

Nedbank Ltd.

September 1, 2025

This report does not constitute a rating action.

Ratings Score Snapshot

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SACP: bbb- → **Support: 0** → **Additional factors: -3**

Anchor	bbb-		ALAC support	0	Issuer credit rating BB-/Positive/B
Business position	Strong	+1	GRE support	0	
Capital and earnings	Moderate	-1	Group support	0	
Risk position	Adequate	0	Sovereign support	0	
Funding	Adequate	0			
Liquidity	Adequate				
CRA adjustment		0			

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths

A strong domestic franchise, and a stable management team.

Expected gradual decrease in problem loans.

Key risks

Geographic concentration within South Africa.

Reliance on short-term local wholesale funding sources, weighing on liquidity metrics.

Nedbank has shown consistent revenue growth and stable earnings. We expect revenues to grow by about 5% in 2025 thanks to the bank's good franchise, and we think its digital investments should accelerate retail growth and cross-selling activity. Although we expect net interest margins (NIMs) to decrease slightly because of lower interest rates, we anticipate good noninterest revenue growth will support its revenue.

Easing macroeconomic conditions will lead to a gradual improvement in Nedbank's asset quality and cost of risk. Nonperforming loans (NPLs) decreased in the first half of 2025 to 5.1%, after peaking at 6.7% in 2023, helped mainly by the resolution of a large single-name exposure. Migration to stage 3 in the loan book has started to slow, supported by decreasing interest rates and lower inflation. We expect limited effects from U.S. tariffs on the bank's asset quality because of its low exposure to the directly impacted sectors. We forecast the bank's NPL ratio to slightly increase, however, and range between 5.0% and 5.5% for full-year 2025 because of changes in the curing period in the retail loan book. At the same time, we foresee credit impairments decreasing marginally in 2025 with a cost-of-risk ratio of 0.8%, from 0.9% in 2024.

Capitalization is moderate and should remain stable. We expect our risk-adjusted capital (RAC) ratio to increase to a moderate 5.5%-6.0% as of end of 2025 compared to 5.0% as of end-2024. This will be largely driven by our view of lower economic risk in South Africa.

Outlook

The positive outlook mirrors that on South Africa (BB-/Positive/B).

Downside scenario

We would revise the outlook back to stable if we took a similar action on the sovereign.

Upside scenario

We would raise the ratings on the bank if we took a similar action on the sovereign.

Key Metrics

Nedbank Group Ltd.--Key ratios and forecasts

(%)	--Fiscal year ended Dec. 31--				
	2022a	2023a	2024a	2025f	2026f
Growth in operating revenue	10.8	9.6	4.1	4.7-5.7	5.1-6.2
Growth in customer loans	4.4	3.4	8.9	8.1-9.9	8.1-9.9
Net interest income/average earning assets (NIM)	3.2	3.5	3.3	3.0-3.4	2.9-3.3
Cost-to-income ratio	56.5	53.9	55.9	55.4-58.3	55.1-57.9
Return on average common equity	14.0	14.4	15.3	14.5-16.0	14.6-16.1
New loan loss provisions/average customer loans	0.9	1.1	0.9	0.7-0.8	0.7-0.8
Gross nonperforming assets/customer loans	6.1	6.7	5.1	5.0-5.5	4.5-5.0
Risk-adjusted capital ratio	4.7	4.7	5.0	5.5-5.8	5.5-5.8

All figures include S&P Global Ratings' adjustments. A--actual. E--estimate. F--forecast. NIM--Net interest margin

Anchor: 'bbb-' For Banks Operating Only In South Africa

Our 'bbb-' anchor is derived from our Banking Industry Country Risk Assessment for South Africa, where the bank largely operates.

Credit conditions are easing amid moderating inflation and interest rate cuts. We forecast cautious credit growth and a moderate nominal increase in real estate prices over the next two

years. South Africa's GDP will likely expand by 1.5% on average over 2025-2028 after a subdued 0.6% in 2024, by our estimates. In our view, investments in infrastructure, including logistics and renewable projects, will create lending opportunities for banks. We also anticipate a measured increase in household lending thanks to interest rate cuts. Given this context, we forecast credit growth will accelerate to 7%-8% in 2025. We also expect real estate prices will increase by 3% in nominal terms after falling in 2024. Lower interest rates as well as inflation will support household disposable income and ability to repay debt, in our view. We therefore forecast the banking sector's credit loss ratio will normalize, averaging 90 basis points (bps) in 2025, versus about 100 bps in 2024. Similarly, nonperforming loans will improve toward 4.5% of total loans at year-end 2025 from 5.1% in 2024.

