



STANDARD BANK GROUP

ECOSYSTEMS

Wendy Pienaar
UBS South African Financial Services Conference
7 October 2021



What to expect today

- 1 SBG is transforming beyond financial services
- 2 Establishing ecosystems, a common language and proven approach
- 3 Translating ecosystem ambition into execution, and early promises of scale
- 4 Closing remarks and video



Ecosystem definitions



Ecosystem

At network of cross-industry players who work together to define, build and execute market-creating customer solutions

Platform Business

A business model based on enabling value-creating interactions between external producers and consumers

Technology Platform

Hardware and software that enables and supports the Platform Business



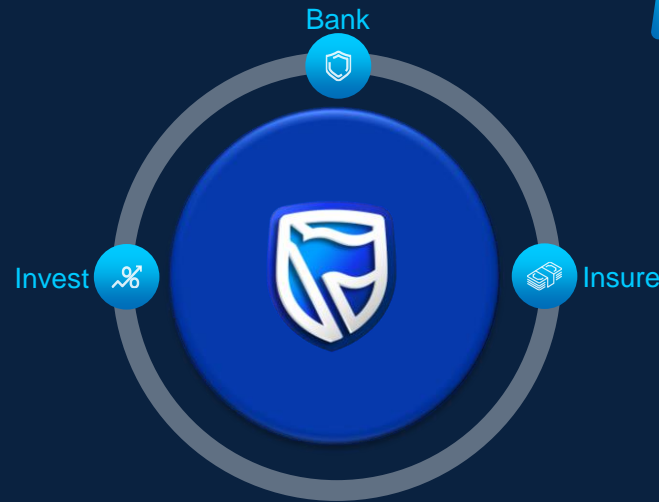
SBG is transforming beyond financial services

PAST



Trusted bank in South Africa

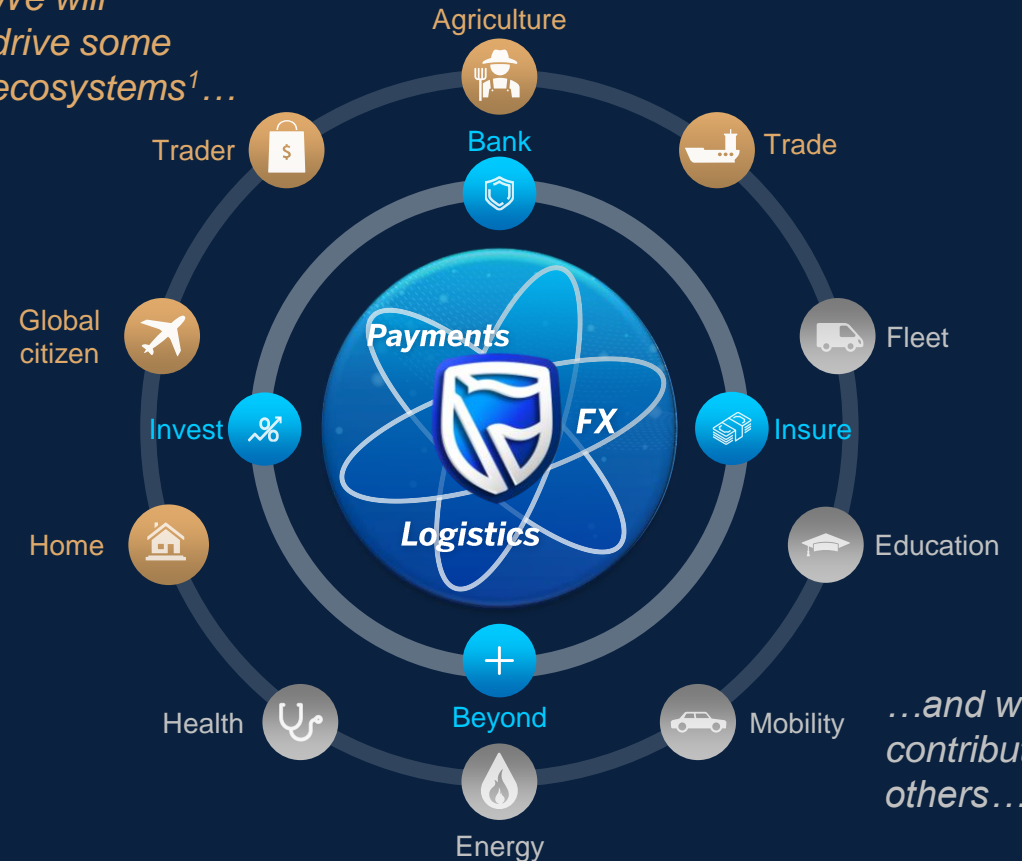
PRESENT



Trusted financial services provider across sub-Saharan Africa

SBG 2025

We will drive some ecosystems¹...



