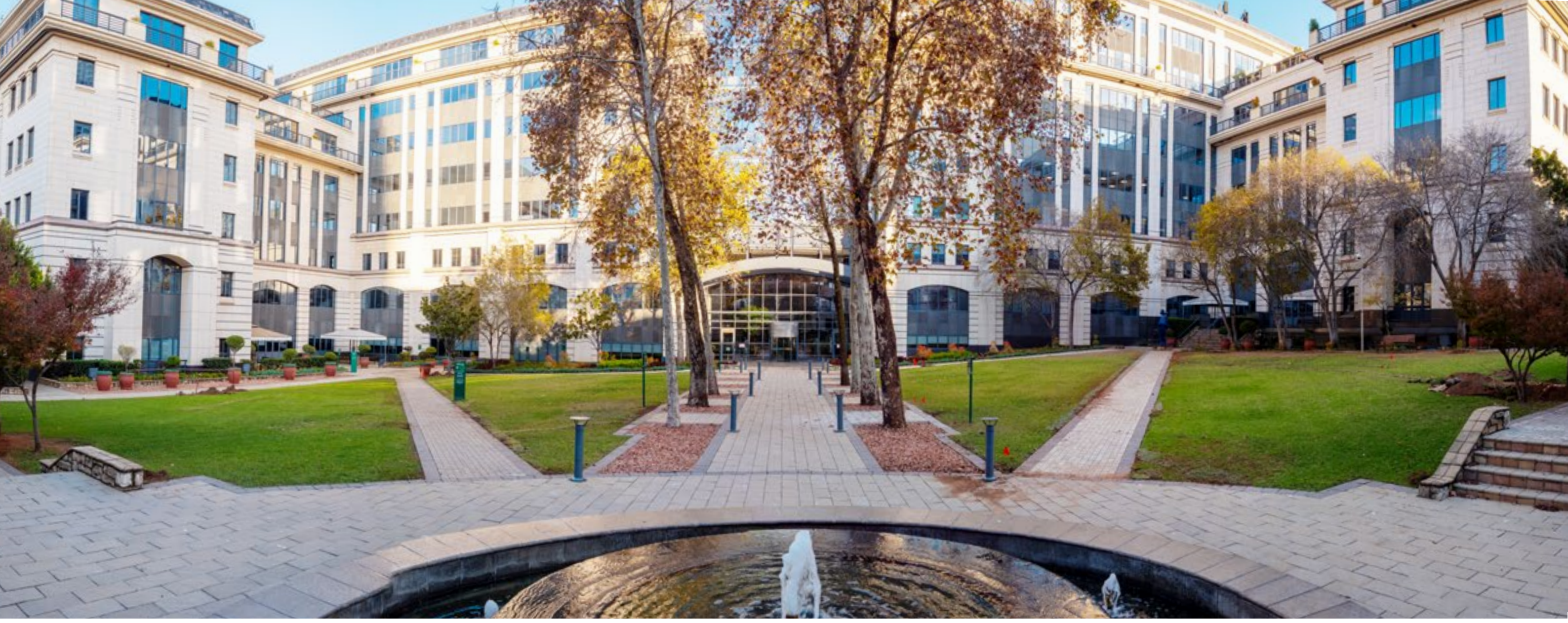
NEDBANK GROUP

Annual results

for the year ended 31 December 2024

see money differently



Contents

Financial highlights

Headline earnings
R16 934m ▲ 8%
2023: R15 650m

DHEPS
3 538 cents ▲ 11%
2023: 3 199 cents

ROE
15,8% ▲ 0,7%
2023: 15,1%

CET 1
13,3% ▼ 0,2%
2023: 13,5%

Dividend per share
2 075 cents ▲ 10%
2023: 1 893 cents

NAV per share
24 039 cents ▲ 4%
2023: 23 192 cents

CLR
87 bps ▼ 22 bps
2023: 109 bps

Cost to income
55,9% ▲ 2,0%
2023: 53,9%

Improved financial performance, while making steady progress towards meeting our ROE targets

The operating environment in 2024 remained challenging, with economic activity relatively weak as evident in SA GDP growth expectations of only 0,5% for the year when compared with 0,7% in 2023. The first 6 months were particularly difficult given geopolitical uncertainty, high interest rates and general uncertainty ahead of SA's national election. A peaceful and fair election outcome and the swift formation of a government of national unity brought cautious optimism in financial markets resulting in lower bond yields, stronger equity markets and a stronger rand, while credit default swap spreads also improved. As the environment improved gradually into the fourth quarter of the year, inflation declined further towards the low end of the SARB target range (its lowest level since the Covid-19 pandemic), the MPC cut interest rates by a cumulative 50 bps and business confidence improved. Household credit growth, however, continued to slow to 3,0% by the end of the year, and corporate credit growth increased by 5,4%, remaining relatively volatile and not yet reflective of a material improvement in fixed-investment activity.

In this context, Nedbank Group delivered an improved financial performance as headline earnings increased by 8% to R16,9bn and the group's ROE strengthened to 15,8%, from 15,1% in the prior period, reflecting steady progress towards our ROE targets. HE growth was underpinned by good NIR growth, a lower impairment charge and targeted expense management, offsetting muted NII growth given slower loan growth and margin pressure. DHEPS increased by 11%, benefiting from the share buy-back we executed in 2023. Balance sheet metrics all remained very strong, enabling the declaration of a final dividend of 1 104 cents per share, up by 8% at a payout ratio of 57%.

From a strategy perspective, a key highlight of 2024 was the fundamental completion of our Managed Evolution IT transformation, which has delivered a refreshed modern technology platform. This platform, along with our enhanced digital capabilities, supported ongoing strong digital growth, market-leading client satisfaction metrics, solid main-banked client gains, and higher levels of cross-sell. Under strategic portfolio tilt we recorded market share gains in key areas such as home loans, vehicle finance, wholesale term-lending and retail deposits. We also continued to create wider positive impacts through approximately R183bn of lending that supports sustainable development finance, aligned with the United Nations Sustainable Development Goals. The increase in renewable energy exposures of 32% to almost R40bn and Nedbank being awarded significant renewable energy mandates in Q4 2024 reinforce our leadership in this space. These achievements led to our being named SA Bank of the Year by the prestigious magazine, The Banker.

Our Target Operating Model 2.0 programme has also ended, having delivered cumulative cost benefits of R3bn through headcount reduction, real estate floor space savings and back-office optimisation, resulting in a more client-focused RBB Cluster. Under our new Transform agenda, which emerged as part of our strategy refresh in 2024, our focus is expanding to new areas of growth such as extracting commercial value from our technology investments, with an emphasis on leveraging data and AI, optimising end-to-end processes (Nedbank Intelligent Hyper Automation) and payment modernisation, cross-sell of insurance products to the Nedbank client base, diversifying our portfolio into East Africa by leveraging our strengths and capabilities in CIB, and the launch of a dedicated new offering to transform how mid-sized corporates access financial solutions through our commercial banking business, as well as building out our corporate transactional franchise.

To sharpen execution of our strategy, compete more effectively in the market, enhance cross-sell and unlock new growth opportunities, we have embarked on an organisational restructure of our RBB and Nedbank Wealth clusters, evolving into an organisational design more focused on client centricity. The new structure will see the creation of Personal and Private Banking (PPB), an individual/non-juristic focused cluster, and Business and Commercial Banking (BCB), a juristic-focused cluster. We are excited about the opportunities this will unlock, and I look forward to sharing our progress in the coming reporting periods.

Looking forward, from a macro perspective, we remain cautiously optimistic and expect the economic environment in SA to improve off a low 2024 base, although risks associated with global geopolitics and trade wars remain. SA's GDP is forecast to increase by 1,4% in 2025, inflation to remain well within the SARB target range of 3% to 6%, and the South African prime lending rate to decline by 50 bps in 2025, reaching 10,75%. Corporate lending should pick up while growth in household lending is expected to remain muted. Our improved financial performance in 2024 – together with the progress made in executing on our strategy, our new transform agenda and better economic prospects – gives us confidence that we will continue to make progress to increase our ROE* to greater than 16% in 2025, greater than 17% in the medium term and above 18% in the longer term. I am extremely comfortable with the strong foundations that Nedbank has built, including fortress capital and liquidity levels, a strong and vibrant culture, our focus on diversity, equity and inclusion, leading ESG credentials and significant investments in technology, all culminating in exciting prospects for the group.

I would like to express my gratitude to all Nedbankers for their commitment and unwavering support this past year. Thank you to our 7,6 million retail and wholesale clients who have entrusted Nedbank with serving their financial needs. We appreciate the support of the investment community, regulators and our other stakeholders. As Nedbank, we will continue to play our role in society as we fulfil our purpose of using our financial expertise to do good.

Jason Quinn
Chief Executive

* *These targets are not profit forecasts and the group's joint auditors have not reviewed or reported on them.*


2024
Annual Results
for the year ended 31 December 2024
see money differently
NEDBANK
GROUP

Notes:


Agenda
Overview
Operating environment
Strategic review
Financial overview
Outlook
Jason Quinn
Chief Executive

Notes:

2024 overview

Operating environment

- **Volatile & uncertain** – sociopolitical issues & election outcomes
- **Financial markets** – reflect cautious optimism, although rising concerns around the potential impact of US foreign policy
- **Structural reforms** – some green shoots in energy security, infrastructure projects announced, business confidence & corporate loan growth
- **Cyclical impacts** – the consumer is still under pressure & household loan growth muted. We expect a shallow declining interest rate cycle

Strategy

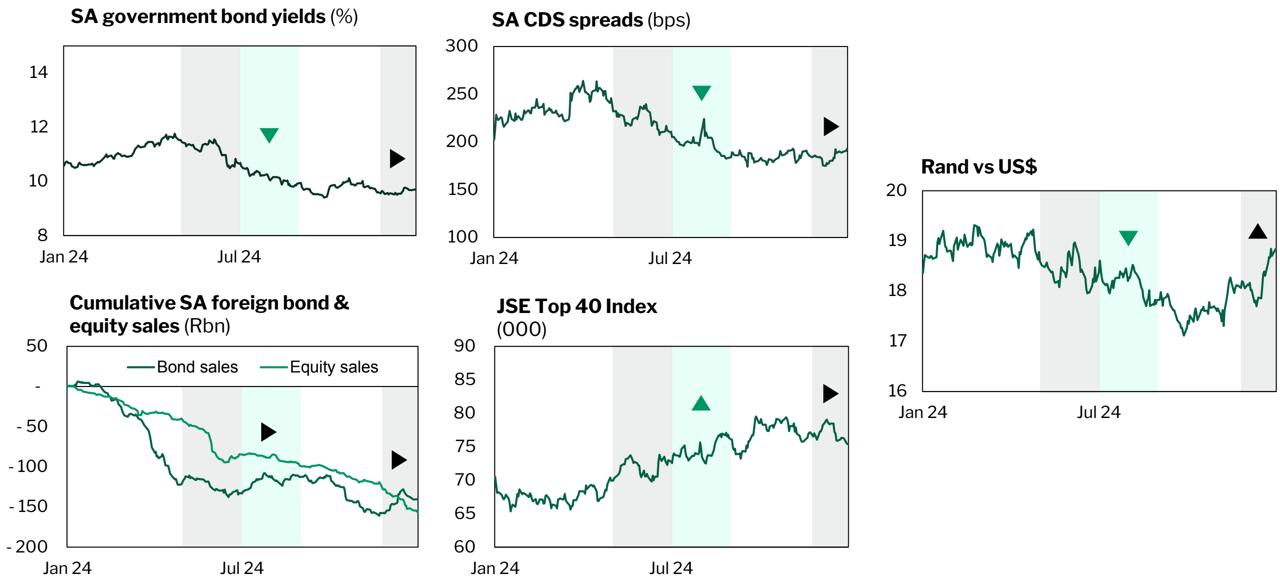
- **Strategy execution** (perform) – positive outcomes & heightened focus on execution
- **Strategy refresh** (transform) – identified exciting new opportunities that will support sustainable growth into the future

Financial performance

- **Improved financial performance** – DHEPS +11% & ROE up to 15,8%, supported by strong NIR growth, lower impairments & targeted expense management, offset by slow balance sheet & NII growth
- **Strong balance sheet** – enabling a final DPS of 1 104 cents, +8%

Notes:

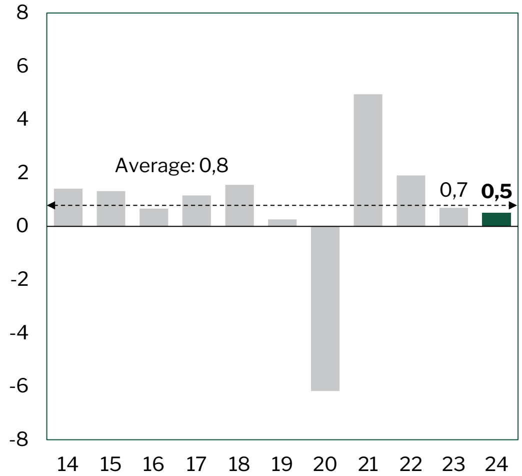
Operating environment – financial markets continue to reflect cautious optimism post the formation of the GNU, but US foreign policy poses risk



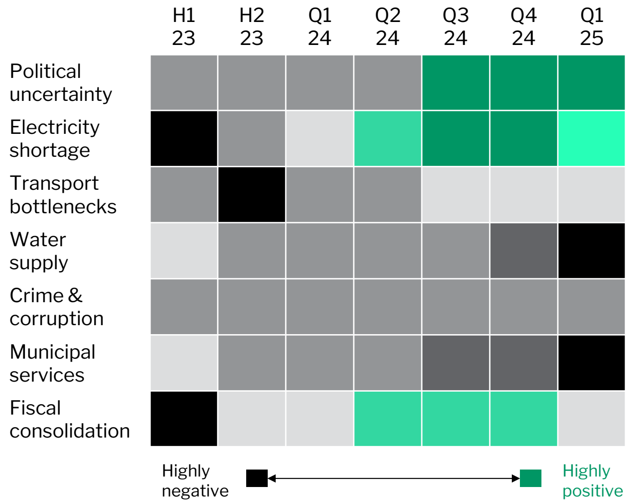
Notes:

Operating environment – 2024 was another difficult year, with SA GDP growth of only 0,5% expected. Some green shoots given progress on structural reforms

SA GDP growth
(%)



Progress on SA structural reforms[1]

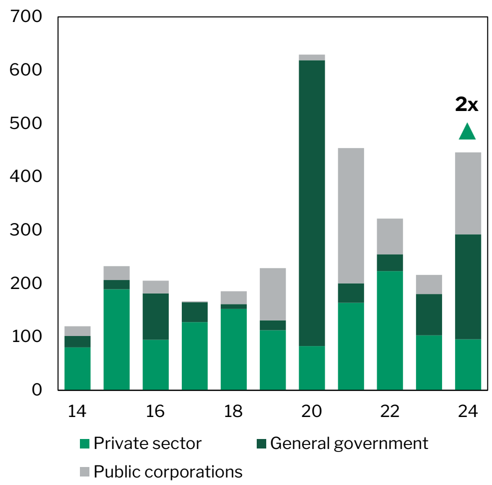


[1] *Nedbank Group Economic Unit.*

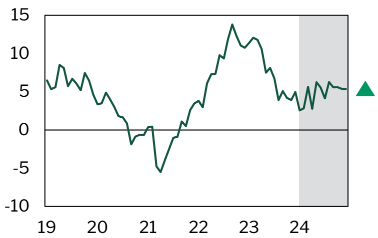
Notes:

Operating environment – progress to unlock the large SA infrastructure opportunity has been slow, but business confidence & corporate credit growth are improving

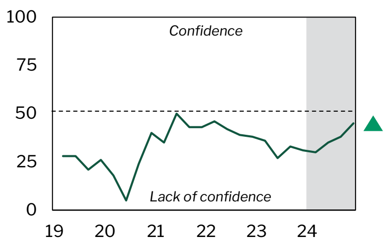
Nedbank Capital Investment Schedule[1]
(Rbn, constant 2024 prices)



Corporate credit growth



Business confidence index



R943bn

SA government infrastructure investment over the next 3 years, prioritising projects that are candidates for public-private partnerships[2]

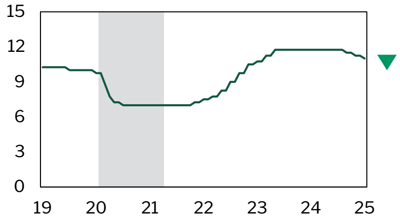
- **Energy** – REIPPP Round 7 & 8, BESS, private sector participation (PSP) in grid expansion, etc
- **Water** – NWRIA[3] investment, water boards, PSP in water projects & public-private partnership (PPP) in water treatment
- **Transport** – SANRAL, Transnet, border post PPPs, rail & port PSPs
- **Other** – construction, cement & ICT infrastructure support

Source: [1] *Nedbank Group Economic Unit.* | [2] *Bloomberg (SA Presidential UK investor roadshow).* | [3] *National Water Resource Infrastructure Agency.*

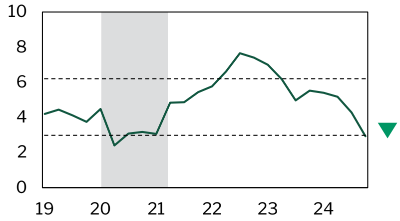
Notes:

Operating environment – the consumer is still under pressure & household credit growth muted, but the environment has become more conducive for a recovery

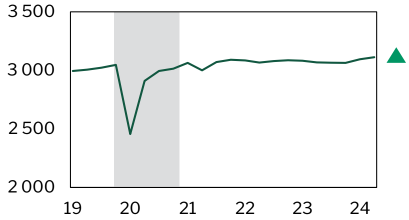
SA prime interest rate
(monthly, %)



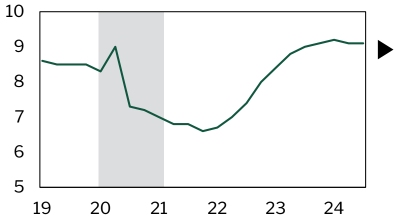
SA inflation
(monthly, %)



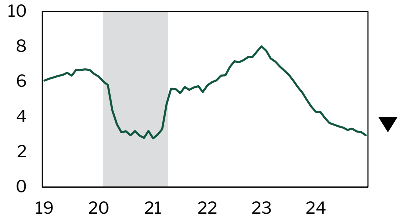
Real personal disposable income
(Rbn)



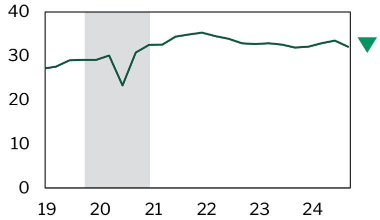
Household debt service costs
(quarterly, % of PDI)



Household credit growth
(annual, % yoy)



SA unemployment rate
(%)



Notes:

Our strategy – focused execution (perform), while leveraging our strong foundations to grow (transform)

Our purpose

To use our financial expertise to do good for individuals, families, businesses & society

Strategic value drivers

Growth | Productivity | Risk & Capital Management

Strategic value unlocks

Perform + Transform

- Digital leadership (DX)
- Market-leading client experiences (CX)
- Focusing on areas that create value (SPT)
- Growth vectors [NEW]
- Creating positive impacts (Purpose delivery)

Our employees & differentiated corporate culture (EX)

Modern technology platform

Notes:

Strategic value drivers – focused on execution across the board

Growth

- ✗ Gross banking advances: **+7%** (average: **+4**%)
- ✓ Retail main-banked clients: **+5%** to 3,7m
- ✓ NAR clients: **+14%** to 0,4m
- ✓ CIB primary bank wins: **20**
- ✓ App volumes: **+16%**
- ✓ **Eqstra** acquisition

Productivity

- ✓ **Good collection** outcomes in RBB & resolution of stage 3 loans in CIB
- ✓ **TOM 2.0 concluded**, with cumulative cost benefits of **R3,0bn** achieved
- ✓ **Branch sales productivity** (sales per employee) improved by **9%**
- ✗ Cost-to-income ratio: **55,9%**

Risk & Capital Management

Fortress balance sheet

- ✓ CET1 ratio: **13,3%** (11% to 12% target range)
- ✓ LCR: **135%** (100% reg min)
- ✓ NSFR: **116%** (100% reg min)

Credit

- ✓ CLR down to **87 bps**, well within target range (60 bps to 100 bps TTC)
- ✓ ECL coverage: **3,32%** (2019: 2,31%)

NEDBANK GROUP LIMITED – 2024 Annual Financial Results

9

Notes:

Notes:

Our strategy

Our purpose

To use our financial expertise to do good for individuals, families, businesses & society

Strategic value drivers

Growth | Productivity | Risk & Capital Management

Strategic value unlocks

Perform + Transform

- Digital leadership (DX)
- Market-leading client experiences (CX)
- Focusing on areas that create value (SPT)
- Growth vectors [NEW]
- Creating positive impacts (Purpose delivery)

Our employees & differentiated corporate culture (EX)

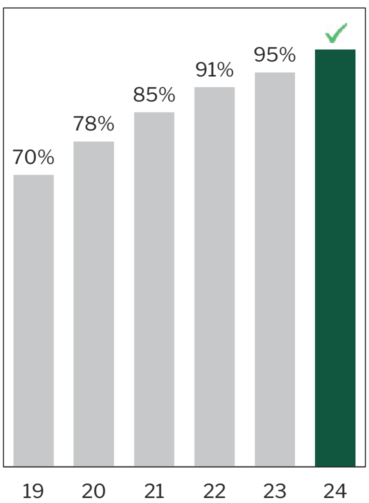
Modern technology platform

NEDBANK GROUP LIMITED – 2024 Annual Financial Results 11

Notes:

Modern technology platform – Managed Evolution IT build completed (fundamentally within scope, time & budget)

Managed Evolution completion



Core banking ✓	Modernised our transactional product, lending & deposit systems
Strategic payments ✓	Modernised our payment engine (domestic & global), incorporated basic value-added services (eg electricity), etc
Data ✓	Implemented a single data store, enhanced regulatory reporting, AI, robotics process automation
Client systems ✓	Digitised our top 10 individual product journeys, self- & staff-assisted client service capabilities, & enhanced AML
Foundations ✓	Implemented foundational capabilities* to build future tech – ERP, Client 360, SOA, ECM, BPM, Agile, Security

Total ME programme spend
R11,7bn

Core to bank systems
250 → < 60

Processing
Batch → 24/7 real time

Systems uptime
99,8%
(2023: 99,6%)

NEDBANK GROUP LIMITED – 2024 Annual Financial Results

* Enterprise resource planning (ERP); service-oriented architecture (SOA); enterprise content management (ECM); business process management (BPM).

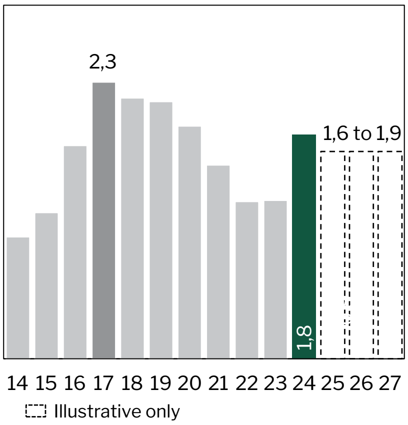
12

Notes:

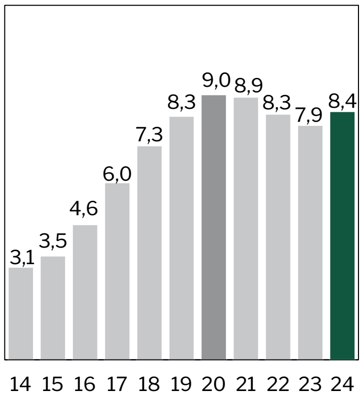
Managed Evolution IT build programme – cash flow spend peaked in 2017 at R2,3bn & intangible software assets peaked in 2020 at R9bn, while benefits are being realised according to plan

Additional info

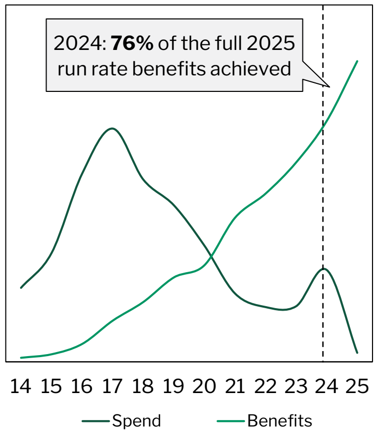
IT software development spend
(Rbn annual cash flow)



Intangible software assets on the balance sheet (Rbn)



Investment vs benefit realisation to date (%)



Notes:

Digital leadership – ongoing benefits from our ME technology investment while unlocking new productivity & commercial opportunities

Perform

Client onboarding

Fully digital
Seamless FICA-compliant onboarding of individual & juristic clients

Digital servicing

> 200
Individual services on Eclipse & Money app

> 400
Juristic services on Nedbank Business Hub

Digital product sales

▲64%
% of new sales
(2020: 28%)
Target: >75%

Enhanced client experiences

#1
NPS
(2020: #2)
Target: #1 among large SA banks (all clients)

TOM 1 & 2 savings
cumulatively
R5bn
(since 2020)

Product optimisation

Transactional	Investment	Lending
▼60%	▼80%	To be determined

Planned reduction in # of products

Transform

Leverage artificial intelligence

- **Intelligent Hyper Automation (NIHA)** – harnessing the power of AI, GenAI, machine learning & robotics to drive innovation & sustainable value creation
- **Digi 2.0** – revolutionise our app to create leading next generation, hyper-personalised contextual experiences
- **Benefits** – improve CX, increase revenues, streamline work processes & optimise costs

Data commercialisation

- **Dedicated data & analytics team**
- **>50 AI use cases** across credit scoring, cross- & up-sell, fraud analytics, digital marketing, etc
- **Benefits:** increase in revenue, lower costs & impairments

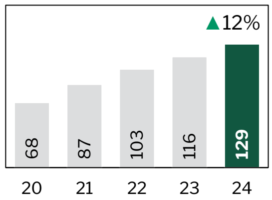
Harmonisation

- **NAR** system convergence

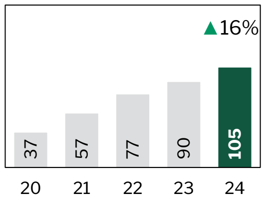
Notes:

Digital leadership – digital activity & usage continue to grow strongly, while increasingly differentiating Nedbank in the market

Digital transaction volumes
(# m)

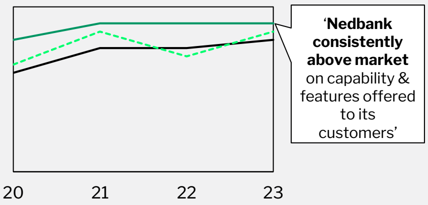


App transaction volumes
(# m)

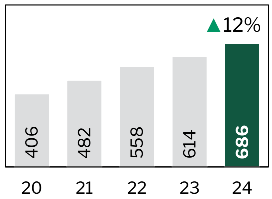


Capability
Servicing features offered (%)

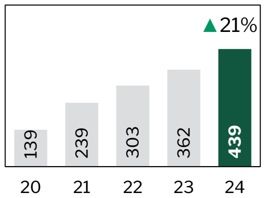
Additional info



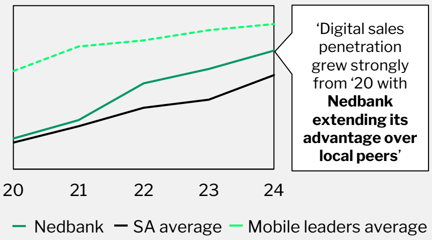
Digital transaction values
(Rbn)



App transaction values
(Rbn)



Digital sales contribution
(%)



NEDBANK GROUP LIMITED – 2024 Annual Financial Results

Source: 2023 & 2024 Finalta Survey (McKinsey & Company).

15

Notes:

Growth vectors – as part of our strategy refresh we identified various growth initiatives that will deliver incremental benefits in the medium-to-long-term

Transform

Insurance cross-sell

- **Grow & cross-sell our insurance products** (both traditional bancassurance & new solutions such as the MyCover suite) into the Nedbank client base, by improving client penetration from around 19% to >30% & thereby growing gross earned premiums (GEP) by more than 50% in the medium term.

GEP growth **>50%**

Portfolio diversification

- **Grow our presence in East Africa through a CIB-led approach** by deepening our sector-led coverage of priority countries & investing in product capabilities. Grow the contribution in CIB from around 15% to >20% over the medium term. In addition, we will explore inorganic growth opportunities that play to our strengths & can contribute to our strategic intent.
- **Mid-Corp** – dedicated new offering to transform how mid-sized corporates access financial solutions with financial advisory & sector-specific expertise.

CIB Africa GOI **>20%**

Other (examples)

- **Leverage our modern technology platform** – including Nedbank Intelligent Hyper Automation (NIHA), data commercialisation & Martech (embed data-driven marketing & scale individual client offers).
- **Payment modernisation** – create a fully interoperable enterprise payment service hub that optimises the cost to serve, increase innovation cadence, respond to open-finance opportunities & unlock competitive advantage.

NEDBANK GROUP LIMITED – 2024 Annual Financial Results

16

Notes:

Strategic portfolio tilt – profitable market share gains in areas that create value

BA900 market share (%)	Dec 23	**Dec 24**	Yoy change
Total core loans	18,8	**19,2**	▲
Wholesale term loans	16,0	**16,2**	▲
Commercial mortgages	36,0	**35,9**	▶
Home loans	14,4	**14,7**	▲
Retail vehicle finance	35,1	**35,9**	▲
Retail overdraft	15,1	**14,4**	▼
Personal loans	11,0	**10,1**	▼
Credit card	10,0	**9,2**	▼
Retail deposits	16,4	**16,8**	▲
Commercial deposits	15,8	**15,4**	▼

Perform

- **Leverage our strengths** – energy**,** infrastructure, mining & resources, commercial mortgages & vehicle finance (MFC)
- **Turnaround in retail lending market share losses** – gains in home loans
- **Prudent credit granting** – in personal loans in a difficult macroeconomic environment
- **Turnaround in deposit market share losses** – consistent gains in retail deposits

Transform

- **Scale retail lending market share** – home loans, personal loans, overdrafts & card to >16% over time
- **Focus on growing transactional deposits** through enhanced cross-sell & client primacy
- **Leverage our strengths in CIB** – to accelerate growth in East Africa & in key sectors
- Build out the **Corporate Transactional Banking franchise**

Total core loans include retail & corporate loans, excluding foreign currency loans, resale agreements, interbank & preference shares. | Retail deposits, a common lens used in the industry, is the sum of BA900 lines 26, 27, 28 & 35.

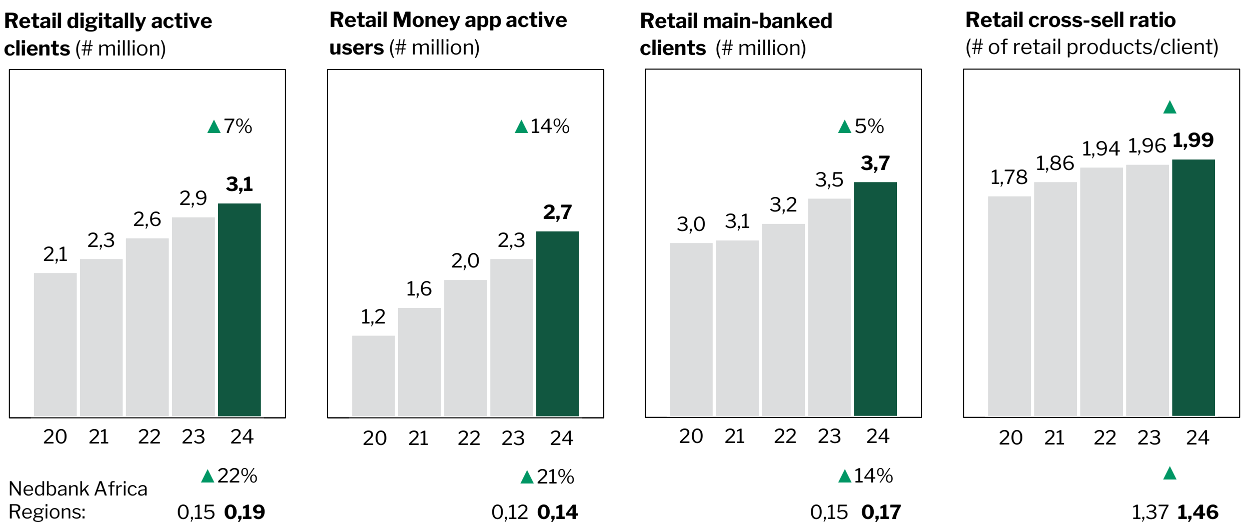
NEDBANK GROUP LIMITED – 2024 Annual Financial Results

17

Notes:

Strategic portfolio tilt – leveraging digital penetration to build stronger franchises, grow main-banked clients & achieve higher levels of cross-sell

Additional info



NEDBANK GROUP LIMITED – 2024 Annual Financial Results

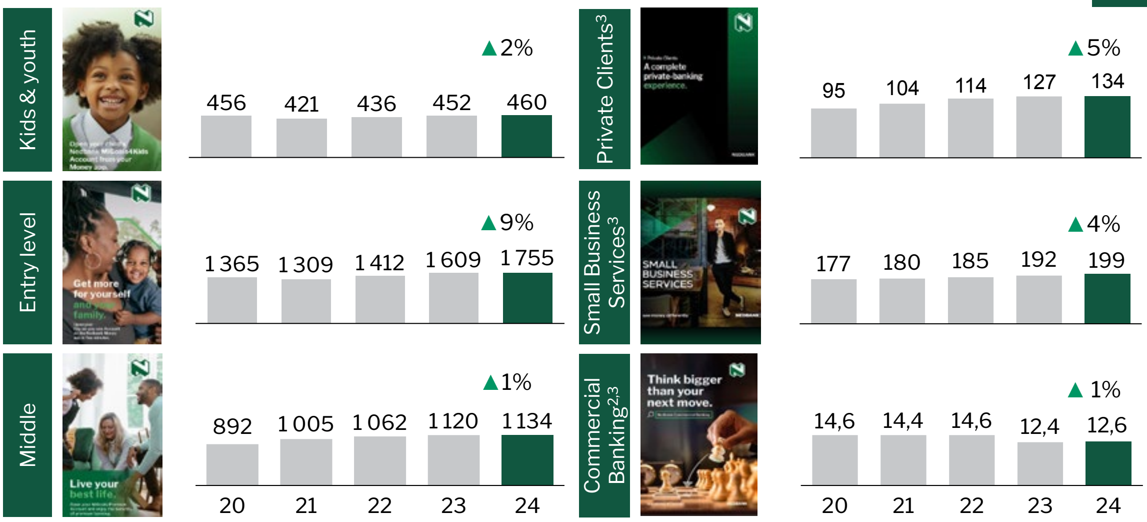
18

Notes:

Main-banked growth sustained across segments

Additional info

Main-banked clients[1], # 000



[1] Definition of main-banked: Clients who achieved a minimum deposit or a number of quality transactions on average per month over 3 months. Consumer: Non-individuals; RRB: Non-resident & Embassy Banking not shown. | [2] Client groups with gross operating income contributions in excess of R500 pm . | [3] 2023 numbers in Private Clients, SBS & Commercial Banking have been restated to account for client migrations that took place in 2024.

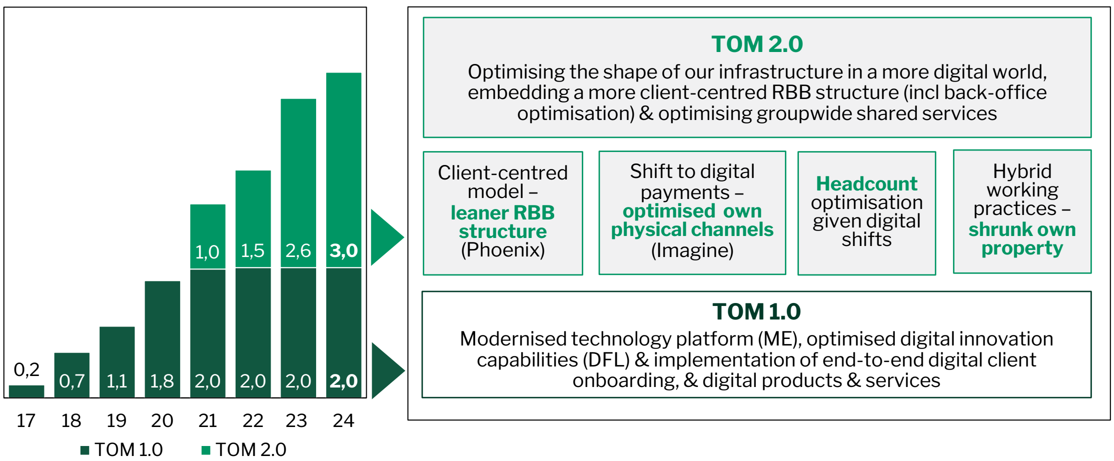
NEDBANK GROUP LIMITED – 2024 Annual Financial Results 19

Notes:

Target operating model – programme concluded at the end of 2024, with a focus on productivity, real estate optimisation & efficient back offices. Benefits from automation will continue

Additional info

Cumulative TOM benefits
(Rbn)



NEDBANK GROUP LIMITED – 2024 Annual Financial Results 20

Notes:

Productivity gains – we continue to unlock productivity gains through Project Imagine branch design. Service employees now contribute 23% of sales (from 0%)

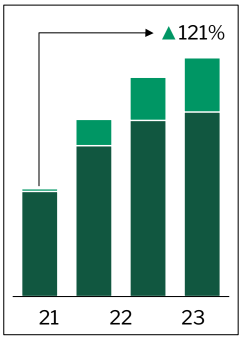
Additional info

2023 Finalta survey[1]
(yoy change)

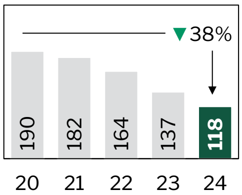
Sales per 1k active clients	▲ 33%
Branch sales per branch FTE	▲ 62%
Branches per active 10k clients	▲ 1%
Branch FTE per 10k active clients	▼ 0%

[1] Global survey conducted by McKinsey – 2023 v 2022.

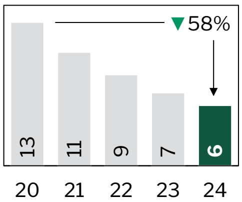
Branch employee sales
(Sales/role/day)



Branch floor space
(sqr metres)



Teller activity
(# million)



Imagine branch conversions (% of total)

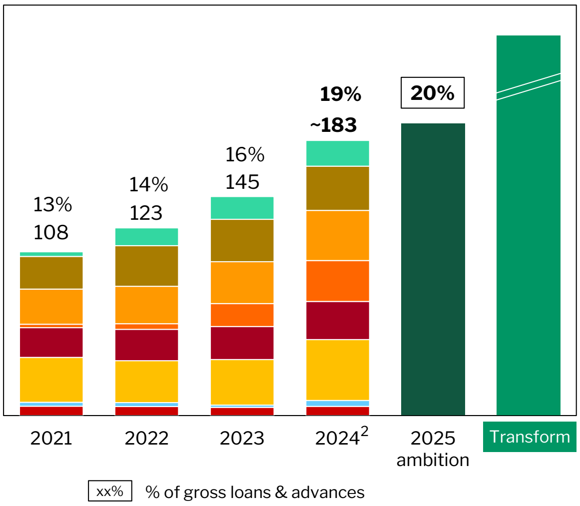
▲ **92%**

(2023: 71%)

Notes:

Creating positive impacts – ~R183bn sustainable development finance (SDF)

Sustainable development finance exposures[1] (Rbn)



R33bn for green certified buildings & affordable home loans

R29bn support for farmers & the agriculture sector

R17bn sustainable finance across multiple SDGs (CIB clients)

R4bn financing for clean water & sanitation

R40bn total renewable energy exposures

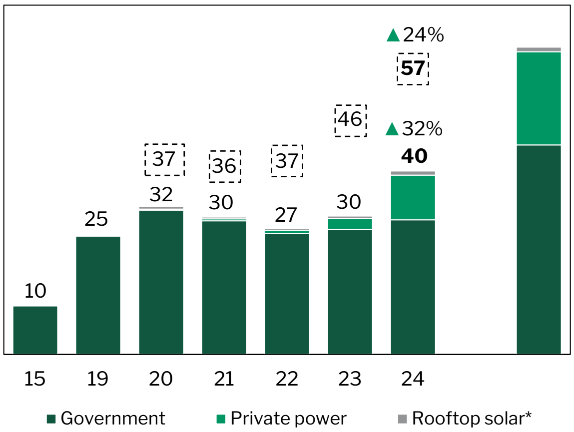
R25bn lending exposure to small businesses & their owners

[1] By the end of 2025, it is our ambition to have increased our SDF exposures to around 20% of the group's total gross loans & advances, achieved through support of more than R150bn in new SDF that is aligned with the SDGs (from our 2021 base). [2] SDF in 2024 includes R10bn of infrastructure finance (SDG 9) that meets the SDG criteria & was not included in prior years.

Notes:

Creating positive impacts – building on our leadership in renewable energy: exposures up by +32% to almost R40bn & significant new business wins

Renewable energy financing
(drawn exposures, limits, Rbn)



Nedbank has supported **4,8 GW** of REIPPPP & private power projects to date

R30bn in awarded facilities[1]

Strong activity in 2024 with **12** private power generation deals closed (1,4 GW)

Good pipeline of deals & **cross-sell** will support book growth over the medium-term

Government pipeline

- Mandated lead arranger for **7/8** projects awarded under REIPPPP Round 7 (1,5 GW solar)
- Mandated lead arranger for **7/8** projects awarded under BESS Round 2 (0,5 GW)

Project pipeline	Mandated	Closing in 2025	Awarded value
REIPPPP R7	7 (1,5 GW)	7 (1,5 GW)	R15bn
BESS R2	7 (0,5 GW)	7 (0,5 GW)	R6bn
Private generation	8 (1 GW)	8 (1 GW)	R9bn

[1] Some renewable energy financing could be distributed. In 2024 we distributed R1,95bn of renewable lending to a broad institutional base. Cumulative energy risk distribution to date totalled ~R8,8bn.

NEDBANK GROUP LIMITED – 2024 Annual Financial Results 23

** Rooftop solar understated given use of access bonds.*

Notes:

Creating positive impacts – ESG highlights & ratings

2030 finance emission targets set (thermal coal ▼**47%**, oil & gas ▼**26%** & power generation **cap: 165gCO_2 e/kWh**)

Nature Position Statement published (1st SA bank)

Inaugural Climate Position Statement published for our asset management business

83% ACI representation (78% in 2019, 82% in 2023)

African senior & middle management representation ▲**4%** (vs 2023)

Deposit insurance implemented (>R100bn covered deposits)

>3 500 unemployed youth (YES) recruited (> 13 500 since 2019)

2024 Euromoney Awards – **World's Best Bank for Diversity & Inclusion**

Cash taxation payments[1] of **R15bn** up by 14%

Independent ESG ratings of Nedbank

MSCI	AAA	**Top 9%** of global banks
Sustainalytics	14,4	**Top 8%** of diversified banks
S&P Global	63	**Top 10%** of global banks
ISS ESG	C	**Top 10%** of all global banks
FTSE Russell / FTSE4Good	4,0	**Top 26%** of global banks

[1] Tax payments relate to direct, indirect & employee taxes, as well as other taxation.

NEDBANK GROUP LIMITED – 2024 Annual Financial Results 24

Notes:

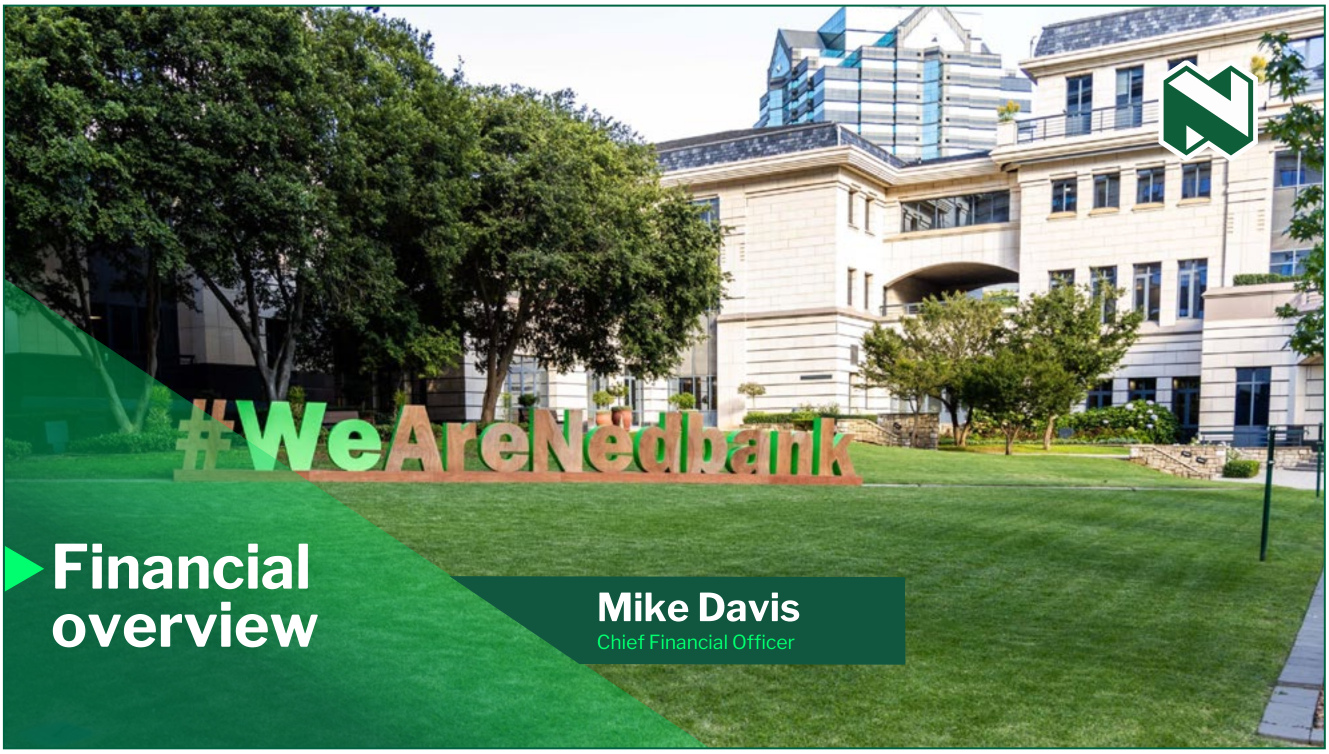
External recognition received in 2024 – across business excellence, technology & innovation and purpose & ESG

Additional info

2024 The Banker Magazine **Bank of the Year Award for South Africa** (winner)	2024 Global Banking & Finance Review **Best SME Bank (South Africa)** (winner)	2024 City of London Wealth Management Awards **Best Private Bank in the UK** (winner)	2024 Euromoney Awards **Best Digital Bank Africa & SA** (winner)	2024 Global Banking & Finance Review **Best Bank for Sustainable Development (South Africa)** (winner)	2024 Global Finance Magazine Awards **Best Bank for Sustainable Finance (South Africa)** (winner)
2024 Global Banking & Finance Review **Best Sub-Custodian Bank (South Africa)** (winner)	2024 Global Banking & Finance Review **Best Retail Bank (South Africa)** (winner)	2024 Kruthum Top Private Banks and Wealth Managers Survey **People's Choice Private Bank** **Top Private Bank** (2nd place)	2024 Digital Banker Africa Awards **Best Digital Bank South Africa** (winner)	2024 EY Excellence in Integrated Reporting Awards **Top 100 JSE-listed companies** (overall winner)	2024 Environmental Finance **Best Financial Inclusion Services Provider in SA** (winner)
2024 Global Banking & Finance Review **Best Investment Bank (South Africa)** (winner)	2024 The Digital Banker Awards **Best Bank for Transaction Banking Services (Africa & SA)** (winner)	2024 Bonds, Loans and ESG Capital Markets Africa Awards **Corporate Bond Deal of the Year** (joint winner)	2024 Global Banking & Finance Review **Best Digital Bank Mozambique** (winner)	2024 Black Business Awards **Transformation Champion Award** (winner)	2024 Forbes World's Best Employers **Best Employer South Africa** (2nd place)
2024 Bonds, Loans and ESG Capital Markets Africa Awards **Power Finance Deal of the Year** (joint winner)	2024 Forrester Awards **Customer-Obsessed Enterprise Award (EMEA)** (winner)	2024 Morningstar Awards **Best Flexible Fund** (winner)	2024 The Asian Banker MEA Awards **Best Growth Strategy and Digital Banking in MEA** (winner)	2024 Global Finance Magazine Awards **Best Bank for Green Bonds (Africa)** (winner)	2024 Euromoney Awards **The World's Best Bank For Diversity and Inclusion** (winner)

■ Business-impact- & expertise-related ■ Technology- & innovation-related ■ Purpose- & ESG-related

Notes:



Notes:

Key drivers – the negative impacts of a difficult & volatile operating environment in 2024, offset by good strategic delivery

Operating environment

	H1	H2		H1	H2
Global geopolitical environment	▲	▲	SA household credit growth	▼	▼
SA political & social environment	▲	▶	SA corporate confidence/credit growth	▶	▲
SA economic activity	▼	▶	Currency (rand)	▲	▼
SA inflation	▼	▼	Competition	▲	▲
SA interest rates	▶	▼	Regulation	▶	▶

Strategic delivery

	2024
Technology/ Digital (DX)	▲
Cross-sell, main-banked client gains/ market share (SPT)	▲▼
Client experiences	▶
Efficient execution/ productivity	▶
Creating positive impacts	▲

Notes:

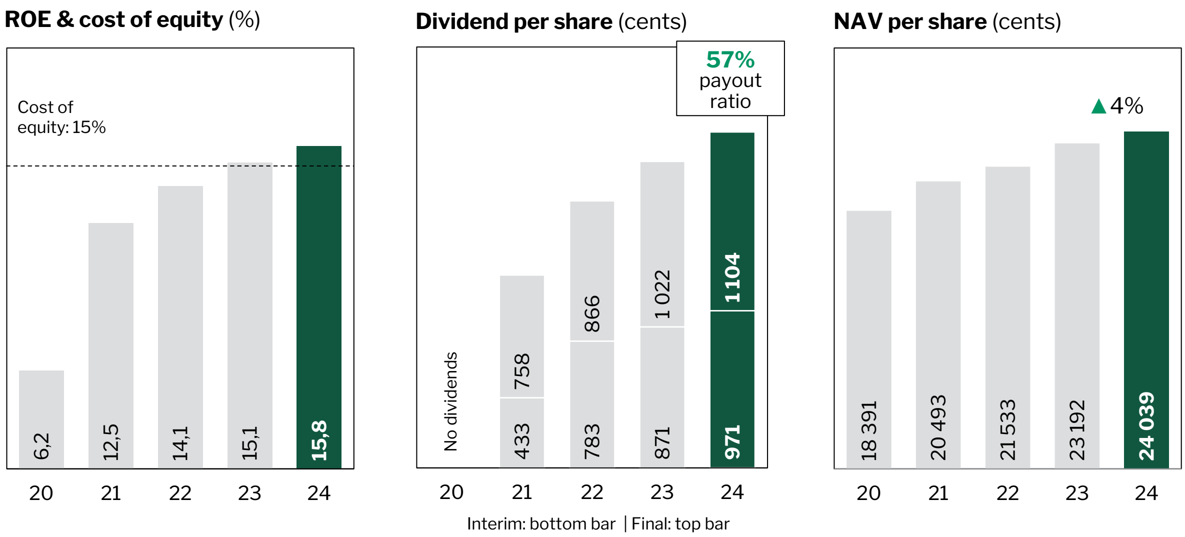
Improved financial performance & steady progress towards higher ROEs, while maintaining a strong balance sheet

Headline earnings	ROE	Gross banking advances	CET1 ratio	LCR
▲8% R16,9bn	15,8% (23: 15,1%)	▲7% R944bn	13,3% (23: 13,5%)	135% (Q4 23: 135%)

DHEPS	CLR	Deposits	Full-year dividend per share	NSFR
▲11% 3 538 cents	▼87 bps (23: 109 bps)	▲8% R1 175bn	▲10% 2 075 cents	116% (Dec 23: 117%)

Notes:

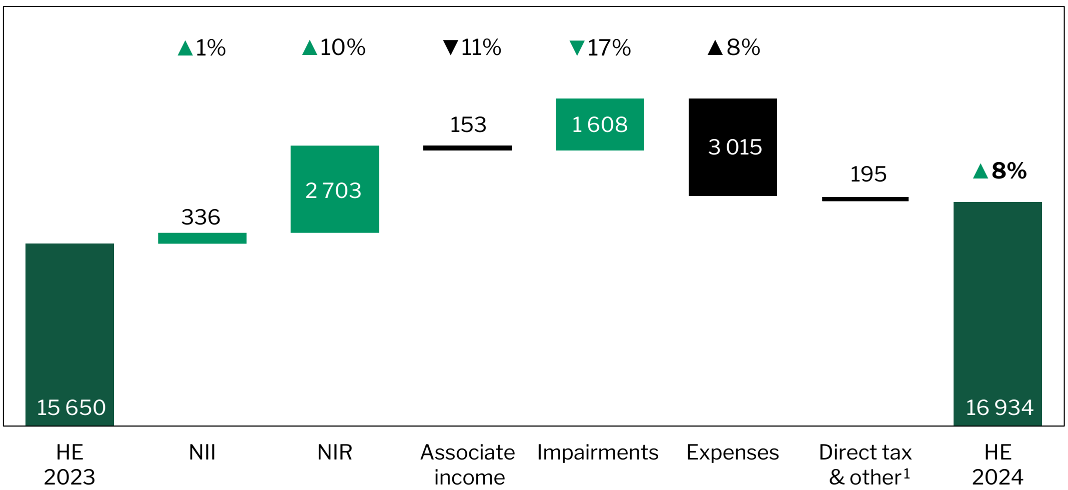
Shareholder value creation – continued improvement in ROE, supporting a final 2024 dividend at the top of our payout ratio



Notes:

Headline earnings up by 8% – driven by strong NIR growth & lower impairments, offset by slow balance sheet & NII growth

Headline earnings (Rm)

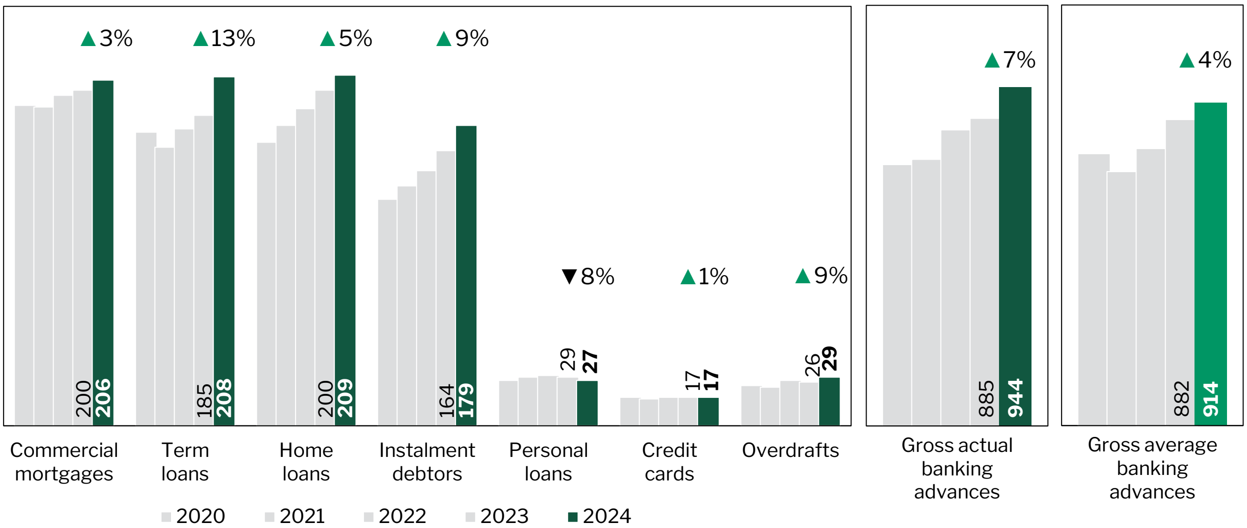


[1]Other includes indirect tax and minority & preference shareholders.

