



# COMMERCIAL BANKING SHOWCASE

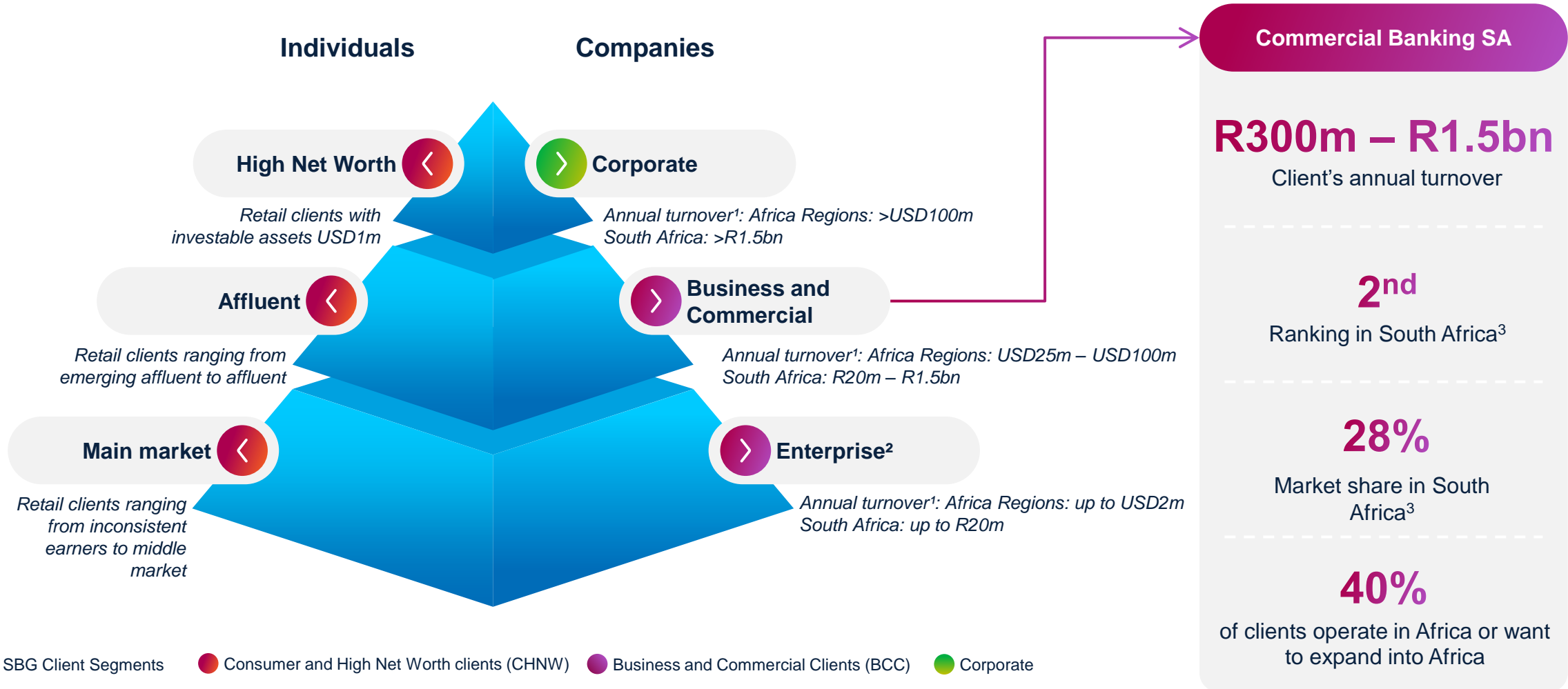
5 JULY 2022

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# COMMERCIAL BANKING – IN CONTEXT

