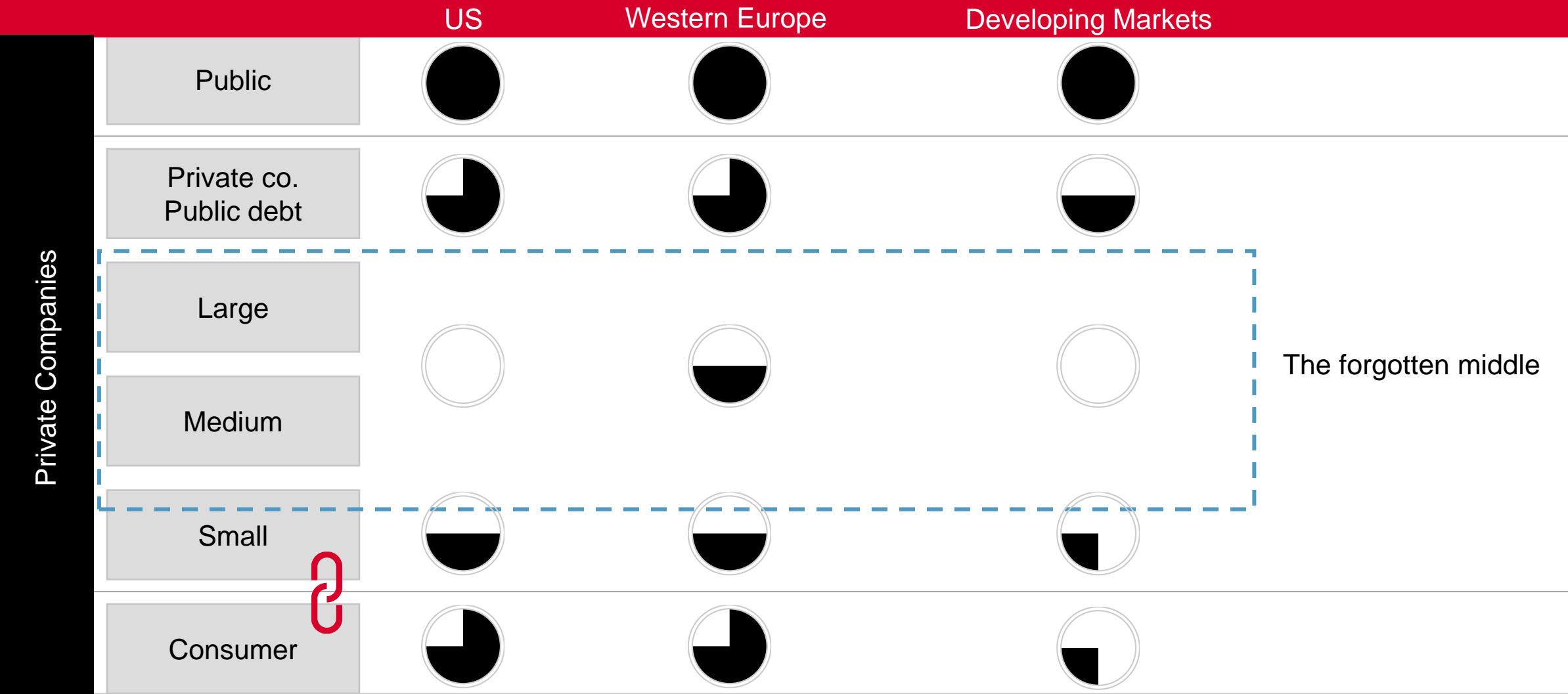


The Small and Medium Enterprises universe includes many different constituencies with varying degrees of transparency



