



# 2025 Interim Results

for the 6 months ended 30 June 2025

5 August 2025

see money differently

**NEDBANK**  
GROUP





# Agenda

**Jason Quinn**  
Chief Executive

Overview  
Operating environment  
Strategic update  
Financial overview  
Outlook & guidance





# H1 2025 results overview



## Operating environment

- **Volatile, uncertain & difficult** – SA Q1 2025 GDP growth of only 0.1% qoq.
- **Banking environment** – modest SA credit extension & transactional activity as corporates & consumers remain cautious, although some green shoots are evident. More adverse impact on Nedbank, given our relatively high SA exposure.
- **Financial markets** – indicators still reflect cautious optimism.



## Strategic update

- **Strategic reorganisation** – completed in line with target. New PPB & BCB structures & leadership in place, effective 1 July 2025.
- **Strategic review of ETI financial investment** – after strategic review, Nedbank's ETI investment is now classified as a non-current asset held for sale.



## Financial performance

- **Financial performance** – HE +6% & DHEPS +7%, slightly ahead of H1 2025 guidance, with ROE improving slightly to 15.2%. Results driven by NIR & associate income growth & lower impairments, partially offset by muted NII growth. Total comprehensive income +26%, reflecting stronger capital generation than earnings growth.
- **Very strong balance sheet** – enabling an interim DPS of 1 028 cents per share, up by 6%

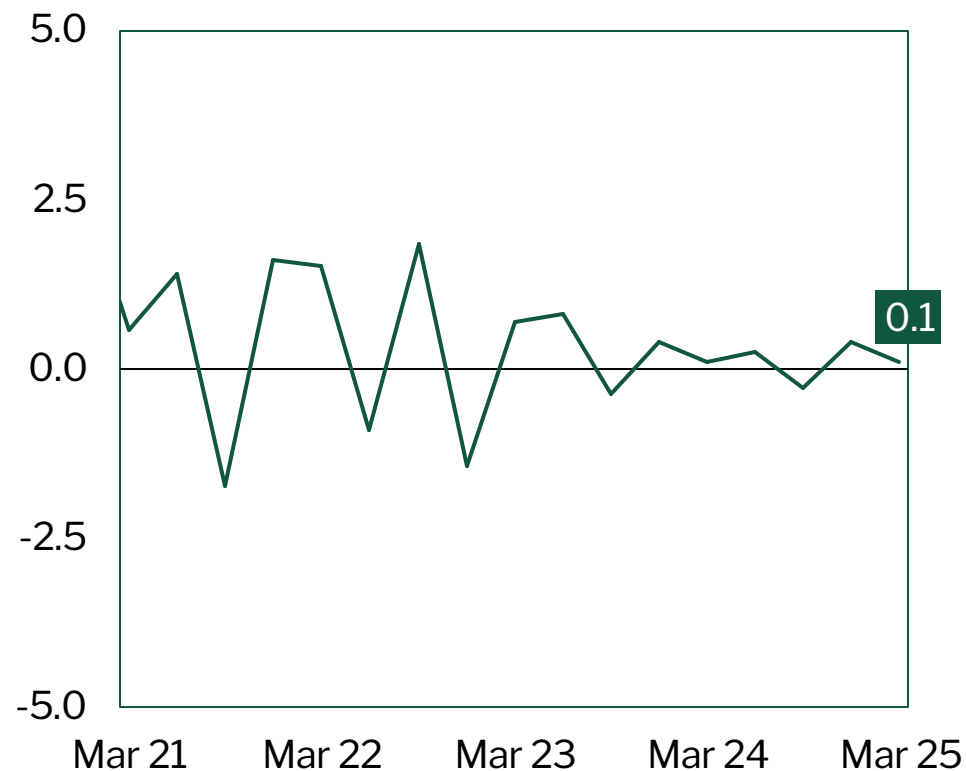


## Operating environment – H1 2025 was another volatile & uncertain period, evident in weak SA economic growth

### Key factors impacting SA GDP growth

- **Slowing global growth**
- US economic policy & **tariff uncertainty**
- Middle-East & Russia-Ukraine **conflicts**
- Multiple **SA budget delays**
- **Concerns around GNU** execution ability
- **SA structural inefficiencies**

### SA GDP growth (qoq %)

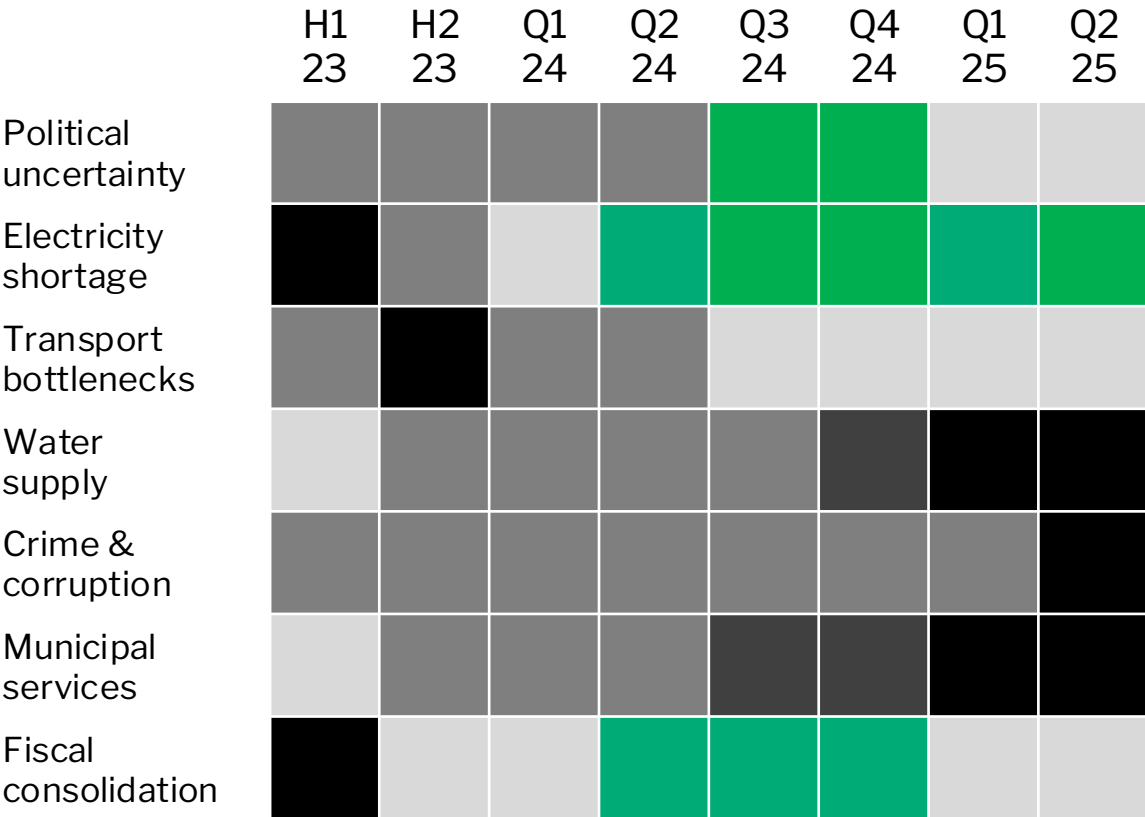


Nedbank Group Economic Unit.



# Operating environment – progress on SA structural reforms remain slow & corporates cautious. Green shoots evident in Q2 credit extension

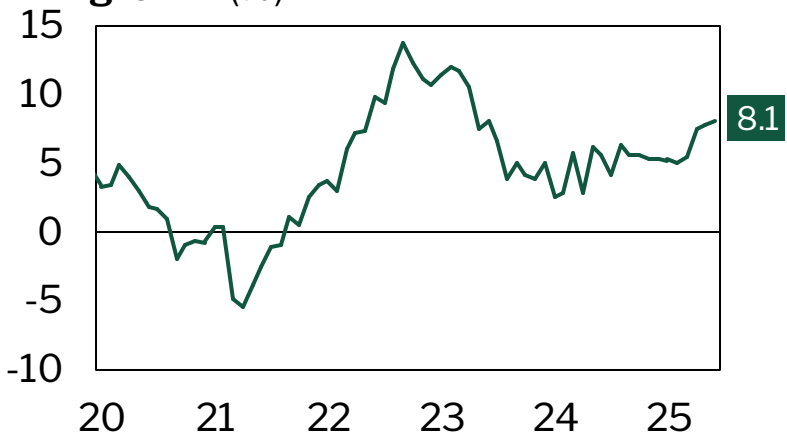
Progress on SA structural reforms<sup>1</sup>



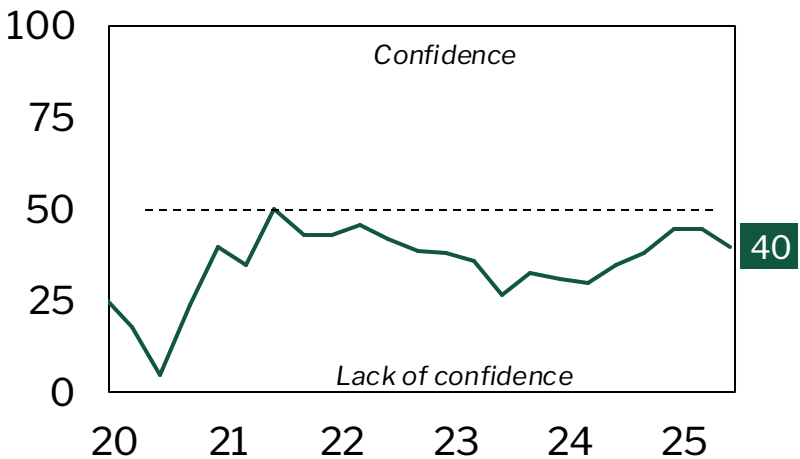
Negative Positive

<sup>1</sup>Nedbank Group Economic Unit.

Corporate loans & advances growth (%)



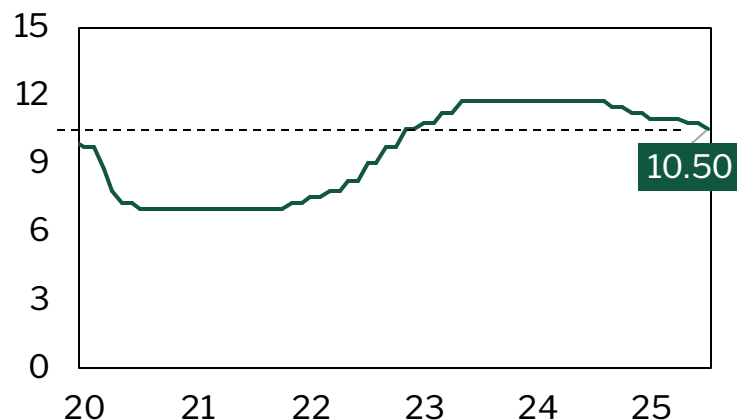
Business confidence index



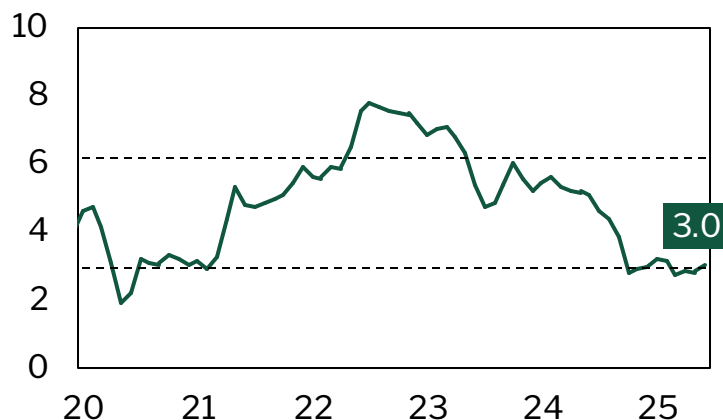


## Operating environment – consumer finances are steadily improving given lower interest rates & inflation, but household credit growth is lagging

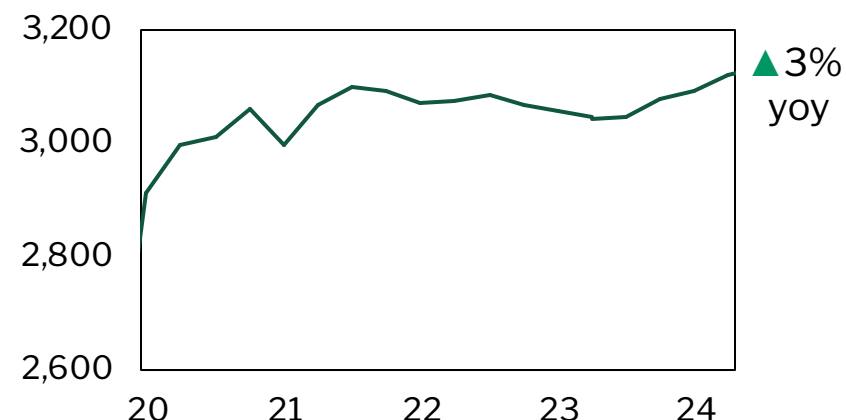
**SA prime interest rate<sup>1</sup>**  
(monthly, %)



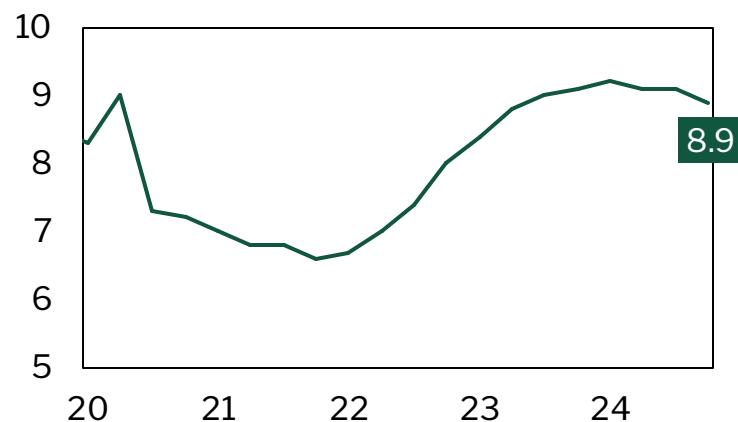
**SA inflation**  
(monthly, %)



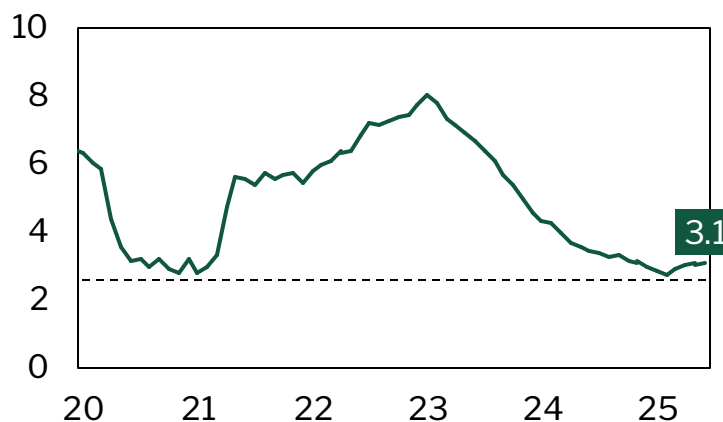
**Real personal disposable income**  
(Rbn)



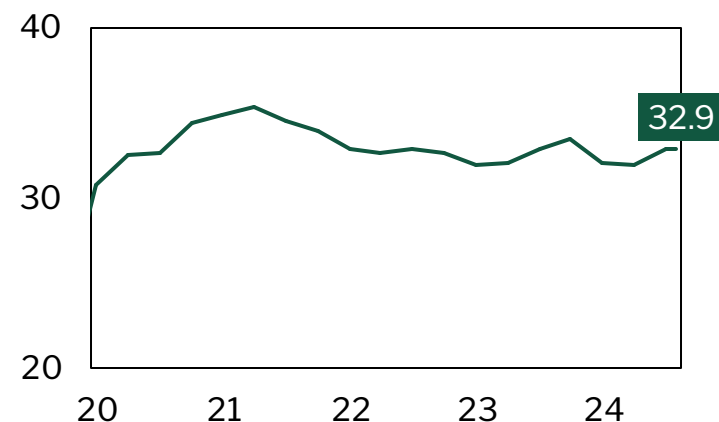
**Household debt service costs**  
(quarterly, % of PDI)



**Household credit growth**  
(annually, % yoy)



**SA unemployment rate**  
(%)



# Strategic value drivers – our H1 2025 results were impacted by various positive & negative drivers



## Growth

- ✗ **Modest banking advances growth** – deal closures slower than expected, while pipelines remain robust
- ✗ **Margin pressure**
- ✗ **Market share declines** in unsecured lending
- ✓ **Market share gains** in retail & commercial deposits, HL & VAF
- ✓ Reasonable **client growth**
- ✓ **Digital, VAS & payments** growing strongly, while ATM cash withdrawals are slowing
- ✓ Leveraging the **Eqstra acquisition**



