



CLIENT FOCUS

Our clients are at the centre of everything we do. We strive to meet their individual needs by seamlessly delivering relevant and complete solutions using their preferred channel.

MEASURING OUR STRATEGIC PROGRESS

What success looks like

We understand our clients and provide them with solutions to support their goals.

We serve our clients quickly, efficiently, reliably and respectfully.

We earn and keep our clients' trust.

How we measure our progress

To understand how satisfied our clients are with our service and to improve on areas of specific concern, internally facilitated client surveys, appropriate for each business line, are conducted throughout the year.



2019 KEY PRIORITIES

- Interact with our clients to deepen our understanding of their evolving needs and preferred ways of accessing our services, so we can deliver exceptional experiences.
- Offer clients access to relevant products across channels of their choice, taking into consideration the substantial adoption by many of our clients of digital platforms and channels.
- Improve the quality of our digital offerings by improving the stability of our platforms, increasing adoption.
- Leverage data and analytics to proactively deliver personalised offerings to our clients.
- Extend our direct offering capability into small businesses and middle market clients within South Africa.
- Mature our value chain (ecosystem) approach across all markets.
- Continue to review our distribution capabilities given the growing preference for digital transactional services, while also responding to client demand for digital services that extend beyond purely transactional services.
- Continue to offer redesigned physical channels to serve the needs of clients who prefer this means of access.

HOW WE PERFORMED

Net promoter score (NPS) for PBB and Wealth

NPS indicates the likelihood of a client recommending Standard Bank to their friends, family and others as a provider of products and services. It is calculated by subtracting detractors from promoters. This value can range from -100 (if every client is a detractor) to +100 (if every client is a promoter). Any score above zero means there are more promoters than detractors.

Client satisfaction index (CSI) for CIB

CSI is a measure of the extent to which our clients are satisfied with the service CIB provides. This is calculated using a ten-point rating scale.

PBB NPS

↓ 67

SOUTH AFRICA – CHANNEL

2018: 70 | 2017: 66 | 2016: 53 | 2015: 58

↔ 25

AFRICA REGIONS

2018: 25 | 2017: 16 | 2016: 15 | 2015: 30

Wealth NPS

↑ 70

OVERALL

2018: 68 | 2017: 70 | 2016: 61

CIB CSI

↑ 8.1

OVERALL

2018: 8.0 | 2017: 7.8 | 2016: 7.8 | 2015: 7.6

RECOGNITION FOR OUR ACHIEVEMENTS

We received a number of industry awards in recognition of our client-centric approach.

PBB

Global Finance Magazine 2019

- Safest Bank in Africa
- Best Bank in Africa
- Best Bank in Botswana, South Africa and Uganda

The Banker Tech Awards

- Best Payments Innovation – VirtualCard

EMEA Finance African Banking Awards

- Most Innovative Bank in Africa
- Best Bank in Botswana, Uganda and Zambia
- Best Foreign Bank in Ghana
- Best Local Bank in South Africa

Ombudsman for Banking Services Awards

- Overall Winner – Innovation in Dispute Resolution

The Banker

- Bank of the Year in Angola, Lesotho, South Africa, Zambia and Zimbabwe

CIB

Global Finance Magazine 2019

- Best Investment Bank in Africa, Angola and South Africa
- Best Trade Finance Provider in Angola, Kenya and South Africa
- Best FX Provider in Africa, Kenya, Nigeria and Uganda

Euromoney Awards for Excellence 2019

- Africa's Best Investment Bank
- Best Investment Bank in Angola, Malawi, South Africa and Zambia

EMEA Finance African Banking Awards 2019

- Best Investment Bank in Angola, Kenya, Mozambique, Namibia and Uganda
- Best Local Investment Bank in Ghana
- Best Foreign Investment Bank in Ghana and Nigeria
- Best Bond House in Ghana
- Best Debt House in Nigeria
- Best Equity House in Nigeria
- Best Loan House in Nigeria

EMEA Finance Best Treasury Service 2019

- Best Cash Management Services – Africa
- Best FX Services – Africa
- Best Trade Finance Services – Africa

The Banker Investment Banking Awards 2019

- Most Innovative Investment Bank for Equity Raising

The Banker Transaction Banking Awards 2019

- Best Transaction Bank in Africa

Wealth

Morningstar Awards 2019

- Melville Douglas awarded Best Global Equity Fund in South Africa

Euromoney Awards for Excellence 2019

- Africa's Best Bank for Wealth Management

International Investment Awards 2019

- Excellence in International Private Banking

Private Banker International

- Outstanding Global Private Bank – Africa
- Best Next Generation Offering

The Banker Global Private Banking Awards 2019

- Best Private Bank in Kenya and Nigeria
- Best Private Bank for Customer Service in Africa