# Commercial Banking in context

Dedicated team servicing client segment with specific needs

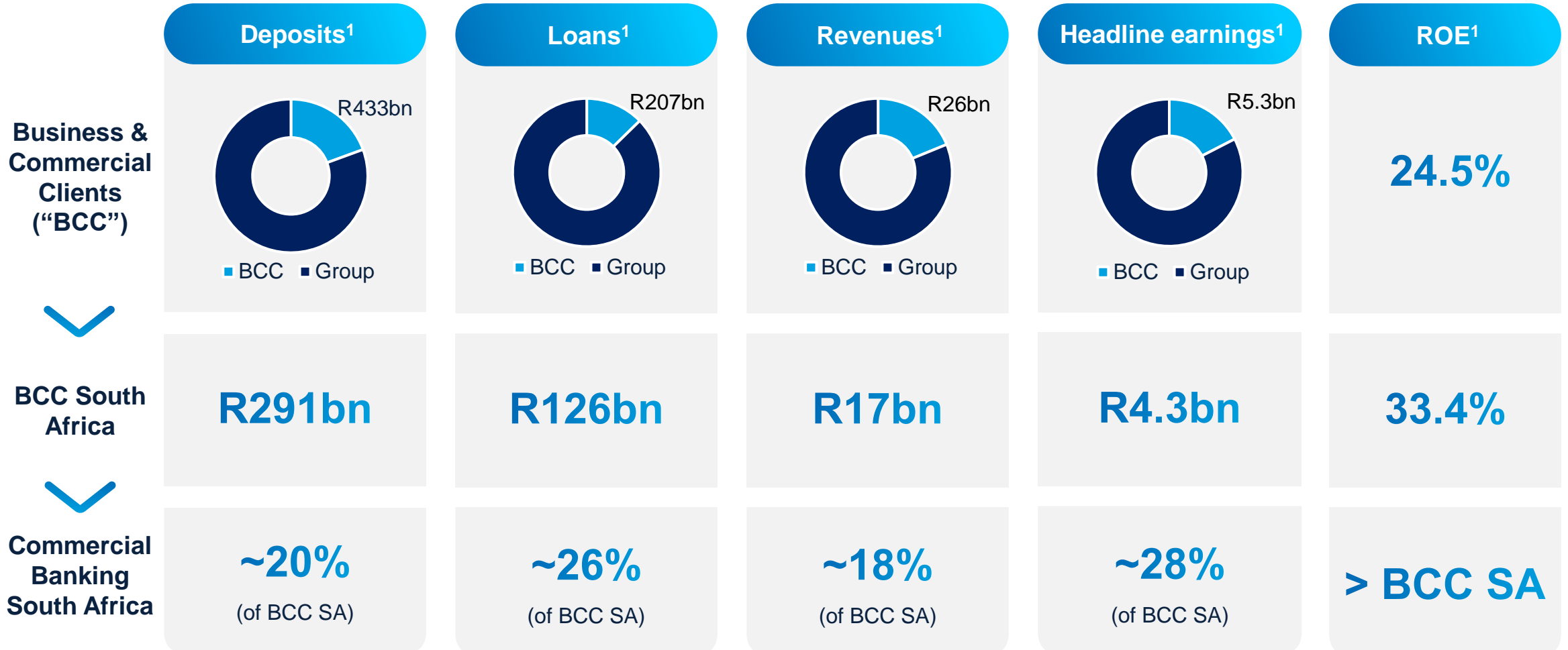


<sup>1</sup> Segment cut off relationship and country specific, <sup>2</sup> Includes SMEs <sup>3</sup> Based on Standard Bank market research



# Commercial Banking in context

Valuable contributor to the group



<sup>1</sup>Based on FY21

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# OUR KEY DIFFERENTIATORS

# Commercial Banking – key differentiators

Our competitive advantages underpin our resilient, growing franchise



## Client franchise

- Long standing relationships with top performers in many sectors
- South African-based entrepreneurs, often family owned
- Unlisted businesses across a diverse range of sectors



## Business model

- Relationship-led
- Facilitated by client ecosystem approach
- Complemented with digital capabilities and platforms



## People

- Experienced bankers
- Empowered team with in-depth sector knowledge
- Strong client relationships

Value delivered - partner our clients to drive growth and value through innovative, growth-focused strategic conversations