## Productivity

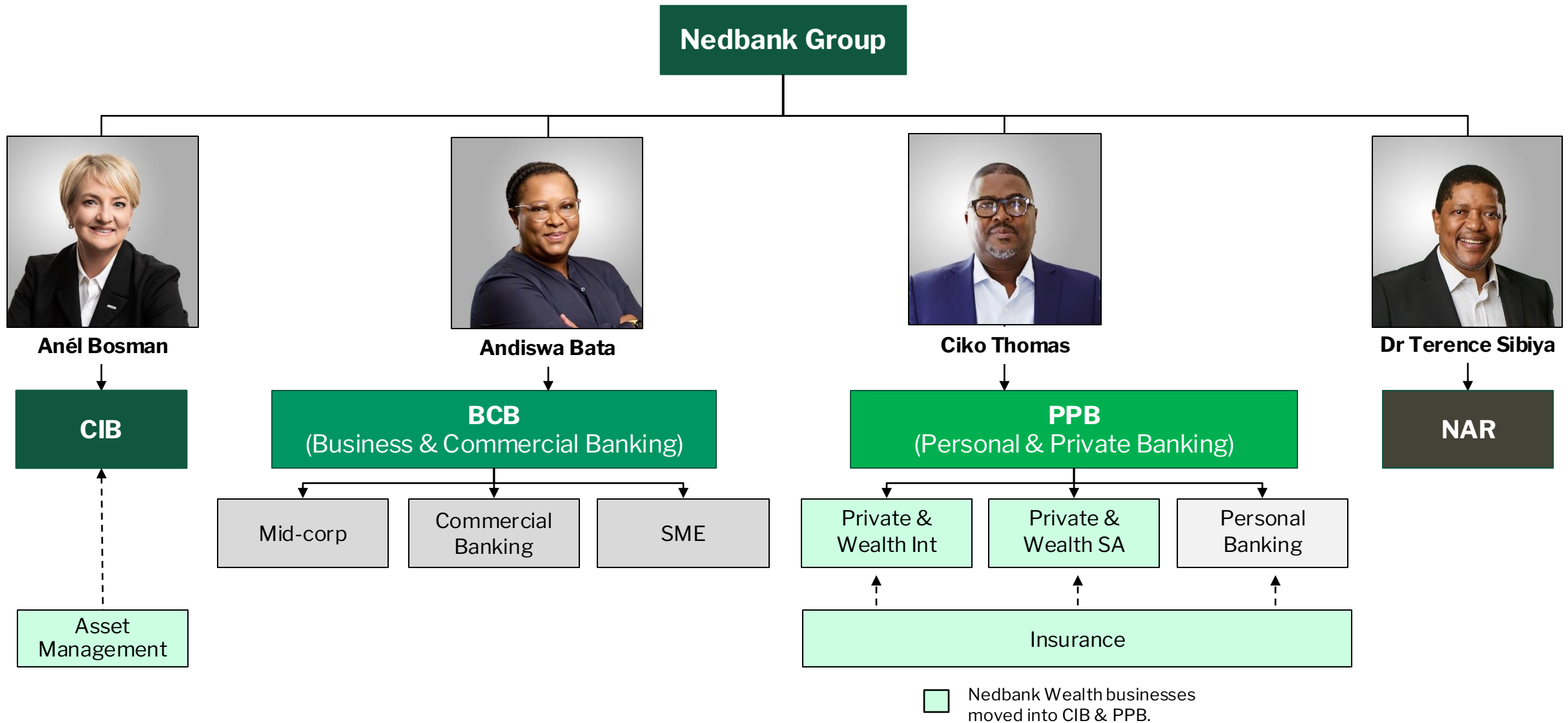
- ✗ Investment in **retaining quality skills**
- ✗ **Cost-to-income ratio under pressure**, mostly on the revenue line
- ✓ **Ongoing good risk management** outcomes
- ✓ **Branch sales up** by 11% & **digital transaction values up** by 16% yoy
- ✓ **IT amortisation charge** lower than the prior year after ME completion
- ✓ Number of **employees down** by 1%
- ✓ Office & branch **floor space reductions**



## Risk & Capital Management

- Very strong balance sheet**
- ✓ CET1 ratio: **13.1%** (11% to 12% target range)
- ✓ LCR: **127%** (100% reg min)
- ✓ NSFR: **118%** (100% reg min)
- ✓ **R0.5bn** (~2 million) shares repurchased at an average of ~R246/share
- Credit**
- ✓ CLR down to **81 bps**, within TTC target range (60 to 100 bps)

# Strategic reorganisation – new structures & leadership in place, effective 1 July 2025





# Strategic reorganisation – organisational design more focused on client centricity, driving enhanced execution & unlocking transformational growth opportunities



			ROE <sup>1</sup>	HE <sup>1</sup>	Employees <sup>1</sup>
	<b>Corporate &amp; Investment Banking</b> Corporates, financial institutions, governments & parastatals (> 600 clients)	<ul style="list-style-type: none"> <li>Accelerate growth by <b>leveraging our sector-led expertise</b> to unlock cross-sell opportunities &amp; enhance returns</li> <li>Integrate the Asset Management business</li> </ul>	<b>21%</b>	R7.8bn	~2 400
	<b>Business &amp; Commercial Banking</b> Mid-corp, commercial & SME clients (> 12.4k CB client groups)	<ul style="list-style-type: none"> <li>Focus on <b>juristic clients</b> below corporates</li> <li>Accelerate growth through <b>new compelling CVPs &amp; sector-focused solutions</b></li> <li>Elevate its importance at a <b>Group Exco level</b></li> </ul>	<b>27%</b>	R2.7bn	~2 000
	<b>Personal &amp; Private Banking</b> Youth, entry-level, middle, affluent & high-net-worth segments (> 7.5 million clients)	<ul style="list-style-type: none"> <li>Focus on <b>individual clients</b></li> <li>Grow &amp; enhance <b>insurance up- &amp; cross-sell</b></li> <li><b>Scale</b> our personal banking business</li> <li>Unlock further <b>efficiencies &amp; productivity gains</b></li> </ul>	<b>14%</b>	R4.6bn	~14 500
	<b>Nedbank Africa Regions</b> Corporates, businesses & individuals (> 400k clients)	<ul style="list-style-type: none"> <li>Focus on all client segments across the <b>SADC countries</b> where we operate</li> <li><b>Scale existing businesses</b> &amp; seek complementary M&amp;A acquisitions</li> </ul>	<b>8%</b>	R0.6bn	~2 200

# Strategic review of our ETI financial investment – at 30 June 2025 classified as a non-current asset held for sale



## Nedbank board & management review

- **Investment case** – did not materialise as expected
  - Nigerian economy not as attractive as originally expected
  - Resulted in various SA clients exiting their Nigerian operations (limiting cross-sell)
  - Synergies have not been forthcoming
- **Disappointing value realisation** (accounting vs cash flow) – R6.8bn in associate income (to date), but only R0.4bn dividends received. Unrealised FCTR & OCI losses of R6.9bn reduced reserves & NAV over time
- **Regulatory uncertainty** – ongoing regulatory recapitalisation requirements & a realistic scenario in which Nedbank may be required to inject capital to prevent shareholding dilution. Focus now on Nedbank preserving its residual value in ETI
- **Nedbank's strategy outside SA** – reset, with a clear focus on SADC & East Africa



**ETI investment classified as a non-current asset held for sale**

## Next steps

- Engagement with **interested parties**
- If a sale is concluded, it will be a clean sale **subject to regulatory approvals only**
- **Proceeds will be invested** in various growth opportunities





# Strategic overview

**Mfundo Nkuhlu**

Chief Operating Officer



**Our strategy** – leveraging our strong foundations to grow & enhance productivity

## 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)



Growth  
vectors  
(transform)



Creating  
positive impacts  
(purpose delivery)



Our employees & differentiated corporate culture (EX)

Modern technology platform





# Digital leadership (DX) – our investments in technology continue to drive digital activity, usage & sales



## Digital services

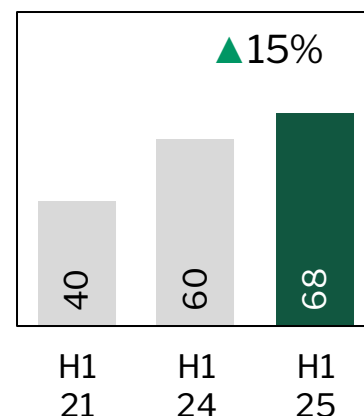
> 200

Individual services on Eclipse & Money app

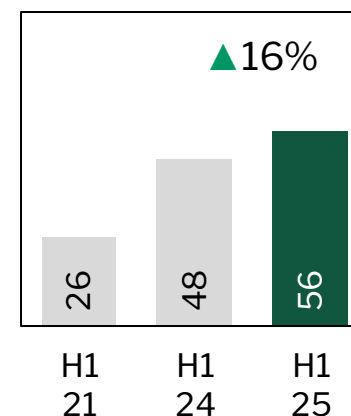
> 400

Juristic services on Nedbank Business Hub

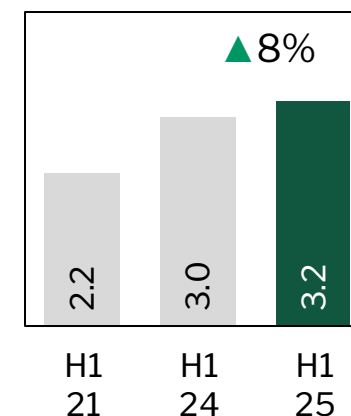
## Digital transaction volumes (# m)



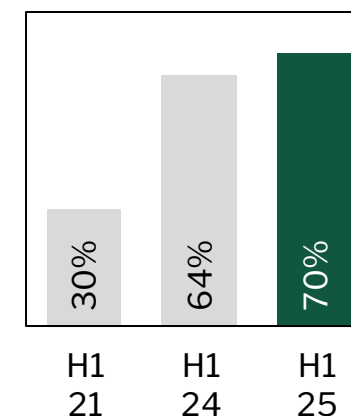
## App transaction volumes (# m)



## Retail digitally active clients (# m)



## Digital product sales (% of new sales)

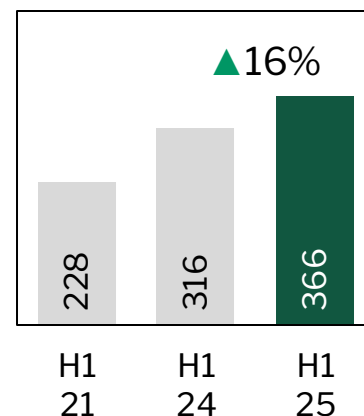


## Client onboarding

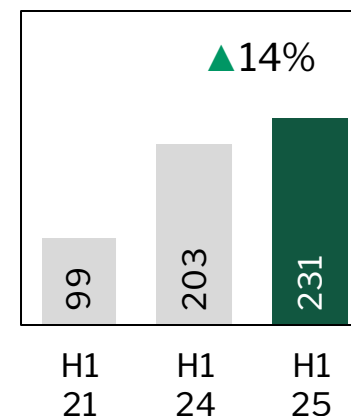
Fully digital

Seamless FICA-compliant onboarding of individual & juristic clients

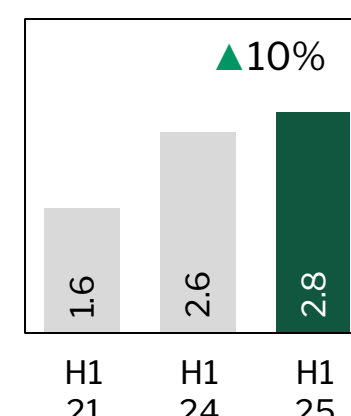
## Digital transaction values (Rbn)



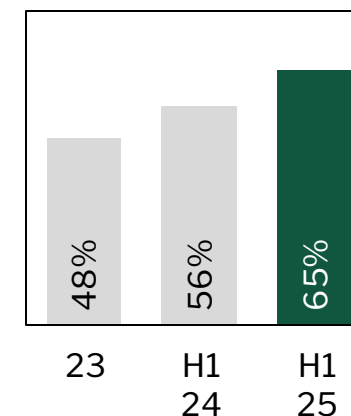
## App transaction values (Rbn)



## Retail Money app active users (# m)

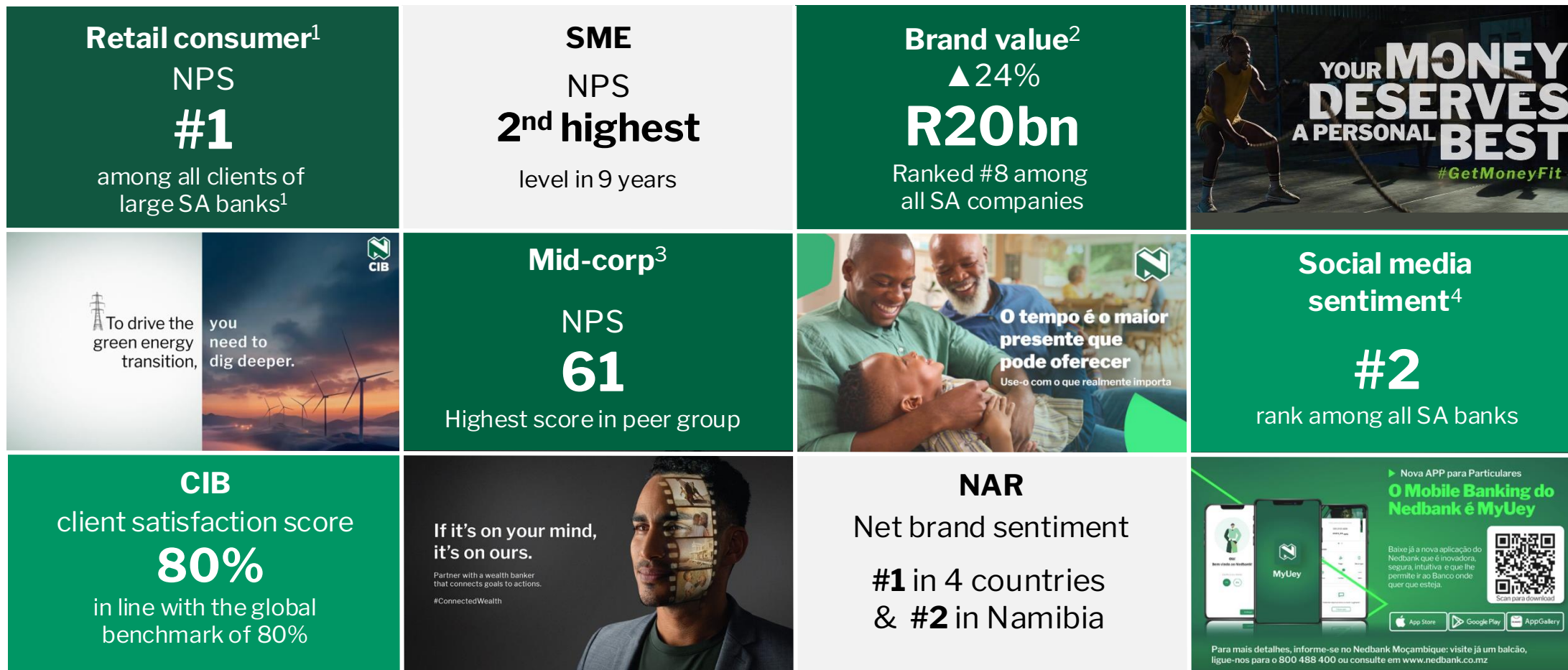


## NBH adoption rate (% , period end)





# Market-leading client experiences (CX) – good outcomes across client metrics & significant improvement in brand value



**Avo Device Trade-in**  
Save up to 20% with **Greenbacks**



**iPhone 16**  
Built for Apple Intelligence.







## Strategic portfolio tilt – focusing on areas that create value

BA900 market share (%)	Dec 24	May 25	Ytd change
Total core loans	19.2	18.7	▼
Wholesale term loans	16.2	15.8	▼
Commercial mortgages	35.9	35.6	▼
Home loans	14.7	14.8	▲
Retail vehicle finance	35.9	36.2	▲
Retail overdrafts	14.4	14.4	
Personal loans	10.1	10.0	▼
Credit card	9.2	9.0	▼
Retail deposits	16.8	17.0	▲
Commercial deposits	15.4	15.5	▲

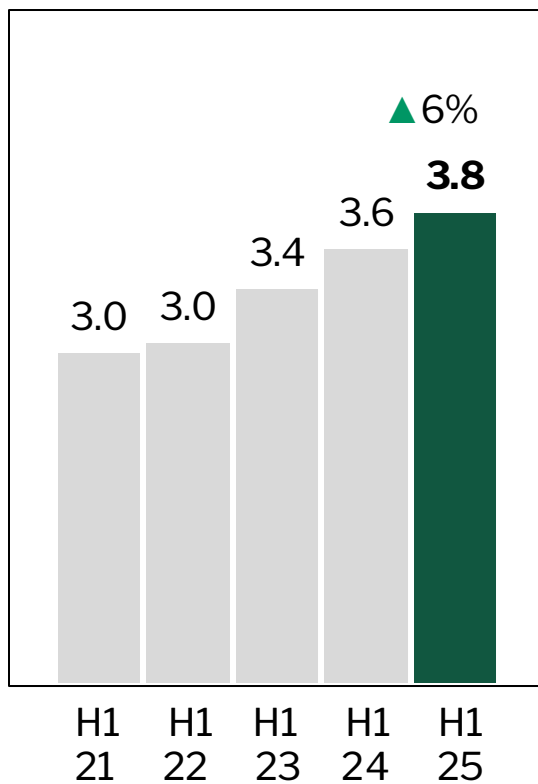
- **Leveraging our strengths in CIB** – energy, infrastructure, mining & resources & commercial mortgages. Significant competition for good quality assets
- **Good performance in retail secured lending** – gains in home loans & vehicle finance
- **Prudent credit granting** – personal loans & card market share losses have slowed & we expect to grow share in the next 12 months
- **Deposit market share gains** – gains in retail & commercial deposits, with significant management focus on transactional 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.*

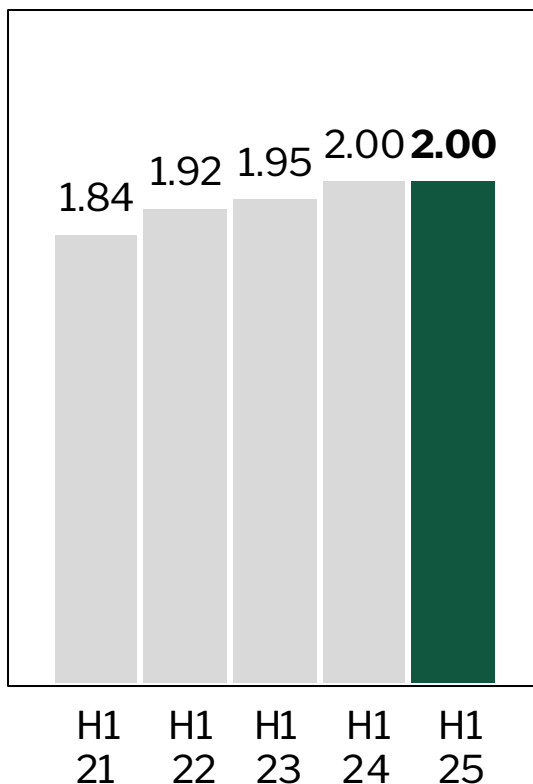
# Strategic portfolio tilt – continue to build strong franchises & grow main-banked clients



