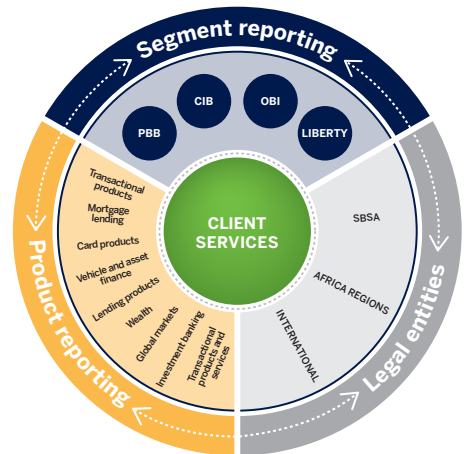




Standard Bank Group

Client solutions

Our traditional structure to 31 December 2020



NEW CAPABILITY MODEL
from 01 January 2021



Client segments

Our primary axis of reporting will be client segments. The client segments will be responsible for designing and executing the client value proposition strategy. Client segments will own the client relationship and create multi-product customer experiences to address life events distributed through our client engagement platforms.

Consumer & High Net Worth clients

The consumer & high net worth client (CHNW) segment is responsible for designing and executing the client value proposition for individual clients in main markets, affluent and high net worth segments across sub-Saharan Africa. We partner our clients to grow by providing relevant solutions throughout their life journeys. We enable banking and non-banking solutions through digital and physical channels according to clients' preferences.

Business & Commercial clients

The business & commercial client (BCC) segment provides broad based client solutions for a wide spectrum of small- and medium-sized businesses and large commercial enterprises. Our client coverage support extends across a wide range of industries and sectors.

Wholesale clients

The wholesale client segment serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Our clients leverage our in-depth sector and regional expertise, our specialist capabilities and our access to global capital markets for advisory, transactional, trading and funding support.

Client solutions will support the client segments and the group as a whole. The client solutions teams will work in partnership with the client segments in pursuit of the client value proposition strategy. Client solutions teams will provide products and services for banking, insurance and investments and will expand into non-financial services and solutions over time.

Banking

Home services Residential accommodation financing solutions, including related value added services.	Vehicle and asset finance Comprehensive finance solutions in instalment credit, fleet management and related services across our retail and business markets.	Card and payments Credit card facilities to individuals and business. Merchant acquiring services. Enablement of digital payment capabilities through various products and platforms. Mobile money and cross-border remittances.
Retail lending Comprehensive suite of lending products provided to individuals and small and medium-sized businesses.	Retail transactional Comprehensive suite of transactional, savings, payment and liquidity management solutions.	Global markets Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities.
Investment banking Full suite of advisory and financing solutions, from term lending to structured and specialised products across equity and debt capital markets.	Transactional products and services Comprehensive suite of cash management, international trade finance, working capital and investor services solutions.	

Insurance

Short-term and life insurance activities

- Short term: Homeowners' insurance, household contents, vehicle insurance and commercial all risk insurance.
- Long term: Life, disability, funeral cover and loan protection plans sold in conjunction with related banking products.
- Advice and brokerage.

Investments

- Stockbroking & advisory, alternative investments, compulsory investments, discretionary investments.
- Wealth management, passive investments, international Investments, structured products and social impact investing.
- Integrated fiduciary services including fiduciary advice, will drafting and custody services as well as trust and estate administration.
- Asset management.
- Pension fund administration.

Central and other

- Group hedging activities.
- Unallocated capital.
- Liquidity earnings.
- Central costs.

Liberty

Life insurance and investment management activities

- South Africa Retail: Insurance and investment solutions to individual customers in South Africa.
- Business development: Insurance and investment solutions to corporate clients and retirement funds across sub-Saharan Africa.
- Asset management: Capabilities to manage investment assets in South Africa and southern African Regions.

Other banking interests

Equity investments held in terms of strategic partnership agreements with ICBC

- ICBC Standard Bank Plc (40% associate).
- ICBC Argentina (20% associate). The disposal of the associate was completed during June 2020.

