



# TRANSITION OF FINANCIAL SERVICES TO PLATFORM BUSINESS

LEADERS BANKING DAY– KHOMOTSO MOLABE  
22 SETTEMBRE 2022

IT CAN BE..



# Standard Bank Group TODAY

Our purpose: **Africa is our home, we drive her growth**



Africa focused



Comprehensive range of financial services



Client centered



Digitally enabled





# We are the largest financial services group in Africa<sup>1</sup>



## Banking

**R215bn**  
Capital  
USD15bn

**R1.3trn**  
Lending  
USD87bn

**R1.6trn**  
Deposits  
USD111bn

## Investments<sup>1</sup>

**R1.2trn**  
AUA/AUM<sup>2</sup>  
USD83bn

Supported by  
international offices in  
Isle of Man and Jersey

Leading pension fund  
administration  
business in Nigeria

## Insurance<sup>1</sup>

**15**  
Markets in sub-  
Saharan Africa in  
which we have  
brokerages

**7m**  
Policy  
base

**R64bn<sup>3</sup>**  
Gross written  
premium

**160 years**

of serving our clients  
in Africa

**17m**

active  
clients

**20**

countries with on-the-  
ground presence in  
sub-Saharan Africa

**7**

international markets  
and financial services  
centres where we have  
a presence



Strategic  
co-operation with  
largest bank in the  
world<sup>4</sup>

<sup>1</sup> Standard Bank and Liberty, <sup>2</sup> Assets under Management and Assets under Administration, <sup>3</sup> Life GWP, R57bn and short-term GWP, R7bn, <sup>4</sup> Industrial and Commercial Bank of China





# Underpinned by a diversified client base served by our three client segments

## Individuals

## Companies

**High Net Worth**

*Retail clients with investable assets USD1m*

**Affluent**

*Retail clients ranging from emerging affluent to affluent*

**Main market**

*Retail clients ranging from inconsistent earners to middle market*

**Wholesale**

*Annual turnover<sup>1</sup>: Africa Regions: >USD100m  
South Africa: >R1.3bn*

**Business and Commercial**

*Annual turnover<sup>1</sup>: Africa Regions: USD25m – USD100m  
South Africa: R300m – R1.3bn*

**Enterprise<sup>2</sup>**

*Annual turnover<sup>1</sup>: Africa Regions: up to USD2m  
South Africa: up to R20m*

High Net Worth clients are predominately growing their existing investments and are preserving inter-generational wealth.

Affluent clients have high disposable income and are growing assets

Main market clients have a need for simple, low cost but meaningful solutions

Large companies (multinational, regional and domestic), governments, parastatals and institutional clients

SBG Client Segments

Consumer and High Net Worth clients (CHNW)

Business and Commercial clients (BCC)

Wholesale clients

<sup>1</sup> Segment cut off relationship and country specific, <sup>2</sup> Includes entrepreneurs



## 2020 – 2030: The fundamental drivers remain intact, which will support ongoing economic growth, as well as strong growth in financial services

### Expanding markets for financial services

↑ **26%** Total population to increase to 1.7bn people

**50%** Urban population  
• >400m more people in cities

**>220m** New bank clients  
• If adult penetration reaches 50%

### Growing mobile penetration and digital payment solutions adoption

↑ Continued increase in handset penetration

**>1.2bn** # of subscribers  
*if reach global levels of 108 per 100 inhabitants*

↓ Decrease in data costs

### Rapid and sustained economic growth

↑ **4%pa** Expected average growth of sub-Saharan African economies over the next 5 years

↑ AfCFTA will accelerate intra-Africa trade and boost Africa's trading position in the global market

↑ Expect South Africa to grow faster as it recovers from Covid-19 pandemic and structural reforms are implemented

### Increasing focus on sustainable development

↑ # of corporates who need advice and assistance in accelerating their transition

↑ Interest in sustainable projects

# However, financial service firms will have to navigate change, challenge and complexity



## Client expectations evolving

- Constantly changing
- “Basics” set by digital native corporates



## Competition intensifying

- Threats from incumbents
- Threats from adjacent industries – Telcos
- Threats from new entrants – BigTech, FinTech and InsurTech