Global Wealth & Society Awards 2019

- Best Private Bank in Wealth and Society – Nigeria
- Best Asset/Fund Management Company in Wealth and Society – Nigeria

Isle of Man Newspaper Awards for Excellence

- Company of the year

Global Finance Magazine 2019

- Best Private Bank in Africa



TRADE-OFFS

- 'Always on and always secure' services require greater investment in infrastructure, which leads to higher running costs.
- Innovative and secure digital development is critical to respond to changing client needs and demand for instant fulfilment, leading to reduced branch visits, reduction in traditional revenue streams and active prioritisation of IT spend.
- The fundamental review and development of new capabilities and skillsets, to deepen our understanding of our clients and serve their needs better, temporarily impacts the working environment and productivity of our people, and may affect client experience as the required changes are made.
- Introducing innovative products in response to client demand and competitor activity leads to improved client retention, albeit at the cost of traditionally higher yielding revenue streams.
- Branch reconfigurations and branch closures resulting from changing client behaviour, require headcount reductions that impact on staff morale, and temporarily escalate costs to accommodate a strategically aligned and more cost-effective outcome for the longer term.



OUR BUSINESS LINES DELIVER ON THE GROUP STRATEGY ACCORDING TO OUR THREE KEY FOCUS AREAS OF CLIENT CENTRICITY, DIGITISATION AND INTEGRATION.

PBB strategy

We are transforming our capabilities in banking and other financial services to ensure a singular focus on our clients: to deeply understand their needs and gain and keep their trust by partnering with them to fulfil their individual and business aspirations.

We enable clients to take control of all their financial needs, including transacting, saving, borrowing or planning by using our products, either through face-to-face interaction or digitally enabled, according to their preference.

Our fit-for-purpose presence in 15 countries across Africa, combined with our committed people and digital platforms, support the banking and other financial services needs of our large, diverse client base of individuals and SMEs in South Africa, Africa Regions and the Channel Islands.

Our purpose:

Changing lives and fulfilling aspirations across Africa.

Our vision:

To radically redefine client experiences by understanding and delivering what matters most to clients.

CIB strategy

We serve the banking, finance, trading, transactional, investment and advisory needs of a wide range of multinational companies, local and regional businesses, financial institutions, governments and parastatals.

We combine our market knowledge and stakeholder relationships, gained through our on-the-ground presence in 20 sub-Saharan countries, with a deep understanding of our clients' businesses and sectors to serve their growth strategies. Our footprint, networks and sector diversity enable us to respond

appropriately to changes in our operating context by allocating resources to opportunities that drive revenue growth, within the parameters of carefully considered risk-taking. This allows us to support the financial wellbeing of the businesses and institutions that drive real economic activity within and across Africa.

Our purpose:

We dream of Africa realising her potential.

Our vision:

We aspire to be the leading corporate and investment banking business in, for and across Africa, with a focus on sectors driving Africa's growth.

Wealth strategy

Wealth continues to transform the group's capabilities in insurance, investments and advisory capabilities into a value proposition that enhances our service offerings to our clients and drives additional share in our target markets.

We are trusted advisors to high net worth, retail, business and commercial, and corporate clients, leveraging the group's footprint in 15 sub-Saharan African countries, and with an international service offering facilitated through our offices in London, Jersey, Isle of Man and Mauritius.

We are well-entrenched in our markets, and are a leader in Africa, while our generational wealth offering is globally

recognised. Our markets outside South Africa now exceed 50% of our headline earnings, and we are scaling and further diversifying our operations to capitalise on significant growth opportunities across our African footprint.

Our strategy, purpose and story have been further refined with clear focus and accountabilities, and are clustered within the framework of **'Advise, Insure, Invest'**.

Our purpose:

Champion of Aspirations.

The strategic progress made by each business line and their priorities are reported in the pages that follow.

Zweli Manyathi
Chief executive, PBB



PERSONAL & BUSINESS BANKING

CHIEF EXECUTIVE'S REVIEW

“Despite difficult market conditions across many of our markets, we maintained our growth momentum in most asset categories and deposits, and improved our ROE. We continued to make strides in digitising services to ensure they are available to our clients 24/7/365, but more work must be done to deliver ‘always on and always secure’ client access to these services. We remain committed to deliver what matters most to our clients, our people and our other stakeholders.”