# Commercial Banking – our client franchise

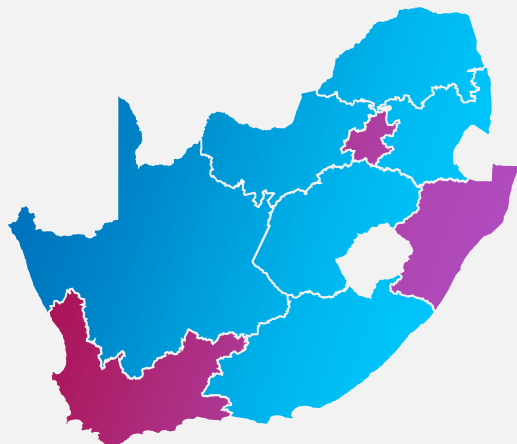
How we serve our clients



## Coverage

### Regional Business Suites

- Metropolitan Regions
- Non-Metropolitan Regions



## Client service team

- Relationship Manager
- +
- Portfolio Manager
- +
- Client Service Unit Agent
- +
- Ecosystems Manager
- +
- Product Experts
- +
- Sponsor

## Sector expertise

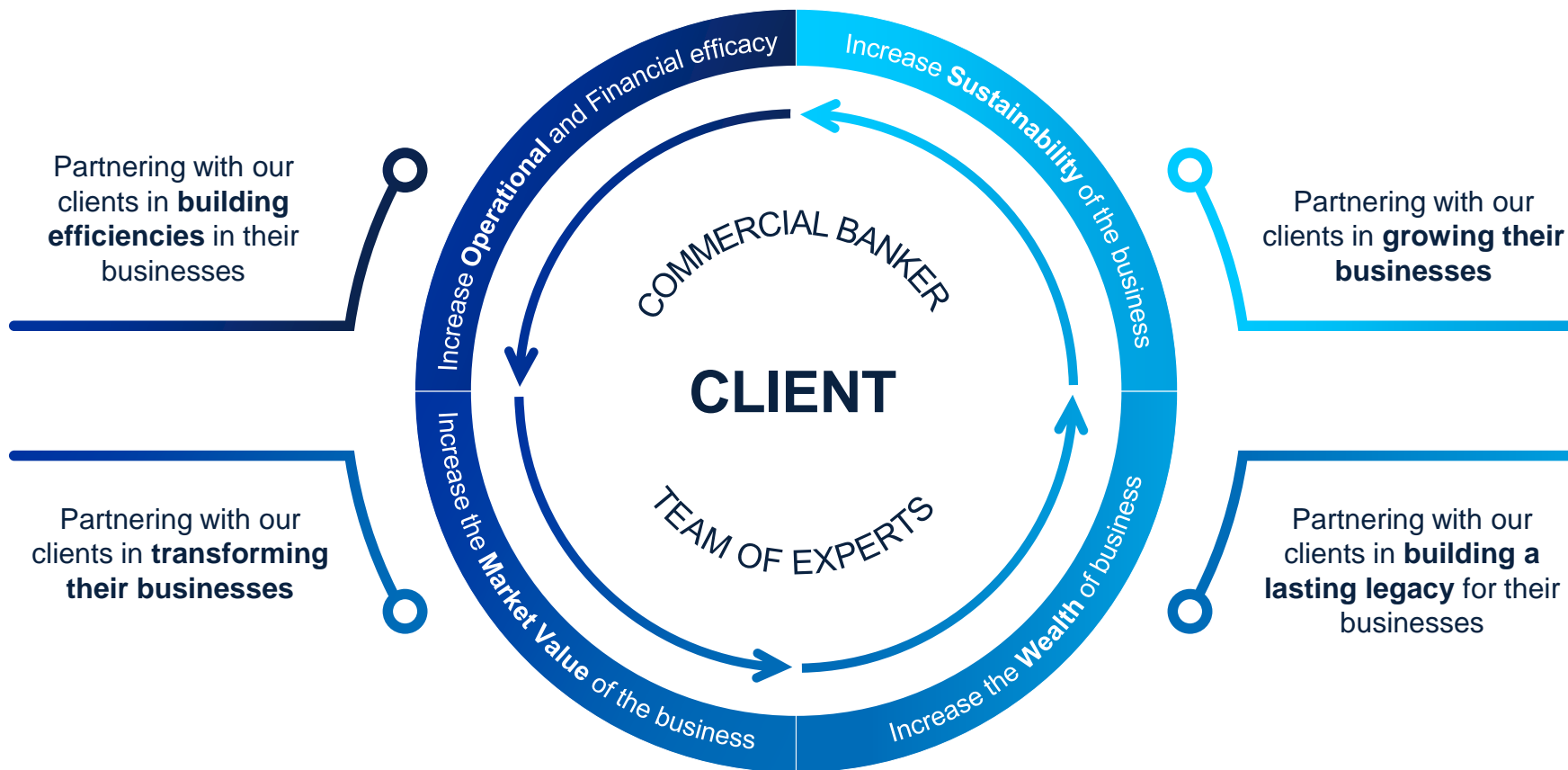
- **Agriculture** – Growers, Input Suppliers, Aggregators Processors
- **Natural resources** – Mining, Renewable Energy, Oil and Gas
- **Logistics**
- **Schools and Universities**
- **Leverage sector-specific experts in the group** – work closely with our HNW and CIB teams e.g. Technology, media and telecommunications, mining, consumer etc