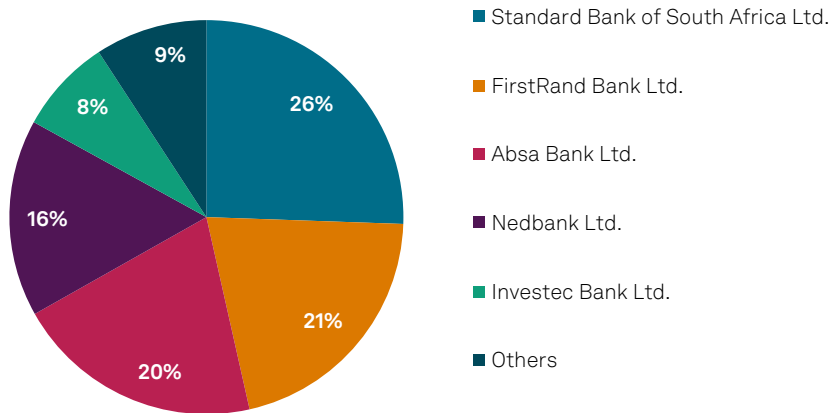
We expect South African banks' financial performance to remain resilient. We forecast adequate returns on equity of 16% on average in 2025, led by banks' diversified business models, stable shares of noninterest income, lower provisions, and higher credit growth. We expect banks will remain well capitalized and start issuing first loss after capital instruments in 2026. Top-tier banks hold 400 bps in excess capital on average, above the required minimum common equity Tier 1 (CET1) ratio. South African banks are not exposed to large-scale refinancing risk thanks to their limited exposure to international funding. This positively differentiates South African banks from emerging markets peers.

Business Position: A Top-Tier Bank Refining Its Strategy

Nedbank is the fourth-largest bank in South Africa's competitive banking system, where the top five account for more than 90% of systemwide assets. It is the largest operating entity of Nedbank Group Ltd. and accounts for more than 90% of its assets. The group is well entrenched in the South African market, where it conducts most of its activities. The bank is particularly well established in commercial property (36% of market share) and retail vehicle finance (36%), both being the group's historical competencies. The bank typically accounts for 15%-20% of system assets and liabilities and the business has been very stable, in line with well-diversified top-tier South African banks.

Nedbank Is The Fourth Largest Banking Group In South Africa By Total Assets

Market share by total assets



Data as at end December 2024. Source: S&P Global Ratings.

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Recently, the bank has successfully completed a strategic reorganization that focuses on client service and experiences and supports growth. The acquisition (subject to regulatory approvals) of iKhokha, a fintech company that provides card machines for small and midsize enterprises (SMEs), supports the bank's strategy of providing inclusive financial services to SMEs. We expect Nedbank will continue to focus on retail activity expansion through digital channels. This reorientation should allow for additional cross-selling opportunities, improve revenue growth potential and profitability, and contribute to the diversification of the bank's funding base. Nedbank has also reset its geographic expansion strategy, focusing primarily on the SADC and East Africa region. The bank is therefore looking to dispose of its investment in Ecobank Transnational Inc. and has reached an agreement to sell its 21.2% shareholding to Bosquet Investments Limited. The transaction is subject to regulatory approvals.

The CIB division drives about 55% of headline earnings, while personal and private banking and business and commercial banking represent about 26% and 17%, respectively, which provides decent business diversification despite significant geographical concentration in South Africa. We view the industry's structure as creating high barriers to entry, supporting the business stability of the sector.

Capital And Earnings: Moderate Capitalization

We forecast Nedbank's RAC ratio to improve slightly to 5.5%-6.0% as of end-2025, compared to 5.0% as of end-2024, thanks to our view of reduced economic risks in South Africa.

Our forecast incorporates the following assumptions:

- NIMs to slightly moderate to about 320 bps for 2025, and 310 bps in 2026, due to lower rates.