Our largest franchise, South Africa, was impacted by sustained economic weakness, subdued consumer spending and credit demand, low business confidence and intense competition, compounded by higher unemployment reducing the number of bankable clients. Ongoing load shedding is having a significant impact on our business, specifically on the confidence of our commercial clients to invest further in their businesses.

During 2019, we responded to changing client behaviour and the continued migration of transactions from branches to digital platforms and channels by reconfiguring our branch footprint, closing 90 branches and, through an enhanced voluntary severance package, reducing our related headcount by 1 001 people. As one would expect, this had a negative impact on morale, productivity and client experience. To ensure that the branch closures did not affect client access to the services they need, we first focused on digitising the residual ‘go to branch’ services and experienced a phenomenal uptake of these services by clients. I am happy to report that staff morale, productivity and client experience began to improve in the last quarter of 2019.

PBB South Africa also launched new products and online features in an increasingly agile manner. A good example of this was the launch of MyMo – an innovative, low cost, paperless account with access to mobile data, which we brought to market within a few weeks. We have seen a gradual uptake of both MyMo and in our mobile virtual network operator (MVNO) offering.

PBB Africa Regions experienced margin compression due to declining interest rates, regulatory interventions that restricted fee increases, as well as lethargic performances in some economies. Even with these challenges, PBB Africa Regions delivered an impressive 8% growth in client numbers and growth in headline earnings of 53%.

Significant effort in 2019 went into strengthening our client relationships, understanding our client value chains and growing our client base.

Digital adoption has been strong, with 99% of transaction volumes in South Africa and 92% in the Africa Regions made on our digital channels and platforms.

We continue to invest in our people. In South Africa, 4 225 employees are being retrained as universal bankers to broaden their skills so that they are better equipped to deal with the changing world brought about by the Fourth Industrial Revolution. These colleagues will graduate from the programme with a nationally recognised National Qualifications Framework level five (NQF5) qualification.

In Africa Regions, the number of branches increased marginally to 586 as we continued to expand our representation in growing markets and reposition or resize our footprint in others. Our headcount has decreased notwithstanding this marginal increase in branches, enabled by the progress we continue to make in digitising our processes and improving our technology.

PBB recorded strong asset growth driven by our digitisation of personal loans in both South Africa and Africa Regions, which saw strong client adoption. This increased loan self-origination by clients and higher loan disbursement to clients was executed within our risk appetite.

As anticipated, given the accounting impact of IFRS 9, the higher unsecured lending growth led to an increase in performing book impairments on the portfolio, while a more normalised impairment was seen in VAF. This was felt mainly in the South African franchise. In Africa Regions, the portfolio performed well despite the pressure in certain economies. There are a handful of exposures that we are concerned about, and we continue to manage our credit risk carefully, with a focus on rehabilitation and recoveries. Pleasingly, the CLR has

remained within our targeted range, despite the challenging economic environment.

We experienced multiple and costly regulatory interventions in a few of our Africa Regions markets and absorbed the financial impact. We expect regulators to continue to put pressure on banks to reduce the cost of banking to improve financial inclusion and will respond constructively to this important objective. We are working on several innovative solutions to proactively foster inclusion for both personal and business clients.

We continue to embrace FinTech partnerships to support innovative client solutions, with notable examples being:

- Founders Factory, where we are co-investing in start-ups and businesses that need capital to accelerate to the next growth stage, focusing on target businesses in the financial sector.
- Nomanini, enabling stock advances and working capital loans for traders in Africa Regions.
- One identity, to support digital know your customer (KYC) and client onboarding.
- 4Sure, a digital claim process for burst geysers (water boilers).
- Amazon Web Services, to enable data-driven personalisation, among other areas of collaboration.

The benefits to our clients of the extensive work we have done to align our organisational design, reshape our resources and shift our culture is discussed in more detail in the pages that follow. Looking ahead, we will continue to grow our client franchises within specific value chains, and I am confident that PBB will show resilience and improved performance in the coming years as we master the art of delivering what truly matters to our clients. We do, however, expect the economic environment to remain challenging across all our markets, particularly in a severe COVID-19 scenario.



PERFORMANCE AGAINST STRATEGY

PBB's strategy remains unchanged.



DELIVERING EXCEPTIONAL CLIENT EXPERIENCES

PBB continues to leverage its digital transformation to better understand our personal and business clients and respond quickly to their needs across the full spectrum of financial services. We continuously improve our use of technology, data and AI to meet our objective to deliver exceptional client experiences. We understand that our success depends on the success of our clients and we undertake to partner with them on their growth journeys.

