

ASSESSING OUR PROGRESS: PBB

PBB STRATEGY

PBB's strategy remains unchanged and we align closely to the rest of the group. We are transforming our business to ensure a singular focus on our clients: to understand their needs and to gain and keep their trust by partnering with them on their journeys.

Our fit-for-purpose presence in **15 countries** across Africa, combined with our committed people and digital platforms, supports our large, diverse client base.

We aim to achieve continuous improvement in the execution of our strategy, understanding that it is how well we execute that will set us apart from our competitors.

PURPOSE

Changing lives and fulfilling aspirations across Africa.

VISION

Radically redefine client experiences by understanding and delivering what matters most to clients.



WHAT OUR CLIENTS WANT

THE BANK THAT KNOWS ME

- A single and complete connection with every client.
- A personalised bank for every moment in life.

THE BANK THAT EMPOWERS ME

- An entire bank in every client's pocket.
- A toolbox for every financial need.

THE BANK THAT DELIVERS FOR ME

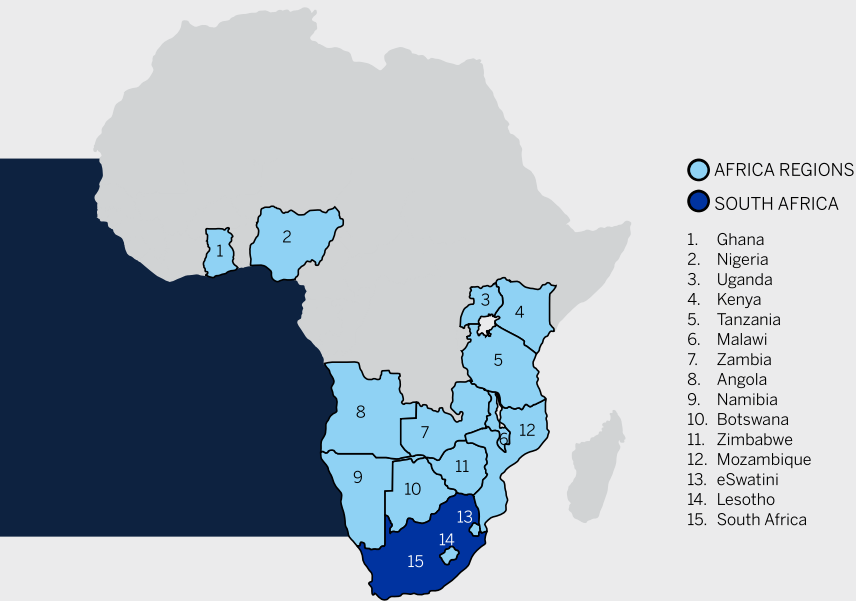
- A reliable partner for life.
- A frictionless and dependable payment experience.

HOW WE RESPOND

- Provide relevant solutions informed by deep and precise insights into what matters to our clients.
- Deliver a consistent and integrated client experience across all touch points.
- Leverage group capabilities to deliver to our clients.
- Promote a relevant and compelling brand.
- Lead with transactional banking and deposit gathering.

- Design and embed simple, paperless and automated end-to-end processes with the client in mind.
- Leverage a simple and agile technology platform (safe, reliable and real-time).
- Do the right business the right way.
- Allocate and prioritise resources to deliver what matters to clients.
- Deliver an integrated financial services organisation to enable relevant solutions to clients.

- Consistent and continuous clarity of purpose and vision enabled by a united leadership team.
- Collaboration through employee teamwork.
- Embed a learning ethos to constantly raise the bar.
- Empower local leaders to enable our people to execute agreed strategies.
- Recognise the contribution of our employees.
- Embrace our diversity.
- Fulfil our social and ethical responsibilities.



OUR OPERATING CONTEXT IN BRIEF

- Marginal GDP growth, constrained public sector investment and low business and consumer confidence in South Africa.
- Declining real consumer spending and credit demand in South Africa.
- Strong competition for a static number of clients.
- Interest rate volatility in Africa Regions impacting margins.
- Strong growth and adoption of digital channels across all markets.