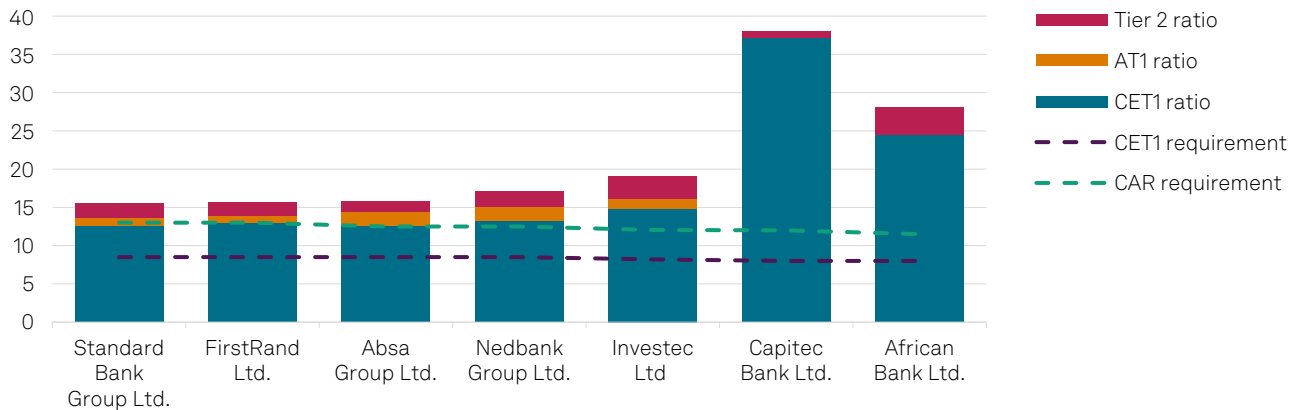
Nedbank Ltd.

- Loan growth to remain stable at about 9% in 2025 and 2026, supported by investment in infrastructure projects and lower interest rates.
- We expect noninterest revenues to grow by 5%-6% in 2025.
- We expect expense growth of about 7% for 2025 while operating revenue grows by 5%, leading to a cost-to-income ratio of approximately 57%.
- Cost of risk to decrease to 80 bps in 2025 given improving macroeconomic conditions.
- A dividend payout ratio of 57% in 2025 and 2026.

From a regulatory capital perspective, Nedbank's CET1 ratio stood at a healthy 13.1% as of end-June 2025. We expect the bank's CAR to slightly decrease due to the implementation of Basel 3 reforms, effective from July 1, 2025. At the same time, the bank's minimum regulatory capital requirements will increase by 1 percentage point from January 2026 because of the implementation of a countercyclical buffer requirement.

Nedbank Operates With Adequate Regulatory Capital Buffers

South African Banks' Capitalisation As At Dec. 31 2024*



*Capitec as at end of Feb. 2025 Source: S&P Global Ratings.

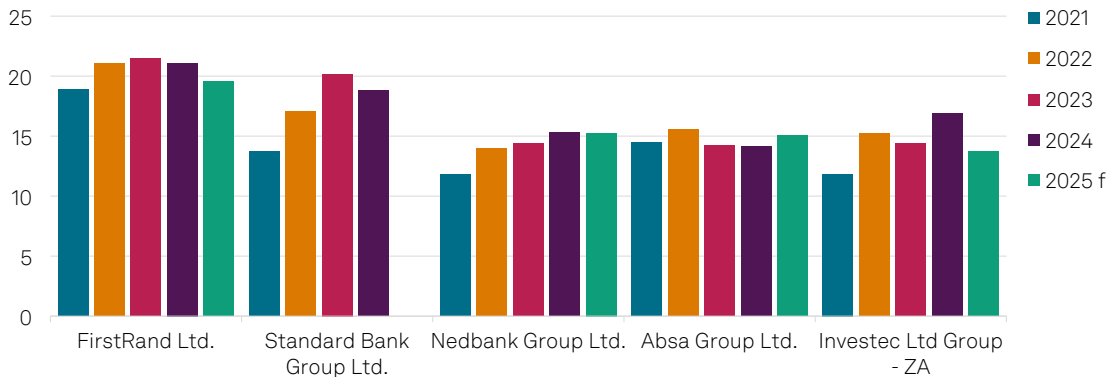
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We expect the bank will maintain adequate profitability with a return on equity ratio of 15% in 2025. Strong growth in noninterest income, lower credit provisions and largely stable net interest income will support profitability. As in previous years, we anticipate the bank's dividend policy will remain aggressive with a payout ratio of about 57%. Its capacity to cover normalized losses through earnings at 0.8% compares adequately to most top-tier peers.

Hybrid instruments account for about 11% of total adjusted capital and we view the quality of Nedbank's capital as strong.

Nedbank's Return On Average Common Equity Is In Line With Most Peers'

Return On Average Common Equity



f--forecast. Source: S&P Global Ratings.

