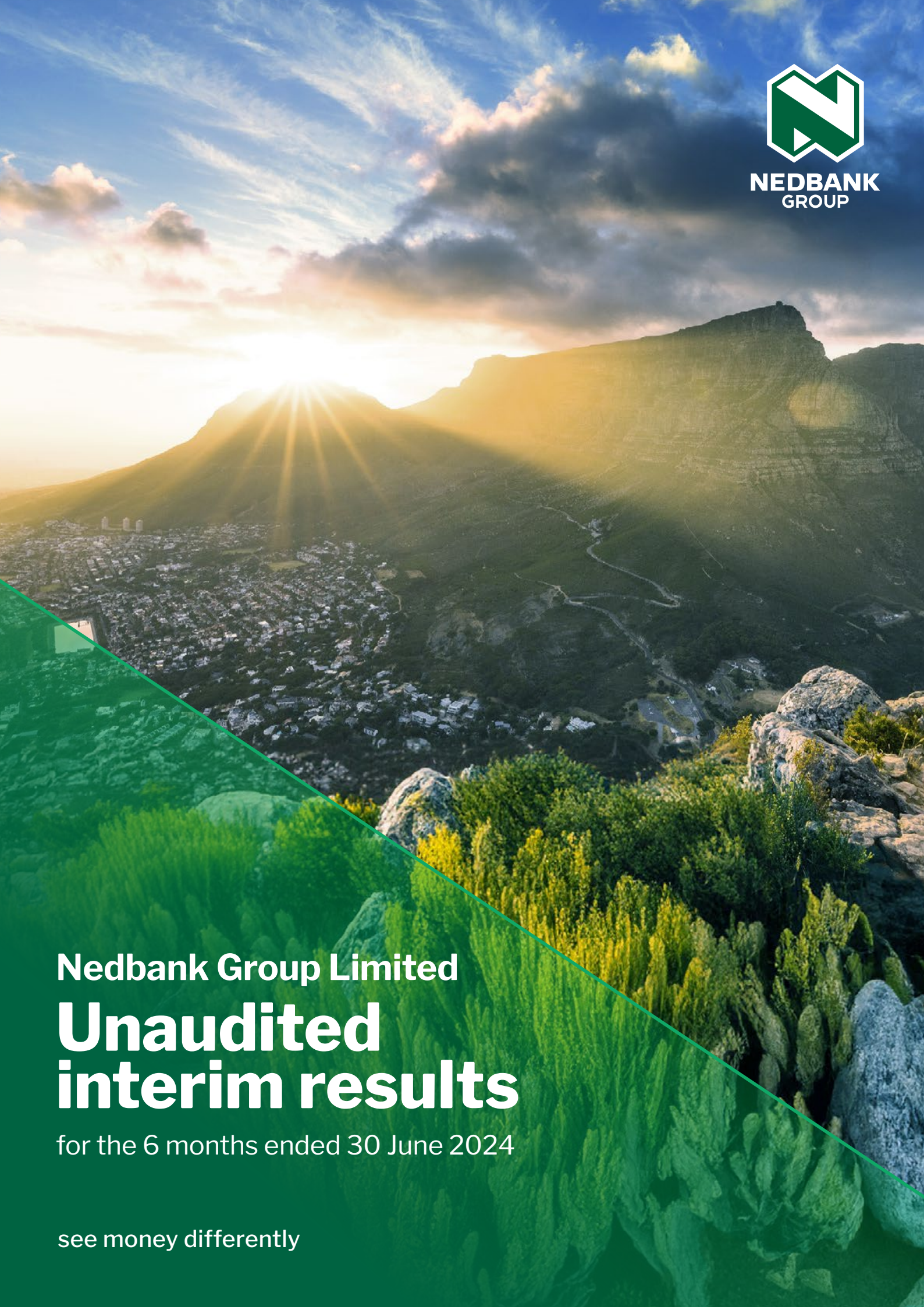


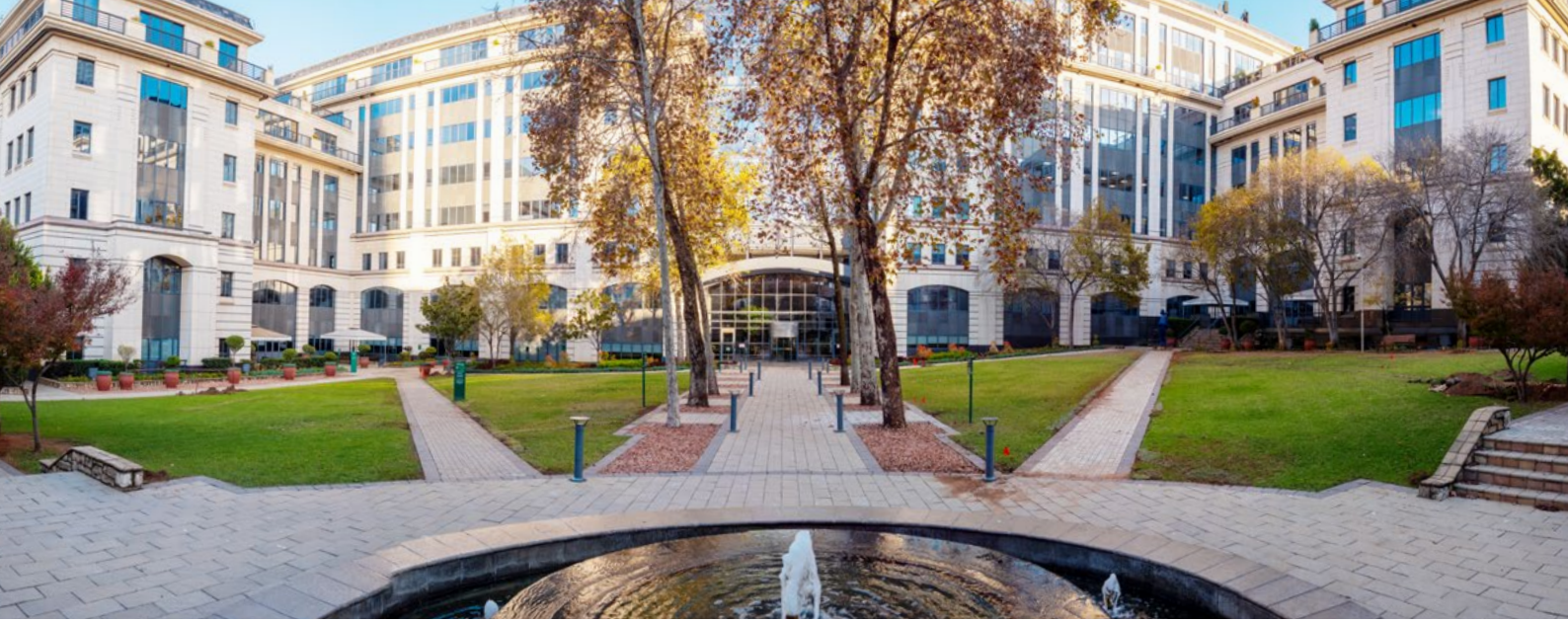
NEDBANK GROUP

Nedbank Group Limited

Unaudited interim results

for the 6 months ended 30 June 2024

see money differently



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IBC Company details

Financial highlights

Headline earnings
R7 911m ▲ 8%
(H1 2023: R7 329m)

DHEPS
1 650 cents ▲ 12%
(H1 2023: 1 477 cents)

ROE
15,0% ▲ 0,8%
(H1 2023: 14,2%)

CET 1
13,3% ▶
(H1 2023: 13,3%)

Dividend per share
971 cents ▲ 11,5%
(H1 2023: 871 cents)

NAV per share
23 097 cents ▲ 2%
(H1 2023: 22 548 cents)

CLR
104 bps ▼ 17bps
(H1 2023: 121 bps)

Cost to income
55,3% ▲ 2,4%
(H1 2023: 52,9%)



Strong financial performance in a difficult macroeconomic environment

The operating environment during the first 6 months of 2024 was challenging and economic activity remained weak, impacted by geopolitical uncertainty, high interest rates, persistent inflation and general uncertainty ahead of the national elections in South Africa (SA). Household finances remained under pressure as real incomes contracted and job prospects remained muted. Corporate activity was also weak on the back of the uncertain political and economic environment.
The financial implications of these difficult macroeconomic outcomes were evident in continued elevated levels of consumer strain and slow lending and transactional revenue growth across both wholesale and retail clients. A peaceful and fair election outcome and the swift formation of a government of national unity (GNU) spurred cautious optimism in financial markets resulting in lower bond yields, stronger equity markets and a stronger rand. Spreads on credit default swaps improved markedly, trending towards levels seen when the country's sovereign credit ratings were at investment grade.

Against this backdrop, Nedbank Group produced a relatively strong financial performance. Headline earnings (HE) increased by 8% yoy to R7,9bn, underpinned by good non-interest revenue growth, a lower impairment charge and tight cost control. The group's return on equity (ROE) improved to 15,0% from 14,2% in the prior period. Diluted headline earnings per share (HEPS) increased by 12%, benefitting from the R5bn capital optimisation programme. Balance sheet metrics all remained very strong, enabling the declaration of an interim dividend of 971 cents per share, up by 11,5%, at a payout ratio of 57%.

Our world-class technology platform, delivered through the Managed Evolution (ME) programme, has now reached 95% completion. This has supported ongoing strong growth in digital-related metrics; client satisfaction scores at the top end of the South African banking peer group; good main-banked client growth; higher levels of cross-sell; market share gains in areas that create most value, including retail deposits, home loans, vehicle finance and overdrafts; and efficiency gains as we delivered on our Target Operating Model (TOM) 2.0 target of R2,5bn. We have also continued to create wider positive impacts through R154bn of funding that supports sustainable development finance, aligned with the United Nations Sustainable Development Goals. In particular we are proud of growing renewable energy finance by 20% ytd; retaining our top-tier rankings on environmental, social and governance (ESG) scores; and maintaining our level 1 broad-based black economic empowerment status for the sixth year in a row.

We remain cautiously optimistic around the potential benefits associated with SA's GNU and expect better macroeconomic conditions in the second half of 2024 and into the medium-to-long term. We forecast SA's gross domestic product to increase by 0,9% in 2024, inflation to continue to decline and the South African prime lending rate to decline by a cumulative 50 bps in 2024 to end the year at 11,25%. On the back of an improving operating environment, we continue to aspire to deliver ongoing improvements in ROE to increase shareholder value. Our strong financial performance in H1 2024, together with the progress made in executing on our strategy and better economic prospects, give us confidence in making progress towards our medium-term targets* and, in particular, our aim to increase our ROE to 17% by 2025 and above 18% in the long term.

The seamless transition from Mike Brown to myself was well planned and executed. I am aligned with the board and the leadership teams, which has enabled us to continue running our business very smoothly. Improving performance is a key priority and I have adopted Nedbank's medium-term performance targets as my own. I am extremely comfortable with the strong foundations that Nedbank has built, including capital and liquidity levels and an improving financial performance, as well as the group's strong and vibrant culture, its focus on transformation (diversity, equity and inclusion), leading ESG credentials and significant investments in technology. We will continue to build on these strong foundations as we evolve and continuously refresh our strategy in response to an everchanging operating environment.

I extend my gratitude to all Nedbankers who have made me feel welcome as part of the organisation and contributed to our successes in the first half of the year. Thank you to our 7,5 million retail and wholesale clients who have entrusted Nedbank with serving their financial needs. My appreciation also goes out to the investment community, regulators and other stakeholders for their continued support. Nedbank remains strongly committed to making a meaningful and positive impact in society, using our financial expertise to do good for all stakeholders.

Jason Quinn
Chief Executive

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


2024
Interim Results
for the 6 months ended 30 June 2024
6 August 2024
see money differently
NEDBANK
GROUP

Notes:


Agenda
Overview
Operating environment
Strategic progress
Financial overview
Outlook & guidance
Jason Quinn
Chief Executive

Notes:

Overview

Environment – **Difficult operating environment** – challenging H1 2024 as corporates remained cautious ahead of the SA national elections & consumer finances strained, given ongoing high interest rates & inflation. Cautious optimism emerged post elections on the back of market-friendly outcomes.

Strategy – **Strategic delivery continues to show results** – good outcomes across our various strategic value unlocks, with a renewed focus on enhanced execution in support of ongoing value creation.

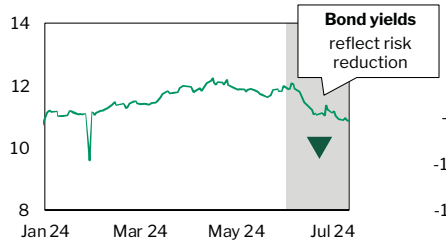
Financial – **Strong financial performance** – DHEPS +12% & ROE up to 15% yoy driven by lower impairments, good NIR growth & targeted expense management, underpinned by a very strong balance sheet, with the interim dividend per share +11,5%.

CE transition – **Seamless transition** – excellent working relationship with the board & leadership team, and strong alignment with the group's culture. Key focus on meeting the group's medium-term goals & building on the strategy in the normal course of business off strong foundations.

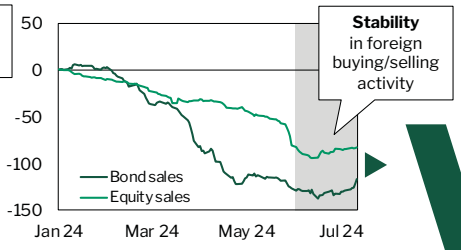
Notes:

Operating environment – a difficult start to the year ahead of the SA elections, but cautious optimism on the back of GNU outcomes

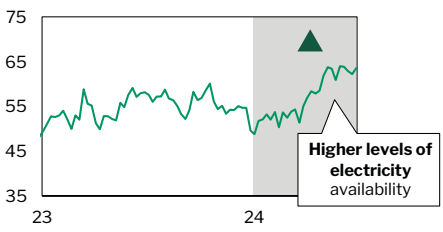
SA Government bond yields (%)



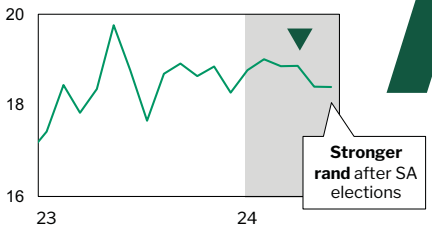
SA foreign bond & equity sales[1] (Rbn)



Eskom EAF[2](%)



Rand vs US$



Pre-elections

- **Corporates remained cautious** (slow growth in advances, except for pockets such as renewable energy)

Post-elections

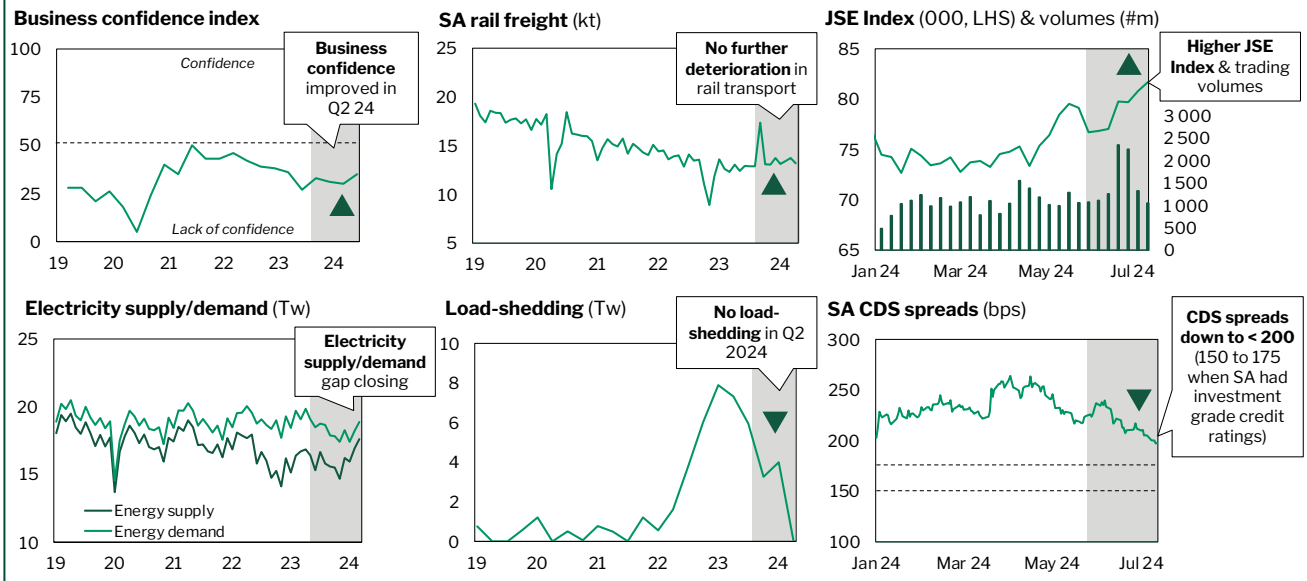
- Positive **market sentiment**
- **Positive trading conditions**
- **Lower bond yields** (driving lower COE)
- **CDS spreads** trending towards levels of when SA's sovereign credit was investment grade

[1] Cumulative sales from 2019 SA Bureau of Economic Research. | [2] Eskom electricity availability factor.

Notes:

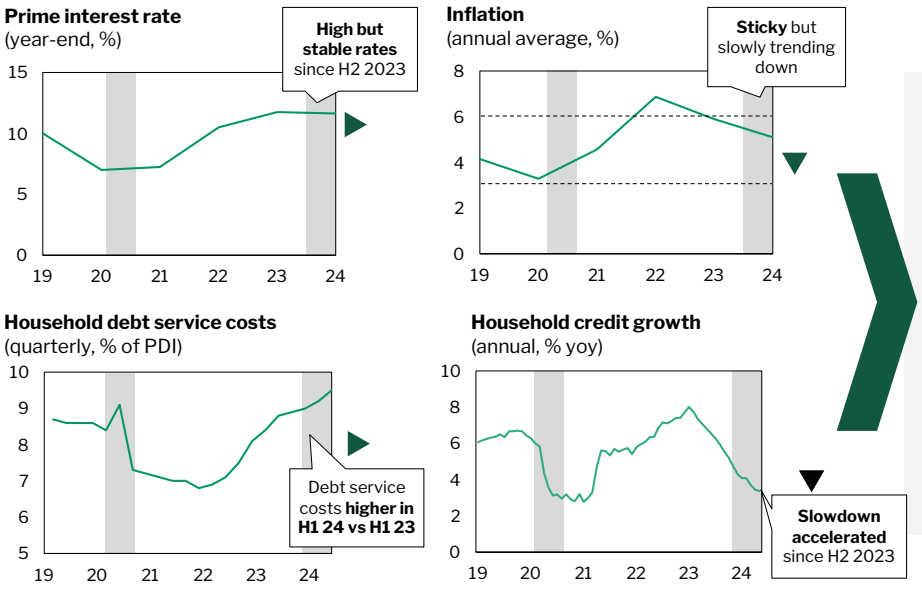
Operating environment – a difficult start to the year ahead of the SA elections, but cautious optimism on the back of GNU outcomes

Additional info



Notes:

Operating environment – consumers remain under pressure, but the environment is expected to improve from here



- **Consumers remain under pressure**, given high interest rates (+475 bps increase from 2021 lows) & sticky inflation at 5,1%)
- **Real household incomes contracting** – declined in Q1 2024 (by 0,6% yoy)
- **Job prospects remain muted** – unemployment rate increased slightly to 32,9% in Q1 2024 (Q4 2023: 32,1%)
- Household **credit & transactional revenue growth slowed**

Notes:

Nedbank Group strategy – well-positioned for refresh, building on strong foundations

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

Digital leadership (DX)	Market-leading client experiences (CX)	Focusing on areas that create value (SPT)	Efficient execution (TOM)	Creating positive impacts (Purpose delivery)

World-class technology platform

Our employees & differentiated corporate culture (EX)

Notes:

Steady execution across the board with further opportunities to improve

Strategic value drivers

Growth	Productivity	Risk & Capital Management
✗ Gross banking advances: +**4%** yoy	✓ **Good collection** outcomes in RBB & resolution of stage 3 loans in CIB	**Strong balance sheet**
✓ Retail main-banked clients: **+7%** yoy to 3,6m	✓ **TOM 2.0** cumulative benefits of **R2,6bn** achieved (target: R2,5bn)	✓ CET1 ratio: **13,3%** (11% to 12% target range)
✓ NAR clients: **+9%** yoy to 379k	✓ Focus on unlocking **incremental revenue & costs benefits** through TOM 2.1	✓ LCR: **127%** (100% reg min)
✓ App volumes: **+13%** yoy	✗ Cost-to-income ratio: **55,3%** (MT target: 52%)	✓ NSFR: **114%** (100% reg min)
✓ AUM: **+5%** yoy to **R463bn**		**Credit**
✓ Trading NIR: **+18%** yoy		✓ CLR down to **104 bps**, almost within target range (60 bps to 100 bps TTC)
✓ **Eqstra** acquisition in June '24		✓ ECL coverage strong: **3,51%** (2019: 2,31%)

Notes:



Notes:

Nedbank Group strategy

Our purpose

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Growth	Productivity	Risk and Capital Management

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World-class technology platform

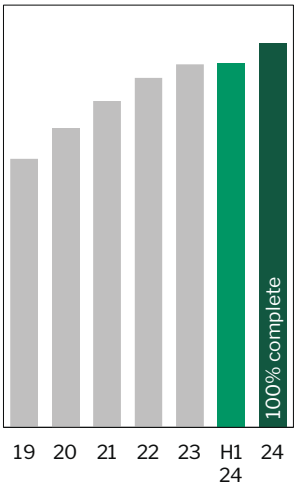
Our employees & differentiated corporate culture (EX)

NEDBANK GROUP LIMITED – 2024 Interim Financial Results 10

Notes:

Our world-class technology platform – Managed Evolution (ME) IT build materially on time, on scope, on budget

ME completion – 95%



Key focus areas

ME completion

- **Core banking modules** (increased focus & more resources allocated)
- **Home loans & VAF** digital onboarding & sales (8/10 client journeys have already been completed)

Rationalisation

Targeted product reduction[1]:

- Transactional **60%** ▼
- Investment **80%** ▼
- Lending TBD ▼

>2,2m MiGoals Accounts (including migrations)

Data commercialisation

- Established a **dedicated data & analytics team**
- **>50 AI use cases** across credit scoring, cross- & up-sell, fraud analytics, digital marketing, etc (revenue, cost & impairment benefits through TOM 2.1)

Harmonisation

- **NAR** system convergence started (target completion by end 2026)
- **Mobile app** convergence under consideration

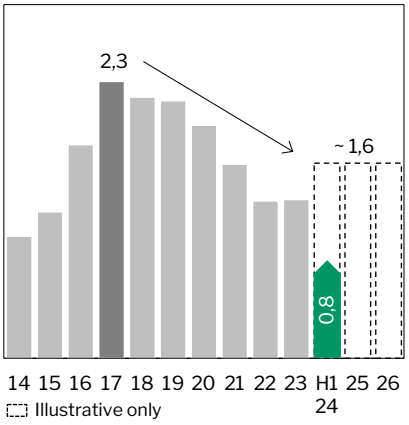
[1] *Current estimated product rationalisation. Target state lending products & juristic deposit product definitions remain work in progress.*

Notes:

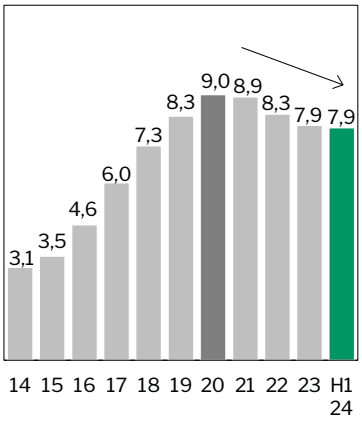
Managed Evolution IT build programme – cash flow spend peaked in 2017 at R2,3bn & intangible software assets peaked in 2020 at R9bn, while benefits are being realised according to plan

Additional info

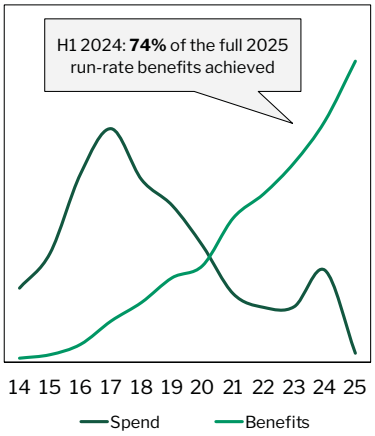
IT software development spend (Rbn annual cash flow)



Intangible software assets on the balance sheet (Rbn)



Investment vs benefit realisation to date (%)



Notes:

Benefits from our world-class technology platform & enhanced digital innovation continue to differentiate Nedbank

Strategic value unlocks

Benefits for our **clients**

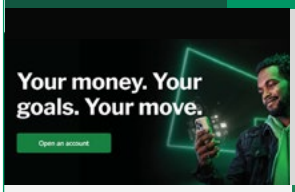
Digital onboarding

Seamless FICA-compliant onboarding of individual & juristic clients

Digital servicing

> 200
Individual services on Eclipse & Money app

> 400
Juristic services on Nedbank Business Hub

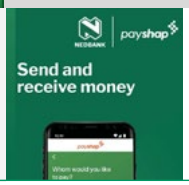


Digital product sales

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

Great client experiences

NPS
▲ #1 bank
(2020: #3)
LT target: #1



Payshap

23%
market share

Benefits for **Nedbank**

Revenue uplift

Retail cross-sell
▲ 2,00
(2020: 1,78)

Main-banked clients
▲ 3,6m
(+7% yoy)

Beyond Banking

Avo clients
▲ 2,7m
(+19% yoy)

VAS revenue
▲ 28%

TOM savings

cumulatively
>R4,5bn
(since 2020)



Operational efficiencies

Floor space
▼ 38%

Headcount
▼ 9%
(since 2020)

Cloud computing | storage

▲ 63% | 36%
Dec 2022: 23% | 23%
Dec 2023: 57% | 33%

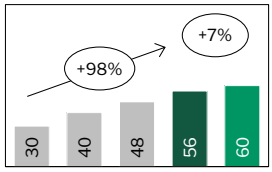
Notes:

Digital uptake & usage continue to grow strongly – independent benchmarking ranks Nedbank's digital capabilities highly

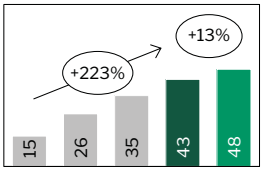
Strategic value unlocks

Additional info

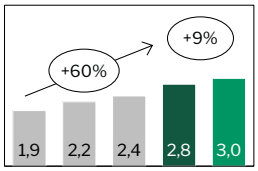
Digital transaction volumes
(# m)



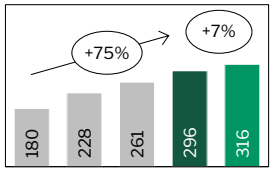
App transaction volumes
(# m)



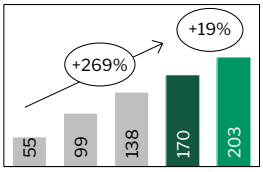
Digitally active clients
(# m)



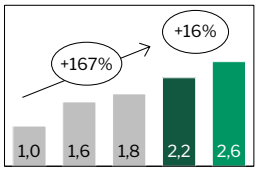
Digital transaction values
(Rbn)



App transaction values
(Rbn)

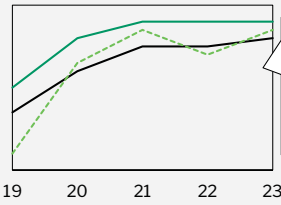


Money app active users
(# m)



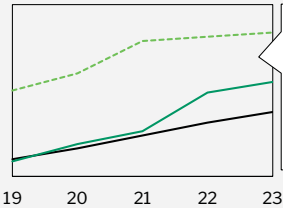
Change since 2020 2023 vs 2024

Capability
Servicing features offered (%)



'**Nedbank consistently above market** on capability & features offered to its customers'

Digital sales contribution
(%)



'Digital sales penetration grew strongly from '19 with **Nedbank extending its advantage over local peers**'

Nedbank SA average Mobile leaders average

Source: 2023 Finalta Survey (McKinsey & Company).

Notes:

Main-banked growth is evident & sustained across most segments

Strategic value unlocks

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-residents & Embassy Banking not shown. | [2] Client groups with gross operating income contributions in excess of R500 pm.

Notes:

Profitable market share gains in areas that create most value
(Strategic Portfolio Tilt)

Strategic value unlocks

BA900 market share (%)	**May 23**	**May 24**	Yoy change
Total core loans	18,8	18,5	▼
Wholesale term loans	17,1	16,2	▼
Commercial mortgages	36,8	35,4	▼
Home loans	14,2	14,5	▲
Retail vehicle finance	35,3	35,8	▲
Retail overdraft	12,9	15,5	▲
Personal loans	11,2	10,6	▼
Retail deposits	16,4	16,7	▲
Commercial deposits	16,5	15,3	▼

- **Yoy market share gains** in retail home loans, retail vehicle finance, retail overdrafts & retail deposits
- **Growth opportunities** – infrastructure & SDG-related financing, particularly in wholesale term lending (underpinned by strong renewable energy pipelines)
- **Selective credit origination** in commercial mortgages where we have a strong market position
- **Prudent credit granting** in unsecured lending in a difficult macroeconomic environment
- **Deposits** – retail deposits growth above industry levels (market share gains in CASA & demand deposits, with a slight loss in term deposits)

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.

Notes:

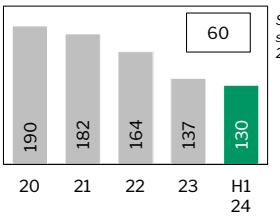
Efficient execution – ongoing operating model changes to support a lower cost-to-income ratio over the medium term

Strategic value unlocks

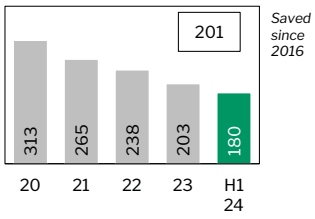
Target operating model (TOM)

- **TOM 2.0** – cumulative benefits of R2,6bn achieved (target: R2,5bn) ✓
- **TOM 2.1** – targeted benefits to be communicated at FY 2024 to allow for appropriate governance & incorporate into business planning
  - **Further benefits from TOM 2.0** floorspace, back-office optimisation, etc
  - **Data & analytics commercialisation**
  - **Payment modernisation**
  - **Intelligent hyper-automation** (process optimisation)

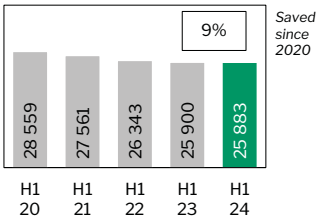
Branch floor space[1] ('000 m²)



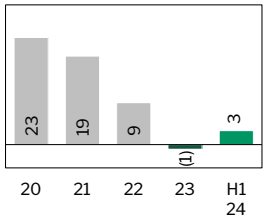
Corporate real estate floor space ('000 m²)



Permanent employees[2] (#)



Annual IT amortisation charge (% growth)



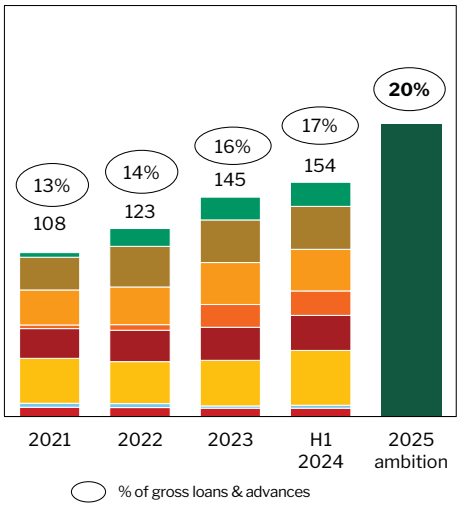
[1] *Total branch floor space (largely due to Imagine) saved since 2020 equates to a 32% reduction.*
[2] *Permanent employees down by 17 yoy (excl Eqstra down 293 yoy), largely due to natural attrition.*

Notes:

Creating positive impacts – more than R150bn support for sustainable development financing (SDF)

Strategic value unlocks

Sustainable development finance[1] (Rbn)



R23bn lending exposure to small businesses & their owners

simplybiz®
Registered business users
+180% to >74 000
(H1 23: 27 000)

R28bn support for farmers & the agriculture sector

R16bn sustainable finance across multiple SDGs (CIB clients)

R2bn financing for clean water & sanitation

Concluded a 15-year **R4,5bn** term loan facility to support 75 million m³/pa Limpopo water supply

R36bn total renewable energy exposures (R58bn limits)

Renewable energy	
Exposures	**+20%** ytd
Limits	**+27%** ytd
Pipeline (H2 24)	**R11bn**

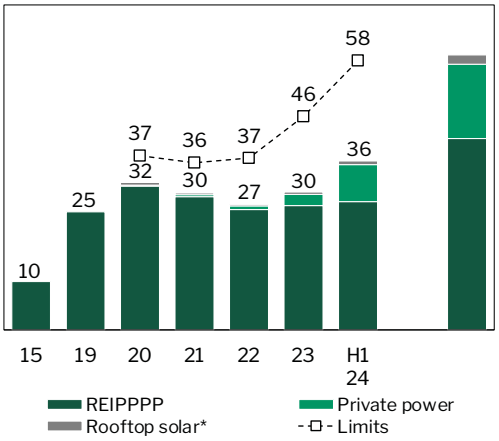
[1] *By the end of 2025, it is our ambition to have increased our SDF exposures to around 20% of the group's total gross loans & advances, achieved by support for more than R150bn in new SDF that is aligned with the SDGs (from our 2021 base).*

Notes:

Creating positive impacts – building on our leadership in renewable energy: exposures +20% & limits +27% since December 2023

Strategic value unlocks

Renewable energy financing
(drawn exposures, limits, Rbn)



Nedbank has supported 4,3 GW REIPPPP & private power projects to date

Renewable energy financing opportunities to date

RBB renewable finance
- Solid growth in Commercial Banking & Retail

CIB mandated on 1 GW
of new commercial private generation
- 6 projects closed in H1 24 (0,9 GW)
- 7 projects anticipated to close in H2 24 (0,7 GW)

CIB mandated on 0,5 GW of Government projects
- 3 projects expected to close in '24 (0,2 GW)
- Round 7 (5GW expected market size) delayed to '25 given grid-access deliberations

R16bn CIB book growth expected for 2024 (H1 '24: R5bn)

Nedbank's approved pipelines support a further >1,6 GW of new renewable energy

** Rooftop solar understated given use of access bonds*

Notes:

Creating positive impacts – ESG highlights

Strategic value unlocks

Nedbank ESG ratings

MSCI	AAA	Top 5% of global banks[1]
S&P Global	60	Top 9% of global banks
SUSTAINALYTICS	15,0	Top 10% of diversified banks
ISS ESG	C	Top 10% of all global banks
FTSE Russell FTSE4Good	4,0	Top 28% of global banks

2030 financed emissions targets set for thermal-coal, oil & gas, and power generation (1st SA bank)

Nature position statement published (1st SA bank)

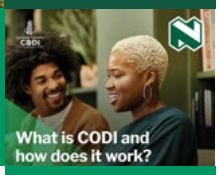


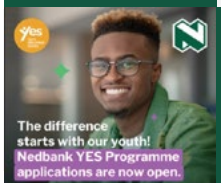
Zero exposure to fossil-fuel-related activities by **2045**

83% AIC representation (from 78% in 2019)

Level 1 BBBEE status for the past 6 years

Deposit insurance implemented (>R100bn covered deposits)





>3 600 unemployed youth (YES) recruited for our 2024 intake (> 13 500 since 2019)

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

Cash taxation payments[2] of **R8,8bn** up by 21% yoy

[1] *Top 5% among global banks (in the MSCI index) & top 10% among the broader banking universe.*
[2] *Tax payments relate to direct, indirect & employee taxes, as well as other taxation.*

Notes:

Nedbank's climate change journey – our commitment to net zero

Additional info

Our journey to net zero

2020 **Climate change resolutions** passed with 100% votes of approval at our 53rd AGM

2021 Adopted & disclosed our market-leading **Energy Policy** & inaugural **TCFD Report**

2024 Disclose net-zero-aligned **glidepath for upstream fossil fuels & power generation**

2025
- **No provision** of project financing for **new thermal-coal mines**
- Reduce Nedbank's **own operations' carbon emissions by >40**% (from 2019 levels)
- **Generate >30% of Nedbank's own energy needs** from renewable sources

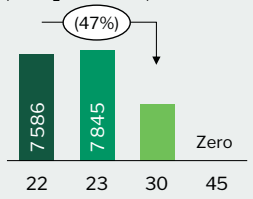
2030
- **Thermal-coal funding** to be <0,5% of gross loans & advances
- **No financing** for new utility-scale or embedded gas-fired power generation[1]

2035 **No new finance** for oil production

2045 **Zero exposure** to fossil-fuel-related activities

2050 **100% of lending & investing** supporting a net-zero carbon economy

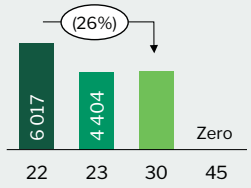
Thermal-coal glidepaths ($ktCO_2e$ financed)



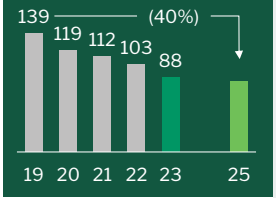
Power generation

Adopted a **cap** aligning to the IEA's Net Zero Emissions scenario of **165 gCO_2e/kWh**

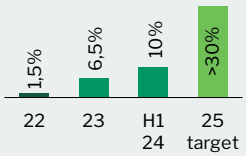
Oil & gas glidepaths ($ktCO_2e$ financed)



Own operational GHG emissions ($ktCO_2e$)



Own operational renewable energy sourced (% of total electricity)



Financed emissions

	Emissions Intensity	% of book
Mortgage loans[1]	11,7%	83,1%
Vehicle finance[2]	13,2%	98,6%

Absolute emissions:
[1] 1 664 $ktCO_2e$
[2] 1 747 $ktCO_2e$

[1] *from 1 January 2030, with exceptions as noted in our energy policy.*

Notes:

External recognition received in H1 2024 – across business excellence, technology & innovation and purpose & ESG

Additional info

- 2024 Global Banking & Finance Review – **Best Investment Bank (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 Morningstar Awards – **Best Flexible Fund** (winner)
- 2024 Global Finance Magazine Awards – **Most Innovative Bank Mozambique** (winner)
- 2024 Global Banking & Finance Review – **Best Bank for Sustainable Development (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 EuroMoney Awards – **Best Digital Bank Africa** (winner)
- 2024 Global Brands Magazine Awards – **Best Mobile Banking Application Lesotho** (winner)
- 2024 Global Finance Magazine Awards – **Best Bank for Sustainable Finance (South Africa)** (winner)
- 2024 Bonds, Loans and ESG Capital Markets Africa Awards – **Corporate Bond Deal of the Year** (joint winner)
- 2024 The Digital Banker Awards – **Best Bank for Transaction Banking Services (Africa & SA)** (winner)
- 2024 Kruthum Top Private Banks and Wealth Managers Survey – **Entrepreneur Executive** (2nd place)
- 2024 EuroMoney Awards – **Best Digital Bank South Africa** (winner)
- 2024 Black Business Awards – **Transformation Champion Award** (winner)
- 2024 Euromoney Awards – **Best Bank For Diversity and Inclusion South Africa** (winner)
- 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 Kruthum Top Private Banks and Wealth Managers Survey – **Young Professional Retiree** (3rd place)
- 2024 Global Banking & Finance Review – **Best Digital Bank Mozambique** (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 impact of a difficult operating environment in H1 2024 was offset by good strategic delivery

Operating environment			Strategic delivery	
▪ Geopolitical uncertainty	✗	▪ High interest rates	✗ ✓	Technology/Digital ✓
▪ SA political & social risk	✗	▪ Reduced levels of load-shedding	✓	Cross-sell & main-banked client gains ✓
▪ Weak economic activity	✗	▪ Positive market reaction after SA elections (eg bonds, equity markets, currency) should position SA for a better H2 2024 & future	✓	Market share gains ✗ ✓
▪ Elevated levels of inflation	✗			Efficient execution ✓
▪ Pressure on household finances	✗	▪ Regulation	—	Creating positive impacts ✓
▪ Corporates remained cautious	✗			
▪ Competition	✗			

✓ Positive ✗ Negative — No material impact in H1 2024

Notes:

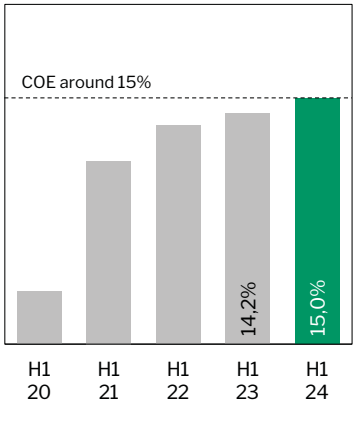
Profitability metrics improved & a strong balance sheet maintained

+8% R7,9bn	**15,0%** (H1 23: 14,2%)	**+4%** R913bn	**13,3%** (H1 23: 13,3%)	**127%** (Q2 23: 143%)
Headline earnings	ROE	Gross banking advances	CET1 ratio	LCR
+12% 1 650 cents	**104 bps** (H1 23: 121 bps)	**+3%** R1 120bn	**+11,5%** 971 cents	**114%** (Q2 23: 119%)
DHEPS	CLR	Deposits	Dividend per share	NSFR

Notes:

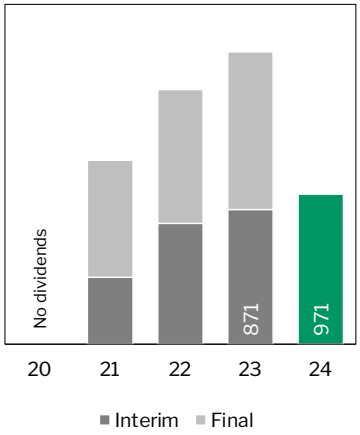
Shareholder value creation – seasonally lower interim ROE, but higher yoy & now equal to COE, with interim dividend declared at the top of our payout ratio

ROE & cost of equity (%)



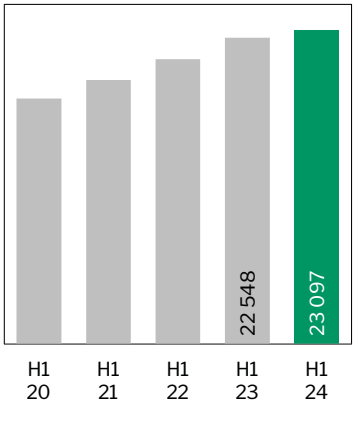
ROE = COE

Dividend per share (cents)



Dividend at 57% payout ratio

NAV per share (cents)[1]



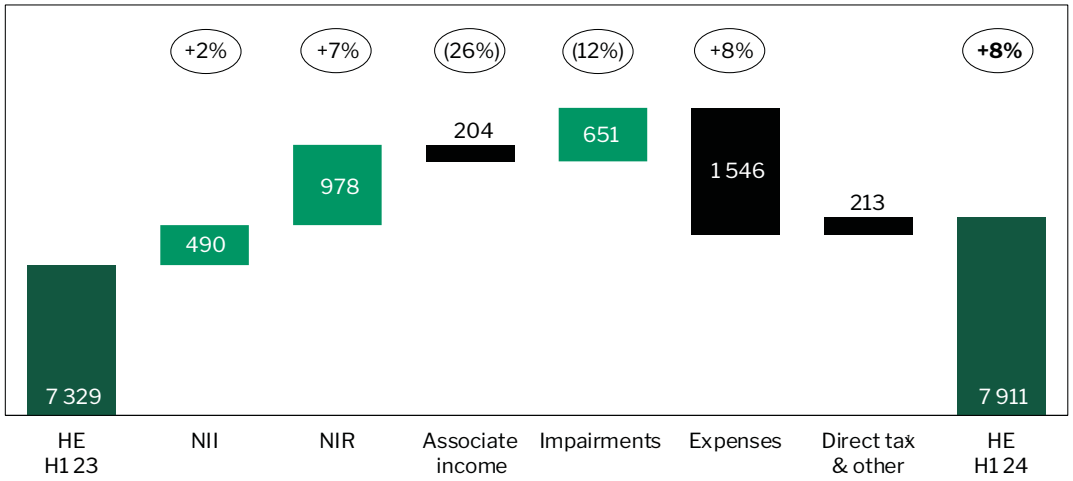
NAV/share +2% yoy

[1] *NAV per share in H1 2024 impacted by R1,6bn of FCTR debits (our non-SA operations & our share of ETI).*

Notes:

Headline earnings up by 8% – driven by good NIR growth, lower impairments & tight cost control

Headline earnings (Rm)

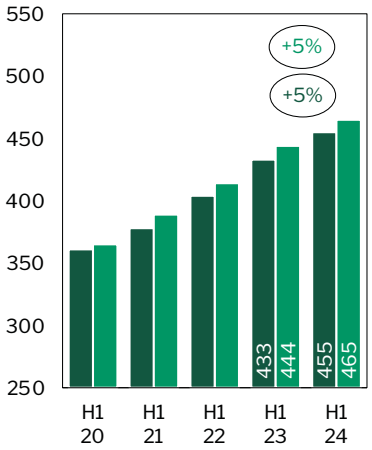


[1]*Other' includes indirect tax and minority & preference shareholders.*

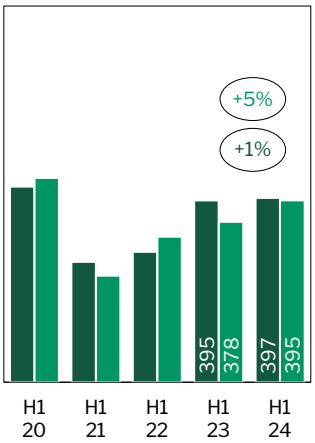
Notes:

Banking advances up by 4% yoy – slowed momentum with consumers under pressure & corporates cautious ahead of the SA elections

RBB gross actual & average banking advances (Rbn)



CIB gross actual & average banking advances (Rbn)



Average Actual

- **RBB**
  - Solid growth in RRB with more muted growth in NCB
  - Gradual HL market share gains, but weak demand
  - Leveraging our strong position in MFC, with market share gains
  - Deliberately more cautious in unsecured lending given elevated risk, losing market share
- **CIB**
  - Term lending businesses grew by 5%
  - Pipelines strong for H2 2024

Notes:

Gross banking advances up by 4%

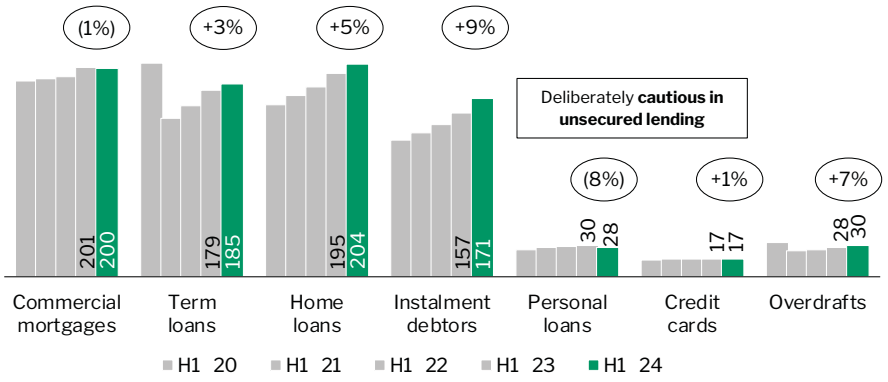
Additional info

Commercial mortgages flat given election uncertainty & high-interest rate environment

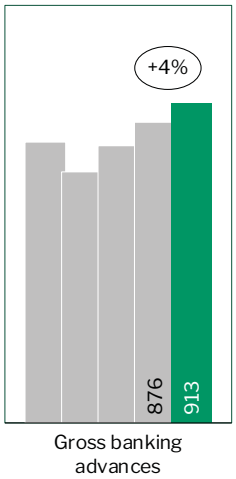
Term loan growth in selective sectors, but corporates remained cautious ahead of elections

Good HL growth with market share gains, but slight decline in residential property market activity

Strong MFC growth, leveraging our market-leading position, strong alliance relationships & an optimised digital platform



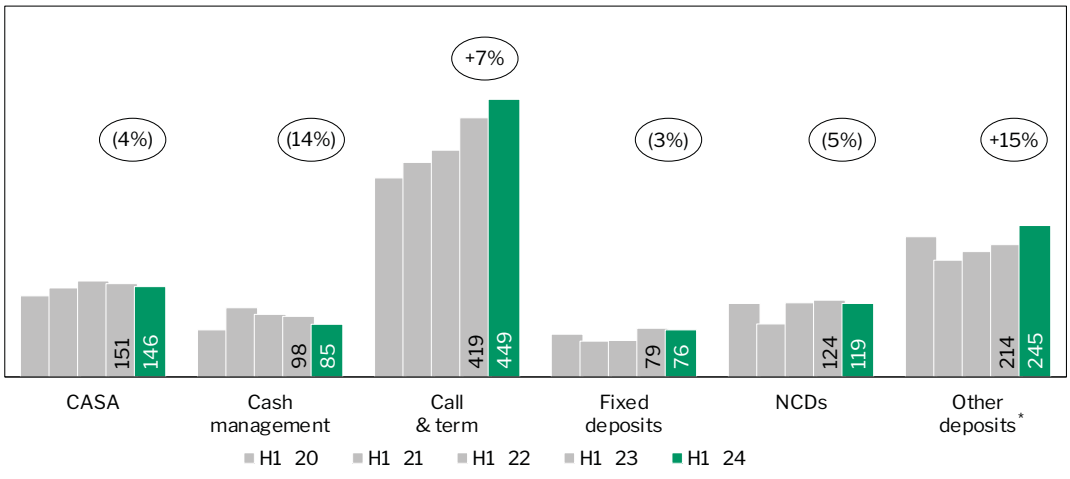
Deliberately **cautious in unsecured lending**



Notes:

Deposits up by 3% – clients continued to shift to longer-term & other duration products, given the higher-interest-rate environment & the expectation that rates have peaked

Deposits (Rbn)

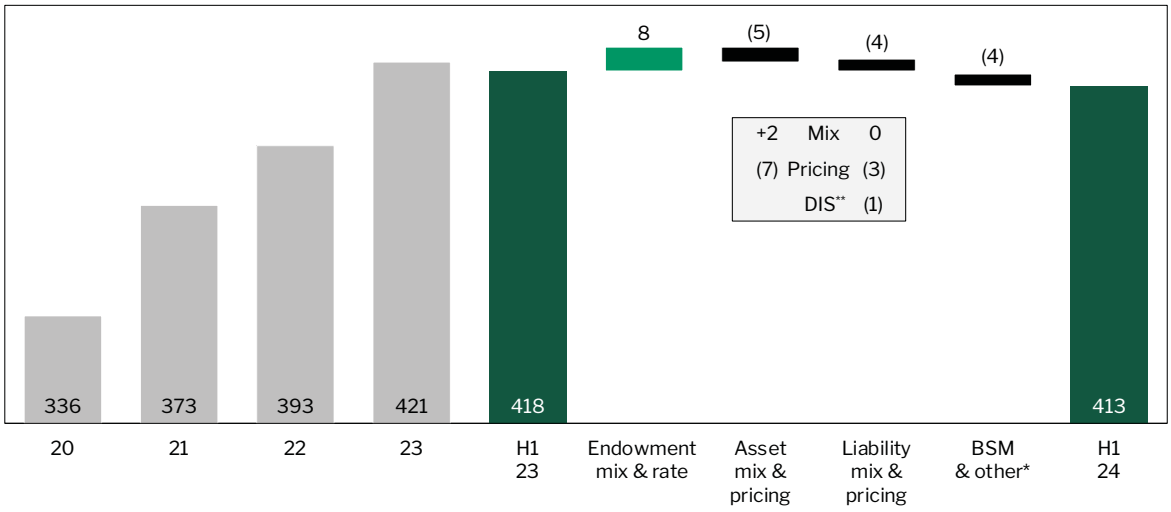


*Other deposits growth was driven by an increase in structured products due to client demand for bespoke yield-driven products.