...and we will contribute to others...

...enabled by common capabilities

¹ A coordinated network of participants and devices (Internet of Things) combining Standard Bank Group's own offering with that of partners, enabling clients, partners and producers to fulfil a broad range of needs seamlessly in a domain.

Our 10 prioritised ecosystems: accessing value pools totaling USD1.0trn - USD1.2trn



5 ecosystems we will drive



Trader

Activities of small informal traders, including sale of FMCGs¹ and small digital products such as airtime



Home

Sale and rent of personal homes, including sales and moving logistics



Global citizen

Participation in a global world, including exchanging currencies and facilitating travel



Trade

International and regional exports and imports of goods, including trade logistics



Agriculture

All agricultural sales, including production tools and final sales of products such as fruits and vegetables

5 ecosystems we will contribute to



Energy

Activities within all sectors which generate energy



Education

All forms of primary and secondary education, both private and public



Health

Provision and coordination of medical and related goods and services



Fleet

Coordination and delivery of goods by road, air or water and the management of the tools used



Mobility

Transport of people for day-to-day activities, both public and private, by various modes

¹ Fast-moving consumer goods



Getting the best of both worlds

BANKING

the ecosystem*

Solution & partner to grow
across the value chain

**Banking & other financial
services products**

**Own the means of
production, sales & service**

* Value-chain banking



Getting the best of both worlds

BANKING
the ecosystem*

Solution & partner to grow
across the value chain

**Banking & other financial
services products**

**Own the means of
production, sales & service**

& BEING
the ecosystem driver

Create valuable interactions
“You can’t fake an ecosystem”

Platform Business
Aggregator or orchestrator
Bank Products | Other Products

**Create means of
connection**

* Value-chain banking

Benefits of being the Ecosystem Driver



Winner Takes Most



Layered increased revenue as we get deeper into clients' ecosystems



Transformed value proposition to clients and whole sectors



Ability to generate data and insights across clients lives and businesses



Support horizontal teams internally to leverage solutions and services from consumer to wholesale



Scale and win through partnerships



Mindset changes

DIGITAL TRANSFORMATION SUCCESSFULLY DRIVES THE FOLLOWING BUSINESS CHANGE

- Client Experience (Client obsessed)
- Fast innovation mainly driven by the business
- Focussing on client needs rather than on products
- Flexibility

PLATFORM BUSINESS MODELS EXTEND THIS TO DRIVE

- Attraction of Clients (Consumers) and Partners (Producers) to transact
- Client and Partner Experience (CX / PX)
- Not needing to own and control all the resources (only strategic assets)
- Modular flexibility for scale
- Enable open innovation outside the business

Customer experience at the core



Customer and partner experience at the core





Challenges and solutions to solve

- Require **scale** to drive network value
 - **Competition*** comes from anywhere
 - “**Test and learn**” is key to success
 - Must bring **regulators** on the journey
 - Require **new skills, capabilities and processes** and a new way of thinking
 - Must **monetise** the platform
- Build focused **ecosystem** teams
 - **Partner** are critical / **Partnership as a Service**
 - Provide the right **conditions** / learn quickly
 - Carry out **extensive and regular engagement**
 - Define targeted **reskilling and recruitment**
 - Establish ecosystem **commercial framework** and layering

