

## 1. FINANCIAL INCLUSION CONTINUED



## Consumer education

Improved access to financial services needs to go hand in hand with consumer education and protection. Standard Bank participates in a variety of consumer education initiatives and financial literacy initiatives in our countries of operation. In addition, our wealth and investment business works with our clients to encourage personal saving and provide financial education.



**Financial Fitness Academies** for employees of our corporate clients



**Financial literacy** campaigns on radio and television, and in public spaces, including campuses, malls and taxi ranks



**Financial literacy** sessions for Standard Bank employees



**App-based** tools to understand personal financial behaviour



**Financial literacy and basic business skills training** for start-ups and small businesses



**School-based competitions**



**Online education** on share trading



### Financial Fitness Academies for employees of our corporate clients

- We partner with our corporate clients in several of our countries of operation to provide financial literacy training for their employees. These events are well attended and provide us with an opportunity to connect with customers and potential customers.
- **In Kenya**, for example, we hosted **29 financial fitness academy sessions**, for 27 corporate and business clients, reaching 2 304 people, during 2019.



Demola Sogunle

CE, Stanbic IBTC Bank PLC

Education and financial literacy are critical to economic growth and development. At Stanbic we are always pleased to engage with our future leaders to share financial literacy nuggets with them. We recognise that the competition is a very creative way to not only drive home the financial literacy message but also to measure how well the children are imbibing the principles.



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**Financial literacy campaigns** on radio and television, and in public spaces including campuses and malls.

- In **Ghana**, for example, we partnered with the country's top radio station, Joy FM, to provide personal financial tips, reaching around 83 500 listeners per day.
- In **Nigeria**, our Youth Leadership Series Campus Tour aims to provide as many Nigerians as possible, including the unbanked and underbanked, with knowledge, skills and confidence to make informed financial decisions, particularly on how to start saving for their future needs. Expert financial coaches visit cities and towns across the country, targeting campuses, malls, taxi ranks and other public spaces. We use an interactive and fun learning approach to ensure maximum impact, and provide information on products like savings accounts, mutual funds and micro pensions.
- In **Botswana**, we run a financial education programme, 'Better My Lebotha', on radio, which educates listeners on money management, financial literacy, entrepreneurship and employability.
- In **South Africa**, WalletWise aims to help people use financial services effectively and affordably by providing information about financial products and services and raising awareness of digital platforms and how to use them. The programme targets those with a household income of less than R15 000 per month, and includes content tailored for young people, small enterprises and people without formal bank accounts, with a focus on rural and non-metro areas. WalletWise raises awareness through edutainment, using print and digital media, social media, radio and television, community outreach, and in-branch training in selected communities. Content is provided in nine of South Africa's official languages. In 2019, Standard Bank spent **R52 million** on the programme. We reached **8 500 people** through classroom training, including in rural areas; over **6 000 young people** through activations at high schools and tertiary institutions; **500 000 people** through community activations, including at taxi ranks; about 30 million people through television campaigns and 25 million through radio campaigns; received 200 000 unique visits to the website; and reached a further 35 000 people through engagement on social media.



### Financial literacy sessions for Standard Bank employees

- In **South Africa**, our Wealth business hosted 22 financial literacy sessions for SBSA employees, reaching over 1 000 people. The sessions provide information on the importance of financial planning, including planning for lifestyle goals and investing with end-goals in mind. Financial planners are available at the sessions, to assist with personal financial planning.



### App-based tools to understand personal financial behaviour

- Standard Bank's **My360** app offers clients a consolidated view of their net worth across different financial service organisations and geographies. The app includes an educational element, providing clients with insights to help them better understand financial terminology and explain key concepts, such as good asset allocation, for example. The app was launched in South Africa in 2019 and will be rolled out to Africa Regions during 2020.
- In South Africa, **MiScore**, 'Help me improve my creditworthiness', is an initiative to empower our customers with insights into their financial behaviours, to help them better understand and manage their finances, improve their creditworthiness and avoid financial distress. We use data analysis to identify customers showing early signs of financial distress and contact these customers via MMS (multi-media messaging service), give them tools to recognise the risks they're facing, and connect them with our Debt Care Centre which is able to

provide holistic support. This enables us to proactively manage customer credit risk, and helps customers understand and plan for their cash flow/credit needs.



## 1. FINANCIAL INCLUSION CONTINUED



### Financial literacy and basic business skills training for start-ups and small businesses

- In South Africa, we provide training for aspirant small businesses under the WalletWise programme focusing on basic business skills, and help struggling businesses to identify pitfalls and find ways around them through coaching. In 2019 we spent approximately **R3.5 million** on the programme, reaching **120 entrepreneurs** and business owners.