Notes:

NII up by 2% – driven by AIEBA growth of 3% & NIM compression of 5 bps, primarily from asset & liability pricing pressure, partly offset by ongoing positive endowment benefit

Net interest margin (bps)



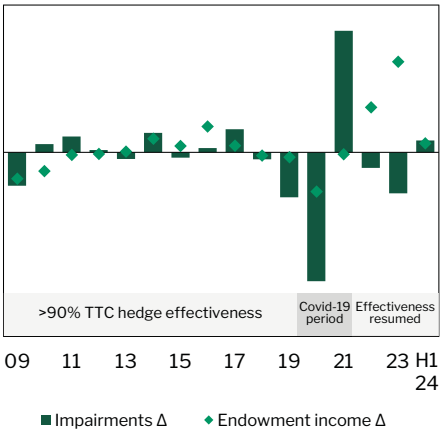
BSM (Balance sheet management) & other includes a negative HQLA mix impact (-5 bps) & negative basis risk impact (-3 bps).
***The impact of the Deposit Insurance Scheme (DIS) premium & levy is included in liability mix & pricing.*

Notes:

Endowment income – interest rate risk management, net of impairments is a focus, while new strategies are being evaluated

Additional info

Change in endowment income vs impairments (Rbn)



Directional drivers

	H1 23	H2 23	H1 24	H2 24	2025
Average SA interest rates	11,07%	11,75%	11,75%	11,54%	10,78%
	11,41%		11,65%		
Endowment (yoy change)	▲	▲	▲	▼	▼
CLR (yoy change)	▲	▼	▼	▼	▼
	121 bps	104 bps		CLR within 60 to 100 bps range	

10 bps CLR = **R0,9bn** pre-tax

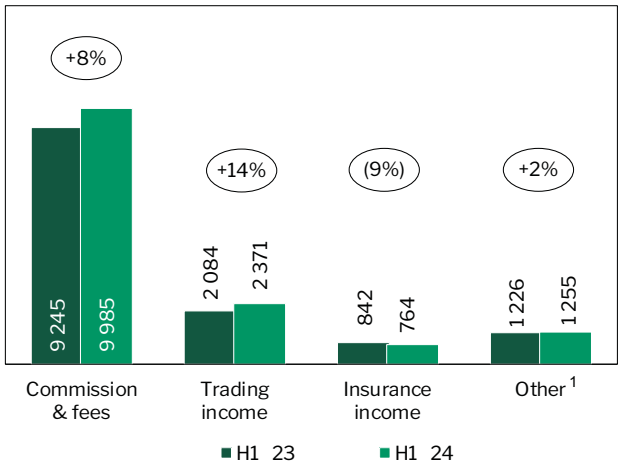
10 bps NIM = **R1,0bn** pre-tax

NII sensitivity for 1% change in interest rates: R1,4bn

Notes:

NIR up by 7% – supported by solid growth in commission & fees and strong trading income performance. NIR, excluding the Zimbabwe FX base impact & Eqstra acquisition, was +9,5%

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



- **Commission & fees** – growth driven by deal closures in CIB, as well as strong VAS & card growth in RBB
- **Trading** – good client flows, with strong risk management performance
- **Insurance** – lower traditional bancassurance volumes, significant investment in product & channel initiatives, & lower shareholder returns
- **Other**
  - Equity investment income of R317m (H1 23: R278m)
  - Fair-value gains of R424m (H1 23: R239m)
  - Change in Zimbabwe function currency (FX gains net of NML of R399m in H1 23 base did not repeat)

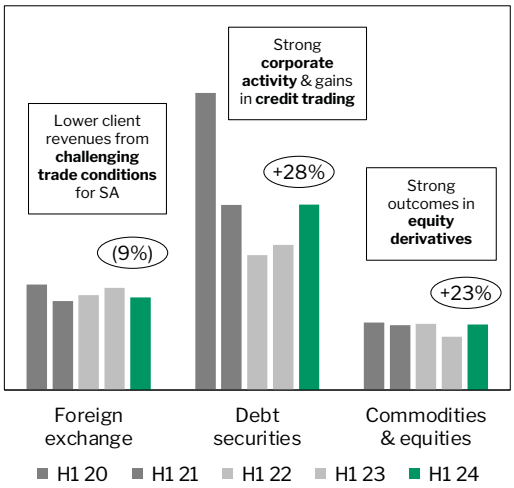
[1] Represents Fair value adjustments, equity investment income, sundry income & investment income. | Eqstra acquisition (June 2024) added R135m to NIR growth.

Notes:

Trading income up by 14% – positive results in debt securities & equities markets

Additional info

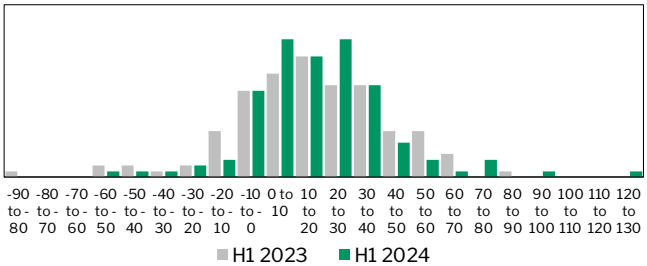
Trading income breakdown (Rm)



**H1 20 & H1 21 impacted by covid-19 tailwinds (severe market dislocation & volatility).*

- **Asset class diversification** buffers against changing market dynamics
- **Strong growth despite:**
  - challenging macroeconomic conditions;
  - weaker global trade;
  - low foreign participation in fixed income markets;
  - declining equity market volumes; &
  - ZAR liquidity surpluses suppressing margins

Daily trading income distribution (Rm)



Notes:

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

Additional info

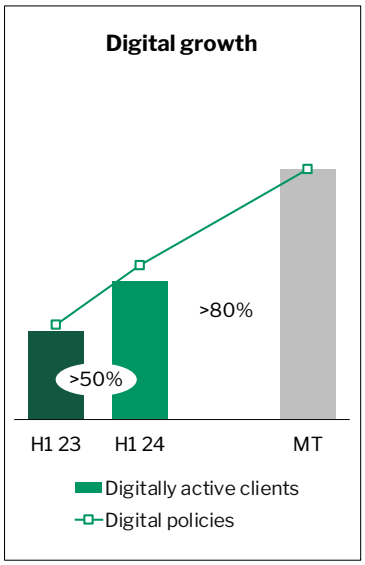
49% growth in gross written premiums from the MyCover suite

Credit Life cover integrated in the digital Retail journeys increasing digital sales volumes

21 digitally active product offerings across **7** digital channels

Significant **investment** in product & channel

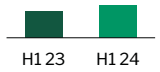
Significant increase in MyCover Personal Lines portfolio, negatively impacted by **claims** experience



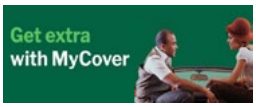
MyCover Funeral



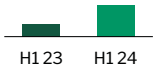
24% Gross written premium



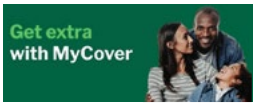
MyCover Personal Lines



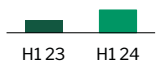
146% Gross written premium



MyCover Life



87% Gross written premium

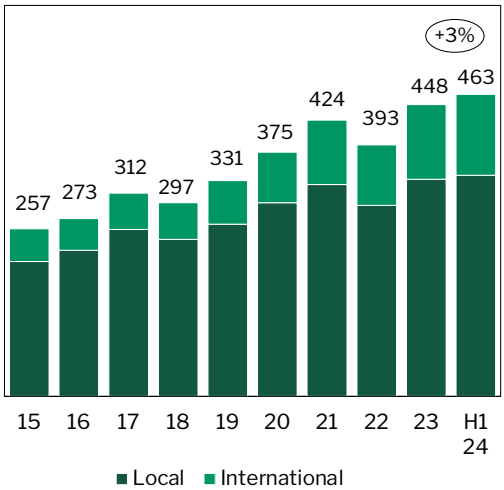


Notes:

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

Additional info

Assets under management (Rbn)



Launch of **Global Strategic Bond Fund** ($77m in AUM)



ASISA stats ranking

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

R4bn in net inflows driven by **Cash** & **low-cost Core** ranges

Outstanding industry recognition

MORNINGSTAR ★★★★★

LIPPER FUND AWARD FROM REFINITIV

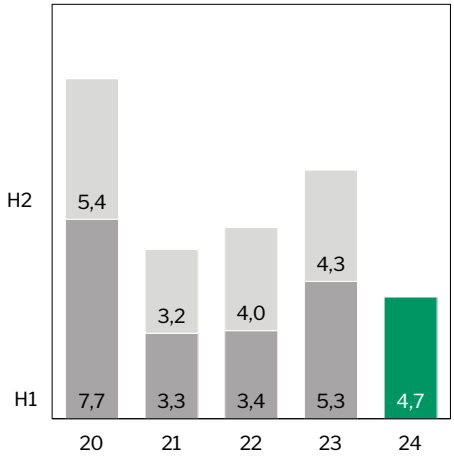
DIAMOND

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

Notes:

Impairment charge down by 12% yoy to R4,7bn – driven by a decline in RBB impairments

Impairment charge (Rbn)

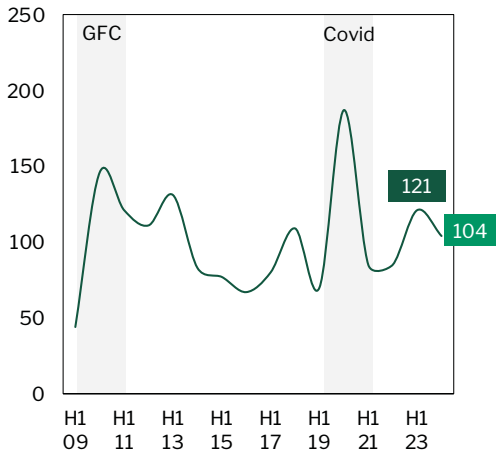


- **RBB impairments down by 15% yoy**
  - Consumer pressure remained elevated given the high SA prime rate & sticky inflation, but the environment has been more stable since H2 2023
  - Stage 3 loan inflows have slowed
  - Management interventions delivering benefits, including better collections, loan origination & policy tightening in some products
- **Impairments in CIB, Wealth & NAR well-managed**
- **Central provision** retained at R150m & total overlays increased to R1,6bn (Dec 2023: R1,1bn) in anticipation of model regrounds in RBB

Notes:

Group CLR 104 bps – further improvement to almost back within target range

Credit loss ratios (bps)

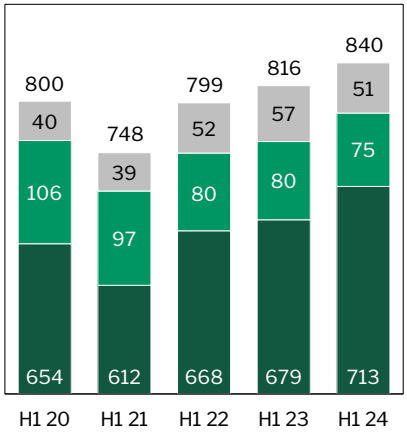


	H1 24	H1 23	H1 22	H1 21	H1 20	TTC
CIB	**19**	**16**	**20**	**38**	**118**	**15–45**
CIB excl CPF	19	9	26	31	156	
CPF	20	26	13	46	63	
RBB	**183**	**226**	**152**	**122**	**269**	**120–175**
NCB	26	75	12	9	150	50–70
Retail	222	266	188	151	302	160–240
HL	73	98	19	4	89	
VAF	238	203	167	114	284	
PL	808	1 106	909	835	1 096	
Card	516	794	629	568	997	
Wealth	**17**	**3**	**(37)**	**(13)**	**50**	**20–40**
NAR	**91**	**113**	**110**	**84**	**210**	**85–120**
Group	**104**	**121**	**85**	**85**	**187**	**60–100**

Notes:

GLAA stage movements & coverage – significant reduction of CIB stage 3 loans

GLAA (Rbn)



Coverage (%)[1]

	H1 22	H1 23	H1 24
	3,37	3,67	3,51
	34,3	34,5	38,2
	7,3	7,4	6,8
Performing coverage (stage 1 & 2)	0,94	1,26	1,25
	0,64	0,63	0,67

- **Stage 1 loans**
  - Increase driven by book growth & CIB loan migrations from stage 2 & 3
- **Stage 2 loans**
  - Decrease due to stage migrations
- **Stage 3 loans**
  - Stage 3 loans declined by R8bn[2] in CIB, resulting in a stage 3 ratio of 2,55%
  - RBB stage 3 loans increased by R1bn[2] (inflows continue to slow)
  - Coverage reflects our highly collateralised book

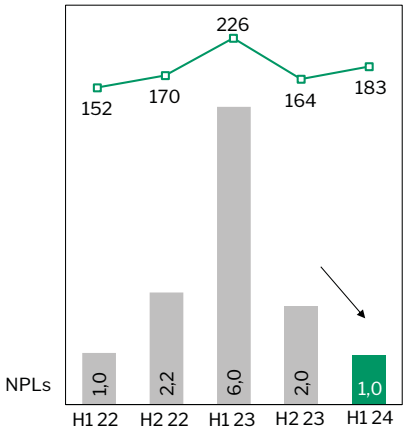
[1] *Total balance sheet ECL includes FVOCI & off-balance sheet ECL, whereas ECL coverage excludes FVOCI & off-balance sheet ECL.* | [2] *Since December 2023.*

Notes:

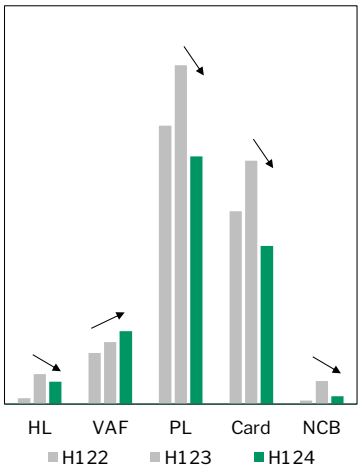
RBB impairments – focus on collections, loan origination & credit policy tightening, leading to an ongoing improvement in CLRs & material slowdown in NPL formation

Additional info

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



Business & product level CLRs (%)



Drivers of key trends

- A **more stable macroeconomic environment** but normal seasonal impact in H1
- **Credit policy tightening**, particularly in Unsecured Lending
- **Assisting our clients** via tailored rehabilitation & support
- **Enhanced collections** strategies
- **Client-specific interventions** supporting clients in Commercial Banking; improvements in some larger counters
- Some **strain in VAF** driven primarily by taxi exposures (but small book) & lower recoveries at auctions

Notes:

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

Additional info

High-quality, well-diversified & highly collateralised portfolio

Portfolio LTVs low at 51%
Adequate collateral – significantly reduces the risk of potential losses

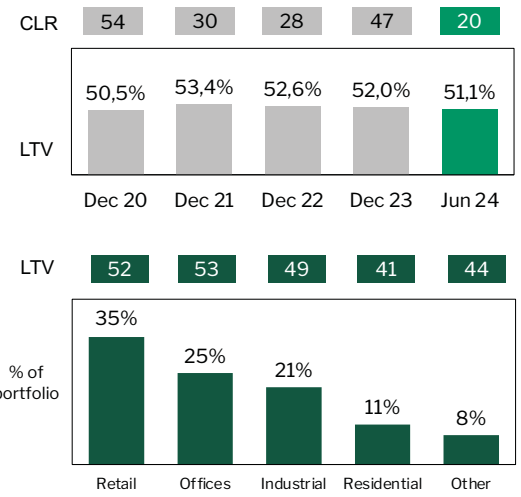
CLR: 20 bps
Client resilience despite interest rates staying higher for longer

Reduction in stage 3 loans
down R7bn ytd to R3,4bn

Low levels of arrears on the performing book
0 to 90 days: **R81m**



Credit loss ratio (bps) & **loan-to-value ratios** (%)



Notes:

Commercial Property Finance – sector trends

Additional info

Office vacancies [1]

- Office vacancies maintain downward trajectory:
  - Q2 2022: 16,7% (peak)
  - Q4 2023: 15,2% ▼
  - Q2 2024: 14,2% ▼
- 100 bps better than Q4 2023 & 50bps better than Q1 2024
- Asking rentals 0,8% up – positive territory which is a change in trend

Retail vacancies[1]

- Retail vacancies trending downward:
  - Q1 2021: 7,1% (peak)
  - Q3 2023: 5,1% ▼
  - Q1 2024: 4,4% ▼

Sector trends

- Valuations appear to have stabilised: ▲
  - Valuations in the listed sector up by ~1-2%
  - Property Finance valuations up by 1,6% for properties valued in H1 2024
- Activity in the lending environment slower in H1 2024 than in Q4 2023 as a result of: ▼
  - election uncertainty for a large part of the first half; &
  - interest rates remaining higher for longer.

Listed sector

- Listed property sector continues to outperform (up 6% ytd vs All Share up 3%) ▲

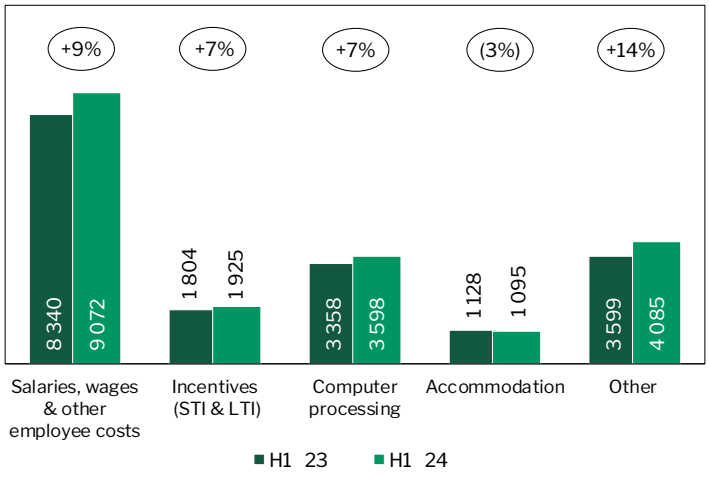
  Driven by:
  - Fed signalling end of rate hiking cycle towards the end of 2023;
  - PIC buying property stocks; &
  - formation of GNU.
- Average LTV for the listed sector stabilised at 36% (well below typical covenant level of 50%)
- Average listed sector ICR well above typical covenant levels of 2x
- Sustainability remains a key theme for the sector – particularly for listed funds

[1] *SAPOA reports*

Notes:

Expenses up by 8,5% – reflecting good expense management. Excluding Eqstra acquisition, expense growth was 7,9%

Expenses (Rm)



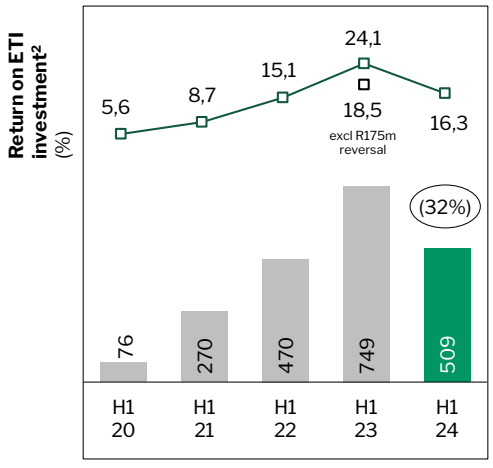
- **Employee-related costs**
  - Salaries & wages – driven by annual average salary increase (+6%), use of additional contractors to complete ME & additional costs to retain talent & scarce skills
  - Variable-pay incentives aligned with profitability metrics & vesting probabilities
- **Computer processing** – driven by FX devaluation, continued investment in IT & higher digital volumes, partially offset by low growth in the amortisation of intangible assets
- **Accommodation** – continued real-estate optimisation & lower costs relating to load-shedding (H1 24: R27m vs H1 23: R62m)
- **Other** – communication & travel +17%, fees & insurances +9% & other costs driven by +28% increase in YES participants in 2024

**Eqstra acquisition (June 2024) added R109m to expense growth.*

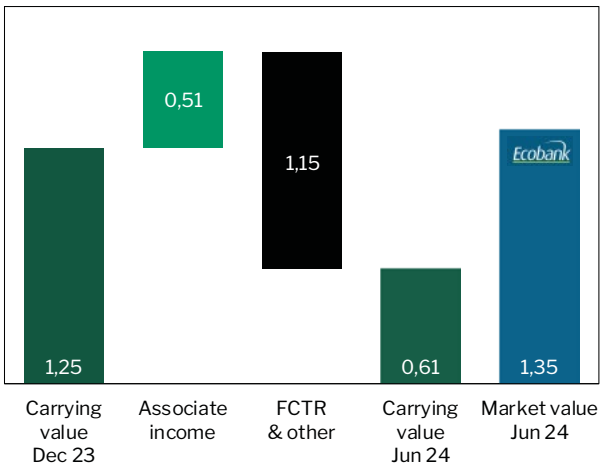
Notes:

ETI associate investment – carrying value insignificant in the group context & well below market value

Associate income[1] (Rm)



ETI carrying value vs market value (Rbn)

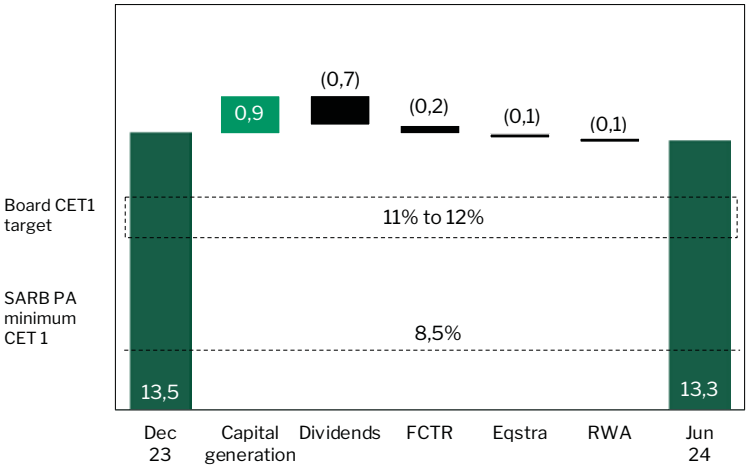


Note: ETI accounted for a quarter in arrears. | [1]Associate income includes the reversal of the R175m estimated impact of the Ghanaian sovereign domestic debt restructure release accounted for in the prior year. | [2]Return on original investment of R6,3bn (based on associate income).

Notes:

Capital – CET1 ratio at 13,3% well above target range, positioning us well for growth, sustainable dividend payments & active capital management opportunities

CET1 ratio (%)



Active capital management

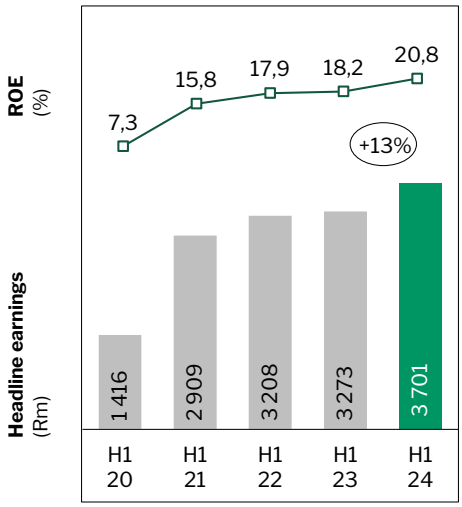
- **Maintain CET1 ratio above our 11%-12% target range** – considered appropriate in a difficult & volatile environment
- **Retain capital for growth** – infrastructure opportunities & SPT 2.0 growth objectives
- **Complementary bolt-on M&A**, should they arise (eg Eqstra)
- **Pay dividends at top-end of payout ratio**, subject to board approval
- **Approved further buy-back of shares*** at appropriate share price levels
- Possible **Basel III PCN counter-cyclical buffer** in 2026

*Shareholder, board & regulatory approvals in place.

Notes:

CIB financial performance – strong performance in a challenging macroeconomic environment

Financial performance

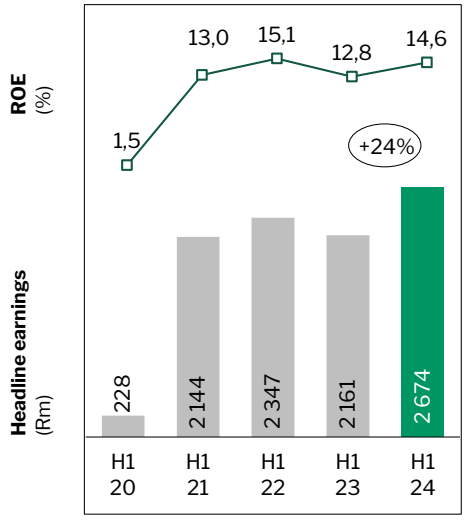


- **NII flat**
  - Actual advances +5% & average +1% due to lower Q1 demand
  - Economic growth sectors optimised, ie Energy (+16%) and Leveraged & Diversified Finance (+11%)
  - NIM flat, endowment benefit offset by DIS (-2 bps) & margin compression & composition
- **NIR up by 18%**
  - Commission & fees +16% by leveraging growth sectors
  - Markets NIR +18% with positive contribution from equities & debt securities markets
  - Equity investment income +11%
- **CLR at 19 bps** (lower end of the TTC target range of 15 — 45 bps)
- **Expense growth of 11%**
  - Variable employee cost matches H1 HE growth – excluding variable costs, growth is 7%
- **Medium- & -long-term outlook remains**
  - Cost-to-income ratio <44% & ROE >19%

Notes:

RBB financial performance – HE growth shows good recovery, driven by an improved impairment performance

Financial performance



- **NII up by 3%**
  - Average advances growth momentum continued at +5%
  - Endowment benefit from higher interest rates
- **NIR up by 6%** (excluding Eqstra +4%)
  - Higher maintenance fees (+15%) & higher activity in value-added services volumes (+19%)
- **Impairments decreased by 15%**
  - CLR improved from 226 bps to 183 bps due to the stabilisation of the macro environment & improved origination & collection strategies. CLR marginally above the upper end of the TTC target range of 120-175 bps
- **Expense growth of 6,5%** (excluding Eqstra +5,5%)
  - Ongoing cost optimisation & digitisation benefits
- **Medium- & -long-term outlook**
  - Cost-to-income ratio <57% & ROE >20%

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
- Gives Nedbank scale benefits in fleet management
- Expands Nedbank's product & services offering outside of SA

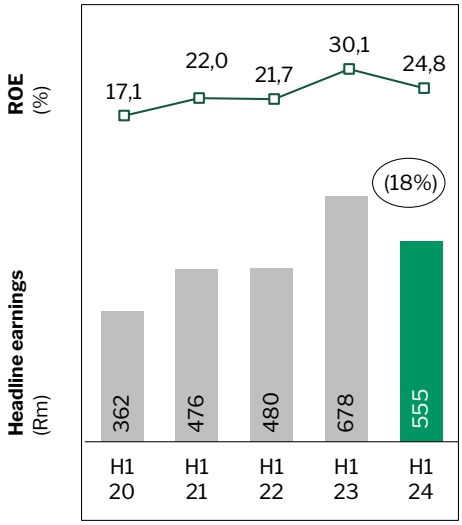
Salient features

Income statement	**June 2024**
NIR	R135m
Expenses	R109m
HE	Immaterial
Balance sheet	
Assets	R3,5bn
Liabilities	R2,3bn
Cash acquisition cost paid	R1,1bn
Employees	276

Notes:

Wealth financial performance – modest performance driven by lower bancassurance volumes, introduction of OECD Pillar 2 tax, investments in future growth initiatives, offset by growth in AUM

Financial performance



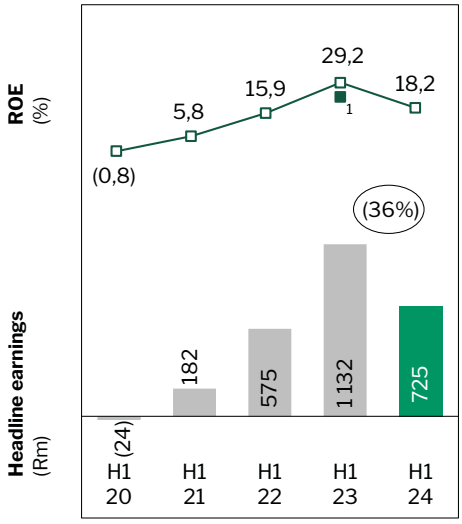
- **NII up by 3%**
  - NIM expansion due to higher local & international interest rates, strong growth in average deposit balances in NPW (SA), offset by the exit of the corporate e-gaming sector
- **NIR down by 2%**
  - Lower traditional bancassurance volumes, investment in new insurance initiatives, lower FX, advice & investment fees
  - Higher AUM fees due to growth in AUM balances
- **Impairments up off a low base**
  - Lower client-specific overlay releases vs 2023 & increase in credit impairment charges in NPW (SA)
- **Expense growth of 5%**
  - Investment in people, brand awareness, data & digital initiatives, higher inflation rates internationally & exchange rate impacts
- **Tax** – higher international tax due to the 15% OECD Pillar 2 tax rate
- **Medium- & -long-term outlook**
  - Cost-to-income ratio <65% & ROE >10% above group's COE[1]

[1] *>25% at current levels.*

Notes:

NAR financial performance – ROE maintained above COE

Financial performance



- **SADC operations** – HE of R271m, down by 41% & ROE of 7,3%
  - Excluding base effect of Zimbabwe FX gains, HE up by 65%
  - NII up by 8%, driven by improved margins
  - NIR down by 13%, impacted by base effect of Zimbabwe FX gains (+42% excl. base effect)
  - Impairments down by 24% & the CLR of 91 bps within the cluster TTC target range of 85 bps to 120 bps
- **ETI associate investment** – HE of R454m, down by 32%
  - Associate income down by 32% to R509m, including accounting for the non-repeat of the prior year reversal
  - ETI's core regions continue to show a strong performance, with ROEs of above 25% | Ecobank Nigeria remains a focus to improve performance (ROE 4,2%)
- **Medium- & -long-term outlook**
  - SADC operations cost-to-income ratio <60% & ROE consistently >COE

[1] *ROE of 24,7% in H1 2023 excluding the R175m reversal of the Ghanaian sovereign domestic debt restructure provision (equivalent HE of R957m).*

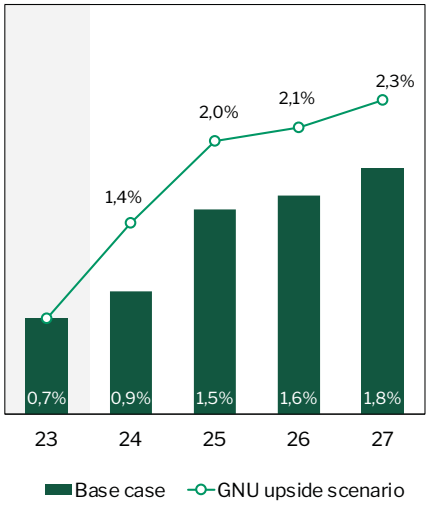
Notes:



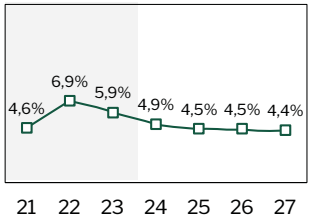
Notes:

Operating environment – our forecasts point to some improvement in key macro-economic indicators, with the possibility of a more optimistic scenario emerging slowly

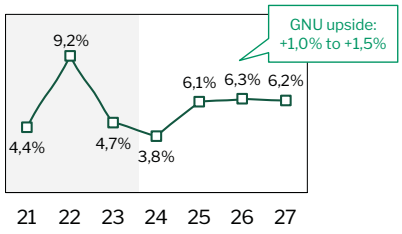
SA GDP growth (%)



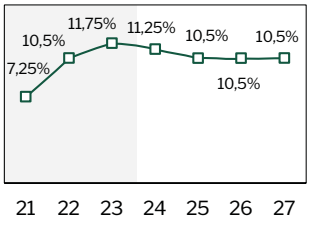
Inflation (average, %)



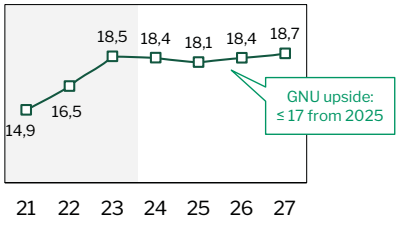
Industry credit growth (ye, %)



Prime interest rate (ye, %)



Rand/US$ (average)



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

Notes:

Short-term guidance (2024) – slower NII offset by good performance across other income statement lines

	H1 2024 performance	2024 guidance[1] (March 2024)	Updated 2024 guidance[1] (August 2024)
NII growth	+2%	Above mid-single digits	Below mid-single digits ▼
CLR	104 bps	Back within the top half of the 60 bps to 100 bps TTC range	Back within the top half of the 60 bps to 100 bps TTC range
NIR growth	+7%	Above mid-single digits	Upper-single digits[2] ▲
Expense growth	+8%	Mid-to-upper single digits	Upper-single digits[2] ▲
Associate income	(26%)	Slightly lower than 2023's	Slightly lower than 2023's
CET1 ratio	13,3%	Above TTC target range (11% to 12%)	Above TTC target range (11% to 12%)
Dividend per share	57% payout	Top end of payout ratio	Top end of payout ratio

[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.
[2]Includes impact of the Eqstra acquisition in June 2024.

Notes:

Government of National Unity (GNU) – the environment for banks & our clients could become more positive should the GNU be effective & enable an environment that delivers higher levels of GDP growth

SA elections ✓

- **Fair & peaceful** elections
- **Continuity** in key government positions, with suitable changes in others
- Creation of a multi-party GNU: **market friendly**
- Enhanced **governance** & greater **accountability**

GNU outcomes

... may result in **higher GDP growth**

- Further **policy reform**
- Ongoing **fiscal consolidation**
- **Accelerate progress on structural reforms** such as electricity, road & rail, water infrastructure & ports
- **Unwind SA risk premium,** eg stronger rand, improve credit ratings
- **Address social challenges,** eg education, unemployment, inequality, crime & corruption

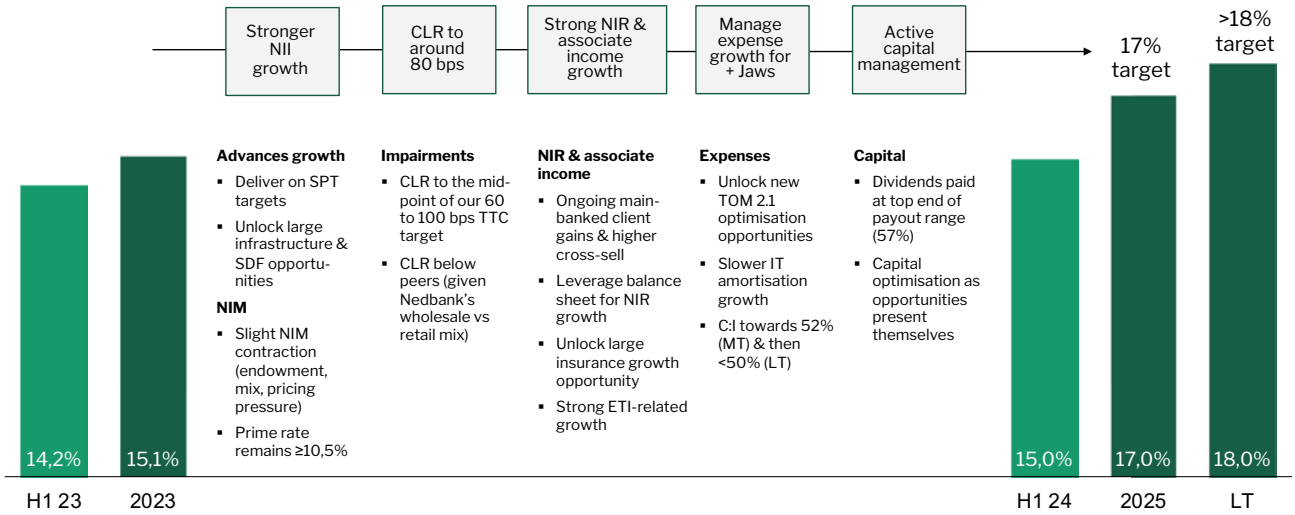
Potential upside for Nedbank

- Benefit given Nedbank's relatively **larger exposure to SA**
- Stronger **credit growth** – initially be driven by delivery of infrastructure projects
- **Transactional volume** benefits as economic activity picks up
- **Reduced strain** on consumers/ clients as inflation & interest rates decline
- Strong capital position to support growth or be returned to shareholders

Notes:

Medium-term & long-term targets – path towards ROE of >17%

Additional info



Advances growth
- Deliver on SPT targets
- Unlock large infrastructure & SDF opportu-nities

NIM
- Slight NIM contraction (endowment, mix, pricing pressure)
- Prime rate remains ≥10,5%

Impairments
- CLR to the mid-point of our 60 to 100 bps TTC target
- CLR below peers (given Nedbank's wholesale vs retail mix)

NIR & associate income
- Ongoing main-banked client gains & higher cross-sell
- Leverage balance sheet for NIR growth
- Unlock large insurance growth opportunity
- Strong ETI-related growth

Expenses
- Unlock new TOM 2.1 optimisation opportunities
- Slower IT amortisation growth
- C:I towards 52% (MT) & then <50% (LT)

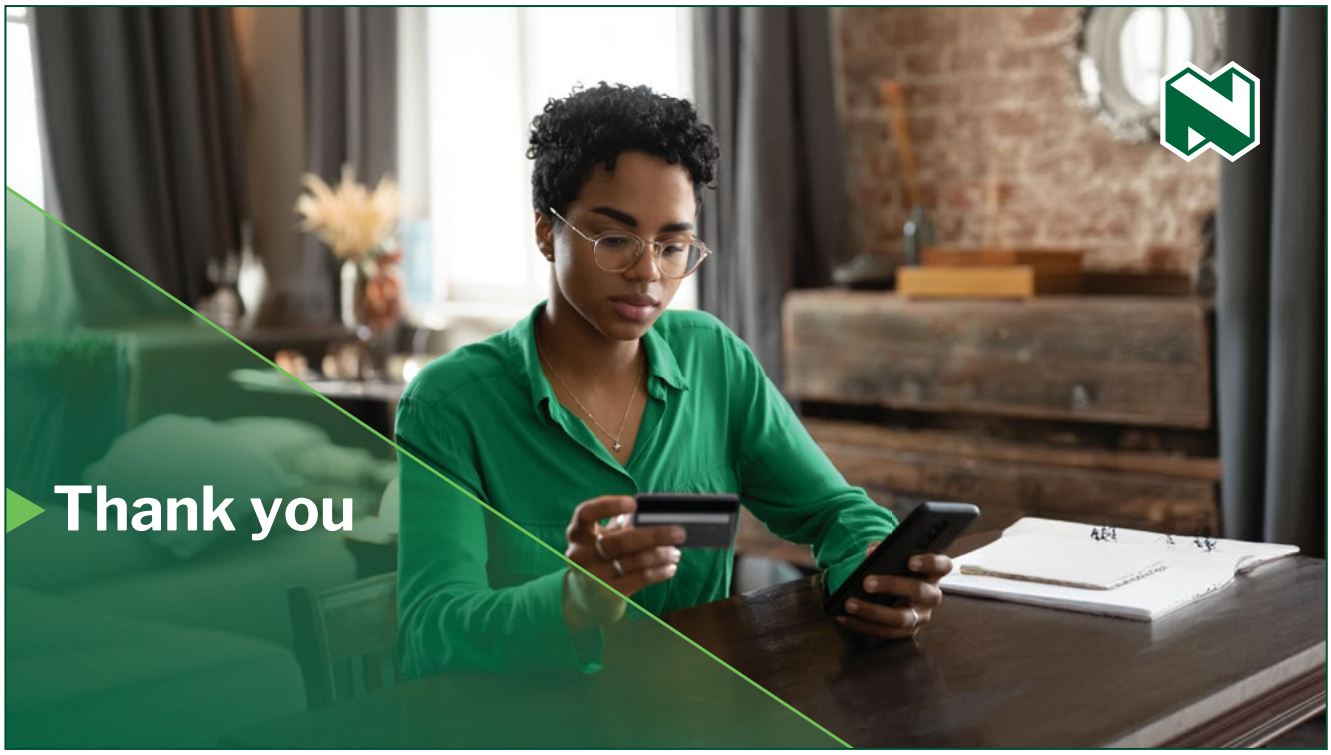
Capital
- Dividends paid at top end of payout range (57%)
- Capital optimisation as opportunities present themselves

Notes:

Our medium- & long-term targets support shareholder value creation

	Diluted headline earnings per share	ROE	Cost-to-income ratio	Net promoter score
Medium term	By end 2025			
	> CPI + GDP + 5% (CAGR to end-2025)	17% (around COE + 2%)	52% (delayed beyond 2025 given macro impact on revenue growth)	#1 bank
Long term	Not dated			
	> CPI + GDP + 5% (CAGR through the cycle)	> 18% (around COE + 3%)	< 50%	#1 bank

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:

Notes



2024 interim results **commentary**

2024 interim results commentary



Economic and banking environment in H1 2024

The global economy remained relatively resilient in the first half of the year (H1 2024), despite persistent geopolitical conflicts and tight monetary policies in most countries. Performance differed among advanced countries, with United States (US) growth slowing slightly as labour market conditions softened and exports weakened while stronger services facilitated better growth outcomes in the eurozone and United Kingdom (UK). Economic conditions in China improved as domestic consumption picked up and exports accelerated on firmer global demand.

The negative factors that weighed on sub-Saharan African economies in 2023 persisted into the first half of 2024. Subdued commodity prices and elevated debt levels kept exchange rates under pressure, with the currencies of Ghana and Zambia falling to fresh lows. Nigeria devalued its currency further as part of its macroeconomic reform programme and moderate oil prices dampened export growth. In southern Africa dry weather conditions adversely impacted agricultural activity in Namibia, Zambia and Zimbabwe. Normal rainfall is expected over the summer season, which will generally support these economies. The security situation in northern Mozambique has improved further, raising expectations of the resumption of construction of liquefied natural gas fields by the end of 2024. The country holds elections in October, and we expect the next government to maintain investment-friendly policies.

In South Africa (SA), trading conditions improved noticeably as some of the most pressing structural constraints on the economy eased. After more than 18 months of prolonged power outages, the country's electricity supply stabilised in the first half of the year. Eskom suspended load-shedding towards the end of March as the pressure on the national electricity grid lifted on a combination of improved power supply, including from renewable sources, and weaker energy demand. However, progress in resolving some of the other infrastructure constraints remained limited.

The improved operating environment has, however, not yet translated into a meaningful economic recovery. Real gross domestic product (GDP) weakened further in the first quarter, shrinking by 0,1% qoq, dragged down by faltering domestic demand. Households and government reduced consumption expenditure, while the private sector trimmed fixed capital formation and relied on inventory drawdowns to meet demand. More recent data suggests that the sluggish undercurrent persisted into the second quarter, with mixed performances across industries.

Fixed investment declined by 1,8% qoq in the first quarter, shrinking for the third consecutive quarter. Capital outlays on energy-related projects stalled, declining from the high base established last year, when the private sector rushed to minimise the disruptions caused by severe load-shedding. Expenditure on transport equipment also declined, while the protracted slump in construction work on residential and non-residential building projects continued. Companies opted to delay or reduce capital expenditure given weaker global and domestic demand, a generally challenging local operating environment, tighter financial conditions and uncertainty ahead of SA's elections. As a result, corporate credit demand remained relatively subdued and volatile. Company loan growth slowed for much of H1 2024, but rebounded to 6,3% yoy in May, up slightly from 5,0% in December 2023.

Household finances deteriorated further. Real personal disposable income declined for the fourth consecutive quarter in Q1 2024, shrinking by 0,6% yoy. Inflation continued to erode real household incomes, the pace of job creation stalled, and the squeeze from higher borrowing costs remain elevated. As consumers reduced spending, household loans and advances growth slowed further, easing to a relatively weak 3% yoy in May 2024.

Inflation remained elevated in early 2024, before resuming its downward trend in March, easing to 5,1% in May, in line with inflation levels at the end of 2023 and well below its peak of 7,8% in July 2022. The underlying stickiness stemmed from rising and erratic global oil prices, aggravated by geopolitical tensions in the Middle East. These upside pressures were eventually outweighed by a rapid deceleration in food inflation and slowing core inflation kept in check by weaker domestic demand. In response to a slow disinflation process, the Monetary Policy Committee of the South African Reserve Bank (SARB) left the repo rate unchanged at a restrictive 8,25%.

Post SA's national and provincial elections the composition of a 'centrist' government of national unity (GNU) was well received by the financial markets. Local and global investors welcomed the expected continuity in economic policy, the continued commitment to structural reforms and the prospect of greater accountability and transparency in governance. As a result, foreign investors appear to have adopted a more favourable view of SA's perceived risk and potential returns, which led to renewed interest in the local financial markets. Credit spreads on government bonds over US equivalents declined by over 100 basis points across all maturities from their peaks in September 2022. As risk perceptions improved, net foreign purchases of local bonds and equities increased over June and July. This, combined with growing confidence among local investors, pushed the yield on the 10-year government bond below 11% in July, while the JSE ALSI gained 5% since the end of April, with the financial index surging by 14% over the same period. As a result, the rand stabilised, trading in a narrower band of R17,95 to R18,30 to the US dollar since early June.

Although progress has been made in addressing the electricity crisis and political change occurred peacefully, the underlying trading environment remains generally difficult and the cyclical headwinds from restrictive monetary policy unchanged. These realities are evident in continued consumer strain and subdued credit and transactional revenue across both wholesale and retail clients.

Strategic progress

The Nedbank strategy clearly outlines our focus and the actions required to achieve our medium- and long-term targets. This includes attaining a higher return on equity (ROE) (ie 17% in the medium term and 18% in the long term) and reducing the group's cost-to-income ratio (targeting 52% in the medium term and below 50% in the long term).

Underpinned by a world-class technology platform and our employees as our most important asset, our strategy is delivered through 5 strategic value unlocks: digital leadership and experiences (DX); market-leading client experiences (CX); areas that create value (strategic portfolio tilt); efficient execution (including target operating model (TOM) enhancements); and creating positive impacts, including delivering on our purpose of using our financial expertise to do good and leading in environmental, social and governance (ESG) initiatives. Steady execution in relation to these strategic value unlocks with further opportunities to improve and evolve our strategy will drive robust revenue growth and cost optimisation, while we maintain strong risk and capital management metrics.

Our technology strategy and Managed Evolution (ME) transformation programme have enabled us to build a world-class modern, modular, and digital information technology (IT) stack. At the end of June 2024, we reached 95% build completion, and the programme is aiming for material completion by the end of the year (within scope, time and budget), which includes the refactoring and modernisation of our core banking systems and the digitisation of the 2 remaining client onboarding and servicing journeys, with home loans and vehicle finance being the key remaining deliverables in the second half of the year. The benefits of ME are evident in our digital metrics, as well as the realisation of benefits through our TOM and expense optimisation programmes. The group's intangible software assets on the balance sheet ended June 2024 at R7,9bn, having peaked in 2020 at R9,0bn. As we finalise the ME programme, our focus shifts to commercialising our technology platform to simplify and rationalise our product range, make banking easier and more affordable for our clients by migrating existing accounts onto new products (where appropriate), converge for scale (including harmonisation of Nedbank Africa Regions (NAR) IT systems), optimise processes end to end, and leverage data and artificial intelligence (AI) for commercial advantage.

The following were some strategic highlights of H1 2024:

- **Digital leadership and digital experiences**
  - **Simplified sets of products off our new core banking platform:** The 3 new MiGoals transactional products we had released off our new core banking systems resulted in the opening of more than 2,2 million MiGoals accounts. 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.
  - **Apps**: Active Nedbank Money app clients increased by 16% to 2,6 million in H1 2024, while transaction volumes on the Money app increased by 13% yoy and transaction values increased by 19%. Revenue from value-added services grew by 28% yoy across prepaid data, voucher, and electricity purchases, as well as the sending of money to cellphones. The Nedbank Money App (Africa), which offers convenience, a wide range of functionality and great user experiences for our NAR clients, reported a 19% yoy increase in app users.
  - **Digital outcomes**: Our digital initiatives helped us increase the number of digitally active retail clients in SA by 9% yoy to 3 million, representing 70% of retail main-banked clients (H1 2023: 69%). Retail digital transaction volumes and values in SA both increased by 7%. Digitally active clients across the NAR business increased from 60% to 67% of its total active client base. Since its launch in 2020, the Avo super app (SuperShop) has signed up 2,7 million customers (up by 19% yoy), with over 24 000 businesses registered to offer their products and services on this e-commerce platform. In recognition of our market-leading digital positioning, Nedbank was recently recognised as the Best Digital Bank in Africa at the 2024 Euromoney Awards.
  - **Data and generative AI:** We have invested significantly in our data capabilities, leveraging big data and AI through appointing a strong analytics team, including a chief data and analytics officer, to spearhead our strategy in this space and to drive commercial outcomes. The progress we have made on our technology journey is foundational for seamless integration and fast adoption of AI capabilities. Currently, we are investigating more than 50 use cases that will support revenue uplift and cost optimisation, and improve lending decisions.
  - **Payments:** 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. Nedbank is the first bank domestically that is building a centralised payment services hub, fully componentised and cloud-enabled, with a centralised payment execution structure. The ISO20022 real-time payments as well as the high-value payment industry modernisation efforts were the first 2 uses cases and demonstrate the convergence of all payments streams.
- **Market-leading client experiences**
  - **Great client experiences:** The success of our digital innovations was evident in higher levels of client satisfaction, as illustrated in Nedbank being rated first in Net Promotor Score among South African banks in 2022 and 2023 (Kantar survey). On the back of this achievement, Nedbank also won the Forrester EMEA 2024 Customer-Obsessed Enterprise Award.
- **Focusing on areas that create value**
  - **Main-banked client gains and cross-sell:** We continue to focus on areas that create most value, particularly through our Strategic Portfolio Tilt initiative, which is a groupwide strategy focused on growing profitable market share in selected areas through integrated client-led asset and liability client value propositions, leveraging the point of origination to increase the levels of cross-sell with a keen focus on growing the transactional-banking relationship and main-banked market share. In H1 2024 main-banked clients in retail grew by 7% to 3,6 million and cross-sell improved to 2,00 (compared with 1,95 in H1 2023), given the significant growth in funeral plans, Greenbacks rewards programme and transactional products. Corporate and Investment Banking (CIB) gained 8 new primary clients in the period. In NAR total clients increased by 9% to over 379 000, of which around 151 000 are main-banked clients. The opportunity to cross-sell insurance products across the group remains significant, with steady progress achieved through collaboration between Nedbank Insurance and Retail and Business Banking (RBB). The MyCover suite of insurance products showed strong yoy growth.

