



TRANSFORM CLIENT EXPERIENCE

BUSINESS AND COMMERCIAL CLIENTS

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Agenda

- 1 BCC client segment - today
- 2 Strategic progress to date
- 3 Focus areas going forward
- 4 Measures of success
- 5 Key take-aways





Who we service

The Business and Commercial Clients (BCC) segment provides broad-based client solutions to a wide spectrum of small, medium and large commercial businesses.

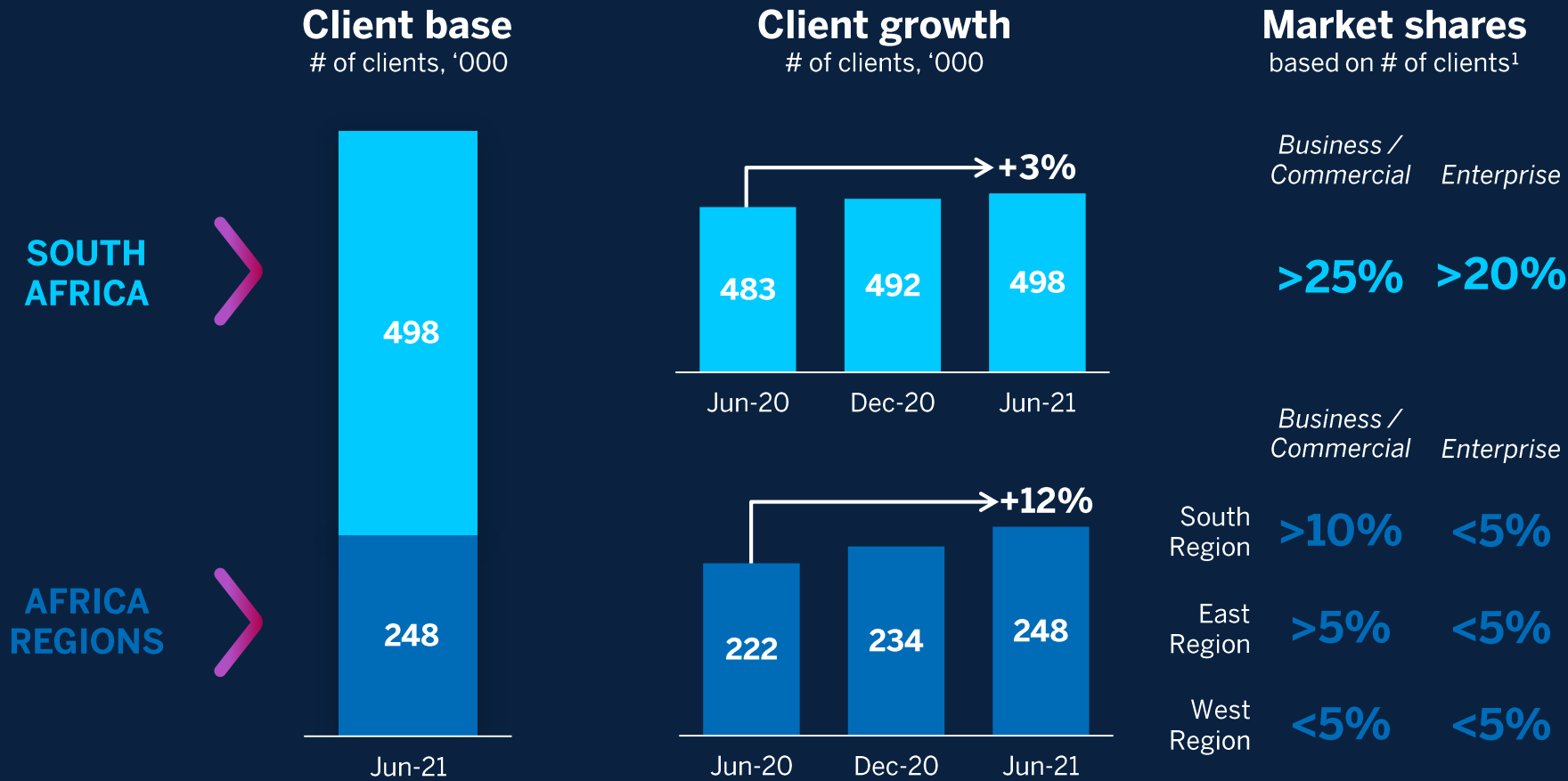
Our client coverage support extends across a wide range of industries and sectors.