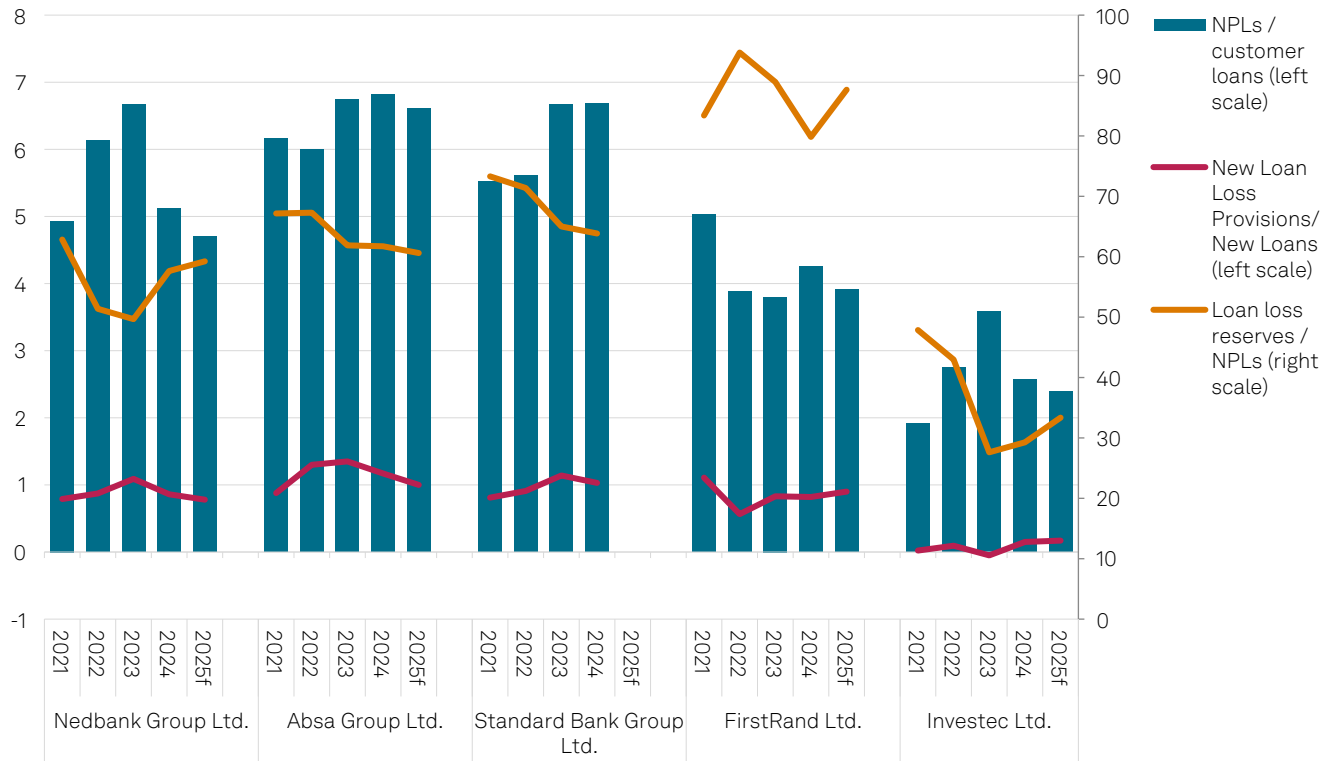
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Risk Position: Gradually Improving Asset Quality

As interest rates gradually decrease, pressure on households has started to recede. This has positively impacted the bank's retail portfolio asset quality with a slowing migration to stage 3 and lower credit losses in the retail book. In addition, we do not expect U.S. tariffs will have a significant direct impact on credit losses and NPL formation because the bank has limited exposure to the affected sectors such as automotives and agriculture. We expect the bank's measures such as credit policy tightening and increased collection efforts will help support loan book quality. The group will, however, be implementing a change in the curing period in the retail loan book, which will likely lead to an increase in stage 3 loans. We therefore forecast the NPL ratio to range between 5.0% and 5.5% in 2025 from the 5.1% reported in June 2025. At the same time, we anticipate credit impairments to decrease to 80bps in 2025 (2024: 90 bps) below the expected sector average of 90 bps. NPL coverage remains lower than peers' at about 58%. However, we note that nearly 60% of the bank's loans are secured.

Nedbank's Compares Well With Peers

Asset quality metrics



Source: S&P Global Ratings.

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Nedbank's share of the CRE market is higher than peers' at 22% of its total loans compared with peers' single-digit exposures. Its CRE vacancy rates are relatively low, however, and its exposures are well collateralized. Related credit losses have strongly outperformed the overall portfolio (-2 bps at mid-2025). Additional pockets of risk include the bank's exposure to vehicle asset finance (mainly second-hand cars, close to 20% of total portfolio as of June 30, 2025).

The bank's exposure to the rest of Africa poses manageable downside risks to capital and earnings stability because it is small, and its subsidiaries are well capitalized. We expect the region's assets to represent a stable proportion of total assets, at 3.0%-3.5% over the next 12-18 months before gradually increasing in line with the new geographic expansion strategy. Nedbank has reset its geographic expansion strategy to focus primarily on the SADC and East Africa region. The bank is therefore looking to dispose of its investment in Ecobank Transnational Inc. Large single-name or industry concentrations are limited, and the top-20 exposures typically account for 10%-15% of the bank's total exposures.