Notes:

Banking advances – actual banking advances grew at +7%, faster than average banking advances at +4%

Gross banking advances (Rbn)

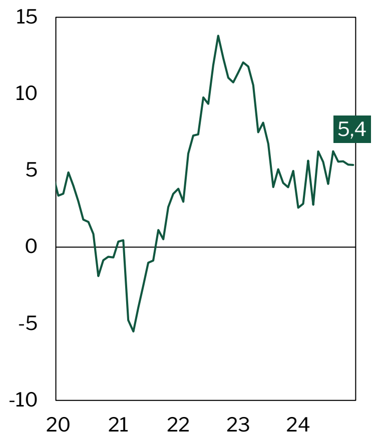


Notes:

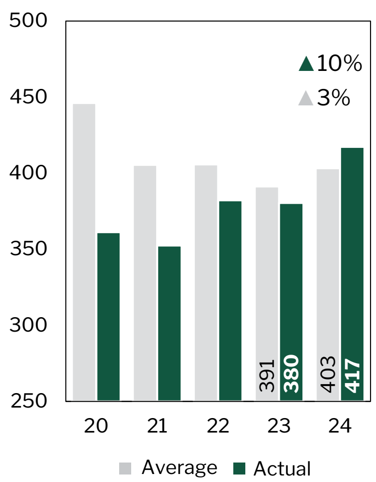
Banking advances – CIB's actual banking advances growth of 10% exceeded average growth on the back of a strong Q4 2024 performance

Additional info

Corporate industry credit growth[1] (% yoy)



CIB gross actual & average banking advances (Rbn)



Investment Banking

- Growth in key sectors, with actual advances up by 14%
- Strong Q4 2024 performance
- Robust pipelines, particularly in energy

Property Finance

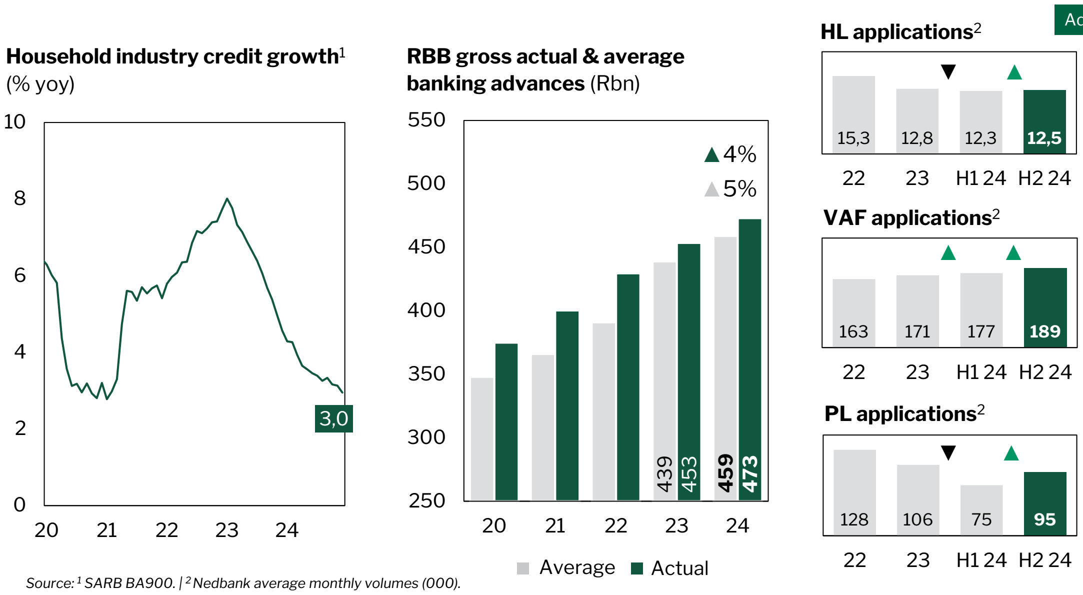
- Actual advances up by 7%
- Improved activity post the start of the downward rate cycle
- Further growth expected

Source: [1] *SARB BA900.*

Notes:

Banking advances – RBB's actual advances growth was modest at 4%, but still ahead of industry credit growth which continued to slow throughout 2024

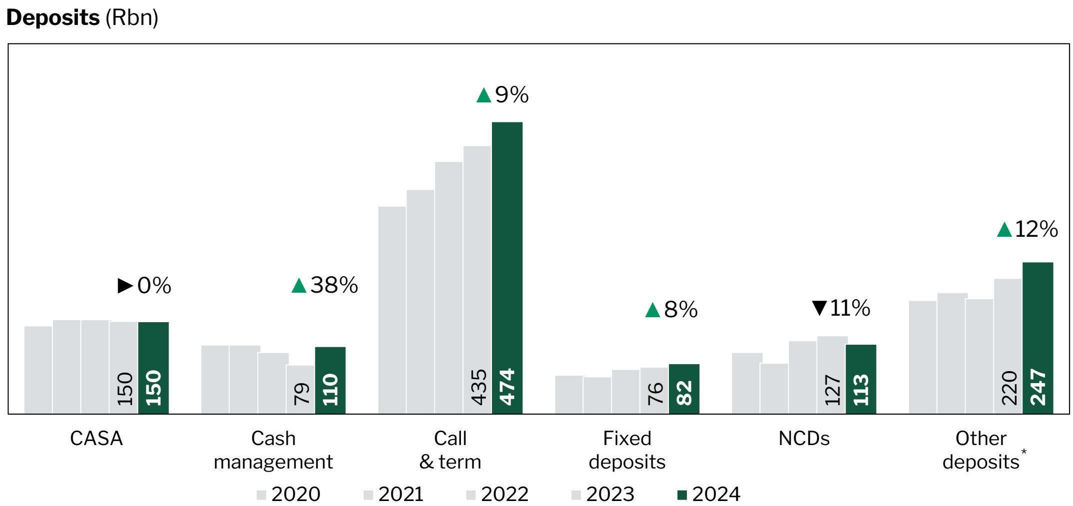
Additional info



Source: [1] SARB BA900. | [2] Nedbank average monthly volumes (000).

Notes:

Deposits up by 8% – driven by clients extending tenure in the current interest rate environment & Nedbank's competitive offerings

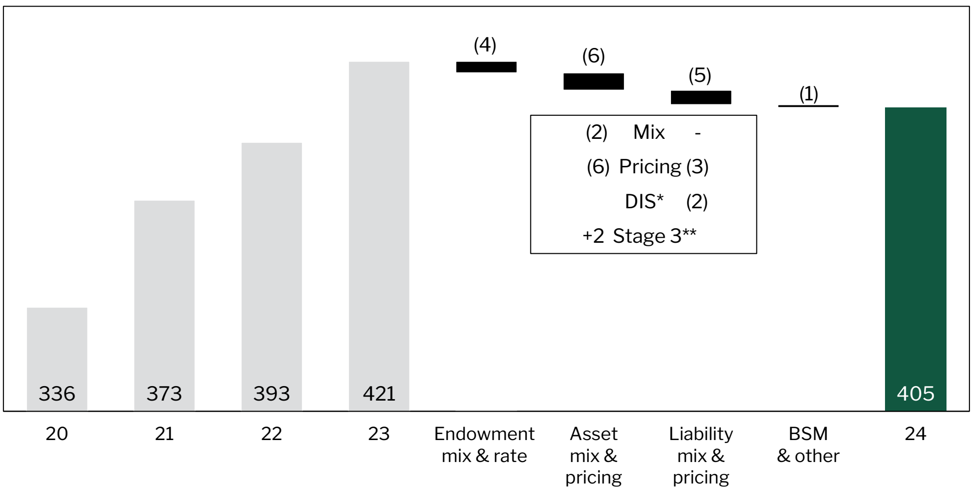


Other deposits growth was driven by an increase in step rate deposits & other alternative funding as well as an increase in structured notes. Cash management deposits growth mainly due to higher government deposits.

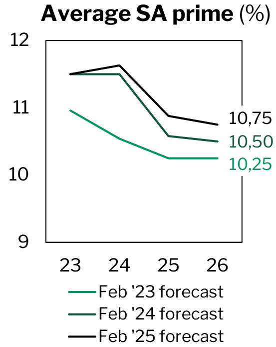
Notes:

NII up by 1% – AIEBA growth of 5% offset by NIM compression of 16 bps

Net interest margin (bps)



Average SA prime (%)



NII sensitivity for 1% change in interest rates: **R1,5bn**

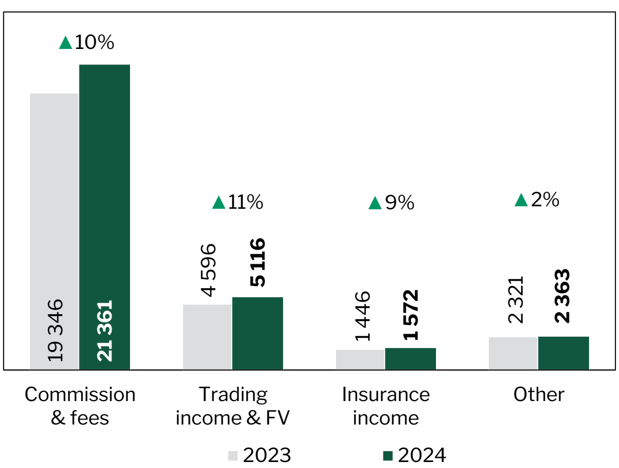
** The impact of the Deposit Insurance Scheme (DIS) premium & levy is included in liability mix & pricing.*
*** Stage 3 interest reversal.*

NEDBANK GROUP LIMITED – 2024 Annual Financial Results 35

Notes:

NIR up by 10% – solid growth across commission & fees, trading & insurance

Non-interest revenue & income[1] (Rm)



- **Commission & fees** – driven by deal closures in CIB, as well as strong growth in maintenance fees, VAS & card in RBB
- **Trading & fair value** – supported by 13% growth in Markets due to a strong performance in debt securities, growth in equities & FV gains on inflation linked products
- **Insurance** – positive actuarial reserve releases, higher shareholder returns & improved claims experience in non-life, offset by lower traditional bancassurance volumes
- **Eqstra** – acquisition in June 2024 (R863m not in the 2023 base). Excluding Eqstra, NIR growth was 7% & commission & fee growth was 6%

[1] Represents fair-value adjustments from hedge-accounted portfolios, equity investment income, sundry income & investment income.

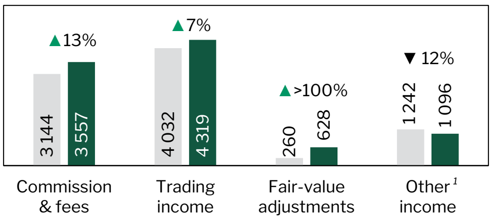
NEDBANK GROUP LIMITED – 2024 Annual Financial Results 36

Notes:

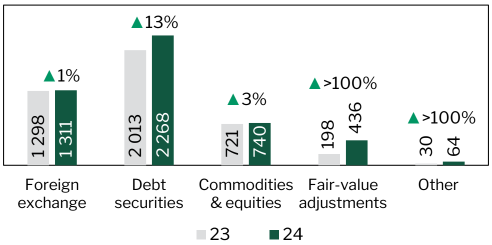
CIB NIR growth – a strong 2024 performance

Additional info

Non-interest revenue (Rm)

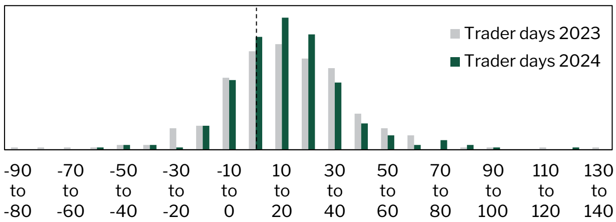


Markets NIR breakdown (Rm)



- **Commission & fees** – higher arranging fees in growth sectors
- **Trading income & FV gains up by 13%**
  - Debt securities up 13% & equities up 5% despite challenging macroeconomic conditions across asset classes & continued pressure on equity volumes
  - FX revenue up 1%, muted due to client activity
  - Positive fair-value gains on inflation linked products
  - Trading income distribution moving to the right
- **Other income**
  - Equity investment portfolio income[2] of R921m (Dec 23: R960m)

Daily trading income distribution (Rm)



[1]Other income includes equity investment portfolio income, sundry income and investment income. [2]Equity investment portfolio income includes revaluations and dividends. Including gains of associate companies, the portfolio income grew by 3%.

Notes:

Insurance – continued strong growth in the MyCover suite & digitally active client base

Additional info

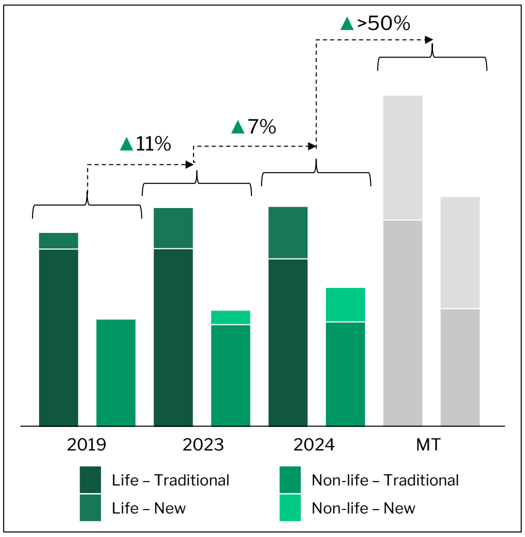
Digitally active client base growth of >50%

Credit life cover integrated in the digital Retail journeys, increasing digital sales volumes

Launched **personalised offers** leveraging deep data insights to target existing Retail clients

Continued **investment** in product, channel & service enablement

Gross earned premium (Rm)



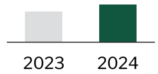
MyCover Funeral

MyCover Personal Lines

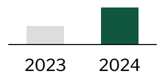
MyCover Life

Gross earned premium

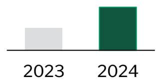
▲24%



▲>100%



▲94%

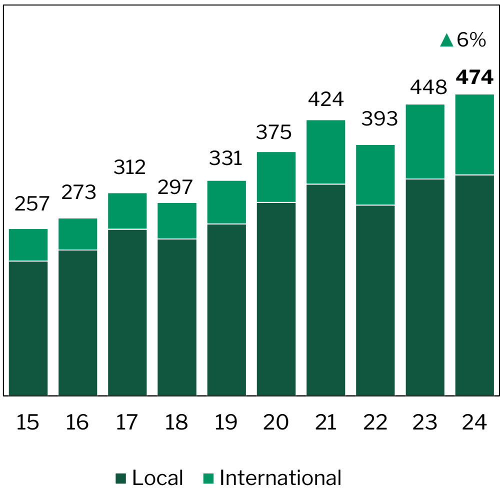


Notes:

Asset Management – good growth in NIR, driven by increased AUM on the back of positive market movements

Additional info

Assets under management (Rbn)



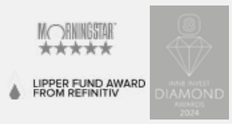
Launch of **Global Strategic Bond Fund** (US$110m in AUM)

ASISA rankings

- **SA** – 8th largest in total AUM (7% market share)
- **International** – 3rd largest in total AUM (9% market share)

R5,3bn net flows into low-cost Core & Select ranges

Outstanding industry recognition

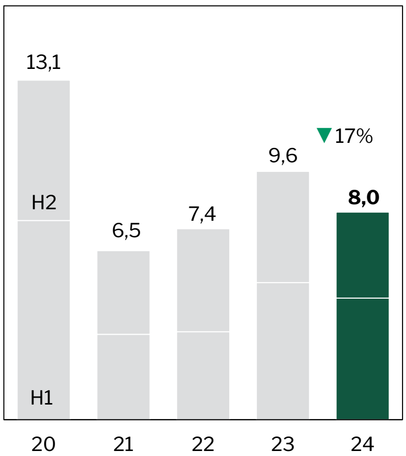


Implementation of **OECD Pillar 2** global tax rate

Notes:

Impairment charge down by 17% to R8,0bn – driven primarily by a decline in RBB & CIB impairments

Impairment charge (Rbn)

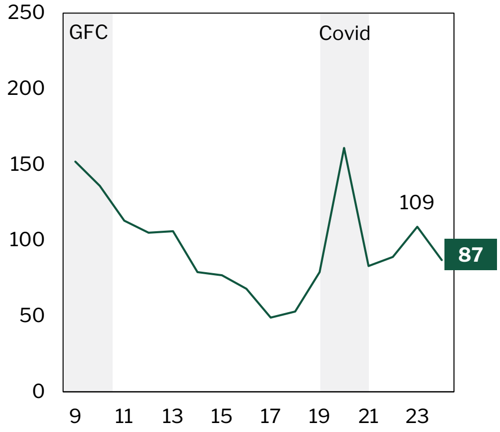


- **RBB impairments down by 15%**
  - Consumer pressure still elevated, but the environment improved into H2 2024
  - Management interventions delivering benefits, including better collections, loan origination & policy tightening in some products
- **CIB impairments down by 39%**
  - Supported by R10bn decline in stage 3 loans
- **NAR impacted by additional provisions** for country-specific risks
- **Central provision** released as risks are now in cluster models & overlays. Total overlays of R0,8bn (Dec 2023: R1,1bn)

Notes:

Group CLR down to 87 bps – back within target range

Credit loss ratios (bps)

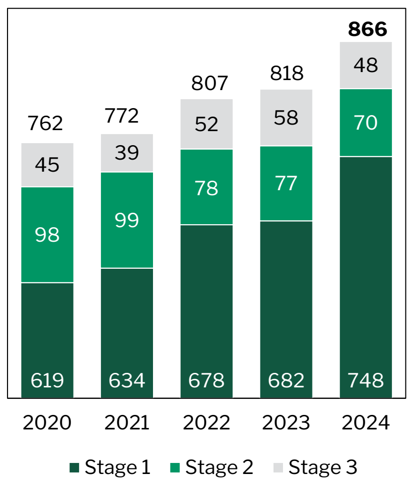


	24	23	22	21	20	TTC
CIB	**14**	**24**	**22**	**42**	**82**	**15–45**
CIB excl CPF	13	6	17	53	103	
CPF	16	47	28	30	54	
RBB	**158**	**194**	**161**	**134**	**240**	**120–175**
NCB	34	67	11	(21)	110	50–70
Retail	188	227	200	175	275	130–200
HL	66	80	33	(9)	64	
VAF	201	183	192	146	269	
PL	825	1 025	918	982	1 062	
Card	213	566	490	633	897	
Wealth	**(2)**	**12**	**(20)**	**9**	**64**	**20–40**
NAR	**126**	**100**	**102**	**72**	**185**	**85–120**
Group	**87**	**109**	**89**	**83**	**161**	**60–100**

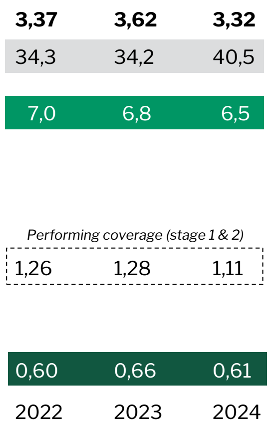
Notes:

Gross loans & advances & coverage – large increase in stage 1 loans & significant reduction in stage 2 & 3 loans

Gross loans & advances (Rbn)



Coverage (%)[1]



- **Stage 1 loans**
  - Increase driven by book growth & loan migrations from stage 2 & 3
- **Stage 2 loans**
  - Decrease due to stage migrations
- **Stage 3 loans**
  - CIB stage 3 loans down by R10bn
  - RBB stage 3 loans flat
  - Stage 3 coverage impacted by mix change & reflects our highly collateralised book

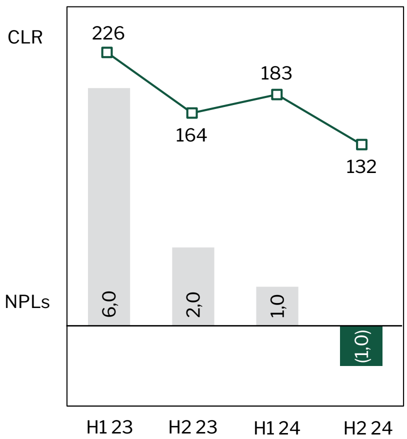
[1] *Total balance sheet ECL includes FVOCI & off-balance-sheet ECL, whereas ECL coverage excludes FVOCI & off-balance-sheet ECL.*

Notes:

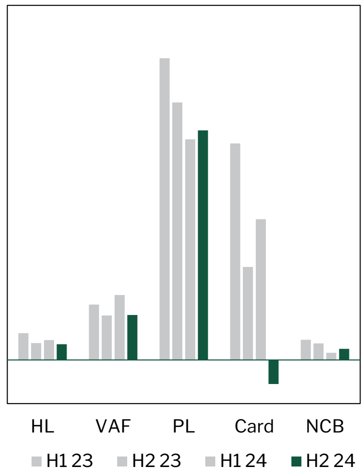
RBB impairments – an improving macroeconomic environment & decisive management actions over the past 2 years delivering benefits

Additional info

RBB stage 3 loans (hoh change, Rbn)
RBB CLR (%)



Business & product level CLRs (%)



Key drivers

- **Home loans** – stage 3 inflows reducing, but remain elevated due to long work-out periods
- **Vehicle finance** – reduced strain in H2 2024 from taxi exposures (small book) & stabilising recoveries at auctions
- **Personal loans** – credit policy actions taking effect
- **Card issuing** – cautious growth & reduced stage 3 inflows
- **Commercial banking** – client cures & lower stage 3 inflows

NEDBANK GROUP LIMITED – 2024 Annual Financial Results 43

Notes:

Commercial property finance – a high-quality, well-diversified & highly collateralised portfolio

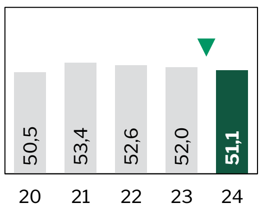
Additional info

High-quality, well-diversified & highly collateralised portfolio

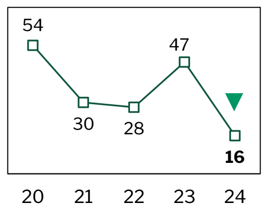
Reduction in stage 3 loans of R7bn to R3,4bn

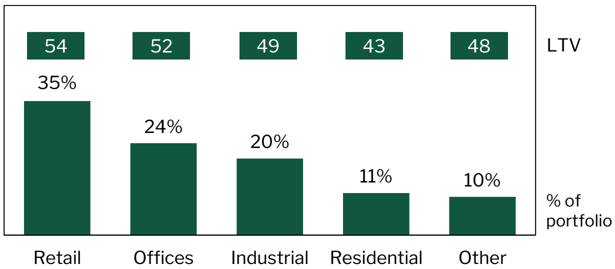
Low levels of arrears on the performing book - 0 to 90 days: **R17m**

Loan-to-value (%)



Credit loss ratio (bps)





NEDBANK GROUP LIMITED – 2024 Annual Financial Results 44

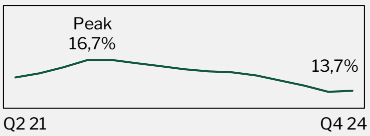
Notes:

Commercial Property Finance – sector trends

Additional info

Office vacancies[1]

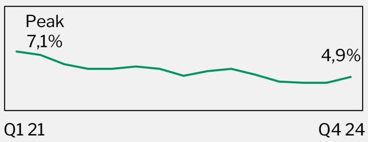
- Office vacancies maintaining a downward trajectory:



- Rental growth of 2,2%

Retail vacancies[1]

- Retail vacancies trending down:



- Rental growth of 3,6%

Sector trends

- Valuations continue stable upward trend:
  - Valuations in the listed sector up 2,4%
  - Property Finance valuations up 3,1% for properties valued in 2024
- Activity in the lending environment significantly better in H2 2024 relative to H1 2024, due to the following:
  - Election certainty
  - Interest rate cuts
- Actual advances growth of 7,1%, largely in H2 2024

Listed sector

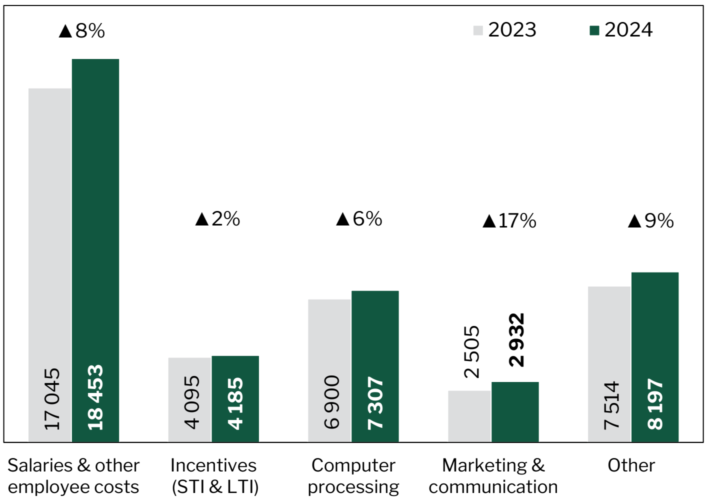
- Listed property sector was the best-performing asset class in 2024: total returns up 29%, relative to bonds up 17% and equities up 13%
- Average LTV for the listed sector at 36%, well below typical covenant level of 50%
- Average listed sector ICR of 3.1x, well above typical covenant levels of 2x
- Sustainability remains a key theme for the sector, particularly for listed funds
- CIB led the EDGE certification of the Mall of Africa with Attacq, the largest retail asset globally to achieve the prestigious certification

[1] *Vacancy rates per SAPOA reports (quarterly, 2021-2024)*

Notes:

Expenses up by 8% – reflecting good expense management

Expenses (Rm)

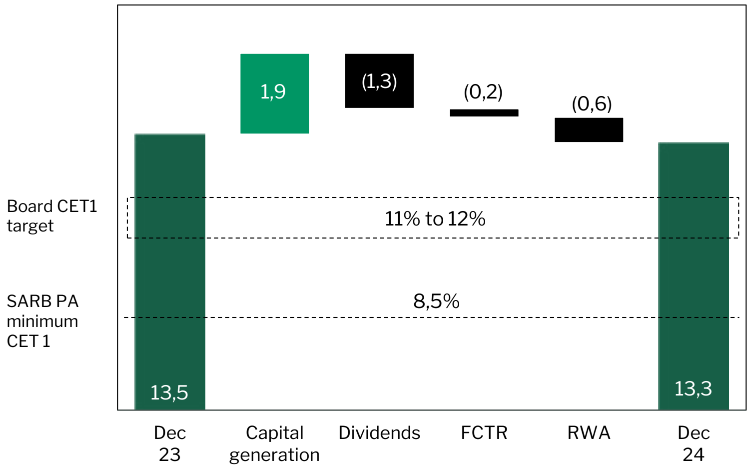


- **Employee-related costs**
  - Salaries & wages: annual average salary increase (+6%), use of additional contractors to complete ME & additional costs to retain talent & scarce skills
  - Variable-pay incentives aligned with profitability metrics & vesting probabilities
- **Computer processing** – driven by continued investment in digital, higher IT volumes & FX devaluation, partially offset by low growth in the amortisation of intangible assets
- **Other** – includes fees & insurances +9%
- **Eqstra** – acquisition in June 2024 (R683m included in 2024, not in the 2023 base). Excluding Eqstra, expense growth was 6%

Notes:

Capital – CET1 ratio at 13,3%, well above target range, positioning us well to unlock growth opportunities

CET1 ratio (%)



Active capital management

- **Maintain CET1 ratio above our 11-12% target range** – considered appropriate in a difficult & volatile environment
- **Retain capital for growth** – infrastructure opportunities & targeted lending
- **Complementary bolt-on M&A**, should they arise (eg Eqstra)
- **Pay dividends at top end of payout ratio** (57%), subject to board approval
- **Approved further buyback of shares*** at appropriate share price levels
- **Basel III PCN countercyclical buffer of 1%** effective from 2026

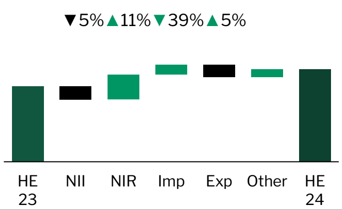
*Shareholder, board & regulatory approvals in place.

Notes:

Cluster financial performance

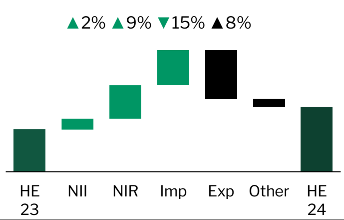
Corporate & Investment Banking

R7,4bn ▲9% headline earnings	**20,5%** ROE (2023: 18,9%)
14 bps credit loss ratio (2023: 24 bps)	**46,4%** cost-to-income ratio (2023: 45,2%)



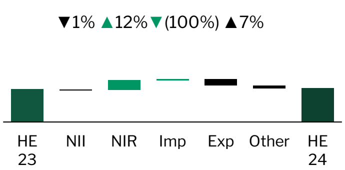
Retail & Business Banking

R6,4bn ▲15% headline earnings	**17,1%** ROE (2023: 16,0%)
158 bps credit loss ratio (2023: 194 bps)	**60,2%** cost-to-income ratio (2023: 58,1%)



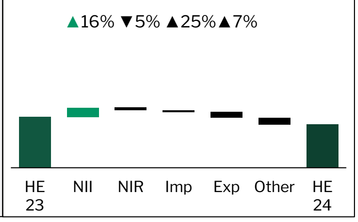
Nedbank Wealth

R1,3bn ▲4% headline earnings	**27,6%** ROE (2023: 26,8%)
(2) bps credit loss ratio (2023: 12 bps)	**66,6%** cost-to-income ratio (2023: 66,6%)



Nedbank Africa Regions

R1,6bn ▼14% headline earnings	**20,5%** ROE (2023: 25,2%)
126 bps credit loss ratio (2023: 100 bps)	**57,4%** cost-to-income ratio (2023: 53,6%)



Notes:

CIB financial performance – ROE improved to 20,5% on the back of a strong performance in NIR, coupled with disciplined capital management

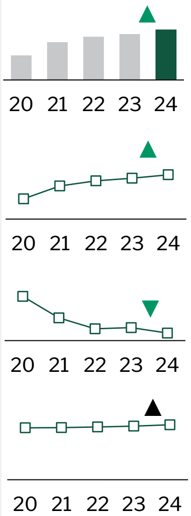
Additional info

R7,4bn
▲9%
headline earnings

20,5%
ROE
(2023: 18,9%)

14 bps
credit loss ratio
(2023: 24 bps)

46,4%
cost-to-income ratio
(2023: 45,2%)



- **NII down by 5%**
  - Actual advances up by 10% across various sectors
  - Average advances up by 3%, with growth mainly in Q4
  - NIM down: growth in high-quality lower-margin assets, maturing of high-margin deals & introduction of DIS costs. A positive impact from endowment & suspended interest
- **NIR up by 11%**
  - Commission & fees up by 13%: deal closure across all sectors
  - Markets NIR up by 13%, with trading in debt securities, equities & other FV income growing
  - Equity investment portfolio income[1] down by 4%
- **CLR down by 10 bps** – below the lower end of the TTC target range of 15 to 45 bps
- **Expense well managed at 5%**

[1]Equity investment portfolio income includes revaluations and dividends. Including gains of associate companies, the portfolio income grew by 3%.

Notes:

RBB financial performance – strong HE growth, driven by an improved impairment performance

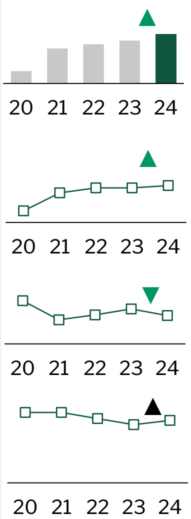
Additional info

R6,4bn
▲15%
headline earnings

17,1%
ROE
(2023: 16,0%)

158 bps
credit loss ratio
(2023: 194 bps)

60,2%
cost-to-income ratio
(2023: 58,1%)



- **NII up by 2%**
  - Average advances growth slowing to +5%
  - Impacted by lower client margins, lower funding spreads & higher funding costs & the negative impact of suspended interest
- **NIR up by 9%** (excluding Eqstra +3%)
  - Higher maintenance fees (+15%) & higher activity in value-added services volumes (+17%), offset by lower cash volumes
- **Impairments decreased by 15%**
  - CLR improved to 158 bps due to an improved macroeconomic environment, as well as improved origination & collection strategies. CLR within the TTC target range of 120–175 bps
- **Expense growth of 8%** (excluding Eqstra +5%)
  - Ongoing cost optimisation & digitisation benefits

Notes:

RBB financial performance – Eqstra acquisition effective from 1 June 2024

Additional info

Strategic purpose

Eqstra enhances & complements Nedbank's fleet management business offerings

- Integrated world-class internet-based fleet management system
- Integrated approach to fleet management, aimed at providing better quality, cost & scale to all clients & enhances Nedbank's competitiveness in the market
- Expands Nedbank's products & services offering outside of SA

Salient features

Income statement	**Dec 2024**
GOI[1]	R764m
Expenses	R683m
HE	R54m
Balance sheet	
Assets	R3,5bn
Liabilities	R2,4bn
Cash acquisition cost paid	R1,1bn
Permanent employees	278

[1]*GOI includes NIR of R863m.*

Notes:

Wealth financial performance – HE growth driven by NIR, with ROE remaining >10% above the group COE

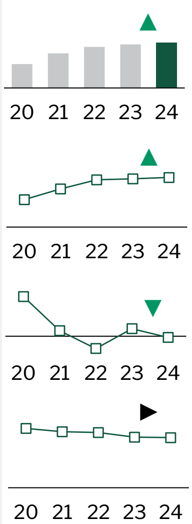
Additional info

R1,3bn
▲4%
headline earnings

27,6%
ROE
(2023: 26,8%)

(2) bps
credit loss ratio
(2023: 12 bps)

66,6%
cost-to-income ratio
(2023: 66,6%)



- **NII down by 1%**
  - Lower average deposits, following the exit of the corporate e-gaming sector, and lower average loans & advances, due to increased repayments in the high-interest-rate cycle
- **NIR up by 12%**
  - Positive actuarial reserve releases, higher shareholder returns & improved claims experience in non-life insurance
  - Good growth in AUM balances & higher trading, portfolio management & advice fees
  - Lower traditional bancassurance volumes
- **Impairments down by >100%**
  - Client-specific overlay releases & credit model enhancements in NPW (SA), following a review of stage 2 provision factors
- **Expense growth of 7%**
  - Investment in people, product & service enhancements, and data & digital initiatives
- **Tax** – Higher international tax due to the implementation of the OECD Pillar 2 tax rate of 15%

Notes:

NAR financial performance – HE impacted by once-off base issues, but ROE maintained above COE

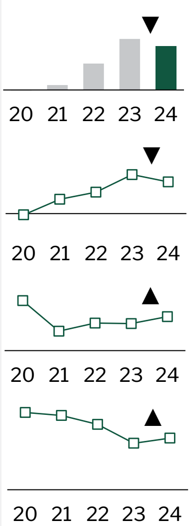
Additional info

R1,6bn
▼14%
headline earnings

20,5%
ROE
(2023: 25,2%)

126 bps
credit loss ratio
(2023: 100 bps)

57,4%
cost-to-income ratio
(2023: 53,6%)



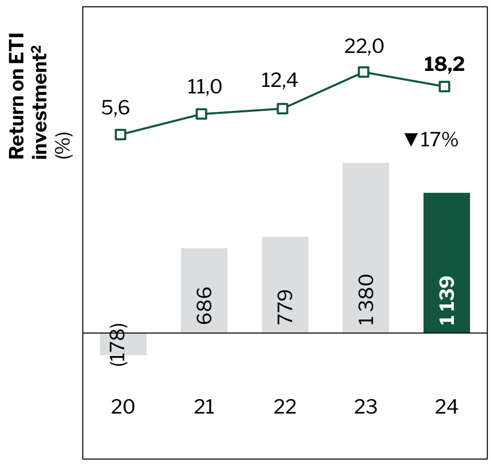
- **SADC operations** – HE of R582m, down 12% & ROE of 7,8%
  - Excluding base effect of Zimbabwe FX gains net of the NML, HE up by 60%
  - NII up by 11%, driven by improved margins & marginal growth in loans and advances
  - NIR down by 5% (up by 13% excluding the base effect)
  - Impairments up by 25% & CLR above the TTC target range at 126 bps
- **ETI associate investment** – HE of R1 037m, down by 16%
  - Associate income down by 17% to R1 139m, down 5% excluding the prior-year Ghana reversal
  - ETI's ROTE increased to 31,2% (9M23: 25,6%)
  - Ecobank Nigeria's performance remains suboptimal (ROE: 2,7%)

Notes:

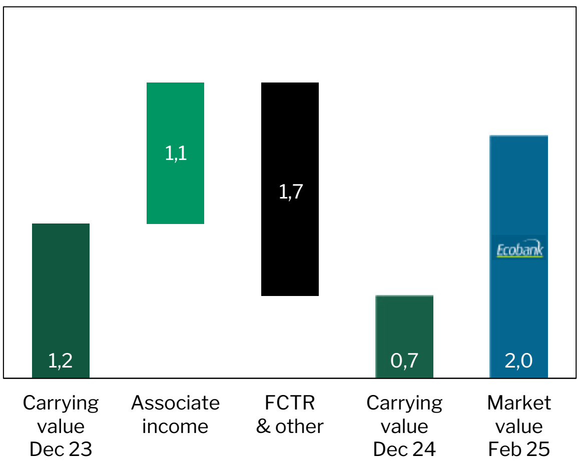
ETI associate investment – carrying value now insignificant & well below ETI market value

Additional info

Associate income[1]
(Rm)



ETI carrying value vs market value
(Rbn)



Note: ETI accounted for a quarter in arrears. | [1]Associate income includes the reversal of the R175m estimated impact of the Ghana sovereign debt restructure release accounted for in the prior year. | [2]Return on original investment of R6,3bn (based on associate income).

Notes:

Notes:

Unlock transformational growth, while we continue to perform

Perform – manage the group efficiently & improve profitability in the near term

Transform – initiatives that will, over time, help us to get to our long-term ROE target of >18%

Unlock value from **technology investments**	**Scale our retail business**	**Portfolio diversification**	Leverage our sector **skills & expertise in CIB**	A more deliberate **expansion into key African countries**

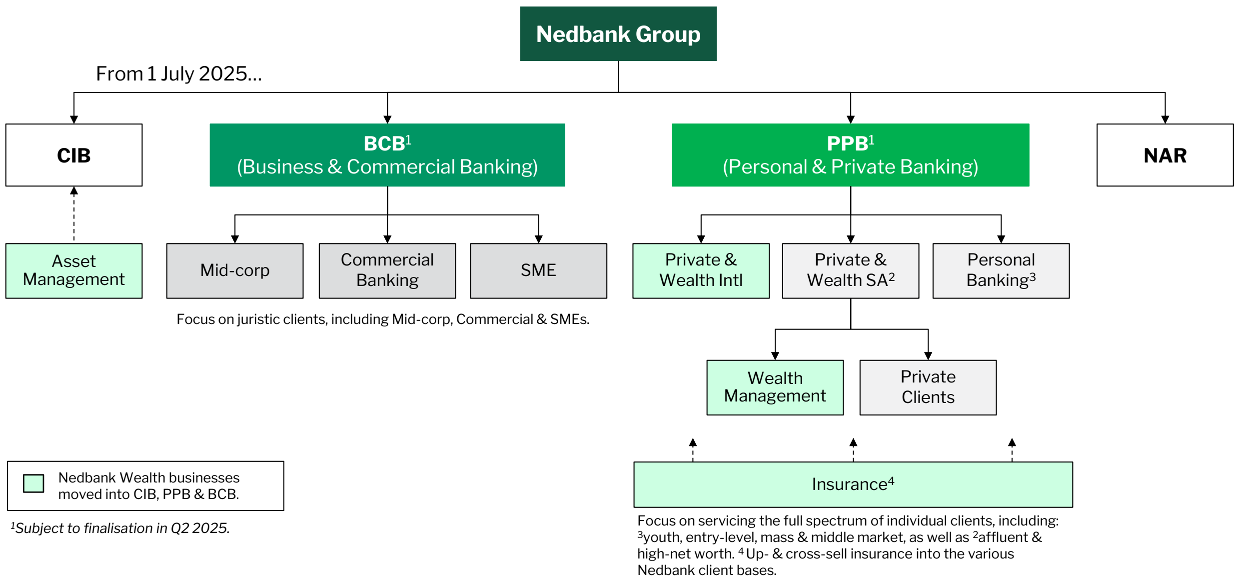
Leverage **Artificial Intelligence**	**Market share gains** (in key lending & deposit taking categories)	Deliver new **Mid-corp offering**
Commercialise **Data**	Grow & enhance **insurance cross-sell**	Grow our **presence in SADC & East Africa**
Modernise **Payments**	Enhance **productivity**	Build out our **transactional banking franchises**
Harmonise IT systems in NAR	Leverage data driven marketing **Martech**	Evolve our **Purpose & SDF ambitions**

NEDBANK GROUP LIMITED – 2024 Annual Financial Results

56

Notes:

Strategic reorganisation – evolving into an organisational design more focused on client centricity



NEDBANK GROUP LIMITED – 2024 Annual Financial Results 57

Notes:

Strategic reorganisation – rationale, benefits & key time lines

Enhanced organisation & execution

Rationale & benefits

PPB (Personal & Private Banking)	○ Focus on individual clients ○ Grow & enhance insurance up- & cross-sell ○ Scale our retail business & leverage capability synergies between Private Clients & Wealth Management
BCB (Business & Commercial Banking)	○ Focus on juristic clients ○ Accelerate growth through new compelling CVPs (SME, Commercial, Mid-corp) ○ Elevate importance to Group Exco level
Value for stakeholders	○ **Employees** – empower our employees by breaking down structural barriers to collaboration, creating increased focus & aligning incentives ○ **Clients** – enhance how clients experience Nedbank, unifying our personal & juristic business segments into distinct, focused clusters, to offer more seamless & integrated banking experiences ○ **Shareholders** – improved financial performance, supported by focused growth strategies & productivity to support the increase of our ROE to >18%

Key time lines

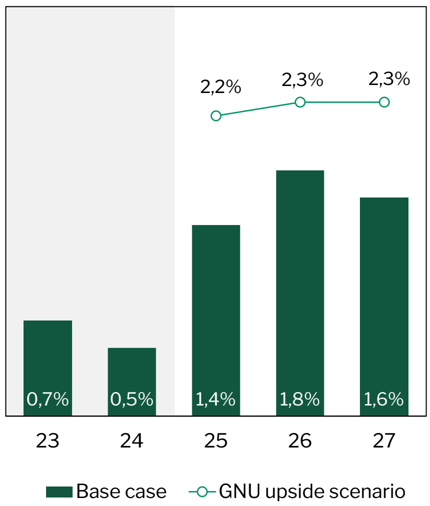
- **4 March 2025** – announcement to the market
- **Q2 2025** – refine & implement effective structure & finalise leadership positions
- **1 July 2025** – changes become effective, reporting as BCB & PPB
- **H2 2025** – finalise KPIs & targets

NEDBANK GROUP LIMITED – 2024 Annual Financial Results 58

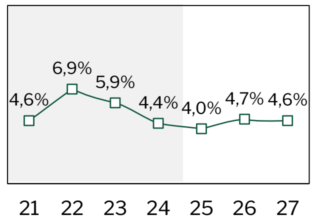
Notes:

Operating environment – cautious optimism & an improvement in key economic indicators

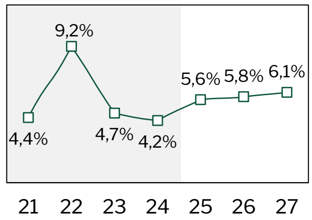
SA GDP growth (%)



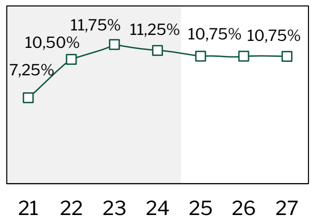
Inflation (average, %)



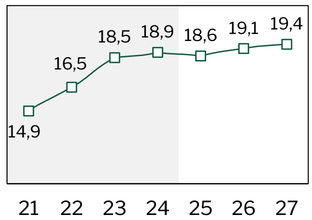
Industry credit growth (ye, %)



Prime interest rate (ye, %)



Rand/US$ (average)



Source: Nedbank Group Economic Unit. The group's favourable economic scenario reflects the GNU upside scenario.

Notes:

Short-term guidance (2025)

	2024	2025 guidance[1]
NII growth	+1%	**Around mid-single digits** Stronger loan growth (wholesale biased), partially offset by NIM compression (asset mix, pricing pressure, endowment)
CLR	87 bps	**Around the midpoint** of the group's TTC target range (60 bps to 100 bps)
NIR growth	+10%	**Upper single digits**
Expense growth	+8%	**Mid-to-upper single digits**
Capital (CET1 ratio)	13,3%	**Above the group's TTC target range** (11% to 12%)
Dividend	57% payout	**Top end of payout ratio** ie around 57% (low end of dividend cover of 1,75x – 2,25x)

[1]This guidance is not a profit forecast, has not been reviewed or reported on by the group's joint auditors & is based on the group's economic forecasts at the time.

Notes:

Updated guidance for 2025 & beyond

	DHEPS growth	ROE	Cost-to-income ratio	Net Promoter Score
2025 (medium-term targets set in 2023)	**> CPI + GDP + 5%** (CAGR to end-2025)	**17%** (COE + 2%)	**52%**	**#1 bank**
Updated 2025 guidance[1]	**> Mid-single digits** (for FY 2025)	**>16%**	**Increase yoy**	**#1 bank**
Medium term[1]	**> CPI + GDP + 3%** (CAGR)	**>17%**	**54%**	**#1 bank**
Long term (not dated, 5+ years)	**> CPI + GDP + 5%** (CAGR through the cycle)	**>18%** (COE + 3%)	**< 50%**	**#1 bank**

[1]*This guidance is not a profit forecast, has not been reviewed or reported on by the group's joint auditors & is based on the group's economic forecasts at the time. Guidance & targets exclude any potential impact from M&A-related corporate action.*

NEDBANK GROUP LIMITED – 2024 Annual Financial Results 61

Notes:

Notes:

Disclaimer

Nedbank Group has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this document, including all information that may be defined as 'forward-looking statements' within the meaning of United States securities legislation.

Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'.

Forward-looking statements are not statements of fact, but statements by the management of Nedbank Group based on its current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance.

No assurance can be given that forward-looking statements are correct and undue reliance should not be placed on such statements.

The risks and uncertainties inherent in the forward-looking statements contained in this document include, but are not limited to: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic and international business and market conditions, such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of both current and future litigation.

Nedbank Group does not undertake to update any forward-looking statements contained in this document and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings or profits, or consequential loss or damage.

Notes:

2024 results **commentary**

2024 results commentary

Economic and banking environment in 2024

The global economy remained resilient in 2024 as robust economic growth in the United States (US) provided much of the momentum. The boost came from stronger consumer demand driven by rising real incomes as inflation receded to much lower levels and job creation remained brisk. Growth in emerging and developing countries also held up relatively well. After a sluggish start to the year, economic activity in China picked up once the government had announced more aggressive stimulus measures to bolster domestic demand and reverse the prolonged slump in the property market. Despite significant disruptions caused by unrest and conflict in Kenya and Mozambique, the economic recovery in most of sub-Saharan Africa continued, underpinned by booming tourism, higher export earnings, easing food inflation, and lower interest rates in some countries. According to the International Monetary Fund's (IMF's) estimates, the world economy grew by around 3,2% in 2024, only slightly less than the 3,3% in 2023.

Inflation moderated substantially across the globe, convincing most central banks to start easing monetary policy. The US Federal Reserve reduced its policy rate by 100 basis points (bps) in 2024. For much of the year, the prospect of US rate cuts supported global risk appetites, leading to renewed interest in emerging market assets. However, sentiment soured from October onwards due to expectations of significant and potentially disruptive changes in US economic policies after Donald Trump's compelling victory in the presidential elections in November. The new administration's policies were widely expected to support US economic growth but at the expense of sticky US inflation, potentially elevated US interest rates, and weaker growth in the rest of the world. China and other developing countries are considered most vulnerable to the anticipated increase in US tariffs and other trade barriers. Consequently, global investors reduced their exposure to emerging markets, resulting in renewed currency weakness, rising government bond yields and falling equity prices over the final stretch of 2024.

South Africa ended 2024 in a better place than in 2023. The government made some headway with structural reforms, thereby limiting the drag from the most damaging supply-side constraints on the economy. Load-shedding ended in late March, and electricity supply stabilised. The bottlenecks caused by the country's strained port, rail and road networks also eased somewhat. On top of these improvements, SA peacefully concluded its seventh general election at the end of May, forming a 'centrist' government of national unity (GNU), which reduced political uncertainty and lifted investor and business confidence.

Although encouraging, these gains were not substantial enough to translate into a meaningful economic recovery. While inflation declined significantly in 2024, the squeeze from high interest rates lingered and continued to subdue growth momentum. Consequently, the economy remained weak for much of last year. Real GDP grew by only 0,4% yoy in the first 3 quarters of 2024, showing little change from 0,5% growth over the same period in 2023. A sharp decline in agricultural output, hurt by erratic weather conditions and persistent animal diseases, was mainly to blame. Domestic demand also declined due to lower gross fixed capital formation and a significant rundown in inventories. High-frequency data suggests that lively consumer spending probably led to an economic rebound over the final quarter. Consumer confidence benefited from easing interest rates and significant cash withdrawals from the 2-pot retirement system. Altogether, Nedbank's Group Economic Unit forecasts GDP growth of 0,5% for calendar 2024, marginally down from 0,7% in 2023.

The private sector scaled back capital expenditure by 5,1% yoy in the first 3 quarters of 2024 after frontloading outlays on alternative energy sources amid heavy load-shedding in 2023. General government also trimmed outlays, while fixed investment by state-owned enterprises increased further off a very low base. Against this subdued backdrop, corporate credit growth slowed from 5,4% at the end of 2023 to 4,6% by December 2024. The drag came mainly from a relatively sharp deceleration in instalment sales and leasing finance as companies reduced outlays on transport equipment. Elsewhere, the gradual recovery in commercial mortgages continued, while overdrafts and general loans grew at a steady, albeit restrained pace.

After 4 consecutive quarters of contraction, consumer spending turned the corner in the second quarter and expanded further in the third quarter. Recent indicators suggest that the recovery continued over the final quarter, with retail and new-vehicle sales gaining upward traction. Consumer confidence and demand improved as real personal disposable income returned to growth after almost 2 years of decline. The lift came mainly from much lower inflation, supported by higher wage and salary increases and moderate gains in employment.

