

# MEASURING OUR STRATEGIC PROGRESS

Our strategic value drivers are the framework we apply in measuring our strategic progress. They inform our allocation of resources and guide our trade-off decisions. We have made further progress in aligning our governance, planning and reporting processes to our strategic value drivers, and will continue to refine the underlying metrics to ensure that we are measuring what matters most in delivering our group strategy.



## CLIENT FOCUS

We place our clients at the centre of everything we do, aiming to provide relevant and appropriate products and services seamlessly through the channels they choose. This is informing our efforts to build a digital bank, redesign our operating models, develop our people and shift our culture – for long-term sustainable competitive advantage.

**WHAT SUCCESS LOOKS LIKE**

- We understand our clients and offer them the products, services and solutions they need to achieve their goals.
- We serve our clients quickly, efficiently, reliably and respectfully.
- We earn and keep our clients' trust.

**HOW WE MEASURE OUR PROGRESS**

To understand how satisfied our clients are with our service, internally facilitated client surveys appropriate for each business unit are conducted in phases throughout the year.

**Our indicators**

- Net promoter score (NPS) for PBB.
- Client satisfaction index (CSI) for CIB.

**HOW WE PERFORMED**

**PBB**

Our focus on delivering consistently excellent client service supported an improvement in the channel NPS score for PBB South Africa. Channel NPS is measured across different points, which include the branch, customer contact centre, and relationship banking channels at transaction level.

**Net promoter score**



Year	PBB South Africa channel	PBB Africa Regions
2016	50	15
2017	65	15

**CIB**

The overall CSI score was unchanged from the prior year at 7.8 out of 10. Pleasingly, our clients rated their relationship managers highly across most countries and see Standard Bank as a leading corporate and investment bank.

**Client satisfaction index**



Year	Client satisfaction index
2016	7.8
2017	7.8

Multinationals and domestic clients contribute **62% and 38%** respectively to client revenues.



### Key client concerns

- Improving their banking experience.
- Combating cybercrime and fraud.
- Cheaper and more convenient banking services.
- Ensuring the safety of their money.
- Assistance in times of financial distress.

### Related material issues

- Understanding the needs of our clients.
- Providing our clients with a personalised and comprehensive financial services offering.
- Empowering our people to better provide an excellent and consistent client experience.
- Making it easier, faster and safer to transact by accelerating innovation and digitisation.
- Partnering with our clients during challenging times.

### KEY DEVELOPMENTS IN 2017

To address our clients' key concerns and our material issues, we have:

- Accelerated the introduction and adoption of digital channels across Africa.
- Substantially completed the core banking transformation programme in early 2018 with 93% of transactional account clients on the new platform.
- Simplified processes and increased the use of data analytics to understand and respond more precisely to our clients' needs.
- Achieved increased IT system stability with no major service interruptions in 2017.
- Improved IT security capabilities, which an independent expert assessed as leading in our peer group.
- Engaged with clients in financial distress and offered a range of solutions to assist them, including the introduction of a debt care centre, improved client education offerings and an EasySell platform to assist clients to get the best value on the sale of their properties.
- Completed several landmark transactions.
- Funded 13 client lending deals in partnership with ICBC since 2016 to support our clients operating in the China-Africa corridor. An example is the recent funding of the USD8 billion Coral floating liquefied natural gas development in Mozambique.

### PRIORITIES IN 2018

To drive improvements in our client satisfaction scores, we will:

- Deepen existing client relationships in support of their growth journeys.
- Leverage data and advanced analytics to gain deep client insights and provide timely and relevant offerings.
- Continue to implement digitally enabled solutions that improve client convenience.
- Continue to provide our clients with the choice to interact with us digitally or through our branch networks.
- Leverage the ICBC relationship to support the growth strategies of, for example, Chinese multinationals operating in Africa.

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**86-91** Business unit reviews and information technology report.

### KEY TRADE-OFFS

- Increasing our use of data analytics and developing digitally enabled solutions that are innovative, accessible and affordable have to be done within the non-negotiable constraints of protecting our clients' personal information and mitigating cybersecurity risk.
- The client experience benefits of digital platforms and the efficiencies gained from increasing the digitisation of processes require additional IT development and maintaining IT stability and security, which increases costs and the depreciation and amortisation of our IT assets.
- We are committed to assisting our clients through periods of financial distress which may lead to a restructuring of the terms and conditions of their loan agreements to assist with affordability challenges. While this may lead to delaying the loan repayment, the restructure allows the client to repay the loan and avoid any longer-term negative financial consequences. In addition, it enables the group to realise the capital repayments and mitigates the need for costly legal action, foreclosures and negative client and social implications.