



# Tax review

# 2025

# 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 where we operate. We constantly strive to improve our tax transparency every year to ensure that we clearly communicate how we manage tax to all our stakeholders.'

Mike Davis, Chief Financial Officer

2025 PWC Global Tax Transparency Study  
Placed 1st out of 956 of the highest rated entities globally and placed 1st amongst the Top 100 JSE-Listed entities in SA.

**Tax transparency is a key element of Nedbank's governance framework and is firmly embedded in its purpose, ethical standards, and commitment to responsible corporate conduct. We recognise that a clear, consistent, and credible approach to tax governance underpins effective oversight, strengthens stakeholder confidence, and supports responsible value creation across the jurisdictions where we operate.**

Our emphasis on tax transparency is motivated by our objective to establish a leading tax function that clearly articulates our commitment to our core tax principles and values. This includes demonstrating our responsible approach to tax risk management, our constructive engagement with revenue authorities, and our role as a trusted business partner within the organisation. Through this approach, tax considerations are embedded into decision-making and aligned with Nedbank's broader governance, sustainability and risk management frameworks.

The elevation of tax transparency has been an integrated and a deliberate journey. As a result, the management of tax and Nedbank's total tax contribution is now a standing consideration on the board's agenda, reinforcing accountability and strategic focus.

The Tax Report provides enhanced transparency on our tax risk management framework, as well as clearer disclosure of tax rate drivers and the overall tax charge reflected in the annual financial statements. This has enabled stakeholders and the investment community to better understand our tax profile, the drivers of our effective tax rate, and the

contribution made by relevant entities across the jurisdictions where the group operates.

Internally, this focus has raised awareness of tax matters across the organisation and strengthened understanding of the overall economic value that Nedbank contributes through its operations. Externally, enhanced tax disclosures have provided valuable insights into the evolving tax and regulatory landscape across our African footprint, supporting informed engagement with stakeholders and reinforcing Nedbank's position as a responsible and transparent participant in the region's banking sector.

Consistent with this commitment, Nedbank has, for several years, disclosed information on the taxes it pays and its approach to tax. We continue to enhance the quality, clarity and relevance of our tax reporting in response to stakeholder expectations and developments in the tax transparency landscape. This has been evidenced through the success of our report in the 2025 PWC Global Tax Transparency Study. Our 2024 Tax Report Placed 1st out of 956 of the highest rated entities globally and placed 1st amongst the Top 100 JSE-listed entities in SA.

**R16 641m**  
Total tax contribution

**R6 401m**  
Total taxes paid by Nedbank

**R10 060m**  
Total taxes collected by Nedbank

**R14 280m**  
Profit before tax

**21.5%**  
Taxation charge and effective tax rate of operations in SA



# About our 2025 tax review

Our 2025 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 2025 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 of Group Tax and representing various subject matter experts in Group Tax and across the group, produces the content 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)
- 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
- EU Minimum Safeguards on Taxation
- Johannesburg Stock Exchange (JSE) Sustainability and Climate Disclosure Guidance
- As a predominantly SA-based bank and 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

### King IV and King V

The 2025 report aligns with the King IV Disclosure Framework. As required for 2026 we envisage a seamless transition to King V. This is made possible by our implementation of many of its recommendations, supported by our adherence to governance and transparency guidelines.

Our disclosures show how our tax strategy and governance (roles, policies, and the internal control environment), our approach to tax and compliance, our transparency practices (including GRI 207), and our engagement with revenue authorities and broader stakeholders support King IV's 4 governance outcomes, namely ethical culture, performance and value creation, conformance and prudent control, as well as legitimacy. This alignment reflects our commitment to ethical and effective leadership in tax, transparent reporting, and long-term, sustainable value creation for all stakeholders.

## 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 in this report has been extracted from the Nedbank Group Limited consolidated annual financial statements (AFS) for the year ended 31 December 2025, on which an unmodified audit opinion was expressed. 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 matters. 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 this tax review. This limited assurance was conducted in line with ISAE 3000 (revised).

The board ensures the integrity of this report through our integrated reporting process and the various approvals and sign-offs by Group Exco and the board. The board also relies on our coordinated-assurance model, overseen by the GAC, which 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), the GIA, as well as independent external sources and service providers.

## Our 2025 tax review

Our tax review presents a detailed view of our strategic approach to tax and tax-related processes, including tax governance and the Tax Risk Management Framework, stakeholder engagement, and our tax contributions across the jurisdictions in which we operate for the financial year ended 31 December 2025.

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 United Nations (UN) Sustainable Development Goals (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 46 of the 2025 Governance 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 bi-annually. Our key tax principles are guided by our purpose, vision, brand promise, and values.

## Our tax strategy

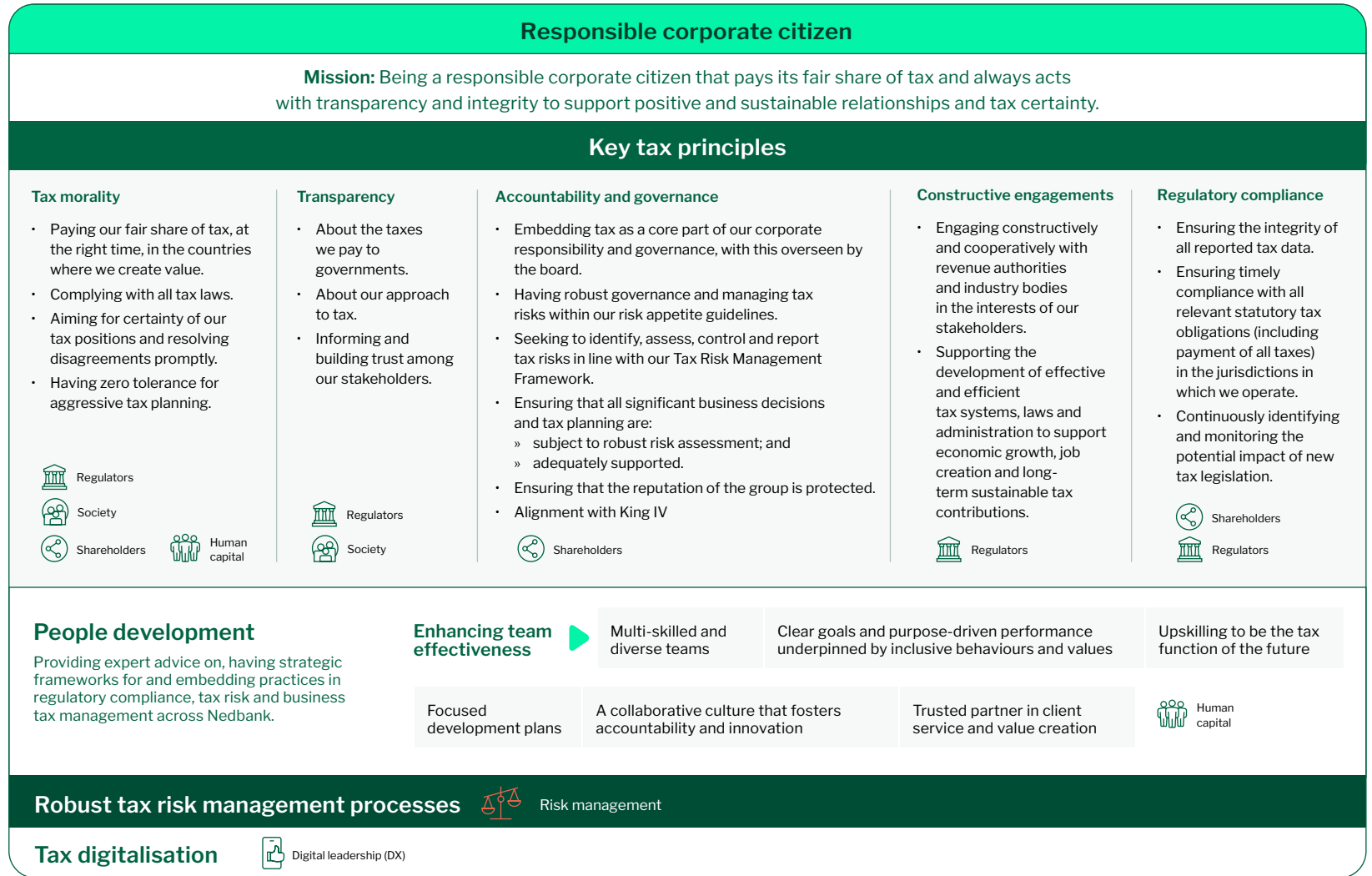
Nedbank's tax mission is to be a responsible corporate citizen that pays its fair share of tax, always acting with transparency and integrity to support positive and sustainable relationships and create tax certainty. Our tax strategy is designed to support us in our purpose, vision, values, and business 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 2-yearly 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 7](#).

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 on time and in line with 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 promptly identifying and resolving any disagreements.

### ▶ 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 of the value created in line with the King IV principles, to manage their expectations, and to demonstrate our trustworthiness as a responsible corporate citizen.

### ▶ 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

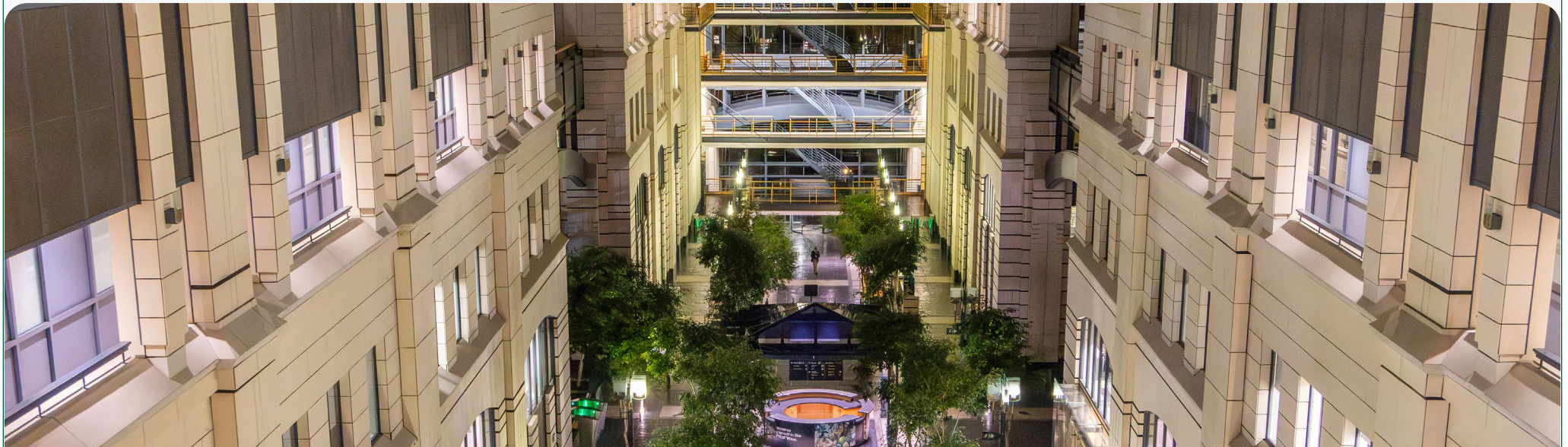
**We are committed to –**  
 engaging constructively and cooperatively with revenue authorities and industry bodies in the interests of all our stakeholders and supporting the development of effective and efficient tax systems, laws and administration to support economic growth, job creation and long-term 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 timely payment of all taxes) in the jurisdictions where 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.