## Solutions delivered

- **Prime Solutions**
  - Borrow
  - Payments
  - Save/Invest
  - Trade
- **Specialised Solutions**
  - Advisory
  - Wealth Solutions
  - Bancassurance
  - Global Markets
- **Bespoke solutions**
- Client ecosystems based

# Commercial Banking – our business model

Our integrated service model





# Commercial Banking – ecosystem overview

Solutioning for client pain points beyond the normal day-to-day



## Ecosystem opportunities

- Working capital solutions
- Supplier finance
- Trade and insurance
- Employee benefits
- Africa China collaborations
- Africa expansion opportunities
- CHNW opportunities
- Off-taker and supplier opportunities
- Platform capabilities (Thrive, PowerPulse, TradeClub)
- Introduction to Fintech platforms (Floatpay, Feenix, Founders factory)

# Commercial Banking – Africa China

Leveraging our unique relationship with ICBC to bring opportunities to their and our clients

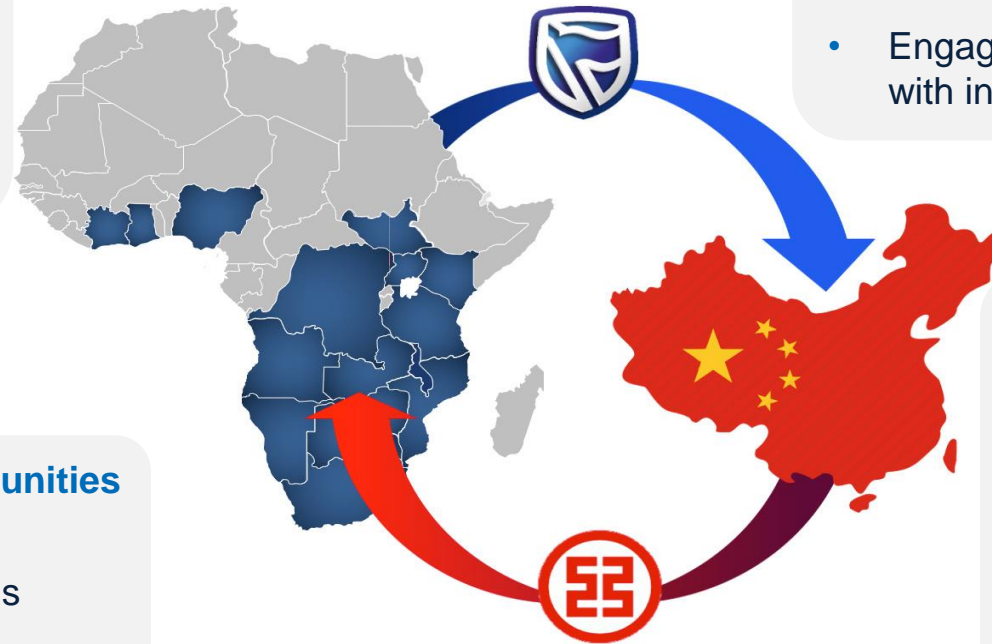


## BRICS China/Africa match-making event

- In collaboration with ICBC
- **24** South African companies matched to Chinese buyers

## Export opportunities for clients

- **4** big retail buyers in China looking to source fruit from South Africa
- Engaging Agri teams to find clients with interest in exporting



