



STANDARD BANK VEHICLE AND ASSET FINANCE

AFFORDABLE FINANCE SOLUTIONS



AGENDA

1. Introducing Standard Bank Group
2. The Challenge
3. Mobility Costs
4. Collaborations - Our Perspective
5. Areas to explore



STANDARD BANK GROUP



OUR PURPOSE – *Why we exist*

AFRICA IS OUR HOME, WE DRIVE HER GROWTH

WEST AFRICA

- 1 Côte d'Ivoire
- 2 Ghana
- 3 Nigeria
- 4 Democratic Republic of Congo (DRC)
- 5 Angola

6 SOUTH AFRICA

EAST AFRICA

- 7 South Sudan
- 8 Ethiopia (representative office)
- 9 Uganda
- 10 Kenya
- 11 Tanzania

SOUTH & CENTRAL AFRICA

- 12 Namibia
- 13 Botswana
- 14 Zambia
- 15 Zimbabwe
- 16 Malawi
- 17 Mozambique
- 18 Mauritius
- 19 Lesotho
- 20 eSwatini

INTERNATIONAL PRESENCE

- Beijing
- Dubai
- London
- New York
- São Paulo

INTERNATIONAL FINANCIAL SERVICES

- Isle of Man
- Jersey
- Mauritius



SBG VALUE PROPOSITION

HONEYCOMB



VAF CAPABILITIES & PRODUCTS



RETAIL & AUTOMOTIVE

Financial Leases

Loan Agreements

Instalment Sale

Broker Rentals

Vehicle Loans

Access Finance

Taxi Finance

Insurance & VAPS



COMMERCIAL ASSET FINANCE

Financial Leases

Operating Rentals

Instalment Sale

Interim agreements

Agric

Medical

Industrials

Mining & Infrastructure

Automotive



FLEET

Operating Rental

Fleet Card

Full Maintenance Rentals

FleetSaver

Employee Rental Options

Access Finance

Fuel Tag

Managed Maintenance



BUSINESS DEVELOPMENT & WHOLESALE FINANCE

Floorplans

FleetSaver

Wholesale Finance Solutions

JV's & Partnerships

Alliances

Insurance

VAPS

Ecosystem Solutioning



THE CHALLENGE

Affordable vehicle finance remains a key component of unlocking the true potential of the African market

- Access to finance
- Interest rates are prohibitively high
- Availability/quality of data



MOBILITY COSTS

Managing the actual cost of vehicle ownership within a monthly budget

Cost of vehicle ownership:

Monthly Instalment

Fuel

Insurance Cost

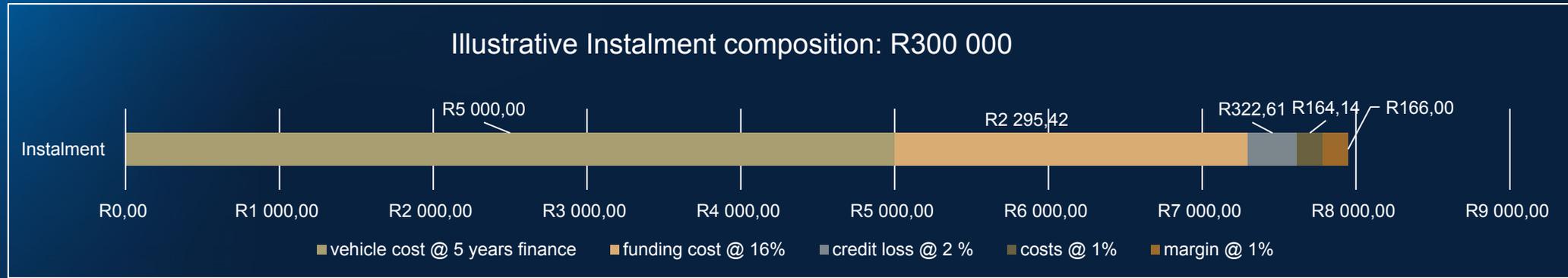
Maintenance Fees



Majority of monthly spend



FACTORS IMPACTING INSTALMENT OF VEHICLE



Base Case Example: Vehicle Cost – R300 000

Vehicle cost @ 5 Years Finance

Funding Cost @ 16%

Credit Loss @ 2%

Costs @ 1%

Margin @ 1%

Instalment

R5 000

R2 295

R322

R164

R166

R7 948

Two largest contributors to an instalment - cost of the underlying vehicle and underlying base rate funding



POTENTIAL SOLUTIONS

To make the instalment more affordable

Cost of vehicle:

- Subvention discounts on vehicles
- Import duties applied to new vehicles
- Options that would allow for extended term financing on vehicles

Funding Rate:

- Options around potential development funding
- Options around rate subvention on vehicles

Each participant in the value chain can look at how they can influence these two main components

COLLABORATIONS



Our Experience - Benefits of collaboration with the aim to provide affordable finance solutions to customers

- Pan-Africa and local collaborations with OEM's / Distributors and Dealers
- Create Brand Awareness – Developing OEM/Dealer sales promotions and offers
- Effective use of data – create loyalty and re-purchase opportunities
- Provide customers with additional finance options
- OEM/Dealer have access to more customers
- Subsidized financing offers



AREAS TO EXPLORE

Collective effort needed to solve for Affordable Finance Solutions

- **Authorized Used Market**
 - Opportunity for franchise dealers to offer trade-ins
 - Offer warranties and after-sales support
- **Risk appetite**
 - Support from dealers to manage/preserve the asset
 - Assist with disposal of asset
- **External data sources**
- **Longer tenor deals with possible residual values**



THANK YOU