



Standard Bank Group
Report to
Society **2019**

Standard Bank Moving Forward™
Also trading as Stanbic Bank

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THE PURPOSE OF THIS REPORT

The Standard Bank Group's purpose is to drive Africa's growth. We've identified seven areas in which we believe we can best achieve this purpose, while making a substantial positive social, economic and environmental (SEE) impact through our core business activities. The areas are financial inclusion; job creation and enterprise growth; infrastructure; Africa trade and investment; climate change and sustainable finance; education and health. Our annual report to society provides an update of our activities in each area.

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

The Standard Bank Group

Africa is our home, we drive her growth. We aim to make life better for our fellow Africans by doing the right business, the right way, contributing to the financial wellbeing of our clients, and supporting sustainable and job-creating growth of the economies in which we operate.



Standard Bank lists on Namibia Stock Exchange November 2019.

We are more than a bank. We are an integrated financial services organisation, deeply rooted in Africa. We strive to be the leading financial services organisation in, for and across Africa, delivering exceptional client experiences and superior value.

We have a 158-year history in South Africa. Over the past 30 years, we have been building our franchises across sub-Saharan Africa, supported by our presence in key international markets. We operate in 20 sub-Saharan African countries and are

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

We also have operations in Beijing, Dubai, London, New York and São Paulo, and offer international financial services from our offices in The Isle of Man, Jersey and Mauritius.

The Standard Bank Group (the group or Standard Bank) is the largest African banking group by assets, with a market capitalisation of approximately R277 billion (USD20 billion) at 31 December 2019, offering a range of banking and related financial services across sub-Saharan Africa.

The Standard Bank Group employs over 48 000 people, excluding Liberty. We have 1 114 branches and over 7 300 ATMs across Africa. This enables us to deliver a complete range of services across personal and business banking, corporate and investment banking, wealth management and insurance.

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

THE STANDARD BANK GROUP
CONTINUED

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, specialised banking and multi-generational wealth preservation solutions for high net worth, retail, business and commercial and corporate clients.



LIBERTY

LIBERTY

our subsidiary, provides life insurance and investment management. Liberty produces its own report to society. Please refer to www.libertyholdings.co.za for more information.

The value we create

We create value by living our purpose and achieving our vision through the diligent execution of our strategy. Our strategic value drivers measure our strategic progress and the value we create for our various stakeholders.



Material issues and stakeholder engagement

For information on the group's material issues, and the ways in which we engage our stakeholders to inform these issues, please see our [ESG report](#).

Assurance

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 provides 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 [here](#).

Our reporting suite

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

ANNUAL INTEGRATED REPORT

Our [annual integrated report](#) provides a holistic assessment of our ability to create sustainable value. 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.



GOVERNANCE AND REMUNERATION REPORT

Our [governance and remuneration report](#) includes the group's governance and remuneration priorities, as well as the group's remuneration policy and implementation report.



RISK AND CAPITAL MANAGEMENT REPORT

Our [risk and capital management report](#) sets out the group's approach to risk management, including current and emerging risks.



THIS REPORT

REPORT TO SOCIETY

Our [reporting to society](#) digital platform describes how we are delivering our purpose to drive Africa's growth, by assessing performance in our seven impact areas.



STANDARD BANK SOUTH AFRICA (SBSA) TRANSFORMATION REPORT

Our [SBSA transformation report](#) provides an update on our transformation journey and reports on performance against the various pillars of South Africa's Financial Sector Code.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Our [ESG report](#) provides an overview of the processes and governance structures the group has in place to support our commitment to doing the right business, the right way. It includes information about how we ensure that a strong ethical culture and appropriate conduct is embedded across the group.

Our SEE journey



A message from Sim Tshabalala

CE, Standard Bank Group

Standard Bank is committed to driving sustainable and inclusive economic growth across the continent we call home.



By this we mean growth that creates jobs and economic opportunities for as many Africans as possible; that helps to alleviate poverty and supports community development and financial inclusion; supports improved access to crucial services such as quality health care and quality education, adequate water and sanitation, and reliable and affordable energy, transport and telecommunications infrastructure; minimises harmful impacts to the natural environment, and respects universal human rights. To achieve this vision, we need to ensure that the clients we bank, and the projects, partnerships and infrastructural developments we finance, create net positive social, economic and environmental impacts. These considerations are front and centre when we make business decisions.

To ensure this commitment is embedded across the business, we use social, economic and environmental (SEE) impact as one of our five strategic value drivers – alongside financial outcomes, client focus, employee engagement, and risk and conduct. Our value drivers measure our strategic progress. Our SEE value driver requires us to think proactively about evolving client needs and the changing operating environment. It also provides us with an opportunity to grow our business by providing innovative solutions to address societal, economic and environmental challenges in the markets in which we operate.

SEE requires us to take a long-term view, and to assess the positive and negative impacts of every business decision not just for the group, but for the communities in which we operate. It is central to the commercial strategies of our business units and

legal entities. It shapes how we do business, how we generate our income, and the products and services that we offer our clients. It requires a conscious and deliberate approach to generating a net positive impact. When assessing return on investment and credit risk, for example, we need to simultaneously consider factors such as number of jobs created, number of people benefitting from improved access to public services, or greenhouse gas emissions avoided, for example.

We are committed to tracking, assessing and reporting on our SEE impacts, both positive and negative. We've formalised this commitment through the UN Principles for Responsible Banking, to which we became a founding signatory in September 2019.



Message from Sola David-Borha

CE, Standard Bank Africa Regions

Standard Bank is proud to be a founding signatory of the UN Principles for Responsible Banking. More than 100 banks from five continents launched the Principles at the annual UN General Assembly in New York in September 2019.



It was a particularly significant moment for us, given our role as part of the core team responsible for developing the Principles, alongside 27 other banks, from all over the world, spanning developed and developing economies. As Africa's largest financial services group, with an explicit commitment to providing the diverse range of financial services and products required to drive sustainable and job-creating economic growth across the Africa, we recognised at the outset the value and critical importance of this initiative, and its alignment with our own efforts to redefine what it means to be a sustainable business.

UN Principles for Responsible Banking set the global benchmark for what it means to be a responsible bank. They're a firm recognition that banks' indicators of impact and success should be much broader than their financial results.

As a founding signatory, we commit to aligning our business strategy with the objectives and targets set out by the UN Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks – working responsibly with our clients and customers to create shared prosperity for current and future generations.

We commit to developing a far clearer understanding of the scope and scale of our impacts on society, economic growth and the environment; and to working proactively to ensure that we maximise the positive impacts of our business activities, while minimising our negative impacts. We also commit to consulting, engaging and partnering with our stakeholders, recognising that the societal goals we aim to achieve require cooperation and collaboration across sectors and geographies. Read more about our progress [here](#). We welcome your feedback.

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 Standard Bank 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 2019 and the Transformation Report of Standard Bank South Africa (the "Company" or "SBSA") for the year ended 31 December 2019 (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).

Selected sustainability information		Unit of measurement	Boundary	Report and pages
Employment	Percentage of black employees in: <ul style="list-style-type: none"> • Top management • Senior management 	%	SBSA	SBSA transformation report page 13
	Percentage of women in: <ul style="list-style-type: none"> • Executive management • Senior management 	%	SBG	ESG report page 70
	Employee voluntary turnover rate	%	SBG	ESG report pages 53 and 68
Human Capital	Percentage of women on the SBG board	%	SBG	ESG report page 59
	Percentage of women Chief Executive Officers in Africa Regions	%	SBG	ESG report page 59
Education, Learning and Development	Percentage of black staff who completed SBSA leadership training	%	SBSA	SBSA transformation report page 17
Good governance	Number of regulatory issues assessed for impact in a calendar year	#	SBSA	ESG report page 13
Financial inclusion	Number of affordable housing clients where the bank restructured accounts within the reporting period	#	SBSA	RTS page 23 SBSA transformation report page 30
	Total number of students who received funding by FEENIX in 2019	#	SBSA	RTS page 74
Environmental, Sustainability and Climate Change mitigation and adoption	Total number of Equator Principle projects that reached financial close within 2019	#	SBG	ESG report page 36 and 65
	Total carbon footprint for 2019	tCO ₂ e	SBSA	ESG report page 41 and 66
	Energy produced through SBSA renewable energy systems	MWh	SBSA	ESG report page 67
Infrastructure	Ratio of green (renewables) versus brown (fossil fuel based) energy projects financed by Standard Bank from 2012 to 2019	%	SBG	ESG report page 46 and 64

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

ASSURANCE STATEMENT

CONTINUED

YOUR RESPONSIBILITIES

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the accompanying reporting criteria which can be found [here](#).

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 users of the Reports.

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 Sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

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 is 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 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

ASSURANCE STATEMENT CONTINUED

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 is 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 has been prepared, in all material respects, in accordance with the accompanying 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 2019 is not prepared, in all material respects, in accordance with the reporting criteria.

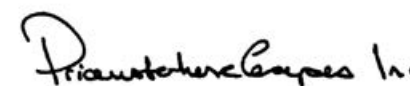
OTHER MATTER(S)

Our report includes the provision of limited assurance on the Percentage of women on the SBG board and Percentage of women Chief Executive Officers in Africa Regions. We were previously not required to provide assurance on this selected sustainability information.

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

17 April 2020

Standard Bank's SEE impacts

We have identified seven areas in which we believe we can best achieve our purpose, to drive Africa's growth, while making a positive impact on society, the economy and the environment.

We selected these areas based on their relevance to our core business as a provider of financial products and services; and the priority needs of Africa's people, businesses and economies, with reference to the UN global Sustainable Development Goals (SDGs) and the African Union's Agenda 2063.

In 2018, we reported against six impact areas. In 2019, we reviewed our impact areas and made some changes to ensure they accurately reflect the areas in which we can make the greatest impact. The changes included merging education and skills development, and adding two new impact categories: climate change and sustainable finance; and health.

		SUSTAINABLE DEVELOPMENT GOALS	
	1. Financial inclusion	We enable more people to access financial products and services, supporting economic development and reducing inequality	  
	2. Job creation and enterprise growth	We work with our clients to understand their challenges and priorities, provide them with appropriate financial solutions to support their growth and expansion and deliver digital solutions to meet their unique needs. This includes targeted support to enable SMEs to develop and grow their businesses	 
	3. Infrastructure	We support the development of infrastructure to enable inclusive and sustainable industrialisation by financing large-scale infrastructure projects; and partnering with our clients to ensure environmental and social risks are appropriately managed and minimised	 
	4. Africa trade and investment	We facilitate trade and investment flows between African countries, and with key global markets including China, through the provision of innovative trade finance solutions and cross-border payments and investment solutions	 
	5. Climate change and sustainable finance	We work with our clients to develop appropriate solutions for mitigating and adapting to the effects of climate change and we develop innovative financial products and services that support the green economy and social development	   
	6. Education	We support access to inclusive, quality education and the promotion of lifelong learning opportunities, and help Africa harness the opportunities of the fourth industrial revolution	  
	7. Health	We support better health outcomes for Africa's people by financing healthcare providers, and health infrastructure and equipment, providing business development support to healthcare practitioners, investing in our people's health, safety and wellbeing and investing in health-focused CSI programmes.	 



SEE IMPACT AREA **ONE**

Financial inclusion

Financial inclusion supports economic and human development and reduces inequality. Achieving financial inclusion requires that individuals and businesses have access to useful and affordable financial products and services that meet their needs, delivered in a responsible and sustainable way. This includes payments, savings, credit and insurance.

Access to such services enables individuals and businesses to manage day to day transactions, save and plan for the future, and deal with unexpected emergencies. It also enables entrepreneurs to formalise and grow their businesses. Financial inclusion has been identified as an enabler for several of the 17 UN Sustainable Development Goals, including goal 10, reduced inequality.

SUSTAINABLE
DEVELOPMENT
GOALS



1. FINANCIAL INCLUSION CONTINUED

THE STANDARD BANK GROUP COMMITS TO ADVANCING FINANCIAL INCLUSION BY:

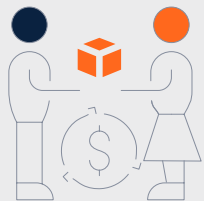


1

Improving access to and affordability of financial services, including through **digital products** and services that are accessible even without a bank account

4

Enabling **home ownership** through appropriate lending solutions



2

Providing **consumer education** to enable people to manage their finances responsibly and effectively and are aware of cost-effective and convenient transactional channels

5

Providing a range of **insurance solutions** for individuals and businesses



3

Providing solutions to encourage people to **save and plan for their future financial security**

6

Providing accessible and affordable services such as **remittances** for low-income customers.



1. FINANCIAL INCLUSION CONTINUED



Digital solutions to improve access and affordability



Over **90% of Standard Bank client transactions** are done using digital channels



We improved client convenience through **Samsung pay** and **biometric digital identity verification**



More than **R20 billion has been processed** via Standard Bank South Africa's **Instant Money transfer service** in 2019.



In 2019 we launched three new low-fee accounts: **@ease wallet** in Nigeria; **MyMo** in South Africa, and **BluEase** in Zimbabwe



We launched **digital lending** in several countries, enabling loan approvals in less than a minute



In line with changing customer behaviour, we closed 90 branches in 2019. We are investing in the **development of 244 of our most-used branches**, to better meet our customer needs.

More than half of Africa's adult population still lacks access to the formal financial system. Even among those with bank accounts, many rely on family and friends, or informal micro-lenders, when they need credit, and consider personal or business insurance an unaffordable luxury.

But innovative technological solutions are beginning to close the gap. **The World Bank's 2018 Findex for sub-Saharan Africa** showed that 34% of adults had made or received digital payments in the past year, while 21% had a mobile money account – accounting for almost half the total active mobile money accounts in the world.

Standard Bank continues to partner with fintech companies to provide safe and secure digital solutions in a responsible manner. Our intention is to be a truly digital as well as a truly human group. Digital solutions enable us to meet human needs and to further human aspirations, in a cost-effective and sustainable manner.

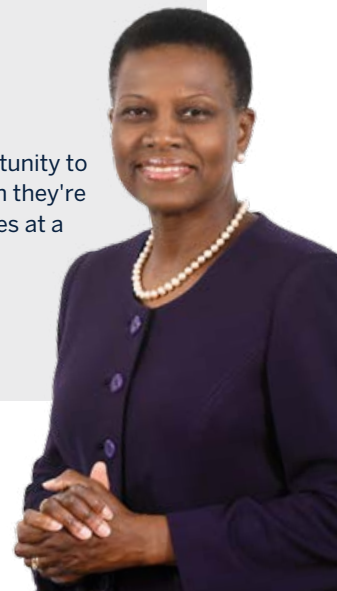
Our digital wallets and apps enable our customers to transact efficiently, safely and conveniently, while Business Online provides convenient digital banking for small businesses. Uptake continues to grow. In our African countries of operation outside South Africa, 92% of all transactions conducted in 2019 were digital. Digital transaction volumes increased year on year by 18%, while in-person transactions (including at branches) declined by 10%. In South Africa, 99% of transactions are conducted digitally.



Sola David-Borha

CE, Standard Bank Africa Regions

The fourth industrial revolution means disruption. It's an opportunity to find innovative solutions to the challenges our clients face when they're doing business. It's also an opportunity for us to provide services at a lower cost and create more value for our clients. This includes collaborating with fintechs to deliver the right solutions to our clients.



1. FINANCIAL INCLUSION CONTINUED

In 2019, we launched a number of low-cost digital services to improve access and affordability:

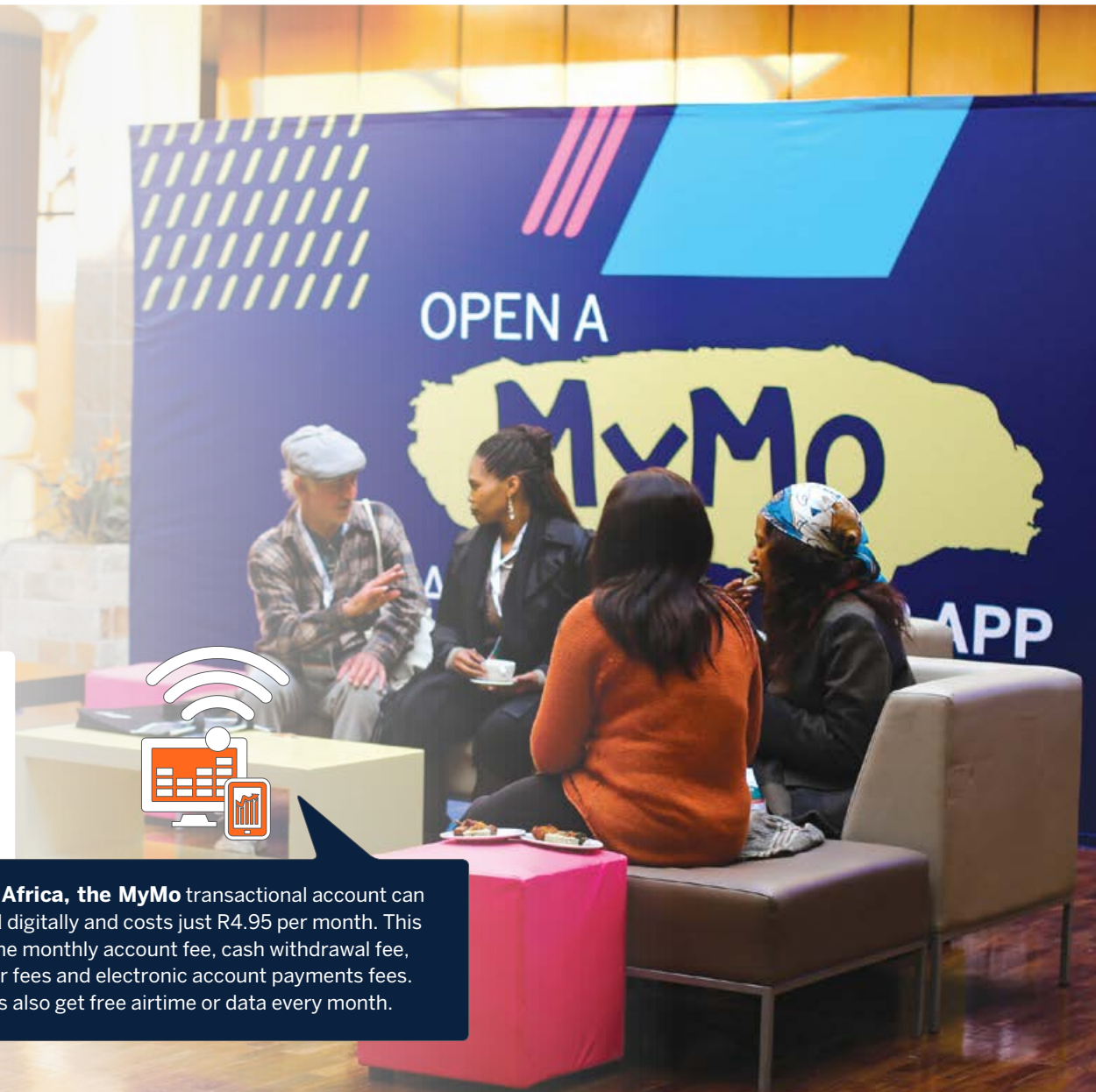


In Zimbabwe, BluEase is a low-cost transactional account targeted at low-income earners, including university students and informal and sole traders. We have made the know-your-customer process as quick and easy as possible, to ensure the account is accessible. Customers receive a debit card, and can access a variety of digital banking platforms, including mobile banking, online banking, and EcoCash to wallet transactions.

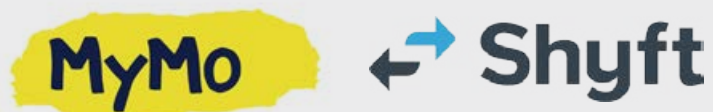
In Nigeria, @ease wallet provides a range of financial services to the informally served, under-banked and unbanked on various structured platforms, using the last ten digits of a phone number. Customers can access banking services such as interbank transfers, debit card issuance and cardless withdrawals from ATMs or the agent network. The account can be opened using a feature phone/USSD application (*909#; Stanbic IBTC @ease App) or at agent locations around the country.



In South Africa, the MyMo transactional account can be opened digitally and costs just R4.95 per month. This includes the monthly account fee, cash withdrawal fee, debit order fees and electronic account payments fees. Customers also get free airtime or data every month.



1. FINANCIAL INCLUSION CONTINUED



Wole Adeniyi

Executive Director, Personal and Business Banking,
Stanbic IBTC Bank

The Stanbic IBTC @ease wallet is a financial freedom vehicle for all Nigerians to access seamless financial services. The service is available to every Nigerian that can legally own a bank account. We recognise the daily complexities of living in a fast-paced digital society. Stanbic IBTC @ease wallet covers a unique range of mobile financial transactions, it is intuitive and designed around the needs of the average Nigerian.

We also launched **solutions to improve convenience** for our clients. In South Africa, for example:

Samsung Pay enables our customers to transact securely with their phones and other digital devices at contactless-enabled merchants and traditional point of sale devices, with technology that mimics the magnetic stripe on a bank card. Between the launch in late 2018 and December 2019,

over 37 000 customers had digitised their cards and almost 500 000 transactions had been concluded.

We've partnered with Cape Town based technology company iiDENTIFii to enable new customers to open accounts remotely, using biometric digital identity verification. Customers can

open an account in under 60 seconds,

from wherever they are, with no need to visit a branch. All they need is a mobile phone (Android or iOS) and an official identity document. They validate their identity document (ID) by taking a selfie, verify their address, and provide additional information such as their source of income. iiDENTIFii matches the data from the selfie and the ID document with a facial biometric at an issuing authority or government department. The technology is safe and secure, and iiDENTIFii has been verified as legally compliant by ENSAfrica. Customers can use the iiDENTIFii process to open a MyMo or Shyft account and are able to transact the same day.

Our customers can purchase Apple, Samsung and Huawei smartphone devices through the bank. Devices can be financed over 24 months using an extended payment facility on Standard Bank credit card accounts. The facility is offered at an interest rate of 11% per annum. Benefits include a 10% discount on handsets, free voice and data to the value of a customer's monthly account fees, 1MB of data for every R20 swipe, UCount points and up to 2GB of free data.

In Zambia, Stanbic launched digital lending in June 2019, cutting the application process for new loans from up to five days to less than a minute, eliminating the paperwork previously required, and significantly reducing costs. The service was initially launched for existing lenders seeking top-up loans. We are gradually extending it to new borrowers.

