



Standard Bank Group

# FINANCIAL RESULTS PRESENTATION

1H19



# 1H19 HIGHLIGHTS

# STANDARD BANK GROUP

## STRATEGIC FOCUS IS UNCHANGED



**Group Purpose**  
the reason we exist

Africa is our home, we drive her growth

**Group Vision**  
what we aspire to be

To be the leading financial services organisation in, for and across Africa, delivering exceptional client experiences and superior value

In executing our group strategy our key focus areas are



**Client centricity**

Deliver exceptional client experiences



**Digitisation**

Leverage our digital platforms



**Integration**

Deliver Standard Bank Group

We measure our progress using five strategic value drivers



SEE = Social, economic and environmental



# OVERVIEW OF RESULTS

STRONG UNDERLYING MOMENTUM IN OUR CORE OPERATIONS

## BANKING HEADLINE EARNINGS

1H19: R12.8bn  
1H18: R11.7bn



## GROUP HEADLINE EARNINGS

1H19: R13.4bn  
1H18: R12.7bn



## DIVIDEND PER SHARE

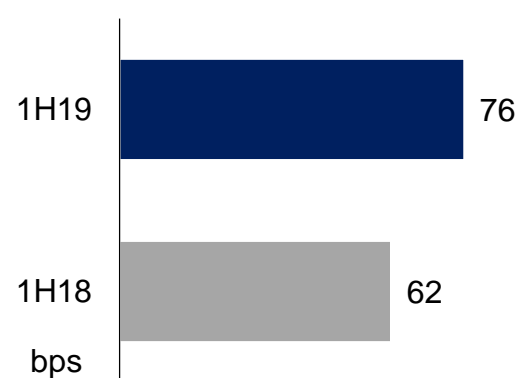
1H19: 454 cents  
1H18: 430 cents



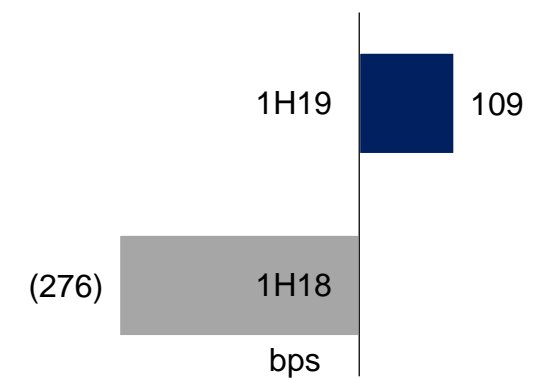
## ROE



## CREDIT LOSS RATIO



## JAWS





# MEASURING OUR STRATEGIC PROGRESS

DELIBERATE ALLOCATION OF RESOURCES TO DELIVER A FUTURE-READY GROUP



*Adapting to changes in client behaviour and expectations, regulation and the broader financial services landscape, including our existing, emerging and future competition*



# CLIENT FOCUS



# CLIENT FOCUS – PERSONAL, BUSINESS & COMMERCIAL

## FOCUS ON CUSTOMER EXPERIENCE AND DELIVERING VALUE



### PBB SOUTH AFRICA INITIATIVES

### PBB AFRICA REGIONS INITIATIVES

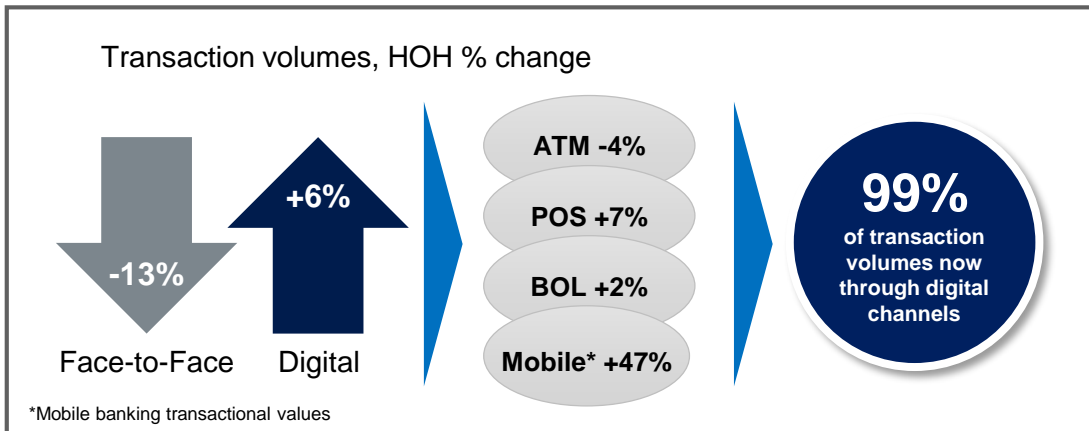
- Shifting customer behaviour
- Delivering what matters
- Delivering value to customers
- Banking the client ecosystems
- Facilitating China-Africa banking
- Partnerships

# CLIENT FOCUS IN SA – PERSONAL, BUSINESS & COMMERCIAL

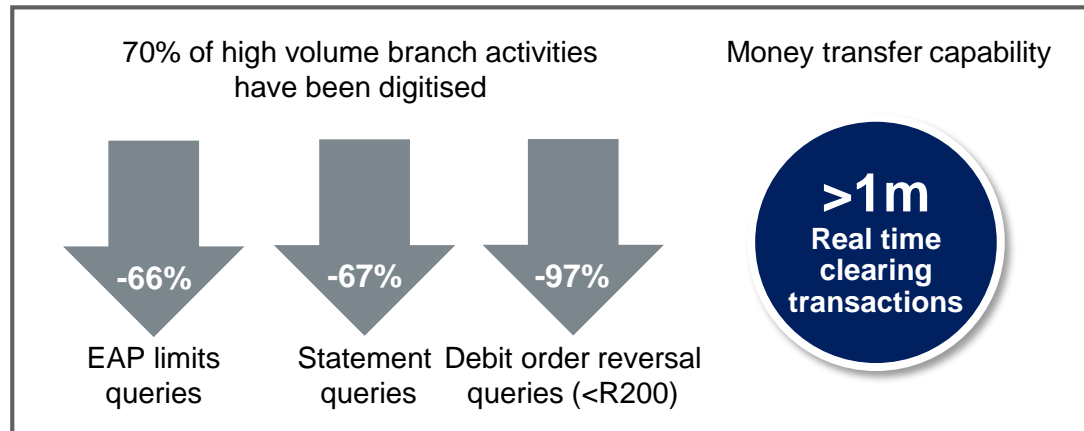
## DIGITAL TRANSFORMATION



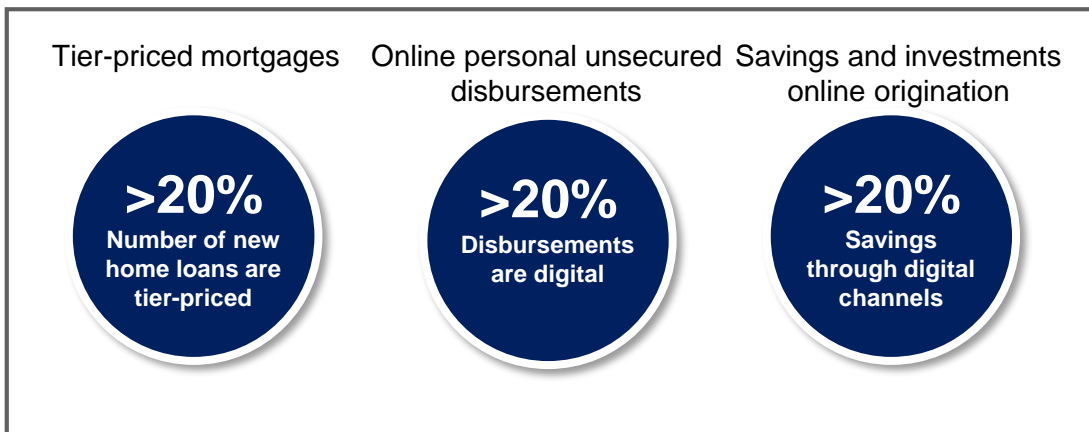
### OUR CUSTOMERS ARE INCREASINGLY DIGITAL...