We view interest rate and foreign currency risks as minimal. The bank manages its interest rate risk through derivative hedges, while it has very limited foreign currency exposures. It continues

to focus on cyber risk, increasing its monitoring and defense mechanisms. Nedbank has not suffered a successful cyber-attack for the last 12 months.

Funding And Liquidity: Stable Deposit Funding

Nedbank is exposed to the same structural funding and liquidity risks as its domestic peers--essentially short-term, concentrated, domestic wholesale funding.

We expect core deposits will remain just above 80% of the funding base over the next few years. Nedbank has managed to consistently grow its deposit base over the past few years; with total deposits growing by 10% in the first half of 2025, driven by growth in call and term deposits (12%) as customers try to lock in higher interest rates, while CASA deposits only increased by 1%. Interest expenses as a proportion of the funding base decreased to 6.5% at the end of June 2025 in line with rate cuts, from 7.0% as of end of 2024.

Shorter term bank liabilities have slightly increased and the coverage of short-term wholesale funding by liquid assets dropped as a result to 2.8x as of the end of June 2025, from 3.4x as of the end of 2024. Liquidity coverage remains above the regulatory minimum at 127% and net stable funding remains at 118% as of end-June 2025.

We think that the risk of funding scarcity in South Africa--resulting from limited retail savings and strong competition from the large asset management industry for contractual savings--is mitigated by banks' roles in clearing and payments, the closed rand system, and Nedbank's high domestic systemic importance. More positively, major banks are not exposed to large-scale refinancing risks or a reversal of investor sentiment, because they have little exposure to international wholesale market-based funding. This is a positive difference compared to some other emerging markets' banking sectors.

While 10% of Nedbank's depositor base is from public sector entities, which we view as core and stable, the overall top 20 depositors account for about 20%-25% of total funding, which could—but importantly has not—produced liability instability.

Support: No Uplift For Potential Support, Despite High Systemic Importance

Nedbank has high systemic importance, but we view the South African government's support for the banking sector as uncertain considering the gradual implementation of a resolution regime. We expect South African banks to start issuing FLAC in 2026. For Nedbank, the bank estimates that it needs to raise about ZAR45 billion-ZAR55 billion to meet the base minimum FLAC requirement over the next six years.

Additional Rating Factors: Sovereign Foreign Currency Ratings Are Below The Stand-Alone Credit Profile

Although we assess Nedbank's stand-alone credit profile at 'bbb-', the long-term rating on Nedbank Ltd., a core group entity, is capped by the foreign currency sovereign ratings on South Africa (foreign currency 'BB-/Positive/B'). We do not rate South African banks above the foreign currency sovereign ratings because of the direct and indirect effects of sovereign stress on the banks.

Environmental, Social, And Governance

Environmental, social, and governance credit factors have limited bearing on our view of Nedbank's creditworthiness. Nedbank Group's strategy reflects its focus on the U.N.'s Sustainable Development Goals. The bank operates with a good governance framework and disclosure practices, which is reflected in our business position assessment. Nedbank has not experienced any incidents related to non-compliance with laws and regulations and has not been subject to legal or regulatory fines or settlements over the past five years.

Nedbank has slightly outperformed its peers when it comes to environmental factors. South Africa's energy mix is largely reliant on fossil fuels. The group was Africa's first carbon-neutral financial organization. It also reports according to the Task Force on Climate Related Disclosures. It has issued guidelines for reducing the financing of thermal-coal-related transactions and aims to have zero exposure to fossil-fuel-related activities by 2045. We expect its activity in renewable projects will remain highly visible as the bank continues to tap the green bonds market. Lastly, the group's digital transformation aims to bridge financial inclusion gaps in South Africa and will ultimately support stable risk-adjusted returns through cost-base optimization.

Key Statistics

Nedbank Group Ltd. Key Figures

Mil. ZAR	2025*	2024	2023	2022	2021
Adjusted assets	1,481,040	1,405,490	1,299,053	1,240,322	1,207,833
Customer loans (gross)	1,021,652	972,050	892,999	863,924	827,550
Adjusted common equity	96,683	86,164	81,061	78,244	74,912
Operating revenues	37,474	73,524	70,621	64,458	58,153
Noninterest expenses	21,492	41,074	38,059	36,426	33,777
Core earnings	8,956	18,587	17,298	15,237	12,523

*As at end June 2025. ZAR--South African rand.