# Tax and sustainability

## Creating value in a sustainable manner through our strategy

Nedbank recognises that it operates in a nested and interdependent system, where long-term business success depends on a thriving economy, a well-functioning society, and a healthy environment. The tax we pay is a key mechanism through which we contribute to this system: it funds public infrastructure and essential services, supports social upliftment, and enables investment in environmental resilience and climate-related initiatives in the jurisdictions where we operate. In this way, our tax contribution underpins broader economic and social progress and supports those SDGs that are most relevant to our strategy.

Therefore, our approach to tax is integrated into our broader sustainability and climate ambitions rather than treated in isolation. When we design and implement sustainable finance solutions and transition-related products, we consider the associated tax implications for both Nedbank and our clients, including using the use of tax incentives and reliefs intended to promote green and social outcomes. These assessments are carried out within the parameters of our responsible tax strategy and principles and are designed to ensure that transactions or products are commercially and prudentially sound, aligned with the intent of tax and climate policy, and do not rely on aggressive or artificial arrangements.

Our tax, sustainability, risk, and business teams work together to identify and evaluate sustainability-related tax development – such as carbon pricing mechanisms, environmental taxes, climate-related incentives, and evolving international transparency requirements – and to understand their impact on our product offering, asset portfolios, capital allocation, and our own operations. These developments are treated as part of our broader regulatory and strategic risk landscape and are escalated and overseen through the same governance structures that monitor our sustainability and climate-related risks and opportunities. This integrated approach supports the disclosures we make under our climate-related financial reporting (aligned with ISSB recommendations) and helps ensure that the tax consequences of our climate and sustainability strategy are managed in a responsible, transparent and forward-looking manner.

By embedding tax into our sustainability and climate-related decision-making in this way, we aim to ensure that the tax we contribute continues to fund critical infrastructure and public services, support a just transition and inclusive growth, and reinforce trust in the tax system, consistent with our commitment to responsible business and long-term value creation for all our stakeholders.

Refer to our economic contribution of taxes paid on [page 81](#) and [page 33](#) of the [Nedbank Climate Report](#).

## Tax as a material matter

We have identified tax as a material matter given its significant financial and social impact on the organisation, our stakeholders and society. 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 36 of the 2025 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 the management of 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 2025 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 understand that the SARS VAT Modernisation Project envisages automated tax data submissions (e.g. tax invoices and other VAT data) using a SARS-dedicated device and/or systems. In anticipation of the SARS VAT Modernisation Project, Nedbank is in the process of creating a VAT data mart to align with the SARS Project requirement once it goes live. We also continued to automate most 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 SARS timelines. 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

Leveraging tax technology solutions to embed robust and efficient tax processes, enabling the evolution of the tax function into a strategic and leading capability.

### ► How

Leveraging integrated, automated, and digitised tax data and processes to strengthen risk management and generate meaningful and actionable business insights.

### ► Why

- To mitigate operational tax risk associated with compliance and reporting in the current and future state.
- To enhance efficiencies in tax processes internally and align to revenue authority modernisation journeys.
- To provide insightful data analytics that support budgeting, accurate provisioning, and forward-looking business insights.
- To enhance governance and transparency.

## Driving effective execution

### ► VAT Data Mart

Developing a VAT Data Mart, consolidating ledger and product system data to provide a comprehensive, end-to-end view of the VAT landscape.

### ► Third-party appointments

Automating third-party appointment processes, incorporating appropriate workflows and account exclusions, aligned with SARS's planned real-time enhancements.

### ► Corporate income tax

Leveraging existing internal general-ledger capabilities, enhanced through the planned SAP S/4HANA upgrade, enabling real-time analytics and deeper data insights for client-facing clusters in relation to their direct tax charge.

## Adhering to regulatory reporting requirements

### ► Third-party reporting

Automating processes to facilitate client reporting to revenue authorities.

### ► VAT reporting

Designing and implementing advanced VAT-reporting capabilities, with automated preparation of VAT returns and supporting schedules.

### ► Regulatory reporting

Enhancing the current reporting process to enable the introduction of new regulatory reporting requirements, including the Crypto Asset Reporting Framework (CARF) and Islamic banking.



# 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 all our stakeholders, Nedbank and the ecosystem at large, 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 where 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 9.

We always pay our taxes on time 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 relevant government, such as tax-free savings accounts in SA.

## Our approach to our employees

To continue to 'use our financial expertise to do good', Group Tax continued with its employee campaign during 2025, which was

successfully rolled out in recent years. As part of our purpose, we 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 held 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 where 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](#).

In the past year we enhanced the Report-IT case-management application to include a dedicated category for reporting suspected tax evasion, enabling focused investigation of such cases and, where appropriate, the reporting of suspicious activity to the Financial Intelligence Centre (FIC) and SARS. Ongoing awareness campaigns reinforce the proper use of this channel.

## 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 clients should not use our products 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 its 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 (i.e. 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, e.g. 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'. Operating 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 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 2025:

**Learnership allowances in terms of section 12H, estimated at R50m (2024 actual: R53.5m).**

**Employment tax incentive through participating in the YES programme, amounting to R7.8m (2024: R9.1m).**

### 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 2024. 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

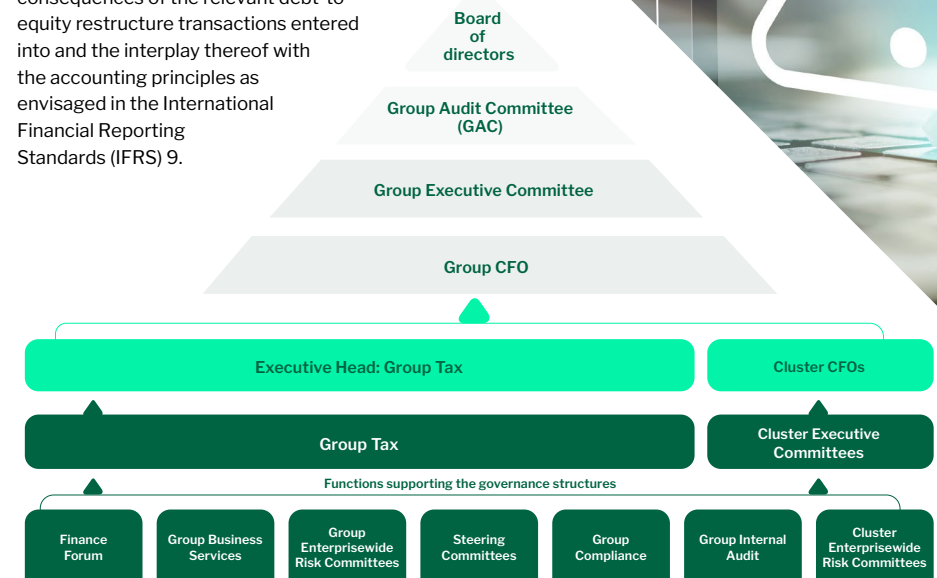
#### Oversight

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 Chief Financial Officer (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 of 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. A key area of focus during the 2025 financial year was the consideration of the fair-value tax consequences of the relevant debt-to-equity restructure transactions entered into and the interplay thereof with the accounting principles as envisaged in the International Financial Reporting Standards (IFRS) 9.





## Tax governance and tax risk management continued

### Policies and control

Our tax strategy and approach to tax are incorporated in the Nedbank Group Tax Policy, with the last review and approval by the GAC on 30 October 2024. 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 where the group operates.

Effective 1 January 2025, Nedbank has aligned the review cycle of its operational Tax Policy with internal governance requirements, moving to a 2-yearly formal review and tabling at the GAC. This change creates administrative efficiency without diminishing oversight, as the policy continues to be actively monitored and assessed against material regulatory, economic and strategic developments to ensure responsible, transparent and sustainable tax conduct.

Despite the yearly formal review, 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 of 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 that is completed twice a year by all executives in the group, signed by the CRO, CFO and CEO.

An annual questionnaire is also distributed to board members 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.

[The Nedbank Tax Strategy is available for viewing here.](#)

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, which can be found via the links below:

[Nedbank CIB London](#)

[Nedbank Private Wealth](#)

[Nedgroup Investment \(UK\)](#)





## 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 or dispute	Status
<b>Revenue authority queries or disputes closed during FY 2025</b>				
Dr Holsboer Benefit Fund	Verification of income tax audit	2024	Request for verification of income tax return.	Finalised with no material adjustments.
Nedplan Insurance Brokers Namibia (Pty) Ltd	Income tax audit	2021	Income tax return audit conducted by the Namibia Revenue Agency (NamRa).	Audit finalised with no material adjustments.
Nedbank Limited	VAT VDP	2015–2025	VAT voluntary disclosure programme (VDP) application submitted to rectify certain VAT defaults.	VDP finalised. Interest incurred in respect of historical VAT defaults.
Nedbank Group Limited	Request for information	2022	Fair-value adjustment in respect of interest-free loans and accounting treatment of tier 1 interest.	Closed.
Nedbank Limited	VAT: ADR	March 2020, January 2021, and February 2022	Nedbank entered into an alternative dispute resolution (ADR) process with SARS in respect of an understatement penalty (USP) levied on what it considered to be an inadvertent error. The matter concluded, with the parties agreeing a 10% USP.	Closed.
Nedbank Limited	Request for information	2023	Expenditure incurred in the production of exempt income.	Closed.
Nedbank Limited	Corporate income tax VDP	Various	VDP application submitted to rectify capital gains tax (CGT) defaults for the 2002 and 2006 years of assessment.	VDP finalised.
Nedbank Limited	Transfer Pricing	2022 and 2023	Transfer pricing risk review on intercompany finance transactions.	Closed
Nedbank Limited	Request for reduced assessments	2021–2023	A request for correction was submitted and accepted by SARS. However, revised assessments could not be issued due to the Nedbank audit still in progress.	Closed.



