organisations toward implementing digital platforms to reduce the costs of intra-African trade.

In 2018, **we celebrated the 10-year anniversary of our strategic partnership with ICBC**. This partnership enables us to provide seamless solutions for individuals and businesses travelling and operating across national and international borders. Working together, we're **helping companies in Africa and China to maximise the potential of China-Africa trade**, further driving sustainable economic growth and job creation in Africa.



**SDG 8**  
Promotion of sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

**MATERIAL ISSUE**  
Contribute to job creation, enterprise development in countries of operation

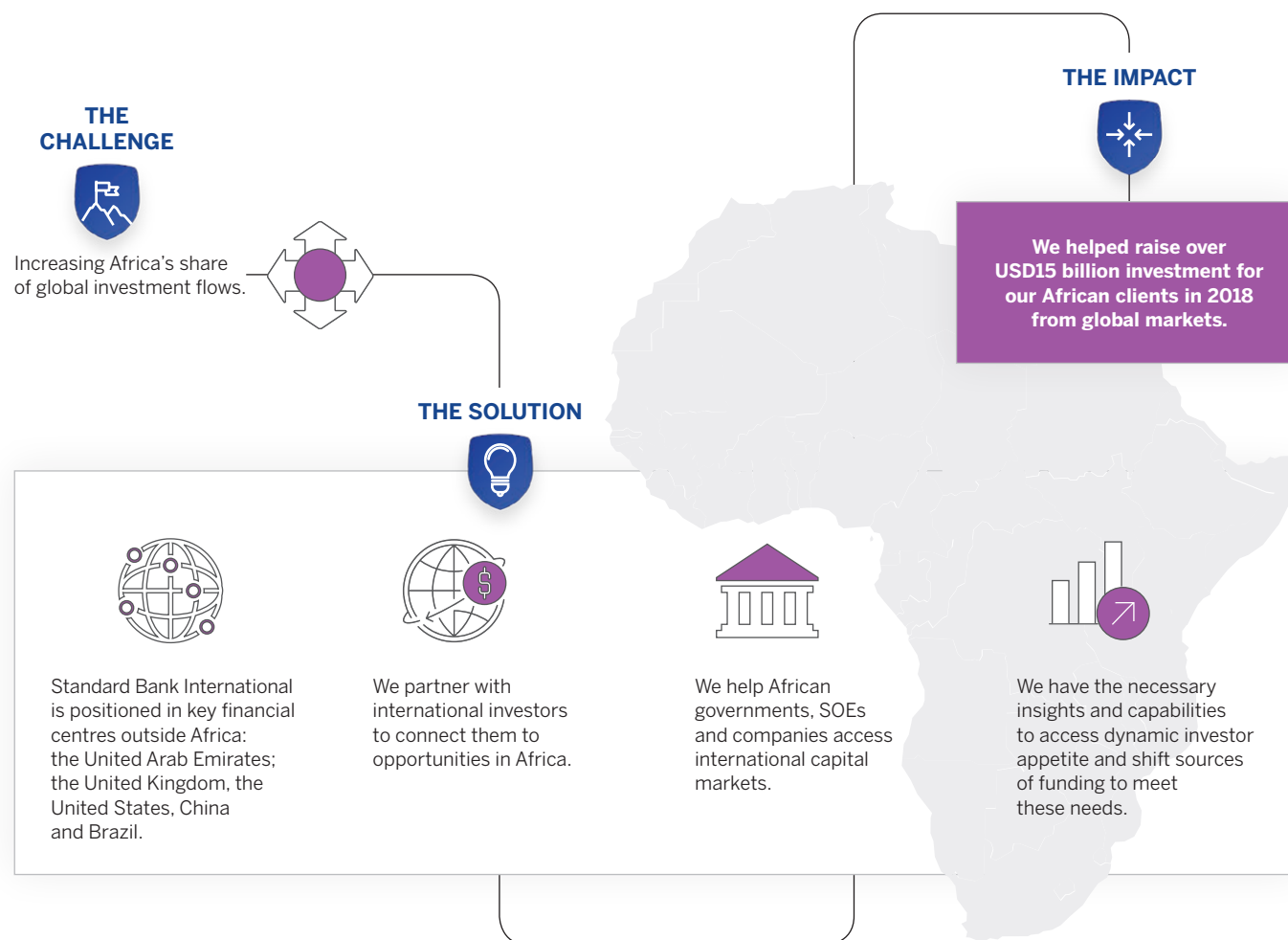




## Expanding African trade to drive Africa's growth

The African Union's Agenda 2063 highlights the importance of trade and investment infrastructure to connect Africa.

The deepening of trade and investment flows between African countries and global markets such as China provides opportunities for African economies to develop and expand manufacturing and services industries, and for African businesses to tap into new markets and access global supply chains. A core part of our business is to facilitate trade and investment flows between African countries, and between African countries and global markets.



Availability of bank-intermediated trade finance is far below what Africa needs, falling short by at least USD100 billion according to the African Development Bank.

Access is particularly difficult for SMEs. Digital solutions that increase the efficiency and reduce the cost of trade would make it easier for SMEs to access trade finance. Currently, trade finance in Africa remains heavily paper-based, and disconnected by national borders. But African governments are beginning to encourage digitisation as a way of boosting domestic and global trade in markets that lack traditional domestic and cross-border trade infrastructure.

