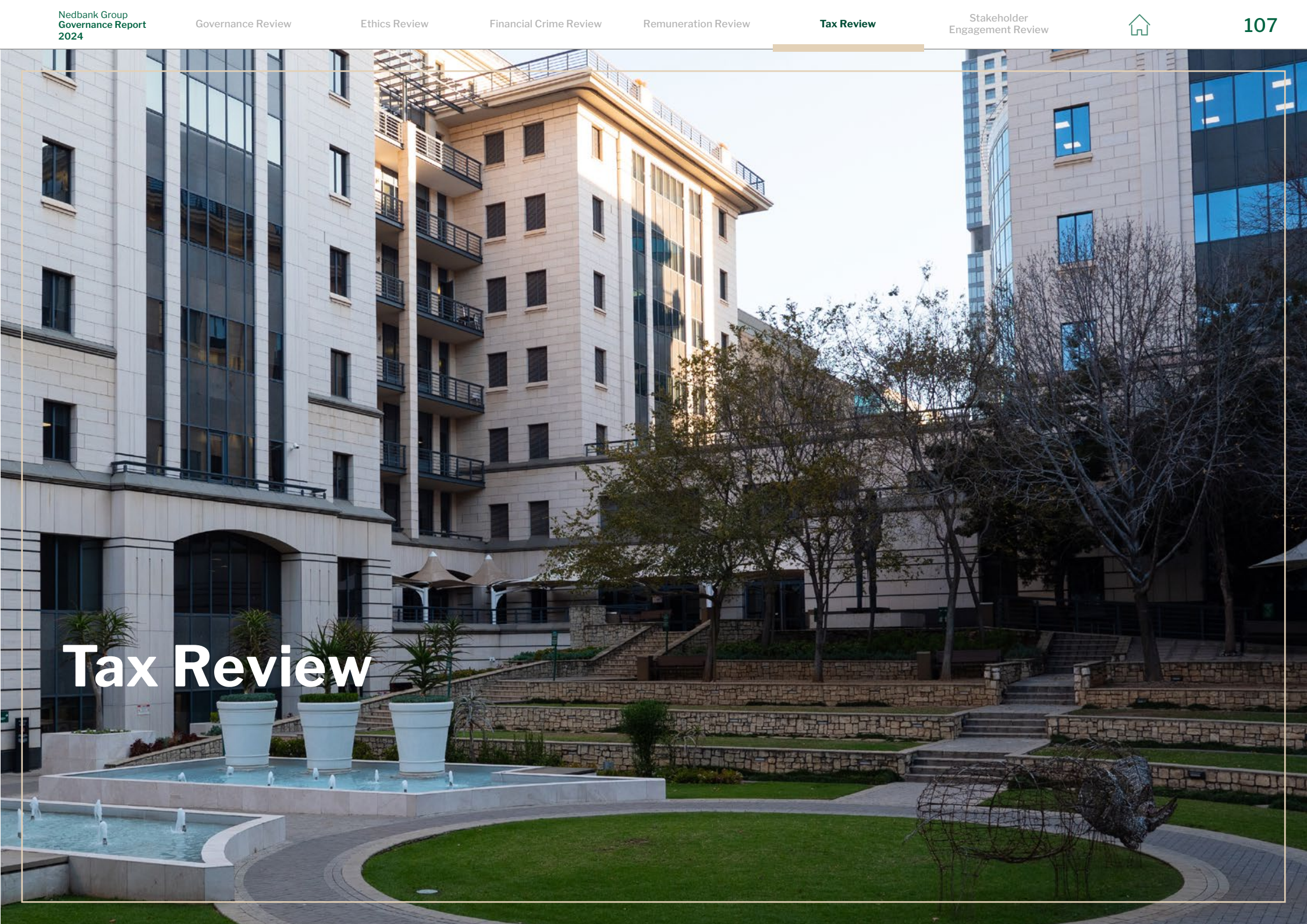




Tax Review

A photograph of a modern, multi-story building with a light-colored facade and large glass windows. The building is surrounded by a well-maintained garden with green lawns, stone walls, and several trees. In the foreground, there is a circular fountain with water spraying upwards. The overall scene is bright and sunny, suggesting a pleasant outdoor environment.



Letter from the Chief Financial Officer



“Nedbank Group is committed to being fully compliant with all tax legislation and regulatory requirements in all the jurisdictions in which it operates. We remain committed to delivering on our purpose of using our financial expertise to do good and contributing to the well-being and growth of the societies in which we operate by delivering value to our employees, clients, shareholders, regulators, and society.”

Mike Davis, Chief Financial Officer

I am pleased to present our Tax Review for the year ended 31 December 2024, which forms part of our integrated and environmental, social and governance (ESG) reporting universe.

We constantly strive to improve our tax transparency every year to ensure that we effectively and clearly communicate how we manage tax to all our stakeholders. We are particularly proud to be acknowledged in the recently published PwC *Global Tax Transparency and Tax Sustainability Reporting 2024 Report*, which is a global study on tax reporting. This is the first year that SA has participated in the global study, which takes a closer look at the tax contribution role that corporations play, as well as their role in enabling the broader tax system to work. Nedbank was placed second among 872 global companies, and first among 229 financial services companies assessed globally. Additionally, in the ninth PwC *Building Public Trust Through Tax Reporting Review*, Nedbank achieved an overall first place for the second year in a row among

the top 100 companies listed on the JSE in terms of consistently providing value-added and high-quality tax disclosure based on the criteria of the PwC Tax Transparency Framework.

Businesses and societies benefit from transparency and trust. The purpose of the Tax Review remains the same as in previous years, which is to provide increased transparency and valuable financial and non-financial information to all our stakeholders about our tax strategy and policies, our approach to tax management, and the key tax principles that we have adopted to demonstrate that we are doing business in a sustainable and responsible way. To act with integrity, respect, and accountability while being people-centred and client-driven, are the principles that guide us.

In this Tax Review, consistent with prior years and to demonstrate that we continue to make significant tax and economic contributions, we present the component parts of our total tax contribution, which amounted to R16,3bn for FY 2024 (up by 13% from 2023). This demonstrates our commitment to the inclusive growth and sustainable development of the communities and jurisdictions in which we operate.

We are furthermore confident that the integration of and our approach to tax, as set out in this report, demonstrates our commitment to advancing the achievement of the United Nations (UN) Sustainable Development Goals (SDGs), which we have adopted as a framework to measure delivery on our purpose.

Nedbank Group is committed to being fully compliant with all tax legislation and regulatory requirements in all the jurisdictions in which it operates. We remain committed to deliver on our purpose of using our financial expertise to do good and contributing to the well-being and growth of the societies in which we operate by delivering value to our employees, clients, shareholders, regulators, and society. We hope to answer questions about tax fairness and tax transparency throughout the Tax Review, and I encourage you to read our 2024 Integrated Report and our 2024 Society Report, including the Sustainable Development Review chapter, for more details on the other initiatives, social investments, and contributions that we have made this year.



About our 2024 Tax Review

Our 2024 Tax Review is the outcome of a groupwide reporting process governed by the board, led by Group Exco, assured through our coordinated-assurance model, and delivered through groupwide collaboration. Integrated thinking enables us to create and preserve value as we fulfil our purpose to use our financial expertise to do good for individuals, families, businesses, and society.

The process we follow to complete the Nedbank Tax Review

The 2024 Tax Review is the outcome of internal and external discussions, minutes, business plans, decisions, and approvals, as well as internal and external information.

A cross-functional team, led by the Executive Head: Group Tax and representing various subject matter experts in Group Tax and across the group, produces the content that is included in the Tax Review. The process is governed by the Group Audit Committee (GAC), which provides final approval of the report, while the Group Integrated Report Approval Committee, with delegated authority from the board, provides final sign-off for publication.



The reporting frameworks to which we adhere

Our Tax Review is guided and influenced by the principles and requirements of the following frameworks:

- Integrated Reporting Framework.
- King Code of Corporate Governance Principles for South Africa (SA) (King IV).
- The B Team Responsible Tax Principles.
- Global Reporting Initiative Sustainability Reporting Standard on Tax (GRI 207).
- World Economic Forum Stakeholder Capitalism Metrics.
- Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.
- S&P Global Corporate Sustainability Assessment.
- MSCI ESG Ratings Methodology.
- Johannesburg Stock Exchange (JSE) Sustainability and Climate Disclosure Guidance.

As a predominantly South African-based bank and a company listed on the JSE, we align with the JSE Listings Requirements, the South African Companies Act, 71 of 2008, and the Banks Act, 94 of 1990.

How we ensure the integrity of our report

The GAC considered the integrity of the Tax Review and concluded that it adequately provides material disclosures of the group's financial and non-financial tax matters.

The financial information contained in this report has been extracted from the Nedbank Group Limited Consolidated Annual Financial Statements for the year ended 31 December 2024. An unmodified audit opinion was expressed on the Consolidated Annual Financial Statements. We have also engaged EY to provide limited assurance over selected value driver indicators covering environmental, economics, information technology, human resources, and sustainable development finance. Management has identified these value drivers as important for stakeholders, and they are reported on throughout the Nedbank Integrated Report and Climate Report and where relevant, in our Tax Review. This limited assurance was conducted in line with ISAE 3000 (Revised).

The board ensures the integrity of the report through our integrated-reporting process and the various approvals and signoffs by Group Exco and the board. The board also relies on our coordinated-assurance model, which is overseen by the GAC, and assesses and assures various aspects of our business operations and reporting. These assurances are provided by management and the board through rigorous internal reporting governed by the group's Enterprisewide Risk Management Framework (ERMF), Group Internal Audit (GIA), as well as independent external sources and service providers.

Our 2024 Tax Review

Our Tax Review presents a detailed view of our strategic approach to tax and tax-related processes, tax governance and the Tax Risk Management Framework, stakeholder engagement, and our tax contributions in the various jurisdictions in which we operate for the financial year ended 31 December 2024.

We are a predominantly SA-focused banking group with a vision to be the most admired financial services provider in Africa by our stakeholders. We have a clear and driving purpose: to use our financial expertise to do good for individuals, families, businesses, and society. In this Tax Review and in line with our purpose, we have positioned tax as a strategic asset to our stakeholders by showing how the integration of and our approach to tax is linked to the UN SDGs, disclosing the wider economic impact analysis of our tax contributions, highlighting initiatives that support adherence to our key strategic tax principles, and providing specific information on our contribution as a strategic financial services role player to the tax collections system and tax reform.

Nedbank is committed to the highest ethical standards when conducting business and requires all employees, contract workers, part-time employees, partners, agents, intermediaries, joint ventures, and vendors to act with honesty and integrity. We have mechanisms in place to report concerns about unethical or unlawful behaviour, including integrity in relation to tax. In this regard, tax evasion and tax evasion facilitation are listed as financial crimes under Nedbank Group's Financial Crime Risk Management Framework, and inappropriate behaviour by our employees linked to tax evasion is prohibited in terms of our Code of Ethics and Conduct.



Channels for reporting unethical behaviour are discussed in the Ethics Review on page 43 of this report.



Nedbank's approach to tax

Nedbank's tax strategy and approach to tax are enabled by key tax principles set out in the Nedbank Group Tax Policy, which the GAC reviews and approves annually. Our key tax principles are guided by our purpose, vision, brand promise and values.

Our tax strategy

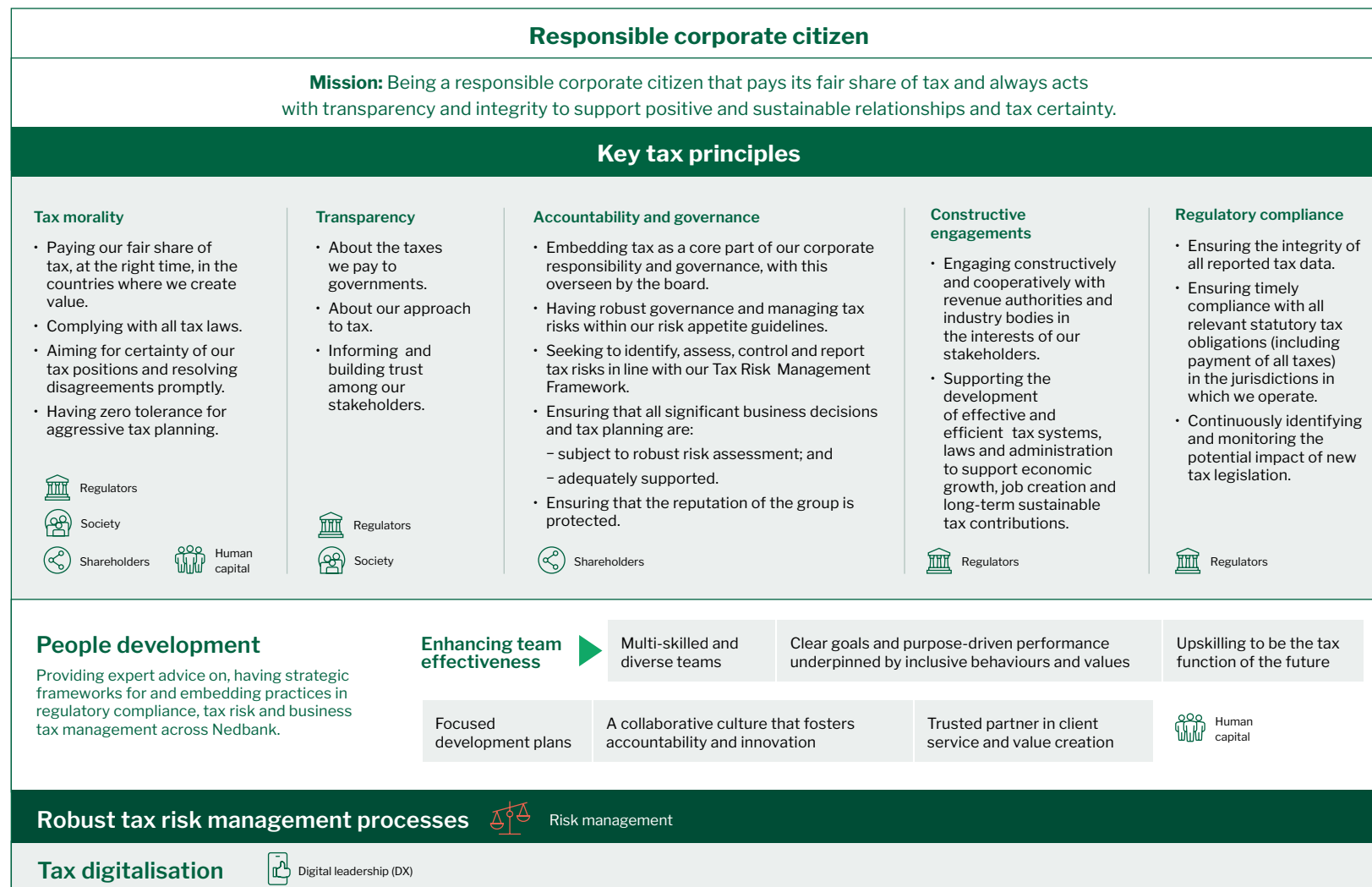
Nedbank's tax mission is to be a responsible corporate citizen that pays its fair share of tax, always acting with transparency and integrity to support positive and sustainable relationships and create tax certainty. Our tax strategy is designed to support us in our purpose, vision, values, and business strategy.