Despite the upturn in real incomes, high interest rates still discouraged borrowing. Household debt burdens eased slightly from 62,6% of disposable income at the end of 2023 to 62,2% in the third quarter of 2024. However, debt service costs remained punishing, consuming 9,1% of household income. As a result, growth in household loans slowed without respite from 4,6% at the end of 2023 to only 3,0% at the end of 2024. The softer trend was broad-based, with vehicle finance and home loans losing significant momentum, while personal loans contracted. In contrast, transactional credit held up relatively well.

Local financial markets strengthened for much of 2024, buoyed by political stability following the peaceful election. Even as global risk appetites faded towards year-end, the local markets still managed to close 2024 on higher ground. Despite worries about a global trade war and high-for-longer US interest rates, the spread of credit default swaps on SA's sovereign debt over US equivalents nonetheless ended the year slightly lower than in 2023. The JSE All-share Index weakened over the final quarter but still gained an impressive 9,7% over the full year. Similarly, the yield on the benchmark 10-year government bond ended the year at 10,2%, up from its best levels in late September but lower than 11,0% at the end of 2023. In contrast, the rand lost significant ground against a resurgent US dollar towards year-end, offsetting most of the post-election gains.

Although progress was made in addressing the electricity crisis and political change occurred peacefully, the underlying operating environment remained generally difficult in 2024, undermined by persistent cyclical headwinds from restrictive monetary policy. These realities are evident in continued consumer strain and subdued credit and transactional revenue across wholesale and retail clients.

Strategic progress

The Nedbank strategy outlines our focus and the actions required to achieve a higher return on equity (ROE) and lower cost-to-income ratio (CIR) over time. Our strategy is delivered through 5 strategic value unlocks: digital leadership (DX); market-leading client experiences (CX); areas that create value (strategic portfolio tilt); growth vectors (replacing efficient execution/Target Operating Model 2.0); and creating positive impacts. A skilled workforce supported by our modern technology platform is driving steady execution of these strategic value unlocks and together with further opportunities to evolve our strategy through transform initiatives, drive robust revenue growth and productivity enhancements into the future, while we maintain strong risk and capital management metrics.

At the end of 2024, we fundamentally completed our Managed Evolution (ME) IT transformation, which enabled us to build a modern, modular and digital technology stack. The final deliverables in H2 2024 included the refactoring and modernisation of our core banking systems and the digitisation of the secured lending digital client onboarding and servicing journeys. The benefits of ME are evident in ongoing strong growth in digital metrics, market-leading client satisfaction outcomes, solid main-banked client gains, higher levels of cross-sell and the realisation of benefits through our TOM and expense optimisation programmes. As the ME programme has come to an end, our focus now shifts to extracting further commercial value from our technology investments, with emphasis on leveraging data and artificial intelligence (AI), optimising processes end to end, accelerating our cloud migration strategy, converging for scale [including harmonising our Nedbank Africa Region (NAR) systems] and modernising payments.

The following were some strategic highlights of 2024:

- **Digital leadership and digital experiences**

  Digital activity: Retail digital transaction volumes and values in SA grew by 12%. Digitally active retail clients increased by 7% to 3,1 million, representing 70% of retail main-banked clients (2023: 69%), while digitally active clients across the NAR business increased from 64% to 72% of its total active client base. Avo SuperShop, which has been in the market for 4 years, has approximately 2,8 million registered clients (up by 9% yoy) and continues to scale, with total gross merchandise value (GMV) increasing by 21% yoy across all Avo ecosystems.

  Apps and digital channels: Active Nedbank Money app clients increased by 14% to 2,7 million in 2024, while transaction volumes increased by 16% and transaction values increased by 21%. The Nedbank Money App (Africa), which offers convenience, a wide range of functionality and great user experiences for our NAR clients, reported a 21% increase in app users. The adoption rate of the Nedbank Business Hub (NBH) for activities across all juristic segments increased to 65% in December, from 48% at the start of the year. With the introduction of a new mobile app and the migration of our domestic transaction platform onto NBH in 2025, we believe this trend will continue.

  Simplifying products: The new MiGoals transactional products released off our new core banking systems now have more than 2,4 million active clients. The launch of these MiGoals products is part of the optimisation process of our transactional product range, which will be followed by the release of similar transactional products for Private Clients, high-net-worth clients and businesses, including a relaunch of an optimised set of investment and lending products.

  Data commercialisation: We have invested significantly in our data capabilities, leveraging data and AI through appointing a strong analytics team, including a chief data and analytics officer, to spearhead our strategy in this space and drive commercial outcomes. Various solutions based on data science techniques to make intelligent decisions have already been delivered, including next-best-action strategies to drive higher levels of cross-sell. We are currently investigating more than 50 use cases spanning credit scoring, cross-sell and up-sell, fraud analytics, and digital marketing, to name a few.

  Nedbank Intelligent Hyper Automation (NIHA): Our NIHA vision seeks to harness the power of AI, generative AI (GenAI), machine learning and robotic process automation to extract benefits, including optimising cost, enhancing client experiences, increasing revenue growth and streamlining work processes. We invested significantly in our AI capabilities and have already delivered numerous AI solutions that have generated benefits. Following a successful M365 Copilot early-access programme in partnership with Microsoft, we have now rolled out more licences across the bank. Several use cases have already been implemented, resulting in productivity gains and quality improvements to business correspondence, research, and the maintenance and application of policies. In addition, we have implemented GitHub Copilot, an AI-powered coding assistant that helps more than 980 developers by providing code suggestions and autocompletions within their integrated development environments, resulting in faster, more efficient and more accessible software development while helping developers of all skill levels write higher-quality code and focus on problem-solving.

  Payment modernisation: The modernisation of our payments domain is progressing well. Our participation in industry modernisation initiatives and our own payments efforts are enabling us to create a fully interoperable enterprise payment service hub that will optimise the cost to serve, increase innovation cadence, respond to open-finance opportunities, and unlock competitive advantages by enabling contextual and embedded payments in real time. Nedbank was the first bank domestically to build a centralised payment services hub, fully componentised and cloud-enabled, with a centralised payment execution structure. This approach assists with continuously driving increased straight-through process ratios, optimising fraud and cybersecurity capabilities and seamlessly unlocking digital experiences on various digital properties. The focus going forward is using AI and GenAI in digitising payment offerings and leveraging the data-rich insights to create agentic and seamless client experiences.

- **Market-leading client experiences**

  Great client experiences: Our digital innovations support high levels of client satisfaction, as demonstrated by Nedbank's Net Promoter Score (NPS), which ranked #1 among the large South African banks in 2024 (Kantar survey) when surveying all clients. In addition, our Small Business Services and Private Clients business segments recorded their highest levels of NPS in more than 8 years. In NAR, Nedbank was the market leader in client experience (NPS) in Mozambique and the leader in brand sentiment scores in Eswatini, Lesotho and Mozambique. Our client satisfaction score in Corporate and Investment Banking (CIB) was 81% in 2024, above the global benchmark of 80%. On the back of these achievements, Nedbank also won the Forrester EMEA 2024 Customer-Obsessed Enterprise Award.

- **Focusing on areas that create value**

  Main-banked client gains and cross-sell: In 2024 main-banked clients in Retail grew by 5% to 3,7 million and cross-sell improved to 1,99 (compared with 1,96 in 2023), given significant growth in the Greenbacks rewards programme, notice investments and funeral plans. In NAR total clients increased by 14% to over 396 000, of which around 166 000 are main-banked. The opportunity to grow and cross-sell insurance products across the group remains attractive. The MyCover suite of insurance products achieved 44% growth in gross earned premiums. CIB gained 20 new primary clients in the period.

Lending and deposit-taking market share: As reported in the December 2024 SARB BA900 returns, we increased market share yoy in home loans (from 14,4% to 14,7%), retail vehicle finance (from 35,1% to 35,9%) and wholesale term loans (from 16,0% to 16,2%). In commercial mortgages, where we have a leading market position, our market share remained healthy at 35,9%, declining only slightly from 36,0% in the prior year. Given ongoing risks in the environment, we have deliberately slowed growth in personal loans and, as a result, we reported a market share decline (from 11,0% to 10,1%). Retail overdrafts (from 15,1% to 14,4%), and credit card (from 10,0% to 9,2%) also declined. Total retail deposits increased from 16,4% to 16,8% while commercial deposits declined from 15,8% to 15,4%.

- **Driving efficient execution/Growth vectors**

  Target Operating Model 2.0: Our TOM 2.0 programme has reached cumulative cost benefits of R3,0bn and, although closed at the end of the year, our focus on productivity gains and expense optimisation will continue. TOM 2.0 optimised the shape of our infrastructure (branches and corporate real estate), shifted our Retail and Business Banking (RBB) organisational structure so that it could become more client-centred, and optimised our shared-services functions across the group as a direct result of the digital benefits from ME. Through Project Imagine (involving our digitally focused outlets) branch floor space decreased to 118 000 m^2 in 2024 (cumulatively by almost 72 000 m^2 from 2020 levels) and through our strategy of consolidating and standardising our own buildings, we saved over 30 000 m^2 in floor space in 2024 and have saved more than 208 000 m^2 since our optimisation initiative started in 2016. At the end of December 2024 our total group permanent headcount decreased by 142 to 25 335, largely through natural attrition. Including the acquisition of Eqstra in June 2024, to strengthen our positioning in the fleet management market, total headcount increased by 136.

  Growth vectors: As part of our annual strategy review in 2024, we identified various opportunities that will deliver incremental benefits in the medium-to-long term. These include an opportunity to cross-sell insurance to the Nedbank client base; the commercialisation of data and insights; leveraging AI and GenAI; portfolio diversification, including organic expansion into East Africa by leveraging our expertise and capabilities in CIB; and the launch of a dedicated new offering to transform how mid-sized corporates access financial solutions through our Commercial Banking unit. These initiatives will leverage the group's strong foundations and areas of expertise, to help us become even more competitive and unlock new revenue and cost optimisation opportunities, enabling us to make progress towards a long-term ROE of greater than 18%.

- **Creating positive impacts**

  Sustainable development finance: Our purpose of using financial expertise to do good is demonstrated by our continuous efforts towards the delivery of the United Nations (UN) Sustainable Development Goals (SDGs) and the progress we have made on our sustainable development finance (SDF) commitments. At 31 December 2024 we had exposures of approximately R183bn (December 2023: R145bn) that support SDF, representing 19% of the group's gross loans and advances (December 2023: 16%). During the period we saw strong growth in renewable energy, infrastructure, green building and water finance. It is our ambition to have increased our SDF exposures to around 20% of the group's total gross loans and advances by the end of 2025.

  2030 financed carbon emission targets (glidepaths): In support of our net-zero 2050 commitment to have zero fossil fuel exposure by 2045, we became the first South African bank to publish sectoral glidepaths in 2024. These glidepaths inform our exit from the thermal coal and oil and gas sectors over time. We are targeting reductions in financed emissions of 47% for thermal coal and 26% for oil and gas (from 2022 to 2030). As a result of our significant renewable energy power generation book, we have placed a cap of 165 gCO2e/kWh on the carbon intensity of our power generation book.

  Policies: Following the release of our Energy Policy in 2021, we became the first South African bank to publish a nature position statement in 2024. This statement aligns with global best practice and serves as a guide for our nature-related strategies and is the foundation from which our policy and nature-related commitments and targets are set. In line with the UN-supported Principles for Responsible Investment, which we have been a signatory to since June 2022, our asset management business further strengthened its commitment to addressing climate change through the publishing of its inaugural Climate Change Position Statement in 2024.

  ESG ratings: We retained our top-tier environmental, social and governance (ESG) ratings with the following scores and rankings: MSCI – AAA (within the top 9% of global banks in the MSCI Index); Sustainalytics – low-risk score of 14,4 (top 8% of 262 diversified banks); S&P Global – score of 63 out of 100 (top 10% of global banks); ISS – C rating (within the top 10% of global banks); and FTSE Russell – 4,0 rating out of 5 (top 26% of global banks and an FTSE4Good Index constituent).

  Our efforts in sustainability and ESG matters were recognised externally, earning us prestigious accolades such as Best Bank for Sustainable Finance (South Africa) and Best Bank for Green Bonds (Africa) at the 2024 Global Finance Magazine Awards, as well as Best Bank for Sustainable Development (South Africa) at the 2024 Global Banking & Finance Review Awards.

Overview of 2024 results

Nedbank Group delivered an improved financial performance for the 12 months to 31 December 2024 when compared with the 12 months to 31 December 2023 (prior period). Headline earnings (HE) increased by 8% to R16 934m, driven by good non-interest revenue (NIR) growth, lower impairments and targeted expense management, offsetting muted net interest income (NII) growth given slower loan growth and margin pressure.

Headline earnings per share (HEPS) increased by 10% to 3 631 cents, diluted HEPS (DHEPS) increased by 11% to 3 538 cents and basic earnings per share (EPS) increased by 11% to 3 610 cents, ahead of the HE growth of 8%.

Return on equity (ROE) for the period strengthened to 15,8%, above that of the prior period of 15,1% and above the group's estimated cost of equity (COE) of 15,0%. This improvement was supported by an increase in return on assets from 1,21% to 1,24%. Net asset value (NAV) per share of 24 039 cents increased by 4% when compared with the 23 192 cents in 2023, while tangible NAV of 21 330 cents increased by 3% when compared with the 20 614 cents in the prior period, both impacted by negative foreign currency translation reserve movements relating to accounting for our investment in Ecobank Transnational Incorporated (ETI).

The group's balance sheet remained very strong. CET1 and tier 1 capital ratios of 13,3% and 15,1% were well above board-approved target ranges and SARB minimum requirements. The average liquidity coverage ratio (LCR) of 135% for the fourth quarter and a net stable funding ratio (NSFR) of 116% were well above the 100% regulatory minimums and board-approved targets. Enabled by good earnings growth and strong capital and liquidity positions, a final dividend of 1 104 cents per share was declared by the group, up by 8% (2023 final dividend: 1 022 cents per share). The dividend was declared at a payout ratio of 57% at the bottom end of the group's board-approved dividend target range of 1,75 to 2,25 times.

Cluster financial performance

The group's HE increase of 8% to R16 934m was supported by good growth in RBB and CIB as well as muted growth in Nedbank Wealth, partially offset by a decline in NAR. The group's ROE strengthened to 15,8%.

	Change	HE (Rm)		ROE (%)	
	(%)	2024	2023	2024	2023
CIB	9	**7 428**	6 799	**20,5**	18,9
RBB	15	**6 413**	5 566	**17,1**	16,0
Wealth	4	**1 257**	1 210	**27,6**	26,8
NAR	(14)	**1 619**	1 891	**20,5**	25,2
Centre	17	**217**	184		
Group	8	**16 934**	15 650	**15,8**	15,1

HE in CIB increased by 9% to R7 428m, delivering an ROE of 20,5%. The HE growth was driven primarily by an 11% increase in NIR, supported by commission and fees that were driven by deal closures and strong growth in trading income. NII decreased by 5% as positive asset growth, endowment and suspended interest benefits were offset by margin compression due to balance sheet mix changes. Actual banking advances grew by 10% on the back of a strong Q4 2024 performance. Impairments decreased by 39%, with a CLR of 14 bps (2023: 24 bps) below the lower end of its through-the-cycle (TTC) target range of 15 to 45 bps. Expenses increased by 5,5%, resulting in a cost-to-income ratio (CIR) of 46,4%.

HE in RBB increased by 15% to R6 413m, delivering an ROE of 17,1%. NII increased by 2% off the back of 5% growth in average banking advances, partially offset by a decrease in the net interest margin (NIM) due to lower client margins in both secured and unsecured lending, asset mix changes, lower liability margins, and the negative impact of suspended interest. NIR increased by 9% (3% excluding the Eqstra acquisition), driven mainly by higher maintenance fees, strong growth in value-added services (VAS) volumes and growth in card issuing and card acquiring volumes. This was partially offset by slower transactional activity across most key lines, notably in cash as clients increasingly opted for cashless alternatives. Impairments decreased by 15% as consumers adjusted to an improved macroeconomic environment and due to the benefit of our ongoing credit risk and collections initiatives. This led to a CLR improving from 194 bps in 2023 to 158 bps, back within the TTC target range of 120 to 175 bps. Expenses were well managed, increasing by 8% (5% excluding Eqstra), while the cluster CIR increased to 60,2% (2023: 58,1%).

HE in Nedbank Wealth increased by 4% to R1 257m, delivering a strong ROE of 27,6%. HE was positively impacted by actuarial reserve releases in life insurance, higher shareholder returns and an improved non-life claims experience, supported by good growth in assets under management (AUM) balances and fees due to strong market conditions in H2 2024. This was offset by the implementation of the Organisation for Economic Cooperation and Development (OECD) Pillar 2 global tax rate, the decision to exit the corporate e-gaming sector internationally, the continued decline in traditional bancassurance volumes, as well as a higher-than-expected MyCover Personal Lines claims experience.

HE in NAR decreased by 14% to R1 619m and its ROE declined to 20,5%. Southern African Development Community (SADC) HE decreased by 12% to R582m and ROE decreased to 7,8%, primarily because of the non-repeat of foreign currency gains net of the net monetary loss (NML) in Zimbabwe on US dollar capital. Our associate investment, ETI, was impacted by the base effects of the reversal of the R175m provision that Nedbank raised in 2022 for the estimated impact on associate income from ETI for the Ghana sovereign debt restructure. HE decreased by 16% to R1 037m.

The performance in the Centre reflects primarily the endowment benefit on the average R12bn surplus capital held in the Centre; the release of the group's R150m central provision, which has now been incorporated into cluster provisions; and gains due to optimisation activities within the high-quality liquid assets (HQLA) portfolio.

Financial performance

Net interest income

NII increased by 1% to R41 806m and is at the lower end of the pre-close guidance provided to the market. The NII increase was supported by 5% growth in average interest-earning banking assets (AIEBA) to R1 033bn, offset by a 16 bps reduction in NIM. The increase in AIEBA was underpinned by 5% growth in average RBB banking loans and advances and 3% growth in average CIB banking loans and advances.

NIM decreased to 4,05% from the 4,21% reported in 2023. This decrease was driven primarily by a negative endowment mix impact due to net capital and current account/savings account (CASA) balances growing slower than AIEBA (-8 bps), asset pricing pressure (-6 bps) due to competition for good quality assets, liability pricing pressure, the introduction of deposit insurance (combined -5 bps) and a negative HQLA mix impact due to a higher mix of lower-yielding HQLA relative to other higher-yielding advances (-4 bps). The decrease was partially offset by a positive endowment rate impact due to the run rate impact of higher average interest rates (+4 bps).

Impairments charge on loans and advances

The group's impairment charge decreased by 17% to R7 997m. The CLR of 87 bps improved significantly from the 109 bps reported in 2023, primarily as a result of an improving macroeconomic environment, the resolution of large counters in the wholesale portfolio, credit policy intervention and diligent management actions around collections and origination efforts in RBB. The CLR moved back to within the group's TTC target range of 60 to 100 bps, in line with the guidance provided to the market.

CLR (%)	Average banking advances (%)	2024	2023	TTC target ranges
CIB	44	**0,14**	0,24	0,15–0,45
RBB	50	**1,58**	1,94	1,20–1,75
Wealth	3	**(0,02)**	0,12	0,20–0,40
NAR	3	**1,26**	1,00	0,85–1,20
Group	100	**0,87**	1,09	0,60–1,00

CIB impairments decreased by 39% to R576m and its CLR at 14 bps ended the period below its TTC target range of 15 to 45 bps. This was supported by an almost R10bn decline in stage 3 loans.

RBB impairments decreased by 15% to R7 222m as consumers adjusted to an improved macroeconomic environment and due to our ongoing credit risk and collections initiatives. This was evident in Commercial Banking and across most Retail products, except for MFC, which noted a deterioration in 2024 caused by strain in the taxi portfolio (although improving during H2 2024) and lower recoveries at auctions. The cluster CLR improved from 194 bps in 2023 to 158 bps, back to within the RBB TTC target range of 120 to 175 bps.

Nedbank Wealth reported a CLR of -2 bps, below the TTC target range of 20 to 40 bps, driven by the release of client-specific overlays and credit model enhancements in Nedbank Private Wealth (SA) following a review of stage 2 provision factors. NAR reported a CLR of 126 bps, above its TTC target range of 85 to 120 bps, driven largely by expected credit loss (ECL) model reviews in Mozambique given political unrest and instability in the country, as well as higher impairments in Namibia on the retail home loans portfolio.

Total overlays decreased to R806m (December 2023: R1,1bn), now similar to pre-Covid-19 levels, indicating a relative improvement in the macroeconomic environment and enhancements of credit impairment models to better capture forward-looking information. The group's central provision of R150m was released as risks have now made their way into cluster models and overlays.

The group's balance sheet ECL decreased to R29,5bn (2023: R30,4bn) and reflects prudent provisioning in the current economic environment. The decrease was driven by the impairment charge of R8,0bn, which included post-write-off recoveries of R1,4bn (2023: R1,4bn) and slightly higher write-offs at R11,7bn (2023: R11,3bn). The group's overall ECL coverage ratio decreased to 3,32% (2023: 3,62%), mainly as a result of the decrease in stage 3 loans in the wholesale portfolios to R48bn (2023: R58bn). The group's stage 1 coverage ratio remained steady at 0,61% (December 2023: 0,66%). The stage 2 coverage ratio declined to 6,53% (December 2023: 6,80%) due to a lower wholesale contribution to stage 2 loans and advances and refinements to the Retail credit impairment models. The group's stage 3 coverage ratio increased to 40,50% (December 2023: 34,17%) as RBB loans with higher coverage remained flat at R38bn and stage 3 loans in CIB declined by almost R10bn since December 2023 after the resolution of large single-name exposures.

Non-interest revenue and income

NIR increased by 10% to R30 412m, slightly above the guidance provided during the group's pre-close call of upper-single digit growth. The increase was underpinned by strong growth in commission and fees, solid growth across trading income and insurance income, as well as the 7-month benefit from the Eqstra acquisition (R863m) that was not in the 2023 base. Overall NIR increased by 7% when excluding the Eqstra acquisition.

- Commission and fees income increased by 10% to R21 361, supported by strong growth in CIB that benefited from arranging fees in key growth sectors. RBB's moderate performance was driven by higher maintenance fees, continued strong growth in VAS volumes and growth in card issuing and card acquiring volumes, offset by slower transactional activity across most key lines, notably in cash, as clients increasingly opt for cashless alternatives.
- Insurance income increased by 9% to R1 572m, positively impacted by actuarial reserve releases in life insurance, an improved non-life claims experience and strong underlying premium growth in the MyCover suite. This was partially offset by the continued decline in traditional bancassurance volumes.
- Trading income increased by 7% to R4 620m, driven by a strong performance in debt securities and growth in the equities market, despite challenging trading conditions and continued pressure on equity volumes across the market.
- Equity investment income and investment income decreased by a combined 2% to R889m, as a good performance in the commercial property portfolio was offset by slower gains in the private equity, venture capital and debt businesses.
- Fair-value adjustments at R541m (2023: R577m gain) declined by 6%, including foreign currency and interest rate gains in the CIB banking book, offset by lower levels of fair-value adjustments relating to the group's hedge-accounted portfolios (Centre) when compared to 2023.
- Other NIR increased on the prior period, driven by gains due to optimisation activities within the HQLA portfolio in the Centre. This was partially offset by the base effect of R501m foreign currency gains on US dollar capital in Zimbabwe, net of the NML in the prior period that did not repeat as a result of moving to the US dollar as functional currency in Nedbank Zimbabwe.

Expenses

Expenses increased by 8% to R41 074m, reflecting the impacts of higher salary-related costs, higher short-term incentive charges, increased communication and travel costs, ongoing investment in technology and digital solutions, as well as the acquisition of Eqstra (R683m). Excluding Eqstra, expense growth was well contained at 6%.

- Employee-related costs increased by 7% to R22 638m due to the following:
  - A 9% increase in salaries, wages and other staff costs, reflecting the impacts of an average 2024 annual salary increase of 6%, higher costs to attract and retain key talent and costs associated with temporary employees as we finalised our ME IT build.
  - A 2% increase in incentives, aligned with profitability metrics and vesting probabilities relating to corporate performance targets.
- Computer-processing costs increased by 6% to R7 307m, reflecting the impact of continuous investment in digital, data and cloud solutions, increased IT volumes, and the impact of the rand's devaluation related to foreign currency IT contracts. The growth rate in the amortisation charge continues to slow with our ME technology IT build reaching completion.
- Communication and travel costs increased by 44% and fees and insurances costs increased by 9%.
- Occupation and accommodation costs decreased by 4% to R2 165m as we continue to benefit from our real estate optimisation initiatives and the impact of lower generator-related costs, while marketing costs were well contained and increased by only 1% to R1 607m.

The group's increase in expenses of 8% was higher than the 4% increase in revenue, including associate income, resulting in a negative JAWS ratio of 4% while the CIR increased to 55,9% (2023: 53,9%).

Earnings from associates

Associate income decreased by 11% to R1 290m and includes associate income of R1 139m relating to the group's 21% shareholding in ETI for the period (2023: R1 380m). The decline largely reflects the base effect of the reversal in H1 2023 of the R175m estimate provided by Nedbank Group for our share of the impact of the Ghanaian sovereign debt restructure programme. Associate income relating to ETI includes accounting for our share of ETI's Q4 2023 and 9-month 2024 earnings (in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrear). The total effect of ETI on the group's HE was a profit of R1 037m (2023: R1 229m). The gross return on the original ETI investment decreased to 18,2% (2023: 22,0%). The board and management are busy finalising a strategic review of the group's financial investment in ETI.

Statement of financial position

Banking loans and advances

Gross banking loans and advances increased by 7% to R944bn due to strong growth in CIB, particularly in Q4 2024, and moderate growth in RBB as consumer finances remain strained.

Gross banking loans and advances growth by cluster was as follows:

Rm	Change (%)	2024	2023
CIB	10	**417 409**	380 455
RBB	4	**473 435**	453 498
Wealth	(2)	**28 412**	29 059
NAR	6	**23 575**	22 176
Centre[1]	>100	**723**	(141)
Group	7	**943 554**	885 047

[1] *Includes macro fair-value hedge-accounted portfolios and disclosure reallocations.*

CIB gross banking loans and advances increased by 10% to R417bn, underpinned by 14% growth in our Investment Banking business, including key growth sectors such as the energy sector (with strong deal pipelines in place) and related infrastructure sectors. Commercial-property loans and advances increased by 7% as clients executed on transactions following the commencement of the downward interest rate cycle.

RBB gross loans and advances increased by 4% to R473bn, driven by solid growth in secured lending. Home loans grew by 6%, leading to market share gains. Vehicle finance grew by 9% as we continued to leverage our strong position in MFC, also resulting in market share gains. Disbursals in unsecured lending continued to be subdued, as we deliberately followed a more cautious approach in extending credit given elevated risk, with personal loans declining by 12% and credit card remaining flat. Growth in Commercial Banking was muted as clients adopted more prudent borrowing behaviour and invested in capital expenditure.

Deposits

Deposits increased by 8% to R1,2tn and the group's loan-to-deposit ratio remained flat at 82% (2023: 82%). Within our business clusters CIB deposits grew by 14%, RBB by 8% and NAR by 10%, with Wealth declining by 2% and the Centre by 10% as the need for marginal funding diminished.

Due to the high-interest rate environment, clients continued to extend short-dated cash into longer-dated deposits. As a result, current accounts increased by 3% and savings accounts decreased by 8%. In contrast, cash management deposits increased by 38% due mainly to government deposits, call and term deposits by 9%, and other deposits by 10%. Other deposits growth was driven by an increase in step rate deposits and other alternative funding as well as an increase in structured notes. Fixed deposits increased by 8%, driven by competitive pricing strategies in key investment categories. Negotiable certificates of deposit (NCD) decreased by 11%, driven by strong growth in other deposits and systemic liquidity emanating from the Gold and Foreign Exchange Contingency Reserve Account (GEFCRA), which reduced the need for marginal deposits.

Liquidity risk and funding

The group achieved a quarterly average long-term funding ratio of 30,6%, which is above the industry average of around 23,8% as a result of the proactive management of Nedbank's long-term funding profile.

The group's Q4 2024 quarterly average LCR of 135% (Q4 2023: 135%) exceeded the minimum regulatory requirement of 100%, with the group maintaining appropriate operational buffers to absorb seasonal, cyclical, and systemic volatility.

	2024	2023
HQLA (Rm)	**284 237**	238 182
Net cash outflows (Rm)	**210 163**	177 000
Liquidity coverage ratio (%)[1]	**135,2**	134,6
LCR regulatory minimum (%)	**100,0**	100,0
NSFR (%)	**116,0**	117,3
NSFR regulatory minimum (%)	**100,0**	100,0

[1] *Average for the quarter.*

Nedbank's proactive management of its HQLA buffers resulted in the bank operating well within its risk tolerance levels. The group maintained significant sources of quick liquidity, totalling R339bn, including HQLA of R284bn, collectively representing 24% of total assets.

Nedbank exceeded the minimum regulatory NSFR requirement of 100% with the December 2024 ratio of 116% (December 2023: 117%). The structural liquidity position of the group remains strong, supported by the effective management of balance sheet growth alongside proactive responses to evolving regulatory developments.

Capital

The group remains well capitalised with a common-equity tier 1 (CET 1) ratio of 13,3% (December 2023: 13,5%) and a tier 1 capital adequacy ratio (CAR) of 15,1% (December 2023: 15,0%), exceeding minimum regulatory requirements and board-approved target ranges. The change in the CET 1 ratio reflects the payment of dividends, changes in share-based payment reserves and increased risk-weighted assets (RWAs) due to credit, equity, operational and other risks.

Basel III capital ratios (%)	2024	2023	Internal target range	Regulatory minimum
CET1	**13,3**	13,5	11,0–12,0	8,5
Tier 1	**15,1**	15,0	> 12,0	10,3
Total CAR	**17,1**	16,9	> 14,5	12,5

Note: Ratios include unappropriated profits.

We remain committed to maintaining an optimal capital structure by utilising a wide range of capital instruments. The group's total tier 1 capital position benefited from the issuance of additional tier 1 capital instruments amounting to R3,0bn, partially offset by redemptions of R671m during 2024. Furthermore, the group's overall capital position was impacted by the issuance of tier 2 capital instruments valued at R3,7bn and the redemption of R2,5bn in 2024, in alignment with the group's capital plan.

Using our financial expertise to do good

We remain committed to fulfilling our purpose of using our financial expertise to do good and contribute to the well-being and growth of the societies in which we operate by delivering value to our employees, clients, shareholders, regulators and society.

Employees

- Employee engagement levels remained high, with our 2024 Workforce Insights Pulse Survey employees' participation rate at 90%. Our 'Great place to work' NPS remained positive at 18 (2023 NPS: 20). In 2024 we introduced an employee engagement measure to deepen our understanding of how Nedbankers experience their work. The 2024 score of 79% was positive, with only a 1% increase required to be considered highly engaged.
- We supported our employees in managing their mental, physical, and financial well-being, including hosting health-screening days across all campus sites that were attended by more than 2 300 employees (2023: 1 611).
- We paid our 26 140 permanent and temporary employees' salaries and benefits of R22,6bn and concluded annual salary increases of 7,0% on average for our bargaining-unit employees, with non-bargaining-unit employees receiving increases of an average of 5%.
- Our hybrid work model saw a larger number of employees come to work in the office on a regular basis as we enhance collaboration, embed our culture principles to foster meaningful connection and drive higher levels of performance.
- Our employee attrition rate decreased to 8,0% in 2024 (2023: 9,2%), now firmly below the industry benchmark of 11%. During the year 33 employees have regrettably been retrenched due to necessary operational changes, a more than 50% decline on 2023. We continue to focus on timeous reskilling and upskilling of impacted employees for transition to future internal or external roles.
- Our focus on diversity, equity, and inclusion remains top of mind and a key imperative to ensure that we remain relevant in a transforming society. We have a diverse talent complement, with 83% of total employees being black (African, Coloured or Indian), improving from 82% in 2023, supported by strong improvements in the representation of African talent at both senior and middle management levels, up by 4%. Total female employee representation remained at 62%.
- We continued to play a leadership role in mitigating SA's youth unemployment as one of the biggest contributors to the Youth Employment Service (YES) Programme. In collaboration with our implementation partners, over 3 500 first-time job opportunities were provided (700 within the group and the remainder across Nedbank's implementation partners) in 2024. This brings the total YES Youth work experience opportunities to over 13 500 from inception in 2019 to date.
- Nedbank ranked second in SA in the Forbes 2024 Best Employer, reflecting Nedbank's efforts being an employer of choice.

Clients

- We ranked #1 among the large South African banks in the 2024 Kantar NPS survey when surveying all clients and achieved the second highest NPS score when surveying main-banked clients. We continue to focus on enhancing client experiences and differentiating ourselves in a highly competitive market.
- In support of our 7,6 million clients, we advanced R367bn (2023: R332bn) in new loans to enable them to finance their homes, vehicles and education and to grow their businesses. We also safeguarded R1,2tn in deposits at competitive rates and, through the newly introduced deposit insurance scheme, covered over R100bn in deposits.
- Our clients' access to banking products and services continued to improve as they increasingly shift to digital channels, evident in digitally active retail users increasing by 7% to 3,1 million and digital sales as a percentage of total sales in Retail increasing to 64% (from 55% in 2023).
- The launch of the MiGoals Premium and MiGoals Plus Accounts in 2023, with their more competitive pricing and value to clients, resulted in Nedbank ranking very well in the Solidarity 2024 Bank Charges Report. Nedbank was recognised as best-priced in the higher-middle-class income segment and second-best in the middle-class income segment. In the low-income segment, Nedbank ranked third among the big 5 retail banks. Nedbank was commended for the progress made on competitiveness as well as the transparency and simplicity of fees.
- In recognition of the value-add to our clients and our leadership position in key industries, segments and products, we have won various awards in 2024, including Best Investment Bank South Africa and Best Retail Bank in South Africa at the 2024 Global Banking & Finance Review Awards, as well as Best Private Bank in the UK for the 10th year running at the 2024 City of London Wealth Management Awards.

Shareholders

- The strategic progress we have made, our improved financial performance and investor confidence in the group's progress towards our ROE targets supported a 30% increase in the Nedbank share price in 2024, outperforming the SA Banks Index, which increased by 17% and the JSE All-share Index, which increased by 10%.
- All financial drivers of shareholder value creation improved. DHEPS increased by 11%, ROE improved to 15,8% and NAV per share increased by 4%. Strong capital and liquidity positions at 31 December 2024 supported the declaration of a final dividend of 1 104 cents per share, an increase of 8% on 2023.
- We hosted our 57th annual general meeting, where all resolutions were passed. We were particularly pleased that our remuneration policy and implementation report received more than 90% votes of support.
- We successfully concluded our 11th annual ESG roadshow and continue to be recognised for our leadership in this space, while we remained at the top end of various ESG ratings when compared with local and international peers.

Regulators

We continue to collaborate closely with the government, regulators, and the Banking Association South Africa to ensure the safety and soundness of the South African banking system. Additionally, we remain well informed about international developments in this regard, ensuring that our practices align with global standards and best practices.

- **Key regulatory developments in 2024 included the following:**
  - **Basel III reforms:** In 2024 the Prudential Authority (PA) published the third draft of the proposed directives with amendments to the regulations relating to banks, addressing key matters related to the Basel III post-crisis reforms; revisions to the standardised and internal ratings-based approaches for credit risk; the new standardised approach for operational risk; refinements to the definition of the leverage ratio exposure measure; and revised output floors that limit regulatory capital benefits that a bank, using internal models, can derive relative to the standardised approaches. Nedbank closely monitors international developments regarding approaches and implementation roadmaps. We remain committed to adhering to the roadmap and methodology provided by the PA.
  - **Financial loss absorption capacity instruments:** SARB introduced a new tranche of loss-absorbing, non-regulatory, bail-inable debt instruments (flac) that will enable the Resolution Authority to execute statutory bail-in during a resolution scenario to recapitalise a failing institution. It is anticipated that the issuance of flac instruments will result in additional costs, as these instruments are envisaged to replace maturing senior unsecured debt instruments over the phase-in period. The new standard will come into effect on 1 January 2026 and will be phased in according to the transitional arrangements starting in 2028.
  - **Countercyclical capital buffer (CcyB):** On 10 December 2024 the PA published Directive 6/2024, which mandates the implementation of a positive cycle-neutral (PCN) CcyB set at 1% of risk-weighted exposures. This directive will come into effect on 1 January 2026, resulting in an increase in the regulatory minimum capital requirements and consequently impacting the group's surplus capital position.
- In 2024 S&P Global (S&P) affirmed their ratings of Nedbank Limited and revised the outlook from stable to positive. At the same time, S&P raised Nedbank's long-term SA national scale from zaAA to zaAA+. Moody's upgraded Nedbank's deposit ratings by 2 notches and the senior unsecured rating by 1 notch because of a methodology change.
- We hold investments of over R198bn in government and public sector bonds as part of our HQLA requirements.
- We made cash taxation payments relating to direct, indirect and employee taxes as well as other taxation of R15,3bn (2023: R13,4bn) across the group, up by 14%.

Society

Banks play a central role in driving sustainable socioeconomic development for the benefit of all stakeholders and creating a better future by providing capital for investment in the real economy. We have adopted the UN SDGs as a framework for measuring delivery on our purpose and prioritised 9 SDGs where we believe we have the greatest ability to deliver meaningful impact through our core business, thereby creating positive social and environmental outcomes. Key highlights for 2024 include the following:

- **Quality education (SDG 4):** We provided financing towards student loans and student accommodation, supporting over 670 student loans and 304 student beds in 2024. Our current student housing exposure is R5,7bn (2023: 5,0bn).
- **Clean water and sanitation (SDG 6):** In 2024 we concluded a 15-year, R4,5bn term loan facility to the Trans-Caledon Tunnel Authority for its Mokolo–Crocodile River Water Augmentation Project concerning water supply that comprises an abstraction weir, pump stations and a 160 km pipeline to transfer 75 million m^3 of water per annum from the Crocodile River. Through Commercial Banking, we also supported 3 funding tenders, of which the bulk represents funding for water and energy.
- **Affordable and clean energy (SDG 7):** At the end of 2024 the group's total renewable energy exposures across the government procurement programmes and private power generation in CIB, RBB and NAR increased to almost R40bn (up by 32%), with limits increasing by 24% to R57bn, highlighting strong deal pipelines that we have in place. In addition to the closure of 12 private sector renewable energy deals, our market-leading renewable energy team was appointed joint mandated lead arranger for 7 out of the 8 projects awarded under Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) Round 7, and 7 out of the 8 projects awarded under Battery Energy Storage Systems (BESS) Round 2. In our own operations green power from independent power producers to reduce our own carbon emissions increased to around 10% (2023: 6,5%).
- **Decent work and economic growth (SDG 8):** We supported small businesses and their owners with loans of R25bn, provided banking solutions to more than 318 000 small-and-medium-enterprise (SME) clients and Beyond Banking support through our SimplyBiz platform. In 2024 the SimplyBiz membership base increased by 85%. During the year we also welcomed our fifth intake of more than 3 500 YES participants as we continue to make an impact on South African youth and their families and communities. With this intake included, over 13 500 previously unemployed youth have been afforded the opportunity of employment through participating in Nedbank's YES programme and 700 of them have been employed permanently within Nedbank and the remainder with our YES programme partners.
- **Industry, innovation and infrastructure (SDG 9):** Infrastructure remains a key priority for Nedbank as we seek to unlock bottlenecks for growth in SA and across the continent. We have exposures of R27bn to infrastructure-related projects spanning roads, rail, ports and telecommunications infrastructure. A key success in 2024 was the conclusion of a R3,5bn facility for the City of Cape Town to partially fund the city's infrastructure investment programme.
- **Reduced inequalities (SDG 10):** We maintained our level 1 BBBEE status for the seventh year in a row. In recognition of this, Nedbank was announced as the winner of the Best Financial Inclusion Services Provider in South Africa at the 2024 Environmental Finance Awards and the World's Best Bank for Diversity and Inclusion Award at the 2024 Euromoney Awards, acknowledging Nedbank's efforts in driving financial inclusivity. Nedbank was also awarded the Transformation Champion Award at the 20th Black Business Awards in SA.
- **Sustainable cities and communities (SDG 11):** The value of affordable home loans exposures for lower-income households was almost R17bn and we provided R16bn worth of financing for the construction of buildings that conform to green building standards. We also continuously pursue Green Star ratings for our own premises, and at the end of 2024, 89% of our space was Green Star-rated, up from 86% in the prior year.

Economic outlook

The world economy faces significant uncertainties in the year ahead. The risk of a global trade war remains high amid more protectionist US trade policies, which pose downside risks to global growth and upside risks to inflation. Despite these uncertainties, near-term growth prospects remain reasonable. The IMF expects the world economy to expand by a steady, albeit subdued pace of around 3,3% in 2025. Lower inflation will sustain real incomes, while easing interest rates will buoy confidence and gradually lift demand in most countries. Growth in advanced countries is forecast to improve from 1,7% in 2023 to 1,9% in 2024. A robust US economy will continue to lead the way, with some support from modest recoveries in the eurozone, the United Kingdom (UK) and Japan. The IMF expects steady growth of 4,2% in emerging and developing countries, with the upside contained by slower growth in India and China. The drag on China's economy from the country's structural challenges and the trade conflict with the US are expected to outweigh the boost from the more aggressive macroeconomic stimulus. Despite limited fiscal space and lingering social instability, easier financial conditions and firmer commodity prices are still expected to lift the sub-Saharan Africa's growth rate from 3,8% in 2024 to 4,2% in 2025.

Global disinflation will continue, but at a much slower pace as goods prices rise off a low base and service fees remain relatively sticky. Monetary policy paths are likely to diverge. The US rate-cutting cycle will be shallow and could well be over, given mounting upside risks to the inflation outlook stemming from strong domestic demand, a large fiscal deficit and higher tariffs. The central banks of most advanced and developing countries will continue easing throughout the year. However, the central banks of major emerging markets are expected to become more cautious as the year progresses, given persistent pressure on their currencies as global risk sentiment falters due to adverse consequences of US trade policies.

SA's economic outlook is more promising. GDP growth is forecast to improve to about 1,4% in 2025, driven mainly by more vigorous consumer spending, underpinned by rising real incomes, subdued inflation, and lower interest rates. In addition, the ongoing retirement fund withdrawals will add more to household income and consumer spending in 2025 than last year. Fixed investment is also forecast to recover as business confidence improves amid easing structural constraints, firmer domestic demand, and steady global growth.

The public sector is expected to lead the turnaround in fixed investment, while private sector capital outlays will take longer to recover, given ample spare capacity in many sectors. Nedbank's Capital Expenditure Project Listing also shows a sharp rise in new investment plans in 2024. The value of new projects announced rose to R446bn in 2024, more than double the R210bn published in 2023. The public sector dominated announcements, accounting for 79% of the value of new projects. Given the lag between project announcements and implementation, the pickup in plans bodes well for fixed investment in 2025.

Inflation is forecast to drift upwards slowly but will still average a muted 4% in 2025. Mild upward pressure will likely come from food and fuel prices as they start to rise off a much lower base. Meanwhile, core inflation will be kept in check by still-restrictive monetary policy, price-sensitive local demand, and lower domestic operating costs on fewer power outages and other disruptions. With inflation below the 4,5% target, the MPC reduced the repo rate by a further 25 bps in January 2025, but signalled a more cautious approach in the months ahead as US policy changes could lead to renewed rand weakness and higher domestic inflation. Given the rapidly shifting global landscape, Nedbank's Group Economic Unit expects only 1 more interest rate cut of 25 bps in July.

Banking conditions will likely remain challenging but should improve moderately as the year progresses. Credit growth is forecast to increase to around 5,6% by the end of the year, supported by the anticipated recovery in the domestic economy and slightly lower interest rates. The risks to the credit outlook remain tilted to the downside, particularly over the short term. Given that interest rates remain high in both nominal and real terms, households are likely to be highly sensitive to the central bank's messaging. If inflation returns and interest rates stay high for longer, household credit demand could easily relapse. Equally, the recovery in corporate credit demand could fall short of expectations if power outages return, structural reforms stall, or global conditions worsen significantly, discouraging large new capital projects. The risk of bad debt is expected to remain elevated for as long as interest rates stay relatively high. Finally, sound economic policies, accelerated structural reforms, and meaningful fiscal consolidation remain key to reducing SA's risk premium and unlocking efficiencies for the private sector, thereby setting the stage for faster growth, higher employment, and lower inflation and interest rates over the medium term.

Strategic reorganisation to create a more focused, client centred organisation

To sharpen execution of the Nedbank strategy, compete more effectively in the market, enhance cross-sell and unlock new growth opportunities, we have embarked on an organisational restructure of our Retail and Business Banking (RBB) and Nedbank Wealth clusters, evolving into an organisational design more focused on client centricity. The new group structure will see the creation of Personal and Private Banking (PPB), an individual/non-juristic focused cluster, that will provide a full suite of solutions to individual clients across the youth, entry-level, mass, middle, affluent and high-net-worth segments. The reorganisation will also see the creation of Business and Commercial Banking (BCB), a juristic-focused cluster, that will cover the spectrum of SME, Commercial and Mid-corp clients, to unlock accelerated growth through new compelling value propositions, while elevating this business to a Group Exco level.

As part of the reorganisation, Nedbank Insurance and Nedbank Wealth Management will be incorporated into PPB as we seek to grow insurance and unlock cross and upsell opportunities into the existing Nedbank client base, create scale, leverage capability synergies between Wealth Management and Private Clients to strengthen our value position in the market. Our Asset Management business will move into Corporate and Investment Banking (CIB) and focus on building out its product offerings, while improving new business origination on the back of our new client-centric model. Nedbank Wealth will no longer exist as a stand-alone cluster.

We anticipate substantial benefits for all our stakeholders. Employees will be more empowered as we break down structural barriers to collaboration, create increased focus and align incentives across the organisation. For clients, the reorganisation represents a transformative leap forward in how they will experience Nedbank. By unifying our personal and juristic business segments into distinct, focused clusters, we will be able to offer more seamless and integrated banking experiences. Clients will benefit from relevant holistic financial solutions, enhanced client service, more tailored business solutions from BCB, greater access to financial expertise in PPB, and increased investment and innovation in product offerings enabled by efficiencies and accelerated growth. Our shareholders can expect improving financial performance from Nedbank over time, underpinned by delivering of focused growth strategies, including the unlock of cross-sell opportunities and increased productivity. Streamlining our operations and creating increased segment focus, would contribute to us achieving our long-term ROE of greater than 18%.

High-level timelines for implementation are currently as follows: in Q2 2025 we will refine and implement effective structures and finalise leadership changes. The changes will become effective from 1 July 2025, reporting as PPB and BCB clusters as part of the group's 2025 interim results. In the second half of the year, we will finalise key performance indicators and targets that support value creation. Ciko Thomas will lead the PPB cluster, and we will announce the leader of the newly created BCB in due course.

Prospects

Our current guidance on financial performance for 2025, in an environment with high forecast risk, volatility and uncertainty, is as follows:

- **NII** is expected to grow by around mid-single digits, driven by stronger advances growth, particularly in CIB. The group's NIM is expected to decline from the 2024 level of 4,05% as a result of asset mix changes (wholesale assets growing faster than retail assets), competitive pricing for good-quality assets and the impact of lower interest rates (endowment, although less than originally expected given a shallower interest rate cycle).
- **CLR** for the full year is expected to be around the midpoint of the group's TTC target range of 60 to 100 bps.
- **NIR** is expected to grow at upper single digits, supported by higher levels of cross-sell, main-banked client gains, ongoing deal flow in CIB and the residual impact of the Eqstra acquisition.
- **Expenses** are expected to grow at mid-to-upper single digits given the residual impact of the Eqstra acquisition, while we maintain our focus on managing costs in a more difficult environment.
- **The CET1** capital ratio is expected to remain well above the top end of the board-approved target range of 11% to 12%, which positions us well for growth, sustainable dividend payments and active capital management opportunities through potential further share buybacks should market conditions allow (with shareholder, board and regulatory approvals in place).
- **Dividend payments**, subject to board approval, are expected to be at the top end of our payout ratio of 57% (i.e. bottom end of the group's target range of 1,75 to 2,25 times).

Our targets support our focus on value creation for shareholders. In 2025 we aim to grow DHEPS by more than mid-single digits. Given ongoing slow economic activity at the start of the year, including muted credit demand, which only picks up as the year progresses, we expect earnings growth in the first half of 2025 to be broadly flat before improving in the second half of the year. We aim to achieve an ROE of greater than 16% in 2025, although our CIR is expected to increase slightly, including the full-year impact of Eqstra. In the medium term, we will continue to progress our ROE to 17% or more while our CIR declines to around 54%. In the long term we remain focused on increasing our ROE further to 18% or more (around COE plus 3%) and improve our CIR to below 50%.

The guidance provided and targets set exclude the impact of any potential mergers-and-acquisition-related corporate action.

Metric	2024 performance	Full-year 2025 outlook	Medium-term target	Long-term target
ROE	**15,8%**	> 16%	> 17%	> 18% (around COE[1]+ 3%)
Growth in DHEPS	**11%**	> Mid-single digits	≥ Consumer price index + GDP growth + 3 (CAGR)	+ GDP growth + 5 (CAGR)
CLR	**87 bps**	Around the midpoint of the group's TTC target range	Between 60 and 100 bps of average banking advances	
CIR (including associate income)	**55,9%**	Slightly higher than 2024 (including Eqstra)	54%[2]	< 50%
CET1 capital adequacy ratio	**13,3%**	Above the top end of our 11,0–12,0% target range	11,0–12,0%	
Dividend cover	**1,75 times**	At the lower end of our target range of 1,75–2,25 times	1,75–2,25 times	

COE is currently forecast to be 14,8% in 2025 to 2027.

[2] *Our original medium-term CIR target of below 52% in 2025 will not be achieved.*

Shareholders are advised that all guidance is based on organic earnings and our latest macroeconomic outlook. The group's joint auditors have not reviewed or reported on this guidance.

Board and executive leadership changes

Terence Nombembe and May Hermanus were appointed as independent non-executive directors with effect from 1 January 2024 and 15 July 2024, respectively.

Jason Quinn was appointed as Group Chief Executive (CE) of Nedbank Group and Nedbank with effect from 31 May 2024, following Mike Brown's retirement as Group CE on the same day.

Concurrent with the strategic reorganisation of the group's Retail and Business Banking and Nedbank Wealth clusters, Iolanda Ruggiero, Managing Executive: Nedbank Wealth, will be taking early retirement after 23 years of service. She will be working with Nedbank's senior leadership to manage an orderly transition in advance of her retirement on 31 March 2025.

Daleen du Toit, Group Chief Compliance Officer, reaches the group's mandatory retirement age during the first half of 2025. Nomonde Hlongwa has been appointed to succeed Daleen and has been appointed a member of the Group Executive Committee with effect from 16 April 2025.

Forward-looking statements

This announcement is the responsibility of the directors and contains certain forward-looking statements with respect to the financial condition and results of operations of Nedbank Group and its group companies that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include global, national, and regional health; political and economic conditions; sovereign credit ratings; levels of securities markets; interest rates; credit or other risks of lending and investment activities; as well as competitive, regulatory, and legal factors. By consequence, the group's joint auditors have not reviewed or reported on the financial information on which all forward-looking statements are based.

The group, in the ordinary course of business, enters into transactions that expose it to taxation, legal and business risks. The group does not expect the ultimate resolution of any of these other matters to have a material adverse effect on the group's consolidated financial position.

Final dividend declaration

Notice is given that a final dividend of 1 104 cents per ordinary share has been declared, payable to shareholders for the year ended 31 December 2024. The dividend has been declared from income reserves.

The dividend will be subject to a dividend withholding tax rate of 20% (applicable in SA) or 220,8 cents per ordinary share, resulting in a net dividend of 883,2 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of an applicable double taxation agreement.

Nedbank Group's tax reference number is 9375/082/71/7 and the number of ordinary shares in issue at the date of declaration was 487 813 795.

In line with the provisions of Strate, the electronic settlement and custody system used by JSE Limited, the relevant dates for the dividend are as follows:

	2025
Last day to trade (cum dividend)	Tuesday, 8 April
Shares commence trading (ex dividend)	Wednesday, 9 April
Record date (date shareholders recorded in shareholders' register)	Friday, 11 April
Payment date	Monday, 14 April

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 April 2025, and Friday, 11 April 2025, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, the dividend will be withheld until shareholders provide their banking information. Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 14 April 2025.

For and on behalf of the board

Daniel Mminele
Chairperson

Jason Quinn
Chief Executive

Directors

AD Mminele (Chairperson), JP Quinn** (Chief Executive), HR Brody*, BA Dames, MH Davis** (Chief Financial Officer), NP Dongwana, MA Hermanus, EM Kruger, P Langeni, RAG Leith, L Makalima, MC Nkuhlu** (Chief Operating Officer), TM Nombembe, S Subramoney.