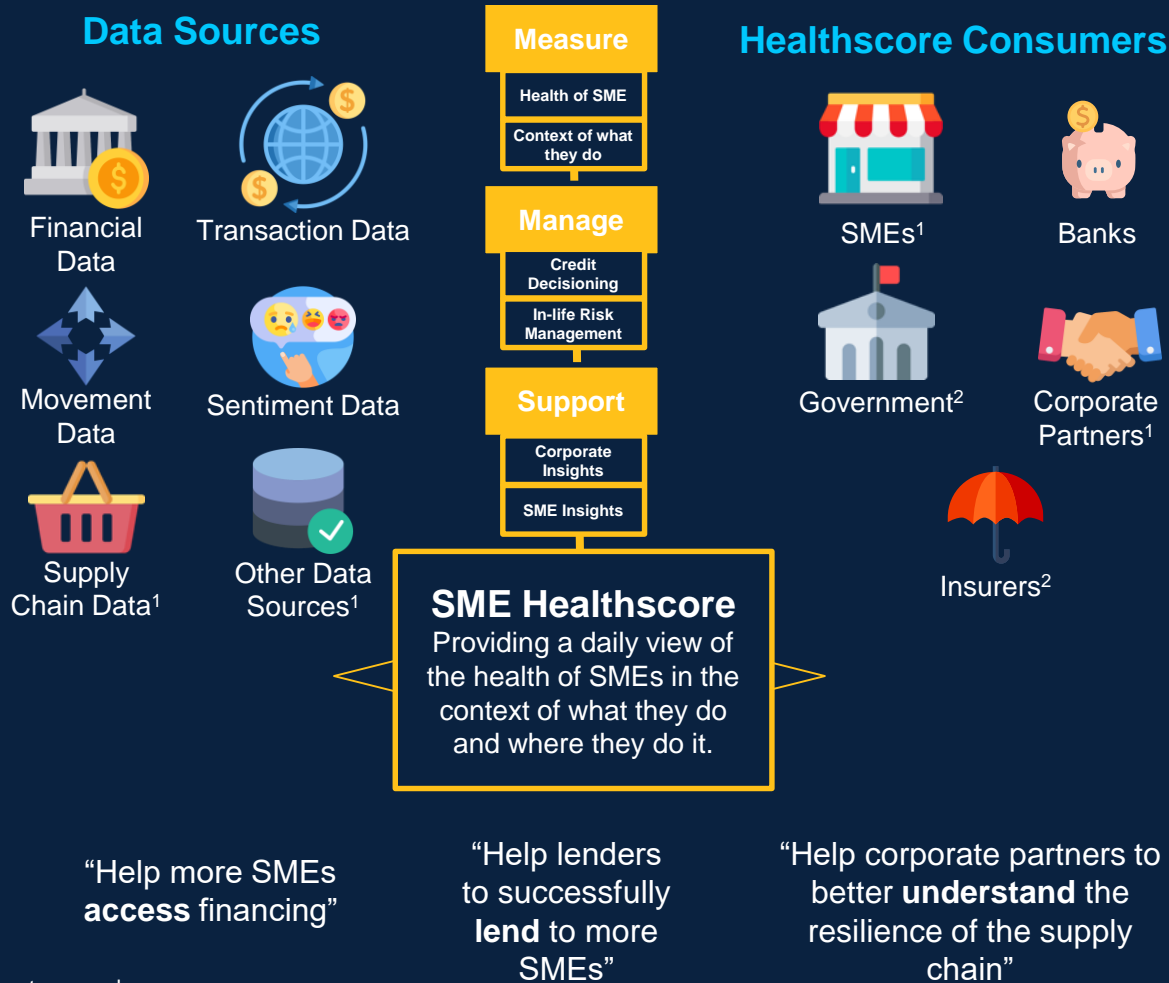
**FinTechs, Big Tech, Mobile Network Operators*



ECOSYSTEMS IN EXECUTION



SME Health Score



Achievements to date:

50 million data points processed daily

Take up rate is 4x higher than traditional

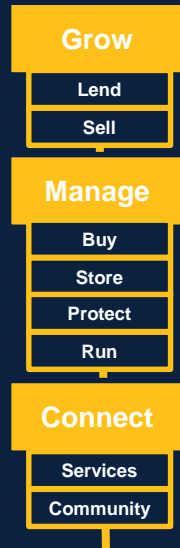
Payment efficiency is 129% when compared against expected

¹Nearterm roadmap
²Future roadmap



Trader Ecosystem

Customer & Producer



Trader Platform
Empowering Africa's Traders to grow and manage their businesses by facilitating connections across the ecosystem.

Partners & Service Providers



Achievements to date:

Partners, Global Multi-Nationals, joining platforms

Credit performance better than expected

Foundational elements live in 7 countries, roll out in 3 more in 1H22

“Help you get Coke at a lower price”

“Lend to you to buy more Coke”

“Get more customers in your shop to buy Coke”



Agriculture Ecosystem

Smallholder Ecosystem



Enterprise Service Providers



OneFarm Platform
B2B platform that connects and provides services to entities across the value chain

Achievements to date:

Significant increase in yield for ~25 000 farmers on platform

18 data points per farmer

Large off-takers, Global Multi-Nationals, joining platform





Closing remarks

We are leveraging our existing networks and expertise in our defined ecosystems to:

- 1 Broadening our value proposition and attract additional partners,
- 2 Develop new business models to drive a better client experience and,
- 3 Scaling and diversifying to deliver our **2025 revenue targets**
 - Revenue CAGR, 7% - 9%
 - Partnerships and non-financial products revenue, ~R10bn p.a.



VIDEO

SBG Ecosystems Video - UBS Financials Conference 2021



QUESTIONS AND ANSWERS



Disclaimer

The Group may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, the impact of the COVID-19 pandemic on Standard Bank Group's business, results of operations, financial condition and liquidity and statements regarding the effectiveness of any actions taken by the Group to address or limit any impact of COVID-19 on its business; statements regarding exchange rate fluctuations, volume growth, increases in market share, cost reductions, and business performance outlook.

By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