1. FINANCIAL INCLUSION CONTINUED

INSTANT MONEY™

South Africans, including those without formal bank accounts, are becoming comfortable with digital banking services. The use of mobile phone-based money transfer services continues to expand, enabling cash to be transferred conveniently and economically. In 2019, use of Standard Bank's Instant Money **transaction volumes grew by 18%** year on year, while transactional values saw a **22% increase** year on year. Average user transaction values have grown by 4% year on year with an average value of R753. The service is particularly in demand at month-end, during long weekends, school breaks and holiday periods.



Standard Bank offers the Instant Money transfer service at more than

6 500 access points across South Africa.

Average charges are between R9.95 and R12.50 per transaction, with no fee to the beneficiary.

Businesses are also using the service to reduce payment costs and speed up turnaround times. Instant Money for Businesses shows annual growth of over 100%. Bulk Instant Money allows businesses of any size to disburse funds through the Instant Money platform to any person in real time. Recipients don't need a bank account and can collect their funds at a date and time of their convenience.



INSTANT MONEY™ WALLET

WIN WITH
INSTANT MONEY™!

YOU'RE GOOD TO GO.

Visit www.standardbank.co.za



Nelisa Zulu

Head, Merchant Solutions, SBSA

Instant Money is particularly popular with people living in cities who wish to transfer money to family members in rural areas. Money can be sent and collected at Standard Bank ATMs or other designated collection points within most communities. This makes it more convenient than other forms of payment in the country, which take time to be complete.

1. FINANCIAL INCLUSION CONTINUED

BRANCH CLOSURES IN SOUTH AFRICA

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

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

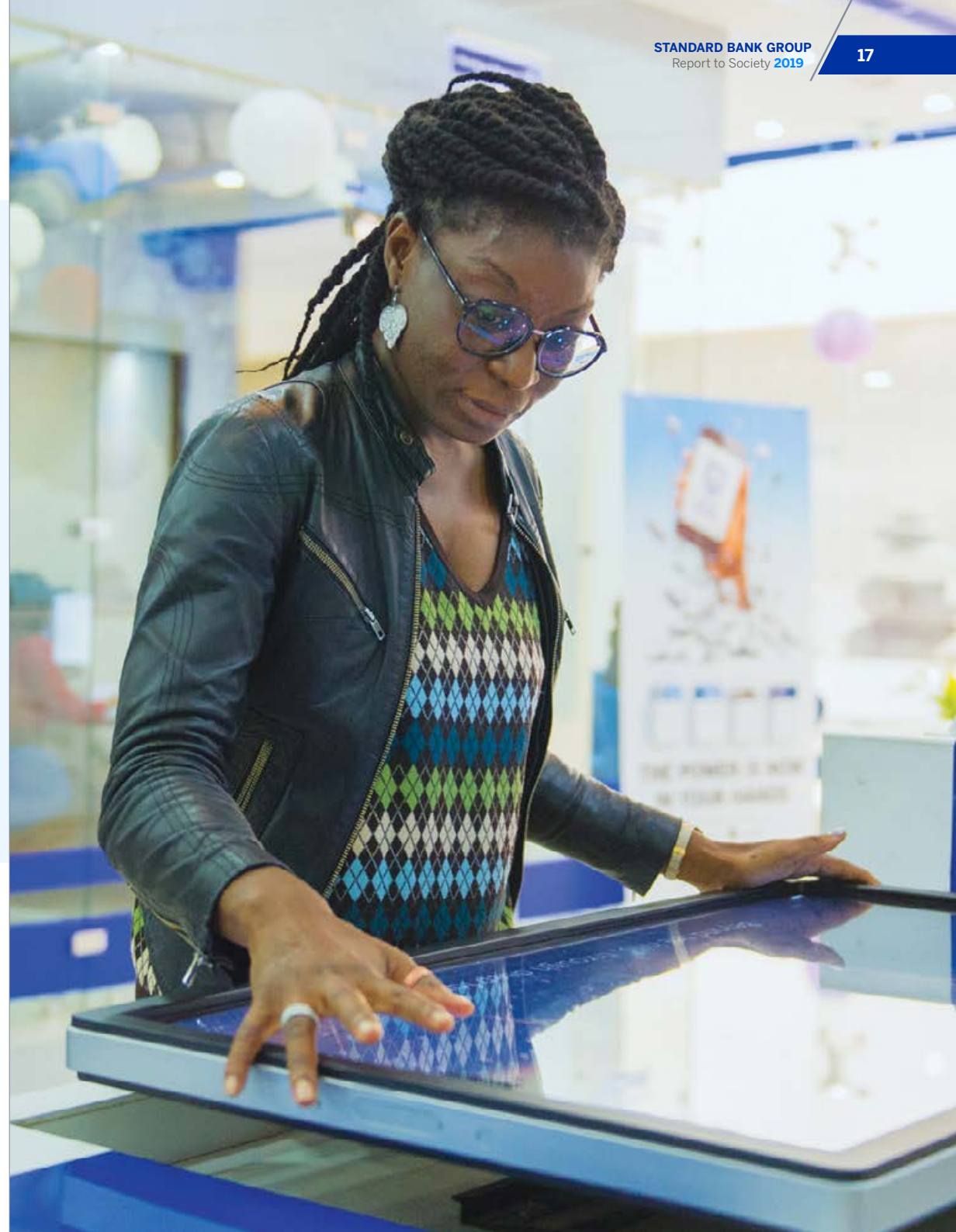
We currently have 528 branches in South Africa, and are investing in the development of 244 of our most used branches, to better meet our customers' needs. We continue to work with our clients to raise awareness of alternative options to branch services, while acknowledging that some people prefer to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



Lungisa Fuzile

CE, SBSA

Branches and the employees who work in them will remain an important part of our delivery model. They may be in different locations and smaller locations and may serve slightly different purposes than previously. They may become hubs where we provide advice to our clients. We care dearly about financial inclusion. None of our clients and future clients will be left behind.



1. FINANCIAL INCLUSION CONTINUED

2 Consumer education



Improved access to financial services needs to go hand in hand with consumer education and protection. Standard Bank participates in a variety of consumer education initiatives and financial literacy initiatives in our countries of operation. In addition, our wealth and investment business works with our clients to encourage personal saving and provide financial education.



Financial Fitness Academies for employees of our corporate clients



Financial literacy campaigns on radio and television, and in public spaces, including campuses, malls and taxi ranks



Financial literacy sessions for Standard Bank employees



App-based tools to understand personal financial behaviour



Financial literacy and basic business skills training for start-ups and small businesses



School-based competitions



Online education on share trading



Financial Fitness Academies for employees of our corporate clients

- We partner with our corporate clients in several of our countries of operation to provide financial literacy training for their employees. These events are well attended and provide us with an opportunity to connect with customers and potential customers.
- **In Kenya**, for example, we hosted **29 financial fitness academy sessions**, for 27 corporate and business clients, reaching 2 304 people, during 2019.



Demola Sogunle

CE, Stanbic IBTC Bank PLC

Education and financial literacy are critical to economic growth and development. At Stanbic we are always pleased to engage with our future leaders to share financial literacy nuggets with them. We recognise that the competition is a very creative way to not only drive home the financial literacy message but also to measure how well the children are imbibing the principles.



1. FINANCIAL INCLUSION CONTINUED



Financial literacy campaigns on radio and television, and in public spaces including campuses and malls.

- In **Ghana**, for example, we partnered with the country's top radio station, Joy FM, to provide personal financial tips, reaching around 83 500 listeners per day.
- In **Nigeria**, our Youth Leadership Series Campus Tour aims to provide as many Nigerians as possible, including the unbanked and underbanked, with knowledge, skills and confidence to make informed financial decisions, particularly on how to start saving for their future needs. Expert financial coaches visit cities and towns across the country, targeting campuses, malls, taxi ranks and other public spaces. We use an interactive and fun learning approach to ensure maximum impact, and provide information on products like savings accounts, mutual funds and micro pensions.
- In **Botswana**, we run a financial education programme, 'Better My Lebotha', on radio, which educates listeners on money management, financial literacy, entrepreneurship and employability.
- In **South Africa**, WalletWise aims to help people use financial services effectively and affordably by providing information about financial products and services and raising awareness of digital platforms and how to use them. The programme targets those with a household income of less than R15 000 per month, and includes content tailored for young people, small enterprises and people without formal bank accounts, with a focus on rural and non-metro areas. WalletWise raises awareness through edutainment, using print and digital media, social media, radio and television, community outreach, and in-branch training in selected communities. Content is provided in nine of South Africa's official languages. In 2019, Standard Bank spent **R52 million** on the programme. We reached **8 500 people** through classroom training, including in rural areas; over **6 000 young people** through activations at high schools and tertiary institutions; **500 000 people** through community activations, including at taxi ranks; about 30 million people through television campaigns and 25 million through radio campaigns; received 200 000 unique visits to the website; and reached a further 35 000 people through engagement on social media.



Financial literacy sessions for Standard Bank employees

- In **South Africa**, our Wealth business hosted 22 financial literacy sessions for SBSA employees, reaching over 1 000 people. The sessions provide information on the importance of financial planning, including planning for lifestyle goals and investing with end-goals in mind. Financial planners are available at the sessions, to assist with personal financial planning.



App-based tools to understand personal financial behaviour

- Standard Bank's **My360** app offers clients a consolidated view of their net worth across different financial service organisations and geographies. The app includes an educational element, providing clients with insights to help them better understand financial terminology and explain key concepts, such as good asset allocation, for example. The app was launched in South Africa in 2019 and will be rolled out to Africa Regions during 2020.
- In South Africa, **MiScore**, 'Help me improve my creditworthiness', is an initiative to empower our customers with insights into their financial behaviours, to help them better understand and manage their finances, improve their creditworthiness and avoid financial distress. We use data analysis to identify customers showing early signs of financial distress and contact these customers via MMS (multi-media messaging service), give them tools to recognise the risks they're facing, and connect them with our Debt Care Centre which is able to

provide holistic support. This enables us to proactively manage customer credit risk, and helps customers understand and plan for their cash flow/credit needs.



1. FINANCIAL INCLUSION CONTINUED



Financial literacy and basic business skills training for start-ups and small businesses

- In South Africa, we provide training for aspirant small businesses under the WalletWise programme focusing on basic business skills, and help struggling businesses to identify pitfalls and find ways around them through coaching. In 2019 we spent approximately **R3.5 million** on the programme, reaching **120 entrepreneurs** and business owners.



School-based competitions

- We partnered with Junior Achievement Nigeria to sponsor an electronic platform to enable students to compete against one another and test their understanding of finance. **23 schools** participated in the Money Bee competition – the financial literacy equivalent of a Spelling Bee. We followed this with MoNie-Pedia, an electronic quiz contest in which pupils competed on money and finance-related questions. Both competitions served to create excitement around the financial literacy programme and rewarded financially savvy secondary school pupils across the country. The top two schools were awarded Trustee Accounts of N200 000 (R8 000), and the third school N100 000 (R4 000), sponsored by Stanbic IBTC Trustee Limited.
- We also partner with Junior Achievement Botswana to foster entrepreneurship and financial education programmes in secondary schools.



Online education on share trading

- During 2019, our wealth and investment team hosted **142** online share trading education sessions with **15 640** registered participants, and 36 YouTube videos with 5 700 views.



1. FINANCIAL INCLUSION CONTINUED



Providing solutions to encourage people to save and plan for their future financial security

Wealth means different things to different people. It is not only about assets, but about freedom, choice, connections, experiences and protecting the things that matter most to individuals. This might include saving for a child's education, diversifying one's assets, and providing for retirement. We work with our clients to develop personalised solutions tailored to their unique aspirations.

Our savings and wealth solutions include:



Tax free investment accounts and auto-share investments (South Africa)



Invest, a specialist tracking fund manager (South Africa)



Nigeria's biggest **pension fund**



'Game Plan - Retire Well', a micro pension solution for informal sector workers in Nigeria

In South Africa, our clients have invested over **R550 million in 63 000 tax free investment accounts**, and over **R440 million in 13 000 auto-share investment accounts**. Tax free investment accounts are easy to open and offer significant tax advantages and wealth accumulation benefits. Auto Share Invest provides an accessible option for investors who are just starting out and are still building portfolios. Clients can invest as little as R500 per month. Standard Bank buys the shares chosen by clients from our range of JSE selected shares, at a reduced cost.

In October 2019, we launched **Invest**, a specialist index tracking fund manager, in South Africa. It is 50% owned by Liberty and 50% by Standard Bank Group and brings together extensive financial market knowledge and award-winning unit trusts (UTs) and exchange traded funds (ETFs) from Standard Bank and STANLIB. Invest provides a comprehensive index product range which includes 28 UTs and ETFs with circa R12 billion of assets under management across multiple asset classes (equities, fixed income, commodities and property) and geographies (South Africa and offshore markets). It provides clients with instant access to some of the popular market indices, under one umbrella, helping them to invest simply, transparently and cost-effectively.

Stanbic IBTC Pension Managers Limited is **Nigeria's biggest pension fund administrator**. We have over 1.7 million retirement savings account (RSA) holders nationwide, with assets under management in excess of N2.8 trillion (R112 billion). We paid N3.26 billion (R131 million) to over 55 809 retirees in March 2019 and have paid out over N635 billion (R25 million) to retirees since the pension fund commenced operations in 2006.

As much as 70% of Nigeria's working population is in the informal sector. We want to ensure that they too have plans in place to protect them against poverty in old age. In 2019, Stanbic IBTC Pension Managers Limited launched a **micro pension campaign**, 'Game Plan - Retire Well', to encourage workers in the informal sector, who are not covered by the current contributory pension scheme, to take-up our micro pension product. The product offers access to various incentives, including flexible contribution remittances, and the opportunity to make withdrawals prior to retirement. It also aims to help mobilise the capital required for investment in critical sectors of the economy, while improving financial inclusion. Stanbic IBTC has launched an ongoing programme of public meetings, meetings with business groups, public awareness programmes, and television and radio advertising to raise awareness of the product.



Eric Fajemisin
CE, Stanbic IBTC Pension Managers Limited

'Game Plan - Retire Well' is our callout to stakeholders to secure their future and reinforce the need to save and plan for retirement, irrespective of the nature of their jobs or the profession they may find themselves in. It is all about taking a decision today by signing up for a retirement plan, making the right move now towards a secure future or, simply put, having a game plan.



1. FINANCIAL INCLUSION CONTINUED



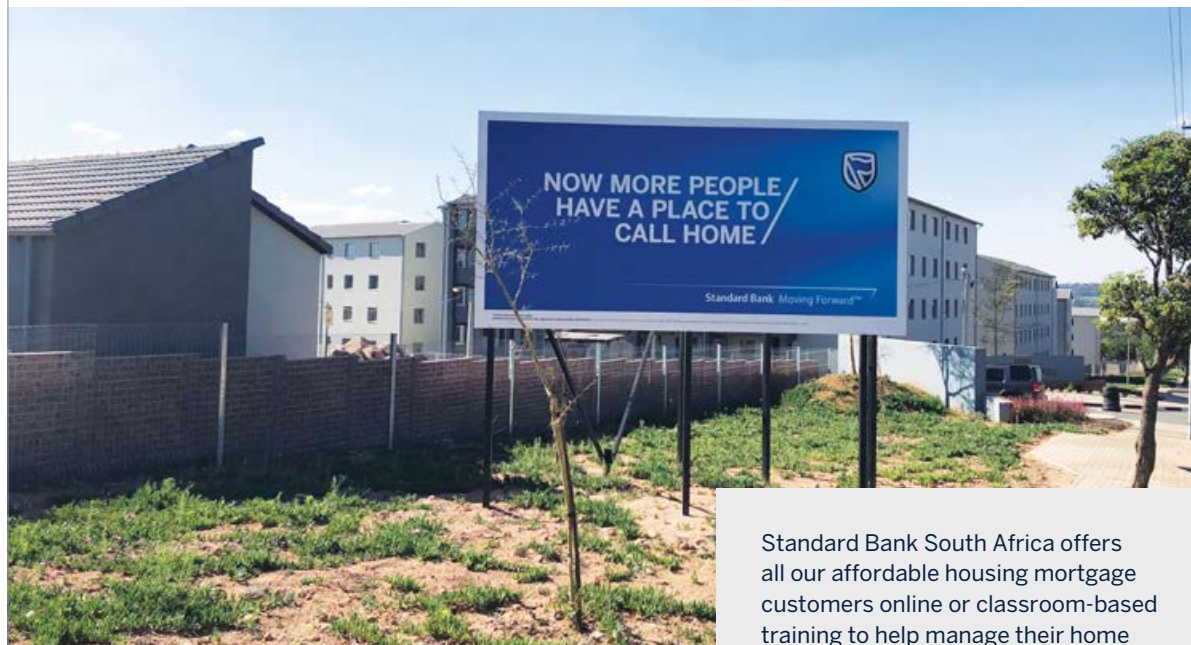
Enabling home ownership

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 inter-generational wealth. Standard Bank is South Africa's largest lender to the affordable housing sector, with a 27% market share. We are also working directly with the government and NGOs in Zambia to tackle the country's 1.5 million unit housing deficit.

AFFORDABLE HOUSING IN SOUTH AFRICA

The Financial Services Code requires banks to provide affordable housing for consumers that earn a gross income between R3 500 and R24 300. Standard Bank's affordable housing book is valued at around R25.6 billion. In 2019 we registered **5 667 new affordable home loans**. As the largest lender in the affordable housing sector, with a **27% market share**, we have almost **99 500 customers** on our books.

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



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

HOME SERVICES

In South Africa, Standard Bank's Home Services property valuation guide, **LookSee**, enables anyone buying or selling a home to access information relating to a property and its value. Anyone can access our free guides to help them make informed decisions. The information is available 24/7, and includes details such as:

- Property value, including highs and lows, last sale price and how the growth rate compares to the national average
- Estimate for home insurance and rates and taxes
- Interpretation of crime trends in the area and nearby amenities
- Sales trends and property turnover in the area.

SBSA launched **our sectional title index in 2019**. The index informs a customer of various things to consider when purchasing a sectional title property. It uses the financials of the complex, the price growth within the complex and the Risk Quality Grade within the area. On this basis, the index can inform the customer whether the complex is excellent, good, prospective, average or speculative. This helps our clients ensure they're making a well-informed decision when investing in the purchase of a home.

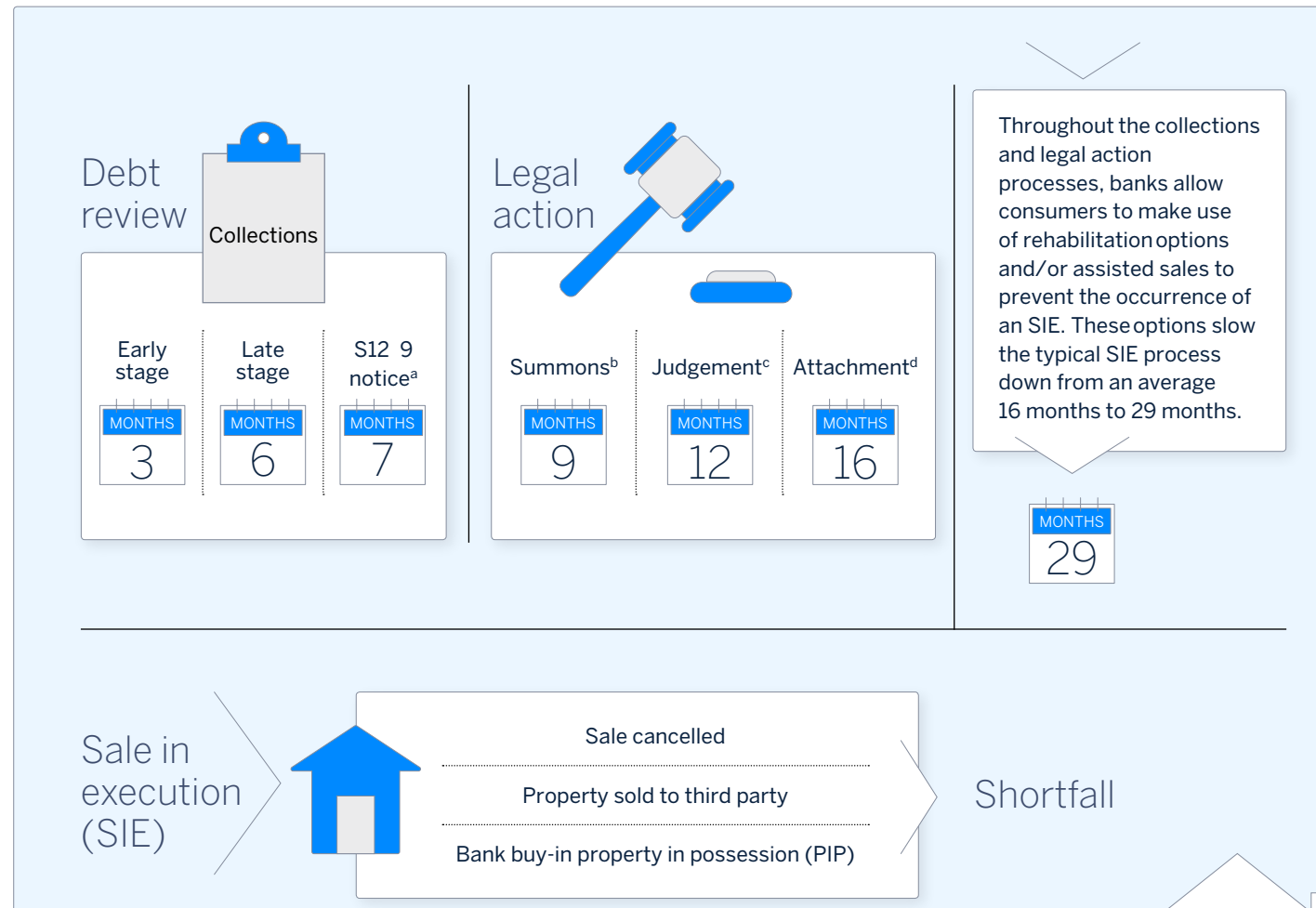
1. FINANCIAL INCLUSION CONTINUED



Despite South Africa's tough economic conditions, 83% of our affordable housing customers are keeping up with their repayments. In 2019 we worked with 7% of our customers who were showing signs of struggling to service their home loan to get back on track, providing them with alternative options that included a pause on their loan, an extension on the loan terms or a reduced repayment. In 2019, **2 861** home loans were restructured to keep families in their homes.

