



KEEPING OUR CUSTOMERS SAFE FROM FRAUD

Fraud, like cybercrime, is a significant risk to our customers and to Standard Bank. Fraud can be committed using bank cards, for example, at point of sale; digitally, for example, through online transactions; and by making false applications, for example, for home loans or vehicle finance. We continue to have improved success in fighting card fraud and application fraud, where technology and manual processes make it somewhat easier to detect fraudulent activity and intervene. Digital fraud is more challenging, in that it is more difficult for us to ensure that the person undertaking a transaction is in fact our client. The safety of our customers comes first and foremost in any decision we take. During 2016, we considered moving to real time clearing, enabling an electronic transaction to be immediately cleared, to improve convenience for our customers. However, after careful consideration, we decided that the risk of immediate clearing is too high, and that our customers are better served by delayed clearing, which allows us to verify the authenticity of the transaction using fraud detection technology, and gives us time to reverse or stop the transaction, if we suspect fraudulent activity, before the money leaves our customer's account.

In addition to this, Standard Bank has continued to invest heavily in anti-fraud technology. These tools identify potentially suspicious transactions and proactively alert customers (and the bank) of these behaviours preventing unnecessary fraudulent transactions and associated losses.

Our focus on keeping our customers safe from fraud has resulted in **approximately 90% of fraud being prevented or recovered**.

Our Fraudstop and Whistleblowing programmes contributed significantly to this success. The Financial Crime and Cyber teams work in close collaboration to harden the environment and mitigate cyber-fraud risk.

Read more about the Japan card fraud incident in our annual integrated report

Keeping customers safe from fraud

Delayed clearing of transactions keeps our clients' wealth safe
Allows detection and reversal of potential fraud

Approximately **90%** of fraudulent transactions prevented/recovered

Community Banking in Uganda

During 2016, Stanbic Bank Uganda launched Community Banking, an affordable banking offering aimed at NGOs. It provides a secure online platform which allows administrators to access and monitor their account anytime. The platform is free and allows for segregation of duties for different users. It also has

a mobile money option, allowing organisations to pay beneficiaries directly into mobile money wallets. There are no transaction fees for internal transfers, cheque and cash deposits, and no account maintenance fees on accounts with a balance of at least one million shillings.



STANDING BY OUR CUSTOMERS IN TOUGH ECONOMIC TIMES

We understand that our sustainability as a business depends on the financial health of our customers and clients. We're committed to building long-term relationships with the people and businesses that we bank. This commitment requires us to find ways to support them through tough times.

Tough economic conditions in several of our countries of operation have heightened credit risk and levels of consumer and business debt. Banking sectors in several of our countries of operation, including Ghana, Nigeria, Tanzania and Uganda, saw a significant rise in non-performing loans (NPLs) during 2016. This resulted in a tightening of credit, particularly for customers deemed to be high risk such as small businesses and entrepreneurs.

In South Africa, over the past few years financial pressures have impacted affordable homeowners, many of whom are finding it more difficult to make regular payments on their loans, including mortgages. We believe in partnering with our customers and doing our best to keep them in their homes. In 2016, our affordable housing loan book volume grew to 98 477 homes. We understand the economic challenges with which our customers are grappling, and we've worked hard to assist as many homeowners as we could to keep them in their homes without jeopardising Standard Bank's sustainability. **During 2016, we were able to assist 5 662[✓] affordable housing owners in financial distress** through restructuring their loans to ease their financial pressures.

In South Africa, **a number of our corporate clients encountered serious financial difficulties during 2016**. In each case, **we partnered with our clients and other financial institutions** to ensure that these businesses were able to stay in business, protecting thousands of jobs, while managing risk responsibly.

Read more about Access to credit in our Special Edition: Report to Society on **pages 28 – 29**. <http://sustainability.standardbank.com/downloads.php>

Housing

98 477 affordable homes financed by 2016

5 662[✓] affordable housing owners assisted through restructuring their loans

Read more about affordable housing online: <http://sustainability.standardbank.com>