Nedbank Group Ltd. Business Position

(%)	2025*	2024	2023	2022	2021
Total revenues from business line (currency in millions)	37,474	73,531	70,628	64,458	58,313
Commercial banking/total revenues from business line	23.9	25.3	25.7	26.5	27.4
Retail banking/total revenues from business line	45.3	46.0	46.6	47.2	47.7
Asset management/total revenues from business line	6.7	6.8	6.6	7.7	8.0
Other revenues/total revenues from business line	12.1	10.3	10.1	8.4	7.2
Return on average common equity	13.0	15.3	14.4	14.0	11.8

*As at end June 2025. N.M.--Not meaningful.

Nedbank Group Ltd. Capital And Earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	14.7	15.1	15.0	15.5	14.3
S&P Global Ratings' RAC ratio before diversification	N/A	5.0	4.7	4.7	4.7
S&P Global Ratings' RAC ratio after diversification	N/A	4.6	4.4	4.2	4.1
Adjusted common equity/total adjusted capital	88.9	87.0	88.5	88.4	88.9

Nedbank Ltd.

Nedbank Group Ltd. Capital And Earnings

Net interest income/operating revenues	56.5	56.9	58.7	56.3	55.9
Fee income/operating revenues	29.5	29.1	27.4	29.4	30.5
Market-sensitive income/operating revenues	6.6	7.0	6.9	6.8	6.3
Cost to income ratio	57.4	55.9	53.9	56.5	58.1
Preprovision operating income/average assets	2.2	2.4	2.5	2.3	2.0
Core earnings/average managed assets	1.2	1.4	1.4	1.2	1.0

*As at end June 2025. N.M.--Not meaningful.

Nedbank Group Ltd RACF [Risk-Adjusted Capital Framework] Data

(ZAR 000s)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
Credit risk					
Government & central banks	158,116,337	41,850,945	26	171,462,486	108
Of which regional governments and local authorities	13,375,406	6,241,620	47	20,071,068	150
Institutions and CCPs	50,718,711	17,489,676	34	57,760,684	114
Corporate	597,980,905	268,640,055	45	829,326,577	139
Retail	485,704,771	196,605,046	40	467,827,026	96
Of which mortgage	235,349,894	68,809,594	29	176,441,796	75
Securitization§	171,882	125,544	73	644,558	375
Other assets†	48,354,728	29,108,824	60	103,099,187	213
Total credit risk	1,341,047,333	553,820,090	41	1,630,120,518	122
Credit valuation adjustment					
Total credit valuation adjustment	'--	0	'--	0	'--
Market Risk					
Equity in the banking book	12,642,135	45,235,885	358	128,787,924	1,019
Trading book market risk	'--	21,508,624	'--	53,916,951	'--
Total market risk	'--	66,744,509	'--	182,704,875	'--
Operational risk					
Total operational risk	'--	95,378,770	'--	178,849,720	'--

(ZAR 000s)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global RWA	% of S&P Global RWA
Diversification adjustments					
RWA before diversification	'--	715,943,369	'--	1,991,675,112	100
Total Diversification/ Concentration Adjustments	'--	'--	'--	159,381,804	8
RWA after diversification	'--	715,943,369	'--	2,151,056,916	108

(ZAR 000s)	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global RAC ratio (%)
Capital ratio	Standard & Poor's RWA	Standard & Poor's RWA	Standard & Poor's RWA	Standard & Poor's RWA
Capital ratio before adjustments	98,163,539	13.7	99,065,095	5.0

Nedbank Group Ltd RACF [Risk-Adjusted Capital Framework] Data

(ZAR 000s)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
Capital ratio after adjustments‡		98,163,539	13.7	99,065,095	4.6

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital.ZAR -- South Africa Rand. Sources: Company data as of 'Dec. 31 2024', S&P Global Ratings.

Nedbank Group Ltd. Risk Position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	10.21	8.85	3.37	4.4	0.05
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	8	7.33	14.28	15.2
Total managed assets/adjusted common equity (x)	15.45	16.46	16.18	16.01	16.3
New loan loss provisions/average customer loans	0.77	0.86	1.09	0.87	0.79
Net charge-offs/average customer loans	0.98	1.11	1.12	0.85	0.81
Gross nonperforming assets/customer loans + other real estate owned	5.07	5.12	6.67	6.13	4.93
Loan loss reserves/gross nonperforming assets	55.73	57.64	49.67	51.37	62.84

