

AFRICA IS OUR HOME, WE DRIVE HER

GROWTH

Presentation to the Portfolio Committee on Trade, Industry and Competition (PCTIC) &
the Standing Committee on Finance (SCOF)



WHO WE ARE – DRIVING SOUTH AFRICA'S GROWTH



Standard Bank South Africa is Standard Bank Group's largest operating subsidiary.

Our purpose: **Africa is our home, we drive her growth.**



Value Created for Stakeholders in 2023

- **R31.8 billion** paid in salaries & other incentives
- **R24.6 billion** paid to suppliers & service providers
- **R12.0 billion** paid in tax
- **R142.2 million** paid in Corporate Social Investment
- **R10.5 million** paid to political parties and civil society organisations through the Democracy Support Programme
- **R26.4 million** paid in arts sponsorships

** 2023 figures used due to the bank being in a financial closed period*



KEY HIGHLIGHTS



1

Largest Government Lender

Over the past 5 years we have advanced direct balance sheet of more than **R20bn** to enable government to address infrastructure backlog across the energy, water, and logistics sectors

2

Driving Transformative Growth

Standard Bank remains committed to transformation, and has maintained a **Level 1 B-BBE contributor rating** since 2017

3

Investing for Inclusive Growth

92% of our lending is directed towards productive economic activity

4

Investing in Developmental Infrastructure

We have mobilised **R15.5bn** for renewable energy power plants

5

Providing Access to Housing

1 in 3 homes in South Africa is financed by Standard Bank

6

Starting & Growing Small Businesses

We have over 460 000 active small enterprise clients who received over **R12bn** in loans in 2023

7

Supporting SMEs in the Agriculture Value Chain

R61.4m in payments to smallholder farmers (of which R22 million was paid to women farmers)

8

Driving Mobility & Business Growth Through Asset Finance

R36bn in retail and corporate asset finance loans extended in 2023

9

Interest Rates

Range between **[prime – 1.5%]** and **[prime + 6%]**

10

Lending criteria

In line with legislation and affordability regulations. We do not discriminate based on race



B-BBEE is a crucial part of ensuring socio-economic transformation in our society, and we recognise this as an integral part of our social licence to operate in South Africa.

Standard Bank's B-BBEE Scorecard 2023

Scorecard Element	Element weighting (+ bonus points)	SBSA Score 2023	SBSA Score 2022	SBSA Score 2021	SBSA Score 2020	SBSA Score 2019	SBSA Score 2018
Ownership	23+5	26.00	26.00	26.00	26.00	23.82	23.81
Management Control	20	16.40	15.83	15.93	15.80	15.85	14.88
Skills Development	20+3	17.28	17.10	17.10	16.00	16.28	17.62
Preferential Procurement	15+4	19.00	18.29	18.36	18.56	18.97	18.83
Socio-Economic Development and Consumer Education	5+3	6.16	6.62	8.00	4.95	7.00	7.11
Empowerment Financing and Enterprise and Supplier Development	25+4	25.40	26.41	28.64	22.42	22.92	20.88
Access to Financial Services	12	9.94	9.82	10.17	9.55	11.30	11.42
Total Score	120+19	120.19	120.07	124.20	113.28	116.14	114.55

We have maintained a **Level 1** contributor rating since 2017

B-BBEE Scorecard Performance



BEE Procurement Recognition Percentage

135%



Empowering Supplier

B-BBEE Investment in 2023

R11.37 billion in target investments, including:

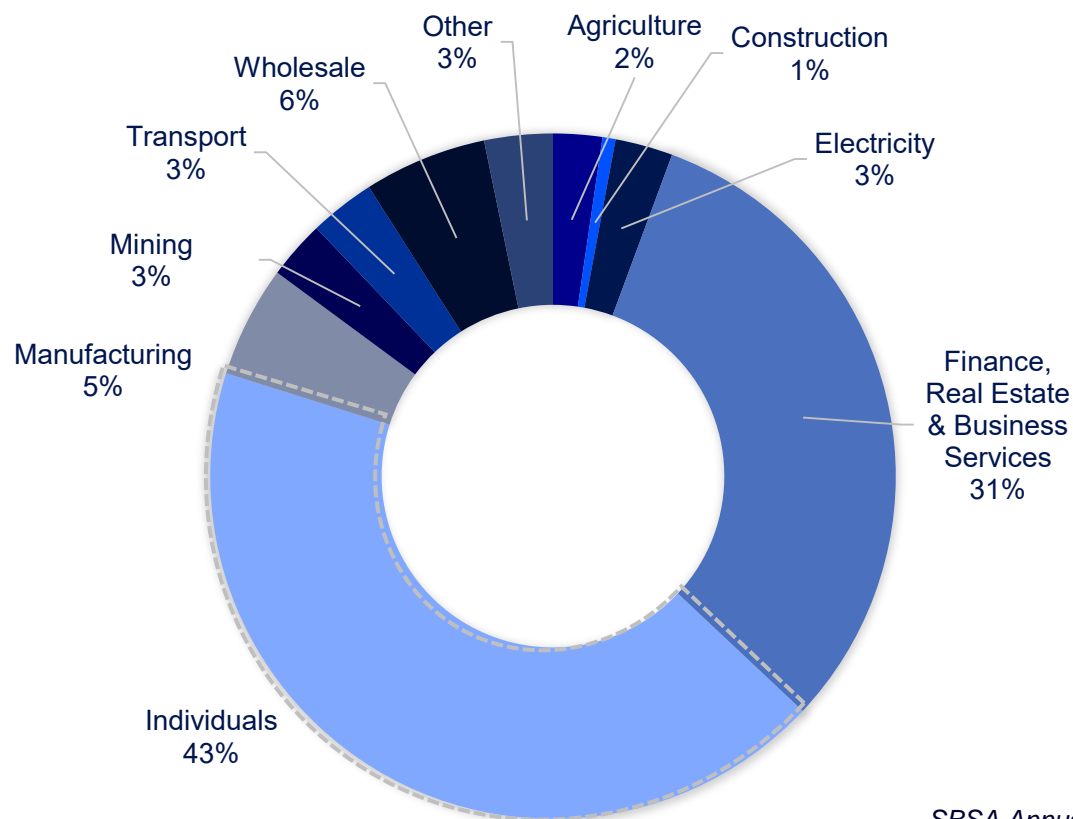
- **R3.44 billion** in affordable housing
- **R7.65 billion** in infrastructure development
- **R283.49 million** in black agriculture development

B-BBEE transaction financing and black business growth/SME funding
R22.63 billion

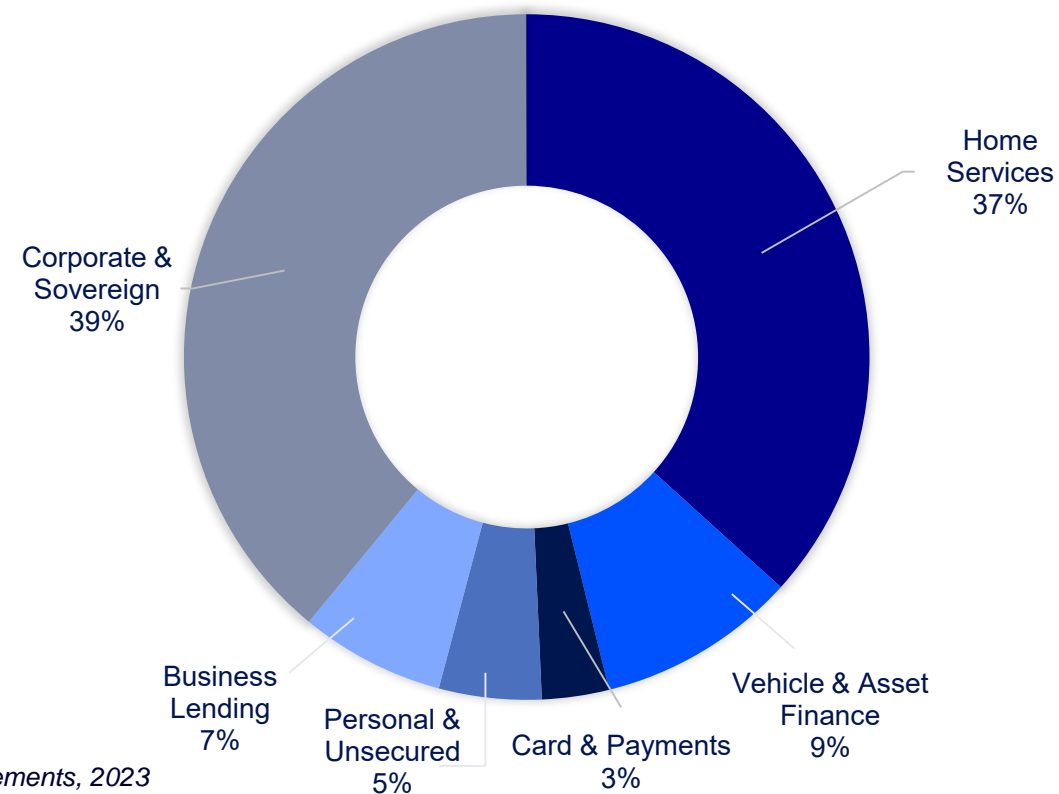


Beyond the numbers, our strategy aims to deliver inclusive and sustainable economic growth by positively impacting livelihoods. Investing in infrastructure development, providing access to housing, financing vehicles and education, and enabling job creation through enterprise development is at the core of our business. We are committed to helping people build long-term wealth through saving and investing and ensuring that we finance **productive economic activity**.