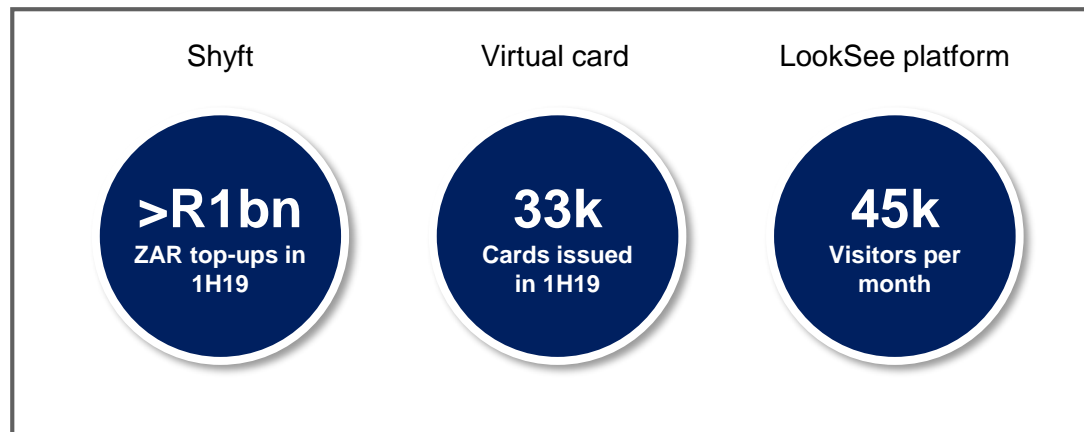
### ... ENABLED THROUGH EFFICIENT DIGITAL SOLUTIONS



### DELIVERING VALUE THROUGH INNOVATIVE PRODUCTS...



### ... AND LEADING PARTNERSHIPS & PLATFORMS



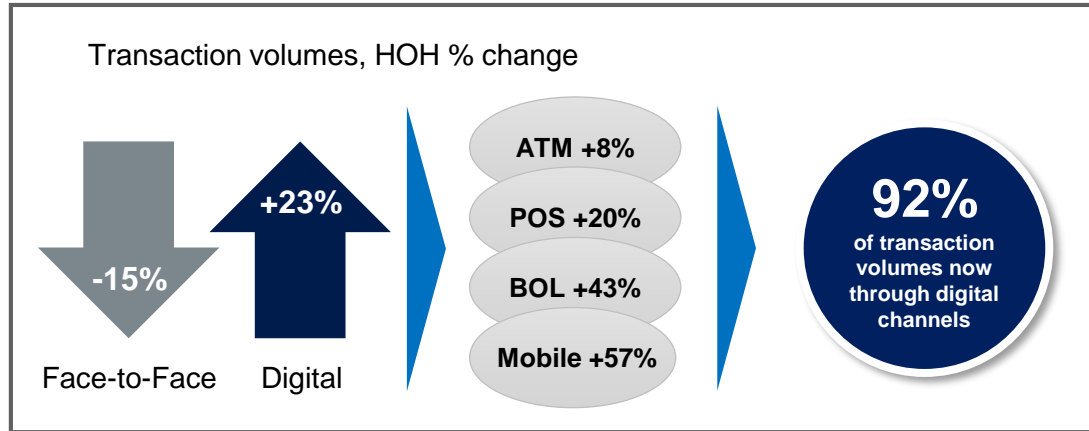


# CLIENT FOCUS IN AR – PERSONAL, BUSINESS & COMMERCIAL

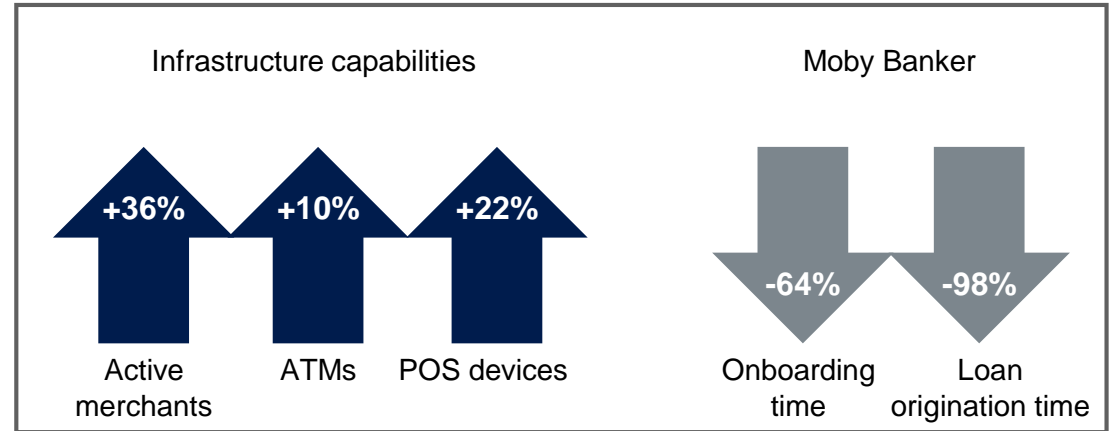
## FRANCHISE MOMENTUM ACCELERATING – UNDERPINNED BY DIGITAL SOLUTIONS



### GROWING CUSTOMER VOLUMES...



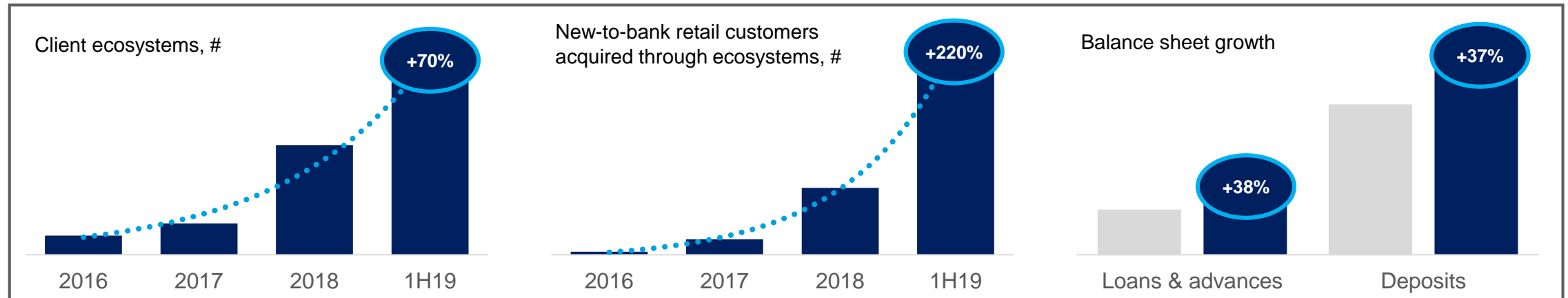
### ... SUPPORTED BY OUR EXPANDING CAPABILITIES



### PARTNERING OUR BUSINESS CLIENTS...

### BANKING THEIR ECOSYSTEMS...

### AND FACILITATING CHINA-AFRICA BANKING



# CLIENT FOCUS – CORPORATE

## LEVERAGING OUR FRANCHISE AND CAPABILITIES TO CONNECT CLIENTS



- Supporting large domestic and multi-national corporate (MNC) clients with expansionary funding
- Partnering in the development of Oil & Gas opportunities
- Tailoring investment instruments to support insurers and asset managers
- Raising hard currency funding for African governments
- Leveraging our scale and expertise to provide FX liquidity and risk management solutions
- Promoting and facilitating Intra-Africa and Sino-Africa trade flows
- Linking local and international investors with corporates and governments
- Improving client experience through continued digitisation of channels and processes



Republic of Ghana

2019  
USD 500m  
Bridge to Eurobond

Joint Mandated Lead Arranger,  
Underwriter and Lender



prudent  
energy  
& Services Limited

Prudent Energy Services  
Limited

2019  
USD 177 million  
Acquisition of 74.02% of the shareholding in  
Forte Oil PLC

Financial Adviser, Mandated Lead  
Arranger and Lender



Legae Peresec

2019  
Domestic Custody &  
Derivatives Clearing

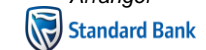
Standard Bank appointed for  
derivatives clearing across the  
client's portfolio



Globeleq South Africa  
Holdings (Pty) Ltd

2019  
ZAR 1.8bn  
Bridge Loan and  
Pref Share Structure

Sole Mandated Underwriter and  
Arranger

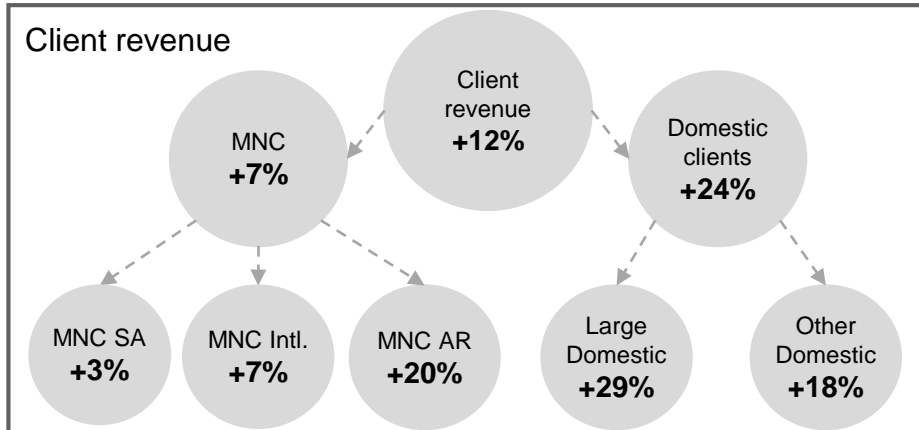


# CLIENT FOCUS – CORPORATE

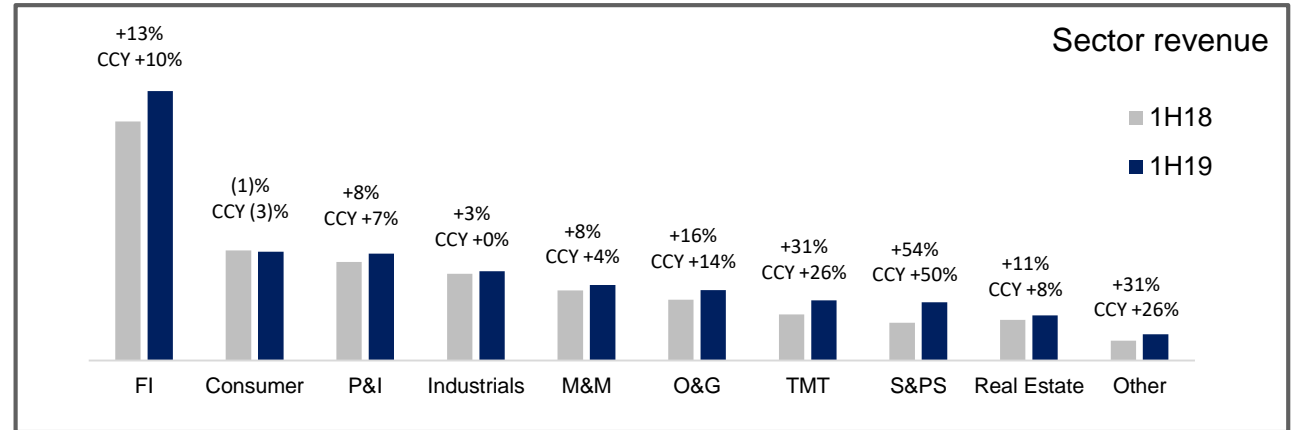
STRONG CLIENT REVENUE GROWTH, DRIVEN BY DOMESTIC CORPORATES



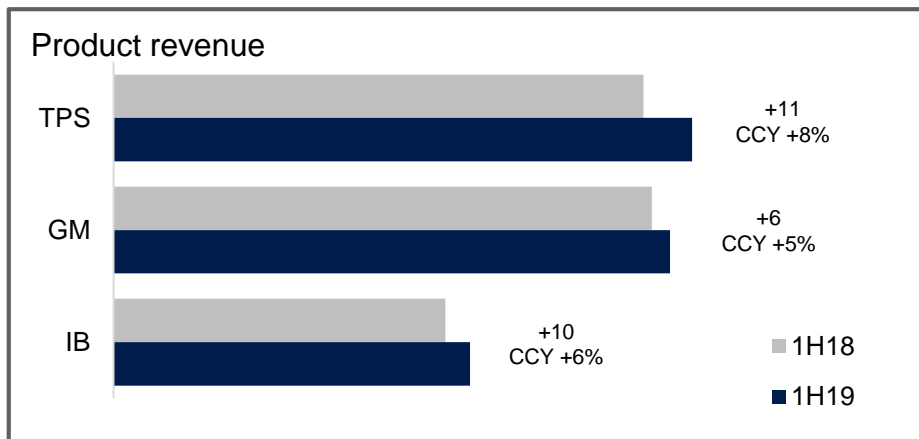
## DIVERSIFIED CLIENT BASE...



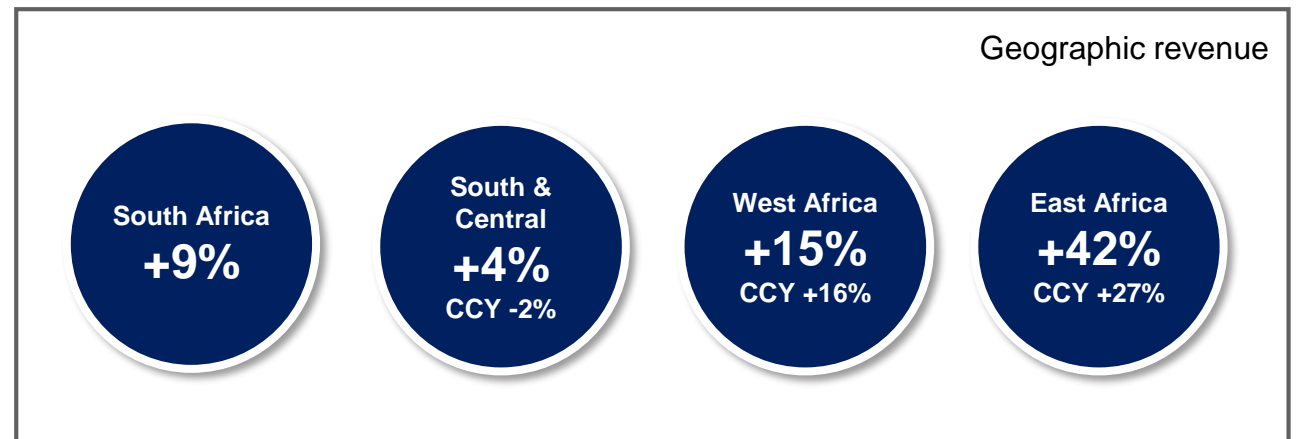
## ... OPERATING ACROSS MULTIPLE SECTORS...



## ... AND PRODUCTS...



## ... DRIVING INCREASED REVENUE ACROSS OUR REGIONS





# CLIENT FOCUS – WEALTH CLIENTS

## DELIVERING A “BEFORE THE SUN SETS” SERVICE

- Leader in wealth management on the continent
- Strong growth in our international clients’ assets
- Building a future-ready insurance business
- Balancing digital platforms with personalised client relationships
- Melville Douglas delivering 1st and 2nd quartile investment performance and continued growth in AUM in Nigeria
- Group collaboration to ensure end-to-end client solutions

### WEALTH STRATEGY



### WEALTH DIGITAL INITIATIVES & AWARDS

**MY 360 APP**

Aggregation tool that provides clients with a 360-degree daily view of their net wealth across financial institutions and across geographies

**SHORT TERM INSURANCE APP**

Makes car, home content and structural insurance available through a smartphone app and telematics functionality enables discounted premiums

Africa's **Best Bank for Wealth Management** (2016, 2017, 2018 and 2019)

Melville Douglas awarded **Best Global Equity Fund** in SA

**GLOBAL WEALTH & SOCIETY**

The **Best Private Bank** in Wealth and Society – Stanbic IBTC Asset Management Limited

The **Best Asset/Fund Management Company** in Wealth and Society - Stanbic IBTC Pension Managers Limited

**Top Overall Analysts Award** for the last 4 years



# EMPLOYEE ENGAGEMENT





# EMPLOYEE ENGAGEMENT

## SHAPING A FUTURE-READY WORKFORCE

- Creating a great place to work
- Equipping our workforce to meet changing customer expectations
- Building skills mastery and driving a culture to encourage continuous learning and growth
- Enabling bold and inspirational leaders
- Focusing on succession planning and diversity
- A reference site for nWOW and Agile



### HIGH ENGAGEMENT LEVELS

eNPS score (I would recommend Standard Bank as a good place to work) increased from **+14** to **+23\***