*As at end June 2025

Nedbank Group Ltd. Funding And Liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	84.7	84.96	83.2	82.91	81.71
Customer loans (net)/customer deposits	91.26	90.49	91.18	92.23	95.05
Long-term funding ratio	92.7	93.01	90.75	91.37	94.77
Stable funding ratio	110.55	115.07	112.74	111.73	113.43
Short-term wholesale funding/funding base	7.95	7.64	10.12	9.44	5.71
Regulatory net stable funding ratio	118	116	117.3	119.1	N/A
Broad liquid assets/short-term wholesale funding (x)	2.81	3.37	2.55	2.54	3.99
Broad liquid assets/total assets	19.2	22.3	22.39	20.91	19.29
Broad liquid assets/customer deposits	26.37	30.35	31.01	28.88	27.92
Net broad liquid assets/short-term customer deposits	19.74	24.82	18.83	21.86	26.15
Regulatory liquidity coverage ratio (LCR) (x)	126.8	135.2	134.6	160.5	N/A
Short-term wholesale funding/total wholesale funding	48.94	47.47	57.07	52.4	29.77
Narrow liquid assets/3-month wholesale funding (x)	8.07	10.18	7.1	7.81	8.13

*As at end June 2025

Rating Component Scores

Rating Component Scores

Issuer Credit Rating	BB-/Positive/B
SACP	bbb-
Anchor	bbb-
Business position	Strong (1)
Capital and earnings	Moderate (-1)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	-3

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [General Criteria: National And Regional Scale Credit Ratings Methodology](#), June 8, 2023
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment: South Africa, July 28, 2025

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- Various Rating Actions Taken On South African Banks On Stable Real Estate Prices And Moderate Lending Growth, July 1, 2025
- South Africa 'BB-/B' Foreign Currency And 'BB/B' Local Currency Ratings Affirmed; Outlook Remains Positive, May 16, 2025
- South Africa Banking Outlook 2025: Improving Economic prospects Will Boost Banks' Performance, Jan. 17, 2025

Regulatory Disclosure

Regulatory disclosures applicable to the most recent credit rating action can be found in "Various Rating Actions Taken On South African Banks On Stable Real Estate Prices And Moderate Lending Growth," published July 1, 2025, on RatingsDirect.

Glossary

- ALAC: Additional Loss-Absorbing Capacity, which can provide extraordinary external support for banks.
- Adjusted assets: Total assets minus non-servicing intangibles.
- Adjusted common equity: Common shareholders' equity plus minority interest, minus dividends (not yet distributed), minus revaluation reserves, minus non-servicing intangibles, minus interest only strips, minus tax-loss carryforward, minus postretirement benefit adjustments.
- Anchor: The starting point for assigning a bank a long-term rating, based on economic and industry risk.
- Asset-liability mismatch: Occurs when financial terms of an institution's assets and liabilities do not correspond.
- Asset quality: A key measure of the quality and performance of the assets of a bank.
- Available stable funding: Core deposits, plus deposits due to banks (net of those that mature within one year), plus other borrowings (net of maturities within one year), plus total equity, minus intangibles.
- Business position: A measure of the strength of a bank's business operations.
- Broad liquid assets: cash (net of restricted cash) and reserves at the central bank, plus other cash and money market, plus bank loans and reverse repos that mature in less than one year, plus total liquid assets.
- Capital and earnings: A measure of a bank's ability to absorb losses.
- Core deposits: Total deposits minus noncore deposits (such as deposits due to banks and certificates of deposits).
- Core earnings over average managed assets: Annualized core earnings, over average assets of current period and last fiscal year.
- Core earnings: Net income before minority interest, minus nonrecurring income, plus nonrecurring expenses, plus/minus tax impact on adjustments, plus amortization/impairment of goodwill/intangibles, minus preferred dividends.

Nedbank Ltd.

