# Our value creation story

Our group strategy is focused on creating shared value, and represents our commitment to the shared future we intend to create for our clients, our people and our other stakeholders.



Our business units and corporate functions have aligned their operating strategies to the group strategy, to ensure effective and coordinated execution within and across our operations for the benefit of our clients



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Our clients are at the centre of everything we do. This is the central organising principle in the work we are continuing to do to build a digital bank, redesign our operating models, and to develop our people and change our culture - which together will create a long-term sustainable competitive advantage.

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Our strategy is achieved within the parameters of our risk appetite, which implies conscious risk taking. We regularly align our risk appetite to changes in our operating context, and are instilling a risk-aware culture throughout the group and continually enhancing our risk management capabilities.



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Our strategy represents an effective approach to the structural shifts in our industry. Global megatrends such as the technological revolution, increasing stakeholder pressure, and socioeconomic and environmental challenges are imposing the need for wide-reaching transformation in the way we do business.

We remain flexible in our strategic responses to the cyclical pressures in our markets. We identify pockets of opportunity for revenue generation, and employ well-developed risk models to anticipate and manage the impact of risks that are heightened during times of economic stress.

### Creating value for the group

Our strategic value drivers align our allocation of resources to our strategy. We have identified five key value drivers, shown below. and continue to work on selecting the appropriate metrics for each. The value drivers support effective resource allocations and appropriate trade-off decisions.

- Client focus
- Employee engagement
- · Risk and conduct
- Financial outcome
- Social, economic and environmental (SEE) outcome.

## Creating value for society

The chief executives' review on **page 28** assesses our strategic performance for the year.

The financial review on **page 74**, analyses the key financial aspects of the group in the context of the group's

Social relevance is fundamental to our survival and success, and underpins our purpose and vision.

The outline of our strategic value drivers is discussed on page 12.

medium-term aspirations and macroeconomic conditions.

We are moving towards measuring our social return to obtain a truer picture of our broader value outcomes. This involves identifying the social, economic and environmental opportunities that Africa presents and how our business activities can respond to these.

## **Driving Africa's** growth over the long term

Our multi-generational purpose recognises that Africa's wellbeing and that of the group are interdependent. It is the ultimate expression of our commitment to Africa's growth that is inclusive and sustainable, and in turn secures viable markets for our long-term profitability and value creation.





What we do on page 8 links our business activities to socially beneficial outcomes. Our report to society discusses our many initiatives to ensure social relevance.

## Governance approach to value creation over time

## Our governance

approach promotes strategic decision making that combines long-term and shorterterm outcomes, to reconcile the interests of the group and society in our pursuit of sustainable value.

#### Performance linked to value creation

We are embedding a high-performance culture and creating an environment in which our people are empowered and motivated to deliver exceptional client experiences, and are rewarded for their contribution towards realising our purpose and vision.

Operating context

Risk appetite

s and corporate



Our strategy to create a great place to work is detailed in the human capital report on page 59 capital report on page 58.

#### Remuneration that drives value over time

Our reward philosophy reflects the group strategy. We combine reward elements that link directly to strategic and financial performance criteria and thresholds



The remuneration report starts on page 106.

#### Ethical and effective

**leadership** relates to uniting purpose and performance. Embedding an ethical and risk-aware culture recognises that the trust of our stakeholders is the basis on which we compete and win.

#### Corporate citizenship relates to the integral role we play in

the socioeconomic wellbeing of Africa. It commits us to using our resources responsibly as inputs to our business model, and balances our needs with those of society.

#### Sustainable development

commits us to enhance the resources and relationships we rely on today, for the future. Our plans to measure social, economic and environmental returns will enable us to account for the total returns we deliver in line with our purpose.

The governance and remuneration report discusses how GOV/REM our governance framework and processes, and our board and committees, support the

creation and protection

of value

## **Acting on** our material issues

Our material issues synthesise the interests of the group and those of its stakeholders. They are linked to our value drivers, direct the focus of our strategic planning and management priorities, and inform our reporting to stakeholders.

Managing economic headwinds

Understanding our clients

Motivating our people

Managing regulatory change

Embracing innovation

Leveraging our investments in IT



Responding to our stakeholders

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Our stakeholders are the providers of the capitals we need to create value. Stakeholder inclusivity and responsiveness enables us to secure and maintain these inputs, and to readily identify opportunities and challenges.



Clients



**Employees and their** representatives



**Suppliers** 



Governments and regulators



Shareholders and investment analysts



Communities and civil society



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