



**Margaret Nienaber**  
Chief executive, Wealth

# WEALTH

## CHIEF EXECUTIVE'S REVIEW

“Client centricity is at the heart of our strategy. Wealth’s purpose is ‘Champion of Aspirations’ meaning that we, as the best in Wealth on the African continent, are here to champion the aspirations of both our clients and our employees. We continue to focus on nurturing a client engagement philosophy which has been deeply embedded in the business, with a focus on a culture of excellence, thoughtfulness and ‘before the sun sets’ service.”

Wealth delivered a pleasing set of results despite subdued economic growth and significant global events in our chosen markets. Our dollar-denominated international deposits delivered positive earnings through higher US dollar interest rates. The United Kingdom and Channel Island operations continued to experience Brexit-related currency volatility and market uncertainty. Political and economic instability and the consequent sovereign downgrades in South Africa affected our local and international investment operations, while unpredictable regulatory restrictions, particularly fee capping, weighed on our African operations.

Consistent implementation of our client engagement strategy and the ability of the business to work across silos and deliver a fully integrated offering to clients were rewarded with measurable improvements in client satisfaction and Wealth winning over 20 awards from established industry publications. We rigorously refined our Wealth purpose and positioning, launching a global positioning marketing campaign, #WealthsWithin, for Wealth and its offerings. Along with the deployment of innovative digital solutions, these strategic initiatives enabled us to capitalise on significant growth opportunities and extend our reach in most of our markets.

Our digital strategy is critically important in the delivery of a seamless and personalised service and product offering for all our clients. Our culture integrates a combination of human relationships and digitisation into our core operations to drive internal alignment and ‘before the sun sets service’. This allows us to better understand our clients, as well as to

refine and personalise both our offering to these clients and the channels through which they receive them. Our digital assets have been built with the client firmly at the centre of each design.

Our active promotion of a culture of savings and wealth preservation in all our markets led to the development of innovative new products and advisory processes that help clients save and invest more effectively for their long-term goals. In 2019, our clients invested more than R500 million in tax-free investment accounts and we offered financial education sessions to more than 11 200 staff members of our corporate clients and more than 1 000 Standard Bank employees through our Financial Fitness Academies.

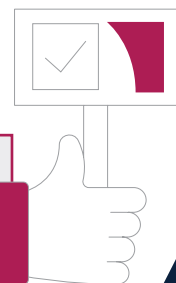
Behind every exceptional client experience is an engaged and motivated employee. Through understanding and addressing individual employee aspirations, we saw a pleasing increase in employee engagement measures. A highlight of the year was the launch of our Behavioural Science Academy, which reskills staff for the Fourth Industrial Revolution, with a strong focus on understanding client behaviour and needs.

We have instilled a conduct culture that empowers our people to do the right business, the right way. This is underpinned by our risk governance structures and conduct dashboards which are well-embedded in our businesses. On an ongoing basis, we assess the risks that our business is exposed to so that we effectively address and mitigate them.

Looking ahead, we expect tough economic conditions to persist, especially if a severe COVID-19 scenario materialises. Our strategy is clear and we are on track to achieve the strategic priorities we set, based on our robust financial performance last year and the solid strategic strides we have made.

**Improving client satisfaction**

Our strategic initiatives enabled us to improve our overall NPS to +70, up from +68 last year and ahead of our target of greater than +60.





## PERFORMANCE AGAINST STRATEGY

### DELIVERING EXCEPTIONAL CLIENT EXPERIENCES

**Wealth tailors personalised solutions for our clients' unique aspirations, whether these involve buying a funeral policy or protecting income in the event of a disability, saving for a child's education or embarking on a life-changing trip, protecting family or the lives of employees, diversifying assets internationally, or giving back to the community.**

The solutions we offer have now been clustered within the framework of 'Advise, Insure, Invest'. These three core areas cover the following businesses:



Advisory services through Wealth and Investment and SBFC, including fiduciary services.

#### ADVISE

By combining a human touch with digital enablement, our client teams provide holistic, goal-based advice in a personalised manner regardless of how our clients choose to interact with us.

Digital solutions were central to the implementation of our strategy in 2019, with the successful launch of the My360 app and the renewal of Win Web. My360 was successfully launched to Standard Bank staff in South Africa and in a phased approach to Advisory clients. Win Web is the omni-channel digital platform for our international clients. Both of these platforms enable us to gather client insights that inform personalised advice on the most appropriate solutions for their needs and goals.

We hosted the inaugural Wealth and Investment Family Office conference during the year. The conference focused on providing integrated service offerings and advice on dealing with the complexities that high net worth individuals face in creating, preserving and transferring generational wealth.

The trusted relationships we build with our clients are contingent on how satisfied our people are at work. We know that when our employees feel engaged, empowered and equipped to deliver exceptional client experiences, they do just that. In 2019, we focused on instilling our purpose, Champion of Aspirations, among our employees, and on empowering them to fulfil our clients' aspirations. A campaign by Wealth leadership included:

- Providing the necessary business intelligence tools and client data in all our markets to strengthen client engagement and service.
- Understanding and addressing individual employee aspirations which, in turn, supports their focus on client aspirations.

The achievement of our purpose requires a unique level of understanding and expertise from our employees. In addition to instilling a high-performance culture, we apply the same goal-based approach to our employees as we do to our clients. We partner with them in the achievement of their personal financial goals and ambitions through our Financial Fitness Academies, which provide advice on financial planning and investments.