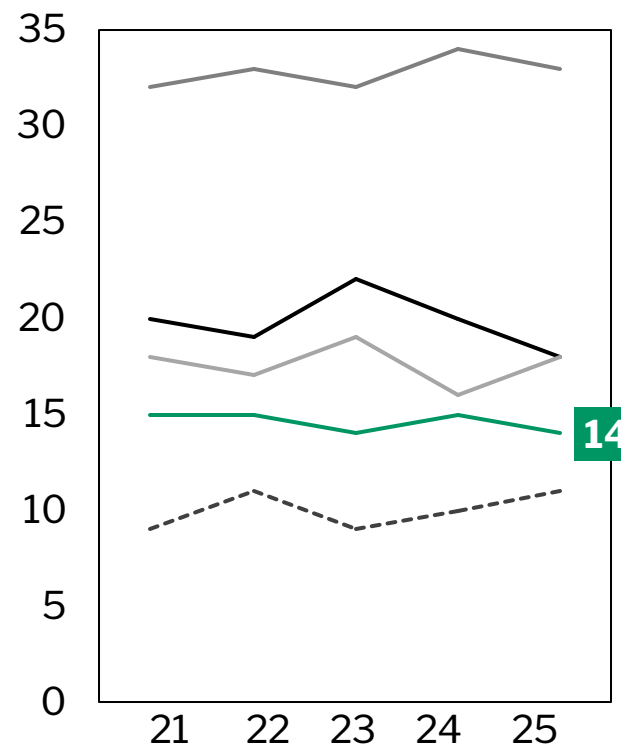
**Retail main-banked clients**  
(# million)



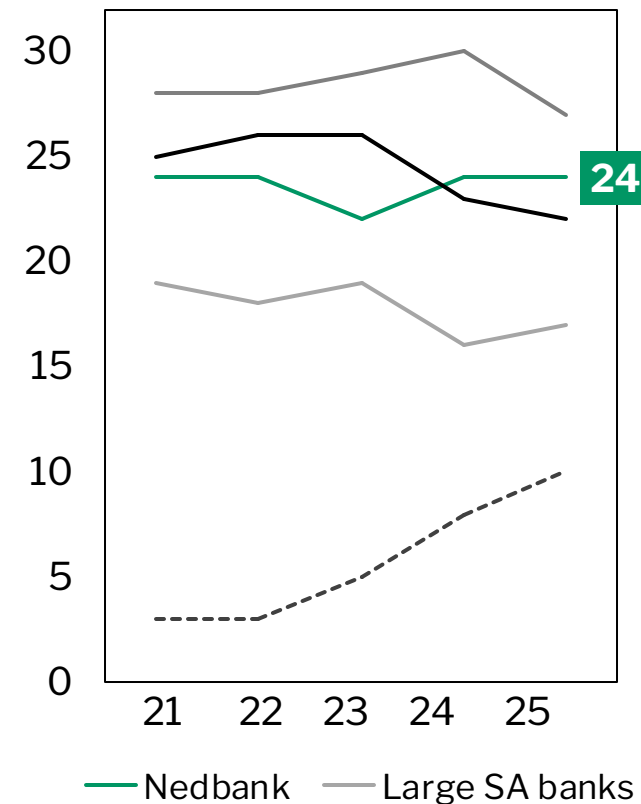
**Retail cross-sell ratio**  
(# of retail products/client)



**Affluent banking market share<sup>1</sup> (%)**



**SME market share<sup>1</sup> (%)**



<sup>1</sup>Tracking Study by KPI research





## Growth vectors – unlock transformational growth through initiatives that support us in achieving a higher ROE

Unlock value from our  
**technology investments**

**Scale our  
PPB business**

**Portfolio  
diversification**

Leverage our sector  
**skills & expertise  
in CIB**

A more deliberate  
**expansion into  
key African countries**

Leverage  
**artificial intelligence**

Grow & enhance  
**insurance cross-sell**

Build out our new  
**Mid-corp offering**

Commercialise  
**data**

**Gain market share**  
(in key lending &  
deposit-taking categories)

Grow our  
**presence in SADC  
& East Africa**

**Harmonise**  
IT systems in NAR

Modernise  
**payments**

Strengthen our **transactional  
banking franchises**

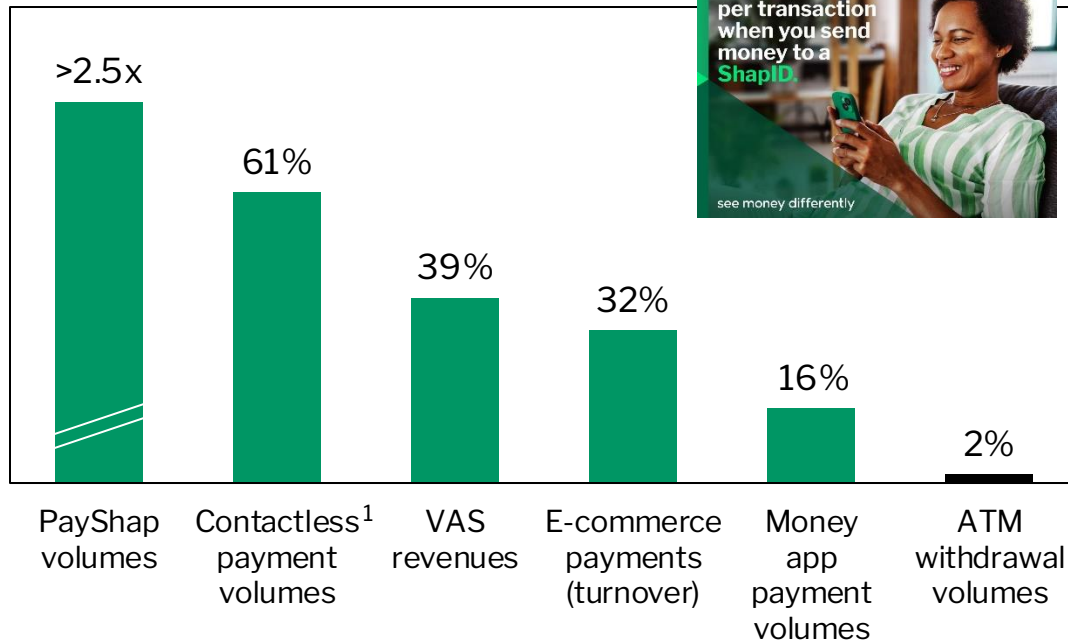
# Growth vectors – strong growth across payment categories & MyCover insurance products



## Modernise payments

Advancing digital payments growth through our fully interoperable enterprise payment service hub, in line with rising digitisation trends & post-Covid cash usage plateau

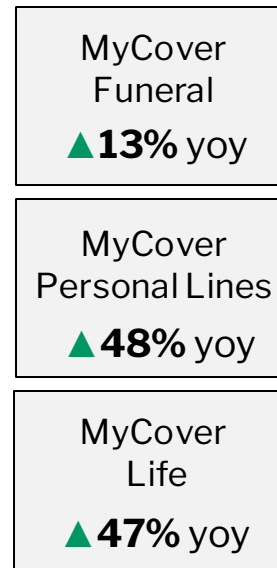
### Nedbank payments (growth %, yoy)



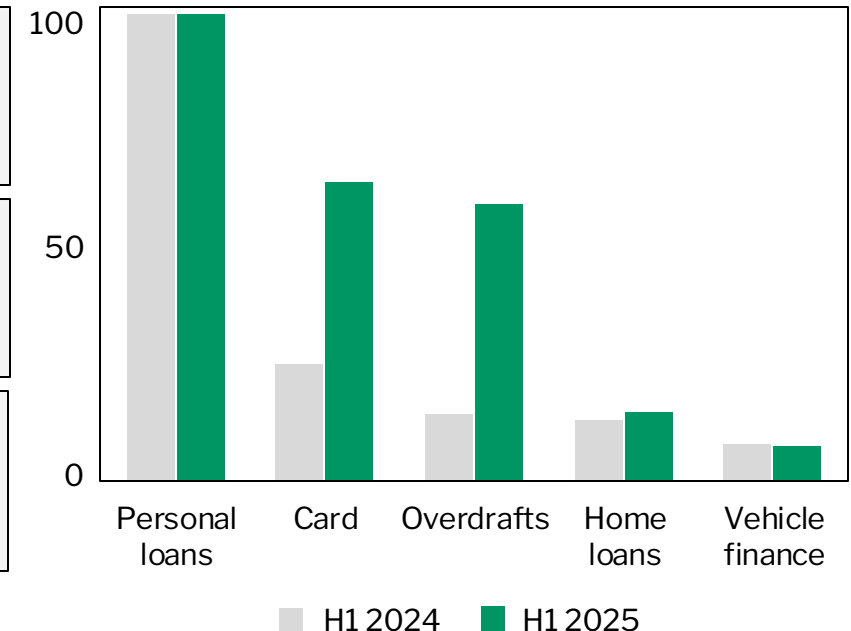
## Grow & enhance insurance cross-sell

Drive sales of traditional bancassurance & new solutions (including the MyCover suite) to Nedbank clients, improving client penetration from ~19% to >30% & growing gross earned premiums (GEP) by more than 50% in the medium term.

### Gross earned premiums (Rm)



### Credit product penetration (%)



<sup>1</sup> Includes Apple Pay, Samsung Pay etc. (excl contactless physical cards).





Additional info

# Growth vectors – unlocking value from our technology investments & portfolio diversification

## Value from our technology investments

### Leverage artificial intelligence

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



### Data commercialisation

- **Dedicated data & analytics team**
- **Initiatives** across credit scoring, cross- & up-sell, fraud analytics, digital marketing, etc.
- **Benefits** such as increased revenue & lower costs & impairments

### Harmonisation

- **NAR** system convergence

## Portfolio diversification

### Mid-corp

Dedicated new offering to transform how mid-sized corporates access financial solutions with financial advisory & sector-specific expertise

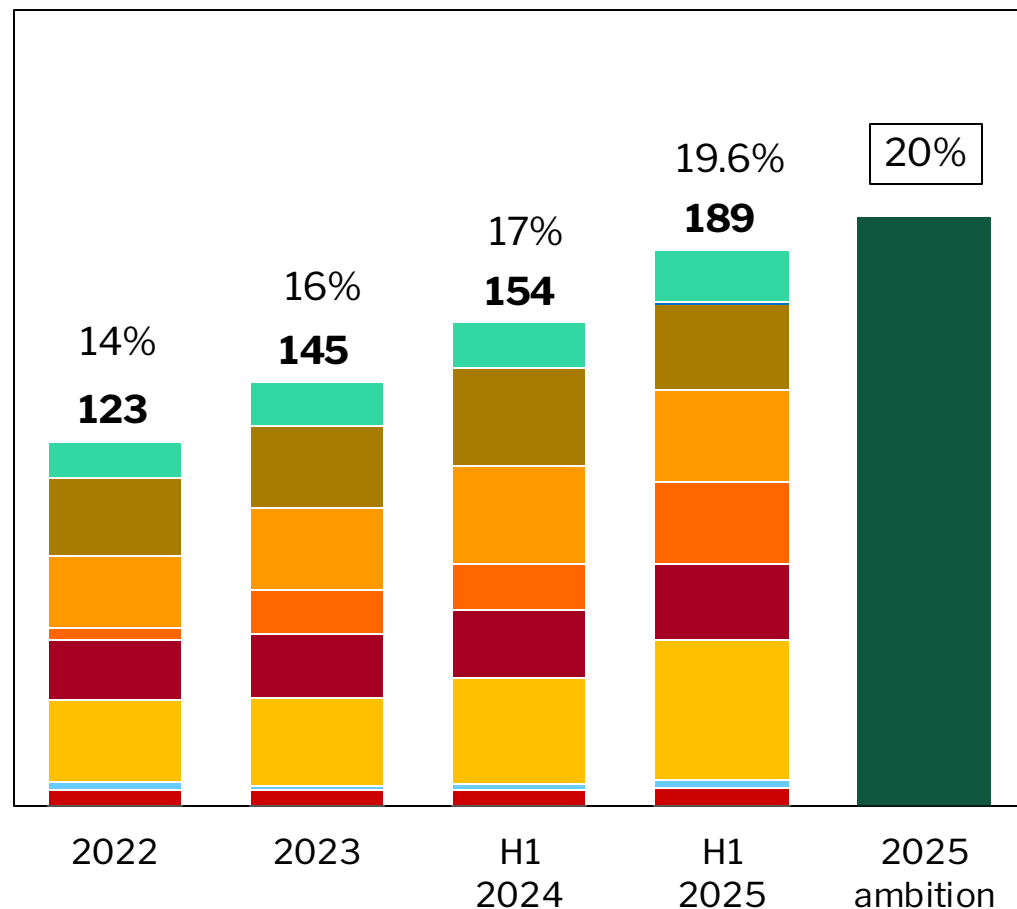
### CIB-led East Africa expansion

Strategic initiatives focused on geographic diversification are progressing. Over the longer term, strategic expansion into East Africa aligns with the group's long-term revenue diversification goals & work is underway to determine the optimal model for growing our presence in the region



# Creating positive impacts – R189bn sustainable development finance (SDF). At 19.6% of GLAA, on track to meet our 2025 ambition of 20%

## Sustainable development finance exposures<sup>1</sup> (Rbn)



xx% % of gross loans & advances

Colour of the bars reflect the various UN SDG categories.

## Key highlights



**R29bn** support for farmers & the agriculture sector



**R31bn** for green certified buildings & affordable home loans



**R26bn** lending exposure to small businesses & their owners



**R47bn** total renewable energy exposures



**R3bn** financing for clean water & sanitation

- Concluded a **US\$200m IFC facility** to further scale green buildings
- Launched the **SA REIT<sup>2</sup> Sustainability Disclosure Guide**
- Developed **BES<sup>3</sup>** to assist clients score their buildings wrt sustainability measures
- Developed a **Climate Risk Tool** to score properties wrt climate risk

- **> R30bn pipeline**
- Supported **> 4.9 GW renewable projects** to date

<sup>1</sup> By the end of 2025, it is our ambition to have increased our SDF exposures to around 20% of the gross loans & advances. SDF in H1 2025 includes R9bn of infrastructure finance (SDG group's total 9) that meets the SDG criteria & was not included in prior years. <sup>2</sup> REIT = Real Estate Investment Trusts. <sup>3</sup> BES= Building Efficiency Scale.



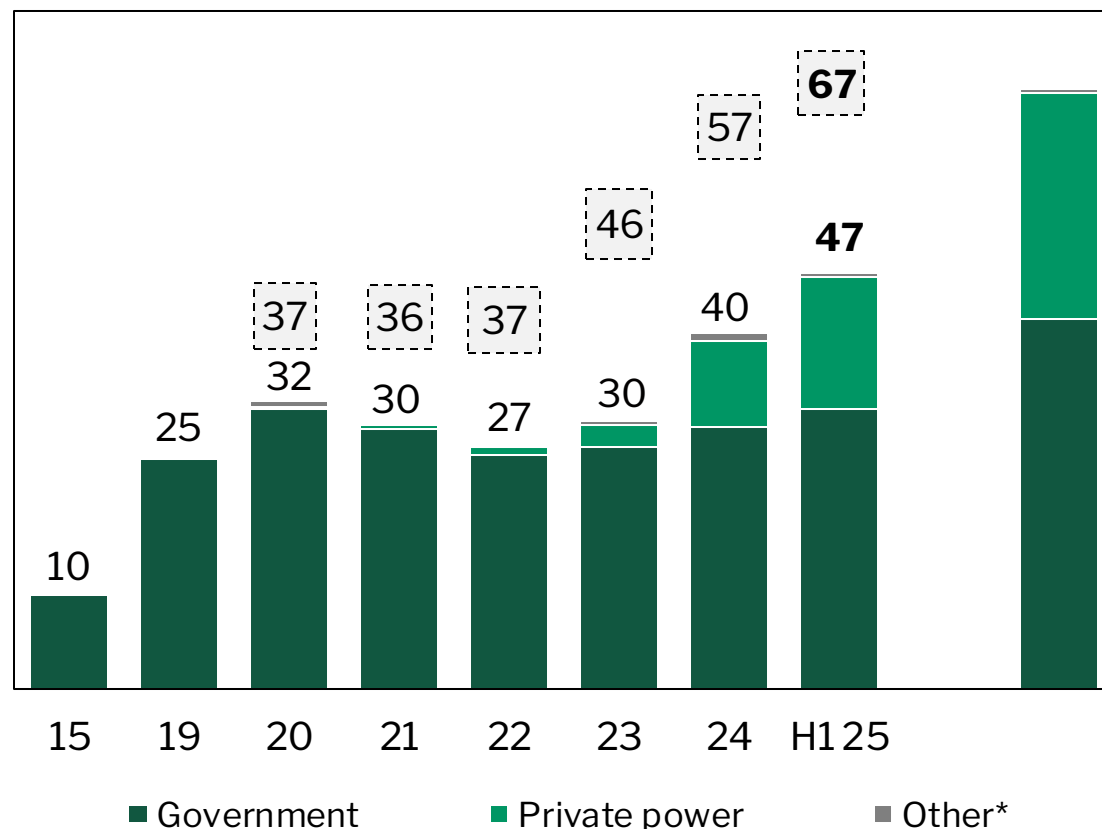
Additional info

# Creating positive impacts – building on our leadership in renewable energy.

## Exposures increased to R47bn with strong pipelines in place

### Renewable energy financing

(■ drawn exposures, □ limits, Rbn)



Nedbank has supported **4.9 GW** of REIPPPP & private power projects to date

> **R70bn** in awarded facilities<sup>1</sup>

**Closed 3 private power generation** deals in H1 2025

**Good pipeline** will support book growth over the medium term

Working on several aggregator offtake projects with target financial close over the next 12 months

Uncertainty exists around the project pipeline closing in 2025 due to final grid commitment timelines

**Request for proposals (RFP)** projected in H2 2025:

- **Transmission grid expansion** – RFP expected in Nov 2025
- **2 GW Gas-to-Power IPPPP** Bid Window 1, issued in Dec 2023, is due for submission by 30 Sep 2025

Project pipeline	Mandated	Est close	Nedbank debt
REIPPPP R7	8 (1.7 GW)	H2 2025–H1 2026	R19.6bn
REIPPPP R7 (VFM)	7 (1,6 GW)	H1 2026	R30.5bn
BESS R2	7 (0,5 GW)	H2 2025–H1 2026	R6.1bn
BESS R3	4 (0,5 GW)	H1 2026	R4.5bn
Private generation	10 (1 GW)	H2 2025–H1 2026	R11.1bn