- **Lending and deposit-taking market share:** As reported in the May 2024 SARB BA900 returns, we increased market share yoy in home loans (from 14,2% to 14,5%), vehicle finance (from 35,3% to 35,8%), retail overdrafts (from 12,9% to 15,5%) and commercial overdrafts (from 9,0% to 9,7%), while wholesale term loans decreased (from 17,1% to 16,2%) given a delay in the closure of a strong deal pipeline, which will support growth in H2 2024 and beyond. Total retail deposits increased (from 16,4% to 16,7%) for the first time in a while, while commercial deposits decreased (from 16,5% to 15,3%). In commercial mortgages, where we have a leading market position, we have been more selective (reducing share from 36,8% to 35,4%). Given ongoing risks in the environment, we have deliberately slowed growth in unsecured lending and, as a result, we reported market share declines in personal loans (from 11,2% to 10,6%) and credit card (from 10,9% to 9,6%).

- **Driving efficient execution**
  - **TOM 2.0**: Our TOM 2.0 programme, aimed at optimising the shape of our infrastructure (branches and corporate real estate), shifting our RBB organisational structure so that it is more client-centred and optimising our shared-services functions across the group as a direct result of the digital benefits from ME, has reached cumulative cost benefits of R2,6bn (target: R2,5bn). To date, as we optimise the shape of our infrastructure largely through Project Imagine (our digitally focused outlets), branch floor space decreased by around 7 000 m^2 in H1 2024 (cumulatively by almost 60 000 m^2 from 2020 levels) to 130 000 m^2 and through our strategy of consolidating and standardising our own buildings, we saved over 23 000 m^2 in floor space in H1 2024 and have saved more than 201 000 m^2 since 2016. At the end of June 2024 our total group permanent headcount declined by 17 to 25 883, largely through natural attrition, notwithstanding the addition of 276 new employees because of the acquisition, concluded in June 2024, of Eqstra, a fleet management company.
  - **TOM 2.1:** Our ongoing focus on extracting value from our technology investments and our world-class technology platform has resulted in the launch of TOM 2.1, which builds on our TOM 2.0 initiatives in support of meeting our medium- and long-term cost-to-income targets. In addition to ongoing additional benefits from floor space and back-office optimisation, TOM 2.1 will focus on extracting benefits from maturing our data and analytics capabilities, modernising key processes (intelligent hyper automation) and payments, as well as implementing generative AI strategies. We are in the process of finalising associated revenue and cost benefits to be extracted over the medium term, and more detail will be communicated as part of our 2024 results after the conclusion of our business planning processes in the second half of the year and appropriate governance signoffs. These ongoing operating model changes are aimed at supporting Nedbank achieving a lower cost-to-income ratio over the medium and long term.

- **Creating positive impacts**
  - **Sustainable development finance:** Fulfilling our purpose of using our financial expertise to do good is best demonstrated through our ongoing delivery against the United Nations (UN) Sustainable Development Goals (SDGs) and the progress we have made on our sustainable development finance (SDF) commitments. At 30 June 2024 we had exposures of R154bn (December 2023: R145bn) that support SDF, representing 17% of the group's gross loans and advances (December 2023: 16%). During the period we have seen strong growth in renewable energy finance exposures and limits. It is our ambition to have increased by the end of 2025 our SDF exposures to around 20% of the group's total gross loans and advances.
  - **2030 financed carbon emission targets (glidepaths):** In support of our net-zero 2050 commitment to have zero fossil fuel exposure by 2045, at the start of March 2024 we became the first South African bank to publish sectoral glidepaths. These glidepaths inform our exit from the thermal coal and oil and gas sectors over time. We are targeting reductions of financed emissions by 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.
  - **ESG ratings:** We retained our top-tier ESG ratings with the following scores and rankings: MSCI – AAA (within the top 5% of global banks in the MSCI index); Sustainalytics – low-risk score of 15,0 (top 10% of 294 diversified banks); S&P Global – score of 60 out of 100 (top 9% of global banks); ISS – C rating (within the top 10% of global banks); and FTSE Russell – 4,0 rating out of 5 (top 28% of global banks and a FTSE4Good Index constituent).
  - Our efforts in sustainability and ESG matters were recognised externally, including through winning the Best Bank for Sustainable Finance (South Africa) and Best Bank for Green Bonds (Africa) at the 2024 Global Finance Magazine Awards, and the Best Bank for Sustainable Development (South Africa) at the 2024 Global Banking & Finance Review Awards.

Overview of H1 2024 results

Nedbank Group delivered a relatively strong financial performance for the 6 months to 30 June 2024 when compared with the 6 months to 30 June 2023 (prior period). Headline earnings (HE) increased by 8% to R7 911m, driven by good non-interest revenue (NIR) growth, an improved impairment outcome and targeted expense management, partially offset by muted net interest income (NII) growth and lower associate income.

Headline earnings per share (HEPS) increased by 11% to 1 699 cents, diluted HEPS (DHEPS) increased by 12% to 1 650 cents and basic earnings per share (EPS) increased by 12% to 1 700 cents, ahead of the HE growth of 8%, as a result of the R5bn capital optimisation initiative that was materially completed in H1 2023.

As a result of the group's improved financial performance, return on equity (ROE) for the period increased to 15,0%, above that of the prior period of 14,2% and in line with the group's estimated cost of equity (COE) of 15,0%. This improvement was driven by an increase in return on assets from 1,14% to 1,20% and slightly higher gearing post the finalisation of the R5bn capital optimisation initiative. Net asset value (NAV) per share of 23 097 cents increased by 2% when compared with the 22 548 cents in H1 2023, while tangible NAV of 20 540 cents increased by 3% when compared with the 19 880 cents in the prior period, impacted by negative foreign currency translation reserve movements relating to accounting for our investment in Ecobank Transnational Incorporated (ETI) and our non-SA businesses.

The group's balance sheet remained very strong. CET1 and tier 1 capital ratios of 13,3% and 14,7% were well above board-approved target ranges and SARB minimum requirements. The average liquidity coverage ratio (LCR) for the second quarter of 127% and a net stable funding ratio (NSFR) of 114%, were well above the 100% regulatory minimums and board-approved targets. Following good earnings growth and strong capital and liquidity positions, the group declared an interim dividend of 971 cents per share, up by 11,5% (June 2023: 871 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. Given our strong capital position, we have obtained the necessary approvals to conduct a further share buyback that we will execute in due course depending on market conditions.

Cluster financial performance

The group's HE increase of 8% to R7 911m was supported by strong growth in CIB and RBB, offsetting declines in Nedbank Wealth and the NAR Clusters. The group's ROE improved yoy to 15,0%.

	Change (%)	HE (Rm) Jun 2024	HE (Rm) Jun 2023	HE (Rm) Dec 2023	ROE (%) Jun 2024	ROE (%) Jun 2023	ROE (%) Dec 2023
CIB	13	**3 701**	3 273	6 799	**20,8**	18,2	18,9
RBB	24	**2 674**	2 161	5 566	**14,6**	12,8	16,0
Wealth	(18)	**555**	678	1 210	**24,8**	30,1	26,8
NAR	(36)	**725**	1 132	1 891	**18,2**	29,2	25,2
Centre	>100	**256**	85	184			
Group	8	**7 911**	7 329	15 650	**15,0**	14,2	15,1

HE in CIB increased by 13% to R3,7bn, and the cluster delivered an ROE of 20,8%. The strong HE growth was driven primarily by an 18% increase in NIR, supported by commission and fees that benefitted from deal closures and strong growth in trading income. NII decreased marginally as asset growth was offset by slight margin compression. Actual banking advances growth of 5% indicate the initial benefits from pipeline conversion in Q2 2024. While impairments increased by 17% off a low base, the cluster CLR of 19 bps (H1 2023: 16 bps) ended the period towards the lower end of its through-the-cycle (TTC) target range of 15 bps to 45 bps. Expenses increased by 11%, driven by higher costs associated with the retention and attraction of talent, as well as higher incentive costs aligned with the cluster's strong financial performance, resulting in a cost-to-income ratio of 46,1%.

HE in RBB increased by 24% to R2,7bn, compared with the decline of 8% reported in H1 2023, delivering an ROE of 14,6%. NII increased by 3%, driven by average banking loans and advances growth of 5%, partially offset by a slight decrease in NIM due to lower client margins, higher funding costs and the negative impact of suspended interest, partially offset by higher endowment income. NIR increased by 6% (4% excluding the Eqstra acquisition), driven mainly by continued strong growth in value-added services (VAS) volumes, higher maintenance fees, and growth in card issuing and card acquiring volumes, partially offset by slower transactional activity. Impairments decreased by 15%, as consumers adjusted to a more stable macroeconomic environment and we benefitted from enhanced risk and collections strategies, which led to the CLR improving from 226 bps in H1 2023 to 183 bps, remaining just above the RBB TTC target range of 120 bps to 175 bps. Expenses were very well managed, increasing by 6,5% (5,5% excluding Eqstra), while the cluster cost-to-income ratio increased to 59,7% (H1 2023: 58,3%).

Nedbank Wealth's HE decreased by 18% to R555m, but still delivered an attractive ROE of 24,8%. The cluster's financial performance was impacted by a decline in traditional bancassurance volumes, significant investment into product and channel initiatives and lower shareholder returns in Insurance, as well as the implementation of the Organisation for Economic Cooperation and Development Pillar 2 global tax rate, which impacted the international businesses. This was partially offset by the benefit of higher local and international interest rates on NII (positive endowment), and growth in assets-under-management fees both locally and internationally.

HE in NAR decreased by 36% to R725m and its ROE declined to 18,2%. Southern African Development Community HE decreased by 41% to R271m and ROE decreased to 7,3% primarily because of the non-repeat of foreign currency gains net of the net monetary loss (NML) in Zimbabwe on US dollar capital in H1 2023. 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 domestic debt restructure. HE decreased by 32% to R454m.

The performance in the Centre reflects primarily the endowment benefit on the average R12bn surplus capital held in the Centre, fair-value gains relating to the group's hedge-accounted portfolios, and the resolution of certain tax matters.

Financial performance

Net interest income

NII increased by 2% to R20 784m, supported by 3% yoy growth in average interest-earning banking assets (AIEBA) to R1 012bn and a slight reduction in NIM. The increase in AIEBA was underpinned by 5% growth in average RBB banking loans and advances and 1% growth in average CIB banking loans and advances.

NIM declined by 5 bps to 4,13% from the 4,18% reported in H1 2023. This decrease was driven primarily by liability pricing pressure and the introduction of deposit insurance (combined -4 bps) and asset pricing pressure (-7 bps) as a result of increased levels of competition for good quality assets. This was partially offset by a positive endowment mix impact (+6 bps) due to net capital balances growing faster relative to interest-earning assets, endowment pricing impact (+2 bps) due to the run-rate impact of a higher interest rate, and asset mix changes (+2 bps).

Impairments charge on loans and advances

The group's impairment charge decreased by 12% to R4 662m. The CLR of 104 bps remained elevated, primarily as a result of the impact of a difficult macroeconomic environment on consumers, but improved significantly from the 121 bps reported at H1 2023 to almost back within the group's TTC target range of 60 bps to 100 bps, in line with the guidance provided.

CLR (%)	Average banking advances (%)	Jun 2024	Jun 2023	Dec 2023	TTC target ranges
CIB	44	**0,19**	0,16	0,24	0,15–0,45
RBB	50	**1,83**	2,26	1,94	1,20–1,75
Wealth	3	**0,17**	0,03	0,12	0,20–0,40
NAR	3	**0,91**	1,13	1,00	0,85–1,20
Group	100	**1,04**	1,21	1,09	0,60–1,00

Impairments in CIB increased by 17% to R376m off a low base and its CLR at 19 bps ended the period towards the bottom half of its TTC target range of 15 bps to 45 bps.

In RBB impairments decreased by 15% to R4 135m, on the back of focused management interventions in respect of collections and benefits from improved credit quality on loan origination, as well as a more stable macroeconomic environment. The RBB CLR, at 183 bps, was slightly above its TTC target range of 120 bps to 175 bps, but well below the 226 bps reported in H1 2023. CLRs across all RBB products and segments improved from the levels reported in H1 2023, with the exception of vehicle finance because of some strain experienced in our small taxi portfolio and lower asset realisation values at auctions.

Nedbank Wealth's CLR increased to 17 bps off a low base, driven by an increase in defaulted exposures, but remains below the cluster TTC target range of 20 bps to 40 bps, while NAR reported a CLR of 91 bps, within its TTC target range of 85 bps to 120 bps, driven by improved collections and subdued loan growth.

Total overlays increased to R1,6bn (December 2023: R1,1bn) as we raised additional impairments in anticipation of higher expected annual model reground updates that will be incorporated into RBB models in H2 2024. The group's central provision remained at R150m and relates to potential risks that have emerged but are not yet showing in the data and resultant IFRS impairment models.

The group's balance sheet expected credit loss (ECL) decreased slightly to R30,2bn (December 2023: R30,4bn; June 2023: 30,8bn) and reflects prudent provisioning in the current economic environment. The decrease was driven by the R4,7bn impairment charge, which included post-write-off recoveries of R0,7bn (June 2023: R0,7bn) and higher write-offs at R5,3bn (June 2023: R4,1bn). The group's overall ECL coverage ratio decreased to 3,51% (December 2023: 3,62%; June 2023: 3,67%) mainly as a result of a decrease in stage 3 loans to R51,4bn (December 2023: R58,2bn; June 2023: R57,3bn), mostly in the wholesale portfolios. The group's stage 1 coverage ratio remained steady at 0,67% (December 2023: 0,66%; June 2023: 0,63%). The stage 2 coverage ratio declined yoy to 6,8% (December 2023: 6,8%; June 2023: 7,4%) due to a lower wholesale contribution to stage 2 loans and advances. Stage 3 loans declined by 13% to R51,4bn and stage 3 coverage ratio increased to 38,2% (December 2023: 34,2%; June 2023: 34,5%) as RBB loans with higher coverage increased by R1bn and stage 3 loans in CIB declined by R8bn since December 2023, after the resolution of large single-name exposures since December 2023.

Non-interest revenue and income

NIR increased by 7% to R14 375m, slightly above the group's full-year guidance of above mid-single digit growth. The increase was underpinned by good growth in commission and fees, a strong trading performance and higher levels of fair-value gains and equity investment income, offset by lower insurance income and the base effect of foreign currency gains net of the net monetary loss (NML) loss in Zimbabwe on US dollar capital. Overall NIR increased by 9,5% when excluding this Zimbabwean currency base effect and the recent Eqstra acquisition from the current period.

- Commission and fees income increased by 8% to R9 985m, supported by strong growth in CIB that benefitted from leveraging growth sectors, including more deal closures, and moderate growth in RBB. RBB's performance was driven by the continued strong growth in value-added services volumes, higher maintenance fees and growth in card issuing and card acquiring volumes, offset by slower transactional activity following the difficult macroeconomic environment.
- Insurance income declined by 9% to R764m, adversely impacted by lower traditional bancassurance volumes and significant investment into product and channel initiatives, and lower shareholder returns. This decline masked strong underlying premium growth in the MyCover suite and stable claims ratios.
- Trading income increased by 14% to R2 371m, because of good client flows and evident in strong performances in the equities and debt securities markets.
- Equity investment income increased by 14% to R317m, driven by higher realisation gains from dividends, interest and distributions.
- Fair-value adjustments were positive at R424m (H1 2023: R239m gain) including foreign currency and interest rate gains in the CIB banking book, as well as gains relating to the group's hedge-accounted portfolios (Centre).
- Other NIR was lower than the prior period, impacted by the base effect of R399m 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 8,5% to R19 775m, reflecting the impacts of higher salary-related costs, higher incentive charges and ongoing investment in technology and digital solutions. Excluding the Eqstra acquisition, expense growth was 7,9%.

- Employee-related costs increased by 8% to R10 997m 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 finalise our ME IT build, partially offset by a 1% reduction in permanent employee numbers (excluding the Eqstra acquisition), largely through natural attrition.
  - A 7% increase in incentives, aligned with profitability metrics and vesting probabilities relating to corporate performance targets.
- Computer-processing costs increased by 7% to R3 598m, reflecting the impact of continuous investment in digital 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 as our ME technology IT build is reaching its completion.
- Marketing costs decreased by 3% to R765m, communication and travel costs increased by 17% and fees and insurances costs increased by 9%.
- Occupation and accommodation costs decreased by 3% to R1 095m as we continue to benefit from our real estate optimisation initiatives and the impact of lower generator-related costs [ie R27m (H1 2023: R62m)] due to reduced load-shedding during the period.

The group's increase in expenses of 8,5% was higher than the 4% increase in revenue, including associate income, resulting in a negative JAWS ratio and the cost-to-income ratio increasing to 55,3% (H1 2023: 52,9%) as guided.

Earnings from associates

Associate income decreased by 26% to R578m and includes associate income of R509m relating to the group's 21% shareholding in ETI for the period (down by 32% when compared with R749m in H1 2023), largely due to 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 domestic debt restructure programme, that will not repeat. This includes accounting for our share of ETI's Q4 2023 and Q1 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 R454m (H1 2023: R671m). The gross return on the original ETI investment decreased to 16,3% (H1 2023: 24,1% or 18,5%, excluding the R175m reversal).

Statement of financial position

Banking loans and advances

Gross banking loans and advances increased by 4% to R913bn because of moderate growth in both RBB and CIB as consumers were under pressure and corporates cautious ahead of SA's elections.

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

Rm	Change (%)	Jun 2024	Jun 2023	Dec 2023
CIB	5	**395 342**	378 014	380 455
RBB	5	**465 357**	444 456	453 498
Wealth	(11)	**29 235**	32 686	29 059
NAR	2	**22 616**	22 162	22 176
Centre[1]	>100	**40**	(1 544)	(141)
Group	4	**912 590**	875 774	885 047

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

CIB gross banking loans and advances increased by 5% to R395bn underpinned by 5% growth in term lending, including key growth sectors such as the renewable energy sector (with strong deal pipelines in place). Commercial-property loans and advances grew by 3% as clients delayed activity due to election uncertainty and the high interest rate environment.

RBB gross loans and advances also increased by 5% to R465bn, driven by solid growth in secured lending. Home loans grew by 6% driven by market share gains, offset by weaker demand. Vehicle finance grew by 9% as we continued to leverage our strong position in MFC. Commercial banking growth was muted because of cautious borrowing behaviour driven by general economic uncertainty, with new-loan payouts declining. Unsecured-lending disbursal growth continued to be subdued, as we deliberately have been cautious in the current environment given elevated risk, with personal loans declining by 9% and credit card staying the same. Overall new-loan payouts decreased slightly to R58bn (June 2023: R60bn), mainly because of the slowdown in commercial banking and unsecured lending.

Deposits

Deposits increased by 3% to R1,1tn and the group's loan-to-deposit ratio decreased to 82,5% (June 2023: 84%). Within our business clusters CIB deposits grew by 3%, RBB by 5% and NAR by 11% with Wealth declining by 7% and the Centre by 3%.

Many clients termed out short-term cash into longer-term deposits because of the higher interest rate environment with an expectation that rates had peaked. As a result, cash management deposits decreased by 14%. In contrast, call and term deposits increased by 7%, current accounts by 2% and other deposits by 15%. Other deposits growth was driven by an increase in structured products due to client demand for bespoke yield-driven products. Fixed deposits decreased by 3% as consumers utilised borrowings to meet debt service costs. Negotiable certificates of deposit (NCDs) decreased by 5% as slower loans and advances growth reduced the need for marginal deposits. Although small in relative terms for Nedbank at 3% of total funding, foreign funding was flat.

Funding and liquidity

The group achieved a quarterly average long-term funding ratio of 31,2%, which is above the industry average of around 24,4% because of the proactive management of Nedbank's long-term funding profile.

The group's Q2 2024 quarterly average LCR of 127% (Q4 2023: 135%) exceeded the minimum regulatory requirement of 100%, with the group maintaining appropriate operational buffers to absorb seasonal, cyclical, and systemic volatility. The year to date decrease in the LCR is primarily due to changes in the deposit mix and an increase in the bank's short-term funding base. The LCR remains within Nedbank's strategic risk management framework and adheres to our risk tolerance levels.

	Jun 2024	Jun 2023	Dec 2023
HQLA (Rm)	**246 144**	236 950	238 182
Net cash outflows (Rm)	**193 229**	165 344	177 000
Liquidity coverage ratio (%)[2]	**127,4**	143,3	134,6
LCR regulatory minimum (%)	**100,0**	100,0	100,0
NSFR (%)	**113,6**	118,9	117,3
NSFR regulatory minimum (%)	**100,0**	100,0	100,0

[2] *Average for the quarter.*

Nedbank's proactive management of its high-quality liquid asset (HQLA) buffers resulted in the bank operating well within its risk tolerance levels. The group has significant sources of quick liquidity (R300bn), including HQLA, representing 22% of total assets.

Nedbank exceeded the minimum regulatory NSFR requirement of 100% with the June 2024 ratio of 114%, down from H1 2023 levels of 119%, primarily because of the reduction in the available stable funding (ASF) factor applicable to wholesale deposits with less than 6 months to maturity, in line with PA Directive 1 of 2023. Nonetheless, the structural liquidity position of the group remains strong, supported by the effective management of balance sheet growth and ongoing regulatory updates.

Capital

The group remains strongly capitalised. Capital ratios are well above the minimum regulatory requirements and board-approved target ranges, with a CET1 ratio of 13,3% (December 2023: 13,5%) and a tier 1 ratio of 14,7% (December 2023: 15,0%). The movement in the CET1 ratio reflects the impact of organic earnings, the payment of the final dividend for 2023, movement in foreign currency translation reserves and an increase in risk-weighted assets (RWAs), driven by credit risk RWAs and the inclusion of Eqstra in other RWAs.

Basel III capital ratios (%)	Jun 2024	Jun 2023	Dec 2023	Internal target range	Regulatory minimum
CET1	**13,3**	13,3	13,5	11,0–12,0	8,5
Tier 1	**14,7**	14,9	15,0	> 12,0	10,3
Total CAR	**16,6**	17,1	16,9	> 14,5	12,5

Note: Ratios include unappropriated profits.

We continue to focus on maintaining an optimal capital structure using a full range of capital instruments. The group's total tier 1 capital position was impacted by the redemptions of additional tier 1 capital instruments of R671m. The group's total capital position was further impacted by the issuance of tier 2 capital instruments of R1,7bn and redemptions amounting to R2,5bn in line with our 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 79% - the highest response rate since its inception. The results of the survey showed that 91% of employees have a clear understanding of what is expected of them, reflecting the alignment of their roles with the overall Nedbank strategy.
- We maintained our focus on the physical and mental well-being of our employees by continuing to provide well-being solutions and interventions. Considering a more difficult economic environment, we increased our support to employees through various financial education awareness programmes and financial support initiatives.
- We paid our 26 368 permanent and temporary employees' salaries and benefits of R11,0bn and concluded annual salary increases of 7% for our bargaining-unit employees, with non-bargaining-unit employees receiving increases of 5% on average.
- Skills development spend in H1 2024 increased by 25% to R561m (H1 2023: 450m).
- Our hybrid work model saw 61% (H1 2023: 66%) of employees working in some hybrid fashion, while 28% (H1 2023: 11%) of our campus employees were working at the office daily. This promotes flexibility and enables employees to return to the workplace in an integrated and natural manner.
- Our employee attrition rate improved to 8,7% in H1 2024 (H1 2023: 10,1%). During the year 19 employees have regrettably been retrenched due to necessary operational changes. We continue to focus on timeous reskilling and upskilling of impacted employees to 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 81% in H1 2023, supported by increases in African representation at senior- and middle-management levels. Total female employee representation remained at 62%.
- We remain one of the biggest contributors to the Youth Employment Service (YES) programme, realising our purpose-driven social impact, as we have given over 13 500 youth a first-time work experience since its inception.

Clients

- Building on our #1 rank in NPS among the large South African banks for the past 2 years, we continue to focus on enhancing client experiences and differentiate ourselves in a highly competitive market.
- In support of our 7,5 million clients, we advanced R160bn (H1 2023: R155bn) of new loans to enable them to finance their homes, vehicles, and education and grow their businesses; and we safeguarded R1,1tn in deposits at competitive rates, and through the newly introduced deposit insurance scheme, covered over R100bn of deposits.
- Our clients' access to banking products and services continues to improve as they increasingly shift to digital channels, evident in digitally active retail users increasing by 9% to 3 million and digital sales as a percentage of total sales in Retail increasing to 64% (from 56% in H1 2023). During the year we also increased the number of Imagine branches, which are more digitally and sales-focused, to 435 (79% of total branches from 50% in H1 2023).
- Nedbank was part of the first cohort of banks that launched PayShap, a real-time interbank payment offering aimed at addressing the high use of cash in SA, while playing a key role in modernising the national payment system of SA. Since its launch in 2023, there has been a steady growth in use, with 3,5 million consumers registered and 48 million payments worth over R29bn across all the participating banks. Nedbank clients have contributed approximately 23% to the overall volumes of PayShap across the industry.
- The launch of the MiGoals Premium and MiGoals Plus Accounts in 2023 and into the first half of 2024, 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 H1 2024, including Best Investment Bank South Africa and Best Retail Bank in South Africa at the 2024 Global Banking & Finance Review Awards, and Best Private Bank in the UK for the tenth year running at the 2024 City of London Wealth Management Awards.

Shareholders

- The strategic progress we have made, our strong financial performance and improved investor confidence in the group's outlook and progress towards our medium- and long-term targets supported a 20% increase in the Nedbank's share price in the first 6 months of 2024, outperforming the SA Banks Index, which increased by 9% and the JSE All-share index, which increased by 5%.
- All financial drivers of shareholder value creation improved. DHEPS increased by 12%, ROE improved to 15,0% and NAV per share increased by 2%. Strong capital and liquidity positions at 30 June 2024 supported the declaration of an interim dividend of 971 cents per share, an increase of 11,5% on H1 2023.
- We hosted our 57th AGM, 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 continued to work closely with the government, regulators, and the Banking Association South Africa to ensure the safety and soundness of the South African banking system.

Key regulatory developments in H1 2024 included the following:

- Basel III reforms: The Prudential Authority's (PA's) proposed amended Basel III framework appears to be more conservative than the Basel proposed framework. Current best estimates suggest that the day 1 benefits resulting from the Basel Committee on Banking Supervision revised Basel III framework may be consumed under the PA's proposed framework approach and could even result in a marginally higher capital requirement for both bank and group based on fully phased-in output floors. Nedbank remains well positioned to absorb these changes through the current capital buffers.
- The Corporation for Deposit Insurance (CODI) became fully operational on 1 April 2024 and was successfully implemented by Nedbank and the industry. The covered deposit balance is the amount covered by CODI for a qualifying depositor, up to R100 000.
- The proposed directive pertaining to the implementation of a positive cycle-neutral (PCN) countercyclical capital buffer (CcyB) will likely see the PA increasing the CcyB rate from 0% to 1%, effective from 1 January 2026. This will increase the regulatory minimum capital requirement and consequently impact the group's surplus capital position, if implemented.
- In H1 2024 S&P Global (S&P) and Moody's affirmed their ratings of Nedbank Limited, with Moody's upgrading Nedbank's deposit ratings by 2 notches and senior unsecured rating by 1 notch, because of a methodology change. S&P kept their ratings unchanged.
- We hold investments of over R184bn 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 R8,8bn across the group, up by almost 21% yoy.

Society

Banks play a central role in driving sustainable socioeconomic development for the benefit of all stakeholders and helping create 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 H1 2024 include the following:

- **Quality education (SDG 4):** We provided financing towards student loans and student accommodation, supporting 767 student loans (over 11 500 since 2015) and 1 408 student beds (around 45 000 since 2015).
- **Clean water and sanitation (SDG 6):** 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 per annum of water from the Crocodile River.
- **Affordable and clean energy (SDG 7):** At 30 June 2024 the group's total renewable energy exposures across the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) and private power generation across CIB, RBB and NAR were around R36bn (up 20% ytd), with client facilities (limits) increasing by 27% ytd to R58bn, highlighting the strong deal pipelines that we have in place. In our own operations green power from independent power producers, to reduce our own carbon emissions, increased to around 10% (2023: 6,5%), moving us towards our target of more than 30% of green energy consumption by the end of 2025.
- **Decent work and economic growth (SDG 8):** We supported small businesses and their owners with loans of R23bn, provided banking solutions to more than 310 000 small-and-medium-enterprise (SME) clients and beyond-banking support through our SimplyBiz platform to more than 74 000 registered businesses, up 180% yoy (H1 2023: 27 000). In H1 2024 we welcomed our fifth intake of more than 3 600 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 1 245 of them have been permanently employed within Nedbank and 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 R16bn to infrastructure-related projects spanning roads, rail, ports and telecommunications infrastructure. We concluded 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 sixth year in a row. In recognition of this, Nedbank was announced as the winner of the World's Best Bank for Diversity and Inclusion Award at the 2024 Euromoney awards, acknowledging Nedbank's efforts in driving financial inclusivity. We also won a Transformation Champion Award at the 20th Black Business Awards in SA.
- **Sustainable cities and communities (SDG 11):** The value of affordable home loans paid out for lower-income households was more than R0,9bn, equating to over 1 500 home purchases in H1 2024. To date we provided R25bn worth of funding for the construction of buildings that conform to green building standards and buildings with green aspects. We also continuously pursue Green Star ratings for our own premises, and at the end of H1 2024, 86% of our space was Green Star-rated.

Economic outlook

Global growth is expected to improve modestly during the remainder of this year, before gaining slightly stronger momentum throughout 2025. The International Monetary Fund (IMF) expects a robust US economy to soften as the labour market cools and fiscal policy tightens, while the eurozone and the UK will likely fare better as household incomes and spending recover on lower inflation and interest rates. China's economy is also forecast to gain some upward traction, boosted by firmer consumer spending and exports as the impact of the property slump fades, the stimulus gradually filters through, and global demand firms. Altogether the IMF forecasts world growth of a steady 3,2% for 2024 as a whole, strengthening marginally to 3,3% in 2025. Advanced economies are forecast to expand by 1,7% in 2024 and 1,8% in 2025, while emerging and developing economies are expected to grow by 4,3% in both 2024 and 2025.

The pace of global disinflation will likely remain slow, undermined by sticky services inflation and volatile global commodity prices, amid persistent geopolitical conflicts and increasingly disruptive climate change. Inflation will nonetheless recede further, reaching central bank targets towards the end of next year. Consequently, the central banks of the US and UK are forecast to start easing monetary policy before year-end, following in the footsteps of the eurozone, Switzerland and Canada, which began their rate-cutting cycles in the second quarter. Most advanced and developing countries are likely to accelerate interest rate reductions throughout 2025 as inflation returns to target. Global financial

conditions should therefore improve as the year progresses, potentially driving a recovery in global risk sentiment and capital inflows to emerging markets. Although encouraging, downside risks remain significant given high public debt burdens in advanced and developing countries, the ongoing war in Ukraine, the escalating conflict in the Middle East and the threat of heightened political instability as the US heads to the polls in November.

The IMF forecasts sub-Saharan Africa's GDP growth at 3,7% in 2024 and 4,1% in 2025, up from 3,4% in 2023. A firmer global economy should boost demand for merchandise exports and services receipts. Falling global interest rates and a lower US dollar will help to ease external payment pressures. However, the capacity of governments to significantly expand their spending without a sharp rise in borrowing will remain limited, restricting the rebound in domestic demand. Foreign currency earnings will benefit from higher tourist arrivals as weaker local exchange rates and firmer income growth in the industrialised economies boost foreign arrivals.

If the recent improvements in electricity supply and confidence are sustained, SA's economy should fare better in the second half of 2024 and throughout next year. Exporters should benefit from more reliable energy supply, firmer global growth, and the anticipated upturn in commodity prices as US interest rates decline and the US dollar softens. Consumer spending will also recover as inflation falls further, real household incomes return to growth, and debt service costs decline on lower interest rates. The introduction of the 2-pot retirement system in September, which grants individuals access to a portion of their contractional savings, could provide an additional boost to consumer spending. Fixed investment will take longer to turn the corner given ample spare capacity in most industries. Barring any major shocks, fixed investment is forecast to rebound in 2025, this driven by renewed momentum in renewable energy projects, increased public sector outlays on infrastructure, continued improvements in domestic operating conditions and firmer domestic growth prospects. The Nedbank Group Economic Unit expects modest real GDP growth of 0,9% in 2024, followed by a faster 1,5% in 2025. Should the GNU make good progress, SA GDP growth could excel beyond 2% from 2025.

Inflationary pressures for SA are forecast to ease further, ending 2024 at 4,4% and averaging 4,9% for the entire 2024. Thereafter, continued global disinflation and measured domestic demand are forecast to drive inflation to the SARB's preferred target of 4,5% in around the middle of 2025, with inflation averaging 4,5% over the full year. The Nedbank Group Economic Unit expects monetary policy easing to begin in September 2024, with a cumulative 50 bps reduction in interest rates in the second half of the year, taking the prime lending rate down to 11,25% by the end of 2024, followed by cuts of a further 75 bps in 2025.

Conditions in the banking industry are likely to remain challenging but improve off a low H1 2024 base. Credit extension is forecast to remain subdued, ending the year around 3,8%, slightly softer than 4,7% at the end of last year. Prospects will improve in 2025, as the anticipated decline in domestic interest rates and firmer global and domestic economic growth boost both household and corporate credit demand. However, risks to the credit outlook remain tilted to the downside over the short term. Households are likely to be highly sensitive to the timing of anticipated interest rate cuts. If inflation proves sticky and interest rates stay higher for longer, household demand for credit could weaken more than anticipated.

Equally, fragile business confidence and the country's moderate growth prospects will continue to weigh on corporate credit demand, discouraging large new capital projects and subduing demand for general loans. The risk of bad debt is expected to remain elevated for as long as interest rates stay at current levels. Equally, if the GNU produces sound economic policies, accelerates structural reforms and achieves meaningful fiscal consolidation, it will go a long way towards reducing SA's risk premium and unlocking efficiencies for the private sector, setting the stage for faster growth, higher employment, lower inflation and interest rates over the medium term.

Prospects

Our current guidance on financial performance for the full year 2024, in an environment with high forecast risk and uncertainty, is as follows:

- **NII** is expected to grow below mid-single digits (revised down from above mid-single digits). The group's NIM is expected to decline slightly from the H1 2024 level of 4,13%, while average banking loans and advances growth is likely to see stronger growth in H2 2024 when compared with H1 2024, as lower interest rates and inflation start benefitting retail credit growth and as wholesale clients start drawing down on renewable energy deals and confidence improves after the favourable SA election outcomes.
- **CLR** for the full year is expected to move back into the top half of the group's TTC target range of 60 bps to 100 bps (unchanged). While upside risks remain given macroeconomic challenges, progress in consumer collections in RBB remains steady and stage 3 loans in CIB reduced.
- **NIR** is expected to grow at upper-single digits (revised upwards from above mid-single digits) given the impact of the Eqstra acquisition, and supported by higher levels of cross-sell, main-banked client gains and new revenue streams in RBB, ongoing deal flow in CIB, and insurance improving off a low 2023 base. Trading and equity investment income are expected to improve yoy but remain exposed to macro risks.
- **Expenses** are expected to grow at upper single digits (revised upward from mid-to-upper single digits) given the impact of the Eqstra acquisition, while we maintain our focus on managing costs in a more difficult environment.
- **Associate income** is expected to be slightly lower than 2023 at full year, primarily due to the R175m ETI Ghanaian base effect.
- **CET1** capital ratio is expected to remain well above the top end of the board-approved target range of 11% to 12%, positioning 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% (ie bottom end of the group's target range of 1,75 times to 2,25 times).

HE growth is expected to be slightly higher in H2 2024 when compared to H1 2024.

Our medium-term targets to 2025 and long-term (undated) targets support our focus on ongoing value creation for shareholders and remain in place. We aim to have grown DHEPS by more than a compound annual growth rate (CAGR) of GDP growth + CPI + 5% from the 2022 base and achieved an ROE of 17% (around COE plus 2%) by the end of 2025. Our cost-to-income ratio target of below 52% is now likely to be achieved later than 2025.

In the long term we aim to increase our ROE further to 18% or more (around COE plus 3%) and decrease our cost-to-income ratio to below 50%.

Metric	H1 2024 performance	Full-year 2024 outlook	Medium-term target (2025)	Long-term target
ROE	**15%**	Increase on 2023 and H1 2024	17% (around COE[3] + 2%)	> 18% (around COE[6] + 3%)
Growth in DHEPS	**12%**	Solid growth, driven by lower impairments	≥ Consumer price index + GDP growth + 5% CAGR	
CLR	**104 bps**	Within the top half of the group's TTC target range	Between 60 bps and 100 bps of average banking advances	
Cost-to-income ratio (including associate income)	**55,3%**	Higher than 2023	< 52%[4]	< 50%
CET1 capital adequacy ratio	**13,3%**	Above the top end of 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	

[3] *COE is currently forecast to be 15% in 2024 to 2026.*
[4] *Our medium-term cost-to-income ratio target of below 52% is now likely to be achieved later than 2025.*

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.

Update on the Transnet SOC Limited dispute regarding interest rate swap transactions

Shareholders are referred to the disclosures contained in the Nedbank Group 2023 Integrated Report published on 18 April 2024 (available online on the group's website at nedbankgroup.co.za) regarding Nedbank's ongoing engagements with Transnet SOC Limited concerning interest rate swap transactions that took place between December 2015 and March 2016, in which Regiments Capital (Pty) Ltd had acted as Transnet's appointed financial advisers. Shareholders are also referred to the group's media release dated 28 May 2024 and the Nedbank Group voluntary trading update for the 4 months ended 30 April 2024, released on SENS on 31 May 2024, noting the termination of the mediation process with Transnet and Nedbank's position on possible litigation.

In this context, Nedbank confirms that review proceedings have been served on it by Transnet and the Special Investigating Unit (SIU) in respect of the swaps. Considering internal and independent external reviews commissioned by them, the Nedbank Board and management remain satisfied that Nedbank's internal governance procedures were followed in respect of these swaps and that there is no evidence of any Nedbank employee being dishonest, corrupt or in collusion. The joint media statement that was issued by Transnet and the SIU on 26 July 2024, which stated that Nedbank profited by more than R2 736 094 704,82 in respect of the swaps, is incorrect. The sales margin earned by Nedbank in respect of the swaps was market-related and amounted to less than R43m. The swaps were commercially sound and the ROE earned by Nedbank was fair, reasonable and appropriate at 15,5% over the life of the transactions.

Nedbank will strongly defend the litigation against it and will pursue its counterclaims against Transnet and others.

Board and executive leadership changes during the period

Terence Nombembe and May Hermanus were appointed as independent non-executive directors with effect from 1 January 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. Mike remains employed by Nedbank as a senior adviser until 31 August 2024 to ensure a seamless handover to Jason.

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.

Interim dividend declaration

Notice is given that an interim dividend of 971 cents per ordinary share has been declared, payable to shareholders for the 6 months ended 30 June 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 194,2 cents per ordinary share, resulting in a net dividend of 776,8 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 488 020 500.

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:

	2024
Last day to trade (cum dividend)	Tuesday, 3 September
Shares commence trading (ex dividend)	Wednesday, 4 September
Record date (date shareholders recorded in shareholders' register)	Friday, 6 September
Payment date	Monday, 9 September

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 September 2024, and Friday, 6 September 2024, 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, 9 September 2024.

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

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Financial highlights

for the period ended

		Yoy % change	Jun 2024	Jun 2023	Dec 2023
Statistics					
Number of shares listed	m	(1)	**488,0**	491,3	488,1
Number of shares in issue, excluding shares held by group entities	m		**467,0**	465,0	464,6
Weighted-average number of shares	m	(3)	**465,6**	480,5	472,5
Diluted weighted-average number of shares	m	(3)	**479,4**	496,0	489,2
Headline earnings	Rm	8	**7 911**	7 329	15 650
Profit attributable to ordinary shareholders	Rm	8	**7 914**	7 321	15 305
Total comprehensive income	Rm	(26)	**7 050**	9 585	17 338
Preprovisioning operating profit	Rm	(1)	**14 693**	14 896	29 739
Economic profit/(loss)	Rm	>100	**282**	(10)	970
Headline earnings per share	cents	11	**1 699**	1 525	3 312
Diluted headline earnings per share	cents	12	**1 650**	1 477	3 199
Basic earnings per share	cents	12	**1 700**	1 524	3 239
Diluted basic earnings per share	cents	12	**1 651**	1 476	3 128
Ordinary dividends declared per share	cents	11	**971**	871	1 893
Interim	cents	11	**971**	871	871
Final	cents				1 022
Ordinary dividends paid per share	cents	18	**1022**	866	1 737
Dividend cover	times		**1,75**	1,75	1,75
Total assets administered by the group	Rm	4	**1 818 165**	1 747 820	1 759 875
Total assets	Rm	4	**1 354 810**	1 306 747	1 311 408
Assets under management	Rm	5	**463 355**	441 073	448 467
Net life insurance contractual service margin	Rm	(5)	**998**	1 049	1 071
Nedbank Wealth life insurance value of new business	Rm	(36)	**152**	238	372
Net asset value per share	cents	2	**23 097**	22 548	23 192
Tangible net asset value per share	cents	3	**20 540**	19 880	20 614
Closing share price	cents	12	**25 641**	22 858	21 623
Price-to-earnings ratio	historical		**7,5**	7,4	6,5
Price-to-book ratio	historical		**1,1**	1,0	0,9
Market capitalisation	Rbn	11	**125,1**	112,3	105,5
Number of employees (permanent)			**25 883**	25 900	25 477
Number of employees (permanent and temporary)			**26 368**	26 464	25 984
Key ratios (%)					
ROE			**15,0**	14,2	15,1
Return on tangible equity			**16,9**	16,2	17,2
ROA			**1,20**	1,14	1,21
Return on RWA			**2,28**	2,20	2,31
NII to average interest-earning banking assets			**4,13**	4,18	4,21
NIR to total income[1]			**40,2**	38,9	39,2
NIR to total operating expenses			**72,7**	73,5	72,8
CLR – banking advances			**1,04**	1,21	1,09
Cost-to-income ratio			**55,3**	52,9	53,9
Gross operating income growth less expense growth rate (JAWS ratio)			**(4,8)**	6,5	3,8
Effective taxation rate			**19,7**	21,7	20,5
Group capital adequacy ratios (including unappropriated profits):					
– CET1			**13,3**	13,3	13,5
– Tier 1			**14,7**	14,9	15,0
– Total			**16,6**	17,1	16,9

[1] *Comparatives for 2023 have been restated to include our share of gains of associate companies in the denominator of the ratio.*

Consolidated statement of comprehensive income

for the period ended

Rm	Note	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Interest and similar income		10	**61 322**	55 876	116 915
Interest expense and similar charges		14	**40 538**	35 582	75 445
Net interest income	1	2	**20 784**	20 294	41 470
Non-interest revenue and income	3	7	**14 375**	13 397	27 709
Net commission and fee income			**9 985**	9 245	19 346
Commission and fee revenue			**12 973**	12 218	25 296
Commission and fee expense			**(2 988)**	(2 973)	(5 950)
Net insurance income			**764**	842	1 446
Fair-value adjustments			**424**	239	577
Net trading income			**2 371**	2 084	4 299
Equity investment income			**317**	278	764
Investment income			**81**	69	142
Net sundry income			**433**	640	1 135
Share of gains of associate companies	10	(24)	**598**	782	1 449
Total income		4	**35 757**	34 473	70 628
Impairments charge on financial instruments	2	(12)	**4 662**	5 313	9 605
Net income		7	**31 095**	29 160	61 023
Total operating expenses	4	8	**19 775**	18 229	38 059
Indirect taxation		(8)	**520**	566	1 129
Impairments charge on non-financial instruments and other (gains)/losses	5	>100	**23**	10	403
Profit before direct taxation		4	**10 777**	10 355	21 432
Total direct taxation		(6)	**2 114**	2 252	4 432
Direct taxation	6		**2 120**	2 254	4 484
Impairments charge on non-financial instruments and other gains and losses			**(6)**	(2)	(52)
Profit for the period		7	**8 663**	8 103	17 000
Other comprehensive (losses)/income (OCI) net of taxation		>(100)	**(1 613)**	1 482	338
Items that may subsequently be reclassified to profit or loss					
Exchange differences on translating foreign operations			**(456)**	1 424	1 492
Share of OCI of investments accounted for using the equity method			**(1 199)**	(231)	(1 556)
Debt investments at FVOCI – net change in fair value			**69**	130	242
Cash flow hedge losses			**(12)**	(125)	(190)
Items that may not subsequently be reclassified to profit or loss					
Share of OCI of investments accounted for using the equity method			**22**	25	75
Remeasurements on long-term employee benefit assets			**39**	220	191
Property revaluations			**(95)**	60	53
Equity instruments at FVOCI – net change in fair value			**19**	(21)	31
Total comprehensive income for the period		(26)	**7 050**	9 585	17 338

Rm	Note	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Profit attributable to:					
– Ordinary shareholders		8	**7 914**	7 321	15 305
– Non-controlling interest – ordinary shareholders		(56)	**63**	142	243
– Holders of participating preference shares	7	(17)	**50**	60	166
– Holders of additional tier 1 capital instruments		10	**636**	580	1 286
Profit for the period		7	**8 663**	8 103	17 000
Total comprehensive income attributable to:					
– Ordinary shareholders		(28)	**6 370**	8 866	15 651
– Non-controlling interest – ordinary shareholders		>(100)	**(6)**	79	235
– Holders of participating preference shares	7	(17)	**50**	60	166
– Holders of additional tier 1 capital instruments		10	**636**	580	1 286
Total comprehensive income for the period		(26)	**7 050**	9 585	17 338
Headline earnings reconciliation					
Profit attributable to equity holders of the parent		8	**7 914**	7 321	15 305
Non-headline earnings items		<(100)	**(17)**	(8)	(351)
Impairments charge on non-financial instruments and other gains and losses			**(23)**	(10)	(403)
Taxation on impairments charge on non-financial instruments and other gains and losses			**6**	2	52
Less: Share of associate (ETI) impairments charge on non-financial instruments and other gains and losses			**20**		6
Headline earnings	5	8	**7 911**	7 329	15 650

Consolidated statement of financial position

at

Rm	Note	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Assets					
Cash and cash equivalents		1	**45 247**	44 640	52 082
Other short-term securities		(1)	**82 450**	82 995	87 769
Derivative financial instruments		7	**16 009**	14 952	13 812
Government securities		14	**169 934**	149 494	167 138
Other dated securities		43	**3 764**	2 634	3 579
Banking loans and advances	7	4	**883 120**	845 814	855 445
Trading loans and advances	7	(39)	**40 996**	67 486	36 174
Other assets		29	**51 451**	39 784	35 575
Current taxation assets		73	**940**	542	156
Insurance contract assets		44	**347**	241	378
Investment securities	8		**26 198**	26 232	27 287
Non-current assets held for sale		>100	**493**	206	493
Investments in associate companies	9	(37)	**1 892**	3 016	2 489
Deferred taxation assets		(14)	**508**	592	921
Investment property		31	**285**	217	371
Property and equipment		30	**14 083**	10 863	10 913
Long-term employee benefit assets		11	**5 149**	4 631	4 849
Intangible assets	10	(4)	**11 944**	12 408	11 977
Total assets		4	**1 354 810**	1 306 747	1 311 408
Equity and liabilities					
Ordinary share capital			**467**	465	465
Ordinary share premium			**14 385**	14 441	14 332
Reserves		3	**93 018**	89 944	92 952
Total equity attributable to equity holders of the parent		3	**107 870**	104 850	107 749
Non-controlling interest attributable to ordinary shareholders		12	**831**	742	887
Holders of participating preference shares		(17)	**50**	60	106
Holders of additional tier 1 capital instruments		(13)	**9 798**	11 219	10 469
Total equity		1	**118 549**	116 871	119 211
Derivative financial instruments		(7)	**13 679**	14 749	14 141
Amounts owed to depositors	11	3	**1 119 539**	1 086 241	1 087 645
Provisions and other liabilities		97	**39 321**	19 962	22 715
Current taxation liabilities		(9)	**236**	259	313
Deferred taxation liabilities		50	**805**	535	507
Long-term employee benefit liabilities		>100	**45**	10	43
Investment contract liabilities			**16 917**	16 885	17 512
Insurance contract liabilities		1	**1 376**	1 365	1 544
Long-term debt instruments		(11)	**44 343**	49 870	47 777
Total liabilities		4	**1 236 261**	1 189 876	1 192 197
Total equity and liabilities		4	**1 354 810**	1 306 747	1 311 408

Notes

Consolidated statement of changes in equity

	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve	Property reserve revaluation	
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	694 140	1	139			
Share buyback	(22 906 725)	(23)	(4 906)			
Additional tier 1 capital instruments issued						
Preference share dividend paid						
Additional tier 1 capital instruments interest paid						
Dividends paid to shareholders						
Total comprehensive (losses)/income for the period				1 156	45	
Profit attributable to ordinary shareholders and non-controlling interest						
Exchange differences on translating foreign operations				1 504		
Cash flow hedge losses						
Movement in fair-value reserve						
Property revaluations					45	
Remeasurements on long-term employee benefit assets						
Share of OCI of investments accounted for using the equity method				(348)		
Transfer (from)/to reserves					(22)	
Value of employee services (net of deferred tax)						
Other movements						
Balance at 30 June 2023	465 039 130	465	14 441	(1 760)	1 634	
Share movements in terms of long-term incentive and BEE scheme	15 209		6			
Share buyback	(488 341)		(115)			
Additional tier 1 capital instruments redeemed						
Preference share dividend paid						
Additional tier 1 capital instruments interest paid						
Dividends paid to shareholders						
Total comprehensive (losses)/income for the period				(1 219)	(18)	
Profit attributable to ordinary shareholders and non-controlling interest						
Exchange differences on translating foreign operations				11		
Cash flow hedge losses						
Movement in fair-value reserve						
Property revaluations					(18)	
Remeasurements on long-term employee benefit assets						
Share of OCI of investments accounted for using the equity method				(1 230)		
Transfer (from)/to reserves					(32)	
Value of employee services (net of deferred tax)						
Other movements						

Share-based payment reserve	Other non-distributable reserves[1]	FVOCI reserve	Other distributable reserves[2]	Total equity attributable to equity holders of the parent	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
(407)			(154)	(421)				(421)
				(4 929)				(4 929)
				–		1 000		1 000
				–	(51)			(51)
						(580)		(580)
			(4 352)	(4 352)			(35)	(4 387)
–	–	224	7 441	8 866	60	580	79	9 585
			7 321	7 321	60	580	142	8 103
				1 504			(80)	1 424
			(125)	(125)				(125)
		107		107			2	109
				45			15	60
			220	220				220
		117	25	(206)				(206)
177	42	(13)	(184)	–				–
717				717				717
			(7)	(7)				(7)
2 217	318	663	86 872	104 850	60	11 219	742	116 871
(4)				2				2
				(115)				(115)
				–		(750)		(750)
				–	(60)			(60)
				–		(706)		(706)
			(4 217)	(4 217)			(11)	(4 228)
–	–	79	7 943	6 785	106	706	156	7 753
			7 984	7 984	106	706	101	8 897
				11			57	68
			(65)	(65)				(65)
		174		174			(10)	164
				(18)			11	(7)
			(26)	(26)			(3)	(29)
		(95)	50	(1 275)				(1 275)
4	19		9	–				–
437				437				437
			7	7				7

Consolidated statement of changes in equity (continued)

	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve	Property reserve revaluation	
Balance at 31 December 2023	**464 565 998**	**465**	**14 332**	**(2 979)**	**1 584**	
Share movements in terms of long-term incentive and BEE scheme	**2 542 500**	**2**	**72**			
Share buyback	**(85 024)**		**(19)**			
Additional tier 1 capital instruments redeemed						
Preference share dividend paid						
Additional tier 1 capital instruments interest paid						
Dividends paid to shareholders						
Total comprehensive (losses)/income for the period				**(1 582)**	**(71)**	
Profit attributable to ordinary shareholders and non-controlling interest[3]						
Exchange differences on translating foreign operations[4]				**(411)**		
Cash flow hedge losses						
Movement in fair-value reserve						
Property revaluations					**(71)**	
Remeasurements on long-term employee benefit assets						
Share of OCI of investments accounted for using the equity method[4]				**(1 171)**		
Transfer (from)/to reserves					**(17)**	
Value of employee services (net of deferred tax)						
Other movements						
Balance at 30 June 2024	**467 023 474**	**467**	**14 385**	**(4 561)**	**1 496**	

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

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

3 *The R50m gains attributable to holders of participating preference shares relate to economic gains allocated to participating preference shareholders in accordance with an operating-profit-share preference share agreement.*

4 *Exchange differences of R411m debit (June 2023: R1 504m credit; December 2023: R1 515m credit) in the foreign currency translation reserve include a credit of R5m (June 2023: R75m; December 2023: R168m) for the conversion of our investment in ETI from USD to ZAR and a debit of R416m (June 2023: R1 429m credit; December 2023: R1 347m credit) for the translation of the other foreign subsidiaries. The R1 171m debit (June 2023: R348m; December 2023: R1 578m) relates to our share of ETI's other comprehensive income on foreign exchange gains and losses.*

	Share-based payment reserve	Other non-distributable reserves[1]	FVOCI reserve	Other distributable reserves[2]	Total equity attributable to equity holders of the parent	Holders of participating preference shares	Holders of additional tier 1 capital instruments	Non-controlling interest attributable to ordinary shareholders	Total equity
	2 654	337	742	90 614	107 749	106	10 469	887	119 211
	(1 295)			(360)	(1 581)				(1 581)
					(19)				(19)
					–		(671)		(671)
					–	(106)			(106)
					–		(636)		(636)
				(4 977)	(4 977)			(50)	(5 027)
	–	–	60	7 963	6 370	50	636	(6)	7 050
				7 914	7 914	50	636	63	8 663
					(411)			(45)	(456)
				(12)	(12)				(12)
			88		88				88
					(71)			(24)	(95)
				39	39				39
			(28)	22	(1 177)				(1 177)
	70	81		(134)	–				–
	333				333				333
				(5)	(5)				(5)
	1 762	418	802	93 101	107 870	50	9 798	831	118 549

Return-on-equity drivers

for the period ended

Rm	Jun 2024	Jun 2023	Dec 2023
NII	**20 784**	20 294	41 470
Impairments charge on financial instruments	**(4 662)**	(5 313)	(9 605)
NIR	**14 375**	13 397	27 709
Income from normal operations	**30 497**	28 378	59 574
Total operating expenses	**(19 775)**	(18 229)	(38 059)
Share of gains of associate companies	**578**	782	1 443
Net profit before taxation	**11 300**	10 931	22 958
Indirect taxation	**(520)**	(566)	(1 129)
Direct taxation	**(2 120)**	(2 254)	(4 484)
Net profit after taxation	**8 660**	8 111	17 345
Non-controlling interest	**(749)**	(782)	(1 695)
Headline earnings	**7 911**	7 329	15 650
Daily average interest-earning banking assets	**1 012 296**	978 287	986 060
Daily average total assets	**1 327 841**	1 293 474	1 297 206
Daily average shareholders' funds	**106 342**	104 305	103 501

Note: Averages calculated on a 366-day basis (June 2023: 365-day; December 2023: 365-day).