**96%** of respondents are willing to go the extra mile



**94%** understand their contribution to our purpose

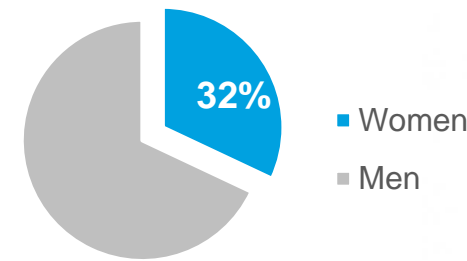


**90%** are proud to be associated with Standard Bank



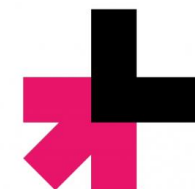
\* Results from 2018 survey

### WOMEN IN EXECUTIVE POSITIONS\*\*



\*\* As at 30 June 2019

### DRIVING GENDER EQUALITY



**HeForShe**  
UN Women Solidarity Movement  
for Gender Equality

*African thematic champion*



# RISK AND CONDUCT

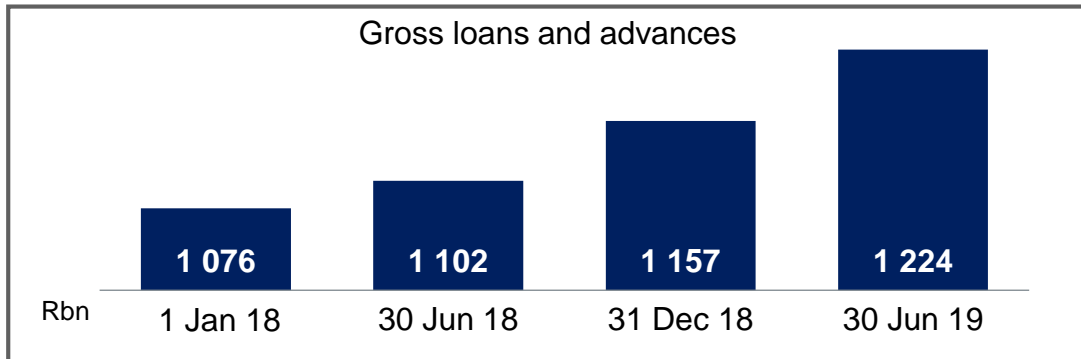


# RISK - CREDIT

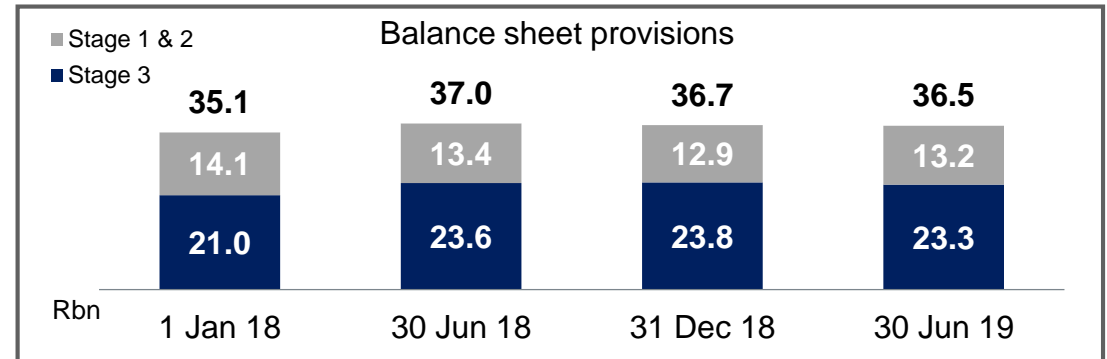
## PROVISIONS LARGELY FLAT DESPITE BALANCE SHEET GROWTH



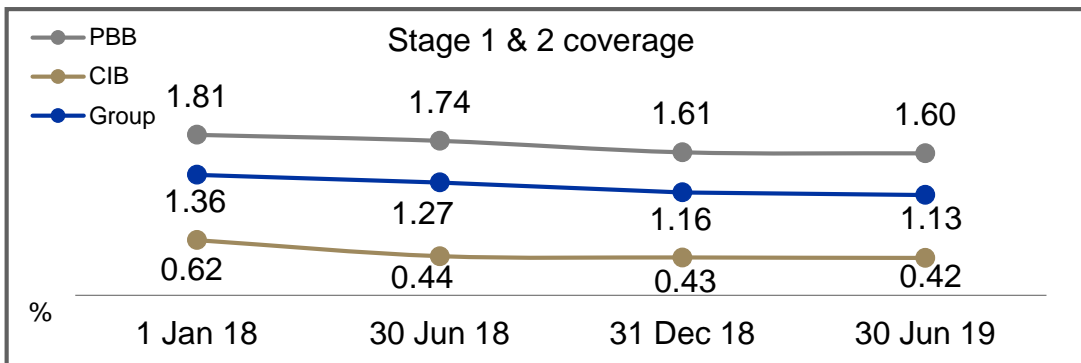
### GROWING BALANCE SHEET...



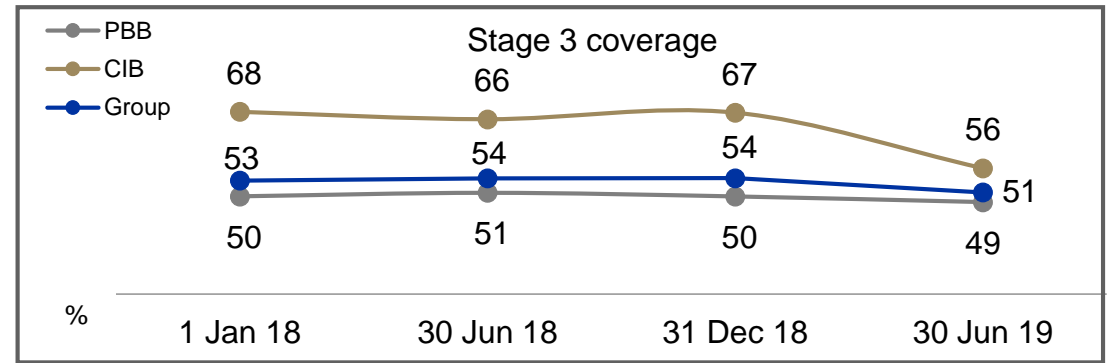
### ... WHILE PROVISION LEVELS REMAIN ROBUST



### STAGE 1 & 2 COVERAGE RATIO UNCHANGED...



### ... WHILE STAGE 3 DECLINED DRIVEN BY CIB





# RISK - CAPITAL

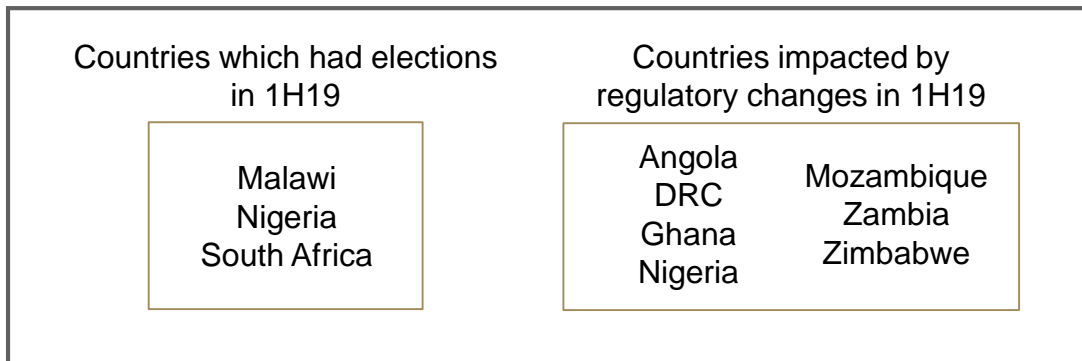
## LEVERAGING OUR RESOURCES TO SUPPORT OUR AFRICAN-FOCUSED STRATEGY



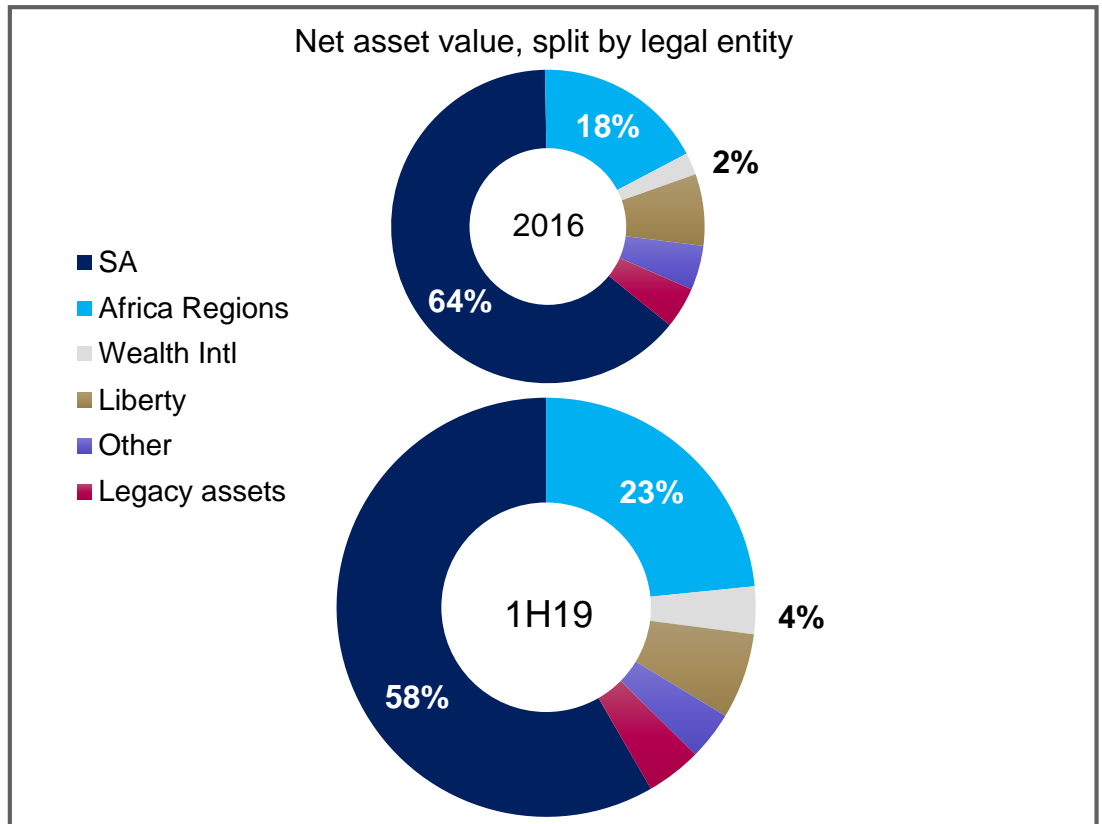
### ROBUST BASEL III - COMPLIANT CAPITAL POSITION...



### ... AND PROVIDING RESILIENCE TO MANAGE HEADWINDS



### ... SUPPORTING CONTINUED INVESTMENT IN AFRICA REGIONS



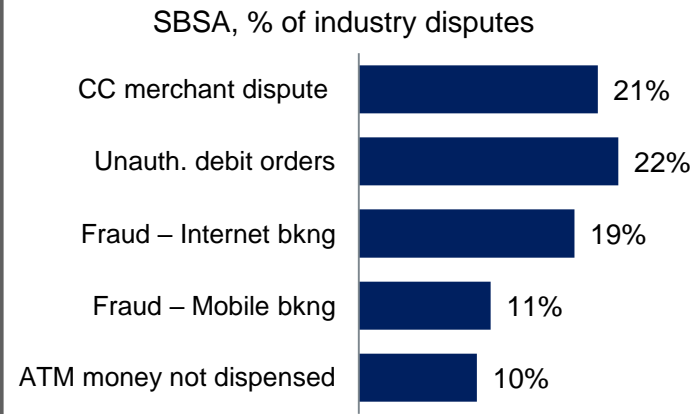
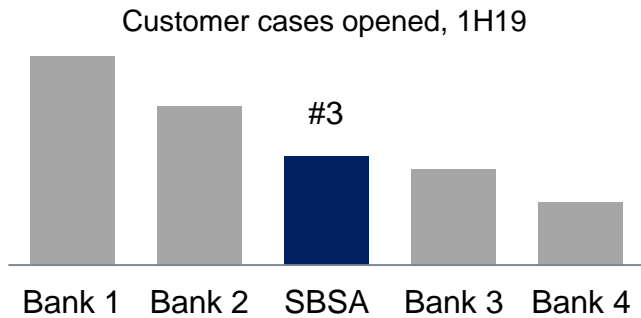
# CONDUCT

## DOING THE RIGHT BUSINESS, THE RIGHT WAY



- Behaviours underpinned by group culture, values and ethics
- Protect our reputation and the trust our clients place in us
- Deliver fair client outcomes
- Effective, well embedded three lines of defence model
- Manage and monitor behaviour

### TREATING CUSTOMERS FAIRLY



### MANAGING CONDUCT AND OPERATIONAL RISK

**ALWAYS ON**  
IT incidents\*



**ALWAYS SECURE**  
Operational risk losses



**ALWAYS AWARE**  
Compliance conduct training\*\*



\* Level 1 & 2 incidents in Africa Regions  
\*\* % completion rate



# FINANCIAL OUTCOME



# INCOME STATEMENT

## OPERATING LEVERAGE DRIVING STRONG PRE-PROVISION PROFIT GROWTH



- Strong loan growth supported NII
- Margin well managed
- Costs well contained, delivering positive jaws of 109 bps
- Credit impairment charges increased off a low base in 1H18

