

OUR SHARED VALUE MODEL

Our shared value model connects commercial and social realities in a dynamic environment of competing stakeholder expectations, competitive forces and regulatory pressures.

INPUTS

<p>Quality relationships with all our stakeholders</p> <p>The quality of our relationships with our clients, providers of capital, regulators and other stakeholders underpins our legitimacy, reputation and competitiveness. We protect, advance and reconcile the individual and collective interests of our stakeholders to remain commercially viable and socially relevant.</p>	<ul style="list-style-type: none"> • Profitable client relationships. • Good standing with investors. • Constructive relationships and dialogue with regulators and government. • Collaborative relationships with suppliers and associates. • Social and environmental risk management in financing activities.
<p>Our diverse, multi-generational pan-African workforce</p> <p>Our people are our strongest competitive advantage. Their expertise, resilience and motivation is required to serve our clients and fulfil the expectations of our other stakeholders, according to our values and within the parameters of compliance and risk appetite.</p>	<ul style="list-style-type: none"> • 48 322 employees, 68% based in South Africa. • R925 million invested in training (2016: R890 million). • 11 employee engagement surveys. • Good relationships with employee representatives. • Reward structures linked to our values, strategy and financial performance. • High-performance ethical culture. • Robust risk and compliance structures.
<p>Our intellectual property</p> <p>The systems and processes that underpin our business and align our people, culture, technology and organisational architecture to our strategic direction. An important aspect of our intellectual capital is the strategic investments we make in associate companies, enabling us to stay abreast of disruptive change and remain competitive.</p>	<ul style="list-style-type: none"> • A 156-year heritage and strong brand. • On-the-ground presence in Africa and strategic partnership with ICBC. • Experienced and skilled board and strong executive and leadership teams. • Client-focused, digitally enabled ways of working. • A global network of associates, including fintechs, venture capital firms and partner banks, giving us access to innovative solutions. • A culture of digitisation and innovation.
<p>Our infrastructure</p> <p>Our channel and IT infrastructure, particularly our modernised IT platforms and digital channels and the national infrastructure of the countries we operate in, which we use to conduct our business.</p>	<ul style="list-style-type: none"> • Core banking IT platforms. • Fit-for-purpose branch network and digital touch points. • Backup systems to mitigate the risk of business disruption and utility outages.
<p>Funding from our providers of capital</p> <p>The funding from the providers of capital used to run our business and invest in our strategy.</p>	<ul style="list-style-type: none"> • Affordable access to capital, and resilient and diverse capital structure which includes an optimised mix of equity and debt. • Strong market capitalisation and share price growth.
<p>Natural resources</p> <p>Our indirect impact on natural resources through our financing activities and, more directly, the utilities we require to operate.</p>	<ul style="list-style-type: none"> • Working with clients to promote the preservation of natural capital in their projects. • Investing in renewable energy projects. • 243 820 gigajoules energy consumed (2016: 257 226 gigajoules). • 666 806 kilolitres water consumed (2016: 718 960 kilolitres). • Initiatives that minimise our direct environmental footprint and secure supply.

GOVERNANCE

Our governance and risk frameworks are integrated across our operations, enabling enhanced accountability, effective risk management, clear performance management, greater transparency and effective leadership.

Our ethical and effective leadership unites our purpose and performance by embedding an ethical and risk-aware culture that recognises that the trust of our stakeholders is the basis on which we compete and win.

KEY RISK TYPES:

- Credit risk
- Interest rate risk
- Insurance risk
- Country risk
- Business and reputational risk
- Liquidity risk
- Market risk
- Operational risk, including compliance, environmental and/or social risk

OUTPUTS

What we enable our clients to do

Borrow ●●●●●

to achieve their personal and business goals, supporting employment and inclusive economic growth in Africa.

Transact ●●

through convenient access to and movement of funds.

Invest ●●●●

to create wealth by generating long-term returns and mitigate the erosion of their capital due to inflation.

Access ●●●●●●

financial markets and invest in Africa, based on the advice we provide.

Insure ●●●●●●

to protect their wealth and well-being.

What we invest in to support what we do for our clients

Our universal financial services offering and capabilities delivered through PBB, CIB, Wealth, Liberty and our relationship with ICBC. ●●

Our people, to equip them to deliver exceptional client experiences in a changing world of work. ●●

Our operations, including our IT platforms, to enhance our capabilities, improve efficiency and remain compliant with all applicable laws and regulations. ●●

Strategic investments ●●●●●●

that support our access to innovation, and drive socioeconomic development in Africa.

SHARED VALUE OUTCOMES

We strive to employ our resources and relationships responsibly in what we do and how we do it, to create the best outcomes for our clients, our people, our shareholders and our other stakeholders.

RCM ▮ Risk and capital management report.

AIR ▮ ¹⁶⁻¹⁷ Managing our risks.

AIR ▮ ¹⁸⁻²⁹ Measuring our strategic progress.

VALUE DRIVERS

Client focus

Exceptional client experience – placing the client at the centre of everything we do.

+

Employee engagement

Making Standard Bank a great place to work.

+

Risk and conduct

Doing the right business the right way.

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Financial outcomes

Delivering superior value to our shareholders.

SEE impact areas

Creating and maintaining shared value.