We believe that digital adoption requires the human touch to succeed and have realigned our organisation and culture to enable our employees to improve client experiences. The traditional siloed approach is shifting to cross-functional teams that focus on agile delivery of client solutions. Client relationship teams are being empowered by business and IT processes to enable innovative, cost-effective and personalised digital services to our clients. These processes also support the servicing of clients within defined value chains (ecosystems), an approach that has become central to client acquisition, servicing and retention in Africa Regions and has subsequently been adopted in our South African franchise.

Enterprise Direct, a telephone-based relationship management channel manned by experienced bankers, which originated in Africa Regions to service SME clients, is now being made available to small enterprise and middle market

clients in South Africa, with positive responses from clients. Some of the key metrics that we track, like NPS, together with positive feedback from clients suggests that we are on the right track.

PBB South Africa's NPS score has recovered, following the impact of the branch reconfiguration to our clients and employees. In Africa Regions, NPS remained stable with an uplift among clients we serve within specific ecosystem value chains.

NPS

67 SOUTH AFRICA – CHANNEL

2018: 70 | 2017: 66 | 2016: 53

25 AFRICA REGIONS

2018: 25 | 2017: 16 | 2016: 15



LEVERAGING OUR DIGITAL PLATFORMS TO MEET OUR CLIENTS' NEEDS

We continue to develop digital capabilities and new platforms that give clients and employees access to new service solutions. Our core banking systems have enabled us to deliver these solutions quicker than we were able to in the past.

To facilitate the branch reconfiguration in South Africa, key branch activities were digitised, including electronic account payment limit changes, debit order reversals, real-time clearance, access to statements older than six months and pin view. In addition, several innovative new products were introduced during 2019.

The new **MyMo** account is a competitively priced account that enables digital account opening on mobile devices. Benefits include:

- Ease of origination with no physical documentation required.
- It takes a few minutes to open an account.
- Data and airtime offerings.
- Virtual cards functionality.

MyMo has more than 100 000 clients.

Standard Bank Mobile was launched in 2018. It has benefitted from the launch of MyMo and alternative origination channels.

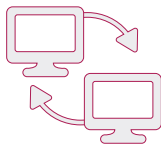
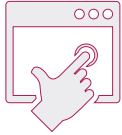
Our clients can now **purchase Apple and Huawei smartphones** on a 24-month finance arrangement for clients with Standard Bank credit cards. A convenient alternative to a contract with a mobile network operator, the offering provides the additional benefit of free voice and data to the value of the client's monthly banking fees.

10%
DISCOUNT ON
HANDSETS

1MB of data
for every R20 swipe

UCount rewards tiered points
up to 2GB of free data





We launched the **LookSee** tool which gives property buyers, sellers or homeowners access to free guides that help them make informed decisions when buying or selling property. We had 490 000 unique visitors to the site during the year.

SimplyBlu is an innovative all-in-one payment solution, launched together with one of our FinTech partners. SimplyBlu enables small businesses to start and manage an online business from a single secure platform.

BizFlex loans offer small businesses fast, paperless digital loan origination, with flexible repayments linked to revenue flows.

BizFlex	Repayments	Disbursement	Cost	Origination
Previous	Fixed	One week	Variable interest and additional fees	Documents required in branch
Current	Varying with revenue	Two hours	Fixed interest and no additional fees	Digital – paperless, available 24/7

In addition, our data on existing business clients enables us to approve and disburse business working capital loans of up to R6 million in three minutes. We have originated and disbursed working capital loans totalling R345 million to date.

The increased pace of digital adoption has been evident on the SBG mobile app where active users increased by 55% to 2 million and the value of transactions via online banking increased by 9.3% to R1.1 trillion. In addition, there has been significant appetite for our value-added services, including lotto and real-time payments.

A number of our existing products were enhanced to improve client experience, drive retention and attract new-to-bank clients.

Highlights

- **Instant personal loans and credit cards** are now available online for existing clients.
- **Tiered price home loans** where the interest rate decreases as clients pay off the loan. These loans now form 67% of new mortgage loans disbursed in our South African franchise.
- Our foreign exchange digital app, **Shyft**, was extended to non-Standard Bank clients and in 2019, there were over 28 000 downloads of the app and foreign currency exchange transactions amounting to R2.6 billion.
- **Instant Money**, our digital wallet and money transfer platform, increased transactional volumes by 18% to 27 million, with turnover of R20 billion.
- **Payment solutions** have been extended to include Samsung and Garmin Pay offerings.
- **Online origination** of personal lending and current accounts improved speed and convenience for clients, as follows:

Online origination	Availability	Documents required	Disbursement
Previous	Branch hours	Proof of income	An hour to several days
Current	Digital 24/7	None for Standard Bank clients	Five minutes



In Africa Regions, our growing client base combined with strong adoption of mobile banking drove transaction volumes up by 18% to 371 million. Our market-leading digital solutions such as **MobyBanker, the remote onboarding, digital and paperless channel; SlydePay, our digital card/wallet; and instant unsecured lending (in some countries)** contributed to client and asset growth.