We do everything we can to help our customers stay in their homes. However, in 2019, we regrettably had to enter legal processes with 1.63% of our customers who were in default, after all alternative arrangements had been exhausted (down from 5% in 2018). During 2017 and 2018, we undertook a series of engagements with government officials, members of parliament, and civil society groups to gain a better understanding of what we can do to try to prevent mortgage defaults. We have since implemented various changes, including more proactive communication with stakeholders regarding the processes followed in cases of default, and about the options available to clients, 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.

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



a. Section 129 notice is the first step in the legal process when one has defaulted on a loan repayment. It is the notice issued in terms of Section 129 of the National Credit Act (NCA), advising a consumer that they are in arrears of a certain amount in unpaid instalment(s) at a given date. A credit provider, or an attorney appointed by the credit provider, may issue a 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.

1. FINANCIAL INCLUSION CONTINUED

BUY-a-BRICK ZAMBIA

Zambia's housing deficit currently stands at 1.5 million units and is projected to double according to a study by UN Habitat. The government has encouraged the private sector and civil society to partner with it to address the challenge of housing across all income brackets. In response, Stanbic Bank Zambia implemented the Buy-a-Brick initiative, which was formally launched by President Edgar Chagwa Lungu in Chibombo in 2019. We run the initiative in partnership with the Ministry of Housing and Infrastructure Development, the People's Process on Housing and Poverty in Zambia, The Zambia Homeless and Poor People's Federation, and Slum Dwellers International. Our objective is to help low-income households access decent housing, and to explore alternative building methods toward lowering the cost of housing. Stanbic Bank Zambia has dedicated a third of its total CSI budget (an equivalent of 1% of its annual profit) to the campaign. The government has pledged K10 million (R10 million) towards the initiative. Stanbic's Buy-a-Brick account allows businesses and members of the public to make donations toward buying building materials for the programme. Stanbic employees are also contributing to the fund, with different departments raising funding through various initiatives.



Austin Mwape

Chair of the Board Stanbic Bank Zambia

Stanbic Bank prides ourselves on being a bank with a conscience. We are always looking for opportunities to improve local communities and better the lives of the Zambian people. We have set ourselves the goal of being an indispensable partner to our clients as they seek to attain financial independence and achieve sustainable growth in their lives. We have transformed Stanbic Bank from a financial service provider to an institution that helps individuals and families especially from low-income households overcome barriers to wealth attainment and growth. It is our hope that having the burden of decent accommodation lifted off their shoulders, low-income households will be able to focus their efforts on unlocking opportunities in their lives to create a better future.



1. FINANCIAL INCLUSION CONTINUED

5 Insurance

Standard Bank Group subsidiary, Liberty Holdings, provides life insurance and investment management. Standard Bank complements Liberty's offering with bespoke services for targeted client groups.

FOR EXAMPLE, STANDARD BANK PROVIDES:

Micro-insurance to small businesses

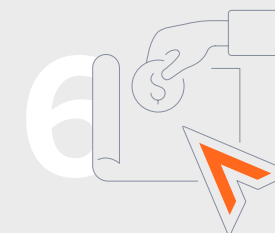
through Bizsure and Bizprotect. The policies are coupon-based and are designed to cover stock and business contents for small business owners against risks like fire and theft. They can also be used to cover agricultural goods. The product is available across 14 of our countries of operation in Africa.



Short-term insurance

to cover homeowners' structural insurance and contents, motor vehicles, computer equipment, and personal liability.

In 2019, we launched a standalone app for car and home content and structural insurance designed specifically for millennials. Clients receive a premium discount if they pass a digital driving test built into the app's telematics capabilities (the first 300km and 25 trips are tracked). Our discount is guaranteed for 12 months. If clients continue to use digital monitoring of their driving patterns, they receive additional rewards.



Remittance services

Standard Bank clients can make authenticated payments to their own or other international accounts using our mobile app, online, in branches, or using Shyft Global Wallet.

In 2019, to expand access to remittance services, we partnered with Rewire, an international fintech, to offer remittance services to migrant workers from across our 20 African countries of operation. Rewire's cross-border international banking service enables migrant workers to deposit money into a digital bank account, which comes with a debit card for local needs and a remittance service for transferring funds home. The product is available in selected European markets, and there are plans to expand into Asian markets in the future.



SEE IMPACT AREA TWO

Job creation and enterprise growth

Job creation and enterprise growth drives economic development and alleviates poverty. Standard Bank Group works with our clients to understand their challenges and priorities, provide them with appropriate financial solutions to support their growth and expansion into new markets, and deliver digital solutions to meet their unique needs. We also provide targeted support to our SME clients, to help them develop their businesses, grow their skills, manage cash flow and access new business opportunities.

SUSTAINABLE
DEVELOPMENT
GOALS



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED



We:

Partner with Africa's fintech entrepreneurs to develop innovative solutions to client challenges

Provide **incubator programmes** and related support services for entrepreneurs and SMEs. In 2019, our activities in seven African countries directly benefitted approximately **5 000 SME owners** and entrepreneurs



Provide innovative credit solutions, including **Nomanini** and our **Trader Platform Solution** for enterprises in the informal sector, Merchant Capital for SME lending in South Africa, and a three-minute loan application for business clients in South Africa



Partner with **small-scale farmers** to help them apply technological solutions to improve productivity and sustainability and access more affordable finance, with pilots in Uganda and Zambia involving hundreds of farmers



Partner with **UN Women** to improve **women farmers' resilience to climate change**, with the aim of reaching over **50 000 women** across the four countries in three years, with an investment of **USD3 million**

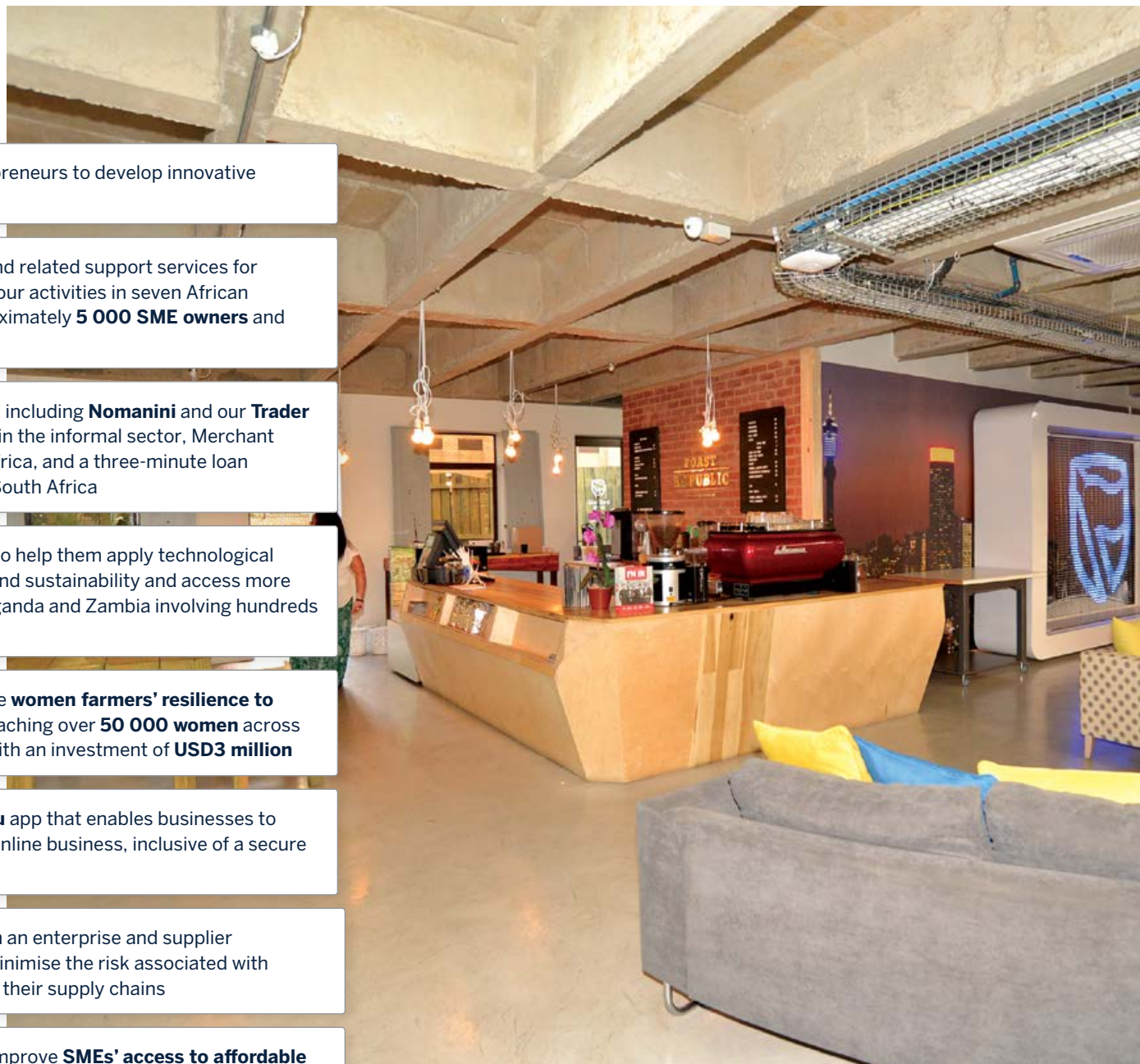


Created the easy to use **Simply Blu** app that enables businesses to start and manage a customisable online business, inclusive of a secure online payments system



Provide our **corporate clients with** an enterprise and supplier development funding solution to minimise the risk associated with bringing new small businesses into their supply chains

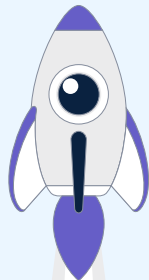
Partner with the IFC in Zambia to improve **SMEs' access to affordable lending** with a specific focus on women.



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

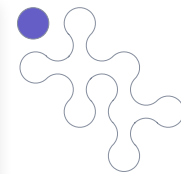
Partnering with Africa's fintech entrepreneurs

Standard Bank works with Africa's fintech entrepreneurs to deliver improved ease of access, convenience and affordability for our clients, while boosting process efficiency, mitigating risk and reducing costs for the bank. We partner with third-party service and product providers to ensure our clients have everything they need in one place, while ensuring the security of our clients' data.



Our Moonshots division partners with local and international fintechs to deliver improved client solutions

We've partnered with Founders Factory Africa, with the objective of building and growing over 100 tech start-ups across Africa in five years. We funded the first five in 2019



Our Woema IT innovation programme drives a culture of innovation across the group

We were a Corporate Champion of the 2019 Global Fintech Hackcelerator Southern Africa competition



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

We established the Standard Bank Moonshots division in 2017. It supports the establishment of new partnerships that drive growth and create jobs across Africa, while also generating new revenue streams for the group. The Moonshots team develops its own ideas and partners with innovative local and international businesses to deliver improved client solutions.

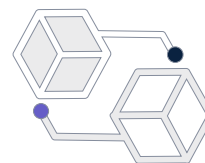
In 2018, Standard Bank became the first investor in Founders Factory Africa, a South African company operating across Africa to deliver accelerator and incubator services. Our partnership aims to build and grow over 100 disruptive tech start-up companies across Africa over five years. In 2018 we received over 500 applications from fintech entrepreneurs. In 2019, after a rigorous screening and selection process, we selected the first five businesses to receive investment.

Founders Factory Africa has committed to growing these businesses through a six month acceleration, which includes specialised tailored support. The firms will also have access to global capital, talent and knowledge transfer through the Founders network, which includes world class entrepreneurs, investors, corporates and successful startups across Africa, Europe, the UK and the US.

” Darren Segal,
Executive, PBB Innovation,
Standard Bank

These businesses are just the start of an exciting journey working with Founders Factory Africa. We see huge potential to grow these businesses and create jobs. Through our partnership, there is also a unique opportunity to catalyse the start-up culture and early-stage investment into these ventures in Africa.

In South Africa:



- Standard Bank sponsored the South African Reserve Bank (SARB) and KPMG Matchi's 2019 Global Fintech Hackcelerator Southern Africa competition, a platform for fintech firms from all over the world to present innovative solutions to Southern Africa's financial challenges. Two winning firms received funding to develop a contextualised proof of concept, to be deployed within a year.
- We continue to run our Woema IT innovation programme, established five years ago, to drive a culture of innovation across the group. In 2019, our signature Hackathon included activities sponsored by Microsoft, AWS, BCX, Cisco, Mastercard and Pepper the robot. Contestants included 35 teams from Standard Bank, and several external teams from companies. The contest received 108 submissions. Fifteen teams were selected to present to the Dragon's Den panel of judges. The winning teams were awarded funding to implement their solutions.
- We partner with the Department of Telecommunications and Postal Services (DTPS) on the Women in ICT programme, which aims to support women ICT entrepreneurs to grow their businesses. We run an annual competition which sees women ICT company-owners compete to win development and funding support, together with access to international and local markets and an opportunity to secure contracts with the corporate sector. At the 2019 Women in ICT event, five finalists pitched their businesses to a panel of judges. The winner, Simangele Mphahlele's Ejoobi, was awarded business development support to the value of R300 000 from Standard Bank. Ejoobi's mission is to enable organisations to connect to hard-to-reach job seekers through customised USSD and SMS campaigns.



- We sponsored six ICT businesses to attend 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. Following the event, Standard Bank committed R200 000 per business for further support, including development programmes, exposure trips, and access to market opportunities.



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

Standard Bank incubators and enterprise development services

Standard Bank provides enterprise development support services to our clients across our countries of operation. These services include incubator hubs in Botswana, Ghana, Mozambique, Uganda and Zimbabwe, an entrepreneurship centre in Nigeria, and funding for SME and entrepreneur development programmes in Angola, Lesotho, eSwatini and Zambia.

Highlights in 2019 included:

Business development training programmes and bootcamps delivered to over **2 100 SME owners** and entrepreneurs across Angola, Ghana, Lesotho, Mozambique, eSwatini, South Africa and Uganda

In Ghana, a digital skills training programme benefitting over **1 000 young people**, leadership training for 548 people, and sector specific training for SMEs benefitting **140 agricultural sector businesses** and **60 hoteliers**

In South Africa, sector specific seminars for medical professionals on running a financially sound practice, benefitting **219 health practitioners**

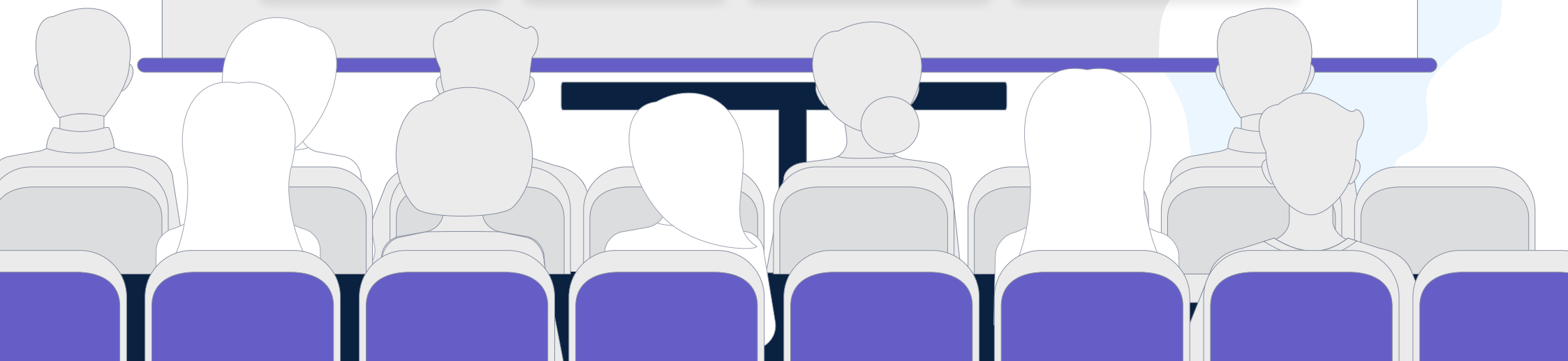
In Mozambique, mentorship for **150 business owners**, ten SME master classes benefitting **225 SMEs**, and sponsorship of **95 events** for SMEs

In Angola and Mozambique, partnerships with Lionesses of Africa, benefitting over **500 women entrepreneurs**

In Angola, sponsorship of Startup Weekend and Talent Festival Luanda

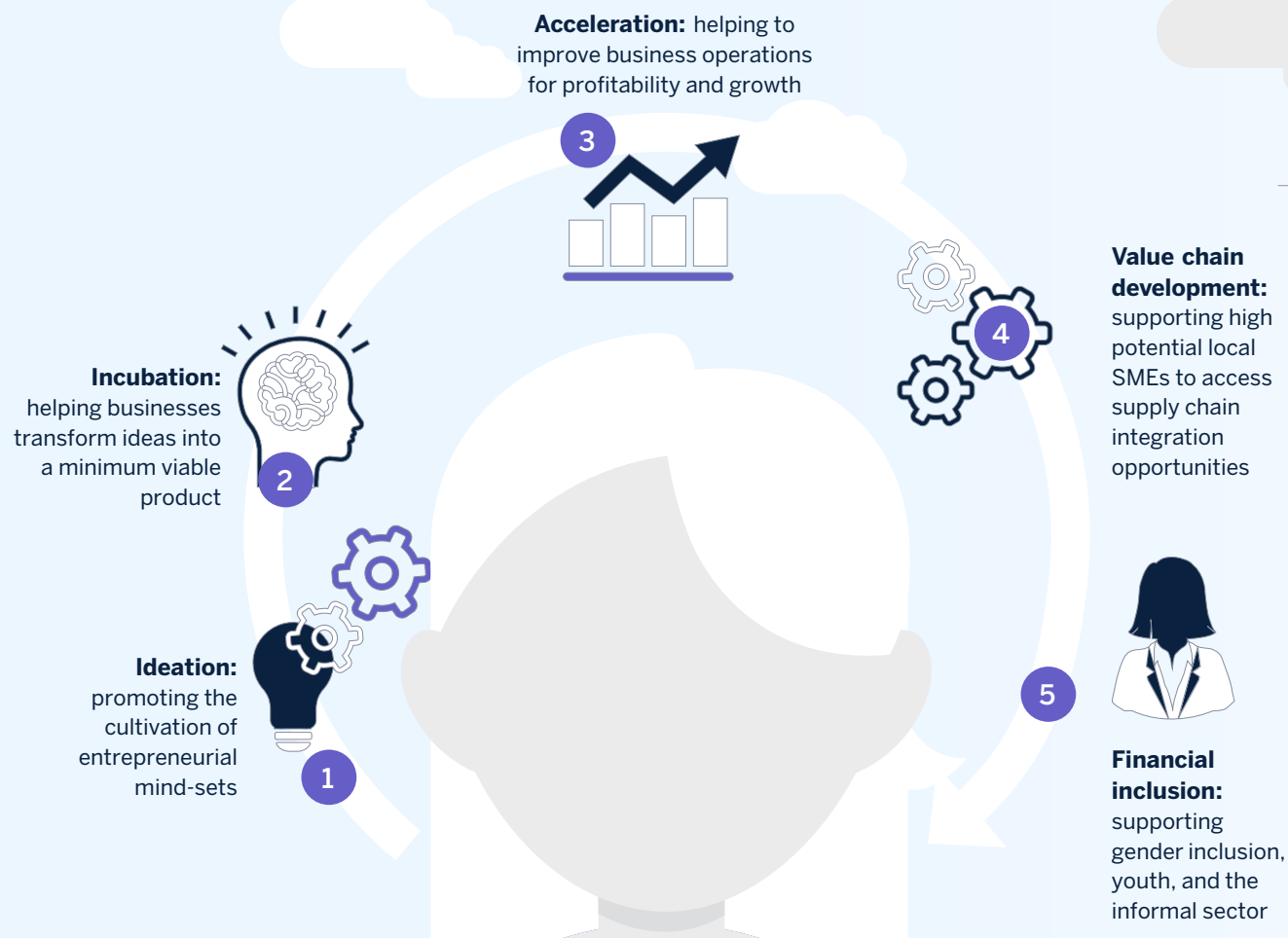
In Botswana and Zimbabwe, the opening of new incubator hubs targeting young entrepreneurs

Anakazi Banking in Zambia, providing capacity building activities and improving access to finance for women entrepreneurs.



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

Standard Bank incubator programmes operate on five strategic pillars:



Our service offering includes 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; access to finance, either directly from the bank, or with the bank acting as a funding facilitator/intermediary, and free access to working space, wi-fi and meeting rooms.

2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

Stanbic Bank Ghana launched our business [incubator programme](#) in 2018, providing working space, services, advice, mentoring, coaching and support to assist new and growing businesses to become established and profitable. In 2019 we:

- Directly impacted **378 SMEs/ start-ups** and **2 569 entrepreneurs**, including 400 women business owners/entrepreneurs
- Reached **435 600 people** via social media initiatives
- Hosted four hackathons
- Ran six digital skill training programmes, benefitting **1 057 young people**
- Provided leadership training for **548 people**
- Supported **140 agriculture businesses**
- Trained **60 hoteliers** in hospitality/ customer service training.

Standard Bank Mozambique's Incubator was launched in 2017. It aims to enable young entrepreneurs, start-ups and SMEs to establish themselves and become successful companies, with a focus on youth employment, female economic empowerment and local content development. In 2019 we:

- Ran 16 training programmes and sponsored 95 events
- Ran ten SME master classes, addressing topics such as:
 - Health and safety, in partnership with and funded by Shell, benefitting **28 SMEs**
 - Risk management and insurance, in partnership with Hollard and Sanlam, benefitting **79 SMEs**
 - Human capital and employment practices, benefitting **70 SMEs**
 - Access to finance/credit, benefitting **48 SMEs**
- Provided mentorship for **150 people**.

- Directly impacted over **1 000 women** and over **1 850 youth**
- Partnered with Lionesses of Africa, the Embassy of the Netherlands and Eni Rovuma Basin to host six events reaching **526 women**
- Ran three #iDeate entrepreneurship bootcamps, in partnership with Ideialab, benefitting 119 participants, of whom 34% were women. Participants gave the programme a 4.43/5 satisfaction rating.
- Ran two #iDeate bootcamps tailored for SMEs linked to the oil and gas supply chain, in partnership with Eni Rovuma Basin, benefitting 63 participants, of whom 34% were women. Participants gave the programme a 4.55/5 satisfaction rating.
- Sponsored 420 women to participate in Start-up Girl, an entrepreneurship and leadership programme for young women aged 15 to 26.