CONDENSED CONSOLIDATED CLIENT SEGMENTAL RESULTS

	Consumer & High Net Worth		Business & Commercial		Wholesale		Central and other		Standard Bank Activities	
	1H20 Rm	FY20 Rm	1H20 Rm	FY20 Rm	1H20 Rm	FY20 Rm	1H20 Rm	FY20 Rm	1H20 Rm	FY20 Rm
Income statement										
Income from Standard Bank Activities	22 969	46 227	12 789	25 201	20 374	38 540	(348)	(1 387)	55 784	108 581
Net interest income	13 774	27 218	8 036	15 094	9 744	19 372	(350)	(259)	31 204	61 425
Non-interest revenue	9 195	19 009	4 753	10 107	10 630	19 168	2	(1 128)	24 580	47 156
Net fee and commission revenue	7 248	14 992	3 516	7 670	3 584	7 014	(109)	(263)	14 239	29 413
Trading revenue	557	1 073	1 096	2 186	6 518	11 267	(28)	(652)	8 143	13 874
Other revenue	1 376	2 930	117	182	102	251	142	(205)	1 737	3 158
Other gains and losses on financial instruments	14	14	24	69	426	636	(3)	(8)	461	711
Net income from investment management and life insurance activities										
Total income	22 969	46 227	12 789	25 201	20 374	38 540	(348)	(1 387)	55 784	108 581
Credit impairment charges	(6 814)	(12 414)	(1 761)	(3 490)	(2 225)	(4 199)	(491)	(491)	(11 291)	(20 594)
Income before operating expenses	16 155	33 813	11 028	21 711	18 149	34 341	(839)	(1 878)	44 493	87 987
Operating expenses in Standard Bank Activities	(14 193)	(28 924)	(7 925)	(15 709)	(10 255)	(20 723)	884	2 174	(31 489)	(63 182)
Staff costs	(4 598)	(8 691)	(2 216)	(4 424)	(3 549)	(7 475)	(7 255)	(13 790)	(17 618)	(34 380)
Other operating expenses	(9 595)	(20 233)	(5 709)	(11 285)	(6 706)	(13 248)	8 139	15 964	(13 871)	(28 802)
Operating expenses in insurance activities										
Headline earnings	1 024	2 905	2 136	4 160	5 213	9 707	(633)	(1 057)	7 740	15 715
Balance sheet										
Gross loans and advances	535 105	559 553	166 408	169 446	698 527	600 755	(7 909)	(8 513)	1 392 131	1 321 241
Gross loans and advances to banks	—	—	—	—	206 663	164 241	(7 567)	(3 022)	199 096	161 219
Gross loans and advances to customers	535 105	559 553	166 408	169 446	491 864	436 514	(342)	(5 491)	1 193 035	1 160 022
Policyholders' assets										
Deposits and debt funding	330 741	329 998	349 568	376 241	1 000 228	948 422	(6 884)	(12 260)	1 673 653	1 642 401
Deposits from banks	—	—	1 123	6 626	131 618	126 323	(937)	(775)	131 804	132 174
Deposits and current accounts from customers	330 741	329 998	348 445	369 615	868 610	822 099	(5 947)	(11 485)	1 541 849	1 510 227
Policyholders' liabilities										
Ratios										
Credit loss ratio (CLR) (bps)	257	231	228	225	67	59			169	151
Cost-to-income ratio (%)	61.8	62.6	62.0	62.3	50.3	53.8			56.4	58.2
Gross stage 3 loans coverage ratio (%)	48	44	51	53	38	46			46	46
Stage 3 exposures ratio (%)	7.3	8.2	6.8	7.4	2.0	2.3			4.6	5.5
Return on equity (ROE) (%)	4.3	6.0	19.5	19.2	15.3	14.3			9.5	9.6