During the year, MobyBanker was enhanced with additional features. Clients no longer need to complete any forms during the onboarding process, while full KYC compliance is still ensured. This remote onboarding capability is live in five

countries and around 14 400 new clients have been onboarded since going live. MobyBanker provides a transactional card and account with full ATM transactability. Making banking easy and seamless for our clients, we expect this platform to perform well in future.



MobyCash – innovative digital cash management

Our market-leading MobyCash solution was recognised as the most innovative digital product in the cash management sector by Global Finance Magazine. MobyCash provides clients with secure and convenient on-location cash management, which brings the cash value chain to wherever the client is and removes the need to travel to a branch.



DELIVERING INTEGRATED SOLUTIONS TO OUR CLIENTS

PBB partners with CIB and Wealth to offer our clients integrated solutions across the financial services spectrum. Our strategy of banking clients across an entire value chain requires collaboration between our private and business bankers and continues to attract and retain quality new-to-bank retail clients.

Our relationship with ICBC has increased opportunities for our African clients. We engage closely with ICBC, Chinese and African government institutions, as well as relevant industry bodies to link African companies with Chinese importers. This has translated into the Africa China Export Proposition, launched at the China International Import Expo in November 2019, to assist African clients to sell their products in China. As a result of this intervention there are over 90 trade transactions currently underway involving the export of various items, including wine, nuts, chillies and popcorn from Africa to China.

Our Africa-China import solution, the Africa China Agent Proposition, has been launched in seven countries. This makes importing goods from China far easier for our clients.

LOOKING AHEAD

We will continue to improve and scale our digital platforms and empower our people to deliver exceptional client experiences, to support the acquisition and retention of clients in key segments across all our markets.

We are in a position to adapt to the evolving needs of our clients, to provide human experiences and convenient distribution models to reach our clients and partner with them in achieving their aspirations for individual and enterprise growth.

Our priorities include:

- Scalability and execution of ecosystem banking to deliver value chain solutions across the continent.
- Proactive client relationship and solution management to deliver what matters to the client.
- Active progression in delivering relationship connectivity and trade solutions for our Africa-China client base.
- Full digitisation of origination capability while maintaining the human touch.
- Embrace client digital migration by proactively providing relevant innovative digital payment and service capabilities.
- Modernisation of outdated financial systems to leverage cloud and new technological capability.
- Commitment to always on capability and resilience enhancement to ensure 24/7/365 access to services to our clients.
- Address the concerns of the users of the SBG mobile app to further improve adoption and use.
- Proactive footprint management in response to client behaviour and demands.
- Agile, flexible, cross-functional teams that are upskilled on a continuous basis to respond to the Fourth Industrial Revolution.



Kenny Fihla
Chief executive, CIB

CORPORATE & INVESTMENT BANKING

CHIEF EXECUTIVE'S REVIEW

"CIB delivered sustained performance in tough markets by consistently implementing our strategy. We focused on creating efficiencies that enabled a better response to our clients' needs, including the digitisation of selected processes, improved client interaction and providing solutions to clients across their industry value chains that benefit them, their customers, suppliers and employees."

CIB delivered respectable results despite subdued economic conditions in our key markets were exacerbated by global trade tensions and Brexit-related uncertainty. These conditions impacted our trading activities and Global Markets business, while currency-related headwinds and regulatory restrictions affected our Africa Regions operations. However, we managed to maintain our strong financial performance, with 5% growth in headline earnings and an ROE of 18.1%.

Our increased client focus contributed to 2% growth in revenue in South Africa and 8% in Africa Regions. This, combined with the diversification of our business by sector, geography and product offering, drove 5% growth in overall revenue to R39.1 billion, from R37.4 billion in 2018.

Our extensive market knowledge and strong client relationships ensured a nimble response to both market risk and opportunity. We shifted the allocation of resources to emerging revenue-generating opportunities according to our dynamic risk appetite, reflected in the landmark transactions we closed during the year.

CIB participated in funding large-scale infrastructure development projects that will support economic growth in our markets, underpinned by our relationships with development finance institutions that enable appropriate risk-sharing arrangements. In South Africa, we continued to contribute to economic growth and development by enabling broad-based black economic empowerment (B-BBEE) and black-owned companies to grow through equity, debt lending and acquisition finance.