Alhassan Andani
CE, Stanbic Bank Ghana

We're no longer talking about SMEs as mom-and-pop corner shops; SMEs are now being run by people who are working to solve real problems in the world. They are taking-off like a rocket and that is the future of SMEs in Africa. I've seen entrepreneurs come into Stanbic's Incubator just after ideation and three months down the line, they are ready to roll out products which can be scaled up easily to become global products. As financial institutions, we need to change our mindsets on these up-and-coming SMEs to be able to offer the right type of finance they need to reach their potential. As well as access to bank financing, we need to see our capital and equity markets scale up quickly so these SMEs can grow across Africa and even globally.

2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

Stanbic Uganda

launched its business incubation programme in 2018. It includes a focus on capacitating SMEs to participate in the country's emerging oil and gas production industry. Training includes contracting, risk and insurance, bid management, procurement and negotiation, quality management, branding and image building.

Over its first 18 months, the incubator saw three cohorts graduate, representing a total of **1 062 entrepreneurs** from **300 SMEs**, and an investment by Stanbic of around Shs4 billion (R15.7 million).

In 2019 the GIZ Employment and Skills for Eastern Africa Programme, jointly funded by the British, Norwegian and German governments, provided Shs400 million (R1.5 million) to enable regional expansion of Stanbic's incubation programme across Uganda.

With this support, Stanbic will open business incubation centres in Gulu to serve the northern region, Mbale to serve the eastern region, Hoima to serve the oil-rich region and Mbarara to serve the western region. This will improve accessibility for entrepreneurs around the country and substantially reduce costs of travel and accommodation associated with training.



Stanbic CE Patrick Mweheire hands over a certificate to one of the entrepreneurs who completed training at the Stanbic Bank Incubator.



Patrick Mweheire

CE, Stanbic Uganda

You simply cannot grow Uganda without growing the SMEs which is why we established a business incubator that provides capacity development programmes for entrepreneurs in SMEs. It trains and provides them with soft and hard skills necessary to improve their business operations and compete more effectively in the market place. It also deliberately prepares them to leverage opportunities in Uganda's emerging oil and gas sector. Statistics from the past graduates demonstrate real productivity and revenue gains made by businesses that have completed the incubator training. 62% of companies showed positive growth through expansion into new markets and have taken on new employees. This demonstrates the continued growth for SMEs across the country.

2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

In **Angola** in 2019 we:

- Sponsored Startup Weekend, an international programme which saw 70 participants present their business ideas, receive feedback, build a business model, develop a prototype and make presentations to a jury and a larger audience, over a three-day period. The top three participants are receiving dedicated mentoring from Standard Bank Angola.
- Sponsored Talent Festival Luanda. **80 young people** attended over two days, benefitting from networking opportunities and presentations from a wide range of speakers.
- Continued to partner with Lionesses of Africa, a public benefit corporation dedicated to advancing Africa's women entrepreneurs. We sponsored entrepreneur development programmes and networking events, including a lean-in event for 80 participants.



In **eSwatini** in 2019 we:

- Contributed E100 000 (R100 000) toward a business incubation programme for innovative start-ups, run by Royal Science Technology Park and UNDP. The programme provides a platform for women and the youth to turn business ideas into viable projects. In 2019 it benefited **34 start-ups** who received financial management and business management training and were exposed to trade opportunities in the region.

In **Lesotho** in 2019 we:

- Run an entrepreneurship development programme which incorporates the Bacha Entrepreneurship project, local supplier development, an enterprise hub, a partnership with Lionesses of Africa for lean-in events and skills development training. In 2019 we invested M960 000 (R960 000), benefitting over **600 entrepreneurs**.



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

In **Botswana** in 2019 we:

- Launched the AccelR8 incubator, targeting young entrepreneurs, in November 2019. In its first few months of operation the incubator has partnered with a number of organisations to host four events: 40 youth leaders discussed solutions for youth employability and entrepreneurship; 60 entrepreneurs participated in a digital start-up ecosystem session; Convo Lounge & Youth Alive hosted **150 youth** for a youth entrepreneurship session; and The African Leadership Academy hosted 80 participants for the discussion on women leadership agenda.
- Hosted the inaugural Exporters Forum in association with the Botswana Investment and Trade Centre; sponsored the Palapye Business Expo, an annual event that enables small and new businesses to market and sell their products, share ideas and build networks; and partnered with Seedstars Gaborone for the fourth consecutive year to bring the Seedstars World pitch competition to start-ups to Botswana.
- **Donated BWP80 000 (R110 000)** to USAID/Botswana Network Agency for Social Organisation towards introductory social entrepreneurship training for civil society organisations in Botswana.
- **Donated P55 000 (R75 000)** to Botswana Innovation Hub towards the Entrepreneur Pitch competition.



In **Zimbabwe** in 2019 we:

- Launched our Zimbabwe Incubator Hub, which aims to help young people tackle the challenges they face when starting or growing a business, and to support the Central Bank's National Financial Inclusion Strategy as it relates to SMEs. Services include workshops and training, coaching and mentoring, support to access markets and access to finance. Since opening, the Hub has received more than 400 visitors/enquiries, with an average of 20 visitors per day.

2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

” Jenine Zachar

Head, Enterprise Development, SBSA

Standard Bank South Africa's Enterprise Development team is committed to supporting and growing sustainable black-owned small businesses, by creating access to funding, markets and development support.



In South Africa,

- Our WalletWise for Business programme works with small business owners to provide them with skills and knowledge to manage and grow their businesses. In 2019, we ran training programmes in Durban, Khayelitsha, Polokwane and Welkom. 120 business owners successfully completed the programme. Standard Bank invested R3.5 million in the programmes, which included three months of classroom-based training and mentoring. All the participants took part in pitching sessions. An independent panel identified 34 winners, each of whom was awarded an amount between R10 000 and R80 000, to a total of R1 million, provided in the form of grant funding by Standard Bank. The winners used the money for equipment, working capital, training or professional services

for their businesses. Many participants indicated that the course had changed the way they approach their businesses, and that the experience of pitching their businesses made them feel more confident about approaching potential funders in the future.

- We funded ten business practice seminars for medical professionals around the country. The seminars were organised and facilitated by the Institute for Health Professionals and focused on providing information on how to manage a financially sound practice and grow revenue streams. 219 health practitioners attended the events, earning Continuing Professional Development (CPD) points.

Stanbic Zambia's Anakazi Banking solution is tailored to the needs of women business owners, providing capacity building activities for women entrepreneurs and improving access to finance. Clients can access training, mentorship and networking events to strengthen their business management skills, gain access to markets, and formalise their businesses. Regular events have also created a network of peer support and helped to foster a sense of community among participating entrepreneurs.



” Chanda Katongo

Head of PR and Communications,
Stanbic Zambia

Anakazi Banking is a success largely because it has been about the bank growing together with its customers and being the financial support and 'muscle' their enterprises need. We believe in them, their visions for their businesses, and are willing to go the extra mile in providing support that goes beyond traditional banking services.



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

Innovative credit solutions

Africa's informal retail sector, which includes kiosks, spaza shops and open-air markets, transacts primarily in cash. Informal traders are often unbanked or under-banked, lack documented credit history, and have historically been considered an unviable credit risk. This is changing, however.

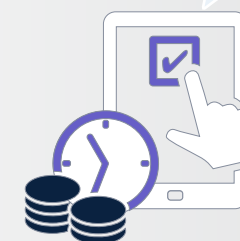
Standard Bank's USD4 million (**R61 million**) investment in **Nomanini** enables us to offer credit to many small shop owners and other informal retailers across Africa. Nomanini connects informal merchants with distributors via an electronic wallet. Using Nomanini technology, Standard Bank collects and analyses data on the retailers. This enables us to build up a financial profile for every trader, understand their ordering patterns and assess their risk profile for lending. We're also able to pre-empt their re-stocking needs and send them alerts offering to arrange and underwrite their next order, for example. This can be done via Nomanini or Standard Bank devices supplied to the traders, or by leveraging other existing networks or devices from third parties – whatever fits best in each market. We also offer products such as short-term savings and insurance.

Standard Bank's commercialised **Trader Platform Solution** enables informal sector retail traders to apply for stock advance loans in the form of virtual stock (airtime) and physical stock (FMCG). We assess the applications using the Nomanini platform – we analyse 30 days of 'health and wealth' trading data, derived from the way in which the traders sell prepaid airtime and other services to their customers. This provides us with appropriate information to make a loan decision.

The loans are provided quickly and digitally, enabling traders to minimise the downtime that would usually be created by stock shortfalls and the need to close shop in order to restock. The solution was launched in Zambia in September 2019, and subsequently in Eswatini and Lesotho in November 2019, and will be launched in several additional African countries in 2020.

The group owns a percentage stake in fintech **Merchant Capital**, with whom we partner to facilitate lending to small businesses. Merchant Capital offers collateral-free working capital loans to small businesses, incorporating a smart collections model of 'pay as you trade', through technology embedded in point of sale machines. Successful applicants receive their finance within 24 to 48 hours. There are no fixed payment terms. A business owner can decide to pay off a loan in three months, or over three years, at the same cost. By having access to a client's sales, the lender can monitor a client's monthly revenue and pre-empt any repayment challenges by providing the client with advice and support. By late 2019, Merchant Capital had successfully concluded **R200 million in deals**. Merchant Capital sees a high rate of returning borrowers, and a default rate of just 2% to 3% of the book.

Standard Bank South Africa is the first commercial bank in Africa to offer a business working capital loan of up to R6 million **in just 3 minutes**, applicable to lifestyle, entrepreneur, business and commercial customers in respect of new and limit increase overdraft applications that fall within our enterprise risk limit. If the application is approved, the customer just needs to sign the agreement and guarantee, and the funds are released immediately. No other documents are required. Loan applications made through Standard Bank's internet banking website can now be assessed, granted and disbursed within four hours through BizFlex.



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

Technological solutions for small-scale farmers to improve productivity and access to finance



Agriculture is a major productive sector in African economies and the main contributor to pro-poor growth and poverty reduction, especially in rural areas. The sector is largely subsistence-based. It faces major stresses and shocks caused by environmental degradation and climate change. It is also a major contributor to climate change. Standard Bank aims to work with our clients to increase the profitability and sustainability of Africa's small-scale farmers, while improving Africa's food security.

Challenges facing these farmers include lack of funding for the sector, which tends to be informal and fragmented; poor infrastructure; pricing; lack of information; and sale of fake inputs, including fake seeds and fertiliser. Large corporate buyers of agricultural product face uncertainty about the volumes of specific commodities that will be available at harvest, and the risks associated with the application of sub-optimal agricultural processes. Emerging technologies can play a crucial role in helping farmers to manage their costs, improve productivity, and access markets. We are working with our small-scale farming clients to help them make the most of such technologies.

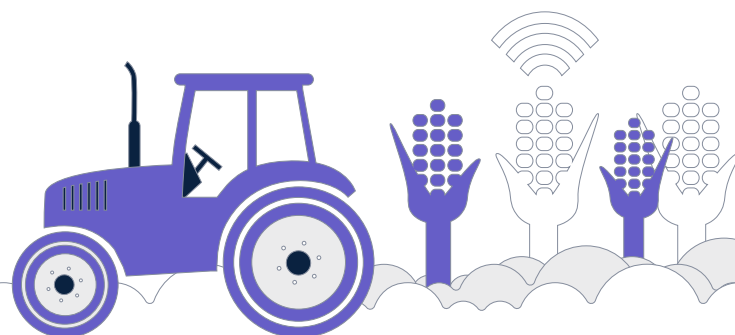
In **Uganda**, we're piloting the **OneFarm Agri Platform**, working with farmers and cooperatives to help them ensure a successful and profitable maize crop. Five cooperatives, 350 farmers, a maize aggregator and a local tech start-up have partnered with us for the pilot. The farms have been GPS-mapped and validated by satellite. Standard Bank has allocated a credit risk limit to each farmer, based on their verified farm size. Sixteen

local agents, chosen from the various cooperatives, have received training and smartphones, and are employed to do farmer profiling, manage input distribution and support the farmers. The bank has financed high quality seed and fertilizer, and access to tractor time, for distribution to the farmers. The team has also employed an agronomist to provide training on best practices to the farmers and manage demo farms. We've developed monitoring dashboards for each farm, integrating the satellite data. These dashboards ensure potential threats, such as pests and disease, can be detected at an early stage, enabling a quick response and maximising the proportion of the crop that can be successfully harvested. The bank is also working with the farmers to help them access markets/off-takers for their crops, ensuring that they receive a fair price for their produce. Early indications show that the increased access to working capital has enabled farmers to plant additional fields, while access to tractor time has made it easier to cultivate the larger area. Farmers have increased their capacity significantly as a result of this initiative.

In **Zambia**, we're helping local farmers keep better track of their crops, make more informed decisions, and engage more effectively with the financing partners, through a digital satellite application. The web- and mobile-based **Contour app**, developed in partnership with Origin Enterprises Plc (trading under RHIZA), uses agricultural satellite imaging and analysis to give farmers



satellite data, crop growth models, soil analysis mapping, independent fertilizer recommendations and weather data. The app is affordable, working out at about USD5.50 per hectare. Farmers can pick the pricing plan which suits their farm, and those who get the app through Stanbic Bank receive it for half price. The information, which is accurate and secure, enables farmers to keep better track of their crops and make more informed decisions, helping them to improve planning, decision making and responsiveness, save money and improve their yields. The bank also benefits, as we can monitor what is happening on the ground, and use this insight to tailor our services according to each farms' needs.



2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

Partnership with UN Women to improve women farmers' productivity through climate smart agriculture

We are working with UN Women on a programme to empower women by enhancing agricultural productivity and income, through climate smart agriculture – farming methods and commodities that are resilient to climate change. Standard Bank has pledged USD3 million over two years.

The programme is running in Malawi, Nigeria, South Africa and Uganda. It includes a focus on improved weather forecasting, early warning systems, and insurance to help farmers reduce risk.

Focus areas include:

Increasing women's secure land tenure

Increasing women small holders' productivity in a changing climate and reducing the physical burden of agricultural work

Removing financing barriers and increasing women's capacity to invest in climate-resilient agriculture

Promoting opportunities for women small holders to move up the value chain

The programme is being run in partnership with local farmer associations and cooperatives, relevant UN agencies and international aid agencies, national and local governments, local private sector partners and NGOs. The aim is to reach over 50 000 women across the four countries over three years, providing them with entrepreneurial and financial capacities, affordable technology and value addition, and using ICT to increase access to markets and to finance.

- In **Uganda**, we launched the programme in May 2019, with 700 women participants. Standard Bank's USD300 000 (R4.6 million) sponsorship will be invested in fish farming/aquaculture in the Bugiri District. We are also aiming to develop specific banking products that meet the needs of women-owned start-up businesses.
- In **Malawi**, we launched the programme in October 2019. Malawi's agricultural sector contributes a third of the country's GDP and is a major employer and exporter. But lack of climate-friendly smart technologies and knowledge among small-scale farmers has hindered growth. We aim to support 10 000 rural women farmers in the Mzimba, Mchinji and Lilongwe districts, in the production of ground nuts and rice, and access to the procurement value chain. Participating women farmers will be able to access collateral-free loans up to USD6 700.

In addition to Standard Bank's USD225 000 (R3.3 million) sponsorship, we're also providing financial literacy forums for participants.

- In **Nigeria**, we are investing USD475 000 (R7.3 million), working with rice farmers in Ebonyi State and with shea nut farmers in Niger State, and aim to assist 12 500 women farmers and agri-business owners.
- In **South Africa**, our focus is on bean and vegetable farmers in Limpopo province and Free State province. We're investing USD600 000 (R9.2 million). Standard Bank will train participants in financial literacy, while Vodacom will assist with digital literacy skill training.



William le Roux

CE, Stanbic Malawi

We are happy to know that by using the climate smart approach to farming, a sustainable way has been found to increase productivity and incomes while reducing greenhouse gas emissions, a contributor to global warming and attendant climate change. The modern interventions toward farming among women is a huge paradigm shift in line with global commitments to eradicate poverty.

2. JOB CREATION AND ENTERPRISE GROWTH CONTINUED

Services tailored for small enterprises

Some of the other ways we are making life easier for small businesses include:

- SimplyBlu** – an online business in a few clicks: While online sales potentially offer access to new markets and revenue streams for small businesses, the cost of setting up an online trading platform can be prohibitive. Costs range from design, security and financial compliance to setting up an integrated invoicing and accounting platform. Simply Blu, our new and innovative all-in-one payment solution enables businesses to start and manage a customisable online business from a single, secure platform. With an easy to use mobile app, the business owner can set up their store, issue e-invoices and securely accept digital payments. The app requires no development skills or knowledge of coding. It's also cost effective. Businesses can start trading on the Internet for a R500 once-off set up fee, and a monthly R575 subscription fee. All card payments are 3D secure authenticated and PCI DSS compliant. Applicants can apply and submit their documents online. **SimplyBlu** is the first service of its type to be offered to small businesses by a financial institution in South Africa.



- Access to corporate supply chains:** In South Africa, we offer an enterprise and supplier development (ESD) funding solution to our corporate clients, to help minimise the risk associated with bringing new small businesses into their supply chains. We provide financial support to black-owned small businesses to enable them to access corporate supply chains, and developmental support to help address any challenges they may experience. When certain conditions are met, we also offer loans to SMEs who have secured a contract with a Standard Bank corporate client. We charge tiered interest rates, to lower barriers to entry for new suppliers.



- We are looking at ways to improve women entrepreneurs' access to affordable lending solutions. **Stanbic Bank Zambia** has secured a 200 million Kwacha (USD15 million) loan from the IFC, to expand its lending to SMEs. At least 25% of the loan is earmarked for women-owned businesses.



Leina Gabaraane

CE, Stanbic Bank Zambia

The funding from IFC fits with our SME strategy, which leverages our corporate banking ecosystem to identify new SMEs for funding. By 2022, we plan to quadruple the number of women-owned SME borrowers from 50 to about 200.



SEE IMPACT AREA THREE

Infrastructure

Improvements to energy, water, transport and telecommunications infrastructure facilitate economic growth and create opportunities for job creation and human development. Crucial public infrastructure, like schools and housing, helps people improve their standards of living and future prospects. 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.

SUSTAINABLE
DEVELOPMENT
GOALS



3. INFRASTRUCTURE CONTINUED

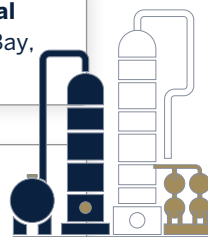


During 2019, we financed:

Genser Energy planned expansion, which aims to increase **Ghana's onshore natural gas pipeline infrastructure** by nearly 160%



The **Namibian Government's construction of a National Fuel Storage Facility** for petroleum products at Walvis Bay, to ensure the security of petroleum supply in Namibia



Infrastructure upgrades by **Umeme Limited, Uganda's primary energy distributor**

International power company **Globeleq's acquisition of five renewable energy generation plants in South Africa**, creating opportunities to improve operations and boost social and economic development programmes associated with the plants

Further expansion and improvement of the **Port of Maputo in Mozambique**, enabling improved productivity, operational efficiency and competitiveness



Telkom South Africa's purchase of Huawei equipment, to support the expansion of its **mobile phone business**



A low-cost housing development in Johannesburg, South Africa, which won the **UN's Sustainable City and Human Settlements Award**

We also partnered with M-kopa to supply **22 primary schools in Eastern Uganda with solar-powered electricity** for candidate classrooms and administration blocks as part of our corporate social investment programme.

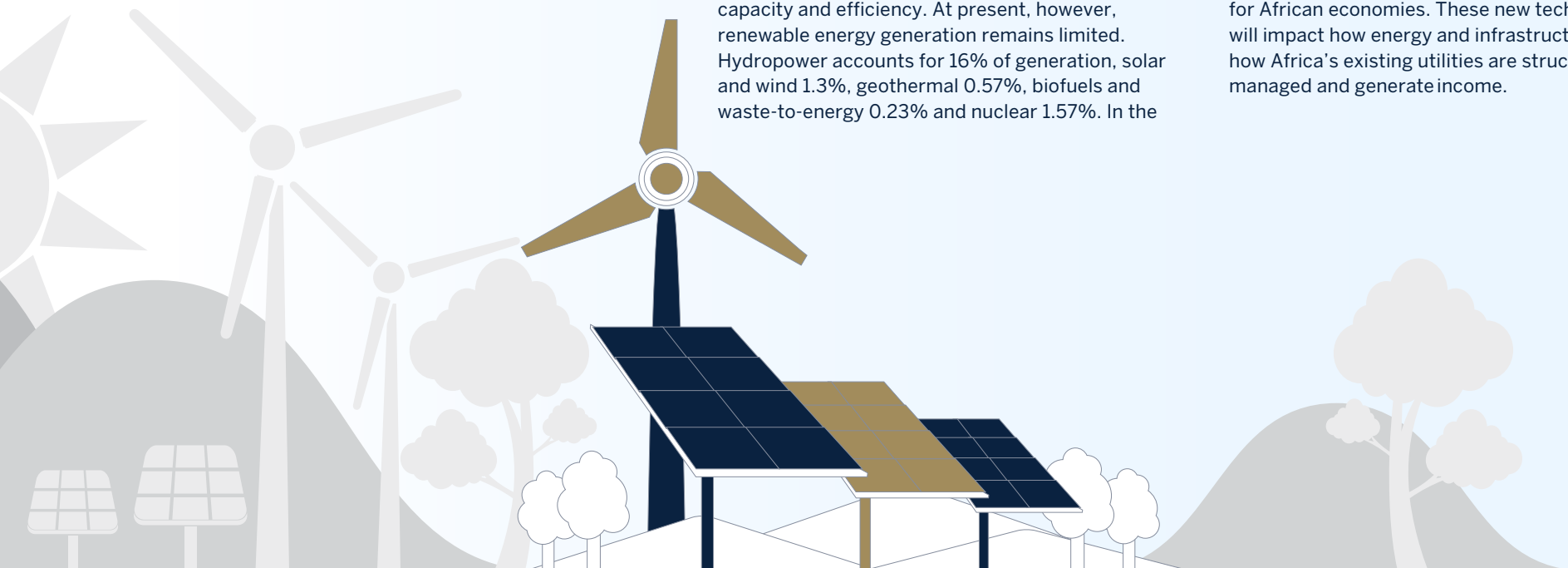
3. INFRASTRUCTURE CONTINUED

Energy infrastructure

Fewer than 43% of people in sub-Saharan Africa have access to grid electricity. The AU Commission reports that Africa needs to connect around 73 million people to electricity every year to reach the goal of affordable and sustainable energy for every African by 2030.