¹ Segment cut off relationship and country specific, ² Includes entrepreneurs



We have a solid franchise in South Africa and a growing, but subscale franchise in Africa Regions



South Africa is a mature market in which we command a meaningful market share – focus on working with clients to solve their problems

Africa Regions franchise is growing but subscale – opportunity to grow across all 14 countries

¹ Africa Regions market shares reflect best estimates of market shares based on client numbers



We have an attractive funding base with upside as interest rates increase

Customer Loans and advances

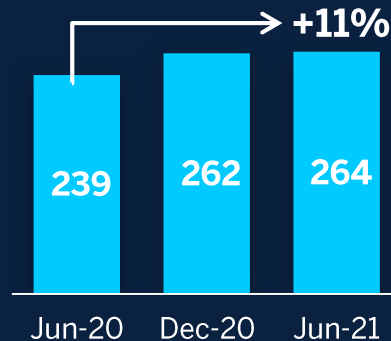
R'bn

Customer Deposits

R'bn

Loan / deposit ratio

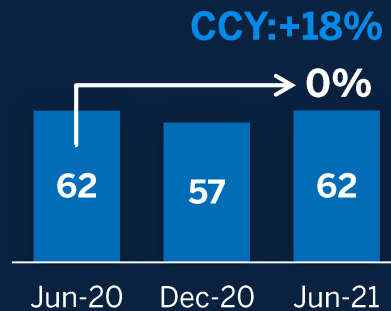
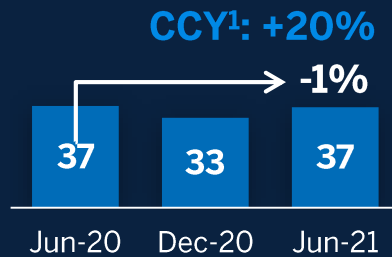
SOUTH AFRICA



49%

Important source of low-cost funding, lower interest rates impacted revenues – but upside when rates turn

AFRICA REGIONS



59%

Deposit base growing strongly in CCY - opportunity to leverage to fund lending at attractive margins

As at 30 June 2021, International loans of R13bn and deposits of R54bn, ¹ Constant currency

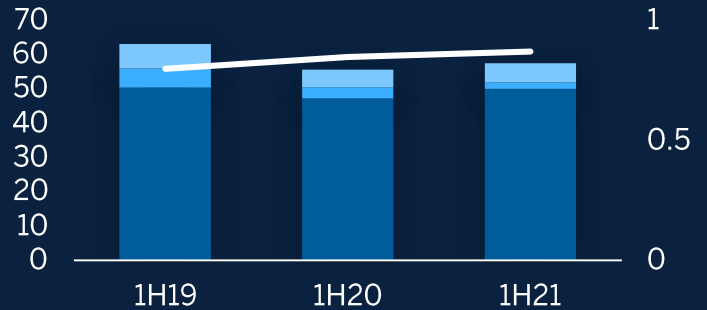


Capital-light trade and transactional flows supporting revenues and driving competitive ROEs

SOUTH AFRICA

Transactional activity

Volumes 'm



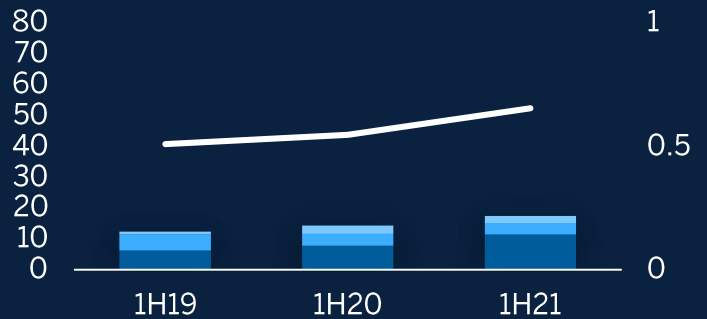
Digital Branch ATM % digital

Return on equity

>20%

Robust ROE despite the negative endowment impact from lower interest rates – driven by strong transactional and trading flows