Importantly, we supported our clients' adoption of environmentally and socially responsible technology in infrastructure projects, and worked proactively with our clients in the power sector to support the transition to a lower carbon economy. We assess and manage environmental and social risk at multiple points during transaction lifecycles, such as when we

take on new clients, assess pre-credit or credit applications and in developing new products and services.

A milestone in 2019 was setting up our sustainable finance team, responsible for partnering with our businesses to better serve our clients, drive innovation and capture emerging opportunities as the emphasis on inclusive and sustainable growth by investors, institutions and companies intensifies.

While we successfully addressed many client frustrations with digital solutions, our people and clients experienced some disruption of our online channels during the process of modernising our business. By accelerating the pace of online channel improvement and equipping our people to respond to the changing needs and expectations of our clients, we expect to realise the full benefits of system upgrades and increased digitisation during 2020 and beyond.

Our risk appetite is regularly reviewed and adjusted based on the insights of our in-country risk teams and the group risk management function. Our strategy of developing relationships with our clients and knowing the sectors and markets they operate in enables us not only to select quality clients and projects but also to avoid risk or anticipate it and respond proactively. We adjust our risk appetite indicators to reflect changes in our clients' businesses and operating environments.

Although our client risk is well managed in these challenging economic times, we experienced an increase in impairments of 52%. In South Africa, misstatements of financial statements remains an area of concern. This is a worrying trend and we will continue to spend appropriate time and effort in strengthening our KYC and other risk management processes, to proactively identify and manage such clients.

Our principle of doing the right business, the right way is pervasive from our compliance with regulations to our ethical conduct as individuals and as a business. As an African financial institution with a global presence, our operations are required to adopt global best practice in financial sector standards. Changing – and increasingly punitive – regulatory environments in our Africa Regions markets represent a risk for investors in Africa. Our in-country teams maintain relationships with the banking regulators and central banks in all our markets to ensure that we understand and can proactively manage increasing regulatory change.

While short-term economic risks, particularly from a severe COVID-19 scenario, will continue to weigh on our key markets across our network, we are confident that the medium- to long-term economic prognosis is more positive. Oil and gas opportunities in East Africa, and particularly natural gas discoveries in Mozambique, will prompt increased activity by corporate clients involved in the development and supply of services to the sector. In South Africa, we are encouraged by the government's economic reform agenda but we remain cautious in the short-term.

The following pages describe how we are responding to the group's strategic focus areas in an integrated way, focusing on those priorities that make the most difference in resolving our clients' frustrations and improving their experiences. Ongoing modernisation of our processes and accelerating the pace of digitisation to improve the experience of our people and thereby equipping them to continually and holistically improve the client experience, will continue to be key priorities in the coming year.



LANDMARK TRANSACTIONS DRIVING AFRICA'S GROWTH

In 2019, we completed several landmark transactions across our African markets, including expansionary funding for multinationals and large corporations to support growth in the oil and gas, power and infrastructure, real estate, consumer products, non-banking financial services and telecommunications sectors.

We are a material provider of foreign currency liquidity and risk management across our African footprint. We facilitated the raising of hard currency funding for African governments to alleviate currency shortages, including an oversubscribed Eurobond for Ghana.

CIB remains an integral participant in financing trade flows that strengthen regional and cross-continental trade links and facilitate trade and capital flows within Africa, and between China and Africa. In South Africa, we have the largest market share of the issuance of letters of credit.

NOTABLE TRANSACTIONS INCLUDED:

Republic of Ghana

We were joint mandated lead arranger, underwriter and lender on a USD500 million bridge loan for the Republic of Ghana. The loan was sought by Ghana prior to their oversubscribed USD3 billion Eurobond issuance for which we acted as joint lead manager.



This transaction highlights our commitment to driving Africa's growth by supporting African governments in raising hard currency funding.

Globeleq

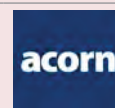
We were sole mandated underwriter and arranger on a bridge loan and preference share structure for Globeleq Africa. The company was successful in bidding for the South African renewable energy portfolio of Brookfield Asset Management, with the ultimate acquisition comprising five renewable energy assets.



The deal supports the growth of South Africa's renewable energy capability and demonstrates our ability to finance such transactions across the entire capital structure.

Acorn Group

We acted as the lead arranger and placing agent on East Africa's first ever green bond, issued by Nairobi-based property developer Acorn Group. This five-year corporate bond has raised KES4.3 billion in project finance for six student accommodation properties that boast the International Finance Corporation's Excellence in Design for Greater Efficiencies (EDGE) green certification. The new student accommodation will help provide over 5 000 beds to students.