Africa's rich solar, hydro and wind resources, together with increasingly cost-effective renewable energy technologies and new storage technologies, provide huge potential for African energy utilities to improve their energy generation capacity and efficiency. At present, however, renewable energy generation remains limited. Hydropower accounts for 16% of generation, solar and wind 1.3%, geothermal 0.57%, biofuels and waste-to-energy 0.23% and nuclear 1.57%. In the

coming years, combined storage technologies, able to augment solar, wind and other renewable energy sources with gas generation during downtimes, for example, could see renewables becoming viable as a base load generation option for African economies. These new technologies will impact how energy and infrastructure, and how Africa's existing utilities are structured, managed and generate income.



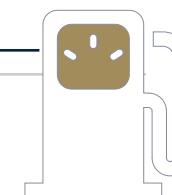
3. INFRASTRUCTURE CONTINUED

GAS POWER – GHANA

Genser Energy Ghana is an Independent Power Producer providing distributed power generation solutions to multinational industrial and mining companies. Genser engages in engineering, procurement and construction of its power generation assets, in addition to the operation and maintenance of these assets. It is the leading captive power producer in Ghana.

In 2019, Standard Bank was part of a consortium of South African banks which committed a USD265 million term loan facility to Genser for debt refinancing and further expansion. We provided USD50 million as part of the commercial debt portion of the facility. We also acted as the lead bank on the financing, and were appointed as onshore collection bank, facility agent, escrow account bank and contingency bank. Genser aims to use the finance to expand the total capacity of its existing plants from 107MW to 200MW. It also intends to build an additional 255km of natural

gas pipeline to connect its power plants to be existing natural gas pipelines, owned by Ghana National Petroleum. Once completed, Genser will have increased the onshore natural gas pipeline infrastructure in Ghana by nearly 160%. Gold is the number one foreign currency earner for Ghana. The deal will reduce the production cost of the key gold mining company in Ghana by about 20%, while simultaneously easing pressure on the national grid – a development that has been welcomed by the Energy Commission of Ghana.



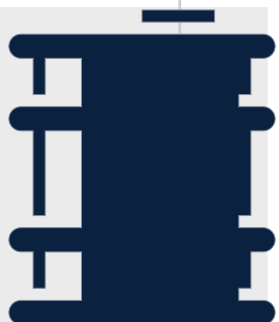
Enough to increase Namibia's
fuel reserves
by an additional 30 days of
fuel supply



FUEL STORAGE – NAMIBIA

To ensure the security of petroleum supply in Namibia, the government approved construction of a National Fuel Storage Facility for petroleum products at Walvis Bay. The objective is to ensure that Namibia has adequate strategic fuel reserves owned by government, to cope with fuel supply interruptions or other crises in the national and international fuel supply markets. The fuel storage facility provides 75 000m³ of fuel storage capacity – enough to increase Namibia's fuel reserves by an additional 30 days of fuel supply. The project consists of three infrastructure components: a dedicated fuel

tanker berth, connected to shore by a concrete jetty; fuel pipelines to transport the petroleum products from the onshore station at the tanker berth to the tank farms in the existing industrial fuel storage area of Walvis Bay; and a bulk storage facility hosting seven above-ground fixed roof fuel storage tanks. Standard Bank was the sole commercial lender, together with the African Development Bank, to the project. We are also the main banker for the China Harbour Engineering Company, the main contractor on the project.



The fuel storage facility provides
75 000m³
of fuel storage capacity

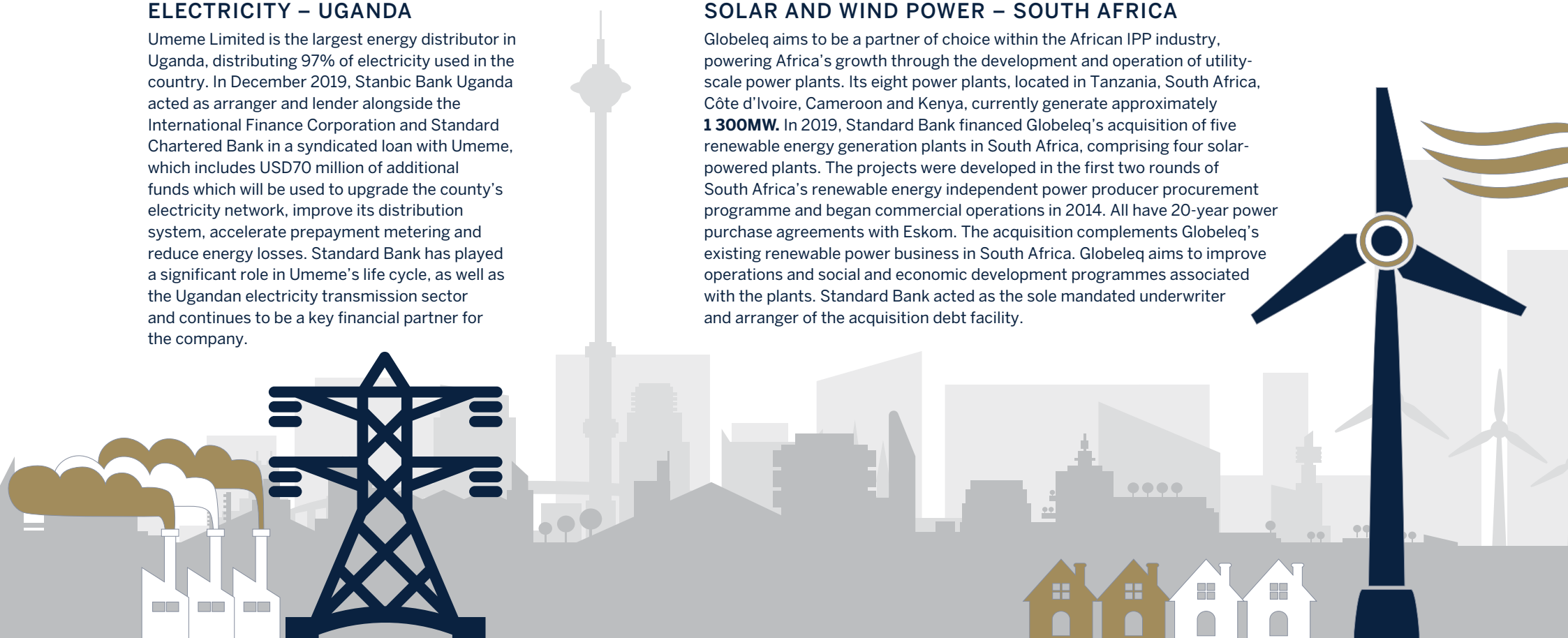
3. INFRASTRUCTURE CONTINUED

ELECTRICITY – UGANDA

Umeme Limited is the largest energy distributor in Uganda, distributing 97% of electricity used in the country. In December 2019, Stanbic Bank Uganda acted as arranger and lender alongside the International Finance Corporation and Standard Chartered Bank in a syndicated loan with Umeme, which includes USD70 million of additional funds which will be used to upgrade the county's electricity network, improve its distribution system, accelerate prepayment metering and reduce energy losses. Standard Bank has played a significant role in Umeme's life cycle, as well as the Ugandan electricity transmission sector and continues to be a key financial partner for the company.

SOLAR AND WIND POWER – SOUTH AFRICA

Globeleq aims to be a partner of choice within the African IPP industry, powering Africa's growth through the development and operation of utility-scale power plants. Its eight power plants, located in Tanzania, South Africa, Côte d'Ivoire, Cameroon and Kenya, currently generate approximately **1 300MW**. In 2019, Standard Bank financed Globeleq's acquisition of five renewable energy generation plants in South Africa, comprising four solar-powered plants. The projects were developed in the first two rounds of South Africa's renewable energy independent power producer procurement programme and began commercial operations in 2014. All have 20-year power purchase agreements with Eskom. The acquisition complements Globeleq's existing renewable power business in South Africa. Globeleq aims to improve operations and social and economic development programmes associated with the plants. Standard Bank acted as the sole mandated underwriter and arranger of the acquisition debt facility.



Rentia van Tonder

Head, Power, Standard Bank CIB

The transaction is another step in growing a leading, sustainable African energy provider supported by a leading African bank. Through our partnership with Globeleq, we are enabling growth on the continent, providing accessible and sustainable energy sources to the people of South Africa.

3. INFRASTRUCTURE CONTINUED

Transport infrastructure

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

PORT OF MAPUTO – MOZAMBIQUE

Standard Bank has been closely involved in the development of the Port of Maputo over the past 16 years, supporting the port's evolution into an efficient, well-equipped and highly competitive facility. In 2003, Standard Bank was among the initial lenders when the port was concessioned, and we have continued to support the port's development, including providing finance toward both the first and second major dredging operations of the port over the period between 2011 to 2018, ensuring the port continues to compete regionally and globally through its ability to accommodate larger vessels and handle greater volumes of cargo. Since the dredging process was completed, productivity rates have improved

substantially, turnaround times are highly competitive, and the introduction of new equipment is enabling further improvements to operational efficiency, and increased handling capacity.

In 2019 we co-arranged and participated in two further major long-term financings, for a combined nominal funding amount of approximately USD140 million, to enable the ongoing expansion and development of the port, including infrastructure upgrades in preparation for the higher capacity vessels now able to call on the port, and handling equipment to further increase efficiencies and maintain the port's competitiveness.

Telecommunications infrastructure

MOBILE PHONE INFRASTRUCTURE – SOUTH AFRICA

Telkom is a leading telecommunications service provider in South Africa. Services include fixed-line voice and data services, broadband solutions, mobile communication services, data centre operations, cloud and workspace services, and hardware and network equipment sales, among others. The South African government is the largest shareholder with a 39% stake.

Telkom has identified mobile services as a growth area for the group and sought long-term funding to enable the purchase of Huawei equipment to the value of USD600 million (R9.7 billion) to support its next generation of products. The ten-year loan period extends beyond normal bank appetite for top tier corporates. However, ICBC and SBSA were able to provide Telkom with an appropriate funding solution by structuring a deal inclusive of a buyers' credit policy from Sinasure. ICBC and SBSA acted as joint arrangers and original lenders. The Sinasure-covered facility of R2 billion is funded by ICBC and SBSA on a 50:50 basis. SBSA also provided the down payment facility to facilitate the payment of the 15% deposit. Telkom can access up to R865 million. The deal marks the first time that Sinasure has provided a buyers' credit policy in South Africa, and the first ZAR funding solution raised from China for Telkom.



3. INFRASTRUCTURE CONTINUED

Sustainable housing

In 2019, we were honoured to receive the UN's Sustainable City and Human Settlements Award, together with our project partners the City of Johannesburg and residential property developer Calgro M3, for the South Hills Integrated Housing project.

When complete, the development, south of the Johannesburg CBD, will comprise 5 845 residential opportunities. It has been recognised as a global green model community for its "outstanding demonstration in promoting sustainable cities and human settlements, as well as the implementation of sustainable development goals". The development comprises a mix of fully-subsided homes, subsidised rental units, and bonded units and free-standing houses. It is situated on a transport node only six kilometres from the Johannesburg CBD, offering access to transport, job opportunities, and local amenities, including schools, shops and hospitals. The development hopes to reverse the trend of urban sprawl by integrating the various income groups into the existing urban fabric creating a sustainable environment.

The South Hills Integrated Housing project was allocated to SBSA by the City of Johannesburg. The purpose of the tender was to release the land for the development of affordable housing and in doing so encourage the involvement of the major financial institutions in the direct provision

of affordable housing. SBSA has partnered with Calgro M3, established developers in the sector, in a joint venture company known as South Hills Development Company Proprietary Limited. SBSA provides equity and operational funding, as well as bridge funding to facilitate the construction of the bulk services. The total development cost of the project is over R3 billion.

Over 70% of the units fall within the Financial Sector Charter definition of affordable housing. The development includes provision for two new schools and a number of creches, multi-purpose sites, as well as a neighbourhood shopping centre and 112 hectares of green space for recreational purposes. These spaces are professionally landscaped and include children's play facilities and walking trails. The houses are built to be energy efficient and water efficient, supporting a healthier living environment and reducing long-term energy costs for owners and tenants, through use of gas, solar and solar farming, heat pumps, induction geysers, energy-saving lights and prepaid meters for water and electricity.



3. INFRASTRUCTURE CONTINUED

School
infrastructure**SOLAR-POWERED SCHOOLS –
UGANDA**

Many of Uganda's government primary schools are not on the electricity grid. This provides a considerable obstacle to teaching and creates safety concerns for learners. In 2019, Stanbic Uganda partnered with M-kopa to enable 22 primary schools in Eastern Uganda to access solar-powered electricity for classrooms and administration blocks. By ensuring access to electricity in these schools, we aim to improve attendance by teachers and learners, enable learners to study after hours, and encourage greater commitment from parents to sending their children to school. We've also provided learners with study booklets to assist them in their studies. 105 teachers and 5 300 learners have benefitted from the project, including 450 final year learners. The classrooms are also available for use by local communities after school hours. Nawandala Primary School has gone even further, using the solar installation as a launchpad to start a boarding section for their candidate class, and a school farm to feed the pupils. Standard Bank has provided the school with 52 beds, mattresses and blankets to furnish the boarding section.



22
primary
schools



5 300
learners



school farm
to feed the learners



105
teachers



SEE IMPACT AREA **FOUR**

Africa trade and investment

African economic growth depends on the ability of African governments and businesses to access international investment and value chains. Standard Bank helps facilitate investment and trade flows between African countries, and between African countries and global markets, drawing on our presence in major international markets, our ability to access international pools of capital, our strong client relationships with global multinationals, and our strategic partnership with ICBC.

SUSTAINABLE
DEVELOPMENT
GOALS



4. AFRICA TRADE AND INVESTMENT CONTINUED



” Sola David-Borha
CE, Standard Bank Africa Regions

Physical infrastructure and digital infrastructure are critical enablers to drive growth. Where economies invest in infrastructure there's exponential impact on economic activity and growth. The challenge is that governments don't have sufficient resources. Standard Bank plays a significant role in helping to educate investors, and to enable capital flows from Europe, the US, China, Asia into Africa.

Highlights in 2019:

Provided **short-term debt finance** of almost R2 billion, to a global transport and logistics group and a global retailer, to enable their **further expansion in sub-Saharan Africa**



Provided **tailored financial solutions for multinationals** to enable them to operate seamlessly across multiple African countries, while creating local jobs and integrating African businesses into their supply chains



Developed the African Markets Tracker to provide our clients with real-time and accurate information about African financial markets



Partnered with African governments, SOEs and businesses, including the governments of South Africa, Kenya and Ghana, and telecommunications company Helios Towers, to **raise R217 billion on international markets**



Partnered with ICBC to **help African importers and exporters** of all sizes build direct relationships with buyers and suppliers in China, through our **Africa China Agent Proposition** and our **Africa China Export Proposition**



Made **Africa-China travel and cross-border payments easier**, via the I Go Global rewards scheme and renminbi-denominated transactions



Launched **TradeSuite** to provide **end to end servicing of our clients' trade finance and importation requirements**.



4. AFRICA TRADE AND INVESTMENT CONTINUED

Facilitating investment in Africa

Standard Bank International is positioned in seven key financial centres outside Africa: Beijing; Dubai; The Isle of Man; Jersey; London; São Paulo and New York, making us the only African bank with a global presence. We work with our global multinational clients to develop their Africa strategies and, in collaboration with our colleagues across Africa, identify and unlock opportunities for investment, and simplify their ability to do business in Africa, thereby driving Africa's growth.



Highlights in 2019 We partnered with:

CMA CGM, a leading global transport and logistics group operating in 42 African countries, to fund their working capital needs across sub-Saharan Africa with a USD75 million (R1 billion) three-year loan facility. We also provided a €20 million (R320 million) five-year loan facility to enable CMA CGM's acquisition and development of an inland container platform in Côte d'Ivoire, to further develop their intermodal logistics strategy in West Africa. Africa is at the heart of the CMA CGM's strategic priorities, and both deals will support growth in African trade.

Majid Al Futtaim (MAF), Dubai's leading shopping mall, retail and leisure group, to support the expansion of their retail presence in Kenya. MAF currently has seven Carrefour supermarkets in Kenya and plans to open another six by the end of 2020. Standard Bank provided MAF with a KES3 billion (R430 million) loan to support this expansion, which will stimulate economic growth in the consumer sector and help to create more jobs in Kenya.

Coca-Cola Beverages Africa (CCBA), the largest bottler in Africa and the tenth largest in the world, as the largest provider of their funding requirements. Standard Bank provides the company with unique solutions tailored to their various operations across Southern Africa, supporting their commitment to growing their business responsibly across Africa. In January 2020, we arranged and structured USD50 million in financing facilities for CCBA, to support its expansion strategy in Ethiopia over the next five years.

Neumann Coffee Group, a German company that supplies 10% of the world's green coffee demand, to enable the coordination of their banking activities across their operations in Kenya, Uganda and Tanzania. Neumann's investment in Africa involves sourcing from numerous farming cooperatives in these countries, each of which includes as many as **2 500 small-scale farmers**.



African Markets Tracker

Our clients require real time and accurate information in relation to African financial markets, to inform their business decisions. Traditional sources of such information tend to focus primarily on developed markets, while information on African markets is often patchy. Our engagements with our clients revealed that they spend substantial time each day contacting people to get accurate and up to date market information. We developed the **African Markets Tracker (AMT)** to address this gap. AMT provides our clients with real-time and accurate information about African financial markets. Clients are able to set alerts for their particular areas of interest, and the relevant information is delivered to their preferred messaging application. The application is relatively new, and we continue to track client use and experience with a view to further improving and refining it.

4. AFRICA TRADE AND INVESTMENT CONTINUED

Helping African governments and businesses access capital

Standard Bank Group partners with African governments, SOEs and businesses to raise funds on international markets, and works with them to structure appropriate financial instruments to direct this funding, including into critical public infrastructure. We work with partnering banks to distribute the exposure across various investors in America, Europe, the Middle East and Asia. In 2019 we raised in the region of USD15 billion (R217 billion) for our clients.

We helped raise over USD1 billion of equity in initial public offerings (IPOs) for regional African companies on the London Stock Exchange (LSE). For example, we acted as joint global coordinator and joint bookrunner for the Helios Towers' IPO and its listing on the premium segment on the LSE. Helios Towers is a leading sub-Saharan independent telecom towers company operating across Tanzania, the DRC, Ghana, Congo Brazzaville and South Africa, working to enhance digital infrastructure and social connectivity, providing direct employment to local people and investing in employee skills development. The IPO raised a total of £288 million (R5.5 billion) and was the largest to close on the LSE in the second ten orders, including the largest order in the book.

We also raised almost USD10 billion for African governments: South Africa (\$5 billion), Kenya (\$1.25 billion) and Ghana (\$3.25 billion).



4. AFRICA TRADE AND INVESTMENT CONTINUED

Connecting China and Africa

The growing trade and investment links between China and Africa offer huge opportunities to expand Africa's manufacturing sector and create jobs. Analysts estimate that over 10 000 Chinese-owned firms operate across Africa. Increasing numbers of African businesses are also doing business in China. In both cases, these businesses range from large corporations to small-scale firms with ambitions to grow. Since 2008, Standard Bank and the Industrial and Commercial Bank of China (ICBC) have been working in partnership to encourage trade and investment in the China-Africa corridor, and fulfil the needs of these diverse businesses with a broad suite of financial services. Since 2016, Standard Bank and ICBC have jointly closed USD3.6 billion worth of deals in Africa, with a focus on infrastructure and energy.

AFRICA CHINA AGENT PROPOSITION

Standard Bank's **Africa China Agent Proposition** (ACAP) supports African importers to source and validate quality goods, safely and efficiently, from the most competitive suppliers in China.

African importers often have contact with only a handful of trusted Chinese suppliers, providing them with limited choice and restricting their negotiating power. While ordering online provides access to a wider range of suppliers, it introduces potential risk in relation to the quality of products, and generally requires advance payment before goods can be shipped. Payment terms often specify cash, without reciprocal guarantees of delivery or quality. As a result, African importers often carry a disproportionate burden of risk in transactions. Language and cultural barriers may also pose a challenge when travelling and negotiating supplier agreements in China.