We see potential for further digitisation of the physical supply, the financial supply and the documents chain. Our contribution to digitising the financial supply chain has included working with regulators supporting price discovery and risk management in the tea industry in Kenya. We have also been working to digitise documents chains, including proof of concept tests using blockchain to digitise bills of lading, for example. We've identified the development of digital solutions that simplify and broaden access to trade finance among Africa's SME segments in key markets as a strategic focus for us.

Supporting trade in Africa also means working with clients to manage multiple categories of risk, including counterparty credit risk, country risk, currency risk and operational risk. A key element in this is helping clients match responses to real rather than perceived risk – by partnering with fintech firms operating trade contingent and asset risk distribution services, for example. We're also providing support and strategic guidance to regional organisations working to reduce trade barriers, speed up the clearing and release of goods, increase the predictability of landing costs, and support compliance to minimise the disruption and costs of legitimate trade, through use of digital platforms.



## Celebrating our 10-year partnership with ICBC: Growing Africa-China trade and investment

**China is now Africa's largest trade partner and bilateral trade and investment ties are growing rapidly.** As many as 10 000 Chinese-owned firms are operating across Africa.

Growing numbers of African businesses, ranging from individual entrepreneurs to corporations, are doing business in China. Chinese trade and investment offers opportunities to grow Africa's manufacturing sector, increase the scale and sophistication of African exports, and create jobs across the continent. Since 2008, Standard Bank and ICBC have been working in partnership to support businesses operating in the China-Africa corridor. In the 10 years since our partnership was established, our two banks have provided USD8.5 billion in financing support for over 40 projects in Africa involving Chinese companies, leveraging investment of around USD30 billion.

Africa

### THE SOLUTION



Leveraging the strategic partnership between Standard Bank and ICBC to provide seamless solutions for individuals and businesses travelling and operating across borders.

### THE CHALLENGE



Maximising the potential of China-Africa trade and investment to drive sustainable economic growth and job creation in Africa.

China

### THE IMPACT



Since 2008, USD8.5 billion in financing support to 40 projects in Africa.





“After 10 years of partnership, there are now literally dozens of joint projects and shared achievements between ICBC and Standard Bank that range across every major area of our business. They include joint lending for projects in Africa involving Chinese companies, pioneering of the market for African debt in China, joint work on Renminbi internationalisation, joint cash management services for large Chinese corporations in Africa, steadily expanding staff exchanges, and fruitful mutual learning on IT and in risk management. Most visibly, we can point to our joint I Go Africa and I Go China credit card loyalty programme and to our joint Africa-China banking centres in Johannesburg and Lagos from which Mandarin-speaking consultants assist Chinese business people in Africa and help African enterprises to connect with China.”

**Sim Tshabalala,**  
*Chief executive, Standard Bank Group*

“Most African business and government leaders tell us that they believe the Africa-China opportunity to be the largest opportunity presented by any foreign partner. Moreover, it also means Africa can chart a course that will be interconnected with other emerging markets and therefore inextricably integrated into the drivers of the global economy. Africa-China trade is undisputedly the most important external economic dynamic for our continent, and one that will only be enhanced through further Chinese investment and a deepening connection. Africa’s potential lies in its ability to work together through its own regional integration to fuel its broader global economic ambitions.”

**Sola David-Borha,**  
*Chief executive, Africa Regions,  
Standard Bank Group*





As **Chinese companies increase their capital investment and activity across multiple African markets**, they require a full range of ongoing banking services.

ICBC and Standard Bank work together to fulfil these needs. At the same time, we provide a broad range of services for African businesses engaging with Chinese markets. Standard Bank increasingly refers our African clients to ICBC for banking services when they enter China, while ICBC refers its clients to Standard Bank when they enter or deal with Africa. We have joint client mandates for many of China's biggest investors in Africa. We're extending collaboration to areas such as private banking, wealth management, credit card businesses, bond trading and settlement, IT and e-security collaboration, cross-border remittance, payments and trade finance risk underwriting.

## EXAMPLES OF COLLABORATION INCLUDE THE FOLLOWING:



We offer a bespoke retail banking solution that facilitates personal remittances between South Africa and China.



We offer internet banking in Chinese in Angola, which has a large Chinese business community and a high level of online and mobile banking, especially among Standard Bank clients. More Chinese internet banking sites will be rolled out across the continent in 2019.



The ICBC-Standard Bank Plc Global Financial Market Platform Business joint venture serves clients in Africa and China.

Standard Bank hosted ICBC's 'I Go Global' credit card reward schemes for Chinese travellers in South Africa, Kenya and Ghana. Since the launch of the scheme in South Africa in November 2017, ICBC has provided transnational services to nearly 100 000 credit card holders in Africa. The joint Standard Bank-ICBC credit card reward scheme is currently being rolled out to other African markets.



**We have entered into agreements with a number of other Chinese companies,** to further expand our offering to individuals and businesses on both sides of the Africa-China corridor. For example:



Standard Bank has 30 Mandarin-speaking relationship managers across 15 markets, many of whom are African people. We also operate an entirely Mandarin-speaking branch at Crown Mines in Johannesburg. The branch is dedicated to helping Chinese importers and exporters access business opportunities in South Africa, Lesotho, eSwatini, Namibia, Botswana, Zimbabwe and Mozambique.



