EXECUTE WITH EXCELLENCE

ENGINEERING

Alpheus Mangale, *Chief Engineering Officer*

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Defining Engineering

Engineering includes Technology, Operations, Security, Data, Partnership delivery and Real Estate Services

Engineering **provides the always on, always secure, digital foundation required to enable new revenues and a superior client experience,** and will **act as an enabler and integrator** in pursuit of the Group's platform business ambition

- We are client focused
- We are data and insights driven
- We are integrators
- We partner Client Segments and Client Solutions
- We spend with diligence
- We simplify and achieve efficiencies
- We help people achieve their full potential

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Agenda

1 Looking back, so we may look forward

2 Shift from Technology to Engineering as a capability

3 Key Engineering capabilities and focus areas

4 Key success measures

Client Segments

CONSUMER AND HIGH NET WORTH

BUSINESS AND COMMERCIAL CLIENTS

WHOLESALE CLIENTS

CLIENT SOLUTIONS

ENGINEERING

INNOVATION

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SBG's journey has been shaped by key industry developments

| Traditional: 2000 - 2010 | Digital: 2011 - 2020 | Platform: 2021 onwards |

Industry context

Traditional: 2000 - 2010
- Product focused
- Monolithic, manual
- Slow to change
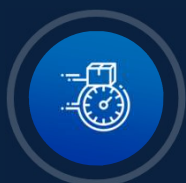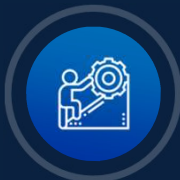
Digital: 2011 - 2020
- Still product focused
- Digital servicing
- Single view of client

Platform: 2021 onwards
- Scalable platforms
- Fully digital
- Cloud enabled

SBG strategy

Traditional: 2000 - 2010
- Internal bias (on processes and systems)
- Substantial investments on system changes in support of product focused innovation, e.g. card, transactional, lending, network, etc.

Digital: 2011 - 2020
- External bias (on client experience)
- Heavy investments on large scale transformation (both systems and processes) in support of digitisation, e.g. core banking modernisation journeys

Platform: 2021 onwards
- Client and partner ecosystem focus
- Continued investment to enhance client experience and increase operational excellence, linked to value created
- Strategic partnerships

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We acknowledge lessons learnt, but also recognise significant wins

- South African core banking modernisation journey too long and too costly
- Costs outside of peer group profile
- Slow progress in simplifying our landscape
- Landscape complexity contributes to instability
- Reliant on external expertise
- Despite intent, struggled to leverage data

- Modern, modular core banking solutions in place
- Unification of core banking solutions across regions
- Growth in volume and value of digital transactions
- Reduced lead time as a result of Agile adoption
- Cloud journey gathering momentum
- Fast, robust network connectivity
- Strategic partnerships forged (Salesforce, AWS, Azure)

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We are creating a set of Engineering capabilities required to support the platform organisation

GROUP TECHNOLOGY

Product and process enablers

Traditional technology capabilities

Organised per product and/or segment

ENGINEERING

Common capabilities
Platform integrators

Engineering as a service
Lower cost to serve

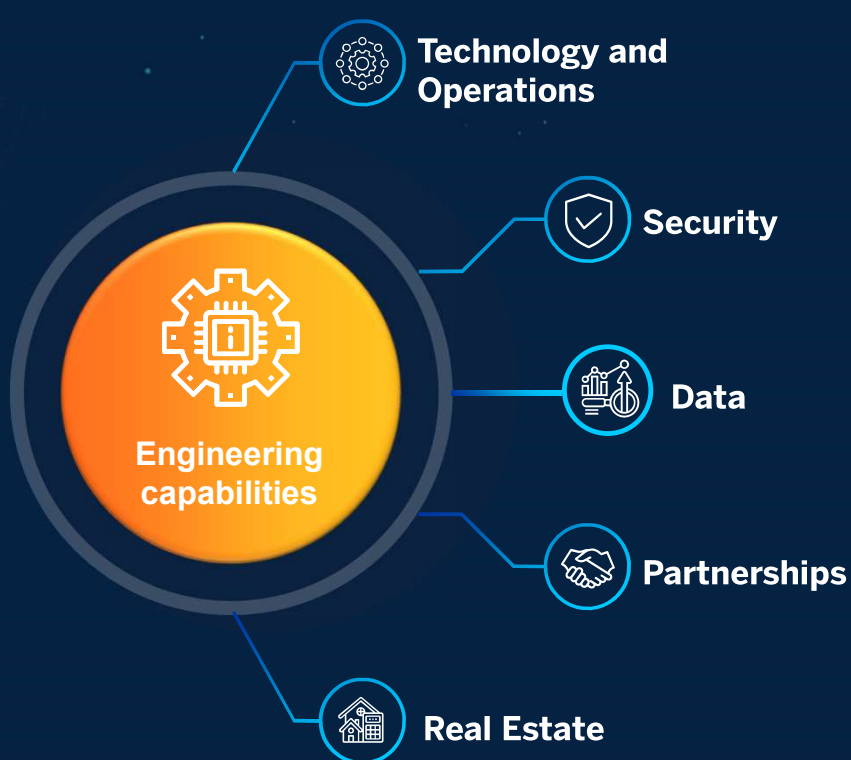Data, APIs, Cloud, Tech and Ops combined, Engineering skills

In support of...