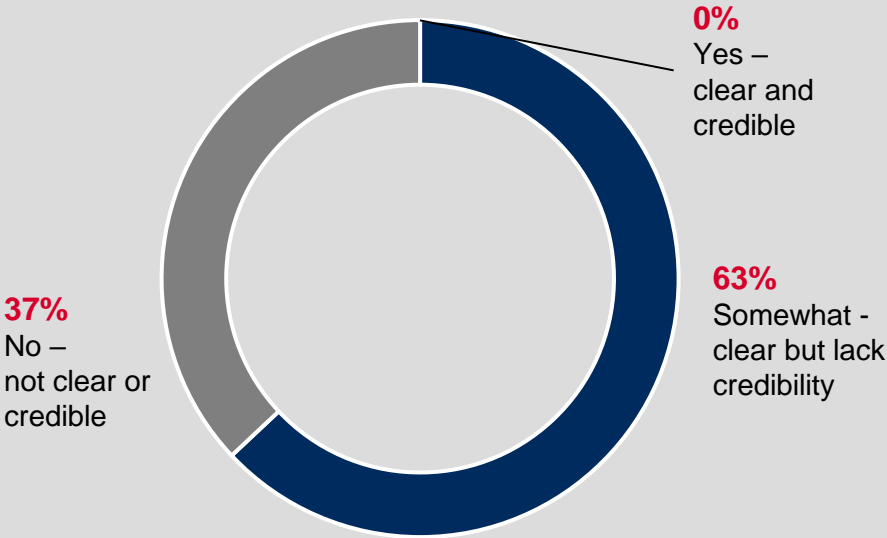
Different data and model approaches present benefits and challenges

Traditional			Alternative	
Data	Models		Data	Models
<ul style="list-style-type: none"> - Well understood - Global 	<ul style="list-style-type: none"> - Well known - Accepted 	+	<ul style="list-style-type: none"> - Promise better coverage - Improved timeliness - Scope 	<ul style="list-style-type: none"> - Enhanced strength - Signal timeliness
<ul style="list-style-type: none"> - Low coverage - Fragmented - Stale - Lower quality 	<ul style="list-style-type: none"> - Sub-optimal 	-	<ul style="list-style-type: none"> - Limited history - Requires significant manipulation - Fragmented - Requires new modeling approaches - Privacy 	<ul style="list-style-type: none"> - Regulatory scrutiny - Transparency - Customer acceptance - Models developed in benign economic period

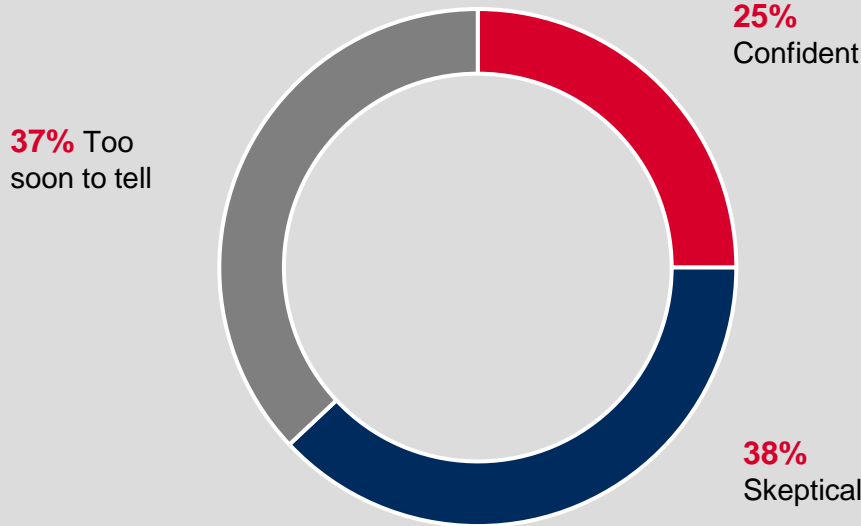
Current state of digital transformation

0% Investors believe banks have clear and credible digital transformation strategy

Do you feel that most banks have articulated clear and credible digital transformation agendas when it comes to costs, benefits, and timelines?



How confident are you that banks' digital transformation strategies will be effective?