In 2018, Standard Bank took 61 clients from nine African countries to the inaugural China International Import Expo (CIIE), to assist them to secure export contracts with Chinese companies.



We have Africa-China banking centres in Johannesburg and Lagos. These are one-stop shops for Chinese businesses and individuals seeking to transact in, across and from Africa. Staffed by Mandarin-speaking bankers, the centres provide a virtual finance hub for personal and business banking clients, and for Chinese importers and exporters. Consultation and advisory services are provided via telephone, online or email, and African and Chinese clients are able to link into China's digital banking and customer knowledge systems. We're in the process of opening Africa-China banking centres in a number of other African hubs.



At the BRICS Summit, Standard Bank and the China Development Bank signed a USD500 million loan facility, designed to support the growth of Standard Bank's African SME clients, many of whom are looking to export to China, over the next seven years.

Shyft, Standard Bank's global digital wallet for Android and iOS, allows foreign currency purchasing and trade, all from a mobile phone. Clients and customers throughout Africa and in China can use Shyft to send, spend, store or exchange funds in USD, EUR, GBP and AUD.



We've partnered with UnionPay International (UPI), a subsidiary of China UnionPay, the largest card payment organisation in the world. Standard Bank will accept UPI cards in 10 African countries, and we're licensed to issue UnionPay cards in South Africa – providing a cost-effective and secure mechanism for cross-border payment. This allows UnionPay customers to use their cards on Standard Bank issued point of sale terminals and access the Standard Bank ATM network. South African business travellers to China can use their UnionPay cards issued in South Africa by Standard Bank at merchants and ATMs across China. Standard Bank's UnionPay capability also allows Africa-based business people and tourists with Standard Bank accounts, cards or online payment products access to the full range of payment apps currently used to transact in China.





As Africa's relationship with China matures and deepens, the wider use of China's currency, the renminbi, across Africa offers opportunities to increase efficiency and reduce the risk and cost of intra-Africa and Africa-China trade.

Standard Bank and ICBC are working together to create multi-currency financing products that make full use of our combined advantages in both local currency and offshore renminbi financing.

We offer a Chinese yuan renminbi (CNY) capacity in all our subsidiaries in African countries. We also offer a 24-hour regulatory-compliant and risk-managed foreign exchange service which includes the renminbi. This is supported by our Mandarin-speaking banking teams, together with our agreement with UnionPay International to host and support their electronic payments portal in Africa, and between Africa and China. Many African countries that experience regular dollar constraints have arranged renminbi swap links, allowing them to use renminbi to pay for imports from China. Renminbi swap links allow the Central Bank of Nigeria to pay for Chinese imports in renminbi whenever needed, effectively removing exchange rate risk for certain key imports.



In 2018, Standard Bank and ICBC celebrated their 10-year partnership. This collaboration included both banks joining the 28 core banks currently developing the UNEP FI Principles for Responsible Banking. Above, Wendy Dobson (Standard Bank) and Jinny Yan (ICBC) are in attendance at the public consultation launch of the Principles for Responsible Banking.





SEE IMPACT AREA FIVE

# Education and skills development

## Summary

Africa's growth depends on her people having access to quality education, and the promotion of skills training and lifelong learning opportunities in the context of the fourth industrial revolution.

Standard Bank supports this in various ways. We work with partners in the education and corporate sectors to address the challenge of accessing affordable and accessible student finance, including through innovative models such as the Feenix crowdfunding platform in South Africa. Since June 2017, Feenix has raised R22 million, covering the fees for 800 tertiary students.

Our corporate social investment programmes focus primarily, but not exclusively, on education, from early childhood development to tertiary education. In South Africa, Standard Bank's Tutuwa Community Foundation, established following the conclusion of Standard Bank's Tutuwa black economic empowerment deal, supports a range of child development, educational initiatives, and youth work-readiness schemes.



**SDG 4**  
Inclusive and equitable quality education and the promotion of lifelong learning opportunities for all

**MATERIAL ISSUE**  
Contribute to job creation and enterprise development in countries of operation

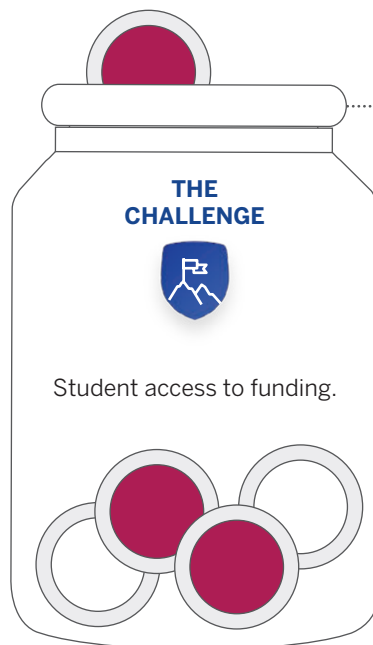




## Funding higher education for Africa's youth

Standard Bank funds higher education, developing the skills needed for the future world of work. This includes facilitating access to finance such as the crowdfunding Feenix platform, and more direct funding such as our Standard Bank bursaries and scholarships.

