

# THE STANDARD BANK GROUP

## UNIVERSAL FINANCIAL SERVICES

### WE ARE A FINANCIAL SERVICES ORGANISATION IN, FOR AND ACROSS AFRICA

Our purpose is to drive Africa's growth. We are committed to being more than a provider of financial products and services – we are a catalyst for economic change in our countries of operation and we make life better for our fellow Africans by doing the right business the right way.

We operate in 20 African countries and are headquartered in Johannesburg. Our primary listing is on the Johannesburg Stock Exchange (JSE) in South Africa, with a secondary listing in Namibia. Subsidiary banks are listed on exchanges in Kenya, Malawi, Nigeria and Uganda.

### PERSONAL & BUSINESS BANKING (PBB)

provides banking and other financial services to individual clients and small and medium-sized enterprises (SMEs).

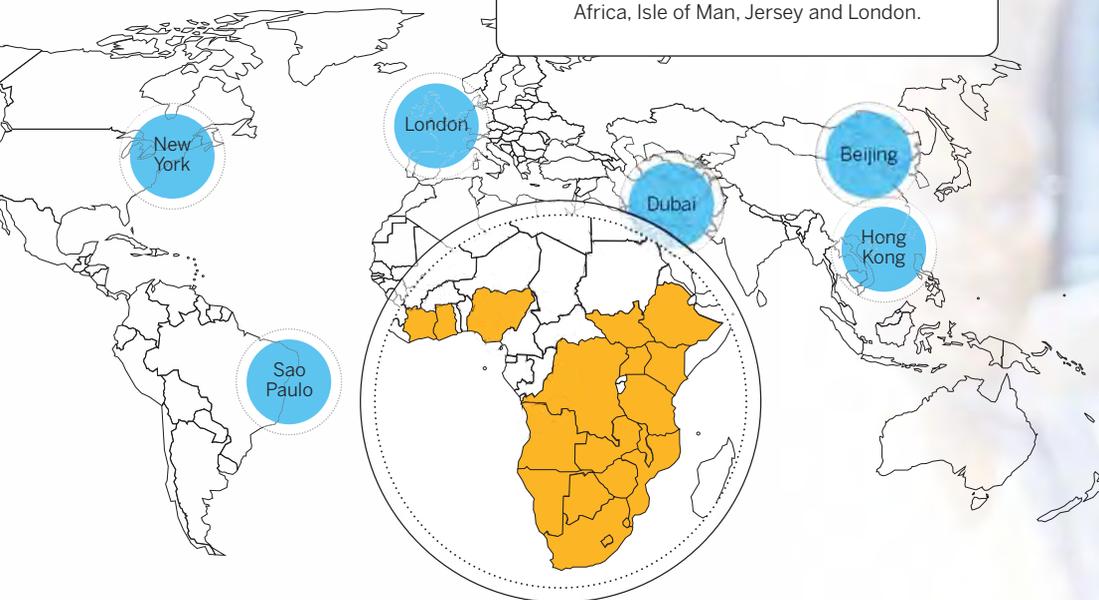
### CORPORATE & INVESTMENT BANKING (CIB)

offers corporate and investment banking services to clients, including governments, parastatals, larger corporates, multinationals, financial institutions and international counterparties.

### LIBERTY

Life insurance and investment management activities of the group companies in the Liberty Holdings Group.

**WEALTH** offers insurance, investment, fiduciary, specialised banking and lending, and wealth preservation solutions to high net worth, retail, business and commercial and corporate clients across our operations in sub-Saharan Africa, Isle of Man, Jersey and London.



Our shares are publicly traded on the JSE. **47% of Standard Bank is owned by South Africans.** Of the local investors, 62% ownership is directly held by South African mandated institutions (asset managers of savings and retirement funds). As a result, many of our shareholders are ordinary South Africans who own a stake in Standard Bank through their pension funds, retirement annuities and savings.

Industrial and Commercial Bank of China Ltd (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, which holds 12% of shares followed by other institutional investors which hold 11% and the rest is held by shareholders with less than 1% ownership.