Tax principles

We believe it is essential to have a set of guiding tax principles as set out in the Nedbank Group Tax Policy, which we adhere to and sets the tone for our tax strategy and approach to tax. These principles that guide our approach to tax are related to how we create, preserve, and minimise the erosion of value for our stakeholders, including our employees, clients, government, regulators, and society.

Our key tax principles are aligned with The B Team Responsible Tax Principles, which have been developed through dialogue with a group of leading companies and contributions from civil society, institutional investors, and international institutional representatives, with the aim to establish the golden standard of principles and an approach to taxation that companies can endorse to demonstrate their responsibility and play their part in creating a stable, secure, and sustainable society.

Our tax strategy, aimed at unlocking strategic value, is executed in an integrated approach as follows:



Nedbank's Group Tax Policy is reviewed annually and was approved by the Finance Forum on 20 May 2024 and the GAC on 30 October 2024.

 [Read more on how we deliver value for our stakeholders on page 136.](#)

Nedbank's approach to tax continued

Key tax principles that guide our actions

► 1 Responsible corporate citizen

As a responsible corporate citizen and taxpayer, we are committed to –

paying our fair share of tax within industry norms, acting with integrity when engaging with revenue authorities to support positive and sustainable relationships; and for the purposes of obtaining certainty of our tax positions, engaging with revenue authorities regarding the application of the tax law and identifying and resolving disagreements with the revenue authorities promptly.

► 2 Transparency

We are committed to – being transparent about the taxes we pay to governments and our approach to tax to provide a better understanding to all stakeholders; manage their expectations; and build trust.

► 3 Risk management and governance

We are committed to – having strong governance, managing tax risks within the risk appetite guidelines of the group; identifying, assessing, controlling and reporting tax risks in line with our Tax Risk Management Framework; ensuring that the group maintains a sustainable effective tax rate and cash tax payments; ensuring that all adopted tax positions are subject to robust risk assessment and are adequately supported; and ensuring that the reputation of the group is protected.

► 4 Constructive engagements

We are committed to – engaging constructively and cooperatively with revenue authorities and industry bodies in the interests of our stakeholders and supporting the development of effective and efficient tax systems, laws and administration to support economic growth, job creation and long-term sustainable tax contributions.

► 5 Regulatory compliance

We are committed to – ensuring the integrity of all reported tax data and timely compliance with all relevant statutory tax obligations (including payment of all taxes) in the jurisdictions in which we operate and continuously identifying and monitoring the potential impact of new tax legislation.

► 6 People development

We are committed to – developing highly qualified tax professionals with digital and analytical skills as part of a leading tax function.





Nedbank's approach to tax continued

Tax and sustainability

Creating value in a sustainable manner through our strategy

Nedbank is aware that it, alongside its stakeholders, operates in a nested and interdependent system. This means that for our business to succeed, we need a thriving economy, a well-functioning society, and a healthy environment. The tax we pay is an important part of wider economic growth, social upliftment, and environmental impact on the communities and the development of the jurisdictions in which we operate.

We ensure that tax is integrated and aligned to business, and that all the tax implications of our sustainable finance solutions and investments are considered from both an organisational and client perspective and are aligned to our tax strategy and principles.

Our responsible tax strategy and the tax that we contribute to the jurisdictions in which we operate fund critical infrastructure to support our SDG commitments.

 Refer to our economic contribution of taxes paid on page 127.

Tax as a material matter

We have identified tax as a material matter given its significant financial and social impact on the organisation and our stakeholders. Identifying our material matters is a groupwide responsibility and requires input from our businesses, an assessment of the risks and opportunities in our operating environment, and input and feedback from our various stakeholders.

We apply the principle of materiality in assessing the information that should be included in our Tax Review. Although all the material matters noted on page 38 of the 2024 Integrated Report impact tax, the demand related to governance, regulation, and risk management plays a significant role in tax management. Fundamentally, the business of banking remains managing risk, and we always strive to be world-class, having a strong risk culture, sound governance, and a robust ERMF. We strive for agile but responsible, accountable, and effective governance, and risk management, while creating and protecting value for all our stakeholders.

Our tax digitalisation roadmap

During FY 2024 we made great progress on our digitisation roadmap and successfully consolidated a substantial part of our tax data across the group to align with the anticipated digitisation journey of the South African Revenue Service (SARS). We also continued to automate the majority of the third-party appointment process and invested in development to enhance our reporting to SARS regarding IT3s, the United States (US) Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) to align with the newly proposed timelines of SARS. To enhance our productivity, improve operational efficiency, and ensure the integrity of our tax reporting, we will continue to use the technology platforms we are implementing and further drive the automation and digitisation of our tax processes.

What

- Implementing more robust and efficient tax processes, enabled by tax technology solutions, to move towards a strategic and leading tax function.

How

- Integrating, automating and digitising tax data and processes to improve risk management and provide data insights into the business.

Why

- To mitigate operational tax risk associated with compliance and reporting in the current and future state.
- To enhance efficiencies in tax processes.
- To provide insightful data analytics that will assist in budgeting and provisioning.
- To enhance governance and transparency.

Driving effective execution

Transfer pricing

Design, consolidate and implement a cross-border and intercompany transfer pricing capability by leveraging existing internal systems.

Third-party appointments

End-to-end automation of the third-party appointment processes, with appropriate workflow and account exclusions.

Corporate income tax

Leverage existing internal general-ledger technology to facilitate real-time analytical and data insights for client-facing clusters in terms of their direct tax charge.

Adhering to regulatory reporting requirements

Workflow compliance

The use of a digital interface with the SARS e-filing platform, with workflow functionality to align with the new digitisation reform of revenue authorities.

Third-party IT3 reporting

Automation of processes to facilitate client reporting to revenue authorities.

Value-added tax

Design and implement enhanced VAT reporting capabilities through the creation of a Data Mart with automated preparation of VAT returns and supporting schedules.

Base Erosion Profit Shifting (BEPS) Pillar Two

Reporting solution to enable accurate and timeous reporting to revenue authorities, aligning with the global minimum tax directive under the OECD.

Nedbank's approach to tax continued

Stakeholder engagement

Delivering value by fulfilling our purpose

As a financial services provider, we are deeply connected to the environment in which we operate and the societies we serve. Our ability to create and protect value is dependent on our relationships, activities, and the contributions we make to our stakeholders, including our economic contribution through the taxes we collect and pay. By providing for their needs and meeting their expectations in relation to tax matters, we create and protect value for our stakeholders and Nedbank, while looking to minimise value erosion.

Nedbank Group

A strong and profitable business enables continued investment in our employees and operations, which in turn, creates value for our clients, shareholders and society at large. Trust is core to our relationships and to creating and preserving value.

Employees



We regularly engage with our employees on tax. Our employees are interested in tax matters and tax developments to allow them to better understand tax risks and add value to our clients. Employees, as part of society, contribute materially to the communities in which they live and work through tax contributions.

Value is created and preserved through ...

- providing support to employees with their personal income tax compliance obligations;
- providing tax specific training and awareness;
- developing our employees with future-fit tax skills;
- equipping our business with professional tax advice and oversight to ensure tax risks are mitigated;
- rewarding employees for the value they add;
- embracing flexible working practices; and
- contributing to the transformation towards a more inclusive society through employment equity and gender equality.

Clients



Our clients expect accurate and valid tax reporting to revenue authorities. They also expect seamless and modern 'know your client' (KYC) processes to ensure a satisfactory experience. They are interested in the tax implications of the products and services we offer.

Value is created and preserved through ...

- providing clients and revenue authorities with accurate and valid tax information to ensure tax compliance;
- providing tax guidance in relation to our products and services;
- providing credit in a responsible manner that enables wealth creation, sustainable development and job creation, aligned with the SDGs and the drive to transition to a net-zero economy by 2050; and
- developing innovative solutions that meet our clients' specific needs.

Shareholders



Our shareholders require from us transparent and accurate tax reporting and disclosure. They are interested in our tax strategy and how we create value and contribute to our ESG practices in a sustainable way.

Value is created and preserved through ...

- providing insightful, relevant and transparent tax reporting;
- ensuring robust tax governance and tax risk management; and
- operating within our tax risk appetite.

Government



The taxes we pay are imperative for the economic and social development of the countries in which we operate. Our government and regulators expect open and honest dialogue on tax matters and active contribution to industry working groups.

Value is created and preserved through ...

- participating actively in industry forums on tax matters;
- contributing meaningfully to government budgets through our own corporate taxes and employees paying personal taxes; and
- collaborating with legislators and tax policymakers to ensure clear and unambiguous tax legislation.

Revenue authorities



We engage cooperatively and constructively to ensure an effective and efficient tax administration. We act with integrity to support positive and sustainable relationships and obtain tax certainty. We have a responsibility to comply fully with the regulations of the jurisdictions in which we operate.

Value is created and preserved through ...

- regular industry engagements on various operational and service delivery issues;
- commitment to the banking accord between BASA and SARS;
- the integrity of our tax data reporting to revenue authorities;
- ensuring the broadening of the tax base through the eradication of corruption, fraud and tax evasion through robust anti-financial crime risk and compliance programmes;
- supporting SARS to transform into a more digitised tax administrator; and
- working closely with revenue authorities during times of crisis.

Society



We embrace our role in society as an active contributor to building a thriving society and can do this only with engaged communities that have the same values. Our tax contributions ensure investment in sustainable infrastructure and critical services.

Value is created and preserved through ...

- building trust through our transparent reporting on the taxes we contribute in the jurisdictions where we operate;
- transforming economies, the environment and society positively through our lending and investment activities, aligned with the SDGs;
- playing a meaningful role in the broader society as a procurer and consumer of goods and services; and
- making a difference through our partnerships and corporate social investment (CSI) activities.



Tax compliance

We are committed to tax compliance in all the jurisdictions in which we operate. We ensure the integrity of all our reported tax data through robust internal control frameworks and our combined assurance methodology.

 [Read more about our approach to tax governance and risk management on page 116.](#)

We pay our taxes promptly and in line with all applicable laws and regulations. We aim to take into account the letter as well as the spirit of the tax laws and regulations. Where tax law is unclear or subject to interpretation, we evaluate whether our position is more likely than not to be upheld and, where appropriate, seek external advice or resolve any uncertainty directly with revenue authorities. We also escalate any uncertain tax positions to senior management and the board for their review and guidance. Following careful consideration and risk evaluation of any tax dispute with revenue authorities, we may seek a resolution through the judicial system to test the legal principle of the tax law concerned or seek to resolve the dispute through the alternative dispute resolution process, provided it is in the best interest of both parties.

We continuously monitor the regulatory landscape to identify and evaluate the potential impact of changes to, or of new tax legislation, on our business operations.

Our approach to our clients

As a financial institution, we are also subject to client tax compliance and reporting obligations, including obligations under FATCA, the CRS, and in respect of income earned on financial products, withholding taxes and exchange of information on request from the revenue authorities. Clients' tax positions remain their responsibility. However, we require clients, including high-net-worth clients, to self-certify their worldwide tax obligations as part of our client onboarding processes and ongoing client due diligence processes. In relation to the standardised products we offer, we advise clients of likely tax implications, and in the case of new products, tax implications are discussed and considered carefully at the appropriate governance committees. Some of these products often deliver tax incentives specifically introduced by the government, such as tax-free savings accounts.

Our approach to our employees

To continue to 'use our financial expertise to do good', Group Tax successfully rolled out a campaign this year to assist employees with their income tax return submissions and/or any tax issues, driving

employee compliance and ensuring our employees align with being responsible tax-paying citizens. Numerous educational sessions were presented around the completion of tax returns, and employees were also assisted independently when required.

Our approach to tax evasion and tax evasion facilitation

Tax evasion and fraud entail taxpayers deliberately misrepresenting or concealing the true state of their affairs to tax authorities to reduce their tax liability, including dishonest tax reporting (such as under-declaring income, profits or gains, or overstating deductions). Nedbank follows a zero-tolerance approach to tax evasion and tax evasion facilitation and has implemented policies and procedures to prevent such conduct by its employees and associated parties. These include having clear roles and responsibilities for preventing, detecting, and responding to tax evasion; providing awareness training; promoting ethical behaviour; undertaking risk assessments to identify possible high-risk exposures; and encouraging employees to be vigilant and report any suspicions of tax evasion. Employees are prohibited from giving any advice to clients, suppliers and third parties in the course or scope of their employment and any conduct that facilitates, supports or results in tax evasion.

We do not condone, encourage, or support tax evasion nor the wilful misrepresentation of facts to revenue authorities or independent assurance providers. Compliance with all applicable laws and regulations of the jurisdictions in which we operate is embedded in our [Code of Ethics and Conduct, available here](#). Employees (including contract employees) and third parties with whom Nedbank has a business relationship may raise ethical and compliance concerns, anonymously if preferred, through Report-IT, which is our official internal reporting channel. Corrupt and unethical behaviour can be reported [here](#).

Our approach to tax planning

We believe that tax planning initiatives must be conducted in a responsible and sustainable manner. During such planning due consideration must be given to Nedbank's legitimate interests, reputation, brand, and corporate social responsibility.