	Jun 2024	Jun 2023	Dec 2023
NII/average interest-earning banking assets	**4,13%**	4,18%	4,21%
	less	less	less
Impairments/average interest-earning banking assets	**0,93%**	1,09%	0,97%
	add	add	add
NIR/average interest-earning banking assets	**2,86%**	2,76%	2,81%
	6,06%	5,85%	6,05%
	less	less	less
Total expenses/average interest-earning banking assets	**3,93%**	3,76%	3,86%
	add	add	add
Associate income/average interest-earning banking assets	**0,11%**	0,16%	0,15%
	2,24%	2,25%	2,34%
	multiply	multiply	multiply
100% – effective direct and indirect taxation rate	**0,77**	0,74	0,76
	multiply	multiply	multiply
100% – income attributable to minorities	**0,91**	0,90	0,90
Headline earnings/average interest-earning banking assets	**1,57%**	1,51%	1,59%
	multiply	multiply	multiply
Interest-earning banking assets/daily average total assets	**76,2%**	75,6%	76,0%
	=	=	=
Return on total assets	**1,20%**	1,14%	1,21%
	multiply	multiply	multiply
Leverage	**12,5**	12,4	12,5
	=	=	=
ROE	**15,0%**	14,2%	15,1%

Notes

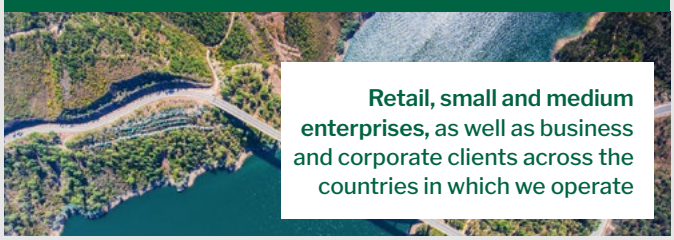


Segmental analysis

Our organisational structure, products and services **58**
Operational segmental reporting **60**
Nedbank Corporate and Investment Banking **64**
Nedbank Retail and Business Banking **68**
Nedbank Wealth **82**
Nedbank Africa Regions **86**
Geographical segmental reporting **90**

Our organisational structure, products and services

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

Cluster	Areas of strength and differentiation
Nedbank Corporate and Investment Banking  A comprehensive suite of wholesale banking solutions for corporates, institutions, governments and parastatals	• Market leader with strong expertise in commercial-property, corporate advances and renewable energy financing. • Market-leading South African trading franchise with excellent trading capabilities across all asset classes. • Leading expertise across various sectors such as mining, telecommunications and infrastructure.
Nedbank Retail and Business Banking  Individual clients and businesses	• Leading digital capabilities that enable clients to join and engage with the bank through multiple channels. • #1 bank in client satisfaction metrics. • Differentiated and disruptive client value propositions (CVPs) across different client segments. • Highly competitive relationship banking offering for our affluent and small-business clients. • Well-positioned and distinctive CVPs in Commercial Banking. • Digitally enabled and reimagined distribution network.
Nedbank Wealth  Individuals, businesses and corporate clients	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 investing 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  Retail, small and medium enterprises, as well as business and corporate clients across the countries in which we operate	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 alliance – 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.

Products and services

Contribution to group

HE contribution

ROE

> 600 large corporate clients

- Full suite of wholesale banking solutions, including investment banking and corporate lending, global markets and treasury, commercial-property finance, transactional banking and deposit-taking products and services.

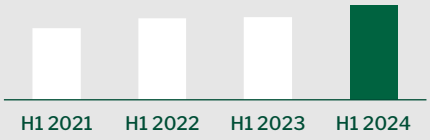
NEDBANK CIB

46,8%

R3 701m

H1 2023: R3 273m
H1 2022: R3 208m
H1 2021: R2 909m

20,8%



Approximately 3,6 million main-banked and 7 million active retail 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, 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 and with the business owner in mind).
- > 14k commercial-banking client groups catering to mid-sized and large commercial entities.

MFC A division of NEDBANK

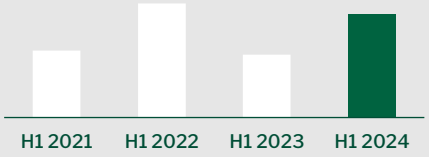
NEDBANK

33,8%

R2 674m

H1 2023: R2 161m
H1 2022: R2 347m
H1 2021: R2 144m

14,6%



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.

NEDBANK PRIVATE WEALTH SINCE 1934

NEDGROUP INVESTMENTS

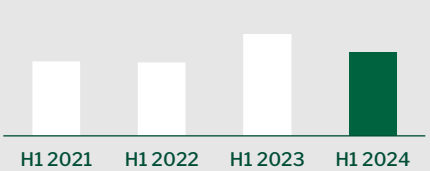
NEDBANK INSURANCE

7,0%

R555m

H1 2023: R678m
H1 2022: R480m
H1 2021: R476m

24,8%



> 379 000 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.

NEDBANK

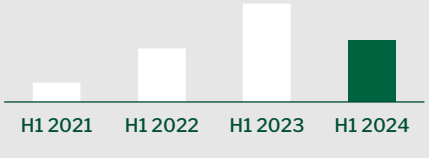
Ecobank

9,2%

R725m

H1 2023: R1 132m
H1 2022: R575m
H1 2021: R182m

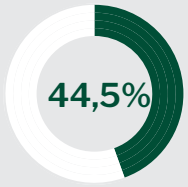
18,2%



Operational segmental reporting

for the period ended

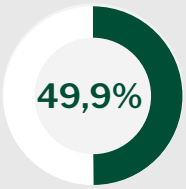
Banking advances contribution to the group



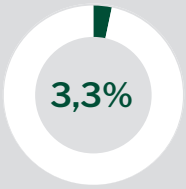
R393bn
H1 2023: R373bn
H1 2022: R362bn
H1 2021: R331bn

	Nedbank Group			Corporate and Investment Banking		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
Summary of consolidated statement of financial position (Rm)						
Assets						
Cash and cash equivalents	**45 247**	44 640	52 082	**1 135**	338	1 513
Other short-term securities	**82 450**	82 995	87 769	**47 548**	49 401	54 628
Derivative financial instruments	**16 009**	14 952	13 812	**15 975**	14 918	13 777
Government and other securities	**173 698**	152 128	170 717	**80 677**	72 352	81 417
Banking loans and advances	**883 120**	845 814	855 445	**392 815**	373 353	376 882
Trading loans and advances	**40 996**	67 486	36 174	**40 996**	67 486	36 174
Other assets	**113 290**	98 732	95 409	**44 391**	43 423	38 789
Intergroup assets	**–**	–	–			
Total assets	**1 354 810**	1 306 747	1 311 408	**623 537**	621 271	603 180
Equity and liabilities						
Total equity[1]	**118 549**	116 871	119 211	**35 770**	36 186	35 957
Total equity attributable to ordinary shareholders	**107 870**	104 850	107 749	**35 770**	36 186	35 957
Non-controlling interest attributable to ordinary shareholders	**831**	742	887			
Holders of participating preference shares	**50**	60	106			
Holders of additional tier 1 capital instruments	**9 798**	11 219	10 469			
Derivative financial instruments	**13 679**	14 749	14 141	**13 655**	14 725	14 100
Banking amounts owed to depositors	**1 062 740**	1 029 726	1 029 746	**415 647**	401 666	383 601
Trading amounts owed to depositors	**56 799**	56 515	57 899	**56 799**	56 515	57 899
Provisions and other liabilities	**58 700**	39 016	42 634	**14 994**	5 159	5 831
Long-term debt instruments	**44 343**	49 870	47 777			
Intergroup liabilities	**–**	–	–	**86 672**	107 020	105 792
Total equity and liabilities	**1 354 810**	1 306 747	1 311 408	**623 537**	621 271	603 180

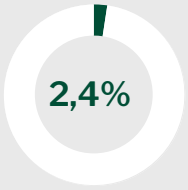
[1] *Total equity includes non-controlling interests in the Centre. Total equity of the client-facing clusters is based on average allocated capital whereas the group's equity is based on actual equity. The difference between average allocated capital and actual equity resides in the Centre.*



R440bn
H1 2023: R421bn
H1 2022: R394bn
H1 2021: R370bn



R29bn
H1 2023: R32bn
H1 2022: R30bn
H1 2021: R31bn



R21bn
H1 2023: R21bn
H1 2022: R21bn
H1 2021: R22bn

	Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre		
	Jun 2024	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023
	4 170	4 243	5 331	**1 358**	1 761	895	**9 978**	8 590	10 583	**28 606**	29 708	33 760
				26 160	29 596	29 295	**6 046**	4 949	4 831	**2 696**	(951)	(985)
				12	4	17	**21**	14	4	**1**	16	14
				214	209	213	**2 699**	2 359	1 979	**90 108**	77 208	87 108
	440 289	421 098	429 244	**28 866**	32 308	28 711	**21 280**	20 912	20 909	**(130)**	(1 857)	(301)
	16 006	9 426	10 320	**22 093**	21 829	22 478	**2 813**	3 950	3 663	**27 987**	20 104	20 159
	31 518	28 619	33 210				**5 675**	3 497	3 937	**(37 193)**	(32 116)	(37 147)
	491 983	463 386	478 105	**78 703**	85 707	81 609	**48 512**	44 271	45 906	**112 075**	92 112	102 608
	36 858	34 153	34 690	**4 492**	4 542	4 520	**8 021**	7 814	7 492	**33 408**	34 176	36 552
	36 858	34 153	34 690	**4 492**	4 542	4 520	**8 021**	7 814	7 492	**22 729**	22 155	25 090
										831	742	887
										50	60	106
										9 798	11 219	10 469
				3	1	31	**21**	23	10			
	444 645	422 026	436 283	**47 511**	50 875	48 212	**38 611**	34 855	36 846	**116 326**	120 304	124 804
	9 239	5 965	5 891	**20 502**	20 513	21 125	**1 429**	1 151	1 129	**12 536**	6 228	8 658
	1 241	1 242	1 241				**430**	428	429	**42 672**	48 200	46 107
				6 195	9 776	7 721				**(92 867)**	(116 796)	(113 513)
	491 983	463 386	478 105	**78 703**	85 707	81 609	**48 512**	44 271	45 906	**112 075**	92 112	102 608

Operational segmental reporting (continued)

for the year ended 31 December

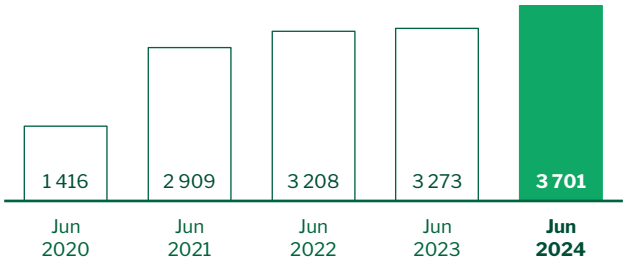
	Nedbank Group			Corporate and Investment Banking		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
Summary of consolidated statement of comprehensive income (Rm)						
NII	**20 784**	20 294	41 470	**4 570**	4 593	9 386
NIR	**14 375**	13 397	27 709	**4 722**	3 994	8 678
Share of income of associate companies	**578**	782	1 443	**48**	33	63
Total income	**35 737**	34 473	70 622	**9 340**	8 620	18 127
Impairments charge on financial instruments	**4 662**	5 313	9 605	**376**	321	939
Net income	**31 075**	29 160	61 017	**8 964**	8 299	17 188
Total operating expenses	**19 775**	18 229	38 059	**4 309**	3 885	8 196
Indirect taxation	**520**	566	1 129	**139**	122	259
Profit before direct taxation	**10 780**	10 365	21 829	**4 516**	4 292	8 733
Direct taxation	**2 120**	2 254	4 484	**815**	1 020	1 934
Profit after taxation	**8 660**	8 111	17 345	**3 701**	3 272	6 799
Profit attributable to:						
– Non-controlling interest – ordinary shareholders	**63**	142	243		(1)	
– Holders of preference shares	**50**	60	166			
– Holders of additional tier 1 capital instruments	**636**	580	1 286			
Headline earnings	**7 911**	7 329	15 650	**3 701**	3 273	6 799
Selected ratios						
Average interest-earning banking assets (Rm)	**1 012 296**	978 287	986 060	**392 792**	392 336	387 929
Average risk-weighted assets (Rbn)	**697 092**	670 883	678 142	**301 706**	292 661	295 120
ROA (%)	**1,20**	1,14	1,21	**1,21**	1,08	1,11
RORWA (%)	**2,28**	2,20	2,31	**2,47**	2,26	2,30
ROE (%)	**15,0**	14,2	15,1	**20,8**	18,2	18,9
Interest margin (%)[1]	**4,13**	4,18	4,21	**2,34**	2,36	2,42
NIR to total income (%)[2]	**40,2**	38,9	39,2	**50,6**	46,3	47,9
NIR to total operating expenses (%)	**72,7**	73,5	72,8	**109,6**	102,8	105,9
CLR – banking advances (%)	**1,04**	1,21	1,09	**0,19**	0,16	0,24
Cost-to-income ratio (%)	**55,3**	52,9	53,9	**46,1**	45,1	45,2
Effective taxation rate (%)	**19,7**	21,7	20,5	**18,0**	23,8	22,1
Contribution to group economic profit/(loss) (Rm)	**282**	(10)	970	**1 033**	617	1 477
Number of employees (permanent)	**25 883**	25 900	25 477	**2 279**	2 368	2 272

[1] *Cluster margins include internal assets.*
[2] *Comparatives for 2023 have been restated to include our share of gains of associate companies in the denominator of the ratio.*

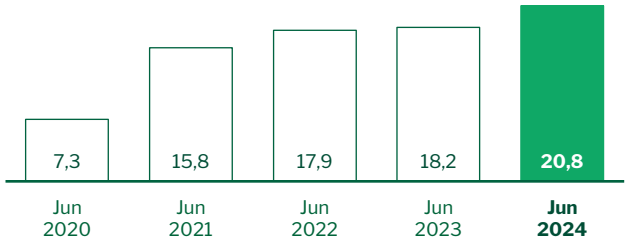
	Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
	13 236	12 838	26 413	**883**	857	1 749	**1 169**	1 084	2 226	**926**	922	1 696
	7 271	6 883	14 306	**1 521**	1 556	2 924	**896**	1 029	1 857	**(35)**	(65)	(56)
							509	749	1 380	**21**		
	20 507	19 721	40 719	**2 404**	2 413	4 673	**2 574**	2 862	5 463	**912**	857	1 640
	4 135	4 843	8 520	**24**	5	37	**104**	136	253	**23**	8	(144)
	16 372	14 878	32 199	**2 380**	2 408	4 636	**2 470**	2 726	5 210	**889**	849	1 784
	12 249	11 503	23 678	**1 624**	1 547	3 111	**1 595**	1 367	2 928	**(2)**	(73)	146
	389	329	747	**35**	42	64	**41**	46	56	**(84)**	27	3
	3 734	3 046	7 774	**721**	819	1 461	**834**	1 313	2 226	**975**	895	1 635
	1 010	825	2 042	**166**	141	251	**43**	39	97	**86**	229	160
	2 724	2 221	5 732	**555**	678	1 210	**791**	1 274	2 129	**889**	666	1 475
							66	142	238	**(3)**	1	5
	50	60	166									
										636	580	1 286
	2 674	2 161	5 566	**555**	678	1 210	**725**	1 132	1 891	**256**	85	184
	464 961	432 726	445 309	**58 286**	62 677	61 359	**38 503**	36 750	36 318	**57 754**	53 798	55 145
	268 903	253 955	257 017	**33 208**	35 315	34 603	**53 771**	49 758	49 896	**39 504**	39 194	41 506
	1,11	0,96	1,20	**1,39**	1,63	1,46	**3,06**	5,03	4,16			
	2,00	1,72	2,17	**3,36**	3,87	3,50	**2,71**	4,59	3,79			
	14,6	12,8	16,0	**24,8**	30,1	26,8	**18,2**	29,2	25,2			
	5,72	5,98	5,93	**3,05**	2,76	2,85	**6,11**	5,95	6,13			
	35,5	34,9	35,1	**63,3**	64,5	62,6	**34,8**	36,0	34,0			
	59,4	59,8	60,4	**93,7**	100,6	94,0	**56,2**	75,3	63,4			
	1,83	2,26	1,94	**0,17**	0,03	0,12	**0,91**	1,13	1,00			
	59,7	58,3	58,1	**67,6**	64,1	66,6	**62,0**	47,8	53,6			
	27,0	27,1	26,3	**23,0**	17,2	17,2	**5,2**	3,0	4,4			
	(75)	(346)	432	**220**	345	541	**127**	559	783	**(1 023)**	(1 185)	(2 263)
	15 183	15 525	15 157	**1 884**	1 849	1 835	**2 206**	2 195	2 157	**4 331**	3 963	4 056

Nedbank Corporate and Investment Banking

Headline earnings
(Rm)



Return on equity
(%)



Overview

- HE up by 13% to R3,7bn with ROE of 20,8%.
- NII flat, driven by average advances growth of 1% due to lower demand in Q1 2024 and a slight decline in NIM.
- NIR up by 18%, benefitting from fees on deal closures and trading performance.
- CLR increased by 3 bps to 19 bps at the lower end of the cluster TTC target range.
- Expenses up by 11% as variable employee cost growth aligned with HE growth.

Financial performance

CIB delivered strong headline earnings (HE) growth of 13% at an increased return on equity (ROE) of 20,8%, with particularly robust non-interest revenue (NIR) growth as we delivered on our strategic objectives to deliver impactful solutions to our clients across the value chain. This was against a complex and unsupportive macroeconomic environment where lack of investor confidence across the broader economy continues to hamper asset growth opportunities outside of large energy infrastructure projects. The lack of high-quality assets coming to market is driving down margin across sectors as competition for those assets intensifies.

Net interest income (NII) decreased marginally as muted asset growth was offset by margin compression. Average banking advances and deposits growth, 1% and 2% respectively, contributed positively to NII. Asset growth was driven, in particular, by Investment Banking (IB) and Property Finance (PF), which grew average banking advances by 2% and actual advances by 5%. Net interest margin (NIM) contracted by 2 bps yoy to 2,34% and by 8 bps from December 2023. Endowment benefits and lower suspended interest on stage 3 assets were offset by competitive margin pressure, a change in balance sheet mix and deposit insurance scheme costs (2 bps). Competitive pricing on new deals was further compounded by historically higher margin deals being repaid.

The credit loss ratio (CLR) increased marginally to 19 bps, which is still at the lower end of the through-the-cycle (TTC) target range of 15 bps to 45 bps, with impairments increasing by 17% to R376m. The small yoy increase is due to recoveries in H1 2023, which were not repeated in H1 2024. The stage 3 loan ratio decreased to 2,55% (Jun 2023: 5,06%) from 4,83% (Dec 2023) as exposures were repaid, migrated, or restructured. Stage 2 exposures continue to decrease, and stage 1 exposures remain stable. The total coverage ratio decreased to 0,78% (Jun 2023: 1,46%) from 1,14% (Dec 2023). The commercial-property portfolio reported a CLR of 20 bps, down from 26 bps in H1 2023 and 47 bps in FY 2023, benefitting from the restructure of a single client.

Non-interest revenue (NIR) increased by 18% to R4,7bn 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 16% due to higher arranging fees in key growth sectors. Trading income increased by 14% due to positive performances in the equities and debt securities markets, up by 34% and 28% respectively, offset by a weaker performance in foreign exchange (FX), down by 9%. FX was impacted by lower USD import and export volume. FV gains increased over 100% and comprise of FV movements on debt instruments in the banking book with contractual upside and funding structured in Markets. Trading income, combined with the FV moves, generated a 18% NIR growth in the Markets business. Equity investment income increased by 11% as a result of higher realisations, gains from dividends, interest, and distributions.

Expenses increased by 11% as variable incentive costs grew in line with a strong H1 2024 performance. Excluding variable employee costs, expenses grew by 7%. The cost-to-income ratio of 46,1% increased from 45,1% in the prior year. The medium-term target of below 44% remains.

Our deliberate and disciplined approach to business selection, cross-sell and focus on capital efficiency helped improved our ROE to 20,8%. This focus has been embedded across our organisation to maximise value against the changing regulatory capital backdrop.

Looking forward

In a challenging operating environment, we continue to invest in and build on our existing strategy and maintain progress in its execution. We continually refine our sector strategies to ensure that we are positioned well to grow our businesses in the second half of the year and beyond.

While we have a robust pipeline and expect to maintain positive deal momentum into H2 2024, we do see significant competition for high-quality assets and anticipate margin compression to continue through the next 6 months. We continue to expect good HE growth from energy-related transactions despite delays, although it might be impacted by continued regulatory and grid access challenges.

Financial highlights

		Corporate and Investment Banking			Property Finance			Corporate and Investment Banking, excluding Property Finance		
	Yoy % change	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
Headline earnings (Rm)	13	**3 701**	3 273	6 799	**617**	603	1 156	**3 084**	2 670	5 643
NII (Rm)		**4 570**	4 593	9 386	**1 315**	1 336	2 795	**3 255**	3 257	6 591
Impairments charge (Rm)	17	**376**	321	939	**173**	224	805	**203**	97	134
NIR (Rm)	18	**4 722**	3 994	8 678	**465**	412	1 076	**4 257**	3 582	7 602
Gross operating income (Rm)	8	**9 340**	8 620	18 127	**1 781**	1 748	3 871	**7 559**	6 872	14 256
Operating expenses (Rm)	11	**4 309**	3 885	8 196	**739**	687	1 464	**3 570**	3 198	6 732
ROE (%)		**20,8**	18,2	18,9	**14,1**	13,5	13,0			
ROA (%)		**1,21**	1,08	1,11	**0,69**	0,69	0,66			
CLR – banking advances (%)		**0,19**	0,16	0,24	**0,20**	0,26	0,47			
NIR to total operating expenses		**109,6**	102,8	105,9	**63,0**	60,1	73,5			
Cost-to-income ratio (%)		**46,1**	45,1	45,2	**41,5**	39,3	37,8			
Interest margin (%)		**2,34**	2,36	2,42	**1,52**	1,58	1,64			
Total assets (Rm)		**623 537**	621 271	603 180	**184 853**	178 475	182 371	**438 684**	442 796	420 809
Average total assets (Rm)	1	**615 433**	609 680	610 718	**179 870**	175 528	176 434	**435 563**	434 152	434 284
Total advances (Rm)	(2)	**433 811**	440 839	413 056	**178 952**	172 870	176 474	**254 859**	267 969	236 582
Average banking advances (Rm)	1	**393 969**	390 195	387 053	**174 056**	170 045	170 890	**219 913**	220 150	216 163
Total deposits (Rm)	3	**472 446**	458 181	441 500	**108**	215	155	**472 338**	457 966	441 345
Average total deposits (Rm)	2	**462 113**	454 353	450 640	**132**	229	204	**461 981**	454 124	450 436
Average allocated capital (Rm)	(1)	**35 770**	36 186	35 957	**8 774**	9 021	8 893	**26 996**	27 165	27 064

Deep client relationships in the property sector will ensure we maintain a good quality and well-diversified portfolio.

We continue to invest in and strengthen our Markets business. We are assessing our FX franchise across the value chain with the intention of driving a digital-first culture and building digital enthusiasm and buy-in across the franchise.

Africa remains 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.

We remain focused on delivering our product suite to our clients in our TS business, with particular focus on trade finance, asset-based finance and deposit-generating solutions.

As a people-led, technology-enabled business, it is imperative that our employees and clients are equipped with the right digital and data capabilities and tools to deliver differentiated journeys and experiences. Our business model relies on empowering employees and clients through digital channels for day-to-day needs and our people proposition, underpinned by diversity, equity and inclusion, is tailored to our business strategy that enables us to attract, retain and develop top talent to build a competitive CIB.

Strategic progress

CIB maintained momentum in executing our strategy, leveraging areas of strength and leaning into new opportunities. The success of our strategy is underpinned by plans to ensure that we evolve to meet our clients' needs and deliver revenue growth and targeted returns despite the challenging operating conditions.

We have embedded a sector-focussed client service model, bringing together skills from product areas and risk to ensure that we leverage and deliver the best of Nedbank to our clients. The effective functioning of these teams is supported by data to enhance client relationships, uncover new opportunities, and more effectively manage and grow the quality of returns across sectors, clients, and products.

Good risk management of our property portfolio has enabled us to successfully navigate the first half of the year, despite heightened uncertainty and persistently high interest rates. Our strategy focuses on sustainably growing the business as we continue to diversify our portfolio geographically, with a good pipeline of opportunities, both locally and in Africa.

The significant investments in technology capabilities and increased sales presence in our Markets business are bolstering trading income in a challenging macroeconomic environment. Awards received during 2024 are testament to our strong market position, including Spire Awards for Best Market Making Team: Government Bonds, Best Sales Team: Bonds, and Best Bond Exchange Traded-product (ETP) Market-Maker.

Financial highlights

	Property Finance			Investment Banking			Markets			Working capital and Transactional Services		
	Jun 2024	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023
Gross operating income (Rm)	**1 781**	1 748	3 871	**2 622**	2 255	4 929	**2 985**	2 642	5 368	**1 952**	1 975	3 959
Average banking advances (Rm)	**174 056**	170 045	170 890	**172 463**	168 607	167 170	**23 715**	27 375	25 568	**23 735**	24 168	23 425

The energy and mining sectors delivered notable contributions to overall book growth, following good pipeline conversion as investment activity continued in these sectors. We successfully closed several renewable energy deals in the private power generation space.

Our strong client relationships in the energy sector have enabled a significant increase in client interactions for our trade products teams, with particular focus on trade corridors. The TOM 2.0 project has delivered efficiencies. However, due to a muted economy, we have not seen the expected revenue growth. In addition, the recent acquisition of Eqstra will enhance and complement our existing fleet management business.

Our digital strategy drives innovation and efficiencies that deliver a warm digital channel and employee-assisted experiences for clients that set us apart and support our competitive market position and growth strategy. The Nedbank Business Hub (NBH) platform is central to the delivery of our warm digital client engagement and efficiency strategy, and we continue enriching services on the platform. Building on the successful migration of most of our clients from NedTreasury onto NBH, we have launched our modernised domestic payments journeys and assigned more capabilities for delivery later in the year. We are enhancing our overall channel strategy to ensure that our product roadmap aligns with commercial value and remains fit for today's competitive environment.

Our strategy continues to enhance a strong financial performance through the commercialisation of our sustainability initiatives that create positive economic, societal, and environmental impacts. This is evidenced by our continued progress in sustainable development finance activities, with R35bn renewable energy exposure and R57bn in limits, as well as a R4,5bn term loan facility to support a water augmentation project in Limpopo. This is possible through our focus on having the right people and skills in all our business areas as well as consistent investment in the development of our people and employee value proposition. Our success is evidenced by the following awards won in the period under review: 2024 Global Finance Awards – 2024 Best Bank for Sustainable Finance (South Africa) and 2024 Best Bank for Green Bonds (Africa); and 2024 Bonds, Loans & ESG Capital Markets Africa awards – 2024 Joint winner for Power Deal of the Year.

Segmental performance

Property Finance (PF)

PF provides development and term finance solutions to clients and partners with them through equity investment and mezzanine structures. Lending activity in H1 2024 was slower than experienced in Q4 2023 and, in our view, reflects clients delaying activity due to election uncertainty for the majority of H1 2024 as well as the interest rate environment where rates were higher for longer than originally projected. We have a robust transaction pipeline, and we expect a greater level of client execution in H2 2024 following the election outcome and expectations of interest rate cuts.

In H1 2024 we have resolved a large stage 3 exposure, with all assets being transferred to the new purchasers. The remaining single retail asset is expected to transfer in H2. As a result of the resolution of this exposure, stage 3 exposures reduced from R10,5bn at year-end to R3,4bn. We continue to focus on partnering with our clients, originating high-quality transactions, and managing the risk across our portfolio.

Gross operating income (GOI) increased by 3% as NII was down marginally by 0,6% and NIR increased by 13%. NII was lower than the prior year despite growth in average banking advances of 2%. This was largely due to margin compression experienced as a result of competition for high-quality assets as well as timing on the implementation of transactions linked to the resolution of a stage 3 account. NIR growth was supported by favourable property partners revaluations.

The CLR decreased to 20 bps (June 2023: 26 bps), which is lower than expected given the higher interest rate environment. 2023 was also impacted by a large single stage 3 exposure that has been resolved. The CLR is at the lower end of the TTC target range of 15 bps to 35 bps. The impairment experience for H1 2024, in our view, demonstrates the resilience of our client base.

Good-quality and well-diversified assets secure our portfolio, underpinned by a solid client base with whom we have deep relationships.

Investment Banking (IB)

IB is responsible for advisory, debt and equity capital markets, private and alternative equity investment, long-term debt finance, sustainable finance, and syndication businesses. It has leading industry expertise in mining and resources, energy, infrastructure, telecommunications, transport, freight and logistics, as well as the travel and leisure sectors. Our sector expertise, thought leadership, and purpose-driven approach to delivering solutions to our clients received ongoing recognition.

Since 2023 we have won multiple awards in the period under review: 2024 Global Banking & Finance Awards – 2024 Best Investment Bank (South Africa); 2024 Bonds, Loans & ESG Capital Markets Africa Awards – 2024 Corporate Bond Deal of the Year; and 2023 ANSARADA DealMakers Awards – first place in the Sponsor Mergers & Acquisitions category by deal flow as well as in the Investment Advisers Mergers & Acquisition category by deal flow.

IB GOI increased by 17% as NII was flat and NIR grew by 42%. NII was muted compared to the prior year, as the 2% growth in average banking advances was offset by the competition for high-quality assets, resulting in margin pressures. The CLR for the period increased to 24 bps (June 2023: 18 bps) but remains towards the lower end of the TTC target range of 20 bps to 50 bps. The increase in NIR was driven by strong commission and fees within several sectors such as energy and mining, as well as FV upside on debt instruments.

The pipeline of opportunities for the second half of 2024 remains robust across all sectors, particularly in energy and related infrastructure, but conversion will rely heavily on external factors over the next 6 months. We continue to focus on the advisory business and to grow our NIR contribution and cross-selling into the broader CIB franchise from these mandates. The private equity franchise will focus on new investment activity and we may realise certain existing investments. There will be a continued focus on sustainable finance where we play a crucial role in leading, structuring and coordinating these transactions, for which Nedbank has been recognised globally as a leading sustainable finance provider.

Markets

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

The Markets business grew GOI by 13% yoy as NII decreased by 2% and NIR increased by 18%. The increase in NIR was supported by trading income growing by 14% despite challenging trading conditions. This growth was driven by good outcomes in debt securities (28%) and equities trading (34%) despite continued pressure on equity volumes driven by very strong outcomes in equity derivatives. The Interest Rates business benefited from good corporate activity and a very strong performance in credit trading, building on successes from the previous half and underlining the decision to pursue the business as part of our strategic agenda in 2023.

This growth was offset by weaker FX trading income, down by 9%, impacted by lower revenue in non-linear derivatives and muted client activity against a slowing trade backdrop.

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 a full suite of transactional banking solutions to our corporate clients. This includes working capital, payments, trade finance and liquidity solutions.

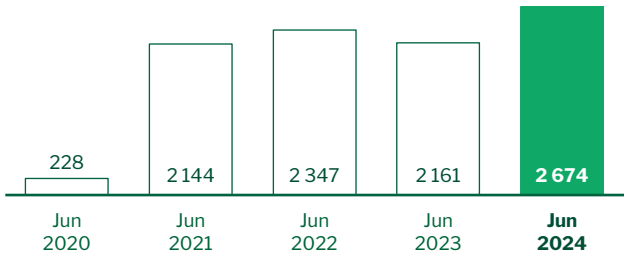
GOI decreased by 1% as NII increased by 2% and NIR decreased by 5%. NIR growth in domestic payments and investor services was offset by lower volumes in trade and cash. Positively, we have seen increased activity in primary market activity in Africa in our International Financial Institution (IFI) business.

The CLR for the period is 1 bps (2023: 45 bps). The 2023 impairments release included a single stage 3 exposure that was rehabilitated. The 2024 CLR is well below the TTC target range of between 10 bps and 25 bps.

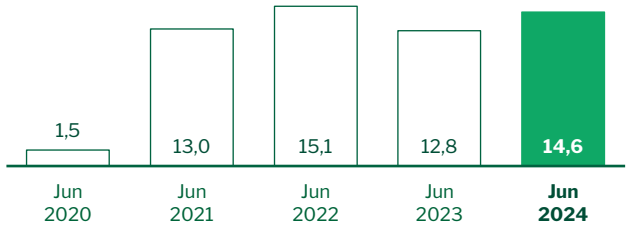
Despite an increasingly competitive environment we recorded 8 new primary-banked client wins. The focus in the second half of the year remains pipeline conversion, which is robust and diversified across many sectors. There will be continued focus on client experience and service as we onboard new clients. We continue to invest in our technology platforms to ensure a seamless experience across products. This focus and an improving economy will position our transactional services to grow.

Nedbank Retail and Business Banking

Headline earnings
(Rm)



Return on equity
(%)



Overview

- HE up 24% to R2,7bn and ROE of 14,6%.
- NII up by 3% given muted advances growth.
- NIR up by 6% driven by the continued strong growth in value-added service volumes, higher maintenance fees and higher card interchange volumes offset by slower transaction volume growth.
- Impairments reduced by 15% and CLR improved to 183 bps, marginally above the upper end of the cluster TTC target range of 175 bps, albeit reflective of seasonal elevation in the first half of the year.
- Expenses well managed, up by 6% and cost-to-income ratio at 59,7%.
- CVP enhancements including MiGoals, Greenbacks, Private Clients online, Young Professionals strategy, SMME alternative lending and solar CVP.
- Accelerated digital uptake and higher levels of usage. Digital innovations include lending APIs and PayShap.
- Main-banked clients increased by 7% to 3,6m.

Financial performance

RBB's financial performance continued to show a good recovery with headline earnings (HE) up 24% to R2 674m.

Higher earnings, as well as an increase in capital, resulted in the ROE increasing to 14,6% (H1 2023: 12,8%). HE growth was mainly attributable to a 15% decrease in impairments and a 4% increase in revenue growth, while expense growth was well managed at 6%. This resulted in the cost-to-income ratio deteriorating to 59,7% (H1 2023: 58,3%). We acquired Eqstra (fleet management business) effective from 13 June 2024, and for practicability, elected to consolidate the financial results from 1 June 2024. The contribution from this date to the end of June has been included in RBB's results.

In addition to the strong HE growth, RBB made good progress on several key non-financial metrics, including a 9% increase in digitally active clients to 3,0 million and a 7% growth in main-banked clients to 3,6 million.

NII increased by 3% to R13 236m, driven by muted growth in average banking advances, supported by new loan payouts of R58bn (H1 2023: R60bn). NIM contracted by 26 bps due to lower client margins (mainly in unsecured lending and home loans), higher funding costs across all lending products, and the negative impact of suspended interest, offset by endowment due to higher interest rates. In addition, NIM was also negatively impacted by the lower mix of high-yielding products.

Average banking advances increased by 5% to R455bn, driven by good growth in Retail Relationship Banking and solid growth in secured lending. Unsecured lending volumes slowed due to the deliberate adoption of a more cautious approach to new lending because of elevated risk. Household advances market share remained flat at 17,5% in May 2024 compared to December 2023.

Average deposits increased by 7% to R440bn. Our market share in transactional deposits of 10,7% at the end of May 2024, remains a core focus area. Household deposits market share remained flat at 14,6% in May 2024 when compared to December 2023.

Impairments reduced by 15% to R4,1bn (H1 2023: R4,8bn), mainly supported by a more stable macroeconomic environment and ongoing credit and collections initiatives, notwithstanding increased provisions for parameter re-grounds. The reduction was largely evident in Commercial Banking and most retail products with the exception of MFC (vehicle finance), which has seen a deterioration in 2024, largely driven by some strain in the taxi portfolio (small book) and lower recoveries at auctions. While the CLR has decreased materially to 183 bps (H1 2023: 226 bps), it remains marginally above the upper end of our TTC target range of 120 bps to 175 bps, albeit reflective of seasonal elevation in the first half of the year.

Stage 3 loans as a percentage of total loans increased to 8,37% of total gross loans and advances (H1 2023: 8,09%), however, the rate of the increase has slowed since the end of 2023 (R1bn of additional loans into stage 3 in H1 2024 compared to R2bn in H2 2023 and R6bn in H1 2023). Stage 2 loans have improved yoy to 12,1% (H1 2023: 12,5%), marginally above the 11,9% at December 2023. Total coverage remains strong at 5,39% (June 2023: 5,26% and December 2023: 5,35%), reflecting the difficult macroeconomic conditions and outlook.

NIR increased by 6% to R7,3bn (excluding Eqstra 4%), driven by the continued strong growth in value-added services (VAS) volumes (19%), higher maintenance fees (15%) from selling more bundled accounts, the introduction of a R5 maintenance fee on pay-as-you-use (PAYU) accounts and growth in card issuing and card acquiring volumes (8%), offset by slower transactional activity across most key lines.

Expenses increased by 6,5% to R12,2bn (excluding Eqstra 5,5%), 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 and the Managed Evolution (ME) technology strategy. Permanent headcount decreased by 342 (excluding Eqstra 618) to 15 183, achieved mostly through natural attrition.

Strategic progress

Clients – A 7% increase in main-banked clients to 3,6 million, coupled with an increase in the digital adoption of products and services, positively impacted NIR growth. We continue to scale several key growth vector products to expand our value propositions and support sustainable NIR growth by diversifying the revenue base.

Our efforts to offer exemplary services to our clients and retain the number 1 position in NPS have been acknowledged through numerous awards and accolades:

- We recently won the Forrester Customer-Obsessed Enterprise Award – Europe, Middle East & Africa (EMEA).
- We proudly accepted the prestigious title of Best Bank for Transactional Banking Services (Africa and SA) at the Middle East and Africa Innovation Awards by The Digital Banker.
- We were awarded The Best Small and Medium Enterprise (SME) Bank South Africa and Best Retail Bank South Africa 2024 at the Global Banking & Finance Review Awards 2024.
- We attained the title of Africa and South Africa's Best Digital Bank at the Euromoney Awards for Excellence 2024.
- We were honoured as The World's Best Bank for Diversity and Inclusion, South Africa's Best Bank for Diversity and Inclusion, and Mozambique's Best Bank for Diversity and Inclusion at the Euromoney Awards for Excellence 2024.

Digital innovation – Digitally active clients increased by 9% to 3,0 million, of which 2,6 million clients are now using the Money app (up by 16% yoy). Digital platform sales grew by 15%, funded current accounts by 18%, investments by 25% and credit cards by 57% yoy. Digital transaction volumes and Money app volumes increased by 7% and 13% yoy respectively.

Nedbank's chatbot, Enbi, is assisting clients at scale, with over 13,5 million interactions recorded to date. 74% of all engagements are managed through this chat function, freeing up the capacity of agents to support clients with more complex queries. Enbi now has 981 000 users, up by 26% yoy.

Since the start of 2024, small merchants can order and manage POS devices directly on our Money app. SMME's are now able to digitally apply for a business loan and as an expansion to our kids banking offering, we landed a new under 16 MiGoals transactional product. Our value-added service offerings were enhanced to include vehicle quick quote insurance, license renewals, traffic fine payments as well as expanded assurance, insurance, and funeral functionality. Our e-commerce platform, Avo, is now available through the Money app with enhanced browser capability to offer clients a view of the best digital deals available. Furthermore, our clients can now amend their payment limits in real time and our juristic clients can redeem their Greenbacks into their investment accounts.

In H2 2024, we will be focusing on our inter-bank and Bankserv partnership to land the new Request-To-Pay functionality to complement the existing PayShap service. We will enhance self -service through our digital channels to make it the easiest and most preferred way to engage while ensuring all channels, both digital and physical, are seamlessly integrated.

The Nedbank Business Hub (NBH), a digital banking platform continues to evolve for our commercial banking clients. At the centre of this evolution is a material enhancement of client choice; choice relating to security, when they bank, self-service or assisted by a banker, and differentiated pricing.

Nedbank's API_Marketplace has added insurance leads API to the product offering, and PayShap API is now being operationalised in production. The cash out, insurance, personal loans, and direct EFT APIs remain the top performing products on the platform.

Integrated physical distribution – In response to shifts in client behaviour and preferences, we continued to optimise our branch footprint while investing in more mobile and self-service channels as we aim to change in line with the way clients bank in a digital world.

We have a new operating model in 435 points of presence, which we will roll out to the balance of our footprint over the next 2 years, including an innovative mix of branches – from full-service and express to easy-access smaller branches. By the end of 2025, 57% of branches will be smaller than 200 m^2, which is a significant shift from our current branch mix.

Our continued focus on sales productivity has resulted in branch sales and service productivity improving by 8% yoy, with servicing employees now contributing 27% (H1 2023: 22%) of overall sales. We have seen our clients shift behaviour from using branches or the contact centre to self-service via our digital channels. We also noted a 19% increase yoy in the use of the Money app for financial services transactions.

In line with our strategy to migrate deposits to our self-service devices, 93% of client cash deposits made at branches are processed through our cash-accepting ATM devices (Intelligent Depositors). To accommodate this shift, we have rightsized our ATM footprint by 42 devices. We have also noted a 1% decrease in cash dispensed through ATMs as we promote a 'digital first' mindset.

We have invested in a network of 558 self-service kiosks (SSKs) based in the self-service zone in our branches to enable clients to complete certain transactions, at their convenience, 24/7. SSKs also contribute to sales with 12% of all predetermined offers taken up on the SSK, and more than 4 000 funeral plans sold per month.

Growth vectors – We remain focused on our Beyond Banking growth vectors to future-proof ourselves, become a disruptor, and create value in the market. Our VAS revenue increased by 28% yoy, and volumes by 19% yoy to 1,55 million unique clients (H1 2023: 1,44 million) aided by a launch of new initiatives.

Avo SuperShop has been in the market for 4 years and has around 2,7 million registered clients (up by 19% yoy), with an 80% increase yoy in total gross merchandise value (GMV) across all Avo ecosystems. Avo Home grew GMV by 53% yoy and now gives Nedbank Greenbacks members exclusive discounts on Apple and Samsung devices plus flight discounts as part of the updated Nedbank Greenbacks rewards programme. Avo Solar was launched to consumers in Q3 2023 and is now the biggest partner for Nedbank's residential solar financing solution, attracting new-to-bank customers and driving cross-sell. Avo Solar also launched its commercial and industrial (C&I) value proposition in November 2023 and has become a significant player in the ecosystem. Avo Solar C&I has been appointed as the technical partner for the Land Bank Agro Energy Fund, preferred partner for sourcing, auditing, maintenance and rooftop implementations for all Nedbank branches and preferred technical partner for all CIB commercial property deals. Avo Auto, a virtual vehicle mall that was launched in 2021, now hosts over 1 000 MFC-accredited dealers and around 30 000 vehicles, and increased GMV by 143% yoy. Avo B2B was introduced in Q4 2022 through a test-and-learn approach and since then it has

grown GMV almost 5 times compared with the same period last year. The Avo B2B proposition continues to attract businesses of different sizes across various ecosystems such as solar, FMCG, hardware/DIY, agric, construction and automotive. Beyond this, the platform attracted requests for partnership from various other B2B eCommerce platforms in agriculture, construction and FMCG because of the underlying financial services product that provides up to 60 days' interest-free credit.

Insurance represents a significant growth opportunity for both RBB and Nedbank Insurance as we forge a sustainable business partnership for the benefit of Nedbank's clients. We offer a diverse array of life and non-life insurance products including the MyCover suite and standalone solar insurance which is a market first among incumbent banks.

We are excited about the progress we've made in building strategic partnerships and alliances to expand our scale and deliver added value to our clients. In H1 2024, we secured competitive deals for Nedbank clients and maintained partnerships with key organisations such as bp and NuMetro through our Greenbacks (GB) 2.0 headline programme. We also launched the GB travel offering, providing guaranteed discounts of up to 30% on flights with major airlines. We supported Avo SuperShop through 122 active partners and continue to see increased sales on Avo through Apple, Samsung and travel. Additionally, we successfully switched over 59% of all identifiable debit orders by enrolling 55 new partners in debit order switching.

Looking forward

The first 6 months of 2024 was very challenging for our clients, given the difficult macroeconomic environment. Interest rates remained higher for longer, our political landscape remained uncertain and GDP growth was weak. Despite these challenges, we remain optimistic that interest rates will reduce in the second half of 2024, paving the way for increased lending activity. We continue to focus on achieving our origination strategies to ensure we grow quality business, while at the same time continuing to improve on our credit and collection initiatives to lower impairments. We will also continue to manage operational costs judiciously, while providing a seamless client experience. Our medium- to long-term focus is to reduce the cost-to-income ratio to below 57% and to increase the return on equity to greater than 20%.

We continue to focus on 5 core strategy pillars:

Leading client experiences - Client-centred growth, creating leading client experiences with disruptive CVPs and purpose-led objectives by leveraging end-to-end credit value chain capability to ensure the highest quality origination.

First in digital; digital first - We continue to develop innovative products and solutions for our clients and deliver digital capabilities that will enhance their digital experience**.**

Efficient and agile operating model - Our strategic execution aims to unlock growth and prepare for future competitiveness. We will continue to enhance operational effectiveness, manage credit losses, and develop world-class capabilities like data commercialisation, behavioural economics, risk management, strategic partnerships, and digital capabilities. These efforts will reduce our cost-to-income ratio and improve our ROE to the required target range.

Putting purpose into practice – We will accelerate our focus on green finance, development finance, inclusive distribution, financial inclusivity for individuals as well as businesses, and financial wellness. 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 – We will continue to focus on innovating and commercialising growth opportunities such as expanding the Avo SuperShop app, implementing new commercial models and channels for VAS, growing our insurance offerings, and implementing a go-to-market strategy for the township economy. Our goal is to increase the contribution of these growth opportunities to our total revenue.

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.

Segmental review

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 agricultural, the retail services sector, manufacturing industries and the public sector.

Acquisition of Eqstra

Eqstra enhances and complements Nedbank's fleet management business offerings in a way that converges Nedbank's world-class internet-based fleet management system with Eqstra's fleet-management service suite, benefitting both entities' existing and future client base. The combination of Eqstra and NedFleet provides an integrated approach to fleet management, aimed at providing better quality, cost, and scale to all clients. The acquisition gives Nedbank scale and expands Nedbank's product and service offerings in Namibia and Eswatini and expands Nedbank Group's footprint into a new jurisdiction in Africa, being Botswana.

Business transfers

During H1 2024, 6 489 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 service individuals more appropriately. This resulted in the following movements:

- R1,2bn in advances.
- R2,6bn in deposits.
- R35m in revenue.
- 6 489 client records.

The commentary below reflects the core NCB performance, adjusted for business transfers, and excludes the impact of the Eqstra acquisition.

NCB delivered a robust ROE of 26%, with HE increasing by 14% to R1,1bn, benefitting from a decrease in impairments. Revenue grew moderately by 4%, while operating expenses increased by 8% as NCB invests in enhancing digital capabilities and the establishment of the mid-corp segment capabilities.

Average deposits increased by 6% yoy, driven mainly by growth in non-transactional deposits of 7%, while transactional deposits were marginally up by 1%. With a net surplus funding gap of R84bn, the business remains a strong generator of funding for the group. We noted cautious borrowing behaviour driven by general economic uncertainty with new loan payouts declining by 9% yoy to R13bn, translating into average advances growth of 2% yoy.

The CLR for H1 2024 improved significantly to 26 bps (H1 2023: 75 bps), moving to below the TTC target range of 50 bps to 70 bps. We experienced lower inflows into Stage 3 loans combined with substantial client rehabilitations of agri-related matters 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. ECL coverage of 2,3% is deemed adequate.

NCB maintained a 23% market share of main commercial bank status according to an annual study concluded by KPI Research in 2023 and has a slightly higher 24% market share within the large business category (defined as businesses generating annual turnovers of between R750 million and R2,5 billion) of the commercial banking market.