## Creating positive impacts – other ESG highlights & ratings



Additional info

### Independent ESG ratings of Nedbank



**AAA**

**Top 9%**  
of global  
banks



**12.2**

**Top 7%**  
of diversified  
banks

**S&P Global**

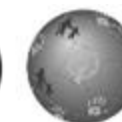
**63**

**Top 10%**  
of global  
banks



**C**

**Top 10%**  
of all global  
banks



**4.3**

**Top 19%**  
of global  
banks

**2030 finance  
emission targets set**  
(thermal coal ▼47%,  
oil & gas ▼26% &  
power generation cap  
of 165gCO<sub>2</sub>e/kWh)

**Disclosed financed  
emissions** for home  
loans, vehicle  
finance, commercial  
property & mining



**Nature Position  
Statement  
published**

(1<sup>st</sup> SA bank)

**84% ACI  
representation**  
(78% in 2019 &  
83% in 2024)

**African senior &  
middle management  
representation**

**▲3%**

(vs H1 2024)

Included in **CDP  
Supplier  
Engagement  
Assessment  
A-list**



**> 3 800  
unemployed youth  
(YES) intake planned  
for 2025 (total:  
> 17 000 since 2019)**



Maintained  
**level 1 BBBEE**  
status for the  
7<sup>th</sup> year in a row

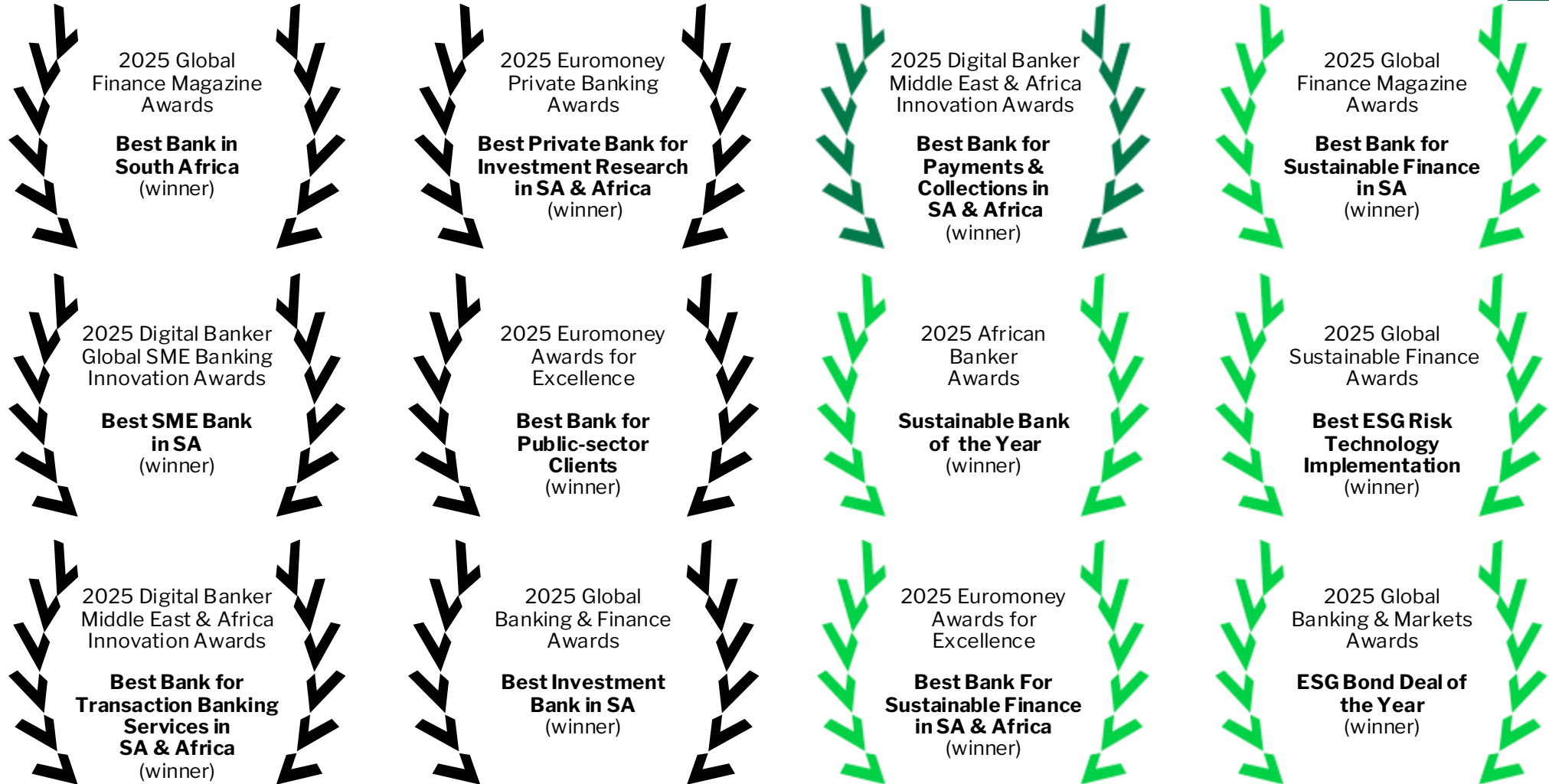
**Cash taxation  
payments<sup>1</sup> of  
R8.4bn  
in H1 2025**

<sup>1</sup> Tax payments relate to direct, indirect & employee taxes, as well as other taxation.

# External recognition received in H1 2025 – across business excellence, technology & innovation and purpose & ESG



Additional info



■ Business-impact- & expertise-related

■ Technology- & innovation-related

■ Purpose- & ESG-related





# Financial overview

**Mike Davis**

Chief Financial Officer





## Financial performance slightly ahead of guidance & expectations

▲ **6%**

R8.4bn

Headline  
earnings

**15.2%**

(H1 24: 15.0%)

ROE

▲ **57.4%**

(H1 24: 55.3%)

Cost-to-income  
ratio

▲ **6%**

R969bn

Gross banking  
advances

**13.1%**

(H1 24: 13.3%)

CET1 ratio

**127%**

(Q2 24: 127%)

LCR

▲ **7%**

1 762 cents

DHEPS

▼ **8%**

1 571 cents

Basic EPS

▼ **81 bps**

(H1 24: 104 bps)

CLR

▲ **10%**

R1 232bn

Deposits

▲ **6%**

1 028 cents

Interim dividend  
per share

**118%**

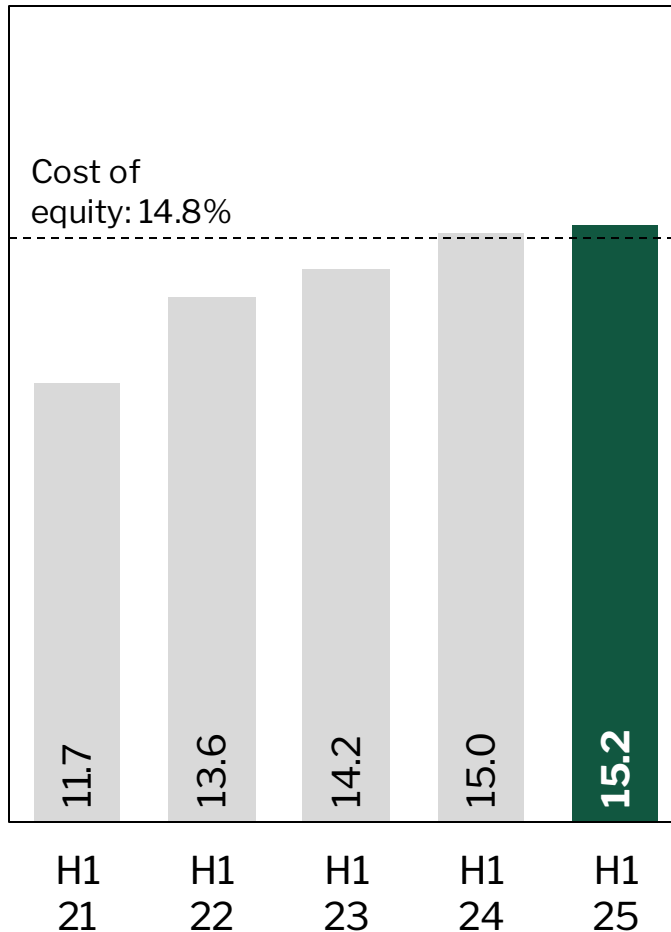
(Q2 24: 114%)

NSFR

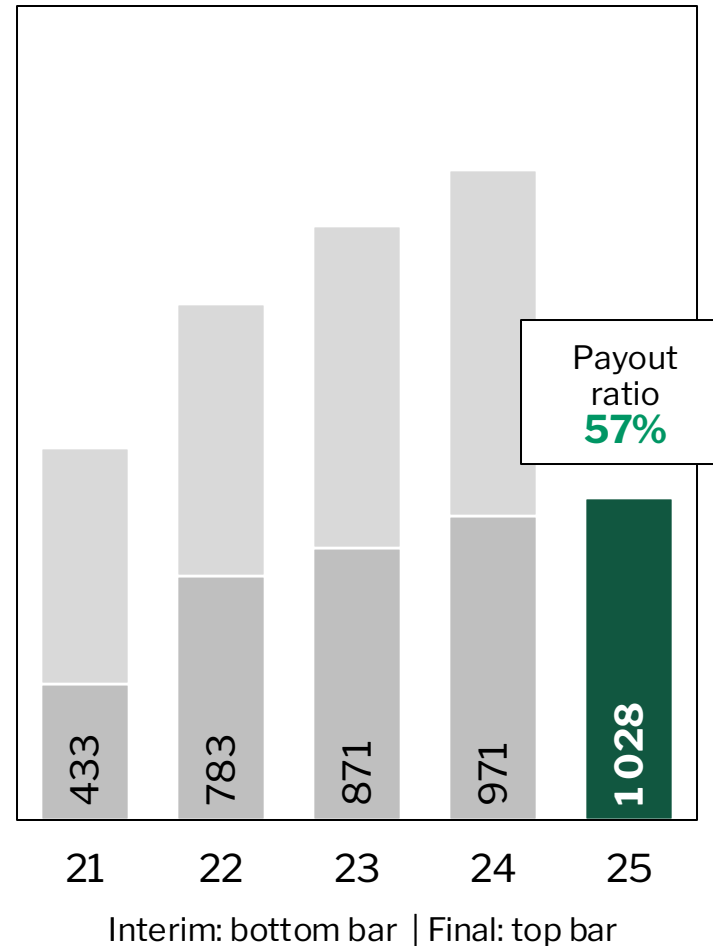
# Shareholder value creation – ROE ahead of COE, interim dividend declared at the top end of our payout ratio & solid growth in NAV/share



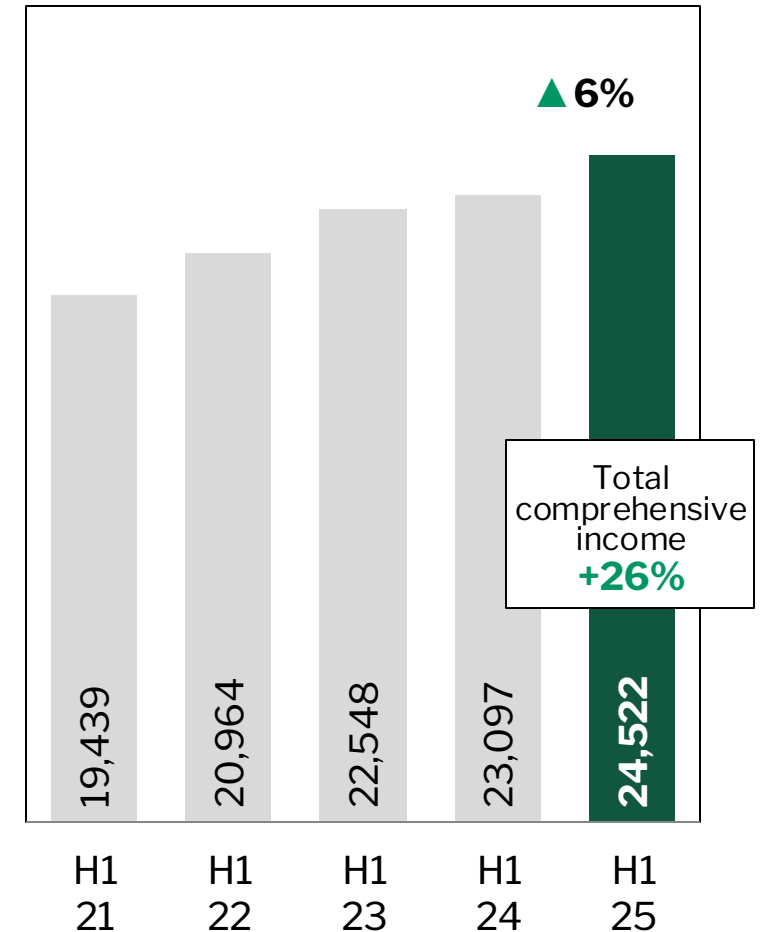
## ROE & cost of equity (%)



## Dividend per share (cents)



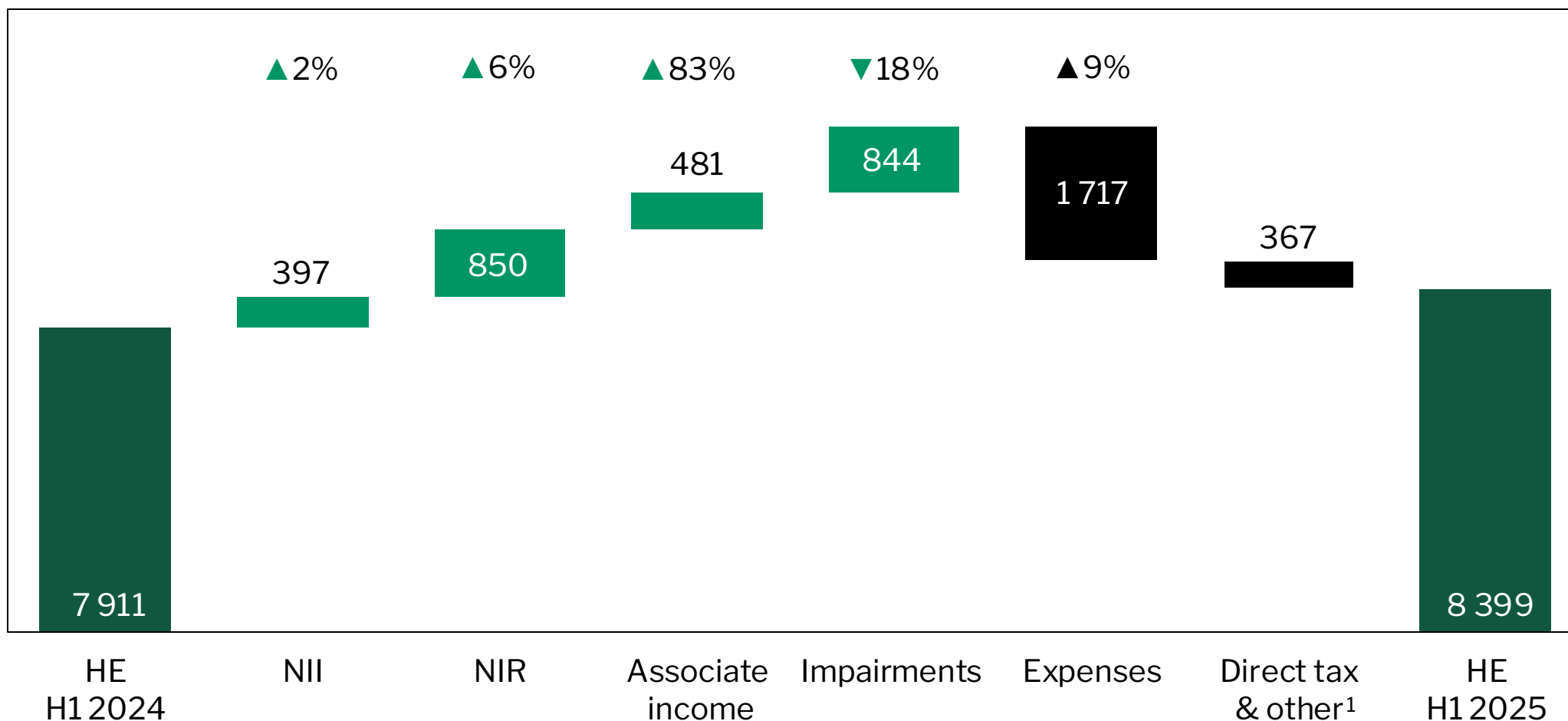
## NAV per share (cents)



# Headline earnings up by 6% – driven by NIR & associate income growth, as well as lower impairments



## Headline earnings (Rm)



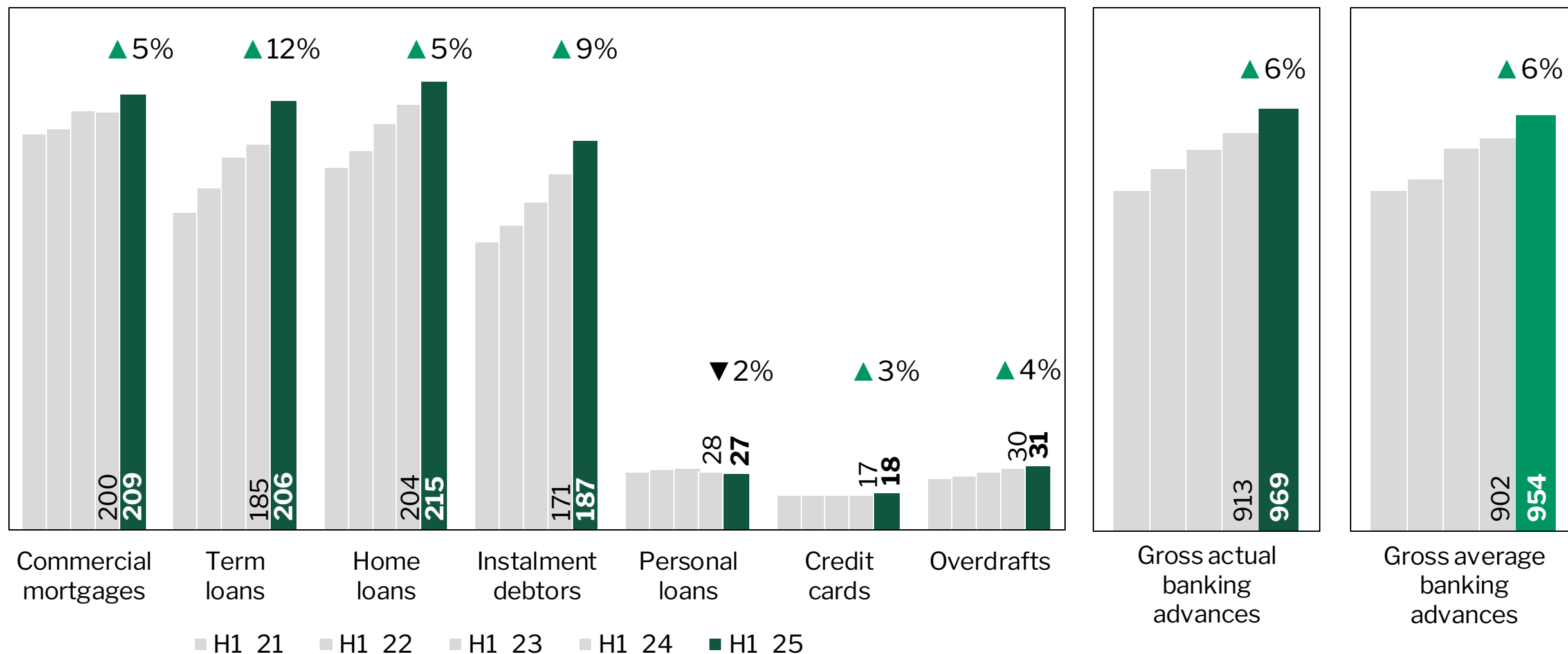
<sup>1</sup>Other includes indirect tax and minority & preference shareholders.