## Tax governance and tax risk management continued

### Ongoing liaison with revenue authorities and other specific tax investigations continued

Entity	Tax type	Tax year	Nature of query or dispute	Status
<b>Revenue authority queries or disputes in progress at 31 December 2025</b>				
Depfin Limited	Income tax audit	2020–2022	Support of trading activities, application of section 24JB of the South African Income Tax Act, 58 of 1962, and additional information in respect of IFRS 9 accounting adjustments. SARS issued revised assessments contending that section 24JB has limited application. A notice of objection (NOO) was submitted.	Under dispute. Objection partially allowed. Nedbank to submit a NOA on the remaining grounds of assessment.
Nedbank Limited	Employment tax incentive audit	March 2019–February 2023	Employment tax incentive (ETI) claims submitted by Nedbank during the October 2019 to February 2023 employment periods. SARS issued revised assessments in respect of certain ETI claims. A notice of appeal (NOA) was submitted, and SARS agreed to an ADR process.	Under dispute. ADR meeting scheduled.
Nedbank Limited	Income tax audit: Financial assets or liabilities measured at fair value in line with IFRS 9	2020–2022	Letter of findings issued by SARS disallowing fair-value movements in respect of certain financial assets – reverting to a realisation approach	Responded to letter of findings, await SARS' response.
Nedbank Limited	Request for correction or objection against tax assessment	2020	SARS denied a request for correction and condonation to object against the original 2020 tax assessment. A NOA was submitted against the disallowance of the request for condonation.	Under dispute. In the process of preparing a corresponding statement of appeal.
Nedbank Division	Customs and excise audit	Various	Desk audit on the valuation and accounting of goods imported.	Information has been provided. Awaiting SARS's response.
Nedplan Insurance Brokers Namibia (Pty) Ltd	Income tax	2022	Income tax return audit conducted by the Namibia Revenue Agency (NamRa).	In progress.
Nedbank Zimbabwe	IMTT	2025	Request for information from Zimbabwe Revenue Authority (ZIMRA) pertaining to computation of the Intermediated Money Transfer Tax (IMTT) for the period January 2025 to October 2025.	In progress.
Nedbank Zimbabwe	Income tax	2020–2024	Compliance review by ZIMRA on income tax for the period 2020 to 2024.	In progress.
Nedbank Mozambique	VAT and PAYE audit	2017–2021	The tax authority issued a draft letter of findings regarding VAT treatment of services provided by Visa and Mastercard, employee tax benefits as a result of interest rates being below the market rate and withholding taxes on Visa and Mastercard fees. All key findings have been contested, with the following outcome: <ul style="list-style-type: none"> <li>VAT from services provided by Visa and Mastercard: Unsuccessful, with a further dispute submitted to the tax authority.</li> <li>Withholding tax on Visa and Mastercard fees: Unsuccessful. Finding accepted and payment made.</li> <li>Employee tax benefit: In progress. No response received to date.</li> </ul>	In progress.
Nedbank Zimbabwe	Non-resident tax on fees VDP	2025	VDP application in relation to the under declaration of non-resident tax on SWIFT services.	In progress.
Flexifleet	VAT	2024	VAT audit conducted by the Botswana Unified Revenue Service for the following periods: February, March, June and July 2024. All requested documentation has been submitted.	In progress.
Omatemba	VAT	Various	VAT audit conducted by NamRa for the following periods: <ul style="list-style-type: none"> <li>November 2022</li> <li>November 2023</li> <li>January and March 2024</li> </ul> All requested documentation has been submitted.	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 (3LoD) 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 the 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 liabilities. 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 where 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 line 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 and voluntary disclosures.)	Management of tax penalties and tax interest. Tracking at less than R1m for 2025.
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 2025 and Nedbank is fully compliant with all its tax obligations in all the jurisdictions where 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 and operational efficiency, many support functions within the group remain centralised and provide services to subsidiaries across multiple jurisdictions. In line with the OECD Transfer Pricing Guidelines, these services must be remunerated on an arm's length basis. The group continues to apply these guidelines rigorously when developing and documenting transfer pricing policies on a fully transparent and commercially validated basis.

Revenue authorities and banking regulators are increasingly focused on how multinational enterprises implement their transfer pricing policies to ensure that profits are aligned to the jurisdictions where the underlying economic activity occurs.

During the 2025 reporting period we also observed significantly heightened scrutiny from tax authorities regarding cross-border intergroup financial assistance arrangements, particularly where banks use proprietary or non-standard economic models to price these financing transactions. These models, while appropriate for banking sector risk and return dynamics, require careful explanation and robust documentation to demonstrate arm's length compliance.

In response to this evolving landscape, the group continues to strengthen its governance, documentation and internal review processes to provide defensible, high-quality transfer pricing support for both intragroup services and financial transactions. This includes ensuring transparency of assumptions, alignment with OECD guidance, and proactive engagement with tax authorities where necessary.

## 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 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 collections, 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

The tax environment is characterised by increased regulatory scrutiny from revenue authorities and growing legislative uncertainty, particularly as accounting principles become increasingly embedded in the application of the tax law. Against this backdrop, we continually monitor developments in tax legislation, administrative practice, and interpretive trends to assess their potential impact on our business operations.



## Tax governance and tax risk management continued

To manage these evolving risks and tax uncertainty, we continuously evaluate our business structures, operating models and internal processes to ensure continued compliance with applicable tax requirements. Where appropriate, we proactively engage with relevant industry bodies and revenue authorities to obtain clarity, contribute to policy discussions, and mitigate interpretive uncertainty in a consultative manner. We welcome the relaunch of the Large Business Forum and will actively participate and engage in discussions with SARS at all levels to ensure certainty of our tax positions.

### Three lines of defence

Nedbank has adopted an organisational risk governance structure that reflects the concepts represented in the 3LoD 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
<p>Comprises business line management and client-facing operations and activities.</p> <p>Has 'ownership' of taxation risk, acknowledging and managing the risk that arises in conducting business activities.</p> <p>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.</p> <p>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.</p> <p>Any person in the organisation who has a delegation, deploys resources or makes decisions, is responsible and accountable for managing taxation risk.</p>	<p>Comprises independent risk management and compliance functions.</p> <p>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.</p> <p>Responsible for overseeing the risk-taking activities and assessing risks and issues independently from the first line of defence.</p> <p>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.</p>	<p>Comprises an independent and effective internal audit function.</p> <p>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.</p> <p>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.</p>

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 and direct tax 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, 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.

Likewise, our ERP system has been codified with tax-sensitive settings to calculate the direct tax provisions on a monthly and annual basis and forms the foundation for our provisional tax calculations and annual income tax returns. This is supplemented by appropriate tax packs at a cluster and subsidiary company level.

Monthly tax engagement meetings with business and key stakeholders ensure that VAT and direct tax issues are promptly addressed and resolved.

### Uncertain tax positions

Identification and measurement	Management	Reporting and monitoring
<ul style="list-style-type: none"> <li>Significant business decisions.</li> <li>Tax audits, enquiries and controversies.</li> <li>Robust risk assessment and discussions.</li> <li>Consideration of the more-likely-than-not principle.</li> </ul>	<ul style="list-style-type: none"> <li>Proactive management of uncertain tax positions</li> <li>Mitigating controls.</li> <li>Discussions with revenue authorities.</li> <li>Consideration of reputational risk.</li> <li>Ensuring adequate provisioning.</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting to management.</li> <li>GAC approval of key judgements.</li> </ul>

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. UTPs are governed by our tax risk management principles, as outlined in the table above, and are reviewed and signed off by the external auditors on an annual basis as part of the financial year-end statutory audit.

The tax disputes in relation to certain debt-to-equity restructure transactions implemented during prior years continues to be 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 National Tax Committee, and the Association for Savings and Investment South Africa 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:

### CARF and CRS amendments

During the period under review, SARS progressed the amendments to the Common Reporting Standard (CRS) and the implementation of the Crypto-asset Reporting Framework (CARF) in a coordinated manner, engaging the industry on both regimes simultaneously. Financial institutions and other affected intermediaries participated in a series of formal engagements and dedicated SARS or industry workshops to consider the detailed business requirement specifications and associated reporting schemas to ensure that systems and data models would support accurate and timely reporting. This collaborative approach focused on aligning local requirements with OECD standards, clarifying the scope of reportable accounts and crypto-asset arrangements, and agreeing pragmatic transitional measures to support operational

readiness. Final regulations for both the CRS amendments and CARF were issued in November 2025, with an effective date of 1 March 2026, providing a defined runway for implementing and embedding these enhanced transparency obligations into business processes and reporting architectures.

### Second OECD Peer Review

In parallel with the regulatory developments, SARS has intensified its scrutiny of financial institutions' effective implementation of the CRS framework, with increased focus on the robustness of due-diligence procedures, data quality, and completeness of annual submissions. Nedbank has engaged SARS directly and submitted detailed representations on the current CRS administrative penalty proposals, highlighting that, in practice, it is largely ineffective and often impractical to apply in a manner that appropriately differentiates between administrative errors and systemic non-compliance. These concerns were echoed in the recent OECD peer review. SARS has not formally concluded on the proposed changes, creating a degree of uncertainty regarding future application.

### Hybrid equity instruments

Through BASA, we engaged extensively with National Treasury on the proposed tax amendments to the hybrid equity instruments anti-avoidance tax provisions, and in particular, the proposal to link the nature of the preference share instrument to the accounting designation. The proposals would have had wide-ranging, unintended consequences, including significant volatility and uncertainty in the tax treatment of capital instruments and a fundamental misalignment between tax policy objectives and prudential capital frameworks. A key concern was that the proposals would effectively have rendered the preference share funding business of banks redundant, undermining an established and important source of funding for corporates and structured transactions. Following these engagements and the articulation of the systemic risks, National Treasury decided to withdraw the proposed amendments, with an understanding that any future changes in this area should be developed through a more targeted, consultative process.

### Further loss-absorbing capacity (FLAC) instruments

FLAC instruments are a regulatory capital requirement driven by prudential objectives. It is therefore critical that the tax treatment reflect their hybrid features without creating tax mismatches or adverse outcomes. The tax proposals made by BASA in this regard were accepted by National Treasury and appropriate tax relief was included in the Taxations Laws Amendment Bill, 2025. However, the proposals did not extend to unlisted FLAC instruments issued by bank controlling companies. Following the public workshop between industry representatives and National Treasury, further research into other jurisdictions was conducted and submitted to

National Treasury as part of the annual Annexure C submission process, focusing specifically on further unintended consequences. The further proposals will ensure that South African banks remain competitive and aligned with global resolution and capital standards, while still protecting the fiscus and maintaining the integrity of the corporate tax base.

In addition to the above we actively participated in industry discussions in respect of the tax consequences of risk participation transactions, collateral arrangements, and the transition from the Johannesburg Interbank Average Rate (JIBAR) to the South African Rand Overnight Index Average (Zaronia).

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 eFiling system. Although SARS has not yet issued a business requirements specification, several key considerations have been highlighted in its media statement. These include automated invoicing linked to SARS-approved invoicing devices and eFiling, real-time reporting, access to data, and the integration of SARS with vendor enterprise resource planning (ERP) systems. Nedbank is currently considering these key considerations to fully evaluate the implications on source systems and data capabilities and is in the process of creating a VAT data mart to align with the SARS project requirements once it goes live.





## Stakeholder dialogue and advocacy continued

### Our other engagements

Nedbank supports the Banking Accord signed by SARS and BASA, being a commitment to cooperative 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.

Nedbank, directly and through BASA, pledged its commitment to facilitate and support SARS in the automation of third-party data processes and other SARS information technology 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.
- Providing industry feedback to the inspectors of the second OECD Peer Review conducted on the automatic exchange of information implementation in SA.

### Local tax landscape

Nedbank has procedures in place to ensure that it stays abreast of all key changes in the global and local tax legislative landscapes, including the interpretation of the legislation based on official guidelines and case law development.

Recent developments worth noting, and our response, are set out on [pages 11 and 12](#).

The 2026 Budget, delivered by Minister of Finance Enoch Godongwana, positions SARS as an increasingly capable and trusted revenue authority, with improved administrative performance enabling government to avoid previously anticipated tax increases. Throughout the fiscal documents, a consistent message emerges that revenue stability will be achieved through strengthened enforcement, data-driven compliance, and the closing of administrative gaps, rather than new tax policy measures.

Legislative refinements focus on empowering SARS by simplifying procedures, tightening documentation and timing rules, enhancing fraud prevention mechanisms, and improving tax refund risk management. Collectively, these measures reflect National Treasury's confidence in SARS's ability to safeguard the tax base through operational excellence.

For taxpayers and large organisations the result is a more demanding compliance environment. Expectations around accuracy, process discipline and evidence-rich reporting continue to rise, with a narrower tolerance for technical non-compliance. While SARS is portrayed as performing well, the implicit message is that the onus increasingly falls on taxpayers to maintain high-quality internal controls, reliable documentation, and strong governance. The broader fiscal narrative elevates SARS from a collection entity to a strategic institution essential to medium-term fiscal sustainability, reinforcing the need for organisations to anticipate and adapt to a compliance landscape that is becoming sharper, more data-intensive, and less forgiving of procedural weaknesses.

South Africa's tax administration landscape is also being reshaped by SARS's longer-term digital transformation programme. The SARS medium-to-long-term strategic plan sets out a shift from a reactive, return-based model to a proactive, intelligence-led compliance system. The move towards Modernisation 3.0, driven by advanced analytics, AI-enabled risk engines, deeper third-party data integration, and system-to-system digital reporting, signals an environment where near real-time data, transaction-level transparency, and upstream control effectiveness become central to taxpayer expectations. For banks and large corporates, SARS is increasingly reliant on financial sector data, automated cross-checks, and integrated information flows across payments, identity and trade systems. This enhances SARS's capacity to detect inconsistencies, reduces tolerance for retrospective corrections, and enables earlier identification of deliberate evasion.