The success of the transaction demonstrates our commitment to embedding our SEE framework into our product offering.

Sanlam

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



"Standard Bank's unique combination of local balance sheet, a wide African footprint, strong advisory capabilities and global reach, and most of all, a professional and passionate team with exceptional work ethic, allowed us to appoint them as sole advisor and funder," said Heinie Werth, Sanlam chief financial officer.

MetroFibre Networkx

We were the financial advisor on a capital raise deal between South African fibre infrastructure and internet services provider, MetroFibre Networkx and French investment company STOA Infra & Energy in which STOA acquired a significant minority equity investment (23.08%) in MetroFibre. We followed up the capital raise by lead arranging R1 billion of term funding for MetroFibre. The capital raised will enable infrastructure expansion that will increase access to fibre for South African businesses and households.



Standard Bank was instrumental in partnering MetroFibre Networkx with STOA. Our view of the broader global funding ecosystem enabled us to recognise the right investor being STOA and partner it with a fast-growing company being MetroFibre.

Legae Peresec

We acted as the sole financial advisor, structurer and financier on the acquisition of Peregrine Securities by Nkholi to form Legae Peresec, South Africa's largest securities trading business. Legae Peresec is 51% majority black-owned and managed and has over 30% black female ownership.



As a banking partner to Legae Peresec, we are mandated to manage the company's custody and clearing business as we continue to support its growth and development.

PERFORMANCE AGAINST STRATEGY

CIB's strategy was reviewed in 2019 and remains unchanged.



DELIVERING EXCEPTIONAL CLIENT EXPERIENCES

CIB's mature client relationship model is based on proactive client partnerships that enable our coverage teams to work alongside our corporate clients, providing relevant solutions across sectors, regions and products to support their growth ambitions.

Our client focus contributes to a strong and diversified franchise that impacts positively on diversification and growth in African economies. This contributed to an improvement in client satisfaction and was recognised by Euromoney's 2019 Excellence Award for Africa's Leading Investment Bank.

Client satisfaction on the rise

CIB's client satisfaction index increased to 8.1, up from 8.0 in 2018.

Contributing factors included:

- Overall improvements in the Investment Banking experience and streamlined credit process, with marginal improvements in Global Markets and TPS Africa Regions.
- Positive sentiment offset by continued online channel and foreign payment challenges (particularly in South Africa).
- More frequent, strategic engagement by relationship managers, strengthening client relationships.
- The highest CSI rating achieved in Ghana, Uganda and Botswana, with Ghana showing significant year-on-year improvements.

We continued to adjust our risk appetite to reflect changes in clients' operating environments and were selective in exposures to avoid concentration in certain sectors. Our top revenue earning sectors include financial services, consumer, power and infrastructure, and industrials.



LEVERAGING OUR DIGITAL PLATFORMS TO MEET OUR CLIENTS' NEEDS

Our strong client relationships help us understand, analyse and address areas of client frustration across the spectrum of their financial needs. As we become more digitised and integrated, we are better able to achieve the dual outcomes of addressing client frustrations and matching their financial services needs with secure, personalised, relevant experiences, and a full range of solutions, in real time, all the time. Our system modernisation and the digitisation of our processes enables us to provide more efficient client service than our competitors at lower cost, and helps our clients execute their strategies.

Many of our digital solutions are informed by feedback from our clients, either through their engagement with client relationship managers or our annual client satisfaction surveys. This ensures that we prioritise the things that matter most to our clients. Our client onboarding and lending solutions are an example of digital solutions informed by both client and employee feedback. In addition to receiving client feedback and recognising the strong correlation between client and employee frustrations, we also asked our people to identify their primary obstacles to good client service.

These included:

- inefficient duplication of information and effort, and
- fragmentation of client information across different platforms.

Solutions such as the automation and simplification of basic processes, decommissioning of legacy IT systems and migration of clients to more modern platforms, and the consolidation of client information on one screen, equip our people to provide more adequate and timely responses to clients. Digital capability frees our people to focus on more value-adding client services which, in turn, improves client experience.

Improving client experiences with digital technology

Challenges

Our clients told us that they wanted:

- seamless service on a single digital point of entry; and
- faster credit decisions on commercial loan applications.

Solutions

In response to client concerns, we developed a solution that uses contextually relevant information about clients to understand how they choose to interact with us and the services they need to meet their current and future financial services needs.