** Lead Independent Director ** Executive*

Financial results

Financial highlights 47
Consolidated statement of comprehensive income 48
Consolidated statement of financial position 50
Consolidated statement of changes in equity 52
Return-on-equity drivers 56

Financial highlights
for the year ended 31 December

		Change %	2024	2023
Statistics				
Number of shares listed	m		**488,0**	488,1
Number of shares in issue, excluding shares held by group entities	m	1	**467,0**	464,6
Weighted-average number of shares	m	(1)	**466,4**	472,5
Diluted weighted-average number of shares	m	(2)	**478,6**	489,2
Headline earnings	Rm	8	**16 934**	15 650
Profit attributable to ordinary shareholders	Rm	10	**16 834**	15 305
Total comprehensive income	Rm	(3)	**16 819**	17 338
Preprovisioning operating profit	Rm		**29 712**	29 739
Economic profit	Rm	52	**1 477**	970
Headline earnings per share	cents	10	**3 631**	3 312
Diluted headline earnings per share	cents	11	**3 538**	3 199
Basic earnings per share	cents	11	**3 610**	3 239
Diluted basic earnings per share	cents	12	**3 517**	3 128
Ordinary dividends declared per share	cents	10	**2 075**	1 893
Interim		11	**971**	871
Final		8	**1 104**	1 022
Ordinary dividends paid per share	cents	15	**1 993**	1 737
Dividend cover	times		**1,75**	1,75
Total assets administered by the group	Rm	8	**1 892 212**	1 759 875
Total assets	Rm		**1 418 537**	1 311 408
Assets under management	Rm		**473 675**	448 467
Net life insurance contractual service margin	Rm	3	**1 100**	1 071
Nedbank Wealth life insurance value of new business	Rm	(1)	**367**	372
Net asset value per share	cents	4	**24 039**	23 192
Tangible net asset value per share	cents	3	**21 330**	20 614
Closing share price	cents	30	**28 171**	21 623
Price/earnings ratio	historical		**7,8**	6,5
Price-to-book ratio	historical		**1,2**	0,9
Market capitalisation	Rbn	30	**137,5**	105,5
Number of employees (permanent)		1	**25 613**	25 477
Number of employees (permanent and temporary)		1	**26 140**	25 984
Key ratios (%)				
ROE			**15,8**	15,1
Return on tangible equity			**17,9**	17,2
ROA			**1,24**	1,21
Return on RWA			**2,40**	2,31
NII to average interest-earning banking assets			**4,05**	4,21
NIR to total income			**41,4**	39,2
NIR to total operating expenses			**74,0**	72,8
CLR – banking advances			**0,87**	1,09
Cost-to-income ratio			**55,9**	53,9
Total income growth less expense growth rate (JAWS ratio)			**(3.8)**	3,8
Effective taxation rate			**20,5**	20,5
Group capital adequacy ratios (including unappropriated profits):				
– CET1			**13,3**	13,5
– Tier 1			**15,1**	15,0
– Total			**17,1**	16,9

Consolidated statement of comprehensive income

for the year ended 31 December

Rm	Note	Change %	2024	2023
Interest and similar income		7	**125 015**	116 915
Interest expense and similar charges		10	**83 209**	75 445
Net interest income	1	1	**41 806**	41 470
Non-interest revenue and income	3	10	**30 412**	27 709
Net commission and fees income			**21 361**	19 346
Commission and fees revenue			**27 823**	25 296
Commission and fees expense			**(6 462)**	(5 950)
Net insurance income			**1 572**	1 446
Fair-value adjustments			**541**	577
Net trading income			**4 620**	4 299
Equity investment income			**693**	764
Investment income			**196**	142
Net sundry income			**1 429**	1 135
Share of gains of associate companies	9	(9)	**1 313**	1 449
Total net income before impairment charge on financial instruments		4	**73 531**	70 628
Impairments charge on financial instruments	2	(17)	**7 997**	9 605
Total net income		7	**65 534**	61 023
Total operating expenses	4	8	**41 074**	38 059
Indirect taxation		(4)	**1 084**	1 129
Impairments charge on non-financial instruments and other gains and losses	5	(61)	**158**	403
Profit before direct taxation		8	**23 218**	21 432
Total direct taxation		7	**4 746**	4 432
Direct taxation	6		**4 781**	4 484
Taxation on impairments charge on non-financial instruments and other gains and losses			**(35)**	(52)
Profit for the year		9	**18 472**	17 000
Other comprehensive (losses)/income (OCI) net of taxation		>(100)	**(1 653)**	338
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations			**23**	1 492
Share of OCI of investments accounted for using the equity method			**(1 775)**	(1 556)
Debt investments at FVOCI – net change in fair value			**74**	242
Cash flow hedge losses			**(10)**	(190)
Items that may not subsequently be reclassified to profit or loss				
Share of OCI of investments accounted for using the equity method			**5**	75
Remeasurements on long-term employee benefit assets			**89**	191
Property revaluations			**(130)**	53
Equity instruments at FVOCI – net change in fair value			**71**	31
Total comprehensive income for the year		(3)	**16 819**	17 338

Rm	Note	Change %	2024	2023
Profit attributable to:				
– Ordinary shareholders		10	**16 834**	15 305
– Holders of participating preference shares		(8)	**153**	166
– Holders of additional tier 1 capital instruments		4	**1 334**	1 286
– Non-controlling interest – ordinary shareholders		(38)	**151**	243
Profit for the year		9	**18 472**	17 000
Total comprehensive income attributable to:				
– Ordinary shareholders		(3)	**15 237**	15 651
– Holders of participating preference shares		(8)	**153**	166
– Holders of additional tier 1 capital instruments		4	**1 334**	1 286
– Non-controlling interest – ordinary shareholders		(60)	**95**	235
Total comprehensive income for the year		(3)	**16 819**	17 338
Headline earnings reconciliation				
Profit attributable to equity holders of the parent		10	**16 834**	15 305
Less: Non-headline earnings items		65	**(123)**	(351)
Impairments charge on non-financial instruments and other gains and losses			**(158)**	(403)
Taxation on impairments charge on non-financial instruments and other gains and losses			**35**	52
Less: Share of associate (ETI) impairments charge on non-financial instruments and other gains and losses		>100	**23**	6
Headline earnings	5	8	**16 934**	15 650

Consolidated statement of financial position

at 31 December

Rm	Note	Change %	2024	2023
Assets				
Cash and cash equivalents		6	**55 146**	52 082
Other short-term securities		(6)	**82 896**	87 769
Derivative financial instruments		24	**17 072**	13 812
Government securities		16	**193 176**	167 138
Other dated securities		49	**5 346**	3 579
Banking loans and advances	7	7	**914 833**	855 445
Trading loans and advances	7	31	**47 351**	36 174
Other assets		7	**38 187**	35 575
Current taxation assets		17	**183**	156
Insurance contract assets		4	**395**	378
Investment securities	8	3	**28 172**	27 287
Non-current assets held for sale		(63)	**182**	493
Investments in associate companies	9		**2 486**	2 489
Deferred taxation assets		(40)	**554**	921
Investment property		(22)	**291**	371
Property and equipment		29	**14 131**	10 913
Long-term employee benefit assets		13	**5 484**	4 849
Intangible assets	10	6	**12 652**	11 977
Total assets		8	**1 418 537**	1 311 408
Equity and liabilities				
Ordinary share capital			**467**	465
Ordinary share premium			**14 351**	14 332
Reserves		5	**97 446**	92 952
Total equity attributable to ordinary shareholders		4	**112 264**	107 749
Holders of participating preference shares		(3)	**103**	106
Holders of additional tier 1 capital instruments		22	**12 798**	10 469
Non-controlling interest attributable to ordinary shareholders		4	**921**	887
Total equity		6	**126 086**	119 211
Derivative financial instruments		(18)	**11 623**	14 141
Amounts owed to depositors	11	8	**1 174 691**	1 087 645
Provisions and other liabilities		60	**36 369**	22 715
Current taxation liabilities		4	**324**	313
Deferred taxation liabilities		53	**778**	507
Long-term employee benefit liabilities		9	**47**	43
Investment contract liabilities			**17 484**	17 512
Insurance contract liabilities		(12)	**1 354**	1 544
Long-term debt instruments		4	**49 781**	47 777
Total liabilities		8	**1 292 451**	1 192 197
Total equity and liabilities		8	**1 418 537**	1 311 408

Notes

Consolidated statement of changes in equity

for the year ended 31 December

Rm	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve[1]	Property revaluation reserve
Balance at 1 January 2023	487 251 715	487	19 208	(2 916)	1 611
Share movements in terms of long-term incentive and BEE scheme	709 349	1	145		
Share buyback	(23 395 066)	(23)	(5 021)		
Additional tier 1 capital instruments issued					
Additional tier 1 capital instruments redeemed					
Preference share dividend paid					
Additional tier 1 capital instruments distributions					
Dividends paid to shareholders					
Total comprehensive (losses)/income for the year				(63)	27
Profit attributable to ordinary shareholders and non-controlling interest[4]					
Exchange differences on translating foreign operations				1 515	
Cash flow hedge losses					
Movement in fair-value reserve					
Property revaluations					27
Remeasurements of long-term employee benefit assets					
Share of OCI of investments accounted for using the equity method				(1 578)	
Transfer (from)/to reserves					(54)
Value of employee services (net of deferred tax)					
Balance at 31 December 2023	464 565 998	465	14 332	(2 979)	1 584

Share-based payment reserve	Other non-distributable reserves[2]	FVOCI reserve	Other distri-butable reserves[3]	Total equity attributable to ordinary shareholders	Holders of participating preference shares	Holders of additional tier 1 capital instruments	Non-controlling interest attributable to ordinary shareholders	Total equity
1 730	276	452	84 128	104 976	51	10 219	698	115 944
(411)			(154)	(419)				(419)
				(5 044)				(5 044)
				–		1 000		1 000
				–		(750)		(750)
				–	(111)			(111)
				–		(1 286)		(1 286)
			(8 569)	(8 569)			(46)	(8 615)
–	–	303	15 384	15 651	166	1 286	235	17 338
			15 305	15 305	166	1 286	243	17 000
				1 515			(23)	1 492
			(190)	(190)				(190)
		281		281			(8)	273
				27			26	53
			194	194			(3)	191
		22	75	(1 481)				(1 481)
181	61	(13)	(175)	–				–
1 154				1 154				1 154
2 654	337	742	90 614	107 749	106	10 469	887	119 211

Consolidated statement of changes in equity (continued)

Rm	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve[1]	Property revaluation reserve
Share movements in terms of long-term incentive and BEE scheme	2 720 701	2	96		
Share buyback	(291 929)		(77)		
Additional tier 1 capital instruments issued					
Additional tier 1 capital instruments redeemed					
Preference share dividend paid					
Additional tier 1 capital instruments distributions					
Dividends paid to shareholders					
Total comprehensive (losses)/income for the year				(1 724)	(101)
Profit attributable to ordinary shareholders and non-controlling interest[4]					
Exchange differences on translating foreign operations				48	
Cash flow hedge losses					
Movement in fair-value reserve					
Property revaluations					(101)
Remeasurements of long-term employee benefit assets					
Share of OCI of investments accounted for using the equity method				(1 772)	
Transfer (from)/to reserves					(33)
Value of employee services (net of deferred tax)					
Other movements					
Balance at 31 December 2024	**466 994 770**	**467**	**14 351**	**(4 703)**	**1 450**

[1] *Exchange differences of R48m credit (2023: R1 515m credit) in the foreign currency translation reserve include a credit of R26m (2023: R168m credit) for the conversion of our investment in ETI from USD to ZAR and a credit of R22m (2023: R1 347m credit) for the translation of the other foreign subsidiaries. The R1 772m debit (2023: R1 578m debit) relates to our share of ETI's other comprehensive income on foreign exchange gains and losses.*

[2] *Represents other non-distributable revaluation surpluses on capital items and non-distributable reserves transferred from other distributable reserves to comply with various banking regulations.*

[3] *Represents the accumulated profits after distributions to shareholders and appropriations of retained earnings to other non-distributable reserves.*

[4] *The R153m gains (2023: R166m) attributable to holders of participating preferences shares relate to economic gains allocated to participating preference shareholders in accordance with an operating-profit-share preference share agreement.*

	Share-based payment reserve	Other non-distributable reserves[2]	FVOCI reserve	Other distri-butable reserves[3]	Total equity attributable to ordinary shareholders	Holders of participating preference shares	Holders of additional tier 1 capital instruments	Non-controlling interest attributable to ordinary shareholders	Total equity
	(1 256)			(423)	(1 581)				(1 581)
					(77)				(77)
					–		3 000		3 000
					–		(671)		(671)
					–	(156)			(156)
					–		(1 334)		(1 334)
				(9 706)	(9 706)			(61)	(9 767)
	–	–	141	16 921	15 237	153	1 334	95	16 819
				16 834	16 834	153	1 334	151	18 472
					48			(25)	23
				(10)	(10)				(10)
			144		144			1	145
					(101)			(29)	(130)
				92	92			(3)	89
			(3)	5	(1 770)				(1 770)
		171	(9)	(129)	–				–
	641				641				641
				1	1				1
	2 039	508	874	97 278	112 264	103	12 798	921	126 086

Return-on-equity drivers

for the year ended 31 December

Rm	2024	2023
NII	**41 806**	41 470
Impairments charge on financial instruments	**(7 997)**	(9 605)
Non-interest revenue and income	**30 412**	27 709
Income from normal operations	**64 221**	59 574
Total operating expenses	**(41 074)**	(38 059)
Share of gains of associate companies	**1 290**	1 443
Net profit before taxation	**24 437**	22 958
Indirect taxation	**(1 084)**	(1 129)
Direct taxation	**(4 781)**	(4 484)
Net profit after taxation	**18 572**	17 345
Non-controlling interest	**(1 638)**	(1 695)
Headline earnings	**16 934**	15 650
Daily average interest-earning banking assets	**1 032 731**	986 060
Daily average total assets	**1 365 206**	1 297 206
Daily average shareholders' funds	**107 079**	103 501

Note: Averages calculated on a 365-day basis.

	2024	2023
NII/Average interest-earning banking assets	**4,05%**	4,21%
	less	less
Impairments/Average interest-earning banking assets	**0,77%**	0,97%
	add	add
NIR/Average interest-earning banking assets	**2,94%**	2,81%
	6,22%	6,05%
	less	less
Total expenses/Average interest-earning banking assets	**3,97%**	3,86%
	add	add
Associate income/Average interest-earning banking assets	**0,12%**	0,15%
	2,37%	2,34%
	multiply	multiply
100% – effective direct and indirect taxation rate	**0,76**	0,76
	multiply	multiply
100% – income attributable to minorities	**0,91**	0,90
Headline earnings/Average interest-earning banking assets	**1,64%**	1,59%
	multiply	multiply
Interest-earning banking assets/Daily average total assets	**75,6%**	76,0%
	=	=
Return on total assets	**1,24%**	1,21%
	multiply	multiply
Leverage	**12,7**	12,5
	=	=
ROE	**15,8%**	15,1%

Notes

Segmental analysis

Our organisational structure, products and services

We deliver our products and services through 4 main business clusters[1].

Cluster	Areas of strength and differentiation

Nedbank Corporate and Investment Banking

- Market leader in structured lending across key sectors including commercial property, renewable energy, mining, telecommunications, infrastructure, construction, public sector and commodities.
- Strong South African Markets franchise with reach across rates, credit, foreign exchange, equities and commodities.

Nedbank Retail and Business Banking

- Market-leading positions in vehicle finance and card acquiring.
- Mobile-first retail strategy, with product sales on digital channels above SA average.
- #1 rank among major banks on client satisfaction metrics.
- Sole issuer of American Express® in SA, enabling market-leading cashback to clients.
- A culture that is purpose-led and focuses on client service.
- SA's leading bank for small business, winning multiple awards.
- Well-positioned and distinctive CVPs in Commercial Banking.

Nedbank Wealth

Insurance

- Leveraging existing distribution channels and platforms to sell insurance solutions to Nedbank clients.

Asset Management

- Top fund managers are contracted through the Nedgroup Investments Best of Breed™ investment approach.
- Nedgroup Investments is committed to responsible investment through continuous engagement with partner fund managers to assess progress on agreed environmental, social and governance (ESG) focus areas.

Wealth Management

- An integrated and holistic advice-led and high-net-worth offering for local and international clients.

Nedbank Africa Regions

SADC (own, manage and control banks)

- Presence and positioned for growth in 5 Southern African Development Community countries with ongoing technology investments to enhance CVPs and achieve scale.

Central and West Africa (ETI investment – 21,2% shareholding)

- Access to the largest banking network in Africa through our investment in Ecobank Transnational Incorporated.

The group's frontline business clusters are supported by various shared-services functions related to compliance, finance, human resources, marketing and corporate affairs, risk, technology and strategy, including sustainability.

[1] *Refer to page 30 (slides 57 and 58) for change in organisational structure with effect from 1 July 2025.*

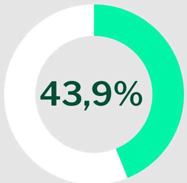
Products and services

Contribution to group

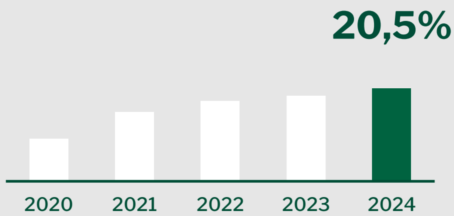
HE contribution | **ROE**

> 600 large corporate clients

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

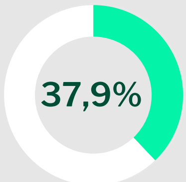


R7 428m
2023: R6 799m
2022: R6 399m

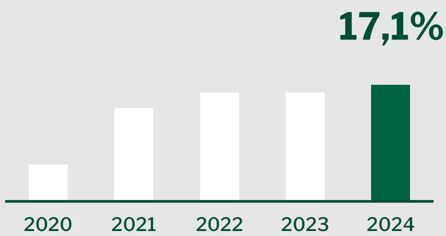


7 million active retail clients of which approximately 3,7 million are main-banked clients

- Offering a full range of Banking and Beyond services, including transactional banking, card and payment solutions, lending solutions, deposit-taking services, risk management, investment products, card-acquiring services for businesses, as well as ecosystems and platforms-based solutions.
- > 300 000 business clients are served through our Small Business Services offering (designed for businesses with an annual turnover of less than R30m).
- > 12 000 commercial banking client groups catering to mid-sized and large commercial entities.

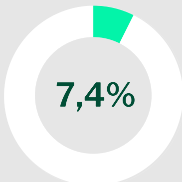


R6 413m
2023: R5 566m
2022: R5 097m

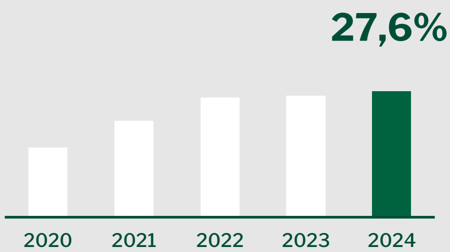


Entry-level to high-net-worth clients (SA) and high-net-worth clients (UK, Jersey, Isle of Man and UAE)

- Providing insurance, asset management and wealth management solutions to a wide spectrum of clients.

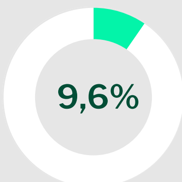


R1 257m
2023: R1 210m
2022: R1 140m

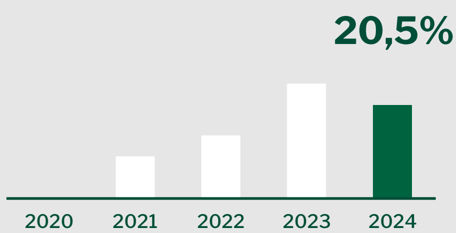


> 396 000 retail and corporate clients

- 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.



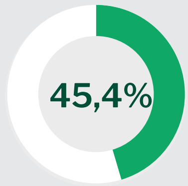
R1 619m
2023: R1 891m
2022: R977m



Operational segmental reporting

for the year ended 31 December

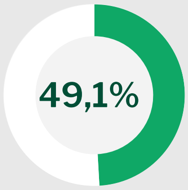
Banking advances contribution to the group



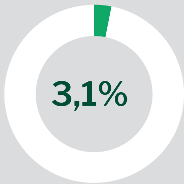
R415bn
2023: R377bn
2022: R378bn

Rm	Nedbank Group		Corporate and Investment Banking	
	2024	2023	**2024**	2023
Summary of consolidated statement of financial position (Rm)				
Assets				
Cash and cash equivalents	**55 146**	52 082	**829**	1 513
Other short-term securities	**82 896**	87 769	**49 456**	54 628
Derivative financial instruments	**17 072**	13 812	**17 016**	13 777
Government and other securities	**198 522**	170 717	**101 654**	81 417
Banking loans and advances	**914 833**	855 445	**414 841**	376 882
Trading loans and advances	**47 351**	36 174	**47 351**	36 174
Other assets	**102 717**	95 409	**40 519**	38 789
Intergroup assets	**–**	–		
Total assets	**1 418 537**	1 311 408	**671 666**	603 180
Equity and liabilities				
Total equity[1]	**126 086**	119 211	**36 277**	35 957
Total equity attributable to ordinary shareholders	**112 264**	107 749	**36 277**	35 957
Non-controlling interest attributable to ordinary shareholders	**921**	887		
Holders of participating preference shares	**103**	106		
Holders of additional tier 1 capital instruments	**12 798**	10 469		
Derivative financial instruments	**11 623**	14 141	**11 601**	14 100
Banking amounts owed to depositors	**1 118 555**	1 029 746	**446 828**	383 601
Trading amounts owed to depositors	**56 136**	57 899	**56 136**	57 899
Provisions and other liabilities	**56 356**	42 634	**19 393**	5 831
Long-term debt instruments	**49 781**	47 777		
Intergroup liabilities	**–**	–	**101 431**	105 792
Total equity and liabilities	**1 418 537**	1 311 408	**671 666**	603 180

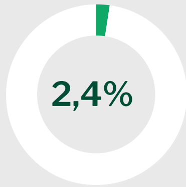
[1] *Total equity includes non-controlling interests in the Centre. Total equity of client-facing clusters is based on average allocated capital while the group's equity is based on actual equity. The difference between average allocated capital and actual equity resides in the Centre. Includes the variance between average allocated capital, which is computed using the average equity month-end balances and actual equity.*



R449bn
2023: R429bn
2022: R408bn



R28bn
2023: R29bn
2022: R29bn



R22bn
2023: R21bn
2022: R22bn

Retail and Business Banking		Wealth		Nedbank Africa Regions		Centre	
2024	2023	2024	2023	2024	2023	2024	2023
4 960	5 331	1 141	895	10 791	10 583	37 425	33 760
		25 591	29 295	5 871	4 831	1 978	(985)
		42	17	3	4	11	14
		225	213	2 803	1 979	93 840	87 108
449 006	429 244	28 105	28 711	22 185	20 909	696	(301)
13 395	10 320	23 595	22 478	3 331	3 663	21 877	20 159
48 604	33 210			5 050	3 937	(53 654)	(37 147)
515 965	478 105	78 699	81 609	50 034	45 906	102 173	102 608
37 487	34 690	4 554	4 520	7 904	7 492	39 864	36 552
37 487	34 690	4 554	4 520	7 904	7 492	26 042	25 090
						921	887
						103	106
						12 798	10 469
		7	31	15	10		
472 142	436 283	47 397	48 212	40 440	36 846	111 748	124 804
5 815	5 891	21 762	21 125	1 349	1 129	8 037	8 658
521	1 241			326	429	48 934	46 107
		4 979	7 721			(106 410)	(113 513)
515 965	478 105	78 699	81 609	50 034	45 906	102 173	102 608

Operational segmental reporting (continued)

for the year ended 31 December

Rm	Nedbank Group		Corporate and Investment Banking	
	2024	2023	**2024**	2023
Summary of consolidated statement of comprehensive income (Rm)				
NII	**41 806**	41 470	**8 898**	9 386
NIR	**30 412**	27 709	**9 600**	8 678
Share of gains of associate companies[1]	**1 290**	1 443	**132**	63
Total net income before impairment charge on financial instruments	**73 508**	70 622	**18 630**	18 127
Impairments charge on financial instruments	**7 997**	9 605	**576**	939
Total net income	**65 511**	61 017	**18 054**	17 188
Total operating expenses	**41 074**	38 059	**8 643**	8 196
Indirect taxation	**1 084**	1 129	**262**	259
Profit before direct taxation	**23 353**	21 829	**9 149**	8 733
Direct taxation	**4 781**	4 484	**1 721**	1 934
Profit after taxation	**18 572**	17 345	**7 428**	6 799
Profit attributable to:				
– Non-controlling interest – ordinary shareholders	**151**	243		
– Holders of participating preference shares	**153**	166		
– Holders of additional tier 1 capital instruments	**1 334**	1 286		
Headline earnings	**16 934**	15 650	**7 428**	6 799
Selected ratios				
Average interest-earning banking assets (Rm)	**1 032 731**	986 060	**401 942**	387 929
Average risk-weighted assets (Rbn)	**706 266**	678 142	**305 980**	295 120
ROA (%)	**1,24**	1,21	**1,17**	1,11
RORWA (%)	**2,40**	2,31	**2,43**	2,30
ROE (%)	**15,8**	15,1	**20,5**	18,9
Interest margin (%)[2]	**4,05**	4,21	**2,21**	2,42
NIR to total income (%)	**41,4**	39,2	**51,5**	47,9
NIR to total operating expenses (%)	**74,0**	72,8	**111,1**	105,9
CLR – banking advances (%)	**0,87**	1,09	**0,14**	0,24
Cost-to-income ratio (%)	**55,9**	53,9	**46,4**	45,2
Effective taxation rate (%)	**20,5**	20,5	**18,8**	22,1
Contribution to group economic profit/(loss) (Rm)	**1 477**	970	**1 986**	1 477
Number of employees (permanent)	**25 613**	25 477	**2 254**	2 272

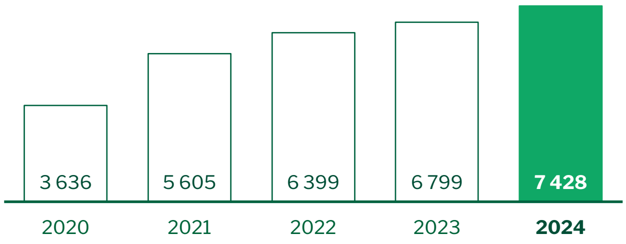
[1] *On an IFRS basis Nedbank Africa Regions earned associate income of R1 162m (2023: R1 386m) as IFRS requires associate income to be presented net of our share of ETI's impairment charge on non-financial instruments and other gains and losses of R23m (2023: R6m). Our share of ETI's impairment charge on non-financial instruments and other gains and losses is excluded from HE.*

[2] *Cluster margins include internal assets.*

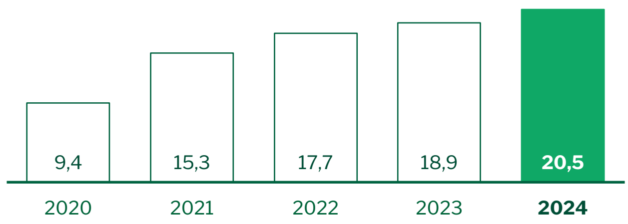
	Retail and Business Banking		Wealth		Nedbank Africa Regions		Centre	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	26 816	26 413	**1 725**	1 749	**2 573**	2 226	**1 794**	1 696
	15 541	14 306	**3 283**	2 924	**1 757**	1 857	**231**	(56)
					1 139	1 380	**19**	
	42 357	40 719	**5 008**	4 673	**5 469**	5 463	**2 044**	1 640
	7 222	8 520	**(5)**	37	**315**	253	**(111)**	(144)
	35 135	32 199	**5 013**	4 636	**5 154**	5 210	**2 155**	1 784
	25 484	23 678	**3 337**	3 111	**3 141**	2 928	**469**	146
	690	747	**54**	64	**93**	56	**(15)**	3
	8 961	7 774	**1 622**	1 461	**1 920**	2 226	**1 701**	1 635
	2 395	2 042	**365**	251	**143**	97	**157**	160
	6 566	5 732	**1 257**	1 210	**1 777**	2 129	**1 544**	1 475
					158	238	**(7)**	5
	153	166						
							1 334	1 286
	6 413	5 566	**1 257**	1 210	**1 619**	1 891	**217**	184
	474 774	445 309	**57 201**	61 359	**39 834**	36 318	**58 980**	55 145
	272 536	257 017	**34 057**	34 603	**53 989**	49 896	**39 704**	41 506
	1,29	1,20	**1,59**	1,46	**3,31**	4,16		
	2,35	2,17	**3,69**	3,50	**3,00**	3,79		
	17,1	16,0	**27,6**	26,8	**20,5**	25,2		
	5,65	5,93	**3,02**	2,85	**6,46**	6,13		
	36,7	35,1	**65,6**	62,6	**32,1**	34,0		
	61.0	60,4	**98,4**	94,0	**55,9**	63,4		
	1,58	1,94	**(0,02)**	0,12	**1,26**	1,00		
	60,2	58,1	**66,6**	66,6	**57,4**	53,6		
	26,7	26,3	**22,5**	17,2	**7,4**	4,4		
	790	432	**574**	541	**433**	783	**(2 306)**	(2 263)
	14 733	15 157	**1 902**	1 835	**2 223**	2 157	**4 501**	4 056

Nedbank Corporate and Investment Banking

Headline earnings
(Rm)



Return on equity
(%)



▲ R7,4bn	▲ 20,5%	▼ 14 bps	▲ 46,4%	▲ R417bn	▲ R220bn
Headline earnings	**ROE**	**Credit loss ratio**	**Cost-to-income ratio**	**Actual banking advances**	**Actual credit RWA**
(2023: R6,8bn)	(2023: 18,9%)	(2023: 24 bps)	(2023: 45,2%)	(2023: R380bn)	(2023: R211bn)

Financial performance

CIB achieved strong **headline earnings** (HE) growth of 9% at an increased **return on equity** (ROE) of 20,5%. This was driven primarily by strong non-interest revenue (NIR) growth against a complex economic landscape that yielded opportunities, particularly in Markets and commission and fees as deals across various sectors closed. The scarcity of quality assets and the growth in low-risk sectors continue to drive down margins as competition intensifies, but this margin compression was offset positively by the cost of risk as the credit loss ratio (CLR) improved to below the through-the-cycle (TTC) target range.

Net interest income (NII) decreased by 5% as asset growth, endowment and suspended interest benefits were offset by margin compression. Actual and average banking loans and advances grew by 10% and 3%, respectively.

Net interest margin (NIM) contracted by 21 bps to 2,21%, impacted by competitive margin pressure, a change in balance sheet composition to lower-risk sectors and deposit insurance scheme costs. Higher-margin deals from the Covid-19 period were repaid, which put further downward pressure on NIM. The narrowing margin aligns to an improvement in risk profile as asset growth has been most pronounced in lower risk sectors. Average deposits grew by 6% with some margin compression as liquidity premiums contracted.

Impairments decreased by 39% to R576m, resulting in an improved CLR of 14 bps – below the TTC target range of 15 to 45 bps. The decrease reflects the reduction in stage 3 exposures to 2,03% from 4,83% of total GLAA. Stage 2 exposures remained stable while stage 1 grew. The total coverage ratio decreased to 0,75% from 1,14%, while stage 3 coverage improved to 26,6% from 16,4%. The commercial-property portfolio reported a CLR of 16 bps, down from 47 bps, benefiting from the restructuring of a single stage 3 client.

NIR increased by 11% to R9,6bn due to a strong performance in commission and fee income, trading income, as well as higher fair-value (FV) gains. Commission and fee income increased by 13% due to higher arranging fees in key growth sectors. Trading income increased by 7% as the debt securities, equities and foreign exchange markets grew by 13%, 5% and 1%, respectively. FV gains on debt instruments in the banking book with contractual upside and funding structured in Markets increased over 100%. Trading income, combined with these FV moves, generated 13% NIR growth in the Markets business. Equity investment portfolio income, included in NIR, decreased by 4% as the good performance in the commercial-property portfolio was offset by slower gains in private and alternative equity. Including the share of gains of associate companies, the equity investment portfolio income increased by 3%.

Expenses remained well controlled, increasing by 5% as variable incentive costs increased, aligning with profitability metrics. Excluding variable employee costs, expenses grew by 4%. The cost-to-income ratio was at 46,4%, increasing from 45,2% in the prior year. The medium-to-long-term target of below 44% remains.

Our deliberate and disciplined approach to business selection, cross-sell, and focus on capital efficiency improved our ROE to 20,5%. We have embedded this focus across our organisation to maximise value against the changing regulatory capital backdrop.

Strategic progress

Over the past year, CIB has successfully executed our strategy through innovative offerings, expanding our client reach and strengthening our market position. Our expertise is highlighted by some key strategic success over the year:

- Increased ROE through focused initiatives to optimise capital and improve client level returns.
- Delivered good asset growth in our core market-leading sectors, including property finance, energy, mining, and infrastructure-related public sector.
- Achieved strong deal origination and execution underpinned by our leading investment banking teams with strong industry linkages and a good track record in Africa.
- Maintained strong momentum in the energy sector, closing 12 deals in 2024 with over R10bn in facility limits, estimated to add more than 1,4 GW to the national grid.
- Continued to prioritise the digital enablement of transactional products to enhance client experience and increase market share. CIB is proud to be the first bank in Africa to partner with DP World as a supply chain finance platform provider.
- Maintained the digital strategy, continuing to promote innovation and efficiency. The adoption of Nedbank Business Hub self-service capabilities by CIB clients increased from 30% at the start of the year to 51% by end December. The client satisfaction score remains high at 81%, surpassing the global benchmark of 80%.

Financial highlights

	Change %	Corporate and Investment Banking		Property Finance		Corporate and Investment Banking, excluding Property Finance	
		2024	2023	**2024**	2023	**2024**	2023
Headline earnings (Rm)	9	**7 428**	6 799	**1 518**	1 156	**5 910**	5 643
NII (Rm)	(5)	**8 898**	9 386	**2 674**	2 795	**6 224**	6 591
Impairments charge (Rm)	(39)	**576**	939	**286**	805	**290**	134
NIR (Rm)	11	**9 600**	8 678	**1 222**	1 076	**8 378**	7 602
Gross operating income (Rm)	3	**18 630**	18 127	**3 895**	3 871	**14 735**	14 256
Operating expenses (Rm)	5	**8 643**	8 196	**1 514**	1 464	**7 129**	6 732
ROE (%)		**20,5**	18,9	**17,1**	13,0		
ROA (%)		**1,17**	1,11	**0,83**	0,66		
CLR – banking advances (%)		**0,14**	0,24	**0,16**	0,47		
NIR to total operating expenses		**111,1**	105,9	**80,7**	73,5		
Cost-to-income ratio (%)		**46,4**	45,2	**38,9**	37,8		
Interest margin (%)		**2,21**	2,42	**1,50**	1,64		
Total assets (Rm)	11	**671 666**	603 180	**195 397**	182 371	**476 269**	420 809
Average total assets (Rm)	4	**635 877**	610 718	**183 743**	176 434	**452 134**	434 284
Total advances (Rm)	12	**462 192**	413 056	**189 292**	176 474	**272 900**	236 582
Average total advances (Rm)	4	**446 615**	431 398	**177 853**	170 890	**268 762**	260 508
Total deposits (Rm)	14	**502 964**	441 500	**221**	155	**502 743**	441 345
Average total deposits (Rm)	6	**478 716**	450 640	**147**	204	**478 569**	450 436
Average allocated capital (Rm)	1	**36 277**	35 957	**8 862**	8 893	**27 415**	27 064

- Continued investment in digital capabilities in our Markets business that, together with increased sales presence, have supported trading income and will enhance our ability to expand our offerings across Africa.
- Achieved considerable progress in Africa by leveraging sector expertise to close several significant deals across Africa, including securing CIB's first sustainable finance transaction in Côte d'Ivoire, marking a milestone in the West African market.
- Leveraged our leading position in the property finance sector for asset growth and innovation, driving sustainability in the sector. CIB led the EDGE certification of the Mall of Africa for Attacq, making it the largest retail asset worldwide to achieve this prestigious certification.
- Grew sustainable development finance to more than R110bn, which is 27% of CIB gross banking loans and advances.
- Became the first South African bank to publish glidepaths for fossil fuels and power generation sectors.

CIB has multi-award-winning teams, recognised for their expertise in structuring complex financing solutions for clients, as evidenced by the following awards:

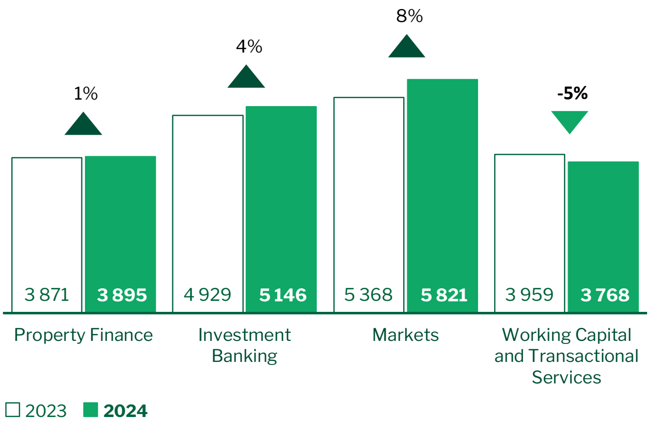
- Best Bank for Sustainable Finance (South Africa) and Best Bank for Green Bonds (Africa) – 2024 Global Finance Awards.
- Best Bank for Sustainable Development (South Africa), Best Sub-Custodian Bank (South Africa) and Best Investment Bank (South Africa) – 2024 Global Banking & Finance Review.
- Impact Loan of the Year – 2024 Environmental Finance Awards.
- Power Finance Deal of the Year (joint winner) and Corporate Bond Deal of the Year (joint winner) – 2024 Bonds, Loans & ESG Capital Markets Awards.
- Africa Deal of the Year – Sasol/Air Liquide IPPs – 2024 PFI Awards.
- Best Transaction of the Year – Sentinel (OAS) – 2024 API Awards.
- Best Market Making Team: Government Bonds, Best Sales Team: Bonds, and Best Bond ETP Market-Maker – 2023 Spire Awards.
- BEE Deal of the Year – 2024 ANSARADA DealMakers Awards.

People are central to our success, and through continued investment, the business ensures development of the expertise and skills necessary to deliver exceptional service to our clients. CIB continues to invest in tailored training and development programmes that future-proof our talent and business.

Segmental performance

	Property Finance		Investment Banking		Markets		Working capital and Transactional Services	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Gross operating income (Rm)	**3 895**	3 871	**5 146**	4 929	**5 821**	5 368	**3 768**	3 959
Average total advances (Rm)	**177 853**	170 890	**177 019**	167 170	**68 571**	69 913	**23 171**	23 425

Gross operating income by business unit
(Rm)



Property Finance (PF)

PF provides development and term finance solutions to clients and partners with them through equity investments and mezzanine structures.

Lending activity in H1 2024 was slow but increased significantly in H2 2024 as clients executed on transactions following the commencement of the downward rate cycle and a clearer political outlook.

GOI increased by 1% as NIR growth of 14% was offset by NII decreasing by 4% despite growth in actual banking advances of 7% and average banking advances of 4%. This was due to margin compression as competition for quality assets increased and the refinancing of debt originated during the Covid-19 period at lower margins. NIR benefited from good growth in fee and commission income as well as a strong performance by the equity investment business – Property Partners. The CLR improved to 16 bps, which is lower than expected given the relatively high interest rate environment and at the lower end of the TTC target range of 15 to 35 bps. This demonstrates the resilience of our client base.

We expect 2024 momentum to continue into 2025 should the market conditions remain favourable in South Africa, and we remain committed to geographic diversification with specific focus on East Africa.

Investment Banking (IB)

IB is responsible for the advisory, debt and equity capital markets, private and alternative equity investment, long-term debt finance, sustainable finance, and syndication businesses. IB has leading sector and industry expertise in the mining and resources, energy, infrastructure, telecommunications, transport, freight, and logistics, as well as travel and leisure sectors.

Our sector expertise led to good contributions to earnings from all sector teams. The energy sector stands out, closing numerous commercial and industrial (C&I) transactions and achieving an excellent outcome during the award of participation in round 7 renewables and BESS 2 (battery energy storage systems).

GOI increased by 4% with NIR growth of 10% offset by NII down 3%. NII was lower than the prior year despite growth in actual and average advances of 14% and 6%, respectively. Competition for quality assets resulted in margin pressures on new and refinanced transactions. The CLR for the period increased to 19 bps at the lower end of the TTC target range of 20 to 50 bps. The increase in NIR was driven by commission and fees, which increased by 23% with contributions from several sectors, as well as contractual fair value gains on debt instruments. The equity investment portfolio generated NIR and, when combined with gains from associated companies, remained flat off a high base. New equity investments to the value of R1,14bn were closed during the year.

The pipeline of opportunities for the 2025 year remains robust across all sectors, particularly in energy and infrastructure. Unlocking and supporting bankable infrastructure projects will remain a priority. We aim to grow our exposure and market share in the agricultural sector. There has been solid deal origination across the private equity sponsors and investment holding companies, with the momentum expected to continue into 2025. The advisory business continues to play a strategic and trusted adviser role to our clients, targeting further NIR contribution and cross-selling into the broader CIB franchise from these mandates. The private and alternative equity franchises will continue to focus on new investment activity, and we may realise certain existing investments for value if market conditions are conducive. There will be a continued focus on sustainable finance where we play a crucial role in leading, structuring and coordinating these transactions, with Nedbank being recognised globally as a leading sustainable finance provider.

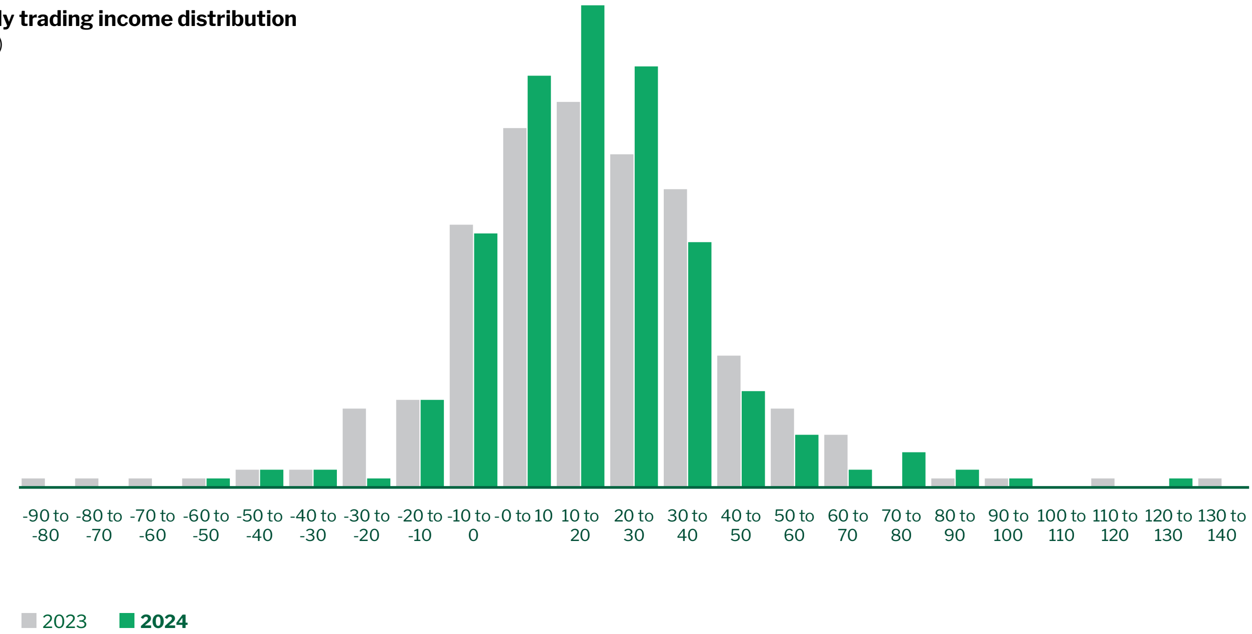
Markets

The Markets business trades in foreign currency, equity, commodity and interest rate markets.

Trading conditions have remained challenging across asset classes with lower trade volumes, muted equity markets and continued hesitancy, despite improving sentiment from international investors in the fixed-income market. The South African macroeconomic picture remains positive but uncertainty about the global environment persists, particularly after the political shifts in the US and the repricing of the likely path of interest rates. The global trade outlook is particularly uncertain, while rate and equity markets could benefit from increased volatility.

The Markets business grew GOI by 8%, driven by strong NIR growth of 13%, trading income of 7% and fair value gains which were offset by lower NII due to increased funding costs. Debt securities grew by 13% and equities trading by 5%, despite continued pressure on equity volumes across the market.
The interest rates business benefited from good corporate activity

Daily trading income distribution
(Rm)



and a very strong outcome in credit trading, building on successes from the previous half and supporting the decision to pursue the business as part of our strategic agenda in 2023. FX trading income was up by 1%. Muted client activity against a slowing trade backdrop was offset by increasing market share gains, resulting in a positive daily P&L distribution shift to the right.

Focus will remain on continued digitisation, building a diverse revenue base by strengthening areas in which we are under-indexed, and investing in targeted opportunities in Africa.

Transactional Services (TS)

The TS business provides transactional banking solutions to our corporate clients. This includes working capital, payments, trade finance and liquidity solutions. In a very competitive market TS recorded 20 new primary-banked clients.

GOI decreased by 5% as core NIR growth of 4% was offset by NII, which decreased by 7%. NII was lower as actual and average banking advances decreased by 2% and 3%, respectively. The asset margin decreased because of competitive pressure, while the deposit margin was impacted by continued excess liquidity. NIR growth in domestic and global payments as well as trade finance was offset by lower volumes in cash. The CLR for the period is -29 bps (Dec 2023: -10 bps). A large portion of the 2024 impairment release is from a single stage 3 exposure that was repaid. The 2024 CLR is well below the TTC target range of between 10 and 25 bps.

TS aims to grow market share with a focus on trade, deposits and payments underpinned by its digital ambitions. TS are expecting growth in our trade finance products across various sectors, particularly in energy, infrastructure, ICT, and mining. There has been an increased demand for supply chain finance solutions as our clients support their value chains. We continue to invest in our technology platforms to drive digitisation of our transactional services offering. The adoption of our Nedbank Business Hub (NBH) has increased significantly this year, with more clients utilising the self-service functionality. We continue to digitise our channels in line with our product roadmap, adding new functionality to meet client needs. We see TS as a strategic opportunity going forward through increasing market share and revenue streams, as well as bringing new business and engagement opportunities to the CIB cluster.

Looking forward

CIB continues to build on the strategic progress made in 2024 by leveraging our deep sector expertise, client-centred approach, and deep client relationships. The focus remains on enhancing digital capabilities, driving innovation, maintaining a strong client portfolio, leveraging our strengths to diversify our portfolio.

There is a robust asset pipeline into 2025, particularly in energy and infrastructure projects. A key focus will be working to close bankable infrastructure projects over the course of the year. Early indications are that the positive momentum in the property sector from the back half of 2024 will continue into 2025.

The business remains focused on growing our market share in Transactional Services products, including trade finance, payments, and deposits. Guided by our digital strategy, we continue to prioritise client primacy, growing our product offerings and delivering value and innovation to our clients.

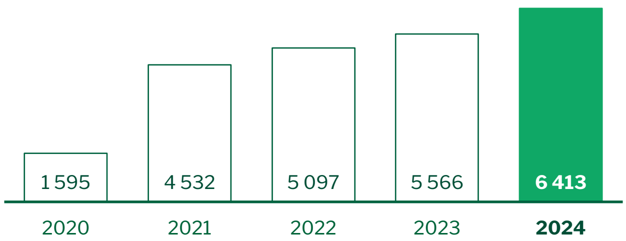
Selected key African markets have emerged as a key strategic theme to grow and diversify our earnings with a targeted approach that leverages our expertise and focuses on building strategic client relationships. Through the establishment of an integrated and coordinated strategy, we are identifying opportunities on the continent through sector strategies as well as strong emphasis on East Africa.

CIB's strategy aims to deliver solid asset growth, cross-sell, revenue uplift and diversification, driven by a strong deal pipeline in targeted growth areas with a continued focus on capital optimisation as a key strategy to deliver targeted returns.

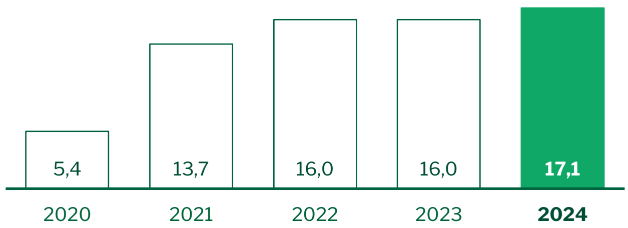
Organisational update – We have embarked on an organisational restructure of our RBB and Nedbank Wealth clusters, evolving into an organisational design more focused on client centricity. Our Asset Management business will move into CIB and focus on building out its product offerings, while improving new business origination on the back of our new client-centric model.

Nedbank Retail and Business Banking

Headline earnings
(Rm)



Return on equity
(%)



▲ R6,4bn	▲ 17,1%	▼ 158 bps	▲ 60,2%	▲ 3,7m	▲ 3,1m
Headline earnings	**ROE**	**Credit loss ratio**	**Cost-to-income ratio**	**Main-banked clients**	**Digitally active retail clients**
(2023: R5,6bn)	(2023: 16,0%)	(2023: 194 bps)	(2023: 58,1%)	(2023: 3,5m)	(2023: 2,9m)

Financial performance

RBB's financial performance continued to show a good recovery, with **headline earnings** (HE) increasing by 15% to R6,4bn and its **ROE** improving to 17,1% (2023: 16,0%). HE growth was attributable mainly to a 15% decrease in impairments, while revenues increased by 4% and expenses grew by 8%, including the impact of the acquisition of Eqstra (fleet management business), which was consolidated from 1 June 2024.

NII increased by 2% to R26,8bn, driven by muted growth in average banking advances and a NIM that contracted by 28 bps due to lower client margins in both secured and unsecured lending, asset mix changes as a result of slower growth in high-yielding products, lower liability margins, higher funding costs across all products and the impact of suspended interest.

Average gross banking advances increased by 5% to R459bn, driven by solid growth in secured lending, resulting in market share gains in both MFC and Home Loans. Unsecured lending volumes slowed due to the deliberate adoption of a more cautious approach to new lending because of elevated risk. Total household advances market share increased to 17,7% in December 2024 from 17,5% in December 2023. New loan payouts were flat yoy at R129bn (2023: R128bn).

Average deposits increased by 7% to R451bn. Our market share in transactional deposits of 13,3% at the end of December 2024 is flat from 2023 and remains a core focus area. Household deposits market share decreased slightly to 14,5% in December 2024 (2023: 14,6%).

Impairments decreased by 15% to R7,2bn (2023: R8,5bn), supported by a slight improvement in the macroeconomic environment in H2 2024 and the benefit of our ongoing credit and collections initiatives. Impairments declined in Commercial Banking and across most retail products, with the exception of MFC (vehicle finance), which has seen a deterioration in 2024, driven largely by some strain in the taxi portfolio (small book) and lower recoveries at auctions. During H2 2024 we noted considerable improvement in both these areas within MFC. The cluster CLR decreased to 158 bps (2023: 194 bps) and is now pleasingly back within the TTC target range of 120 to 175 bps.

Stage 3 loans as a percentage of total loans decreased to 8,0% of total gross loans and advances (2023: 8,4%), while stage 2 loans improved to 10,2% (2023: 11,9%). Although lower yoy, total coverage remains elevated at 5,16% (2023: 5,35%), reflecting ongoing difficult macroeconomic conditions and outlook.

NIR increased by 9% to R15,5bn (excluding Eqstra, up by 3%), driven by higher maintenance fees (up by 15%) from selling more bundled accounts, the introduction of a R5 maintenance fee on pay-as-you-use (PAYU) accounts, continued strong growth in value-added services (VAS) volumes (up by 17%), and growth in card issuing and card acquiring volumes (up by 8%). This was offset by slower transactional activity across most key lines, notably in cash as clients increasingly opt for cashless alternatives.

Expenses increased by 8% to R25,5bn (excluding Eqstra up by 5%). The 5% organic growth was supported by judicious management of discretionary spend and ongoing optimisation of operations through Project Phoenix, Project Imagine and other Target Operating Model 2.0 (TOM 2.0) initiatives as we continue to leverage our investments in digital. Permanent headcount decreased by 424 (excluding Eqstra down by 702) to 14 733, achieved mostly through natural attrition. The cluster cost-to-income ratio increased to 60,2% (2023: 58,1%).

Strategic progress

Retail and Business Banking continues to make strides in its strategic focus areas. Key highlights from the business performance in 2024 include the following:

- Main-banked clients increased by 5% to 3,7 million and retail cross-sell improved to 1,99 (2023: 1,96).
- Digitally active clients increased by 7% to 3,1 million, of which 2,7 million clients are now using the Money app (up by 14% yoy). Digital platform sales grew by 17% overall, with funded current accounts, investments and credit cards up by 27%, 18% and 27% respectively. Digital transactional and Money app volumes increased by 12% and 16% respectively.
- Nedbank achieved a #1 Net Promoter Score in the 2024 Kantar study, based on survey feedback provided by a random sample of all clients who bank with each of the 5 large SA retail banks. Also, as ranked by main-banked clients, we maintained our position in the top 3 for the third year in a row.
- Through our newly revamped Greenbacks 2.0 rewards programme, which saw registered clients increase by 9% to 1,8million. Members can now enjoy the privilege of earning an unlimited 2% on eligible card expenditures, along with substantial discounts of up to 30% on air travel and tech gadgets, a generous 50% reduction on movie tickets, and 25 cents back per litre purchased at bp.
- We continue to optimise our integrated physical distribution as clients shift their behaviour towards digital channels. Our new operating model, which includes 502 points of presence (from full-service to express and easy-access small branches), will be fully rolled out by the end of 2025, with 55% of branches being smaller than 200 m^2.
- Our continued focus on sales productivity has resulted in a 9% increase in branch sales, with servicing employees now contributing 27% (2023: 22%) of overall sales. An external benchmark by Finalta confirmed Nedbank's leadership in the SA industry and on par with EU top-quartile best practice on key sales effectiveness measures such as sales/1k active clients, branch sales/branch FTE and branch FTE/10k active clients.
- To accommodate client shifts to make deposits at ATMs, we have rightsized our ATM footprint by 94 devices. On average we recycle 38% (R5,4bn) of the cash that is paid out through Nedbank ATMs.
- We have significantly invested in self-service capabilities for our clients and have 569 self-service kiosks (SSK), which also contribute to sales. In addition, our chatbot Enbi now has 1,29 million users (up by 66% yoy) and is assisting clients at scale, with over 18,5 million interactions recorded to date.
- Insurance represents a significant growth opportunity for both RBB and Nedbank Insurance. We have seen pleasing progress on sales of MyCover Life and Funeral plans, which increased by 95% and 23% yoy respectively.
- Avo SuperShop, which has been in the market for 4 years, has approximately 2,8 million registered clients (up by 9% yoy) and continues to scale, with total gross merchandise value (GMV) increasing by 21% yoy across all Avo ecosystems.