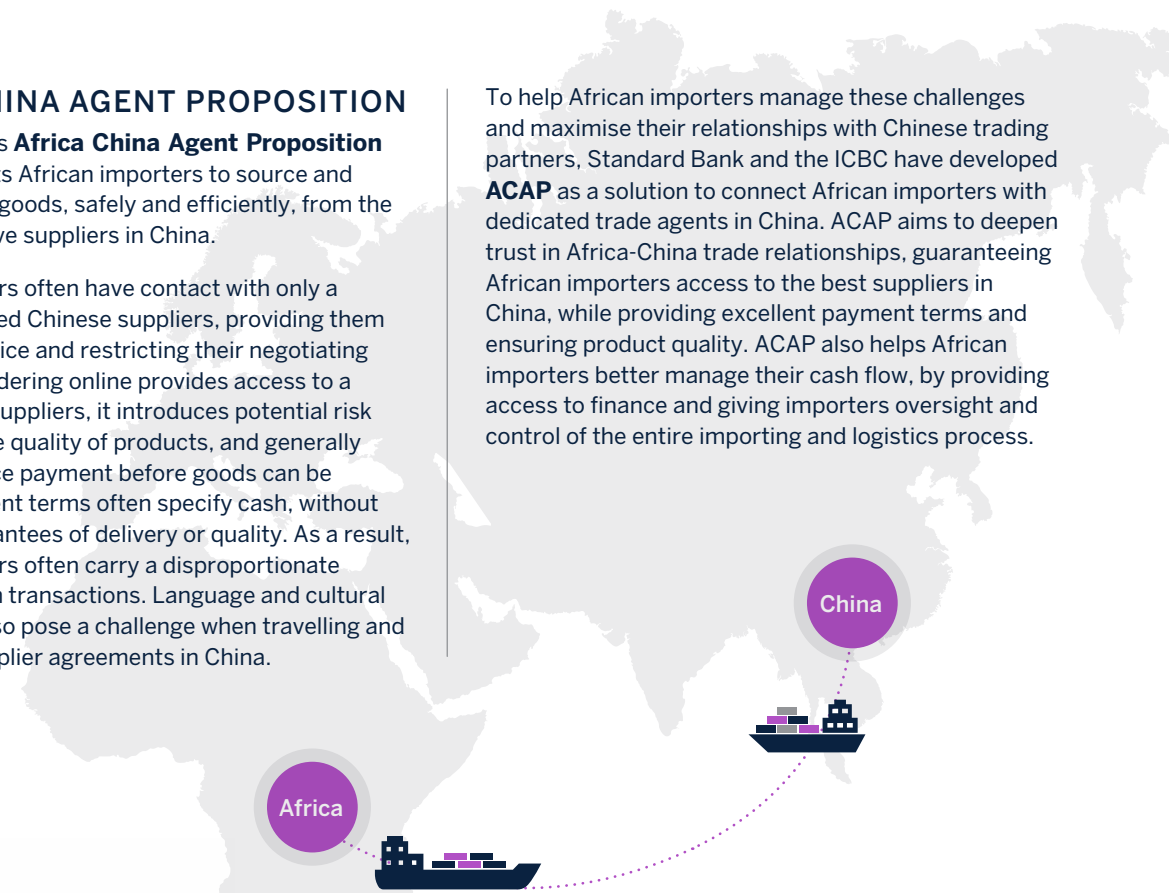
To help African importers manage these challenges and maximise their relationships with Chinese trading partners, Standard Bank and the ICBC have developed **ACAP** as a solution to connect African importers with dedicated trade agents in China. ACAP aims to deepen trust in Africa-China trade relationships, guaranteeing African importers access to the best suppliers in China, while providing excellent payment terms and ensuring product quality. ACAP also helps African importers better manage their cash flow, by providing access to finance and giving importers oversight and control of the entire importing and logistics process.



Manessah Alagbaoso

Head, Africa China Integration, Standard Bank

African importers meeting face-to-face with Chinese suppliers builds an understanding of what is expected when doing business with China. It is also the foundation of long-term, mutually beneficial and sustainable trade relationships. Equipping African importers to navigate both the simple and the complex aspects of doing business in China is what our ACAP is there to facilitate.



4. AFRICA TRADE AND INVESTMENT CONTINUED

The ACAP offering is underpinned by a letter of credit. This allows African importers to receive goods before payment is made. If any of the terms of the letter of credit are not met, payment will not be made. This significantly strengthens the negotiating power of African importers in relation to price, quality and efficiency of the importing process. Chinese suppliers can also be confident that once the terms of the letter of credit have been met, payment will be made in full and on time, guaranteed by Standard Bank and ICBC.

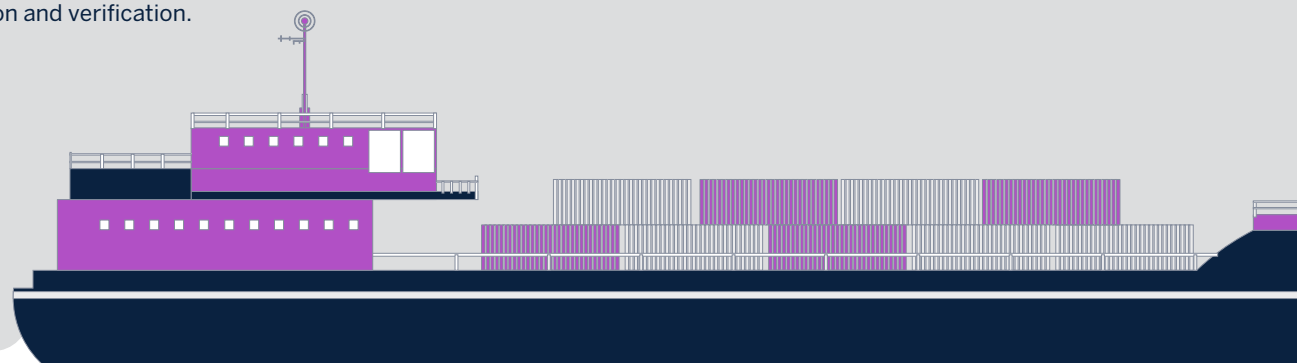
Apart from the fees associated with conducting an international trade via a letter of credit, the entire ACAP offering is available without cost, simply by joining Standard Bank's digital trading platform, the Trade Club. ACAP is available in Ghana, Kenya, Mozambique, Nigeria, South Africa and Uganda, and will be launched in other markets in the coming months.

Zhejiang International Trading Supply Chain Co. Ltd (Guomao) is the first Chinese trade agent nominated by ICBC to partner with Standard Bank to assist African importers trade seamlessly with China. In time, Standard Bank's ACAP offering will include other Chinese trade agents in other key international trade hubs in China, deepening access to China's supplier

universe. Guomao currently has about 10 000 suppliers that meet the import needs of Standard Bank's clients. Guomao assists African importers to source the right suppliers, negotiate the best prices and trade conditions and validate the quality of goods. It also assists African importers to arrange travel to China and meet with a broad range of suppliers and provide translators to facilitate trade negotiations and discussions. Guomao provides quality guarantees on goods from its recommended Chinese suppliers and rectifies any quality issues on behalf of the African importer. It also provides support in handling shipping logistics and providing finance based on a letter of credit from Standard Bank and ICBC. If a client requires something beyond the capacity of Guomao's supplier base, Guomao will source new suppliers who will be subjected to validation and verification.



Standard Bank representatives with General Manager, Zhejiang International Trading Supply Chain Company Limited, Mr Ralph Deng, at the launch of Stanbic IBTC Africa-China Agent Proposition in Lagos on 21 May 2019.



AFRICA CHINA EXPORT PROPOSITION

Standard Bank's **Africa China Export Proposition** (ACEP) aims to boost the export of African products to China, by easing language, cultural, logistics and regulatory challenges, and connecting our export-ready clients from across Africa with suitable importers in China.

Standard Bank's experience in facilitating Africa-China trade means our clients benefit from access to trusted market opportunities in China, while simultaneously being able to access trade finance and guidance on the requirements for bringing their specific product into China. We work with our clients to find a trusted importer match from the ICBC client base, and then support them with information on regulatory requirements and how to adequately prepare their products for export. Through ACEP, we aim to introduce

at least one national product from each African country to China's list of approved export products.

Leveraging our strategic partnership with ICBC, we've partnered with trade agents Chenshia Group and Axis Group International, who have 20 years' experience in foreign trade services, a deep understanding of the African and Chinese trade and cultural landscape, and a solid track record in introducing new brands to the Chinese market.

4. AFRICA TRADE AND INVESTMENT CONTINUED

FACILITATING CHINA-AFRICA TRAVEL

1



Standard Bank, ICBC and UnionPay International, the world's largest card issuer, have partnered to facilitate seamless transacting for Africans travelling in China, and Chinese citizens travelling in Africa. ICBC's I Go Global rewards scheme, which operates in partnership with UnionPay, offers ICBC's 139 million credit card holders travelling abroad access to exclusive discounts on tours, shopping, restaurants and more. It aims to develop and promote China-Africa tourism, for both leisure and business travellers.

2



Standard Bank launched ICBC's 'I Go Global' credit card reward schemes in Zambia and Tanzania in 2019, complementing existing I Go schemes in South Africa, Kenya and Ghana. The launch of I Go Zambia coincided with the launch of the Zambian government's 2019 Zambia China Culture Year, which aims to boost Zambia's profile as a preferred tourism destination in China.

3



Not only can Chinese tourists enjoy a host of benefits when visiting participating countries, but Stanbic card holders can also enjoy the same benefits in China. This includes being able to travel through participating countries without having to worry about exchanging currency.

4



Standard Bank's South African account holders can access the UnionPay card from the bank's Shyft app, enabling them to exchange pre-loaded rands into multiple currencies and load these onto a physical UnionPay card. Cardholders can fix their exchange rate before travelling, which eliminates rate fluctuation, and top-up when their funds run out. Transactions can be made virtually or physically, in South Africa and in China. The UnionPay card is accepted through most mobile payment apps.



Leina Gabaraane

CE, Stanbic Zambia

Zambia has over the years depended on only a few sectors of the economy such as mining, agriculture and manufacturing to some degree. However, there is a part of this economy that remains untapped and that is tourism. It could be one of the key drivers of the economy if properly leveraged and exposed.



4. AFRICA TRADE AND INVESTMENT CONTINUED

CROSS BORDER PAYMENTS

As Africa's relationship with China matures and deepens, the wider use of the renminbi across Africa offers opportunities to increase efficiency and reduce the risk and cost of intra-African and Africa-China trade. Standard Bank offers CNY capacity in all our subsidiaries in African countries. We provide short-term renminbi credit facilities, money market deposit and call accounts; we offer global markets trading products, CNY-denominated accounts, cash settlement transactions and notes for Chinese businesses; calibration of remittance flows; and on-the-ground expertise. 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 are resulting in more African central banks holding larger amounts of renminbi in reserve.



CHINESE- LANGUAGE SERVICES

We employ Chinese-speaking customer-facing business banking professionals in 15 of our countries of operation.

We operate an entirely Mandarin-speaking branch at Crown Mines in Johannesburg, which is dedicated to helping our Chinese customers with all their personal and business banking requirements. We have Africa-China Banking Centres (ACBC) in Johannesburg and Lagos staffed by Mandarin-speaking bankers and serving personal and business banking clients in South Africa and Nigeria. Consultation and advisory services are provided via telephone, online or email, and African and Chinese clients can link into China's digital banking and customer knowledge systems. We are in the process of rolling out the ACBC in Ghana, Kenya, Mozambique and Uganda with other markets to follow in 2020.



Adrian Vermooten

Head, Direct Banking PBB, Standard Bank Africa Regions

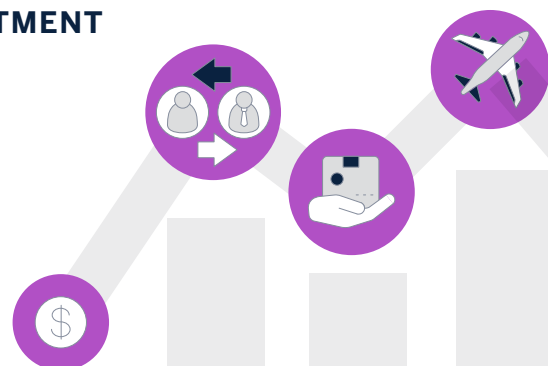
Digitally supporting the functionality, success and growth of our Africa-China trade and investment corridor with innovative digital solutions that drive client growth is a strategic imperative of Standard Bank and a core function of our digital practice in Africa.

4. AFRICA TRADE AND INVESTMENT CONTINUED

Taking the friction out of trade finance

Standard Bank's TradeSuite solution provides end to end servicing of our clients' trade finance requirements. It offers our clients a single point of contact for all their importation requirements, from order to delivery.

The service includes supplier tracking, liaising with logistics service providers, monitoring the goods while they're in transit, and ensuring customs is cleared in good time. We also ensure that currency fluctuations are covered, in line with the company's hedging strategy, and that all documentation required for payments and importation is available when needed. An all-in landed cost on each item is calculated on each order to help ensure that pricing is accurate. By helping to improve the reliability of the supply chain, the product also assists us in the lending process. Clients can also access the Trade Club, which comprises more than 15 000 trusted businesses from around the world ready to trade with African businesses. This has been achieved by leveraging the group's extensive African footprint, our strategic partnership with ICBC, and by helping to establish the International Trade Alliance. Using technology and AI, we can help our clients to access new international trade opportunities.



As part of TradeSuite, Standard Bank's **TradeCloud** provides a cloud-hosted business-to-business import trade management platform that benefits corporates and SMEs. TradeCloud has developed a cost aggregation platform that costs an entire shipment of goods across the value chain, including logistics rates, customs duties, finance rates, insurance costs and so on. The solution is accessed as an intelligent integrated web-based platform for importers.



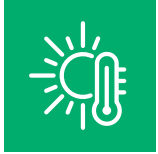
Standard Bank is working with **Trade Alliance**, an alliance of 16 banks around the world, to ease the process of connecting buyers and sellers in the pre-execution phase of trade finance.

We are also working to digitise the financial supply chain; and to digitise documents chains, including proof of concept tests using blockchain to digitise bills of lading, and letters of credit issued on a blockchain.



Our **My Imports** service provides an end to end import management solution using a digitised, modularised platform. Importers of international goods face multiple challenges in the importation process, including managing supplier delivery, tracking goods around the world, ensuring availability of adequate facilities, having adequate forex cover, and costing and managing all the individual providers that support a single transaction, including banks, clearers and forwarders. My Imports provides a transparent, affordable one-stop-shop, and frees up our clients to focus on growing their businesses.





SEE IMPACT AREA FIVE

Climate change and sustainable finance

Africa is extremely vulnerable to climate change, with major implications for agricultural production, food security, access to water, health and livelihoods. Many parts of the continent are already experiencing increased water stress as a result of prolonged drought, while yields from rain-fed agriculture are declining in many areas.



SUSTAINABLE
DEVELOPMENT
GOALS



5. CLIMATE CHANGE AND SUSTAINABLE FINANCE CONTINUED

Urgent measures are needed to support African countries to reduce vulnerability and build resilience to the impacts of climate change, and to facilitate the development of renewable sources of energy and energy efficiency across the continent. The UN Environment Programme reports that global warming of 2°C would put over 50% of Africa's population at risk of undernourishment, and that climate change is likely to lead to an equivalent of 2% to 4% annual loss in GDP in the region by 2040, together with climate change adaptation costs of USD50 billion per year by 2050.

We are working with our clients, including governments, large corporations, smaller businesses and individuals, to help them mitigate and adapt to the impacts of climate change.

Highlights in 2019:

Reviewed our client portfolio to identify high risk exposures

Began strengthening data gathering and reporting processes, to align with the **Task Force on Climate-related Financial Disclosures (TCFD)** reporting requirements

Established Africa's first dedicated sustainable finance business unit, which works with our clients to develop bespoke solutions to help them achieve their social and environmental goals. Successful deals concluded included:

- Africa's first ESG-linked funding arrangement, a R500 million five year loan to South Africa's Curro schools
- East Africa's first green bond, a R611 million bond for Nairobi-based property developer Acorn Group to develop green-certified study accommodation

Began developing a Sustainable Bond Framework that allows us to issue sustainable, green and social bonds that support Standard Bank's lending to green projects aimed at mitigating climate-related risk, and social projects aimed at reducing economic and social inequality

Continued work with the International Chamber of Commerce (ICC) Banking Commission, co-leading a working group tasked with equipping banks to encourage sustainable finance trade practices

Became a founding signatory of the UN Principles for Responsible Banking

Provided asset finance for business and commercial banking clients to install small-scale renewable energy solutions at their businesses, **successfully supporting 103 small-scale solar PV projects in South Africa, totalling 9.5MWs**



Supported our clients to better manage their fleets to reduce their carbon footprint, using the ECO₂ Fleet web-based data monitoring and reporting tool.

5. CLIMATE CHANGE AND SUSTAINABLE FINANCE **CONTINUED**

Managing climate related risk

Standard Bank is committed to prudent management of the risks arising from climate change, as they relate to our direct operational footprint and our lending activities, and to improving our climate-related disclosures over time.

Climate risk is recognised as one of material risks facing the group. We're strengthening our [ESG governance](#) to ensure adequate oversight and improve our ESG risk management systems, which will embed climate-related risk into risk identification, classification, evaluation, analysis, monitoring and reporting.

We continue to develop our climate related risk strategy and align with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. Climate change is a complex issue and we are working to ensure that we develop a strategy that's appropriate to our business, our operating environment, and the group's commitment to create positive social, economic and environmental impact through our core business activities, and drive Africa's growth.

We established a TCFD working group in 2019, bringing together governance, environmental and social risk, portfolio risk, stress testing, reporting, real estate services, and research functions across the group, together with our sustainable finance experts and sector teams. The group is participating in the UNEPFI's TCFD pilot programme, as well as working with the Banking

Association of South Africa and the National Business Initiative to enhance our data on climate risk. Access to reliable data that is relevant to our areas of operation across the African continent is currently a constraint on our alignment with the TCFD guidelines.

Some of the challenges that we are grappling with include inadequate local and regional climate science information, scarce portfolio-level climate data, and a lack of detailed climate-related risk information associated with our clients. While global climate scenarios are available from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), the adaptation of these into Africa-specific scenarios, taking account of regional socio-political and economic factors, is not yet mature enough to fully support our scenario assessments of climate related risks on our portfolio.

Climate-related risks are referenced explicitly in the group's environmental and social risk governance standard and policy. We are reviewing our existing standards and processes to ensure that climate-related issues are appropriately incorporated into the group's strategic decision-making processes and, where appropriate, inform adjustments to risk appetite based on the results of scenario assessments to be performed on the group's portfolio. Our [environmental and social risk screening tool](#) identifies the climate-related risk of a transaction and/or the client at a transactional level. Going forward, we aim to acquire tools to assist us to develop comprehensive climate-related risk data for our clients. Annual client reviews in high risk sectors will also be expanded to include climate-related risk information. We are incorporating climate-related risk, as a component of ESG risk, in client credit ratings and will be establishing guidelines for appetite and risk tolerance levels for climate-related risk. Portfolio risk management committees will use this information to assess sector appetite. Climate-related risk will also be more fully integrated into capital allocation, pricing processes, and asset allocation processes.

We have already concluded several landmark transactions through our newly established [sustainable finance](#) unit, through which we incentivise clients to address climate

change and its impacts. We intend to scale up this offering going forward. We remain committed to measuring and reducing our direct carbon and water footprint, as described [below](#).

Physical risk mitigation requires an improvement in climate adaption and resilience. Our initial focus will be the agricultural sector where we believe climate-related physical risks will impact macro-economic and social factors such as food security. Opportunities to facilitate adaptation and resilience (e.g. flood control, water efficiency, water storage, ecological restoration, etc.) are being sought.

The transition from carbon-intensive activities to low carbon activities presents risks with respect to job losses, skills shortages, technologies, and government policy. The socio-economic impacts of transition risk are not well understood for Africa and scenarios relevant to regional socio-political characteristics need to be developed to understand transition risk. We believe that mitigation includes skills development, availability of resources and appropriate technologies, adoption of appropriate policies and governance processes and a collective will within the communities in which we operate. We will be working with governments and other stakeholders to play our part in a just transition to a lower-carbon economy. Our initial focus has been on two high carbon emitting sectors: energy and mining and metals. Our [coal fired power finance policy](#) and [thermal coal mining finance policy](#) are intended to ensure that we only support developments for much-needed sustained economic development in developing countries, and in line with our lending requirements. We will continue to invest in renewable energy projects across the continent. Work is underway to develop a more comprehensive approach to financing fossil fuels, including oil and gas. We are engaging with a range of stakeholders, including our clients, as we develop this policy.

During 2020, as additional policies are finalised these will be made available on our website. Please also check our website for further climate risk disclosures during the course of the year as we continue to work on this important issue.

5. CLIMATE CHANGE AND SUSTAINABLE FINANCE CONTINUED



Sustainable finance

There are increasing opportunities to deliver sustainable and impactful investment expertise to our clients and stakeholders across a broad range of growth themes.

As a first step in that effort, we have established a sustainable finance business unit, the first of its kind in Africa. The unit is responsible for partnering with our businesses to better serve our clients, drive innovation and capture emerging opportunities as sustainable growth becomes increasingly important for investors, institutions and companies globally.

The unit included a number of deals in 2019, including:

- We provided a sustainability-linked funding solution to Curro schools – the first sustainable finance deal in the African market. Curro is the leading for-profit independent school provider in southern Africa. The sustainability-linked loan will enable the building of additional schools and development of existing campuses. The R500 million five-year loan is linked to achieving pre-agreed environmental, social impact and governance (ESG) targets and performance, which will be measured by an external ESG rating agency. Target areas include diversity programmes, data privacy and reduction in CO₂ emissions.

- We played a key role in arranging the first ever green bond in East Africa. Nairobi-based property developer Acorn Group has issued a bond to raise KES4.262 billion (R611 million) in project finance over five years for environmentally friendly student accommodation in the city. Standard Bank Group, via Stanbic Bank Kenya Limited and SBG Securities Limited, acted as lead arranger and placing agent for the bond. The bond has been certified as green by the Climate Bonds Initiative as it meets international green building standards, which are designed to achieve savings on energy usage and water consumption through the building materials used. The finance that is raised via the bond will be used to fund six purpose-built student accommodation properties in Nairobi with a capacity of over 5 000 beds.

Curro Holdings

October 2019

R500 million

Standard Bank role: sole arranger and lender
ESG-linked

First ESG-linked facility in Africa

Acorn Project (Two) Limited Liability Partnership

October 2019

KES4.26 billion – Fixed rate Series of I green bonds

Standard Bank role: Lead arranger and placing agent

Impact: Construction of student housing, Edge-certified green buildings

First green bond in East Africa

Federal Republic of Nigeria

June 2019

NGN15 billion – 14.50% Series II green bonds

Standard Bank role: Joint financial advisor and book runner via Stanbic IBTC Capital

Impact: Green projects aimed at addressing climate change

Sovereign green bond

NSP – SPV PowerCorp Plc February 2019

NGN8.5 billion – 15.60% Series of I green bonds

Standard Bank role: Joint issuing house and receiving bank

Impact: Re-finance existing debt, acquired 30MW Gurara hydropower plant, rehabilitation of overhead cranes and systems/control upgrade

First green infrastructure bond issued by a corporate in Nigeria

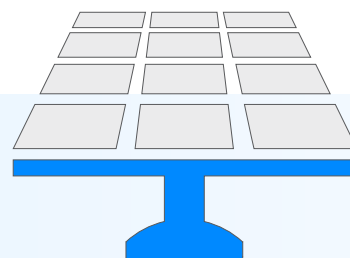
5. CLIMATE CHANGE AND SUSTAINABLE FINANCE CONTINUED

Working with businesses and households to implement small-scale green energy solutions

We recognise our obligation to respond strategically to the risks which global environmental and social pressures have on our ability to create sustainable value for our stakeholders.