Source: Oliver Wyman and Procensus investor survey, November 2019

Formidable challenges exist for the banking sector

Top IT challenges faced by banks



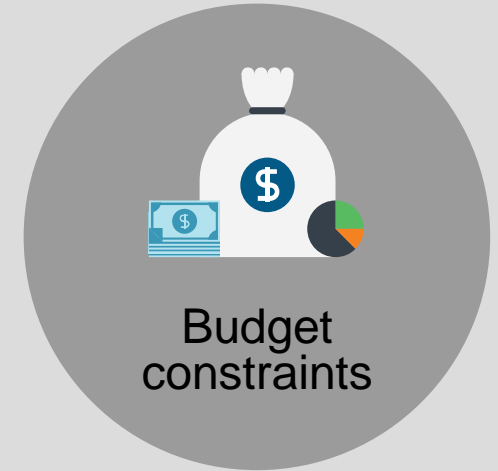
80% agree that day-to-day IT operations & maintenance take up too much of the IT department's time



36% say 'IT environment/systems complexity' is a top challenge facing their organization



5% consider themselves early adopters on the leading edge



57% agree that the IT department lacks the budget needed to properly innovate for the business

Source: 451 Research's Voice of the Enterprise: Digital Pulse, Organizational Dynamics, 2019

COVID-19 is accelerating digital transformation agendas

As of mid-March in the banking industry...

69%

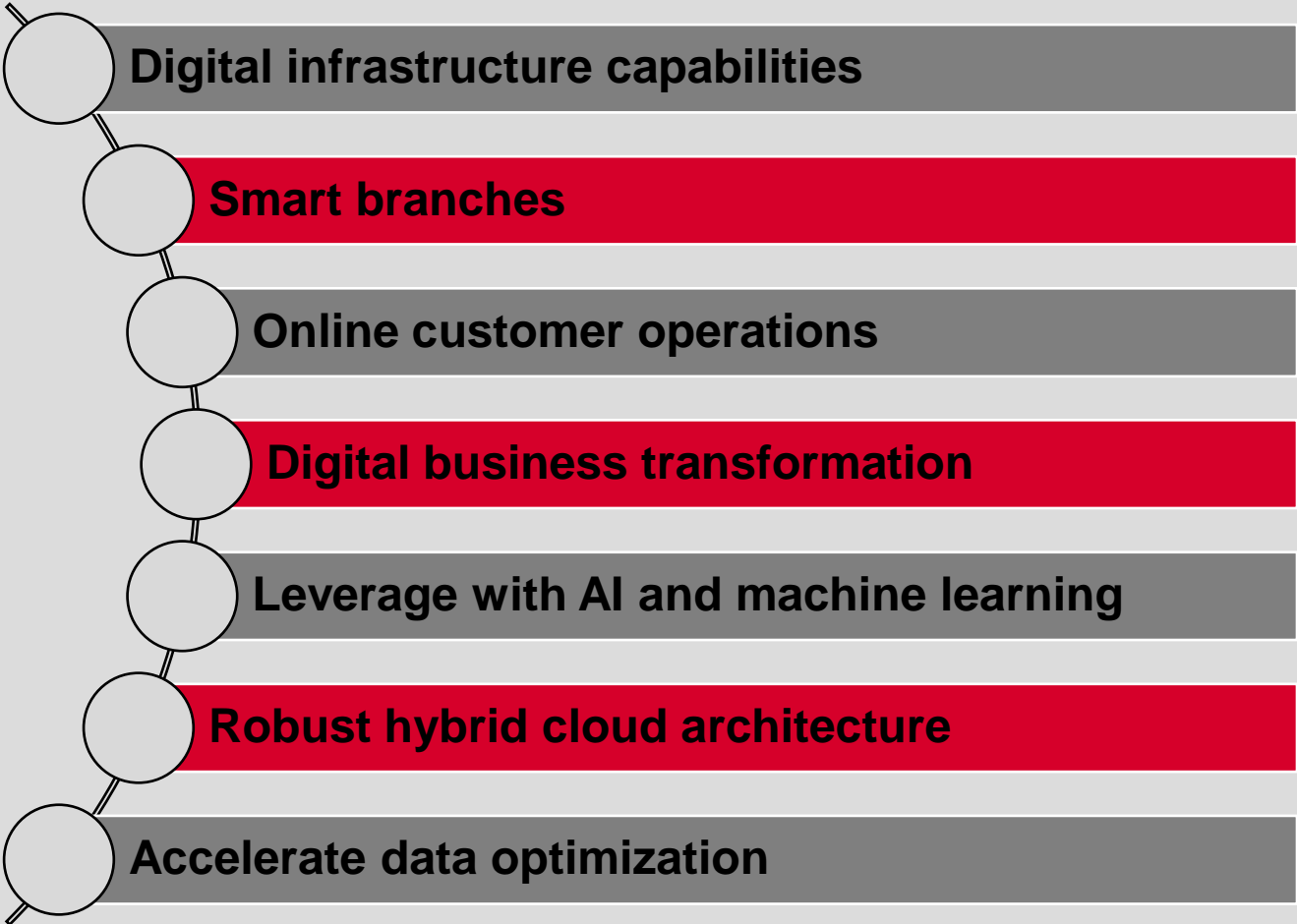
Said coronavirus has had a negative impact on their organization