AFRICA REGIONS



South Region **ROE > COE**

West Region **ROE > COE**

East Region **ROE < COE**

ROEs continue to improve – driven by customer acquisition and trade-related revenue streams



We are building front-line capabilities to enhance client servicing and deliver improved client solutions



Invested in engagement solutions to enhance the client and employee value proposition

52% digital clients

Digital account - Unayo¹

>3k users

>60k transactions

Digital lending²

>40% South Africa

>200% Africa Regions



Focused on trade and related solutions, including responding to the Africa/China opportunity

Trade transactional values²

↑22%

South Africa

↑13%

Africa Regions



Invested in digital bank solutions for African SMEs focused on solving market-specific client needs

“Enabled digital KYC for SMEs”

International Model Risk Manager Award - Celent Award (2021)

“Unwavering support for Africa’s SMEs”

African Bank of the Year - African Banker Awards (2021)



Unlocked client acquisition opportunities through banking the client value chain or ecosystems

>41k client ecosystems identified



~2m related opportunities identified



5% opportunities converted to date



Progress underpinned by internal and external partnerships

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¹ Since launch in 1Q21, ² In 6 months to 30 June 2021, relative to prior year



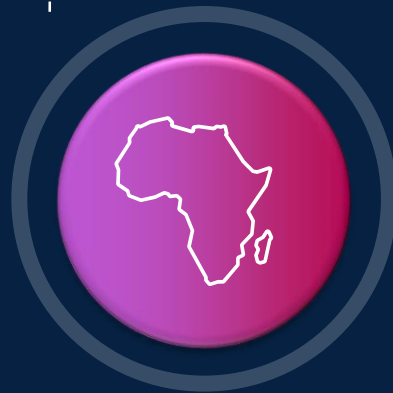
Looking ahead, we will harness this growth potential through five focus areas

Defend

Grow



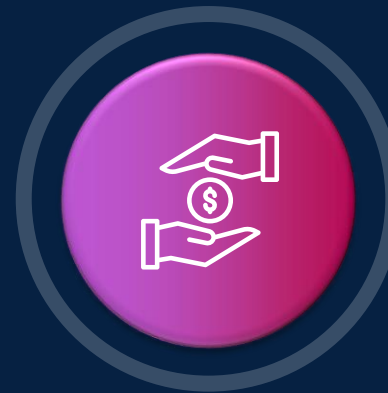
Retain and grow our South African franchise



Drive African trade



Support the Enterprise segment holistically



Partner to drive growth



Scale platforms and ecosystems

Underpinned by strategic foundation pillars

- Sector focus¹ and expertise
- Stable through-the-cycle risk appetite
- Digitisation and process simplification

¹ Agriculture, Public Sector, Natural Resources, Health, Legal, Franchise, Trade and Accountants



Defend | Retain and grow our South African franchise

Be the leading partner for business and commercial clients in South Africa



Enterprise Direct

Team of virtual and remote business bankers readily available to assist businesses with sales and service



Dedicated relationship managers

servicing business and commercial clients acting as trusted advisors and strategic partners



Fastest business lending in Africa

Scored applications for existing clients in three minutes



Ecosystems

Embedded as a way of working and forms part of our operating model



BizConnect

Site offering free information resources, tools and insights to start, manage and grow a business



Innovative offerings

help solve for more than just our clients' banking needs e.g. SimplyBlu, ecommerce, Fleet and Trade Solutions



Deep established relationships with advisory capability

in commercial clients with targeted sector strength



Our Trade Solutions

are best-of-breed and can be used to attract new clients



Grow | Drive African trade

Dominate trade through leveraging local expertise, connections and networks, and digital capabilities

Servicing local client needs

Relationship managers, supplemented through various digital tools:

- > Education / skills development tools
- > Connections (digital networking platform)
- > Cross border and domestic finance solutions (digital scoring, supplier finance, partnerships)
- > Transaction management (digitised documentation)
- > Settlement (foreign exchange, hedge)
- > Delivery (logistics partners)