# Banking advances – growth of +6%, supported by strong growth in wholesale term loans & a solid performance across secured lending categories

Gross banking advances (Rbn)



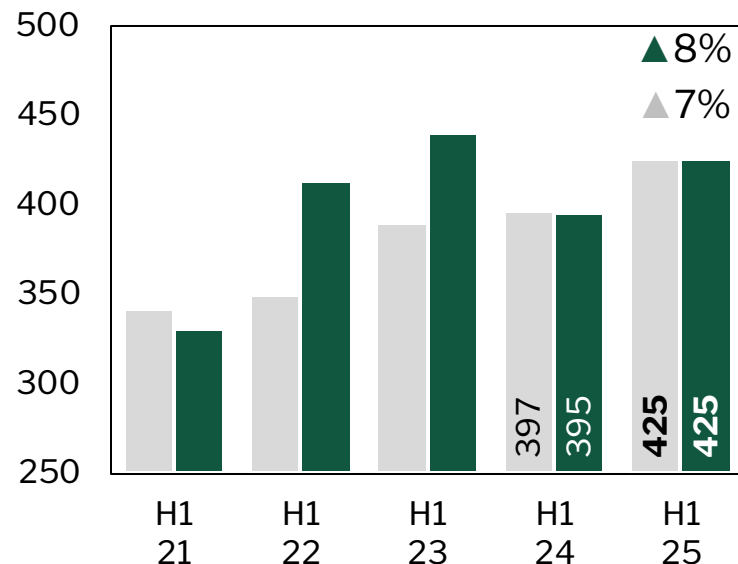


Additional info

## Banking advances – improvement in CIB credit extension, NCB flat excl client migrations, while Retail growth was reasonable

### CIB gross banking advances

(Rbn)

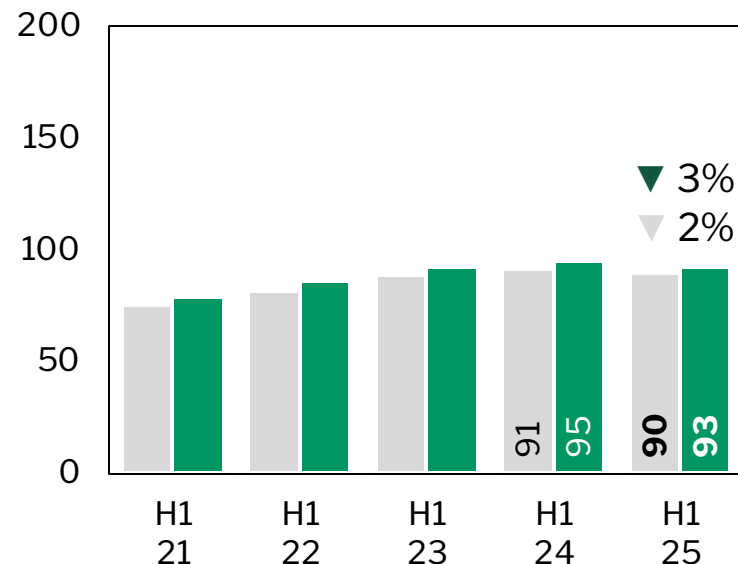


**IB** – Actual advances +11%. Robust pipelines in place, particularly in energy

**PF** – Actual advances +8%. Improved activity post interest rate cuts

**Client lending** +10%

### Commercial Banking gross banking advances (Rbn)



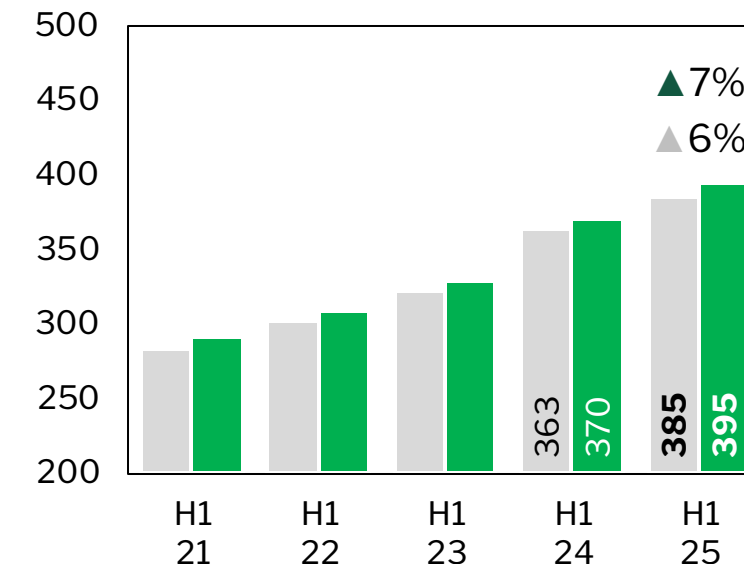
**New loan** disbursements +1%

**Subdued client borrowing** – across all sectors

**Client migrations** – Actual advances flat, excluding the impact of client migrations to RRB

### Retail gross banking advances

(Rbn)



**HL** – Actual advances & application volume growth of +6%

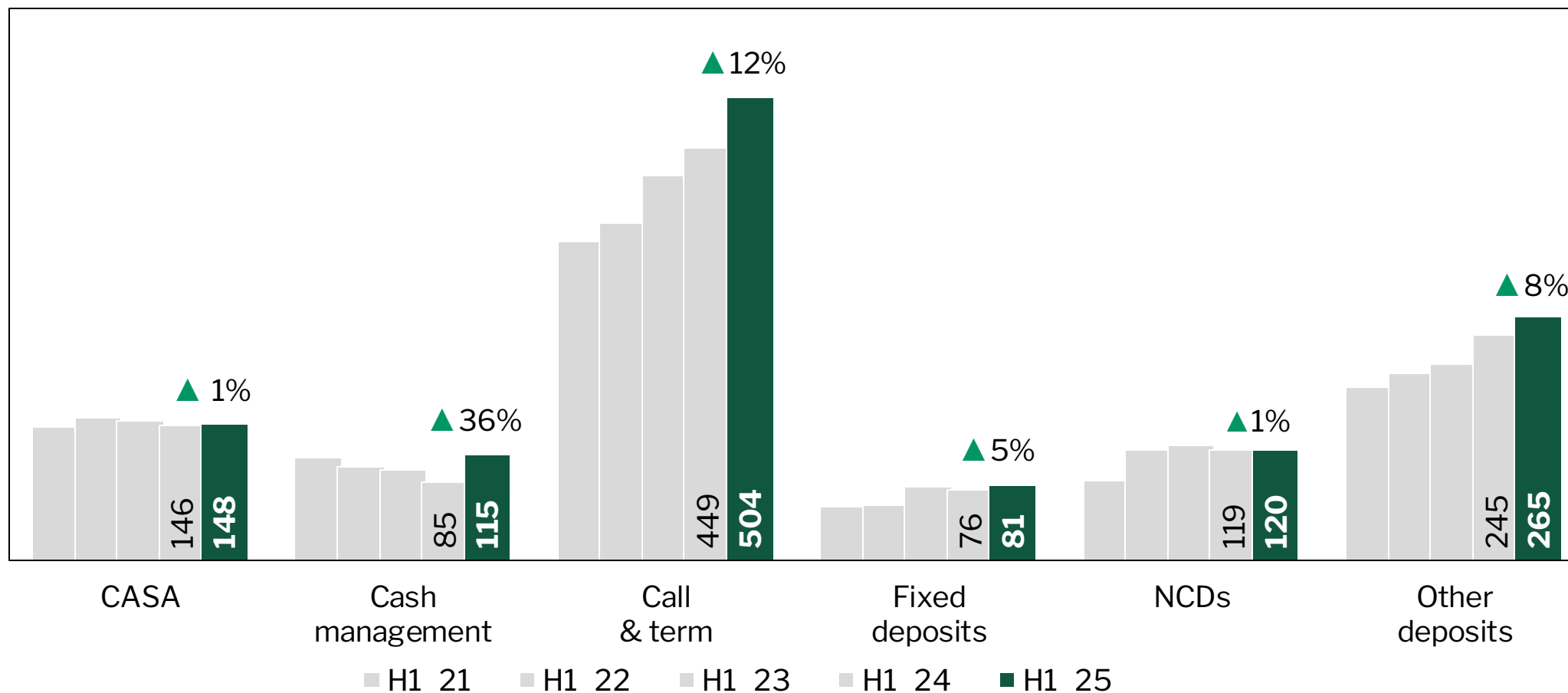
**MFC** – Leveraging our strong position. Actual advances +9% & applications +7%

**Unsecured** – Cautious approach as the PL book declined by 10%, but applications up +4%



## Deposits up by 10% – growth driven by transactional cash management balances & term deposits as clients extend tenure, leveraging Nedbank's competitive term offerings

### Deposits (Rbn)



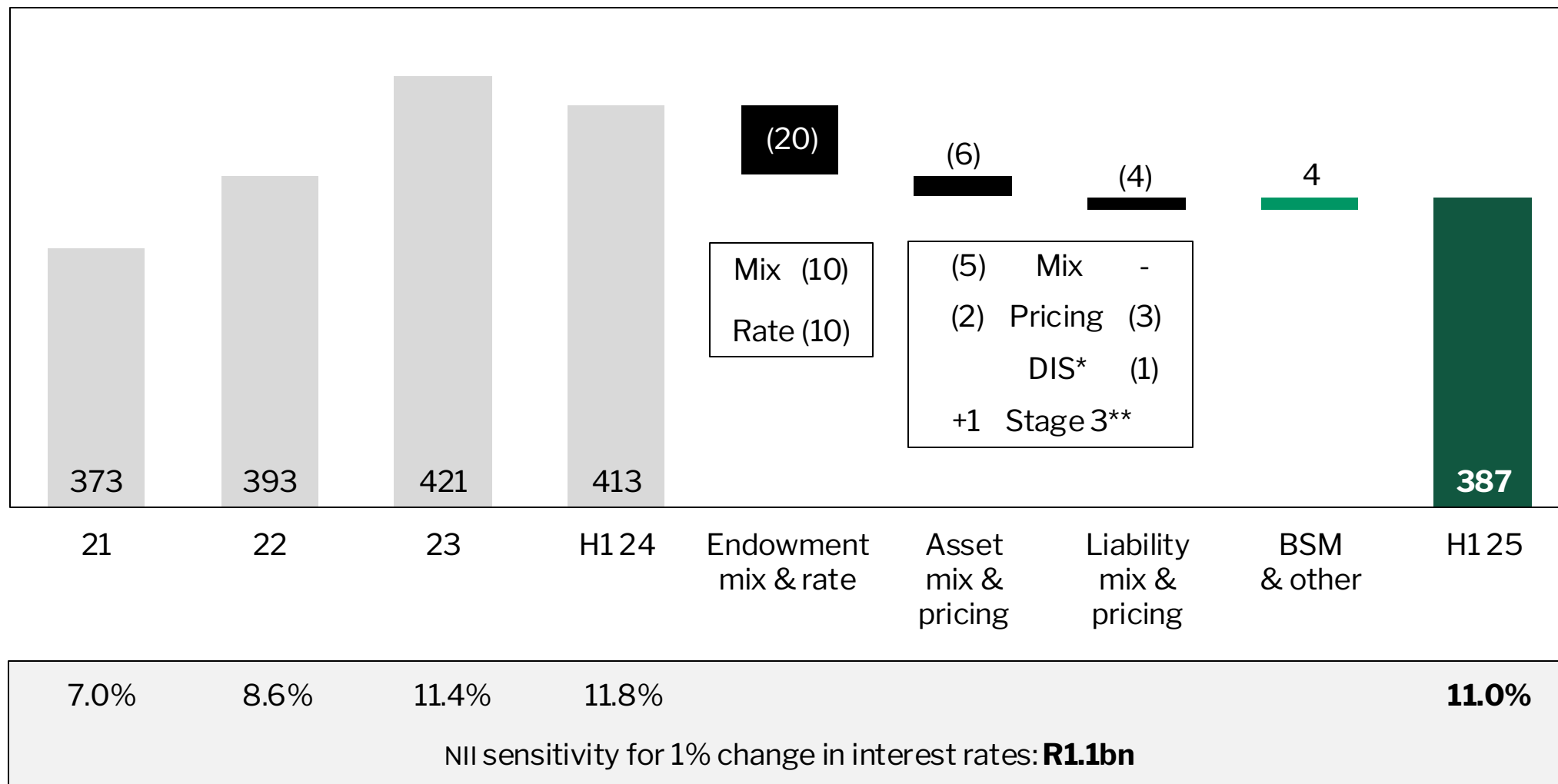
Growth in Cash management driven by CIB transactional services. Call & term deposits driven by growth in Retail & Commercial Banking deposits due to targeted campaigns, as well as CIB transactional services.





# NII up by 2% – AIEBA growth of 9%, offset by NIM compression, mostly from endowment

## Net interest margin (bps)

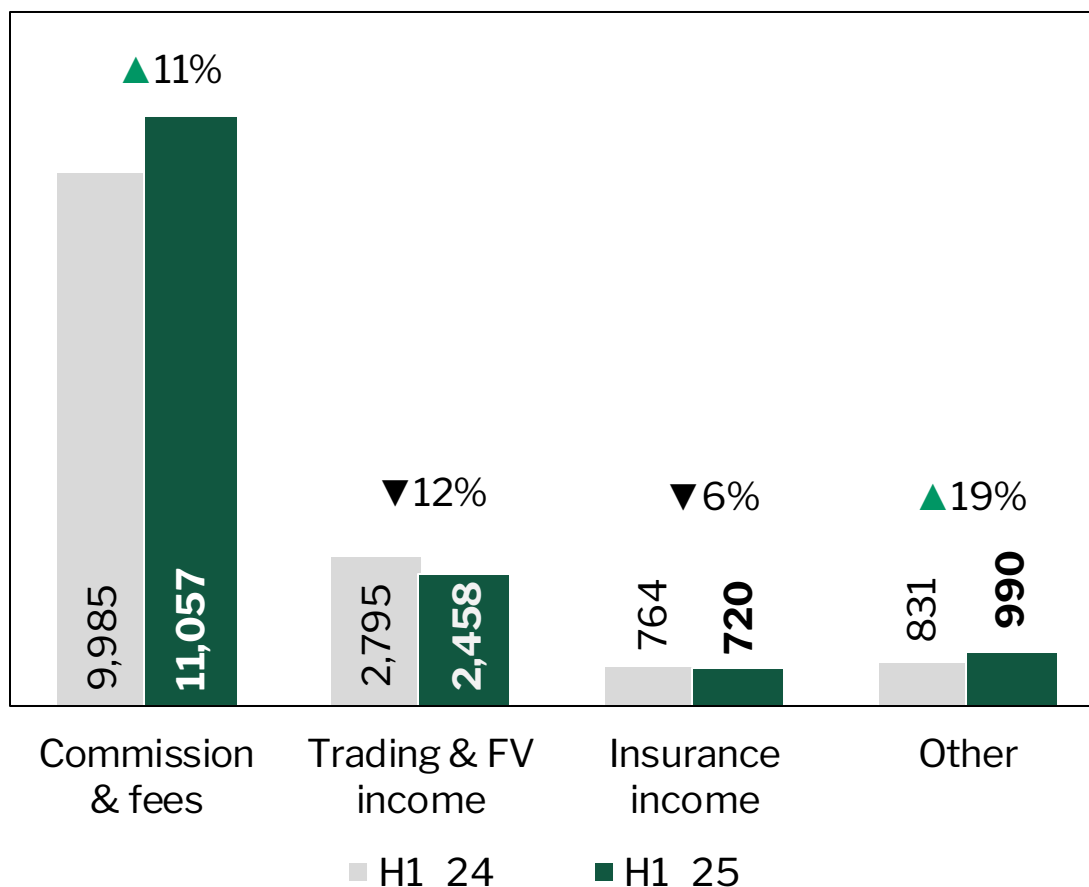


\* The impact of the Deposit Insurance Scheme (DIS) premium & levy is included in liability mix & pricing. \*\* Stage 3 interest reversal.

