

1 Why we need this policy

Regulation 43 of the Banks Act, 94 of 1990, requires a bank to disclose, in its annual financial statements and other disclosures to the public, reliable, relevant and timely qualitative and quantitative information that enables users of that information to, among other things, accurately assess the bank's financial condition (including its capital adequacy and liquidity position), financial performance, leverage ratio, ownership, governance, business activities, risk profile and risk management practices.

Regulation 43 requires the group to have in place a formal board-approved policy relating to public disclosure and sets out minimum requirements, which are contained in this policy.

However, if a bank is controlled by:

- a controlling company; or
- another bank; or
- an institution that the Registrar of Banks (registrar) has approved and that conducts business similar to the business of a bank in a country other than South Africa,

the requirements of Regulation 43 will apply to that controlling company, bank, or institution, as the case may be, instead of the bank that is so controlled. This means Regulation 43 applies to Nedbank Group Limited (group).

The requirements of Regulation 43 align with the International Financial Reporting Standards (IFRS). Importantly, they also now cover public disclosure relating to the group's risk profile, risk management and capital management, in this way also aligning with Pillar 3 of the Basel III Accord.

2 Goal of this policy

The goal of this policy is to ensure that the group shares information with its external stakeholders in line with international best practice and regulatory requirements.

Therefore, the policy:

- sets out the group's approach to determining what and how much information will be disclosed to the public, as well as how material (important) that information will be (nature, extent and materiality);
- defines the key principles that the group must follow in complying with the minimum requirements under Regulation 43 and IFRS and in ensuring that it gives a true and fair presentation of its financial condition, including its capital adequacy position, financial performance, business activities, risk profile, and risk and capital management practices;
- assigns ownership, responsibility and accountability for the approval, implementation, maintenance, management, and review of this policy; and
- indicates the processes and procedures that must be followed to implement this policy.

3 Where this policy applies

This policy applies to the group and all business clusters, subsidiaries, and shared services groupwide. It must be read together with Regulation 43 and IFRS disclosure standards.

4 Key principles

4.1 Materiality, nature and extent of disclosure

The group's annual financial statements and other disclosures, including Pillar 3 disclosures, to the public must present or disclose material information.

Information is considered material if omitting or misstating it could change or influence the judgement or decision of a stakeholder relying on that information in taking economic, investment and related decisions.

If disclosure does not provide a true and fair presentation of the group's financial condition, financial performance, risk exposures and risk management activities, the group must

provide additional disclosure of the relevant information to ensure a true and fair presentation.

The minimum required publicly disclosed information must be consistent with the way in which the board and the senior management of the group assess and manage the group's risk exposures.

The group must ensure that the disclosure meets the requirements of Application and Disclosure of King IV 2016 and section 32(4) of the Companies Act, 71 of 2008 (Companies Act), in line with international best practice.

To ensure clarity and transparency, it is essential to avoid unnecessary disclosures that could obscure or dilute the impact of material information.

The group must not disclose to the public proprietary or confidential information, which is information that is:

- in connection to, for example, products or systems and that, if shared with competitors, is likely to lower the value of the group's investment in those products or systems or hurt the group's competitive position; or
- given in terms of a legal agreement and that is classified as confidential information.

If considered necessary, the group must clarify its position in writing with the registrar.

The group's disclosure to the public in terms of Regulation 43 must be consistent with the group's audited financial statements.

The group must explain any material differences between Regulation 43 and IFRS disclosure requirements.

4.2 Quality of disclosure

The group must ensure the quality and robustness of its public disclosure by doing the following:

- Establishing and maintaining appropriate internal controls, processes and procedures, including verification relating to the qualitative and quantitative information disclosed to the public.
- Regularly assessing the appropriateness of information disclosed to the public.
- Regularly assessing the variation of material information disclosed between Regulation 43 and the group's accounting disclosure requirements as well as additional information required to provide a true and fair presentation of the group's financial condition.

4.3 Frequency of disclosure

The group must disclose regularly but not less frequently than as follows:

- At every quarter (31 December, 31 March, 30 June, 30 September) – quantitative information in line with Regulation 43 and the Basel Committee on Banking Supervision (BCBS) updated framework on Pillar 3 disclosure requirements. The 31 March and 30 September disclosure must be completed within 2 months (60 days) of the quarter end date, and 30 June (half-year) disclosure must be completed within 3 months (90 days) of half-year end date.
 - At year-end (31 December) – the group's risk management goals and policies, reporting system, general definitions and information related to remuneration as detailed in Regulation 43(2)(f). Disclosure must be completed within 4 months (120 days) of year-end.

In all cases, the group must publish material information that is subject to rapid or material change as soon as possible.