SARS's strategic plan also elevates its role as a financial crime authority, with a stated focus on tax fraud, illicit trade, cross-border financial crime, and complex evasion structures. Banking sector data, anti-money laundering (AML) controls and suspicious transaction insights form part of SARS's early-intervention risk modelling, underscoring the need for alignment between tax, AML, prudential and broader financial crime governance. Importantly, the 2026 Budget directly reinforces these strategic objectives by simplifying administration for compliant taxpayers while tightening penalty mechanics, strengthening documentation requirements, and expanding SARS's ability to use third-party data to make non-compliance 'hard and costly'. Together, the budget and strategic plan establish a coherent landscape in which administrative precision, data quality, and governance maturity drive the compliance burden and support

the development of effective tax systems, consistent with recognised global tax responsibility frameworks.

The establishment of the SARS Large Business Forum represents a practical expression of SARS's strategic commitment to segmented relationship-based engagements with large and complex taxpayers. It provides a structured platform for strategic dialogue, early issue resolution, and intelligence-led risk alignment, directly operationalising the strategic plan's focus on tailored engagement models and proactive compliance management.

Within this context Nedbank will engage constructively and cooperatively with the revenue authorities to align with global acceptable principles, thereby encouraging cooperative and transparent relationships that support the integrity of the broader tax system.

Nedbank will also continue to support SARS in achieving its objectives through constructive engagement, sharing of information, collaboration, and investment in modernisation initiatives.

Also refer to [page 17](#) 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 the FATCA and the OECD CRS (collectively called the Automatic Exchange of Information or AEOL). Nedbank complies with the AEOL 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.

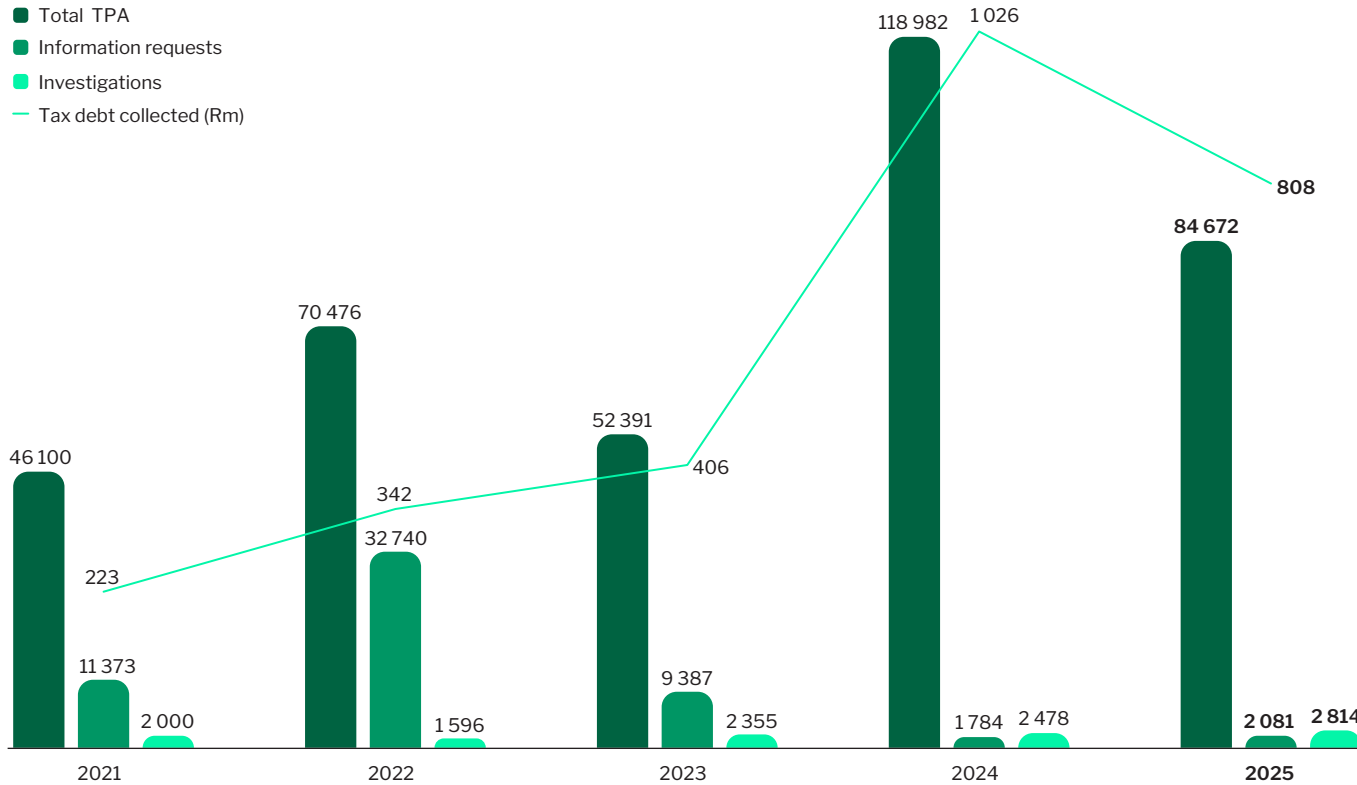
The Mandatory Disclosure Rules (MDR) for CRS Avoidance Arrangements and Opaque Offshore Structures, which form part of the CRS regulations, introduced additional reporting obligations of affected transactions and became effective from 1 March 2024. We have implemented additional controls and procedures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

## Stakeholder dialogue and advocacy continued

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 [third-party appointment (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 significantly improved the processing success rate and negated the large number of information requests received in 2025 compared to 2024, as illustrated in the graph below.

### Tax compliance function performed on behalf of SARS



Over the past 3 years Nedbank has invested significantly in establishing and improving its infrastructure capability and automating its processes to improve efficiencies. Currently, we have a team of 6 full-time employees to execute on the SARS agent appointments, gathering and providing the information in relation to client requests by SARS. As mentioned in our Digitisation Roadmap on [page 6](#), we are also exploring ways to automate this manual process where possible, which will not only improve our efficiencies, but also speed up our turnaround time to SARS.

## International tax landscape

We support the aims of the various OECD domestic tax base erosion and profit shifting (BEPS) initiatives, which entail assisting tax regimes to develop in ways that make the tax system fairer and more transparent. Where appropriate, we will contribute to the development of local legislation to ensure the effective implementation of recommendations made by the OECD.

We continuously monitor the development of BEPS Pillar 2 implementation in the countries where we operate. Pillar 2 legislation has been enacted in South Africa and the United Kingdom, effective from 1 January 2024. The Crown Dependencies (Isle of Man, Guernsey and Jersey) and Mauritius have announced the implementation of Pillar 2, effective from 1 January 2025.

We will continue to review the impact of the Pillar 2 and other BEPS initiatives as further guidance is released by the OECD and other countries implement this tax regime.





International tax landscape continued

## Global minimum tax

Nedbank is subject to global minimum tax (GMT) in terms of the Income Inclusion Rule in South Africa but has provided R nil for the 2025 financial year (2024: R43m) due to the Namibian jurisdiction already having an effective tax rate (ETR) above 15% and other relevant jurisdictions satisfying the safe harbour tests as reflected in the table below. The relevant tax attributable to the Isle of Man and Jersey jurisdictions for 2025 amounted to R23m and R10m respectively and were provided for separately under their local domestic top-up legislation.

Based on current projections, we expect that Pillar 2 will have an immaterial impact on the group's overall tax payable in future periods. This is mainly because most of the jurisdictions where the group operates already have an ETR above the 15% threshold, with only the IOM and Jersey jurisdictions having a domestic top-up liability.

[Refer to page 53](#) the 2025 Group Annual Financial Results disclosure note B8.2.5: International Tax Reform: Pillar 2 model rules

✓ Test passed ✗ Test not passed											
	South Africa	United Kingdom	Eswatini	Lesotho	Mozambique	Zimbabwe	Namibia	Botswana	Isle of Man	Jersey	Mauritius
	ETR 15% or more								ETR less than 15%		ETR less than 0%
De minimis test	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
ETR test	✓	✓	✓	✓	✓	✓	Note 1	✓	Note 2	✗	N/A
GMT – Income Inclusion Rule	Rnil	Rnil	Rnil	Rnil	Rnil	Rnil	Rnil	Rnil	Rnil	Rnil	Rnil
Qualifying Domestic Top-up Tax/Domestic Top-up Tax	Rnil	Rnil	N/A	N/A	N/A	N/A	N/A	N/A	R23m	R10m	Rnil

Note 1: ETR of Namibian jurisdiction passes the safe harbour test, but due to the 'once out, always out' rule pertaining to the transitional safe harbours, a detailed IIR calculation had to be performed.

Note 2: Although the ETR for Isle of Man mathematically exceeds 15%, the jurisdiction is in a Globe loss and negative covered tax position. Accordingly, Rule 4.1.5 of the Globe Rules applies and an amount of Additional Current Top-up Tax had to be provided.



## International tax landscape continued

The table below represents the tax legislation changes (already promulgated or proposed) affecting the domestic and international landscape. 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 material 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
Nedbank Namibia	Income tax	<ul style="list-style-type: none"> <li>Corporate income tax rate for non-mining companies was reduced to 30% with effect from 1 January 2025. A further reduction to 28% has been proposed in the 2025/2026 budget, with effect from 1 January 2026 (still to be legislated).</li> <li>Introduction of youth internship allowance claimable by an employer where an employer and employee enter into an internship agreement. Effective date to be confirmed.</li> <li>Introduction of the limitation of the balance of assessed losses to be offset against taxable income. The assessed loss is limited to the greater of N\$1m or 80% of taxable income.</li> <li>Introduction of the definition of 'connected person' in the Income Tax Act.</li> <li>Introduction of a 10% dividend tax with effect from 1 January 2026 proposed in 2025/2026 budget (still to be legislated).</li> <li>Proposal to align tax treatment of long-term insurers to non-mining business, i.e. potential removal of previously differentiated tax treatments that applied only to insurers. No specific rules have been legislated.</li> </ul>
	VAT	<ul style="list-style-type: none"> <li>Proposal for the introduction of VAT on imported digital services, requiring foreign or non-resident digital service providers to register for VAT and comply with the Namibian VAT rules (still to be legislated).</li> </ul>