PERFORMANCE AGAINST STRATEGY

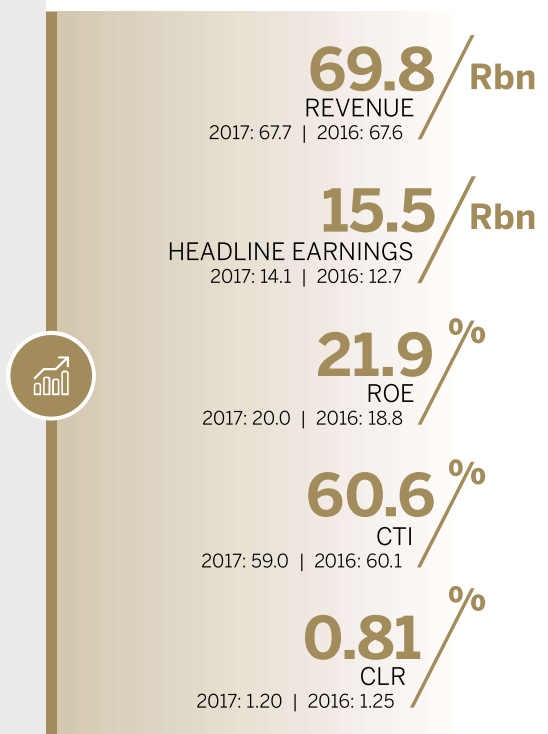
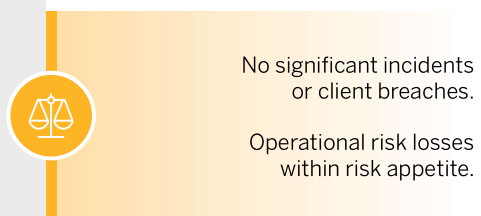
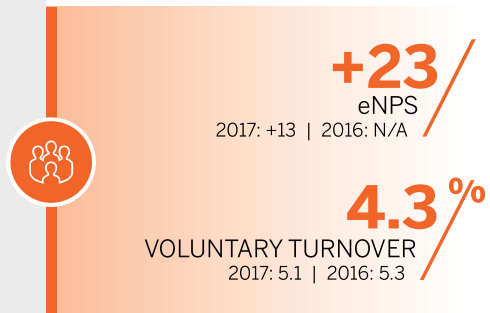
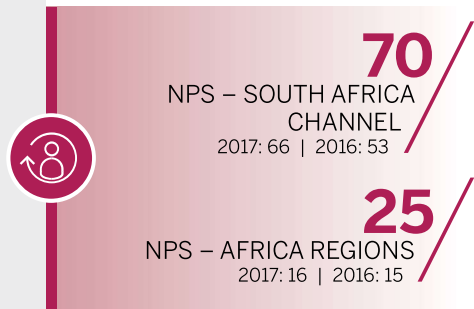
Despite a challenging operating environment, PBB delivered headline earnings growth of 10% and a 21.9% ROE (2017: 20.0%), largely due to strong deposit growth and client activity.

- Focused improvements in client service stabilised client base in South Africa and improved active client numbers in Africa Regions.
- Implemented a decentralised operating model with upskilled and empowered client-facing teams.
- Completed core banking transformation in South Africa.
- Continued processes and system automation to remove friction in client interactions and deliver complete solutions.
- Enhanced digital functionality and systems stability in Africa Regions.
- Improved risk and control environment, especially in Africa Regions.

Looking forward

We continue to transform our business to ensure our focus on offering the solutions our clients want and need, delivering consistently excellent client service and developing localised and empowered teams. Our priorities will include:

- Implementing a South African operating model based on geographic regions and market verticals within these regions, to focus the allocation of appropriately skilled client service resources and distribution platforms, and embed a market-based ecosystems approach.
- Increasing the momentum of digitisation and continue to refigure physical branches in line with growing digital adoption.
- Extending the Enterprise Direct online platform to small enterprises in South Africa.
- Maintaining growth momentum of target client segments in Africa Regions with service excellence and increasing digitisation.



Raised **R22 million** through Feenix Trust, our crowd-funding initiative to help students access tertiary education, covering **800 students** since launching in 2017.