- Cost of funds: Interest expense as a percentage of average interest-bearing liabilities.
- Cost of risk: As a percentage of total loans, the charge for bad and doubtful debts.
- Counterparty credit rating: A form of issuer credit rating, which is a forward-looking opinion about an obligor's overall creditworthiness.
- Credit losses: Losses arising from credit risk.
- Credit risk: Risk that a borrower will default on its payment obligations.
- Customer loans (gross): Total customer loans before loan-loss reserves.
- Customer loans (net) over customer deposits: Gross customer loans net of loan loss reserves, over core deposits.
- Date initial rating assigned: The date S&P Global Ratings assigned the long-term foreign currency issuer credit rating on the entity.
- Date of previous review: The date S&P Global Ratings last reviewed the credit rating on the entity.
- Earning capacity: The capacity of a bank to generate sufficient earnings against losses and the primary way that a bank builds or maintains its capitalization.
- Earnings buffer: A measure of the capacity for earnings to absorb normalized losses through the credit cycle.
- ESG credit factors: Those environmental, social, and governance (ESG) factors that can materially influence the creditworthiness of a rated entity or issue and for which we have sufficient visibility and certainty to include in our credit rating analysis. These credit factors can have a negative or positive impact on creditworthiness, depending on whether they represent a risk or an opportunity.
- Fee income over operating revenues: Net income on fees and commissions over operating revenues.
- Funding and liquidity: A combined assessment of the strength and stability of a bank's funding mix and its ability to manage its liquidity needs in adverse market and economic conditions over an extended period.
- Funding base: Total deposits, plus acceptances, repurchase agreements, and other borrowings (including commercial papers, short- and long-term debt, subordinated debt, and minimal equity content hybrids).
- Group credit profile (GCP): S&P Global Ratings' opinion of a group's creditworthiness as if the group were a single legal entity, and is conceptually equivalent to an issuer credit rating. A GCP does not address any specific obligation.
- Group support: An assessment of the likelihood that a parent or other group member would provide extraordinary support to a bank within that group.
- Gross nonperforming assets over customer loans plus other real estate owned over customer loans: Nonaccrual loans, plus restructured loans, plus repossessed assets plus loans 90-days past due; over gross customer loans plus repossessed assets.
- Loan-loss reserves over gross nonperforming assets: General plus specific reserves, over adjusted nonperforming assets (nonaccrual loans plus restructured loans plus repossessed assets plus 90-day past due loans).

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- Long-term funding ratio: Available stable funding, over funding base plus total equity, minus intangibles.
- National scale rating: An opinion of an obligor's creditworthiness or overall capacity to meet specific financial obligations, relative to other issuers and issues in a given country or region.
- Net interest income over operating revenues: Net interest income (including net interest income on loans, securities, and other assets), over operating revenues.
- New loan-loss provisions over average customer loans: Credit loss provisions (including specific loan provisions and general and other provisions) minus recoveries, over average gross customer loans of current period and last fiscal year.
- Noninterest expenses: Salaries and general administrative expenses (including depreciations and amortizations).
- Operating revenues: Net interest income, plus operating noninterest income (mainly includes fees and commissions and trading gains).
- Pre provision operating income over average assets: Operating revenues minus noninterest expenses, over average assets.
- Return on equity: Net income before extraordinary results minus preferred dividends over average common equity (average between current period and last fiscal period).
- Risk position: Our view of the specific risk characteristics of a particular bank.
- Risk-adjusted capital (RAC) ratio before diversification: This is calculated according to S&P Global Ratings' methodology as total adjusted capital over risk-adjusted assets.
- Short-term wholesale funding: Debt securities that mature in less than one year (of commercial papers, debt and senior and subordinated bonds), plus bank deposits that mature in less than one year.
- Sovereign support: An assessment of the likelihood that the government would provide extraordinary support to a bank.
- Short-term wholesale funding: Debt securities that mature in less than one year (of commercial paper, debt, and senior and subordinated bonds), plus bank deposits that mature in less than one year.
- Stable funding needs: Restricted cash and reserves at the central bank, plus interbank deposits, plus loans to banks (net of maturities within one year), plus reverse repurchase agreements, plus gross customer loans net of loan-loss reserves, plus securities, minus total liquid securities, plus equity participations in nonfinancial entities, plus fixed assets, plus other assets (considering foreclosed assets, tax loss carryforward, and deferred assets).
- Stable funding ratio: Available stable funding over stable funding needs.
- Stand-alone credit profile (SACP): An interim step in assessing a bank's overall creditworthiness. It includes government support, but not extraordinary government support.
- Total adjusted capital: adjusted common equity plus admissible preferred instruments and hybrids.
- Total wholesale funding: Noncore deposits, plus acceptances, repurchase agreements, other borrowings (including commercial papers, debt and senior and subordinated bonds, minimal equity content hybrids), and total equity, minus minority interest and common shareholders' equity.

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Ratings Detail (as of September 01, 2025)*

Nedbank Ltd.

Issuer Credit Rating	BB-/Positive/B
<i>South Africa National Scale</i>	zaAA+/-/zaA-1+

Issuer Credit Ratings History

20-Nov-2024	BB-/Positive/B	
13-Mar-2023	BB-/Stable/B	
25-May-2022	BB-/Positive/B	
20-Nov-2024	<i>South Africa National Scale</i>	zaAA+/-/zaA-1+
26-Nov-2019	zaAA/-/zaA-1+	
02-Jul-2018	zaAA+/-/zaA-1+	

Sovereign Rating

South Africa

<i>Foreign Currency</i>	BB-/Positive/B
<i>Local Currency</i>	BB/Positive/B
<i>South Africa National Scale</i>	zaAAA/-/zaA-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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