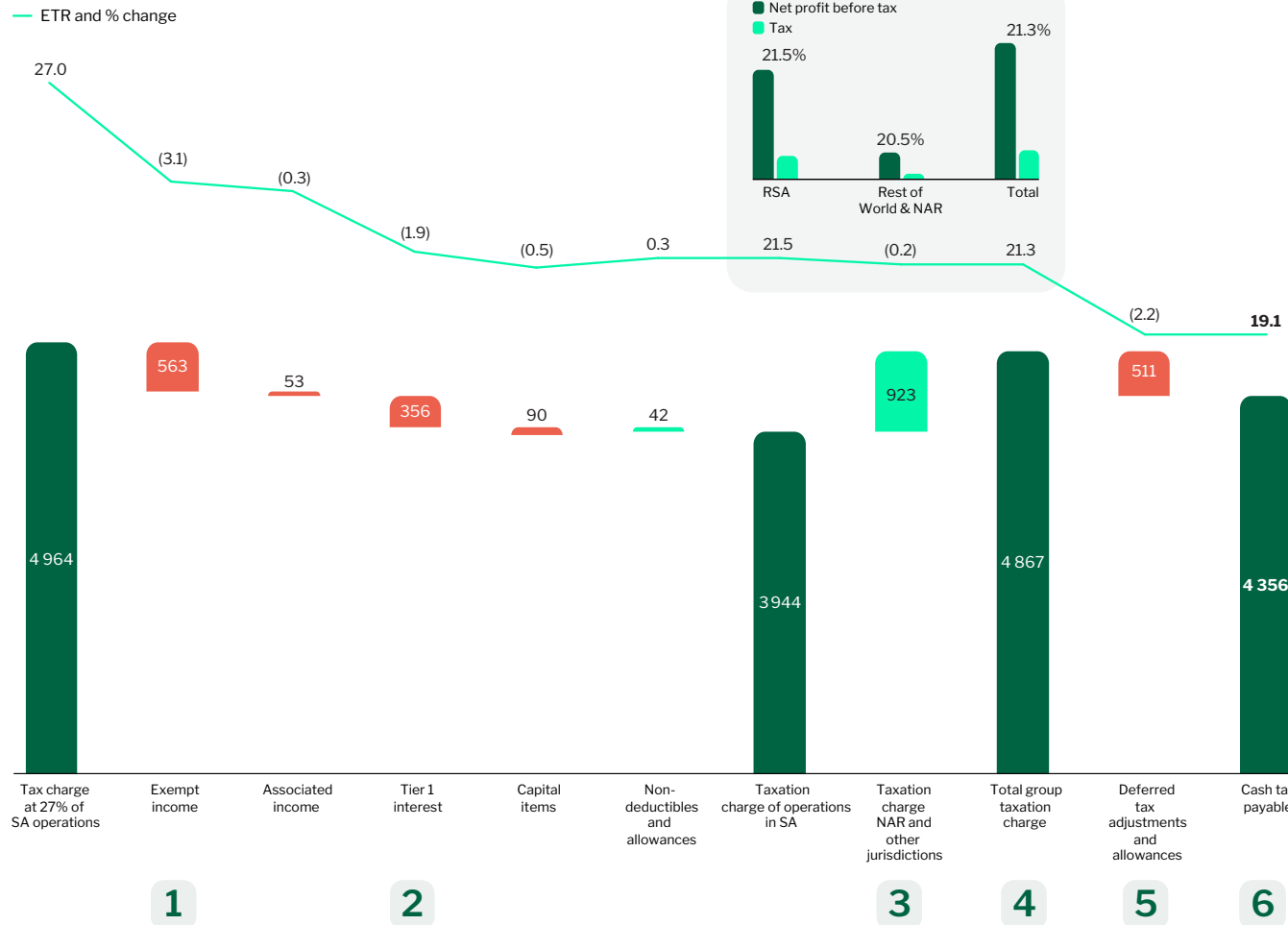
Entity	Tax	Developments
Nedbank Zimbabwe	Income tax	With effect from 1 January 2026, the definition of permanent establishment (PE) has been amended to include a fixed place of business that consists of a building site or construction site where a company, wholly or partly, carried on business for a period of 90 days in 12 months of a calendar year. The PE will be established from the date of commencement of the project or construction of the site.
	Income tax	Domestic minimum top-up tax now includes the definition of a high-earning foreign entity, being a multinational or international corporation whose consolidated turnover in the previous year of assessment is €750m (€760m per the draft bill but €750m in the budget statement). High-earning multi-nationals will be liable for tax at a rate of 15%, despite tax already paid.
	Income tax (withholding tax)	Reintroduction of withholding tax (WHT) on interest at 15%, effective from 1 January 2026.  Introduction of WHT on target payments to offshore digital platforms in addition to VAT on imported services. Financial institutions must withhold 15% at the point of payment to offshore platforms, effective from 1 January 2026.
	VAT	Increase of the VAT rate from 15% to 15.5%, effective from 1 January 2026.
	IMTT	With effect from 1 January 2026, the IMTT rate on ZWG transactions has been reduced from 2% to 1.5%.
Nedbank Mozambique	VAT	Introduction of VAT on digital goods and services with monthly reporting obligations on non-residents buying digital goods and services, effective from 1 January 2026.
	Income tax	Revision of the term 'permanent establishment' by the reduction of the 'in the duration threshold' of a construction, installation, or assembly site from 6 months to 90 days, effective from 1 January 2026.
	Income tax	Income arising from capital gains is now subject to autonomous taxation at a rate of 32%, effective from 1 January 2026.
	Income tax	Effective from 1 January 2026, commissions earned by electronic money agents and income derived from the transfer of goods or provision of digital services are now subject to WHT at 10%.

# 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 SA 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, adjusted by actual tax deductions and allowances to achieve the cash tax payable and the group's effective cash tax rate. **This is a normalised tax rate as it excludes non-recurring items such as prior-year adjustments and the effects of the sale of Ecobank Transnational Incorporated (Ecobank) in the current year.**

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



## 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. 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, is 21.3%.

### 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 credit impairments, provisions, long-term employee benefits, fair value through other comprehensive income (OCI) instruments, deferred acquisition costs, and deferred revenue. The balance of deferred tax has moved from a net liability of R224m to R391m, mainly because of the increase in the deferred tax liability on deferred acquisition costs, provisions, and long-term employee benefits.

### Effective cash tax payable

- 6 At 31 December 2025 the group's effective cash tax rate was 19.1% (2024: 19.9%), calculated by adjusting the total group taxation charge by timing differences and current tax in equity, excluding prior-year adjustments and the effects of the sale of Ecobank. Refer to Note B8.3 of the Group Annual Financial Statements for a reconciliation and composition of the deferred tax balances. The calculated effective cash tax rate remains lower than the effective tax rate. This is due to the increase in deferred tax liabilities as reflected below.

### Total deferred tax assets and liabilities

	2025	2024
Credit impairments	2 803	2 696
Provisions	1 999	2 127
Other	502	205
<b>Total</b>	<b>5 304</b>	<b>5 028</b>
Accelerated asset allowances	(1 452)	(1 418)
Deferred acquisition costs	(1 600)	(1 200)
Long-term employee benefits	(1 619)	(1 469)
Other	(1 024)	(1 165)
<b>Total</b>	<b>(5 695)</b>	<b>(5 252)</b>
<b>Net deferred tax asset/ (liability)</b>	<b>(391)</b>	<b>(224)</b>

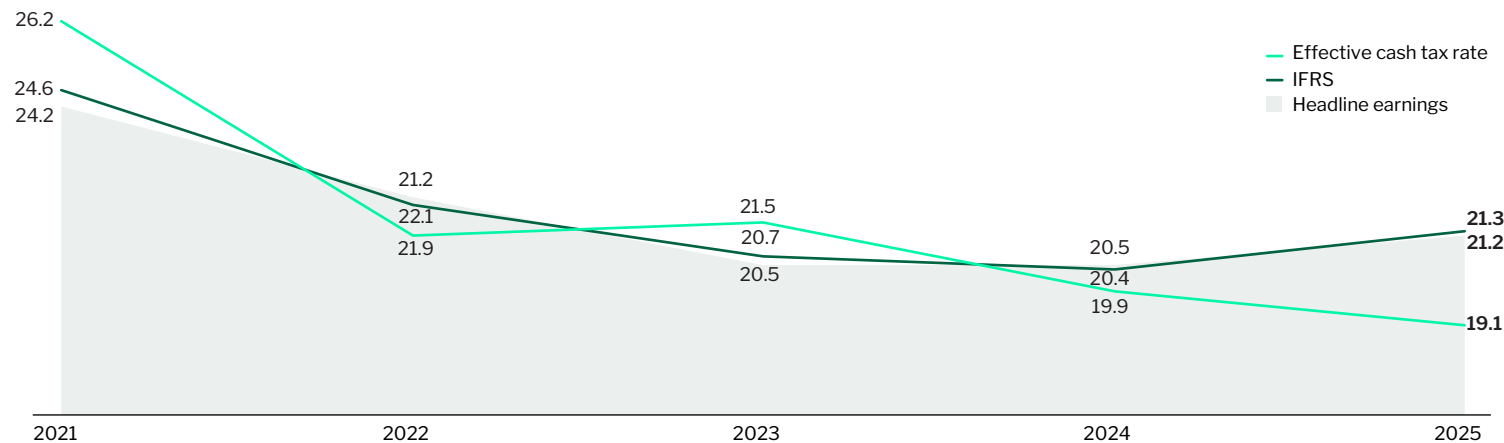


# Effective taxation rate

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

Nedbank Group Limited	2025 Rm	2025 %	2024 Rm	2024 %	2023 Rm	2023 %	2022 Rm	2022 %	2021 Rm	2021 %
Standard rate of SA normal taxation	-	27.0	-	27.0	-	27.0	-	28.0	-	28.0
Dividend income	(2 033)	(2.3)	(2 154)	(2.5)	(1 017)	(1.3)	(725)	(1.0)	(737)	(1.3)
Share of profits of associate companies	(1 183)	(1.4)	(1 289)	(1.5)	(1 443)	(1.8)	(879)	(1.3)	(799)	(1.3)
Capital items	(334)	(0.4)	(141)	(0.2)	42	0.1	(540)	(0.7)	(27)	(0.1)
Effects of profits taxed in different jurisdictions	(269)	(0.3)	(739)	(0.8)	(817)	(1.1)	(1 021)	(1.5)	(380)	(0.6)
Additional tier 1 capital instruments	(1 319)	(1.5)	(1 334)	(1.6)	(1 285)	(1.6)	(871)	(1.3)	(737)	(1.2)
Assessed losses not subject to deferred tax	135	0.2	297	0.4	(205)	(0.2)	(113)	(0.2)	(232)	(0.3)
Non-deductible expenses	341	0.4	386	0.4	385	0.5	489	0.7	356	0.6
Non-taxable income	(559)	(0.6)	(188)	(0.2)	-	-	-	-	-	-
Prior-year adjustments	1	-	(174)	(0.7)	(238)	(1.1)	(539)	(0.7)	76	0.4
Tax rate change	-	-	-	-	-	-	82	0.1	-	-
Pillar 2 taxation	34	0.1	43	0.2	-	-	-	-	-	-
<b>Effective taxation rate on headline earnings</b>	<b>-</b>	<b>21.2</b>	<b>-</b>	<b>20.5</b>	<b>-</b>	<b>20.5</b>	<b>-</b>	<b>22.1</b>	<b>-</b>	<b>24.2</b>
Associate income non headline earnings	(9)	-	-	-	-	-	-	-	-	-
Impairment charge on non-financial instruments and other gains and losses	250	0.3	(85)	(0.1)	205	0.2	(176)	(0.2)	295	0.4
Adjustment for difference in IFRS profits vs headline earnings	-	(0.2)	-	-	-	-	-	-	-	-
<b>Adjusted effective taxation rate on IFRS</b>	<b>-</b>	<b>21.3</b>	<b>-</b>	<b>20.4</b>	<b>-</b>	<b>20.7</b>	<b>-</b>	<b>21.9</b>	<b>-</b>	<b>24.6</b>

Effective tax rate and cash tax rate history (%)



## Effective taxation rate 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 2025 for more detail.

After ignoring the effect of the sale of Ecobank, the effective tax rate for 2025 was 21.3% (the adjusted IFRS effective tax rate). This has increased from 20.4% in 2024, with the main driver of this being the base effects of prior-year adjustments in 2024, with a decrease in the non-taxable amounts in NAR, partly offset by an increase in non-taxable income. Effective taxation rate on headline earnings was 21.2% (2024: 20.5%).

The graph depicts the 5-year historical analysis of the effective cash tax rate and the effective tax rate on an HE and IFRS basis for the group.

# 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. As a result of the Project Ignite restructure in 2025, a comparative analysis was performed on the 2024 financial information.