We launched the Feenix Trust, a public benefit organisation (PBO), in June 2017. It is an initiative that allows individuals and enterprises to donate money directly to students to help them complete their studies. Crowdfunding platforms like Feenix allow ordinary citizens to take meaningful action to solve social problems. At least 75% of the Trust is allocated to black recipients, and 50% to women. Standard Bank is the funder, enabler and partner of the Trust, which retains and manages funds from donors. The Trust allows individuals and enterprises to donate money to universities on behalf of selected students.



### THE SOLUTION



**Feenix crowdfunding platform** enables individuals and companies to donate money directly to universities on behalf of selected students.

**Standard Bank covered set-up and operating cost shortfalls.**

We covered the set-up costs and will cover any shortfall between the total operating costs and the income received from the admin fee charged to funders.

We have a three year commitment to the project, which we expect to become self-sustaining.

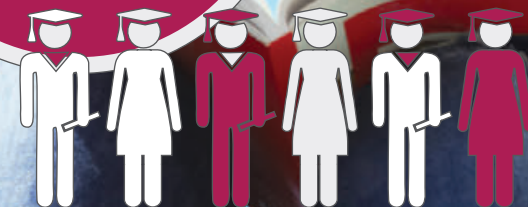
Feenix has raised **R22 million** and funded 800 tertiary students, since inception. 650 students were funded in 2018. Standard Bank employees have contributed R850 000 of this amount. The Feenix Trust owns the Feenix.org domain, ensuring professional and accountable handling of all funds raised and disbursed. Feenix won the Public Intellectual Influencer Brand Award at the 2018 Brand Summit South Africa and was recognised by Next Generation in their 2018 Innovation and Impact Research Report as a leader of the pack.

### THE IMPACT



Raised  
R22 million

650 students ✓  
**funded in 2018**







"I got an email from the University of Pretoria saying that my debt has been settled. This debt had been an obstacle that prevented me from moving forward in my education and career. To my sponsors, who I will probably never get the opportunity to thank in person, you have no idea what you have done, not only for me, but also for my family. Thank you a million times. I have no idea what the future holds, but I can guarantee you that you have contributed a lot to it... I thank you. I am ecstatic. I feel blessed. I am grateful."

**Lehlogonolo Malemela, Feenix recipient**



### **Update on the Discovery Foundation- Standard Bank partnership**

In South Africa, the National Student Financial Aid Scheme provides assistance to underprivileged students, whose parents' annual income is less than R100 000. However, students who fall outside this threshold struggle to access conventional bank loans, because they cannot provide surety against the loan. Using a capital base of R20 million from the Discovery Foundation as surety, we have disbursed student loans worth R15.7 million at the University of Pretoria's medical school since 2016, benefiting 148 'missing middle' medical students. Of the 148 students, 37 have now completed their medical degrees. We believe this solution has the potential to substantially increase the number of students that could qualify for an affordable loan, on a sustainable basis.



**Our bursary programmes** support deserving students to obtain degrees in critical skills areas. We also partner with government institutions in some countries. In 2018, we funded 389 students.

We provided 296 bursaries for students at South African universities, to the value of R35.7 million. 130 of these bursaries were directly awarded and managed by Standard Bank and 166 were funded 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'. In 2017, Standard Bank funded full cost bursaries for 172 students. We continued to fund these students in 2018, less the six that exited the programme.

In 2018, 12 of our bursary recipients who graduated in 2017 were employed by Standard Bank. They include:



- **Lindokuhle Twala**, who received a bursary to complete his engineering degree from the University of KwaZulu-Natal. While studying, he worked as a petrol attendant to support his family. In 2018, he joined the bank's graduate programme.



- **Mmakole Mphalele**, the first person in her family to be awarded a degree. She excelled in her internship at the bank in 2017, earning further sponsorship to complete her post-graduate degree in risk management. She'll be joining the bank's risk graduate programme in 2019.



- **Olwethu Myeza**, who received a bursary in 2015 to study computer science at the University of Cape Town. Circumstances delayed the completion of his studies, but his resilience and tenacity caught the attention of our leaders who offered him mentorship in his final year. He graduated in 2018 and will participate in a Standard Bank graduate development programme in 2019.

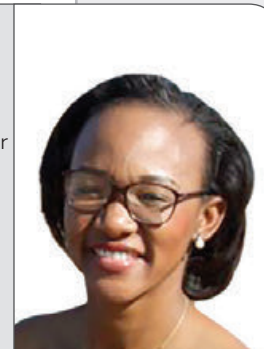
Standard Bank and the University of Johannesburg have partnered to support 10 exceptional students through their undergraduate and post-graduate studies, through the Actuationist programme. Two of these students started their careers in Standard Bank in 2019.

We also run specific bursary programmes in key countries in Africa Regions. For example: Standard Bank Malawi has launched a MK120 million (R2.4 million) bursary programme, to run for four years. Bursaries have been provided to six students from each of the five public universities in Malawi, totalling 30 students.