### School-based competitions

- We partnered with Junior Achievement Nigeria to sponsor an electronic platform to enable students to compete against one another and test their understanding of finance. **23 schools** participated in the Money Bee competition – the financial literacy equivalent of a Spelling Bee. We followed this with MoNie-Pedia, an electronic quiz contest in which pupils competed on money and finance-related questions. Both competitions served to create excitement around the financial literacy programme and rewarded financially savvy secondary school pupils across the country. The top two schools were awarded Trustee Accounts of N200 000 (R8 000), and the third school N100 000 (R4 000), sponsored by Stanbic IBTC Trustee Limited.
- We also partner with Junior Achievement Botswana to foster entrepreneurship and financial education programmes in secondary schools.



### Online education on share trading

- During 2019, our wealth and investment team hosted **142** online share trading education sessions with **15 640** registered participants, and 36 YouTube videos with 5 700 views.



## 1. FINANCIAL INCLUSION CONTINUED



Providing solutions to encourage people to save and plan for their future financial security

Wealth means different things to different people. It is not only about assets, but about freedom, choice, connections, experiences and protecting the things that matter most to individuals. This might include saving for a child's education, diversifying one's assets, and providing for retirement. We work with our clients to develop personalised solutions tailored to their unique aspirations.

## Our savings and wealth solutions include:



**Tax free investment accounts and auto-share investments** (South Africa)



**Invest**, a specialist tracking fund manager (South Africa)



Nigeria's biggest **pension fund**



**'Game Plan - Retire Well'**, a micro pension solution for informal sector workers in Nigeria

In South Africa, our clients have invested over **R550 million in 63 000 tax free investment accounts**, and over **R440 million in 13 000 auto-share investment accounts**. Tax free investment accounts are easy to open and offer significant tax advantages and wealth accumulation benefits. Auto Share Invest provides an accessible option for investors who are just starting out and are still building portfolios. Clients can invest as little as R500 per month. Standard Bank buys the shares chosen by clients from our range of JSE selected shares, at a reduced cost.

In October 2019, we launched **Invest**, a specialist index tracking fund manager, in South Africa. It is 50% owned by Liberty and 50% by Standard Bank Group and brings together extensive financial market knowledge and award-winning unit trusts (UTs) and exchange traded funds (ETFs) from Standard Bank and STANLIB. Invest provides a comprehensive index product range which includes 28 UTs and ETFs with circa R12 billion of assets under management across multiple asset classes (equities, fixed income, commodities and property) and geographies (South Africa and offshore markets). It provides clients with instant access to some of the popular market indices, under one umbrella, helping them to invest simply, transparently and cost-effectively.

Stanbic IBTC Pension Managers Limited is **Nigeria's biggest pension fund administrator**. We have over 1.7 million retirement savings account (RSA) holders nationwide, with assets under management in excess of N2.8 trillion (R112 billion). We paid N3.26 billion (R131 million) to over 55 809 retirees in March 2019 and have paid out over N635 billion (R25 million) to retirees since the pension fund commenced operations in 2006.

As much as 70% of Nigeria's working population is in the informal sector. We want to ensure that they too have plans in place to protect them against poverty in old age. In 2019, Stanbic IBTC Pension Managers Limited launched a **micro pension campaign**, 'Game Plan - Retire Well', to encourage workers in the informal sector, who are not covered by the current contributory pension scheme, to take-up our micro pension product. The product offers access to various incentives, including flexible contribution remittances, and the opportunity to make withdrawals prior to retirement. It also aims to help mobilise the capital required for investment in critical sectors of the economy, while improving financial inclusion. Stanbic IBTC has launched an ongoing programme of public meetings, meetings with business groups, public awareness programmes, and television and radio advertising to raise awareness of the product.



**Eric Fajemisin**  
CE, Stanbic IBTC Pension Managers Limited

'Game Plan - Retire Well' is our callout to stakeholders to secure their future and reinforce the need to save and plan for retirement, irrespective of the nature of their jobs or the profession they may find themselves in. It is all about taking a decision today by signing up for a retirement plan, making the right move now towards a secure future or, simply put, having a game plan.