# NIR up by 6% – growth supported by commission & fees and equity investment income



## Non-interest revenue & income<sup>1</sup> (Rm)



## Key drivers

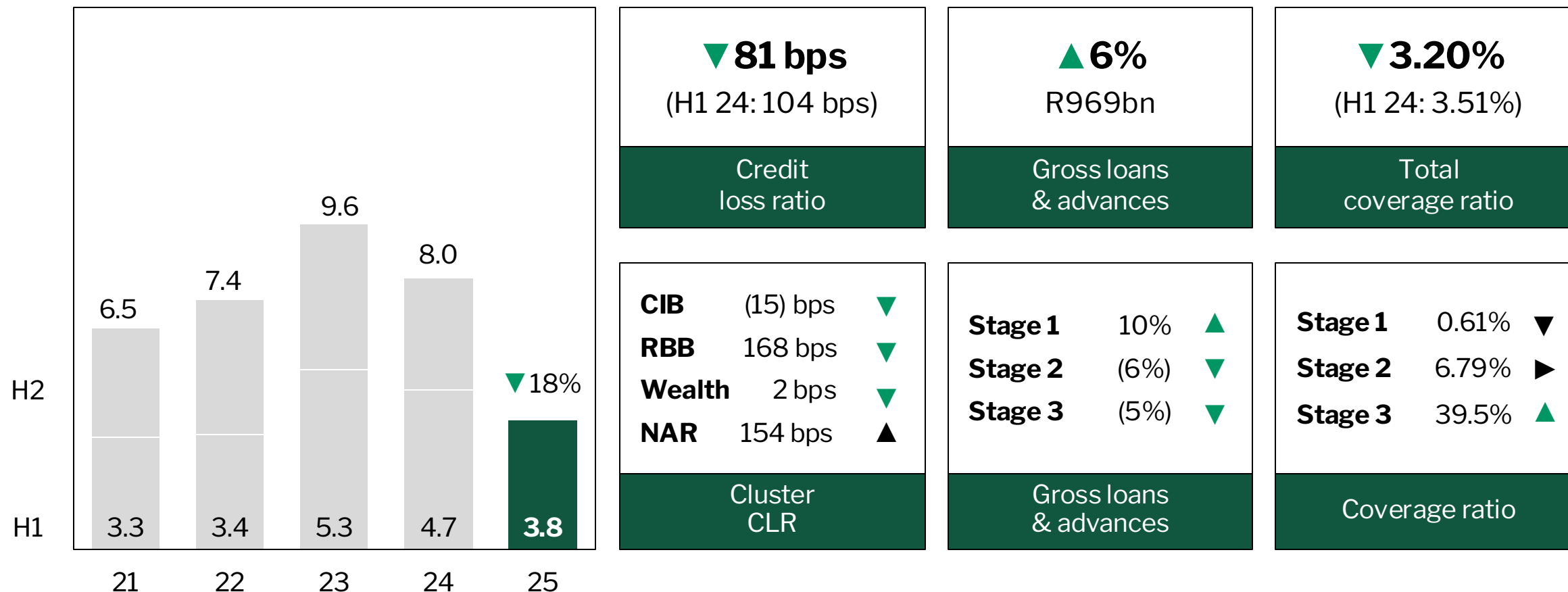
- **Commission & fees** – benefit from Eqstra acquisition (NCB) & strong growth in maintenance fees & VAS. Consumer transactional NIR +10%. Growth partially offset by CIB deal flow delayed into H2 2025 & lower retail cash volumes
- **Trading income & fair value**
  - Trading income in CIB increased by +5%, but Markets NIR declined by 2%, inclusive of lower FV income. The decline in FV income reflects the non-repeated 2024 valuations across CIB
  - FV in the Centre was down by R193m yoy
- **Insurance** – reduced Personal Loans policy base & sizable positive actuarial basis changes in the prior year, partially offset by an improved non-life claims experience & strong growth in the MyCover suite
- **Other** – Equity investment income +27%

<sup>1</sup> Excluding Eqstra, NIR growth was +1% & commission & fee growth was +3%.



# Impairment charge down by 18% to R3.8bn – driven by improved macroeconomic conditions, decisive management actions & further declines in stage 2 & 3 loans

Impairment charge (Rbn)

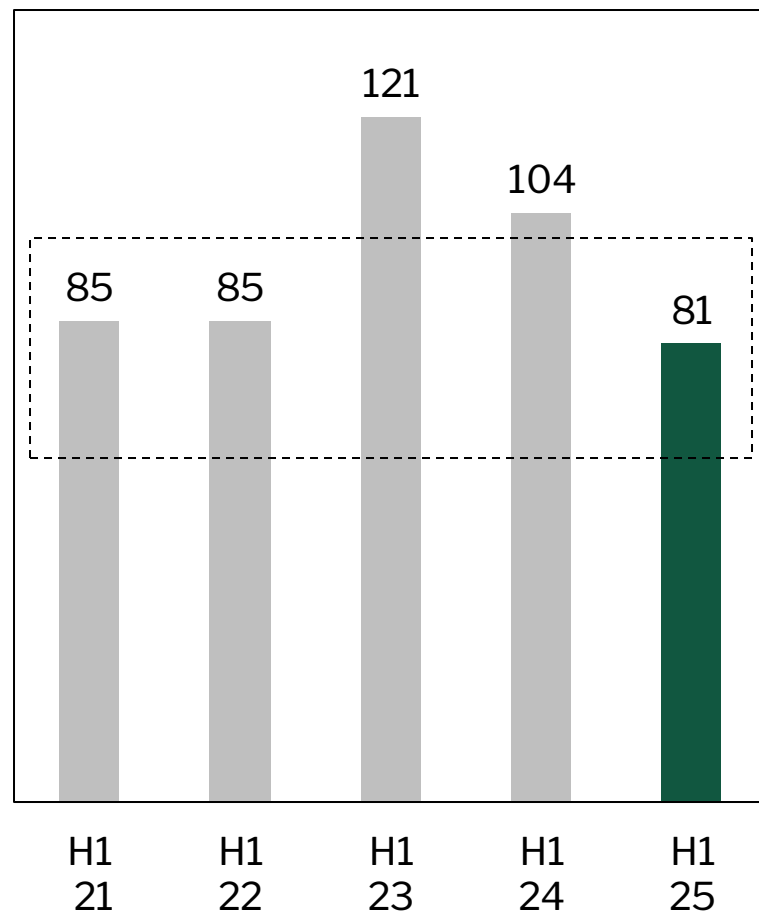




Additional info

## Group CLR down to 81 bps – back within target range

Credit loss ratios (bps)



	H1 25	H1 24	H1 23	H1 22	H1 21	TTC
<b>CIB</b>	<b>(15)</b>	<b>19</b>	<b>16</b>	<b>20</b>	<b>38</b>	<b>15–45</b>
CIB excl CPF	(26)	19	9	26	31	
CPF	(2)	20	26	13	46	
<b>RBB</b>	<b>168</b>	<b>183</b>	<b>226</b>	<b>152</b>	<b>122</b>	<b>120–175</b>
NCB	7	26	75	12	9	50–70
Retail	205	222	266	188	151	130–200
HL	38	73	98	19	4	
VAF	229	238	203	167	114	
PL	1 062	808	1 106	909	835	
Card	523	516	794	629	568	
<b>Wealth</b>	<b>2</b>	<b>17</b>	<b>3</b>	<b>(37)</b>	<b>(13)</b>	<b>20–40</b>
<b>NAR</b>	<b>154</b>	<b>91</b>	<b>113</b>	<b>110</b>	<b>84</b>	<b>85–120</b>
<b>Group</b>	<b>81</b>	<b>104</b>	<b>121</b>	<b>85</b>	<b>85</b>	<b>60–100</b>

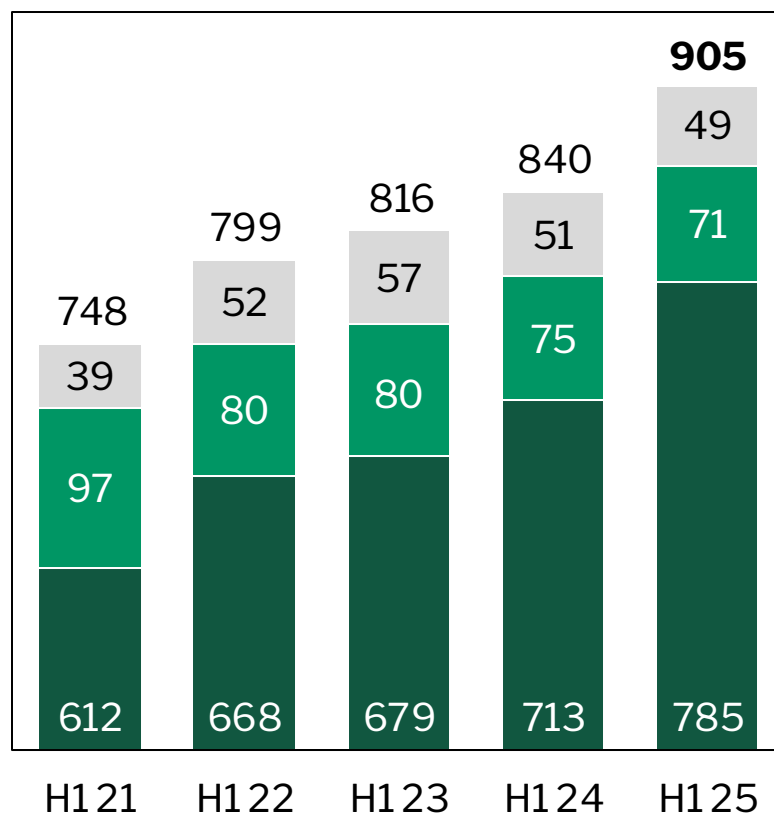




Additional info

# Gross loans & advances and coverage – strong growth in stage 1 loans & reduction in stage 2 and 3 loans

## Gross loans & advances (Rbn)



■ Stage 1 ■ Stage 2 ■ Stage 3

## Coverage (%)<sup>1</sup>

3.67	3.51	3.20
34.5	38.2	39.5

7.3	6.8	6.8
-----	-----	-----

Performing coverage (stage 1 & 2)

1.26	1.25	1.11
------	------	------

0.63	0.67	0.61
------	------	------

H1 23 H1 24 H1 25

## Key drivers

- **Stage 1 loans**
  - Front-book growth & loan migrations from stage 2 & 3
- **Stage 2 loans**
  - Benefit of stage migrations
- **Stage 3 loans**
  - CIB stage 3 loans down by R2bn
  - RBB stage 3 loans remained flat
  - Stage 3 coverage impacted by mix change, reflecting our highly collateralised book
- **Total overlays increased to R879m** (Dec 2024: R806m), including overlays for the potential impact of 30% US tariffs on SA

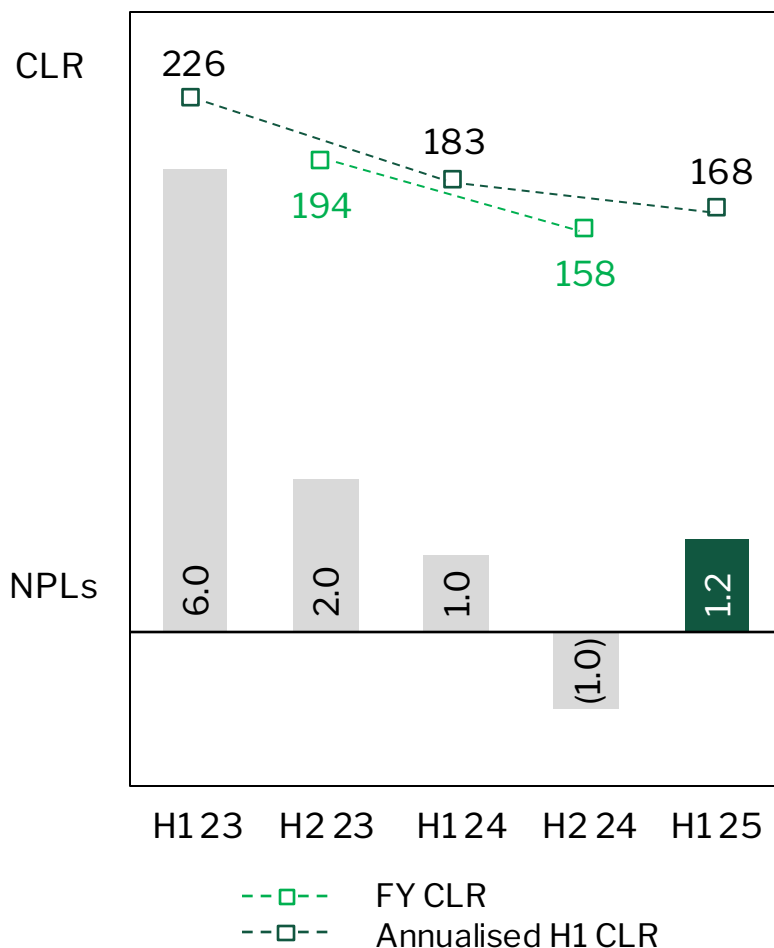
<sup>1</sup> Total balance sheet ECL includes FVOCI & off-balance-sheet ECL, while ECL coverage excludes FVOCI & off-balance-sheet ECL.



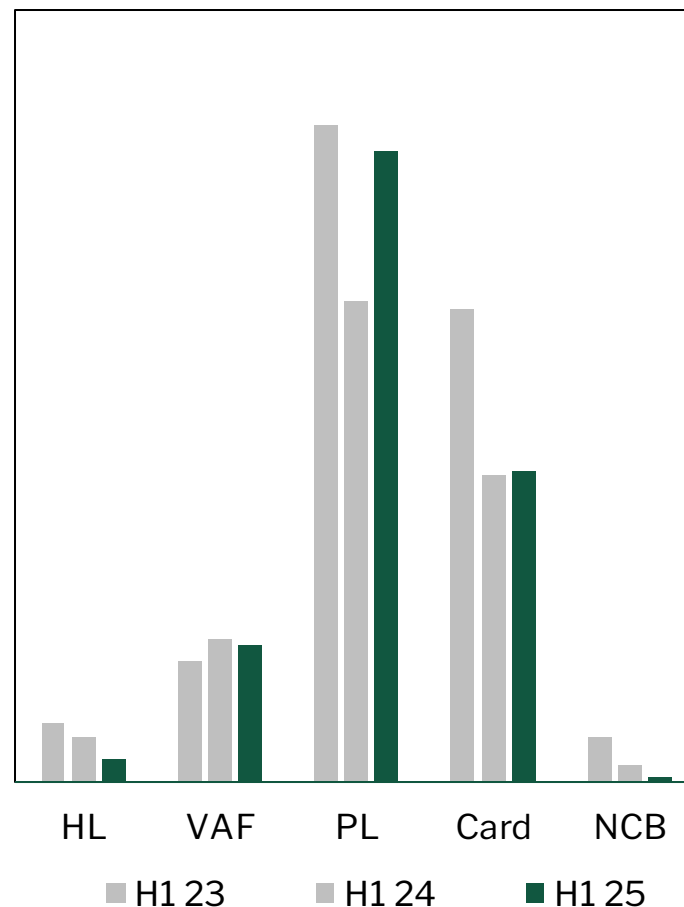
Additional info

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

**RBB stage 3 loans** (hoh change, Rbn)  
**RBB CLR** (bps)



**Business & product level CLR**  
(%)



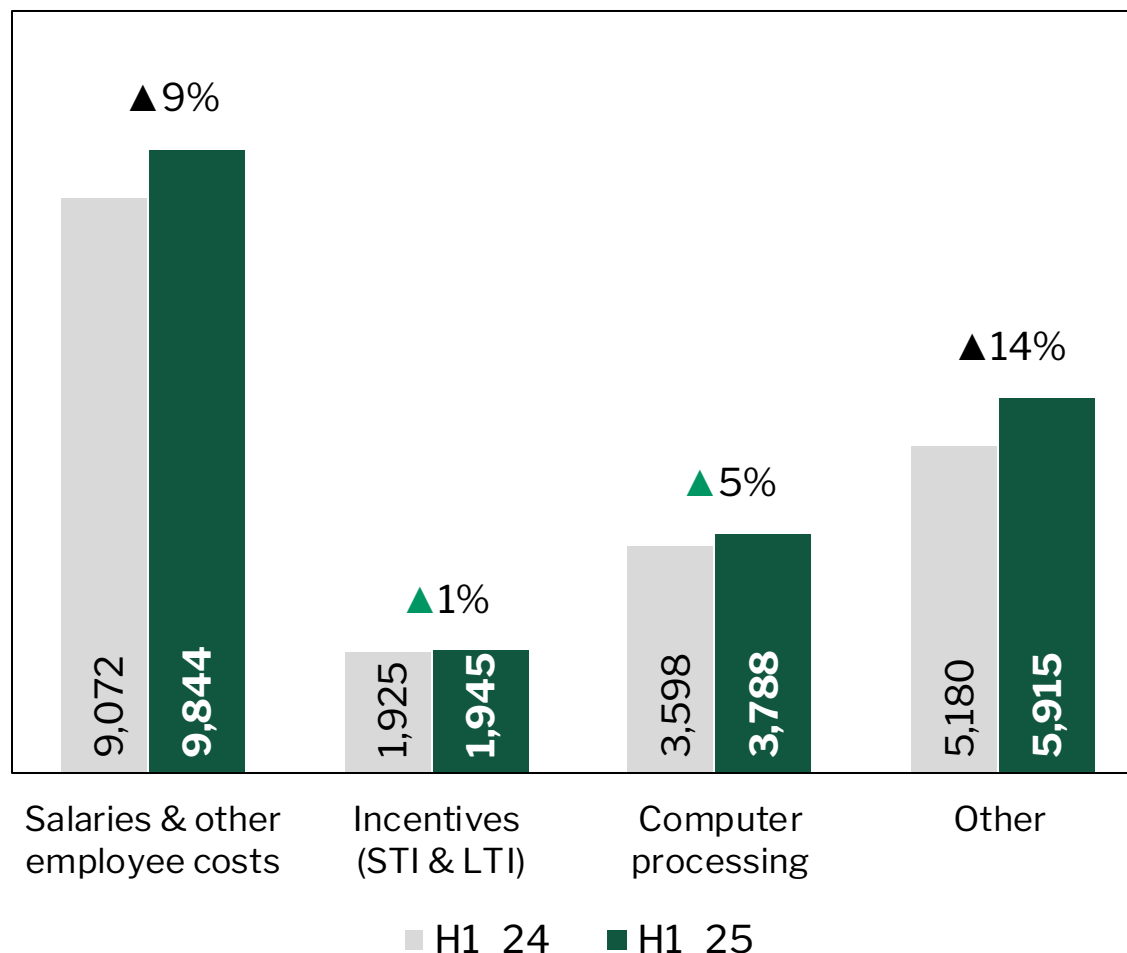
## Key drivers

- **Home loans** – stage 3 inflows continue to reduce; total stage 3 remains elevated due to long work-out periods
- **Vehicle finance** – reduced strain from taxi exposures (small book), however slightly elevated charge vs long-term average
- **Personal loans** – lower cure & recovery rates on stage 3 loans; enhanced collection efforts in 2025
- **Card issuing** – cautious growth & reduced stage 3 inflows
- **Commercial banking** – client cures & lower stage 3 inflows

## Expenses up by 9% – good underlying expense management



### Expenses (Rm)



Excluding Eqstra, expense growth was +6%.