Total New Loans by Sector



Total New Loans to Clients



SBSA Annual Financial Statements, 2023

FINANCING PRODUCTIVE ECONOMIC ACTIVITY



Standard Bank offers a comprehensive range of products to our clients, including home loans, vehicle and asset finance, personal loans, credit card, transactional banking, and forex solutions, as well as certain insurance and investment offerings. We consider 92% of these to fund productive economic activity.



Infrastructure Development



Expansion of Companies



Access to Housing



Asset Finance



Growing Small Businesses & Creating Jobs

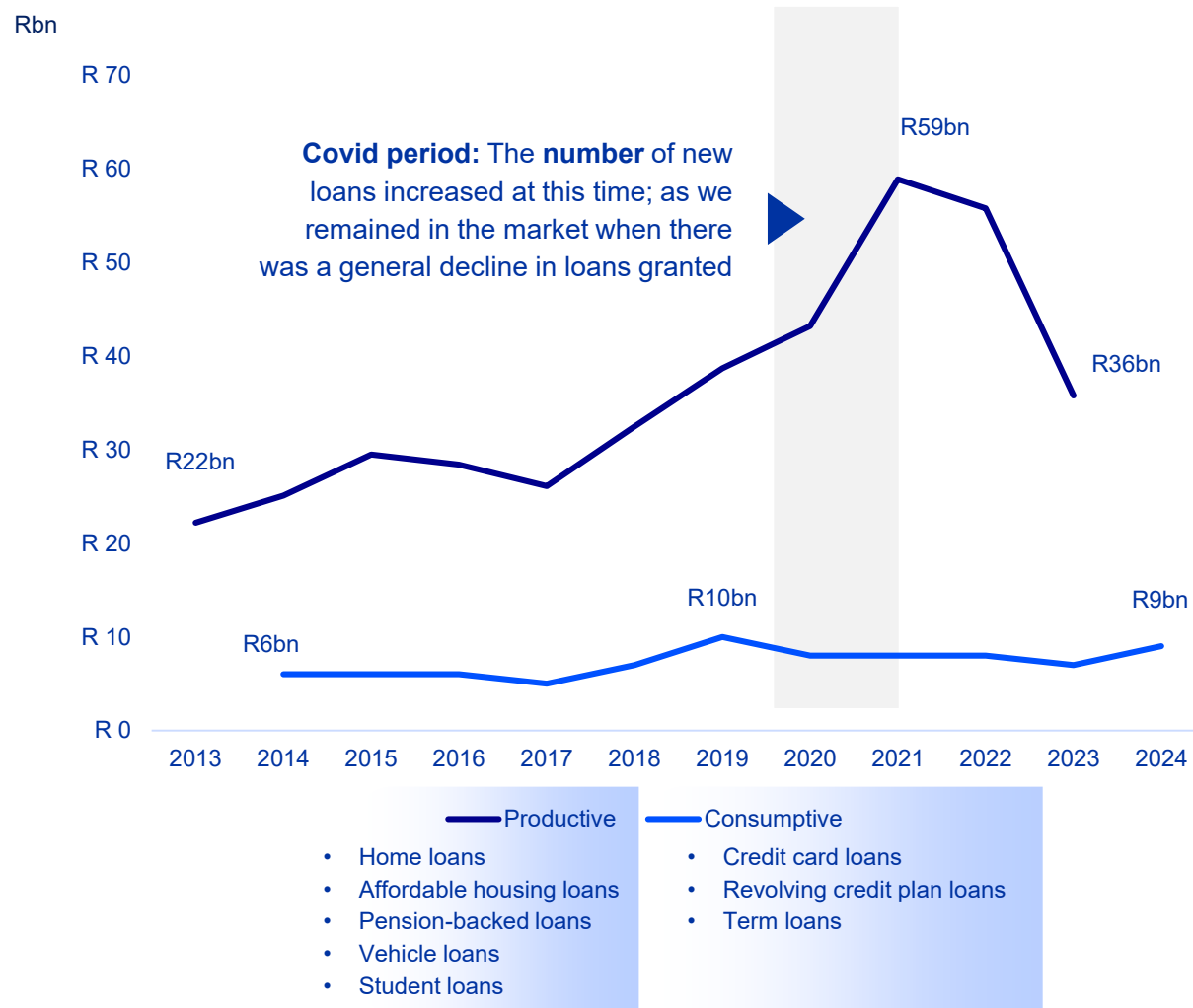


Student Finance



Green Finance

Productive vs. Consumptive New Loan Trends to Historically Disadvantaged Individuals (2013 – 2024)





INVESTING IN DEVELOPMENTAL INFRASTRUCTURE



If South Africa achieves electricity security, it will add 1.3 percentage points (through direct and indirect economic transmission channels) to SA's trend growth over 3-year horizon*.