We migrated most of our domestic and global electronic banking clients onto our electronic NBH banking platform and we continue to focus on the adoption and the phased roll-out of new capabilities. To date, NCB achieved consistent client self-service utilisation of around 50% over the last 6 months. Self-product onboarding is expected to trend upwards and is a notable first achievement in the first digital acceptance for juristic investment product applications. The aim is to scale this functionality and use it as a lever to improve our market share in this deposit class and contribute to our strategic portfolio tilt (SPT) 2.0 objectives. Our digital enablement capabilities continue to play a crucial role in empowering our frontline teams by freeing up more time for them to focus on high-value client interactions.

We commenced with the launch of a dedicated mid-corporate service model halfway through H1 2024, off the back of detailed operational design and infrastructure planning in line with client-led research. Positive progress has been made in appointing key talent into the mid-corporate model within senior roles across the coverage and credit underwriting areas that are already contributing towards a favourable client experience. The positioning of the mid-corporate client value proposition (CVP) to existing clients has been extremely well received. Pivotal to the success of the mid-corporate initiative is the ability of the leverage finance team to deliver a tailor-made, highly differentiated solution approach to our clients. Their success was evident during H1 2024 through providing lending assistance of just under R2,0bn to commercial clients, with a further pipeline of R9bn projected for H2 2024.

We focus on key industry sectors with the aim of providing customised industry based CVPs, of which one is manufacturing. This portfolio continued to show a positive trajectory, despite muted market trading conditions, with gross operating income up 5% yoy. This growth was driven by NII, which has been underpinned by a 7% yoy growth in surplus liquidity balances, reaching R19bn.

The agricultural sector experienced continued contraction, following uncertainty leading up to the elections with the Agbiz Confidence Index falling to 38 in Q2 2024. This impacted NCB's agriculture portfolio performance with a marginal yoy increase in top-line revenue growth. Sluggish activity levels and a weak demand for credit, particularly for capital expenditure, resulted in subdued lending activity, however, deposits increased by 27% yoy, indicating the sector's reluctance to embark on new capital expenditure projects. Despite the elevated sector risk due to local and global challenges, the impairment outlook has also improved compared to last year.

The retail services sector has demonstrated resilience albeit hampered by the subdued economic climate. The portfolio has shown stable financial performance, driven mainly by growth in liability balances, albeit NIR continues to remain under pressure due to aggressive competitor offerings covering cash solutions and related pricing. In H1 2024, we saw positive results from new-client acquisition gains due to the continued promotion of targeted brand-specific value propositions.

In the public sector, NCB won 3 tenders to date for funding projects. R471m has been paid out, of which the bulk represents funding for water and energy in support of sustainable development goals. While the portfolio maintains a strong net funding position of R17bn, it is facing increasing pressure as other banks aggressively target the sector to grow their 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 H1 2024, NCB extended over R479m in finance associated with the United Nations Sustainable Development Goals (SDGs), covering clean water and sanitation (SDG6), affordable and clean renewable energy (SDG7), as well as responsible consumption and production (SDG12). During H1 2024, NCB also identified an appropriate hydro-engineering company to assist with water-related risks facing the commercial market, resulting in a cooperation agreement being formalised and will shortly be introduced to select NCB clientele.

Retail Relationship Banking

Retail Relationship Banking (RRB) provides tailored banking services to affluent individuals and their households (salaried and self-employed clients), as well as to SMEs with an annual turnover of less than R30m. RRB also caters for non-resident and embassy clients through a 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.

Benefitting from the higher-interest-rate-environment and the strong relationship banking foundations built over many years, RRB's HE increased by 16% yoy to R0,9bn, with an ROE of 39,2%.

The CLR decreased by 10 bps to 80 bps, above the TTC target range as elevated interest rates, subdued economic activity and steady increases in costs continue to place pressure on the otherwise robust affluent and small-business sector. Average advances increased by 9%, while average deposits increased by 11%, resulting in an improvement in the net funding contribution to the group of R57bn. NIR increased moderately by 5% with the affluent base performing strongly and partially compensating for the combined effect of price reductions and lower volumes seen in small businesses.

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 8% increase in main-banked client gains, after adjusting for the move of clients from Nedbank Commercial Banking to RRB.

Financial highlights

Segmental view

		Total Retail and Business Banking			Commercial Banking[1]		
	Yoy % change	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
Headline earnings (Rm)	24	**2 674**	2 161	5 566	**1 076**	968	2 087
NII (Rm)	3	**13 236**	12 838	26 413	**2 851**	2 791	5 762
Impairments charge (Rm)	(15)	**4 135**	4 843	8 520	**118**	333	613
NIR (Rm)	6	**7 271**	6 883	14 306	**1 117**	971	2 024
Operating expenses (Rm)	6	**12 249**	11 503	23 678	**2 319**	2 050	4 205
ROE (%)		**14,6**	12,8	16,0	**26,1**	24,4	25,9
ROA (%)		**1,11**	0,96	1,20	**1,13**	1,07	1,11
CLR – banking advances (%)		**1,83**	2,26	1,94	**0,26**	0,75	0,67
NIR to total operating expenses (%)		**59,4**	59,8	60,4	**48,2**	47,4	48,1
Cost-to-income ratio (%)		**59,7**	58,3	58,1	**58,4**	54,5	54,0
Interest margin (%)		**5,72**	5,98	5,93	**3,02**	3,11	3,10
Total advances (Rm)	5	**440 289**	421 098	429 244	**92 853**	92 162	90 150
Average total advances (Rm)	4	**429 076**	410 609	415 361	**89 036**	88 368	89 034
Total deposits (Rm)	5	**444 645**	422 026	436 283	**176 665**	175 813	178 438
Average total deposits (Rm)	7	**439 991**	409 457	421 416	**182 573**	173 913	178 783
Average allocated capital (Rm)	8	**36 858**	34 153	34 690	**8 285**	8 000	8 057

[1] *RBB acquired Eqstra (fleet management) effective from 13 June 2024 and for practicability elected to consolidate the financial results from 1 June 2024. The HE contribution of R3m, from this date to end June 2024, has been included in RBB's results.*

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

Clients have embraced our feature-rich Online Banking and Money app channels, and digital use and satisfaction scores are 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 benefitted our affluent clients in particular, with more competitive earn rates and travel discounts. Promotion of our broader set of wealth solutions and our wealth advisory services continues to attract interest.

Small Business Services: Our focus for small businesses is the provision of affordable transactional banking, innovative payment solutions and seamless lending to unlock growth for this important sector of our economy. To respond to competitor activity and right-size 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 80 000 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.

HE increased by 105% yoy to R0,7bn, driven primarily by a decrease in the consumer banking CLR to 257 bps (H1 2023: 308 bps). The CLR reduction was driven in part by initiatives across collections and origination, and in part by interest rates and inflation remaining more stable over the past 12 months, relative to the steep increases of the preceding 12 months. Impairments fell by between 25% and 36% in credit card, personal loans and home loans but increased by 28% in vehicle finance, largely due to some strain in the taxi portfolio (small book) as well as lower recoveries at auctions.

Balance sheet growth on average has been resilient, with 8% growth in deposits to R135bn and 5% growth in gross average advances to R292bn. This balance sheet growth translated into 2% growth in NII as the growth tilted towards lower-margin products such as vehicle finance, home loans, and interest-bearing deposits, and was lower in the higher margin products such as personal loans, credit cards, and transactional balances.

NIR grew 4% yoy, with strong growth in interchange, monthly fees, value-added services, cash send, forex, and funeral insurance, offset by lower growth in cash as clients opted for lower-cost, non-cash payment methods. There was also lower growth in credit life insurance revenues mainly due to lower volumes originating in unsecured lending.

	Consumer Banking			Relationship Banking			Other[2]		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
	680	332	1 646	**869**	752	1 673	**49**	109	160
	8 110	7 946	16 304	**2 260**	2 057	4 278	**15**	44	69
	3 735	4 227	7 349	**277**	285	514	**5**	(2)	44
	4 108	3 965	8 205	**909**	864	1 774	**1 137**	1 083	2 303
	7 269	6 959	14 338	**1 659**	1 568	3 164	**1 002**	926	1 971
	6,0	3,2	7,7	**39,2**	40,0	42,6			
	0,49	0,25	0,61	**1,36**	1,31	1,40			
	2,57	3,08	2,62	**0,80**	0,90	0,79			
	56,5	57,0	57,2	**54,8**	55,1	56,1			
	59,5	58,4	58,5	**52,3**	53,7	52,3			
	6,03	6,20	6,24	**3,55**	3,58	3,59			
	275 943	263 969	271 514	**70 084**	63 607	66 328	**1 409**	1 360	1 252
	270 589	258 406	261 272	**68 054**	62 517	63 678	**1 397**	1 318	1 377
	140 261	130 738	134 909	**127 192**	115 302	122 507	**527**	173	429
	134 550	125 126	128 566	**122 433**	110 107	113 727	**435**	311	340
	22 653	21 082	21 399	**4 458**	3 795	3 924	**1 462**	1 276	1 310

Revenue increased 3% yoy to R12bn. Expense growth at 4% yoy was well controlled and in line with inflation. Cost-to-income rose slightly to 59,5% (H1 2023: 58,4%).

Client metrics have been pleasing, reflecting a healthy franchise. Main-banked clients grew 7% to 3,3 million. All segments grew, with a solid growth of 4% in the middle market segment. Consumer clients active on the Money app increased by 16% yoy to reach 2,3 million. Cross-sell increased to 1,94 (H1 2023: 1,90). Our client-centred, AI-enabled cross-sell tool continued to deliver strong growth in converted sales.

Consumer Banking's key value propositions are scaling well, with 2,2 million active clients with a MiGoals account (of which 1,5 million are main banked) and over 1,4 million clients on our revamped Greenbacks programme. We are also pleased to report 29% yoy growth in clients with Nedbank funeral cover, reaching 660 000.

Nedbank Retail and Business Banking product review

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 existing products and the newly launched transactional suite of products, namely MiGoals.

Transactional Banking continued to be a significant contributor to NIR during the year, enabled by the MiGoals product set, and VAS volumes increased by 19% across all products, including bill payments and digital vouchers, with over 1,6 million clients buying products via the platform.

As we continue our digital journey, all our transactional products are now enabled for straight-through processing on the Money app and Online Banking, which enables convenient and seamless account activation. We can also FICA our clients remotely, eliminating the need to go to a branch. When opening a transactional account, our clients can apply for an overdraft and credit card seamlessly and we continue to migrate clients to enhanced product offerings with up-to-date features in a frictionless manner.

Card and Payments

Card and Payments provide card-issuing (individual and commercial), card-acceptance, and payment products and solutions across all client segments, extending beyond RBB into Nedbank Private Wealth, CIB and NAR. It is also responsible for the American Express® network in South Africa, offering global solutions for individuals and global companies. These offerings include key innovations such as tap-on-phone and scan-to-pay options, GAP access, dynamic currency conversion, BTA Powerlink, virtual cards, Apple Pay, Samsung Pay, and Google Pay.

In H1 2024, we launched our refreshed small-merchant acquiring offering that affords merchants a digital onboarding experience and delivery of devices within 48 hours. We also re-launched our rewards program GB 2.0, enhancing our customer value as they can now earn up to 2% back on card spend.

Nedbank Card and Payments experienced strong growth in card-issuing volumes of 7% and card-acquiring volumes of 8%. The card-issuing growth was driven by our continued focus on user-centred services, digitisation and innovation. Contactless payments are now prevalent, and we have seen strong adoption of virtual card and device-based digital wallets (Apple Pay, Samsung Pay and Google Pay) at more than 72% and 88% respectively. Card acceptance growth has been driven by increased merchant acquisition, improved retention rates and strong partnerships, and we continue to build a strong inclusive payments ecosystem in South Africa. eCommerce merchant growth is at 20% as customers shift to buying online, with our market share above 50%.

Nedbank was part of the first cohort of banks that launched PayShap in South Africa in March 2023. PayShap is a real-time, interbank payment offering aimed at addressing the high use of cash in South Africa while playing a key role in modernising the national payment system of South Africa. Since its launch, there has been steady growth in use, with 3,5 million consumers registered and 48 million payments worth over R29bn being processed across all the participating banks. Nedbank clients contributed approximately 23% to the overall volume. There are ongoing efforts to enhance PayShap by enriching the feature set to drive more engagement. Nedbank has developed a PayShap API to drive digital payments through our partners.

Investments

The expansion of our digital investment capabilities has resulted in 83% of all new investment accounts being opened digitally and 97% of all withdrawal notices given via digital channels, reducing our reliance on physical infrastructure, and making positive contributions to our cost-to-income ratio.

Due to the expansion of our digital capabilities, competitive pricing strategies and significant marketing presence, we have seen strong yoy growth of 14% in the Nedbank Retail notice and term deposit book. The pricing strategies centre around client needs and have allowed Nedbank to offer market-leading rates while still maintaining profitability.

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.

This innovation includes the launch of Western Union (March 2024) which will now allow Nedbank clients to easily send and receive money globally via the Money app and Online Banking.

Forex NIR is up 14% yoy, driven mainly by increased volumes of incoming and outgoing payments. Digital adoption of key forex capabilities continues to increase significantly, with digital payments showing the most significant uplift in adoption. Digital outgoing and incoming payments contribute 74% and 55% respectively across all segments.

Unsecured Lending

Unsecured Lending provides personal loans, overdrafts, and student loans and solutions across all client segments.

HE improved to R68m (H1 2023: -R131m), predominantly due to the CLR improving to 797 bps (H1 2023: 1 048 bps), driven by specific collections initiatives and an improvement in the quality of new business that is now within acceptable levels. Various credit policy changes made throughout 2023 have resulted in a deliberate reduction in disbursals and market share levels. Disbursal growth is expected to remain subdued in the short term but is anticipated to improve as macroeconomic conditions recover and new digital solutions are commercialised.

As we continue our digital journey, personal loans and overdrafts are now enabled for straight-through processing on all channels, which makes convenient and seamless disbursals possible. Predetermined offers have performed well in a challenging macroeconomic environment. During H1 2024, 69% of all personal loan disbursals and 77% of overdraft disbursals were being originated via a digital channel. Personal loan API sales volumes have increased by 14% in 2024.

Home Loans

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

As a result of higher debt servicing costs, reduced affordability, and tighter lending standards, residential property market volumes declined by 30% in H1 2024, now slightly below pre-pandemic levels. Given the lower demand, house price index growth (according to Lightstone) remained subdued at 3,2% yoy, a contraction of 0,5% in H1 2024.

HE increased by 108% to R285m (H1 2023: R137m) at an ROE of 7,5% (H1 2023: 4,1%). The improvement in HE was driven by a 7% revenue growth and decrease in the CLR to 73 bps (H1 2023: 98 bps). Average gross advances grew by 7% yoy, ahead of market advances growth of 3,3%, predominantly driven by a slowdown in the paydown rate of the book. New business market share improved, resulting in a 29-bps gain in the overall BA900 market share.

As we move forward, our focus remains on amplifying sales growth through a series of forward-thinking initiatives:

- We are strengthening our partnerships, focusing on mutual benefits that enhance long-term sustainability in a dynamic market landscape.
- By introducing flexible home loan repayment plans, we aim to enhance cash flow for our clients at the crucial early stages of their homeownership journey.
- We are enabling clients to incorporate renewable energy financing solutions into their new and existing home loans, underscoring our commitment to sustainable homeownership. Our solar financing solution, leveraged off the MFC platform and launched in August 2022, has delivered over R110m of disbursals to date.
- Our investment in leading-edge digital front-end systems is set to redefine the client onboarding experience, simplifying, and enhancing the entire home loan application process.

MFC

MFC facilitates smooth, frictionless vehicle finance to our consumer and juristic client segments.

MFC grew vehicle and asset finance sales volumes by 9% in H1 2024, despite a 7% decline in domestic passenger vehicle unit sales via dealerships across the market. MFC's new-to-used vehicle finance ratio changed yoy to 36:64 (H1 2023: 35:65). MFC remains a leading financier in the vehicle finance market, with BA900 market share at 35,9% at May 2024.

HE decreased by 14% to R586m at an ROE of 11,6%, largely driven by a 35-bps increase in the CLR of 238 bps (H1 2023: 203 bps) driven by first time taxi operators and lower asset realisation values. Revenue grew by 8%, driven by strong gross average advances growth of 9%. The cost-to-income ratio has been maintained at 27%.

MFC remained focused on supporting their dealer partners and customers with new solutions such as step payment plans, payment holidays and finance for first-time buyers to assist customer demand in a tough macroeconomic environment.

Product views, excluding Commercial Banking

	Home loans		VAF		Unsecured lending		Transactional		Card and payments		Forex and investments	
	Jun 2024	Jun 2023	Jun 2024	Jun 2023	Jun 2024	Jun 2023	Jun 2024	Jun 2023	Jun 2024	Jun 2023	Jun 2024	Jun 2023
NII (Rm)	**1 847**	1 730	**3 181**	2 936	**1 930**	2 105	**1 924**	1 759	**671**	691	**781**	772
Consumer Banking and other	**1 329**	1 256	**3 080**	2 844	**1 793**	1 973	**716**	684	**670**	691	**487**	489
Relationship Banking	**518**	474	**102**	92	**138**	132	**1 208**	1 075	**1**	–	**294**	283
Impairments charge on financial instruments (Rm)	**628**	790	**1 686**	1 324	**1 212**	1 669	**52**	56	**438**	670	**–**	–
Consumer Banking and other	**452**	604	**1 646**	1 289	**1 151**	1 605	**52**	56	**438**	670	**–**	–
Relationship Banking	**176**	186	**40**	35	**61**	64	**–**	–	**–**	–	**–**	–
NIR (Rm)	**158**	147	**363**	347	**432**	447	**3 265**	3 125	**1 760**	1 702	**160**	136
Consumer Banking and other	**118**	112	**356**	340	**388**	409	**2 541**	2 417	**1 748**	1 688	**78**	74
Relationship Banking	**40**	35	**7**	7	**44**	38	**725**	708	**12**	13	**81**	62
Operating expenses (Rm)	**960**	881	**955**	920	**1 029**	1 035	**4 525**	4 314	**1 586**	1 394	**779**	795
Consumer Banking and other	**667**	608	**898**	867	**934**	945	**3 514**	3 359	**1 579**	1 387	**583**	605
Relationship Banking	**292**	274	**57**	53	**95**	90	**1 011**	954	**7**	7	**196**	190
Headline earnings (Rm)	**285**	137	**586**	680	**68**	(131)	**365**	316	**257**	218	**101**	68
Consumer Banking and other	**223**	100	**578**	672	**51**	(143)	**(287)**	(289)	**253**	214	**(25)**	(45)
Relationship Banking	**62**	37	**7**	8	**17**	12	**653**	605	**4**	5	**126**	113
ROE (%)	**7,5**	4,1	**11,6**	14,9	**3,0**	(6,2)	**28,4**	28,4	**21,7**	18,2	**80,1**	45,9
CLR – banking advances (%)	**0,73**	0,98	**2,38**	2,03	**7,97**	10,48	**22,26**	35,09	**5,16**	7,94		
Cost-to-income ratio (%)	**47,9**	46,9	**26,9**	28,0	**43,6**	40,5	**87,2**	88,3	**65,2**	58,3	**82,8**	87,6
Interest margin (%)	**2,14**	2,13	**4,00**	4,05	**14,54**	14,88	**6,00**	5,58	**7,21**	7,64	**0,81**	0,90
Average total advances (Rm)	**168 442**	158 737	**134 793**	124 361	**22 182**	24 563	**220**	150	**14 247**	14 320	**2**	(1)

The table excludes NCB HE of R1 076m (June 2023: R968m) and unallocated costs of -R64m (June 2023: -R96m) relating to Channel, Clients and Shared Services. Therefore, the table does not cross-cast.

Loyalty and Rewards

In Q1 2024, we introduced our revamped Greenbacks rewards programme, which has been a game changer for our clients, offering considerable value and positioning Nedbank well in the competitive rewards landscape. Members 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. The core objective of GB 2.0 is to encourage wise financial decisions, rewarding our clients for their prudent fiscal management.

The new CVP has resonated with our client base, as evidenced by the membership exceeding 1,6 million customers in 2024. The programme's success is further underscored by a 16% increase in our client base and a remarkable 38% rise in revenue compared to 2023. Engagement levels have also seen a significant uptick, with members earning 36% more points and redeeming 30% more points than in 2023. The Greenbacks SHOP Card remains the preferred choice for spending Greenbacks, thanks to its acceptance at all leading retailers. Additionally, members appreciate the flexibility of exchanging Greenbacks for VAS or boosting their savings by depositing points into a MyPocket savings account.

Notes

Retail and Business Banking: Key business statistics

		Jun 2024	Jun 2023	Dec 2023
Commercial Banking				
New client acquisitions – groups		**186**	156	428
Average product holding		**4,65**	4,76	4,80
Home Loans				
Number of applications received	thousands	**74**	80	153
Average loan-to-value percentage of new business registered	%	**92**	94	93
Average balance-to-original-value percentage of portfolio	%	**82**	81	82
Proportion of new business written through own channels	%	**45**	49	49
Owned-properties book	Rm	**43**	49	42
MFC				
Number of applications received	thousands	**1 060**	991	2 057
Percentage of used vehicles financed	%	**64**	65	64
Personal Loans				
Number of applications received	thousands	**452**	702	1 266
Average loan size	R000s	**53,5**	54,5	54,9
Average term	months	**38,2**	39,7	39,1
Retail deposits				
Total value of deposits taken in	rand billions	**59**	53	111
Total value of deposit withdrawals	rand billions	**56**	46	89
Number of clients at period-end				
Retail active clients	thousands	**6 896**	6 826	6 963
Retail main-banked clients	thousands	**3 593**	3 364	3 529
Retail cross-sell ratio[1]	ratio	**2,00**	1,95	1,96
Commercial Banking groups		**14 081**	14 378	14 521
Small Business Services segment	thousands	**311**	306	305
Home Loans	thousands	**376**	378	378
MFC	thousands	**595**	585	590
Personal Loans	thousands	**382**	422	404
Card issuing	thousands	**1 113**	1 118	1 102
Investment products	thousands	**1 546**	1 496	1 492
Distribution				
Number of retail outlets		**549**	543	547
Number of ATMs		**4 157**	4 257	4 199
Number of ATMs with cash-accepting capabilities[2]		**1 338**	1 348	1 350
Digitally active retail clients	thousands	**2 994**	2 756	2 879
Money app clients	thousands	**2 557**	2 196	2 329
POS devices	thousands	**108**	105	110

[1] *The number of needs met (products) per active client.*
[2] *Cash-accepting devices are included in the total number of ATMs.*

Retail and Business Banking — advances and impairments

Balance sheet average advances and impairments

	Daily gross average advances Rm			Stage 1 %			Stage 2 %		
	Jun 2024	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**
Home loans	**172 627**	161 740	164 743	**78,8**	81,1	79,8	**13,2**	12,0	12,5
VAF	**142 541**	131 223	133 516	**82,4**	80,0	82,4	**11,8**	13,7	12,0
Personal loans	**26 214**	28 099	27 874	**55,9**	58,7	56,6	**17,0**	16,8	17,2
Card	**17 079**	17 022	16 982	**76,9**	76,5	77,1	**8,4**	9,8	8,5
Other loans	**4 914**	4 359	4 509	**69,3**	72,9	71,2	**8,6**	9,3	9,9
Total Retail	**363 375**	342 443	347 624	**78,5**	78,6	78,9	**12,6**	12,9	12,4
Commercial Banking	**91 209**	90 177	90 971	**83,8**	82,6	82,9	**9,8**	10,8	9,9
Total RBB	**454 584**	432 620	438 595	**79,6**	79,5	79,7	**12,1**	12,5	11,9

[1] *Impairments charge and resultant CLR include charges housed centrally in RBB.*

Balance sheet impairment as a percentage of book

	% of total			Stage 1 %			Stage 2 %		
	Jun 2024	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**
Home loans	**2,55**	2,10	2,29	**0,24**	0,24	0,24	**3,43**	3,87	3,22
VAF	**5,21**	5,29	5,16	**1,47**	1,37	1,39	**10,85**	10,82	11,28
Personal loans	**27,50**	25,75	27,09	**6,44**	5,61	6,36	**20,51**	23,22	21,01
Card	**16,39**	16,49	16,32	**4,22**	4,26	4,52	**43,15**	42,46	42,84
Other loans	**24,00**	19.74	21,28	**5,44**	4,47	4,23	**29,23**	27,78	30,05
Total Retail	**6,19**	6,11	6,13	**1,29**	1,24	1,27	**9,18**	10,35	9,62
Commercial Banking	**2,25**	2,07	2,28	**0,41**	0,25	0,35	**2,79**	1,92	2,52
Total RBB	**5,39**	5,26	5,35	**1,10**	1,02	1,08	**8,12**	8,80	8,42

Balance sheet actual advances

	Total advances Rm			Stage 1 Rm			Stage 2 Rm		
	Jun 2024	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**
Home loans	**175 300**	164 852	170 540	**138 059**	133 748	136 091	**23 174**	19 784	21 345
VAF	**148 731**	136 903	143 044	**122 561**	109 541	117 837	**17 593**	18 718	17 190
Personal loans	**24 934**	27 686	26 681	**13 929**	16 253	15 102	**4 246**	4 660	4 584
Card	**16 864**	16 826	16 662	**12 962**	12 870	12 840	**1 416**	1 644	1 424
Other loans	**4 533**	4 079	4 319	**3 142**	2 975	3 073	**390**	378	426
Total Retail	**370 362**	350 346	361 246	**290 653**	275 387	284 943	**46 819**	45 184	44 969
Commercial Banking	**94 995**	94 110	92 252	**79 614**	77 759	76 494	**9 316**	10 177	9 125
Total RBB	**465 357**	444 456	453 498	**370 267**	353 146	361 437	**56 135**	55 361	54 094

	Stage 3 %			% of total advances			Credit loss ratio[1]		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
	8,0	6,9	7,7	**37,7**	37,1	37,6	**0,73**	0,98	0,80
	5,8	6,3	5,6	**32,0**	30,8	31,5	**2,38**	2,03	1,83
	27,1	24,5	26,2	**5,4**	6,2	5,9	**8,08**	11,06	10,25
	14,7	13,7	14,4	**3,6**	3,8	3,7	**5,16**	7,94	5,66
	22,1	17,8	19,0	**1,0**	0,9	1,0	**8,63**	8,56	7,47
	8,9	8,5	8,7	**79,6**	78,8	79,7	**2,22**	2,66	2,27
	6,4	6,6	7,2	**20,4**	21,2	20,3	**0,26**	0,75	0,67
	8,4	8,1	8,4	**100,0**	100,0	100,0	**1,83**	2,26	1,94

	Performing stage 3 %			Non-performing stage 3 %			Total stage 3 %		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
	15,46	12,29	15,10	**25,46**	22,82	23,81	**23,76**	21,04	22,06
	21,19	18,67	20,86	**66,46**	64,75	67,06	**47,08**	42,91	47,55
	60,18	59,76	62,19	**77,94**	78,32	78,37	**75,31**	75,83	75,84
	17,86	16,36	17,95	**66,81**	68,57	66,11	**64,60**	66,09	63,76
	30,00	12,50	20,00	**80,73**	78,83	81,36	**80,22**	78,10	80,61
	24,68	22,19	24,97	**50,99**	51,72	51,42	**45,24**	44,74	45,31
				25,59	25,21	24,17	**25,59**	25,21	24,17
	24,68	22,19	24,97	**46,14**	46,06	45,54	**42,18**	41,39	41,62

	Performing stage 3 Rm			Non-performing stage 3 Rm			Total stage 3 Rm		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
	2 393	1 912	2 629	**11 674**	9 408	10 475	**14 067**	11 320	13 104
	3 672	4 097	3 385	**4 905**	4 547	4 632	**8 577**	8 644	8 017
	1 002	907	1 095	**5 757**	5 866	5 900	**6 759**	6 773	6 995
	112	110	117	**2 374**	2 202	2 281	**2 486**	2 312	2 398
	10	8	10	**991**	718	810	**1 001**	726	820
	7 189	7 034	7 236	**25 701**	22 741	24 098	**32 890**	29 775	31 334
				6 065	6 174	6 633	**6 065**	6 174	6 633
	7 189	7 034	7 236	**31 766**	28 915	30 731	**38 955**	35 949	37 967

Balance sheet actual impairments

	Total impairments Rm			Stage 1 Rm			Stage 2 Rm		
	Jun 2024	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**
Home loans	**4 464**	3 465	3 898	**328**	318	320	**794**	765	687
VAF	**7 752**	7 237	7 387	**1 805**	1 503	1 636	**1 909**	2 025	1 939
Personal loans	**6 858**	7 129	7 228	**897**	911	960	**871**	1 082	963
Card	**2 764**	2 774	2 720	**547**	548	581	**611**	698	610
Other loans	**1 088**	805	919	**171**	133	130	**114**	105	128
Total Retail	**22 926**	21 410	22 152	**3 748**	3 413	3 627	**4 299**	4 675	4 327
Commercial Banking	**2 142**	1 948	2 102	**330**	195	269	**260**	196	230
Total RBB	**25 068**	23 358	24 254	**4 078**	3 608	3 896	**4 559**	4 871	4 557

Income statement impairments

	Income statement impairments charge[1] Rm			Stage 1 Rm			Stage 2 Rm		
	Jun 2024	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**
Home loans	**628**	790	1 312	**10**	34	37	**128**	142	88
VAF	**1 686**	1 324	2 442	**166**	197	324	**5**	(227)	(309)
Personal loans	**1 054**	1 542	2 857	**(62)**	(3)	45	**(49)**	103	17
Card	**438**	670	961	**(35)**	(123)	(91)	**2**	322	231
Other loans	**211**	184	335	**42**	51	52	**(8)**	(13)	4
Total Retail	**4 017**	4 510	7 907	**121**	156	367	**78**	327	31
Commercial Banking	**118**	333	613	**60**	24	103	**30**	16	51
Total RBB	**4 135**	4 843	8 520	**181**	180	470	**108**	343	82

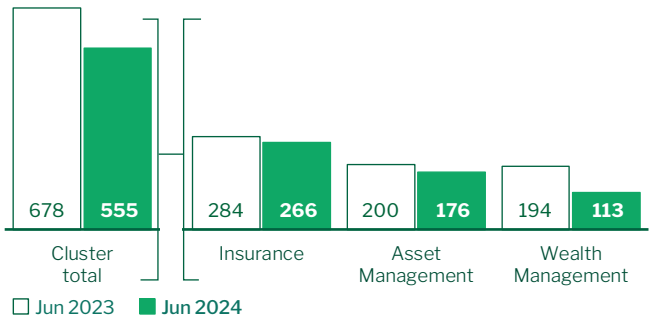
[1] *Impairments charge and resultant CLR include charges housed centrally in RBB.*

	Performing stage 3 impairments Rm			Non-performing stage 3 impairments Rm			Total stage 3 impairments Rm		
	Jun 2024	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**
	370	235	397	**2 972**	2 147	2 494	**3 342**	2 382	2 891
	778	765	706	**3 260**	2 944	3 106	**4 038**	3 709	3 812
	603	542	681	**4 487**	4 594	4 624	**5 090**	5 136	5 305
	20	18	21	**1 586**	1 510	1 508	**1 606**	1 528	1 529
	3	1	2	**800**	566	659	**803**	567	661
	1 774	1 561	1 807	**13 105**	11 761	12 391	**14 879**	13 322	14 198
				1 552	1 557	1 603	**1 552**	1 557	1 603
	1 774	1 561	1 807	**14 657**	13 318	13 994	**16 431**	14 879	15 801

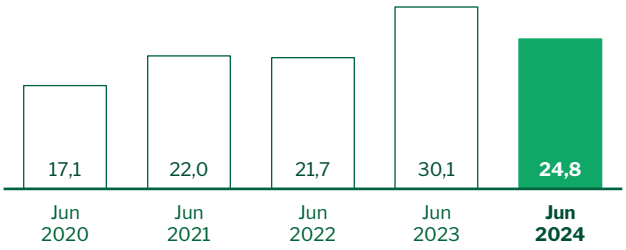
	Stage 3 Rm			Interest on impaired advances Rm			Post-write-off recoveries Rm		
	Jun 2024	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**	**Jun 2024**	**Jun 2023**	**Dec 2023**
	661	726	1 445	**(141)**	(80)	(191)	**(30)**	(32)	(67)
	1 702	1 600	2 767	**(2)**	(3)	(11)	**(185)**	(243)	(329)
	1 763	2 020	3 976	**(469)**	(452)	(914)	**(129)**	(126)	(267)
	700	686	1 282	**4**	1	5	**(233)**	(216)	(466)
	245	196	401	**(57)**	(37)	(87)	**(11)**	(13)	(35)
	5 071	5 228	9 871	**(665)**	(571)	(1 198)	**(588)**	(630)	(1 164)
	69	324	535		5	4	**(41)**	(36)	(80)
	5 140	5 552	10 406	**(665)**	(566)	(1 194)	**(629)**	(666)	(1 244)

Nedbank Wealth

Headline earnings
(Rm)



Return on equity
(%)



Overview

- HE down 18% to R555m and ROE of 24,8%.
- NII up by 3%, benefitting from higher local and international interest rates offset by the exit from the corporate e-gaming sector.
- NIR down by 2%, impacted by lower bancassurance volumes, lower shareholder returns, decreased FX fees and lower advice fees, offset by increased asset management fees.
- Impairments increased off a low base, resulting in a CLR of 17 bps; however, it remains below the TTC target range of 20 bps to 40 bps.
- Expenses increased 5% and cost-to-income ratio increased to 67,6%.
- Tax expense for international businesses increased due to the introduction of the OECD Pillar 2 global tax rate impacting earnings.
- Assets under management up by 5% yoy to R463bn.

Financial performance

Against the backdrop of a challenging operating environment and intentional short-term business decisions, Nedbank Wealth delivered headline earnings (HE) of R555m, down 18%, and return on equity (ROE) of 24,8%, this remaining well above the group's cost of equity. Insurance HE declined due to lower traditional bancassurance volumes, significant investment in new strategic initiatives, and lower shareholder returns. In Asset Management, non-interest revenue (NIR) increased in line with assets-under-management (AUM) growth, while HE contracted due to investment in strategic initiatives and the implementation of the Organisation for Economic Cooperation and Development (OECD) Pillar 2 global tax rate of 15%. Wealth Management's HE decreased due to the introduction of the OECD Pillar 2 global tax rate and the exit from the corporate e-gaming sector in Wealth Management (International), offset by improved performance in both net interest income (NII) and NIR in Wealth Management [South Africa (SA)].

NII increased by 3% to R883m due to higher local and international interest rates, which led to NIM widening to 3,05% (H1 2023: 2,76%). Average deposits declined by 4% due to Nedbank Private Wealth (International)'s exit from the corporate e-gaming sector. This was partially offset by an increase in average deposit balances in Nedbank Private Wealth (SA), owing to positive client and deposit growth initiatives and balance sheet investments that benefited from the favourable high-interest-rate

Financial highlights

	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Headline earnings (Rm)	(18)	**555**	678	1 210
NII (Rm)	3	**883**	857	1 749
Impairments charge (Rm)	>100	**24**	5	37
NIR (Rm)	(2)	**1 521**	1 556	2 924
Operating expenses (Rm)	5	**1 624**	1 547	3 111
ROE (%)		**24,8**	30,1	26,8
ROA (%)		**1,39**	1,63	1,46
CLR – banking advances (%)		**0,17**	0,03	0,12
NIR to total operating expenses		**93,7**	100,6	94,0
Cost-to-income ratio (%)		**67,6**	64,1	66,6
Interest margin (%)		**3,05**	2,76	2,85
Assets under management (Rm)	5	**463 355**	441 073	448 467
Net life insurance contractual service margin (Rm)	(4)	**959**	997	1 019
Life assurance value of new business (Rm)	(36)	**152**	238	372
Total assets (Rm)	(8)	**78 703**	85 707	81 609
Average total assets (Rm)	(4)	**80 359**	84 050	82 779
Total advances (Rm)	(11)	**28 866**	32 308	28 711
Average total advances (Rm)	(7)	**28 836**	31 153	30 551
Total deposits (Rm)	(7)	**47 511**	50 875	48 212
Average total deposits (Rm)	(4)	**47 496**	49 226	48 641
Average allocated capital (Rm)	(1)	**4 492**	4 542	4 520

environment. Loans and advances declined locally and internationally, due to subdued demand and early repayments by high-net-worth clients in the higher-interest-rate environment.

The credit loss ratio (CLR) increased to 17 bps from a low base (H1 2023: 3 bps), driven primarily by lower client-specific overlay releases and a decline in client ratings, resulting in higher impairment charges, but remains below the through-the-cycle (TTC) target range of 20 bps to 40 bps.

NIR decreased by 2% to R1 521m, impacted by reduced income in Nedbank Insurance owing to lower traditional bancassurance volumes as Retail and Business Banking (RBB) adopted a more cautious approach to unsecured lending; and significant investment in product and channel initiatives. In Wealth Management (International), NIR declined due to lower foreign exchange fees as a result of reduced client activity. In Wealth Management (SA), NIR decreased due to a reduction in advice fees, as clients favoured on-balance-sheet deposits in a high-interest-rate environment amid uncertainty ahead of the South African elections. Overall, the decrease in NIR was partially offset by higher fees in Asset Management due to single-digit growth in AUM balances.

Expenses were well managed, increasing by 5% to R1 624m due to ongoing investment in people, brand awareness, data and digital initiatives, the adverse impact of exchange rates and higher inflation internationally. The cost-to-income ratio increased to 67,6% (H1 2023: 64,1%), primarily due to lower NIR.

Looking forward

Increased geopolitical risks, heightened regulatory requirements, continued high interest rates, volatile exchange rates, and the uncertain political climate worldwide remain threats to the operating environment. Locally, with the confirmation of the government of national unity, Johannesburg Stock Exchange (JSE) performance improved in June as investors view this decision positively. This may signify improve client sentiment in the future, but the overall environment will remain uncertain in the short-term as policies are finalised. In line with group forecast of a reduction in local and international interest rates, NIM is expected to decline in the last quarter of the year. From a credit impairment perspective, the cluster CLR is expected to remain within the TTC target range. The introduction of the OECD Pillar 2 global tax rate will increase the effective tax rate by approximately 2%, depending on the relative performance of the international divisions as well as exchange rates. Expenses are expected to grow marginally above inflation with continued investment in key initiatives and, assuming that revenue is not adversely impacted by negative market performance or high non-life insurance claims from weather-related events, the cost-to-income ratio is expected to improve marginally.

Nedbank Insurance remains committed to growing the MyCover suite and will continue to prioritise growth efforts with RBB to drive further penetration of core client segments. The use of data and digital will remain key growth enablers to attract and retain clients, and Nedbank Insurance will continue to enhance its digital proposition, leveraging new technologies and greater access to client data, to deliver enhanced client experiences. The business will strengthen its offering through brand awareness, an accessible omnichannel platform, data-driven targeted campaigns and greater collaboration across the group to deliver relevant client solutions.

Nedgroup Investments remains committed to delivering long-term investment performance, acting in the best interest of clients, and taking further steps in its journey of becoming a leader in responsible investing. The business will continue to strengthen its digital proposition by leveraging the group's investment in target state technologies and integrating with group platforms, making investing easier and more accessible for clients. Nedgroup Investments will continue to collaborate within the Wealth cluster and across the group to deliver appropriate solutions that grow internal client pools and build employees as business advocates. Following the acquisition of Silica by FNZ, Nedgroup Investments will look to migrate to FNZ One in 2025 and, in so doing, deliver a future-fit technology landscape that supports superior client experiences and align with group technologies. In addition, Nedgroup Investments will continue to focus on growing its international offering by expanding its investment range catering to the non-SA market, while building greater brand awareness and enhancing its European distribution capabilities. Through the delivery of these key strategic initiatives, Nedgroup Investments aims to deliver long-term investment performance for its clients.

Wealth Management (SA) will continue to strengthen its position in the market by focusing on a targeted offering for the high-net-worth segment, while optimising the existing services and solutions available to clients. The business will continue to implement its advice operating model and collaborate with RBB to increase penetration into the Nedbank client base. Wealth Management (SA) will further improve process and operational efficiency to enhance client experience. Furthermore, completing the remaining Managed Evolution deliverables as well as leveraging data, artificial intelligence and digital innovation remain a key priority.

Wealth Management (International) remains focused on supporting Nedbank Private Wealth (SA)'s international wealth offering, while also delivering advice-led offerings to high-net-worth clients outside of SA. Delivering the new core wealth management platform will remain a key focus area as it will enable the business to use data intelligently, improve automation, deliver efficiencies and enhance the client experience. In the immediate term, the business will work on preparing operations for the implementation of the platform once the migration process has commenced. Wealth Management (International) will continue to explore growth opportunities and potential acquisitions to enhance its high-net-worth proposition and add scale to its advice-led capabilities.

Strategic progress

Aligned with the group's strategic value drivers, Nedbank Wealth focused efforts on enhancing client, digital and employee experiences. To create delightful client experiences, the business prioritised product enhancement, process efficiency and responsive support. To amplify digital experience, Nedbank Wealth continued to leverage existing group digital properties, focusing on the commercialisation of its investment in data and digital capabilities. And finally, to cultivate great employee experiences, Nedbank Wealth continued to focus on attracting top talent and creating an inclusive culture to retain and develop people.

Nedbank Insurance continued to grow penetration of the Nedbank client base, through enhanced user experiences and improved access to client, with the MyCover suite achieving 49% growth in gross written premiums. MyCover Funeral gross written premiums increased by 24% from a high base, benefitting from improved sales from the digital channels. MyCover Personal Lines gross written premiums increased by 146%, albeit off a low base, driven by market presence on the Hippo platform, better positioning on the Nedbank Money app, and continuous improvement in the risk consultant sales channel, but negatively impacted by claims experience. MyCover Life gross written premiums increased by 87%, driven by increased visibility on digital channels. Digital innovation and adoption remain key strategic initiatives with digital quoting, fulfilment and claims functionality enabled on 21 products (H1 2023: 17), with the release of key functionality and new product offerings resulting in market-leading client experience and a subsequent increase in the volume of digital sales.

Nedgroup Investments' Best of Breed™ proposition continued to perform well in the local market, with the business remaining the third-largest offshore manager and the seventh largest South African manager (Q1 2024 ASISA statistics). AUM increased from December 2023 by 3% to R463bn (2023: R448bn), with strong growth from Cash and low-cost Core ranges. Following the launch of Nedgroup Investments' in-house boutique model in 2023 to grow our European client base, the Global Strategic Bond Fund was introduced in January 2024 and has attracted $77m (R1,4bn) in AUM. To make the Global Strategic Bond Fund more accessible, a feeder fund into the Global Strategic Bond Fund was launched in SA. In addition to its new fund offerings, Nedgroup Investments has expanded its international distribution proposition, which is now accessible on most platforms.

Nedgroup Investments is committed to growing its leadership position in responsible investing and has published its fourth annual Responsible Investment Report, which provides an update on the latest global sustainability trends, alignment of investments for a greener future, and progress of diversity and inclusion in the asset manager space, as well as showcases the key ESG engagements that were undertaken on behalf of client assets in 2023. Nedgroup Investments continues to be recognised in the industry with various accolades including the Morningstar Best Flexible Allocation Fund Award, the INN8 Invest Diamond Best Global Multi-Asset Flexible Manager Award and the Lipper Global Flexible Fund (Mixed Assets USD) Award for best fund over 10 years.

Nedbank Private Wealth (SA)'s Strategic Portfolio Tilt 2.0 initiative, aimed at growing banking market share in the high-net-worth segment, is starting to show green shoots, with 19% growth in deposits yoy and high-net-worth client growth of more than 100% yoy. In 2024, Nedbank Private Wealth (SA) placed second in the Top Private Bank and People's Choice: Private Banks categories at the 2024 Krutham Top Private Banks and Wealth Managers Awards, testament to its strong high-net-worth proposition. Wealth Management (SA) remains committed to growing its integrated advice-led proposition for high-net-worth clients and has made steady progress in optimising its business structure and operations to deliver a focused high-net-worth offering that addresses client needs holistically. In line with the group-led Target Operating Model 2.0 initiative, Wealth Management (SA) has made good progress on implementing its innovative advice operating model and on its collaboration with RBB to increase the penetration of financial advice into the Nedbank client base. Wealth Management (SA) continues to invest in technology, data and digital to enhance client experience, with 65% of clients digitally active.

Nedbank Private Wealth (International) maintained its delivery of a robust high-net-worth proposition to SA and United Kingdom (UK) clients, supported by digital innovation and adoption, strong advice-led capabilities and a focused strategy targeting core client segments (£1m–£20m). Ongoing focus on enhancing its proposition has resulted in good growth in assets under administration (AUA) and AUM balances in an environment where clients are showing preference for on-balance-sheet products. The project to replace the core wealth management platform is underway, with good progress in the analysis and design phase to date, with expectations to go live in 2025. In addition, Wealth Management (International) continues to explore potential acquisitions to add scale to its advice-led capabilities. In 2024, Nedbank Private Wealth (International) was recognised as Best Private Bank at the City of London Wealth Management Awards for the 10th consecutive year, a testament to the business being an industry-leading private bank and wealth manager. In addition, Nedbank Private Wealth (International) was recognised by the *Sunday Times* as one of UK's Best Places to Work.

Segmental performance

Insurance

The insurance industry remained resilient in H1 2024 despite the challenging economic environment owing to subdued market conditions and additional strain on already financially burdened clients.

Nedbank Insurance earnings declined by 6% to R266m, adversely impacted by lower traditional bancassurance volumes as RBB adopted a more cautious approach to unsecured lending, significant investment in product and channel initiatives, and lower shareholder returns than in the prior year. This decline masked strong underlying premium growth in the MyCover suite as well as favourable claims ratios in MyCover Funeral and Homeowner's Cover solutions.

The contractual service margin (CSM) represents unrecognised shareholders' future profit on long-term products. The CSM decreased by 4% to R959m, from the runoff of in-force business CSM being greater than the CSM added from new business, mainly in the Personal Lines book. The value of new business (VNB) declined by 36% to R152m, primarily due to reduced Personal Loans new-business volumes, a change in product mix towards lower-margin products, and the adverse impact of expense assumption changes in 2023. Non-life gross written premiums increased by 24% to R776m, predominantly driven by newer products, notably MyCover Personal Lines.

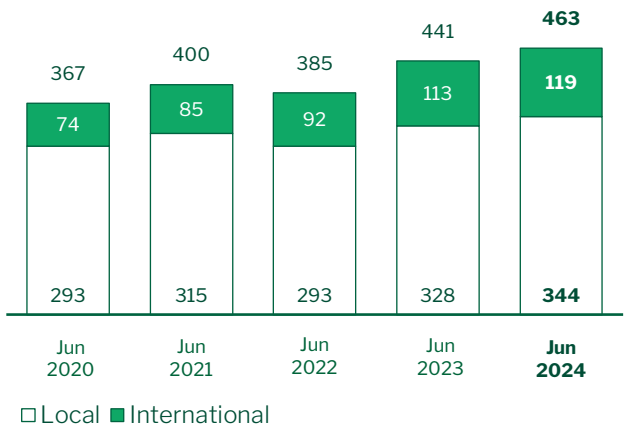
Asset Management

The asset management industry continued to experience pressure on fees and net flows, with challenging macro conditions impacting clients' ability to invest, while those who can invest externally took advantage of new pension fund regulations allowing investors to invest up to 45% of their portfolios offshore and investors' opting for offshore asset managers. Nedgroup Investments earnings declined by 12% to R176m, driven by the introduction of the OECD Pillar 2 global tax rate of 15% on the international business. In addition, earnings were negatively impacted by increased costs due to investment in strategic initiatives. This was offset by increased asset management fees from a 5% yoy growth in AUM balances due to a R4bn increase in net inflows, improved exchange rates, and positive markets, particularly in the international business, which delivered single-digit growth.

Wealth Management

The wealth management industry has benefited from an increase in interest rates both locally and internationally. Notwithstanding this, the higher-interest-rate environment resulted in increased credit impairments, high inflation, and clients' opting for on-balance-sheet investments and repaying debt faster. Overall, Wealth Management's earnings decreased by 42% to R113m, driven mainly by the introduction of the OECD Pillar 2 global tax rate impact on the international business and the effect of the exit from the corporate e-gaming sector.

Assets under management
(Rbn)



Wealth Management (SA) benefited from an increase in NII due to higher local interest rates and significant growth in average deposit balances. Credit impairments increased due to lower client specific overlay releases and general portfolio increases as clients exhibited strain from the higher-interest-rate environment. This was partially offset by a marginal decline in average lending balances due to earlier repayments. NIR improved due to higher fee revenue earned on equity brokerage, estates and trusts, offset by lower advice fees.

Wealth Management (International) was adversely impacted by the introduction of the OECD Pillar 2 global tax rate, lost revenues from the exit from the corporate e-gaming sector in line with expectations, and clients' migrating to lower-margin fixed-term deposits. These factors were partially offset by increased average international interest rates when compared to the prior year, notwithstanding a decrease in client lending balances, with some clients opting to settle debt in the higher-interest-rate environment. As a result of the challenging investment market conditions, deposit balances have decreased and AUM has remained in line with expectations, with AUA levels higher yoy. NIR declined due to lower foreign exchange income from reduced trading activity in a difficult macroeconomic environment.

Assets under management

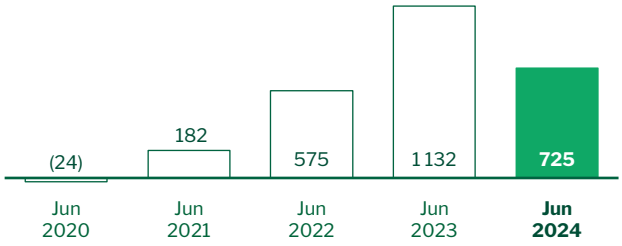
Rm	Jun 2024	Jun 2023	Dec 2023
Fair value of funds under management – by type			
Unit trusts	**406 967**	385 613	392 468
Third party	**1 182**	1 134	1 163
Private clients	**55 206**	54 326	54 836
	463 355	441 073	448 467
Fair value of funds under management – by geography			
SA	**344 493**	327 829	333 067
Rest of the world	**118 862**	113 244	115 400
	463 355	441 073	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	**362 220**	**1**	**2 242**	**364 463**
Outflows	**(357 342)**	**(21)**	**(3 169)**	**(360 532)**
Mark-to-market value adjustment	**11 262**	**63**	**1 493**	**12 818**
Foreign currency translation differences	**(1 641)**	**(24)**	**(196)**	**(1 861)**
Closing balance – 30 June 2024	**406 967**	**1 182**	**55 206**	**463 355**

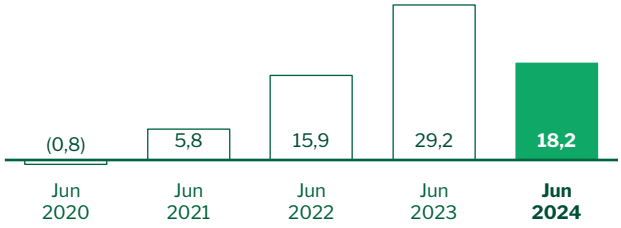
Rm	SA	Rest of the world	Total
Reconciliation of movement in funds under management – by geography			
Opening balance at 31 December 2023	**333 067**	**115 400**	**448 467**
Inflows	**356 716**	**7 747**	**364 463**
Outflows	**(351 514)**	**(9 018)**	**(360 532)**
Mark-to-market value adjustment	**6 224**	**6 594**	**12 818**
Foreign currency translation differences		**(1 861)**	**(1 861)**
Closing balance – 30 June 2024	**344 493**	**118 862**	**463 355**

Nedbank Africa Regions

Headline earnings
(Rm)



Return on equity
(%)



Overview

- Cluster HE are down by 36% to R725m and an ROE of 18,2% were generated. If H1 2023 once-offs and foreign currency base effect are excluded, HE are up by 10%.
- NII is up by 8% largely because of higher interest rates.
- NIR is down by 13% and impacted by the base effect of foreign currency gains in Zimbabwe, net of the net monetary loss (NML).
- Impairments were reduced by 24% and CLR improved to 91 bps within the cluster TTC target range.
- Expenses were up by 17%, largely driven by increased staff costs and the cost-to-income ratio was 62%.
- SADC HE are down by 41% to R271m, largely impacted by the base effect of foreign currency gains in Zimbabwe, net of the NML.
- Significant progress have been made in converging the technology infrastructure into the ME technology stack (enterprise technology stack).
- ETI associate income is down by 32%, impacted by the base effect of the R175m Ghana sovereign domestic debt restructure provision that did not repeat.