CONDENSED CONSOLIDATED CLIENT SEGMENTAL RESULTS

	Standard Bank Activities		Liberty		Other banking interests		Standard Bank Group	
	1H20 Rm	FY20 Rm	1H20 Rm	FY20 Rm	1H20 Rm	FY20 Rm	1H20 Rm	FY20 Rm
Income statement								
Income from Standard Bank Activities	55 784	108 581					55 784	108 581
Net interest income	31 204	61 425					31 204	61 425
Non-interest revenue	24 580	47 156					24 580	47 156
Net fee and commission revenue	14 239	29 413					14 239	29 413
Trading revenue	8 143	13 874					8 143	13 874
Other revenue	1 737	3 158					1 737	3 158
Other gains and losses on financial instruments	461	711					461	711
Net income from investment management and life insurance activities			5 733	15 086			5 733	15 086
Total income	55 784	108 581	5 733	15 086			61 517	123 667
Credit impairment charges	(11 291)	(20 594)					(11 291)	(20 594)
Income before operating expenses	44 493	87 987	5 733	15 086			50 226	103 073
Operating expenses in Standard Bank Activities	(31 489)	(63 182)					(31 489)	(63 182)
Staff costs	(17 618)	(34 380)					(17 618)	(34 380)
Other operating expenses	(13 871)	(28 802)					(13 871)	(28 802)
Operating expenses in insurance activities			(8 267)	(16 139)			(8 267)	(16 139)
Headline earnings	7 740	15 715	(707)	(651)	508	881	7 541	15 945
Balance sheet								
Gross loans and advances	1 392 131	1 321 241					1 392 131	1 321 241
Gross loans and advances to banks	199 096	161 219					199 096	161 219
Gross loans and advances to customers	1 193 035	1 160 022					1 193 035	1 160 022
Policyholders' assets			5 746	5 050			5 746	5 050
Deposits and debt funding	1 673 653	1 642 401	(19 415)	(18 357)			1 654 238	1 624 044
Deposits from banks	131 804	132 174	—	—			131 804	132 174
Deposits and current accounts from customers	1 541 849	1 510 227	(19 415)	(18 357)			1 522 434	1 491 870
Policyholders' liabilities			315 852	325 192			315 852	325 192
Ratios								
CLR (bps)	169	151						
Cost-to-income ratio (%)	56.4	58.2						
Gross stage 3 loans coverage ratio (%)	46	46						
Stage 3 exposures ratio (%)	4.6	5.5						
ROE (%)	9.5	9.6	(12.5)	(5.8)	23.5	21.7	8.5	8.9

CONDENSED CONSOLIDATED CLIENT SOLUTIONS RESULTS

for the year ended 31 December 2020

FY20	Standard Bank Activities												Standard Bank Activities Rm	Liberty Rm	Other banking interests Rm	Standard Bank Group Rm
	Banking								Banking Rm	Insurance Rm	Investments Rm	Central and other Rm				
	Home services Rm	Vehicle and asset finance Rm	Card and payments Rm	Retail lending Rm	Retail transactional Rm	Global markets Rm	Investment banking Rm	Transactional products and services Rm								
Income statement																
Income from Standard Bank Activities	8 897	3 816	6 630	14 501	27 531	19 155	7 958	13 789	102 277	4 201	3 490	(1 387)	108 581			108 581
Net interest income	8 615	3 195	3 220	11 753	15 020	3 633	6 271	9 597	61 304	167	213	(259)	61 425			61 425
Non-interest revenue	282	621	3 410	2 748	12 511	15 522	1 687	4 192	40 973	4 034	3 277	(1 128)	47 156			47 156
Net income from investment management and life insurance activities														15 086		15 086
Total income	8 897	3 816	6 630	14 501	27 531	19 155	7 958	13 789	102 277	4 201	3 490	(1 387)	108 581	15 086		123 667
Credit impairment charges	(4 372)	(2 618)	(2 231)	(6 692)	—	(218)	(2 615)	(1 357)	(20 103)	—	—	(491)	(20 594)			(20 594)
Income before operating expenses	4 525	1 198	4 399	7 809	27 531	18 937	5 343	12 432	82 174	4 201	3 490	(1 878)	87 987	15 086		103 073
Operating expenses in Standard Bank Activities	(2 217)	(2 614)	(3 771)	(6 308)	(25 169)	(7 326)	(4 984)	(9 015)	(61 404)	(2 145)	(1 807)	2 174	(63 182)			(63 182)
Operating expenses in insurance activities														(16 139)		(16 139)
Headline earnings	1 547	(1 008)	379	866	1 479	7 543	1 539	1 916	14 261	1 810	701	(1 057)	15 715	(651)	881	15 945
Balance sheet																
Gross loans and advances	399 208	99 071	35 121	200 612	—	202 879	341 451	51 412	1 329 754	—	—	(8 513)	1 321 241			1 321 241
Gross loans and advances to banks	—	—	—	—	—	148 179	7 169	8 893	164 241	—	—	(3 022)	161 219			161 219
Gross loans and advances to customers	399 208	99 071	35 121	200 612	—	54 700	334 282	42 519	1 165 513	—	—	(5 491)	1 160 022			1 160 022
Policyholders' assets														5 050		5 050
Deposits and debt funding	—	—	—	6 626	699 613	600 773	2 197	378 260	1 687 469	—	—	(45 068)	1 642 401	(18 357)		1 624 044
Deposits from banks	—	—	—	6 626	—	132 493	1 071	25 567	165 757	—	—	(33 583)	132 174	—		132 174
Deposits and current accounts from customers	—	—	—	—	699 613	468 280	1 126	352 693	1 521 712	—	—	(11 485)	1 510 227	(18 357)		1 491 870
Policyholders' liabilities														325 192		325 192
Ratios																
Cost-to-income ratio (%)	24.9	68.5	56.9	43.5	91.4	38.2	62.6	65.4	60.0	51.1	51.8		58.2			