50%

Are currently experiencing loss/reduction of customer demand, or plan to within 3mo

73%

Are currently experiencing reduced access to clients/prospects, or plan to within 3mo



Source: 451 Research's Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey, March 2020

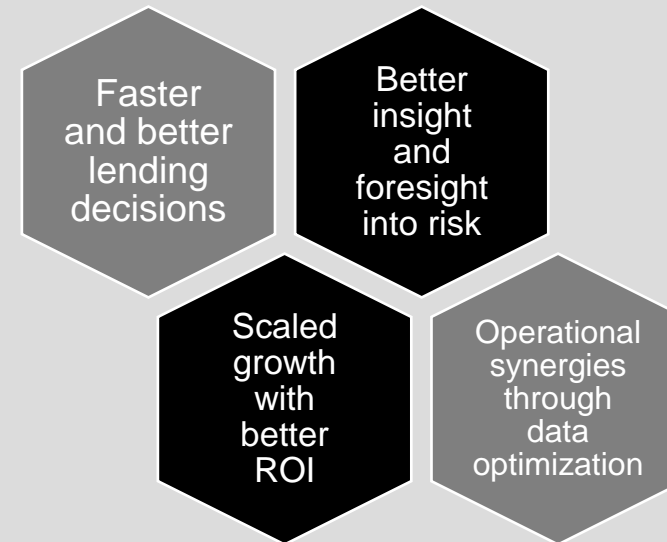
Digital Innovation can improve Financial Access for SMEs

SMEs are key contributors to economic activity... but have **limited access to finance**...

Why **banks avoid SME finance**



What **digital innovation can solve**



Winds of Change

Technology

Lowers barriers to entry and promotes innovation

- Application thus far has been in automating the application process (automated income verification vs uploading documents)

Potential for greater adoption, if more firms shift toward algorithmic underwriting

Friend or Foe?

Traditional banking has not interfered much with growth of lending platforms

- Banks and nonbank lenders will be major sources of institutional capital for peer-to-peer lending platforms

Complementary business models

- If fintechs expand use of securitisation as source of funding, this could represent income stream for financial institutions

Competition and push for profitability will require further exploration of automation technologies, open banking, machine learning and alternative data to play greater roles

As well as industry consolidation

Summary

- New approaches are helpful but not the panacea
- The challenge is still mostly about the data
- There are specific areas of added value
- Users need to clearly define the business problem
- Evolution, not revolution ... yet