Financial performance

Nedbank Africa Regions (NAR) HE decreased by 36% to R725m, generating an ROE of 18,2% (H1 2023: 29,2%), 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. Excluding H1 2023 once-off base effects, which include the R175m reversal of our share of the impact of the Ghana sovereign domestic debt restructure programme in ETI-related associate income and foreign currency gains net of the NML on US dollar capital in Zimbabwe, HE increased by 10%.

Our SADC operations delivered HE of R271m (down by 41%) and an ROE of 7,3% (H1 2023: 13,5%). The significant drop is largely due to changes in the functional currency to US dollar for Zimbabwe.

NII in the NAR cluster increased by 8% to R1 169m, largely driven by a widening NIM to 6,11% (H1 2023: 5,95%) due to higher interest rates. This was offset by a marginal decrease in average total loans and advances of 3% to R21bn in the face of muted client demand and economic activity.

NIR for the cluster decreased by 13% to R896m, impacted by the base effect of R399m foreign currency gains on US dollar capital in Zimbabwe, net of the NML in the prior period due to moving to the US dollar as functional currency in Nedbank Zimbabwe.

The impairment charge decreased by 24% to R104m, driven by better recoveries and lower impairments in Lesotho due to a portion of SME clients moving from Stage 2 to Stage 1. As a result the CLR improved to 91 bps (H1 2023: 113 bps) within the cluster TTC target range of 85 bps to 120 bps.

Expenses increased by 17% to R1 595m, largely because of higher employee costs. Headcount remained largely flat at 2 206 (H1 2023: 2 195). Our 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 62% from 47,8% in H1 2023.

Associate income relating to the group's 21,1% shareholding in ETI decreased by 32% to R509m (H1 2023: R749m). This includes accounting for our share of ETI's Q4 2023 and Q1 2024 earnings (in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrear). This was largely because of the non-repeat of R175m reversal of our share of the impact of the Ghana sovereign domestic debt restructure programme in H1 2023. Excluding this base effect, associate income decreased by 11% because of foreign currency translation, i.e. a weaker naira and stronger rand against the US dollar.

Looking forward

The macroeconomic environment in sub-Saharan Africa is expected to improve despite the persistent high interest rates that remain a challenge and continue to put pressure on the availability of affordable capital. The International Monetary Fund forecasts that the economy of the region is projected to grow by 3,8% in 2024, up from 3,3% reported in 2023. We continue to monitor the impact of higher interest rates on our clients and the markets in which we operate, as well as the progress of the liquefied-natural-gas projects in Mozambique.

The work we are doing as we continue to leverage the group's enterprise capabilities is expected to continue to yield benefits for our SADC operations, driving business growth. ETI is expected to continue on a recovery path, and our focus, as a shareholder, remains on supporting the business in resolving the challenges that face Ecobank

Financial highlights

		Nedbank Africa Regions			SADC			ETI		
	Yoy % change	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
Headline earnings (Rm)	(36)	**725**	1 132	1 891	**271**	461	662	**454**	671	1 229
NII (Rm)	8	**1 169**	1 084	2 226	**1 245**	1 191	2 433	**(76)**	(107)	(207)
Impairments charge (Rm)	(24)	**104**	136	253	**104**	136	253			
NIR (Rm)	(13)	**896**	1 029	1 857	**896**	1 029	1 857			
Operating expenses (Rm)	17	**1 595**	1 367	2 928	**1 595**	1 367	2 928			
Associate income	(32)	**509**	749	1 380				**509**	749	1 380
ROE (%)[1]		**18,2**	29,2	25,2	**7,3**	13,5	9,9	**164,7**	149,0	157,7
ROA (%)		**3,06**	5,03	4,16	**1,32**	2,41	1,71	**14,27**	19,89	18,45
Return on cost of ETI investment (%)		**16,3**	24,1	22,0				**16,3**	24,1	22,0
CLR (%)		**0,91**	1,13	1,00	**0,91**	1,13	1,00			
NIR to total operating expenses		**56,2**	75,3	63,4	**56,2**	75,3	63,4			
Cost-to-income ratio (%)		**62,0**	47,8	53,6	**74,5**	61,6	68,3			
Interest margin (%)		**6,11**	5,95	6,13	**7,58**	7,55	7,78			
Total assets (Rm)	10	**48 512**	44 271	45 906	**47 906**	42 479	44 658	**606**	1 792	1 248
Average total assets (Rm)	3	**42 430**	41 358	41 347	**41 512**	39 478	39 747	**918**	1 880	1 600
Total advances (Rm)	2	**21 280**	20 912	20 909	**21 280**	20 912	20 909			
Average total advances (Rm)	(3)	**20 823**	21 492	21 012	**20 823**	21 492	21 012			
Total deposits (Rm)	11	**38 611**	34 855	36 846	**38 611**	34 855	36 846			
Average total deposits (Rm)	6	**38 233**	36 068	36 331	**38 233**	36 068	36 331			
Average allocated capital (Rm)	3	**8 020**	7 814	7 492	**7 466**	6 906	6 713	**554**	908	779

[1] *June 2024 ROE on subsidiary in-country statutory capital was 14,4%.*

Nigeria and other subscale markets.

Our key focus areas for the rest of 2024 include the following:

- Executing on our board-approved technology convergence journey, convergence into the enterprise's technology infrastructure and unlocking our ability to leverage group capabilities.
- Continuing to unlock further value in Mozambique, leveraging local expertise and enterprise capabilities.
- Leveraging our brand sentiment market positions and high client satisfaction scores to accelerate growth in revenue and market share.
- Accelerating sustainable growth across the markets that we operate in to achieve scale that will yield returns on equity that are consistently higher than the group's cost-of-equity.
- Continuing to look for inorganic growth opportunities.
- Unlocking value with the other shareholders in our ETI associate investment.

We are committed to increasing the NAR earnings contribution to total group earnings and generate an ROE consistently above COE. This is underpinned by our ambition to give our clients access to the best financial services network in Africa, deploying capital to optimise returns for the group. In the short to medium term we will continue to integrate the business into the enterprise, to better leverage group capabilities and to build on the foundation to grow and achieve scale.

Strategic progress

Our strategy on the continent remains to own, manage and control banking operations in SADC and East Africa, and to give our clients access to a banking network in West and Central Africa through our investment in pan-African banking group ETI, which has subsidiaries in 33 African countries. Nedbank's strategy is to achieve scale in the current markets in which we operate, while exploring opportunities to expand in large, fast-growing markets on the continent when they arise. Our investment in ETI presents upside potential as we continue to unlock further value and look to generate and maintain a return on investment of above 20% (H1 2024: 16,3%).

Our focus across the SADC operations is to continue to transform the business and converge our technology infrastructure and thereby enable a closer alignment to the enterprise, to continue to deliver our digital growth strategy and to unlock further value in Mozambique as a key market for growth as we gain scale and explore opportunities, as they arise, to expand the portfolio.

The journey to converge into the group's technology infrastructure, an important component of integrating the business into the enterprise ecosystem, is well under way and significant progress has been achieved, including the development of client and product onboarding capabilities for individual retail as well as juristic clients. This will enable the business to leverage group capabilities and thereby unlock greater efficiencies and provide a more consistent brand experience to clients across the regions. The focus of the technology convergence programme in 2024 is to build the

foundational elements of multi-enablement on the group technology stack and implement them in a phased approach across the markets we operate in, starting with Eswatini, with benefit realisation thereafter.

Our digital growth strategy remains a key focus area despite a deliberate decision to slow down capital investments in technology solutions because of convergence into the group's technology infrastructure. Digitally active clients make up 67% (H1 2023: 60%) of the total client base. Since the launch of Avo SuperShop in Namibia in H2 2023, a first in the market, we have gained over 1 800 registered users with over 3 000 products from 19 merchants on offer. This is expected to continue to improve as more users register and more merchants are added to the platform. Our digital growth strategy will remain focused on limited enhancements and the implementation of new solutions outside of our convergence journey, which are necessary to remain competitive and to grow and achieve scale.

Innovations and improvements launched in H1 2024 include the following:

- Implemented cardless cash deposits on our intelligent depositor ATMs in Eswatini and Lesotho as well as card-based deposits in Namibia.
- Collaborated with Nedbank Commercial Banking to partner with a SA ADLA, TEEENAAR (now called Zaca) to enable remittances between South Africa and Lesotho.
- Moved into execution of 3 minimum viable propositions across individual and juristic, enabling 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 to clients.
- Rolled out and aligned to the ISO 20022 financial messaging standard, making Nedbank subsidiaries among the first on the continent to do so.
- Continued to expand our robotics process automation programme whereby we have enhanced 4 existing processes, rolled-out an additional 2, linked to arrears notification and added to the 13 already existing ones.

Our bold aspiration is to be rated first in client experiences across the markets in which we operate. In H1 2024 Nedbank was the market leader in client experience (according to net promotor score) in Eswatini and Mozambique, and the leader in brand sentiment in all the markets in which we operate.

In recognition of the progress we have made to date, Nedbank received the following awards: Most Innovative Bank Mozambique by Region 2024 for Africa at the Global Finance Awards; Best Digital Bank Mozambique 2024 by *Global Banking & Finance Review* and Best Mobile Banking Application Lesotho 2024 by *Global Brands Magazine*.

Regarding ETI, we are working through our representation on the ETI Board to ensure an appropriate focus on capital, liquidity and growth to unlock value, including addressing challenges at Ecobank Nigeria. Through ongoing collaboration efforts we continue to work on increasing business flows between ETI and Nedbank.

Segmental performance

SADC operations

Our SADC operations delivered HE of R271m and were down by 41% (H1 2023: R461m). The ROE was 7,3% (H1 2023: 13,5%). These decreases were largely because of changes in the functional currency for Zimbabwe to the US dollar, causing 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 65%.

NII increased by 5% to R1 245m and was mainly driven by higher interest rates with NIM widening slightly to 7,58% (H1 2023: 7,55%) and growth in loans and advances across the markets in which we operate with the exception of Namibia. This was offset by a 3% decrease in average loans and advances to R21bn due to lower demand in Namibia. NIR for the SADC operations decreased by 13% to R896m, largely because of the base effect of foreign currency gains, net of the NML included in the prior year and the change in functional reporting currency in Zimbabwe in H1 2024. Excluding the impact of Zimbabwe NML, NIR increased by 42%, driven by increased fee income. The impairment charge decreased by 24% to R104m, a decrease driven by better recoveries and lower impairments in Lesotho on account of a portion of SME clients moving from Stage 2 to Stage 1 and offset by higher impairments in Mozambique. The SADC CLR improved to 91 bps from 113 bps and was within the cluster TTC target range of 85 bps and 120 bps.

Clients – The overall number of clients increased by 9% to 379 060, with the most robust growth in entry-level banking, the middle market and the SME banking segments due to increased uptake of electronic wallets, the repositioning of personal loans in Lesotho and targeted campaigns for SMEs. Our MobiMoney electronic wallet offering, which forms part of our efforts towards addressing financial inclusion, continued to be the most significant client growth driver in Eswatini, Lesotho and Namibia.

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 (H1 2023: 79) and ATMs to 211 (H1 2023: 197).

Digital – The percentage of digitally active clients increased to 67% (H1 2023: 60%) of the total client base despite the deliberate slowdown in investments as we have been focusing on converging our technology infrastructure into the group. The Money app (Africa) remains our clients' digital channel of choice with 94% of digitally active clients preferring to use the app. The number of app users increased by 19% to over 128 000. The number of users of MobiMoney wallets increased by more than 100% to over 57 000.

Nedbank Africa Regions: Key business statistics

		Jun 2024	Jun 2023	Dec 2023
Client				
Number of clients[1]		**379 060**	346 664	349 247
Main-banked clients[2]	%	**40**	44	42
Cross-sell ratio	ratio	**1,41**	1,41	1,37
Digital				
Digitally active clients	%	**67**	60	64
Mobile app users[3]		**128 495**	107 537	116 498
MobiMoney wallets		**57 677**	26 022	42 017
Distribution				
Number of branches[4]		**80**	79	79
Number of ATMs		**211**	197	199
Number of cash-accepting ATMs[5]		**23**	1	6
POS devices[6]		**7 484**	8 237	8 276

Notes:

1 *Restated June 2023 in line with December 2023, taking into account the closure of dormant accounts as a result of seasonal tobacco merchants in Zimbabwe.*

2 *MobiMoney and seasonal tobacco accounts growing at a much faster rate than transactional or savings accounts, impacting the main-banked percentage (MobiMoney introduced in early 2023).*

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

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

5 *Included in total number of ATMs. December 2023 number restated to 6 (now includes an additional 5 devices that have been in pilot).*

6 *Reduced number of devices in Mozambique after regulatory changes, removing monthly rentals and Zimbabwe, where Nedbank is processing only the local currency through Zimswitch (no USD acceptance yet at June 2024).*

ETI associate investment

ETI's performance in Q1 2024 continued to show the benefits of a diversified portfolio, with profit after tax increasing by 20% to US$105m, and attributable earnings up 10% to US$69m. Associate income from our investment (in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrears) was down 32% to R509m, generating HE of R454m (H1 2023: R671m). This includes accounting for our share of ETI's Q4 2023 and Q1 2024 earnings and the inclusion of the reversal of the R175m provision in the prior year from the unrepeated Ghana sovereign domestic debt restructure that Nedbank raised in 2022. If we exclude the reversal of the R175m provision, associate income decreased by 11%, impacted by foreign currency translation and non-core earnings.

ETI's Q1 2024 performance was driven by:

- resilience and continued benefits of a diversified business model;
- revenue growth of 3% (30% in constant currency); and
- cost discipline maintenance, which led to an improved cost-to-income of 53,8% from 57,3%.

The performance generated a ROTE of 29,5% and was up from 19,5% in the prior year. Total CAR was 14,3% (as at 31 December 2023). Our investment in ETI generated a return on investment of 16,3% (H1 2023: 24,1%). Excluding the reversal of the R175m provision, the prior year return on investment was 18,5%. The market value of our investment in ETI was R1,35bn, a decrease from R2,23bn at 31 December 2023. The decrease is due to the depreciation of the naira against the US dollar.

ETI's 3 core regions continued to show strong performance with all 3 achieving ROEs above 25%: Francophone West Africa (UEMOA) achieving 25,3%, Anglophone West Africa (AWA) attaining 33,3%, and Central, Eastern and Southern Africa (CESA) with 31,9%. Nigeria continues to be sub-optimal with an ROE of 4,2%.

Ecobank's strengths include local knowledge and experience, clients, technology, digital platforms and a geographic footprint. ETI is ranked as a top 3 bank in 15 African countries: first in 7 countries, second in 3 countries and third in 5 countries.

ETI is focusing on improving performance in subscale markets, accelerating growth of the consumer and commercial banking business, entrenching the leadership positions in markets where they are a top 3 bank, and continuing to work with the team to turn around and grow Nigerian business.

Geographical segmental reporting

for the period ended

Rm	Nedbank Group		
	Jun 2024	Jun 2023	Dec 2023
Summary of consolidated statement of financial position			
Assets			
Cash and cash equivalents	**45 247**	44 640	52 082
Other short-term securities	**82 450**	82 995	87 769
Derivative financial instruments	**16 009**	14 952	13 812
Government and other securities	**173 698**	152 128	170 717
Loans and advances	**924 116**	913 300	891 619
Other assets	**113 290**	98 732	95 409
Intergroup assets	**–**	–	–
Total assets	**1 354 810**	1 306 747	1 311 408
Equity and liabilities			
Total equity	**118 549**	116 871	119 211
Derivative financial instruments	**13 679**	14 749	14 141
Amounts owed to depositors	**1 119 539**	1 086 241	1 087 645
Provisions and other liabilities	**58 700**	39 016	42 634
Long-term debt instruments	**44 343**	49 870	47 777
Intergroup liabilities	**–**	–	–
Total equity and liabilities	**1 354 810**	1 306 747	1 311 408
Summary of consolidated statement of comprehensive income			
NII	**20 784**	20 294	41 470
NIR	**14 375**	13 397	27 709
Share of income of associate companies	**578**	782	1 443
Total income	**35 737**	34 473	70 622
Impairments charge on financial instruments	**4 662**	5 313	9 605
Net income	**31 075**	29 160	61 017
Total operating expenses	**19 775**	18 229	38 059
Indirect taxation	**520**	566	1 129
Profit before direct taxation	**10 780**	10 365	21 829
Direct taxation	**2 120**	2 254	4 484
Profit after taxation	**8 660**	8 111	17 345
Profit attributable to non-controlling interest	**749**	782	1 695
Headline earnings	**7 911**	7 329	15 650

[1] *Includes all group eliminations.*

[2] *The NAR geographical segmental income statement and balance sheet consist of the SADC banking subsidiaries and the investment in ETI. These statements do not include transactions concluded with clients resident in the rest of Africa by other group entities within CIB, or transactional-banking revenues. For example, CIB has a credit exposure to clients resident in the Africa regions of R59,5bn (June 2023: R52,1bn; December 2023: R55,9bn).*

	South Africa[1]			Nedbank Africa Regions[2]			Rest of the world		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
	34 567	35 176	40 747	**9 978**	8 590	10 583	**702**	874	752
	56 920	54 596	59 853	**6 046**	4 949	4 831	**19 484**	23 450	23 085
	15 941	14 876	13 756	**21**	14	4	**47**	62	52
	170 999	149 769	168 738	**2 699**	2 359	1 979			
	839 579	839 421	819 673	**21 280**	20 912	20 909	**63 257**	52 967	51 037
	104 168	88 840	85 773	**2 813**	3 950	3 663	**6 309**	5 942	5 973
	(5 675)	(3 497)	(3 937)	**5 675**	3 497	3 937			
	1 216 499	1 179 181	1 184 603	**48 512**	44 271	45 906	**89 799**	83 295	80 899
	93 018	92 058	95 151	**8 021**	7 814	7 492	**17 510**	16 999	16 568
	13 631	14 684	14 079	**21**	23	10	**27**	42	52
	1 016 328	977 635	984 354	**38 611**	34 855	36 846	**64 600**	73 751	66 445
	56 195	36 793	40 436	**1 429**	1 151	1 129	**1 076**	1 072	1 069
	43 913	49 442	47 348	**430**	428	429			
	(6 586)	8 569	3 235				**6 586**	(8 569)	(3 235)
	1 216 499	1 179 181	1 184 603	**48 512**	44 271	45 906	**89 799**	83 295	80 899
	18 808	18 483	37 777	**1 169**	1 084	2 226	**807**	727	1 467
	12 701	11 809	24 635	**896**	1 029	1 857	**778**	559	1 217
	69	33	63	**509**	749	1 380			
	31 578	30 325	62 475	**2 574**	2 862	5 463	**1 585**	1 286	2 684
	4 405	5 228	9 363	**104**	136	253	**153**	(51)	(11)
	27 173	25 097	53 112	**2 470**	2 726	5 210	**1 432**	1 337	2 695
	17 448	16 231	33 854	**1 595**	1 367	2 928	**732**	631	1 277
	459	506	1 044	**41**	46	56	**20**	14	29
	9 266	8 360	18 214	**834**	1 313	2 226	**680**	692	1 389
	1 937	2 098	4 159	**43**	39	97	**140**	117	228
	7 329	6 262	14 055	**791**	1 274	2 129	**540**	575	1 161
	683	640	1 457	**66**	142	238			
	6 646	5 622	12 598	**725**	1 132	1 891	**540**	575	1 161

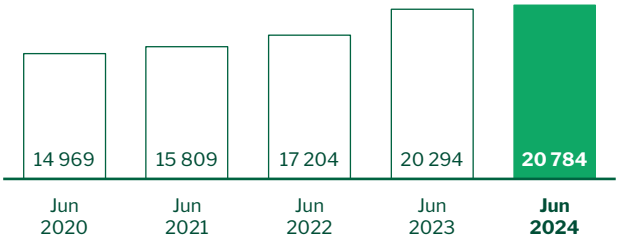


Income statement analysis

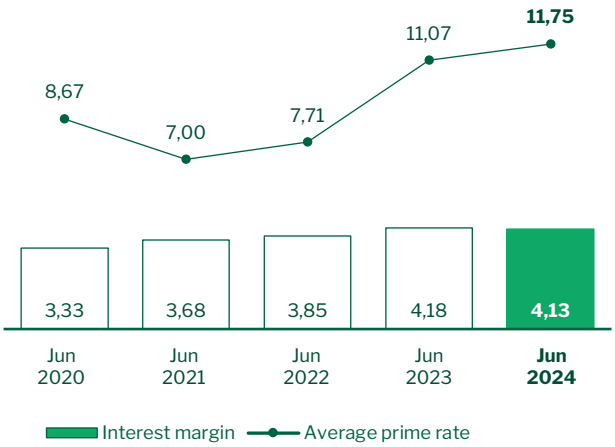
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1 Net margin analysis

Net interest income
(Rm)



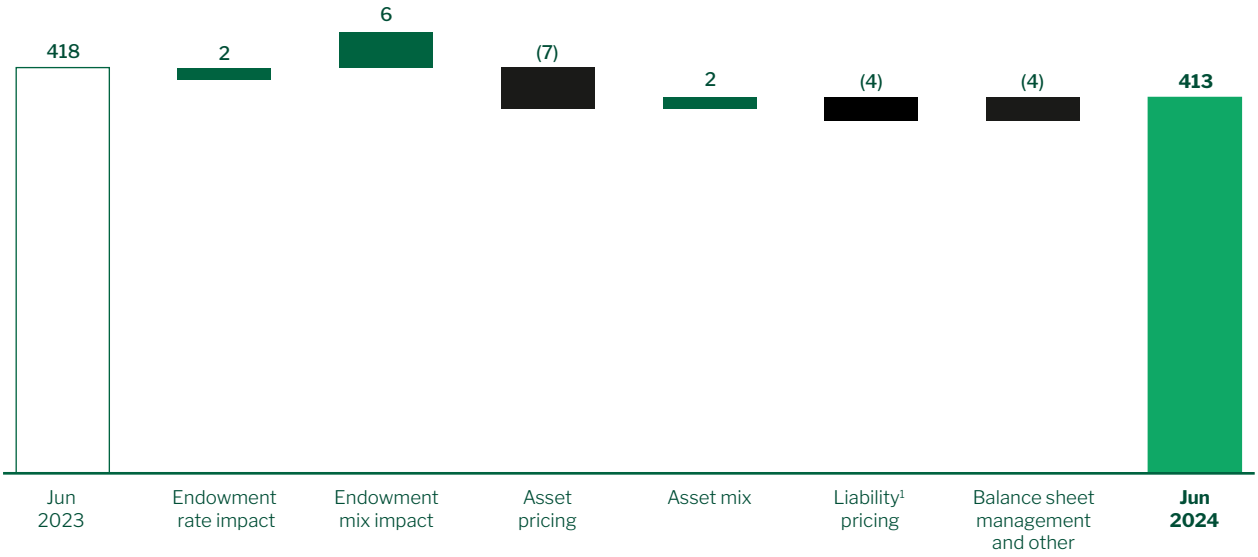
Interest margin trend versus average prime rate
(%)



Nedbank Group	Jun 2024 Bps	Jun 2024 Rm	Jun 2023 Bps	Jun 2023 Rm	Dec 2023 Bps	Dec 2023 Rm
Closing average interest-earning banking assets (year-to-date average)		**1 012 296**		978 287		986 060
Opening Net interest margin (NIM)/Net interest income (NII)	**418**	**20 294**	385	17 204	393	36 277
Growth in banking assets		**762**		1 479		2 512
Endowment	**8**	**377**	48	2 309	38	3 746
Endowment rate impact	**2**	**87**	55	2 649	40	3 954
Endowment volume impact	**6**	**290**	(7)	(340)	(2)	(208)
Asset margin pricing and mix	**(5)**	**(265)**	(21)	(1 036)	(16)	(1 587)
Impact due to pricing	**(7)**	**(363)**	(9)	(411)	(7)	(642)
Stage 3 interest reversals		**11**	(5)	(265)	(4)	(423)
Impact due to mix change	**2**	**87**	(7)	(360)	(5)	(522)
Liability margin pricing and mix	**(4)**	**(205)**	(4)	(181)	(2)	(185)
Deposits pricing and mix	**(6)**	**(291)**[1]	(6)	(293)	(6)	(557)
Impact due to pricing	**(6)**	**(299)**[1]	(6)	(313)	(6)	(581)
Impact due to mix change		**8**		20		24
Impact of changes in the funding profile	**2**	**86**	2	112	4	372
Impact due to pricing	**2**	**88**	1	64	3	245
Impact due to mix change		**(2)**	1	48	1	127
Balance sheet management and other	**(4)**	**(179)**	10	519	8	707
Closing NIM/NII for the period	**413**	**20 784**	418	20 294	421	41 470

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

Net interest margin
(Bps)



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

Key drivers

- Positive endowment rate impact due to the full run-rate impact of the 2023 interest rate increases and positive endowment mix impact due to higher growth of capital balances relative to the growth of interest-earning assets.
- Negative asset pricing due to increased levels of competition for good-quality assets.
- Positive asset mix as a result of faster growth in RBB secured retail loans slightly offset by the slower growth in higher-yielding assets such as unsecured retail loans.
- Negative liability pricing due to a squeeze in deposit spreads and the introduction of the Deposit Insurance Scheme.
- Negative HQLA mix impact due to higher mix of lower-yielding HQLA assets relative to other higher-yielding advances.

NII and EVE sensitivity analysis

- At 30 June 2024 the NII sensitivity of the group's banking book for a 1% parallel decrease in interest rates, measured over 12 months, was 1,26% 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 355m 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, however, measured at a 0,5% instantaneous decrease in interest rates and Nedbank Zimbabwe is measured at a 30% 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 similar amounts 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 for the group's expected interest rate view and impairment sensitivity over the cycle.
- At 30 June 2024 Nedbank Limited's economic-value-of-equity (EVE) sensitivity measured for a 1% decrease in interest rates is R585m. This remains at a low level of 0,75% of ordinary shareholders' equity, which is below the board's approved risk limit of 1,25%.

Average banking statement of financial position and related interest

Rm	Jun 2024 Average balance Assets	Jun 2024 Margin statement interest[1] Received	Jun 2024 %	Jun 2023 Average balance Assets	Jun 2023 Margin statement interest[1] Received	Jun 2023 %	Dec 2023 Average balance Assets	Dec 2023 Margin statement interest[1] Received	Dec 2023 %
Average prime rate			**11,75**			11,07			8,60
Assets									
Listed corporate bonds	**29 932**	**1 456**	**9,78**	24 343	1 120	9,28	23 913	2 293	9,59
Home loans (including properties in possession)	**202 403**	**11 009**	**10,94**	192 237	9 857	10,34	195 041	20 789	10,66
Commercial mortgages	**195 873**	**10 629**	**10,91**	196 702	9 882	10,13	196 662	20 748	10,55
Instalment debtors	**162 431**	**10 404**	**12,88**	149 484	9 064	12,23	152 218	19 087	12,54
Credit card balances	**17 474**	**1 367**	**15,73**	17 297	1 317	15,35	17 372	2 692	15,50
Overdrafts	**25 622**	**1 455**	**11,42**	25 432	1 419	11,25	25 387	2 916	11,49
Term loans and other[1]	**236 511**	**16 108**	**13,70**	242 897	15 093	12,53	239 245	31 198	13,04
Personal loans	**28 879**	**2 704**	**18,83**	30 519	2 885	19,06	30 342	5 780	19,05
Gross banking loans and advances	**899 125**	**55 132**	**12,33**	878 911	50 637	11,62	880 180	105 503	11,99
Impairment of loans and advances	**(30 719)**			(28 918)			(29 914)		
Government and other securities	**91 534**	**4 279**	**9,40**	83 685	3 824	9,21	84 720	7 835	9,25
Short-term funds and securities	**52 356**	**1 911**	**7,34**	44 609	1 415	6,40	51 074	3 577	7,00
Interest-earning banking assets	**1 012 296**	**61 322**	**12,18**	978 287	55 876	11,52	986 060	116 915	11,86
Other[2]	**230 813**			235 343			229 091		
Total assets	**1 243 109**	**61 322**	**9,92**	1 213 630	55 876	9,28	1 215 151	116 915	9,62

	Liabilities	Paid	%	Liabilities	Paid	%	Liabilities	Paid	%
Equity and liabilities									
Deposit and loan accounts	**611 899**	**24 541**	**8,07**	595 235	21 798	7,38	597 983	46 134	7,71
Current and savings accounts	**138 006**	**1 293**	**1,88**	143 929	1 133	1,59	142 800	2 507	1,76
Negotiable certificates of deposit	**122 806**	**5 546**	**9,08**	128 968	5 168	8,08	124 842	10 624	8,51
Other interest-bearing liabilities	**176 104**	**6 845**	**7,82**	147 517	5 077	6,94	153 744	11 289	7,34
Long-term debt instruments	**45 778**	**2 313**	**10,16**	51 035	2 406	9,51	49 854	4 891	9,81
Interest-bearing banking liabilities	**1 094 593**	**40 538**	**7,45**	1 066 684	35 582	6,73	1 069 223	75 445	7,06
Revaluation of FVTPL-designated liabilities	**(1 410)**			(3 270)			(2 887)		
Ordinary and minority shareholders' equity	**114 397**			112 551			111 452		
Other[3]	**35 529**			37 665			37 363		
Total shareholders' equity and liabilities	**1 243 109**	**40 538**	**6,56**	1 213 630	35 582	5,91	1 215 151	75 445	6,21
Interest margin on average interest-earning banking assets	**1 012 296**	**20 784**	**4,13**	978 287	20 294	4,18	986 060	41 470	4,21

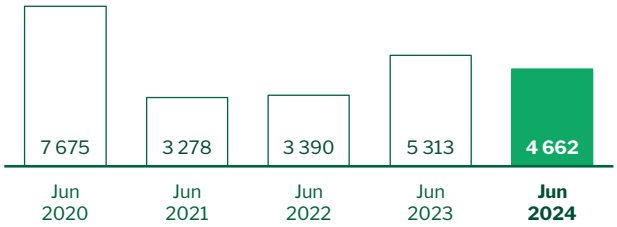
[1] *Includes term loans, preference shares, factoring debtors, foreign lending, loans to banks, other lending-related instruments and net interest on banking book derivatives.*

[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.*

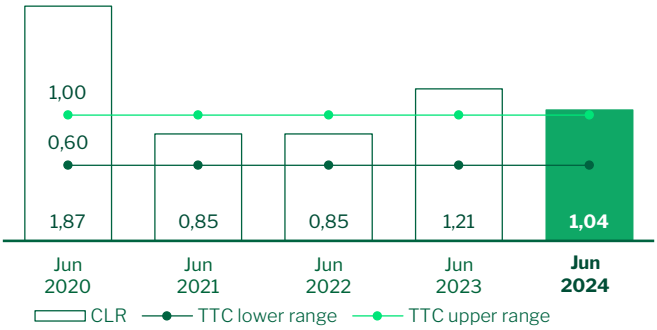
[3] *Includes derivative financial instruments, investment contract liabilities, other liabilities, equity and elimination entries.*

2 Impairments

Nedbank Group impairments charge
(Rm)



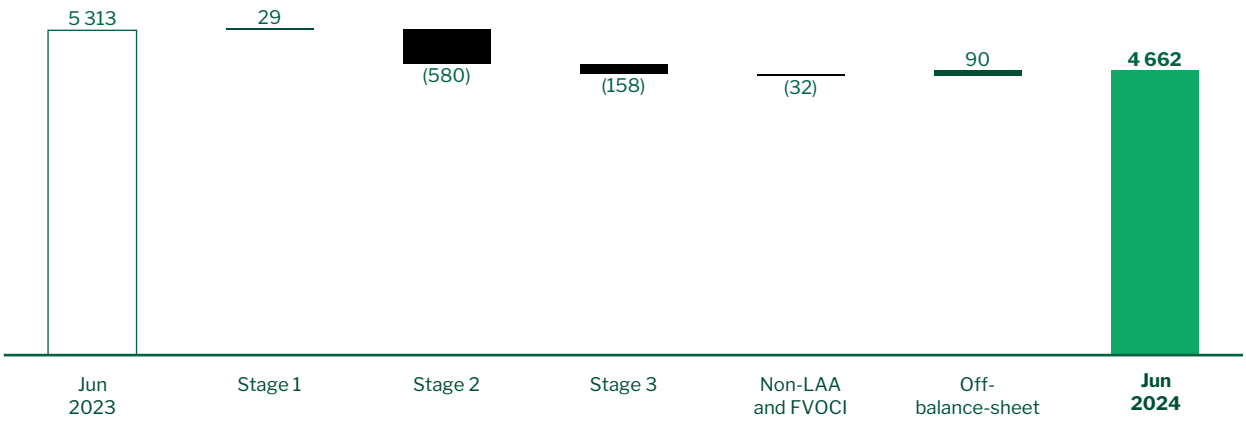
Nedbank Group credit loss ratio trends
(%)



Nedbank Group income statement impairment charge and credit loss ratio

June 2024 (Rm)	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm
Corporate and Investment Banking (CIB)	**63**	**(152)**	**299**
CIB, excluding Property Finance	**53**	**(153)**	**137**
Property Finance	**10**	**1**	**162**
Retail and Business Banking (RBB)	**181**	**107**	**3 846**
Commercial Banking	**59**	**30**	**29**
Retail	**122**	**77**	**3 817**
Wealth	**6**		**18**
Nedbank Africa Regions	**7**	**7**	**54**
Centre		**(2)**	**21**
Nedbank Group	**257**	**(40)**	**4 238**

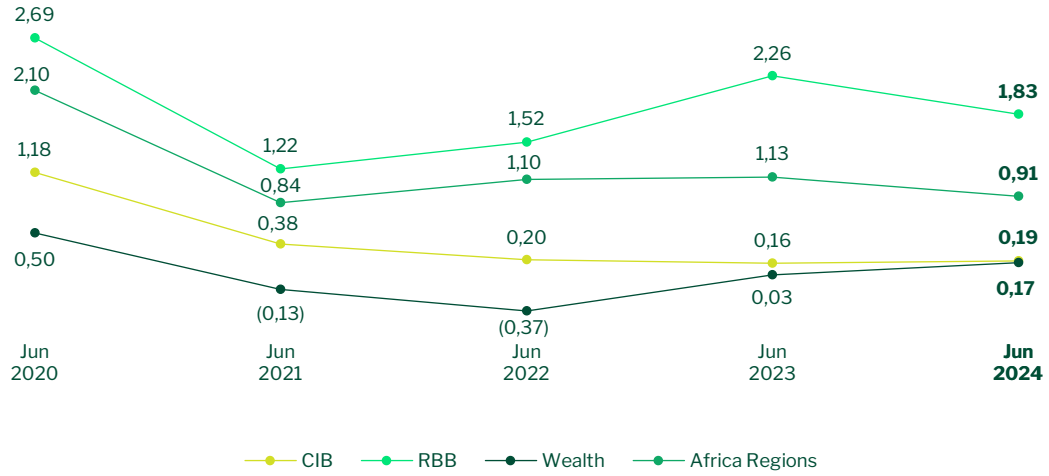
Nedbank Group impairment drivers
(Rm)



Non-LAA and FVOCI	Off-balance-sheet	Impairment charge, net of recoveries	Mix of average banking advances	Credit Loss Ratio (CLR)	Target CLR through-the-cycle (TTC) range
Rm	Rm	Rm	%	%	%
131	35	376	43,9	0,19	0,15 – 0,45
131	35	203	24,5	0,19	0,20 - 0,50
		173	19,4	0,20	0,15 – 0,35
–	1	4 135	50,4	1,83	1,20 – 1,75
		118	10,1	0,26	0,50 – 0,70
	1	4 017	40,3	2,22	1,60 – 2,40
		24	3,2	0,17	0,20 – 0,40
4	32	104	2,5	0,91	0,85 – 1,20
4		23			
139	68	4 662	100,0	1,04	0,60 – 1,00

Nedbank Group credit loss ratio per cluster

(%)



December 2023 (Rm)	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	

June 2023 (Rm)	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	
Corporate and Investment Banking (CIB)	5	187	(13)	
CIB, excluding Property Finance	(11)	178	(212)	
Property Finance	16	9	199	
Retail and Business Banking (RBB)	174	341	4 319	
Commercial Banking	24	16	292	
Retail	150	325	4 027	
Wealth	(9)	3	11	
Nedbank Africa Regions	58		79	
Centre		9		
Nedbank Group	228	540	4 396	

Key drivers

- The decrease in CLR to 104 bps (H1 2023: 121 bps) was driven by a large decrease in RBB impairments.
- RBB impairments decreased on the back of focused management interventions in respect of collections and improved loan origination, as well as a more stable macroeconomic environment.
- CLRs across all RBB products and segments improved from the levels reported in H1 2023, with the exception of vehicle finance given some strain experienced in our small taxi portfolio and lower asset realisation values at auctions.
- Impairments across CIB, Nedbank Wealth and NAR were well-managed and CLRs were at the bottom end of their respective TTC target ranges.
- The group's central provision remained at R150m when compared to December 2023.
- The CLR of 104 bps was slightly above the group's TTC target range of 60 bps to 100 bps.

	Non-LAA and FVOCI	Off-balance-sheet	Impairment charge, net of recoveries	Mix of average banking advances	CLR	Target CLR TTC 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

	Non-LAA and FVOCI	Off-balance-sheet	Impairment charge, net of recoveries	Mix of average banking advances	CLR	Target CLR TTC range
	Rm	Rm	Rm	%	%	%
	163	(21)	321	44,7	0,16	0,15 – 0,45
	163	(21)	97	25,2	0,09	0,20 - 0,50
			224	19,5	0,26	0,15 – 0,35
	–	9	4 843	49,1	2,26	1,20 – 1,75
		1	333	10,2	0,75	0,50 – 0,70
		8	4 510	38,9	2,66	1,60 – 2,40
			5	3,6	0,03	0,20 – 0,40
	9	(10)	136	2,6	1,13	0,85 – 1,20
	(1)		8			
	171	(22)	5 313	100,0	1,21	0,60 – 1,00

Notes

Impairments charge on financial instruments

June 2024	Nedbank Group	Corporate and Investment Banking	Retail and Business Banking	Wealth	Nedbank Africa Regions	Centre[1]
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	4 662	376	4 135	24	104	23
Stage 1 ECL allowance	257	63	181	6	7	
Stage 2 ECL allowance	(40)	(152)	107		7	(2)
Stage 3 ECL allowance	4 238	299	3 846	18	54	21
Off-balance-sheet allowance	68	35	1		32	
Non-loans and advances	8				4	4
FVOCI loan impairment charge	131	131				
Adjusted for:	(4 823)	(1 455)	(3 320)	(3)	(32)	(13)
Recoveries	653	3	629		21	
Interest in suspense	829	101	665		63	
Amounts written off	(5 340)	(771)	(4 547)		(22)	
Foreign exchange and other transfers	(759)	(590)	(67)	(3)	(90)	(9)
Non-LAA	(8)				(4)	(4)
FVOCI loan impairment charge	(198)	(198)				
ECL allowance – closing balance	30 225	3 171	25 159	369	1 356	170
Stage 1	4 988	588	4 145	46	209	
Stage 2	5 164	319	4 574	31	89	151
Stage 3	20 073	2 264	16 440	292	1 058	19
Split by measurement category	30 225	3 171	25 159	369	1 356	170
LAA	29 470	2 527	25 068	369	1 336	170
LAA in FVOCI	463	463				
Off-balance-sheet allowance	292	181	91		20	

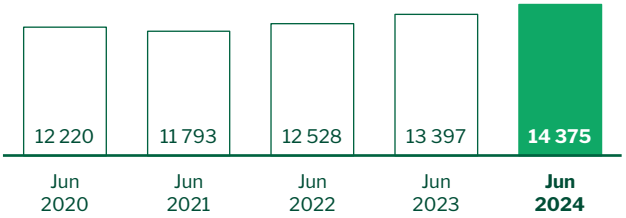
[1] *Centre includes consolidation and other adjustments.*

December 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	1 630	408	1 194		28	
Amounts written off	(10 215)	(1 700)	(8 303)	(62)	(150)	
Foreign exchange and other transfers	379	(19)	474	3	(76)	(3)
Non-LAA	(26)				(29)	3
FVOCI loan impairment charge	(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
LAA	29 602	3 573	24 254	348	1 267	160
LAA in FVOCI	530	530				
Off-balance-sheet allowance	254	147	90		17	

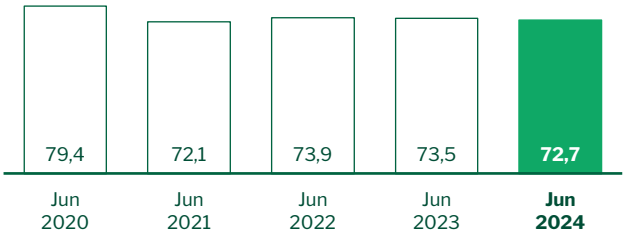
June 2023	Nedbank Group	Corporate and Investment Banking	Retail and Business Banking	Wealth	Nedbank Africa Regions	Centre
Balance at the beginning of the year	27 893	4 788	21 215	370	1 216	304
Stage 1 ECL allowance	4 261	517	3 487	42	215	
Stage 2 ECL allowance	5 554	538	4 564	29	120	303
Stage 3 ECL allowance	18 078	3 733	13 164	299	881	1
Statement of comprehensive income charge net of recoveries	5 313	321	4 843	5	136	8
Stage 1 ECL allowance	228	5	174	(9)	58	
Stage 2 ECL allowance	540	187	341	3		9
Stage 3 ECL allowance	4 396	(13)	4 319	11	79	
Off-balance-sheet allowance	(22)	(21)	9		(10)	
Non-loans and advances	8				9	(1)
FVOCI loan impairment charge	163	163				
Adjusted for:	(2 414)	275	(2 610)	3	(83)	1
Recoveries	695	7	666		22	
Interest in suspense	724	152	566		6	
Amounts written off	(4 100)	(5)	(4 007)		(88)	
Foreign exchange and other transfers	273	119	165	3	(14)	
Non-LAA	(8)				(9)	1
FVOCI loan impairment charge	2	2				
ECL allowance – closing balance	30 792	5 384 [2]	23 448	378	1 269	313
Stage 1	4 475	551	3 668	39	217	
Stage 2	6 166	827	4 886	31	110	312
Stage 3	20 151	4 006	14 894	308	942	1
Split by measurement category	30 792	5 384	23 448	378	1 269	313
LAA	29 960	4 661	23 358	378	1 250	313
LAA in FVOCI	512	512				
Off-balance-sheet allowance	320	211	90		19	

3 Non-interest revenue and income

Non-interest revenue
(Rm)



Non-interest revenue to total operating expenses
(%)



Rm	Yoy % change	Nedbank Group Jun 2024	Nedbank Group Jun 2023	Nedbank Group Dec 2023	Corporate and Investment Banking Jun 2024	Corporate and Investment Banking Jun 2023	Corporate and Investment Banking Dec 2023
Commission and fees income	8	**9 985**	9 245	19 346	**1 654**	1 426	3 144
Administration fees	9	**826**	758	1 556	**15**	25	57
Card income	3	**1 823**	1 771	3 711	**14**	12	24
Cash-handling fees	7	**602**	563	1 151	**97**	95	191
Exchange commission	4	**404**	388	851	**103**	125	257
Guarantees income	(15)	**111**	131	247	**75**	98	178
Insurance commission	(4)	**127**	132	276			
Other commission	25	**2 183**	1 740	3 738	**875**	660	1 425
Other fees	(2)	**1 432**	1 467	3 135	**447**	384	957
Service charges	8	**2 477**	2 295	4 681	**28**	27	55
Insurance income	(9)	**764**	842	1 446			
Fair-value adjustments	77	**424**	239	577	**359**	140	260
Fair-value adjustments	>100	**343**	169	297	**359**	140	260
Hedge-accounted portfolios	16	**81**	70	280			
Trading income	14	**2 371**	2 084	4 299	**2 236**	1 955	4 032
Commodities	(49)	**24**	47	75	**24**	47	75
Debt securities	28	**1 207**	944	2 013	**1 207**	944	2 013
Equities	36	**402**	296	642	**402**	300	646
Foreign exchange	(7)	**738**	797	1 569	**603**	664	1 298
Equity investment income/(losses)	14	**317**	278	764	**354**	319	853
Realised gains, dividends, interest and other income	(63)	**151**	405	856	**176**	440	926
Unrealised gains/(losses)[1]	>100	**166**	(127)	(92)	**178**	(121)	(73)
Investment income	17	**81**	69	142	**55**	53	107
Sundry income/(expenses)[2]	(32)	**433**	640	1 135	**64**	101	282
Total non-interest revenue	7	**14 375**	13 397	27 709	**4 722**	3 994	8 678

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

[2] *Sundry income comprises mainly security dealings, rental income, fair-value movements on non-trading investments, and forex gains and losses. The prior period included R399m foreign currency gains on US dollar capital in Zimbabwe, net of the net monetary loss.*

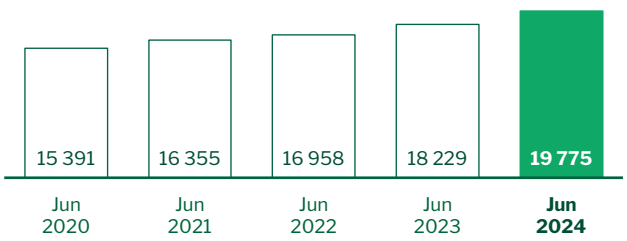
Key drivers

- Good commission and fees growth, supported by deal closures in CIB and strong growth in value-added services volumes, higher maintenance fees and growth in card issuing and card acquiring volumes in RBB.
- The decline in insurance income was driven by lower traditional bancassurance volumes and significant investment into product and channel initiatives. This decline masked strong underlying premium growth in the MyCover suite and stable claims ratios.
- Fair-value adjustments are mainly from foreign exchange and interest rate gains in the CIB banking book.
- Trading income was up strongly due to good client flows, with a strong risk management performance evident in good performances in the equities and debt securities markets.
- Sundry income was impacted by the base effect of R399m foreign currency gains on US dollar capital in Zimbabwe, net of the net monetary loss in the prior period that did not repeat as a result of moving to the US dollar as functional currency in Nedbank Zimbabwe.

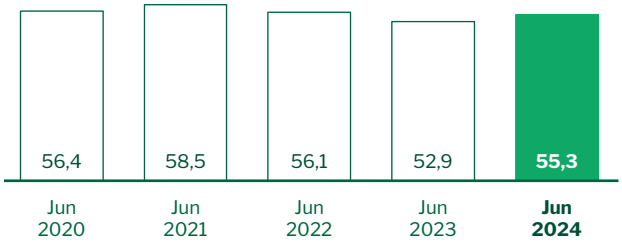
	Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
	6 681	6 432	13 258	**1 058**	1 014	2 070	**637**	420	972	**(45)**	(47)	(98)
	272	247	495	**487**	445	912	**46**	34	77	**6**	7	15
	1 739	1 691	3 540				**70**	68	146			1
	472	454	923	**1**	1	1	**32**	13	36			
	150	154	306	**48**	54	96	**103**	52	189		3	3
	19	14	35				**17**	19	34			
	135	127	260	**(13)**	1	7	**5**	4	9			
	1 213	1 088	2 334	**(59)**	(115)	(209)	**149**	94	168	**5**	13	20
	474	548	1 100	**563**	599	1 204	**4**	6	11	**(56)**	(70)	(137)
	2 207	2 109	4 265	**31**	29	59	**211**	130	302			
	279	298	580	**456**	510	820	**29**	33	44		1	2
	–	–	–	**–**	–	–	**(17)**	45	49	**82**	54	268
							(17)	45	49	**1**	(16)	(12)
										81	70	280
	77	74	143	**–**	–	–	**58**	59	128	**–**	(4)	(4)
	77	74	143				**58**	59	128		(4)	(4)
	(10)	(6)	(16)	**–**	–	(3)	**–**	–	–	**(27)**	(35)	(70)
	(10)	(6)	(16)			(3)				**(25)** **(2)**	(35)	(70)
	8	7	17	**5**	5	10				**13**	4	8
	236	78	324	**2**	27	27	**189**	472	664	**(58)**	(38)	(162)
	7 271	6 883	14 306	**1 521**	1 556	2 924	**896**	1 029	1 857	**(35)**	(65)	(56)

4 Expenses

Total operating expenses
(Rm)



Cost-to-income ratio
(%)

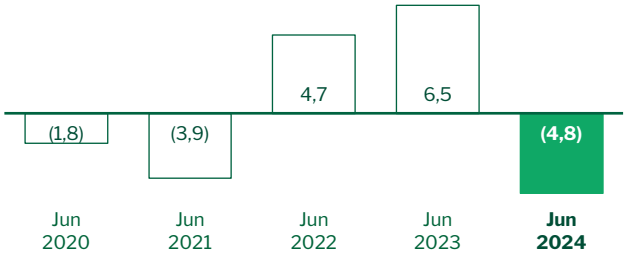


Rm	Yoy % change	Nedbank Group Jun 2024	Nedbank Group Jun 2023	Nedbank Group Dec 2023	Corporate and Investment Banking Jun 2024	Corporate and Investment Banking Jun 2023	Corporate and Investment Banking Dec 2023
Staff costs	8	**10 997**	10 144	21 140	**2 056**	1 802	3 932
Salaries and wages	9	**9 343**	8 545	17 474			
Total incentives	7	**1 925**	1 804	4 095			
Short-term incentives	23	**1 480**	1 203	3 040			
Long-term incentives	(26)	**445**	601	1 055			
Other staff costs	(32)	**(271)**	(205)	(429)			
Computer processing	7	**3 598**	3 358	6 900	**218**	222	445
Depreciation of computer equipment	(5)	**335**	352	749			
Depreciation of right-of-use assets: computer equipment	49	**67**	45	99			
Amortisation of intangible assets	3	**933**	903	1 850			
Operating lease charges for computer processing	43	**139**	97	212			
Other computer-processing expenses	8	**2 124**	1 961	3 990			
Fees and insurances	9	**2 182**	1 996	4 336	**264**	248	523
Occupation and accommodation[1,2]	(3)	**1 095**	1 128	2 247	**90**	98	200
Marketing and public relations	(3)	**765**	791	1 585	**44**	31	72
Communication and travel	17	**540**	463	920	**186**	165	328
Other operating expenses[3]	71	**598**	349	931	**45**	37	85
Activity-justified transfer pricing		**–**	–	–	**1 406**	1 282	2 611
Total operating expenses	8	**19 775**	18 229	38 059	**4 309**	3 885	8 196

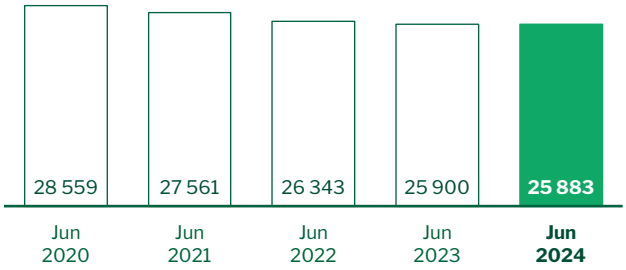
Analysis of total IT-related function spend included in total expenses	Yoy % change	Jun 2024	Jun 2023	Dec 2023
IT staff-related costs within Group Technology	11	**1 859**	1 673	3 421
Depreciation and amortisation of computer equipment, software and intangibles	3	**1 335**	1 300	2 698
Other IT costs (including licensing, development, maintenance and processing charges)[4]	11	**2 311**	2 085	4 270
Total IT-related functional spend	9	**5 505**	5 058	10 389

1 *Includes the depreciation of right-of-use assets of R401m (June 2023: R389m; December 2023: R786m).*
2 *Includes a building depreciation charge of R195m (June 2023: R199m; December 2023: R398m).*
3 *Includes a furniture depreciation charge of R163m (June 2023: R166m; December 2023: R337m), consumables and sundry expenses.*
4 *Includes consulting and professional fees (that are included in fees and insurance), communication and travel, 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		
	Jun 2024	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023	**Jun 2024**	Jun 2023	Dec 2023
	4 380	4 210	8 572	**866**	793	1 671	**742**	620	1 320	**2 953**	2 719	5 645
	1 030	1 004	2 053	**125**	186	247	**185**	174	322	**2 040**	1 772	3 833
	1 386	1 331	2 810	**33**	31	99	**162**	175	371	**337**	211	533
	778	836	1 639	**55**	54	107	**110**	85	186	**62**	55	115
	330	393	749	**50**	47	92	**28**	33	68	**313**	287	604
	259	206	420	**21**	24	41	**51**	41	75	**23**	27	56
	302	242	564	**4**	26	34	**51**	(1)	90	**196**	45	158
	3 784	3 281	6 871	**470**	386	820	**266**	240	496	**(5 926)**	(5 189)	(10 798)
	12 249	11 503	23 678	**1 624**	1 547	3 111	**1 595**	1 367	2 928	**(2)**	(73)	146

Key drivers

- Average annual salary increases of 5% and higher costs to attract and retain key talent, as well as the use of temporary employees as we finalise our Managed Evolution (ME) IT build.
- A 1% 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.
- Alignment of incentive costs with the group's financial performance and anticipated vesting outcomes.
- Continuous investment in digital and cloud solutions, increased IT volumes, and the impact of the devaluation of the rand related to foreign currency IT contracts.
- Slower growth in amortisation charge as our ME technology journey nears completion.
- A decrease in occupation and accommodation costs given lower levels of load-shedding (generator running costs) and real estate optimisation initiatives.
- Impact of a 28% larger intake of Youth Employment Service employees.