## Opening new business opportunities in China

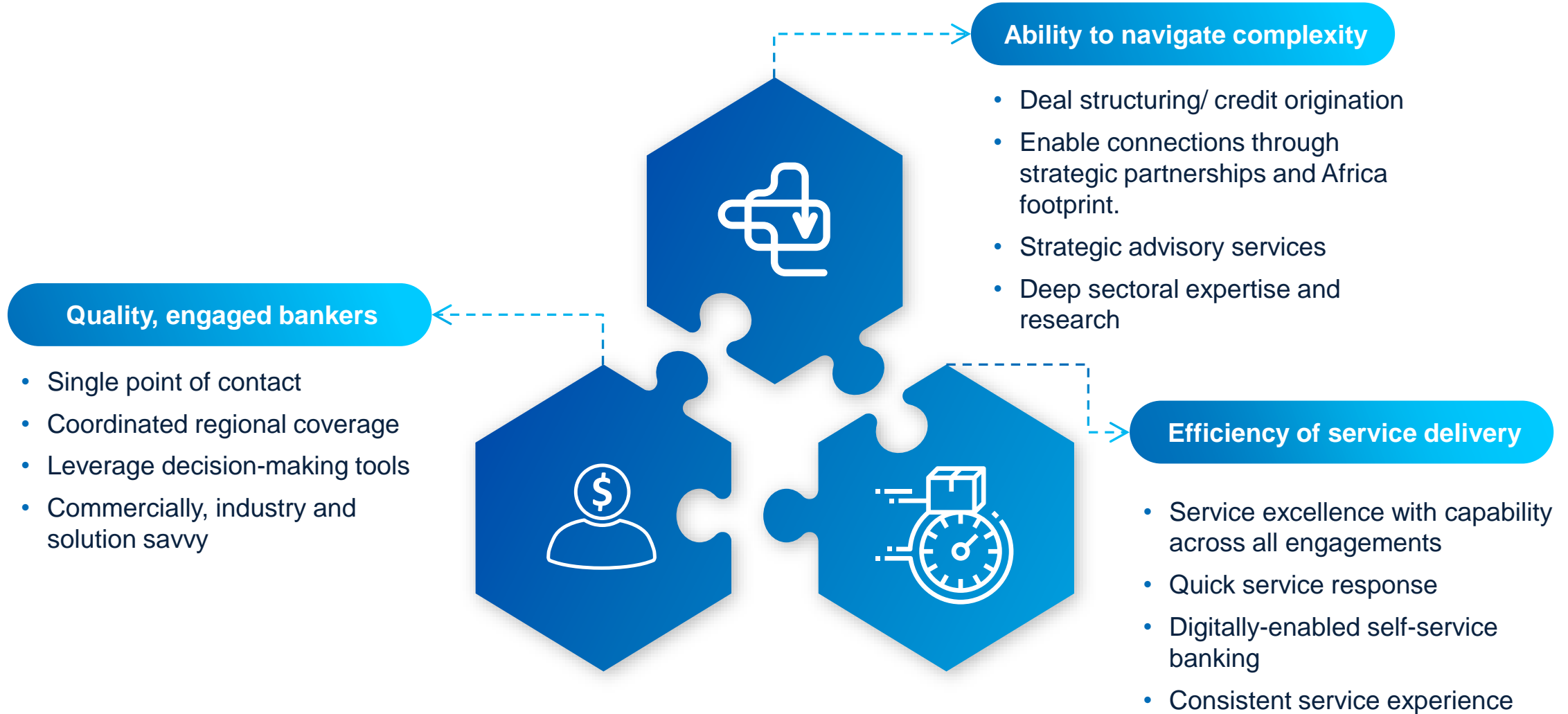
- Virtual matchmaking sessions
- **8** South African wine producers introduced to Chinese off-takers

## Africa China energy import platform launched in May 2022

- Aimed at driving access to renewable energy equipment
- Provides access to solar photovoltaic systems, batteries and inverters
- Equipment produced by credible manufacturers with applicable warranties