CONDENSED CONSOLIDATED CLIENT SOLUTIONS RESULTS

for the period ended 30 June 2020

1H20	Standard Bank Activities												Standard Bank Activities Rm	Liberty Rm	Other banking interests Rm	Standard Bank Group Rm
	Banking								Banking Rm	Insurance Rm	Investments Rm	Central and other Rm				
	Home services Rm	Vehicle and asset finance Rm	Card and payments Rm	Retail lending Rm	Retail transactional Rm	Global markets Rm	Investment banking Rm	Transactional products and services Rm								
Income statement																
Income from Standard Bank Activities	4 255	1 957	3 255	7 178	14 108	10 455	3 845	7 179	52 232	2 131	1 769	(348)	55 784			55 784
Net interest income	4 122	1 565	1 639	5 827	8 356	1 606	3 138	5 066	31 319	99	136	(350)	31 204			31 204
Non-interest revenue	133	392	1 616	1 351	5 752	8 849	707	2 113	20 913	2 032	1 633	2	24 580			24 580
Net income from investment management and life insurance activities														5 733		5 733
Total income	4 255	1 957	3 255	7 178	14 108	10 455	3 845	7 179	52 232	2 131	1 769	(348)	55 784	5 733		61 517
Credit impairment charges	(2 227)	(1 413)	(1 020)	(3 915)	—	47	(1 615)	(657)	(10 800)	—	—	(491)	(11 291)			(11 291)
Income before operating expenses	2 028	544	2 235	3 263	14 108	10 502	2 230	6 522	41 432	2 131	1 769	(839)	44 493	5 733		50 226
Operating expenses in Standard Bank Activities	(1 078)	(1 269)	(1 863)	(3 093)	(12 637)	(3 738)	(2 413)	(4 410)	(30 501)	(1 034)	(838)	884	(31 489)			(31 489)
Operating expenses in insurance activities														(8 267)		(8 267)
Headline earnings	626	(521)	226	(10)	934	4 349	201	1 219	7 024	946	403	(633)	7 740	(707)	508	7 541
Balance sheet																
Gross loans and advances	381 614	95 814	34 188	194 991	—	227 588	396 547	69 298	1 400 040	—	—	(7 909)	1 392 131			1 392 131
Gross loans and advances to banks	—	—	—	—	—	186 806	8 374	11 483	206 663	—	—	(7 567)	199 096			199 096
Gross loans and advances to customers	381 614	95 814	34 188	194 991	—	40 782	388 173	57 815	1 193 377	—	—	(342)	1 193 035			1 193 035
Policyholders' assets														5 746		5 746
Deposits and debt funding	—	—	—	1 123	679 186	649 588	2 864	395 601	1 728 362	—	—	(54 709)	1 673 653	(19 415)		1 654 238
Deposits from banks	—	—	—	1 123	—	151 748	26	27 669	180 566	—	—	(48 762)	131 804	—		131 804
Deposits and current accounts from customers	—	—	—	—	679 186	497 840	2 838	367 932	1 547 796	—	—	(5 947)	1 541 849	(19 415)		1 522 434
Policyholders' liabilities														315 852		315 852
Ratios																
Cost-to-income ratio (%)	25.3	64.8	57.2	43.1	89.6	35.8	62.8	61.4	58.4	48.5	47.4		56.4			