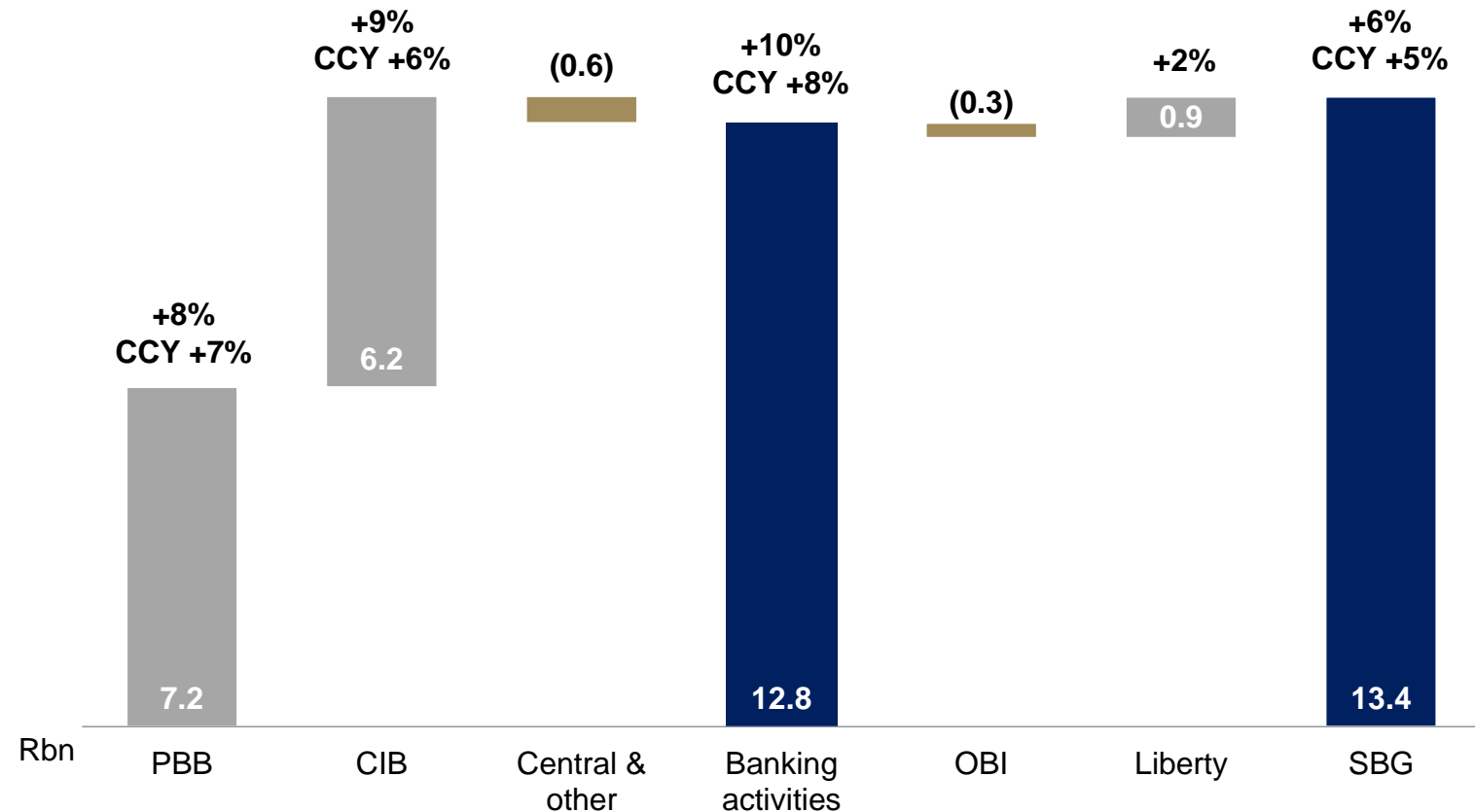
	change CCY %	change %	1H19 Rbn	1H18 Rbn
Net interest income	8	9	31.3	28.7
Non-interest revenue	3	4	23.0	22.0
<b>Total income</b>	<b>6</b>	<b>7</b>	<b>54.3</b>	<b>50.7</b>
Operating expenses	4	6	(30.9)	(29.2)
<b>Pre-provision profit</b>	<b>8</b>	<b>9</b>	<b>23.4</b>	<b>21.5</b>
Credit impairment charges	22	20	(4.2)	(3.5)
<b>Banking activities headline earnings</b>	<b>8</b>	<b>10</b>	<b>12.8</b>	<b>11.7</b>
<b>SBG headline earnings</b>	<b>5</b>	<b>6</b>	<b>13.4</b>	<b>12.7</b>
Net interest margin, bps			440	443
Credit loss ratio, bps			76	62
Cost-to-income ratio, %			57.0	57.6



# SEGMENTAL HEADLINE EARNINGS

## BANKING OPERATIONS SIZABLE AND DELIVERING

- Banking activities contributed ~95% of group headline earnings
- PBB and CIB continue to deliver good headline earnings growth
- Central costs well managed
- Other banking interests small but a drag
- Liberty's earnings attributable to the group dampened by treasury share adjustment



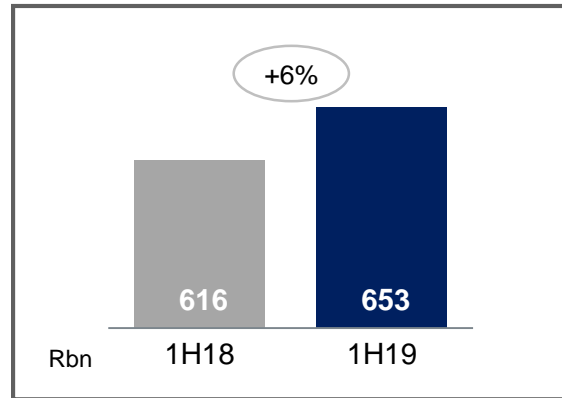
# PERSONAL AND BUSINESS BANKING

## GROWTH UNDERPINNED BY OPERATIONS OUTSIDE OF SA

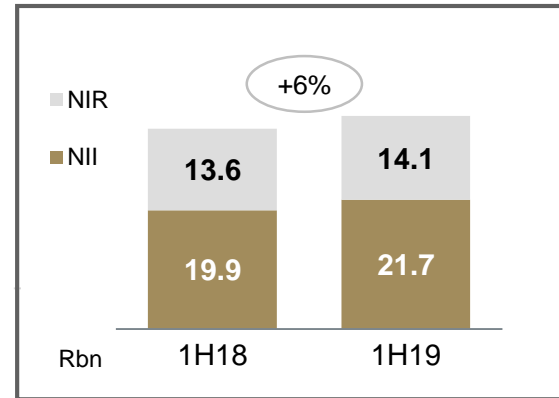


- Loan growth and margin expansion supported NII
- Credit well managed
- Positive jaws, despite branch reconfiguration costs
- Africa Regions and Wealth International delivered strong results

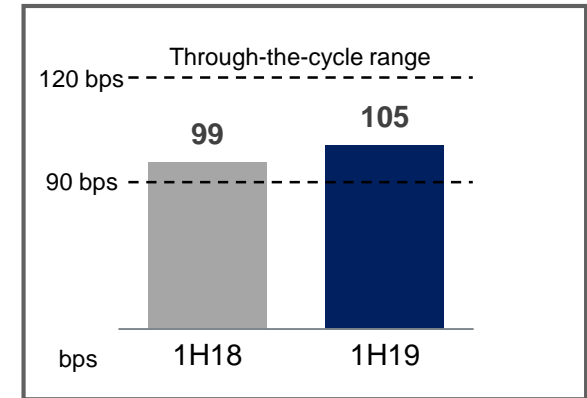
### LOANS AND ADVANCES TO CUSTOMERS, AVERAGE



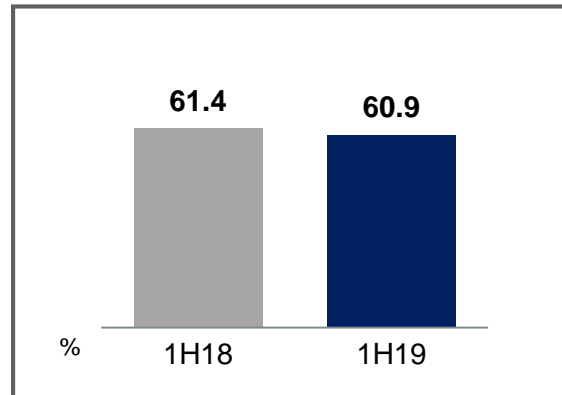
### TOTAL INCOME



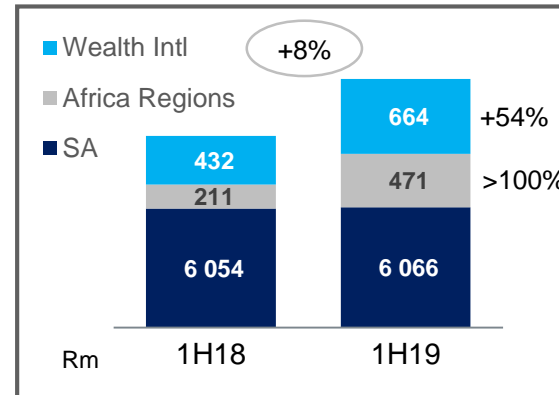
### CREDIT LOSS RATIO



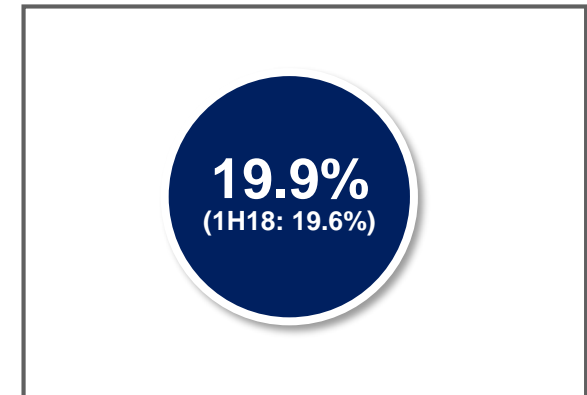
### COST-TO-INCOME RATIO



### HEADLINE EARNINGS



### RETURN ON EQUITY



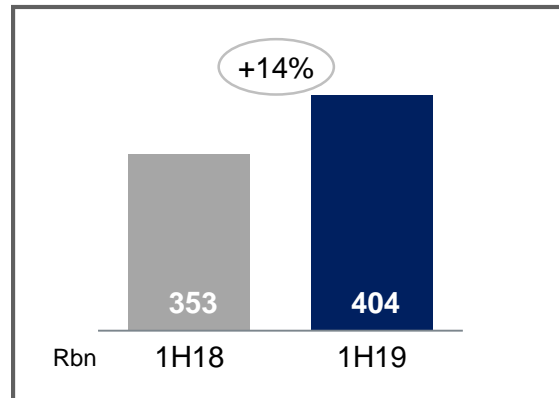
# CORPORATE AND INVESTMENT BANKING

## STRONG BALANCE SHEET GROWTH AND OPERATING LEVERAGE

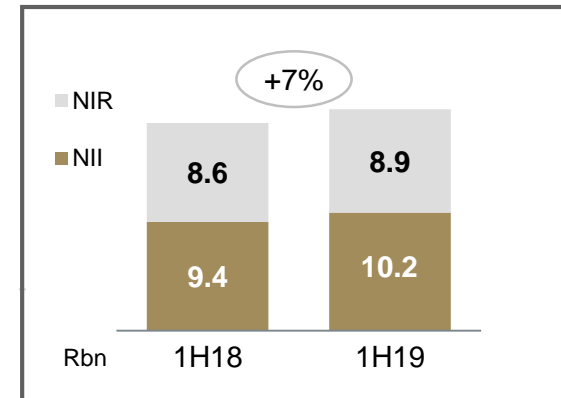


- Strong loan growth
- NII diluted by margin compression in SA
- Credit loss ratio increase driven by stage 1 and 2 charges
- Effective cost management
- Positive jaws of 156 bps
- Robust headline earnings growth
- ROE diluted by increased capital utilisation

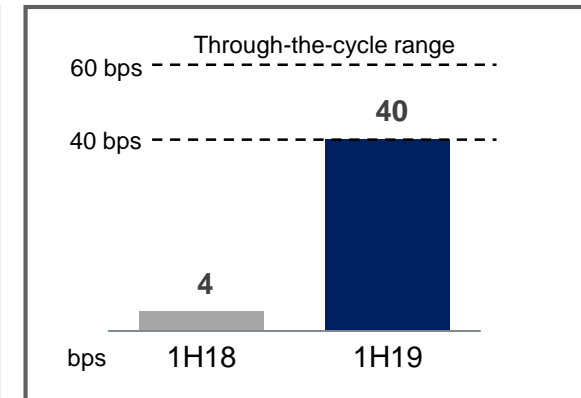
**LOANS AND ADVANCES TO CUSTOMERS, AVERAGE**



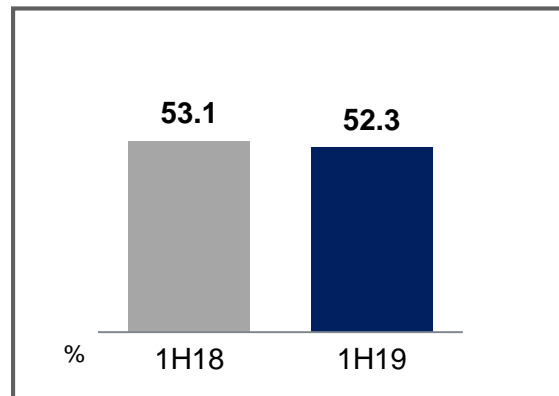
**TOTAL INCOME**



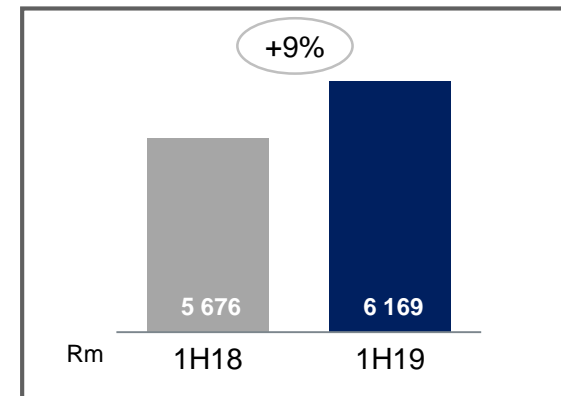
**CREDIT LOSS RATIO TO CUSTOMERS**



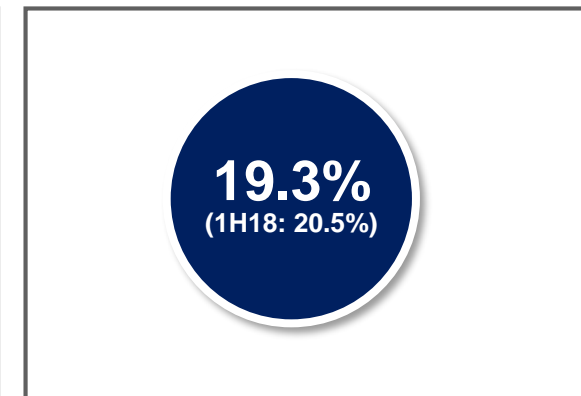
**COST-TO-INCOME RATIO**



**HEADLINE EARNINGS**



**RETURN ON EQUITY**



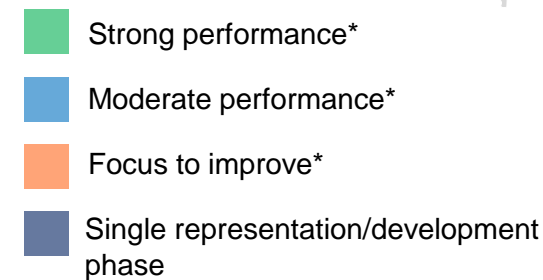


# REGIONAL PERFORMANCE

## SUPPORTED BY STRONG RECOVERY IN THE EAST REGION

Headline earnings	change CCY %	change %	1H19 Rbn	1H18 Rbn
<b>SBSA</b>	3	3	7.4	7.2
<b>Africa Regions</b>	11	15	4.3	3.8
East	36	60	0.9	0.5
South & Central	1	2	1.8	1.8
West	13	14	1.6	1.4