We work with our clients to adopt greener solutions for their homes and businesses.

For example:



In South Africa, our VAF Solar Asset Solution enables our business and commercial banking clients to apply for finance to install small-scale renewable energy solutions at their businesses. In 2019, we financed 103 small-scale solar PV projects in South Africa, totalling 9.5MW. In doing so, we helped improve energy and price security for businesses across the commercial, industrial and agricultural sectors. Projects included installations at Nelson Mandela University in Port Elizabeth, and the Central University of Technology in Bloemfontein. In both cases, the arrangement includes long-term Power Purchase Agreements (PPAs) with the universities, enabling the universities to purchase electricity generated by the solar PV system at beneficial tariffs. The Nelson Mandela University system is a 1MW dual-axis system, which allows the solar panels to track the movement of the sun, thereby maximising effectiveness.

Effective fleet management provides a major opportunity to reduce a company's carbon footprint. SBSA offers our clients access to ECO₂ Fleet, a web-based fleet management data collection and reporting service that enables users to accurately measure the carbon dioxide (CO₂) emissions and other gases emitted by each vehicle in their fleet. It includes online monitoring and vehicle emission reporting, aligned to the principles of the Greenhouse Gas Protocol, a globally recognised accounting tool used to measure carbon emissions. ECO₂ Fleet compares the actual carbon emissions of each vehicle in a fleet to a manufacturer-specified or default carbon emissions rating. This provides fleet managers with a clear indication of how each vehicle is performing, and can help to identify trends and set objectives to reduce carbon emissions. This in turn supports savings on total fuel expenditure, thereby reducing operating costs. Fleet managers can use the data to make drivers more aware of their driving habits and how these could be improved. It can also inform improved maintenance practices – a vehicle that runs well has lower emissions. For more information, visit: <https://eco2fleet.standardbank.co.za/>

5. CLIMATE CHANGE AND SUSTAINABLE FINANCE CONTINUED

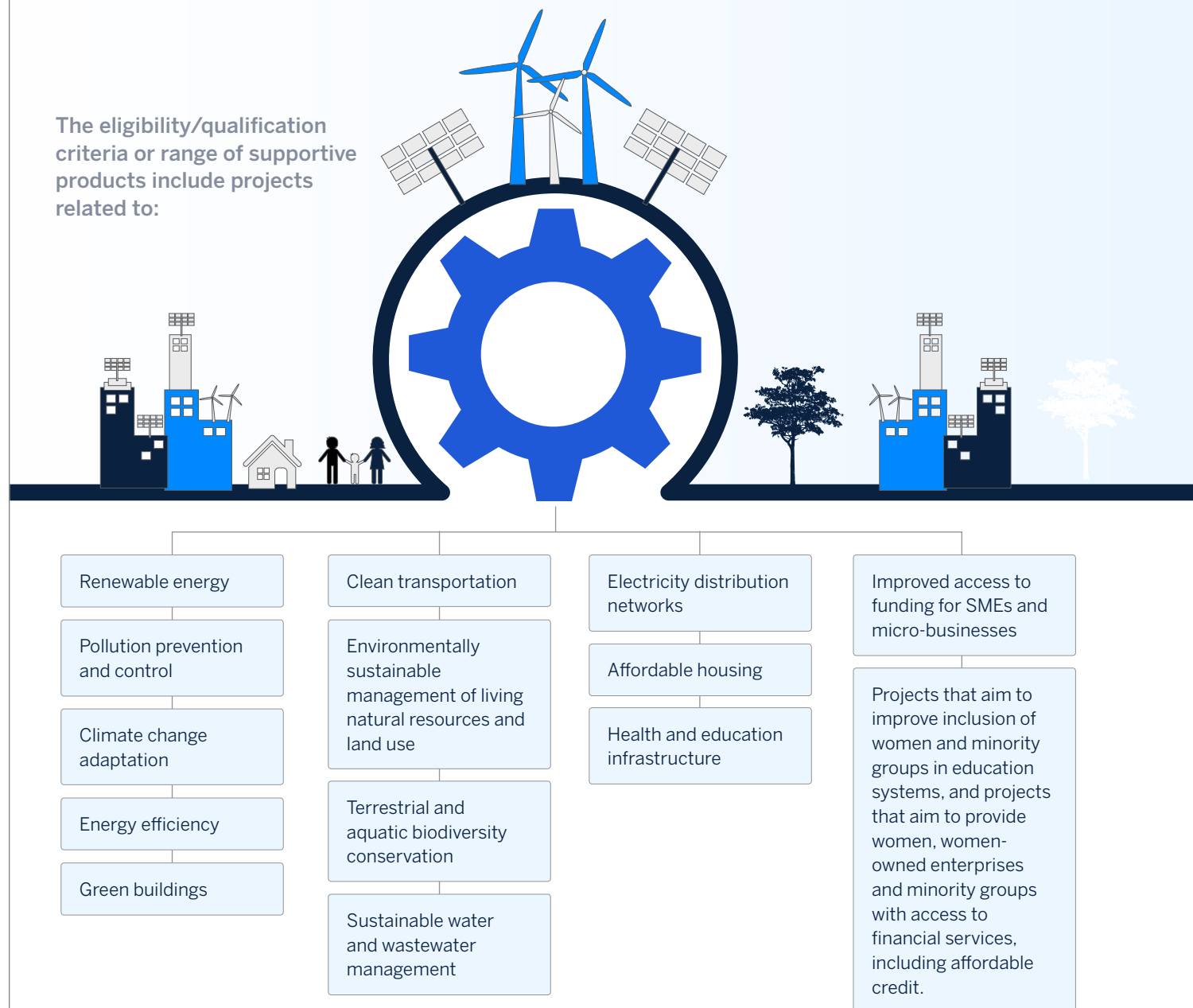
Sustainable bond framework

Standard Bank's [Sustainable Bond Framework](#) allows us to issue sustainable, green and social bonds that support Standard Bank's lending to green projects aimed at mitigating climate change, and social projects reducing economic and social inequality. The framework will be reviewed by an independent party, with experience and track record in issuing Second Party opinions. This opinion will be made available to investors on the group's investor relations website.

Standard Bank will allocate the net proceeds of the sustainability bonds issued under this framework to an eligible loan/asset portfolio of new and/or existing loans/assets within categories aligned to our SEE impact areas. The eligible loans/assets will be funded in whole or in part by an allocation of the bond proceeds.

Final approval of selection and evaluation of projects eligible for green, social or sustainable bonds lies with the group asset and liability committee.

The eligibility/qualification criteria or range of supportive products include projects related to:



5. CLIMATE CHANGE AND SUSTAINABLE FINANCE CONTINUED

Sustainable trade finance

Banks and corporates face a growing demand from shareholders, customers, investors and other stakeholders, for their trade finance transactions to actively support the production of goods or services in a manner that minimises adverse environmental and social impacts and promotes environmental and social benefits.

Standard Bank has been working with the International Chamber of Commerce (ICC) Banking Commission, co-leading a working group tasked with equipping banks to encourage sustainable finance trade practices by:

- Providing clarity to banks on the implementation of sustainability policy and standards through the development of guidelines on sustainable trade finance, with a focus on short-term trade finance. Initiatives are also underway to support a better understanding of the applicable voluntary standards, certification schemes and other approaches that can mitigate ESG risks. Educational and training programmes for trade finance professionals are being developed.

- Promoting industry-wide consensus on a definition for sustainable trade finance. The aim is to discourage inaccurate use of the term and to prevent 'greenwashing,' a practice in which trade transactions are inaccurately labelled as sustainable without any means of verifying this.
- Monitoring and driving the development of industry initiatives around environmental and social risks and finance provision.

Given that trade finance often involves more than one bank, having a common framework to guide banks is valuable. An overarching framework enables banks to consistently and accurately assess trade risk while developing appropriate responses that promote sustainable trade finance.

Standard Bank's commitment to the ICC Banking Commission's sustainable trade finance process dovetails with the aims of the African Union's Agenda 2063 which highlights the need for trade and investment infrastructure to connect Africa. As an African bank clear in its purpose to drive Africa's growth, partnering with the ICC to develop standards and rules in trade, in general, and universally adopted global best practice in sustainable trade finance specifically, supports our purpose to facilitate trade and investment flows between African countries, and between African countries and global markets in a way that promotes sustainable and inclusive economic growth.



Vinod Madhavan

Head, Trade, Standard Bank Group

As a global bank linking international capital to African opportunity, Standard Bank is alive to the pressures on global multinationals and other businesses to 'green their supply chains' - by meeting the growing social, economic and environmental expectations of consumers, global legislation and society.



Nigel Beck

Head, Sustainable Finance,
Standard Bank Group

Standard Bank's direct involvement in assisting the ICC build an easy-to-use process and tool, defining and enabling sustainable trade finance globally, is part of our journey to embed our SEE framework into our product offering, ensuring that our lending decisions and business practices evolve in a way that produces value for clients and society at large.



5. CLIMATE CHANGE AND SUSTAINABLE FINANCE CONTINUED

UN Principles for Responsible Banking

Standard Bank is a founding signatory of the UN Principles for Responsible Banking. More than 100 banks from five continents launched the Principles at the annual UN General Assembly in New York in September 2019. The Principles set the global benchmark for what it means to be a responsible bank.



They make it clear that banks' indicators of impact and success should be much broader than their financial results.

The group was part of the core team responsible for developing the Principles and was closely involved in the consultations and negotiations that took place in the 18 months leading up to the launch. The core

team represented 28 banks, from all over the world, spanning developed and developing economies. Working closely with the UNEP FI secretariat, we consulted with a wide variety of banks across the globe, and engaged with a great many other stakeholders, including civil society organisations, banking associations, regulators and technical experts.

5. CLIMATE CHANGE AND SUSTAINABLE FINANCE CONTINUED

UN Principles for Responsible Banking	Current progress
<p>1. Alignment: We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the SDGs, Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>Our strategy commits us to driving sustainable and inclusive economic growth across Africa and ensuring that our business activities create net positive social, economic and environmental impacts. We have adopted social, economic and environmental (SEE) impact as one of the five value drivers against which we measure our strategic progress.</p>
<p>2. Impact and target setting: We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting from our activities, products and services. We will set and publish targets where we can have the most significant impacts.</p>	<p>We have identified seven SEE impact areas, informed by the SDGs and directly relevant to our core business as a provider of financial products and services. We are committed to tracking, assessing and reporting on our SEE impacts, both positive and negative. We are in the process of identifying metrics to assess and track progress.</p>
<p>3. Clients and customer: We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>	<p>The group's code of ethics, organisational culture and values determine how we do business and with whom we do business. Our board and executive management are responsible for ensuring an appropriate focus on ethics, conduct and positive client outcomes.</p> <p>Our sustainable finance business unit is responsible for partnering with our clients to develop and implement sustainable finance solutions.</p> <p>Our client risk committees assess issues related to ethics and conduct in relation to new and existing client relationships.</p>
<p>4. Stakeholders: We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	<p>Stakeholder engagement is part of our everyday business. We depend on constructive relationships with our diverse stakeholders to achieve our purpose of driving Africa's growth, understand stakeholder expectations, and help us identify the material issues impacting our business. Effective engagement builds trust, strengthens our legitimacy as a socially-relevant and responsible corporate citizen and supports our efforts to develop and implement effective solutions to Africa's social, economic and environmental challenges. We provide further information on how we engage our stakeholders here.</p>
<p>5. Governance and culture: We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	<p>The Standard Bank board is responsible for ensuring the group conducts itself as a responsible, ethical corporate citizen. Dedicated board and management committees are responsible for the oversight of ethics, conduct, culture, stakeholder engagement and ESG risk management, to ensure our values and standards are reflected in all our day-to-day activities. In 2019, the group adopted a new ESG governance framework, which recognises ESG as a separate risk type within non-financial risk and assigns clear accountability for management of this risk area.</p>
<p>6. Transparency and accountability: We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>	<p>Our report to society provides an update on our activities under each of our SEE impact areas, while the ESG report provides an overview of the processes and governance structures we have in place to support our commitment to doing the right business, the right way. We are committed to consulting, engaging and partnering with our stakeholders, and to reporting transparently on progress.</p>



SEE IMPACT AREA SIX

Education

Africa has the world's youngest population. The region's prosperity depends on all her people having access to quality education, skills training and lifelong learning opportunities. But sub-Saharan Africa has the highest rates of education exclusion globally. About 77% of children are enrolled in primary school on average. However, about a third of children between the ages of 12 and 14 are not in school, and over half of sub-Saharan Africa's children aged 15 to 17 are not in school.

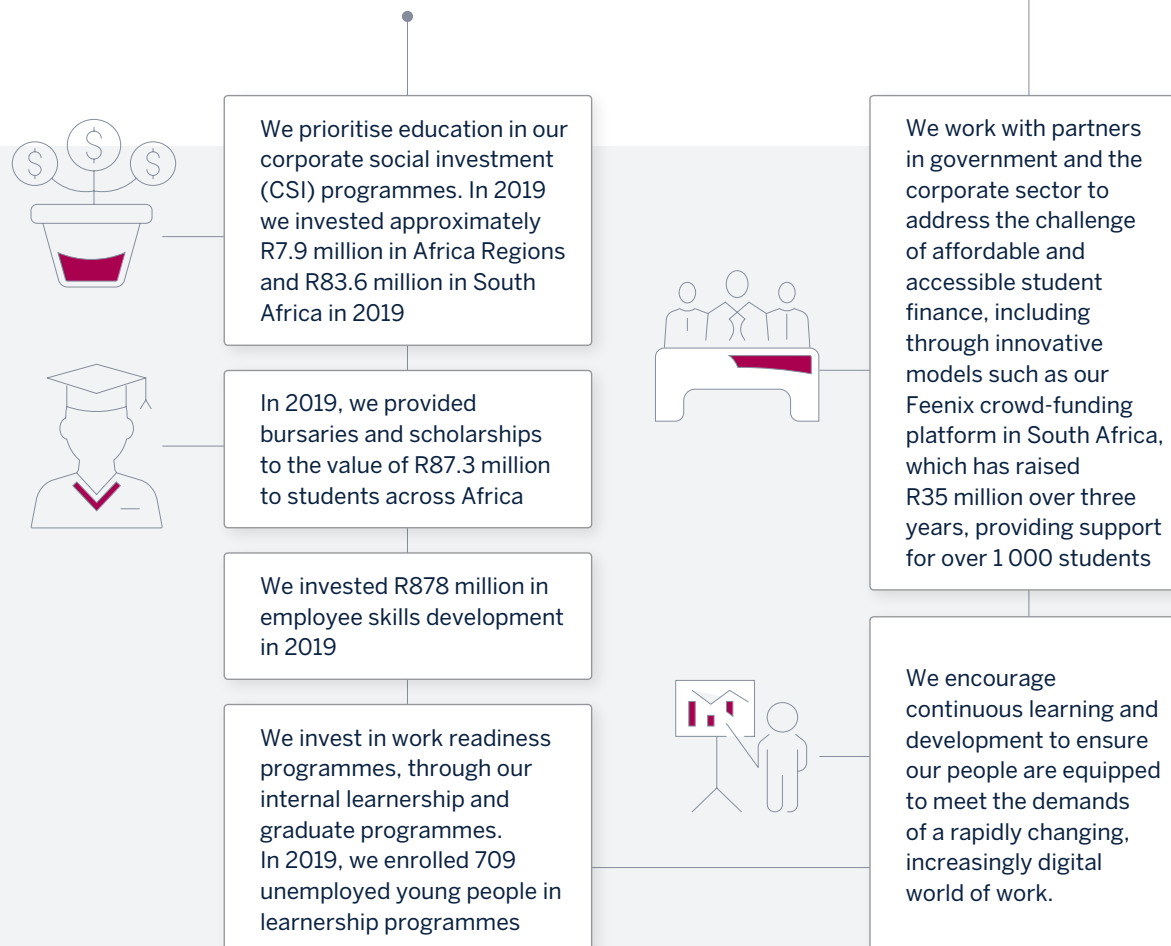


SUSTAINABLE
DEVELOPMENT
GOALS



6. EDUCATION CONTINUED

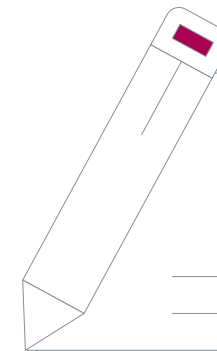
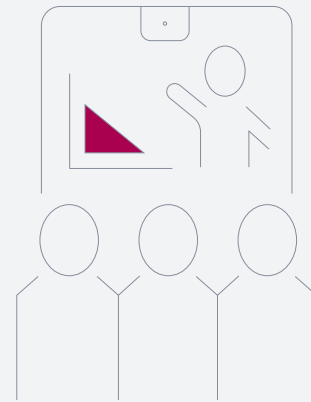
Standard Bank invests in improved educational outcomes and skills development in multiple ways



6. EDUCATION CONTINUED

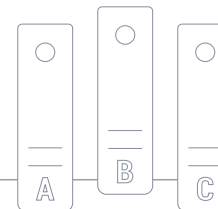
Corporate social investment

Standard Bank's CSI initiatives prioritise education across our countries of operation. In 2019, we invested over R91 million in CSI funding in educational programmes across our countries of operation. Examples of what we achieved in Uganda, South Africa and Angola are described in this report.



UGANDA – INVESTING IN LITERACY, FINANCIAL LITERACY, LIFE SKILLS AND ENTREPRENEURSHIP

Uganda's official primary school completion rate is just 51%, while the lower secondary completion rate is 25.6%. Only about 5% of the population enrolls in tertiary education (World Bank, 2017). Stanbic Uganda believes that a better tomorrow begins with supporting education. We focus on four critical areas to support improved education and skills development: literacy, financial literacy, life skills and entrepreneurship.



Literacy: Stanbic Uganda has partnered with USAID and non-profit organisation RTI International to improve literacy in primary schools, focusing on children aged 6 to 10. The project has provided over 30 000 reading cards to 60 schools across the country. The cards are prominently displayed in classrooms and are being successfully used to improve basic reading and comprehension. Students read story cards in vernacular and English. They can also take the cards home and read them with their parents and/or guardians. Parents of participating children, some of whom are themselves unable to read, report seeing a visible improvement in their children's vocabulary and confidence. They also report being more committed to keeping their children in school owing to these improvements.

6. EDUCATION CONTINUED

Financial literacy, life skills and entrepreneurship:

Stanbic Uganda's National School Championship aims to empower the job creators of tomorrow. First launched in 2016, it runs countrywide and aims to equip students with business and enterprise skills, to nurture entrepreneurship, creativity and long-term business thinking. The project is run in partnership with Café Javas, The Food Hub, NBS, the International University of East Africa, and Uganda Christian University. In 2019:

- **72 schools** and **21 600 students** participated in an initial classroom test
- **432 business plans** were received from students countrywide
- **288 participants** participated in a boot camp, over five days, with eight trainers, covering personal, business and life skills
- **Four finalist schools** were selected to present their business plans to a panel of judges



- **Ten student business project exhibitions** were showcased to an audience of 500
- The winning school **won a fully installed solar system** worth UGX20 million (R79 000), UGX1.5 million (R6 000) cash, a fully paid four day educational trip to South Africa for the three contestants and their teacher, and an iPad each. The first runner up school won a fully installed water system worth UGX10 million, while the winning students won lap top computers.



Patrick Mweheire

CE, Stanbic Uganda

The aim of this Championship project is to promote access to better rounded education and enhance skills development through equipping students with entrepreneurship, critical thinking and life skills that we believe will better prepare them to be job creators in the future.



Entrepreneurship: According to UN Statistics, almost 80% of Uganda's population is below the age of 30. While the economy has shown impressive growth in recent years, it faces challenges in tackling its youth unemployment rate, which is among the highest in sub-Saharan Africa. Stanbic Uganda partners with the Young and Emerging Leaders Project (YELP), an initiative of the L&O Africa Institute. The project, which operates across East Africa, inducts up to 30 outstanding young people per year into a fellowship programme designed to support self-advancement, integrity, social responsibility and socioeconomic transformation. Fellows are selected based on their efforts to empower and transform their communities, addressing issues of poverty, climate change and unemployment and supporting social justice. They engage in critical reflection sessions, conversations with leaders from various sectors, peer-to-peer sharing and learning. In 2019, 30 fellows received business leadership training.

6. EDUCATION CONTINUED



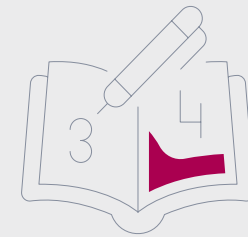
SOUTH AFRICA – EARLY CHILDHOOD DEVELOPMENT AND FOUNDATION PHASE SCHOOLING

Standard Bank South Africa's CSI efforts have, for the past five years, focused on improving access to quality, affordable education for all and enhancing educational outcomes. In 2019, following an in-depth review of our impact and effectiveness over the five-year period, we developed a refreshed CSI strategy, which focuses specifically on early childhood development and foundation phase education. This is based on extensive empirical research which demonstrates that developmental stimulation during the early years of childhood, well before a child enters the formal schooling system, are critical to future intellectual, emotional and physical wellbeing. We have seen the positive impacts of such interventions first-hand, through Standard Bank sponsored ECD and Foundation Phase programmes.

The aim of our new strategy is to contribute to social and economic transformation in South Africa, through supporting the development of future-fit children

who are ready for a new world of work. We will do this through the upskilling of ECD practitioners and Foundation Phase teachers, empowering primary care givers to play an active role in early learning, and by supporting programmes to incorporate future skills in ECD and Foundation Phase curricula. In this way, we hope to help mitigate the risk of the fourth industrial revolution further exacerbating the extreme inequality that characterises South African society.

In 2019 we did the ground work for the implementation of our new strategy. While we will continue working with those partners who are delivering programmes aligned to our new strategy, we have also been responsibly exiting non-aligned programmes, and identifying partners who will support us in delivering on our new focus areas. The new strategy is being formally implemented in 2020.



We partnered with Fundisani Thuto to improve access to quality learning and teaching in pre-schools. The programme focuses on teacher development, learner support and community education. It enables unqualified and/or under-qualified ECD practitioners to participate in accredited ECD NQF level 4 training programmes. Once formally qualified, they can access various forms of support from government and civil society organisations.