Our efforts to offer exemplary services to our clients have been acknowledged through our receiving the following awards:

- Best Retail Bank in South Africa – 2024 Global Banking & Finance Review Awards.
- Best Small and Medium Enterprise (SME) Bank in South Africa – 2024 Global Banking & Finance Review Awards.
- Customer-Obsessed Enterprise Award (Europe, Middle East and Africa) – 2024 Forrester Awards.
- Best Bank for Transactional Banking Services in Africa and South Africa – 2024 Digital Awards by The Digital Banker.
- Best Digital Bank – 2024 Euromoney Awards for Excellence 2024.
- Best Bank for Diversity and Inclusion – 2024 Euromoney Awards for Excellence 2024.

Segmental review

	Change %	Total Retail and Business Banking		Commercial Banking[1]		Consumer Banking		Relationship Banking		Other[2]	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Headline earnings (Rm)	15	**6 413**	5 566	**2 164**	2 087	**2 413**	1 646	**1 888**	1 673	**(52)**	160
NII (Rm)	2	**26 816**	26 413	**5 644**	5 762	**16 548**	16 304	**4 594**	4 278	**30**	69
Impairments charge on financial instruments (Rm)	(15)	**7 222**	8 520	**305**	613	**6 460**	7 349	**475**	514	**(18)**	44
NIR (Rm)	9	**15 541**	14 306	**2 916**	2 024	**8 432**	8 205	**1 888**	1 774	**2 305**	2 303
Operating expenses (Rm)	8	**25 484**	23 678	**5 169**	4 205	**14 692**	14 338	**3 334**	3 164	**2 289**	1 971
ROE (%)		**17,1**	16,0	**24,1**	25,9	**10,8**	7,7	**40,8**	42,6		
ROA (%)		**1,29**	1,20	**1,11**	1,11	**0,86**	0,61	**1,43**	1,40		
CLR – banking advances (%)		**1,58**	1,94	**0,34**	0,67	**2,20**	2,62	**0,66**	0,79		
NIR to total operating expenses (%)		**61,0**	60,4	**56,4**	48,1	**57,4**	57,2	**56,6**	56,1		
Cost-to-income ratio (%)		**60,2**	58,1	**60,4**	54,0	**58,8**	58,5	**51,4**	52,3		
Interest margin (%)		**5,65**	5,93	**2,93**	3,10	**6,06**	6,24	**3,48**	3,59		
Total advances (Rm)	5	**449 006**	429 244	**88 742**	90 150	**284 848**	271 514	**74 145**	66 328	**1 271**	1 252
Average total advances (Rm)	4	**433 789**	415 361	**88 898**	89 034	**273 179**	261 272	**70 273**	63 678	**1 439**	1 377
Total deposits (Rm)	8	**472 142**	436 283	**191 628**	178 438	**144 104**	134 909	**135 839**	122 507	**571**	429
Average total deposits (Rm)	7	**450 573**	421 416	**185 643**	178 783	**137 938**	128 566	**126 515**	113 727	**477**	340
Average allocated capital (Rm)	8	**37 487**	34 690	**8 995**	8 057	**22 400**	21 399	**4 627**	3 924	**1 465**	1 310

[1] *RBB acquired Eqstra (fleet management), effective from 13 June 2024. The HE contribution of R54m from this date has been included in RBB's results.*

[2] *'Other' includes income, impairments and costs relating to Channel, Card Acquiring, Central and Shared Services.*

Commercial Banking

Nedbank Commercial Banking (NCB) provides relationship-based banking services to mid-sized and large commercial entities, including tailored banking and financial propositions for the agricultural sector, the retail services sector, manufacturing industries and the public sector.

Acquisition of Eqstra

Eqstra enhances Nedbank's fleet management business and facilitates an integrated approach to fleet management, aimed at providing better quality, cost, and scale to all clients. The acquisition gives Nedbank scale and expands its product and service offerings in Namibia, Eswatini and Botswana. Eqstra delivered HE of R54m for the 7 months to 31 December 2024 at an ROE of 7,9%.

Business transfers

During 2024, approximately 15 000 clients were transferred from Commercial Banking to Retail Relationship Banking, Consumer Banking and Nedbank Private Wealth, motivated by a need to align internal capabilities with servicing clients more appropriately. This resulted in a move of R1,6bn in advances, R3,4bn in deposits and R123m in revenue between the respective business areas, included in the results presented below for each business area.

Financial performance (excluding Eqstra)

HE increased by 1% to R2,1bn and ROE remained attractive at 25,4%. The growth was supported by a 50% decrease in impairments, while revenue growth was flat and operating expenses increased by 7% as we invested in enhancing our digital capabilities and established a new mid-corporate segment offering.

Average deposits increased by 4%, driven mainly by growth in non-transactional deposits of 5%, while transactional deposits were marginally down by 2%. With net surplus funding of R103bn, the business remains a strong generator of deposits for the group. During the period, we noted cautious borrowing behaviour driven by general economic uncertainty, with new loan payouts declining by 3% to R26bn, this translating into average advances remaining broadly flat yoy.

The CLR for 2024 improved significantly to 34 bps (2023: 67 bps), moving to below the TTC target range of 50 to 70 bps. We experienced lower inflows into stage 3 loans and substantial client rehabilitations of agri-related provisions raised in the prior year, demonstrating the entrenched proactive risk management practices within the business to identify risk early and support clients through to rehabilitation successfully.

Business performance

- All domestic and global electronic banking clients are now transacting on the Nedbank Business Hub as we continue to enhance our digital capabilities further for self-service and lending.
- The dedicated mid-corporate service model, which was launched during H1 2024, has been extremely well received. Positive progress has been made in appointing key talent into the mid-corporate model. Senior roles across the coverage and credit underwriting areas are already contributing towards a favourable client experience. Pivotal to the success of the mid-corporate initiative is the ability of the leveraged-finance team to deliver tailor-made, highly differentiated solutions to our clients, and during 2024 we provided lending of R10bn to commercial clients.
- The Manufacturing Sector unit maintained a positive trend throughout the year, despite challenging market conditions resulting in muted revenue growth.
- The Agbiz/IDC Agribusiness Confidence Index (ACI) increased by 10 points from Q3 to 58 in Q4. This is the second consecutive improvement and places the ACI at its highest level since Q2 2022. Despite the increase in the confidence index, revenue in 2024 increased only marginally. Sluggish activity levels and a weak demand for credit, particularly for capital expenditure, resulted in subdued lending activity. However, deposits increased strongly, indicating the sector's reluctance to embark on new capital expenditure projects. Furthermore, agricultural conditions are expected to improve in 2025, with credit demand expected to increase.
- The financial performance of the retail services sector has remained stable yoy, within a challenging economic climate, driven primarily by growth in liability balances. However, NIR continues to face pressure due to aggressive competitor offerings in cash solutions and related pricing. We achieved positive results from new-client acquisitions in 2024, driven by our ongoing promotion of targeted brand-specific value propositions.
- In the public sector, 9 tenders were won and 6 municipalities awarded NCB their full transactional banking, While the portfolio maintains a strong net funding position of R18bn, it is facing increasing pressure as competitors aggressively target the sector to grow commercial deposits, intensifying the competition for our share of this market.
- NCB's climate resilience and sustainability initiatives continue to demonstrate encouraging traction, despite a general slowing down of solar energy equipment purchases across the commercial and industrial segments. During 2024, we extended over R1,2bn in finance associated with the United Nations Sustainable Development Goals (SDGs), covering clean water and sanitation (SDG 6), affordable and clean renewable energy (SDG 7), as well as responsible consumption and production (SDG 12). We rolled out the Avo Solar offering to commercial entities and through Avo Water are assisting our clients with water-related risks facing the commercial market.

Retail Relationship Banking

Retail Relationship Banking (RRB) provides tailored banking services to affluent individuals (salaried and self-employed) and their households, as well as to SMEs with an annual turnover of less than R30m. RRB also caters for non-resident and embassy clients through a dedicated unit with specialised exchange control knowledge. The relationship banking offering is designed for clients seeking a personalised, flexible and proactive approach, and caters for more complex financial needs typically associated with the above-mentioned client segments.

Financial performance

HE increased by 13% yoy to R1,9bn, with an ROE of 40,8%, this on the back of the higher-interest-rate environment and the strong relationship banking foundations built over many years.

Average advances increased by 10% following record payouts, while average deposits increased by 11%, resulting in an improvement in the net funding contribution to the group of R62bn. The CLR decreased by 13 bps to 66 bps and is now back within the TTC target range, as the interest rate reductions, increased political certainty and stable electricity supply have alleviated some of the pressures experienced in the first half of the year. NIR increased moderately by 6%, with the affluent base performing strongly and partially compensating for the effects of price reductions and move to lower-cost products and channels seen in small businesses.

Business performance

Affluent clients:

- The private-banking CVP, based on the promise of 'Digital when you want it; human when you need it', continues to resonate with the market as demonstrated by the 5% increase in main-banked client gains and generally positive client sentiment.
- Clients have embraced our feature-rich Online Banking and Money app channels, with digital use and satisfaction at an all-time high. This, in turn, frees up bankers to focus on the relationship aspects of their role.
- The launch of the enhanced Greenbacks programme benefited our affluent clients, with more competitive earn rates and travel discounts offered. Promotion of our broader set of wealth solutions and our wealth advisory services continues to attract interest.

Small Business Services:

- We continue to focus on providing affordable transactional banking, innovative payment solutions and seamless lending to unlock growth for this important sector of our economy. In response to competitor activity and in the rightsizing of certain fee lines, R25m worth of fee reductions were implemented as part of the annual price review.
- 2024 also saw the launch of the small-business loan (digitally available without documentation for existing clients only) and the modernised POS offering (available via the Money app, with delivery within 48 hours), with early indications that both offerings are performing ahead of expectation.
- Our Beyond Banking offering, SimplyBiz, remains a differentiator, with more than 85 000 registered business owners able to make use of free Beyond Banking assistance in the form of advertising, coaching, access to relevant business support materials and other strategic initiatives.

Despite an increasingly competitive market, RRB continued to deliver solid growth in client numbers and was able to improve its market share in both its core markets. Additional focus will be on growing our global transactions and continuing with our proactive acquisition strategies.

Consumer Banking

Consumer Banking predominantly serves individuals earning less than R750 000 per year in 3 subsegments – middle market, entry-level banking and youth. Consumer Banking pursues an app-first operating model, whether clients use the Nedbank Money app at home, or use it as they are assisted by employees in our branches or Contact Centre or their place of work. We emphasise solutions that are easy for clients to understand, choose, and use.

HE increased by 47% to R2,4bn, at an ROE of 10,8%, up materially from 7,7% in 2023. The improvement in profitability was driven primarily by a 12% decrease in impairments, with the CLR at 220 bps, a 42 bps reduction from 262 bps in the prior year. The CLR reduction was driven in part by initiatives across collections and origination, including selective origination in Personal Loans and Credit Cards, as well as improved household finances in 2024, enabled by lower interest rates, lower inflation, reduced load-shedding, and the launch of SA's new 2-pot retirement system.

Balance sheet growth was resilient, evident in 7% growth in deposits to R138bn and 5% growth in gross average advances to R294bn. We are particularly pleased with market share gains in Home Loans and Vehicle Finance, while market share losses were reported in Personal Loans and Card. NII remained flat yoy, at R16,5bn, as book growth tilted towards lower-margin products.

Sales momentum improved in H2 2024 after a challenging start. The improved sales momentum was evident across multiple products, including Personal Loans and Credit Cards, which will ultimately support the faster growth of these books into the future.

NIR grew by 3% to R8,4bn with transactional NIR up by 6%, evidenced by strong double-digit growth in monthly fees, value-added services, cash-send volumes, and digital payments, offset by lower growth in cash as clients opted for lower-cost, non-cash payment methods. Outside of transactional revenues, there was also lower growth in credit life insurance revenues, due mainly to lower volumes originated in Unsecured Lending.

Expenses were well contained at 2%, below the rate of inflation. This disciplined expense management enabled a minor gain in the NIR/expenses ratio to 57,4% (up by 17 bps from the prior year).

Business performance

- Consumer main-banked clients grew by 5% to 3,4 million across all segments.
- Consumer clients active on the Money app increased by 14% yoy to reach 2,4 million.
- We remained ahead of the South African banking average in terms of share of sales completed digitally as well as sales force productivity.
- Cross-sell increased to 1,93 products per client (2023: 1,90). Our client-centred, AI-enabled cross-sell tool continued to deliver strong, double-digit growth in converted sales.
- We now have over 2,4m Consumer active clients on MiGoal accounts, with take-up of the bundle offering higher than that of the pay-as-you-use option.
- We now have over 1,6 million clients on our revamped Greenbacks programme, a growth of 9% yoy, with clients moving up levels as they become more entrenched in the programme.

Looking forward

We will continue to focus on our 5 core strategy pillars:

Leading client experiences – Drive client-centred growth off the back of winning CVPs in support of our SPT 2.0 targets, while ensuring quality origination through a leading and differentiated client service offering.

First in digital; digital first – Develop innovative products and solutions for our clients and deliver enhanced digital capabilities with a mobile-first mindset**.**

Efficient and agile operating model – Enhance operational effectiveness, develop world-class capabilities like data commercialisation and behavioural economics, as well as further improve our risk management, credit and collection practices. These efforts will reduce our cost-to-income ratio and improve our ROE towards the required target range.

Putting purpose into practice – Focus on green finance, development finance, inclusive distribution, financial wellness and financial inclusivity for individuals as well as businesses. We will also expand our funding of projects that create or improve physical, social, or economic assets for sustainable growth.

Banking and Beyond growth vectors – Focus on expanding the Avo SuperShop app, implementing new commercial models and channels for VAS, growing our insurance offerings, implementing a go-to-market strategy for the township economy, unlocking opportunities for fleet management, investing in our mid-corporate strategy and further developing strategic partnerships and alliances.

We are deeply committed to enhancing and improving employee wellness capabilities to support our employees during this challenging economic climate. Our heightened focus will be on attracting and retaining top talent, reducing critical skills losses, and surpassing transformation targets at management levels.

Organisational update – We have embarked on an organisational restructure of our RBB and Nedbank Wealth clusters, evolving into an organisational design more focused on client centricity. The new group structure will see the creation of Personal and Private Banking (PPB) and Business and Commercial Banking (BCB) with effect from 1 July 2025.

Product views, excluding Commercial Banking

	Home loans		VAF		Unsecured lending		Transactional		Card individual issuing		Card acceptance & commercial issuing		Forex and investments	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
NII (Rm)	**3 861**	3 587	**6 517**	6 128	**3 933**	4 215	**3 869**	3 676	**1 375**	1 417	**(62)**	(26)	**1 583**	1 551
Consumer Banking and other	**2 787**	2 605	**6 309**	5 937	**3 655**	3 940	**1 432**	1 422	**1 373**	1 417	**(62)**	(26)	**987**	975
Relationship Banking	**1 073**	982	**208**	190	**278**	275	**2 437**	2 255	**2**				**596**	576
Impairments charge on financial instruments (Rm)	**1 150**	1 312	**2 916**	2 442	**2 367**	3 087	**121**	106	**381**	916	**(18)**	45		
Consumer Banking and other	**846**	1 008	**2 861**	2 357	**2 250**	2 962	**121**	106	**381**	916	**(18)**	45		
Relationship Banking	**303**	304	**55**	85	**117**	125								
NIR (Rm)	**324**	304	**755**	709	**845**	876	**6 812**	6 423	**1 268**	1 362	**2 325**	2 303	**299**	288
Consumer Banking and other	**236**	230	**740**	694	**759**	799	**5 277**	4 975	**1 243**	1 334	**2 325**	2 303	**160**	156
Relationship Banking	**88**	74	**15**	14	**86**	77	**1 535**	1 448	**25**	28			**139**	132
Operating expenses (Rm)	**1 910**	1 838	**1 985**	1 872	**2 009**	2 113	**9 160**	8 739	**1 401**	1 312	**1 865**	1 671	**1 563**	1 618
Consumer Banking and other	**1 312**	1 286	**1 871**	1 765	**1 822**	1 929	**7 116**	6 804	**1 387**	1 297	**1 865**	1 671	**1 185**	1 247
Relationship Banking	**598**	552	**114**	107	**187**	184	**2 043**	1 936	**14**	15			**378**	370
Headline earnings (Rm)	**783**	498	**1 620**	1 631	**256**	(125)	**859**	759	**568**	420	**273**	386	**201**	126
Consumer Banking and other	**601**	362	**1 584**	1 623	**217**	(153)	**(509)**	(494)	**559**	411	**273**	386	**(52)**	(114)
Relationship Banking	**182**	136	**36**	7	**40**	28	**1 368**	1 253	**9**	10			**252**	240
ROE (%)	**10,0**	7,1	**16,4**	17,2	**5,7**	(2,9)	**33,4**	33,9	**28,7**	21,0	**67,0**	108,1	**81,5**	42,8
CLR – banking advances (%)	**0,66**	0,80	**2,01**	1,83	**7,96**	9,68	**26,68**	28,53	**2,46**	5,89	**(1,11)**	2,97		
Cost-to-income ratio (%)	**45,6**	47,2	**27,3**	27,4	**42,0**	41,5	**85,8**	86,5	**53,0**	47,2	**82,4**	73,4	**83,0**	87,9
Interest margin (%)	**2,22**	2,19	**4,07**	4,17	**15,20**	15,10	**5,93**	5,43	**8,29**	8,91			**0,79**	0,87
Average total advances (Rm)	**171 056**	161 404	**137 380**	126 379	**21 868**	23 956	**185**	186	**12 958**	12 922	**1 426**	1 357	**5**	(1)

The table does not include CB HE of R2 164m (Dec 2023: R2 087m) and other unallocated costs of -R312m (Dec 2023: -R216m) relating to Channel, Clients and Shared Services. Therefore, the table does not cross-cast.

Home Loans

Nedbank Home Loans provides residential home ownership solutions across all client segments.

HE increased by 57% to R783m (2023: R498m) at an ROE of 10,0% (2023: 7,1%). The improvement in HE was driven by revenue growth of 8% and a 12% decrease in impairments, with the CLR declining to 66 bps (2023: 80 bps).

We maintained a disciplined growth strategy, balancing risk appetite with responsible lending in a challenging macroeconomic environment. Average gross advances grew by 6%, ahead of industry advances growth of 3%. New business market share improved, resulting in a 25 bps gain in the overall BA 900 market share, with noticeable improvement during H2 2024. This was supported through deepened relationships and collaboration with our mortgage originator and business partners. These partnerships remain a critical growth lever into the future.

MFC

MFC facilitates vehicle finance to consumer and juristic client segments.

HE decreased slightly to R1,6bn at an ROE of 16,4%, impacted largely by a 19% increase in impairments. The MFC CLR increased to 201 bps (2023: 183 bps), driven by defaults from lending to first-time taxi operators and lower asset realisation values, although improvements in both these areas were evidenced during H2 2024. Revenue grew by 6%, driven by strong gross average advances growth of 9%. The cost-to-income ratio was maintained at 27%.

Asset finance sales volumes increased by 10% in 2024, despite a 3,4% decline in domestic passenger and light commercial vehicle unit sales via dealerships across the market. The new-to-used vehicle finance ratio remained at around 37:63 (2023: 36:64). The business remains a leading financier in the vehicle finance market, with BA900 market share increasing from 35,1% to 35,9% at end December 2024.

MFC's strategy remains focused on supporting dealer partners and clients with new solutions such as step payment plans, payment holidays and finance for first-time buyers to assist client demand in a tough macroeconomic environment.

Unsecured Lending

Nedbank Unsecured Lending provides personal loans, overdrafts, short-term loans and student loans across all client segments.

HE improved to R256m (2023: -R125m), due predominantly to a 23% decline in impairments. The CLR improved to 796 bps (2023: 968 bps), driven by specific collection initiatives and an improvement in the quality of new business to within acceptable levels. Various credit policy changes made throughout 2024 have resulted in a deliberate reduction in disbursals and market share levels during a period when the unsecured lending industry also evidenced an overall decline in market size. Disbursals are expected to remain subdued in the short term but improve as macroeconomic conditions recover and new digital solutions are commercialised.

During 2024, 66% of all personal loan disbursals and 77% of overdraft disbursals were seamlessly originated via digital channels.

Transactional Banking

Transactional Banking provides fully inclusive, affordable and meaningful banking to clients across all income levels, enabling financial inclusion and effective money management through our refreshed transactional suite of products, namely MiGoals.

HE increased by 13% to R859m (2023: R759m) at an ROE of 33,4% (2023: 33.9%). NIR increased by 6%, enabled by the MiGoals product set as well as a 17% increase in VAS volumes across all products, including Bill payments and digital vouchers, with over 1,6 million clients buying products via the platform. Our money transfer product, enabling clients to send money to any South African cellphone number, showed significant growth in 2024, increasing revenue by 54%.

Clients are finding value in not just the MiGoals Account, but also in the MiGoals Plus and MiGoals Premium Accounts, where we see significant take-up of these bundled products. We also launched a MiGoals kids offering during the year.

Our value-added service offerings were enhanced to include vehicle quick-quote insurance, licence renewals, traffic fine payments as well as expanded assurance and funeral product functionality.

Card and Payments

Card and Payments provide card issuing (individual and commercial), card acceptance, and payment products across all client segments, extending beyond RBB into Nedbank Private Wealth, CIB and NAR. It is also responsible for the American Express® network in SA, offering global solutions for individuals and companies.

Card Issuing (Individuals)

HE increased by 35% to R568m (2023: R420m), at an ROE of 28,7% (2023: 21,0%), driven mainly by a 58% decrease in impairments. Turnover volumes increased by 8% through continued focus on user-centred services, digitisation and innovation, including the launch of the Platinum Credit Card during H2 2024.

In March 2023 Nedbank was part of the first cohort of banks that launched PayShap, which is a real-time, interbank payment offering aimed at digitising cash in SA while playing a key role in modernising the national payment system of the country. Since its launch, there has been steady growth in use, with 4,5 million consumers registered and 168 million payments worth over R130bn being processed across all the participating banks. Within Nedbank we have seen more than a twofold yoy increase in PayShap usage, driven by growing demand for instant payments among consumers and businesses. Nedbank has developed a PayShap API to drive digital payments through our partners and we are excited as our ability to drive financial inclusion is accelerated and enhanced.

Card Acceptance and Commercial Issuing

Card acceptance volumes increased by 8% off the back of increased merchant acquisition, improved retention rates and strong partnerships. E-commerce merchant growth is at 15% as consumers shift to buying online, with our market share above 50%.

In 2024 we launched our refreshed small-merchant acquiring offering that affords merchants a digital onboarding experience and device delivery within 48 hours.

To strengthen the American Express acceptance footprint, we partnered with Yoco, HelloPay and PayFast for an improved client experience when using the cards.

Investments

The Nedbank Retail notice and term deposit book evidenced strong growth of 14% yoy through enhanced digital capabilities and market-leading pricing strategies in key categories, supported by our significant targeted marketing presence.

Approximately 92% of all new investment accounts were opened digitally and 97% of all withdrawal notices were given via digital channels, which reduced our reliance on physical infrastructure and made positive contributions to our cost-to-income ratio.

The launch of the new JustSave product in September 2024 has seen encouraging product adoption, resulting in positive book growth and client retention.

Forex

The Forex business continues to enhance and deliver innovative segment CVPs and optimised client-centred journeys by enabling clients to transact and invest across multiple foreign currencies in different countries.

NIR was up 8%, driven mainly by increased volumes of incoming and outgoing payments. Digital adoption of key forex capabilities continues to increase significantly, with digital payments via the Nedbank Money app and Online Banking showing the most significant uplift in adoption, aided by the launch of our offering with Western Union in March 2024 allowing clients to send and receive money globally with ease.

Retail and Business Banking: Key business statistics

		2024	2023
Commercial Banking			
New client acquisitions – groups		**445**	428
Average product holding		**4,83**	4,80
Home Loans			
Number of applications received	thousands	**149**	153
Average loan-to-value percentage of new business registered	%	**91**	93
Average balance-to-original-value percentage of portfolio	%	**83**	82
Proportion of new business written through own channels	%	**42**	49
Owned-properties book	Rm	**43**	42
MFC			
Number of applications received	thousands	**2 193**	2 057
Percentage of used vehicles financed	%	**63**	64
Personal Loans			
Number of applications received	thousands	**1 023**	1 266
Average loan size	R000s	**55,3**	54,9
Average term	months	**39,7**	39,1
Retail deposits			
Total value of deposits taken in	rand billions	**122**	111
Total value of deposit withdrawals	rand billions	**115**	89
Number of clients at period-end			
Retail active clients	thousands	**6 947**	6 963
Retail main-banked clients	thousands	**3 718**	3 529
Retail cross-sell ratio[1]	ratio	**1,99**	1,96
Commercial Banking groups[2]		**12 557**	12 384
Small Business Services segment[2]	thousands	**318**	310
Home Loans	thousands	**375**	378
MFC	thousands	**601**	590
Personal Loans	thousands	**360**	404
Card Issuing	thousands	**1 126**	1 102
Investment products	thousands	**1 531**	1 492
Distribution			
Number of retail outlets		**543**	547
Number of ATMs		**4 105**	4 199
Number of ATMs with cash-accepting capabilities[3]		**1 324**	1 350
ATM withdrawal volumes[4]	thousands	**151 772**	150 177
Branch teller volumes[5]	thousands	**5 647**	6 832
Digitally active retail clients	thousands	**3 090**	2 879
Money app clients	thousands	**2 651**	2 329
POS devices	thousands	**110**	110

1 *The number of needs met (products) per active client.*
2 *2023 numbers for SBS and Commercial Banking have been restated to account for client migrations that took place in 2024.*
3 *Cash-accepting devices and interactive teller machines are included in the total number of ATMs.*
4 *ATM withdrawals includes withdrawals at intelligent device.*
5 *Teller transactions include any cash-related transaction performed over the counter (e.g. deposits, withdrawals and transfers).*

Balance sheet average advances and impairments

	Daily gross average advances Rm		Stage 1 %		Stage 2 %		Stage 3 %		% of total advances		Credit loss ratio %	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Home loans	**175 497**	164 743	**81,4**	79,8	**10,5**	12,5	**8,1**	7,7	**38,3**	37,6	**0,66**	0,80
VAF	**145 280**	133 516	**84,6**	82,4	**10,2**	12,0	**5,2**	5,6	**33,1**	31,5	**2,01**	1,83
Personal loans	**25 264**	27 874	**62,4**	56,6	**13,3**	17,2	**24,3**	26,2	**5,0**	5,9	**8,25**	10,25
Card	**17 058**	16 982	**78,0**	77,1	**7,3**	8,5	**14,7**	14,4	**3,5**	3,7	**2,13**	5,66
Other loans	**4 999**	4 509	**69,0**	71,2	**9,6**	9,9	**21,3**	19,0	**1,0**	1,0	**8,08**	7,47
Total Retail	**368 098**	347 624	**81,2**	78,9	**10,4**	12,4	**8,4**	8,7	**80,8**	79,7	**1,88**	2,27
Commercial Banking	**91 048**	90 971	**83,9**	82,9	**9,5**	9,9	**6,5**	7,2	**19,2**	20,3	**0,34**	0,67
Total RBB	**459 146**	438 595	**81,8**	79,7	**10,2**	11,9	**8,0**	8,4	**100,0**	100,0	**1,58**	1,94

Balance sheet impairment as a percentage of book

	% of total		Stage 1 %		Stage 2 %		Performing stage 3 %		Non-performing stage 3 %		Total stage 3 %	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Home loans	**2,69**	2,29	**0,22**	0,24	**4,13**	3,22	**14,25**	15,10	**28,15**	23,81	**25,54**	22,06
VAF	**5,09**	5,16	**1,31**	1,39	**11,58**	11,28	**24,50**	20,86	**71,13**	67,06	**54,25**	47,55
Personal loans	**25,44**	27,09	**6,30**	6,36	**22,58**	21,01	**59,63**	62,19	**79,17**	78,37	**76,24**	75,84
Card	**14,48**	16,32	**3,88**	4,52	**38,43**	42,84	**15,38**	17,95	**61,18**	66,11	**58,77**	63,76
Other loans	**24,21**	21,28	**4,88**	4,23	**36,48**	30,05	**37,50**	20,00	**81,48**	81,36	**81,13**	80,61
Total Retail	**5,85**	6,13	**1,17**	1,27	**10,01**	9,62	**24,61**	24,97	**51,82**	51,42	**46,14**	45,31
Commercial Banking	**2,25**	2,28	**0,33**	0,35	**2,59**	2,52			**26,42**	24,17	**26,42**	24,17
Total RBB	**5,16**	5,35	**1,01**	1,08	**8,68**	8,42	**24,61**	24,97	**46,99**	45,54	**43,05**	41,62

Balance sheet actual advances

	Total advances Rm		Stage 1 Rm		Stage 2 Rm		Performing stage 3 Rm		Non-performing stage 3 Rm		Total stage 3 Rm	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Home loans	**181 175**	170 540	**147 468**	136 091	**18 966**	21 345	**2 764**	2 629	**11 977**	10 475	**14 741**	13 104
VAF	**156 475**	143 044	**132 409**	117 837	**16 007**	17 190	**2 918**	3 385	**5 141**	4 632	**8 059**	8 017
Personal loans	**23 510**	26 681	**14 669**	15 102	**3 135**	4 584	**857**	1 095	**4 849**	5 900	**5 706**	6 995
Card	**16 770**	16 662	**13 078**	12 840	**1 223**	1 424	**130**	117	**2 339**	2 281	**2 469**	2 398
Other loans	**4 717**	4 319	**3 255**	3 073	**455**	426	**8**	10	**999**	810	**1 007**	820
Total Retail	**382 647**	361 246	**310 879**	284 943	**39 786**	44 969	**6 677**	7 236	**25 305**	24 098	**31 982**	31 334
Commercial Banking	**90 788**	92 252	**76 205**	76 494	**8 647**	9 125			**5 936**	6 633	**5 936**	6 633
Total RBB	**473 435**	453 498	**387 084**	361 437	**48 433**	54 094	**6 677**	7 236	**31 241**	30 731	**37 918**	37 967

Balance sheet actual impairments

	Total impairments Rm		Stage 1 Rm		Stage 2 Rm		Performing stage 3 impairments Rm		Non-performing stage 3 impairments Rm		Total stage 3 impairments Rm	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Home loans	**4 870**	3 898	**321**	320	**784**	687	**394**	397	**3 371**	2 494	**3 765**	2 891
VAF	**7 960**	7 387	**1 735**	1 636	**1 853**	1 939	**715**	706	**3 657**	3 106	**4 372**	3 812
Personal loans	**5 982**	7 228	**924**	960	**708**	963	**511**	681	**3 839**	4 624	**4 350**	5 305
Card	**2 429**	2 720	**508**	581	**470**	610	**20**	21	**1 431**	1 508	**1 451**	1 529
Other loans	**1 142**	919	**159**	130	**166**	128	**3**	2	**814**	659	**817**	661
Total Retail	**22 383**	22 152	**3 647**	3 627	**3 981**	4 327	**1 643**	1 807	**13 112**	12 391	**14 755**	14 198
Commercial Banking	**2 046**	2 102	**254**	269	**224**	230			**1 568**	1 603	**1 568**	1 603
Total RBB	**24 429**	24 254	**3 901**	3 896	**4 205**	4 557	**1 643**	1 807	**14 680**	13 994	**16 323**	15 801

Income statement impairments

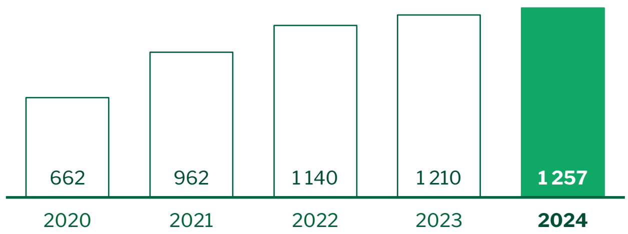
	Income statement impairments charge[1] Rm		Stage 1 Rm		Stage 2 Rm		Stage 3[2] Rm		Interest on impaired advances[2] Rm		Post-write-off recoveries Rm	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Home loans	**1 150**	1 312	**77**	37	**112**	88	**1 419**	1 526	**(396)**	(272)	**(62)**	(67)
VAF	**2 916**	2 442	**153**	324	**(55)**	(309)	**3 798**	3 320	**(619)**	(564)	**(361)**	(329)
Personal loans	**2 084**	2 857	**126**	45	**(280)**	17	**3 566**	4 173	**(1 064)**	(1 111)	**(264)**	(267)
Card	**363**	961	**(73)**	(91)	**(140)**	231	**1 074**	1 282	**7**	5	**(505)**	(466)
Other loans	**404**	335	**45**	52	**46**	4	**476**	413	**(135)**	(99)	**(28)**	(35)
Total Retail	**6 917**	7 907	**328**	367	**(317)**	31	**10 333**	10 714	**(2 207)**	(2 041)	**(1 220)**	(1 164)
Commercial Banking	**305**	613	**1**	103	**(8)**	51	**592**	738	**(187)**	(199)	**(93)**	(80)
Total RBB	**7 222**	8 520	**329**	470	**(325)**	82	**10 925**	11 452	**(2 394)**	(2 240)	**(1 313)**	(1 244)

[1] *The income statement charge includes the charge associated with unutilised balances.*

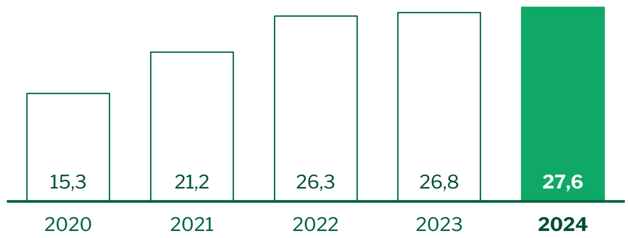
[2] *During 2024 the group identified that the prior-year 'Interest in suspense' and 'Amounts written off' reconciling items were incorrectly overstated and understated by R1,0bn respectively. As a result, the prior-year information was restated. This error had no impact on the balance at the end of the year.*

Nedbank Wealth

Headline earnings
(Rm)



Return on equity
(%)



▲ R1,3bn	▲ 27,6%	▼ (2) bps	▶ 66,6%	▲ R4,0bn	▲ R474bn
Headline earnings	**ROE**	**Credit loss ratio**	**Cost-to-income ratio**	**Gross earned premiums**	**AUM**
(2023: R1,2bn)	(2023: 26,8%)	(2023: 12 bps)	(2023: 66,6%)	(2023: R3,8bn)	(2023: R448bn)

Financial performance

Against the backdrop of a challenging operating environment, the implementation of the OECD Pillar 2 global tax rate, and the strategic decision to exit the corporate e-gaming sector internationally, Nedbank Wealth delivered a solid financial performance, with **headline earnings (HE)** up by 4% to R1 257m. **Return on equity (ROE)** increased to 27,6%, remaining well above the group's cost of equity.

NII decreased by 1% to R1 725m, due primarily to a decline in average deposit balances of 3% as a result of the decision to exit the corporate e-gaming sector internationally. In addition, average loans and advances declined as high-net-worth clients continued to opt for early repayments in the higher-for-longer interest rate environment. NIM widened from 2,85% to 3,02% due to higher average local and international interest rates.

Impairments decreased by more than 100%, driven by client-specific overlay releases and credit model enhancements, resulting in a net release of R5m. This resulted in a CLR of -2 bps (2023: 12 bps) when compared with the TTC target range of 20 bps to 40 bps.

NIR increased by 12% to R3 283m, driven by positive actuarial reserve releases in life insurance, higher shareholder returns, and an improved claims experience in non-life insurance. Growth in AUM balances of 6%, and higher trading, portfolio management and advice fees further improved NIR. This was offset by a decline in traditional bancassurance volumes and a higher-than-forecast MyCover Personal Lines claims experience.

Expenses increased by 7% to R3 337m due to ongoing investment in people, product and service enhancements, as well as data and digital initiatives. The cost-to-income ratio remained flat at 66,6%.

Financial highlights

for the year ended 31 December

	Change %	2024	2023
Headline earnings (Rm)	4	**1 257**	1 210
NII (Rm)	(1)	**1 725**	1 749
Impairments charge (Rm)	>(100)	**(5)**	37
NIR (Rm)	12	**3 283**	2 924
Operating expenses (Rm)	7	**3 337**	3 111
ROE (%)		**27,6**	26,8
ROA (%)		**1,59**	1,46
CLR – banking advances (%)		**(0,02)**	0,12
NIR to total operating expenses		**98,4**	94,0
Cost-to-income ratio (%)		**66,6**	66,6
Interest margin (%)		**3,02**	2,85
Assets under management (Rm)	6	**473 675**	448 467
Net life insurance contractual service margin (Rm)	4	**1 057**	1 019
Life insurance value of new business (Rm)	(1)	**367**	372
Total assets (Rm)	(4)	**78 699**	81 609
Average total assets (Rm)	(4)	**79 277**	82 779
Total advances (Rm)	(2)	**28 105**	28 711
Average total advances (Rm)	(6)	**28 842**	30 551
Total deposits (Rm)	(2)	**47 397**	48 212
Average total deposits (Rm)	(3)	**47 289**	48 641
Average allocated capital (Rm)	1	**4 554**	4 520

Strategic progress

Aligned with the group's strategic value drivers, Nedbank Wealth continued to deliver progress against its strategic focus areas. Key highlights from the businesses' performance in 2024 include the following:

Insurance

- The MyCover suite, which was launched to diversify Nedbank Insurance's offering beyond traditional bancassurance, continued to perform well and achieved 44% growth in gross earned premiums.
- MyCover Funeral reported a 24% increase in gross earned premiums from a high base and benefited from improved digital channel sales and enhanced digital enablement.
- MyCover Personal Lines gross earned premiums increased by more than 100%, however underwriting profit was negatively impacted by higher claims.
- MyCover Life gross earned premiums increased by 94%, albeit off a low base, driven by increased visibility on digital channels and digital drop-off conversion.
- Digital quoting as well as fulfilment and claims functionalities were enabled on 21 products (2023: 17).
- Nedbank Insurance introduced a personalised 'Offers for you' feature on the Nedbank Money app, leveraging deep data insights to provide tailored offers that better match the life stages of existing Retail clients. This, together with the inclusion of credit life APIs in the Retail journey, resulted in a 40% increase in digital sales.

Asset Management

- Nedgroup Investments' Best of Breed™ fund range continued to perform well relative to peers, with more than 80% of assets invested in Best of Breed™ funds achieving first- or second-quartile performance over 5, 7 and 10 years, as measured by Morningstar data.
- Nedgroup Investments remains the third-largest offshore manager for the eighth year in a row and is the eighth-largest South African manager (Q4 2024 ASISA stats).
- In line with its diversification of revenue and growth strategy, Nedgroup Investments introduced an in-house multi-boutique model, launching the first fixed-income boutique and fund (Global Strategic Bond Fund) in January 2024, which attracted US$110m (R2bn) in AUM.
- Nedgroup Investments published its fourth Responsible Investment Report and launched its inaugural Climate Change Position Statement, which outlines Nedgroup Investments' commitment to aligning business strategies with the Paris Agreement.

Wealth Management (SA)

- Nedbank Private Wealth (SA) client acquisition improved by 20% yoy due to a focus on growing the high-net-worth client segment.
- 60% of clients are digitally active and 99% of payments are processed through digital channels.
- The advice-led businesses, consisting of financial planners and wealth managers, continue to focus on implementing the enhanced advice model, which aims to attract and retain top advisers, offer a leading advice proposition, and drive profitable business growth.

Wealth Management (International)

- Nedbank Private Wealth (International) has made good progress in strengthening the high-net-worth proposition, capitalising on advice-led capabilities, and leveraging collaborative efforts with the South African business. These efforts have supported an increase in client acquisition of 6% yoy.
- The decision to exit the corporate e-gaming sector internationally was executed well.
- Nedbank Private Wealth (International) increased engagements with high-net-worth clients (> £1m), which resulted in 11% growth in AUA and 5% growth in AUM balances.
- The project to replace the business's core wealth management platform is on track for delivery by the end of 2025.

Nedbank Wealth consistently delivers value-enhancing client and employee experiences, earning recognition across various industries through numerous accolades, including the following:

Nedbank Insurance

- Winner of the CEO Special Recognition Award for Operational Excellence – International ActiveOps Awards.

Nedgroup Investments

- Best Flexible Allocation Fund Award – Morningstar Awards.
- Best Global Multi-Asset Flexible Manager Award and Best Worldwide Multi-Asset Flexible Manager Award – INN8 Invest Diamond Awards.
- Best fund over 10 years – Mixed Asset USD Flexible (Global) – LSEG Lipper Awards.

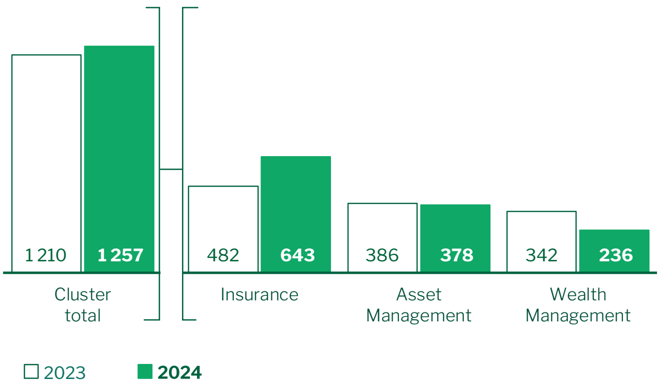
Nedbank Private Wealth (SA)

- #2 in the Top Private Bank and People's Choice: Private Bank categories – 2024 Krutham Top Private Banks and Wealth Managers Awards.

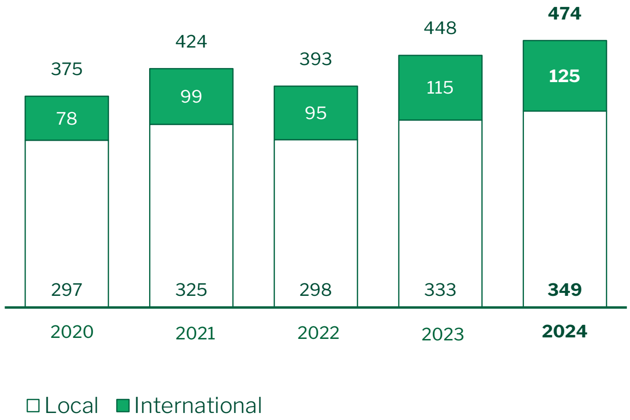
Nedbank Private Wealth (International)

- Best Private Bank for the 10th consecutive year – City of London Wealth Management Awards.
- Best Private Bank Overall Client Services – WealthBriefing MENA Awards.
- Listed in the Sunday Times 100 Best Places to Work in the UK.

Headline earnings
(Rm)



Assets under management
(Rbn)



Segmental performance

Insurance

The insurance industry remained resilient in 2024 despite the turbulent economic environment due to volatile market conditions and additional strain on already financially burdened clients. The non-life insurance industry benefited from continued mild weather conditions.

Nedbank Insurance's HE increased by 33% to R643m, driven largely by a favourable non-life insurance claims experience and strong growth in the MyCover suite. Earnings were also impacted by positive actuarial basis changes, including a sizable once-off release, and higher shareholder returns from a positive market performance in H2 2024. While performance was partially offset by the continued decline in traditional bancassurance volumes, primarily in unsecured lending, early indicators show deeper penetration into other credit life books following the integration of the insurance offering into the Retail journey. The opportunity to cross-sell insurance products across the group remains significant, with steady progress achieved through collaboration between Nedbank Insurance and RBB.

The contractual service margin (CSM) represents unrecognised shareholder's future profit on long-term products. The CSM increased by 4% to R1 057m (2023: R1 019m), due primarily to increased CSM from new business related to MyCover Funeral. The value of new business (VNB) declined by 1% to R367m due to a change in product mix away from the higher-margin traditional bancassurance book, partially offset by higher volumes and improved profitability of the funeral business from non-economic assumption changes. Premium allocation approach gross earned premium (PAA GEP), which represents book size for short-term products, increased by 11% with strong growth in MyCover Personal Lines and Vehicle Debt Protector (VDP).

Asset Management

The long-term potential in South Africa remains constrained as wealthy South Africans continue to externalise savings, while others have less capacity to invest. In 2024 the asset management industry faced considerable challenges, with ASISA reporting net outflows of R30bn (excluding reinvestments) for the first 3 quarters of the year. Industrywide, asset managers continue to face pressure on fees and are pursuing vertical integration to strengthen market positioning. The introduction of the 2-pot retirement system led to significant industry outflows, impacting fund managers and requiring portfolio adjustments. However, there was limited impact on Nedgroup Investments.

Following the confirmation of the government of national unity, investor confidence improved in H2 2024, driving market performance higher. Nedgroup Investments experienced large outflows from the Cash range due to corporate clients accessing surplus cash at year-end, which was partially offset by strong inflows into the low-cost Core and multi-managed Select ranges, resulting in overall net outflows of R6,8bn.

Strong markets offset the net outflows and resulted in a 6% growth in AUM to R474bn, which translated into NIR growth of 7%. Net profit before tax increased by 7%, in line with NIR growth. HE, however, declined by 2% to R378m due to the implementation of the OECD Pillar 2 global tax rate of 15% on the international business.

Wealth Management

The wealth management industry benefited from a shallower-than-expected interest rate cutting cycle, which supported good growth in deposit balances. However, this resulted in pressure on the lending book due to faster debt repayments and reduced flows into off-balance-sheet investments, partially offset by positive market movements towards the end of the year.

Overall, Wealth Management's HE declined by 31% to R236m, due mainly to a decline in earnings internationally.

Wealth Management (SA) benefited from a decrease in credit impairments, due to client-specific overlay releases and credit model enhancements in Nedbank Private Wealth (SA), following a review of Stage 2 provision factors. Strong performance in Stockbroking and Investments also contributed to the business's performance overall. Wealth Management (SA) reported a decrease in NII due to a marginal decline in average lending balances from earlier repayments, partially offset by higher local interest rates driving a higher endowment impact and strong growth in average deposit balances.

Wealth Management (International) HE were adversely impacted by the implementation of the OECD Pillar 2 global tax rate, average deposit balances declining due to the decision to exit the corporate e-gaming sector, more clients migrating to fixed-term deposits, as well as a decrease in client lending balances. Higher average interest rates compared to the prior year partially offset these factors and, despite challenging investment market conditions, AUM and AUA increased yoy.

Assets under management

Rm	2024	2023
Fair value of funds under management – by type		
Unit trusts	**414 517**	392 468
Third parties	**1 147**	1 163
Private clients	**58 011**	54 836
	473 675	448 467
Fair value of funds under management – by geography		
SA	**348 466**	333 067
Rest of the world	**125 209**	115 400
	473 675	448 467

Rm	Unit trusts	Third party	Private clients	Total
Reconciliation of movement in funds under management – by type				
Opening balance at 31 December 2023	**392 468**	**1 163**	**54 836**	**448 467**
Inflows	**740 791**	**2**	**5 521**	**746 314**
Outflows	**(746 821)**	**(120)**	**(6 397)**	**(753 338)**
Mark-to-market value adjustment	**26 718**	**104**	**4 059**	**30 881**
Foreign currency translation differences	**1 361**	**(2)**	**(8)**	**1 351**
Closing balance – 31 December 2024	**414 517**	**1 147**	**58 011**	**473 675**

Rm	SA	Rest of the world	Total
Reconciliation of movement in funds under management – by geography			
Opening balance at 31 December 2023	**333 067**	**115 400**	**448 467**
Inflows	**731 674**	**14 640**	**746 314**
Outflows	**(735 931)**	**(17 407)**	**(753 338)**
Mark-to-market value adjustment	**19 656**	**11 225**	**30 881**
Foreign currency translation differences		**1 351**	**1 351**
Closing balance – 31 December 2024	**348 466**	**125 209**	**473 675**

Looking forward

Increased regulatory requirements, a shallower-than-expected interest rate cutting cycle locally and internationally, and the uncertain global political climate remain threats to the operating environment. In South Africa, markets are expected to remain volatile in 2025. However, as the political environment improves, we anticipate that investors will become more willing to consider investment opportunities and move away from on-balance-sheet investments and cash.

Nedbank Insurance's key focus remains on growing and maturing the MyCover suite and driving further penetration into Nedbank's core client segments by continuing to integrate the appropriate insurance offerings into existing client journeys. Digital will remain a key enabler of enhancing client experiences by leveraging new technologies, expanding servicing capabilities, and using client data to improve personalisation.

Nedgroup Investments remains committed to delivering long-term investment performance, acting in the best interest of clients, and growing as a leader in responsible investment. The business will continue to leverage its competitive advantage as part of the group by integrating with the Money app and making investing easier and more accessible for clients. Furthermore, Nedgroup Investments will continue to deliver appropriate client solutions, including growing the Select range, which provides solutions for Nedbank Private Wealth (SA) and Nedbank Financial Planning clients. Nedgroup Investments will look to expand distribution into European markets, and enable a future-fit technology landscape aligned with group technologies.

Wealth Management (SA) will continue to focus on growing the high-net-worth segment while optimising the solutions and services offered to the group. In addition, increasing advice penetration through group collaboration remains an important strategic focus area, supported by the new advice model and will continue to enhance the client experience by leveraging group capabilities to commercialise data and increase efficiencies through process optimisation and automation.

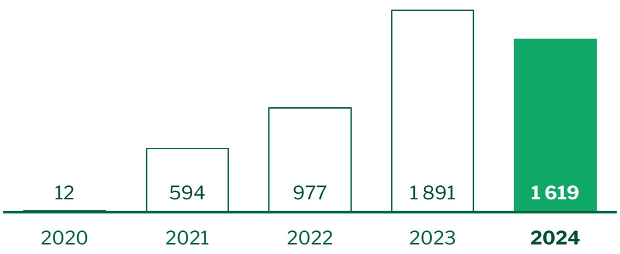
Wealth Management (International) remains committed to providing an international wealth offering for Nedbank Private Wealth (SA) clients, while also delivering an advice-led value proposition to high-net-worth clients outside South Africa. Additionally, Wealth Management (International) will continue to focus on developing the new core wealth management platform to enhance client experience, enable intelligent use of data, and improve automation. The business will also explore potential acquisitions in the medium term to bolster the high-net-worth proposition and advice-led capabilities.

Organisational update – We have embarked on an organisational restructure of our RBB and Nedbank Wealth clusters, evolving into an organisational design more focused on client centricity. The new group structure will see the creation of Personal and Private Banking (PPB) and Business and Commercial Banking (BCB) with effect from 1 July 2025. Nedbank Wealth will no longer exist as a stand-alone cluster.

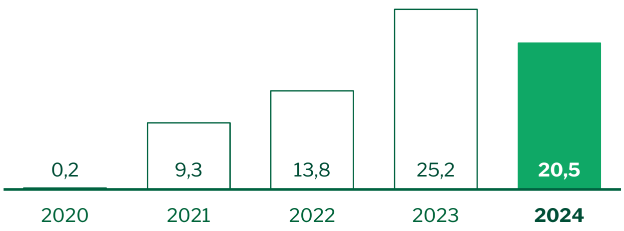
Notes

Nedbank Africa Regions

Headline earnings
(Rm)



Return on equity
(%)



▼ R1,6bn	▼ 20,5%	▲ 126 bps	▲ 57,4%	▼ R582m	▼ R1,0bn
Headline earnings	**ROE**	**Credit loss ratio**	**Cost-to-income ratio**	**SADC HE**	**ETI HE**
(2023: R1,9bn)	(2023: 25,2%)	(2023: 100 bps)	(2023: 53,6%)	(2023: R662m)	(2023: R1,2bn)

Financial performance

Nedbank Africa Regions (NAR) headline earnings (**HE**) decreased by 14% to R1 619m, generating an **ROE** of 20,5% (2023: 25,2%), which remains above the group's cost of equity (COE). This performance was driven by decreases in HE in the Southern African Development Community (SADC) operations and our ETI associate investment. HE increased by 14% when excluding once-off base effects in 2023, which include the R175m reversal of our share of the impact of the Ghana sovereign debt restructure programme in ETI-related associate income and foreign currency gains net of the net monetary loss (NML) on US dollar capital in Zimbabwe.