ROE	1H19 %	1H18 %
<b>SBSA</b>	15.2	15.2
<b>Africa Regions</b>	22.3	25.4
East	20.2	18.8
South & Central	21.7	24.7
West	24.5	30.8



\* Determined based on various inputs, including growth, resilience and returns

In 2018, the group increased its stake in Stanbic Holdings Plc (Kenya) from 60% to 69% and in Stanbic IBTC Plc (Nigeria) from 53% to 65%





- Normalised operating earnings improved
- LibFin SIP supported by better market conditions
- New business margin improved
- Return metrics entered their respective target bands
- Capital levels remained robust
- Headline earnings attributable to SBG negatively impacted by treasury share adjustment

	change %	1H19 Rm	1H18 Rm
South African Insurance Operations	7	1 012	950
STANLIB South Africa	19	209	175
Africa regions	>100	31	8
Other	(8)	(161)	(175)
<b>Normalised operating earnings</b>	<b>14</b>	<b>1 091</b>	<b>958</b>
LibFin investments - SIP	>100	922	374
<b>Normalised headline earnings</b>	<b>51</b>	<b>2 013</b>	<b>1 332</b>
IFRS adjustments	(>100)	(17)	189
<b>IFRS headline earnings</b>	<b>31</b>	<b>1 996</b>	<b>1 521</b>
SBG share of IFRS headline earnings	33	1 123	845
Treasury share adjustment	(>100)	(248)	12
<b>Headline earnings attributable to SBG</b>	<b>2</b>	<b>875</b>	<b>857</b>

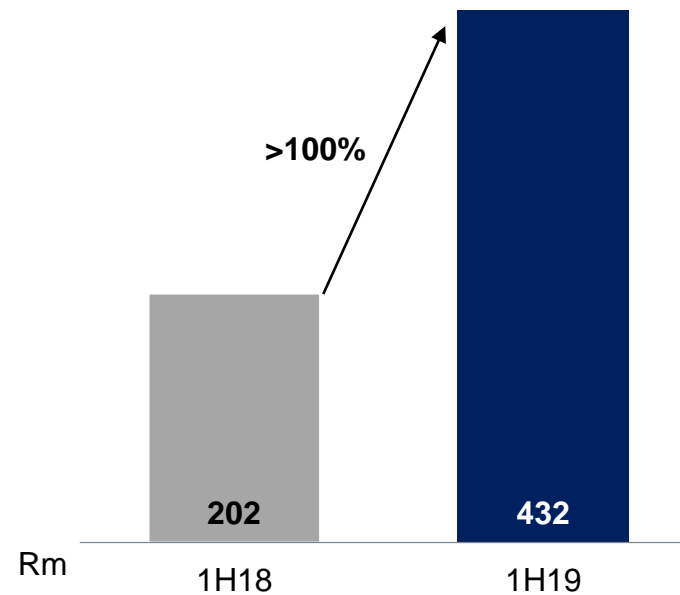
# OTHER BANKING INTERESTS

## MINORITY STAKES - OFF STRATEGY

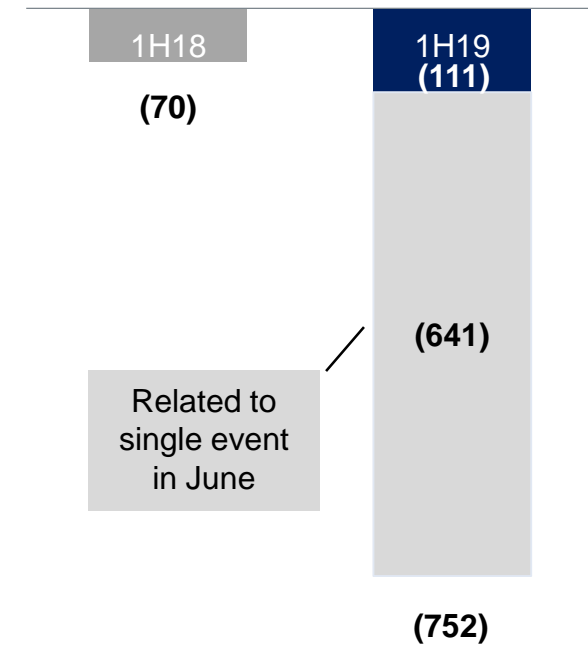


- ICBC Argentina performed well, driven by margins and boosted by a profit on sale of an investment
- ICBCS delivered a disappointing result
  - Operational performance impacted by difficult markets
  - Single-client event which resulted in a USD110m provision