## 1. FINANCIAL INCLUSION CONTINUED



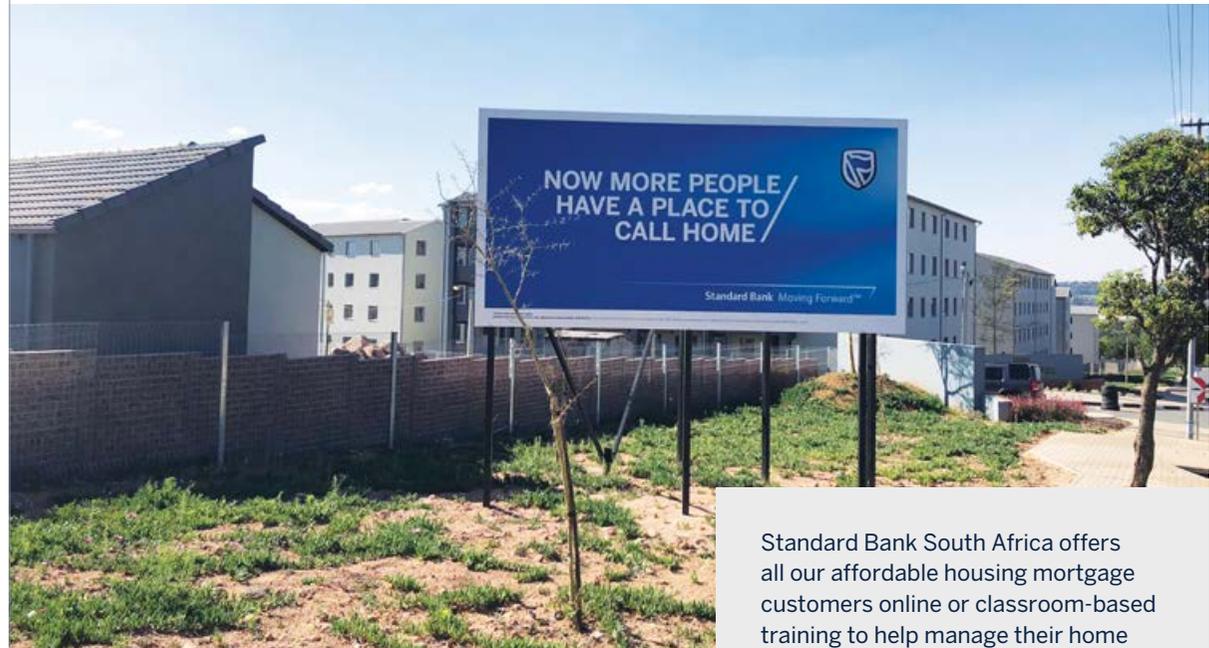
### Enabling home ownership

Helping people buy a home is one of the most important roles we play in society. A home provides shelter and dignity for families and provides an opportunity to build inter-generational wealth. Standard Bank is South Africa's largest lender to the affordable housing sector, with a 27% market share. We are also working directly with the government and NGOs in Zambia to tackle the country's 1.5 million unit housing deficit.

#### AFFORDABLE HOUSING IN SOUTH AFRICA

The Financial Services Code requires banks to provide affordable housing for consumers that earn a gross income between R3 500 and R24 300. Standard Bank's affordable housing book is valued at around R25.6 billion. In 2019 we registered **5 667 new affordable home loans**. As the largest lender in the affordable housing sector, with a **27% market share**, we have almost **99 500 customers** on our books.

We work closely with the National Department of Human Settlements, National Housing Finance Corporation and the provincial housing departments to help our customers access the Finance Linked Individual Subsidy Programme (FLISP) offered by the government. The programme targets the 'gap market'. These families find it hard to qualify for housing finance, as their income is regarded as too low for traditional mortgage finance from banks, but too high to qualify for the government free basic housing subsidy scheme. Qualifying households can access a FLISP subsidy, ranging between R27 960 and R121 626, depending on the applicant's monthly income.



Standard Bank South Africa offers all our affordable housing mortgage customers online or classroom-based training to help manage their home ownership obligations. Training is provided by the external service providers and funded by SBSA. In 2019, **1 037 customers** participated in the programme.

#### HOME SERVICES

In South Africa, Standard Bank's Home Services property valuation guide, **LookSee**, enables anyone buying or selling a home to access information relating to a property and its value. Anyone can access our free guides to help them make informed decisions. The information is available 24/7, and includes details such as:

- Property value, including highs and lows, last sale price and how the growth rate compares to the national average
- Estimate for home insurance and rates and taxes
- Interpretation of crime trends in the area and nearby amenities
- Sales trends and property turnover in the area.

SBSA launched **our sectional title index in 2019**. The index informs a customer of various things to consider when purchasing a sectional title property. It uses the financials of the complex, the price growth within the complex and the Risk Quality Grade within the area. On this basis, the index can inform the customer whether the complex is excellent, good, prospective, average or speculative. This helps our clients ensure they're making a well-informed decision when investing in the purchase of a home.