In partnership with Wholesale clients

Leveraging our connections and networks



AFRICA



CHINA



OTHER

Our Trade Solutions



Assist with sourcing **pre-vetted, reliable suppliers** locally and around the world



Ensure that the correct working capital **trade finance** solution is in place to assist clients to pay for their goods



Enable a seamless remittance process solving for clients' **cross border and foreign exchange** needs



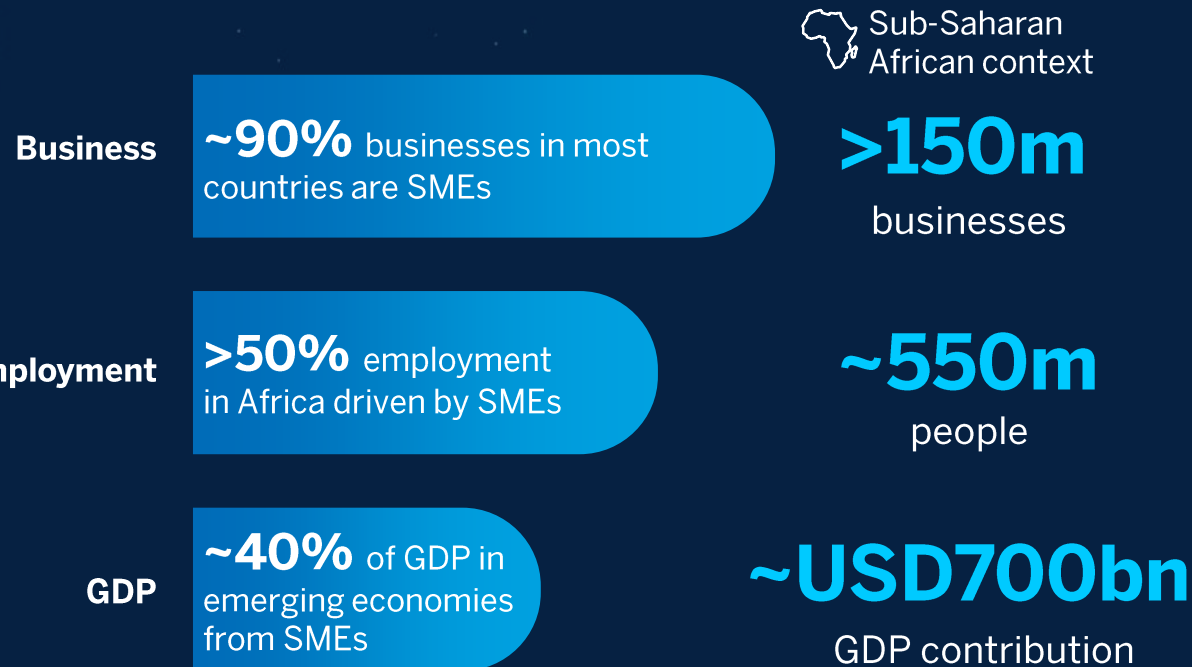
A dedicated **Trade Specialist** helps provide end-to-end support through the entire import journey

This cohesive solution set, providing an integrated and comprehensive trade experience, is forecast to deliver an increase in trade market share and consequently, **provide capital-light non-interest revenue and deposit growth**