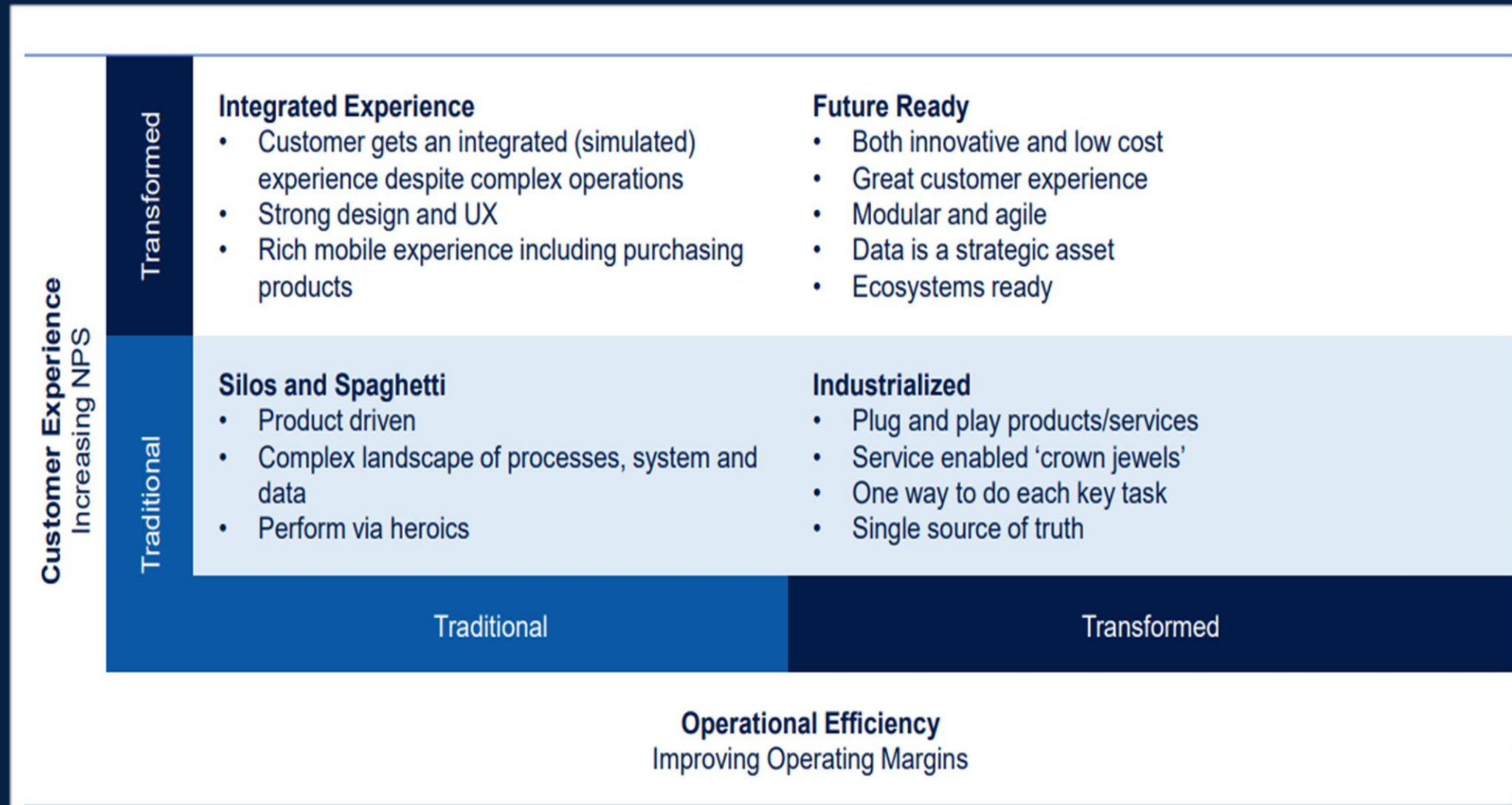


## Regulatory landscape complex

- Significant regulatory, governance and compliance requirements
- Increasing complexity and costs
- Acceptable risk profile requires local knowledge and a balanced portfolio



# Strategy Frameworks to guide us to transition to a platform business



# SBG Platform



As an established financial services provider, we have:





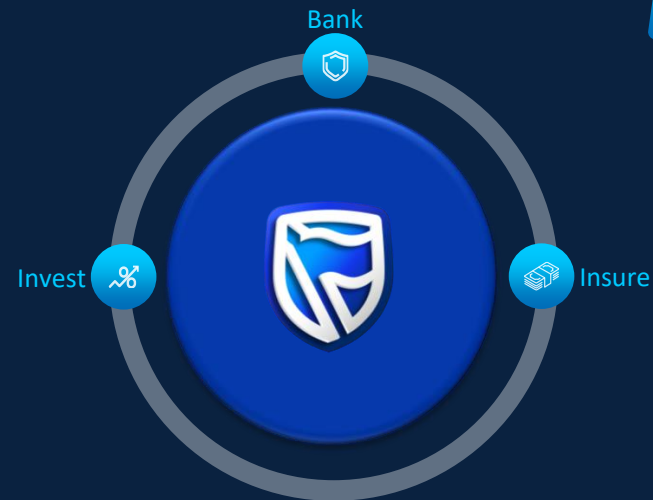
# SBG is transforming beyond financial services

