

95% transactions are electronic

Mobile Banking platform – 726 million transactions

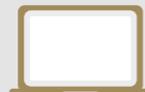




A DIGITAL BANK

Standard Bank is committed to being available to our customers anywhere, at any time – online and on mobile. In South Africa, 95% of the transactions conducted by our Personal & Business Banking (PBB) clients are done electronically – with ATM and branch transactions comprising less than 5% of total transactions. Last year, our South African customers undertook 726 million transactions through our Mobile Banking platform and over one billion transactions through Internet Banking, which represents an increase of 11%. This provides convenience and cost-savings for our customers – **72% of customers rated their digital banking experience with Standard Bank as very good or excellent.** We're working to support a similar shift toward digital channels across all our countries of operation. Card transactions remain a crucial part of our offering, increasing by 18% to 569 million transactions in 2016.

Internet Banking – over 1 billion transactions



We rolled out our Universal Banking app to 11 countries during 2016. Our online banking features and smartphone apps have transformed the way that customers engage with the bank, enabling them to bank on their terms, wherever and whenever this suits them. Customers can open accounts online, manage their ATM limits, buy pre-paid airtime and electricity, make payments and transfers across borders quickly and easily, trade shares internationally on 29 stock exchanges and lodge homeowner insurance claims – all from their mobile phone. Our digital payments solutions are secure and convenient, affordable, and fully compliant with regulatory requirements. We also developed and implemented innovative Payment solutions like SnapScan and Masterpass, and Omnisure – an insurance technology solution – during 2016.

We also introduced a new Internet Banking platform for customers in South Africa in 2016, which will be extended to our other countries of operation in 2017.

We've expanded our digital offering for our corporate and investment clients across all our countries of operation. One example is Business Online, which has over 60 000 registered clients and is used by more than 70% of the top 40 JSE companies. Clients sign in through a single portal, and are able to access self-service banking and bank delivered administration. They can view their transaction activity and access Standard Bank products, 24/7. The platform can be integrated with a majority of accounting packages. It uses dual authentication (the provision of two passwords) to ensure enhanced security. Another example is Global Markets eCommerce, a single dealer platform available in 16 African countries across 70 global currencies. It enables immediate, secure and user-friendly forex trading, 24/7. Customers can obtain forex through Internet Banking or mobile. A third example is International Trade and Payments, which enables the reliable and efficient processing of international payments and trade transactions. The service offers full functionality in South Africa and Nigeria, and selected functionality in 10 other countries.



70% of top 40 JSE companies are registered users

Business online

60 000 clients





CYBERCRIME

Inherent in the advances of digitisation is the growing risk of cybercrime; the increasing sophistication and extent of cybercrime affecting our industry, which has resulted in a review of our cybersecurity strategy. The emphasis is on accelerating the delivery of security capabilities to counter the growing sophistication of cybercrime. A number of actions have already been completed and there is a focused programme to enhance security defences in response to the heightened risk. This is an area that we take extremely seriously and is considered a top priority.

Like all banks, we rely on our customers to take reasonable measures to protect themselves, including choosing strong pin numbers (not ones that are easy to guess, like birthdates, or consecutive numbers), keeping their cards within sight at all times, being vigilant when withdrawing cash at ATMs, never responding to phishing emails, and promptly reporting such emails to the bank.

We run regular awareness campaigns by email, SMS, banners and videos on the Standard Bank websites and intranet about what to look out for and how to avoid phishing attacks. In South Africa, we participate along with the other banks in SABRIC's awareness campaigns, which focuses on a range of topics guided by fraud and crime trends in the banking sector.

The shortage of cybersecurity skills is a global challenge. As part of Standard Bank's ongoing initiatives to develop our in-house cybersecurity skills, we've established a graduate programme specifically focused on this area.

Cybercrime

10 graduates developing cyber skills



<p>Collaboration in fighting cybercrime</p>	<p>SARB – Financial Sector Contingency Forum (FSCF)</p>	<p>Strengthen resilience against cyber-attacks</p>
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Central cybersecurity operations developed at Standard Bank

Industry collaboration in fighting cybercrime

Effective information sharing and collaboration, across the industry and across geographies, is crucial to improve prevention, detection and mitigation of cybercrime.

In South Africa, the South African Reserve Bank (SARB) has committed itself to deepening cyber resilience in the sector – recognising the importance of stronger collaboration across the industry to improve prevention and detection. In August 2016, SARB established the Financial Sector Contingency Forum (FSCF), representing all major financial sector stakeholders, including Standard Bank. One of FSCF's responsibilities is to put contingency plans in place in the event of a cyber-attack. We are also participating in industry level initiatives to strengthen resilience against cyber-attacks through the South African Banking Risk Information Centre (SABRIC) and Banking Association of South Africa (BASA). SABRIC has established a computer security incident response team (CSIRT), in which Standard Bank plays an active role. We liaise with the international cybersecurity community through our membership of bodies such as the Forum for Incident Response and Security Teams (FIRST), the International Security Forum (ISF); Gartner; Forrester; CEB Inc.; the Financial Services Information Sharing and Analysis Centre (FS-ISAC); European Network and Information Security Agency (ENISA); and strategic vendor partnerships. We have also implemented strategic security solutions such as Noknok, Inetco, MWR Info Security, Risk Minder and Trusteer to ensure the safety of our customers and their banking transactions.

Similar collaborative efforts are increasingly necessary in our other countries of operation, and we'll be engaging with industry bodies and regulators in this regard during 2017.