The Standard Bank Chairman's Scholarship (previously known as the Derek Cooper Scholarship) welcomed its fourth intake of 10 students in October 2018. Our 2018 investment of R7.8 million brings the total number of beneficiaries to 33, across eight African countries (South Africa, Ghana, Zambia, Nigeria, Uganda, Tanzania, Kenya and Zimbabwe). The scholarship is awarded to a small number of exceptional African graduates, who we believe have the potential to become influential leaders in business, politics and/or civil society, to pursue post-graduate studies at top international universities. Our alumni include:



- **Zainab Haruna**, who completed an MSc in African development in 2017, at the London School of Economics and Political Science and has established a youth-led social enterprise in her home country, Nigeria, aimed at building entrepreneurs and sustainable enterprises and improving the quality of education.



- **Lesego Holzapfel**, who has co-founded Raise the Children International, a registered non-profit organisation in South Africa which supports orphans from impoverished and rural communities and mobilises resources for these children to access higher education. As a former volunteer teacher in a rural school near her hometown of Mmabatho, Lesego believes in education-based solutions to poverty. She's also the founder and CEO of Bokamoso Impact Investments, a social enterprise dedicated to uplifting remote underdeveloped areas of the country through agriculture and entrepreneurship.





## Helping young people to enter the workplace

Standard Bank invests in a variety of training programmes designed to help young people access the world of work.

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

Since then, over 5 600 learners have participated in the programmes. Many are still with Standard Bank. 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. In 2018, we employed 815 young people on our various programmes, and 783 learners completed their programmes. 504 of these learners were retained at Standard Bank, while 119 found employment elsewhere.



### Kavita Gosai

"Fresh out of university with a BCom honours degree – little did I know the struggle that lay ahead in finding a job. After many applications and interviews, I secured a place in Standard Bank's Credit management learnership. I learnt a vast amount, I had a supportive structure in my team that trained and guided me well. Frequent trips to Johannesburg for training allowed me to build my network. I've been with the bank for over six years now, and every day is something new. Standard Bank saw my potential and gave me the opportunity to constantly grow, personally and professionally. I am now a manager in business rescue and recovery."



### Mpumelelo Mohlehli

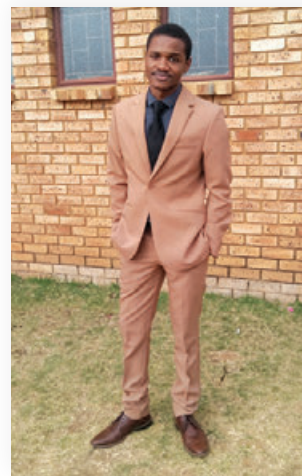
"In late 2011, I learned that I would not be able to continue with my BCom studies because my bursary had been discontinued. I found out about the Standard Bank Learnership Programme and wrote the online assessment. You cannot understand my joy when I received a positive response. I joined the Banking Academy learnership at the beginning of 2012. The support I received was amazing and heart-warming. I am now a transactional banker in private banking, and I'm on another learnership initiative. I have enormous gratitude for the learning and development team – passionate, empathic and genuine people. I now aim to get my master's degree through the Standard Bank Learnership Programme."



## Standard Bank has a strategic relationship with the **Harambee Youth Employment Accelerator** that began in 2012.

Harambee prepares young, unemployed South Africans who have been locked out of the economy to enter the workplace for the first time. Since 2012, we have placed 681 Harambee candidates in 12-month learnerships within the bank, as call centre agents, tellers in our cash centres, fraud investigation consultants, travel centre consultants and frontline consultants in our branch network. Of these young people, more than 90% successfully completed the learnership. Just under 90% were offered ongoing contracts at the bank, while about 15% became permanent members of staff.

Harambee candidates come from households of between five and 11 people, which are either grant dependent, have an income earner in low-paid or at-risk employment, or have no income. Providing a young person from such a household with decent work makes a significant impact on the household as a whole, not least through sharing their skills and experience, developing networks and creating opportunities for others in the household.



**Ndumiso Nkoana** joined Standard Bank on a learnership in August 2017, after completing an eight-week bridging programme with Harambee. Within a year he was appointed as a permanent employee, and shortly thereafter was promoted to customer consultant. He describes the key to his success as "staying focused and never turning down an opportunity to learn". He credits Harambee with giving him a platform to achieve far beyond what he might otherwise have been able to with his disappointing matric results. The mentorship of the Harambee bridging managers helped him to get his foot in the door at Standard Bank, and then to flourish in his role. He has completed a level 4 banking certificate and is close to finishing a psychology course. He's also helped build a house for his grandmother.





**Standard Bank's Tutuwa Community Foundation** partners with a number of **youth work readiness programmes**. Some of the programmes aim to create self-employed engineers while others focus on growing artisans. We also focus on those without formal training or education, such as improving the employability of those Not in Employment Education or Training (NEETs).

**The Artisan Development Programme in collaboration with the Artisan Training Institute** is an innovative apprenticeship model that helps unemployed youth learn trade skills. The programme currently has 20 young people registered. They have been trained in the subjects of auto-electricity, diesel mechanics, boiler making, fitting and turning and electricity and instrumentation, and are pursuing 18 months of experiential training. Tutuwa invested R4.2 million up to 2018.

**The Science, Technology, Engineering, Manufacturing and Design Programme – Opportunities Out There (OOT-STEM2D)** in collaboration with Junior Achievement aims to prepare young people for self-employment in STEM2D industries. It aims to support 400 young people from training to enterprise through various interventions over a six-year period (2018: R343 750).



