



## Enabling home ownership to improve financial inclusion

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 intergenerational wealth. Standard Bank is a major provider of home loans in South Africa, with a 34% market share.



Since 2013, we have helped over **103 000 women** register **R73.2 billion** in home loans, of which R13 billion were registered in 2018, an 11.1% increase on the prior year



Total number of home loans on our books: 538 195 accounts to the value of **R306 billion**

Since 2013, we have helped over 189 000 historically disadvantaged customers register **R108 billion** in home loans

In 2018, we registered **R20.5 billion** in loans for historically disadvantaged customers, an increase of 16% on the prior year

In 2018, **2 054** home loans were restructured to keep families in their homes

### Affordable housing The Financial Sector Code

requires banks to provide affordable housing for consumers who earn a gross monthly income of between R3 500 and R23 300. Our affordable housing book is valued at around R25 billion. In 2018, we registered 4 958 new affordable home loans. As the largest lender in the affordable housing sector, we have assisted 96 359 customers to purchase a new home since 2008.

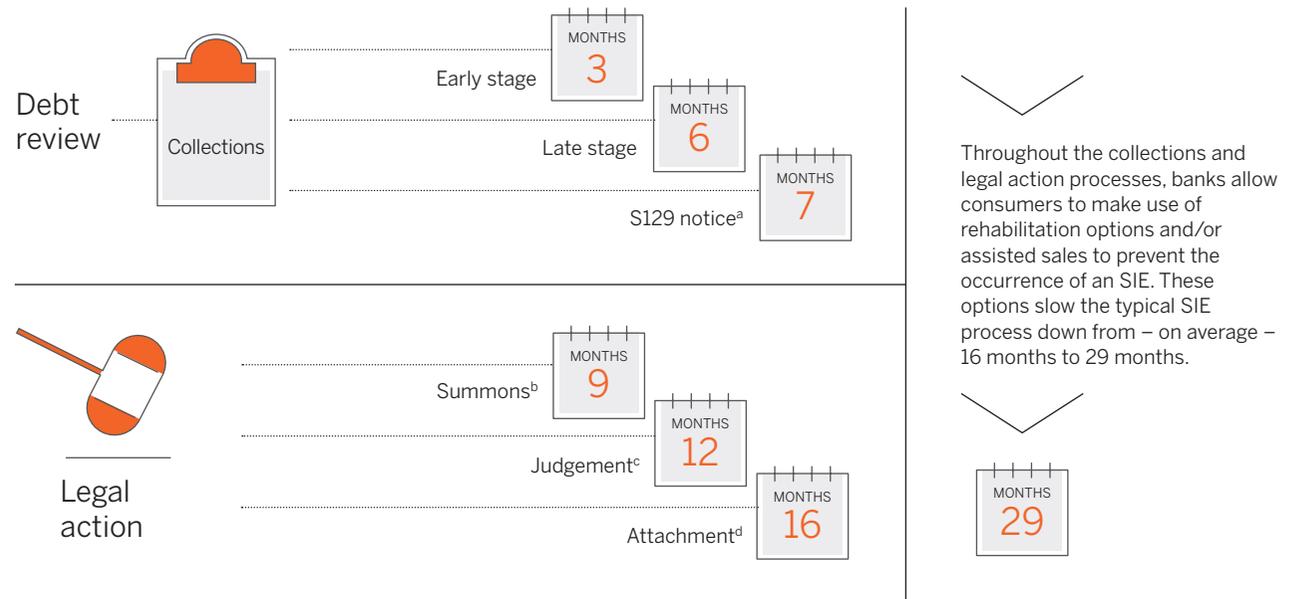
We offer our affordable housing mortgage customers online or classroom-based training to help manage their home ownership obligations. Training is provided by external service providers and funded by the bank. In 2018, 726 customers participated in the programme.

Despite South Africa's tough economic conditions, 88% of our affordable housing customers are keeping up with their repayments. We're working with 7% of our customers who are showing signs of struggling to service their home loan to get back on track, providing them with alternative options that include a pause on their loan, an extension on the loan terms or a reduced repayment. In 2018, **2 054** 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 2018, we regrettably had to enter legal processes with 5% of our customers who were in default, after all alternative arrangements had been exhausted. Over the past two years, we have undertaken a wide range of engagements with government officials, members of Parliament, and civil society groups to gain a better understanding of what we as a bank can do to try to prevent mortgage defaults. Our group social and ethics committee has mandated various areas within the bank to communicate more proactively with stakeholders regarding the processes followed in cases of default, and the various options available to customers, 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. We continue to work with National Treasury, Lungelo Lethu Human Rights Foundation and other relevant stakeholders to try to develop practical and sustainable solutions. We recognise the need to provide more regular, user-friendly communication to customers, to better support understanding of their rights and responsibilities, and how they can access assistance when payments first fall behind. We're working with Lungelo Lethu Human Rights Foundation to improve our communication in this regard.

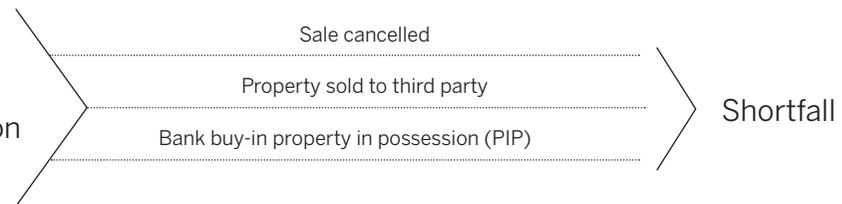
## KEEPING PEOPLE IN THEIR HOMES: THE LEGAL PROCESS WE FOLLOW WHEN CLIENTS FALL BEHIND ON THEIR MORTGAGES



**In Uganda,** Stanbic Bank has launched a partnership with the Buganda Land Board to provide an affordable financing solution, Kyapa Loans, to enable bibanja holders to acquire land titles. Bibanja holders can approach the Buganda Land Board's Lease Access Financing initiative (LAFI) offices to survey and authenticate their land. LAFI will provide them with a letter of recommendation to the bank and an invoice of total cost, which will be presented to the bank for financing. Once tenants have proper leasehold titles, they can use this as collateral to access further bank finance, to enable building work or renovation, for example. The solution is available to both salaried and self-employed customers. Repayment is over 24 months at a competitive interest rate. The entire loan acquisition process is completed in under 48 hours.



Sale in execution (SIE)



a. 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 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 or the sale of such property to recover outstanding debt.