We have clear procedures regarding tax risk management and do risk assessments as part of any tax planning and review of significant business decisions. We do not enter into any aggressive and contrived tax planning structures.

We further believe that our products should not be used by our clients to shelter information from the tax authorities to avoid or evade taxation.

Principles and risk appetite

The board sets the risk appetite for the group. The risk appetite in relation to tax is the level of tolerance for taxation risk in the group.

The underlying principle in setting the taxation risk appetite is that tax planning should support the group's strategy and align with the group's commercial and economic activity.

Taxation risk should be minimised and mitigated, with both the cost versus the benefit of doing so, as well as the financial and reputational impact of a tax planning initiative being considered.

The group applies the following principles to tax planning:

- Zero tolerance for evading any tax liability or facilitating the evasion of any tax liability on behalf of a third party.
- Zero appetite for transactions that have no valid commercial purpose other than obtaining a tax benefit.
- Zero appetite for arrangements where the tax benefit is paid to clients while the tax risk remains within the group.
- Entering into transactions with significant tax uncertainty only if the commercial benefits clearly exceed the potential cost (ie risk-reward equation). In this context, risk appetite must be guided by the 'more likely than not' principle.
- Low appetite for arrangements that could rebound to the detriment of the group in the event of external disclosure, eg litigation. Accordingly, the group enters only into transactions that can be fully justified if they become public.
- Not purposefully structuring its affairs to shift profits to low-tax jurisdictions or 'tax havens'. Operate in these jurisdictions only if there are valid business reasons and sufficient commercial substance.
- Entering into cross-border transactions with controlled parties on an arm's-length basis only.
- Not using artificially fragmented structures or contracts to avoid establishing a taxable presence in jurisdictions where we do business.



Tax compliance continued

Incentives

Governments offer tax incentives to support investment, employment or economic development. We seek to ensure that tax incentives are transparent and consistent with statutory and regulatory frameworks before deciding whether to use them. We make use of incentives only if they align with our business and operational objectives and if we have a qualifying business activity.

We continually review our approach to tax incentives to ensure transparency and that unfair tax advantages are not gained. If there is uncertainty about tax incentives, we would seek clarity from the relevant authorities to ensure the incentive meets the government's intended policy objectives.

Nedbank has benefited from the following allowances and incentives in terms of the Income Tax Act, 58 of 1962, during the FY 2024:

Learnership allowances in terms of section 12H, estimated at R56,8m (2023: R58,6m).

Employment tax incentive through participating in the YES Programme, amounting to R9,1m (2023: R7,7m).

Transfer pricing

Nedbank ensures that all intercompany transactions are entered into at market-related prices and conditions, ensuring that profits are attributed to the jurisdiction where the relevant economic activity is taking place. This aligns with our guiding principle that requires all cross-border transactions with controlled parties to adhere to the arm's length principle.

Nedbank adheres to the key principles set out in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and the related regulations put in place by fiscal authorities. In this regard, the group adopted an internal policy that outlines key principles and mandatory requirements with which the business must comply, to ensure that transfer pricing methodologies are applied consistently, the terms of all intergroup dealings are in line with the arm's-length principle, and that contemporaneous transfer pricing documents are maintained. Nedbank has filed a master file, local files, and country-by-country reporting (CbCR) for financial reporting periods up to 31 December 2023. More information on Nedbank's tax contribution on a country-by-country basis is provided in the section titled Economic contribution of taxes paid.

Tax havens

As a matter of principle, we do not purposefully structure our affairs to shift profits to low-tax jurisdictions or 'tax havens' to avoid paying our fair share of taxes. We will operate in these jurisdictions only if there are valid business reasons and sufficient commercial substance. All significant business decisions, such as acquisitions and business restructurings involving low-tax jurisdictions or 'tax havens', must be approved by Nedbank Group Tax before being approved by the appropriate governance structure.

We have banking, asset management, and wealth management businesses in Isle of Man, Guernsey and Jersey that have operated in these jurisdictions for more than 30 years. These operations are fully fledged stand-alone businesses with proper business and economic substance. We have historically operated in these jurisdictions to grow our international footprint and enable our clients to diversify their investments on a global scale.





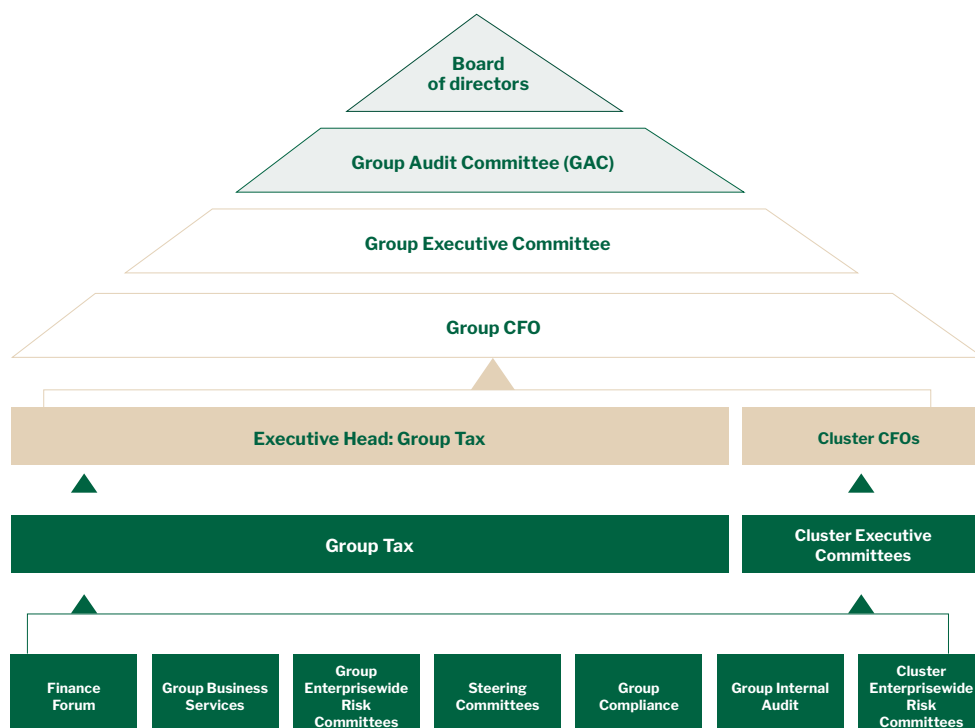
Tax governance and tax risk management

Nedbank's tax status is reported quarterly to the GAC, which is responsible for monitoring all significant tax matters and key judgements, including compliance with the Nedbank Group Tax Policy.

Governance Oversight

The Nedbank Group Board is ultimately accountable for determining Nedbank Group's tax strategy and approach to tax and, together with the GAC, provides oversight of the tax practices and affairs of the group.

The board holds the CFO accountable for ensuring compliance with the Nedbank Group Tax Policy. To this end, the Finance Forum, which the CFO has established and chairs, supports him in performing his duties to the board. The forum monitors tax compliance and compliance with the Nedbank Group Tax Policy, ensures that taxation risk is managed appropriately throughout the group, and deals with tax matters and key judgements across the group. The forum meets monthly and is represented by the cluster chief financial officers and the Executive Head: Group Tax.



The group's tax risk status is reported quarterly to the GAC, which is responsible for monitoring all significant tax matters and key judgements, including compliance with the Nedbank Group Tax Policy.

The GAC also receives regular updates on changes to the tax landscape. An area of continued focus during the 2024 financial year was managing the outcome of the SARS VAT audit for the December 2017 to December 2022 VAT periods and the Employment Tax Incentive audit for the March 2019 to February 2023 pay-as-you-earn (PAYE) periods.

Policies and control

Our tax strategy and approach to tax are incorporated in the Nedbank Group Tax Policy, which the GAC reviews and approves annually. The policy provides the mandatory minimum principles and standards to manage tax risk across the group, including tax compliance, transaction planning and implementation. The policy applies to all taxes and tax-reporting obligations to relevant fiscal authorities in all jurisdictions in which the group operates.

The Nedbank Group Tax Policy, the Tax Risk Management Framework and associated supporting procedures, standards and guidance documents are subject to periodic review by the Executive Head: Group Tax to ensure that they are updated to reflect any changes in leading practice, tax risk governance and control standards, as well as changes in the organisational structure of Nedbank Group and in the external tax and regulatory environments. No significant changes were made to these documents in the past year, and they were considered fit for purpose.

An annual letter of representation is used to track adherence to the governance structure, processes, and procedures of enterprise risk management, and is an attestation of compliance completed twice a year by all executives in the group, signed by the CRO, CFO and CEO.

An annual questionnaire is also distributed to boardmembers and prescribed officers to determine the related-party transactions and tax compliance of these individuals as required by International Accounting Standard (IAS) 24. These individuals confirm their tax status and standing with the revenue authorities. This aligns with King IV and demonstrates that Nedbank and its key representatives exhibit responsible corporate citizenship. These individuals also acknowledge that they pay their fair share of tax and are not party to any aggressive tax-planning transactions.

We publish a UK Tax Strategy for our respective businesses in the UK, in compliance with paragraph 22(2) of Schedule 19 to the UK Finance Act 2016. These respective tax strategies are aligned with the group tax strategy and our published approach to tax contained in our relevant Tax Review, and can be found via the links below:

- [Nedbank CIB London](#)
- [Nedbank Private Wealth](#)
- [Nedgroup Investment Advisors \(UK\)](#)

Tax governance and tax risk management continued

Ongoing liaison with revenue authorities and other specific tax investigations

Given the complex and diverse nature of our business, we frequently receive requests for information from revenue authorities regarding various tax matters. We are committed to being transparent and proactive in all our interactions with revenue authorities to ensure we meet all compliance obligations and present all information adequately. The status of the more significant requests for information and revenue authority investigations conducted during the financial year are as follows:

Entity	Tax type	Tax year	Nature of query/dispute	Status
Revenue authority queries/disputes closed during FY 2024				
Nedbank Namibia	Income tax audit	2022	2022 Income tax return audit conducted by the Namibia Revenue Agency (NamRa).	Audit finalised with no adjustments
Nedbank Namibia	VAT audit	2023	August 2023 VAT return audit conducted by NamRa.	Audit finalised with no adjustments
Nedbank Limited	Compliance with reporting requirements	2020 to 2023	An inquiry related to compliance with the requirements of the CRS and FATCA.	Inquiry finalised
Nedbank Limited	Request for information	2021	Request for information on exchange rate derivatives and impairments.	Closed
Nedbank Limited	VAT audit	December 2017 to December 2022	A VAT audit that started in May 2022, with a specific focus on relevant issues pertaining to the banking industry and intercompany transactions.	Audit finalised with no adjustments
West Road South No 3 (RF) Limited	Income tax audit	2020 to 2022	An audit inquiry into the overpayment of provisional tax when compared to the tax payable on assessment.	Audit finalised with no adjustments
Revenue authority queries/disputes in progress at 31 December 2024				
Depfin Limited	Request for information	2020 to 2022	Support of trading activities, application of section 24JB of the Act and additional information in respect of IFRS 9 accounting adjustments. All information has been submitted.	Awaiting SARS response
Nedbank Limited	Employment tax incentive audit	March 2019 to February 2023	Employment tax incentive claims submitted by Nedbank during the 2019/03 to 2023/02 employment periods. SARS issued revised assessments for tax periods that have not yet prescribed. SARS has responded to Nedbank's request for reasons and an objection against the revised assessments will now be submitted.	Under dispute
Nedbank Limited	Income tax audit	2020 to 2022	A notification of audit letter and 2 requests for information from SARS regarding financial assets and liabilities designated at fair value. Nedbank responded to both requests and await further correspondence from SARS.	Awaiting SARS response
Nedbank Limited	Request for correction/ Objection against tax assessment	2020	A request for correction was submitted to SARS for certain debt-to-equity restructure transactions implemented during the 2020 assessment. Nedbank simultaneously submitted a request to SARS to condone the late submission of the objection against the 2020 assessment. Both requests were denied by SARS. Nedbank subsequently requested SARS to review their decision and has entered the dispute process with regard to the right to object against the 2020 assessment that has not yet prescribed.	Subject to SARS review and under dispute
Nedbank Limited	VAT VDP	Various	Two separate VDPs were submitted to rectify certain VAT defaults.	In progress
Nedbank Group Ltd	Request for information	2022	Fair value adjustment in respect of interest-free loans and accounting treatment of tier 1 interest. All information has been submitted.	Awaiting SARS response
Nedbank Mozambique	VAT and PAYE audit	Various	A draft letter of findings was issued regarding VAT from services provided by Visa and Mastercard, employee tax benefits as a result of interest rates being below the market and withholding taxes on Visa fees.	In progress



Tax governance and tax risk management continued

Tax risk management

Risk Framework

Tax risk is managed in the context of Nedbank Group’s ERMF and the 3-lines-of-defence (3 LoD) Model, which is the backbone of this framework. In line with this, Nedbank has developed the Tax Risk Management Framework, which incorporates the group’s approach to tax and aims to ensure that tax risks are identified, assessed, managed, and reported appropriately and in line with the group’s risk frameworks and principles. The Nedbank Group Board and GAC provide oversight of the Tax Risk Management Framework, considering the potential financial, legal, business, and reputational risks of failing to detect and manage tax risks timeously.

Regular and transparent tax reporting is embedded in the governance structures of the group, including the GAC, various board committees, and group and cluster executive committees.

At Nedbank tax risk forms part of one of the 17 main risk categories comprising the enterprisewide risk universe, with the relevant category consisting of accounting, financial, and taxation risk. The group’s risk taxonomy describes taxation risk as any event, action or inaction in tax strategy, operations, financial reporting, or compliance that either adversely affects the group’s tax objectives or results in an unanticipated or unacceptable level of tax liability. Tax risk can be divided into general risks that most commercial organisations are likely to face, and specific risks linked to the industry in which the group operates, which may arise from the following:

- Non-compliance with tax regulations resulting in penalties, fines, payment of interest or under-provision for tax.
- Incorrect assessment, deduction, and payment of tax liabilities.
- Ineffective tax planning and implementation.
- Inability to engage timeously with revenue authorities and other relevant governmental departments.