5 Headline earnings reconciliation

Rm	Yoy % change	Jun 2024 Gross	Jun 2024 Net of taxation	Jun 2023 Gross	Jun 2023 Net of taxation	Dec 2023 Gross	Dec 2023 Net of taxation
Profit attributable to ordinary shareholders	8		**7 914**		7 321		15 305
Impairments charge on non-financial instruments and other (gains)/losses	>100	**23**	**17**	10	8	403	351
IAS 16 – loss/(profit) on disposal of property and equipment		**2**	**2**	(1)	(1)	66	42
IAS 36 – impairment of property and equipment				8	7	34	29
IAS 36 – impairment of goodwill						298	298
IAS 36 – impairment of intangible assets		**21**	**15**	3	2	85	62
IAS 40 – profit on revaluation of investment properties						(81)	(81)
IFRS 16 – impairment of right-of-use assets						1	1
Share of associate (ETI) impairments charge on non-financial instruments and other (gains)/losses		**(20)**	**(20)**			(6)	(6)
Headline earnings	8		**7 911**		7 329		15 650

6 Taxation charge

	Jun 2024	Jun 2023	Dec 2023
Direct taxation	**2 120**	2 254	4 484
Taxation rate reconciliation (excluding non-trading and capital items) (%)			
Standard rate of South African normal taxation	**27,0**	27,0	27,0
Reduction of taxation rate:			
Dividend income	**(2,5)**	(1,2)	(1,3)
Share of profits of associate companies	**(1,4)**	(2,1)	(1,8)
Capital items	**(0,1)**	0,2	0,1
Effects of profits taxed in different jurisdictions[1]	**(0,9)**	(1,4)	(1,1)
Additional tier 1 capital instruments	**(1,6)**	(1,5)	(1,6)
Assessed losses not subject to deferred tax or special allowances	**0,1**	(0,1)	(0,2)
Non-deductible expenses	**0,1**	0,4	0,5
Prior-year adjustments[2]	**(1,1)**	0,4	(1,1)
Pillar Two tax[3]	**0,1**		
Total taxation on income as percentage of profit before taxation	**19,7**	21,7	20,5
Effective tax rate, excluding associate headline earnings	**20,8**	23,5	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 and Nedgroup Investments Isle of Man (IOM).*

[2] *Prior-year adjustments include reduced assessments from the South African Revenue Service related to prior years.*

[3] *The group is a multinational enterprise with a turnover of more than €750m. It is subject to the Organisation for Economic Cooperation and Development (OECD) Pillar Two model rules, which aim to ensure that the effective tax rate of affected entities is at least 15%. Pillar Two legislation has been enacted in the UK and is effective from 2024. Pillar Two tax of R11,5m has been processed for Nedgroup Investments IOM.*

Notes



Statement of financial position analysis

Loans and advances	**112**
Investment securities	**130**
Investments in associate companies	**131**
Intangible assets	**132**
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Equity analysis	**139**
Capital management	**140**

7 Loans and advances

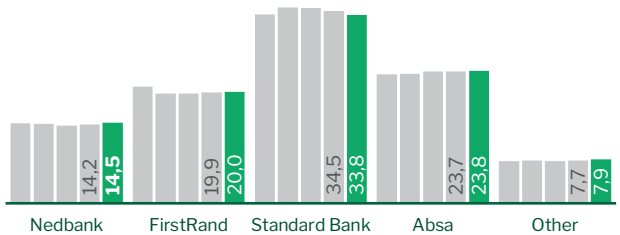
Loans and advances segmental breakdown

Rm	Yoy % change	Nedbank Group Jun 2024	Nedbank Group Jun 2023	Nedbank Group Dec 2023	Corporate and Investment Banking Jun 2024	Corporate and Investment Banking Jun 2023	Corporate and Investment Banking Dec 2023
Home loans	5	**204 261**	195 124	200 089	**18**	22	22
Commercial mortgages	(1)	**199 585**	200 780	199 601	**160 690**	160 994	160 095
Properties in possession	6	**215**	203	207	**3**		
Credit cards	1	**17 224**	17 119	17 003			
Overdrafts	7	**29 896**	28 003	26 228	**3 799**	3 085	3 009
Personal loans	(8)	**27 678**	30 131	29 235			
Term and other loans	3	**184 942**	178 904	179 969	**160 040**	151 534	155 710
Overnight loans	(18)	**12 816**	15 679	11 483	**11 519**	14 392	10 121
Foreign client lending	28	**13 043**	10 186	8 782	**12 174**	9 079	7 707
Instalment debtors	9	**171 033**	157 362	164 477	**3 169**	3 107	3 275
Preference shares and debentures	(9)	**12 201**	13 465	12 749	**11 900**	13 180	12 462
Factoring accounts	(2)	**7 926**	8 084	7 641			
Listed corporate bonds	42	**32 030**	22 621	28 054	**32 030**	22 621	28 054
Fair-value hedge-accounted portfolios	86	**(260)**	(1 887)	(471)			
Gross banking loans and advances	4	**912 590**	875 774	885 047	**395 342**	378 014	380 455
Impairment of advances	2	**(29 470)**	(29 960)	(29 602)	**(2 527)**	(4 661)	(3 573)
Net banking loans and advances	4	**883 120**	845 814	855 445	**392 815**	373 353	376 882
Trading loans and advances	(39)	**40 996**	67 486	36 174	**40 996**	67 486	36 174
Loans and advances	1	**924 116**	913 300	891 619	**433 811**	440 839	413 056
Banking loans and advances to banks	3	**15 277**	14 864	10 701	**12 398**	9 070	7 769

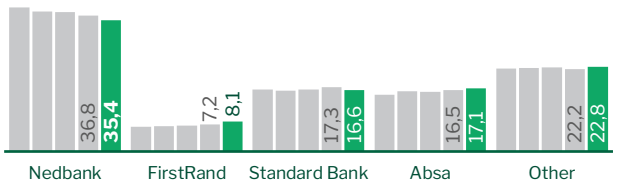
[1] *Centre includes the group's centrally managed macro fair-value hedge-accounting adjustment, a central impairment provision and an impairment on other assets.*

Market share according to BA900

Home loans (Jun 2020–May 2024)
(%)



Commercial mortgage loans (Jun 2020–May 2024)
(%)



Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre[1]		
Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
181 062	171 682	176 855	**15 990**	16 097	15 943	**7 191**	7 323	7 269			
29 323	29 384	29 461	**7 486**	7 986	7 727	**2 022**	2 336	2 246	**64**	80	72
65	56	64	**14**	14	14	**133**	133	129			
17 072	16 973	16 855				**152**	146	148			
22 639	21 400	19 992	**161**	143	150	**3 297**	3 375	3 077			
25 745	28 421	27 484	**2**	10	2	**1 931**	1 700	1 749			
14 414	14 515	14 295	**5 228**	8 112	4 891	**5 024**	4 481	4 815	**236**	262	258
1 083	1 129	1 127				**214**	158	235			
407	430	450				**462**	677	625			
165 624	152 390	159 284	**53**	49	45	**2 187**	1 815	1 873		1	
	10		**301**	275	287						
7 923	8 066	7 631				**3**	18	10			
									(260)	(1 887)	(471)
465 357	444 456	453 498	**29 235**	32 686	29 059	**22 616**	22 162	22 176	**40**	(1 544)	(141)
(25 068)	(23 358)	(24 254)	**(369)**	(378)	(348)	**(1 336)**	(1 250)	(1 267)	**(170)**	(313)	(160)
440 289	421 098	429 244	**28 866**	32 308	28 711	**21 280**	20 912	20 909	**(130)**	(1 857)	(301)
440 289	421 098	429 244	**28 866**	32 308	28 711	**21 280**	20 912	20 909	**(130)**	(1 857)	(301)
			2 626	4 702	2 220	**253**	1 092	712			

Credit cards (Jun 2020–May 2024)
(%)



Personal loans (Jun 2020–May 2024)
(%)



Core corporate loans (Jun 2020–May 2024)
(%)

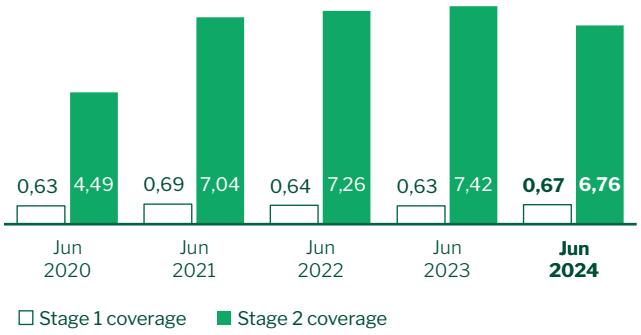


Instalment sales and leases (Jun 2020–May 2024)
(%)

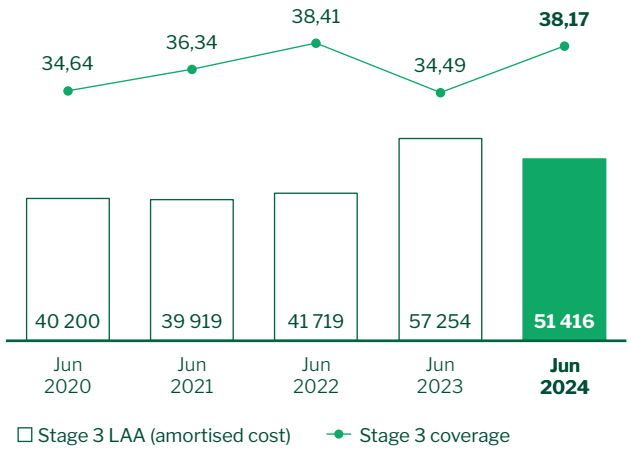


Summary of loans and advances and coverage ratios

Stage 1 and stage 2 coverage
(%)



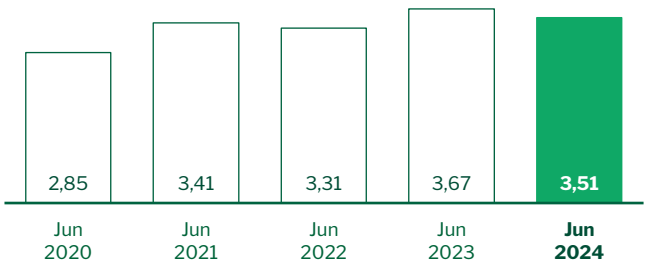
Stage 3 advances and coverage ratio
(Rm) (%)



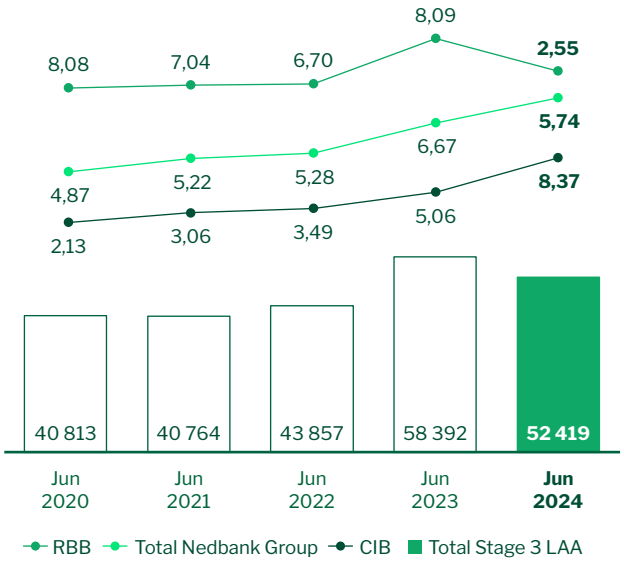
GLAA, ECL and coverage ratios by cluster and stage

	Stage 1			Stage 2		
June 2024	**GLAA Rm**	**ECL Rm**	**Coverage %**	**GLAA Rm**	**ECL Rm**	**Coverage %**
Corporate and Investment Banking (CIB)	**301 409**	**427**	**0,14**	**13 855**	**270**	**1,95**
CIB, excluding Property Finance	**131 468**	**304**	**0,23**	**7 195**	**216**	**3,00**
Property Finance	**169 941**	**123**	**0,07**	**6 660**	**54**	**0,81**
Retail and Business Banking (RBB)	**370 267**	**4 078**	**1,10**	**56 135**	**4 559**	**8,12**
Commercial Banking	**79 614**	**330**	**0,41**	**9 316**	**260**	**2,79**
Retail	**290 653**	**3 748**	**1,29**	**46 819**	**4 299**	**9,18**
Wealth	**23 200**	**46**	**0,20**	**2 488**	**31**	**1,25**
Nedbank Africa Regions	**19 816**	**194**	**0,98**	**886**	**87**	**9,82**
Centre	**(1 743)**			**2 043**	**151**	
Gross loans and advances/ECL held at amortised cost	**712 949**	**4 745**	**0,67**	**75 407**	**5 098**	**6,76**
GLAA/ECL for assets held at FVOCI	**59 107**	**62**		**994**	**35**	
Trading GLAA held at FVTPL	**40 996**					
Banking book GLAA held at FVTPL	**11 974**					
GLAA for fair-value hedge-accounted portfolios	**(260)**					
Off-balance-sheet ECL		**181**			**31**	
Total GLAA/ECL	**824 766**	**4 988**		**76 401**	**5 164**	

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	%
9 067	1 830	20,18	324 331	2 527	0,78	395 342	2,55
5 715	1 006	17,60	144 378	1 526	1,06	215 389	3,12
3 352	824	24,58	179 953	1 001	0,56	179 953	1,86
38 955	16 431	42,18	465 357	25 068	5,39	465 357	8,37
6 065	1 552	25,59	94 995	2 142	2,25	94 995	6,38
32 890	14 879	45,24	370 362	22 926	6,19	370 362	8,88
1 480	292	19,73	27 168	369	1,36	29 235	5,06
1 914	1 055	55,12	22 616	1 336	5,91	22 616	8,46
	19		300	170		40	
51 416	19 627	38,17	839 772	29 470	3,51	912 590	5,74
1 003	366		61 104	463			
			40 996			40 996	
			11 974				
			(260)				
	80			292			
52 419	20 073		953 586	30 225		953 586	

December 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	

June 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)	279 841	393	0,14	20 723	639	3,08
CIB, excluding Property Finance	125 174	291	0,23	12 475	558	4,47
Property Finance	154 667	102	0,07	8 248	81	0,98
Retail and Business Banking (RBB)	353 146	3 608	1,02	55 361	4 871	8,80
Commercial Banking	77 759	195	0,25	10 177	196	1,92
Retail	275 387	3 413	1,24	45 184	4 675	10,35
Wealth	26 974	39	0,14	2 442	31	1,27
Nedbank Africa Regions	18 496	203	1,10	1 715	106	6,18
Centre	314			28	312	
Gross loans and advances/ECL held at amortised cost	678 771	4 243	0,63	80 269	5 959	7,42
GLAA/ECL for assets held at FVOCI	47 949	83		1 855	112	
Trading GLAA held at FVTPL	67 486					
Banking book GLAA held at FVTPL	10 425					
GLAA for fair-value hedge-accounted portfolios	(1 887)					
Off-balance-sheet ECL		149			95	
Total GLAA/ECL	802 744	4 475		82 124	6 166	

Stage 3			TOTAL				
GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA, excluding trading book	Stage 3 GLAA as a % of total GLAA
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	

Stage 3			TOTAL				
GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA, excluding trading book	Stage 3 GLAA as a % of total GLAA
Rm	Rm	%	Rm	Rm	%	Rm	%
17 987	3 629	20,18	318 551	4 661	1,46	378 014	5,06
6 076	1 467	24,14	143 725	2 316	1,61	202 799	3,56
11 911	2 162	18,15	174 826	2 345	1,34	175 215	6,80
35 949	14 879	41,39	444 456	23 358	5,26	444 456	8,09
6 174	1 557	25,21	94 110	1 948	2,07	94 110	6,56
29 775	13 322	44,74	350 346	21 410	6,11	350 346	8,50
1 387	308	22,21	30 803	378	1,23	32 686	4,24
1 930	941	48,76	22 141	1 250	5,65	22 162	8,71
1	1		343	313		(1 544)	
57 254	19 758	34,51	816 294	29 960	3,67	875 774	6,67
1 138	317		50 942	512			
			67 486			67 486	
			10 425				
			(1 887)				
	76			320			
58 392	20 151		943 260	30 792		943 260	

GLAA, ECL and coverage, by product

June 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	**160 772**	**378**	**0,24**	**25 532**	**843**	**3,30**
Commercial mortgages	**181 741**	**215**	**0,12**	**10 849**	**140**	**1,29**
Instalment debtors	**141 592**	**1 863**	**1,32**	**20 202**	**1 925**	**9,53**
Credit cards and overdrafts	**28 857**	**925**	**3,21**	**5 059**	**838**	**16,56**
Term loans	**110 760**	**1 153**	**1,04**	**11 398**	**1 078**	**9,46**
Other client loans	**81 295**	**269**	**0,33**	**2 320**	**284**	**12,24**
Other, including credit and zero balances	**7 932**	**(58)**		**47**	**(10)**	
GLAA/ECL held at amortised cost	**712 949**	**4 745**	**0,67**	**75 407**	**5 098**	**6,76**

December 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

June 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	158 919	374	0,24	21 313	796	3,73
Commercial mortgages	171 988	165	0,10	12 785	152	1,19
Instalment debtors	128 283	1 550	1,21	19 844	2 048	10,32
Credit cards and overdrafts	26 645	834	3,13	5 715	925	16,19
Term loans	104 811	1 143	1,09	16 484	1 460	8,86
Other client loans	80 183	232	0,29	4 090	588	14,38
Other, including credit and zero balances	7 942	(55)		38	(10)	
GLAA/ECL held at amortised cost	678 771	4 243	0,63	80 269	5 959	7,42

Stage 3			TOTAL		
GLAA	ECL	Coverage	GLAA	ECL	Coverage
Rm	Rm	%	Rm	Rm	%
16 208	4 054	25,01	202 512	5 275	2,60
6 940	1 588	22,88	199 530	1 943	0,97
9 239	4 317	46,73	171 033	8 105	4,74
5 368	3 124	58,20	39 284	4 887	12,44
11 689	6 025	51,54	133 847	8 256	6,17
1 936	521	26,91	85 551	1 074	1,26
36	(2)		8 015	(70)	
51 416	19 627	38,17	839 772	29 470	3,51

	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

	Stage 3			TOTAL		
	GLAA	ECL	Coverage	GLAA	ECL	Coverage
	Rm	Rm	%	Rm	Rm	%
	13 341	2 954	22,14	193 573	4 124	2,13
	15 444	2 857	18,50	200 217	3 174	1,59
	9 236	3 952	42,79	157 363	7 550	4,80
	4 933	2 897	58,73	37 293	4 656	12,48
	12 390	6 527	52,68	133 685	9 130	6,83
	1 869	573	30,66	86 142	1 393	1,62
	41	(2)		8 021	(67)	
	57 254	19 758	34,51	816 294	29 960	3,67

Economic scenarios

Scenario	Probability weighting (%)	Total ECL allowance	Difference to weighted scenarios	Percentage difference to weighted scenarios (%)	Economic measures	June 2024 Economic forecast[1] (%) 2025	2026	2027
Base case	50	30 184	(41)	(0,2)	GDP	1,4	1,5	1,8
					Prime	10,8	10,5	10,5
					HPI	3,0	3,5	4,2
Mild stress	21	30 378	153	0,5	GDP	0,7	1,0	1,1
					Prime	11,8	11,0	11,0
					HPI	2,3	2,8	3,5
Positive outcome	21	30 025	(200)	(0,7)	GDP	1,9	2,0	2,3
					Prime	10,3	9,8	9,0
					HPI	3,9	4,7	5,6
High stress	8	30 606	381	1,3	GDP	0,2	0,7	0,6
					Prime	12,5	11,8	11,5
					HPI	1,6	2,2	2,7
Weighted scenarios	100	30 225						

[1] *Forecast at 30 June 2024.*

Scenario	Probability weighting (%)	December 2023 Total ECL allowance	Difference to weighted scenarios	Percentages difference to weighted scenarios (%)	Economic measures	Economic forecast[1] (%) 2024	2025	2026
Base case	50	30 330	(56)	(0,2)	GDP	1,1	1,6	1,4
					Prime	10,8	10,3	10,3
					HPI	3,2	3,5	4,2
Mild stress	21	30 611	225	0,7	GDP	0,1	1,3	1,1
					Prime	11,5	10,8	10,5
					HPI	2,4	2,6	3,3
Positive outcome	21	30 100	(286)	(0,9)	GDP	2,1	1,9	1,9
					Prime	10,5	10,0	9,8
					HPI	4,0	4,6	5,4
High stress	8	30 898	512	1,7	GDP	(0,8)	1,0	0,8
					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		
	June 2024	June 2023	Dec 2023	Ytd change	June 2024	June 2023	Dec 2023
Thermal coal[1]							
Limit[2]	**2 109**	2 275	2 296	(187)	**0,2**	0,3	0,3
Drawn exposure	**643**	961	1 233	(590)	**0,1**	0,1	0,1
Upstream oil[3]							
Limit[2]	**16 735**	20 898	18 902	(2 167)	**1,8**	2,4	2,1
Drawn exposure	**10 285**	12 246	12 479	(2 194)	**1,2**	1,4	1,4
Upstream gas[3]							
Limit[2]	**6 295**	1 890	4 632	1 663	**0,7**	0,2	0,5
Drawn exposure	**2 311**	1 480	1 525	786	**0,3**	0,2	0,2
Non-renewable power generation							
Limit[2]	**7 391**	9 948	8 093	(702)	**0,8**	1,1	0,9
Drawn exposure	**3 390**	5 496	4 049	(659)	**0,4**	0,6	0,5
Renewable Energy Independent Power Producers Procurement Programme							
Limit[2]	**40 346**	34 376	41 155	(809)	**4,4**	3,9	4,7
Drawn exposure	**27 507**	25 628	26 844	663	**3,0**	2,9	3,0
Private power generation – CIB							
Limit[2]	**16 176**	1 578	3 371	12 805	**1,8**	0,2	0,4
Drawn exposure	**7 158**	1 461	2 107	5 051	**0,8**	0,2	0,2
Private power generation – RBB							
Limit[2]	**853**	386	561	292	**0,1**	0,0	0,1
Drawn exposure	**853**	386	561	292	**0,1**	0,0	0,1
Private power generation – NAR							
Limit[2]	**69**	82	94	(25)	**0,0**	0,0	0,0
Drawn exposure	**52**	71	56	(4)	**0,0**	0,0	0,0
African renewable energy projects							
Limit[2]	**318**	407	376	(58)	**0,0**	0,0	0,0
Drawn exposure	**211**	295	285	(74)	**0,0**	0,0	0,0
Total renewable energy							
Limit[2]	**57 762**	36 829	45 557	12 205	**6,3**	4,2	5,1
Drawn exposure	**35 781**	27 841	29 853	5 928	**3,9**	3,2	3,4

[1] *Excludes derivative products and environmental guarantees.*
[2] *Current limits include all 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 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	**159 723**	**1 576**	**158 147**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(114 868)**	**2 755**	**(117 623)**
Transfers to stage 1	**19 074**	**433**	**18 641**
Transfers to stage 2	**(25 927)**	**(2 194)**	**(23 733)**
Transfers to stage 3	**(8 146)**	**(2 267)**	**(5 879)**
Foreign exchange and other movements	**834**	**7**	**827**
Net balances	**705 017**	**4 926**	**700 091**
Total credit and zero balances	**7 932**		**7 932**
Balance at 30 June 2024	**712 949**	**4 926**	**708 023**
GLAA for assets held at FVOCI	**59 107**	**62**	**59 045**
Trading book GLAA held at FVTPL	**40 996**		**40 996**
Banking book GLAA held at FVTPL	**11 974**		**11 974**
GLAA for fair-value hedge-accounted portfolios	**(260)**		**(260)**
Total GLAA/ECL	**824 766**	**4 988**	**819 778**
ECL on loans at FVOCI		**(62)**	**62**
Off-balance-sheet ECL		**(181)**	**181**
Loans and advances at 30 June 2024	**824 766**	**4 745**	**820 021**

Key drivers

- Nedbank gross loans and advances (LAA) grew by 1% to R954bn, driven by drawdowns on renewable energy deals and modest growth in the RBB secured lending portfolios.
- Stage 3 LAA improved to R51,4bn, from R58,2bn at YE 2023 and R51,4bn at H1 2023, mainly due to recoveries and cures in the wholesale portfolios.
- The group total coverage ratio decreased to 3,51%, from 3,62% at YE 2023 and 3,67% at H1 2023, driven by a significant reduction in CIB Stage 3 exposures that carry higher coverage. This was offset by the worsening stage mix in the secured portfolios of retail, resulting in RBB's total coverage ratio increasing to 5,39% from 5,35% at YE 2023.

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
		–			–	159 723	1 576	158 147
		–	(5 340)	(5 340)	–	(5 340)	(5 340)	–
(5 835)	632	(6 467)	(12 636)	202	(12 838)	(133 339)	3 589	(136 928)
(17 667)	(344)	(17 323)	(1 407)	(89)	(1 318)	–	–	–
32 240	2 690	29 550	(6 313)	(496)	(5 817)	–	–	–
(10 736)	(3 150)	(7 586)	18 882	5 417	13 465	–	–	–
331	28	303	50	46	4	1 215	81	1 134
75 360	5 129	70 231	51 380	19 707	31 673	831 757	29 762	801 995
47		47	36		36	8 015	–	8 015
75 407	5 129	70 278	51 416	19 707	31 709	839 772	29 762	810 010
994	35	959	1 003	366	637	61 104	463	60 641
		–			–	40 996	–	40 996
		–			–	11 974	–	11 974
		–			–	(260)	–	(260)
76 401	5 164	71 237	52 419	20 073	32 346	953 586	30 225	923 361
	(35)	35		(366)	366	–	(463)	463
	(31)	31		(80)	80	–	(292)	292
76 401	5 098	71 303	52 419	19 627	32 792	953 586	29 470	924 116

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	**74 676**	**387**	**74 289**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(65 623)**	**(187)**	**(65 436)**
Transfers to stage 1	**3 439**	**65**	**3 374**
Transfers to stage 2	**(2 207)**	**(34)**	**(2 173)**
Transfers to stage 3	**(960)**	**(142)**	**(818)**
Foreign exchange and other movements	**1 973**	**2**	**1 971**
Net balances	**131 468**	**403**	**131 065**
Total credit and zero balances			**–**
Balance at 30 June 2024	**131 468**	**403**	**131 065**
GLAA for assets held at FVOCI	**59 107**	**62**	**59 045**
Trading book GLAA held at FVTPL	**40 996**		**40 996**
Banking book GLAA held at FVTPL	**9 907**		**9 907**
GLAA for fair-value hedge-accounted portfolios			**–**
Total GLAA/ECL	**241 478**	**465**	**241 013**
ECL on loans at FVOCI		**(62)**	**62**
Off-balance-sheet ECL		**(99)**	**99**
Loans and advances at 30 June 2024	**241 478**	**304**	**241 174**

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	**21 101**	**20**	**21 081**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(12 049)**	**(22)**	**(12 027)**
Transfers to stage 1	**2 328**	**14**	**2 314**
Transfers to stage 2	**(1 800)**	**(3)**	**(1 797)**
Transfers to stage 3	**(133)**		**(133)**
Foreign exchange and other movements			**–**
Net balances	**169 941**	**123**	**169 818**
Banking book GLAA held at FVTPL			**–**
Loans and advances at 30 June 2024	**169 941**	**123**	**169 818**

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
		–			–	74 676	387	74 289
		–	(693)	(693)	–	(693)	(693)	–
(897)	(47)	(850)	(1 847)	(42)	(1 805)	(68 367)	(276)	(68 091)
(3 439)	(65)	(3 374)			–	–	–	–
2 207	34	2 173			–	–	–	–
(812)	(76)	(736)	1 772	218	1 554	–	–	–
(4)	1	(5)	(16)	(1)	(15)	1 953	2	1 951
7 195	230	6 965	5 715	1 074	4 641	144 378	1 707	142 671
		–			–	–	–	–
7 195	230	6 965	5 715	1 074	4 641	144 378	1 707	142 671
994	35	959	1 003	366	637	61 104	463	60 641
		–			–	40 996	–	40 996
		–			–	9 907	–	9 907
		–			–	–	–	–
8 189	265	7 924	6 718	1 440	5 278	256 385	2 170	254 215
	(35)	35		(366)	366	–	(463)	463
	(14)	14		(68)	68	–	(181)	181
8 189	216	7 973	6 718	1 006	5 712	256 385	1 526	254 859

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
		–			–	21 101	20	21 081
		–	(78)	(78)	–	(78)	(78)	–
364	13	351	(7 292)	(365)	(6 927)	(18 977)	(374)	(18 603)
(2 259)	(14)	(2 245)	(69)		(69)	–	–	–
2 312	14	2 298	(512)	(11)	(501)	–	–	–
(701)	(12)	(689)	834	12	822	–	–	–
		–			–	–	–	–
6 660	54	6 606	3 352	824	2 528	179 953	1 001	178 952
		–			–	–	–	–
6 660	54	6 606	3 352	824	2 528	179 953	1 001	178 952

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	**12 552**	**137**	**12 415**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(7 309)**	**(49)**	**(7 260)**
Transfers to stage 1	**2 203**	**86**	**2 117**
Transfers to stage 2	**(3 246)**	**(19)**	**(3 227)**
Transfers to stage 3	**(1 080)**	**(93)**	**(987)**
Balance at 30 June 2024	**79 614**	**340**	**79 274**
Off-balance-sheet impairment allowance		**(10)**	**10**
Loans and advances at 30 June 2024	**79 614**	**330**	**79 284**

Retail — Mortgage loans (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2022	**135 918**	**320**	**135 598**
New loans and advances originated	**10 914**	**54**	**10 860**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(4 872)**	**422**	**(5 294)**
Transfers to stage 1	**4 425**	**15**	**4 410**
Transfers to stage 2	**(7 248)**	**(287)**	**(6 961)**
Transfers to stage 3	**(1 244)**	**(196)**	**(1 048)**
Balance at 30 June 2023	**137 893**	**328**	**137 565**
Off-balance-sheet impairment allowance			**–**
Loans and advances at 30 June 2023	**137 893**	**328**	**137 565**

Retail — Instalment debtors (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2022	**117 837**	**1 636**	**116 201**
New loans and advances originated	**27 187**	**452**	**26 735**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(16 112)**	**1 258**	**(17 370)**
Transfers to stage 1	**4 228**	**122**	**4 106**
Transfers to stage 2	**(7 565)**	**(895)**	**(6 670)**
Transfers to stage 3	**(3 014)**	**(768)**	**(2 246)**
Balance at 30 June 2023	**122 561**	**1 805**	**120 756**
Off-balance-sheet impairment allowance			**–**
Loans and advances at 30 June 2023	**122 561**	**1 805**	**120 756**

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
		–			–	12 552	137	12 415
		–	(130)	(130)	–	(130)	(130)	–
(1 360)	(38)	(1 322)	(1 010)	119	(1 129)	(9 679)	32	(9 711)
(1 913)	(46)	(1 867)	(290)	(40)	(250)	–	–	–
4 051	132	3 919	(805)	(113)	(692)	–	–	–
(587)	(19)	(568)	1 667	112	1 555	–	–	–
9 316	263	9 053	6 065	1 560	4 505	94 995	2 163	92 832
	(3)	3		(8)	8	–	(21)	21
9 316	260	9 056	6 065	1 552	4 513	94 995	2 142	92 853

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
		–			–	10 914	54	10 860
		–	(224)	(224)	–	(224)	(224)	–
(623)	314	(937)	(429)		(429)	(5 924)	736	(6 660)
(4 044)	(12)	(4 032)	(381)	(3)	(378)	–	–	–
9 755	378	9 377	(2 507)	(91)	(2 416)	–	–	–
(3 260)	(573)	(2 687)	4 504	769	3 735	–	–	–
23 169	794	22 375	14 060	3 342	10 718	175 122	4 464	170 658
		–			–	–	–	–
23 169	794	22 375	14 060	3 342	10 718	175 122	4 464	170 658

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
		–			–	27 187	452	26 735
		–	(1 471)	(1 471)	–	(1 471)	(1 471)	–
(2 129)	59	(2 188)	(1 788)	67	(1 855)	(20 029)	1 384	(21 413)
(3 745)	(106)	(3 639)	(483)	(16)	(467)	–	–	–
9 526	1 083	8 443	(1 961)	(188)	(1 773)	–	–	–
(3 249)	(1 066)	(2 183)	6 263	1 834	4 429	–	–	–
17 593	1 909	15 684	8 577	4 038	4 539	148 731	7 752	140 979
		–			–	–	–	–
17 593	1 909	15 684	8 577	4 038	4 539	148 731	7 752	140 979

Retail — Card, term and other (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2022	**23 202**	**1 728**	**21 474**
New loans and advances originated	**5 028**	**347**	**4 681**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(10 936)**	**1 375**	**(12 311)**
Transfers to stage 1	**1 148**	**98**	**1 050**
Transfers to stage 2	**(2 726)**	**(898)**	**(1 828)**
Transfers to stage 3	**(1 435)**	**(978)**	**(457)**
Balance at 30 June 2023	**14 281**	**1 672**	**12 609**
Off-balance-sheet impairment allowance		**(57)**	**57**
Loans and advances at 30 June 2023	**14 281**	**1 615**	**12 666**

Wealth (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2022	**22 804**	**40**	**22 764**
New loans and advances originated	**3 902**	**58**	**3 844**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(2 908)**	**3**	**(2 911)**
Transfers to stage 1	**701**	**2**	**699**
Transfers to stage 2	**(1 031)**	**(25)**	**(1 006)**
Transfers to stage 3	**(116)**	**(31)**	**(85)**
Foreign exchange and other movements	**(152)**	**(1)**	**(151)**
Net balances	**23 200**	**46**	**23 154**
Banking book GLAA held at FVTPL	**2 067**		**2 067**
Loans and advances at 30 June 2023	**25 267**	**46**	**25 221**

Nedbank Africa Regions (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost
Net balance at 31 December 2022	**19 406**	**188**	**19 218**
New loans and advances originated	**4 369**	**121**	**4 248**
Loans and advances written off			**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(3 038)**	**(44)**	**(2 994)**
Transfers to stage 1	**603**	**30**	**573**
Transfers to stage 2	**(386)**	**(34)**	**(352)**
Transfers to stage 3	**(164)**	**(59)**	**(105)**
Foreign exchange and other movements	**(974)**	**7**	**(981)**
Net balances	**19 816**	**209**	**19 607**
Banking book GLAA held at FVTPL		**(15)**	**15**
Loans and advances at 30 June 2023	**19 816**	**194**	**19 622**

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
		–			–	5 028	347	4 681
		–	(2 722)	(2 722)	–	(2 722)	(2 722)	–
(681)	364	(1 045)	(41)	481	(522)	(11 658)	2 220	(13 878)
(1 072)	(92)	(980)	(76)	(6)	(70)	–	–	–
3 234	989	2 245	(508)	(91)	(417)	–	–	–
(1 909)	(1 364)	(545)	3 344	2 342	1 002	–	–	–
5 966	1 608	4 358	10 181	7 500	2 681	30 428	10 780	19 648
	(12)	12		(1)	1	–	(70)	70
5 966	1 596	4 370	10 181	7 499	2 682	30 428	10 710	19 718

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
		–			–	3 902	58	3 844
		–			–	–	–	–
(544)	(13)	(531)	(132)	(24)	(108)	(3 584)	(34)	(3 550)
(655)	(2)	(653)	(46)		(46)	–	–	–
1 042	25	1 017	(11)		(11)	–	–	–
(131)	(10)	(121)	247	41	206	–	–	–
(2)		(2)	(3)	(2)	(1)	(157)	(3)	(154)
2 488	31	2 457	1 480	292	1 188	27 168	369	26 799
		–			–	2 067	–	2 067
2 488	31	2 457	1 480	292	1 188	29 235	369	28 866

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
		–			–	4 369	121	4 248
		–	(22)	(22)	–	(22)	(22)	–
(7)	(9)	2	(134)	(56)	(78)	(3 179)	(109)	(3 070)
(539)	(7)	(532)	(64)	(23)	(41)	–	–	–
395	35	360	(9)	(1)	(8)	–	–	–
(87)	(30)	(57)	251	89	162	–	–	–
341	28	313	71	47	24	(562)	82	(644)
886	89	797	1 914	1 058	856	22 616	1 356	21 260
	(2)	2		(3)	3	–	(20)	20
886	87	799	1 914	1 055	859	22 616	1 336	21 280

8 Investment securities

Rm	Jun 2024	Jun 2023	Dec 2023
Equity investments	**6 221**	7 044	7 290
Associates – Property Partners	**2 074**	1 729	1 914
Associates – Investment Banking	**455**	1 188	1 118
Unlisted investments – Property Partners	**1 369**	1 602	1 585
Unlisted investments – Investment Banking	**2 323**	2 525	2 673
Listed investments	**36**	27	28
Unlisted investments	**3 785**	3 206	3 238
Taquanta Asset Managers portfolio	**583**	586	586
Strate Limited	**163**	163	163
Other	**3 039**	2 457	2 489
Total listed and unlisted investments	**10 042**	10 277	10 556
Listed policyholder investments at market value	**13 611**	12 493	13 648
Unlisted policyholder investments at directors' valuation	**2 545**	3 462	3 083
Total policyholder investments	**16 156**	15 955	16 731
Total investment securities	**26 198**	26 232	27 287

Equity risk in the banking book

		Jun 2024	Jun 2023	Dec 2023
Total equity portfolio	Rm	**11 934**	13 293	13 045
Disclosed at fair value	Rm	**10 042**	10 277	10 556
Equity-accounted, including investment in ETI	Rm	**1 892**	3 016	2 489
Percentage of total assets	%	**0,9**	1,0	1,0
Percentage of group minimum economic-capital requirement[1]	%	**5,7**	6,8	7,1

[1] *The percentage of group minimum economic-capital requirement values were incorrectly disclosed at 30 June 2023 and 31 December 2023. The ratio was updated and now correctly disclosed for both 30 June 2023 and 31 December 2023.*

- The board sets the overall risk appetite and strategy of the group for equity risk in the banking book, and business develops portfolio objectives and investment strategies for its investment activities. These address the types of investment, expected business returns, desired holding periods, diversification parameters and other elements of sound investment management oversight.
- Equity investment risk is primarily assumed in CIB, in the private equity, investment banking and property partners portfolios. Additional investments are undertaken by other clusters as a result of operational requirements and strategic decisions, or as investments in funds.
- The equity portfolio that is held at fair value decreased by R235m yoy, largely due to disposals offset by positive revaluations and new investments.
- The value of the equity-accounted portfolio decreased by R1 124m yoy, largely due to foreign currency translation losses in the ETI carrying value.

9 Investments in associate companies

Name of company and nature of business	Equity-accounted earnings Rm			Carrying amount Rm			Net exposure (from)/to associates[1] Rm		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
Associates									
Listed									
ETI[2]	**529**	749	1 386	**606**	1 792	1 248	**(30)**	(167)	(249)
Unlisted									
Equity investments: Tracker Technology Holdings Proprietary Limited	**23**	24	35	**588**	554	565	**1 491**	1 016	929
Other equity investments	**25**	8	(1)	**206**	216	205	**524**	467	492
Other strategic investments	**21**	1	29	**492**	454	471	**106**	65	106
Total	**598**	782	1 449	**1 892**	3 016	2 489	**2 091**	1 381	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 the Ivory Coast.*

The percentage holding in ETI at 30 June 2024 remains unchanged at 21,2%.

Accounting recognition of ETI

Rm	Jun 2024	Jun 2023	Dec 2023
Opening carrying value	**2 998**	3 036	3 036
Share of associate earnings	**529**	749	1 386
Share of other comprehensive losses	**(1 176)**	(207)	(1 481)
Foreign currency translation	**5**	75	168
Dividends		(111)	(111)
Closing carrying value pre-impairment provision	**2 356**	3 542	2 998
Impairment provision	**(1 750)**	(1 750)	(1 750)
Closing carrying value	**606**	1 792	1 248

The associate income includes our share of ETI's earnings from 1 October 2023 to 31 March 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 April 2024 and 30 June 2024.

The market value of the group's investment in ETI, based on its quoted share price, was R1,4bn on 30 June 2024 and R1,3bn on 31 July 2024.

10 Intangible assets

Rm	Jun 2024	Jun 2023	Dec 2023
Computer software and capitalised development costs	**7 859**	8 056	7 944
Goodwill	**4 008**	4 312	4 011
Client relationships, contractual rights and other	**77**	40	22
	11 944	12 408	11 977

Computer software and capitalised development costs – Carrying amount

Rm	Amortisation periods	Jun 2024	Jun 2023	Dec 2023
Computer software	2–10 years	**6 298**	6 668	6 578
Core product and client systems		**1 930**	1 813	1 916
Support systems		**1 894**	1 844	1 970
Digital systems		**1 918**	2 397	2 092
Payment systems		**556**	614	600
Development costs not yet commissioned	none	**1 561**	1 388	1 366
Core product and client systems		**808**	662	690
Support systems		**255**	404	248
Digital systems		**353**	242	319
Payment systems		**145**	80	109
		7 859	8 056	7 944
Computer software				
Opening balance		**6 578**	6 958	6 958
Additions		**138**	133	320
Commissioned during period		**515**	481	1 221
Foreign exchange and other moves		**(1)**	2	8
Amortisation charge for the period		**(932)**	(903)	(1 850)
Impairments			(3)	(79)
Closing balance		**6 298**	6 668	6 578
Development costs not yet commissioned				
Opening balance		**1 366**	1 358	1 358
Additions		**730**	512	1 237
Commissioned during period		**(515)**	(481)	(1 221)
Foreign exchange and other moves		**1**	(1)	(2)
Impairments		**(21)**		(6)
Closing balance		**1 561**	1 388	1 366

Notes

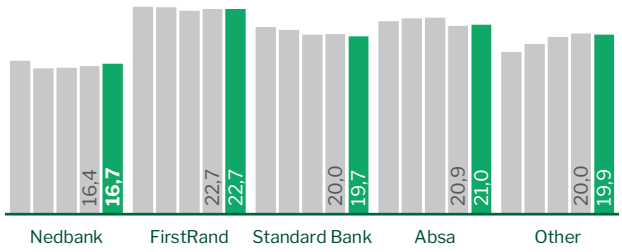
11 Amounts owed to depositors

Segmental breakdown

Rm	Yoy % change	Nedbank Group Jun 2024	Nedbank Group Jun 2023	Nedbank Group Dec 2023	Corporate and Investment Banking Jun 2024	Corporate and Investment Banking Jun 2023	Corporate and Investment Banking Dec 2023
Current accounts	2	**111 796**	109 924	113 231	**9 739**	8 279	9 402
Savings accounts	(18)	**34 034**	41 277	36 466			
Other deposits and loan accounts	6	**802 452**	758 566	768 158	**421 053**	409 536	399 550
Call and term deposits	7	**448 542**	419 358	435 331	**159 708**	157 941	155 884
Fixed deposits	(3)	**76 319**	78 889	75 890	**10 836**	17 521	12 392
Cash management deposits	(14)	**84 709**	98 287	79 479	**73 175**	87 314	67 885
Other deposits	19	**192 882**	162 032	177 458	**177 334**	146 760	163 389
Foreign currency liabilities	4	**38 043**	36 512	29 032	**27 336**	23 568	19 428
Negotiable certificates of deposit	(5)	**118 766**	124 465	127 142			
Macro fair-value hedge-accounting adjustment	>100	**130**	(1 301)	(3)			
Deposits received under repurchase agreements	(15)	**14 318**	16 798	13 619	**14 318**	16 798	13 120
Total amounts owed to depositors	3	**1 119 539**	1 086 241	1 087 645	**472 446**	458 181	441 500
Comprises:							
– Banking book amounts owed to depositors	3	**1 062 740**	1 029 726	1 029 746	**415 647**	401 666	383 601
– Trading book amounts owed to depositors	1	**56 799**	56 515	57 899	**56 799**	56 515	57 899
Total amounts owed to depositors	3	**1 119 539**	1 086 241	1 087 645	**472 446**	458 181	441 500

Market share according to BA900

Retail deposits[1] (Jun 2020–May 2024)
(%)



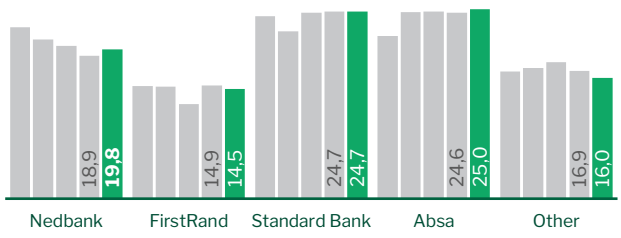
Private non-financial corporate sector[2] (Jun 2020–May 2024)
(%)



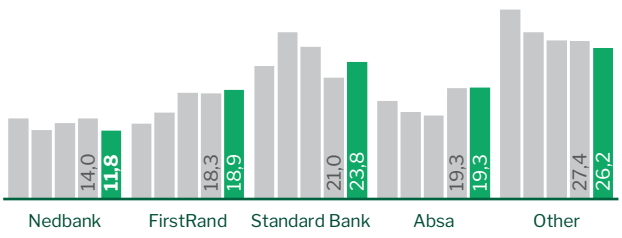
[1] *Includes households, unincorporated businesses and non-profit organisations servicing households according to the BA900 return.*
[2] *Includes private non-financial corporate-sector deposits according to the BA900 return.*

	Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
	86 795	88 095	89 206	**2 426**	2 312	2 287	**12 556**	11 126	12 150	**280**	112	186
	14 688	14 248	14 123	**18 387**	26 170	21 440	**959**	859	903			
	332 576	306 805	323 465	**26 656**	22 348	24 462	**21 371**	18 855	19 764	**796**	1 022	917
	254 626	233 134	248 022	**23 148**	19 360	21 366	**11 041**	8 918	10 050	**19**	5	9
	58 475	54 764	56 475	**2 113**	1 466	1 738	**4 895**	5 137	5 285		1	
	8 767	7 802	9 354	**246**	295	234	**2 337**	2 702	1 827	**184**	174	179
	10 708	11 105	9 614	**1 149**	1 227	1 124	**3 098**	2 098	2 602	**593**	842	729
	10 586	12 878	9 489	**42**	45	23	**79**	21	92			
							3 646	3 994	3 438	**115 120**	120 471	123 704
										130	(1 301)	(3)
									499			
	444 645	422 026	436 283	**47 511**	50 875	48 212	**38 611**	34 855	36 846	**116 326**	120 304	124 804
	444 645	422 026	436 283	**47 511**	50 875	48 212	**38 611**	34 855	36 846	**116 326**	120 304	124 804
	444 645	422 026	436 283	**47 511**	50 875	48 212	**38 611**	34 855	36 846	**116 326**	120 304	124 804

Wholesale deposits[3] (Jun 2020–May 2024)
(%)



Foreign currency liabilities[4] (Jun 2020–May 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

		Jun 2024	Jun 2023	Dec 2023
Total sources of quick liquidity	Rm	**300 287**	299 538	285 251
Total HQLA[1]	Rm	**246 144**	236 950	238 182
Other sources of quick liquidity	Rm	**54 143**	62 588	47 069
Total sources of quick liquidity (as a percentage of total assets)	%	**22,2**	22,9	21,8
Long-term funding ratio (3-month average)	%	**31,2**	29,2	28,4
Senior unsecured debt, including green bonds	Rm	**30 170**	34 504	32 815
Green bonds	Rm	**2 031**	2 702	2 702
Total capital market issuance (excluding additional tier 1 capital)	Rm	**44 343**	49 870	47 777
Reliance on NCD (as a percentage of total deposits)	%	**10,6**	11,5	11,7
Reliance on foreign currency deposits (as a percentage of total deposits)	%	**3,4**	3,4	2,7
Loan-to-deposit ratio	%	**82,5**	84,1	82,0
Basel III liquidity ratios				
LCR[2]	%	**127,4**	143,3	134,6
Minimum regulatory LCR requirement	%	**100,0**	100,0	100,0
NSFR[3]	%	**113.6**	118.9	117,3
Minimum regulatory NSFR requirement	%	**100,0**	100,0	100,0

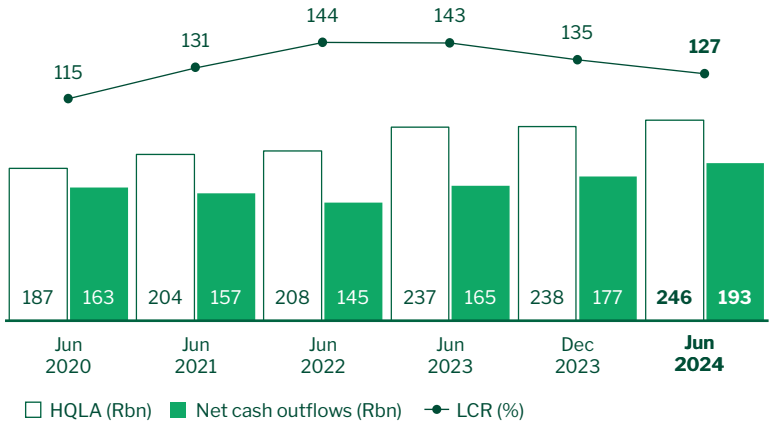
[1] *Total HQLA includes government securities fair-valued in the trading portfolio or fair-valued for interest-rate risk purposes in the macro fair-value hedge-accounting solution.*

[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 30 June 2024 for Nedbank and the simple average of the month-end values at 30 April 2024, 31 May 2024 and 30 June 2024 for all non-South African banking entities.*

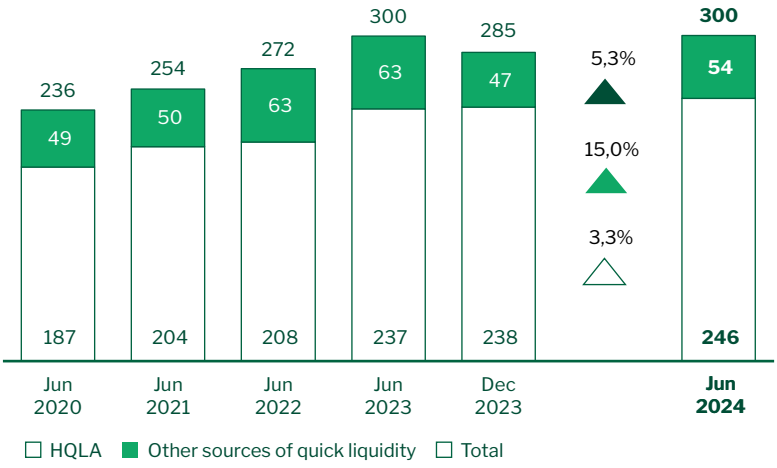
[3] *Only banking and/or deposit-taking entities are included in the group NSFR and the group data represents a consolidation of the relevant individual assets, liabilities and off-balance-sheet items.*

- Nedbank Group remains well funded, with a strong liquidity position, underpinned by a significant quantum of long-term funding, an appropriately sized surplus liquid-asset buffer, a strong loan-to-deposit ratio that is consistently below 100% and a low reliance on interbank and foreign currency funding.
- The group's LCR exceeded the minimum regulatory requirement of a 100%, with the group maintaining appropriate operational liquidity buffers designed to absorb seasonal, cyclical and systemic volatility observed in the LCR.
- The consolidated LCR, calculated using the simple average of daily observations over the quarter ending 30 June 2024 for Nedbank Limited, and the simple average of the month-end values at 30 April 2024, 31 May 2024 and 30 June 2024 for all non-South African banking entities, was 127,4%.
  - Nedbank's portfolio of LCR-compliant HQLA (mainly comprising government bonds) increased to a quarterly average of R246,1bn, up from December 2023, when the portfolio amounted to R238,2bn.
  - The ytd decrease in the LCR to 127,4% in the second quarter of 2024, down from 134,6% as of December 2023, is primarily due to shifts in deposits composition as well as an increase in the bank's short-term funding base. The LCR remains well above regulatory minimums and above Nedbank's predefined risk tolerance levels.
  - Nedbank will continue to manage the HQLA portfolio, 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 R300,3bn at June 2024 and representing 22,2% of total assets.