### ICBC ARGENTINA (20% STAKE)



### ICBC STANDARD BANK PLC (40% STAKE)

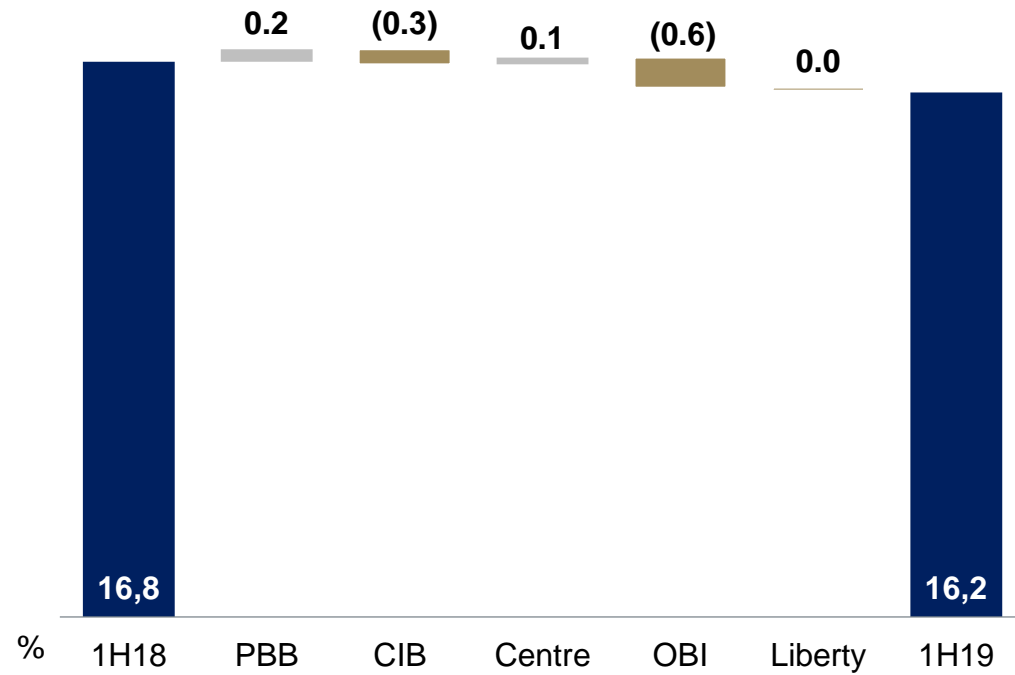


# RETURN ON EQUITY

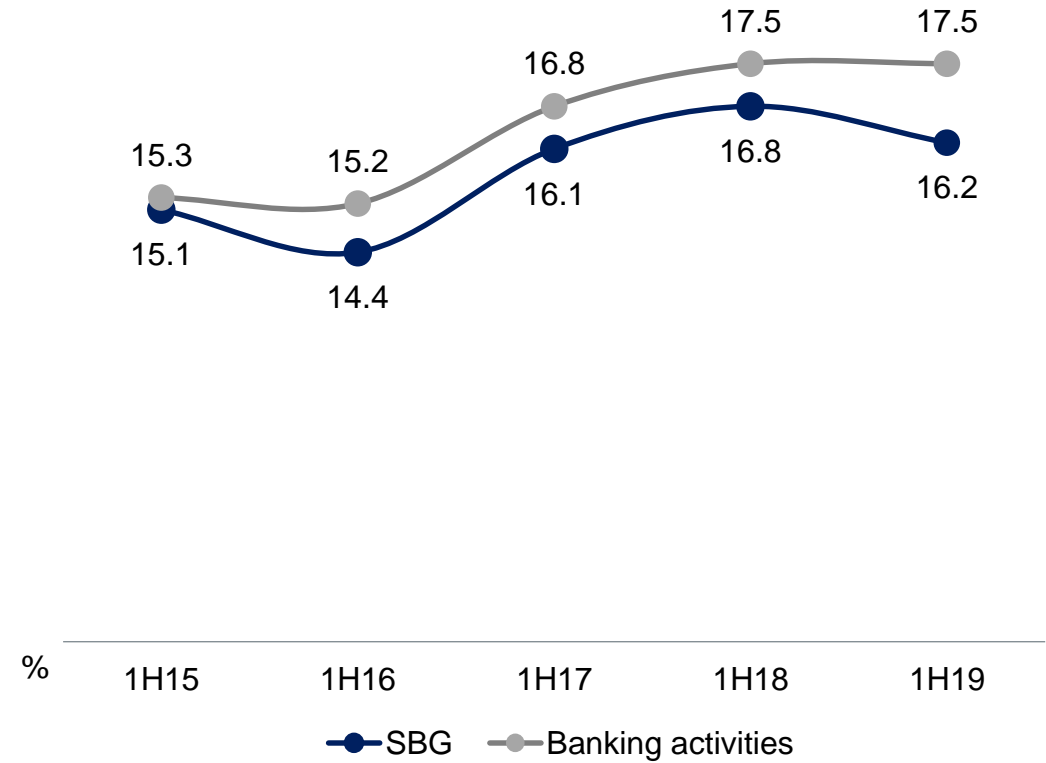
## ICBCS PERFORMANCE A DRAG ON ROE



MOVEMENT IN ROE



ROE

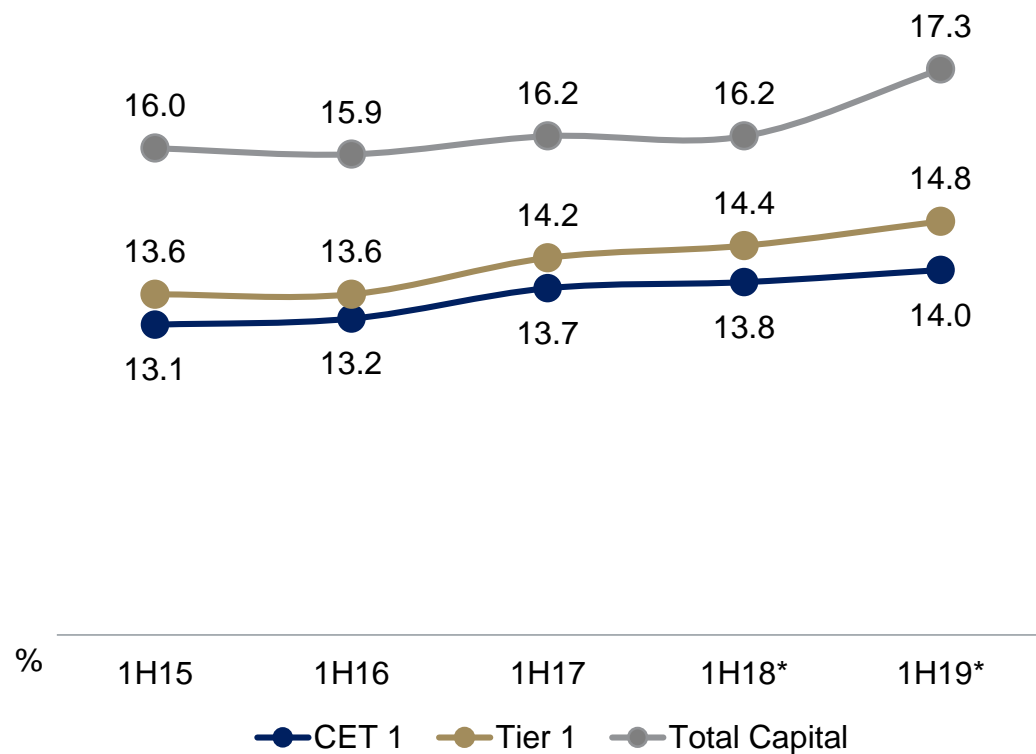


# CAPITAL AND DIVIDENDS

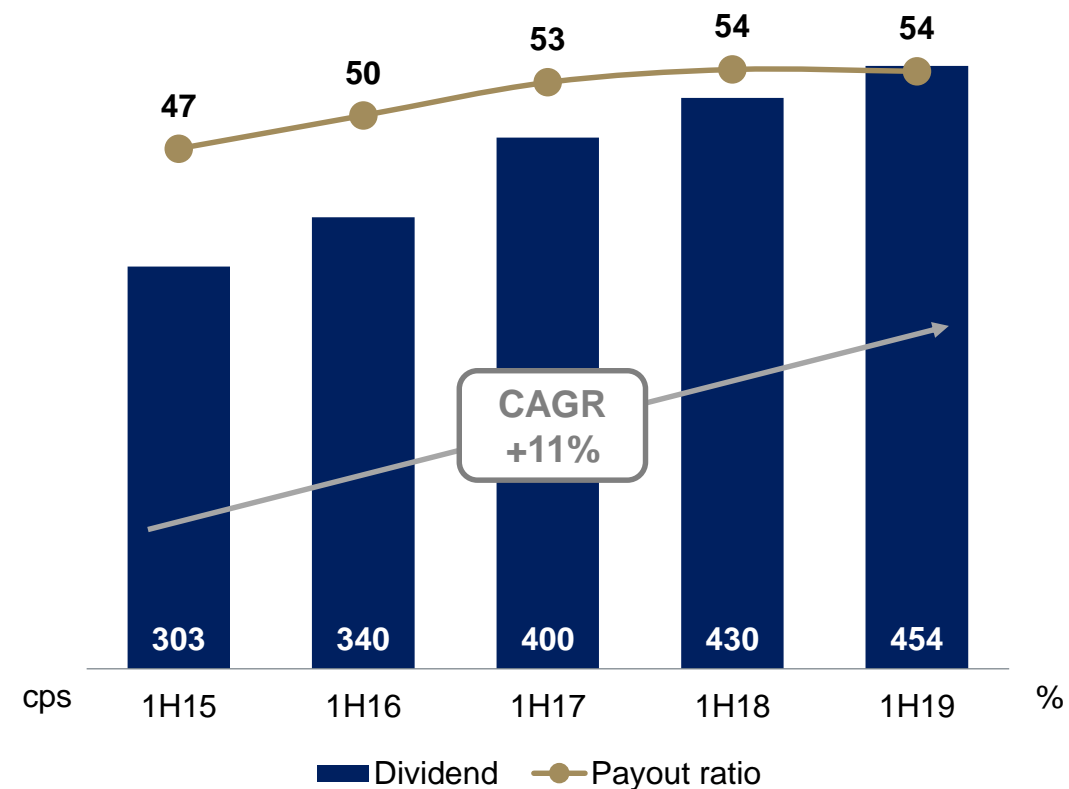
## ROBUST CAPITAL LEVELS SUPPORTED DIVIDEND



### CAPITAL RATIOS



### DIVIDENDS +6%



\* 1H18 and 1H19 capital adequacy ratios based on the SARB IFRS 9 phased-in approach

# MEASURING OUR FINANCIAL PROGRESS

## ON TRACK TO DELIVER ON COMMITMENTS



		MEDIUM TERM TARGETS	1H19	1H18
<b>GROWTH</b>	Group HE growth	Sustainable growth	<b>+6%</b>	+5%
	Cost-to-income ratio	Approaching 50%	<b>57.0%</b>	57.6%
	Credit loss ratio*	70 - 100 bps	<b>76 bps</b>	62 bps
	Africa Regions contribution**	>30%	<b>34%</b>	32%
<b>RESILIENCE</b>	LCR and NSFR	>100%	<b>&gt;100%</b>	>100%
	CET 1 ratio***	11.0 - 12.5%	<b>14.0%</b>	13.8%
<b>RETURNS</b>	ROE	18.0 - 20.0%	<b>16.2%</b>	16.8%
	Dividend	Sustainable growth	<b>+6%</b>	+8%

\* Revised through-the-cycle credit loss ratio range of 70 – 100 bps

\*\* Contribution to banking headline earnings

\*\*\* Capital adequacy ratios based on the SARB IFRS 9 phased-in approach



# SEE IMPACT





# SEE – UNDERPINNED BY OUR PURPOSE

## DELIVERING SHARED VALUE WILL ENSURE OUR LONG TERM SUSTAINABILITY

### OUR SEE IMPACT AREAS\* ...

 <b>FINANCIAL INCLUSION</b>	 <b>JOB CREATION &amp; ENTERPRISE DEVELOPMENT</b>
 <b>INFRASTRUCTURE</b>	 <b>AFRICA TRADE &amp; INVESTMENT</b>
 <b>EDUCATION &amp; SKILLS DEVELOPMENT</b>	 <b>CLIMATE CHANGE &amp; ENVIRONMENTAL SUSTAINABILITY</b>
 <b>HEALTH</b>	

### ... RELEVANT SDG'S\*\* ...

 <b>4 QUALITY EDUCATION</b>	 <b>7 AFFORDABLE AND CLEAN ENERGY</b>
 <b>8 DECENT WORK AND ECONOMIC GROWTH</b>	 <b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>
 <b>13 CLIMATE ACTION</b>	 <b>3 GOOD HEALTH AND WELL-BEING</b>

### ... AND INDICES

<p><b>MEMBER SUSTAINABILITY INDICES</b></p>  <p>We make it easier to invest in companies that invest in the future.</p> <p>JSE THE FTSE/JSE RESPONSIBLE INVESTMENT INDEX SERIES</p>
<p><b>MSCI</b> </p> <p><i>Emerging Markets ESG Index</i></p>
<p><b>ESG RATINGS</b></p> <p><b>MSCI</b> </p> <p>ESG RATING <b>AA</b></p> <p>LAST UPDATE: June 29, 2018</p>

\* SEE impact areas have been refined since our year-end reporting

\*\* Sustainable Development Goals



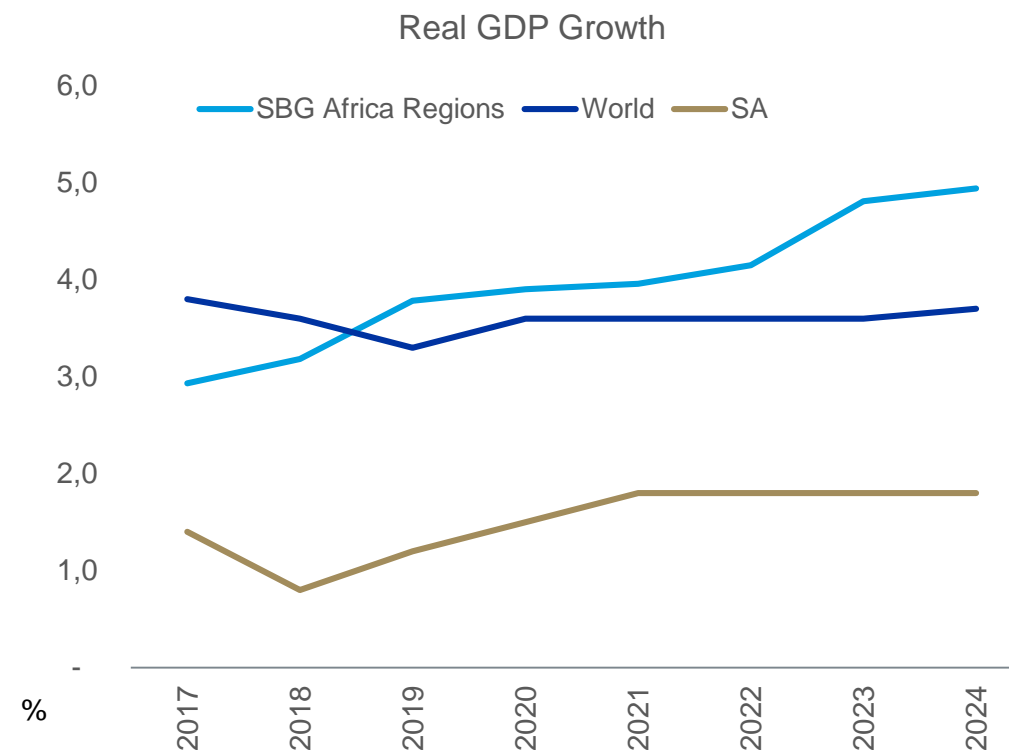
# PROGRESS & OUTLOOK





- Flagging global growth and the US-China trade war remain key risks
- Sub-Saharan Africa is expected to sustain its recovery
  - East Africa should continue to see robust growth
  - West Africa is expected to experience a sustained pick up, driven by a recovery in Angola and Nigeria and continued strong growth in Ghana
- South Africa
  - Fiscal metrics have deteriorated
  - Business and consumer confidence, consumption and investment are likely to remain subdued in 2019
  - 2019 outlook poor; some recovery in second half
  - Better medium-term prospects on reform trajectory

## GROWTH OUTCOMES AND FORECASTS TO 2024



Source: EIU & IMF; SBG Africa Regions represents GDP growth outlook for countries in which Standard Bank operates weighted by capital allocated as at 30 June 2019

# PROGRESS

## ON TRACK TO DELIVER ON 2019 PRIORITIES



- Continue to make progress against our medium-term financial targets
- Continue to reduce cost growth and increase efficiency; permanently reshape the group's cost structure
- Continue to accelerate digitisation to meet our clients' needs and enhance competitiveness and efficiency; reconfigure our distribution capabilities
- Continue to improve client experience
- Pursue growth opportunities, including
  - PBB: VAF, client journeys, ecosystems
  - CIB: good AR opportunities, SA gradual recovery
- Continue to support Liberty's recovery and expand our relationship
- Find lasting solutions for Other Banking Interests



# ACHIEVING OUR VISION

TO BE THE LEADING FINANCIAL SERVICES ORGANISATION IN, FOR AND ACROSS AFRICA, DELIVERING EXCEPTIONAL CLIENT EXPERIENCES AND SUPERIOR VALUE

- Growing competitiveness in CIB, PBB, Wealth and Liberty
  - Delivering consistently excellent, secure and stable service
  - Delivering complete solutions to meet our clients' needs
- Digitisation
  - New partnerships
  - New products and services
- Growing in Africa



# LIVING OUR PURPOSE

AFRICA IS OUR HOME, WE DRIVE HER GROWTH



- Our business is sustainable economic development
  - We are here for our fellow Africans and for the generations of Africans to come
- Seven impact areas for delivering SEE
- SEE will remain integrated into our businesses and measured by our SEE value driver
- Inclusion in sustainability indices

## OUR SEE IMPACT AREAS



## INDICES



# WHERE WE ARE HEADED



## DIGITAL STANDARD BANK GROUP

- Serving clients predominantly online
- Processing in the cloud
- Right mix of skills and attitudes
- Embracing open innovation
- Underpinned by data and insights

## HUMAN STANDARD BANK GROUP

- Providing the services, solutions and opportunities that our clients and employees need to achieve prosperity and fulfilment