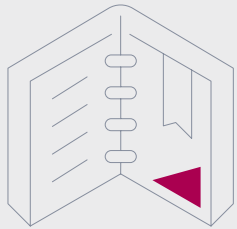
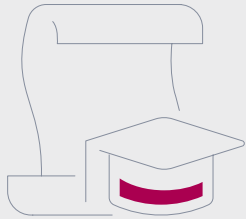


Nothini
Dywashu

a recently qualified
practitioner in East London

As a result of the quality of training we are getting from Fundisani Thuto, my centre is recognised and is getting sponsorship from the municipality, Department of Social Development, Lotto, and NGOs. Fundisani must train the whole Eastern Cape to improve the pass rate at matric level.

6. EDUCATION CONTINUED



We supported the **Teacher Development Programme at Uplands Outreach**, in Mpumalanga. Launched in 2016, the programme aims to boost teacher effectiveness by engaging primary school teachers in vibrant, professional learning communities. Independent evaluators report quantifiable improvements in respect of the programme's key metrics: overall teaching confidence, overall classroom effectiveness, pedagogical confidence, reading skills (teachers), maths content (teachers), and maths and siSwati in Grade 3 and 6 (learners). The programme has benefitted 55 teachers, 47 heads of department, over 6 500 students, and 16 schools.

The **Mfundo Development Foundation programme**, which we supported from 2017 to 2019, targets English, maths and science teachers in 16 schools in the Francis Baard District in Kimberley, Northern Cape. 164 grade 4 to 6 teachers received ongoing mentoring and support to assist them in improving learner outcomes. In this way we reached almost 7 400 learners. In 2019, Mfundo launched a reading campaign in a form of book clubs in all 16 schools. The reading clubs proved very successful and were extended to learners in Grade 7. Three of the participants went on to win 2019 provincial and national debate competitions. They were subsequently selected to take part in a prestigious reading and debate tournament at Yale University.



INDEPENDENT EVALUATOR Uplands Outreach

Overwhelmingly, the opinion of the Senior Management Team members was that the Teacher Development programme has had the greatest positive effect of any such intervention offered to their educators.



Busisiwe Mabunda Nvalungu Primary School

Uplands Outreach has become like a second home to me. My colleagues are like my family now. We can count on one another and learn from one another. The Standard Bank Teacher Development Programme is multiplying my skills as a teacher. I am dedicated to my professional development and I value the relationship I have with Uplands Outreach.

6. EDUCATION CONTINUED

We partnered with Hulisani Educational Resource Centre to provide **Saturday school classes** to high schools in Sekhukhune, Limpopo. The programme works with learners from grade 10 to 12 to improve their marks in mathematics, science, English, accounting and life sciences. 1 580 learners from 52 schools participated in the programme in 2019.



Tlakale Seloane

attended our Saturday Schools during 2016 and is now a third-year BSc Chemical Engineering student at Wits University

Attending the Hulisani programme was an amazing opportunity that I will always be grateful for. The exposure from the programme enabled me to perform exceptionally well in my matric and I was blessed to have gotten six distinctions. Not only did it enrich me academically, but also socially. I was able to make friends that I am still in contact with. I believe that every learner deserves this opportunity that grooms us into better versions of ourselves.

ANGOLA – BLUE HEROES PROGRAMMES

In Angola, our Blue Heroes programme brings together volunteers from different walks of life, to help communities meet their basic health and education needs and thereby improve their quality of life. The impact of the Blue Heroes project has seen Standard Bank recognised with a chair on the board of RARSE, Angola's corporate social responsibility association. In 2019 we implemented a range of education initiatives, including provision of basic literacy training to sellers in informal markets, and at health and education fairs. We also fully renovated three schools, including installation of an IT lab, and donated classroom materials for another three schools. These initiatives benefitted approximately 1 880 people. We sponsored the School Aces soccer tournament which took place in 12 schools

of Luanda province over four months. 1 500 girls and boys took part in the tournament. Events included cheerleaders, theatre and dance groups, and opportunities for young entrepreneurs to sell food, arts and craft works. The initiative aims to keep young people off the streets and promote sports in the society.



6. EDUCATION CONTINUED

Access to student finance



SOUTH AFRICA – FEENIX CROWD-FUNDING

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

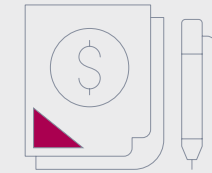
The platform enables university students in need of funding for current or historic debt to create profiles and request donations toward their education journey. As a crowd-funding platform, Feenix enables individuals and businesses to take meaningful action to solve social problems. Funders can donate directly to a student. If they prefer not to select a student, or want to improve their B-BBEE scorecard, they can contribute to the Feenix Pool Fund. Funding in the pool is divided to ensure at least 75% goes toward black, coloured and Indian students, 50% goes toward female students and preference is given to students who are active and involved.

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

Raised
R35 million
2017 – 2019
1 000 students funded

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

Benefits for donors:



Feenix is a public benefit organisation. Donations made through the platform, including CSI contributions by businesses, are eligible for tax benefits.

Feenix can assist corporates and businesses with receiving recognition for B-BBEE points in two categories: skills development and socioeconomic development.

Companies can use the Feenix database to find students they may be interested in hiring as interns or graduates.



LOOKING TO MAKE A REAL DIFFERENCE?
DONATE TO CELEBRATE FEENIX'S BIRTHDAY.



Humphrey Lekhoba, part of the Feenix student Community and a BSc (Hons) Computer Science Graduate



6. EDUCATION CONTINUED

STANDARD BANK BURSARY PROGRAMMES

Our bursary programmes across Africa support our efforts to achieve positive social and economic impact in the areas of education, learning and development, employment, and African economic development. Standard Bank is committed to facilitating access to higher education to open opportunities for young people. This ongoing investment enables our recipients to become economically active citizens of Africa and, to the extent possible, start their careers with Standard Bank.

For example:

In 2018, Stanbic Malawi launched a MK120 million (R2.3 million) bursary programme, to run for four years, and provided funding for 30 students. We continued to fund these students in 2019. The bursary covers tuition, medical, accommodation, book allowance and pocket money, at a total value of MK30 million (R587 000) per year.

In South Africa, the Ikusasa Student Financial Aid Programme (ISFAP) is part of the national effort to solve the funding challenge faced by “missing middle” students (those deemed too well-off to qualify for government support, but too poor to afford tuition fees). The programme funds the tertiary studies of students from households that earn up to R600 000 per year. ISFAP focuses on students studying toward jobs in high-demand sectors, scarce skills and professional degrees. It covers the full cost of study, together with ‘wrap-around support’, which includes additional academic, social and psychological support such as mentoring and life skills training. In 2019 Standard Bank funded 163 students through the programme. Of these, 141 are studying medicine.



Notando Letsie

ISFAP funding recipient

All that I have ever wanted was to have someone believe in me enough to want to invest in my future and in my dreams. ISFAP has done more than just that for me. They have not only given me the means to fulfil my dream of becoming a chartered accountant, they have also put support structures in place to ensure that I live up to my full potential. My family and I will always be grateful for the opportunity that I have been given to pursue my studies. Being awarded this funding has also shown me that life is not a solitary thing – we all need people to come alongside us, to make a positive contribution to our lives and show us that they believe we can make it. I would love to be that person to somebody else one day.

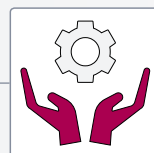
6. EDUCATION CONTINUED

Employee
development

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. Our online learning platform ensures the availability of innovative skills development tools and learning content to all our employees.

In 2019 we invested
R878 million
in skills development,
equivalent to 2.5% of
employee cost to company



8.4%
of all employees attended
management and
leadership development
programmes.



60.4 %
of positions were filled
internally at group level
over the past year



The skill sets we require from our workforce are changing. We are investing in our people to help them become future-ready, developing their skills as the financial industry evolves. In 2019 we piloted an innovative, cloud-based micro-learning platform which gives all employees access to the learning resources they require to improve their current skills and build future skills. Using behavioural and data science, the solution continuously analyses employees' skillsets to personalise development pathways based on their unique skills, roles and learning goals. Our employees are also embracing opportunities to learn via our world-class digital libraries, which provide them with access to a large volume of training courses and learning videos.

- In South Africa, **4 225** employees retrained as universal bankers to broaden their skills so that they are better equipped to meet the changing needs of our clients. The programme provides a nationally recognised NQF5 qualification.
- In 2019, **1 484** employees enrolled in learnership programmes to build scarce, critical skills in areas including data analytics, IT, auditing and finance, and future skills such as data science, robotics, behavioural economics and cloud computing.
- We launched an 18-month Cloud Internship in April 2019. 19 students are participating in a six-month classroom-based course, after which they'll join teams across Standard Bank for a 12-month period, working on Cloud related projects.
- We launched the Standard Bank Cyber Security Academy in July 2019. The first cohort of 75 employees completed the programme at the end of 2019, gaining them industry-recognised accreditation from various security vendors.

6. EDUCATION CONTINUED

EMPLOYEE BURSARIES

We encourage our employees to stay up to date with developments in their fields and to continuously develop their professional skills. Our employees can apply for bursaries to study further at recognised tertiary institutions. Tailored employee bursary schemes are implemented in specific countries of operation. Bursaries for under- and post-graduate studies were provided to 1 794 employees across Standard Bank in 2019.



GRADUATE PROGRAMME

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

183 graduates joined the group this year on our various programmes and attended our Future Movers Summit. 155 of these graduates were placed in the South African business, with a strong focus on data science and quantitative skills. 61% of our South African graduates are women and 92% are black. 28 graduates joined us across Lesotho, Namibia, Nigeria and Mozambique.

In 2019, we were awarded the SA Graduate Employers Association, Employer of Choice in Commercial and Retail Banking for the ninth time in the last ten years.

EMPLOYEE EXCHANGE PROGRAMMES AND SECONDMENTS

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 international training opportunities for our people.

- 120 employees participated in international assignments in 2019. The cross-cultural awareness that this builds facilitate 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, 17% of assignments), skills deployment (up to three years, 71% of assignments) and strategic (up to five years, 12% of assignments).

- Standard Bank and ICBC established an employee exchange programme in 2016, which enables selected employees across Africa and China to spend time in the headquarters of both our banks. Since inception, 43 assignees have participated in short and long-term assignments. Eight employees participated in 2019. The programme supports collaboration and relationship building between ICBC and Standard Bank, enabling the sharing of knowledge, cross-cultural exposure and the advancement of commercial and client objectives.

INTERNSHIPS AND LEARNERSHIPS FOR UNEMPLOYED YOUNG PEOPLE

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. The programmes provide a crucial opportunity to gain work experience. For many participants it's their first job. Applicants are required to have matric, or to have partial or full tertiary qualifications, depending on the programme they're applying for. They undergo a rigorous recruitment process to ensure the right fit for the role. Each learner is assigned a coach, mentor and line manager for support during the learnership programme. In 2019, we enrolled 709 unemployed young people in learnership and internship programmes. 729 learners from our 2018 intake completed their programmes during 2019. 374 of these learners were retained at Standard Bank.



SEE IMPACT AREA SEVEN

Health

Standard Bank adopted health as an additional SEE impact area in 2019, in line with SDG 3, to ensure healthy lives and promote wellbeing for all at all ages. Attainment of several other SDGs, including ending poverty and reducing inequalities, depends on improving the health of Africa's people.

SUSTAINABLE
DEVELOPMENT
GOALS



7. HEALTH CONTINUED



We provide **affordable health and life insurance solutions**, to ensure customers can provide for themselves and/or their loved ones in the case of unforeseen events.



Health accounts for **10% of our CSI spending in Africa Regions**. In 2019, this amounted to **R5.8 million**.



We have a long-standing partnership with General Electric Healthcare to **improve access to quality and affordable healthcare**. In 2019, we provided loan finance to the installation of a CT scan machine in a remote village in Kenya

Highlights in 2019:

Assistance in the provision of medical equipment and boreholes for major hospitals and clinics in Zimbabwe

Sponsorship of the MTN Kampala Marathon, which directs all funds raised toward improving maternal health in Uganda

Funds toward the **expansion of healthcare facilities** in Ghana

Sponsorship for **free medical consultations** in some of Angola's poorest and most difficult to access areas, reaching almost **27 000** people

Provision of insecticide-treated nets to 3 000 vulnerable children, pregnant women and families to protect against malaria and financing of medical treatment (an investment of R224 000)

Nigeria's **Together4ALimb initiative**, which supports indigent children who have lost limbs to access quality education and live a full life



Provision of **basic health services** in under-served communities in Lesotho, where **R60 000** of funding **benefitted over 1 000 people**

Humanitarian relief for those impacted by Tropical Cyclone Idai in Mozambique, Zimbabwe, and Malawi.

7. HEALTH CONTINUED

Affordable health and life insurance solutions

We provide affordable, simple and convenient life insurance solutions, which help pay the bills and finance the future needs of one's family in the event of a tragedy.

IN SOUTH AFRICA

We have 1.1 million clients with funeral policies. We paid 30 308 funeral claims in 2019 (**valued at R444 million**). This included:

22 935 **cash value claims**, to ensure clients could be buried with dignity (R357 million)

7 373 **claims for monthly grocery and memorial benefits**, ensuring families' wellbeing following the loss of a loved one (R87 million)

Standard Trust Limited provides Beneficiary Care to 13 000 orphaned children, providing much needed monthly distributions to the guardians of these children to **fund their basic education and other needs**.

MobiLife, which is partly owned by Standard Bank and Liberty, is an Insurtech with an **innovative FoodSurance solution**, that pays a weekly grocery voucher for up to five years after the death of a breadwinner.

Our clients hold **1.4 million credit life policies**, which include claims for death, disability, retrenchment and dread disease. We also hold **200 000 Debt Protection Plan policies** on behalf of our clients, that enable lending to the low-income segment. We paid **15 044 credit life claims** in 2019, enabling our clients to protect their assets and ease the burden of debt on their families in the event of unexpected events. These claims included:

988 claims paid under **home loan protection plans** (R208 million)

13 755 claims paid under **unsecured loans and credit cards** (R323 million)

97 claims paid under **vehicle and asset finance protection** (R9 million)

204 claims paid under **hospital cash plans** (R6 million)

IN KENYA

Stanbic's medical insurance provides payment of medical expenses arising from an accident or illness, for the individual and/or their family. This may be extended to include parents/parents-in-law. The cover provides for inpatient benefits, i.e. when the individual is hospitalised (inclusive of maternity), and outpatient care, when the individual accesses consultation services and drugs inclusive of optical and dental care.

The cover includes:

Inpatient benefits of up to KES10 million (R1.4 million)

Outpatient benefits of up to KES300 000 (R42 000)

Benefit inclusive of wellness package

Cover available for the remainder of one's life

Cover available for individuals aged 50 years and tailored for self-employed and retired individuals

International cover options under BUPA and Aetna are also available

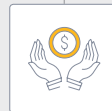


7. HEALTH CONTINUED

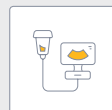
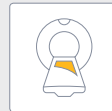
Provision of medical equipment and infrastructure



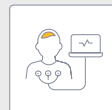
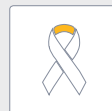
In **Ghana**, Stanbic donated GHS10 000 (R25 000) to Amiah Hospital toward the construction of a three-storey hospital building, which is expected to serve about 5 000 people. We also funded construction of a first aid training room and resource centre worth GHS20 000 (R50 700) for Ghana Red Cross Headquarters.



In **Kenya**, Stanbic Bank and General Electric Healthcare are working together to improve access to quality and affordable healthcare. In 2019, we provided loan finance to Metrocare Imaging Limited, a company comprising two young doctors working to provide affordable medical care to patients in remote areas. The loan enabled Metrocare to install a CT scan machine in a remote village in Nyeri county. The machine enables early detection of a wide range of diseases. Within the first month after installation, the doctors were seeing an average of six patients per day. We are also engaging with a number of other organisations regarding financing for MRI upgrades and/or replacement equipment.



In **Zimbabwe**, our Usizo-Ruyamuro initiative aims to help major hospitals and clinics access medical equipment and boreholes. We're working in collaboration with local and international partners, providing money from our CSI budget and mobilising crowd-funding. In 2019 we raised R1.8 million to finance the refurbishing and furnishing of a halfway house for cancer patients and an awaiting mothers' home in rural Mutoko. About 40 cancer patients at a time can be housed at the halfway house as they undergo chemotherapy and radiotherapy at the two main hospitals in Harare. 18 mothers-to-be can be housed at the home in Mutoko – enabling them to undertake the long walk from their homes to the hospital two weeks before their due date.



7. HEALTH CONTINUED

Corporate social investment

FIGHTING MALARIA IN NIGERIA

World Malaria Report 2018

219 million cases of malaria in 2017

Approximately 435 000 people died from malaria in 2017.

The World Health Organisation aims to reduce malaria cases and deaths by at least 40% by 2020, by 75% by 2025 and by 90% by 2030. But this requires a large increase in funding for malaria control.

70% of the world's malaria burden is concentrated in 11 countries. Ten are in sub-Saharan Africa.

These countries, together with India, have an estimated 151 million cases of malaria and 275 000 deaths – and the number of cases in African countries is rising. Nigeria accounts for 25% of total cases, followed by Mozambique with 11%.

In **Nigeria**, malaria accounts for over 15% of infant mortality (children below 12 months), 30% of childhood mortality (children under five years) and 11% of maternal mortality. Stanbic IBTC's partnership with Slum2School Africa raises awareness about malaria prevention and aims to reduce the mortality rate across communities. We provide direct access to high quality, long-lasting insecticide for vulnerable children, pregnant women and families across three states. We also sponsor vaccinations for children and medical treatment for adults and children. Our employees are actively involved in these initiatives. In 2019 we provided insecticide-treated nets to 3 000 vulnerable children, pregnant women and families across three states, and financed medical treatment for adults and children, representing a total investment of USD15 500 (R224 000).

FUNDING FOR BASIC HEALTH SERVICES

- In **Lesotho**, Standard Bank collaborates with the association of Basotho Medical Students in the diaspora. The student doctors partner with the Ministry of Health and other health practitioners to provide basic health services, including screening for HIV, diabetes and TB, in rural areas. In 2019 we invested M60 000 (R60 000) in the initiative, benefitting over 1 000 patients.
- Stanbic **Uganda** contributed UGX250 million (R985 000) to sponsor the MTN Kampala Marathon, Uganda's biggest running event. We've been a partner and supporter of the marathon since its inception 16 years ago. Almost 8 000 runners completed the various races (which included a range of distances from 5km to 42km, and a disability race). All funds raised were directed toward improving maternal health in Uganda.



- Our **Angola** Blue Heroes programme included sponsorship for free medical consultations in 25 communities across six provinces, using a mobile health clinic and 387 healthcare volunteers to reach some of Angola's poorest and most difficult to access areas, impacting 26 740 lives.
- Stanbic IBTC **Nigeria**, under the Together4ALimb initiative, supports indigent children who have lost limbs to access quality education and live a full life. We sponsor their prostheses and medical assessments until they are 18 and finance their schooling from our education trust fund. We hold annual events aimed at raising awareness of the needs of persons with disabilities and challenging stigma. In 2019, ten children joined the programme, bringing to 30 the total number of children that have benefitted since inception in 2015.

7. HEALTH CONTINUED

HUMANITARIAN RELIEF FOR THE VICTIMS OF CYCLONE IDAI

Tropical Cyclone Idai caused catastrophic damage in Mozambique, Zimbabwe, and Malawi in early 2019. Many people, including some of our employees, lost their homes and belongings. Some lost family members and loved ones.

Our CSI teams in several of our countries of operation made funding available to assist those impacted by the storm, enabling free healthcare provision to the underserved, and provision of critical supplies, including bottled water, food and blankets. Total monetary contributions amounted to over **R1.2 million**.



Standard Bank South Africa donated **R200 000** to Gift of the Givers to support their relief work in the affected areas. Employees donated R146 868, which the bank matched through our CSI Rand4Rand Matching programme, making a total contribution of **R493 736**.



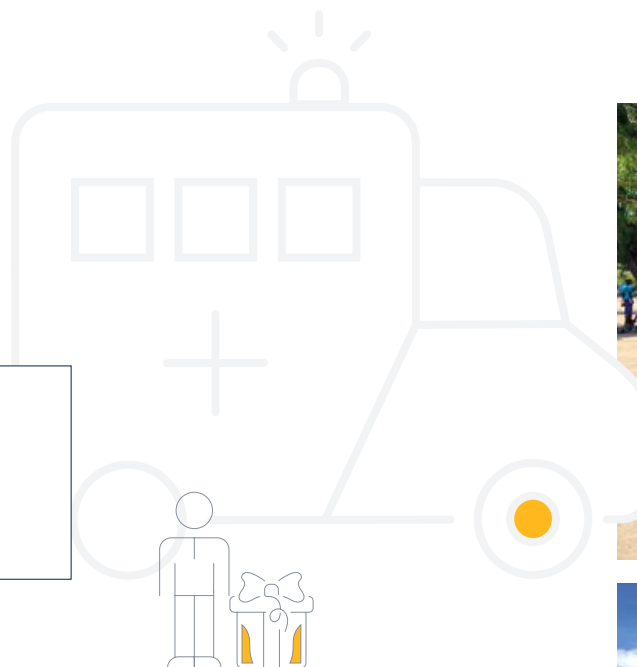
Stanbic Zimbabwe employees donated **700** blankets, five 2.5KVA generators, **39** tents, **2000** packs of reusable sanitary pads, black plastic sheeting and **24 000** bottles of water, valued at about **R80 000**.



Stanbic Botswana employees donated relief items to Red Cross Society Botswana, while the bank donated **BWP100 000** (R136 000) to World Vision International.



Wealth International donated **£15 000** (R285 600).



Standard Bank Mozambique donated non-perishable food, clothing, school supplies, mosquito nets, sheets, blankets, hygiene and cleaning products to Visão Mundial Mozambique. We also donated **MZN1 million** (R230 000) to the victims, in partnership with the local government and with the support of Standard Bank Mauritius. Bank executives did a follow-up visit to Beira in November. About 245 000 hectares of productive farmland was negatively impacted by the cyclone, affecting food security for 116 000 families. The bank is partnering with local authorities to plant 3 000 trees in Maputo and Beira. We are also working with government to issue identity documents and birth certificates to families in rural locations. With money donated by clients and employees, we are rehabilitating an HIV/AIDS orphanage, which is home to 115 children.



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