NII in the NAR Cluster increased by 16% to R2 573m, driven by NIM widening to 6,46% (2023: 6,13%) and a marginal increase in average loans and advances of 1% to R22bn.

NIR for the cluster decreased by 5% to R1 757m, driven partly by the base effect of unrealised foreign currency gains.

Impairments increased by 25% to R315m, driven largely by higher charges in Mozambique and Namibia.

Expenses increased by 7% to R3 141m, largely because of higher employee costs as a result of higher employee incentives. Headcount increased to 2 223 (2023: 2 157). The focus remains on transforming and rightsizing the business by automating manual processes and leveraging the group's capabilities. The cluster's cost-to-income ratio increased to 57,4% from 53,6%.

Associate income relating to the group's 21,2% shareholding in ETI decreased by 17% to R1 139m (2023: R1 380m), largely because of the non-repeat of the R175m reversal of our share of the impact of the Ghana sovereign debt restructure programme in 2023. Excluding this base effect, associate income decreased by 5%.

Strategic progress

Our strategy on the continent remains to own and manage banking operations in SADC and East Africa and to extract further value from our financial investment in ETI, which has a large banking network in West and Central Africa.

Our focus for the SADC operations is to transform the business by converging our technology infrastructure, executing our digital growth strategy, and unlocking additional value in key markets such as Mozambique and Namibia. We aim to achieve scale and actively explore opportunities for portfolio expansion as they arise.

Our journey to converging with the group's technology infrastructure, an important component of integrating the business into the enterprise ecosystem, has seen significant progress, with the foundational elements of multi-enablement on the group technology stack in place and the first go-live anticipated in the first half of 2025 in Eswatini. This will enable the business to leverage group capabilities, resulting in greater efficiencies and delivering a more consistent brand experience to clients across the regions.

Innovations and improvements launched in 2024 as part of our digital growth strategy include the following:

- Enabled cardless and card-based cash deposits at our Intelligent Depositor ATMs, including full cash recycling across Eswatini, Lesotho, Namibia and Zimbabwe.
- Collaborated with Nedbank Commercial Banking to partner with Zaca to enable remittances between South Africa and Lesotho.
- Moved into execution with 3 minimum viable propositions for both individual and juristic clients to enable transactional and unsecured lending in Eswatini, with capabilities integrated into the enterprise.
- Enabled the use of Zimbabwe Gold (ZiG) as the new official currency in Zimbabwe, replacing the Zimbabwean dollar on time with minimal impact on clients.
- Expanded our robotics process automation programme by enhancing 4 existing processes and rolling out 2 additional processes related to arrears notification.
- Since the launch of Avo SuperShop in Namibia in H2 2023, a first in the market, gained over 2 250 registered users with over 3 300 products from 25 merchants on offer. Continuous improvement is expected as more users register, and more merchants are added to the platform.
- Migrated CMA cross-border payments from EFT to SADC real-time gross settlement (RTGS) across digital channels and core banking, with corporate payment solutions offered to larger corporates for localised payments and collections.

In recognition of the progress we have made to date, Nedbank received the following awards:

- The Most Innovative Bank 2024 for Africa (Mozambique) – Global Finance Awards.

Financial highlights

	Change %	Nedbank Africa Regions 2024	Nedbank Africa Regions 2023	SADC 2024	SADC 2023	ETI 2024	ETI 2023
Headline earnings (Rm)	(14)	**1 619**	1 891	**582**	662	**1 037**	1 229
NII (Rm)	16	**2 573**	2 226	**2 690**	2 433	**(117)**	(207)
Impairments charge (Rm)	25	**315**	253	**315**	253		
NIR (Rm)	(5)	**1 757**	1 857	**1 757**	1 857		
Operating expenses (Rm)	7	**3 141**	2 928	**3 141**	2 928		
Associate income[1]	(17)	**1 139**	1 380			**1 139**	1 380
ROE (%)[2]		**20,5**	25,2	**7,8**	9,9	**223,5**	157,7
ROA (%)		**3,31**	4,16	**1,37**	1,71	**16,43**	18,45
Return on cost of ETI investment (%)		**18,2**	22,0			**18,2**	22,0
CLR (%)		**1,26**	1,00	**1,26**	1,00		
NIR to total operating expenses		**55,9**	63,4	**55,9**	63,4		
Cost-to-income ratio (%)		**57,4**	53,6	**70,6**	68,3		
Interest margin (%)		**6,46**	6,13	**7,87**	7,78		
Total assets (Rm)	9	**50 034**	45 906	**49 368**	44 658	**666**	1 248
Average total assets (Rm)	4	**42 897**	41 347	**42 227**	39 747	**670**	1 600
Total advances (Rm)	6	**22 185**	20 909	**22 185**	20 909		
Average total advances (Rm)		**20 934**	21 012	**20 934**	21 012		
Total deposits (Rm)	10	**40 440**	36 846	**40 440**	36 846		
Average total deposits (Rm)	9	**39 479**	36 331	**39 479**	36 331		
Average allocated capital (Rm)	5	**7 904**	7 492	**7 440**	6 713	**464**	779

[1] *Associate income on an IFRS basis is R1 162m (2023: R1 386m) as IFRS requires associate income to be presented net of our share of ETI's impairment charge on non-financial instruments and other gains of R23m (2023: R6m). Our share of ETI's impairment charge on non-financial instruments and other gains and losses is excluded from HE.*

[2] *ROE on subsidiary in-country statutory capital is 16,7% (2023: 18,5%).*

- Best Digital Bank 2024 (Mozambique) – Global Banking & Finance Review.
- Best Bank for Diversity and Inclusion 2024 (Mozambique) – Euromoney Awards for Excellence.
- Best Mobile Banking Application 2024 (Lesotho) – Global Brands Magazine.

Segmental overview

SADC operations

The macroeconomic environment across the SADC countries where we operate remained challenging, with a few developments shaping economic growth and business performance in 2024. In Mozambique the liquefied-natural-gas (LNG) projects continued to experience delays, and in the latter part of 2024 the country experienced political instability following the general election. Zimbabwe's economic outlook remains volatile and the change to the US dollar as the functional currency is now in place.

Our SADC operations delivered HE of R582m, down by 12% (2023: R662m), and ROE of 7,8% (2023: 9,9%), impacted by the change in Zimbabwe's functional currency to US dollar, which resulted in the non-repeat of the unrealised forex gains from the prior year. Excluding the impact of the prior-year forex gains impacting NIR, HE increased by 60%.

NII increased by 11% to R2 690m, driven by a marginal widening in NIM to 7,87% (2023: 7,78%) due to higher interest rates and 1% growth in average loans and advances. NIR for SADC operations decreased by 5% to R1 757m, largely because of the base effect of foreign currency gains as mentioned before. Excluding these base effects of Zimbabwe NML, NIR increased by 13%, driven by higher trading income.

The impairment charge increased by 25% to R315m, driven largely by ECL model reviews in Mozambique resulting in higher charges, and write-offs in Namibia on the retail home loans portfolio. SADC CLR increased to 126 bps from 100 bps, above the cluster TTC target range of 85–120 bps.

Expenses increased by 7% to R3 141m, driven largely by higher employee costs. SADC operations cost-to-income ratio increased to 70,6% from 68,3%.

Clients – The overall number of clients increased by 14% to 396 733, with the most robust growth evident in entry-level banking and the middle market, youth segment and wealth segments, in line with our focus on client primacy.

Distribution – Our focus remains on transforming the business for overall efficiency while driving growth to achieve scale. In line with this aim, our distribution strategy remains ensuring an efficient, optimally staffed, and fit-for-purpose distribution. Our physical points of presence increased slightly to 80 (2023: 79), ATMs decreased to 192 (2023: 199) and cash-accepting ATMs increased to 31 (2023: 6).

Digital – The percentage of digitally active clients increased to 72% (2023: 64%) of the total client base despite the deliberate slowdown in investments as we focused on the convergence of our technology infrastructure with that of the group. The Money App (Africa) remains our clients' digital channel of choice, with 84% of digitally active clients preferring to use the app. The number of app users increased by 21% to over 140 000.

ETI associate investment

Our ETI investment, being the group's 21,2% shareholding in ETI, saw associate income decrease by 17% to R1 139m (2023: R1 380m), generating HE of R1 037m, down by 16% from the prior year. This includes accounting for our share of ETI's Q4 2023 and 9M 2024 earnings (in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrear) and the inclusion of the non-repeat R175m reversal of our share of the impact of the Ghana sovereign debt restructure programme in 2023. If we exclude the impact of the reversal of the R175m provision, associate income decreased by 5%. Our investment in ETI generated a return on investment of 18,2% (2023: 22,0% or 19,2%, excluding the R175m reversal).

ETI's 9M 2024 performance saw attributable earnings increase by 4% to US$232m, reflecting the progress made on the execution of their Growth, Transformation and Returns (GTR) Strategy. The performance generated a ROTE of 32,9%, up from 25,6% in the prior year. ETI's 3 core regions continued to show strong performance, with all 3 achieving ROEs above 27%: Francophone West Africa (UEMOA) achieved 27,2%, Anglophone West Africa (AWA) 33,8%, and Central, Eastern and Southern Africa (CESA) 36,3%. Ecobank Nigeria's performance continues to be suboptimal, with ROE of 2,7%.

Regarding our financial investment in ETI, we will continue to extract further value and provide our support to address the challenges in Ecobank Nigeria.

Nedbank Africa Regions: Key business statistics

		2024	2023
Client			
Number of clients[1]		**396 733**	349 254
Main-banked clients	%	**42**	42
Cross-sell ratio	ratio	**1,46**	1,37
Digital			
Digitally active clients	%	**72**	64
Mobile app users[2]		**141 168**	116 498
MobiMoney wallets		**73 950**	42 017
Distribution			
Number of branches[3]		**80**	79
Number of ATMs		**192**	199
Number of cash-accepting ATMs		**31**	6
POS devices		**8 602**	8 276

Notes:

1 *Restated 2023 number, correcting client number by +7.*

2 *Money App (Africa) used in 3 countries (Lesotho, Namibia and Eswatini). The other 2 countries (Zimbabwe and Mozambique) use different versions.*

3 *The total number includes agencies (4 agencies across the regions).*

Looking forward

The macroeconomic environment in sub-Saharan Africa is expected to keep improving, though it remains at risk due to rising political instability and financing constraints in the region. The International Monetary Fund forecasts growth in the regional economy at 4,2% in 2025, up from the 3,6% reported in 2024. The impact of the political instability in Mozambique following the general election remains a concern, and we continue to monitor the situation and its potential business impact. Meanwhile, the prospect of increased economic growth, particularly in Namibia, has prompted us to organise ourselves accordingly, and we have been collaborating with Corporate and Investment Banking to seize opportunities in that market.

Our key focus areas for 2025 include the following:

- Executing on our technology convergence journey by integrating into the enterprise's technology infrastructure as a key component of transforming the business.
- Unlocking further value in Mozambique and Namibia as growth vectors, while recognising the potential headwinds in Mozambique due to political instability.
- Exploring inorganic growth opportunities that play to the strengths of Nedbank and can contribute to its strategic intent.
- Continuing to extract further value from our ETI financial investment and providing our support to address the challenges in Ecobank Nigeria.

In the medium to long term, we will continue to work with the rest of the group to build on the strong foundation to achieve growth. We remain committed to increasing the contribution of NAR earnings to total group earnings.

Notes

Geographical segmental reporting

for the year ended 31 December

	Nedbank Group	
Rm	2024	2023
Summary of consolidated statement of financial position		
Assets		
Cash and cash equivalents	**55 146**	52 082
Other short-term securities	**82 896**	87 769
Derivative financial instruments	**17 072**	13 812
Government and other securities	**198 522**	170 717
Loans and advances	**962 184**	891 619
Other assets	**102 717**	95 409
Intergroup assets	**–**	–
Total assets	**1 418 537**	1 311 408
Equity and liabilities		
Total equity	**126 086**	119 211
Derivative financial instruments	**11 623**	14 141
Amounts owed to depositors	**1 174 691**	1 087 645
Provisions and other liabilities	**56 356**	42 634
Long-term debt instruments	**49 781**	47 777
Intergroup liabilities	**–**	–
Total equity and liabilities	**1 418 537**	1 311 408
Summary of consolidated statement of comprehensive income		
NII	**41 806**	41 470
NIR	**30 412**	27 709
Share of income of associate companies	**1 290**	1 443
Total income	**73 508**	70 622
Impairments charge on financial instruments	**7 997**	9 605
Net income	**65 511**	61 017
Total operating expenses	**41 074**	38 059
Indirect taxation	**1 084**	1 129
Profit before direct taxation	**23 353**	21 829
Direct taxation	**4 781**	4 484
Profit after taxation	**18 572**	17 345
Profit attributable to non-controlling interest	**1 638**	1 695
Headline earnings	**16 934**	15 650

[1] *Includes all group eliminations.*

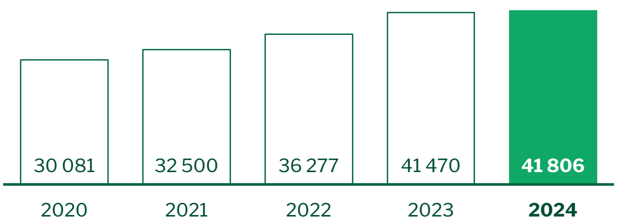
[2] *The Nedbank Africa Regions geographical segmental income statement and balance sheet consist of the SADC banking subsidiaries and the investment in ETI. These statements exclude transactions concluded with clients resident in the rest of Africa by other group entities within CIB and transactional-banking revenues. For example, CIB has a credit exposure to clients resident in the Africa regions of R60,4bn (2023: R55,9bn).*

	South Africa[1]		Nedbank Africa Regions[2]		Rest of the world	
	2024	2023	**2024**	2023	**2024**	2023
	43 499	40 747	**10 791**	10 583	**856**	752
	58 587	59 853	**5 871**	4 831	**18 438**	23 085
	17 008	13 756	**3**	4	**61**	52
	195 719	168 738	**2 803**	1 979		
	876 826	819 673	**22 185**	20 909	**63 173**	51 037
	92 668	85 773	**3 331**	3 663	**6 718**	5 973
	(5 050)	(3 937)	**5 050**	3 937		
	1 279 257	1 184 603	**50 034**	45 906	**89 246**	80 899
	99 927	95 151	**7 904**	7 492	**18 255**	16 568
	11 591	14 079	**15**	10	**17**	52
	1 078 151	984 354	**40 440**	36 846	**56 100**	66 445
	53 413	40 436	**1 349**	1 129	**1 594**	1 069
	49 455	47 348	**326**	429		
	(13 280)	3 235			**13 280**	(3 235)
	1 279 257	1 184 603	**50 034**	45 906	**89 246**	80 899
	37 646	37 777	**2 573**	2 226	**1 587**	1 467
	27 205	24 635	**1 757**	1 857	**1 450**	1 217
	151	63	**1 139**	1 380		
	65 002	62 475	**5 469**	5 463	**3 037**	2 684
	7 533	9 363	**315**	253	**149**	(11)
	57 469	53 112	**5 154**	5 210	**2 888**	2 695
	36 616	33 854	**3 141**	2 928	**1 317**	1 277
	960	1 044	**93**	56	**31**	29
	19 893	18 214	**1 920**	2 226	**1 540**	1 389
	4 364	4 159	**143**	97	**274**	228
	15 529	14 055	**1 777**	2 129	**1 266**	1 161
	1 480	1 457	**158**	238		
	14 049	12 598	**1 619**	1 891	**1 266**	1 161

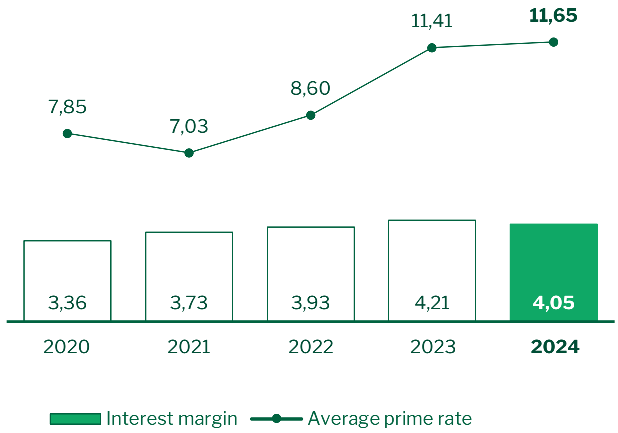
Income statement analysis

1 Net margin analysis

Net interest income
(Rm)

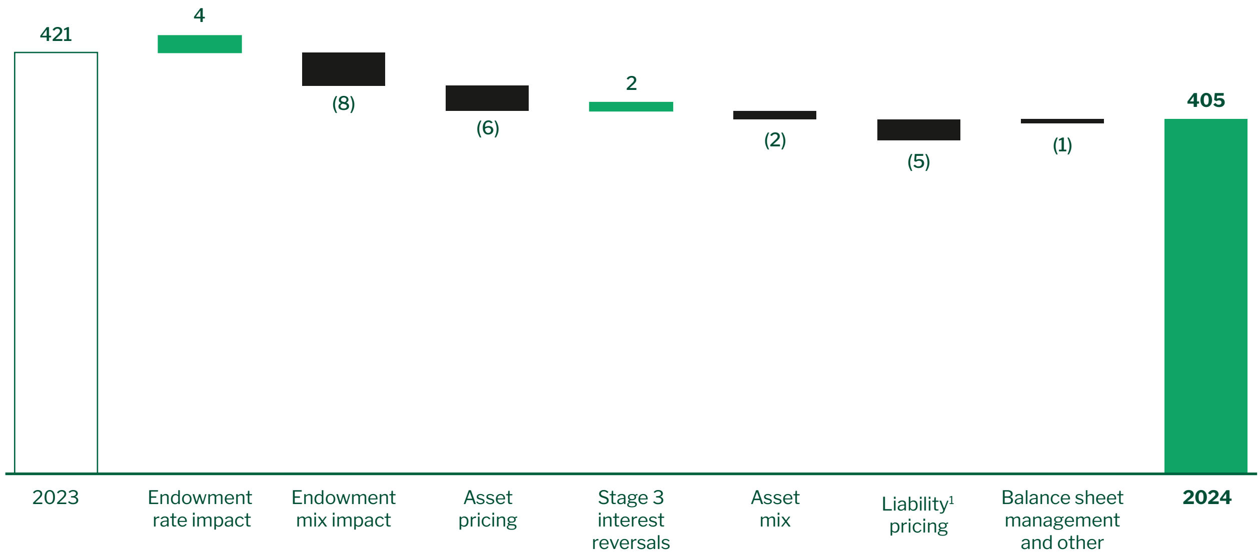


Interest margin trend versus average prime rate
(%)



Nedbank Group	2024 Bps	2024 Rm	2023 Bps	2023 Rm
Closing average interest-earning banking assets (year-to-date average)		**1 032 731**		986 060
Opening NIM/NII	**421**	**41 470**	393	36 277
Growth in banking assets		**1 963**		2 512
Endowment	**(4)**	**(440)**	38	3 746
Endowment rate impact	**4**	**331**	40	3 954
Endowment mix impact	**(8)**	**(771)**	(2)	(208)
Asset margin pricing and mix	**(6)**	**(554)**	(16)	(1 587)
Impact due to pricing	**(6)**	**(572)**	(7)	(642)
Stage 3 interest reversals	**2**	**181**	(4)	(423)
Impact due to mix change	**(2)**	**(163)**	(5)	(522)
Liability margin pricing and mix	**(5)**	**(540)**	(2)	(185)
Deposits pricing and mix	**(6)**	**(603)**	(6)	(557)
Impact due to pricing	**(5)**	**(500)**	(6)	(581)
Deposit insurance levies and premiums	**(2)**	**(186)**		
Impact due to mix change	**1**	**83**		24
Impact of changes in the funding profile	**1**	**63**	4	372
Impact due to pricing	**2**	**141**	3	245
Impact due to mix change	**(1)**	**(78)**	1	127
Balance sheet management and other	**(1)**	**(93)**	8	707
Closing NIM/NII for the period	**405**	**41 806**	421	41 470

Net interest margin
(Bps)



[1] *The impact of the Deposit Insurance Scheme (DIS) premium and levy is included in the liability pricing.*

Key drivers

- Negative endowment mix impact due to slower growth of net capital and CASA balances relative to the growth in interest-earning assets, partly offset by a positive endowment rate impact due to the full run-rate impact of the 2023 interest rate increases.
- Negative asset pricing due to increased levels of competition for good-quality assets, and the maturity of previously written higher-margin (Covid-19) deals in CIB, partly offset by lower stage 3 interest reversals.
- Negative asset mix largely as a result of slower growth in higher-yielding retail unsecured loans and faster growth in lower-yielding secured retail loans.
- Negative liability pricing due to a squeeze in deposit spreads and the introduction of the DIS.
- Balance sheet management and other impacted by a higher mix of lower-yielding HQLA assets relative to other higher-yielding advances and higher yields in Nedbank Africa regions offset by basis risk impacts.

NII sensitivity analysis

- At 31 December 2024, the net interest income (NII) sensitivity of the group's banking book to a 1% parallel decrease in interest rates, measured over 12 months, was 1,35% of total group ordinary shareholders' equity, which is below the board's approved risk limit of 2,25%.
- This exposes the group to a decrease in NII of approximately R1 518m before tax, should interest rates decrease by 1% across the yield curve, measured over a 12-month period. Nedbank London Branch and Wealth International NII sensitivities are measured at a 0,5% instantaneous decrease in interest rates and Nedbank Zimbabwe is measured at a 3% instantaneous decrease in interest rates.
- The group's NII sensitivity exhibits very little convexity and will therefore also result in an increase in pre-tax NII of approximately a similar amount, should interest rates increase by 1%.
- The group's NII sensitivity is actively managed through on- and off-balance-sheet interest rate risk management strategies based on the group's assessment of the correlation between interest rate sensitivity and impairment sensitivity over the cycle. In certain low correlation portfolios, endowment income will be structurally hedged over time as opportunities arise through interest rate cycles.
- At 31 December 2024 Nedbank's economic-value-of-equity (EVE) sensitivity measured for a 1% decrease in interest rates was R737m. This remains at a low level of 0,91% of ordinary shareholders' equity, which is below the board's approved risk limit of 3%.

Average banking statement of financial position and related interest

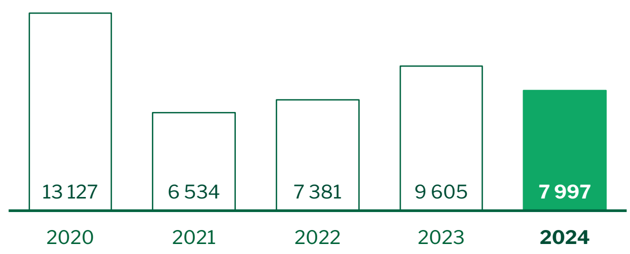
	2024			2023		
	Average balance	Margin statement interest		Average balance	Margin statement interest	
Rm	Assets	Received	%	Assets	Received	%
Average prime rate			11,65			11,41
Assets						
Listed corporate bonds	30 675	2 968	9,68	23 913	2 293	9,59
Home loans (including properties in possession)	204 511	22 203	10,86	195 041	20 789	10,66
Commercial mortgages	198 292	21 418	10,80	196 662	20 748	10,55
Instalment debtors	165 410	21 178	12,80	152 218	19 087	12,54
Credit card balances	17 457	2 709	15,52	17 372	2 692	15,50
Overdrafts	25 881	2 947	11,39	25 387	2 916	11,49
Term loans and other[1]	240 064	33 048	13,77	239 245	31 198	13,04
Personal loans	28 214	5 326	18,88	30 342	5 780	19,05
Gross banking loans and advances	910 504	111 797	12,28	880 180	105 503	11,99
Impairment of loans and advances	(30 377)			(29 914)		
Government and other securities	94 262	8 879	9,42	84 720	7 835	9,25
Short-term funds and securities	58 342	4 339	7,44	51 074	3 577	7,00
Interest-earning banking assets	1 032 731	125 015	12,11	986 060	116 915	11,86
Other[2]	244 107			229 091		
Total assets	1 276 838	125 015	9,79	1 215 151	116 915	9,62

	Liabilities	Paid	%	Liabilities	Paid	%
Equity and liabilities						
Deposit and loan accounts	634 916	50 649	7,98	597 983	46 134	7,71
Current and savings accounts	138 312	2 525	1,83	142 800	2 507	1,76
Negotiable certificates of deposit	122 721	11 132	9,07	124 842	10 624	8,51
Other interest-bearing liabilities	181 877	14 200	7,81	153 744	11 289	7,34
Long-term debt instruments	46 805	4 703	10,05	49 854	4 891	9,81
Interest-bearing banking liabilities	1 124 631	83 209	7,40	1 069 223	75 445	7,06
Revaluation of FVTPL-designated liabilities	753			(2 887)		
Ordinary and minority shareholders' equity	115 277			111 452		
Other[3]	36 177			37 363		
Total shareholders' equity and liabilities	1 276 838	83 209	6,52	1 215 151	75 445	6,21
Interest margin on average interest-earning banking assets	1 032 731	41 806	4,05	986 060	41 470	4,21

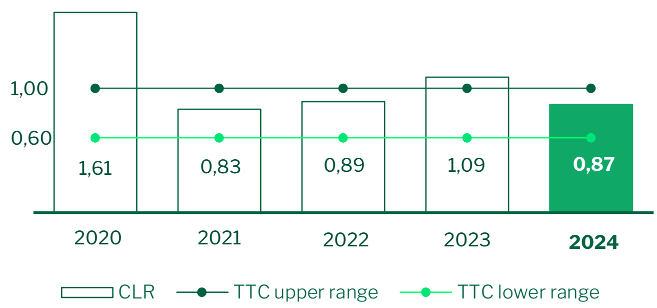
[1] *Includes term loans, preference shares, factoring debtors, foreign lending, loans to banks and other lending-related instruments.*
[2] *Includes cash and banknotes, derivative financial instruments, insurance assets, associates and investments, property and equipment, mandatory reserve deposits with central banks, intangible assets and other assets.*
[3] *Includes derivative financial instruments, investment contract liabilities, other liabilities, equity and elimination entries.*

2 Impairments

Nedbank Group impairments charge
(Rm)



Nedbank Group credit loss ratio trends
(%)

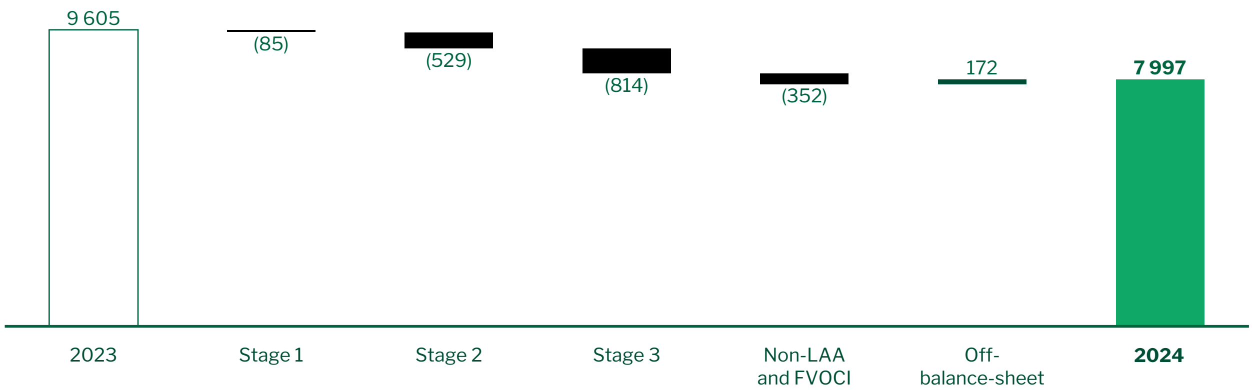


Nedbank Group income statement impairment charge and credit loss ratio

2024	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm
Corporate and Investment Banking (CIB)	–	(184)	533
CIB, excluding Property Finance	(1)	(171)	235
Property Finance	1	(13)	298
Retail and Business Banking (RBB)	308	(325)	7 229
Commercial Banking	2	(6)	311
Retail[2]	306	(319)	6 918
Wealth	(2)	(4)	1
Nedbank Africa Regions	53	13	220
Centre[1]		(152)	39
Nedbank Group	359	(652)	8 022

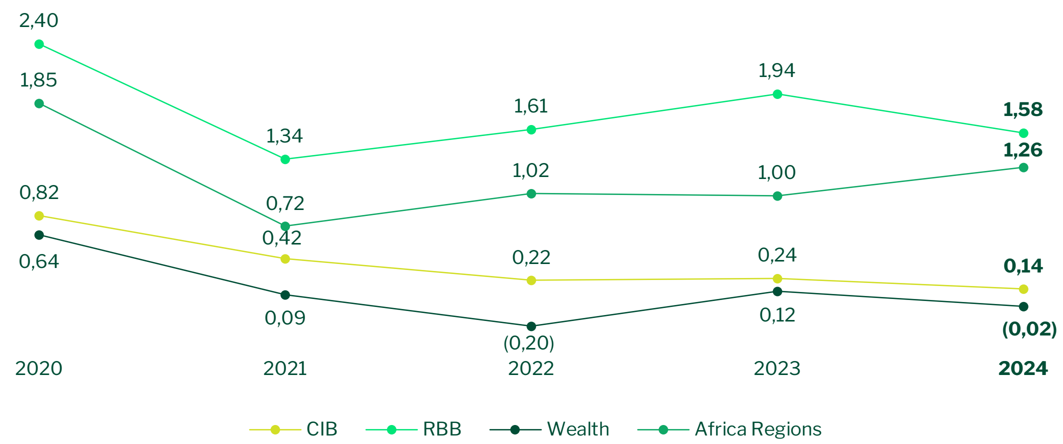
[1] *The Centre impairment of R111m includes the R150m central provision release.*
[2] *During 2024 management revised the TTC for Retail from 160-240 to 130-200.*

Nedbank Group impairment drivers
(Rm)



Non-LAA and FVOCI Rm	Off-balance-sheet Rm	Impairment charge, net of recoveries Rm	Mix of average banking advances %	CLR %	Target CLR range %
157	70	576	44,1	0,14	0,15 – 0,45
157	70	290	24,5	0,13	0,20 - 0,50
		286	19,6	0,16	0,15 – 0,35
(13)	23	7 222	50,3	1,58	1,20 – 1,75
(1)	(1)	305	10,0	0,33	0,50 – 0,70
(12)	24	6 917	40,3	1.88	1,30 – 2,00
		(5)	3,2	(0,02)	0,20 – 0,40
35	(6)	315	2,4	1,26	0,85 – 1,20
2		(111)			
181	87	7 997	100,0	0,87	0,60 – 1,00

Nedbank Group credit loss ratio per cluster
(%)



2023	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm
Corporate and Investment Banking (CIB)	(20)	(30)	566
CIB, excluding Property Finance	(49)	(11)	(229)
Property Finance	29	(19)	795
Retail and Business Banking (RBB)	457	82	7 973
Commercial Banking	100	51	464
Retail	357	31	7 509
Wealth	(5)	2	40
Nedbank Africa Regions	12	(36)	257
Centre		(141)	
Nedbank Group	444	(123)	8 836

Key drivers

- The reduction in the group's CLR to 87 bps, back to within our TTC target range, was driven by an improving macroeconomic environment, the resolution of large counters in the wholesale portfolio, credit policy intervention and diligent management actions around collections and origination efforts in RBB.
- CIB impairments decreased and its CLR was lower at 14 bps due to a reduction in stage 3 loans following the resolution of various clients who went into business rescue in prior years.
- RBB impairments decreased and its CLR at 158 bps moved back within its TTC target range of 120 to 175 bps. CLRs across all RBB products and segments improved, except for MFC due to the strain in the taxi portfolio and lower recoveries at auctions.
- Nedbank Wealth reported a decrease in impairments and its CLR at -2 bps was driven by the release of client-specific overlays and credit model enhancements.
- NAR reported an increase in impairments and its CLR ended the year above its TTC target range due to ECL model reviews in Mozambique given political unrest and instability in the country, as well as due to higher write-offs in Namibia.
- The group's central provision of R150m was released as risks made their way into cluster models.

Non-LAA and FVOCI	Off-balance-sheet	Impairment charge, net of recoveries	Mix of average banking advances	CLR	Target CLR range
Rm	Rm	Rm	%	%	%
507	(84)	939	44,3	0,24	0,15–0,45
507	(84)	134	24,7	0,06	0,20–0,50
		805	19,6	0,47	0,15–0,35
–	8	8 520	49,7	1,94	1,20–1,75
	(2)	613	10,3	0,67	0,50–0,70
	10	7 907	39,4	2,27	1,60–2,40
		37	3,5	0,12	0,20–0,40
29	(9)	253	2,5	1,00	0,85–1,20
(3)		(144)			
533	(85)	9 605	100,0	1,09	0,60–1,00

Impairments charge of financial instruments

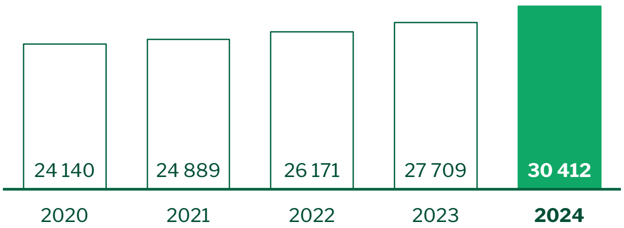
2024	Nedbank Group	Corporate and Investment Banking	Retail and Business Banking	Wealth	Nedbank Africa Regions	Centre
Balance at the beginning of the year	30 386	4 250	24 344	348	1 284	160
Stage 1 ECL allowance	4 674	484	3 962	40	188	
Stage 2 ECL allowance	5 337	500	4 571	31	72	163
Stage 3 ECL allowance	20 375	3 266	15 811	277	1 024	(3)
Statement-of-comprehensive-income charge net of recoveries	7 997	576	7 222	(5)	315	(111)
Stage 1 ECL allowance	359		308	(2)	53	
Stage 2 ECL allowance	(652)	(184)	(325)	(4)	13	(152)
Stage 3 ECL allowance	8 022	533	7 229	1	220	39
Off-balance-sheet allowance	87	70	23		(6)	
Non-loans and advances	24		(13)		35	2
FVOCI loan impairment charge	157	157				
Adjusted for:	(8 860)	(1 627)	(6 980)	(36)	(195)	(22)
Recoveries	1 359	4	1 313		42	
Interest in suspense	2 675	183	2 394	26	72	
Amounts written off	(11 664)	(962)	(10 454)	(56)	(192)	
Foreign exchange and other transfers	(933)	(579)	(246)	(6)	(82)	(20)
Non-loans and advances	(24)		13		(35)	(2)
FVOCI loans	(273)	(273)				
ECL allowance – closing balance	29 523	3 199	24 586	307	1 404	27
Stage 1	4 821	509	4 032	38	242	
Stage 2	4 589	259	4 220	27	82	1
Stage 3	20 113	2 431	16 334	242	1 080	26
Split by measurement category	29 523	3 199	24 586	307	1 404	27
Loans and advances	28 721	2 568	24 429	307	1 390	27
Loans and advances in FVOCI	414	414				
Off-balance-sheet allowance	388	217	157		14	

2023	Nedbank Group	Corporate and Investment Banking	Retail and Business Banking	Wealth	Nedbank Africa Regions	Centre
Balance at the beginning of the year	27 893	4 788	21 215	370	1 216	304
Stage 1 ECL allowance	4 261	517	3 487	42	215	
Stage 2 ECL allowance	5 554	538	4 564	29	120	303
Stage 3 ECL allowance	18 078	3 733	13 164	299	881	1
Statement-of-comprehensive-income charge net of recoveries	9 605	939	8 520	37	253	(144)
Stage 1 ECL allowance	444	(20)	457	(5)	12	
Stage 2 ECL allowance	(123)	(30)	82	2	(36)	(141)
Stage 3 ECL allowance	8 836	566	7 973	40	257	
Off-balance-sheet allowance	(85)	(84)	8		(9)	
Non-loans and advances	26				29	(3)
FVOCI loan impairment charge	507	507				
Adjusted for:	(7 112)	(1 477)	(5 391)	(59)	(185)	–
Recoveries	1 444	158	1 244		42	
Interest in suspense[1]	2 676	408	2 240		28	
Amounts written off[1]	(11 261)	(1 700)	(9 349)	(62)	(150)	
Foreign exchange and other transfers	379	(19)	474	3	(76)	(3)
Non-loans and advances	(26)				(29)	3
FVOCI loans	(324)	(324)				
ECL allowance – closing balance	30 386	4 250	24 344	348	1 284	160
Stage 1	4 674	484	3 962	40	188	
Stage 2	5 337	500	4 571	31	72	163
Stage 3	20 375	3 266	15 811	277	1 024	(3)
Split by measurement category	30 386	4 250	24 344	348	1 284	160
Loans and advances	29 602	3 573	24 254	348	1 267	160
Loans and advances in FVOCI	530	530				
Off-balance-sheet allowance	254	147	90		17	

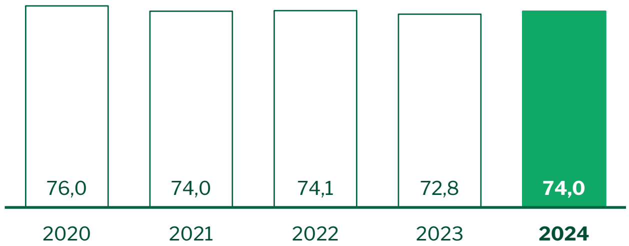
[1] *During 2024 the group identified that the prior year 'Interest in suspense' and 'Amounts written off' reconciling items were incorrectly overstated and understated by R1,0bn respectively. As a result, the prior-year information has been restated. This error has no impact on the balance at the end of the year.*

3 Non-interest revenue and income

Non-interest revenue
(Rm)



Non-interest revenue to total operating expenses
(%)



Rm	Change %	Nedbank Group 2024	Nedbank Group 2023	Corporate and Investment Banking 2024	Corporate and Investment Banking 2023
Net commission and fees income	10	**21 361**	19 346	**3 557**	3 144
Administration fees	11	**1 721**	1 556	**40**	57
Card fees	1	**3 754**	3 711	**30**	24
Cash-handling fees	7	**1 227**	1 151	**192**	191
Exchange commission	(11)	**754**	851	**249**	257
Guarantees income	(3)	**240**	247	**169**	178
Insurance commission	5	**291**	276		
Other commission	17	**4 355**	3 738	**1 635**	1 425
Other fees	26	**3 958**	3 135	**1 187**	957
Service charges	8	**5 061**	4 681	**55**	55
Insurance income	9	**1 572**	1 446		
Fair-value adjustments	(6)	**541**	577	**628**	260
Fair-value adjustments	67	**496**	297	**628**	260
Hedge-accounted portfolios	(84)	**45**	280		
Trading income	7	**4 620**	4 299	**4 319**	4 032
Commodities	(16)	**63**	75	**63**	75
Debt securities	13	**2 268**	2 013	**2 268**	2 013
Equities	5	**677**	642	**677**	646
Foreign exchange	3	**1 612**	1 569	**1 311**	1 298
Equity investment income/(losses)	(9)	**693**	764	**766**	853
Realised gains, dividends, interest and other income	(36)	**549**	856	**609**	926
Unrealised gains/(losses)[1]	>100	**144**	(92)	**157**	(73)
Investment income	38	**196**	142	**155**	107
Sundry income/(expenses)[2]	26	**1 429**	1 135	**175**	282
Total non-interest revenue and income	10	**30 412**	27 709	**9 600**	8 678

[1] *Unrealised gains/(losses) relate to equity investments in associates and joint ventures, which are estimated and converted to realised or dividends once they have been earned.*

[2] *Sundry income comprises mainly security dealings, rental income, fair-value movements on non-trading investments, forex gains and losses, partially offset in 2023 by the R1 059m net monetary loss.*

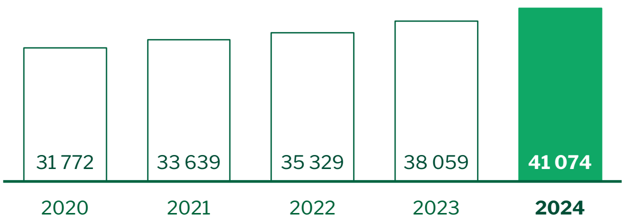
Key drivers

- Strong growth in commission and fees driven by robust growth in CIB, which benefited from arranging fees in key growth sectors, growth in RBB supported by higher maintenance fees, continued strong growth in value-added services volumes, and an increase in card issuing and card acquiring volumes.
- Increased insurance income due to actuarial reserve releases in life insurance, an improved non-life claims experience and strong underlying premium growth in the MyCover suite, partially offset by the continued decline in traditional bancassurance volumes.
- Fair-value adjustments, including foreign currency and interest rate gains in the CIB banking book, offset by a decline relating to the group's hedge-accounted portfolios in the Centre.
- Trading income growth driven by strong performance in debt securities, supported by equities.
- Increased sundry income driven by gains due to optimisation activities within the HQLA portfolio in the Centre, partially offset by the base effect of the R299m foreign currency gains on US dollar capital in Zimbabwe, net of the net monetary loss in the prior period that had not repeated as a result of moving to the US dollar as functional currency in Nedbank Zimbabwe.

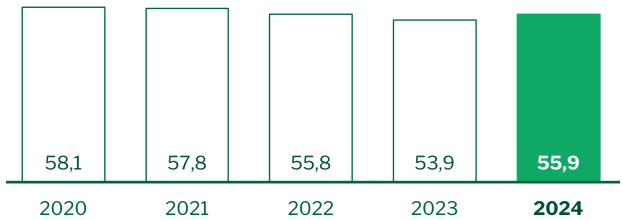
	Retail and Business Banking		Wealth		Nedbank Africa Regions		Centre	
	2024	2023	2024	2023	2024	2023	2024	2023
	14 604	13 258	2 165	2 070	1 158	972	(123)	(98)
	590	495	980	912	97	77	14	15
	3 569	3 540			154	146	1	1
	969	923	1	1	65	36		
	307	306	101	96	96	189	1	3
	40	35			31	34		
	280	260		7	11	9		
	2 589	2 334	(116)	(209)	266	168	(19)	20
	1 747	1 100	1 136	1 204	8	11	(120)	(137)
	4 513	4 265	63	59	430	302		
	546	580	984	820	40	44	2	2
	(146)	–	–	–	5	49	54	268
	(146)				5	49	9	(12)
							45	280
	164	143	–	–	137	128	–	(4)
								(4)
	164	143			137	128		
	(29)	(16)	–	(3)	–	–	(44)	(70)
							(60)	(70)
	(29)	(16)		(3)			16	
	17	17	7	10			17	8
	385	324	127	27	417	664	325	(162)
	15 541	14 306	3 283	2 924	1 757	1 857	231	(56)

4 Expenses

Total operating expenses
(Rm)



Cost-to-income ratio
(%)

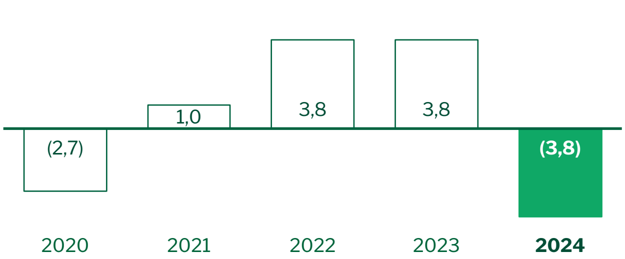


Rm	Change %	Nedbank Group 2024	Nedbank Group 2023	Corporate and Investment Banking 2024	Corporate and Investment Banking 2023
Staff costs	7	**22 638**	21 140	**4 185**	3 932
Salaries and wages	9	**18 980**	17 474		
Total incentives	2	**4 185**	4 095		
Short-term incentives	12	**3 394**	3 040		
Long-term incentives	(25)	**791**	1 055		
Other staff costs	(23)	**(527)**	(429)		
Computer processing	6	**7 307**	6 900	**437**	445
Depreciation of computer equipment	(11)	**664**	749		
Depreciation of right-of-use assets: computer equipment	17	**116**	99		
Amortisation of intangible assets	1	**1 875**	1 850		
Operating lease charges for computer processing	43	**304**	212		
Other computer processing expenses	9	**4 348**	3 990		
Fees and insurances	9	**4 716**	4 336	**567**	523
Occupation and accommodation[1,2]	(4)	**2 165**	2 247	**183**	200
Marketing and public relations	1	**1 607**	1 585	**90**	72
Communication and travel	44	**1 325**	920	**367**	328
Other operating expenses[3]	41	**1 316**	931	**61**	85
Activity-justified transfer pricing		**–**	–	**2 753**	2 611
Total operating expenses	8	**41 074**	38 059	**8 643**	8 196

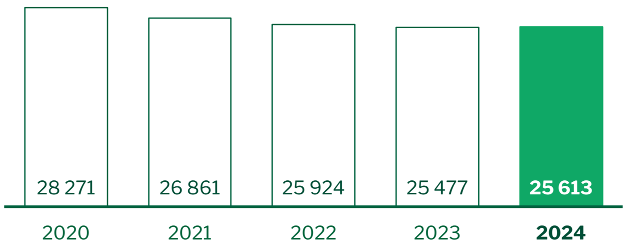
Analysis of total IT-related function spend included in total expenses	Change %	2024	2023
IT-staff-related costs within Group Technology	11	**3 793**	3 421
Depreciation and amortisation of computer equipment, software and intangibles	(2)	**2 655**	2 698
Other IT costs (including licensing, development, maintenance and processing charges)[4]	12	**4 791**	4 270
Total IT-related functional spend	8	**11 239**	10 389

[1] *Includes the depreciation of right-of-use assets of R810m (2023: R786m).*
[2] *Includes a building depreciation charge of R398m (2023: R398m).*
[3] *Includes a furniture depreciation charge of R329m (2023: R337m), consumables and sundry expenses.*
[4] *Includes consulting and professional fees (included in fees and insurance), communication and travel expenses, and other IT-related spend (included in computer processing).*

Total income growth rate less expenses growth rate (JAWS ratio)
(%)



Total employees
(Permanent)



Retail and Business Banking		Wealth		Nedbank Africa Regions		Centre	
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
8 952	8 572	**1 801**	1 671	**1 449**	1 320	**6 251**	5 645
2 094	2 053	**240**	247	**315**	322	**4 221**	3 833
2 949	2 810	**86**	99	**357**	371	**757**	533
1 518	1 639	**104**	107	**220**	186	**140**	115
737	749	**88**	92	**62**	68	**630**	604
751	420	**42**	41	**104**	75	**61**	56
731	564	**23**	34	**92**	90	**409**	158
7 752	6 871	**953**	820	**542**	496	**(12 000)**	(10 798)
25 484	23 678	**3 337**	3 111	**3 141**	2 928	**469**	146

Key drivers

- Employee costs driven by average annual salary increases of around 6%, higher costs to attract and retain key talent and costs associated with temporary employees as we finalised our Managed Evolution (ME) IT build.
- Reduction in permanent employee numbers, largely through natural attrition, offset by the inclusion of headcount in relation to the acquisition of Eqstra in June 2024.
- Higher incentive costs due to alignment with the group's profitability metrics and vesting probabilities relating to corporate performance targets.
- Higher computer-processing costs due to the impact of continuous investment in digital, data and cloud solutions, increased IT volumes, and the impact of the rand's devaluation related to foreign currency IT contracts.
- Slower growth in amortisation charge as our ME technology IT build reaches completion.
- A decrease in occupation and accommodation costs driven by lower generator-related costs and ongoing real estate optimisation initiatives.
- Well-contained marketing costs.

5 Headline earnings reconciliation

		2024		2023	
Rm	Change %	Gross	Net of taxation	Gross	Net of taxation
Profit attributable to ordinary shareholders	10		**16 834**		15 305
Impairment charge on non-financial instruments and other gains and losses	(65)	**158**	**123**	403	351
IAS 16 – loss on disposal of property and equipment		**20**	**17**	66	42
IAS 28 – impairment of investment in associate		**27**	**27**		
IAS 36 – impairment of goodwill				298	298
IAS 36 – impairment of intangible assets		**100**	**74**	85	62
IAS 36 – impairment of property and equipment		**23**	**20**	34	29
IAS 40 – profit on revaluation of investment properties		**12**	**12**	(81)	(81)
IFRS 3 – gain on bargain purchase		**(36)**	**(36)**		
IFRS 16 – impairment of right-of-use assets		**12**	**9**	1	1
Share of associate (ETI) impairments charge on non-financial instruments and other (gains)/losses		**(23)**	**(23)**	(6)	(6)
Headline earnings	8		**16 934**		15 650

6 Taxation charge

	2024	2023
Direct taxation	**4 781**	4 484
Taxation rate reconciliation (excluding non-trading and capital items) (%)		
Standard rate of South African normal taxation	**27,0**	27,0
Reduction of taxation rate:		
Dividend income	**(2,5)**	(1,3)
Share of profits of associate companies	**(1,5)**	(1,8)
Capital items	**(0,2)**	0,1
Effects of profits taxed in different jurisdictions[1]	**(0,8)**	(1,1)
Additional tier 1 capital instruments	**(1,6)**	(1,6)
Assessed losses not subject to deferred tax	**0,4**	(0,2)
Non-deductible expenses[2]	**0,4**	0,5
Non-taxable income	**(0,2)**	
Prior-year adjustments	**(0,7)**	(1,1)
Pillar 2 taxation[3]	**0,2**	
Total taxation on income as a percentage of profit before taxation	**20,5**	20,5
Effective tax rate, excluding associate headline earnings	**21,7**	22,0

[1] *This consists mainly of the effects of the lower tax charge in Nedbank Zimbabwe, Nedbank Namibia, Nedbank Private Wealth Isle of Man (IOM) and Nedgroup Investments IOM. The corporate tax rate in respect of banking operations in IOM, which form part of an MNE group subject to Pillar 2 taxes, increased from 10% to 15%, resulting in an additional R5m of corporate tax raised in Nedbank Private Wealth IOM. It also includes the impact of the following corporate tax rate changes: The tax rate in Namibia was reduced from 32% to 31%, effective 1 January 2024. In Zimbabwe, the tax rate increased from 24% to 25%, effective 1 January 2024.*

[2] *Non-deductible expenses include the impact of share-based payments and other non-deductible expenses.*

[3] *Pillar 2 legislation became effective in the UK in 2024. On 24 December 2024, the Pillar 2 legislation was implemented and included in domestic law in South Africa. The primary legislation includes 2 new acts: the Global Minimum Tax Act, 46 of 2024, and the Global Minimum Tax Administration Act, 47 of 2024 (gazetted on 7 January 2025 and therefore substantively enacted). The legislation refers to the GloBE Rules and has a retrospective commencement date for reporting entities within scope with fiscal years beginning on or after 1 January 2024.*

Pillar 2 legislation became effective in the UK in 2024. On 24 December 2024, the Pillar 2 legislation was implemented and included into domestic law in South Africa. The primary legislation includes two new acts, the Global Minimum Tax Act, No. 46 of 2024 and Global Minimum Tax Administration Act, No. 47 of 2024 (gazetted on 07 January 2025 and therefore substantively enacted). The legislation makes reference to the GloBE Rules and has a retrospective commencement date, for reporting entities within scope with fiscal years beginning on or after 1 January 2024. The group applies the exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Nedbank Group Limited has provided R43m in relation to the constituent entities in IOM, Jersey and Namibia. No provisions are currently required for any other jurisdictions in the group, as the transitional safe harbours apply to all other jurisdictions in which the group operates.