FINANCIAL TARGETS FULLY MET

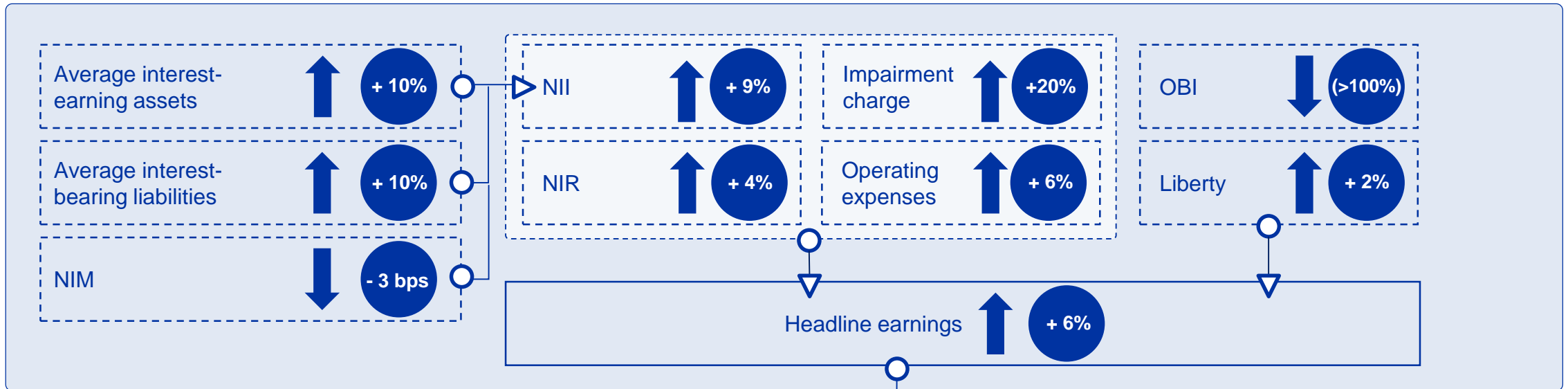


# APPENDIX I: DRIVERS OF PERFORMANCE

# DRIVING SHAREHOLDER VALUE



## GROWTH



## RESILIENCE



## RETURNS

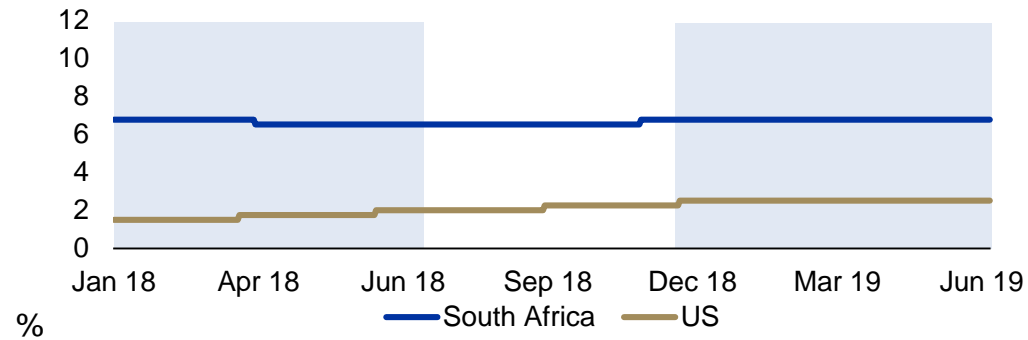




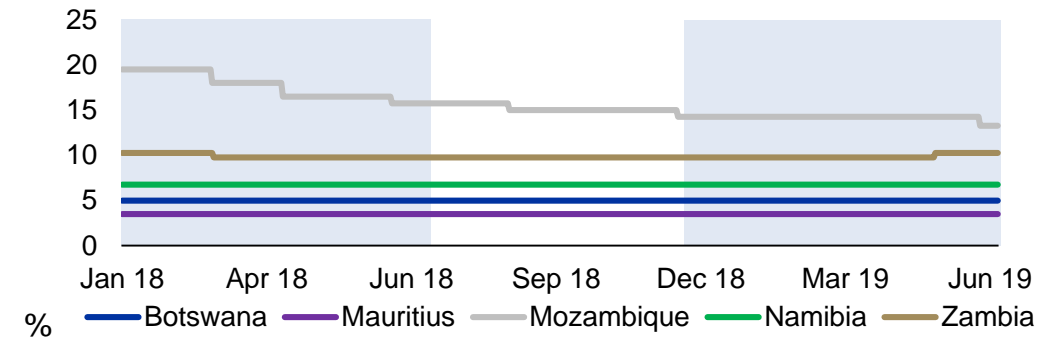
# INTEREST RATES

AVERAGE RATES FLAT IN SA BUT TRENDED DOWN IN AFRICA REGIONS

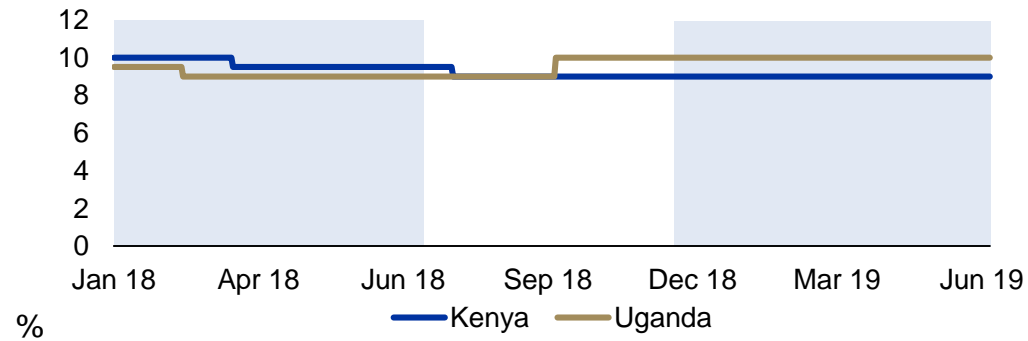
## SOUTH AFRICA AND INTERNATIONAL



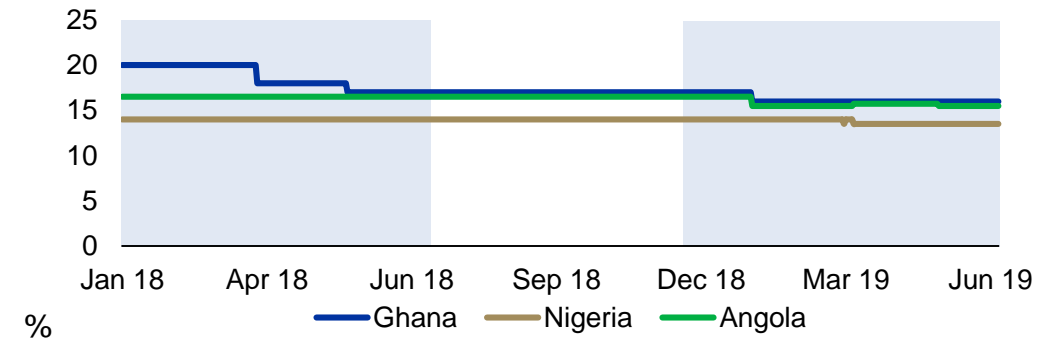
## SOUTH AND CENTRAL



## EAST AFRICA



## WEST AFRICA



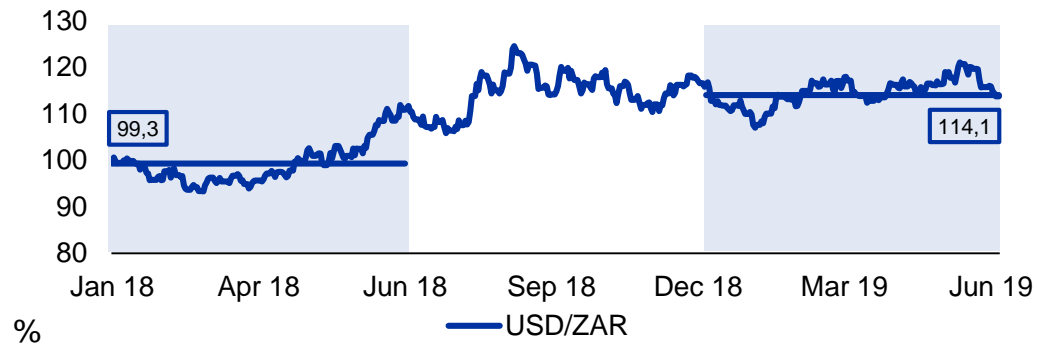


# FOREX RATES

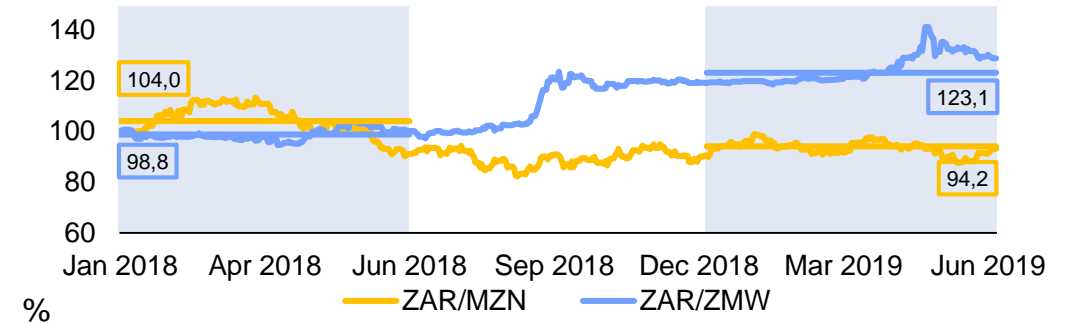
ZAR, AOA AND ZMW WERE WEAKER WHILE KES, UGX AND NGN WERE STRONGER



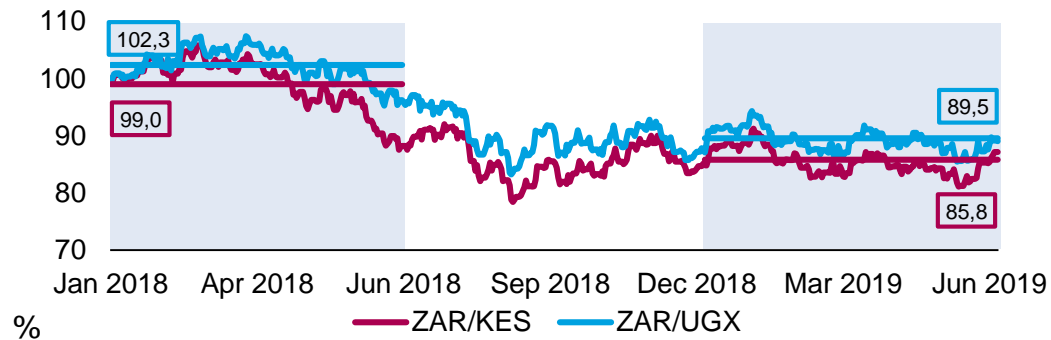
## SOUTH AFRICA



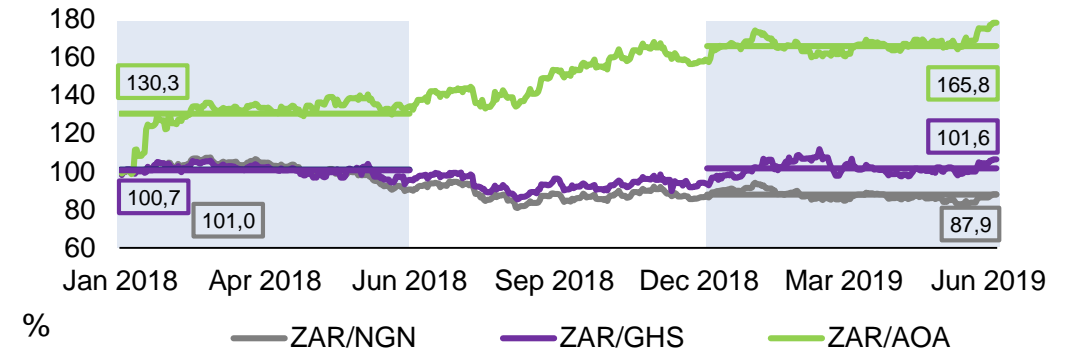
## SOUTH AND CENTRAL



## EAST AFRICA



## WEST AFRICA



Rates have been re-based to reflect movement since 1 January 2018, straight lines represent the average rebased rates for the respective six month periods

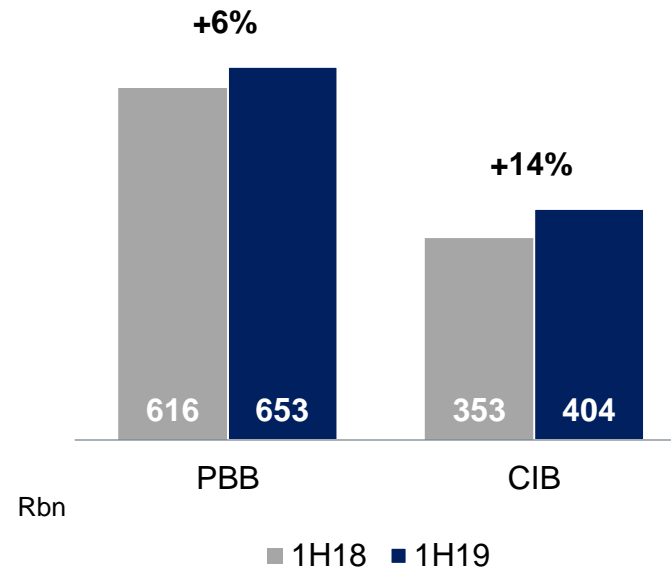
# BALANCE SHEET

## STRONG ASSET AND DEPOSIT GROWTH

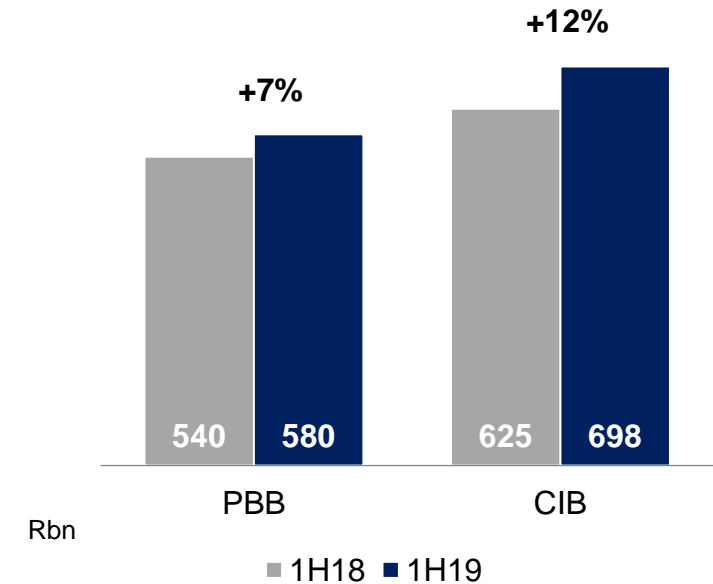


- PBB growth driven by
  - Unsecured lending outpacing secured lending
  - Africa Regions outpacing SA
- CIB growth underpinned by
  - SA clients expanding into Africa
  - Clients in East and West Africa

**AVERAGE GROSS LOANS TO CUSTOMERS BY BUSINESS UNIT\***



**AVERAGE DEPOSITS FROM CUSTOMERS BY BUSINESS UNIT**



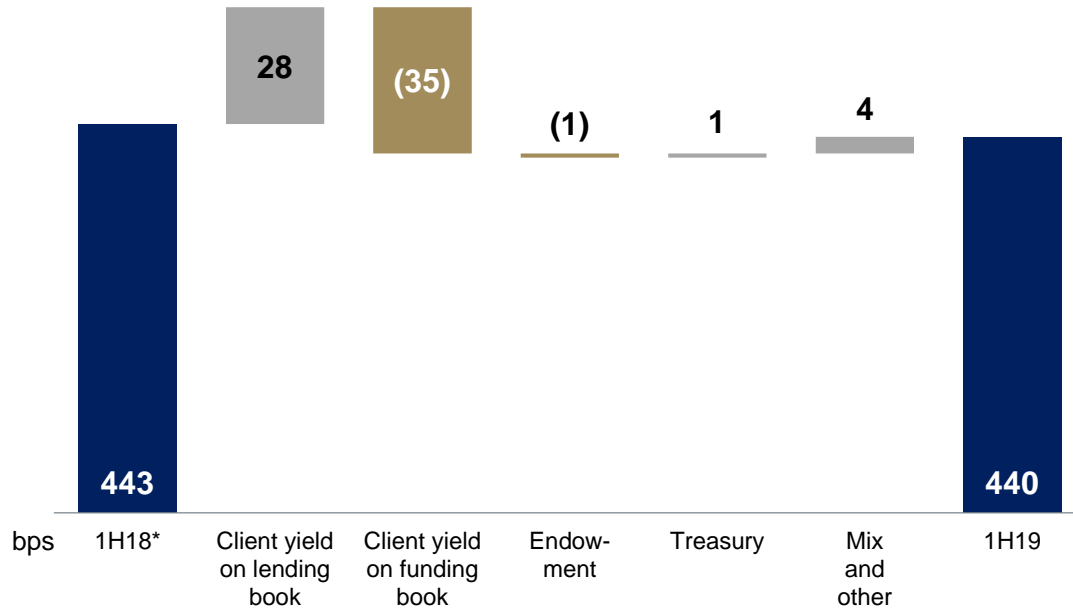
\* Average gross loans and advances by Business Unit exclude Centre