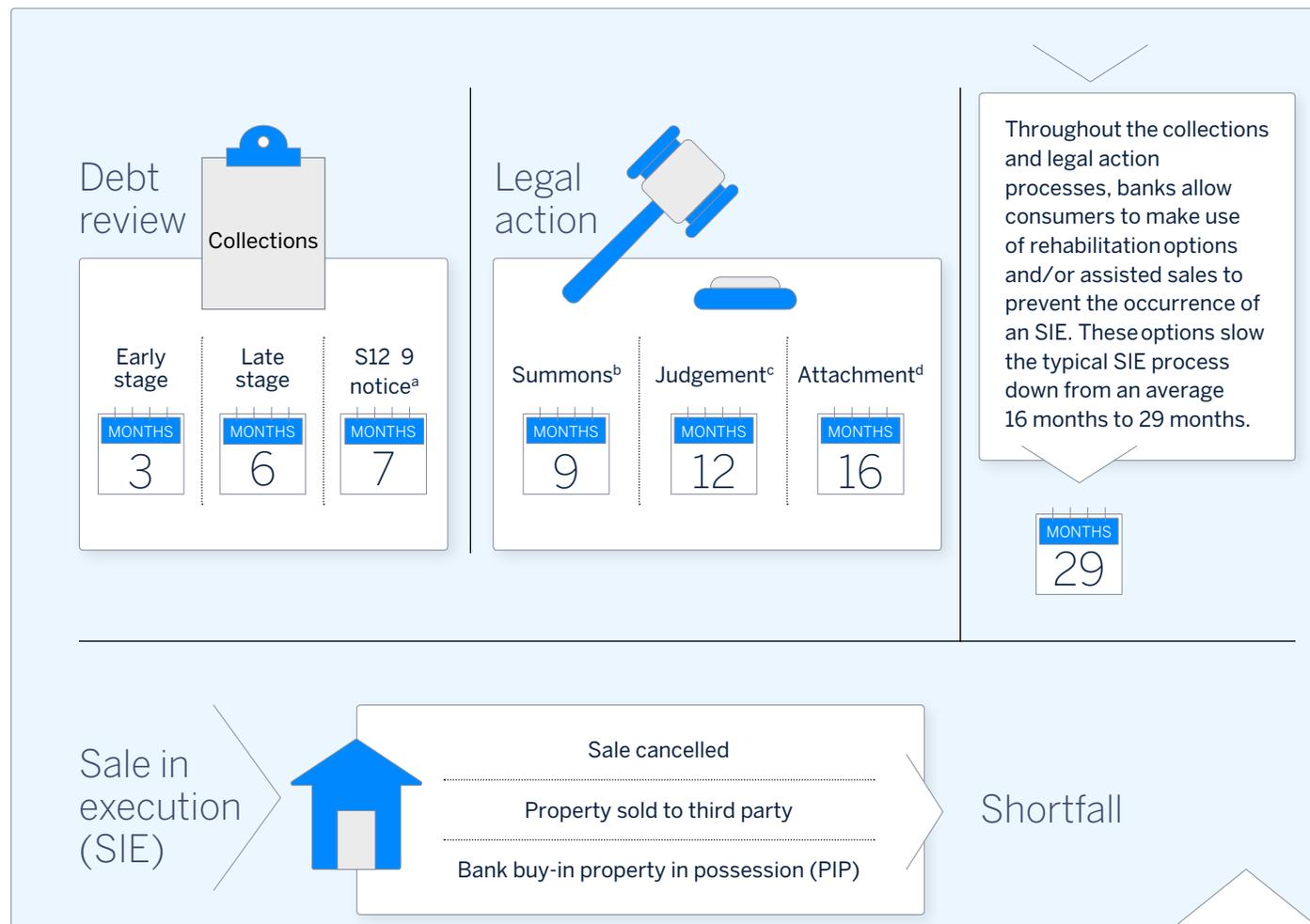
# 1. FINANCIAL INCLUSION CONTINUED



Despite South Africa's tough economic conditions, 83% of our affordable housing customers are keeping up with their repayments. In 2019 we worked with 7% of our customers who were showing signs of struggling to service their home loan to get back on track, providing them with alternative options that included a pause on their loan, an extension on the loan terms or a reduced repayment. In 2019, **2 861** home loans were restructured to keep families in their homes.