**The Pay for Performance Youth Employment Programme in collaboration with Harambee Youth Employment Accelerator** aimed to place 600 unemployed youth and excluded young people in 2018 and 1 400 in 2019 into high value jobs (2018: R11.1 million).

**Youth Employment and Skills Development for NEETs in collaboration with the Centre for Development and Enterprise** aims to develop informed and workable interventions for the purpose of providing NEETs options that will significantly enhance their employability (2018: R1.4 million).



**Ntokozo Ndlovu** is a 33-year-old single mother from Harding, KwaZulu-Natal. She was unemployed when she received the call from the Artisan Training institute (ATI) about the opportunity to apply for a course in an electrical trade with the institute at the Port Shepstone training centre. Her training includes replacing new transformers, changing street lights and fixing traffic lights. She is currently in job placement training with the Umuzi Wabantu municipality.

“The funding support from Tutuwa has changed my life. I would be sitting at home looking for a job with no technical skills qualification. Now I know that when I complete the training, I will be employable.”

**Ntokozo Ndlovu**  
*Electrical learner*



Nkhetheng, Vanessa, Palesa and Nomfundo, four of the 30 schoolgirls who took part in Standard Bank's Next Gen Coders course in 2018.

### Skills development of women in the ICT sector

Standard Bank has a long-standing partnership with Woema, an IT innovation programme, to **attract women to the ICT industry**. Our initiatives include Women in Technology conferences, GirlCode Hackathons, and women in technology acceleration programmes. In 2018, we jointly hosted a Next Gen Coders course for 30 girls at our offices in Johannesburg, during the April school holidays. The girls were selected by their schools for their ability, their passion for computing and their interest in pursuing a career in IT. The four-day seminar not only develops data and mathematical skills, it also encourages young girls to dream big, develop logical thinking, use their imagination and come up with innovative ideas. At the end of the week, the girls were able to show off their newly acquired coding skills, collaborate in teams, and confidently present back to the group. We also undertook a STEAM (Science Technology Engineering Arts and Maths) roadshow, visiting seven schools, to inspire students to follow careers in IT, and to highlight the importance of maths and science for IT careers. The roadshow included a visit to the Johannesburg Children's Home, where we visited students and gave them Woema tech hampers. To find out more, email: [Woema@standardbank.co.za](mailto:Woema@standardbank.co.za)



## Supporting quality schooling

We support primary and secondary school interventions in several of our countries of operation. Our programmes include teacher support for crucial subjects, as well as learning materials for both teachers and pupils.

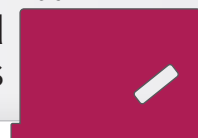
### Teacher upskilling



**In South Africa**, our focus is primarily on supporting the teaching of mathematics and science through teacher upskilling, Saturday school programmes and other programmes which aim to prepare high-school learners for tertiary education through a focus on academic support together with leadership skills, self-mastery and study skills. In 2018, we invested in:

- After-school and Saturday tutoring sessions for 225 learners in Grades 9 to 12, across three provinces, through the Ikamva Youth Development Programme.
- Participation of 50 learners from six schools in three provinces in the Wits University Targeting Talent Programme, which engages with learners from Grade 10 through to 12 to support university readiness.
- Scholarships for young people from disadvantaged communities to attend high-performing public and independent schools.
- Ongoing participation in the National Education Collaboration Trust, a collaboration between businesses, labour, civil society and government to influence and support the implementation of government's education reform agenda in primary and secondary schools.

### Teaching and learning materials



**Stanbic Bank Ghana** supports the Medie Presby 2 Basic and Junior High School in the Greater Accra Region. In 2018, we provided teachers and pupils with teaching and learning materials and a monetary donation. Stanbic employees also participated with pupils in interactive discussions on drug abuse, teenage pregnancies and creating a savings culture. We're also funding the refurbishment of the school's sick bay, providing the necessary drugs and first aid equipment. We've selected 15 children for Stanbic's Student Mentor Scheme – they'll receive advice, guidance and material support to help them become the next generation of Ghanaian professionals.



**Stanbic IBTC Nigeria** is sponsoring 10 indigent children, aged six to 18, to get them back to school. Our sponsorship of N6.3 million (R250 000) covers tuition fees, uniforms, books and other essential supplies. We're working with a partner organisation to provide all-round development for the children, helping to provide them with a solid foundation. We've also created a N1.5 million (R60 000) education trust for the *Together 4 A Limb* initiative that supports indigent children who have lost limbs to access quality education and live a full life. The initiative, launched in 2017, has benefited 19 young Nigerians.



Sponsorship of  
N6.3 million (R250 000)





**In Malawi**, we support a mentorship programme for girls, run in partnership with Malawi's Ministry of Education and UNICEF. Female employees of the partner agencies, together with Malawi Girl Guides, visit rural areas to mentor girls on career development and financial literacy. The programme, which has been running since 2016, is currently mentoring 230 girls. There has been a visible improvement in the academic ranking of girls. 25 Standard Bank employees participated as mentors, with an investment from Standard Bank of MK4.2 million (R83 000).



**Stanbic Malawi's** Bring the Girl Child to Work campaign, launched in 2017, saw 246 girls participating in 2018. Our investment in the programme was MK10 million (R198 000), with participation from 85 Stanbic employees in three locations.