## Organisational structure

Clusters  
(up to 30 June 2025)

**Nedbank  
Corporate and  
Investment  
Banking**

Corporates, institutions,  
governments and parastatals.

**Nedbank Retail  
and Business  
Banking**

Individual clients,  
and businesses.

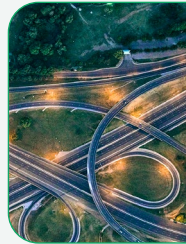
**Nedbank  
Wealth**

Individuals, businesses and  
corporate clients.

**Nedbank  
Africa Regions**

Individual clients, SMEs,  
business and corporate  
clients.

## Reorganised clusters (from 1 July 2025)



### Nedbank Corporate and Investment Banking

Full suite of wholesale banking solutions across advisory, lending, trading, equity investments, transactional services and asset management solutions.

Focused on corporates, institutions, governments and parastatals.



### Nedbank Business and Commercial Banking

Full range of banking solutions, including transactional banking, card and payment solutions, lending solutions, deposit-taking services, risk management, investment products, fleet management and card-acquiring services.

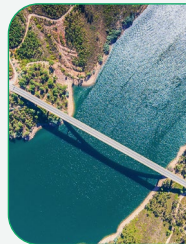
Focused on juristic clients including SMEs, commercial businesses and mid-sized corporates.



### Nedbank Personal and Private Banking

Full range of financial solutions, including transactional banking, card and payment solutions, lending solutions, deposit-taking services, insurance, risk management and investment products for individuals.

Focused on individual clients from the youth, entry-level, mass and middle market, affluent and high-net-worth-individuals, sole proprietors and owner-managed businesses.



### Nedbank Africa Regions

Full range of banking services, including transactional, lending, deposit-taking services and card products, as well as selected wealth management offerings. Bancassurance offering in selected markets.

Focused on individual clients, SMEs, and business and corporate clients in 5 SADC countries: Eswatini, Lesotho, Mozambique, Namibia and Zimbabwe.



### 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.

## Key tax focus areas

- 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).

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

- Impairment and credit loss charges on financial instruments.
- Transactional taxes (VAT).
- IFRS 17 and tax transitional arrangements in short- and long-term insurance operations.
- Asset management.
- Wealth management.

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

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

## Tax contribution

Direct taxation charge (Rm) (excludes prior year adjustments)		Indirect taxation charge (Rm)	
2025	2024	2025	2024
1 782	1 833	309	274

Direct taxation charge (Rm) (excludes prior year adjustments)		Indirect taxation charge (Rm)	
2025	2024	2025	2024
891	960	184	153

Direct taxation charge (Rm) (excludes prior year adjustments)		Indirect taxation charge (Rm)	
2025	2024	2025	2024
1 698	1 687	667	580

Direct taxation charge (Rm) (excludes prior year adjustments)		Indirect taxation charge (Rm)	
2025	2024	2025	2024
363 <sup>1</sup>	143	96	93

1. The higher direct tax charge is as a result of a decrease in non-taxable income in Nedbank Zimbabwe, lower associate income due to the disposal of Ecobank, and an increase in the direct tax rate from 30% to 31% in Nedbank Namibia.

Direct taxation charge (Rm) (excludes prior year adjustments)		Indirect taxation charge (Rm)	
2025	2024	2025	2024
341 <sup>2</sup>	158	19	-15 <sup>3</sup>

2. The higher direct tax charge is as a result of lower vesting of employee share incentives in FY 2025 compared to FY 2024, as well as an increase in non-deductible expenses.

3. The lower Indirect Tax Charge in FY 2024 is due to a release in prior year provisions.

Refer to our **2024 Integrated Report** to read more about our previous business clusters.

# 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 and the wider ecosystem in accordance with the King IV principles. We have 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.

**Nedbank Group Board Chairperson Daniel Mminele has the following to say: Our responsibility is to allocate capital in ways that expand participation and build resilience, while protecting depositors and respecting risk limits. This requires credible institutions, predictable policy, and partnerships that share risk, so investment reaches communities at scale.**

## Banking, society and our purpose

Banking shapes society through everyday decisions. Where capital is allocated, how access is structured, and how risk is distributed influence who participates in the economy and who carries the cost when shocks occur. In an African context marked by inequality, infrastructure constraints, and uneven access to essential services, these choices matter. They determine whether systems absorb pressure or whether risk is transferred to those least able to bear it. The Society Report forms part of Nedbank's integrated reporting suite. It reflects a consistent approach articulated by our Chief Executive. We lead with evidence, learn through action, and finance a transition grounded in real economic conditions. Climate change is already reshaping economic activity and balance sheets. Climate risk therefore intersects with social outcomes and financial performance.

## Africa's transition context and systemic constraints

Africa's transition context is distinct. Energy insecurity, water stress, infrastructure gaps, and higher costs of capital shape what is feasible and the pace at which change can occur. Regulatory frameworks continue to evolve, requiring banks to act carefully and proportionately. Progress depends on credible institutions, effective policy signals, and risk sharing arrangements that support an orderly transition. As a commercial bank we operate within prudential and regulatory requirements designed to protect depositors and preserve financial stability. Within these boundaries, our responsibility is to allocate capital in ways that support participation and resilience, without shifting risk to those least able to absorb it.

## Driving inclusion, access and resilience through finance

Financial inclusion and access sit at the heart of our purpose. Inclusion must translate into solutions people can use, at costs they can sustain, through channels they can reach. This is particularly relevant for students, lower-income households, small businesses, and clients at the base of the economic pyramid. Meeting these needs requires approaches that balance affordability, safety, and sustainability. In 2025, this included approvals of more than R3bn for affordable housing, funding to expand student accommodation, and energy solutions for small businesses that we scaled access through low-cost MiGoals and MobiMoney products, reached 3.0

million digitally active clients, supported 336 000 small-business clients, rehabilitated over 2.1 million clients, and helped 10 000 households remain in their homes, strengthening resilience where it matter most.

## Sustainable development finance and social investment

During 2025, we surpassed our target to allocate 20% of total gross loans and advances (GLAA) to sustainable development finance (SDF), achieving 21%, equivalent to R207bn. Building on this progress, we have set an ambition to increase this allocation to 25% GLAA by 2030. Corporate social investment plays a complementary role. Core banking and financing remain our primary levers for impact. Through the Nedbank Social Impact Unit, targeted social impact investment supports education, skills development, entrepreneurship, and community resilience, particularly where commercial finance alone cannot yet reach. As of December 2025, the SIU had 12 active projects, supported 1 306 enterprises, created 2 582 jobs, and upskilled 2 551 individuals, delivering a social return on investment of 4.56. This work strengthens the social and economic ecosystems in which our clients operate and reinforces the impact of our core financial activities over time.

## Climate, nature and long-term stability

A climate lens sharpens attention on resilience foundations such as water security, ecosystem stability, and natural capital. Our partnership with WWF South Africa reflects a shared recognition that healthy natural systems underpin long-term social and economic stability. Supporting a green and circular economy forms part of a practical resilience response, reducing risk while enabling prosperity within environmental limits. Through this partnership, more than 7 kilometres of rivers have been restored, over 30 000 hectares of land protected through stewardship arrangements, and long-term protection strengthened across key strategic water source areas.

## Our people and disciplined execution

We do not underestimate the complexity of this work. Affordability limits, uneven infrastructure, data gaps and regulatory divergence remain real. Our responsibility is to remain disciplined and adaptive – learning through action, collaborating where it matters, and allocating capital in ways that advance our purpose and strengthen society over time. None of this is possible without our people. Sound judgement, professionalism, and commitment underpin responsible client service and effective risk management. Supporting clients starts with supporting employees. The board remains committed to a workplace that is safe, inclusive, and enabling.

**Daniel Mminele**  
Chairperson, Nedbank Group

[Details of the group's commitment to driving sustainable development are contained in the 2025 Nedbank Society Report.](#)



**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 461m** for 2025 (2024: R16 295m) in the various jurisdictions, 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 with 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 excluded in our economic contribution of taxes. Our contribution to total fuel taxes decreased to 0.014% of our total tax contribution (2024: 0.023%). This is a direct result of a reduction in levels of load-shedding and the diesel required for generators.

[Our fossil fuel consumption is included in our 2025 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 91% of the group's R1.6tn in assets and approximately 84% of the group's R17.2bn headline earnings.

Outside SA we operate in 5 countries in SADC through subsidiary banks in Lesotho, Mozambique, Namibia, Eswatini and Zimbabwe, with 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.

Nedbank successfully disposed of its 21.2% shareholding in Ecobank during December 2025. The disposal represents a reset of Nedbank's strategy on the broader African continent, with a clear focus on the SADC and East Africa regions in businesses the group owns and controls. The group also acquired 100% of the shareholding in iKhokha (Pty) Ltd in December 2025. The acquisition will strengthen Nedbank's support for entrepreneurs and advance inclusive, digitally enabled financial solutions to the small and medium enterprise (SME) market. Furthermore, in alignment with its broader strategy to grow and diversify in East Africa through a controlling stake in a tier 1 bank with a scalable regional platform, the group made an offer to acquire an effective control of 66% of NCBA Group PLC (NBCA). Nedbank will benefit from NCBA's strong financial position and growth prospects, regional presence, client base and technology capabilities to diversify and grow earnings, thereby further enhancing its total tax contribution and economic value add.

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 where 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 where 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 2025 compared with the total economic contribution for prior years.

### Types of taxes

Tax consists of more 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.

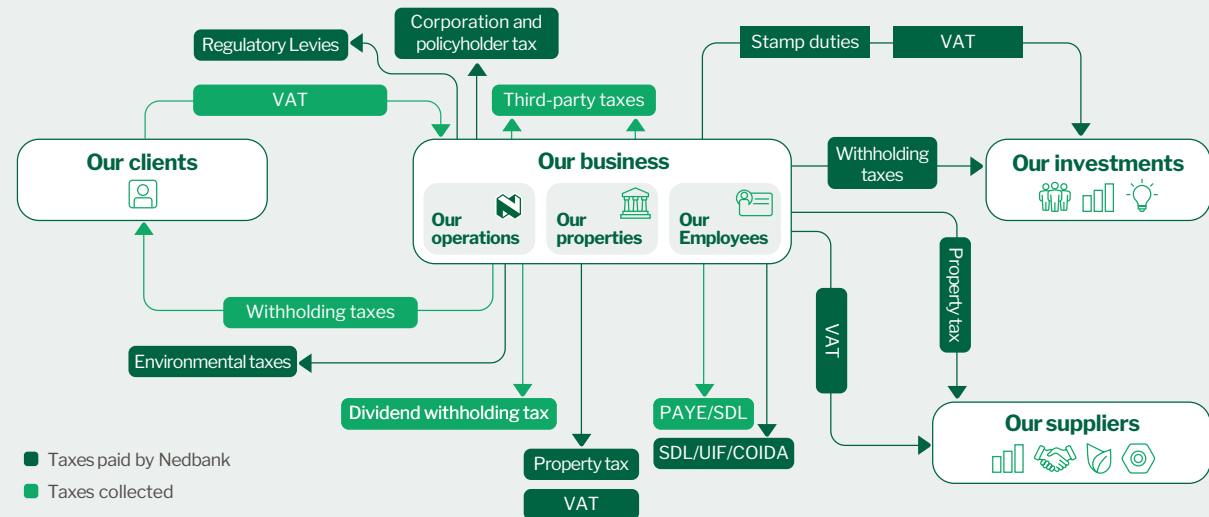
Taxes contributed to the revenue authorities can be categorised as follows:

- 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 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 had to pay dividends to shareholders. The 2025 full-year dividend amounted to 2 132 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 below represents our total tax contribution of R16 461m for 2025 (of which R6 401m represents taxes contributed by the group and R10 060m represents taxes collected by the group) compared with R16 295m in 2024 (of which R6 200m represents taxes contributed by the group and R10 095m represents taxes collected by the group). The total tax contribution has increased by 68% since 2020.