In terms of the Nedbank Group Tax Policy, the tax implications of all significant business decisions must be evaluated, documented, and approved by Group Tax, and the group must comply with all tax regulations in all the jurisdictions in which it operates. In this regard the group employs highly qualified tax professionals and takes advice from reputable professional firms, when appropriate.

The Group Tax Team is measured against the following key performance indicators (KPIs):

Key performance indicators	Achieved by
Level of compliance. 	All regulatory submissions and payments met in accordance with both internal and regulatory timelines.
Introduction of technology to enhance and improve the effectiveness and efficiency of operational tax processes.	Execution of the tax digitalisation roadmap and assisting in driving efficient execution. 
Maintenance of an acceptable level of operational losses, such as tax penalties and tax interest, within a predetermined accepted-loss tolerance level. (Excluding losses due to interpretational differences.) 	Management of tax penalties and tax interest. Tracking at less than R1m for 2024. 
Feedback from stakeholders, regulators, shareholders, and business.	Enhanced and improved business partnering and engagement with regulators and stakeholders. 
Management and resolution of key audit issues and regulatory disputes. 	Effective resolution and management of tax disputes and ongoing revenue audits.
Accurate and adequate provision and disclosure of all tax obligations.	Actual tax payable is tracking within 3% of provisions.

The Group Tax Team met all its KPIs during the FY 2024 and Nedbank is fully compliant with all its tax obligations in all the jurisdictions in which it operates.

Material tax risks

We operate in a complex and evolving regulatory environment with extensive global scrutiny. Through our risk management processes, we have identified the following key taxation considerations and focus areas:

Transfer pricing

To ensure client-centredness, many support functions in the group are centralised, providing support services to subsidiaries in other jurisdictions in the group. The OECD Transfer Pricing Guidelines require that the provider of such services must be remunerated for the services they render on an arm’s length basis. We follow the OECD Transfer Pricing Guidelines when developing appropriate transfer pricing policies and documenting our transfer pricing studies for domestic transfer pricing compliance purposes on a fully transparent and commercially validated basis. Revenue authorities and banking regulators pay close attention to how multinational enterprises (MNEs) implement transfer pricing policies to ensure that profits are appropriately allocated to the jurisdictions where the relevant economic activity takes place.

Significant business decisions

All significant business decisions must be evaluated and documented from a tax perspective and approved by Group Tax. As a key component of the evaluation of many complex financial transactions, the accounting treatment may play a critical role in the evaluation of the tax implications. We require internal accounting opinions as part of our Finance and Accounting Risk Policy before we enter into these significant business transactions.

Regulatory compliance

As a financial institution we are subject to extensive tax reporting and compliance regulations in respect of our clients’ tax status and their income earned on financial products, including tax debt collection, criminal investigations, and information requests. The consequences of non-compliance are sanctions, personal liability of clients’ tax debt, or criminal prosecution. Due to the significant increase in regulations and revenue collection efforts of revenue authorities, we are exposed to significant financial and reputational risk in this regard. We directly, or through the dedicated established Banking Association South Africa (BASA) work groups, engage regularly with the revenue authorities to manage compliance with these obligations.

Changing tax landscape

We continuously monitor the regulatory landscape to identify and evaluate the potential impact of changes in tax legislation and the application thereof on our business operations. We also actively manage the material tax risk posed by the implementation of Base Erosion and Profit Shifting (BEPS) Pillar 2 in SA and other jurisdictions in which the group operates.

This requires us to continuously evaluate our business structures and processes to assess our compliance with tax legislation, and if necessary, proactively engage in discussions with relevant industry forums and revenue authorities.



Tax governance and tax risk management continued

Three lines of defence

Nedbank has adopted an organisational risk governance structure that reflects the concepts represented in the 3 LoD Model. Taxation risk is managed in this context and assurance is provided by all 3 lines of defence, as well as external audit.

First line of defence – Risk-taking and risk ownership	Second line of defence – Oversight, monitoring and advisory	Third line of defence – Independent assurance
- Comprises business line management and client-facing operations and activities. - Has 'ownership' of taxation risk, acknowledging and managing the risk that arises in conducting business activities. - Responsible and accountable for the ongoing management of taxation risks, including identifying, assessing, and reporting these risks and issues, and considering our tax risk appetite and policies, procedures, and controls. - Responsible for assessing taxation risks of significant business decisions, tax compliance requirements and the implementation of regulatory changes in respect of the products, services, conduct, activities, processes, and systems for which it is accountable. - Any person in the organisation who has a delegation, deploys resources or makes decisions, is responsible and accountable for managing taxation risk.	- Comprises independent risk management and compliance functions. - The risk management function complements business line risk activities through its oversight, monitoring, advisory, and reporting responsibilities and is sufficiently independent of the business units and not involved in revenue generation. - Responsible for overseeing the risk-taking activities and assessing risks and issues independently from the first line of defence. - Responsible for testing internal financial controls. Group Tax acts as a policy-, process-, procedure- and standard-setting function for the first line of defence and, at the same time, provides oversight and review to ensure that its requirements are being discharged by the first line of defence.	- Comprises an independent and effective internal audit function. - Provides independent detailed testing, review and objective assurance on the quality and effectiveness of the internal control systems, the first and second lines of defence and the Risk Governance Framework, including links to the organisational culture, as well as strategic and business planning, compensation and decision-making processes. - Provides independent assurance to the board of directors and senior management on the quality and effectiveness of Nedbank's internal control, risk management and governance systems and processes, thereby helping the board and senior management protect the organisation and its reputation.

Internal and External Audit provide independent assurance on the effectiveness of the management of tax risk across the group. Internal Audit conducts ongoing process audits to examine the adequacy of the internal control environment. External Audit provides assurance on the appropriate compliance and financial frameworks in Nedbank, including recomputing all tax calculations and confirming that there are adequate tax risk provisions held against uncertain tax positions.

How we manage operational tax risk

Nedbank has implemented comprehensive governance measures and operational strategies to manage VAT risk effectively. The group's Tax Policy outlines the tax culture and delineates the responsibilities of employees in the tax process. Regular engagement with finance teams ensures that internal controls are rigorously tested and refined. VAT rules are integrated into the Enterprise Resource Planning (ERP) system to automate transaction treatments and thereby minimising human error. VAT-sensitive transactions are managed using specific tax codes, material group codes, and cost centres with embedded VAT recovery rates. A custom-developed VAT reporting tool generates monthly returns and reconciles VAT control accounts, while customised exception reports identify anomalies for further investigation. Monthly tax engagement meetings with key stakeholders ensure that VAT and tax issues are promptly addressed and resolved.

Uncertain tax positions

Identification and measurement	Management	Reporting and monitoring
- Significant business decisions. - Tax audits, enquiries and controversies. - Robust risk assessment and discussions. - Consideration of the more-likely-than-not principle.	- Proactive management of uncertain tax positions - Mitigating controls. - Discussions with revenue authorities. - Consideration of reputational risk. - Ensuring adequate provisioning.	- Regular reporting to management. - GAC approval of key judgements.

Due to the complex nature of tax, there may be transactions and calculations for which the ultimate tax treatment is uncertain. If the position is uncertain, appropriate tax provisions will be raised in line with the principles as envisaged in IAS 37: Provisions, Contingent Liabilities and Contingent Assets and IFRIC 23: Uncertainty Over Income Tax Treatments, which will affect our current or deferred tax disclosures. As it can take several years to finalise our tax positions adopted in the tax returns that have been submitted to and assessed by the revenue authorities, it is necessary to reflect the risk that the final assessed tax liabilities could differ from the current tax liabilities disclosed in the annual financial statements. Uncertain tax positions (UTP) are governed by our tax risk management principles as outlined in the table above.

During the year under review, we have successfully managed the outcome of the ongoing VAT audit conducted by SARS in respect of the December 2017 to December 2022 VAT periods. The audit was concluded with no findings being raised by SARS.

SARS initiated an audit review during FY 2023 in respect of Nedbank's entitlement to an employment tax incentive allowance for the 2019/03 to 2023/02 employment tax periods. Nedbank claimed an employment tax incentive allowance in respect of its participation in the YES Programme in terms of which youth were employed to provide them with a 1-year work experience opportunity to develop skills and gain meaningful workplace experience, as envisaged by the Government Gazette 41866, 28 August 2018, and Practice Note 1 of 2018 – Youth Employment Service Initiative. Following the conclusion of the audit, SARS raised additional assessments. Nedbank does not agree with the grounds of the additional assessments and is currently in dispute with SARS.

The tax dispute in relation to certain debt-to-equity restructure transactions implemented during prior years was actively managed and is ongoing.



Stakeholder dialogue and advocacy

In line with our tax principles, we engage constructively and cooperatively with revenue authorities and industry bodies in the interests of our stakeholders and support the development of effective and efficient tax systems, laws and administration.

Public policy and advocacy

We participate actively in various industry bodies and forums where we can influence the outcome of revenue authority behaviour, taxpayers' rights, and legislative changes.

BASA, of which Nedbank is a member, is the representative of the banking sector in SA. The BASA Taxation Committee focuses on direct and indirect tax issues and assists in formulating industry positions or motivations for tax reforms in respect of relevant tax legislation. Similar industry bodies are in operation in Nedbank Africa Regions (NAR), and tax developments in all jurisdictions are monitored centrally by Group Tax.

We also have representatives on various other industry and professional forums, such as the CFO Forum Tax Committee, the South African Institute of Chartered Accountants (SAICA) National Tax Committee, and the Association for Savings and Investment South Africa (Asisa) Tax Committee.

During the year under review, we continued to participate in various legislative matters, proposed tax amendments, and technical papers that had the potential to impact our industry and organisation negatively.



We have placed specific focus on the following proposed legislative and operational changes that directly impacted our business:

Deposit Insurance Scheme

SARS has established a separate legal entity, the Corporation for Deposit Insurance (CODI), in fulfilling its mandate of protecting and enhancing financial stability by introducing a deposit insurance scheme. Nedbank, like other banks, will have to contribute relevant levies and other charges to the CODI. The VAT legislation was amended, with effect from 1 April 2024, in response to submissions made to exclude CODI's activities from being classified as an 'enterprise', thereby ensuring VAT neutrality.

BEPS Pillar 2

Global minimum tax (GMT) has been implemented in SA with effect from 1 January 2024 and applies to the Nedbank group. We have made substantial submissions to National Treasury and Parliament to ensure the effective implementation of GMT and fairness.

We are also focusing on the following items that are currently under discussion with the revenue authorities:

VAT modernisation

SARS is planning to introduce enhancements to its existing e-Filing system. Although SARS has not yet issued a business requirements specification (BRS), several key considerations have been highlighted in its media statement. These include automated invoicing linked to SARS-approved invoicing devices and e-Filing, real-time reporting, access to data, and the integration of SARS with vendor ERP systems. Nedbank is currently considering these key considerations to fully evaluate the implications on source systems and data capabilities.

VAT treatment of debt recovery costs

SARS is seeking to restrict input tax claims related to debt recovery expenses. If implemented, it will likely have a negative impact on the amount of VAT that banks can typically claim as input tax.

VAT apportionment for banks

SARS has indicated its intention to move away from the VAT apportionment ruling issued to BASA and to promote the adoption of the new default method outlined in Binding General Ruling 16. There are aspects of this ruling which are being addressed with SARS which could potentially have a negative impact on the input tax recoveries that banks are currently entitled to under the existing BASA ruling.

Our other engagements

Nedbank supports the Banking Accord signed by SARS and BASA, being a commitment to cooperative in tax compliance and open dialogue about tax issues between BASA and SARS. In addition, the accord has established the BASA and SARS Operational Forum to facilitate interaction between SARS and BASA regarding all tax-related operational issues that are relevant to the banking industry and SARS. The SARS Commissioner regularly meets with the chief executive officers of the banking industry.

Nedbank, directly and through BASA, pledged its commitment to facilitate and support SARS in the automation of third-party data processes and other SARS IT initiatives.

BASA collaborated with SARS on the following operational issues and initiatives during the year under review:

- Continuous engagement in relation to service delivery and operational efficiencies between SARS and the banking industry.
- Digitisation of tax compliance and real-time tax data reporting and assessments.
- Continuous engagement in relation to the improvement of taxpayer debt collection processes through third-party bank accounts.
- Improvements to the process of collecting taxpayer information from banks for tax audit and criminal investigation purposes.
- The escalating burden and complexities in relation to the compliance obligations of trusts.
- Continuous engagement on the practical implications of the findings of the OECD Peer Review conducted on the automatic exchange of information implementation in SA.

Local tax landscape

Nedbank has procedures in place to ensure that we stay abreast of all key changes in the global and local tax legislative landscapes, including the interpretation of this legislation based on official guidelines and case law development. **Recent developments worth noting, and our response, are set out on pages 121-123.**

In his 2025 Budget Speech, Minister of Finance Enoch Godongwana highlighted several key points regarding SARS. He acknowledged the significant progress SARS had made in improving revenue collection and compliance, despite the challenging economic conditions. He emphasised the importance of continued investment in SARS to enhance its operational efficiency, broaden the tax base, and increase capacity to handle complex tax issues. To achieve these objectives, he announced the allocation of R3,5 bn for the current financial year and an additional



Tax landscape

R4bn over the medium term to support SARS's modernisation efforts and ensure it can effectively fulfil its mandate.

In 2025/26 fiscal year, SARS will continue to focus on addressing the tax gap to improve revenue collection by enhancing taxpayer compliance and trade facilitation using artificial intelligence (AI) and data science. This aligns with the digitisation of tax processes, which is a key focus for Nedbank, to unlock value through process efficiencies. The focus on AI and data science to enhance compliance and trade facilitation is particularly noteworthy. By adopting these technologies, SARS aims to do the following:

- Improve taxpayer compliance – using AI to detect fraud and enhance compliance.
- Simplify processes – streamlining operations with automated systems and a single window platform.
- Reduce inspection times – implementing scanning technologies and intelligent image analyses at ports of entry.
- Modernise traveller declaration – providing digital services to cross-border travellers and state entities to reduce illicit financial flows.