# Commercial Banking – our people

Dedicated team servicing client-specific needs



# Client profitability matrix

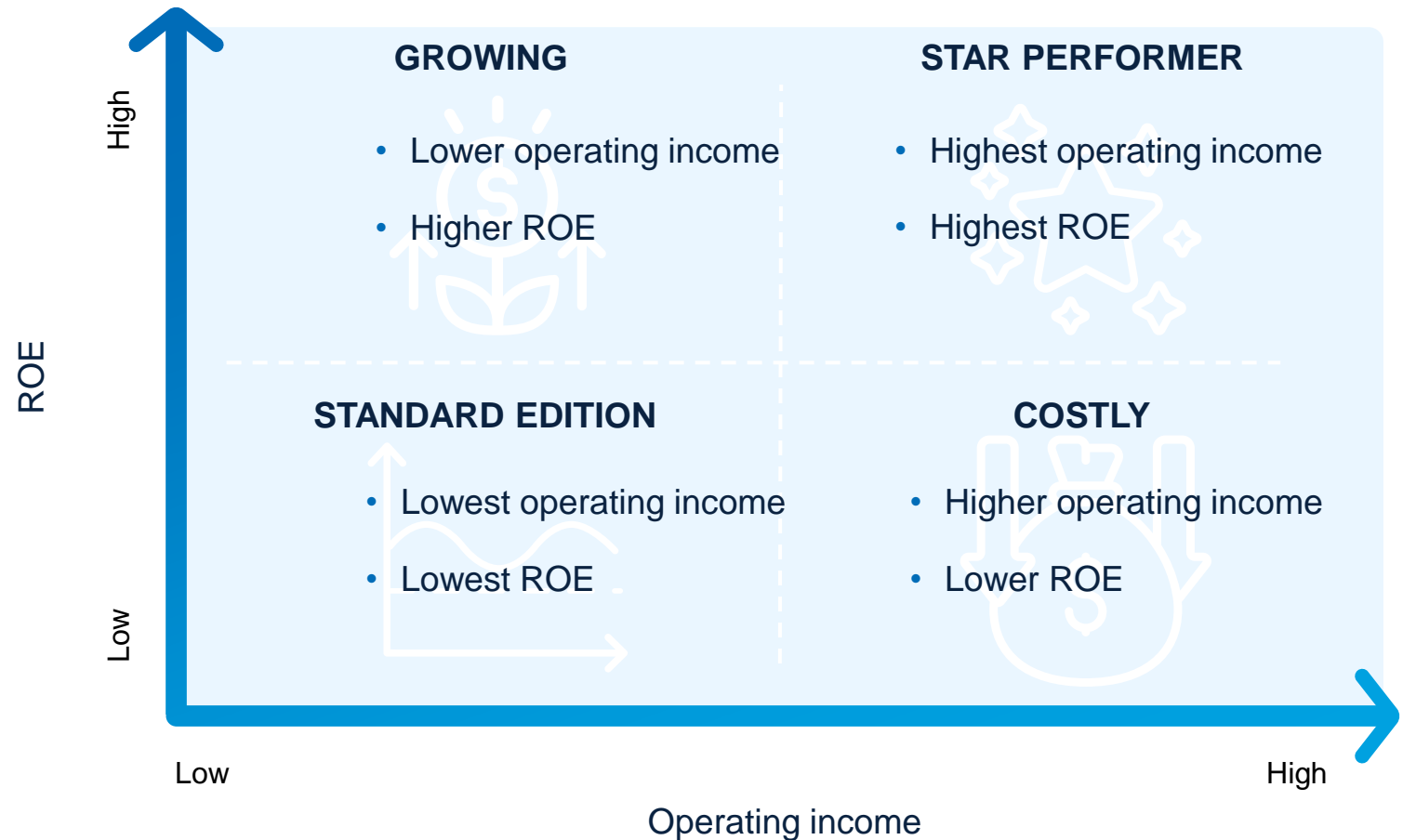
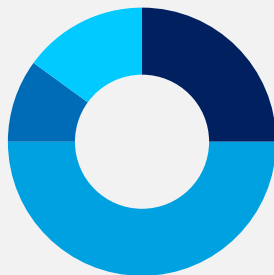
Leveraging opportunities to improve client profitability



- Client profitability assessed taking into account all products used
- Deliberate actions taken to manage clients as they move between quadrants
- Pricing mandate resides with the relationship manager