Standard Bank has developed innovative funding instruments to support Government reforms across the energy, water, and logistics sectors. We also finance a broad range of other kinds of developmental infrastructure.

Financed approximately **R60 billion** in projects under the Renewable Energy Independent Power Producer Procurement (REIPPP) programme; providing **9GW** in new generation

Enabled clients to install almost **168MW** of decentralised power easing the burden of loadshedding and pressure on the national grid

Mobilised **R15.5 billion** for new renewable energy power plants

In 2019, Standard Bank partnered with the City of Johannesburg and residential property developer Calgro M3 to develop the South Hills Integrated Residential Development project. In 2023, Standard Bank committed to financing the fourth phase of the development, which will see the development of **320** additional affordable housing units. The development has yielded over **2 000** housing units to date.

Advanced over **R20bn** to enable government to address infrastructure backlog across energy, water, and logistics sectors

FINANCING HOMES OVER THE LAST 10 YEARS



1

Home Loans

A mortgage is more than an asset.
It
provides a home

We are the leader in home loans in
South Africa, with **34% of the
market share**

1 in 3 homes in South Africa is
financed by Standard Bank

2

Affordable Housing

We also lead in the affordable
housing market, with **27% of the
market
share**

The value of the loan is 100% or
more (to cover transfer costs and
registration fees) of the
value of the home

Over **80% are first time
buyers** – The majority are black

3

Pension Backed Lending

An alternative form of housing
finance where the loan is
secured by the members
retirement fund savings instead
of a mortgage bond. These loans
enable customers to
**purchase a home/land;
pay transfer costs and
registration fees; and
extend or renovate their
homes**



Small Enterprise Clients

>460k
active clients

84%
of clients transact digitally

23%
Small Enterprise market share¹

>R12bn
in loans in 2023

ACCESS TO FINANCE

Strategic & effective funding solutions to support black-owned SMEs & suppliers

- Loans
- Accessing funding

ACCESS TO RESOURCES

- Business development programmes
- Technical training, mentorship and coaching

ACCESS TO MARKETS

Example:
Opportunities for supplier development participation

Qualifying criteria:

- 51% or more black owned with a total annual revenue of between R1 and R50 million

¹ Based on internal market estimates with an implied market of approximately 2 million businesses in the target segment

FINANCING SMALL BUSINESSES & CREATING JOBS



1

Support of SMEs in the Agriculture Value Chain

We enabled
R61.4 million in
payments to smallholder
farmers, of which **R22
million** was paid to
women farmers, through
OneFarm Share

2

Capacity Building of SMEs to Access Corporate Supply Chain

We disbursed
R184 million
in supplier development
funding

We supported **174** supplier
development participants,
sustained **4 447** jobs and
created **120** new jobs.

3

Access to Finance, Training, Networking and Market Opportunities for SMEs

We disbursed
R148.9 million
in enterprise development
funding

We supported **893**
enterprise development
participants, sustained
3 508 jobs and created
2 170 new jobs



We advance credit responsibly according to regulations and affordability guidelines
We do not discriminate based on race



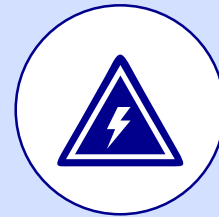
The money at risk of loss due to non-payments



Payment behaviour of the client



Ability to pay (in line with legislation & regulatory checks)



Risk that the asset (e.g. property or equipment) would not cover the loan if its value drops



The level of risk we are willing to take when we lend to clients

- Interest rates are competitive and depend on factors such as the loan type, credit risk profile, and repayment period
- Interest rates typically range from **[prime – 1.5%]** to **[prime + 6%]**

COLLECTIVELY IMPROVING ACCESS TO CREDIT



Responsible lending drives economic growth. While progress has been made to improve access to credit, we recognise that we can, and must, do more.



Policy and regulatory enhancements to ensure an enabling environment:

- Affordability assessment regulations
- Expansion of scope of developmental credit



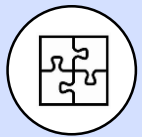
Multi-sectoral engagement on important issues in the Conduct of Financial Institutions Bill, such as:

- Vulnerability
- Financial inclusion
- Consumer education



Enhanced collaboration/partnership model to drive economic growth & transformation:

- Between DFIs and commercial banks
- Between the public and private sectors



Policy coherence & alignment between various government departments & regulators to achieve desired customer outcomes



THANK
YOU