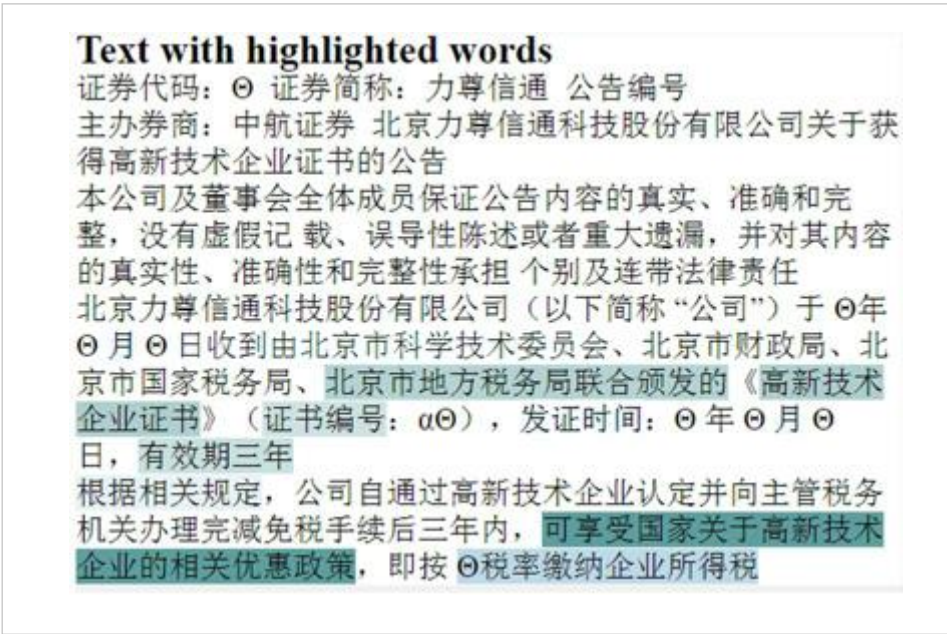
Appendix

New technologies can help process unstructured documents and generate insights from text ...

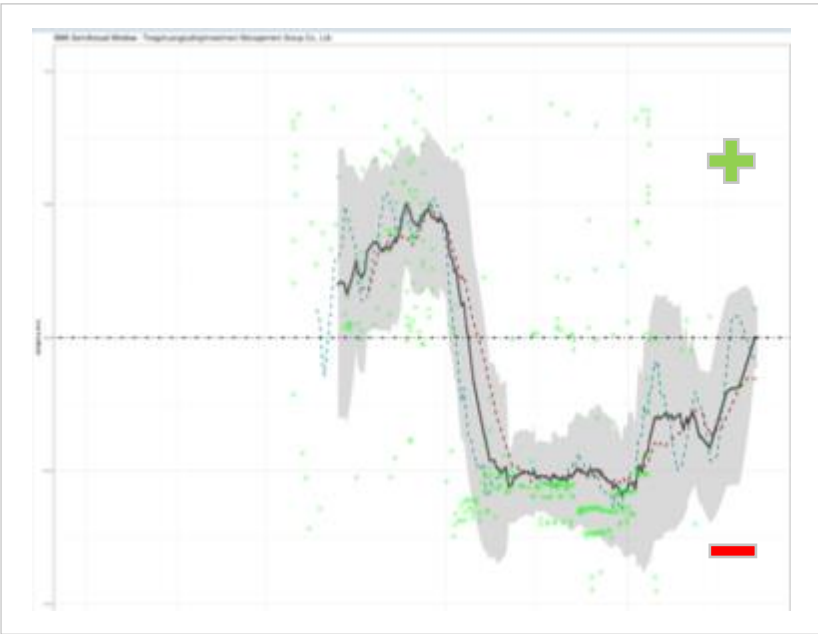
Step 1



Step 2



Step 3



Source: S&P Global Market Intelligence

... or from tables to models ...