We do everything we can to help our customers stay in their homes. However, in 2019, we regrettably had to enter legal processes with 1.63% of our customers who were in default, after all alternative arrangements had been exhausted (down from 5% in 2018). During 2017 and 2018, we undertook a series of engagements with government officials, members of parliament, and civil society groups to gain a better understanding of what we can do to try to prevent mortgage defaults. We have since implemented various changes, including more proactive communication with stakeholders regarding the processes followed in cases of default, and about the options available to clients, including loan restructuring and assisted sales. We have also increased our focus on ensuring the courts have the relevant information on steps taken to try to assist clients in distress prior to taking the matter to court.

## KEEPING PEOPLE IN THEIR HOMES: THE LEGAL PROCESS WE FOLLOW WHEN CLIENTS FALL BEHIND ON THEIR MORTGAGES



a. Section 129 notice is the first step in the legal process when one has defaulted on a loan repayment. It is the notice issued in terms of Section 129 of the National Credit Act (NCA), advising a consumer that they are in arrears of a certain amount in unpaid instalment(s) at a given date. A credit provider, or an attorney appointed by the credit provider, may issue a notice according to Section 129 of the NCA at any time after the client has been in arrears for more than 20 business days. The credit provider may not proceed with any legal action without having fully complied with NCA requirements as contemplated in Sections 129 and 130.

b. An order to appear before a judge or magistrate.

c. Decision by the court.

d. The transfer of the property to the creditor.

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### BUY-a-BRICK ZAMBIA

Zambia's housing deficit currently stands at 1.5 million units and is projected to double according to a study by UN Habitat. The government has encouraged the private sector and civil society to partner with it to address the challenge of housing across all income brackets. In response, Stanbic Bank Zambia implemented the Buy-a-Brick initiative, which was formally launched by President Edgar Chagwa Lungu in Chibombo in 2019. We run the initiative in partnership with the Ministry of Housing and Infrastructure Development, the People's Process on Housing and Poverty in Zambia, The Zambia Homeless and Poor People's Federation, and Slum Dwellers International. Our objective is to help low-income households access decent housing, and to explore alternative building methods toward lowering the cost of housing. Stanbic Bank Zambia has dedicated a third of its total CSI budget (an equivalent of 1% of its annual profit) to the campaign. The government has pledged K10 million (R10 million) towards the initiative. Stanbic's Buy-a-Brick account allows businesses and members of the public to make donations toward buying building materials for the programme. Stanbic employees are also contributing to the fund, with different departments raising funding through various initiatives.



### Austin Mwape

Chair of the Board Stanbic Bank Zambia

Stanbic Bank prides ourselves on being a bank with a conscience. We are always looking for opportunities to improve local communities and better the lives of the Zambian people. We have set ourselves the goal of being an indispensable partner to our clients as they seek to attain financial independence and achieve sustainable growth in their lives. We have transformed Stanbic Bank from a financial service provider to an institution that helps individuals and families especially from low-income households overcome barriers to wealth attainment and growth. It is our hope that having the burden of decent accommodation lifted off their shoulders, low-income households will be able to focus their efforts on unlocking opportunities in their lives to create a better future.



## 1. FINANCIAL INCLUSION CONTINUED

### 5 Insurance

Standard Bank Group subsidiary, Liberty Holdings, provides life insurance and investment management. Standard Bank complements Liberty's offering with bespoke services for targeted client groups.

#### FOR EXAMPLE, STANDARD BANK PROVIDES:

##### Micro-insurance to small businesses

through Bizsure and Bizprotect. The policies are coupon-based and are designed to cover stock and business contents for small business owners against risks like fire and theft. They can also be used to cover agricultural goods. The product is available across 14 of our countries of operation in Africa.



##### Short-term insurance

to cover homeowners' structural insurance and contents, motor vehicles, computer equipment, and personal liability.

In 2019, we launched a standalone app for car and home content and structural insurance designed specifically for millennials. Clients receive a premium discount if they pass a digital driving test built into the app's telematics capabilities (the first 300km and 25 trips are tracked). Our discount is guaranteed for 12 months. If clients continue to use digital monitoring of their driving patterns, they receive additional rewards.



### Remittance services

Standard Bank clients can make authenticated payments to their own or other international accounts using our mobile app, online, in branches, or using Shyft Global Wallet.

In 2019, to expand access to remittance services, we partnered with Rewire, an international fintech, to offer remittance services to migrant workers from across our 20 African countries of operation. Rewire's cross-border international banking service enables migrant workers to deposit money into a digital bank account, which comes with a debit card for local needs and a remittance service for transferring funds home. The product is available in selected European markets, and there are plans to expand into Asian markets in the future.