In line with the Minister's 2025 Budget Speech, SARS has outlined several strategic initiatives in its Annual Performance Plan for 2024/25 to continue improving its operations and effectiveness. Key focus areas include broadening the tax base, enhancing voluntary compliance, and fostering fiscal citizenship. These initiatives aim to ensure that more taxpayers are brought into the system and that existing taxpayers comply more willingly with tax laws. To achieve these goals, SARS plans to invest in modernising its systems and processes, including leveraging technology to improve efficiency and service delivery. This modernisation will help streamline operations, reduce administrative burdens, and enhance the overall taxpayer experience. Additionally, SARS is committed to rebuilding its employee capacity by hiring more skilled professionals and providing ongoing training to ensure that its workforce is equipped to handle complex tax issues.

SARS also intends to strengthen its stakeholder engagement efforts by maintaining regular and structured interactions with taxpayers and tax practitioners. This approach aims to build trust, improve communication, and foster a collaborative environment for resolving tax-related issues. By focusing on these strategic areas, SARS hopes to enhance its ability to collect revenue effectively and support the country's economic growth.

Nedbank welcomes SARS's intended approach and will continue to support SARS in achieving its objectives through constructive participation in relevant forums and investment in modernisation initiatives.



Also refer to page 131 for statistics about Nedbank's contribution to tax debt collections.

Tax information-sharing regimes and client tax compliance

As a reporting financial institution Nedbank must provide client financial information to the relevant regulatory authority in terms of FATCA and the OECD CRS (collectively called the Automatic Exchange of Information or AEOI). Nedbank complies with the AEOI regimes in the jurisdictions where it operates, continuously enhancing its systems and processes, and training its people to ensure the integrity of data and seamless client experiences.

The Mandatory Disclosure Rules (MDR) for CRS Avoidance Arrangements and Opaque Offshore Structures, which form part of the CRS regulations, introduced additional reporting obligations of affected transactions and became effective from 1 March 2024. We have implemented additional controls and procedures to comply with the

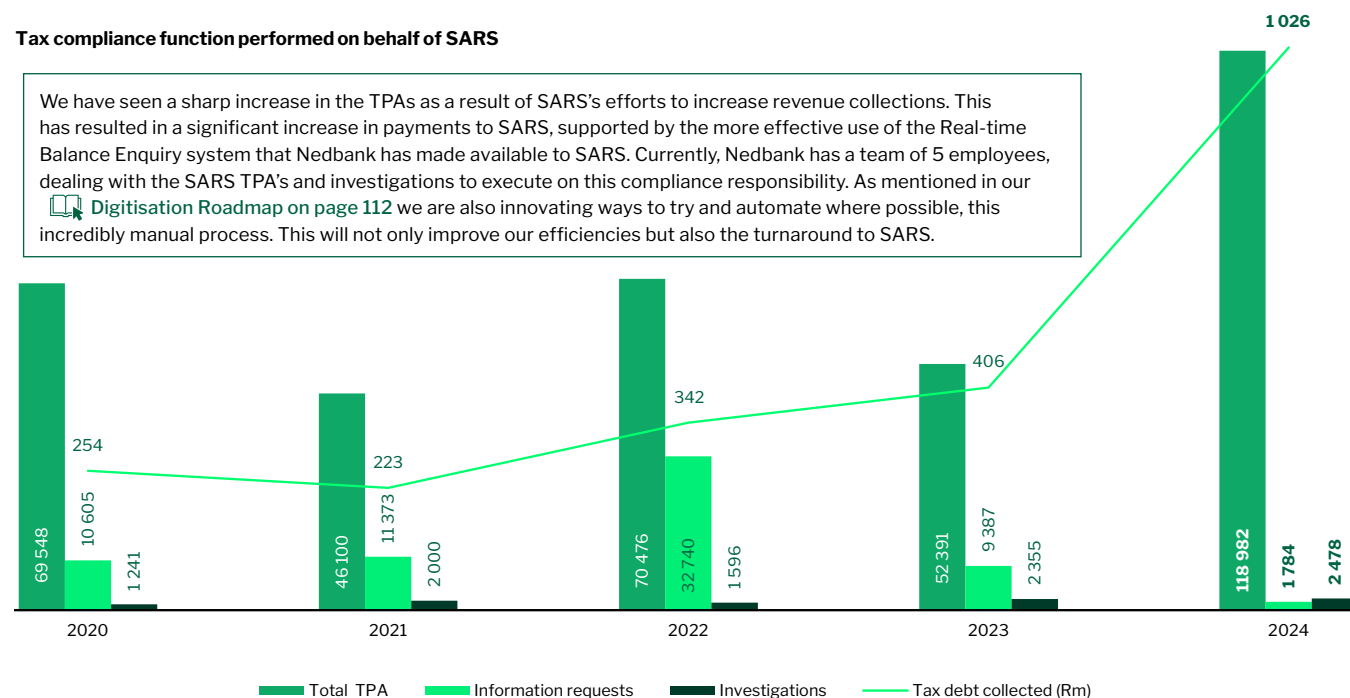
MDR. Our businesses in the UK and Isle of Man are already compliant with MDR, as legislated in those jurisdictions.

We furthermore support SARS initiatives to make it easier for individuals and businesses to comply with their tax obligations and pay the right amount of tax. We therefore support SARS in providing the relevant information, such as interest earned by our clients on savings accounts, as well as details of remuneration paid as an employer.

Nedbank, as one of the larger contributors to the fiscus, is committed to assisting SARS with its initiatives and adhering to specific requests for information and special investigations, as well as monitoring and reporting on suspicious refunds. Over the past year we have again received and processed a significant number of third-party tax debt (TPA) collections on behalf of SARS and received special requests for information in respect of SARS investigations pertaining to third parties. The Real-time Balance Enquiry system made available to SARS negated the large number of information requests received in 2024 compared with 2023, as illustrated in the graph below.

Tax compliance function performed on behalf of SARS

We have seen a sharp increase in the TPAs as a result of SARS's efforts to increase revenue collections. This has resulted in a significant increase in payments to SARS, supported by the more effective use of the Real-time Balance Enquiry system that Nedbank has made available to SARS. Currently, Nedbank has a team of 5 employees, dealing with the SARS TPA's and investigations to execute on this compliance responsibility. As mentioned in our [Digitisation Roadmap on page 112](#) we are also innovating ways to try and automate where possible, this incredibly manual process. This will not only improve our efficiencies but also the turnaround to SARS.



✓ Test passed ✗ Test not passed ↻ GMT provided										
	ETR 15% or more						ETR less than 15%			ETR less than 0%
De minimis test	✗	✗	✗	✗	✗	✗	✗	✓	✗	✓
ETR test	✓	✓	✓	✓	✓	✓	✗	✗	✗	N/A
GMT – Income Inclusion Rule	–	–	–	–	–	–	↻ R11m	–	↻ R32m	–
Qualifying Domestic Top-up Tax/ Domestic Top-up Tax	–	–	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Tax landscape continued

The table below represents the tax legislation changes affecting the domestic and international landscape, as well as the proposed changes to tax legislation. Through relevant industry forums and tax committees, we have actively engaged with and submitted comments to regulators to shape the legislation, ensuring there is no adverse impact on our business.

The implemented and proposed changes in legislation have not and will not have a material impact on the group or the specific in-country legal entity

Entity	Tax	Developments
South Africa	Income tax	Introduction of GMT, with effect from 1 January 2024, only payable on or before 30 June 2026.
Nedbank Namibia	Income tax	- Corporate income tax rate for non-mining companies was reduced to 31% with effect from 1 April 2024, and further reduced to 30% with effect from 1 January 2025. - Introduction of youth internship allowance claimable by an employer where an employer and employee enter into an internship agreement. Effective date to be confirmed. - Introduction of the limitation of the balance of assessed losses to be off set against taxable income. The assessed loss is limited to the greater of N\$1m or 80% of taxable income. - Introduction of the definition of 'connected person' in the Income Tax Act. - The replacement of the 3:1 debt-to-equity ratio requirements in determining thin capitalisation with a fixed limitation on interest deductions to the extent that the net interest exceeds 30% of the connected person's tax EBITDA (earnings before interest, taxes, depreciation, and amortisation) and the net interest expense exceeds N\$3 million. Effective from 1 January 2024.
	VAT	Increase in the VAT registration threshold from N\$500 000 to N\$1m with effect from 1 March 2024.
	PAYE	The individual income tax threshold for employees will be increased from N\$50 000 to N\$100 000 with effect from the 2024/2025 financial year.
Nedbank Private Wealth (Isle of Man)	Income tax	With effect from 1 January 2024, the corporate income tax rate has increased from 10% to 15% for banks that: - Are part of groups that are in scope for Pillar 2 global minimum tax; and - have an ultimate parent entity located in a jurisdiction that has implemented the income inclusion rule for the financial year starting on or after 1 January 2024.  Refer to page 133 to view the impact of this on the in-country tax contribution.
Nedbank Eswatini	Income tax	With effect from 1 July 2024, the following amendments have been introduced: - The income tax rate has been reduced from 27,5% to 25% for companies with an annual turnover of E500 000. - Withholdings taxes on interest and dividends paid to non-residents have been increased to 15% from 10% and 12,5%, respectively.
Nedbank UK	Income tax	The banking surcharge limit has increased to GBP100m at a rate of 3% with effect from April 2023.
	Transfer pricing	The UK has implemented new transfer pricing document requirements for accounting periods beginning on or after 1 April 2023. (Effective for Nedbank for the 2024 financial year.)
Nedbank Zimbabwe	Income tax	Corporate income tax rate increased from 24% to 25% with effect from 1 January 2024.
	Income tax	The digital minimum tax threshold, setting a minimum corporate tax rate of 15%, was imposed with effect from 1 January 2024.



Reconciliation of tax charge to cash tax rate

The graph below illustrates the various adjustments made to the tax chargeable at the standard rate of tax on South African profits before tax to achieve the actual taxation charge and effective tax rate of operations in SA.

The actual tax charge of operations in SA is adjusted for tax payable by NAR and other non-South African jurisdictions and then adjusted by actual tax deductions and allowances to achieve the cash tax payable and the group's cash tax effective rate. **This is a normalised tax rate as it excludes non-recurring items such as prior-year adjustments.**

Reasons for reconciling items and adjustments

Taxation charge of South African operations

1 Exempt income from listed and unlisted ordinary and preference shares.

2 Tax relief in respect of interest paid on tier 1 capital, which is accounted for in comprehensive income, although the interest paid is accounted for in equity.

Taxation charge in NAR and other jurisdictions

3 The NAR taxation charge consists of the Southern African Development Community (SADC) banking subsidiaries and excludes any tax charge associated

with our investment in Ecobank Transnational Incorporated (ETI). The adjustment consists mainly of the effects of the lower tax charge in Nedbank Zimbabwe, Nedbank Namibia, and includes the tax adjustments of Nedbank Private Wealth Isle of Man and Nedgroup Investments Isle of Man.

Total group normalised taxation charge

4 The normalised effective taxation charge of the group, excluding the impact of non-recurring items of 0,8%, is 21,2%.

Deferred tax adjustments and allowances

5 The main drivers for the adjustments in deferred tax were because of the origination and reversal of temporary differences in relation to fixed assets, credit impairments, share-based payments, long-term employee benefits and deferred acquisition costs. The balance of deferred tax has shifted from a net asset to a net liability, mainly because of the decrease in the deferred tax asset in relation to credit impairments and an increase in the deferred tax liability on deferred acquisition costs and long-term employee benefits as outlined below.

Effective cash tax payable

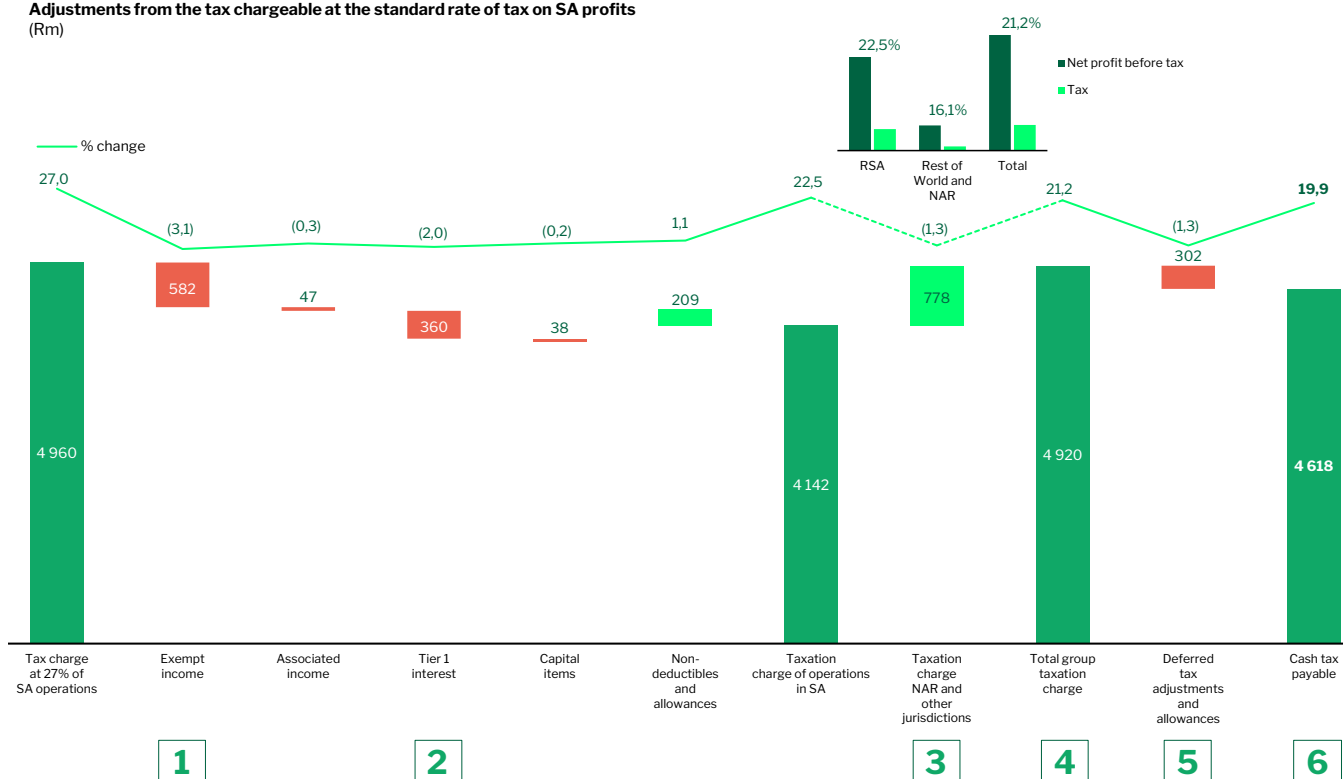
6 At 31 December 2024 the group's effective cash tax rate was 19,9% (2023: 21,5%), calculated by adjusting the total group taxation charge by timing differences and current tax in equity, excluding prior-year adjustments. The calculated effective cash tax rate remains lower than the effective tax rate. This is in line with the fact that the deferred tax balance has shifted to a net deferred tax liability.