## WHY A REPORT TO SOCIETY?

We publish several reports to provide our stakeholders with the information they need to assess our performance. Our **Annual Integrated Report**, our primary report, provides a complete view of our ability to create value over time. 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.

Our **Report to Society** aims to communicate with a broader group of stakeholders about how we impact on the societies, economies and environments in which we operate. For this reason, we structured our **Report to Society 2017** according to those areas in which we believe we can and do make a significant positive contribution to improving the lives for our fellow Africans – our ten impact areas.

### ASSURANCE OF THIS REPORT

SBG has a series of internal policies, procedures and controls in place to ensure that accurate data is provided. The SBG social and ethics committee provided oversight of this report. KPMG 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 on page 82 of this report.

# IMPACT REPORTING



As part of our journey towards being more than a bank, **we identified TEN areas in which we can make a significant positive impact**, in line with our commitment to driving sustainable and inclusive economic growth in Africa.

To define these impact areas, we looked at the overlap between our core business as a provider of financial products and services and the needs of Africa's people, businesses, and economies.

We asked ourselves:  
what challenges are Africans trying to solve?

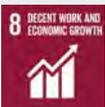
The priority issues and targets contained in the UN's Global Sustainable Development Goals (SDGs), the African Union's (AU) Agenda 2063 and South Africa's National Development Plan (NDP) informed our thinking. **This report provides a snapshot of our contribution in ten impact areas.**



## Innovation, entrepreneurship and enterprise development

South Africa's National Development Plan (NDP) calls for large-scale job creation in the small enterprise sector.

Across Africa, small and micro enterprises play a crucial role in employment creation. Many entrepreneurs and start-ups struggle to access finance to launch their businesses. Many fail within the first two years, making them a risky proposition for credit providers. Africa urgently needs innovative financial solutions for small and micro enterprises. Many of Africa's entrepreneurs and emerging business owners also need to develop their financial and business management skills, to build sustainable enterprises. We're working with our small enterprise clients to develop specific solutions that will enable them to grow, while minimising risk to depositors.



### Inclusive economic growth

SDG 8 prioritises the promotion of sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. We all have a role to play in building a more equitable and sustainable society, broadening economic opportunity and supporting job creation. Standard Bank's core business supports inclusive economic growth by providing financial services that will enable individual businesses to grow and expand into new markets, invest in innovation, improve productivity, **create jobs** and evolve to meet changing customer needs. Our financial solutions enable individuals to grow their savings, buy homes, invest in their futures and insure the things that matter to them.



TWO

ONE



### Education, learning and development

SDG 4 calls for **inclusive, quality education and the promotion of lifelong learning opportunities for all**. At Standard Bank, we invest in developing our employees. Our people development programmes **drive continuous learning and development**, to ensure we're equipped to meet the demands of a rapidly changing, increasingly digital world of work. We create opportunities for learners and graduates to build careers with us. Our corporate social investment (CSI) programmes prioritise education, from early childhood development to tertiary level. We are working with clients in the education sector to address the challenge of affordable and accessible student finance.



### Employment

Africa's prosperity and potential for sustainable growth depends on **creating decent work opportunities on a large scale**. Countries that fail to tackle high levels of unemployment, particularly among the youth, risk social instability and will miss the opportunity to capitalise on Africa's demographic dividend. **Standard Bank is a major employer in Africa**. We're committed to establishing a diverse workforce and an inclusive working environment, with personal development opportunities for all employees. This stance aligns with the **SDG 5 and South African NDP commitment to gender equality and empowerment of women and girls**. We offer a variety of learnerships for school leavers and graduates, alongside in-house skills development and on-the-job training.



THREE



FOUR



FIVE



### Financial inclusion

**Across Africa, many people remain excluded from the formal financial system**. They are limited to transacting in cash, rely on family and friends for credit, and have no personal or business insurance. **We are working to make the formal financial sector more accessible, attractive and affordable**. This requires low-cost, convenient, digital products and services accessible even without a bank account; alternatives to conventional systems of collateral; and consumer education to enable people to manage their finances more effectively.