Notes

Statement of financial position analysis

7 Loans and advances

Loans and advances segmental breakdown

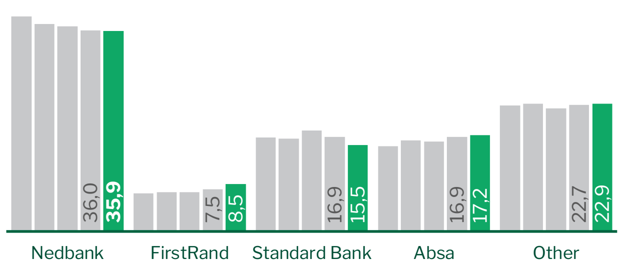
Rm	Change %	Nedbank Group 2024	Nedbank Group 2023	Corporate and Investment Banking 2024	Corporate and Investment Banking 2023
Home loans	5	**209 267**	200 089	**16**	22
Commercial mortgages	3	**206 367**	199 601	**168 709**	160 095
Properties in possession	(100)	**–**	207		
Credit cards		**17 082**	17 003		
Overdrafts	9	**28 559**	26 228	**3 922**	3 009
Personal loans	(8)	**27 010**	29 235		
Term and other loans	12	**202 026**	179 969	**178 355**	155 710
Overnight loans	(11)	**10 270**	11 483	**8 861**	10 121
Foreign client lending		**8 745**	8 782	**7 755**	7 707
Instalment debtors	9	**179 394**	164 477	**3 185**	3 275
Preference shares and debentures	10	**13 978**	12 749	**13 626**	12 462
Factoring accounts	(3)	**7 412**	7 641		
Listed corporate bonds	18	**32 980**	28 054	**32 980**	28 054
Fair-value hedge-accounted portfolios	>100	**464**	(471)		
Gross banking loans and advances	7	**943 554**	885 047	**417 409**	380 455
Impairment of advances	(3)	**(28 721)**	(29 602)	**(2 568)**	(3 573)
Net banking loans and advances	7	**914 833**	855 445	**414 841**	376 882
Trading loans and advances	31	**47 351**	36 174	**47 351**	36 174
Loans and advances	8	**962 184**	891 619	**462 192**	413 056
Banking loans and advances to banks		**10 665**	10 701	**8 557**	7 769

[1] *Centre includes the group's centrally managed macro fair-value hedge accounting adjustment and a central impairment provision.*

Market share according to BA900

Home loans (2020–2024)
(%)

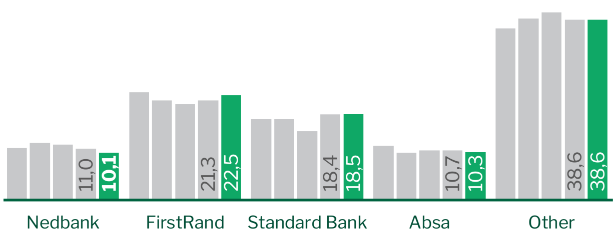
Commercial mortgage loans (2020–2024)
(%)



	Retail and Business Banking		Wealth		Nedbank Africa Regions		Centre[1]	
	2024	2023	2024	2023	2024	2023	2024	2023
	185 892	176 855	16 284	15 943	7 075	7 269		
	28 045	29 461	7 511	7 727	2 048	2 246	54	72
		64		14		129		
	16 932	16 855			150	148		
	21 404	19 992	165	150	3 068	3 077		
	24 248	27 484		2	2 762	1 749		
	14 376	14 295	4 046	4 891	5 044	4 815	205	258
	1 172	1 127			237	235		
	364	450			626	625		
	173 602	159 284	54	45	2 553	1 873		
			352	287				
	7 400	7 631			12	10		
							464	(471)
	473 435	453 498	28 412	29 059	23 575	22 176	723	(141)
	(24 429)	(24 254)	(307)	(348)	(1 390)	(1 267)	(27)	(160)
	449 006	429 244	28 105	28 711	22 185	20 909	696	(301)
	449 006	429 244	28 105	28 711	22 185	20 909	696	(301)
			1 666	2 220	442	712		

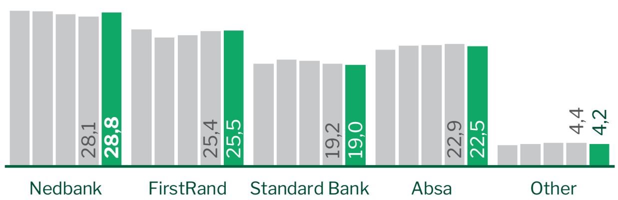
Credit cards (2020–2024)
(%)

Personal loans (2020–2024)
(%)



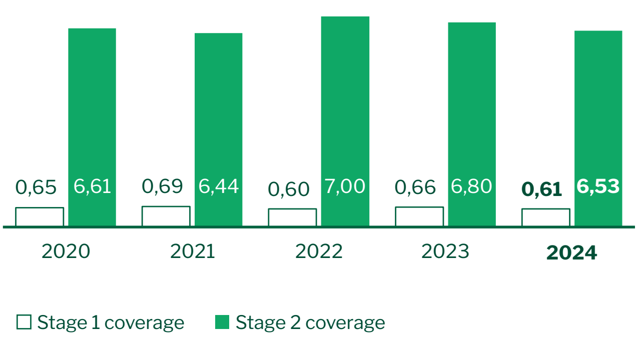
Core corporate loans (2020–2024)
(%)

Instalment sales and leases (2020–2024)
(%)

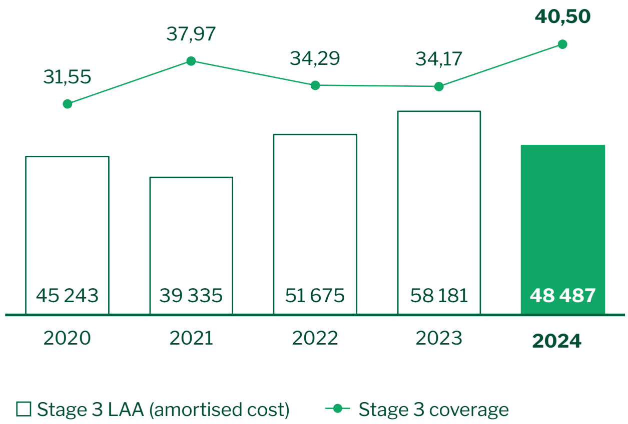


Summary of loans and advances and coverage ratios

Stage 1 and stage 2 coverage
(%)



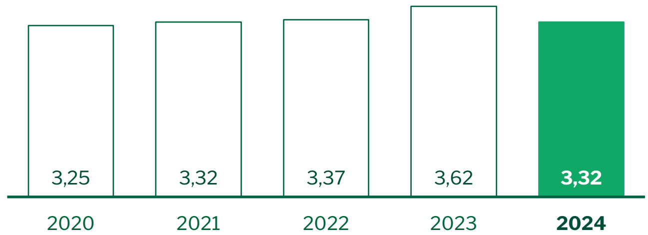
Stage 3 advances and coverage ratio
(Rm) (%)



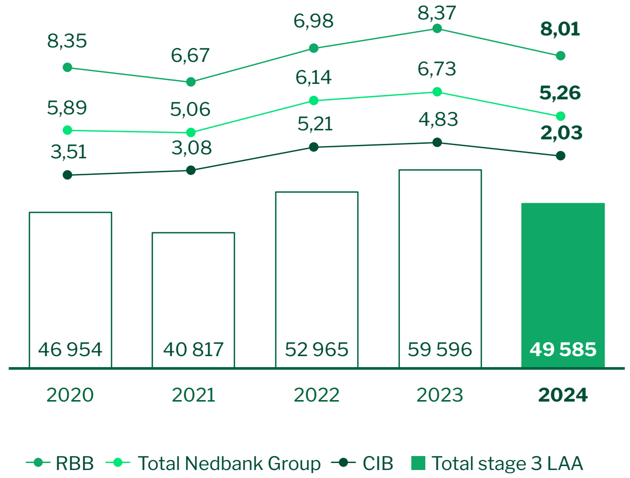
GLAA, ECL and coverage ratios, by cluster and by stage

	Stage 1			Stage 2		
2024	GLAA Rm	ECL Rm	Coverage %	GLAA Rm	ECL Rm	Coverage %
Corporate and Investment Banking (CIB)	317 524	369	0,12	17 904	235	1,32
CIB, excluding Property Finance	139 090	253	0,18	11 482	195	1,70
Property Finance	178 434	116	0,07	6 422	40	0,62
Retail and Business Banking (RBB)	387 084	3 901	1,01	48 433	4 205	8,68
Commercial Banking	76 205	254	0,33	8 647	224	2,59
Retail	310 879	3 647	1,17	39 786	3 981	10,01
Wealth	22 850	38	0,17	2 191	27	1,23
Nedbank Africa Regions	20 535	230	1,12	1 107	80	7,23
Centre[1]	246			13	1	
Gross loans and advances/ECL held at amortised cost	748 239	4 538	0,61	69 648	4 548	6,53
GLAA/ECL for assets held at FVOCI	59 114	54		2 541	15	
Trading GLAA held at FVTPL	47 351					
Banking book GLAA held at FVTPL	13 963					
GLAA for fair-value hedge-accounted portfolios	464					
Off-balance-sheet ECL		229			26	
Total GLAA/ECL	869 131	4 821		72 189	4 589	

Nedbank Group coverage
(%)



Stage 3 advances as a percentage of gross banking loans and advances
(Rm)



Stage 3			Total				
GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA, excluding trading book	Stage 3 GLAA as a % of GLAA, excluding trading book
Rm	Rm	%	Rm	Rm	%	Rm	%
7 388	1 964	26,58	342 816	2 568	0,75	417 409	2,03
4 017	954	23,74	154 589	1 402	0,91	226 951	2,25
3 371	1 010	29,96	188 227	1 166	0,62	190 458	1,77
37 918	16 323	43,05	473 435	24 429	5,16	473 435	8,01
5 936	1 568	26,42	90 788	2 046	2,25	90 788	6,54
31 982	14 755	46,14	382 647	22 383	5,85	382 647	8,36
1 248	242	19,42	26 289	307	1,17	28 412	4,39
1 933	1 080	55,87	23 575	1 390	5,90	23 575	8,20
	26		259	27		723	
48 487	19 635	40,50	866 374	28 721	3,32	943 554	5,26
1 098	345		62 753	414			
			47 351			47 351	
			13 963				
			464				
	133			388			
49 585	20 113		990 905	29 523		990 905	

2023	Stage 1 GLAA Rm	Stage 1 ECL Rm	Stage 1 Coverage %	Stage 2 GLAA Rm	Stage 2 ECL Rm	Stage 2 Coverage %
Corporate and Investment Banking (CIB)	280 664	367	0,13	17 084	421	2,46
CIB, excluding Property Finance	120 170	253	0,21	10 140	368	3,63
Property Finance	160 494	114	0,07	6 944	53	0,76
Retail and Business Banking (RBB)	361 437	3 896	1,08	54 094	4 557	8,42
Commercial Banking	76 494	269	0,35	9 125	230	2,52
Retail	284 943	3 627	1,27	44 969	4 327	9,62
Wealth	22 804	40	0,18	2 778	31	1,12
Nedbank Africa Regions	19 561	179	0,92	794	70	8,82
Centre	(2 002)			2 332	163	
Gross loans and advances/ECL held at amortised cost	682 464	4 482	0,66	77 082	5 242	6,80
GLAA/ECL for assets held at FVOCI	53 884	58		1 793	64	
Trading GLAA held at FVTPL	36 174					
Banking book GLAA held at FVTPL	10 699					
GLAA for fair-value hedge-accounted portfolios	(471)					
Off-balance-sheet ECL		134			31	
Total GLAA/ECL	782 750	4 674		78 875	5 337	

Stage 3			Total				
GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA, excluding trading book	Stage 3 GLAA as a % of GLAA, excluding trading book
Rm	Rm	%	Rm	Rm	%	Rm	%
16 968	2 785	16,41	314 716	3 573	1,14	380 455	4,83
6 499	1 519	23,37	136 809	2 140	1,56	202 548	3,91
10 469	1 266	12,09	177 907	1 433	0,81	177 907	5,88
37 967	15 801	41,62	453 498	24 254	5,35	453 498	8,37
6 633	1 603	24,17	92 252	2 102	2,28	92 252	7,19
31 334	14 198	45,31	361 246	22 152	6,13	361 246	8,67
1 425	277	19,44	27 007	348	1,29	29 059	4,90
1 821	1 018	55,90	22 176	1 267	5,71	22 176	8,21
	(3)		330	160		(141)	
58 181	19 878	34,17	817 727	29 602	3,62	885 047	6,73
1 415	408		57 092	530			
			36 174			36 174	
			10 699				
			(471)				
	89			254			
59 596	20 375		921 221	30 386		921 221	

GLAA, ECL and coverage, by product

2024	Stage 1 GLAA Rm	Stage 1 ECL Rm	Stage 1 Coverage %	Stage 2 GLAA Rm	Stage 2 ECL Rm	Stage 2 Coverage %
Residential mortgages	**169 748**	**399**	**0,24**	**20 949**	**828**	**3,95**
Commercial mortgages	**187 076**	**199**	**0,11**	**10 070**	**115**	**1,14**
Instalment debtors	**153 909**	**1 799**	**1,17**	**16 810**	**1 863**	**11,08**
Credit cards and overdrafts	**27 200**	**891**	**3,28**	**5 048**	**748**	**14,82**
Term loans	**140 097**	**1 131**	**0,81**	**12 304**	**906**	**7,36**
Other client loans	**62 071**	**235**	**0,38**	**4 425**	**101**	**2,28**
Other including credit and zero balances	**8 138**	**(116)**		**42**	**(13)**	
GLAA/ECL held at amortised cost	**748 239**	**4 538**	**0,61**	**69 648**	**4 548**	**6,53**

2023	Stage 1 GLAA Rm	Stage 1 ECL Rm	Stage 1 Coverage %	Stage 2 GLAA Rm	Stage 2 ECL Rm	Stage 2 Coverage %
Residential mortgages	159 354	368	0,23	23 975	746	3,11
Commercial mortgages	173 806	201	0,12	11 404	155	1,36
Instalment debtors	135 904	1 692	1,24	19 997	1 951	9,76
Credit cards and overdrafts	25 370	902	3,56	4 877	846	17,35
Term loans	115 751	1 167	1,01	14 682	1 268	8,64
Other client loans	64 142	209	0,33	2 092	285	13,62
Other including credit and zero balances	8 137	(57)		55	(9)	
GLAA/ECL held at amortised cost	682 464	4 482	0,66	77 082	5 242	6,80

Stage 3			Total		
GLAA	ECL	Coverage	GLAA	ECL	Coverage
Rm	Rm	%	Rm	Rm	%
16 664	**4 436**	**26,62**	**207 361**	**5 663**	**2,73**
6 937	**1 785**	**25,73**	**204 083**	**2 099**	**1,03**
8 675	**4 572**	**52,70**	**179 394**	**8 234**	**4,59**
5 379	**2 979**	**55,38**	**37 627**	**4 618**	**12,27**
9 753	**5 350**	**54,85**	**162 154**	**7 387**	**4,56**
1 055	**514**	**48,72**	**67 551**	**850**	**1,26**
24	**(1)**		**8 204**	**(130)**	
48 487	**19 635**	**40,50**	**866 374**	**28 721**	**3,32**

Stage 3			Total		
GLAA	ECL	Coverage	GLAA	ECL	Coverage
Rm	Rm	%	Rm	Rm	%
15 114	3 580	23,69	198 443	4 694	2,37
14 242	2 078	14,59	199 452	2 434	1,22
8 575	4 015	46,82	164 476	7 658	4,66
5 092	2 890	56,76	35 339	4 638	13,12
13 066	6 786	51,94	143 499	9 221	6,43
2 055	530	25,79	68 289	1 024	1,50
37	(1)		8 229	(67)	
58 181	19 878	34,17	817 727	29 602	3,62

Economic scenarios

	2024							
						Economic forecast[1] (%)		
Scenario	Probability weighting (%)	Total ECL allowance	Difference to weighted scenarios	Percentage difference to weighted scenarios (%)	Economic measures	2025	2026	2027
					GDP	1,5	1,8	1,5
Base case	50	29 478	(45)	(0,2)	Prime	10,5	10,5	10,5
					HPI	5,0	5,3	4,8
					GDP	0,5	1,2	0,7
Mild stress	21	29 684	161	0,6	Prime	11,5	11,5	11,3
					HPI	3,7	4,1	4,1
					GDP	2,0	2,4	2,0
Positive outcome	21	29 346	(177)	(0,6)	Prime	10,0	9,5	9,5
					HPI	5,7	6,4	6,3
					GDP	(0,1)	0,8	0,2
High stress	8	29 841	318	1,1	Prime	11,5	12,0	12,0
					HPI	2,3	2,9	3,3
Weighted scenarios	100	29 523						

1 *Forecast at 31 December 2024.*

	2023							
						Economic forecast[1] (%)		
Scenario	Probability weighting (%)	Total ECL allowance	Difference to weighted scenarios	Percentages difference to weighted scenarios (%)	Economic measures	2024	2025	2026
					GDP	1,1	1,6	1,4
Base case	50	30 330	(56)	(0,2)	Prime	10,8	10,3	10,3
					HPI	3,2	3,5	4,2
					GDP	0,1	1,3	1,1
Mild stress	21	30 611	225	0,7	Prime	11,5	10,8	10,5
					HPI	2,4	2,6	3,3
					GDP	2,1	1,9	1,9
Positive outcome	21	30 100	(286)	(0,9)	Prime	10,5	10,0	9,8
					HPI	4,0	4,6	5,4
					GDP	(0,8)	1,0	0,8
High stress	8	30 898	512	1,7	Prime	12,3	11,5	11,0
					HPI	1,8	1,8	2,4
Weighted scenarios	100	30 386						

1 *Forecast at 31 December 2023.*

Climate-related disclosures

	Rm			% of GLAA	
	2024	2023	Change	2024	2023
Thermal coal[1]					
Limit[2]	**2 153**	2 296	(143)	**0,2**	0,3
Drawn exposure	**920**	1 233	(313)	**0,1**	0,1
Upstream oil[3]					
Limit[2]	**18 881**	18 902	(21)	**2,0**	2,1
Drawn exposure	**12 244**	12 479	(235)	**1,3**	1,4
Upstream gas[3]					
Limit[2]	**6 575**	4 632	1 943	**0,7**	0,5
Drawn exposure	**2 233**	1 525	708	**0,2**	0,2
Non-renewable-power-generation exposure					
Limit[2]	**7 132**	8 093	(961)	**0,8**	0,9
Drawn exposure	**3 258**	4 049	(791)	**0,3**	0,5
Renewable Energy Independent Power Producer Procurement Programme					
Limit[2]	**39 940**	41 155	(1 215)	**4,2**	4,7
Drawn exposure	**28 922**	26 844	2 078	**3,1**	3,0
Private power generation – CIB					
Limit[2]	**15 705**	3 371	12 334	**1,7**	0,4
Drawn exposure	**9 609**	2 107	7 502	**1,0**	0,2
Private power generation – RBB					
Limit[2]	**745**	561	184	**0,1**	0,1
Drawn exposure	**745**	561	184	**0,1**	0,1
Private power generation – NAR					
Limit[2]	**63**	94	(31)	**0,0**	0,0
Drawn exposure	**46**	56	(10)	**0,0**	0,0
African renewable energy projects					
Limit[2]	**296**	376	(80)	**0,0**	0,0
Drawn exposure	**191**	285	(94)	**0,0**	0,0
Total renewable energy					
Limit[2]	**56 749**	45 557	11 192	**6,0**	5,1
Drawn exposure	**39 513**	29 853	9 660	**4,2**	3,4

[1] *Excludes derivative products and environmental guarantees.*
[2] *Limits include all currently committed facilities approved to clients in respective portfolios, aligned with the Nedbank Energy Policy.*
[3] *Includes all limits and exposures, including all products and derivatives, aligned with the Nedbank Energy Policy.*

Gross advances and ECL movement

Reconciliation of loss allowance relating to 'financial assets measured at amortised cost', and FVOCI because of changes in the associated ECL, are recognised in impairment charges. The reconciliation excludes loans measured at FVTPL and fair-value hedge-accounted portfolios because changes in fair values are recognised in NIR.

	Stage 1		
Loans and advances (Rm)	**GLAA**	**ECL**	**Amortised cost**
Net balance at 31 December 2023	674 327	4 616	669 711
New loans and advances originated	366 858	3 345	363 513
Loans and advances written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(276 866)	4 272	(281 138)
Transfers to stage 1	32 304	648	31 656
Transfers to stage 2	(41 133)	(2 702)	(38 431)
Transfers to stage 3	(17 140)	(5 508)	(11 632)
Foreign exchange and other movements	1 751	96	1 655
Net balances	740 101	4 767	735 334
Total credit and zero balances	8 138		8 138
Balance at 31 December 2024	748 239	4 767	743 472
GLAA for assets held at FVOCI	59 114	54	59 060
Trading book GLAA held at FVTPL	47 351		47 351
Banking book GLAA held at FVTPL	13 963		13 963
GLAA for fair-value hedge-accounted portfolios	464		464
Total GLAA/ECL	869 131	4 821	864 310
ECL on loans at FVOCI		(54)	54
Off-balance-sheet ECL		(229)	229
Loans and advances at 31 December 2024	869 131	4 538	864 593

Key drivers

- CIB gross banking loans increase was driven by growth in Investment Banking, particularly in the energy and related infrastructure sectors.
- Commercial-property loans and advances increased due to clients executing on transactions following the commencement of the downward interest rate cycle.
- RBB gross loans and advances increased due to solid growth in secured lending, while unsecured lending remained subdued as a more cautious approach in credit extension is being followed given elevated risk.
- The overall ECL coverage ratio decreased, primarily due to a reduction in stage 3 loans in the wholesale portfolios.
- The stage 1 coverage ratio remained steady around 0,61% – still higher than the pre-Covid-19 level of 0,48%.
- The stage 2 coverage ratio declined to 6,53% due to a lower wholesale contribution to stage 2 loans and advances.
- The stage 3 coverage ratio increased to 40,5% as stage 3 loans in RBB with higher coverage had remained flat and stage 3 loans in CIB had declined after the resolution of large single-name exposures.

	Stage 2			Stage 3			Total		
	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
	77 027	5 273	71 754	58 144	19 967	38 177	809 498	29 856	779 642
			–			–	366 858	3 345	363 513
			–	(11 664)	(11 664)	–	(11 664)	(11 664)	–
	(13 795)	720	(14 515)	(17 899)	2 307	(20 206)	(308 560)	7 299	(315 859)
	(28 164)	(439)	(27 725)	(4 140)	(209)	(3 931)	–	–	–
	46 291	3 072	43 219	(5 158)	(370)	(4 788)	–	–	–
	(11 864)	(4 080)	(7 784)	29 004	9 588	19 416	–	–	–
	111	28	83	176	149	27	2 038	273	1 765
	69 606	4 574	65 032	48 463	19 768	28 695	858 170	29 109	829 061
	42		42	24		24	8 204	–	8 204
	69 648	4 574	65 074	48 487	19 768	28 719	866 374	29 109	837 265
	2 541	15	2 526	1 098	345	753	62 753	414	62 339
			–			–	47 351	–	47 351
			–			–	13 963	–	13 963
			–			–	464	–	464
	72 189	4 589	67 600	49 585	20 113	29 472	990 905	29 523	961 382
		(15)	15		(345)	345	–	(414)	414
		(26)	26		(133)	133	–	(388)	388
	72 189	4 548	67 641	49 585	19 635	29 950	990 905	28 721	962 184

CIB, excluding Property Finance (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2023	**120 170**	**312**	**119 858**
New loans and advances originated	189 948	973	188 975
Loans and advances written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(165 725)	(531)	(165 194)
Transfers to stage 1	3 770	85	3 685
Transfers to stage 2	(8 001)	(50)	(7 951)
Transfers to stage 3	(2 218)	(450)	(1 768)
Foreign exchange and other movements	1 146		1 146
Net balances	**139 090**	**339**	**138 751**
Total credit and zero balances			–
Balance at 31 December 2024	**139 090**	**339**	**138 751**
GLAA for assets held at FVOCI	59 114	54	59 060
Trading book GLAA held at FVTPL	47 351		47 351
Banking book GLAA held at FVTPL	9 609		9 609
Total GLAA/ECL	**255 164**	**393**	**254 771**
ECL on loans at FVOCI		(54)	54
Off-balance-sheet ECL		(86)	86
Loans and advances at 31 December 2024	**255 164**	**253**	**254 911**

Property Finance (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2023	**160 494**	**114**	**160 380**
New loans and advances originated	46 975	40	46 935
Loans and advances written off			
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(27 467)	(51)	(27 416)
Transfers to stage 1	5 198	22	5 176
Transfers to stage 2	(6 383)	(9)	(6 374)
Transfers to stage 3	(383)		(383)
Foreign exchange and other movements			–
Balance at 31 December 2024	**178 434**	**116**	**178 318**
Banking book GLAA held at FVTPL	2 231		2 231
Loans and advances at 31 December 2024	**180 665**	**116**	**180 549**

Stage 2			Stage 3			Total		
GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
10 140	383	9 757	6 499	1 592	4 907	136 809	2 287	134 522
		–			–	189 948	973	188 975
		–	(883)	(883)	–	(883)	(883)	–
(2 025)	(19)	(2 006)	(4 689)	(208)	(4 481)	(172 439)	(758)	(171 681)
(3 770)	(82)	(3 688)		(3)	3	–	–	–
8 001	49	7 952		1	(1)	–	–	–
(865)	(127)	(738)	3 083	577	2 506	–	–	–
1		1	7		7	1 154	–	1 154
11 482	204	11 278	4 017	1 076	2 941	154 589	1 619	152 970
		–			–	–	–	–
11 482	204	11 278	4 017	1 076	2 941	154 589	1 619	152 970
2 541	15	2 526	1 098	345	753	62 753	414	62 339
		–			–	47 351	–	47 351
		–			–	9 609	–	9 609
14 023	219	13 804	5 115	1 421	3 694	274 302	2 033	272 269
	(15)	15		(345)	345	–	(414)	414
	(9)	9		(122)	122	–	(217)	217
14 023	195	13 828	5 115	954	4 161	274 302	1 402	272 900

Stage 2			Stage 3			Total		
GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
6 944	53	6 891	10 469	1 266	9 203	177 907	1 433	176 474
		–			–	46 975	40	46 935
		–	(79)	(79)	–	(79)	(79)	–
(1 893)	(4)	(1 889)	(7 216)	(173)	(7 043)	(36 576)	(228)	(36 348)
(5 127)	(22)	(5 105)	(71)		(71)	–	–	–
7 378	28	7 350	(995)	(19)	(976)	–	–	–
(880)	(15)	(865)	1 263	15	1 248	–	–	–
		–			–	–	–	–
6 422	40	6 382	3 371	1 010	2 361	188 227	1 166	187 061
		–			–	2 231	–	2 231
6 422	40	6 382	3 371	1 010	2 361	190 458	1 166	189 292

Commercial Banking (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2023	76 494	278	76 216
New loans and advances originated	26 007	314	25 693
Loans and advances written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(22 670)	(260)	(22 410)
Transfers to stage 1	3 698	204	3 494
Transfers to stage 2	(5 223)	(43)	(5 180)
Transfers to stage 3	(2 101)	(224)	(1 877)
Balance at 31 December 2024	76 205	269	75 936
Off-balance-sheet impairment allowance		(15)	15
Loans and advances at 31 December 2024	76 205	254	75 951

Retail — Mortgage loans (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2023	135 918	320	135 598
New loans and advances originated	23 920	101	23 819
Loans and advances written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(10 502)	777	(11 279)
Transfers to stage 1	9 349	26	9 323
Transfers to stage 2	(8 256)	(359)	(7 897)
Transfers to stage 3	(3 141)	(544)	(2 597)
Net balances	147 288	321	146 967
Total credit and zero balances/Off-balance-sheet impairment allowance	180		180
Loans and advances at 31 December 2024	147 468	321	147 147

Retail — Instalment debtors (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2023	117 837	1 636	116 201
New loans and advances originated	58 217	966	57 251
Loans and advances written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(34 382)	2 017	(36 399)
Transfers to stage 1	7 166	187	6 979
Transfers to stage 2	(10 804)	(1 287)	(9 517)
Transfers to stage 3	(5 625)	(1 784)	(3 841)
Loans and advances at 31 December 2024	132 409	1 735	130 674

Stage 2			Stage 3			Total		
GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
9 125	234	8 891	6 633	1 612	5 021	92 252	2 124	90 128
		–			–	26 007	314	25 693
		–	(681)	(681)	–	(681)	(681)	–
(2 609)	(17)	(2 592)	(1 511)	593	(2 104)	(26 790)	316	(27 106)
(2 664)	(69)	(2 595)	(1 034)	(135)	(899)	–	–	–
5 535	99	5 436	(312)	(56)	(256)	–	–	–
(740)	(21)	(719)	2 841	245	2 596	–	–	–
8 647	226	8 421	5 936	1 578	4 358	90 788	2 073	88 715
	(2)	2		(10)	10	–	(27)	27
8 647	224	8 423	5 936	1 568	4 368	90 788	2 046	88 742

Stage 2			Stage 3			Total		
GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
21 341	687	20 654	13 097	2 891	10 206	170 356	3 898	166 458
		–			–	23 920	101	23 819
		–	(535)	(535)	–	(535)	(535)	–
(1 301)	395	(1 696)	(952)	234	(1 186)	(12 755)	1 406	(14 161)
(8 010)	(20)	(7 990)	(1 339)	(6)	(1 333)	–	–	–
10 692	467	10 225	(2 436)	(108)	(2 328)	–	–	–
(3 758)	(745)	(3 013)	6 899	1 289	5 610	–	–	–
18 964	784	18 180	14 734	3 765	10 969	180 986	4 870	176 116
2		2	7		7	189	–	189
18 966	784	18 182	14 741	3 765	10 976	181 175	4 870	176 305

Stage 2			Stage 3			Total		
GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
17 190	1 939	15 251	8 017	3 812	4 205	143 044	7 387	135 657
		–			–	58 217	966	57 251
		–	(3 226)	(3 226)	–	(3 226)	(3 226)	–
(3 945)	(16)	(3 929)	(3 233)	832	(4 065)	(41 560)	2 833	(44 393)
(5 917)	(152)	(5 765)	(1 249)	(35)	(1 214)	–	–	–
11 747	1 387	10 360	(943)	(100)	(843)	–	–	–
(3 068)	(1 305)	(1 763)	8 693	3 089	5 604	–	–	–
16 007	1 853	14 154	8 059	4 372	3 687	156 475	7 960	148 515

Retail — Card, term and other (Rm)	Stage 1		
	GLAA	ECL	Amortised cost
Net balance at 31 December 2023	23 202	1 728	21 474
New loans and advances originated	10 951	764	10 187
Loans and advances written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(6 777)	2 348	(9 125)
Transfers to stage 1	1 786	90	1 696
Transfers to stage 2	(2 887)	(898)	(1 989)
Transfers to stage 3	(3 233)	(2 325)	(908)
Net balances	23 042	1 707	21 335
Total credit and zero balances/Off-balance-sheet impairment allowance	7 960	(116)	8 076
Loans and advances at 31 December 2024	31 002	1 591	29 411

Wealth (Rm)	Stage 1		
	GLAA	ECL	Amortised cost
Net balance at 31 December 2023	22 804	40	22 764
New loans and advances originated	5 097	39	5 058
Loans and advances written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(4 869)	(4)	(4 865)
Transfers to stage 1	1 087		1 087
Transfers to stage 2	(1 240)	(13)	(1 227)
Transfers to stage 3	(144)	(26)	(118)
Foreign exchange and other movements	115	2	113
Net balances	22 850	38	22 812
Banking book GLAA held at FVTPL	2 123		2 123
Loans and advances at 31 December 2024	24 973	38	24 935

Nedbank Africa Regions (Rm)	Stage 1		
	GLAA	ECL	Amortised cost
Net balance at 31 December 2023	19 406	188	19 218
New loans and advances originated	5 784	148	5 636
Loans and advances written off	–	–	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(4 481)	(24)	(4 457)
Transfers to stage 1	250	34	216
Transfers to stage 2	(647)	(43)	(604)
Transfers to stage 3	(295)	(155)	(140)
Foreign exchange and other movements	518	94	424
Net balances	20 535	242	20 293
Off-balance-sheet ECL		(12)	12
Loans and advances at 31 December 2024	20 535	230	20 305

Stage 2			Stage 3			Total		
GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
6 394	1 711	4 683	10 184	7 496	2 688	39 780	10 935	28 845
		–			–	10 951	764	10 187
		–	(6 012)	(6 012)	–	(6 012)	(6 012)	–
(1 039)	587	(1 626)	77	1 061	(984)	(7 739)	3 996	(11 735)
(1 513)	(85)	(1 428)	(273)	(5)	(268)	–	–	–
3 262	967	2 295	(375)	(69)	(306)	–	–	–
(2 331)	(1 823)	(508)	5 564	4 148	1 416	–	–	–
4 773	1 357	3 416	9 165	6 619	2 546	36 980	9 683	27 297
40	(13)	53	17	(1)	18	8 017	(130)	8 147
4 813	1 344	3 469	9 182	6 618	2 564	44 997	9 553	35 444

Stage 2			Stage 3			Total		
GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
2 778	31	2 747	1 425	277	1 148	27 007	348	26 659
		–			–	5 097	39	5 058
		–	(56)	(56)	–	(56)	(56)	–
(796)	(12)	(784)	(209)	(6)	(203)	(5 874)	(22)	(5 852)
(994)	(1)	(993)	(93)	1	(94)	–	–	–
1 318	18	1 300	(78)	(5)	(73)	–	–	–
(115)	(10)	(105)	259	36	223	–	–	–
	1	–		(5)	5	115	(2)	117
2 191	27	2 165	1 248	242	1 006	26 289	307	25 982
		–			–	2 123	–	2 123
2 191	27	2 165	1 248	242	1 006	28 412	307	28 105

Stage 2			Stage 3			Total		
GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
783	72	711	1 821	1 024	797	22 010	1 284	20 726
		–			–	5 784	148	5 636
		–	(192)	(192)	–	(192)	(192)	–
(186)	(32)	(154)	(167)	(55)	(112)	(4 834)	(111)	(4 723)
(169)	(8)	(161)	(81)	(26)	(55)	–	–	–
666	57	609	(19)	(14)	(5)	–	–	–
(107)	(34)	(73)	402	189	213	–	–	–
120	27	93	169	154	15	807	275	532
1 107	82	1 025	1 933	1 080	853	23 575	1 404	22 171
	(2)	2			–	–	(14)	14
1 107	80	1 027	1 933	1 080	853	23 575	1 390	22 185

8 Investment securities

Rm	2024	2023
Equity investments	**7 458**	7 290
Associates – Property Partners	**2 342**	1 914
Associates – Investment Banking	**1 006**	1 118
Unlisted investments – Property Partners	**1 268**	1 585
Unlisted investments – Investment Banking	**2 842**	2 673
Listed investments	**35**	28
Unlisted investments	**3 747**	3 238
Taquanta Asset Managers portfolio	**620**	586
Strate Limited	**180**	163
Other	**2 947**	2 489
Total listed and unlisted investments	**11 240**	10 556
Listed policyholder investments at market value	**14 560**	13 648
Unlisted policyholder investments at directors' valuation	**2 372**	3 083
Total policyholder investments	**16 932**	16 731
Total investment securities	**28 172**	27 287

Equity risk in the banking book

		2024	2023
Total equity portfolio	Rm	**13 759**	13 045
Accounted for at fair value	Rm	**11 273**	10 556
Equity-accounted, including investment in ETI	Rm	**2 486**	2 489
Percentage of total assets	%	**1,0**	1,0
Percentage of group minimum economic-capital requirement	%	**6,4**	7,1

Key drivers

- Banking book equity risk is primarily undertaken by Corporate and Investment Banking (CIB) as part of the private-equity and investment property portfolios.
- The fair value of the portfolio increased by R717 million year on year driven by new investments and positive revaluations on existing investments. This increase was partially offset by the sale of two significant investments.
- The ETI investment is accounted for using the equity method of accounting, and thus not carried at fair value. The negative ETI currency translation reserve was offset by new acquisitions accounted for under the equity method.

9 Investments in associate companies

	Equity-accounted earnings Rm		Carrying amount Rm		Net exposure to/(from) associates[1] Rm	
	2024	2023	2024	2023	2024	2023
Associates						
Listed						
ETI[2]	**1 162**	1 386	**666**	1 248	**(334)**	(249)
Unlisted						
Equity investments: Tracker Technology Holdings Proprietary Limited	**50**	35	**597**	565	**842**	929
Other equity investments	**82**	(1)	**654**	205	**559**	492
Other strategic investments	**19**	29	**569**	471		106
Total	**1 313**	1 449	**2 486**	2 489	**1 067**	1 278

[1] *Includes on-balance-sheet and off-balance-sheet exposure.*
[2] *ETI is a pan-African bank and its shares are listed on the stock exchanges of Nigeria, Ghana and Ivory Coast.*

The percentage holding in ETI at 31 December 2024 remains unchanged at 21,2%.

Accounting recognition of ETI

Rm	2024	2023
Opening carrying value	**2 998**	3 036
Share of equity-accounted earnings	**1 162**	1 386
Share of other comprehensive losses	**(1 770)**	(1 481)
Foreign currency translation	**26**	168
Dividends		(111)
Closing carrying value pre-impairment provision	**2 416**	2 998
Impairment provision	**(1 750)**	(1 750)
Closing carrying value	**666**	1 248

The associate income includes our share of ETI's earnings from 1 October 2023 to 30 September 2024, in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrear, adjusted for any significant transactions or events that occurred between 1 October 2024 and 31 December 2024.

The market value of the group's investment in ETI, based on its quoted share price, was R1,8bn on 31 December 2024 and R2,0bn on 28 February 2025.

10 Intangible assets

Rm	2024	2023
Computer software and capitalised development costs	8 412	7 944
Goodwill	4 011	4 011
Client relationships, contractual rights and other	229	22
	12 652	11 977

Computer software and capitalised development costs – carrying amount

Rm	Amortisation periods	2024	2023
Computer software	2–10 years	6 340	6 578
Core product and client systems		2 304	1 916
Support systems		1 768	1 970
Digital systems		1 713	2 092
Payment systems		555	600
Development costs not yet commissioned	none	2 072	1 366
Core product and client systems		1 182	690
Support systems		311	248
Digital systems		460	319
Payment systems		119	109
		8 412	7 944
Computer software			
Opening balance		6 578	6 958
Additions		723	320
Commissioned during year		962	1 221
Foreign exchange and other moves			8
Amortisation charge for the year		(1 875)	(1 850)
Impairments		(48)	(79)
Closing balance		6 340	6 578
Development costs not yet commissioned			
Opening balance		1 366	1 358
Additions		1 717	1 237
Foreign exchange and other moves		3	(2)
Commissioned during the year		(962)	(1 221)
Impairments		(52)	(6)
Closing balance		2 072	1 366

Notes

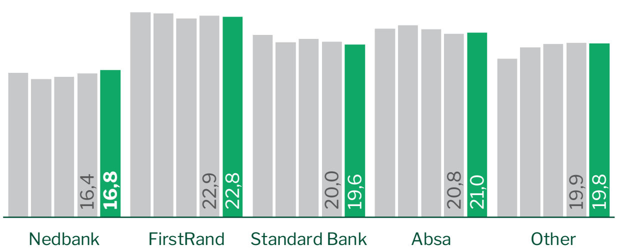
11 Amounts owed to depositors

Segmental breakdown

Rm	Change %	Nedbank Group 2024	Nedbank Group 2023	Corporate and Investment Banking 2024	Corporate and Investment Banking 2023
Current accounts	3	**116 209**	113 231	**10 141**	9 402
Savings accounts	(8)	**33 523**	36 466		
Other deposits and loan accounts	11	**854 885**	768 158	**447 646**	399 550
Call and term deposits	9	**473 653**	435 331	**166 571**	155 884
Fixed deposits	8	**81 797**	75 890	**11 913**	12 392
Cash management deposits	38	**109 576**	79 479	**97 321**	67 885
Other deposits	7	**189 859**	177 458	**171 841**	163 389
Foreign currency liabilities	28	**37 171**	29 032	**26 343**	19 428
Negotiable certificates of deposit	(11)	**113 348**	127 142		
Macro fair-value hedge accounting adjustment	>100	**721**	(3)		
Deposits received under repurchase agreements	38	**18 834**	13 619	**18 834**	13 120
Total amounts owed to depositors	8	**1 174 691**	1 087 645	**502 964**	441 500
Comprises:					
– Banking amounts owed to depositors	9	**1 118 555**	1 029 746	**446 828**	383 601
– Trading amounts owed to depositors	(3)	**56 136**	57 899	**56 136**	57 899
Total amounts owed to depositors	8	**1 174 691**	1 087 645	**502 964**	441 500

Market share according to BA900

Retail deposits[1] (2020–2024)
(%)

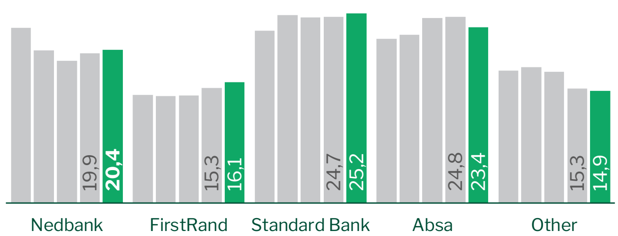


Private non-financial corporate sector[2] (2020–2024)
(%)

[1] *Includes households, unincorporated businesses and non-profit organisations servicing households according to the BA900 return.*
[2] *Includes private non-financial corporate-sector deposits according to the BA900 return.*

Retail and Business Banking		Wealth		Nedbank Africa Regions		Centre	
2024	2023	2024	2023	2024	2023	2024	2023
89 709	89 206	2 285	2 287	13 799	12 150	275	186
14 736	14 123	17 883	21 440	904	903		
357 024	323 465	27 187	24 462	22 404	19 764	624	917
272 377	248 022	23 319	21 366	11 379	10 050	7	9
61 821	56 475	2 492	1 738	5 571	5 285		
9 709	9 354	229	234	2 143	1 827	174	179
13 117	9 614	1 147	1 124	3 311	2 602	443	729
10 673	9 489	42	23	113	92		
				3 220	3 438	110 128	123 704
						721	(3)
					499		
472 142	436 283	47 397	48 212	40 440	36 846	111 748	124 804
472 142	436 283	47 397	48 212	40 440	36 846	111 748	124 804
472 142	436 283	47 397	48 212	40 440	36 846	111 748	124 804

Wholesale deposits[3] (2020–2024)
(%)



Foreign currency liabilities[4] (2020–2024)
(%)

[3] *Includes insurers, pension funds, private financial corporate-sector deposits, collateralised borrowings and repurchase deposits according to the BA900 return.*
[4] *Includes foreign currency deposits and foreign currency funding according to the BA900 return.*

Liquidity risk and funding

Summary of Nedbank Group liquidity risk and funding profile

		2024	2023
Total sources of quick liquidity	Rm	**339 033**	285 251
Total HQLA[1]	Rm	**284 237**	238 182
Other sources of quick liquidity	Rm	**54 796**	47 069
Total sources of quick liquidity (as a percentage of total assets)	%	**23,9**	21,8
Long-term funding ratio (3-month average)	%	**30,6**	28,4
Senior unsecured debt, including green bonds	Rm	**34 393**	32 815
Green bonds	Rm	**2 702**	2 702
Total capital market issuance (excluding additional tier 1 capital)	Rm	**49 781**	47 777
Reliance on NCDs (as a percentage of total deposits)	%	**9,6**	11,7
Reliance on foreign currency deposits (as a percentage of total deposits)	%	**3,2**	2,7
Loan-to-deposit ratio	%	**81,9**	82,0
Basel III liquidity ratios			
LCR[2]	%	**135,2**	134,6
Minimum regulatory LCR requirement	%	**100,0**	100,0
NSFR[3]	%	**116,0**	117,3
Minimum regulatory NSFR requirement	%	**100,0**	100,0

[1] *Total HQLA includes government securities that are fair-valued to the extent that they are risk managed in the trading portfolio or fair-valued for interest rate risk purposes in the macro fair-value hedge-accounting solution.*

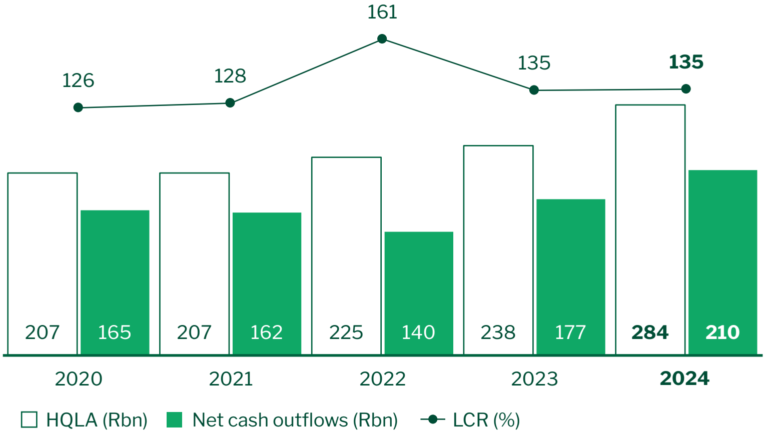
[2] *Only banking and/or deposit-taking entities are included in the group LCR and the group ratio represents a consolidation of the relevant individual net cash outflows (NCOF) and the individual HQLA portfolios across all banking and/or deposit-taking entities, where surplus HQLA holdings in excess of the minimum requirement of 100% have been excluded from the consolidated HQLA number in the case of all non-South African banking entities. The above values reflect the simple average of daily observations over the quarter ending 31 December 2024 for Nedbank and simple average of the month-end values at 31 October 2024, 30 November 2024 and 31 December 2024 for all non-South African banking entities.*

[3] *Only banking and/or deposit-taking entities are included in the group NSFR and the group data represents a consolidation of the relevant individual assets, liabilities and off-balance-sheet items.*

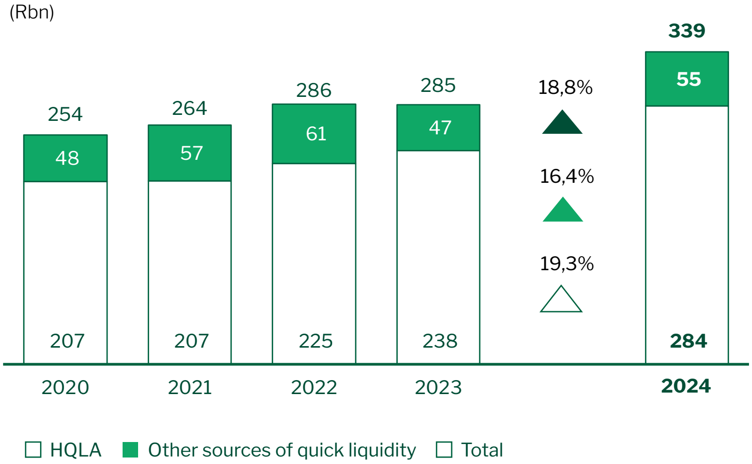
Key drivers

- Nedbank's portfolio of LCR-compliant HQLA measured at fair value (comprising mainly government bonds and treasury bills) increased to a quarterly average of R284,2bn, up from December 2023, when the portfolio amounted to R238,2bn.
- The LCR increased to 135,2% (December 2023: 134,6%) as a result of HQLA. The growth in the HQLA was driven by excess liquidity in the banking sector, following the implementation of the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) framework reform, which has increased excess cash liquidity.
- Nedbank will continue to manage the HQLA portfolio optimally in line with the board-approved risk tolerance level, taking into account balance sheet growth, while maintaining appropriately sized surplus liquid-asset buffers based on cyclical, seasonal and systemic market conditions.
- In addition to the HQLA portfolio maintained for LCR purposes, Nedbank also identifies other sources of quick liquidity, which can be accessed in times of stress. Nedbank Group has significant sources of quick liquidity, as is evident in the combined portfolio of HQLA and other sources of quick liquidity, collectively amounting to R339,0bn at December 2024 and representing 23,9% of total assets.

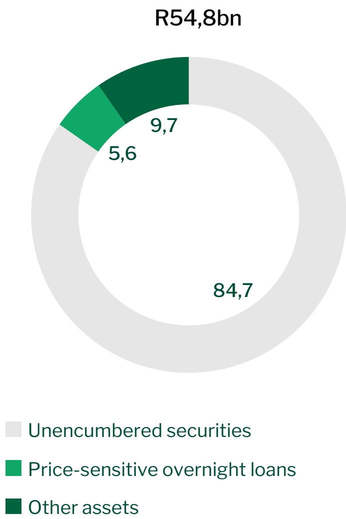
Nedbank Group LCR exceeds minimum regulatory requirements



Total sources of quick liquidity
(Rbn)

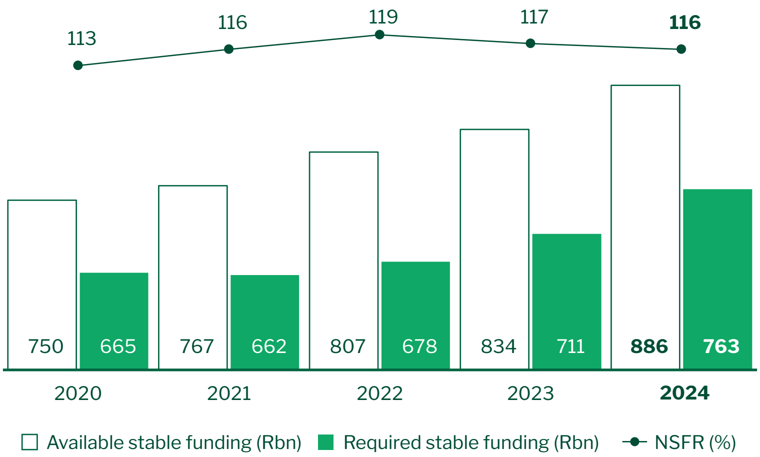


Other sources of quick liquidity contribution
(%)



- Nedbank exceeded the minimum regulatory NSFR requirement of 100%, with a December 2024 ratio of 116,0% (December 2023: 117,3%). The structural liquidity position of the group remains strong, supported by the effective management of balance sheet growth, alongside proactive responses to evolving regulatory developments.
- Navigating the implementation of Directive 1/ 2023, which sets out the phased reduction in the available stable funding factor applicable to short-term wholesale deposits, along with the impact of deposits insurance and the GFECRA Framework, required a holistic approach to liquidity management. This ensured continued compliance with both regulatory requirements and board-approved targets.
- Nedbank remains committed to maintaining a sustainable funding profile while optimising balance sheet growth in line with its strategic objectives.

Nedbank Group NSFR exceeds minimum regulatory requirements



- A strong funding profile was maintained in 2024, with Nedbank recording a 3-month average long-term funding ratio of 30,6% in the fourth quarter of the year. The focus on proactively managing Nedbank's long-term funding profile contributed to a strong balance sheet position and sound liquidity risk metrics. Nedbank has continued to run a more prudent long-term funding profile when compared with the industry average of 23,8%.
- Nedbank issued R8,8bn senior unsecured debt in 2024, while R7,4bn matured during the year.
- Nedbank issued tier 1 capital instruments of R3,0bn during 2024, while it redeemed R671m. The bank also issued tier 2 capital instruments of R3,7bn, while R2,5bn was redeemed in line with the group's capital plan.
- While foreign currency funding reliance remains small, at 3,2% of total deposits, Nedbank continues to focus on growing this funding source in support of funding base diversification, where the proceeds can be applied to meet funding requirements for foreign advances growth.

Nedbank Group funding and liquidity profile, underpinned by strong liquidity risk metrics

The group's 2024 Internal Liquidity Adequacy Assessment Process (ILAAP) and Internal Capital Adequacy Assessment Process (ICAAP) reports were approved by the board and submitted to the PA, in accordance with the annual business-as-usual process. In addition, the group's Recovery Plan (RP), which sets out in detail Nedbank's approach to dealing with a capital, liquidity and/or business continuity crisis, was approved by the board on 13 September 2024 and incorporates the Nedbank Africa Regions, Nedbank London Branch and Nedbank Private Wealth International RPs.