Total deferred tax assets and liabilities

	2024	2023
Credit impairments	2 696	2 792
Provisions	2 127	2 039
Other	205	384
Total	5 028	5 215
Accelerated asset allowances	(1 418)	(1 491)
Deferred acquisition costs	(1 200)	(1 054)
Long-term employee benefits	(1 469)	(1 302)
Other	(1 165)	(954)
Total	(5 252)	(4 801)
Net deferred tax (liability)/asset	(224)	414

Refer to Note B8.3 of the Group Annual Financial Statements for a reconciliation and composition of the deferred tax balances.

Adjustments from the tax chargeable at the standard rate of tax on SA profits (Rm)





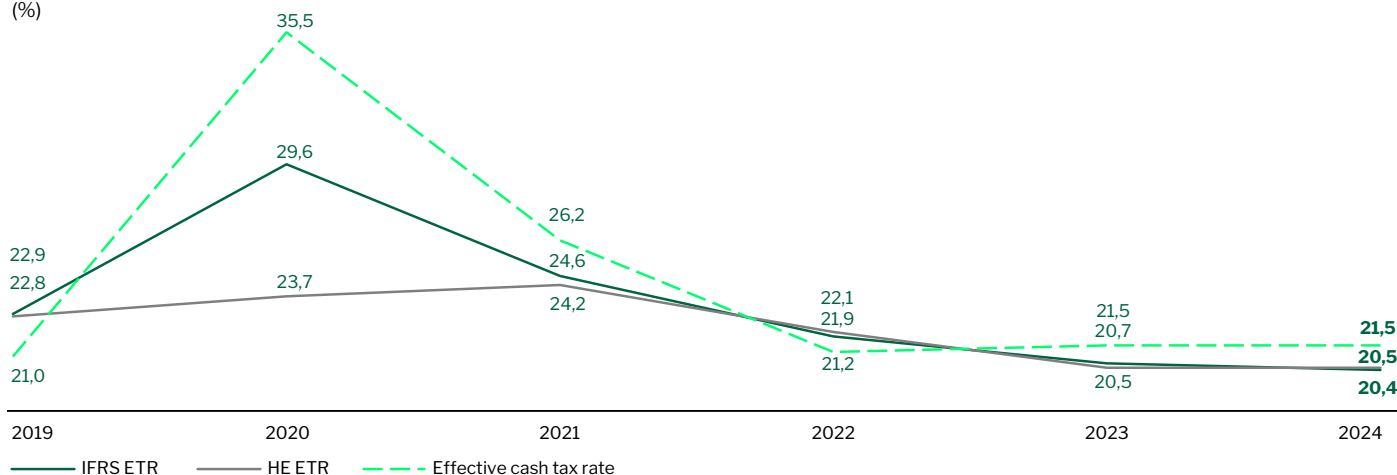
Effective taxation rate

A detailed reconciliation between the statutory tax rate and the effective tax rate on adjusted headline earnings (HE), and the International Financial Reporting Standards (IFRS) is provided below.

Effective taxation rate

	2024 Rm	2024 %	2023 Rm	2023 %	2022 Rm	2022 %
Standard rate of SA normal taxation		27,0		27,0		28,0
Dividend income	(2 154)	(2,5)	(1 017)	(1,3)	(725)	(1,0)
Share of profits of associate companies	(1 289)	(1,5)	(1 443)	(1,8)	(879)	(1,3)
Capital items	(141)	(0,2)	42	0,1	(540)	(0,7)
Effects of profits taxed in different jurisdictions	(739)	(0,8)	(817)	(1,1)	(1 021)	(1,5)
Additional tier 1 capital instruments	(1 334)	(1,6)	(1 285)	(1,6)	(871)	(1,3)
Assessed losses not subject to deferred tax	297	0,4	(205)	(0,2)	(113)	(0,2)
Non-deductible expenses	386	0,4	385	0,5	489	0,7
Non-taxable income	(188)	(0,2)				
Prior-year adjustments	(174)	(0,7)	(238)	(1,1)	(539)	(0,7)
Tax rate change					82	0,1
Pillar 2 taxation	43	0,2				
Effective taxation rate on headline earnings		20,5		20,5		22,1
Impairment charge on non-financial instruments and other gains and losses	(85)	(0,1)	205	0,2	(176)	(0,2)
Effective taxation rate on IFRS		20,4		20,7		21,9

Effective tax rate and cash tax rate history (%)



HE effective tax rate

The HE effective tax rate is the adjusted tax charge as a percentage of the group's HE. HE is defined as the profit attributable to equity holders of the parent, excluding specific separately identifiable remeasurement, net of related tax and controlling interest.

IFRS effective tax rate

The IFRS effective tax rate is the direct income tax charge as a percentage of the group's profits before tax.

Refer to note B8.2.2 on page 52 of the Nedbank Group Limited Consolidated Annual Financial Statements for the year ending 31 December 2024 for more detail.

The effective tax rate has declined from 20,7% in 2023 to 20,4% in 2024, with the main driver being an increase in exempt dividends received on investments held by Nedbank Corporate and Investment Banking (CIB) and Nedbank Wealth.

The graph alongside depicts the 6-year historical analysis of the effective cash tax rate and the effective tax rate on an HE and IFRS basis for the group.

The increase in the IFRS effective tax rate in FY 2020 was due to the following:

- Impairments of goodwill in the Wealth Cluster.
- Impairments of our investment in ETI.
- Devaluations of our capital investments due to poor market conditions linked to Covid-19.

Effective cash tax rate

In addition to the effects above, the effective cash tax rate in 2020 was further impacted by the higher levels of credit impairments during Covid-19. Tax relief is granted only based on the relevant stage of the credit impairment: stage 1 (25%), stage 2 (40%) and stage 3 (85%). The decrease in the effective cash tax rate in 2021 is reflective of the corresponding normalisation in credit impairments post Covid-19.



Tax numbers and performance

The graphic below reflects our organisational structure, comprising 4 main business clusters through which we deliver our products and services, and includes the contributed direct and indirect taxation charges.

Cluster

Products and services

Key tax focus areas

Nedbank Corporate and Investment Banking



- Investment banking and corporate lending.
- Global markets and treasury.
- Commercial-property finance.
- Deposit-taking and transactional banking.



- Fair value adjustments of financial assets.
- Preference share funding and deemed dividend considerations.
- Tax alignment in commercial property and renewable energy financing.
- Impairment and credit loss charges on financial instruments.
- Foreign operations.
- Transactional taxes (VAT).

Nedbank Retail and Business Banking



- Transactional banking.
- Card and payment solutions.
- Lending and deposit-taking.
- Investment products.
- Beyond Banking solutions.



- Impairment and credit loss charges on financial instruments.
- Transactional taxes (VAT).

Nedbank Wealth

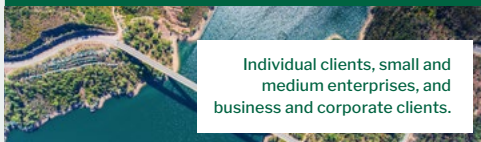


- High-net-worth banking.
- Wealth management.
- Asset management.
- Insurance.



- IFRS 17 and tax transitional arrangements in short- and long-term insurance operations.
- Asset management.
- Wealth management.

Nedbank Africa Regions



- Transactional banking.
- Lending, deposit-taking and card products.
- Wealth management.



- Transfer pricing.
- Cross-border VAT and withholding taxes.
- In-country tax application.

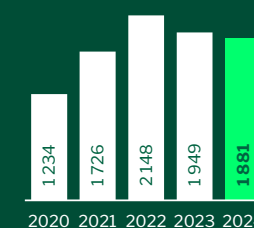
Centre The group's frontline business clusters are supported by various shared services functions, including compliance, finance, tax, HR, marketing and corporate affairs, risk, technology and strategy, as well as sustainability, that make up the balance of the tax contributions.

- Share-based payments.
- Tier 1 interest payments.

Tax contribution

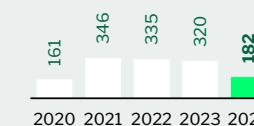
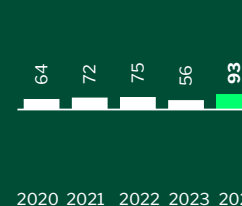
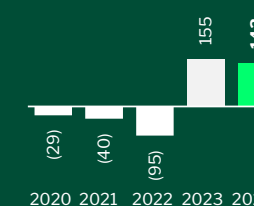
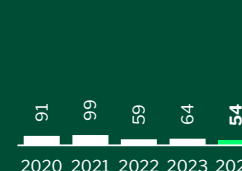
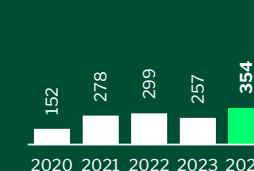
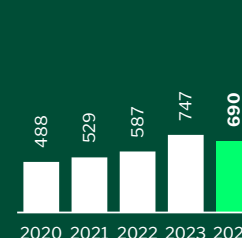
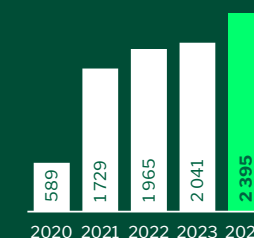
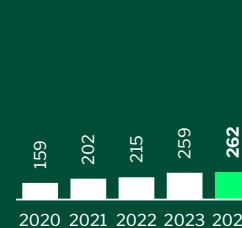
Direct taxation charge

(excludes prior year adjustments) (Rm)



Indirect taxation charge

(Rm)



The total direct taxation charge split between the clusters includes the taxation offset associated with the internal funding.

The Nedbank African Regions (NAR) taxation charge consist of SADC banking subsidiaries and excludes any taxation charge associated with our investment in ETI.



Economic contribution of taxes paid

This section of the report outlines how the Nedbank Group aims to fulfil its purpose by using its financial expertise to do good by creating value for society. The group has prioritised 9 of the 17 SDGs where we believe we have the greatest ability to deliver meaningful impact through innovation in our banking products, lending, and investment practices.

 The details of the group's commitment to driving purpose-led value creation are contained in the 2024 Nedbank Society Report.

Nedbank Group Board Chairperson Daniel Mminele has the following to say:

'The financial sector has a critical role to play in driving economic growth and development, particularly in emerging markets. The choices we make today, or choose not to make, shape the world of tomorrow.' – Daniel Mminele

As I reflect on 2024, our world is at a crossroads. Do we stand together and collaborate to tackle the tsunami of emerging business risks that face us as businesses, countries and regions or do we ignore these risks and regress into looking after only our immediate self-interests? The convergence of climate change, geopolitical conflicts, nationalist agendas, economic instability, and persistent inequality continues to challenge the global community's ability to achieve a more prosperous future for all. For millions, the promise of a better future feels increasingly out of reach.

History has shown that humanity can overcome even the most daunting challenges through collective action, innovation, and resilience. However, the choices we make today, or choose not to make, shape the world of tomorrow. We need to deliver on our SDG and related commitments.

Against this backdrop, Nedbank recognises that as a bank we are uniquely positioned to drive meaningful change by directing capital toward sustainable solutions and fostering inclusive economic growth. The challenges posed by the climate crisis, biodiversity loss and social inequality demand bold, coordinated action – and Nedbank is committed to leading this charge. In South Africa (SA), the formation of the government of national unity (GNU) presents a pivotal opportunity to reignite economic growth. On the back of the election outcome, encouraging signs – such as a strengthening rand – reflect improving investor confidence. However, optimism alone is not enough. It must be reinforced by decisive action to address infrastructure shortcomings, improve the performance and governance of state-owned enterprises, ensure energy security and tackle crime and corruption. Only through

visible, impactful progress can we sustain this renewed confidence. Recent developments such as the improvements in availability and reliability of SA's electricity and positive improvements at Transnet – both essential for SA's recovery – offer a further glimpse of what is possible.

Beyond SA, Africa requires innovative, resilient solutions aligned with both the 2030 Agenda and Africa's Agenda 2063. As SA takes the G20 presidency this year it provides an opportunity to address the polyresins with an African lens. The presidency can be strategically leveraged to attract increased foreign direct investment (FDI), expand intra-African and global trade opportunities, address debt vulnerabilities faced by many African nations, and drive crucial infrastructure development. These potential economic gains can contribute directly to poverty reduction, job creation, improved access to essential services like healthcare and education and enhanced social stability.

In response, Nedbank is committed to supporting Africa's Just Transition and this report demonstrates our actions in this regard in 2024. We recognise that the path to a low-carbon, resilient economy must address Africa's distinct challenges. Our strategy integrates environmental sustainability with social progress, with a focus on ensuring that no one is left behind. Key to this is our ambition that at least 20% of our gross loans and advances contribute to sustainable development finance by 2025. This financing enables investment in renewable energy projects, energy efficiency improvements, sustainable agriculture, provision of affordable housing, access to finance and biodiversity conservation, all of which are vital to SA's sustainable future. However, addressing these challenges cannot be accomplished alone. The complexity and scale of today's global issues demand bold, collaboration across industries, governments, and civil society.

Nedbank is actively forging partnerships to amplify our collective impact and accelerate progress towards a more sustainable future. Our Energy Policy and Climate and Nature Position Statements continue to guide our decisions, ensuring alignment with global best practices and reinforcing our commitment to sustainability. Achieving a sustainable, inclusive world by 2030 is still within reach, but it will require courage, commitment, and united effort. Regardless of political agendas that may not support ESG in the short term, we know what needs to be done and we are doing our part and call on our clients and other partners to work with us. I look forward to working with the Nedbank Board and Executive Team in 2025. Together, we will demonstrate the leadership, courage, and pioneering spirit required to support a Just Transition and create lasting, positive change. Nedbank remains steadfast in fulfilling our purpose to use our financial expertise to do good.