### Key drivers

#### ■ Employee-related costs

- Salaries & wages: annual average salary increase (+6%); additional costs to retain talent & scarce skills
- Variable-pay incentives aligned with profitability metrics & vesting probabilities

#### ■ Computer processing – well managed, driven by ongoing IT investment & digital volumes & lower amortisation of intangible assets

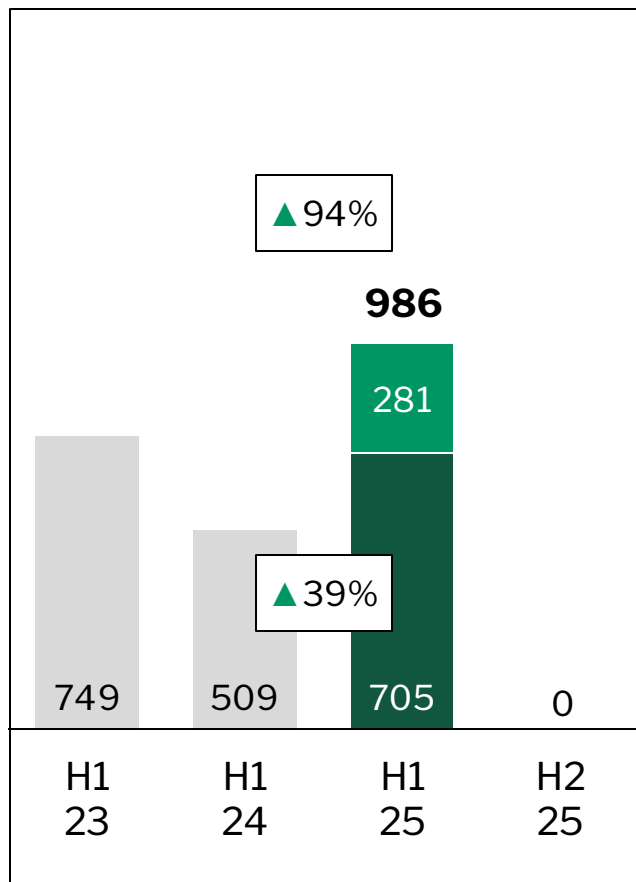
#### ■ Other

- Communication & travel +43% (mostly Eqstra)
- Fees & insurances +12%
- Marketing +1%
- Accommodation –3%

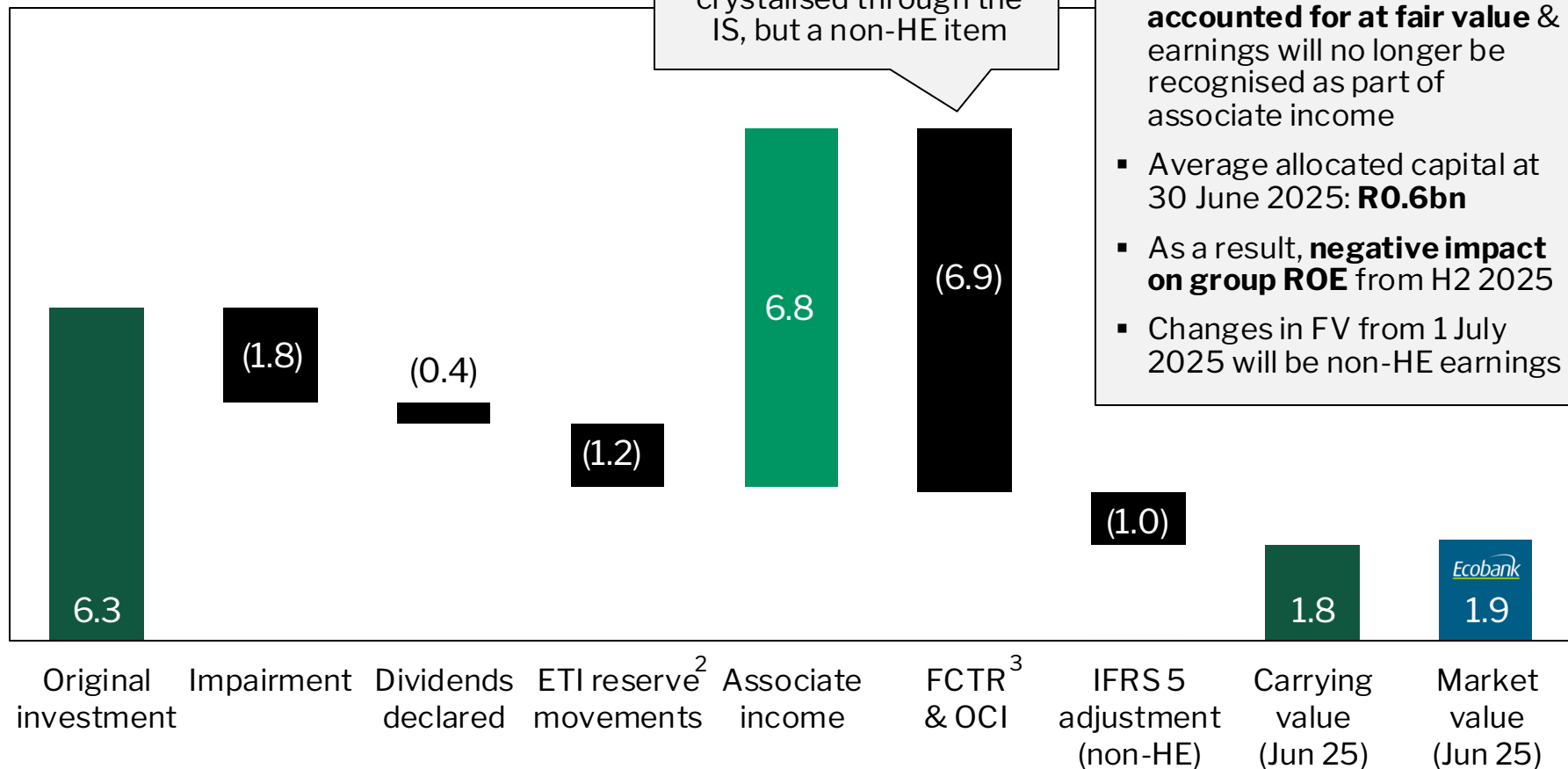


# ETI associate investment – from associate income to fair value through profit & loss until a sale is concluded

## Associate income<sup>1</sup> (Rm)



## ETI carrying value vs market value (Rbn)



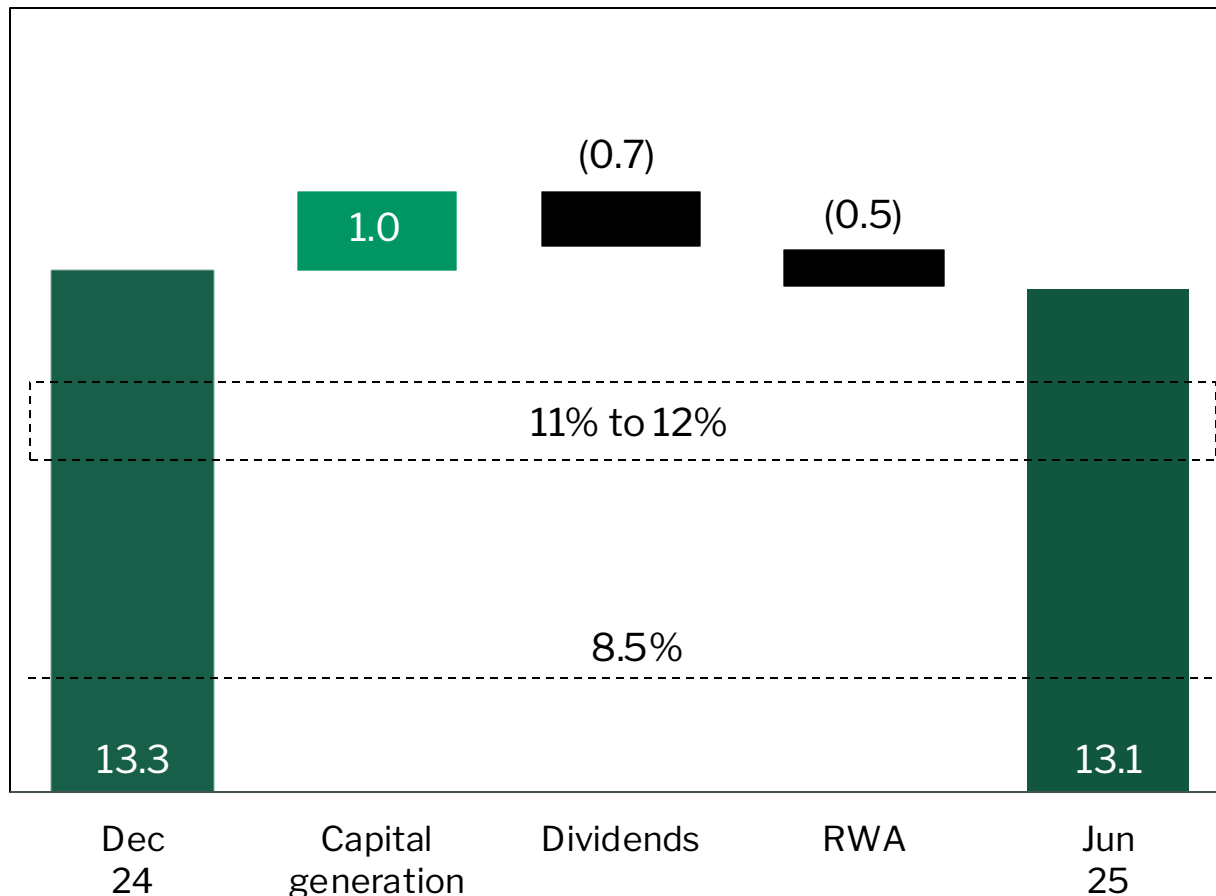
<sup>1</sup>Associate income for H1 2025 includes a R281m IFRS 5 adjustment for quarter-in arrear catch-up. | <sup>2</sup> ETI IFRS 9 reserves movements on transition & non- headline earning gains/losses. | <sup>3</sup> Unrealised FCTR losses of R8.3bn & share of OCI gains (R1.4bn).



# Capital – CET1 ratio at 13.1%, well above target range, positioning us well to unlock growth opportunities while being good stewards of capital



CET1 ratio (%)



## Active capital management

- **Maintain CET1 ratio above our 11–12% target range** – considered appropriate in a difficult & volatile environment
- **Retain capital for growth** – infrastructure opportunities & targeted lending
- **Complementary bolt-on M&A**, should they arise (eg, Eqstra)
- **Pay dividends at top end of payout ratio** (57%), subject to board approval
- **Approved further buyback of shares\*** at appropriate share price levels
- **Basel 3 PCN countercyclical buffer of 1%** effective from 2026

\*Shareholder, board & regulatory approvals in place.

# Regulatory changes – Deposit insurance, Basel 3 reforms, countercyclical capital buffer & financial loss absorbing capital



Additional info

	Effective date	Nedbank impact	Additional info
<b>Deposit insurance (DIS)</b>	Implemented on 1 April 2024	The <b>annual cost of CODI</b> for Nedbank is around <b>R240m</b> for covered deposit balances of over R100bn.	
<b>Basel 3 reforms</b>	Promulgated on 26 June 2025, establishing the legal structure for a 1 July 2025 go-live	<p>Key underlying reforms:</p> <ul style="list-style-type: none"> <li>▪ Amending the <b>regulations related to banks</b></li> <li>▪ <b>Credit risk</b> (revisions to the standardised &amp; internal ratings-based approaches)</li> <li>▪ <b>Operational risk</b> (new standardised approach)</li> <li>▪ <b>Leverage ratio exposure measure</b> (refinements to the definition)</li> <li>▪ <b>Revised output floors</b> (limiting the regulatory capital benefits that a bank, using internal models, can derive relative to the standardised approaches)</li> </ul> <p>Although the phase-in of output floors is expected to reduce Nedbank's CET1 ratio through to 2028, assuming all other factors remain constant, our business plans indicate that <b>the forecast CET1 ratio will remain comfortably above the PA minimum requirements &amp; aligned with board targets.</b></p>	
<b>Countercyclical capital buffer (CcyB)</b>	Comes into effect on 1 January 2026	Implementation of a positive cycle-neutral (PCN) CcyB is set at 1% of risk-weighted exposures, resulting in an <b>increase in regulatory minimum capital requirements</b> & consequently a reduction in the group's surplus capital position.	
<b>Financial loss absorbing capital (Flac)</b>	Comes into effect on 1 January 2026	<ul style="list-style-type: none"> <li>▪ <b>Issuance of a new tranche of loss-absorbing, non-regulatory, bail-inable debt instruments</b> that will enable the Resolution Authority to execute statutory bail-in during a resolution scenario to recapitalise a failing institution.</li> <li>▪ The base Minimum Flac Requirement (bMFR) will be <b>phased in over 6 years</b>, with 100% required by 31 December 2031.</li> </ul> <p><b>Flac instruments will replace maturing senior unsecured debt instruments</b> over the phase-in period.</p>	



## Cluster financial performance

**R3.8bn**

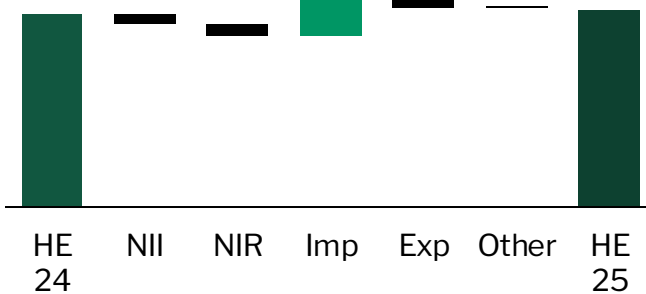
▲3%  
headline  
earnings

**20.9%**

ROE  
(H1 24: 20.8%)

### Corporate & Investment Banking

▼4% ▼5% ▼>100% ▲3%



**R2.7bn**

▲1%  
headline  
earnings

**13.8%**

ROE  
(H1 24: 14.6%)

**168 bps**

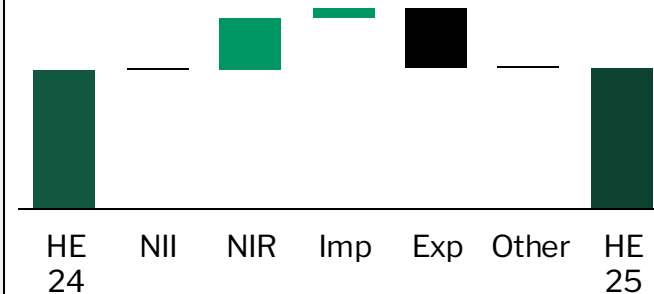
credit  
loss ratio  
(H1 24: 183 bps)

**62.5%**

cost-to-  
income ratio  
(H1 24: 59.7%)

### Retail & Business Banking

▼0% ▲14% ▼4% ▲10%



**R0.6bn**

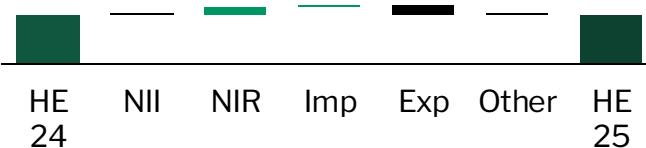
►0%  
headline  
earnings

**23.8%**

ROE  
(H1 24: 24.8%)

### Nedbank Wealth

▲1% ▲6% ▼88% ▲7%



**R1.2bn**

▲63%  
headline  
earnings

**28.6%**

ROE  
H1 24: 18.2%)

**154 bps**

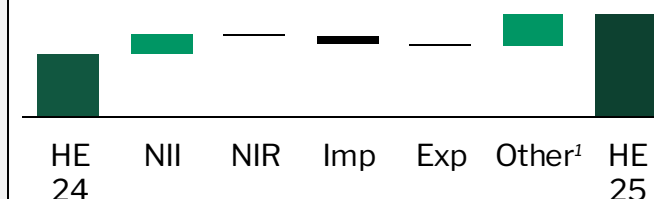
credit  
loss ratio  
(H1 24: 91 bps)

**49.9%**

cost-to-  
income ratio  
(H1 24: 62.0%)

### Nedbank Africa Regions

▲20% ▼4% ▲77% ▲2%

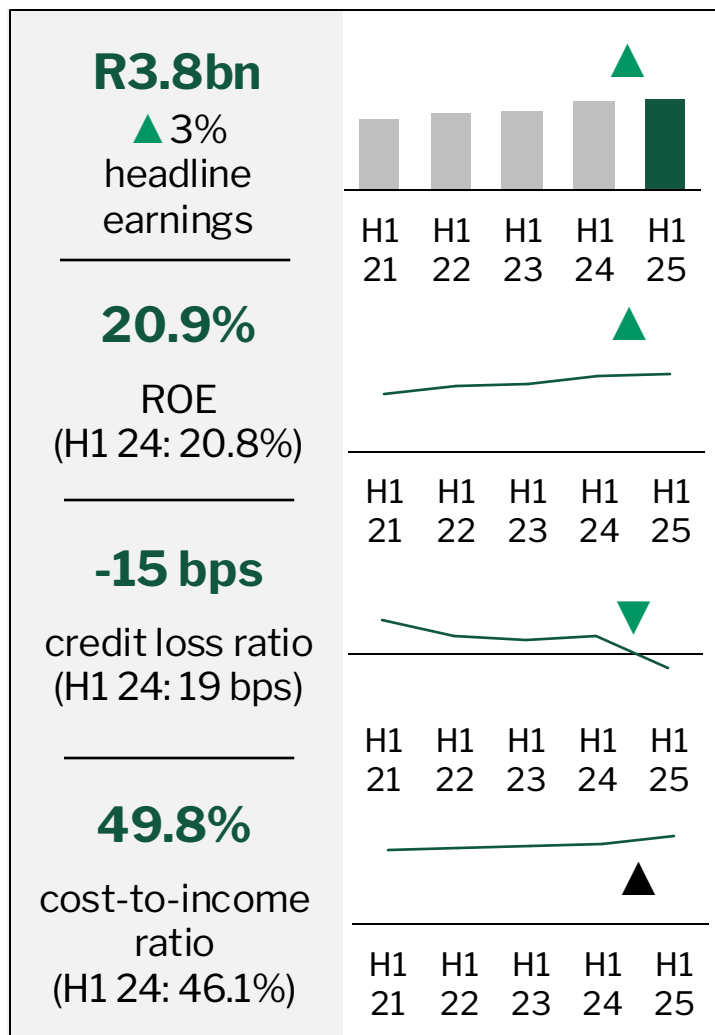


<sup>1</sup> Including associate income from ETI.