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 a prior year.

An amount of R808m (2024: R1 026m) was paid in respect of third-party appointments. This decrease was due to a decrease in the number of TPAs received from SARS. The overall success rate of taxes collected and paid over has, however, improved compared to 2024. Also refer to the graph on alongside and SARS's efforts to increase revenue collections.

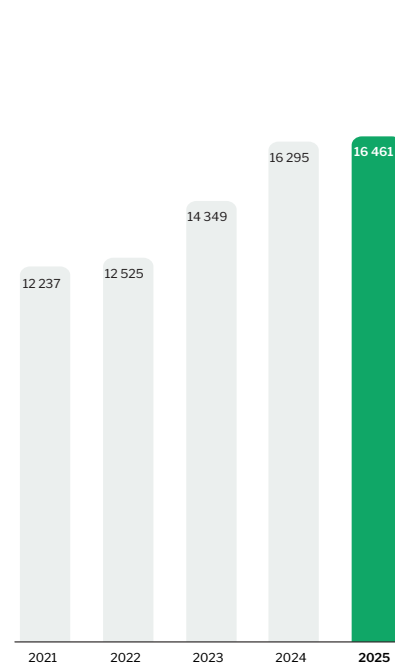
There was a decrease in payroll taxes in 2025 due to the lower vesting of long-term share incentives and payroll tax payable on short-term incentives, relative to 2024.

VAT paid increased by R84m across the group. This was largely because of higher VAT amounts paid in the NAR subsidiaries, which offset a decrease in VAT paid in Nedbank Limited.

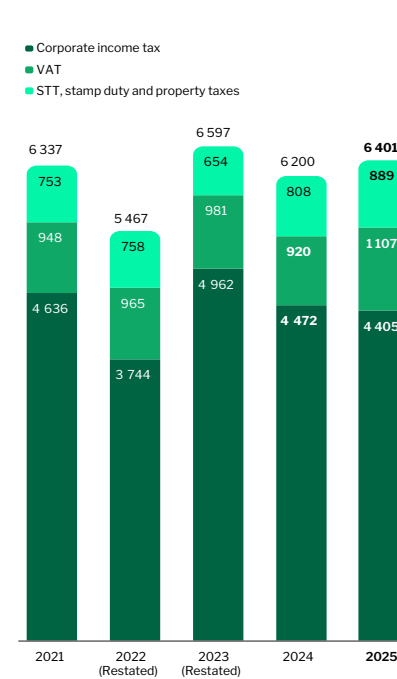
Withholding taxes increased by R187m to R1 221m (2024: R1 034m), driven by dividends tax paid in Namibia.

Nedbank employs full-time employees who are fully responsible for the compliance functions across the group at a substantial cost. Each year the group submits in excess of 1 400 returns.

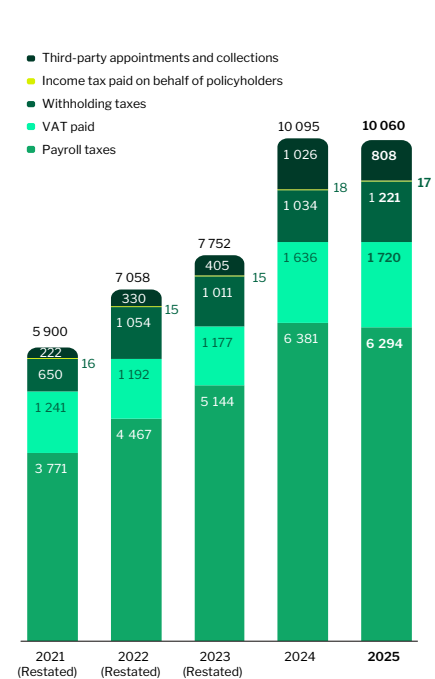
**Total tax contribution (Rm)**



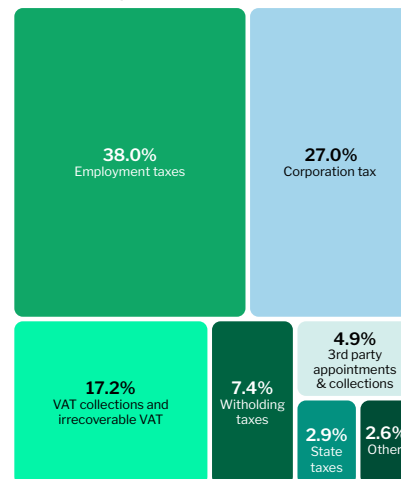
**Taxes paid by Nedbank (Rm)**



**Taxes collected on behalf of revenue authorities (Rm)**

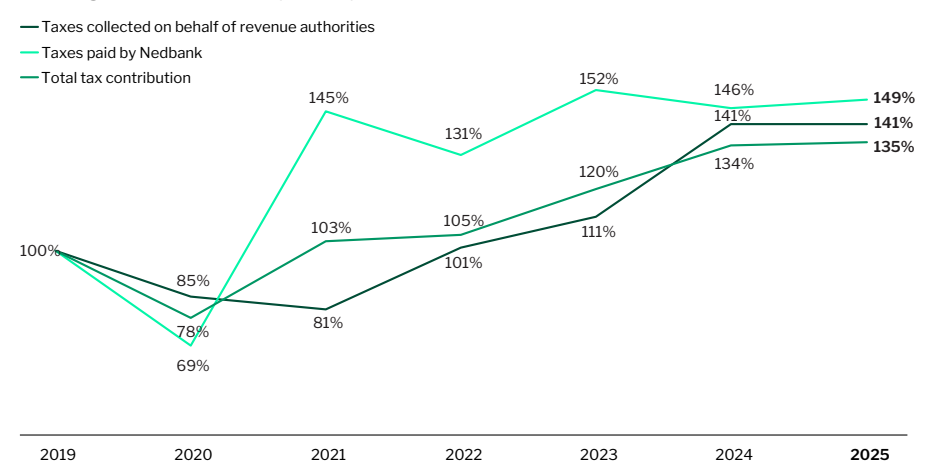


**Total taxes paid and collected**



<sup>1</sup> Other consists of STT and property taxes.

**% Change of taxes collected year on year**



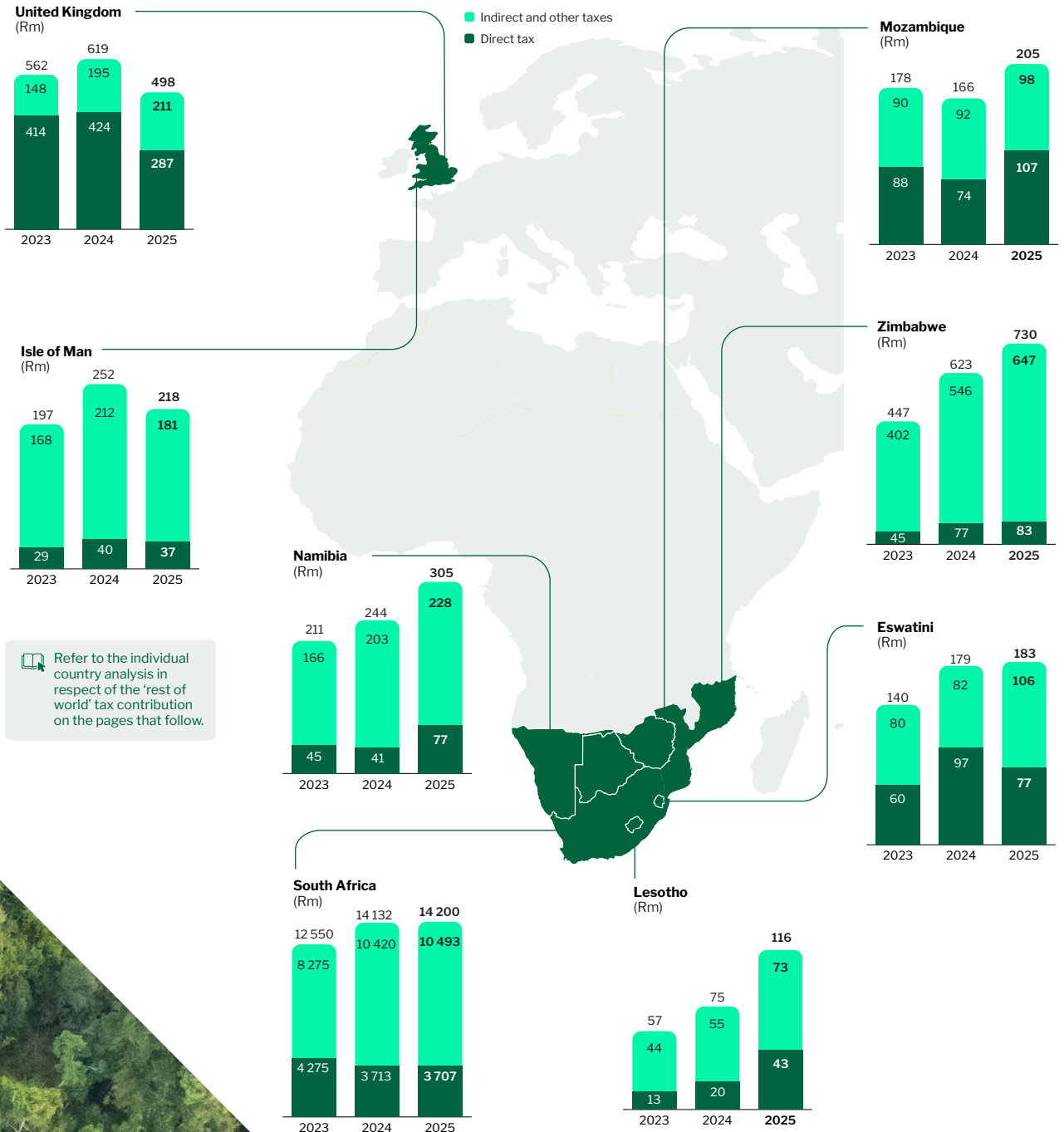
**Economic contribution of taxes paid** continued

**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 461m in 2025 is split between direct taxes of R4 422m and indirect and other taxes of R12 039m, compared to a total tax contribution of R16 163m in 2024 split between direct taxes of R4 490m and indirect and other taxes of R11 673m. 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 tax contribution, which is in line with the contribution in the prior year. The number of employees in SA is 22 370 (2024: 22 549), with their total remuneration amounting to R20 655m (2024: R20 697m).

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





# Individual country analysis

## Namibia

Total tax contribution: **R305m**  
Employees: **727**  
Tangible assets: **R1147m**



### Name of resident entities

- 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

**R454 728 887**

### Tax overview

We paid R77m in corporate income taxes and R228m of indirect taxes compared to a total tax contribution of R244m in 2024.

The effective corporate income tax rate of 16.2% on our consolidated operations was lower than the statutory tax rate of 30% because the return on investments from corporate funds and 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 30%.

## Zimbabwe

Total tax contribution: **R 730m**  
Employees: **311**  
Tangible assets: **R141m**



### 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

**R281 887 278**

### Tax overview

We paid R83m corporate income taxes, R158m of indirect taxes and state taxes of R489m compared to a total tax contribution of R623m in 2024.

The effective corporate income tax rate of 38.13% on our operations was higher than the statutory tax rate of 25%. This is primarily due to non-deductible expenses.