Daniel Mminele

Nedbank Group Board Chairperson

Our approach to tax, as set out in this report, demonstrates our commitment to advancing the achievement of the UN SDGs, which we have adopted as a framework to measure delivery on our purpose.



Through tax, we contribute as follows:

Our tax contributions of **R16 295m** for 2024 (2023: restated at R14 349m) in the various countries, are used to build critical infrastructure to ensure water security and clean energy sources.

We support the provision of sustainable development finance by aligning tax to the business processes to ensure all the tax implications are considered.

We pay no carbon tax due to our zero-carbon footprint and therefore suffer negligible environmental taxes and levies. These taxes were not included in our economic contribution of taxes.

Our contribution to total fuel taxes, decreased to **0,025%** of our Total Tax Contribution (2023: 0,105%). This is a direct result of a reduction in levels of load-shedding and the diesel required for the use in generators.

 Our fossil fuel consumption is included in our 2024 Climate Report.



Economic contribution of taxes paid continued

Our economic contribution

Today, Nedbank Group is one of the largest financial services groups in Africa, offering wholesale and retail banking, insurance, asset management and wealth management services and solutions to over 7 million clients. In SA, Nedbank has a strong franchise that contributes approximately 90% of the group's R1,4tn in assets and approximately 80% of the group's R16,9bn headline earnings. Nedbank acquired all the shares in Eqstra Investment Holdings (Pty) Ltd with effect from 1 June 2024 to enhance Nedbank's fleet management business offerings. This acquisition gives Nedbank scale and expands its product offerings in SA, Eswatini, Botswana and Namibia.

Outside SA we operate in 5 countries in SADC through subsidiary banks in Lesotho, Mozambique, Namibia, Eswatini and Zimbabwe. In central and west Africa, we have a strategic alliance with ETI and a representative office in Kenya. Outside Africa we have a presence in key global financial centres to provide international financial services for Africa-based multinational and high-net-worth clients in the Isle of Man, Jersey and London, and we have a representative office in Dubai.

We recognise that we have a responsibility to not only be good with money, but to do good with money as well. Therefore, our core purpose as a bank is to use our financial expertise to do good for individuals, families, businesses and society in the countries in which we operate. By seeing money differently in this way, we are confident that we will achieve our vision of being Africa's most-admired financial services provider.

The world faces massive economic, social, and environmental challenges as a result of steady growth in the population and growing levels of consumption and climate change, with challenges ranging from unemployment and income inequality to an increasing disease burden, as well as food and water deficiencies.

Against this background we recognise that the tax we pay is vital to the economic and social development of the countries in which we operate, and that we have a responsibility to comply fully with the regulations in these countries.

This section of the report sets out the group's total economic contribution for the FY 2024 compared with the total economic contribution for prior years.

Types of taxes

Tax consists of more of than just a tax charge on a company's profits. Besides the tax that we pay on the profits that we generate, we pay and collect taxes through our business cycles from our business activities.

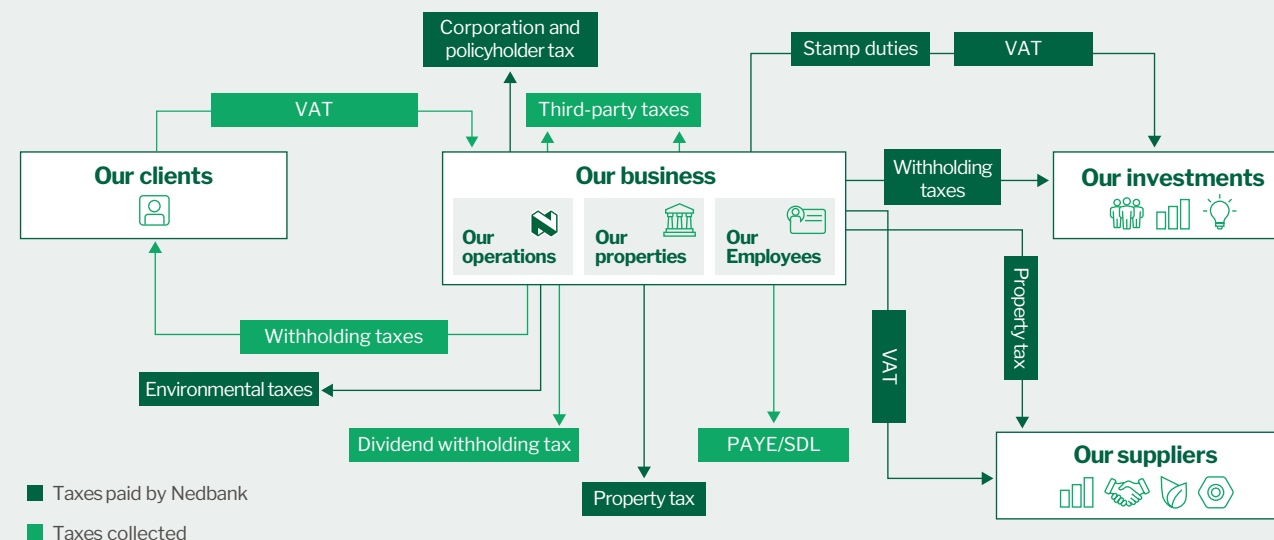
Taxes contributed to the revenue authorities can be categorised as follows:

- Nedbank Group's direct cash tax contribution in each country, consisting mostly of tax on profits, securities transfer tax (STT), as well as withholding taxes on dividends, management fees and interest received.
- Cash taxes collected by the group on behalf of revenue authorities, including PAYE, skills development levies (SDLs) and Unemployment Insurance Fund (UIF) contributions, which would not have been collected if the group had not employed people.

- Consumption taxes and VAT that the group collected on behalf of revenue authorities, which would not have been collected had the group not offered financial services or financial products to the clients responsible for paying the relevant tax, or had the group not procured from its suppliers' goods and services on which these taxes are due. Being a bank, we can claim back only a relatively small proportion of the VAT we have incurred, resulting in a significant cost that we absorb.
- Taxes paid to other spheres of government, excluding taxes raised by revenue authorities in line with the country's direct-taxation regime, such as rates and taxes and levies.
- Dividend tax withheld from shareholders liable for the tax and paid to the revenue authority as a result of the group declaring interim and final dividends to shareholders every year. Had the group not generated profits, it would not have been in a position to pay dividends to shareholders. The 2024 full-year dividend amounted to 2 075 cents per share.
- Tax debt of third parties that the group collected on behalf of revenue authorities.

Our tax value chain

We pay taxes at different points in our value chain. Both the value chain and the value creation within the value chain are the basis for paying taxes. To illustrate the tax footprint of our business, the diagram below reflects our value chain and the main instances in which taxation occurs.



Economic contribution of taxes paid continued

Delivering value through our tax contributions

The taxes we pay and collect are a key source of revenue to government finances and contribute to the upliftment and sustainability of the societies in which we operate.

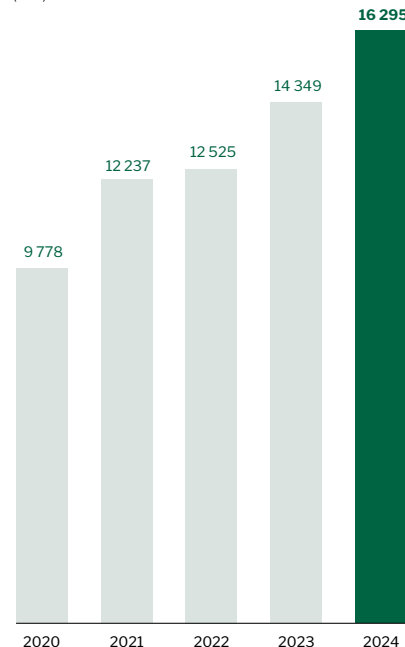
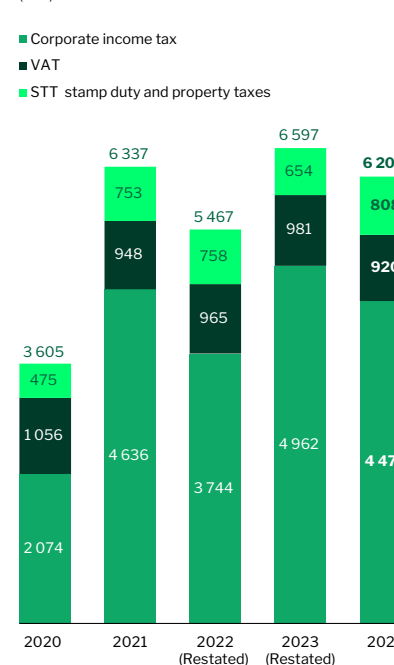
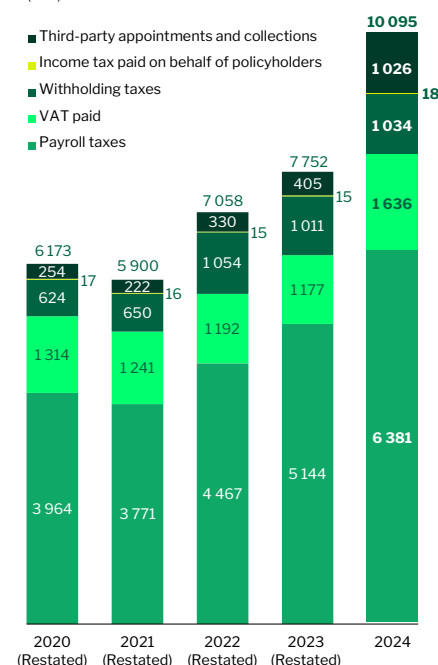
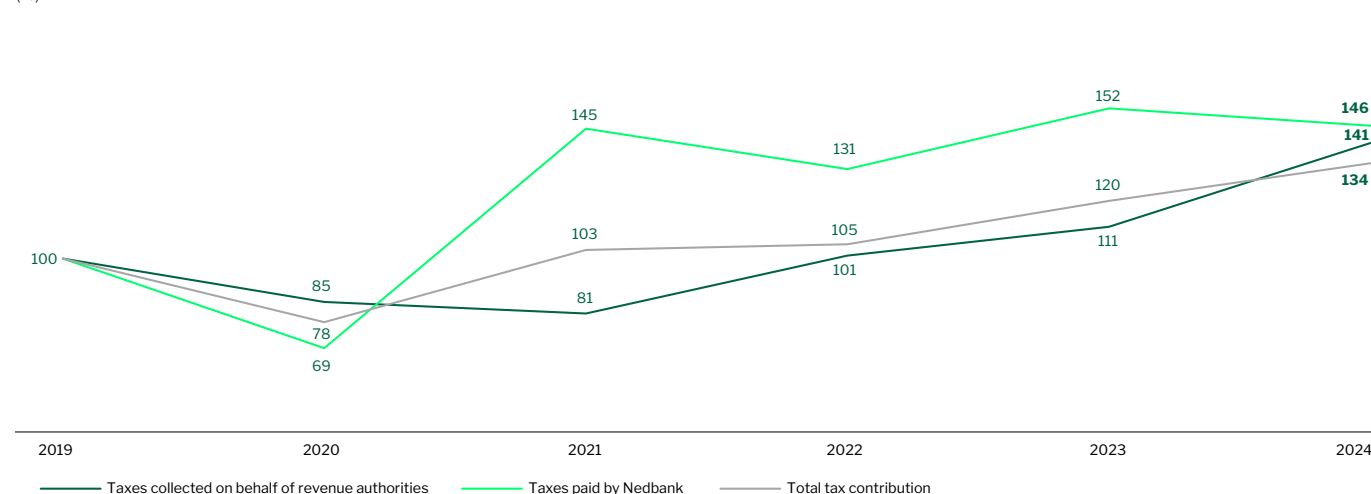
The graph alongside represents our total tax contribution of R16 295m for 2024 (of which R6 200m represents taxes contributed by the group and R9 964m represents taxes collected by the group) compared with R14 349m in 2023 (of which R6 597m represents taxes contributed by the group and R7 752m represents taxes collected by the group). The total tax contribution has increased by 29% since 2019 but has fluctuated year on year due to the economic impact of Covid and the Macroeconomic environment in which we operate.

The taxes paid represent the actual taxes paid by Nedbank during the particular year and include the top-up provisional tax payments in respect of the prior year. The amount of corporate tax paid in 2024 has decreased by R498m on a relative basis as the 2023 amount paid included an amount in respect of the prior year.

An amount of R1 026m (2023: R405m) was paid in respect of third-party appointments, an increase in excess of 100%, continuing the upward trend of increasing amounts of tax collected on behalf of the revenue authorities.

 This aligns with the graph on page 121 and SARS's efforts to increase revenue collections.

There was also a significant increase in payroll taxes in 2024 because of the vesting of long-term share incentives, coupled with the payroll tax payable on short-term incentives.

Total tax contribution
(Rm)Taxes paid by Nedbank
(Rm)Taxes collected on behalf of revenue authorities
(Rm)Year-on-year change in taxes collected
(%)

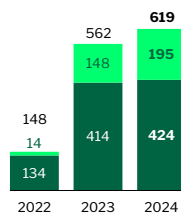
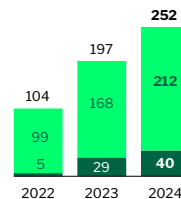
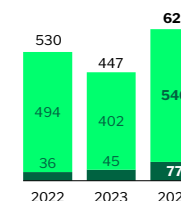
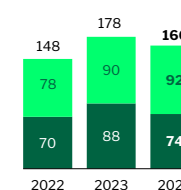
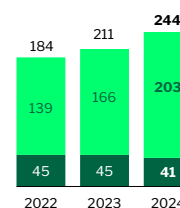
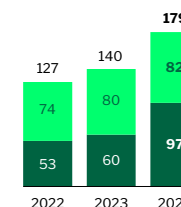
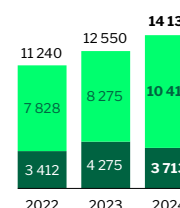
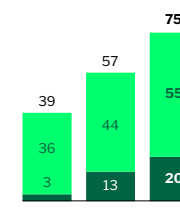
Economic contribution of taxes paid *continued*

Our tax contributions to governments where we operate

The graphs alongside show the geographical split of the taxes that we pay in each tax jurisdiction where we operate. The total tax contribution of R16 295m in 2024 is split between direct taxes of R4 490m and indirect and other taxes of R11 673m, compared with a total tax contribution of R14 349m in 2023 split between direct taxes of R4 977m and indirect and other taxes of R9 372m. Direct taxes include only corporate taxes paid and indirect taxes include all other taxes that we withheld or collected and paid to relevant revenue authorities. The graphic on the right excludes taxes paid in Mauritius and Botswana, as this amount is immaterial for the group.