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# IMPACT REPORTING

continued

## Combating financial crime

Effective anti-money laundering controls are essential to protect the integrity of the financial system, which in turn is crucial to economic and social development. The banking system is central to collecting and moving funds. Banks play a crucial role in identifying and preventing criminal activity, by detecting and reporting suspicious financial transactions that may be linked to fraud, corruption, criminal syndicates and terrorist organisations. As financial services become more digitised, cybersecurity is a growing concern. Standard Bank has robust controls in place to ensure the integrity of our systems and the security of our clients' funds.

SIX



SEVEN

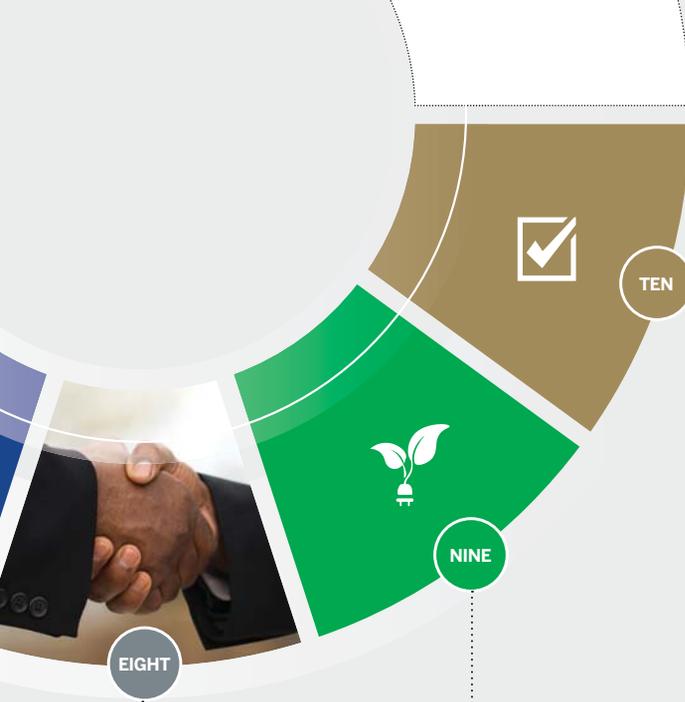


## Infrastructure

SDG 7 prioritises access to affordable, reliable and sustainable energy for all, while SDG 9 focuses on the development of resilient infrastructure to enable inclusive and sustainable industrialisation.

The African Development Bank estimates that Africa needs to invest at least US\$130 billion a year to address the infrastructure gaps that undermine economic growth and competitiveness across the continent. Most African capital markets lack the capacity to finance large-scale infrastructure projects. We're working with African governments and development institutions to enable funding for crucial developmental infrastructure in the energy, transport, telecommunications and health sectors.





### Good governance

**SDG 16 prioritises the building of effective, accountable and inclusive institutions at all levels.** Standard Bank aims to set an example by **doing the right business the right way** and embedding ethical decision-making across the bank. We engage with government and regulators where we operate to support evidence-based policymaking and constructive dialogue between the public and private sectors. We're also working towards developing a more systematic approach to stakeholder engagement as part of our **responsible corporate citizenship**.



### African economic development

**The AU's Agenda 2063 highlights the importance of infrastructure to connect Africa.** The deepening of trade and investment flows between African countries and emerging markets such as China, can potentially drive economic integration. This requires expanding manufacturing and processing capacity within African economies, reducing administrative and transaction costs of cross-border trade, and improving transportation, logistics and communication infrastructure to support intra-African trade. We're working with our strategic partners, ICBC, **to grow and deepen trade and investment links between African economies** and Chinese investors and businesses. We are also working with African governments to support the development of enabling infrastructure.

### Environmental sustainability and climate change mitigation and adaptation

**SDG 13 prioritises urgent action to combat climate change and its impacts.**

Africa is particularly vulnerable to the negative impacts of climate change – for instance, access to clean water, drought and flooding, and the impact of changing weather patterns on harvests. We're working with clients to develop appropriate solutions for mitigating the effects of climate change, especially in agriculture. **Standard Bank is a major investor in renewable energy technologies across Africa.** We have also invested in renewable solutions to reduce our direct carbon footprint.