## Lesotho

Total tax contribution: **R116m**  
Employees: **287**  
Tangible assets: **R149m**



### Name of resident entities

Nedbank Lesotho Limited

### Business activity

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

### Employee remuneration

**R123 973 709**

### Tax overview

We paid R43m in corporate income taxes and R73m indirect taxes compared to a total tax contribution of R75m in 2024.

The effective corporate income tax rate of 21.57% 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: **R205m**  
Employees: **485**  
Tangible assets: **R215m**



#### Name of resident entities

Nedbank Mozambique, SA (previously Banco Unico)

#### Business activity

Main services offered constitute financial services banking activities.

#### Employee remuneration

**R334 975 257**

#### Tax overview

We paid R107m of corporate income taxes and R98m indirect taxes compared to a total tax contribution of R166m in 2024.

The effective corporate income tax rate of 40.3% on our operations was higher than the statutory tax rate of 32%. The difference is primarily due to the release of the deferred tax raised on the prior-year tax losses.

### Botswana

Total tax contribution: **R4m**  
Employees: **3**  
Tangible assets: **R53m**



#### Name of resident entities

Flexifleet (Pty) Ltd

#### Business activity

Main services constitute vehicle leasing activities.

#### Employee remuneration

**R1 625 932**

#### Tax overview

We paid R2m of corporate income taxes and R2m indirect taxes compared to a total tax contribution of R0.415m in 2024.

The effective corporate income tax rate of 25.42% on our operations was higher than the statutory tax rate of 22%. This difference is primarily due to non-deductible expenses.

### Eswatini

Total tax contribution: **R183m**  
Employees: **320**  
Tangible assets: **R216m**



#### Name of resident entities

- Nedbank Eswatini Limited
- Eqstra Swaziland (Pty) Ltd

#### Business activity

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

#### Employee remuneration

**R175 280 500**

#### Tax overview

We paid R77m of corporate income taxes and R106m indirect taxes compared to a total tax contribution of R179m in 2024.

The effective corporate income tax rate of 24.56% on our operations was marginally lower than the statutory tax rate of 25%.

### United Kingdom

Total tax contribution: **R498m**  
Employees: **77**  
Tangible assets: **R61m**



#### Name of resident entities

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

#### Business activity

Main services constitute financial services banking activities.

#### Employee remuneration

**R476 501 053**

#### Tax overview

We paid R287m of corporate income taxes and R211m indirect taxes compared to a total tax contribution of R619m in 2024.

The effective corporate income tax rate of 24.37% on our operations was marginally lower than the statutory tax rate of 25%.



## Individual country analysis continued

### Isle of Man

Total tax contribution: **R218m**  
Employees: **182**  
Tangible assets: **R5 095m**



#### 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

**R656 582 787**

#### Tax overview

We paid R37m of corporate income taxes and R181m indirect taxes compared to a total tax contribution of R252m in 2024.

The effective corporate income tax rate of (29.49)% on our operations was higher than the statutory tax rate of between 0% and 10%. This variance is primarily due to the impairment of an intangible asset recognised by Nedbank Private Wealth, which resulted in the entity being in a tax loss position for the period. A deferred tax asset was raised on the assessed loss, and this recognition is the main driver of the effective tax rate of (29.49)%.

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.

## 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 2025 financial year has not been submitted to SARS yet and is only due on or before 31 December 2026.

### Pro-forma CbCR for Nedbank Group at 31 December 2025

Tax Jurisdiction	Unrelated Party Revenue R 000	Related Party revenue R 000	Total Revenue R 000	Profit (Loss) Before Tax R 000	Income Tax Paid (on cash basis) R 000	Income Tax Accrued - Current Year R 000	Related party receivables R 000	Related party payables R 000	Headcount per SAP HCM
South Africa	115 815 729	4 544 781	120 360 510	10 818 890	3 492 176	3 922 768	150 155 416	133 044 088	22 370
Botswana	13 347	0	13 347	9 521	2 360	2 421	260	0	3
England & Wales	9 333 462	616 245	9 949 707	1 737 471	275 648	424 171	26 636 824	48 862 959	77
Isle of Man	1 142 271	109 929	1 252 201	1 964	36 632	16 484	1 803 192	161 490	182
Jersey	505 222	0	505 222	128 579	22 960	21 421	0	0	17
Lesotho	546 473	143 246	689 719	108 467	43 129	23 397	1 866 176	64 452	287
Mauritius	0	782	782	(230)	0	3 008	14 788	0	1
Mozambique	1 233 421	5 349	1 238 770	438 040	106 598	176 210	58 198	55 045	485
Namibia	2 412 609	334 171	2 746 781	615 990	76 308	102 985	3 694 937	2 051 910	727
Eswatini	978 391	33 875	1 012 265	279 400	76 976	68 607	309 920	199 015	320
Zimbabwe	873 514	8 724	882 238	197 262	82 609	75 211	51 527	152 277	311
<b>Total</b>	<b>132 854 439</b>	<b>5 797 102</b>	<b>138 651 542</b>	<b>14 335 354</b>	<b>4 215 396</b>	<b>4 836 683</b>	<b>184 591 236</b>	<b>184 591 236</b>	<b>24 780</b>

### CbCR for Nedbank Group at 31 December 2024

Tax Jurisdiction	Unrelated Party Revenue R 000	Related Party revenue R 000	Total Revenue R 000	Profit (Loss) Before Tax R 000	Income Tax Paid (on cash basis) R 000	Income Tax Accrued - Current Year R 000	Related party receivables R 000	Related party payables R 000	Headcount per SAP HCM
South Africa	107 777 175	7 679 763	115 456 938	19 556 074	3 701 812	4 104 727	140 548 812	140 548 812	22 549
Botswana	15 764	-	15 764	4 240	-	-	-	-	3
England & Wales	10 238 611	849 849	11 088 459	1 721 561	427 314	429 127	23 751 740	23 751 740	67
Isle of Man	1 366 406	128 726	1 495 131	258 267	24 383	12 834	2 294 881	2 294 881	181
Jersey	520 857	169 545	690 402	155 955	19 552	35 971	1 580 416	1 580 416	280
Lesotho	18 207	-	18 207	16 993	-	1 621	10 171	10 171	1
Mauritius	1 334 739	6 686	1 341 425	346 828	73 876	79 356	39 836	39 836	503
Mozambique	2 161 421	479 983	2 641 404	412 720	40 760	28 261	4 948 255	4 948 255	762
Namibia	866 314	43 965	910 279	281 550	96 211	83 385	440 531	440 531	328
Eswatini	930 108	15 038	945 146	284 456	77 459	75 635	84 560	84 560	320
Zimbabwe	125 895 677	9 373 555	135 269 230	23 267 526	4 473 544	4 877 328	173 699 202	173 699 202	25 012
<b>Total</b>	<b>126 287 137</b>	<b>8 922 264</b>	<b>135 209 401</b>	<b>23 267 527</b>	<b>4 473 542</b>	<b>4 877 328</b>	<b>173 699 202</b>	<b>173 699 202</b>	<b>25 012</b>



# Demonstrating compliance

Compliance of our Tax Review with the relevant GRI 207 framework 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
<b>Evidence</b>	<ul style="list-style-type: none"> <li>The Tax Strategy is included in the Tax Review and approved by the board.</li> <li>The board approves the Tax Policy and oversees the implementation of the strategy and the management of tax risks.</li> <li>Corporate structure aligned with the business and legal requirements and corporate governance standards.</li> <li>Non-use of special-purpose vehicles in non-cooperative jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>Internal control risk framework and processes to ensure tax compliance.</li> <li>Internal procedure for setting transfer prices aligned with value creation and the arm's-length principle.</li> <li>Organisational structure and adequate means to ensure the proper performance of the tax function.</li> <li>Existence of a 24/7 complaints channel.</li> <li>Application of tax law in line with the letter and spirit of the law.</li> </ul>	<ul style="list-style-type: none"> <li>Banking Accord signed by SARS and BASA that commits Nedbank to cooperative tax compliance and open dialogue about tax matters.</li> <li>Application of the UK Banking Code of Good Tax Practices.</li> <li>Collaboration with local and international policy-setting organisations and local governments.</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary publication of the CbCR prepared according to OECD and GRI-207 criteria.</li> <li>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.</li> <li>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.</li> </ul>

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

## Accountability and governance

### Board-approved tax strategy

The Nedbank Group Board is ultimately accountable for determining the group's tax strategy and approach to tax. Oversight is exercised through the Group Audit Committee (GAC), which reviews and approves the Group Tax Policy and monitors significant tax matters, judgements and compliance on a regular basis.

### Defined roles and responsibilities

Clear roles and responsibilities for tax are embedded across governance structures, with accountability assigned to the Board, the Chief Financial Officer, the Finance Forum and the Executive Head: Group Tax. These structures support effective oversight, escalation and management of tax matters across the group.

## Tax strategy and principles

### Public tax strategy aligned with sustainability

Nedbank's tax strategy is designed to support the group's purpose, values and long-term sustainability objectives. It is guided by our key tax principles set out in the Group Tax Policy and aligned with the B Team Responsible Tax Principles.

### Responsible tax planning principles

Tax planning is conducted in a responsible and sustainable manner, aligned with commercial substance and value creation. The group does not enter into aggressive or contrived tax structures and applies a low risk appetite for arrangements that could give rise to undue financial, regulatory or reputational risk.

## Risk management

### Tax risk identification and management

Tax risks are identified, assessed, controlled and reported in line with the Nedbank Group Tax Risk Management Framework and integrated into the enterprise-wide risk management framework. The sustainability of the group's effective tax rate and cash tax payments is actively monitored.

### Tax controversy management

Where tax law is unclear or subject to interpretation, the group evaluates whether positions are more likely than not to be upheld and, where appropriate, engages directly with revenue authorities to obtain certainty or resolve disputes responsibly.

## Transparency

### Narrative transparency

The Tax Review forms part of the group's integrated ESG reporting universe and is intended to provide transparent, decision-useful information on tax governance, strategy, risk management and economic contribution to stakeholders.

### Disclosure of tax paid

The Tax Review presents the component parts of the group's total tax contribution, demonstrating the scale and nature of taxes paid and collected across the jurisdictions in which the group operates.

### Publication of CbCR

The group prepares and submits country-by-country reporting in line with OECD BEPS Action 13 requirements. Elements of jurisdiction-level tax information are disclosed in the Tax Review where appropriate, having regard to materiality, confidentiality and proportionality.

## Economic contribution

### Total tax contribution

Tax is recognised as a key component of the group's contribution to society, funding public services, infrastructure and economic development. The Tax Review demonstrates how tax supports inclusive growth and the achievement of relevant Sustainable Development Goals.

## Compliance and ethics

### Compliance with the letter and spirit of tax laws

The group is committed to complying with both the letter and spirit of tax laws in all jurisdictions in which it operates, supported by robust internal controls, escalation mechanisms and governance oversight.

### Anti-bribery and anti-corruption

Nedbank applies a zero-tolerance approach to tax evasion and tax evasion facilitation. Policies, training, risk assessments and reporting mechanisms are in place to prevent, detect and respond to unethical or unlawful tax-related behaviour.

### Cooperative relations and responsible advocacy

The group engages constructively and cooperatively with revenue authorities and industry bodies to support tax certainty, effective administration and the development of efficient tax systems, consistent with recognised responsible business conduct principles.

## Reporting and metrics

### Consistent methodology for tax metrics

Tax metrics are prepared using consistent methodologies and are reconciled to the group's audited financial statements to ensure accuracy, comparability and integrity of reporting.

### Internal controls over tax reporting

The integrity of tax reporting is supported by the group's coordinated assurance model, including management review, internal audit and external assurance over selected indicators.