Operations in SA contributed 87% of the total group's tax contribution, which is in line with the contribution in the prior year. The number of employees in SA is 22 549, with their total remuneration amounting to R20 697m.

The section below provides the tax contribution for operations outside SA, as well as a country analysis for each country.

United Kingdom
(Rm)Isle of Man
(Rm)■ Indirect and other taxes
■ Direct taxZimbabwe
(Rm)■ Indirect and other taxes
■ Direct taxMozambique
(Rm)■ Indirect and other taxes
■ Direct taxNamibia
(Rm)■ Indirect and other taxes
■ Direct taxEswatini
(Rm)■ Indirect and other taxes
■ Direct taxSouth Africa
(Rm)■ Indirect and other taxes
■ Direct taxLesotho
(Rm)■ Indirect and other taxes
■ Direct tax

Refer to the individual country analysis in respect of the 'rest of world' tax contribution on the pages that follow.



Individual country analysis

Namibia



Total tax contribution: **R244m**

Employees: **762**

Tangible assets: **R845m**

Name of resident entities

- NedCapital Investment Holdings (Pty) Ltd
- NedNamibia Holdings Ltd
- Nedbank Namibia Ltd
- NedCapital Namibia (Pty) Ltd
- NedNamibia Life Assurance Co Pty Ltd
- NedPlan Insurance Brokers Namibia (Pty) Ltd
- Walvis Bay Land Syndicate (Pty) Ltd
- Ten Kaiser Wilhelm Strauss (Pty) Ltd
- NedLoans (Pty) Ltd
- CBN Nominees (Pty) Ltd
- Omatemba Fleet Services (Pty) Ltd

Business activity

Nedbank Namibia is a Namibian registered commercial bank, providing a wide range of wholesale (including corporate and investment banking) and retail (including private and business banking) banking services, as well as insurance, asset management and wealth management solutions.

The business activities of other Namibian subsidiaries include the provision of life insurance services, property investment, custodial services, and the supply of fleet management services.

Employee remuneration

R440m

Tax overview

We paid R41m in corporate income taxes and R203m in indirect taxes compared with a total tax contribution of R211m in 2023.

The effective corporate income tax rate of 6,85% on our consolidated operations was lower than the statutory tax rate of 31% because the return on investments from corporate funds and the return on investments outside of Namibia are not taxable. In addition, only 40% of NedNamibia Life Assurance Company's investment income is taxable at the statutory rate of 32%.

Zimbabwe



Total tax contribution: **R 623m**

Employees: **320**

Tangible assets: **R159m**

Name of resident entities

Nedbank Zimbabwe Limited

Business activity

Nedbank Zimbabwe Limited offers a full range of commercial and consumer banking products and services. These services are offered under dedicated functional areas, namely Corporate and Institutional Banking, Treasury, and Sales and Origination.

Employee remuneration

R280m

Tax overview

We paid R77m in corporate income taxes, R161m in indirect taxes and state taxes of R385m compared to a total tax contribution of R447m in 2023.

The effective corporate income tax rate of 26,59% on our operations was higher than the statutory tax rate of 25%. This is primarily due to non-deductible expenses as well as the unrealised foreign exchange gain on a USD investment being considered capital in nature and therefore exempt from tax.

Lesotho



Total tax contribution: **R75m**

Employees: **280**

Tangible assets: **R105m**

Name of resident entities

Nedbank Lesotho Limited

Business activity

Main services constitute financial services and banking activities, providing banking services to retail, SME, and corporate clients.

Employee remuneration

R115m

Tax overview

We paid R20m in corporate income taxes and R55m in indirect taxes compared with a total tax contribution of R57m in 2023.

The effective corporate income tax rate of 23,06% on our operations was marginally lower than the statutory tax rate of 25% due to exempt receipts.

Individual country analysis *continued*

Mozambique

Total tax contribution: **R166m**Employees: **503**Tangible assets: **R209m**

Name of resident entities

Nedbank Mozambique, SA (previously Banco Único)

Business activity

Main services offered constitute financial services and banking activities.

Employee remuneration

R333m

Tax overview

We paid R74m in corporate income taxes and R92m in indirect taxes compared to a total tax contribution of R178m in 2023.

The effective corporate income tax rate of 22,88% on our operations was lower than the statutory tax rate of 32%. The difference is primarily due to the use of tax assets arising from prior-year tax losses, which enabled us to recognise mainly tax on income at the liberatory rate of 20% this year.

Botswana

Total tax contribution: **R0,4m**Employees: **3**Tangible assets: **R70m**

Name of resident entities

- Flexifleet (Pty) Ltd

Business activity

Main services constitute vehicle leasing activities.

Employee remuneration

R848 230

Tax overview

We paid no corporate income taxes and R0,4m indirect taxes in 2024.

The effective corporate income tax rate was nil as the entity was in a loss position.

Eswatini

Total tax contribution: **R179m**Employees: **328**Tangible assets: **R169m**

Name of resident entities

- Nedbank Eswatini Limited
- Eqstra Swaziland (Pty) Ltd

Business activity

Main services offered constitute financial services and banking activities and the supply of fleet management services.

Employee remuneration

R157m

Tax overview

We paid R97m in corporate income taxes and R82m in indirect taxes compared with a total tax contribution of R140m in 2023.

The effective corporate income tax rate of 29,62% on our operations was higher than the statutory tax rate of 27,5% primarily due to non-deductible expenses.

United Kingdom

Total tax contribution: **R619m**Employees: **67**Tangible assets: **R105m**

Name of resident entities

- Nedgroup Investment Advisors (Pty) Ltd
- NBSA Limited
- Nedbank London Branch

Business activity

Main services constitute financial services and banking activities.

Employee remuneration

R386m

Tax overview

We paid R424m in corporate income taxes and R195m in indirect taxes compared with a total tax contribution of R562m in 2023.

The effective corporate income tax rate of 24.93% on our operations was marginally lower than the statutory tax rate of 25%.



Individual country analysis continued

Isle of Man



Total tax contribution: **R252m**

Employees: **199**

Tangible assets: **R5 086m**

Name of resident entities

- Nedgroup Insurance Company Ltd
- Nedbank Private Wealth Ltd
- Nedgroup Investments (IOM) Ltd
- Nedgroup International Holdings Ltd

Business activity

Main services offered are wealth-related financial services, including investment advisory and administration services.

Employee remuneration

R 634m

Tax overview

We paid R40m in corporate income taxes and R212m in indirect taxes compared with a total tax contribution of R197m in 2023.

The effective corporate income tax rate of 4,97% on our operations was in line with the statutory tax rate of between 0% and 10%.

Note: Nedbank Private Wealth Ltd has tax obligations in the UK and in Jersey. These amounts have not been disclosed separately as they are immaterial.

Ecobank Transnational Incorporated



Business activity

Nedbank and ETI established a strategic banking alliance in 2008. In 2014 the strategic partnership was strengthened when Nedbank acquired a shareholding of 21,2% in ETI, enabling a unique 1-bank experience for our clients in 33 African countries across the largest banking network in central and west Africa. ETI is the leading pan-African bank and has a larger continental footprint than any other bank in the world.

Tax overview

The associate income of ETI represents the profit after tax for the period 1 October 2023 to 30 September 2024.

ETI paid US\$150m in corporate taxes compared with US\$136m in 2023.

The income tax rate applicable to the majority of the income of the ETI subsidiaries ranged from 25% to 45%.

Country-by-country reporting definitions

Revenue

Represents all revenue, gains, income, or other inflows as reflected in the AFS, split between unrelated and related-party revenue.

Profit/(loss) before tax

Represents all the entity's profits/(losses), without the consideration of any taxes.

Income tax paid

Represents amounts of taxes actually paid during the reporting fiscal year, including payments made in respect of prior-year tax obligations.

Income tax accrued

Represents amounts of accrued current tax expense recorded on taxable profits or losses in the reporting fiscal year, irrespective of whether the tax has been paid.

Related-party receivables/payables

Represents current accounts, deposits, derivatives, and loan funding. Interest rates are consistent with the pricing of funding and deposits with independent third parties.

Headcount

Represents the number of people employed by an entity at a given time, excluding contract workers, temporary employees, and contingent employees.

Individual country analysis *continued*

The tables and information below reflect the CbCR information and are based on CbCR requirements of the Global Reporting Initiative's Sustainability Reporting Standard on Tax. The CbCR information has been prepared on an entity standalone basis at a jurisdiction level and the amounts will not agree to the consolidated Nedbank Group AFS numbers. The individual country reports in the tax overview section above provide an explanation of the movement in the tax cash contribution as well as an explanation for the difference between the in-country effective tax rate and the statutory tax rate applicable to that jurisdiction. The CbCR report for the 2024 financial year has not been submitted to SARS yet and is only due on or before 31 December 2025.

Pro-forma CbCR for Nedbank Group at 31 December 2024

Tax jurisdiction	Unrelated-party revenue R000	Related-party revenue R000	Total revenue R000	Profit (loss) before tax R000	Income tax paid (on cash basis) R000	Income tax accrued – current year R000	Related-party receivables R000	Related-party payables R000	Headcount
South Africa	108 050 159	7 368 941	115 419 100	19 556 074	3 701 812	4 104 727	140 548 812	131 632 173	22 549
Botswana	15 764	0	15 764	4 240	0	0	0	14 609	3
England and Wales	10 316 803	771 656	11 088 459	1 721 561	427 314	429 127	23 751 740	39 259 371	67
Isle of Man	1 366 406	128 726	1 495 131	258 267	24 383	12 834	2 294 881	163 317	181
Jersey	666 075	0	666 075	228 882	12 177	26 411	0	0	18
Lesotho	516 630	169 545	686 175	155 955	19 552	35 971	1 580 416	84 354	280
Mauritius	496	0	496	16 993	0	1 621	10 171	0	1
Mozambique	1 334 739	6 686	1 341 425	346 828	73 876	79 356	39 836	53 112	503
Namibia	2 223 601	417 749	2 641 350	412 720	40 760	28 261	4 948 255	1 799 688	762
Eswatini	866 356	43 923	910 279	281 550	96 211	83 385	440 531	539 861	328
Zimbabwe	930 108	15 038	945 146	284 456	77 459	75 635	84 560	152 716	320
TOTAL	126 287 137	8 922 264	135 209 401	23 267 527	4 473 542	4 877 328	173 699 202	173 699 202	25 012

Actual CbCR for Nedbank Group at 31 December 2023

Tax jurisdiction	Unrelated-party revenue R000	Related-party revenue R000	Total revenue R000	Profit (loss) before tax R000	Income tax paid (on cash basis) R000	Income tax accrued – current year R000	Related-party receivables R000	Related-party payables R000	Headcount
South Africa	98 851 732	7 179 675	106 031 407	17 233 101	4 274 622	3 849 338	149 636 553	151 630 880	22 483
England and Wales	10 477 425	428 274	10 905 699	1 918 232	415 346	451 346	33 165 102	38 610 529	58
Isle of Man	1 547 286	105 191	1 652 476	453 963	17 047	23 711	2 121 836	115 964	151
Jersey	610 604	0	610 604	151 829	10 175	14 140	0	0	18
Lesotho	421 814	122 417	544 231	99 050	13 282	23 404	1 545 163	137 246	277
Mauritius	0	330	330	(994)	0	1	5 836	0	1
Mozambique	1 327 471	0	1 327 471	288 038	87 571	85 233	5 388	16 027	462
Namibia	2 084 197	466 846	2 551 044	519 783	45 074	118 658	4 381 664	1 151 401	743
Eswatini	847 254	0	847 254	252 527	60 351	67 417	489 980	365 402	324
Zimbabwe	1 224 469	30 506	1 254 975	840 568	45 202	62 578	684 680	8 757	311
TOTAL	117 392 251	8 333 239	125 725 490	21 756 097	4 968 669	4 695 826	192 036 205	192 036 205	24 828

• The 2023 Nedbank Zimbabwe numbers are reflected before hyperinflation adjustments.

• Profit before tax was adjusted to exclude intercompany dividends, as per OECD guidance published in May 2024.



Demonstrating compliance

Compliance of our Tax Review with the relevant reporting frameworks is demonstrated as follows:

GRI 207 Standards	GRI 207-1 Approach to tax	GRI 207-2 Tax governance, control, and risk management	GRI 207-3 Cooperative relations and advocacy	GRI 207-4 Publication of the Country-by-Country Report
Evidence	• The Tax Strategy is included in the Tax Review and approved by the board. • The board approves the Tax Policy and oversees the implementation of the strategy and the management of tax risks. • Corporate structure aligned with the business and legal requirements and corporate governance standards. • Non-use of special-purpose vehicles in non-cooperative jurisdictions.	• Internal control risk framework and processes to ensure tax compliance. • Internal procedure for setting transfer prices aligned with value creation and the arm's-length principle. • Organisational structure and adequate means to ensure the proper performance of the tax function. • Existence of a 24/7 complaints channel. • Application of tax law in line with the letter and spirit of the law.	• Banking Accord signed by SARS and BASA that commits Nedbank to cooperative tax compliance and open dialogue about tax matters. • Application of the UK Banking Code of Good Tax Practices. • Collaboration with local and international policy-setting organisations and local governments.	• Voluntary publication of the CbCR prepared according to OECD and GRI-207 criteria. • The published CbCR contains economic magnitudes related to the group's performance, as well as a description of its business model with background information on the business activities conducted in each country. • The CbCR for the current financial year is made public on a pro forma basis, as well as the actual report submitted to the revenue authorities in respect of the prior year.
Tax principles (aligned with The B Team Responsible Tax Principles)	• Tax morality • Transparency • Regulatory compliance	Accountability and governance	Constructive engagement	Transparency