Nedbank Group LCR exceeds minimum regulatory requirements



Total sources of quick liquidity
(Rbn)

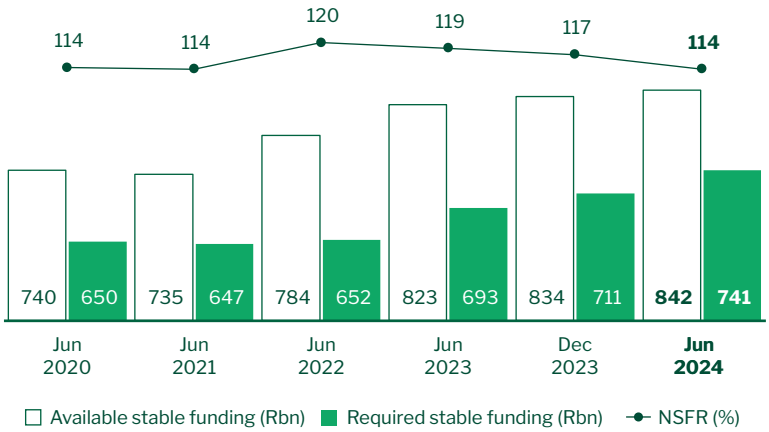


Other sources of quick liquidity contribution
(%)



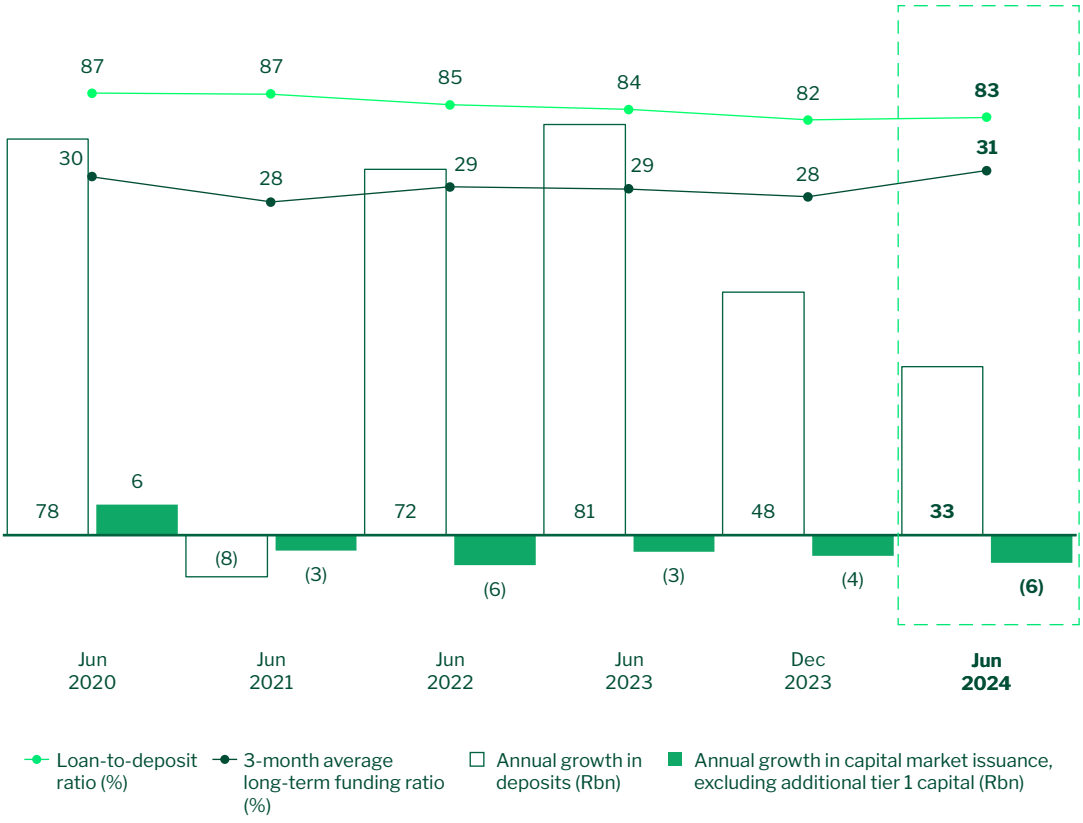
- Nedbank exceeded the minimum NSFR regulatory requirement of 100%, with a June 2024 ratio of 113.6% (December 2023: 117,3%). The decrease is as a result of the reduction in the available stable funding (ASF) factor applicable to wholesale deposits with less than 6 months to maturity, as per Directive 1 of 2023. Nonetheless, the structural liquidity position of the group remains strong, supported by the effective management of balance sheet growth and ongoing regulatory updates.

Nedbank Group NSFR exceeds minimum regulatory requirements



- A strong funding profile has been maintained in the first half of 2024, with Nedbank recording a 3-month average long-term funding ratio of 31,2% in the 2nd 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 24,4%.
- While foreign currency funding reliance remains small at 3,4% 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 at attractive interest rates.

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



Exchange rates

	Average				Closing			
	Yoy % change	Jun 2024	Jun 2023	Dec 2023	Yoy % change	Jun 2024	Jun 2023	Dec 2023
UK pound to rand	(1)	**23,41**	23,68	22,94	(4)	**23,08**	24,03	23,54
US dollar to rand	(2)	**18,44**	18,75	18,45	(3)	**18,25**	18,90	18,53
US dollar to naira	>100	**1 348,34**	484,97	636,59	99	**1 514,28**	760,27	911,68
Rand to naira	>100	**73,13**	25,86	34,36	>100	**82,97**	40,23	49,21

The functional currency for Nedbank Zimbabwe changed to the US dollar on 1 January 2024. Therefore, the Zimbabwean dollar is no longer disclosed in the table above.

Equity analysis

Analysis of changes in net asset value

	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Balance at the beginning of the period	3	**119 211**	115 944	115 944
Additional shareholder value	(28)	**6 370**	8 866	15 651
Profit attributable to equity holders of the parent		**7 914**	7 321	15 305
Currency translation movements		**(1 582)**	1 156	(63)
Exchange differences on translating foreign operations – foreign subsidiaries[1]		**(416)**	1 429	1 347
Exchange differences on translating foreign operations – ETI[1]		**5**	75	168
Share of other comprehensive income of investments accounted for using the equity method – ETI[2]		**(1 171)**	(348)	(1 578)
Fair-value adjustments		**60**	224	303
Fair-value adjustments on debt and equity instruments		**88**	107	281
Share of other comprehensive income of investments accounted for using the equity method[2]		**(28)**	117	22
Cash flow hedge losses		**(12)**	(125)	(190)
Defined-benefit fund adjustment		**39**	220	194
Share of other comprehensive income of investments accounted for using the equity method (included in other distributable reserves)		**22**	25	75
Property revaluations		**(71)**	45	27
Transactions with ordinary shareholders	31	**(6 244)**	(8 985)	(12 878)
Dividends paid		**(4 977)**	(4 352)	(8 569)
Equity-settled share-based payments		**333**	717	1 154
Share buyback		**(19)**	(4 929)	(5 044)
Value of employee services (net of deferred tax)		**(1 581)**	(421)	(419)
Transaction with non-controlling shareholders	>(100)	**(112)**	53	244
Additional tier 1 capital instruments	>(100)	**(671)**	1 000	250
Other movements	29	**(5)**	(7)	
Balance at the end of the period	1	**118 549**	116 871	119 211

[1] *Includes exchange differences on translating foreign operations, as shown in the statement of comprehensive income, of R456m debit (June 2023: R1 424m credit; December 2023: R1 492m credit).*

[2] *Share of other comprehensive losses of investments accounted for using the equity method, as shown in the statement of comprehensive income, of R1 199m debit (June 2023: R231m; December 2023: R1 556m).*

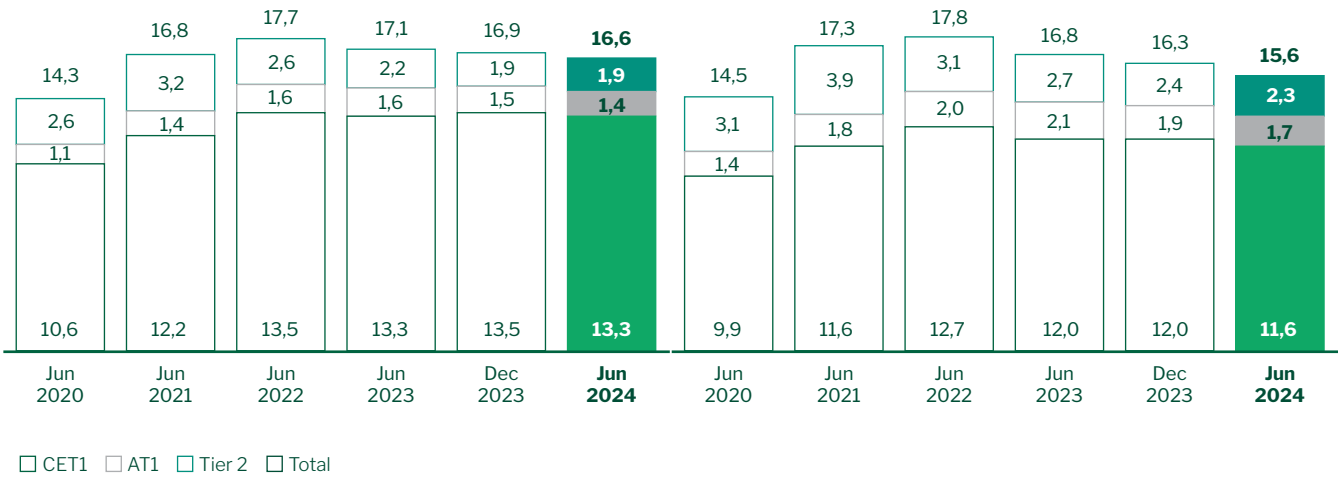
Movements in group foreign currency translation reserve

	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Balance at the beginning of the period		**(2 979)**	(2 916)	(2 916)
Foreign currency translation reserve (FCTR)	>(100)	**(1 582)**	1 156	(63)
ETI		**(1 166)**	(273)	(1 410)
Nedbank Mozambique		**(25)**	137	120
Nedbank Private Wealth Limited		**(58)**	430	368
Nedbank London Branch		**(154)**	760	650
Other subsidiaries		**(179)**	102	209
Balance at the end of the period	>100	**(4 561)**	(1 760)	(2 979)

Capital management

Regulatory capital adequacy and leverage

Capital ratios (including unappropriated profit)
(%)

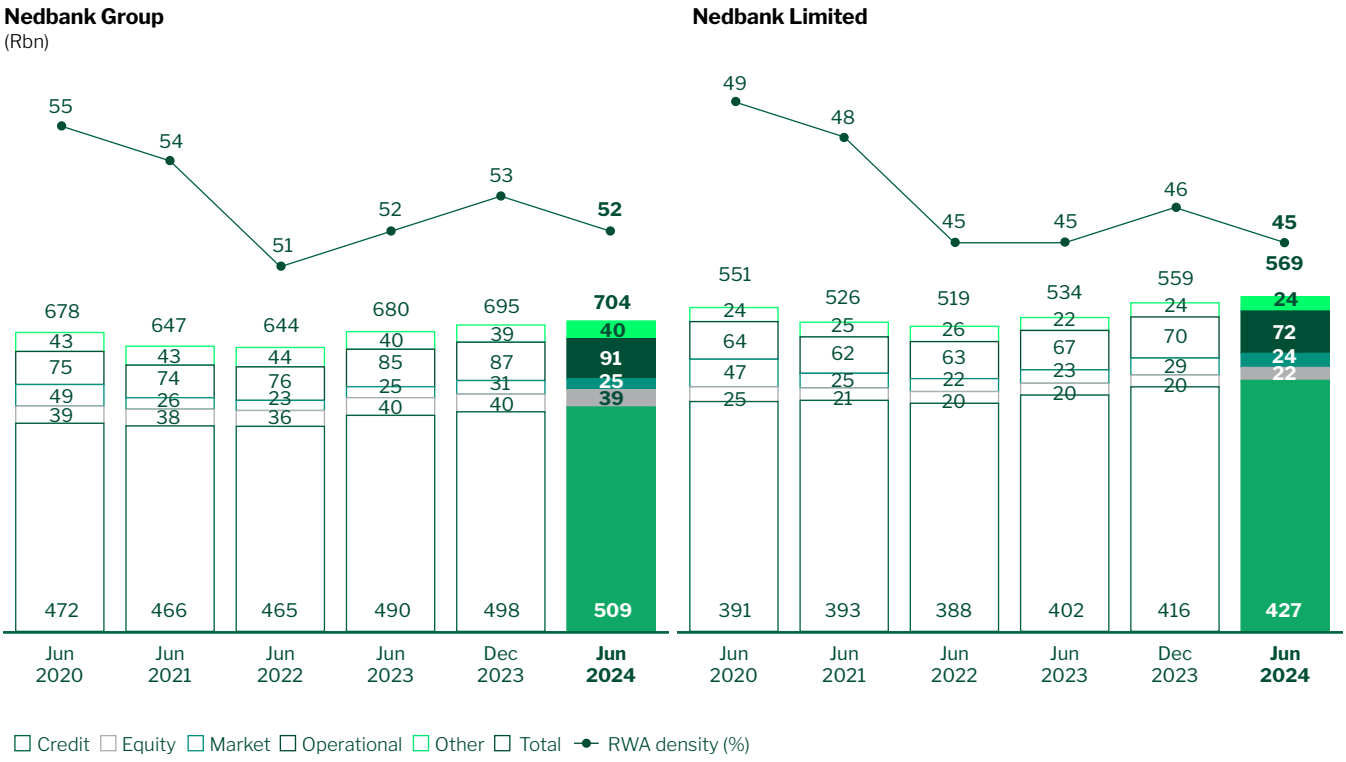


		PA minimum	Internal targets	Jun 2024	Jun 2023	Dec 2023
Nedbank Group						
Including unappropriated profits						
CET1	%		**11,0–12,0**	**13,3**	13,3	13,5
Total tier 1	%		**> 12,0**	**14,7**	14,9	15,0
Total CAR	%		**> 14,5**	**16,6**	17,1	16,9
Surplus tier 1 capital[1]	Rm			**31 130**	31 872	32 828
Dividend cover	times		**1,75–2,25**	**1,75**	1,75	1,75
Cost of equity	%			**15,0**	14,8	14,8
Excluding unappropriated profits						
CET1	%	**8,50**		**11,7**	12,0	11,8
Total tier 1	%	**10,25**		**13,1**	13,7	13,3
Total CAR	%	**12,50**		**15,0**	15,9	15,3
Leverage	times	**<25**	**<20**	**15,7**	14,6	15,1
Nedbank Limited						
Including unappropriated profits						
CET1	%		**11,0–12,0**	**11,6**	12,0	12,0
Total tier 1	%		**> 12,0**	**13,3**	14,1	13,9
Total CAR	%		**> 14,5**	**15,6**	16,8	16,3
Surplus tier 1 capital[1]	Rm			**17 384**	20 714	20 287
Excluding unappropriated profits						
CET1	%	**8,50**		**10,9**	11,4	11,0
Total tier 1	%	**10,25**		**12,6**	13,6	12,9
Total CAR	%	**12,50**		**14,9**	16,3	15,3

[1] *The surplus tier 1 capital is the difference between qualifying total tier 1 capital and the total tier 1 capital at the Prudential Authority minimum requirement of 10.25%.*

- 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 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.
- 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.

Nedbank Group overview of risk-weighted assets



	Jun 2024		Jun 2023	Dec 2023
	RWA	MRC[1]	RWA	RWA
Credit risk[2]	**489 152**	**61 144**	467 348	478 194
Counterparty credit risk	**12 611**	**1 576**	16 300	13 441
Credit valuation adjustment	**7 446**	**931**	6 181	6 104
Equity risk	**38 692**	**4 837**	39 957	40 407
Market risk	**25 336**	**3 167**	25 213	30 862
Operational risk	**90 881**	**11 360**	84 906	86 834
Amounts below the thresholds for deduction	**13 790**	**1 724**	19 056	17 124
Other assets	**26 587**	**3 323**	21 364	22 274
Total	**704 495**	**88 062**	680 325	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.*

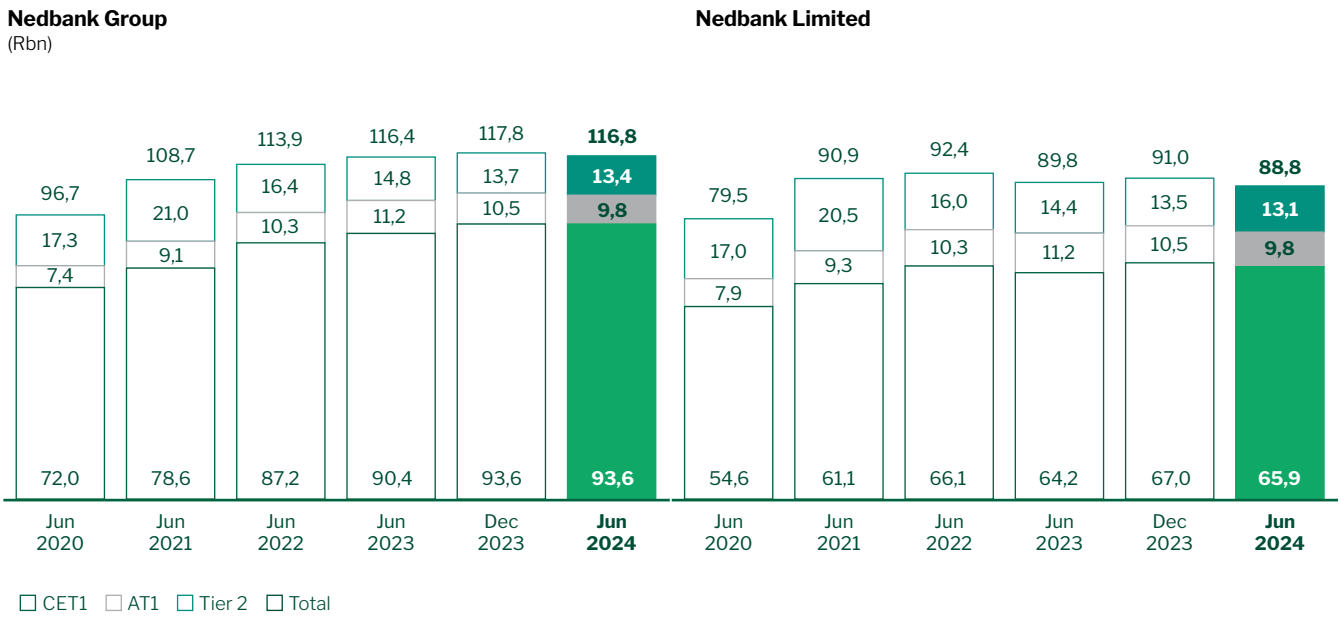
- The group's total risk-weighted assets (RWA)/total assets density was 52,0% at June 2024 from 53,0% at December 2023, driven by an increase of 1,3% in total RWA versus growth in total assets of 3,3%.
- The increase in total RWA is attributable mainly to the following:
  - Credit risk RWA increased due to the growth in banking book advances, particularly in CIB, RBB and NAR.
  - Market risk RWA decreased due to reduced market volatility in the historical value at risk for the period, and increased diversification benefits between risk factors.
  - Equity risk RWA decreased as a result of movements in equity exposures.
  - Operational risk RWA increased due to the review of the group's operational risk scenarios and the update of the internal loss data used, including the advanced measurement approach (AMA) floor, which is driven by movements in gross operating income (GOI).
  - The decrease in threshold deduction RWA was mainly driven by lower carrying values of investments in financial entities and deferred tax assets.
  - The increase in other assets relates mainly to additional other assets recognised after the acquisition of Eqstra.

Nedbank Limited overview of risk-weighted assets

	Jun 2024		Jun 2023	Dec 2023
	RWA	MRC[1]	RWA	RWA
Credit risk[2]	**410 231**	**51 279**	384 055	400 059
Counterparty credit risk	**9 536**	**1 192**	11 639	9 583
Credit valuation adjustment	**7 396**	**925**	6 119	6 060
Equity risk	**21 525**	**2 691**	20 063	20 230
Market risk	**23 609**	**2 951**	23 383	29 079
Operational risk	**72 300**	**9 038**	66 560	69 920
Amounts below the thresholds for deduction	**7 129**	**891**	7 110	8 399
Other assets	**16 889**	**2 111**	14 875	15 424
Total	**568 615**	**71 078**	533 804	558 754

[1] *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



Rm	Nedbank Group			Nedbank Limited		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
Including unappropriated profits[1]						
Total tier 1 capital	**103 341**	101 605	104 090	**75 667**	75 429	77 559
CET1	**93 543**	90 386	93 621	**65 869**	64 210	67 090
Share capital and premium	**14 852**	14 906	14 797	**20 111**	20 111	20 111
Reserves	**93 018**	89 941	92 952	**57 604**	55 919	58 719
Minority interest: Ordinary shareholders	**801**	746	809			
Deductions	**(15 128)**	(15 207)	(14 937)	**(11 846)**	(11 820)	(11 739)
Additional tier 1 capital	**9 798**	11 219	10 469	**9 798**	11 219	10 469
Perpetual subordinated debt instruments	**9 798**	11 219	10 469	**9 798**	11 219	10 469
Tier 2 capital	**13 433**	14 827	13 691	**13 165**	14 441	13 464
Subordinated debt instruments	**12 237**	13 431	12 998	**12 237**	13 431	12 998
Excess of eligible provisions over downturn expected losses	**918**	1 049	438	**923**	1 005	462
General allowance for credit impairment	**278**	347	255	**5**	5	4
Total capital	**116 774**	116 432	117 781	**88 832**	89 870	91 023
Excluding unappropriated profits						
CET1 capital	**82 642**	81 854	82 024	**61 752**	61 114	61 578
Tier 1 capital	**92 440**	93 073	92 493	**71 550**	72 333	72 047
Total capital	**105 873**	107 900	106 185	**84 714**	86 774	85 511

[1] *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.*

- The group's common-equity tier 1 (CET1) ratio reflects the impact of organic earnings, offset by movements in the foreign currency translation reserve and the payment of the final dividend for 2023.
- The group's Tier 1 capital was impacted by the redemption of additional Tier 1 instruments of R671m.
- The group's total capital was further impacted by the redemption and the issuance of Tier 2 capital instruments of R2,5bn and R1,7bn respectively, in line with the group's capital plan.

Regulated banking subsidiaries

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

	Jun 2024			Jun 2023		Dec 2023	
	Total capital requirement (host country) %	RWA Rm	Total capital ratio %	RWA Rm	Total capital ratio %	RWA Rm	Total capital ratio %
Nedbank Africa Regions							
Nedbank Mozambique	**12,0**	**5 080**	**26,1**	5 751	18,3	5 369	22,3
Nedbank Namibia	**14,0**	**13 896**	**17,1**	13 215	17,8	12 339	18,1
Nedbank Eswatini	**8,0**	**5 907**	**16,6**	5 442	16,8	5 488	18,3
Nedbank Lesotho	**10,0**	**2 671**	**26,8**	2 076	30,6	2 484	26,9
Nedbank Zimbabwe	**12,0**	**3 727**	**26,0**	1 952	46,4	3 532	28,4
Isle of Man							
Nedbank Private Wealth	**13,0**	**8 778**	**30,3**	10 710	24,9	9 719	26,2

Economic capital adequacy

Nedbank Group economic capital requirement

	Jun 2024		Jun 2023		Dec 2023	
	Rm	Mix %	Rm	Mix %	Rm	Mix %
Credit risk	**47 348**	**67**	47 938	69	47 609	69
Market risk	**9 378**	**13**	9 628	14	9 590	14
Business risk	**4 447**	**6**	3 703	5	3 722	5
Operational risk	**5 784**	**8**	4 776	7	4 912	7
Insurance risk	**331**	**1**	320	1	331	1
Other assets risk	**1 951**	**3**	1 341	2	1 284	2
Model risk	**1 669**	**2**	1 471	2	1 471	2
Minimum economic capital requirement	**70 908**	**100**	69 177	100	68 919	100
Add: Stress-tested capital buffer[1]	**5 255**		5 300		5 274	
Total economic capital requirement	**76 163**		74 477		74 193	
AFR	**123 390**	**100**	122 795	100	123 896	100
Tier A capital	**101 355**	**82**	98 145	80	100 429	81
Tier B capital	**22 035**	**18**	24 650	20	23 467	19
Total surplus AFR	**47 227**		48 318		49 703	
AFR: Total economic capital requirement (%)	**162**		165		167	

[1] *The stress-tested capital buffer is set at 10% of credit risk, market risk, business risk, operational risk, insurance risk and other assets risk less the portion recognised separately as model risk.*

- Nedbank Group's minimum economic capital requirement increased by R2,0bn during the H1 2024, driven primarily by the following:
  - An increase of R872m in operational risk economic capital due to the review of risk scenarios and the update of internal loss data used, including the AMA floor, which is driven by movements in GOI.
  - An increase of R725m in business risk economic capital, due to annual model parameter updates, reflective of a higher risk environment.
  - An increase of R667m 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.
  - An increase of R198m in model risk economic capital due to enhancements in the allocation approach for model risk economic capital to clusters, which is based on multipliers of total minimum economic capital linked to model materiality.
  - The increases in minimum economic capital were partially offset by the following:
    - A decrease in market risk due to a decrease in investment exposures.
    - A decrease in Credit risk primarily driven by improvements in risk profiles in both CIB and RBB portfolios.
- Nedbank Group's available financial resources decreased by R506m in H1 2024, mainly as a result of the following:
  - A R1,4bn decrease in tier B capital following the redemption of R3,2bn tier 1 and tier 2 debt instruments, which was offset by the issuance of tier 2 instruments amounting to R1,7bn. This decrease was softened by an increase in tier A capital, mainly driven by organic earnings.



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Earnings per share and weighted-average shares

Earnings per share	Basic	Diluted basic	Headline	Diluted headline
June 2024				
Earnings for the period	**7 914**	**7 914**	**7 911**	**7 911**
Weighted-average number of ordinary shares	**465 607 864**	**479 447 578**	**465 607 864**	**479 447 578**
Earnings per share (cents)	**1 700**	**1 651**	**1 699**	**1 650**
June 2023				
Earnings for the period	7 321	7 321	7 329	7 329
Weighted-average number of ordinary shares	480 483 752	496 049 717	480 483 752	496 049 717
Earnings per share (cents)	1 524	1 476	1 525	1 477
December 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.

	Jun 2024		Jun 2023	Dec 2023
Number of weighted-average dilutive potential ordinary shares (000)	Potential shares[1]	Weighted-average dilutive shares	Weighted-average dilutive shares	Weighted-average dilutive shares
Traditional schemes	**27 886**	**12 280**	14 007	15 167
Nedbank Group Restricted-share Scheme (2005)	**23 837**	**10 185**	11 851	12 988
Nedbank Group Matched-share Scheme	**4 049**	**2 095**	2 156	2 179
Total BEE schemes	**1 592**	**1 559**	1 559	1 559
BEE schemes – SA	**1 559**	**1 559**	1 559	1 559
Community	**1 559**	**1 559**	1 559	1 559
BEE schemes – Namibia	**33**			
Total	**29 478**	**13 839**	15 566	16 726

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

Nedbank Group employee incentive schemes

for the period ended

Nedbank Group employee incentive schemes	Jun 2024	Jun 2023	Dec 2023
Summary by scheme			
Nedbank Group Restricted-share Scheme (2005)	**13 795 040**	16 622 116	16 577 839
Nedbank Group Matched-share Scheme (2005)	**3 296 572**	3 032 771	2 917 857
Instruments outstanding at the end of the period	**17 091 612**	19 654 887	19 495 696
Analysis			
Performance-based – restricted shares	**9 051 963**	10 144 263	10 149 887
Non-performance-based – restricted shares	**4 743 077**	6 477 853	6 427 952
Deferral (compulsory) subject to time-based and match subject to performance-based (CBSS[1])	**2 301 506**	2 118 033	2 022 676
Deferral (voluntary) and match subject to performance-based (VBSS[2])	**995 066**	914 738	895 181
Instruments outstanding at the end of the period	**17 091 612**	19 654 887	19 495 696
Movements			
Instruments outstanding at the beginning of the period	**19 495 696**	20 185 558	20 185 558
Granted	**6 010 194**	6 033 492	6 188 628
Accelerated		(4 493)	(4 542)
Exercised	**(8 172 640)**	(6 201 894)	(6 201 894)
Surrendered	**(241 638)**	(357 776)	(672 054)
Instruments outstanding at the end of the period	**17 091 612**	19 654 887	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) Restricted- and Matched-share Schemes

Restricted shares[3]

Details of instruments granted and not exercised at 30 June 2024 and the resulting dilutive effect:

Instrument expiry date	Number of shares	
20 August 2024	82 902	P
21 August 2024	72 898	
18 March 2025	2 536 765	P
19 March 2025	1 564 566	
19 August 2025	68 301	P
20 August 2025	40 149	
23 March 2026	2 999 896	P
24 March 2026	1 438 697	
18 August 2026	111 140	P
19 August 2026	33 189	
28 March 2027	3 252 959	P
29 March 2027	1 593 578	
Restricted shares not exercised at 30 June 2024	13 795 040	
Unallocated shares	582 849	
Treasury shares	14 377 889	
Shares exercised and forfeited during the period	8 992 462	
Additional shares expected to vest	466 197	P
Total potential shares	23 836 548	
Weighted-average dilutive shares applicable for the period	10 185 230	

[3] *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 achievement of performance conditions). Participants have full rights and receive dividends.*

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

Matched shares

Instrument expiry date	Number of shares
1 April 2025	865 080
1 April 2026	1 306 832
1 April 2027	1 124 660
Matched shares outstanding not exercised at 30 June 2024	3 296 572
Shares exercised and forfeited during the period	752 852
Total potential shares	4 049 424
Weighted-average dilutive shares applicable for the period	2 095 036

- 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 exists over 30 June 2024 and therefore has a dilutive effect.
- Matched shares are not issued and are therefore not recognised as treasury shares. However, until they are issued, there remains a potential dilutive effect.

Long-term debt instruments

Instrument code	Jun 2024	Jun 2023	Dec 2023
Subordinated debt	**12 853**	14 058	13 648
Callable notes (rand-denominated)[1]	**8 279**	11 608	9 073
Callable notes and long-term debentures (Namibian-dollar-denominated)	**429**	428	429
Green bonds (rand-denominated)[1]	**4 145**	2 022	4 146
Securitised liabilities – callable notes (rand-denominated)	**1 241**	1 242	1 241
Senior unsecured debt – senior unsecured notes (rand-denominated)	**28 139**	31 802	30 114
Unsecured debentures (rand-denominated)	**79**	66	72
Senior unsecured green bonds (rand-denominated)	**2 031**	2 702	2 702
Total long-term debt instruments in issue	**44 343**	49 870	47 777

[1] *Loss-absorbing instruments.*

Further information can be accessed on the Nedbank Group website

Capital and risk management reports:

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

Debt investors programme:

https://www.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	**December 2023**
Foreign currency ratings	
Long-term	**BB-**
Short-term	**B**
Outlook	**Stable**
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	Jun 2024	Jun 2023	Dec 2023
Subordinated callable notes (rand-denominated)				
NGLT1B	3-month JIBAR + 4,64% per annum		750	
NGT103	3-month JIBAR + 4,40% per annum		671	671
NGT104	3-month JIBAR + 4,50% per annum	**1 829**	1 829	1 829
NGT105	3-month JIBAR + 4,25% per annum	**1 000**	1 000	1 000
NGT106	3-month JIBAR + 4,95% per annum	**500**	500	500
NGT107	3-month JIBAR + 4,55% per annum	**472**	472	472
NGT108	3-month JIBAR + 4,67% per annum	**1 537**	1 537	1 537
NGT1G – Green AT1	3-month JIBAR + 4,10% per annum	**910**	910	910
NGT109	3-month JIBAR + 3,91% per annum	**700**	700	700
NGT110	3-month JIBAR + 3,91% per annum	**350**	350	350
NGT111	3-month JIBAR + 3,79% per annum	**1 000**	1 000	1 000
NGT112	3-month JIBAR + 3,40% per annum	**500**	500	500
NGT113	3-month JIBAR + 3,28% per annum	**1 000**	1 000	1 000
Total non-controlling interest attributable to additional tier 1 capital instruments		**9 798**	11 219	10 469

The additional tier 1 notes represent perpetual, subordinated instruments, with no redemption date. The instruments are redeemable subject to regulatory approval at the sole discretion of the issuer, Nedbank Group Limited or Nedbank Limited, from the applicable call date and following a regulatory or a tax event. The payment of interest is at the discretion of the issuer and interest payments are non-cumulative. If certain conditions are reached, the regulator may prohibit Nedbank from making interest payments. Accordingly, the instruments are classified as equity instruments and disclosed as a separate category of equity.

Notes

Shareholders' analysis

Register date:	28 June 2024
Authorised share capital:	600 000 000 shares
Issued share capital:	488 020 500 shares[1]

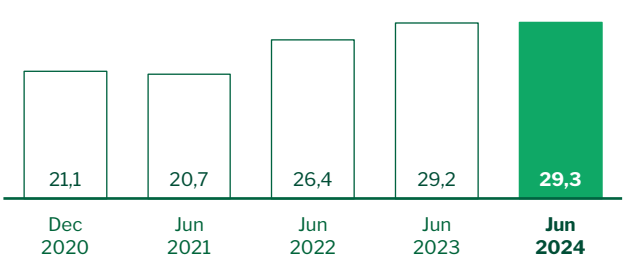
	Number of shares	Jun 2024 % holding	Jun 2023 % holding	Dec 2023 % holding
Major shareholders/managers[2]				
Nedbank Group treasury shares	20 997 026	**3,49**	3,99	4,82
BEE trusts	2 597 880	**0,53**	0,54	0,53
Eyethu scheme – Nedbank SA	2 482 790	**0,51**	0,51	0,51
Omufima scheme – Nedbank Namibia	115 090	**0,02**	0,03	0,02
Nedbank Group (2005) Restricted- and Matched-share Schemes	14 377 692	**2,95**	3,44	3,47
Nedbank Namibia Limited	47 512	**0,01**	0,01	0,01
Nedbank Social Development Fund Trust	3 971 887	**0,81**	0,81	0,81
Odd-lot shares	2 055		0,55	
Public Investment Corporation (SA)	73 771 153	**15,12**	14,63	14,75
Allan Gray Investment Council (SA)	41 695 113	**8,54**	9,59	9,38
BlackRock Incorporated (international)	22 755 676	**4,66**	4,88	4,53
Old Mutual Life Assurance Company (SA) Limited and associates (includes funds managed on behalf of other beneficial owners)	19 045 012	**3,90**	2,44	2,03
The Vanguard Group Incorporated (international)	18 821 644	**3,86**	3,70	3,81
Coronation Fund Managers (SA)	18 501 150	**3,79**	7,19	4,89
Sanlam Investment Management Proprietary Limited (SA)	17 095 718	**3,50**	3,12	3,07
Ninety One SA Proprietary Limited	12 383 622	**2,54**	0,24	0,96
Lazard Asset Management (international)	12 165 329	**2,49**	2,88	2,67
GIC Asset Management Proprietary Limited (international)	11 688 844	**2,40**	3,92	3,43
Major beneficial shareholders[3]				
Government Employees Pension Fund (SA)	78 311 421	**16,05**	15,36	15,37
Allan Gray (SA)	30 215 224	**6,19**	6,94	6,88

[1] *On 25 June 2024, 85 224 ordinary shares were delisted and cancelled, and accordingly the total issued ordinary share capital of Nedbank Group decreased from 488 105 724 to 488 020 500.*

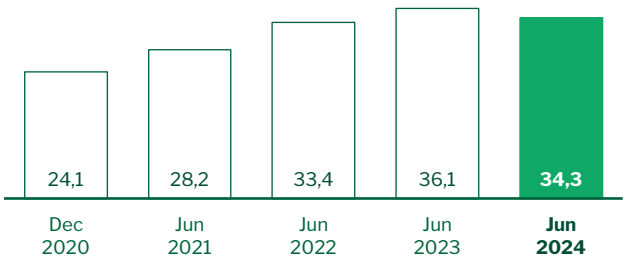
[2] *Source: JP Morgan Cazenove at 28 June 2024.*

[3] *Source: Vaco Ownership at 28 June 2024.*

Index classified shareholding
(%)



Foreign shareholding
(%)



	Number of shares	Jun 2024 % holding	Jun 2023 % holding	Dec 2023 % holding
Geographical distribution of shareholders[1]				
Domestic	320 870 166	**65,74**	63,90	64,31
SA	295 760 038	**60,6**	59,07	59,68
Namibia	8 248 437	**1,69**	1,48	1,84
Unclassified	16 861 691	**3,45**	3,35	2,79
Foreign	167 150 334	**34,26**	36,10	35,69
USA	80 598 083	**16,52**	17,17	15,78
Asia	29 170 855	**5,99**	6,59	5,85
Europe	22 758 173	**4,66**	5,86	4,78
UK and Ireland	20 761 424	**4,25**	3,55	3,12
Other countries	13 861 799	**2,84**	2,93	6,16
Total shares listed	488 020 500	**100,00**	100,00	100,00
Less: Treasury shares held	20 997 026			
Net shares reported	467 023 474			

[1] *Source: JP Morgan Cazenove at 28 June 2024.*

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 June 2024
AIRB approach	**405 352**	**179 886**	**463 095**	**22 741**	**–**	**90 084**	**981 272**
Corporate	179 629	53 553	23 778	15			203 422
Specialised lending – HVCRE[4]	5 133	5 133		3			5 136
Specialised lending – IPRE[5]	117 871	117 745	843	4 782			123 496
Specialised lending – project finance	49 622						49 622
SME – corporate	4 998	3 455	44 295	1 668			50 961
Public sector entities	10 568		3				10 571
Local governments and municipalities	7 831		2 795				10 626
Sovereign	8 167		17	78		90 084	98 346
Banks	21 206		2	4 984			26 192
Retail mortgage			173 789	9 468			183 257
Retail revolving credit			18 298	48			18 346
Retail – other			165 170	69			165 239
SME – retail	9		33 933	1 626			35 568
Securities firms	318						318
Securitisation exposure			172				172
TSA[6]	**–**	**–**	**365**	**31 741**	**36 798**	**–**	**68 904**
Corporate					6 124		6 124
SME – corporate			365	1 190			1 555
Public sector entities					629		629
Local government and municipalities					30		30
Sovereign				10 954	12 871		23 825
Banks				13 252	2 765		16 017
Retail mortgage				6 029	7 190		13 219
Retail revolving credit					300		300
Retail – other				218	3 546		3 764
SME – retail				98	3 343		3 441
PiPs	**3**	**3**	**65**	**14**	**133**		**215**
Non-regulated entities	**15 036**		**991**				**16 027**
Total Basel III balance sheet exposure[7]	**420 391**	**179 889**	**464 516**	**54 496**	**36 931**	**90 084**	**1 066 418**
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] *Downturn expected loss (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 June 2023	Downturn expected loss (dEL)[2]	BEEL[3]
92,02	**1,73**	**38,71**	**8 819**	**18 625**	964 597	9 122	18 703
19,08	**(0,05)**	**41,59**	**853**	**889**	203 516	1 253	2 373
0,48	**0,94**	**94,46**	**56**	**383**	5 088	36	308
11,56	**7,27**	**29,61**	**243**	**483**	115 122	238	575
4,64	**10,66**	**55,86**	**176**	**85**	44 841	172	123
4,77	**1,89**	**51,36**	**306**	**1 115**	50 015	335	967
0,99	**37,97**	**45,92**	**59**	**76**	7 662	30	197
0,99	**10,05**	**52,35**	**66**		9 656	71	
9,20	**12,69**	**13,28**	**33**	**54**	87 274	22	47
2,45	**(50,20)**	**45,78**	**223**		52 596	137	3
17,15	**5,68**	**28,81**	**1 234**	**3 513**	173 415	1 072	2 472
1,72	**1,75**	**61,08**	**937**	**2 106**	18 031	1 007	1 818
15,46	**4,44**	**48,79**	**4 032**	**9 062**	158 217	4 174	8 846
3,33	**2,23**	**44,37**	**601**	**859**	34 792	575	974
0,03	**(92,43)**	**11,82**			4 200		
0,02		**142,49**			172		
6,45	**(8,89)**	**56,40**	**–**	**–**	75 629	–	–
0,57	**(13,36)**	**102,27**			7 068		
0,15	**(23,62)**	**44,75**			2 036		
0,06	**8,08**	**100,17**			582		
	36,36	**98,95**			22		
2,23	**(0,53)**	**66,97**			23 951		
1,50	**(20,50)**	**27,54**			20 147		
1,24	**(1,67)**	**32,62**			13 444		
0,03	**(1,96)**	**31,89**			306		
0,35	**13,58**	**69,99**			3 314		
0,32	**(27,69)**	**71,02**			4 759		
0,02	**5,91**				203		
1,50	**(16,64)**				19 227		
100,00	**0,64**		**8 819**	**18 625**	1 059 656	9 122	18 703
				27 444			27 825
				8 819			9 122
				18 625			18 703
				(28 362)			(28 874)
				(918)			(1 049)

[5] *Income-producing real estate.*

[6] *A portion of the legacy Imperial Bank book in Nedbank RCB, 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 exposures.*

[8] *Excess impairments as compared with dEL for IRB exposures total R918m at 30 June 2024. In line with the regulations under the Banks Act, 94 of 1990, 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 782m at 30 June 2024 (June 2023: R2 659m; December 2023: R2 720m).*

Nedbank Limited consolidated statement of comprehensive income

for the period ended

Rm	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Interest and similar income	10	**58 679**	53 447	111 796
Interest expense and similar charges	14	**40 157**	35 254	74 645
Net interest income	2	**18 522**	18 193	37 151
Non-interest revenue and income	8	**11 283**	10 407	22 033
Net commission and fee income		**8 342**	7 929	16 528
Commission and fee revenue		**11 084**	10 473	21 599
Commission and fee expense		**(2 742)**	(2 544)	(5 071)
Net insurance income		**(28)**	(43)	(78)
Fair-value adjustments		**441**	193	533
Net trading income		**1 915**	1 782	3 559
Equity investment income		**290**	244	689
Investment income		**71**	60	125
Net sundry income		**252**	242	677
Share of gains of associate companies	14	**49**	43	80
Total income	4	**29 854**	28 643	59 264
Impairments charge on financial instruments	(13)	**4 553**	5 205	9 380
Net income	8	**25 301**	23 438	49 884
Total operating expenses	8	**17 254**	16 037	33 625
Indirect taxation	(9)	**459**	505	1 019
Impairments charge on non-financial instruments and other (gains)/losses	>100	**38**	15	175
Profit before direct taxation	10	**7 550**	6 881	15 065
Total direct taxation	(2)	**1 672**	1 708	3 259
Direct taxation		**1 682**	1 712	3 306
Taxation on impairments charge on non-financial instruments and other gains and losses		**(10)**	(4)	(47)
Profit for the period	14	**5 878**	5 173	11 806
Other comprehensive (losses)/income (OCI) net of taxation	>(100)	**(54)**	921	837
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations		**(153)**	760	651
Debt investments at FVOCI – net change in fair value		**80**	127	235
Cash flow hedge losses		**(12)**	(125)	(190)
Items that may not subsequently be reclassified to profit or loss				
Property revaluations				(37)
Remeasurements on long-term employee benefit assets		**39**	211	201
Equity instruments at FVOCI – net change in fair value		**(8)**	(52)	(23)
Total comprehensive income for the period	(4)	**5 824**	6 094	12 643

Rm	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Profit attributable to:				
– Ordinary shareholders	14	**5 831**	5 112	11 634
– Non-controlling interest – ordinary shareholders	>(100)	**(3)**	1	166
– Holders of participating preference shares	(17)	**50**	60	6
Profit for the period	14	**5 878**	5 173	11 806
Total comprehensive income attributable to:				
– Ordinary shareholders	(4)	**5 777**	6 033	12 471
– Non-controlling interest – ordinary shareholders	>(100)	**(3)**	1	166
– Holders of participating preference shares	(17)	**50**	60	6
Total comprehensive income for the period	(4)	**5 824**	6 094	12 643
Headline earnings reconciliation				
Profit attributable to ordinary shareholders	14	**5 832**	5 112	11 634
Less: Non-headline earnings items	<(100)	**(28)**	(11)	(128)
Impairments charge on non-financial instruments and other gains and losses		**(38)**	(15)	(175)
Taxation on impairments charge on non-financial instruments and other gains and losses		**10**	4	47
Headline earnings attributable to ordinary and preference shareholders	14	**5 860**	5 123	11 762

Nedbank Limited consolidated financial highlights

for the period ended

Rm	Jun 2024	Jun 2023	Dec 2023
ROE (%)	**14,4**	12,6	14,5
ROA (%)	**0,98**	0,88	1,00
NII to average interest-earning banking assets (%)	**3,96**	4,07	4,07
CLR – banking advances (%)	**1,07**	1,25	1,10
Cost-to-income ratio	**57,8**	56,0	56,7
Stage 3 advances as a percentage of gross banking loans and advances (%)	**5,30**	6,32	6,35
Stage 3 advances held at amortised cost (Rm)	**48 493**	54 705	55 683
Stage 3 coverage (%)	**38,38**	34,47	33,95
Total coverage (%)	**3,26**	3,48	3,42

Nedbank Limited consolidated statement of financial position

at

Rm	Yoy % change	Jun 2024	Jun 2023	Dec 2023
Assets				
Cash and cash equivalents	(2)	**33 914**	34 554	40 611
Other short-term securities	5	**56 357**	53 543	59 299
Derivative financial instruments	9	**15 698**	14 460	13 539
Government securities	14	**167 021**	146 941	164 961
Other dated securities	44	**3 764**	2 618	3 563
Banking loans and advances	6	**909 152**	855 867	870 768
Trading loans and advances	(39)	**40 996**	67 486	36 174
Other assets	>100	**18 304**	8 658	8 643
Current taxation assets	>100	**885**	442	96
Investment securities	(4)	**7 178**	7 499	7 675
Non-current assets held for sale		**315**		315
Investments in associate companies	7	**1 132**	1 056	1 089
Deferred taxation assets	(31)	**177**	256	570
Property and equipment	1	**9 553**	9 437	9 353
Long-term employee benefit assets	11	**4 992**	4 495	4 690
Intangible assets	(2)	**9 122**	9 349	9 210
Total assets	5	**1 278 560**	1 216 661	1 230 556
Total equity and liabilities				
Ordinary share capital		**28**	28	28
Ordinary share premium		**20 073**	20 073	20 073
Reserves	5	**65 277**	61 943	65 485
Total equity attributable to equity holders of the parent	4	**85 378**	82 044	85 586
Holders of participating preference shares	(17)	**50**	60	106
Holders of additional tier 1 capital instruments	(13)	**9 798**	11 219	10 469
Non-controlling interest attributable to ordinary shareholders		**18**	18	22
Total equity	2	**95 244**	93 341	96 183
Derivative financial instruments	(6)	**13 287**	14 097	13 802
Amounts owed to depositors	5	**1 102 070**	1 047 779	1 058 634
Provisions and other liabilities	89	**25 554**	13 487	16 190
Current taxation liabilities	(52)	**67**	139	51
Deferred taxation liabilities	74	**322**	185	156
Long-term debt instruments	(12)	**42 016**	47 633	45 540
Total liabilities	5	**1 183 316**	1 123 320	1 134 373
Total equity and liabilities	5	**1 278 560**	1 216 661	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 one 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 income, 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, this means 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 (ie 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) Represents 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 income.

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 (ie not in default) but classified as having defaulted due to regulatory requirements, ie 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 total income growth rate exceeds the total operating expenses growth rate.

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 pre-provisioning 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
REITs real estate investment trusts
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
SDGs Sustainable Development Goals
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)

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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

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Sponsor in Namibia

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