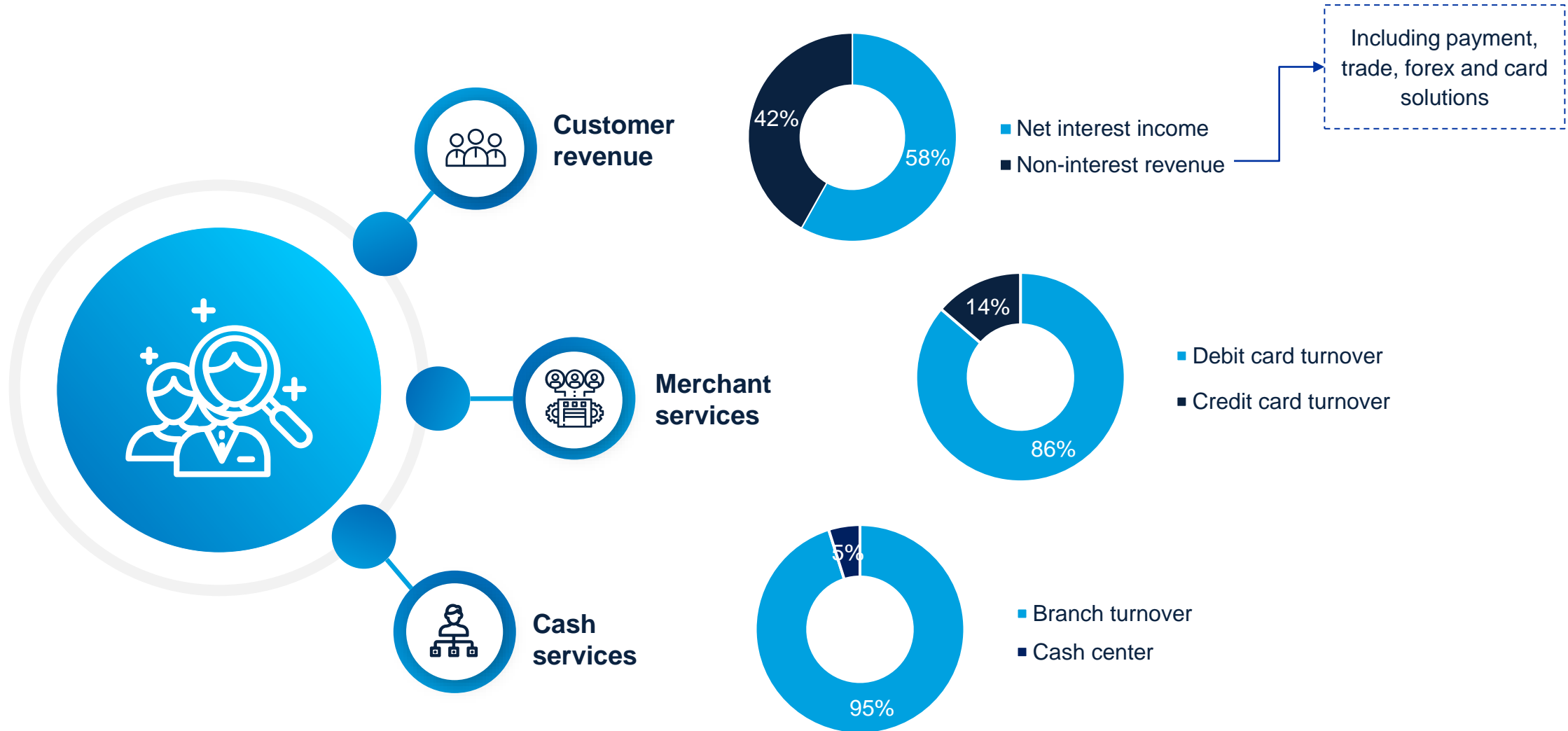
## Client portfolio split, %

- Star performer
- Growing
- Costly
- Standard edition



# Client example – “Star performer”

Illustrative example of revenues and cost considerations





# KEY FOCUS AREAS



# Key focus areas

Aligned to the Business and Commercial Client segment focus areas



*Defend*

*Grow*



**Retain and grow  
our South African  
franchise**



**Drive  
African  
trade**



**Support the  
Enterprise segment  
holistically**



**Partner  
to drive  
growth**



**Scale platforms  
and ecosystems**



# Trade solutions

Key driver of growth for clients by providing solutions to their needs



## Trade club

We assist with sourcing pre-vetted, reliable suppliers locally and around the world



## Trade finance

We ensure that the correct working capital trade finance solution is in place to assist clients to pay for their goods.