# NET INTEREST INCOME

## MARGIN EXPANSION FROM AFRICA REGIONS OFFSET BY SA PRICING



### NET INTEREST MARGIN -3 BPS



- NII growth was supported by strong loan and deposit growth across the portfolio
- NIM movement
  - Supported by stronger growth in higher margin unsecured lending, Africa Regions growing loans and advances faster than SA and effective margin management in our offshore operations
  - Negative impact of lower average rates in various Africa Regions countries, higher cash reserving costs in Nigeria and a competitive South African loan pricing environment

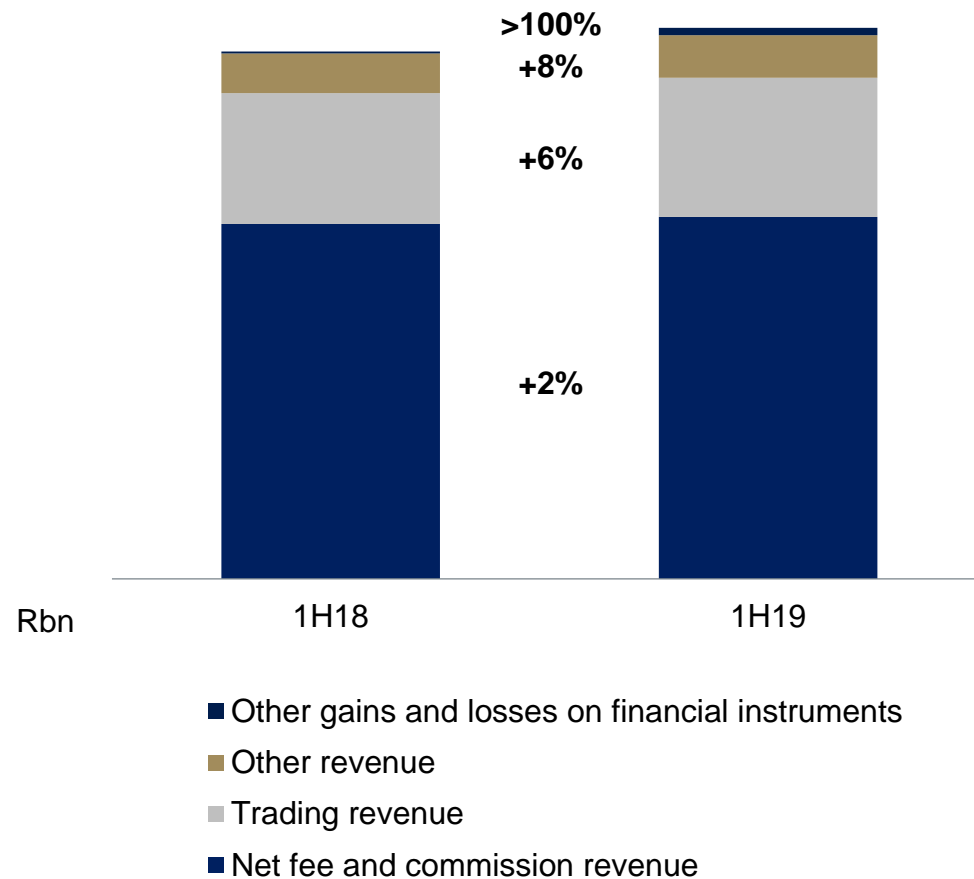
\* Restated by R470m relating to interest in suspense cures

# NON-INTEREST REVENUE

## GROWTH DRIVEN BY STRONG UNDERLYING VOLUMES



### NON-INTEREST REVENUE +4%



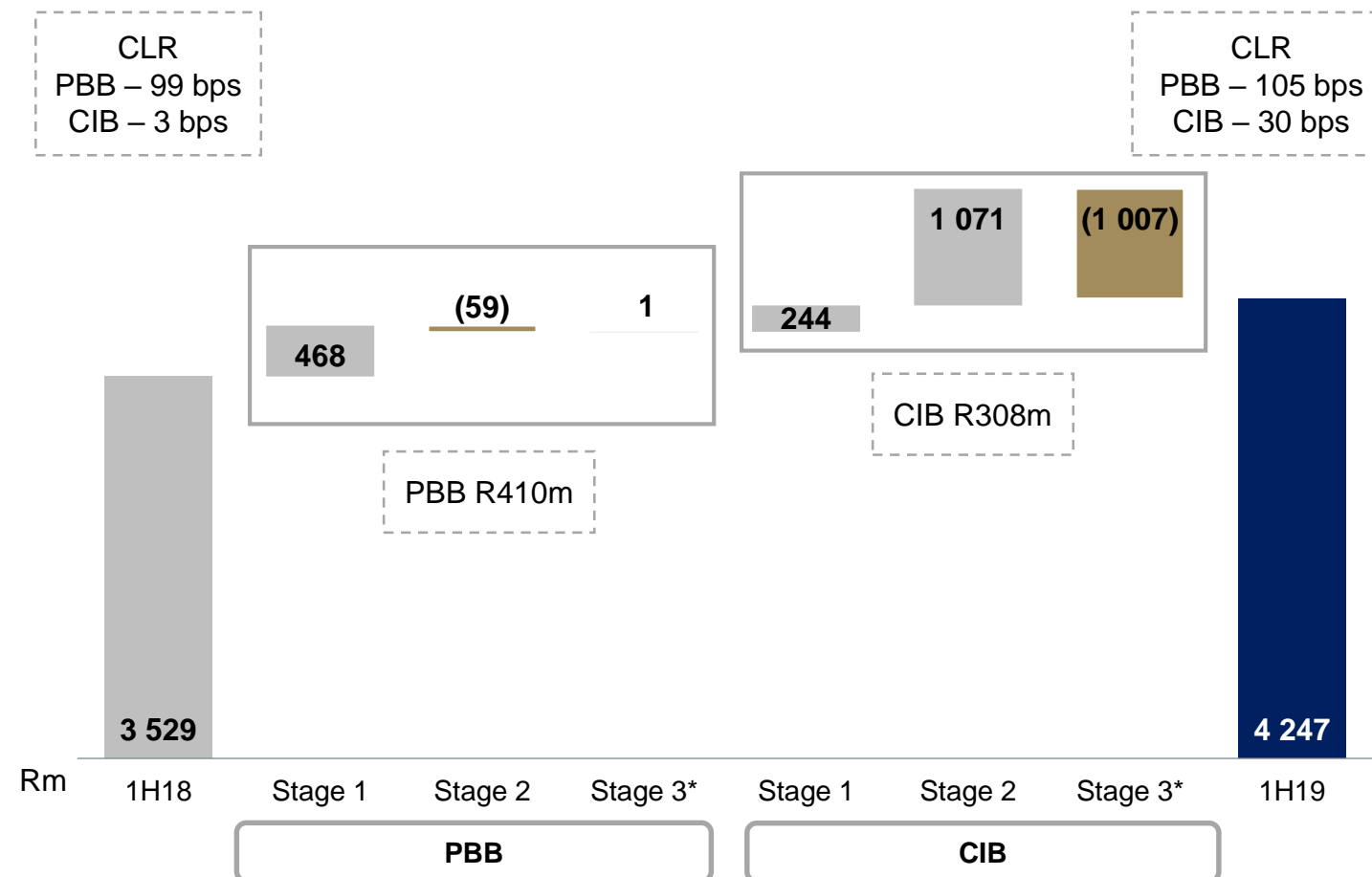
- Net fee and commission revenue
  - Supported by new loan originations and electronic banking, card and FX transactions
  - As clients continued to shift their transactional banking from traditional to digital platforms, growth in electronic banking fees continued to outpace account transaction fees
  - CIB balance sheet growth supported IB-related asset-based fees, whilst knowledge-based fee growth was muted
- Trading revenue
  - Growth remained subdued, particularly in SA, constrained by low levels of market activity



# CREDIT IMPAIRMENT CHARGES

## CIB CHARGES UP FROM LOW BASE IN 1H18

- PBB charges increased 12%
  - New disbursements drove stage 1 charges
  - Model improvements offset delayed legal processes
- CIB charges increased >100%
  - Growth in term lending contributed to higher stage 1 impairment charges
  - Increased stage 2 provisioning following deterioration of credit quality in South and East Africa
  - Stage 3 charges decreased due to lower defaults and post write off recoveries



\*Includes credit impairment charges related to off-balance sheet exposures

# OPERATING EXPENSES

## WELL CONTAINED ACROSS THE BUSINESS



	change CCY %	change %	1H19 Rbn
<b>Staff costs</b>	<b>3</b>	<b>5</b>	<b>17.4</b>
<b>Other operating expenses</b>	<b>6</b>	<b>8</b>	<b>13.5</b>
IT	11	12	3.5
Depreciation	85	87	2.3
Premises	(37)	(36)	1.2
Amortisation of intangibles	2	2	1.2
Marketing	(10)	(10)	0.9
Professional fees	5	7	0.9
Other	3	7	3.5
<b>Total operating expenses</b>	<b>4</b>	<b>6</b>	<b>30.9</b>

- Staff costs
  - Lower headcount due to natural attrition and branch reconfiguration
  - Staff costs well contained
- Other operating expenses
  - Increased IT spend due to increased software licences, consultants and IT infrastructure and lower capitalisation as capital programmes wind down
  - The adoption of IFRS 16 contributed to a higher depreciation charge and lower premises costs compared to the prior period



# APPENDIX II: PRODUCT INNOVATIONS AND PARTNERSHIPS

# APPENDIX II

## PBB SOUTH AFRICA INITIATIVES









	<p><b>MyMo</b> MyMo is a transactional account for R4.95 per month, that can be opened on our Banking App within minutes. Customers receive a gold card with data/airtime rewards (on Standard Bank Mobile) when they open the account and swipe their card. No documents are required to open the account, customers can simply scan their ID, take a selfie and get an account number immediately.</p>		<p><b>MVNO (Standard Bank Mobile)</b> MVNO allows customers to receive their monthly bank account fees back in airtime and/or data when swiping their bank card. This unique offering provides complete flexibility to choose a Data and Voice Plan.</p>
	<p><b>Online home loans</b> With Online home loans, customers are able to obtain an approved and guaranteed home loan. Customers will receive a guaranteed loan offer that allows them to shop with certainty for properties within the guaranteed loan amount.</p>		<p><b>Virtual card</b> Virtual card is a prepaid card that can be used to shop online. It allows for online payments and purchases without credit or debit card details, but provides the required security, control and simplicity.</p>
	<p><b>Bizflex</b> Bizflex is a convenient working capital loan, with flexible repayments based on a percentage of future revenue. It is a digitally-enabled solution that provides funds within 48 hours from application. Customers receive simple, personalised and transparent banking, with zero fees.</p>		<p><b>SimplyBlu</b> SimplyBlu is an all-in-one payment solution that allows businesses to build and manage an online business, all from a single secure platform. It's a "e-commerce in a box" solution.</p>
	<p><b>LookSee</b> LookSee is a free property guide which enables home buyers to fast-track their search for a new home.</p>		<p><b>Noknok partnership</b> This partnership allows for better authentication to secure customer transactions.</p>



# APPENDIX II

## PBB AFRICA REGIONS INITIATIVES



 	<p><b>Slydepay</b> Slydepay is a single payments platform which offers a digital payment wallet and a merchant collections solution, allowing for transaction convenience and security. Several services are grouped into one, such as bank account and linked mobile wallet transfers. It provides the ability to link any bank card, send and receive money from linked mobile money users, purchasing of airtime, bill payments and QR code / USSD retail payments.</p>		<p><b>Paperless loan</b> Instant paperless loans can be done in under 1 minute. A customer can log onto their internet banking or Smart App to establish if they have been pre-approved for a loan. If pre-approved a branch visit is not required and money will appear in the customer's account instantly.</p>
	<p><b>Founders Factory Africa</b> Founders Factory Africa is a South African company operating across Africa delivering a corporate-backed accelerator and incubator with fintech as its strategic sector. Its target is to build and scale 140 tech-based start ups across four sectors over the next five years. In October 2018, Standard Bank was the first investor into Founders Factory Africa.</p>		<p><b>Motive partners</b> Motive partners is a founder of fintechs in the financial services sector. They provide design solutions and innovation. This partnership will allow Standard Bank to utilise the platforms that the fintechs develop.</p>
			<p><b>Network International</b> Network International is a 3rd party payment environment that offers Standard Bank an array of services, from transaction switching and authorisation services, technical support and fraud management services.</p>



Standard Bank Group

# FINANCIAL RESULTS PRESENTATION

1H19