PAST



Trusted bank in  
South Africa

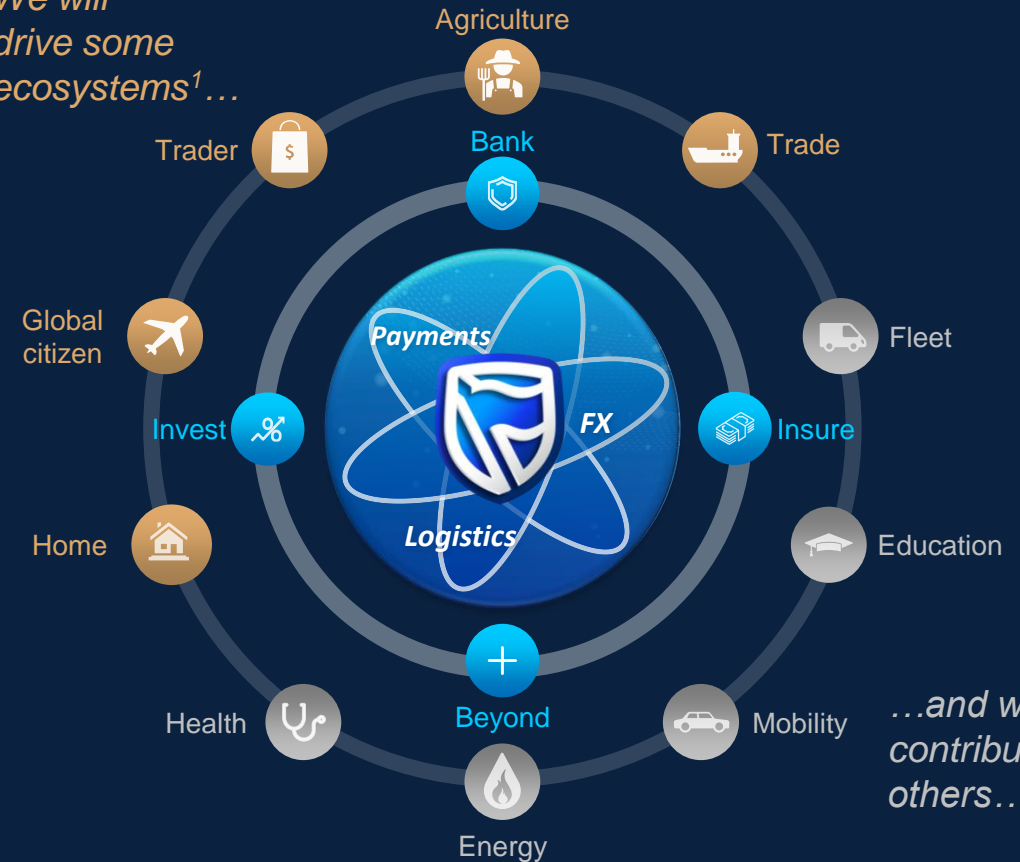
PRESENT



Trusted financial services  
provider across  
sub-Saharan Africa

SBG 2025

*We will  
drive some  
ecosystems<sup>1</sup>...*



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

*...enabled by common  
capabilities*

<sup>1</sup> 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 FMCGs<sup>1</sup> 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

<sup>1</sup> Fast-moving consumer goods

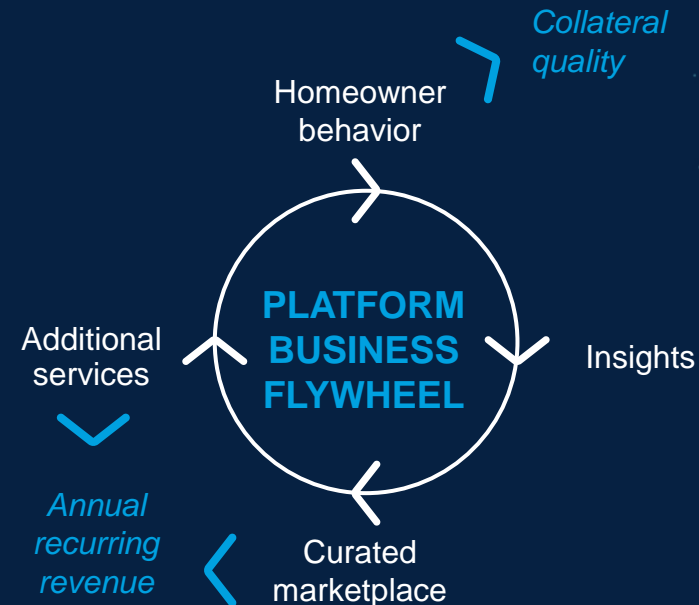


# Grow | Scale ecosystems and platforms

Africa's first home management platform - reducing the cost of home ownership



- Leverage SBG and partner data to provide clients with deep insights on their homes
- Provide access to a curated marketplace and set of services
- Deliver value to clients through lower home-related costs
- Monetise via subscription model