**Wealth partners** with three charities to support education and long-term sustainable development in Uganda and Ghana. In 2018, we supported the construction of two pre-primary school classrooms in Western Ghana, in partnership with Island Aid for World Children; we raised GBP32 000 (R586 000) for Mifumi Primary School in Uganda; and we continued our partnership with Send a Cow, investing GBP13 300 (R244 000) in the Orphans Project in Uganda to fund skills development.



Without a solid grounding in numeracy, literacy and life skills in the foundation phase of schooling, children will struggle to perform to their full potential in further schooling and higher education. In South Africa, Standard Bank CSI works in partnership with a range of organisations to improve the teaching of foundation skills through a focus on upskilling teachers in numeracy, literacy and life-skills teaching, largely through in-classroom mentoring by skilled and experienced retired educators. In some instances, the mentoring is supplemented with workshops, the provision of learner workbooks and literacy workshops for parents. We also fund the Little African Scientist Project, which forms part of the teacher development programme run by the Faculty of Education at North West University. It aims to support foundation phase teachers in mathematics and science education.

“Education remains an effective tool to a self-sustainable country which is able to lessen and possibly eradicate the inequality gap on many levels, hence our pledge to support education.”

**Harry Opoku Agyemang,**  
Head of personal markets, Stanbic Ghana



## Supporting early childhood development

Extensive empirical research has demonstrated that developmental stimulation during the earliest years of childhood is critical to future intellectual, emotional and physical wellbeing. In South Africa, Standard Bank and the Tutuwa Community Foundation support early childhood development (ECD) through a number of targeted initiatives. We invested more than R11.6 million in 2018.

Standard Bank

**tutuwa**  
COMMUNITY FOUNDATION



**The Tutuwa Community Foundation** in collaboration with the DG Murray Trust and the National Department of Social Development aims to improve the effectiveness of the ECD Conditional Grant implementation. If the project is successful and achieves the defined outcomes, National Treasury will institutionalise the ECD conditional grant framework. This will provide greater equity and access, improved efficiencies, and improved delivery of ECD programmes for the children being subsidised.



**The Tutuwa Community Foundation** is part of the Impact Bond Innovation Fund (IBIF), a first-of-its-kind social impact bond for ECD. The IBIF was launched in September 2018, in collaboration with Mothers2Mothers and Foundations for Community Work. It's led by the Western Cape Department of Social Development, in a matched funding arrangement with ApexHi Charitable Trust, and supported by a coalition of investors, including Tutuwa. With an investment of R3.5 million over three years, the IBIF aims to improve the cognitive and socio-emotional development outcomes of more than 3 000 children in two low-income communities in the Western Cape. If successful, the IBIF model could be replicated and scaled up, creating a new model for public-private funding to tackle pressing social challenges.



**The Tutuwa Foundation and Standard Bank CSI** are investing in upskilling ECD practitioners. The Tutuwa Foundation partners with the Bright Kid Foundation, while Standard Bank CSI works with the Ntataise Lowveld Trust in Mpumalanga and Fundisani Thuto in the Eastern Cape.





SEE IMPACT AREA SIX

# Employee development and training

## Summary

Standard Bank is a major employer in Africa, employing over 52 147 people. We encourage **continuous learning and development** to ensure our people are equipped to meet the demands of a rapidly changing, increasingly digital world of work. We invest in **training and development** at all levels, enabling us to build a strong succession pipeline of future leaders.

5 939 employees across all geographies took part in management and leadership programmes in 2018. Our Standard Bank-ICBC staff exchange programme enables selected employees from both our banks to spend time in headquarters and branches across Africa and China. Our graduate programme provides an entry point into the corporate world, supporting skills development and on-the-job training. We've launched the careers of 1 800 university graduates through our graduate programme

since 1997. Our internship and learnership programmes build a bridge for young people entering the workplace. Since 2007, over 5 600 learners have participated in the programme, many of whom are still with the bank. We encourage our employees to stay up to date with developments in their fields and we continue to develop their professional skills and provide various employee bursary programmes. These were taken up by 1 933 employees across the group.



**SDG 4**  
Inclusive and equitable quality education and the promotion of lifelong learning opportunities for all

**MATERIAL ISSUES**  
Impact of digitisation and automation on workforce requirements

Build and retain local skills and capabilities in countries of operation





## Building and retaining local skills and capabilities in our countries of operations

Our people are critical to the successful delivery of our strategy. We are committed to supporting our people to reach their full potential and remain effective and motivated.

We invest in training and development at all levels, enabling us to build critical and scarce skills and a strong succession pipeline of future leaders.

We're working to build strong leadership pipelines across the countries in which we operate. We've developed a unique Standard Bank leadership

identity to guide the characteristics and behaviours required of Standard Bank leaders. We're also working across the organisation to ensure that we have the skills required to thrive in the context of the fourth industrial revolution. These considerations inform the design of our leadership development programmes.