FINANCIAL SERVICES ORGANISATION

PLATFORM ORGANISATION

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Our five key capabilities will enable our platform and ecosystem aspirations

Technology and Operations

Security

Engineering capabilities

Data

Partnerships

Real Estate

Deliver **improved client and partner experience** via more reliable solutions and simplifying and automating business processes

Ensure that client and partner **data remains secure**

Use >1 500 data specialists to **extract client value** through data modelling, machine learning and artificial intelligence

Create robust, reliable and seamless mechanisms for our **partners to engage and participate with our ecosystems**

Enable **intelligent real estate and smart digital channels** for clients and our people, whilst rationalising our estate

Supported by:

Rapid innovation and business agility

Respond quicker to client needs, experienced pain points or opportunities by leveraging our cloud partnerships

Develop Engineering skills

Grow 50 000 certified Engineers and >300 SMEs[1] through Engineering skills development in Africa

Requisite Engineering culture

Foster a growth mindset with emphasis on learning-it-all rather than knowing-it-all

[1] Small and medium sized businesses

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We have already started to make progress on realising our Engineering ambition

Technology and Operations
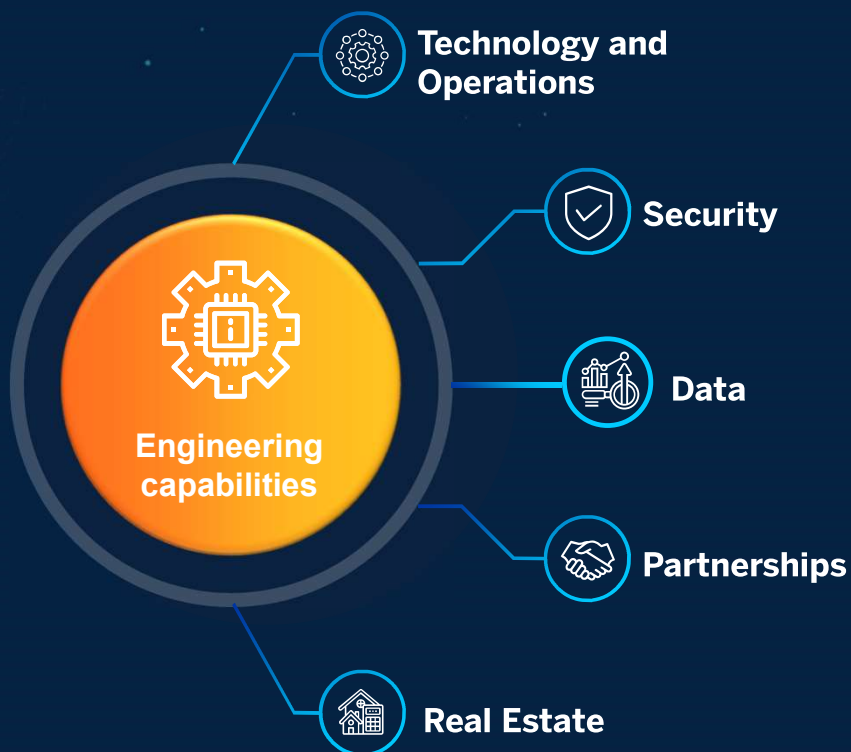
Simplified landscape: **127 systems decommissioned, >100 apps** in cloud, **90% transactions digitised**, 100 Robotic Process Automations

Security

Protecting our clients: **no material breaches and ranked in the top quartile** of comparable institutions

Engineering capabilities

Data

Delivering client value using data: Increasing commercial value with **active client use-cases**

Partnerships

Enable seamless partner integration: **>300 APIs and >40% YoY increase in API utilisation**

Real Estate

Reshaped our estate in line with client and employee behaviours: **>60k sqm reduction and R400m saving p.a.**

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Our key success measures are aligned to the Group's strategic priority of executing with excellence

Improved agility with **>70% core applications on cloud** by 2025

Simplified customer experience with **20%-30% reduction in legacy systems**

>75% of partner engagements digitally enabled through APIs

>R6bn of business value generated through use of data

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