Short-term and long-term insurance manufacturing and distribution.

#### INSURE

A key focus in 2019 was to grow and diversify our long-term and short-term insurance offerings, which are conducted in collaboration with Liberty. A key development was the launch of our Flexible Funeral Plan, which compares well with competing offerings. We will continue to capitalise on growth opportunities in insurance in Africa Regions in 2020, with a particular focus on eight countries.

Our 'before the sun sets' client engagement philosophy, combined with thoughtfulness and

empathy in employee interactions with clients, is key to client retention. To maintain our growth momentum, we are also extending our reach beyond our traditional client base to attract new-to-bank clients. An effective means of achieving this is through alternative distribution channels.

Using emerging technologies, we are extending our proactive safety features that detect and mitigate claim events and provide clients with the ability to manage their electricity consumption and save money.



Discretionary (Melville Douglas), stockbroking and international deposits, pension fund administration (Nigeria) and funds (including alternative and passive investment funds).

#### INVEST

Despite a difficult environment, our boutique investment management company, Melville Douglas, continued to deliver exceptional client value. Our Global Funds performed in the top quartile and above benchmark in comparison to competitors, and our Domestic Funds in the second quartile and above benchmark. During the year, stockbroking was integrated into Melville Douglas to deliver a single advisory and discretionary service to our clients.

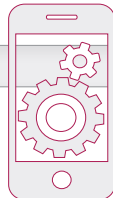
Furthermore, Wealth and Liberty continued to leverage the group's full capability to offer integrated multi-generational wealth creation and preservation solutions to our clients.

In response to the growing demand for passive or other alternative investment funds, Standard Bank collaborated with STANLIB to create Invest which is a simple, low-cost passive provider. Invest specialises in index-tracking unit trusts and exchange traded funds. It uses the group's existing funds, experience and expertise to provide clients with a comprehensive range of 28 index-tracking funds across multiple asset classes and geographies.



## LEVERAGING OUR DIGITAL PLATFORMS TO MEET OUR CLIENTS' NEEDS

Our adoption of innovative technology and use of data analytics to understand and respond to our clients' needs and behaviours is encapsulated in our innovative new client service and insurance products.



### Features of the app

- Scans driver's licences and vehicle licence disks.
- Digital quoting and policy issuance within eight minutes.
- Uber vouchers and other rewards for good driver behaviour.

We are making progress in robotic process automation, and launched the automation of insurance exception reports for our Credit Life product in 2019. We are also exploring using blockchain in our processes. Innovative new digital products and services which gained traction in 2019, are detailed below:



### Empowering clients to make smart financial decisions: My360

Our **My360 app** gives clients a consolidated view of their net worth across more than 20 000 global financial institutions on a single easy-to-use dashboard. The app is part of the Standard Bank digital ecosystem, providing clients with easy access using their banking app sign-in.

The ability to instantly shift between onshore and offshore asset allocation with different financial institutions enables clients and their advisors to conveniently track the performance of their assets and liabilities daily, allowing for more informed decision-making.

### Using telematics to reward good driving behaviour: Insurance app

Our new standalone cloud-based app for car and home insurance gives our digitally savvy and millennial client segments a flexible cost-effective solution. The app rates policyholders on their driving ability rather than generic underwriting factors.

Clients receive a premium discount if they pass a digital driving test built into the app's telematics capabilities (the first 300 kilometres and 25 trips are tracked). Our discount is guaranteed for 12 months and does not require clients to prove their driving ability monthly. If clients continue to use digital monitoring of their driving patterns, they receive additional rewards.

### Let's talk: skipping the call centre with WhatsApp chat bots

We completed a proof of concept and launched chat bots that enable clients to buy funeral insurance and do other basic tasks using WhatsApp. The WhatsApp chat bots allow clients to use a platform they are familiar with to conduct simple transactions, ask questions without having to go through a call centre, and purchase and manage products.



## DELIVERING INTEGRATED SOLUTIONS TO OUR CLIENTS

Wealth's integration with PBB, CIB and Liberty to facilitate comprehensive investment and insurance solutions for clients remains a key differentiator for our business and the group. We aim to seamlessly deliver an integrated group where our clients have access to and experience all our propositions relevant to their needs, in a digitally-enabled environment that supports quick decision-making and execution.

Wealth partners with PBB to offer international banking and lending services and generate advisory, insurance and investment solutions across client segments. Liberty provides short-term and long-term solutions in collaboration with Wealth, particularly in the Africa Regions.

During 2019, Wealth acquired Liberty's short-term insurance Centre of Excellence and STANLIB's operations in Ghana.

We made strong progress on the Liberty Collaboration Plan during the year, with a substantial shift in our working relationship to operate as one and win as a collective.

## LOOKING AHEAD

The wealth management industry is facing transformational trends in business models, client preferences and technology. In Africa, we are seeing a significant increase in activity in the insurance industry. In South Africa specifically, there is a trend towards a more integrated financial services industry. The industry-wide focus is on client centricity, more efficient distribution channels and technology advancements.

Although we expect market conditions to remain difficult in 2020, we will continue to capitalise on opportunities to grow earnings by offering our clients an innovative value proposition, one that leverages the group's strength to position Wealth as the market leader, continually raise the bar on client experience and increase our market share.