Exchange rates

	Average			Closing		
	Change %	2024	2023	Change %	2024	2023
UK pound to rand	2	**23,42**	22,94		**23,53**	23,54
US dollar to rand	(1)	**18,33**	18,45	1	**18,75**	18,53
US dollar to naira	>100	**1 482,62**	636,59	69	**1 544,08**	911,68
Rand to naira	>100	**81,11**	34,36	67	**82,37**	49,21

Equity analysis

Analysis of changes in net asset value

	Change %	2024	2023
Balance at the beginning of the year		**119 211**	115 944
Additional shareholder value	(3)	**15 237**	15 651
Profit attributable to equity holders of the parent		**16 834**	15 305
Currency translation movements		**(1 724)**	(63)
Exchange differences on translating foreign operations – foreign subsidiaries[1]		**22**	1 347
Exchange differences on translating foreign operations – ETI[1]		**26**	168
Share of other comprehensive income of investments accounted for using the equity method – ETI[2]		**(1 772)**	(1 578)
Fair-value adjustments		**141**	303
Fair-value adjustments on equity and debt instruments		**144**	281
Share of other comprehensive income of investments accounted for using the equity method[2]		**(3)**	22
Cash flow hedge losses		**(10)**	(190)
Defined-benefit fund adjustment		**92**	194
Share of other comprehensive income of investments accounted for using the equity method (included in other distributable reserves)		**5**	75
Property revaluations		**(101)**	27
Transactions with ordinary shareholders	17	**(10 723)**	(12 878)
Dividends paid		**(9 706)**	(8 569)
Equity-settled share-based payments		**(1 581)**	(419)
Value of employee services (net of deferred tax)		**641**	1 154
Share buyback		**(77)**	(5 044)
Transaction with non-controlling shareholders	(87)	**31**	244
Additional tier 1 capital instruments	>100	**2 329**	250
Other movements		**1**	
Balance at the end of the year	6	**126 086**	119 211

[1] *Exchange differences on translating foreign operations as shown in the statement of comprehensive income of R23m gain (2023: R1 492m gain).*
[2] *Share of other comprehensive income of investments accounted for using the equity method as shown in the statement of comprehensive income of R1 775m (2023: R1 556m).*

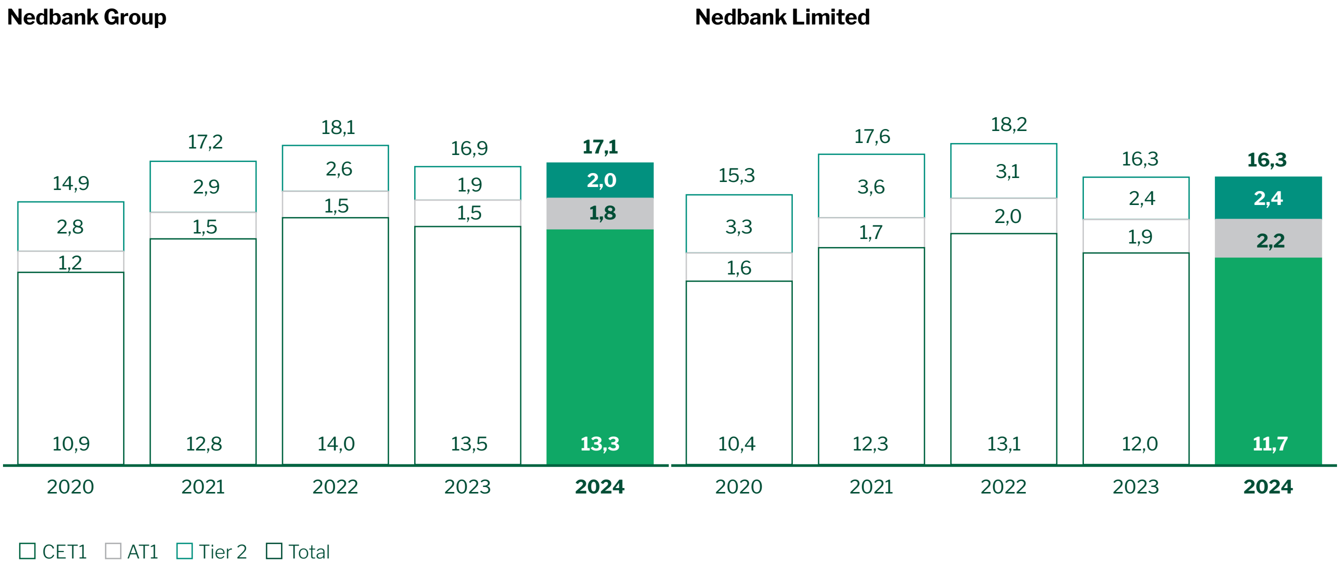
Movements in group foreign currency translation reserve

	Change %	2024	2023
Balance at the beginning of the year	(2)	**(2 979)**	(2 916)
Foreign currency translation reserve (FCTR)	<(100)	**(1 724)**	(63)
ETI		**(1 746)**	(1 410)
Nedbank Mozambique		**55**	120
Nedbank Private Wealth Limited		**(8)**	368
Nedbank London Branch		**34**	650
Other subsidiaries		**(59)**	209
Balance at the end of the year	(58)	**(4 703)**	(2 979)

Capital management

Regulatory capital adequacy and leverage

Capital ratios (including unappropriated profit)
(%)



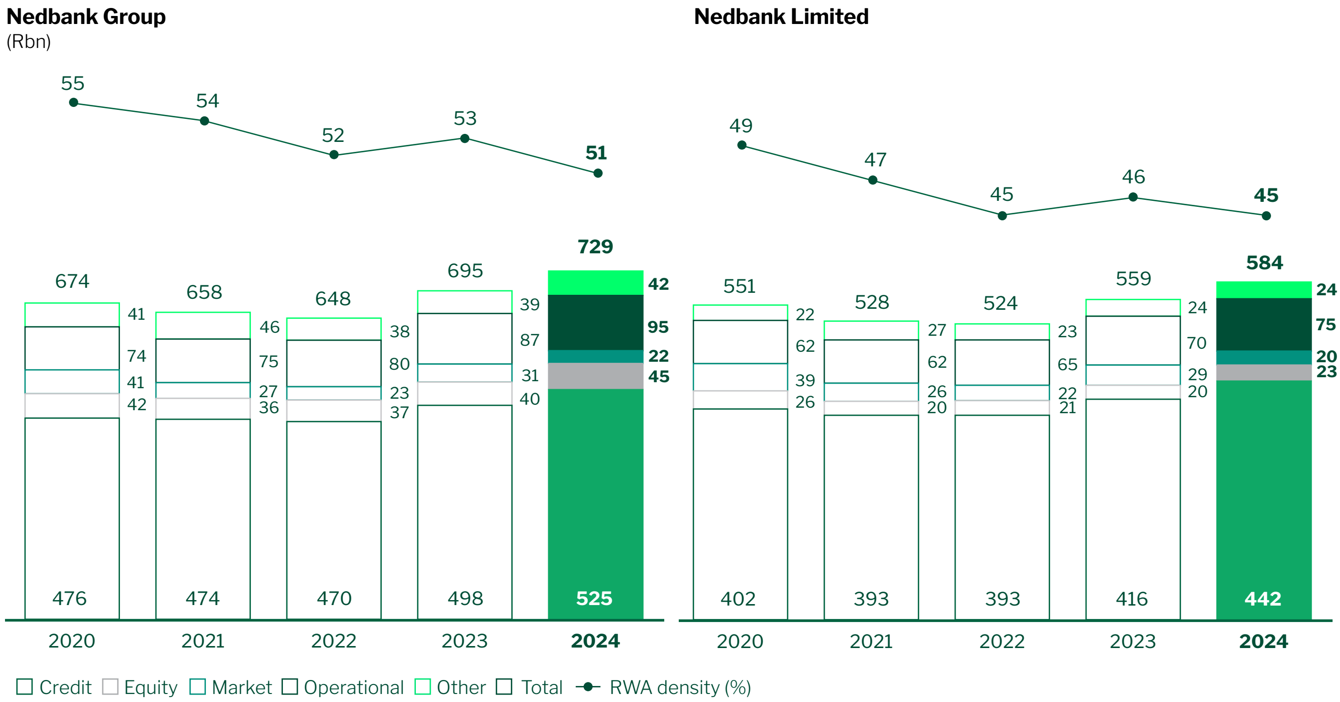
		PA minimum[1]	Internal targets	2024	2023
Nedbank Group					
Including unappropriated profits					
CET1	%		11,0–12,0	13,3	13,5
Total tier 1	%		> 12,0	15,1	15,0
Total CAR	%		> 14,5	17,1	16,9
Surplus tier 1 capital[2]	Rm			35 052	32 828
Dividend cover	times		1,75–2,25	1,75	1,75
Cost of equity	%			15,0	14,8
Excluding unappropriated profits					
CET1	%	8,5		11,7	11,8
Total tier 1	%	10,25		13,5	13,3
Total CAR	%	12,5		15,5	15,3
Leverage	times	<25	<20	15,5	15,1
Nedbank Limited					
Including unappropriated profits					
CET1	%		11,0–12,0	11,7	12,0
Total tier 1	%		> 12,0	13,9	13,9
Total CAR	%		> 14,5	16,3	16,3
Surplus tier 1 capital	Rm			21 347	20 287
Excluding unappropriated profits					
CET1	%	8,5		10,5	11,0
Total tier 1	%	10,25		12,7	12,9
Total CAR	%	12,5		15,1	15,3

1 *The PA minimum requirements will increase by 1%, effective 1 January 2026, based on Directive 6 of 2024, linked to the implementation of the positive cycle-neutral (PCN) countercyclical capital buffer (CCyB).*
2 *The surplus tier 1 capital is the difference between the qualifying total tier 1 capital and the total tier 1 capital requirement at the PA minimum of 10,25%.*

Key drivers

- Nedbank Group maintained a strong capital adequacy position, with ratios well above the minimum regulatory requirements and the group's internal targets.
- Nedbank Group manages its capital levels based on the board-approved risk appetite, taking cognisance of rating agency and shareholder expectations, and in line with regulatory requirements. The group further seeks to ensure that its capital structure uses the full range of capital instruments and capital management activities available to optimise the financial efficiency and loss absorption capacity of its capital base.
- During 2024 the group repurchased 291 929 shares totalling R77m as part of the board-approved surplus capital optimisation programme. The repurchased shares were cancelled and delisted.
- On 10 December 2024, the Prudential Authority published Directive 6/2024, which mandates the implementation of a PCN CCyB set at 1% of risk-weighted exposures. This directive is effective from 1 January 2026, resulting in an increased regulatory minimum capital requirement and consequently impacting the group's surplus capital position.
- Nedbank performs extensive and comprehensive stress testing to ensure that the group remains well capitalised relative to its business activities, the board's strategic plans, risk appetite, risk profile and the external environment in which the group operates.

Overview of risk-weighted assets



Nedbank Group	2024 RWA	2024 MRC[1]	2023 RWA
Credit risk[2]	**504 565**	**63 071**	478 194
Counterparty credit risk	**14 434**	**1 804**	13 441
Credit valuation adjustment	**5 712**	**714**	6 104
Equity risk	**45 236**	**5 655**	40 407
Market risk	**21 509**	**2 689**	30 862
Operational risk	**95 379**	**11 922**	86 834
Amounts below the thresholds for deduction	**14 809**	**1 851**	17 124
Other assets	**27 108**	**3 388**	22 274
Total	**728 752**	**91 094**	695 240

[1] *Total minimum required capital (MRC) is measured at 12,5% and excludes the bank-specific Pillar 2b add-on.*
[2] *Including the securitisation exposures in the banking book.*

Key drivers

The group's total RWA/total assets density was 51,4% at December 2024 (53,0% at December 2023), driven by an increase of 4,8% in total RWA, relative to growth in total assets of 8,2%.

The increase in total RWA is attributable mainly to the following:

- The increase in Credit risk RWA is driven mostly by growth in banking book advances in CIB, RBB and NAR, offset by the improved risk weights in CIB.
- Equity risk RWA increased as a result of movements in equity exposures.
- Market risk RWA decreased mainly due to diversification benefits, as well as the impact of a more benign market environment over the past year, with significant market movements rolling out of the historical data series used in VaR modelling.
- Operational risk RWA increased, due to updates in risk assessments, changes in internal loss events and adjustment-related business performance.
- Other assets increased mainly due to additional other assets recognised after the acquisition of Eqstra.

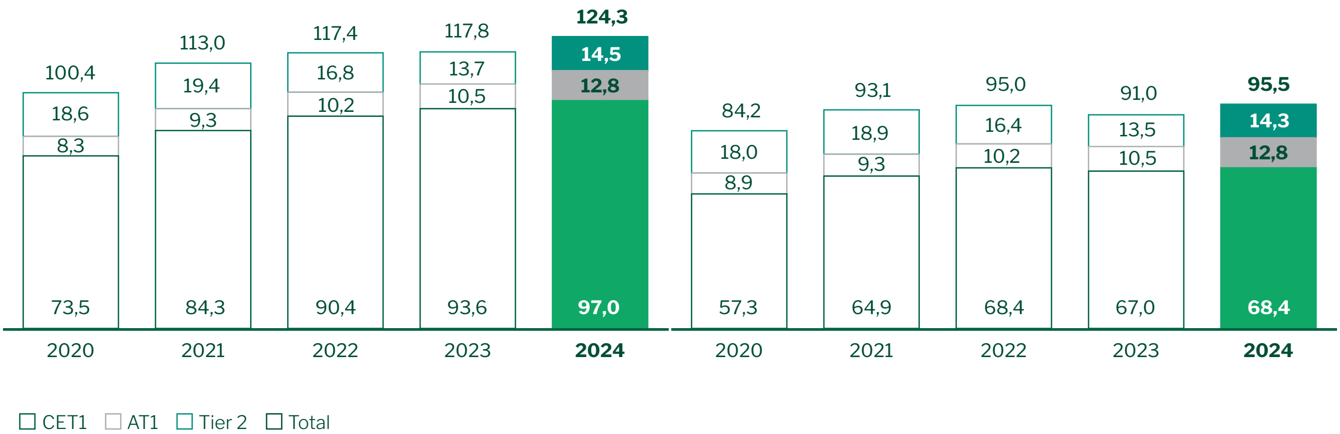
	2024		2023
Nedbank Limited	RWA	MRC[1]	RWA
Credit risk[2]	**424 941**	**53 118**	400 059
Counterparty credit risk	**11 526**	**1 441**	9 583
Credit valuation adjustment	**5 673**	**709**	6 060
Equity risk	**23 042**	**2 880**	20 230
Market risk	**20 380**	**2 547**	29 079
Operational risk	**74 896**	**9 362**	69 920
Amounts below the thresholds for deduction	**7 646**	**956**	8 399
Other assets	**16 136**	**2 017**	15 424
Total	**584 240**	**73 030**	558 754

[1] *Total MRC is measured at 12,5% and excludes the bank-specific Pillar 2b add-on.*
[2] *Including the securitisation exposures in the banking book.*

Summary of regulatory qualifying capital and reserves

Nedbank Group
(Rbn)

Nedbank Limited



	Nedbank Group		Nedbank Limited	
Rm	2024	2023	2024	2023
Including unappropriated profits				
Total tier 1 capital	**109 749**	104 090	**81 232**	77 560
CET1	**96 951**	93 621	**68 434**	67 091
Share capital and premium	**14 818**	14 797	**20 111**	20 111
Reserves	**97 446**	92 952	**60 832**	58 719
Minority interest: Ordinary shareholders	**893**	809	**–**	
Deductions	**(16 206)**	(14 937)	**(12 509)**	(11 739)
Additional tier 1 capital	**12 798**	10 469	**12 798**	10 469
Perpetual subordinated debt instruments	**12 798**	10 469	**12 798**	10 469
Tier 2 capital	**14 556**	13 691	**14 250**	13 464
Subordinated debt instruments	**14 244**	12 998	**14 244**	12 998
Excess of eligible provisions over downturn expected losses		438		462
General allowance for credit impairment	**312**	255	**6**	4
Total capital	**124 305**	117 781	**95 482**	91 024
Excluding unappropriated profits				
CET1 capital	**85 554**	82 024	**61 339**	61 578
Tier 1 capital	**98 352**	92 493	**74 137**	72 047
Total capital	**112 908**	106 185	**88 387**	85 511

For comprehensive 'composition of capital' and 'capital instruments main features' disclosure please refer to nedbank.co.za/content/nedbank/desktop/gt/en/investor-relations/information-hub/capital-and-risk-management-reports.html.

Key drivers

- The group's CET1 capital was impacted by the final 2023 and interim 2024 dividends, totalling R9,7bn, offset by organic earnings growth.
- The group's total tier 1 capital position was further impacted by the issuance of additional tier 1 instruments of R3,0bn, partially offset by redemptions of R671m.
- The group's total capital was further impacted by the issuance of tier 2 capital instruments of R3,7bn and redemptions amounting to R2,5bn, in line with the group's capital plan.
- These form part of the group's capital management strategy to optimise the group's capital structure.

Regulated banking subsidiaries

Nedbank Group banking subsidiaries are well capitalised for the environments in which they operate, with CARs well in excess of respective host regulators' minimum requirements.

	2024			2023	
	Total capital requirement (host country) %	RWA Rm	Total capital ratio %	RWA Rm	Total capital ratio %
Nedbank Africa Regions					
Nedbank Mozambique	**12,0**	**5 106**	**28,2**	5 369	22,3
Nedbank Namibia	**14,0**	**13 768**	**17,1**	12 339	18,1
Nedbank Eswatini	**8,0**	**6 201**	**17,9**	5 488	18,3
Nedbank Lesotho	**10,0**	**2 851**	**27,0**	2 484	26,9
Nedbank Zimbabwe	**12,0**	**3 986**	**26,6**	3 532	28,4
Isle of Man					
Nedbank Private Wealth	**13,0**	**9 704**	**20,7**	9 719	26,2

Economic capital adequacy

Nedbank Group economic capital requirement

	2024		2023	
	Rm	Mix %	Rm	Mix %
Credit risk	**48 474**	**67**	47 609	69
Market risk	**9 858**	**14**	9 590	14
Business risk	**4 475**	**6**	3 722	5
Operational risk	**5 848**	**8**	4 912	7
Insurance risk	**294**	**1**	331	1
Other assets risk	**1 677**	**2**	1 284	2
Model risk	**1 636**	**2**	1 471	2
Minimum economic capital requirement	**72 262**	**100**	68 919	100
Add: Stress-tested capital buffer[1]	**5 427**		5 274	
Total economic capital requirement	**77 689**		74 193	
AFR	**132 168**	**100**	123 896	100
Tier A capital	**105 126**	**80**	100 429	81
Tier B capital	**27 042**	**20**	23 467	19
Total surplus AFR	**54 479**		49 703	
AFR: Total economic capital requirement (%)	**170**		167	

[1] *The stress-tested capital buffer is calculated as: (the sum of credit risk, market risk, business risk, operational risk, insurance risk and other asset risk, multiplied by 10%) less the portion recognised separately for model risk.*

Key drivers

Nedbank Group's minimum economic capital requirement increased by R3,3bn during the FY 2024, driven primarily by the following:

- An increase of R936m in operational risk economic capital, due to the review of the risk scenarios and update of internal loss data used, including the AMA floor, which is driven by movements in GOI.
- An increase of R865m in credit risk economic capital, driven mainly by portfolio growth in RBB and NAR.
- An increase of R753m in business risk economic capital, due to annual model parameter updates and is reflective of a higher risk environment.
- An increase of R393m in other assets economic capital, largely attributable to balance sheet movements and the recognition of additional assets following the acquisition of Eqstra Investment Holdings Proprietary Limited in June 2024.
- An increase of R268m in market risk economic capital, driven primarily by an increase in interest rate risk in the banking book (IRRBB), due to higher stochastic results and changes in the yield curves.
- An increase of R165m in model risk economic capital, due to an enhancement of the allocation approach for model risk economic capital to clusters, which is based on multipliers of total minimum economic capital linked to model materiality.

Nedbank Group's AFR increased by R8,3bn in FY 2024, mainly as a result of the following:

- A R4,7bn increase in tier A capital, which was driven mainly by growth in organic earnings over the period.
- A R3,6bn increase in tier B capital, resulting from the issuances of R6,75bn of AT1 and tier 2 debt instruments. This increase was partially offset by redemptions totalling R3,2bn of AT1 and tier 2 debt instruments.

Supplementary information

Earnings per share and weighted-average shares

Earnings per share	Basic	Diluted basic	Headline	Diluted headline
2024				
Earnings for the year	**16 834**	**16 834**	**16 934**	**16 934**
Weighted-average number of ordinary shares	**466 374 083**	**478 643 842**	**466 374 083**	**478 643 842**
Earnings per share (cents)	**3 610**	**3 517**	**3 631**	**3 538**
2023				
Earnings for the year	15 305	15 305	15 650	15 650
Weighted-average number of ordinary shares	472 509 532	489 235 413	472 509 532	489 235 413
Earnings per share (cents)	3 239	3 128	3 312	3 199

Basic earnings and headline earnings per share are calculated by dividing the relevant earnings amount by the weighted-average number of shares in issue.

Fully diluted basic earnings and fully diluted headline earnings per share are calculated by dividing the relevant earnings amount by the weighted-average number of shares in issue, after having taken the dilutive impact of potential ordinary shares to be issued, into account.

Number of weighted-average dilutive potential ordinary shares (000)	2024		2023
	Potential shares[1]	Weighted-average dilutive shares	Weighted-average dilutive shares
Traditional schemes	**23 654**	**10 710**	15 167
Nedbank Group Restricted-share Scheme (2005)	**20 136**	**8 760**	12 988
Nedbank Group Matched-share Scheme	**3 518**	**1 950**	2 179
Total BEE schemes	**1 592**	**1 559**	1 559
BEE schemes – SA	**1 559**	**1 559**	1 559
Community	**1 559**	**1 559**	1 559
BEE schemes – Namibia	**33**		
Total	**25 246**	**12 269**	16 726

[1] *Potential shares are the total number of shares arising from historic grants, schemes or awards available for distribution.*

Nedbank Group employee incentive schemes

for the year ended 31 December

Nedbank Group employee incentive schemes	2024	2023
Summary by scheme		
Nedbank Group Restricted-share Scheme (2005)	**13 786 877**	16 577 839
Nedbank Group Matched-share Scheme (2005)	**3 191 720**	2 917 857
Instruments outstanding at the end of the year	**16 978 597**	19 495 696
Analysis		
Performance-based – restricted shares	**9 171 874**	10 149 887
Time-based – restricted shares	**4 615 003**	6 427 952
Deferral (compulsory) subject to time-based and matching subject to performance-based (CBSS[1])	**2 210 542**	2 022 676
Deferral (voluntary) and matching subject to performance-based (VBSS[2])	**981 178**	895 181
Instruments outstanding at the end of the year	**16 978 597**	19 495 696
Movements		
Instruments outstanding at the beginning of the year	**19 495 696**	20 185 558
Granted	**6 400 112**	6 188 628
Accelerated		(4 542)
Exercised	**(8 325 579)**	(6 201 894)
Surrendered	**(591 632)**	(672 054)
Instruments outstanding at the end of the year	**16 978 597**	19 495 696

1 *Compulsory Bonus Share Scheme for deferral of short-term incentives.*
2 *Voluntary Bonus Share Scheme for deferral of short-term incentives.*

Nedbank Group (2005) Matched- and Restricted-share Schemes

Matched shares

Instrument expiry date	Number of shares
1 April 2025	**841 426**
1 April 2026	**1 257 360**
1 April 2027	**1 092 934**
Matched shares outstanding not exercised at 31 December 2024	**3 191 720**
Shares exercised and forfeited during the year	**857 704**
Shares not expected to vest	**(531 027)**
Total potential shares	**3 518 397**
Weighted-average dilutive shares applicable for the year	**1 950 179**

- The obligation to deliver the matched shares issued under the Voluntary and Compulsory Bonus Share Schemes is subject to time and other performance criteria.
- This obligation existed at 31 December 2024 and therefore had a dilutive effect.
- Matched shares are not issued and are therefore not recognised as treasury shares. However, until they have been issued, there remains a potential dilutive effect.

Restricted shares[1]

Details of instruments granted and not exercised at 31 December 2024 and the resulting dilutive effect:

Instrument expiry date	Number of shares	
18 March 2025	2 502 570	P
19 March 2025	1 534 513	
19 August 2025	64 074	P
20 August 2025	35 922	
23 March 2026	2 947 480	P
24 March 2026	1 407 081	
18 August 2026	111 140	P
19 August 2026	33 189	
28 March 2027	3 199 648	P
29 March 2027	1 561 342	
16 August 2027	346 962	P
17 August 2027	42 956	
Restricted shares not exercised at 31 December 2024	13 786 877	
Unallocated shares	412 814	
Treasury shares	14 199 691	
Shares exercised and forfeited during the year	9 407 267	
Shares not expected to vest	(3 471 223)	
Total potential shares	20 135 735	
Weighted-average dilutive shares applicable for the year	8 760 132	

[1] *Restricted shares are issued at a market price for no consideration to participants and are held by the schemes until the expiry date (subject to achieving performance conditions). Participants have full rights and receive dividends.*

[P] *Awarded subject to corporate performance targets and/or minimum individual performance conditions.*

Long-term debt instruments

Instrument code	2024	2023
Subordinated debt	14 782	13 648
Callable notes (rand-denominated)[1]	8 277	9 073
Callable notes and long-term debentures (Namibian-dollar-denominated)	326	429
Green bonds (rand-denominated)[1]	6 179	4 146
Securitised liabilities – callable notes (rand-denominated)	521	1 241
Senior unsecured debt – senior unsecured notes (rand-denominated)	32 875	30 114
Unsecured debentures (rand-denominated)	86	72
Senior unsecured green bonds (rand-denominated)	1 517	2 702
Total long-term debt instruments in issue	**49 781**	47 777

[1] *Loss-absorbing instruments.*

More information is available on our group website

Capital and risk management reports

nedbank.co.za/content/nedbank/desktop/gt/en/investor-relations/information-hub/capital-and-risk-management-reports.html

Debt investors programme

nedbank.co.za/content/nedbank/desktop/gt/en/investor-relations/debt-investor/debt-investors-programme.html

External credit ratings

Moody's

	Nedbank Limited
Moody's report date	**May 2024**
Local and foreign currency deposit ratings	
Long-term	**Baa3**
Short-term	**P-3**
Outlook	**Stable**
Local and foreign currency senior unsecured MTN ratings	
Long-term	**Ba1**
Short-term	**Not Prime**
Outlook	**Stable**
National scale deposit and senior unsecured MTN ratings	
Long-term	**Aaa.za**
Short-term	**P-1.za**
Sovereign rating	**Ba2 (Stable)**

S&P Global Ratings

	Nedbank Limited
S&P report date	**November 2024**
Foreign currency ratings	
Long-term	**BB-**
Short-term	**B**
Outlook	**Positive**
SA national scale ratings	
Long-term	**zaAA+**
Short-term	**zaA-1+**

Additional tier 1 capital instruments

The group issued additional tier 1 (AT1) capital instruments as follows:

Instrument code	Instrument terms	2024	2023
Subordinated callable notes (rand-denominated)			
NGT103	3-month JIBAR + 4,40% per annum		671
NGT104	3-month JIBAR + 4,50% per annum	**1 829**	1 829
NGT105	3-month JIBAR + 4,25% per annum	**1 000**	1 000
NGT106	3-month JIBAR + 4,95% per annum	**500**	500
NGT107	3-month JIBAR + 4,55% per annum	**472**	472
NGT108	3-month JIBAR + 4,67% per annum	**1 537**	1 537
NGT1G – Green AT1	3-month JIBAR + 4,10% per annum	**910**	910
NGT109	3-month JIBAR + 3,91% per annum	**700**	700
NGT110	3-month JIBAR + 3,91% per annum	**350**	350
NGT111	3-month JIBAR + 3,79% per annum	**1 000**	1 000
NGT112	3-month JIBAR + 3,40% per annum	**500**	500
NGT113	3-month JIBAR + 3,28% per annum	**1 000**	1 000
NGT114	3-month JIBAR + 2,90% per annum	**3 000**	
Total non-controlling interest attributable to additional tier 1 capital instruments		**12 798**	10 469

The additional tier 1 notes are perpetual, subordinated instruments with no set redemption date. Subject to regulatory approval, these notes can be redeemed at the discretion of the issuer, either Nedbank Group Limited or Nedbank Limited, starting from the applicable call date or following a regulatory or tax event. Interest payments on these notes are non-cumulative and made at the issuer's discretion. Under certain conditions, regulators may prevent Nedbank from making interest payments. As a result, these instruments are classified as equity and are presented as a separate category within equity.

Notes

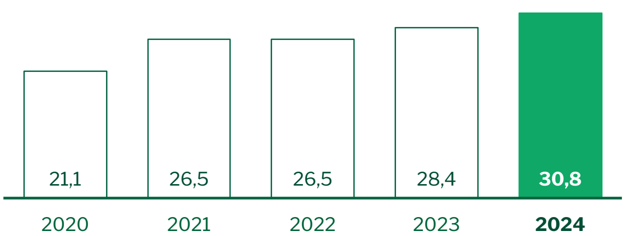
Shareholders' analysis

Register date	27 December 2024
Authorised share capital	600 000 000 shares
Issued share capital	488 020 500 shares

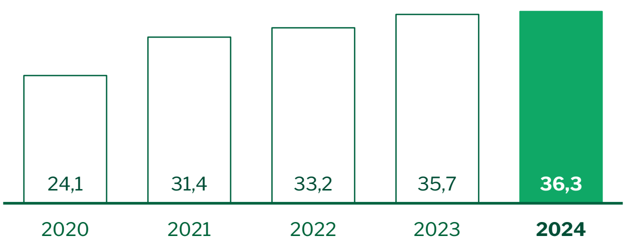
	Number of shares	2024 % holding	2023 % holding
Major shareholders/managers[1]			
Nedbank Group treasury shares	21 025 730	**4,30**	4,82
BEE trusts	2 597 880	**0,53**	0,53
Eyethu scheme – Nedbank SA	2 482 790	**0,51**	0,51
Omufima scheme – Nedbank Namibia	115 090	**0,02**	0,02
Nedbank Group (2005) Restricted- and Matched-share Schemes	14 199 691	**2,91**	3,47
Nedbank Namibia Limited	47 512	**0,01**	0,01
General repurchase of shares	206 705	**0,04**	
Nedbank Foundation Trust	2 055		
Nedbank Social Development Fund Trust	3 971 887	**0,81**	0,81
Public Investment Corporation (SA)	72 245 968	**14,80**	14,75
Allan Gray (SA)	38 964 483	**7,98**	9,38
Coronation Fund Managers (SA)	25 183 839	**5,16**	4,89
BlackRock Incorporated (international)	22 770 455	**4,67**	4,53
The Vanguard Group Incorporated (international)	19 211 209	**3,94**	3,82
Old Mutual Life Assurance Company (SA) Limited and associates (includes funds managed on behalf of other beneficial owners)	19 112 929	**3,92**	3,81
Ninety One (SA)	17 978 638	**3,68**	3,43
Sanlam Investment Management Proprietary Limited (SA)	16 294 492	**3,34**	3,07
Lazard Asset Management (international)	14 311 915	**2,93**	2,67
Fairtree Asset Management Pty Ltd (SA)	10 197 416	**2,09**	2,03
Major beneficial shareholders[1]			
Government Employees Pension Fund (SA)	77 459 809	**15,87**	15,37
Allan Gray (SA)	28 229 715	**5,78**	6,88

[1] *Source: Vaco Ownership at 27 December 2024. Disclosures for 2023 as per Vaco Ownership and JP Morgan Cazenove.*

Index classified shareholding
(%)



Foreign shareholding
(%)



	Number of shares	2024 % holding	2023 % holding
Geographical distribution of shareholders[1]			
Domestic	311 032 827	**63,73**	64,31
SA	301 354 874	**61,75**	59,68
Namibia	9 677 953	**1,98**	1,84
Unclassified			2,79
Foreign	176 987 673	**36,27**	35,69
USA	89 810 529	**18,40**	15,78
Asia	30 051 878	**6,16**	5,85
Europe	19 651 723	**4,03**	4,78
UK and Ireland	18 695 009	**3,83**	3,12
Other countries	18 778 534	**3,85**	6,16
Total shares listed	488 020 500	**100,00**	100,00
Less: Treasury shares held	21 025 730		
Net shares reported	466 994 770		

[1] *Source: Vaco Ownership at 27 December 2024. Disclosures for 2023 as per Vaco Ownership and JP Morgan Cazenove.*

Basel III balance sheet credit exposure by business cluster and asset class

Rm	Nedbank CIB	Property Finance	Nedbank Retail and Business Banking	Nedbank Wealth	Nedbank Africa Regions	Centre	Nedbank Group 2024
AIRB approach	457 075	190 495	469 748	23 563	302	93 776	1 044 464
Corporate	217 909	57 795	23 134	144	302		241 489
Specialised lending – HVCRE[4]	4 423	4 423		9			4 432
Specialised lending – IPRE[5]	125 196	125 027	465	4 658			130 319
Specialised lending – project finance	57 776						57 776
SME – corporate	6 045	3 250	45 074	1 597			52 716
Public sector entities	10 333		29				10 362
Local governments and municipalities	10 054		2 270				12 324
Sovereign	11 603		7	95		93 776	105 481
Banks	13 414		15	5 742			19 171
Retail mortgage			178 061	9 567			187 628
Retail revolving credit			18 187	73			18 260
Retail – other	2		168 833	153			168 988
SME – retail	19		33 501	1 525			35 045
Securities firms	301						301
Securitisation exposure			172				172
TSA[6]	129	–	458	32 740	38 666	–	71 993
Corporate	129			2 314	6 113		8 556
SME – corporate			458	1 192			1 650
Public sector entities					708		708
Local government and municipalities					49		49
Sovereign				10 317	13 997		24 314
Banks				12 307	2 505		14 812
Retail mortgage				6 312	7 059		13 371
Retail revolving credit					288		288
Retail – other				201	4 344		4 545
SME – retail				97	3 603		3 700
PiPs			56	12	136		204
Non-regulated entities	17 622		34				17 656
Total Basel III balance sheet exposure[7]	474 826	190 495	470 296	56 315	39 104	93 776	1 134 317
dEL (AIRB approach)							
Expected-loss performing book							
BEEL on defaulted advances							
IFRS impairment on AIRB loans and advances							
Excess of downturn expected loss over eligible provisions[8]							

[1] *Risk weighting is shown as a percentage of exposure at default (EAD) for the AIRB approach and as a percentage of total credit extended for the standardised approach (TSA).*
[2] *dEL is in relation to performing loans and advances.*
[3] *Best estimate of expected loss (BEEL) is in relation to defaulted loans and advances.*
[4] *High-volatility commercial real estate.*

Mix (%)	Change (%)	Risk weighting[1]	Downturn expected loss (dEL)[2]	BEEL[3]	Nedbank Group 2023	Downturn expected loss (dEL)[2]	BEEL[3]
92,08	9,73	38,29	9 048	18 615	951 847	9 176	18 815
21,29	19,39	40,19	850	919	202 275	988	1 754
0,39	(10,34)	90,59	48	447	4 943	47	329
11,49	9,72	29,45	231	593	118 776	234	455
5,09	24,68	54,94	175	110	46 338	191	46
4,65	8,07	56,08	332	1 184	48 779	278	1 120
0,91	95,77	35,79	58	2	5 293	88	201
1,09	24,55	46,37	64		9 895	67	
9,3	10,55	10,74	16	58	95 413	37	48
1,69	(25,96)	47,19	198		25 894	234	
16,54	4,86	28,22	1 262	3 811	178 927	1 141	3 076
1,61	2,43	60,63	934	1 960	17 826	952	1 869
14,9	4,05	49,15	4 213	8 642	162 413	4 341	9 075
3,09	1,39	47,49	667	889	34 566	569	842
0,03	(10,68)	25,67			337	9	
0,02		73,04			172		
6,35	1,53	60,5	–	–	70 906	–	–
0,75	51,49	101,64			5 648		
0,15	(8,23)	41,10			1 798		
0,06	27,57	93,95			555		
	145,00	99,52			20		
2,14	(3,61)	74,21			25 225		
1,31	(15,02)	29,97			17 430		
1,18	1,12	36,16			13 223		
0,03	4,73	30,10			275		
0,40	37,64	69,36			3 302		
0,33	7,87	70,56			3 430		
0,02	(1,45)				189		
1,56	(4,08)				18 407		
100.00	8,93		9 048	18 615	1 041 349	9 176	18 815
				27 663			27 991
				9 048			9 176
				18 615			18 815
				(27 596)			(28 430)
				67			(439)

5 *Income-producing real estate.*
6 *A portion of the legacy Imperial Bank book in Nedbank RBB, Nedbank Private Wealth (UK) and the non-South African banking entities in Africa are covered by TSA.*
7 *Balance sheet credit exposure includes on-balance-sheet, repurchase and resale agreements and derivative exposure.*
8 *Shortfall of impairments compared to downturn expected loss for IRB exposures totaled R67m at 31 December 2024 (2023: R439m surplus). In line with Banks Act regulations, the total amount that may be included in tier 2 unimpaired reserve funds is limited to 0,6% of total IRB risk-weighted assets, which amounted to R2 860m at 31 December 2024 (2023: R2 720m).*

Nedbank Limited consolidated statement of comprehensive income

for the year ended 31 December

Rm	Change %	2024	2023
Interest and similar income	8	**120 391**	111 796
Interest expense and similar charges	11	**82 856**	74 645
Net interest income	1	**37 535**	37 151
Non-interest revenue and income	7	**23 632**	22 033
Net commission and fee income		**17 380**	16 528
Commission and fee revenue		**22 848**	21 599
Commission and fee expense		**(5 468)**	(5 071)
Net insurance expense		**(63)**	(78)
Fair-value adjustments		**528**	533
Net trading income		**3 846**	3 559
Equity investment income		**602**	689
Investment income		**180**	125
Net sundry income		**1 159**	677
Share of gains of associate companies	(6)	**75**	80
Total net income before impairment charge on financial instruments	3	**61 242**	59 264
Impairments charge on financial instruments	(18)	**7 695**	9 380
Total net income	7	**53 547**	49 884
Total operating expenses	6	**35 490**	33 625
Indirect taxation	(7)	**952**	1 019
Impairments charge on non-financial instruments and other losses	(2)	**171**	175
Profit before direct taxation	12	**16 934**	15 065
Total direct taxation	14	**3 727**	3 259
Direct taxation		**3 762**	3 306
Taxation on impairments charge on non-financial instruments and other losses		**(35)**	(47)
Profit for the year	12	**13 207**	11 806
Other comprehensive income (OCI) net of taxation	(79)	**175**	837
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translating foreign operations		**32**	651
Debt investments at FVOCI – net change in fair value		**90**	235
Cash flow hedge losses		**(10)**	(190)
Items that may not subsequently be reclassified to profit or loss			
Property revaluations		**(15)**	(37)
Remeasurements on long-term employee benefit assets		**80**	201
Equity instruments at FVOCI – net change in fair value		**(2)**	(23)
Total comprehensive income for the year	6	**13 382**	12 643

Rm	Change %	2024	2023
Profit attributable to:			
– Ordinary shareholders	12	**13 061**	11 634
– Holders of participating preference shares	(8)	**153**	166
– Non-controlling interest – ordinary shareholders	>(100)	**(7)**	6
Profit for the year	12	**13 207**	11 806
Total comprehensive income attributable to:			
– Ordinary shareholders	6	**13 236**	12 471
– Holders of participating preference shares	(8)	**153**	166
– Non-controlling interest – ordinary shareholders	>(100)	**(7)**	6
Total comprehensive income for the year	6	**13 382**	12 643
Headline earnings reconciliation			
Profit attributable to ordinary shareholders	12	**13 061**	11 634
Less: Non-headline earnings items	(6)	**(136)**	(128)
Impairments charge on non-financial instruments and other losses		**(171)**	(175)
Taxation on impairments charge on non-financial instruments and other losses		**35**	47
Headline earnings attributable to ordinary and preference shareholders	12	**13 197**	11 762

Nedbank Limited consolidated financial highlights

for the year ended

Rm	2024	2023
ROE (%)	**16,0**	14,5
ROA (%)	**1,07**	1,00
NII to average interest-earning banking assets (%)	**3,90**	4,07
CLR – banking advances (%)	**0,89**	1,10
Cost-to-income ratio	**58,0**	56,7

Nedbank Limited consolidated statement of financial position

at 31 December

Rm	Change %	2024	2023
Assets			
Cash and cash equivalents	7	**43 317**	40 611
Other short-term securities	(1)	**58 563**	59 299
Derivative financial instruments	25	**16 866**	13 539
Government securities	15	**190 148**	164 961
Other dated securities	50	**5 346**	3 563
Banking loans and advances	6	**921 113**	870 768
Trading loans and advances	31	**47 351**	36 174
Other assets	15	**9 908**	8 643
Current taxation assets	(36)	**61**	96
Investment securities	5	**8 032**	7 675
Non-current assets held for sale	(100)		315
Investments in associate companies	36	**1 481**	1 089
Deferred taxation assets	(69)	**178**	570
Property and equipment		**9 396**	9 353
Long-term employee benefit assets	13	**5 284**	4 690
Intangible assets	5	**9 686**	9 210
Total assets	8	**1 326 730**	1 230 556
Total equity and liabilities			
Ordinary share capital		**28**	28
Ordinary share premium		**20 073**	20 073
Reserves	7	**69 933**	65 485
Total equity attributable to equity holders of the parent	5	**90 034**	85 586
Holders of participating preference shares	(3)	**103**	106
Holders of additional tier 1 capital instruments	22	**12 798**	10 469
Non-controlling interest attributable to ordinary shareholders	(32)	**15**	22
Total equity	7	**102 950**	96 183
Derivative financial instruments	(17)	**11 445**	13 802
Amounts owed to depositors	8	**1 148 603**	1 058 634
Provisions and other liabilities	(2)	**15 822**	16 152
Current taxation liabilities	>100	**108**	51
Deferred taxation liabilities	32	**206**	156
Long-term employee benefit liabilities		**38**	38
Long-term debt instruments	4	**47 558**	45 540
Total liabilities	8	**1 223 780**	1 134 373
Total equity and liabilities	8	**1 326 730**	1 230 556

Definitions

12-month expected credit loss (ECL) Expected credit loss that results from default events on financial instruments occurring within the 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months), weighted by the probability of the defaults occurring.

Assets under administration (AUA) (Rm) Market value of assets held in custody on behalf of clients.

Assets under management (AUM) (Rm) Market value of assets managed on behalf of clients.

Basic earnings per share (cents) Attributable income divided by the weighted-average number of ordinary shares.

Black persons A generic term that refers to South African citizens who are African, Coloured or Indian.

Central counterparty (CCP) A clearing house that interposes itself between counterparties for contracts traded in 1 or more financial markets, becoming the buyer to every seller and the seller to every buyer, thereby ensuring the future performance of open contracts.

Common-equity tier 1 (CET1) capital adequacy ratio (%) CET1 regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.

Cost-to-income ratio (%) Total operating expenses as a percentage of total net income before impairment charges on financial instruments, being net interest income, non-interest revenue and income, and share of profits or losses from associates and joint arrangements.

Coverage (%) On-balance-sheet ECLs divided by on-balance-sheet gross banking loans and advances. Coverage excludes ECLs on off-balance-sheet amounts, ECL and gross banking loans and advances on the fair-value-through-other-comprehensive-income (FVOCI) portfolio, and loans and advances measured at fair value through profit or loss (FVTPL).

Credit loss ratio (CLR) (% or bps) The income statement impairment charge on banking loans and advances as a percentage of daily average gross banking loans and advances. Includes the ECL recognised in respect of the off-balance-sheet portion of loans and advances.

Contractual service margin (Rm) For general measurement model (GMM) products, represents unrecognised shareholders' future profit on long-term products.

Countercyclical buffer (CCyB) A capital buffer requirement that aims to protect the banking sector through increased capital requirements in periods when credit growth consistently exceeds economic growth.

Default In line with the Basel III definition, default in respect of a client in the following instances:

- When the bank considers that the client is unlikely to pay their credit obligations to the bank in full without the bank having recourse to actions such as realising security (if held).
- When the client is past due for more than 90 days on any material credit obligation to the bank. Overdrafts will be considered as being past due if the client has breached an advised limit or has been advised of a limit smaller than the current outstanding amount.
- In terms of the Nedbank Group Credit Policy, when the client is placed under business rescue in accordance with the Companies Act, 71 of 2008, and when the client requests a restructure of their facilities as a result of financial distress, except where debtor substitution is allowable in terms of the regulations.

  At a minimum, a default is deemed to have occurred where a material obligation is past due for more than 90 days or when a client has exceeded an advised limit for more than 90 days. A stage 3 impairment is raised against such a credit exposure due to a significant perceived decline in the client's credit quality.

  For retail portfolios this is product-centred – a default would therefore be for a specific advance. For all other portfolios, except specialised lending, it is client- or borrower-centred, meaning that should any transaction with a legal-entity borrower default, all transactions with that legal-entity borrower would be treated as having defaulted.

  To avoid short-term volatility, Nedbank employs a 6-month curing definition where subsequent defaults will be an extension of the initial default.

Diluted headline earnings per share (DHEPS) (cents) Headline earnings divided by the weighted-average number of ordinary shares, adjusted for potential dilutive ordinary shares.

Directive 7/2015 A directive from the PA that provides clarity on how banks should identify restructured credit exposures and how these exposures should be treated for purposes of the definition of default.

Dividend cover (times) Headline earnings per share divided by dividend per share.

Economic profit (EP) (Rm) Headline earnings less the cost of equity (total equity attributable to equity holders of the parent, less goodwill, multiplied by the group's cost-of-equity percentage).

Effective taxation rate (%) Direct taxation as a percentage of profit before direct taxation, excluding impairments charged on non-financial instruments and sundry gains or losses.

Earnings per share (EPS) (cents) Earnings attributable to ordinary shareholders, divided by the weighted-average number of ordinary shares in issue.

Expected credit losses Difference between all contractual cash flows that are due to the bank in terms of the contract and all the cash flows that the bank expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate related to default events on financial instruments that are possible within 12 months after the reporting date (stage 1) or that result from all possible default events over the life of the financial instrument (stage 2 and 3).

Flac instruments A new tranche of loss-absorbing and non-regulatory debt instruments that will be subordinated to other unsecured liabilities. These debt instruments are intended for bail-in resolutions.

Forward-looking economic expectations The impact of forecast macroeconomic conditions in determining a SICR and ECL.

Headline earnings (Rm) The profit attributable to equity holders of the parent, excluding specific separately identifiable remeasurements, net of related tax and non-controlling interests.

Headline earnings per share (HEPS) (cents) Headline earnings divided by the weighted-average number of ordinary shares in issue.

High-quality liquid assets (HQLA) Assets that can be converted easily and immediately into cash at little or no loss of value.

Lifetime ECL The ECL of default events between the reporting date and the end of the lifetime of the financial asset, weighted by the probability of the defaults occurring.

Life insurance value of new business (Rm) A measure of the value added to a company as a result of writing new business. Value of new business (VNB) is calculated as the discounted value, at the valuation date, of projected after-tax shareholder profit from a covered new business that commenced during the reporting period, net of frictional costs and the cost of non-hedgeable risk associated with writing new business, using economic assumptions at the start of the reporting period.

Loss given default The estimated amount of credit losses when a borrower defaults on a loan.

Net asset value (NAV) (Rm) Total equity attributable to equity holders of the parent.

Net asset value (NAV) per share (cents) NAV divided by the number of shares in issue, excluding shares held by group entities at the end of the period.

Net interest income (NII) to average interest-earning banking assets (AIEBA) (%) NII as a percentage of daily average total assets, excluding trading assets. Also called net interest margin (NIM).

Net monetary gain/(loss) (Rm) The gain or loss in purchasing power of the net monetary position (monetary assets less monetary liabilities) of an entity operating in a hyperinflation environment.

Non-interest revenue and income (NIR) to total income (%) Non-interest revenue and income as a percentage of total net income before impairment charges on financial instruments.

Number of shares listed (number) Number of ordinary shares in issue, as listed on the JSE.

Off-balance-sheet exposure Undrawn loan commitments, guarantees and similar arrangements that expose the group to credit risk.

Ordinary dividends declared per share (cents) Total dividends to ordinary shareholders declared in respect of the current period.

Performing stage 3 loans and advances (Rm) Loans that are up to date (i.e. not in default) but classified as having defaulted due to regulatory requirements, i.e. Directive 7/2015 or the curing definition.

Positive cycle-neutral CCyB (PCN CCyB) PCN CCyB is a macroprudential tool that can be used to build up and maintain capital buffers when risks are assessed to be neither subdued nor elevated to be released in the event of sudden shocks, including those unrelated to the credit cycle.

Preprovisioning operating profit (PPOP) (Rm) Headline earnings plus direct taxation plus impairment charge on loans and advances.

Price-to-earnings ratio (historical) Closing share price divided by the headline earnings, multiplied by the total days in the year, divided by the total days in the period.

Price-to-book ratio (historical) Closing share price divided by the net asset value per share.

Profit attributable to equity holders of the parent (Rm) Profit for the period less non-controlling interests pertaining to ordinary shareholders, preference shareholders and additional tier 1 capital instrument noteholders.

Profit for the period (Rm) Income statement profit attributable to ordinary shareholders of the parent before non-controlling interests.

Return on assets (ROA) (%) Net contribution (headline earnings) divided by the average daily assets, multiplied by the total days in the year, divided by the total days in the period.

Return on equity (ROE) (%) Headline earnings as a percentage of daily average ordinary shareholders' equity.

Return on cost of ETI investment (%) Associate income from the group's ETI investment divided by the group's original cost of investment (R6 265m).

Return on tangible equity (%) Headline earnings as a percentage of daily average ordinary shareholders' equity, less intangible assets.

Return on risk-weighted assets (RWA) (%) Headline earnings as a percentage of monthly average risk-weighted assets.

Risk-weighted assets (RWA) (Rm) On-balance-sheet and off-balance-sheet exposures after having applied prescribed risk weightings according to the relative risk of the counterparty.

Stage 1 Financial assets for which the credit risk (risk of default) at the reporting date has not significantly increased since initial recognition.

Stage 2 Financial assets for which the credit risk (risk of default) at the reporting date has significantly increased since initial recognition.

Stage 3 Any advance or group of loans and advances that has triggered the Basel III definition of default criteria in line with South African banking regulations. At a minimum, a default is deemed to have occurred where a material obligation is past due for more than 90 days or a client has exceeded an advised limit for more than 90 days. A stage 3 impairment is raised against such a credit exposure due to a significant perceived decline in the credit quality.

Stage 3 ECL (Rm) ECL for banking loans and advances that have been classified as stage 3 advances.

Tangible net asset value (Rm) Equity attributable to equity holders of the parent, excluding intangible assets.

Tangible net asset value per share (cents) Tangible NAV divided by the number of shares in issue, excluding shares held by group entities at the end of the period.

Tier 1 capital adequacy ratio (CAR) (%) Tier 1 regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.

Total capital adequacy ratio (CAR) (%) Total regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.

Total income growth rate less expenses growth rate (JAWS ratio) (%) Measure of the extent to which the growth rate of the total net income before impairment charges on financial instruments exceeds the growth rate of total operating expenses.

Value in use (VIU) (Rm) The present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Weighted-average number of shares (number) The weighted-average number of ordinary shares in issue during the period listed on the JSE.

Abbreviations and acronyms

AFR available financial resources
AGM annual general meeting
AI artificial intelligence
AIEBA average interest-earning banking assets
AIRB Advanced Internal Ratings-based
AMA advanced measurement approach
AML anti-money-laundering
API application programming interface
AUA assets under administration
AUM assets under management
BBBEE broad-based black economic empowerment
BEE black economic empowerment
bn billion
bps basis point(s)
CAGR compound annual growth rate
CAR capital adequacy ratio
CASA current account savings account
CCP central counterparty
CET1 common-equity tier 1
CIB Corporate and Investment Banking
CIPC Companies and Intellectual Property Commission
CLR credit loss ratio
COE cost of equity
CPI consumer price index
CPF commercial property finance
CSI corporate social investment
CSM contractual service margin
CVP client value proposition
CX client experience
DHEPS diluted headline earnings per share
D-SIB domestic systemically important bank
ECL expected credit loss
EE employment equity
ELB entry-level banking
EP economic profit
EPS earnings per share
ESG environmental, social and governance
ETI Ecobank Transnational Incorporated
EVE economic value of equity
FCTR foreign currency translation reserve
FSC Financial Sector Code
FSCA Financial Sector Conduct Authority
FVOCI fair value through other comprehensive income
FVTPL fair value through profit or loss
FX foreign exchange
GDP gross domestic product
GFC great financial crisis
GLAA gross loans and advances
GLC great lockdown crisis
GOI gross operating income
HE headline earnings
HEPS headline earnings per share
HPI house price index
HQLA high-quality liquid asset(s)
IAS International Accounting Standard(s)
ICAAP Internal Capital Adequacy Assessment Process
IFRS International Financial Reporting Standard(s)
ILAAP Internal Liquidity Adequacy Assessment Process
IMF International Monetary Fund
JIBAR Johannesburg Interbank Agreed Rate
JSE JSE Limited
LAA loans and advances
LAP liquid-asset portfolio
LCR liquidity coverage ratio
LIBOR London Interbank Offered Rate
LTI long-term incentive
m million
M&A mergers and acquisitions
MFC Motor Finance Corporation (vehicle finance division of Nedbank)
MRC minimum required capital
MZN Mozambican metical
N/A not applicable
Nafex Nigerian Autonomous Foreign Exchange Rate Fixing Methodology
NAR Nedbank Africa Regions
NCA National Credit Act, 34 of 2005
NCD negotiable certificate of deposit
NCOF net cash outflows
NGN Nigerian naira
NII net interest income
NIR non-interest revenue and income
NIM net interest margin
NPL non-performing loan(s)
NPS Net Promoter Score
NSFR net stable funding ratio
nWoW new Ways of Work
OCI other comprehensive income
OM Old Mutual
PA Prudential Authority
PAT profit after tax
PAYU pay as you use (account)
plc public limited company
PPOP preprovisioning operating profit
PRMA postretirement medical aid
R rand
RBB Retail and Business Banking
Rbn South African rand expressed in billions
REIPPPP Renewable Energy Independent Power Producer Procurement Programme
REIT real estate investment trust
Rm South African rand expressed in millions
ROA return on assets
ROE return on equity
RORWA return on risk-weighted assets
RPA robotic process automation
RRB Retail Relationship Banking
RTGS real-time gross settlement
RWA risk-weighted assets
SA South Africa
SAcsi South African Customer Satisfaction Index
SADC Southern African Development Community
SAICA South African Institute of Chartered Accountants
S&P Standard & Poor's
SARB South African Reserve Bank
SDG Sustainable Development Goal
SICR significant increase in credit risk
SME small and medium enterprises
STI short-term incentive
TSA the standardised approach
TTC through the cycle
UK United Kingdom
UN United Nations
USA United States of America
USD United States dollar (currency code)
USSD unstructured supplementary service data
VAF vehicle and asset finance
VaR value at risk
VIU value in use
VNB value of new business
YES Youth Employment Service
yoy year on year
ytd year to date
ZAR South African rand (currency code)

Company details

Nedbank Group Limited

Incorporated in the Republic of SA
Registration number 1966/010630/06

Registered office

Nedbank Group Limited | Nedbank 135 Rivonia Campus
135 Rivonia Road | Sandown | Sandton | 2196
PO Box 1144 | Johannesburg | 2000

Transfer secretaries in SA

JSE Investor Services Proprietary Limited
One Exchange Square | Gwen Lane | Sandown | Sandton | 2196
PO Box 4844 | Johannesburg | 2000 | SA

Transfer secretaries in Namibia

Transfer Secretaries Proprietary Limited
4 Robert Mugabe Avenue | Windhoek | Namibia
PO Box 2401 | Windhoek | Namibia

Instrument codes

Nedbank Group ordinary shares

JSE share code	NED
NSX share code	NBK
A2X share code	NED
ISIN	ZAE000004875
JSE alpha code	NEDI
ADR code	NDBKY
ADR CUSIP	63975K104

More information

Investor Relations

Email: nedgroupir@nedbank.co.za

Mike Davis

Chief Financial Officer
Email: michaeldav@nedbank.co.za

Alfred Visagie

Executive Head | Investor Relations
Tel: +27 10 234 5329
Email: alfredv@nedbank.co.za

Company Secretary	J Katzin
Sponsor in SA	Nedbank Corporate and Investment Banking, a division of Nedbank Limited.
Sponsor in Namibia	Old Mutual Investment Services (Namibia) Proprietary Limited

ince

nedbankgroup.co.za