4.4 Channel and locations for disclosure

At the discretion of the management of the group and board, the group must determine appropriate channels and locations to disclose required information to the public that is in addition to the group's annual financial statements and annual report.

These channels and locations must include:

- the group's website (nedbank.co.za); and
- external presentations, meetings, and other communications that the group's Investor Relations department has coordinated.

4.5 Audit of disclosure

The required additional information that the group must disclose to the public in terms of Regulation 43 may be, but does not need to be, audited externally. However, this choice or discretion does not apply to information that forms part of the group's audited financial statements as a result of requirements relating to IFRS and the Companies Act.

The annual Pillar 3 report produced in terms of Regulation 43 must be internally audited by Group Internal Audit.

5 Who does what

5.1 Policy owner

The owner of this policy is the board.

The board has the authority, which it delegates to the Group Executive Committee, to enforce compliance with the policy.

The policy owner is responsible for the following:

- Ensuring that the policy is developed, implemented and maintained.
- Giving guidance and direction regarding the principles underlying this policy.
- Approving this policy.
- Reviewing this policy regularly, but at least every year, to ensure that the group always complies with regulations and IFRS when it comes to public disclosure, and to ensure that the group adheres to international best practice.

5.2 Policy document owner

The document owner of this policy is Group Finance, which reports to the Group Chief Financial Officer.

5.3 Policy custodian

The custodian of this policy is the Enterprisewide Risk Management Division, within the Group Risk Cluster.

5.4 Policy implementation

Group Finance is responsible for the overall policy implementation.

Micro-level responsibilities for policy implementation and compliance are set out in the associated document entitled 'Regulation 43 of the Banks Act: Public Disclosure (Pillar 3) and Directive 1/2019 – Matters related to revised Pillar 3 disclosure requirements framework'.

6 Processes, procedures and other documents

Refer to the following related documents regarding implementation of this policy:

- Regulation 43 of the Banks Act, 94 of 1990 (Banks Act).
- Directive 1/2019 (issued under the Banks Act).
- BCBS Updated Framework on Pillar 3 disclosure requirements.
- Section 32(4) of the Companies Act.

7 Document control

Date	Description	Reference
April 2008	Group ALCO approval.	Trevor Adams
Q2 2008	Group Risk and Capital Management Committee.	Trevor Adams

Date	Description	Reference
12 February 2009	Group Risk and Capital Management Committee.	Trevor Adams
15 February 2010	Group Risk and Capital Management Committee – no changes.	Trevor Adams
14 February 2011	Group Risk and Capital Management Committee.	Trevor Adams, Alan Faber, and Darryl McMullen
18 February 2011	Main board.	Trevor Adams
20 February 2012	Minor revisions – reference to King III, Companies Act, Pillar 3, Basel II and Public Disclosure Document; tabled at GRMC.	Trevor Adams (BSM)
24 February 2012	Tabled for noting.	Trevor Adams (BSM)
November 2012	Annual review – minor revisions; reference made to Basel III.	Alan Faber/ Muhammad Dawood
19 February 2013	Tabled for noting.	GRMC
21 February 2013	Tabled for noting.	Main board
November 2013	Annual review – minor revisions.	Lori Shlagman/ Muhammad Dawood
18 February 2014	Tabled for noting.	GRMC
19 February 2014	Tabled for noting.	Main Board
November 2014	Annual review – minor changes.	BSM: Muhammad Dawood
18 February 2015	Policy remains fit for purpose.	GRMC
19 February 2015	Notified of ERMF refresh in progress.	Main board
November 2015	Policy remains fit for purpose.	Muhammad Dawood
23 February 2016	Policy remains fit for purpose.	GRMC
26 February 2016	Annual policy review.	Main Board
21 February 2017	Annual review – minor changes.	GRMC
18 May 2017	Annual policy review.	Main Board
February 2018	Annual policy review.	Alan Faber
10 May 2018	Annual policy review.	Main board
February 2019	Policy remains fit for purpose.	Alan Faber
May 2020	Annual policy review – minor changes.	GRMC
3 December 2021	Policy document owner changed from Alan Faber to Bruce Thomas, with the policy owner remaining Mike Davis. Policy format changed to new group format, which includes the changes made for plain language.	Group ALCO
28 February 2022	Annual review.	GRMC

Date	Description	Reference
23 October 2022	Annual review – clarification of the external audit and internal audit requirements.	GRCMC
23 October 2023	Annual review – minor changes that relate to clarification of the timing of disclosures, as well as corrected formatting in line with the Policies Framework.	GRCMC
23 October 2024	Annual review – includes changes for plain language.	GRCMC