## Targets

>5m

Users by 2025

>R1bn

Cumulative value delivered to clients through lower cost of home ownership

Leverage our strength in mortgages to provide our CHNW clients with value via an expanded service offering, provide a market for our BCC clients, particularly SMEs, and **drive new revenue streams**



## Grow | Respond to emerging client needs

PowerPulse is an innovative digital platform that transforms the way we produce, deliver, and consume energy in South Africa and beyond<sup>1</sup>



New revenue stream through platform services as well as increased financing opportunities

Benefits

### Electricity users

Reduced time

Reduced risk

Ongoing support

Select the right partners

### Solution providers

Increased access to more clients

Reduced sales cycle

Bankable projects commissioned

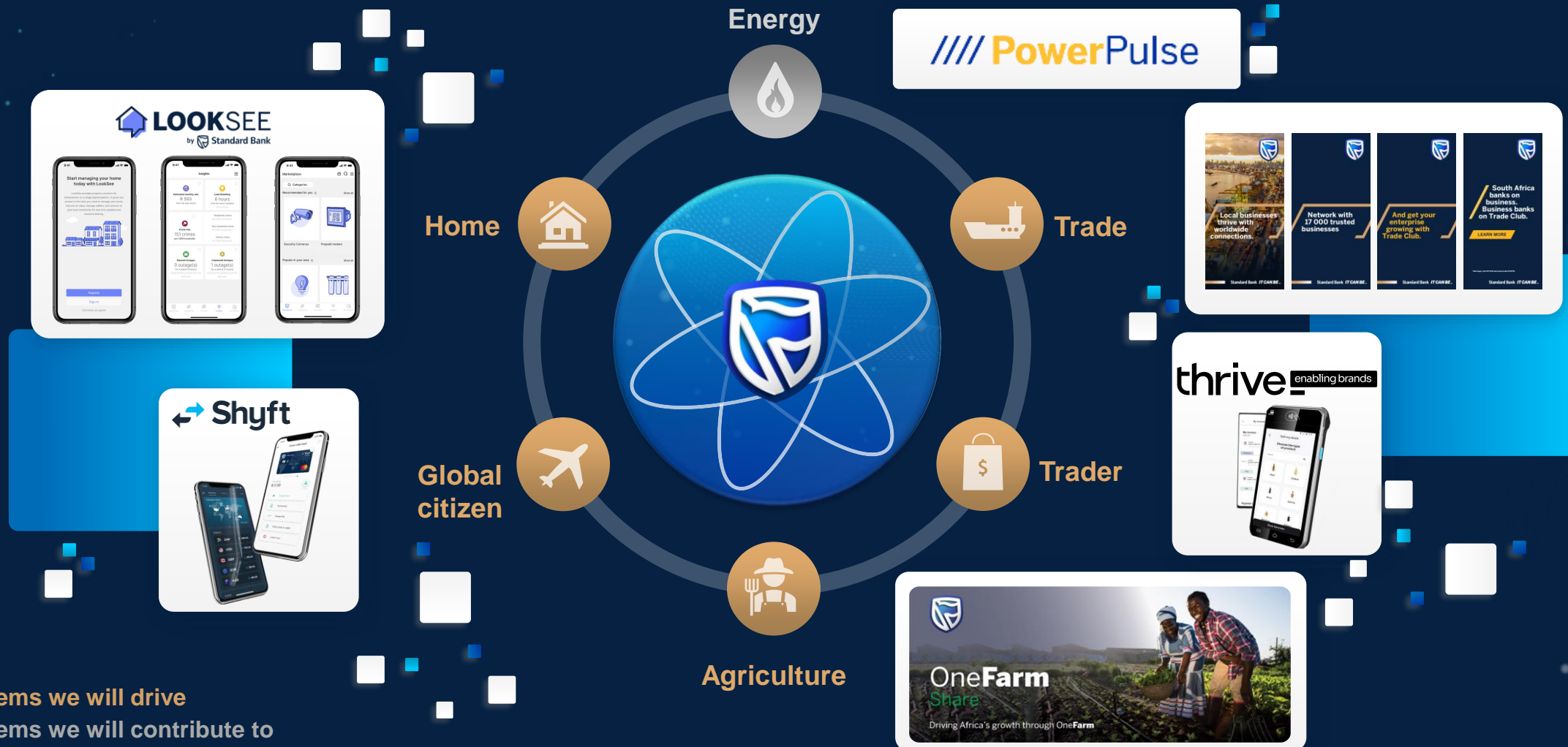
Lower acquisition cost

<sup>1</sup> Clients can access the platform via OneHub





# Work on building our ecosystems is underway, next step scale



Ecosystems we will drive  
Ecosystems we will contribute to



# QUESTIONS AND ANSWERS