## International, intra-Africa and Africa-China staff exchanges that develop international experience

As an international bank with an expansive footprint across Africa, we're proud to have employees from over 50 different countries. We value multi-country experience, and offer an **international mobility programme** for our people, which creates opportunities for employees to gain international experience. More than 140 employees participated in international assignments in 2018, of which 17% were project-based, 68% skills deployment and 15% strategic assignments. The cross-cultural awareness that results from the programme facilitates our ability to conduct business across Africa. At the same time, international assignments support succession planning for key roles, with a strong focus on strengthening the diversity of our senior leadership teams across Standard Bank and building a diverse medium- to long-term succession pipeline. Categories of assignment include project-based (up to six months), skills deployment (up to three years) and strategic (up to five years).

**Standard Bank and ICBC established a staff exchange programme** in 2016. 28 employees have participated to date. The programme supports collaboration and relationship building between ICBC and Standard Bank, enabling the sharing of knowledge and resources particularly in relation to learning and development.



We encourage our employees to keep their skills relevant and up to date by participating in **learnerships**, with a particular focus on evolving regulatory environments and digital skills.



**50** of our employees are currently undertaking a fintech learnership, delivered in collaboration with Novia One in Johannesburg.

**25** of our employees are undertaking a higher certificate in management delivered in collaboration with Milpark Education. The programme focuses on developing the skills needed to manage people and operations in an increasingly ambiguous work environment.

In South Africa, we've enrolled **3 403** employees for qualifications to meet regulatory requirements for our customer-facing employees to be Fit and Proper. 1 643 employees have successfully graduated, and 1 453 are currently completing their qualification. To date, we've invested more than R47 million in this initiative.



## Investing in our people

Standard Bank employees can apply for **bursaries** to study further at recognised tertiary institutions. 1 933 employees were provided with financial support to complete under- and post-graduate studies through a range of funding models in 2018.



### Standard Bank South Africa

awarded 1 555 staff bursaries in 2018, valued at approximately R38.1 million. In many cases, employees are pursuing qualifications in areas of specialisation such as finance and banking, while there has also been a significant increase in enrolment in MBAs and post-graduate diplomas.



**Stanbic Bank Malawi** provides a zero percent personal loan to employees who wish to pursue studies in line with their career path. The loan is reimbursed on successful completion of their studies. Employees who opt for a career change can access the same zero interest loan benefit, but without reimbursement on completion. In 2018, 50 people accessed the education loan, an estimated investment of MK55 million (R1.1 million).



**Stanbic IBTC Nigeria** offers bursaries to employees wishing to pursue post-graduate and professional certifications, including MBAs, MSCs, and PhDs. Employees must meet specific criteria and are required to make an equity contribution of 20% of the bursary amount. 36 employees received bursaries in 2018, representing 95% of all applications valued at N60 million (R2.4 million).



**Stanbic Namibia's** employee bursary fund was established in 2016. To date, 307 employees have received funding amounting to NAD million (R7 million). 70% of the fund is earmarked for undergraduate qualifications, while 30% of the budget funds post-graduate qualifications.







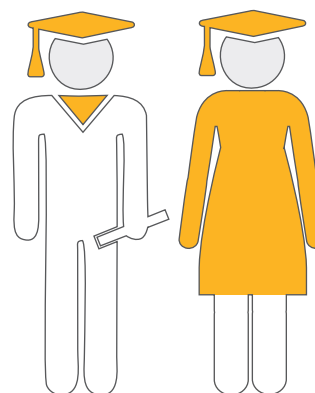
## Preparing graduates for employment

Standard Bank's Graduate Programme provides university graduates with an entry point into the corporate world.

OUR 2018  
INTAKE  
WELCOMED

243  
graduates

43%  
women



South Africa

194



Nigeria

13



Tanzania

8



Mozambique

13



Namibia

8



Angola

6



**In Nigeria**, Stanbic IBTC's BLUE Internship Programme aims to build the bank's future employees, creating a pipeline for our graduate trainee programme and for entry level roles. During 2018, Stanbic IBTC hired 90 interns and 38 graduate trainees.



**Standard Bank South Africa** won Employer of Choice in the SAGEA Retail and Commercial Banking category for the 10th consecutive year for our graduate programme in 2018, while improving to third position as Most Aspirational Employer in the South African Graduate Market.



## Preparing our people for the future world of work

To remain competitive in a rapidly evolving environment, we need to continually review our operating models. We're automating certain processes, encouraging clients to use digital rather than face-to-face channels, and making greater use of artificial intelligence (AI) and machine learning to deliver enhanced value to our customers. We've had a lot of success in pilot projects, including regulatory reporting on forex transactions, and large parts of the process of extending further credit to existing business clients.

These changes will impact the size of our workforce and the kind of skills we need, as well as how we engage with our current and potential clients. During 2018, we identified a need for the creation of new capabilities and roles within IT, which includes cloud engineering, data science and analytics, cybersecurity, and APIs. This will create 180 new-generation IT positions within the bank. However, it has also resulted in the loss of some existing positions, mainly at manager and executive level. Some of those affected are retraining to step into new positions, some are moving into other parts of the bank, and some have found alternative employment.

While we are optimistic about the potential for AI to vastly improve efficiency and productivity for particular processes, we remain a people-centred business, committed to serving our customers with empathy, and developing and delivering solutions based on individual needs and circumstances. We're working with our employees to help them develop the skills and capabilities they'll need as the world of work changes. Examples of programmes delivered in 2018 included empowering our employees in operational roles to become automation champions, equipping our people with the ability to experiment and problem-solve with speed, and building digital skills within particular business contexts.



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