The following new digital innovations include the automation of basic processes to address client frustrations:

- **One place to land**, a single entry point to CIB's services on a digital portal, available from 2020. This portal will offer clients access to services across products and information relevant to them as individuals within their organisations.
- **African Market Tracker** addresses the challenge of sourcing reliable and accurate information on African markets by providing real-time, accurate data that clients require.

- **Digital Solutions Marketplace**, a data-driven marketplace which connects shoppers, shop-owners and suppliers to accelerate cash flows, and enhance brand performance. We use brand and point of sale (POS) data to unlock cash flow for both suppliers and shop-owners.
- **Digital client onboarding and account opening solutions** auto populate forms and enable corporate clients to open and activate accounts immediately, provided all client documentation is supplied.
- **New lending solution** reduces the time it takes to make credit decisions. By consolidating data and automating internal documentation needed for decision-making, we accelerate information flows without compromising the risk assessment process. This initiative will be scaled up early in 2020, resulting in further improvements in our lending process.
- Adoption of **disruptive technologies** such as data analytics, blockchain and robotic process automation is streamlining complex trade processing between multiple parties, while strengthening risk management.
- Partnering with **innovative FinTechs** to leverage disruptive technology enables African companies to leapfrog technology advances to improve operational efficiencies and client experiences.

Benefits

Client experience

Clients provide KYC documents once to be used across all products; one view of all facilities with the bank.

Foreign exchange online

Foreign exchange transactions and international payments within 24 hours of digital account opening.

Faster trade

Robotic process automation reduced turnaround time of trade guarantees by 80%.



DELIVERING INTEGRATED SOLUTIONS TO OUR CLIENTS

Our commitment to client centricity is significantly enhanced by the group's scale, scope and expertise which enables us to respond to the diverse needs of many of our clients more comprehensively than CIB could alone.

By integrating the group's offerings we are able to deliver complete solutions to our clients. For example, when a client awards CIB a transactional banking mandate – as part of our comprehensive financial services offerings – the payment collections, POS, credit card and cash management services are provided by PBB.

Similarly, we focus on providing solutions to our clients across their value chains (ecosystems) throughout the continent. An advantage of this integrated approach is that a sustainable anchor client whose risk is understood not only enhances the risk profile of the client but also helps identify additional opportunities

within this client's value chain. In Nigeria, Kenya and Uganda, we collaborate successfully with Wealth to offer investment and insurance services to our clients' shareholders and executives, while PBB attends to the business banking needs of many of our clients' customers, suppliers and service providers.

We continue to leverage our strategic cooperation agreement with ICBC. We have partnered on infrastructure projects in oil and gas, and power and infrastructure sectors across the African continent, with projects across West Africa, East Africa and South & Central Africa. Since 2016, we have jointly supported investment banking deals worth over USD3.6 billion.

LOOKING AHEAD

We will continue to provide services and solutions that help our clients achieve their strategic ambitions. As we continue to improve the client experience, we believe we are positioned to sustain the growth of our client franchises as we capitalise on opportunities across our

markets, underpinned by effective credit management and disciplined cost control.

Our priorities include:

- Digitising core client interaction processes, including client onboarding.
- Proactively developing solutions to resolve client challenges.
- Implementing a resilience programme for our top ten critical digital platforms to improve IT system stability.
- Accelerating API-enabled infrastructure and intelligent automation.
- Automating selected product transactions per country to beat competitor benchmarks.
- Rationalising the CIB footprint and capability offering to align with client demands.
- Leveraging cross-functional teams and capacity to deliver complete solutions to clients within their value chains.



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.

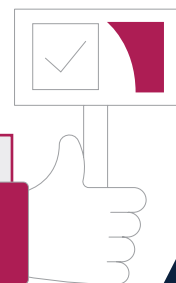
Behind every exceptional client experience is an engaged and motivated employee. Through understanding and addressing individual employee aspirations, we saw a pleasing increase in employee engagement measures. A highlight of the year was the launch of our Behavioural Science Academy, which reskills 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.



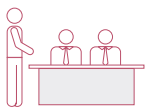


PERFORMANCE AGAINST STRATEGY

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.

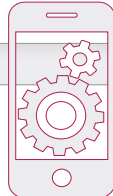
Furthermore, Wealth and Liberty continued to leverage the group's full capability to offer integrated multi-generational wealth creation and preservation solutions to our clients.

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

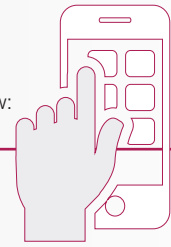
Our adoption of innovative technology and use of data analytics to understand and respond to our clients' needs and behaviours is encapsulated in our innovative new client service and insurance products.



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.