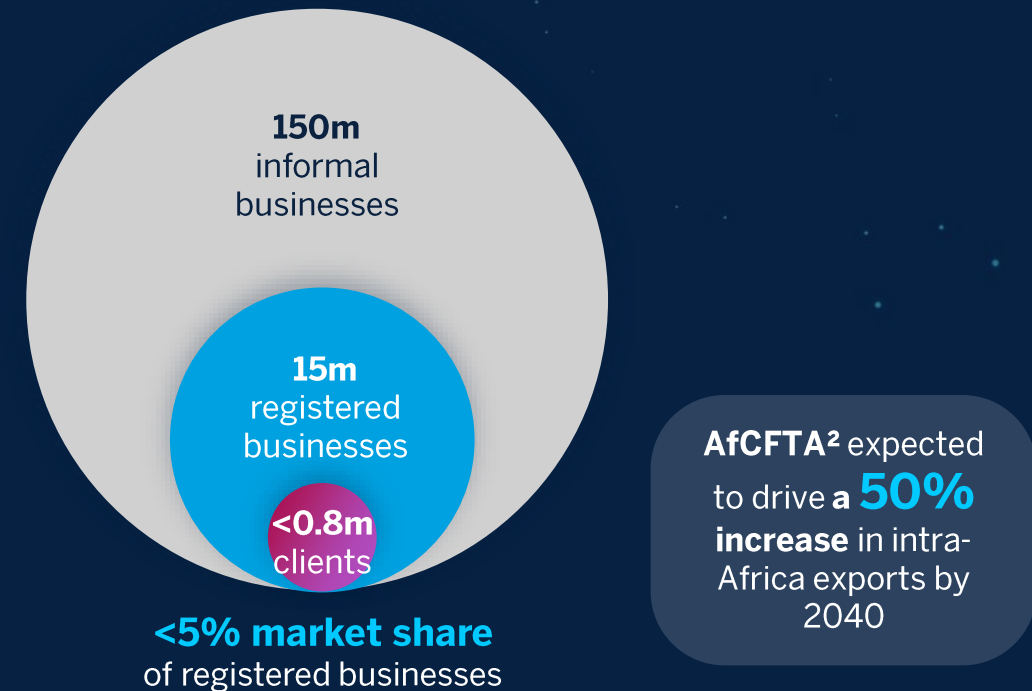


Grow | A sizeable opportunity exists to partner African businesses to accelerate their growth journeys

SME¹s representation



Low penetration in sizeable market



Targeting our **registered business market shares in Africa Regions to 10%** through our key initiatives would lead to a doubling of our active client base. In **South Africa we aspire to be number one**

¹ Small and medium sized enterprises, ² African Continental Free Trade Area



Grow | Support the Enterprise segment holistically

Enhance our proportion of this sub-segment through virtual relationships, ease of access and digital solutions

Supporting the growth of enterprises

Serviced by a future-fit business



Managing our risk through stable risk appetite, supported by detailed financial and non-financial behavioural data sets and enhanced collection capability

These interventions will **drive existing client loyalty and future acquisitions** and provide the necessary insights to support their growth.



Grow | Partner to drive growth

Partnering to drive Africa's growth by sourcing new solutions and innovative partners

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FACTORY.
AFRICA**

R100m
*commitment to fund,
incubate and scale...*

100
African FinTechs over...

5
years



**MERCHANT
CAPITAL**

Offers flexible cash flow-based
repayment solutions for a
diverse range of businesses

>R1bn

disbursed to date

*Expanding to
deploy across the
continent*

cloudbadger®

A financial services platform
that disrupts the traditional core
system and connects clients to a
global audience

>60k

*customer initiated transactions
since launch in 1Q21*

3
*countries active, on track for
broader deployment*

nomanini

Connects fast moving
consumer goods and retail
SMEs¹ to financial services -
providing data insights that
enhance lending decisioning

>3k

merchants

¹ Small and medium sized enterprises



Grow | Scale platforms and ecosystems

Attract clients to our BCC platforms through a differentiated offering and drive the network effect to scale

- 1 **Leverage Wholesale client relationships** and Client Service Teams to understand client ecosystems
- 2 **Partner Client Solutions** to develop integrated solutions, in collaboration with Solutions Partners¹, that deliver operational and financial value for our clients
- 3 **Drive growth and inclusion** through convenient and low-cost digital platforms



Supporting the capture of new markets, reducing cash footprint and providing a lower cost to serve. These platforms provide **access to new revenue streams** through enhanced data sets and ease of use capability and connectivity.

Examples, not exhaustive; ¹Solutions partners = 3rd Party solutions available on our platform to our SBG clients (open architecture across Banking, Insurance, Investments and Beyond)



BCC 2025 financial targets





Key take-aways

- A strong existing franchise
- Significant opportunities for growth in Africa Regions, Trade and Enterprise as well as through emerging platforms
- Drive acquisition, in collaboration with CHNW and Wholesale, through our client ecosystems and value chains
- Develop sustainable products to support our clients' transition
- Forecast ROE to return to 25% - 30%