Start

Assets

Annexure A
Sarens Group (Pty) Ltd
Pro forma financial accounts
Abridged Statement of cash-flows for the year ended 30 September 2013

	2013 R'000	Reclassified 2012 R'000
Net cash inflow from operating activities	43 539	98 928
Net cash-outflow from investing activities	(256 595)	(306 637)
Net cash-cash inflow from financing activities	195 236	55 627
Net decrease in cash and cash equivalents	(27 820)	(149 082)
Cash and cash equivalents at beginning of the year	(29 834)	19 466
Cash and cash equivalents at end of the year	(57 436)	(29 616)

Current Assets

Cash

Accounts receivable, net of

Inventory, net

Advances to suppliers

Prepaid expenses and other

Total Current Assets

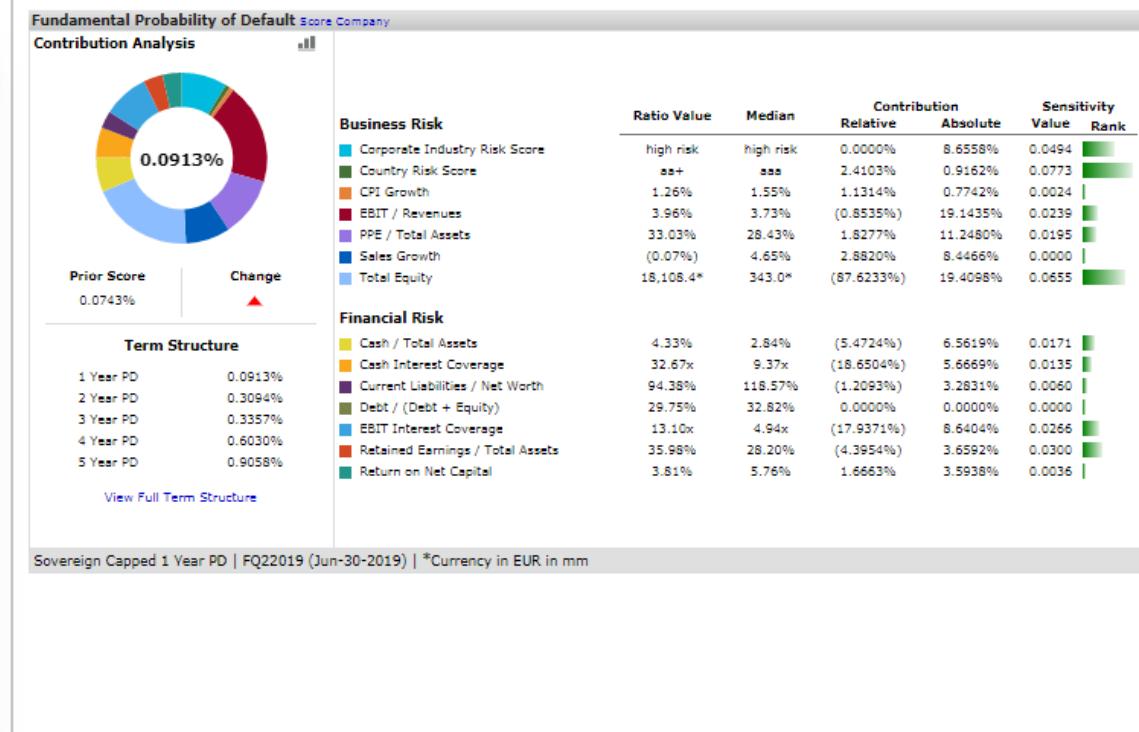
Die Lijne und Geleer 2018 betragen EUR 5.851.866,40 gegenüber EUR 5.833.427,12 im Vergleichszeitraum 2017. Das entspricht einer Steigerung um +0,7 % und einer absoluten Veränderung von EUR -183.558,72.

Die Aufwendungen betreffen Zahlungen für eigenes Personal, die in einem Dienst- oder Arbeitsvertrag festzulegen sind, sowie den Einzahlungsüberschuss für die Arbeitnehmer.

Die Aufwendungen betreffen Zahlungen für eigenes Personal, die in einem Dienst- oder Arbeitsvertrag festzulegen sind, sowie den Einzahlungsüberschuss für die Arbeitnehmer.

Die Aufwendungen betreffen Zahlungen für eigenes Personal, die in einem Dienst- oder Arbeitsvertrag festzulegen sind, sowie den Einzahlungsüberschuss für die Arbeitnehmer.