## Trade suite

The help of dedicated Trade Specialist provides end to end support through the entire import journey.

## Key trade metrics

- Total new supply chain facilities
- Total supply chain facilities
- Growth in new trade suite clients
- Income before impairments

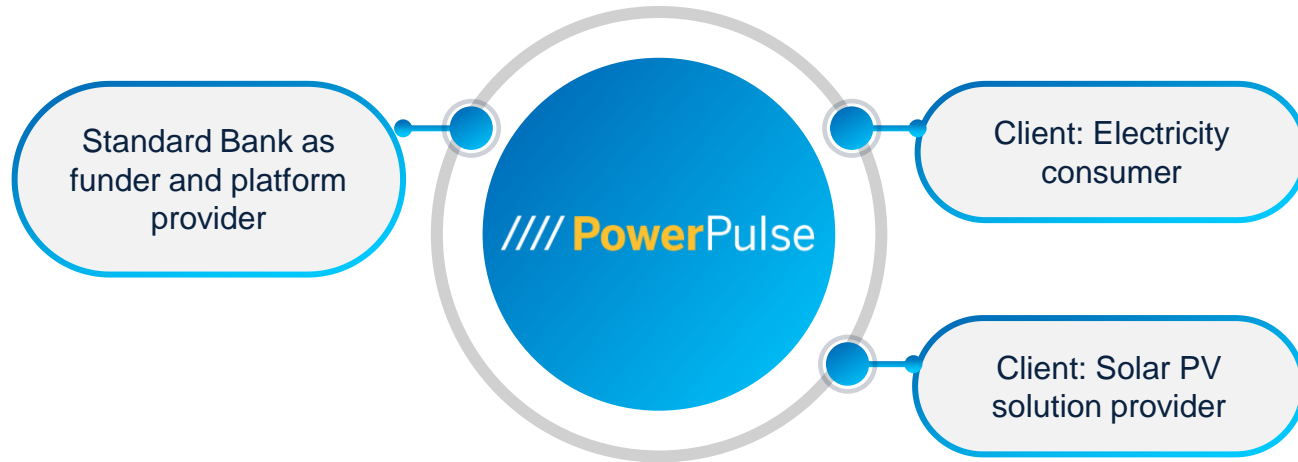
[Trade video link](#)





# Powerpulse – accelerating decentralised energy

Digital platform for solar photovoltaic (PV) solutions in partnership with Corporate & Investment Banking



A digital platform that facilitates, funds and optimises decentralised energy supply

[Powerpulse video link](#)

**Key metrics**

<b>2H21</b> launch date	<b>61</b> vetted suppliers to date
<b>&gt;R380m</b> Solar PV installations in FY21	<b>~110 GkW</b> green energy generated to date
<b>&gt;400</b> clients sourced solutions through the platform to date	

# 2025 financial targets

Commercial Banking South Africa will contribute positively to meeting BCC targets



## BCC Group 2025 financial targets

## CB SA 2025 financial targets

<b>REVENUE GROWTH</b> (CAGR 2020/25)	<b>8% – 10%</b>	>	<b>Within or above BCC</b>
<b>COST-TO-INCOME RATIO</b>	<b>&lt;55%</b>	>	<b>Below BCC</b>
<b>CREDIT LOSS RATIO</b> (Through-the-cycle)	<b>100 bps – 120 bps</b>	>	<b>Below BCC</b>
<b>RETURN ON EQUITY</b>	<b>25% – 30%</b>	>	<b>Contribute positively to BCC ROE</b>



Client franchise



Business model



People

Leveraging our key differentiators to deliver on our strategic focus areas and targets



# Disclaimer



The Group may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, the impact of the COVID-19 pandemic on Standard Bank Group's business, results of operations, financial condition and liquidity and statements regarding the effectiveness of any actions taken by the Group to address or limit any impact of COVID-19 on its business; statements regarding exchange rate fluctuations, volume growth, increases in market share, cost reductions, and business performance outlook.

By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.



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YOU