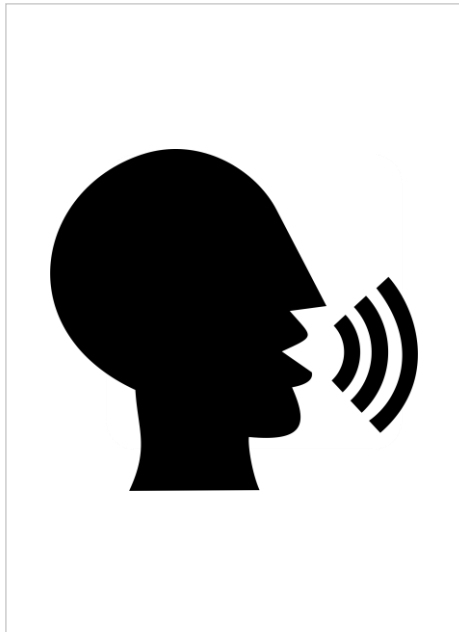
End



Source: S&P Global Market Intelligence

... Or from voice to sentiment

Step 1



Step 2

Question and Answer

Michael Steven Ptasznik
Executive VP of Accounting & Corporate Strategy and CFO
Looks like my to-do list.

Jeremy Edward Campbell
Barclays Bank PLC, Research Division

Well, there you go. For you, it's all of the above...

Michael Steven Ptasznik
Executive VP of Accounting & Corporate Strategy and CFO
Exactly.

Jeremy Edward Campbell
Barclays Bank PLC, Research Division

So at this point it looks like organic growth targets are kind of #1 of the bullet here with expense management kind of #2 in the mind of the investors here. So I think that actually pivots nicely here to the start of the conversation.

So obviously, over the last few years here, since the beginning of the whole strategic review process, you have gone -- undergone a lot of change here to reshape the strategic direction of the company from divesting in the noncore business to investing in the foundational businesses like Corporate Services and Market Services and shifting more to the growthy segments of the market overall.

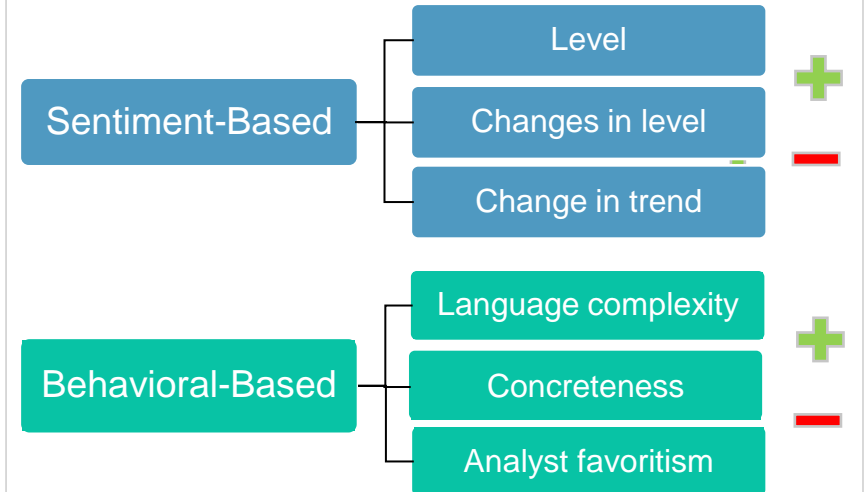
So I guess just, first things first, how do you think that the pivot has gone so far? And where do you think the company's right now with respect to kind of realizing the benefits of that strategic pivot?

Michael Steven Ptasznik
Executive VP of Accounting & Corporate Strategy and CFO

Right. Yes. So we're very excited about the pivot and that the direction that we're heading in. So we're still -- let me say, we're still in early innings. This -- we really launched it in the basically September of 2017, so I guess we're coming up with -- about 2 years now.

And the early results have been very positive. If you look at last year as an example, if you look at -- our focus has really been around driving organic growth of the business. And really focusing on those areas that actually can grow faster as you mentioned. And so our organic growth last year of our non-

Step 3



Source: S&P Global Market Intelligence

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge) and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.