Additional info

## CIB financial performance – ROE improved to 20.9%, supported by lower impairments & disciplined capital management, despite margin & revenue pressure



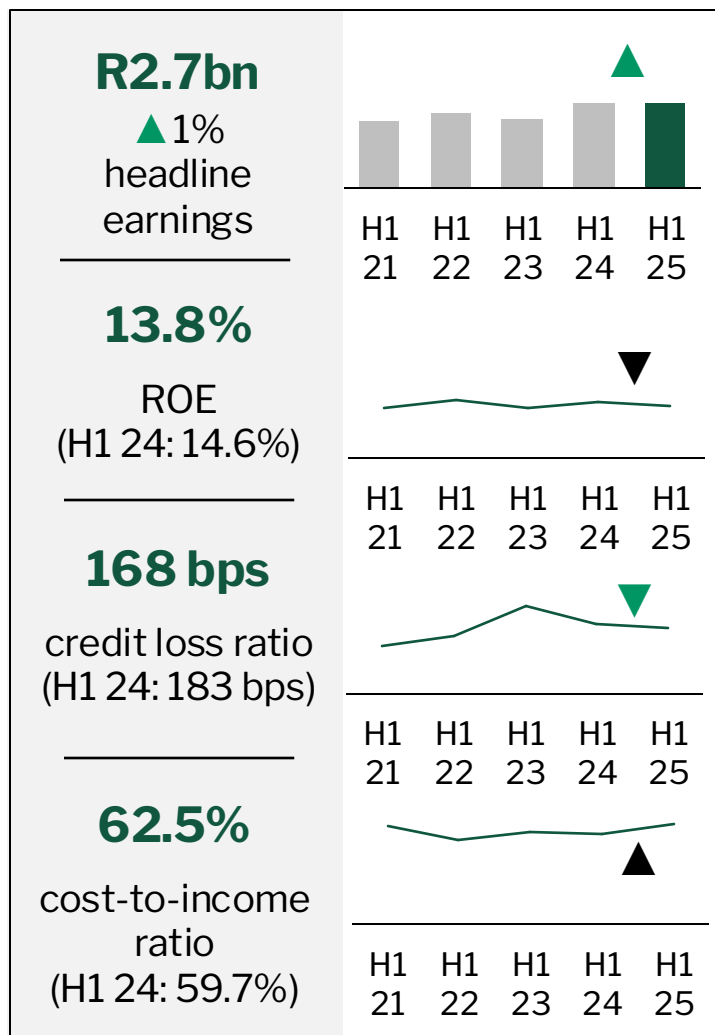
- **NII down by 4%**
  - Strong balance sheet growth with client lending +10% & deposits +15%
  - Margin compression (-29 bps) from lower interest rates, competitive pricing & shift to lower-risk sectors
- **NIR down by 5%**
  - Commission & fee income down by 7% after strong growth in prior period (+13%)
  - Markets NIR down by 2%; trading income up by 5%
  - Equity investment income up by 18%; including associates up by 22%
- **CLR improved to -15 bps**
  - Below TTC range of 15–45 bps, reflecting resolution of exposures
  - Commercial property CLR improved to -2 bps
- **Expense well managed at +3%**





Additional info

## RBB financial performance – HE increased on the back of strong transactional NIR growth from main-banked clients & improved impairments, offset by lower endowment

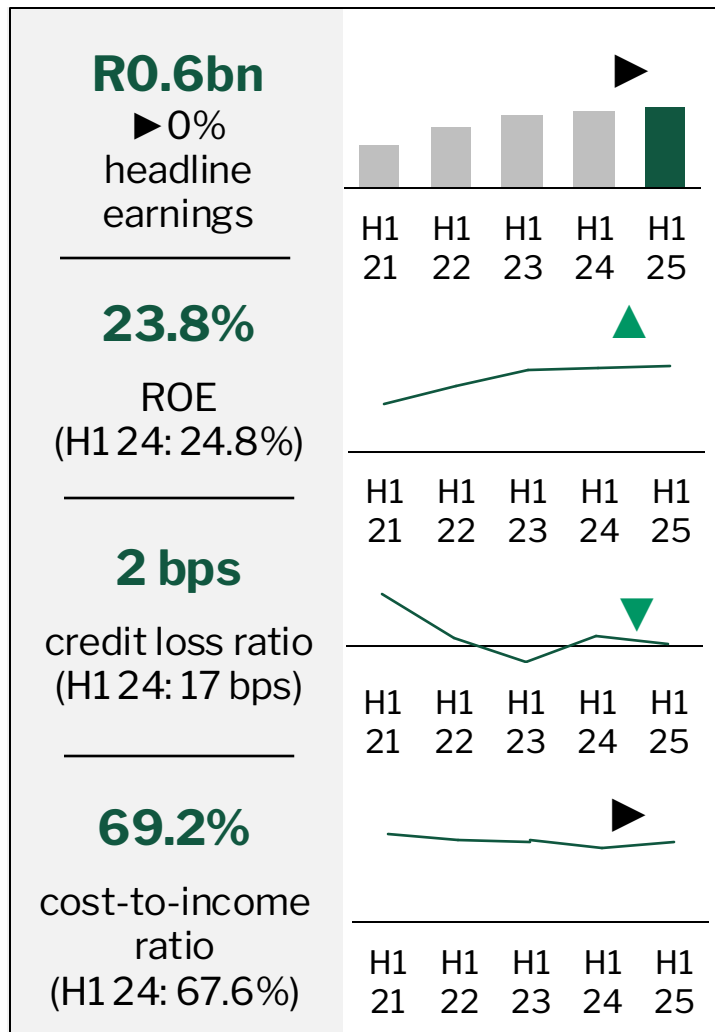


- **NII remained flat**
  - Average advances growth of +5%, underpinned by double-digit growth in payouts
  - NIM impacted by lower endowment income & lower liability margins, offset by the positive impact of suspended interest
- **NIR up by 14%** (excluding Eqstra +4%)
  - Consumer Transactional NIR up by 10% on the back of 6% growth in main-banked clients; higher VAS value (+45%) & higher maintenance fees (+9%), offset by lower cash volumes & higher card processing costs
- **Impairments decreased by 4%**
  - CLR improved to 168 bps due to improved origination & collection strategies, amid an improving macroeconomic environment. CLR is back within the TTC upper limit of 175 bps
- **Expense growth of 10%** (excluding Eqstra +5%)
  - Ongoing cost optimisation & digitisation benefits



Additional info

## Wealth financial performance – HE held steady, with higher NIR offset by impact of reduced interest rates

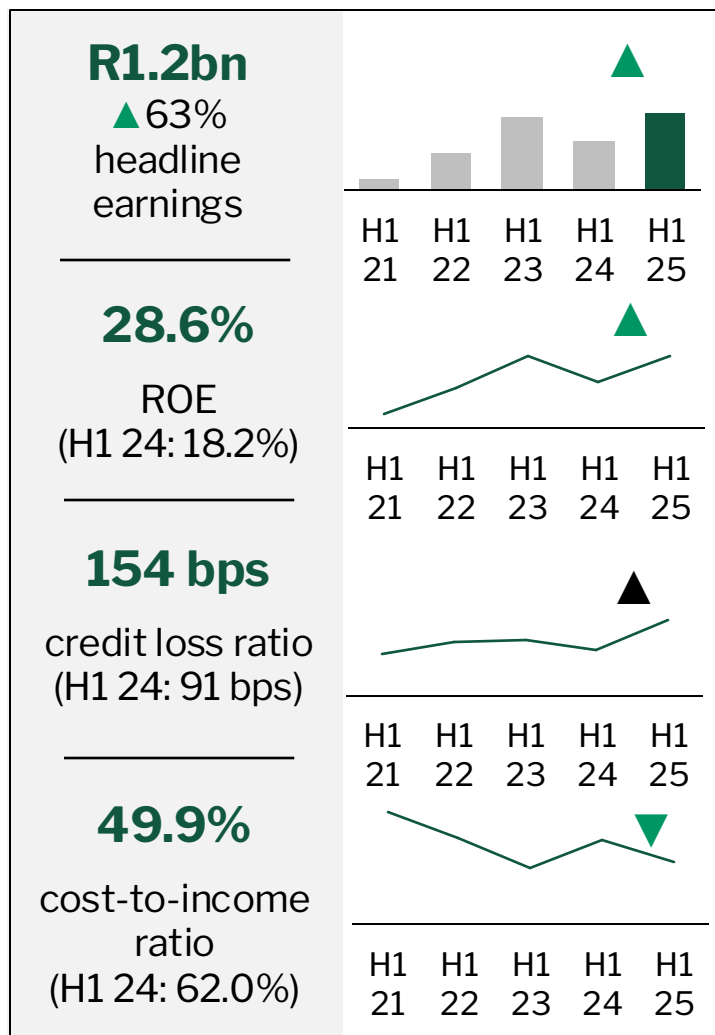


- **NII up by 1%**
  - Strong growth in local deposit balances, offset by lower interest rate margins & NII from the international business
  - NIM expansion driven by higher loans & advances across wealth management businesses
- **NIR up by 6%**
  - Improved non-life claims experience & growth in premiums & policies in the MyCover suite
  - Good growth in AUM balances & higher equity brokerage, advice & estate fees
  - Offset by sizeable positive actuarial basis changes in the prior year
- **Impairments down by 88%**
  - Credit model enhancements & higher stage 1 asset quality in NPW (SA)
- **Expense growth of 7%**
  - Investment in people, product & service enhancements, as well as data & digital initiatives



Additional info

# NAR financial performance – HE driven largely by income from the reclassification of ETI; ROE maintained above COE

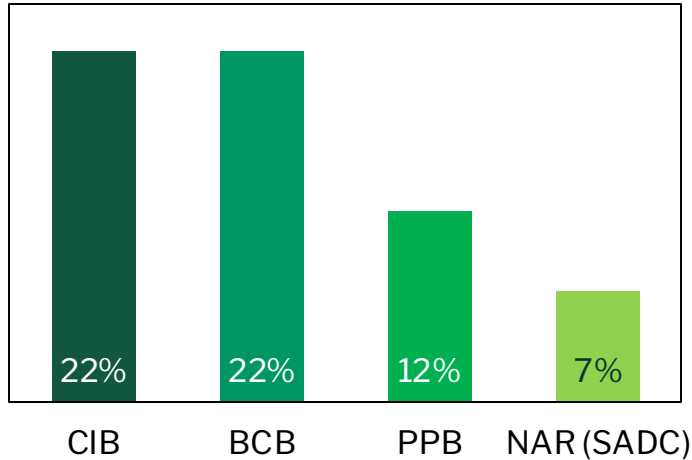


- **SADC operations** – HE of R257m, down by 5%, & ROE of 6.7%
  - NII up by 15%, driven by improved margins & 11% growth in average loans & advances
  - NIR down by 4%, primarily due to regulatory directives on fees (up by 10%, excluding Zimbabwe)
  - Impairments up by 77% & CLR above the TTC target range at 154 bps, driven by a sovereign debt downgrade in Mozambique, write-offs on the Namibia retail HL portfolio, as well as adequacy updates in Eswatini
- **ETI associate investment** – HE of R926m, up by 104%
  - Associate income up by 94% to R986m, including a R281m IFRS 5 adjustment, up by 39% when excluding ETI's Q2 2025 attributable earnings

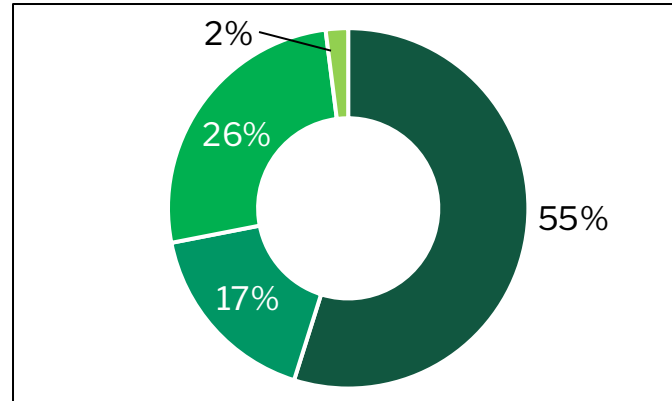


## Pro-forma cluster view – post the organisational restructure & excluding ETI

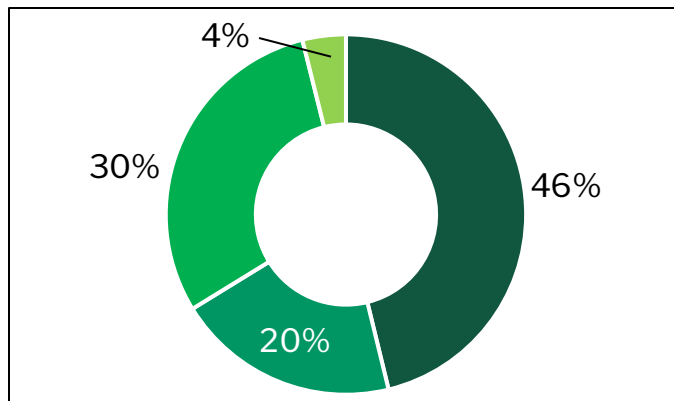
### Return on equity (%)



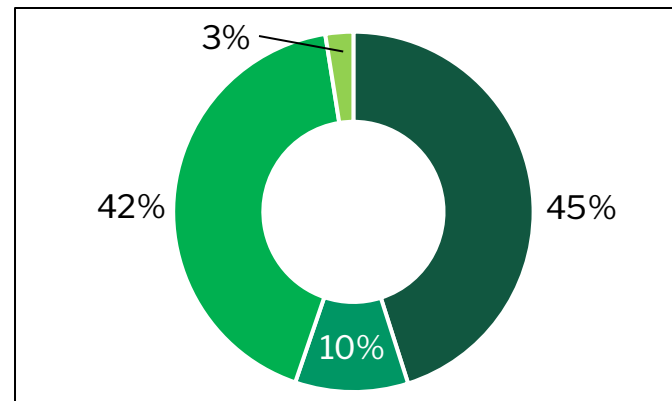
### Headline earnings (contribution, %)



### Banking deposits (contribution, %)



### Banking advances (contribution, %)



### Cluster composition

- **CIB** – existing businesses & Asset Management (Nedgroup Investments) from Nedbank Wealth
- **BCB** – Nedbank Commercial Banking (including Eqstra), ~20% of RBB's Retail Relationship Banking (SME clients), plus Commercial Card Issuing & Acquiring
- **PPB** – RBB Consumer Banking, ~80% of RBB's Retail Relationship Banking (individuals) + the Insurance & Wealth Management businesses from Nedbank Wealth & Consumer Card issuing
- **NAR** – SADC operations, ETI excluded

Assumptions around internal transfer pricing & business unit splits were made, which will be refined in H2

*Note: Contributions exclude the Centre. Graphs proforma at H1 2025.*





# Outlook

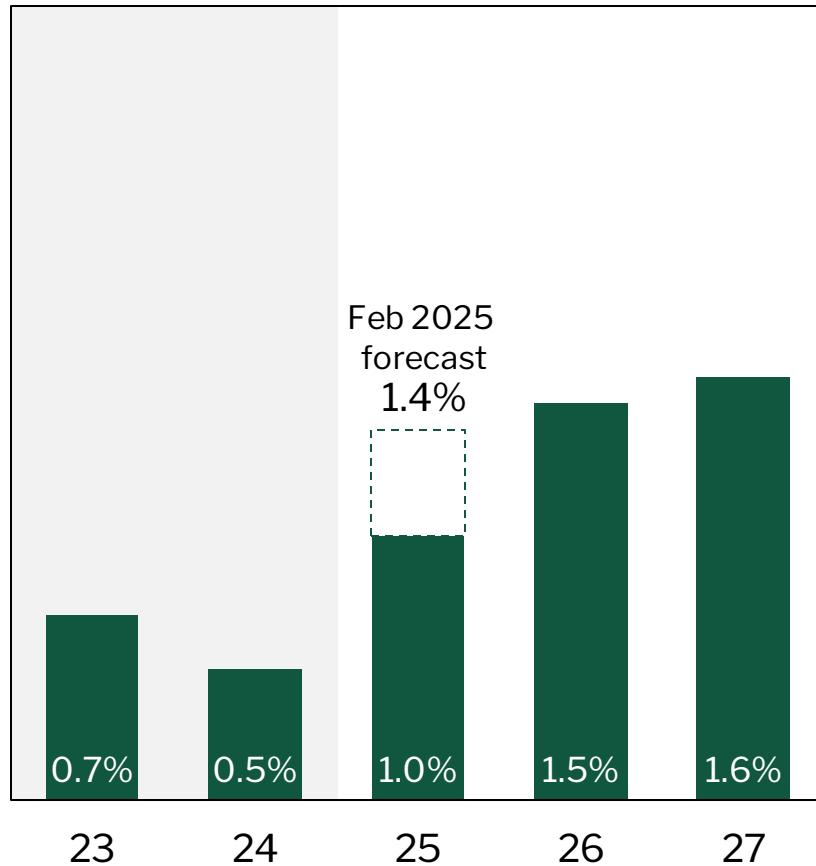
## Jason Quinn

Chief Executive

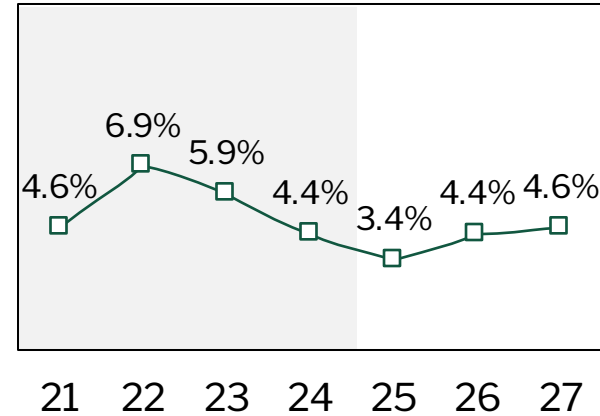


## Operating environment – key macroeconomic forecasts

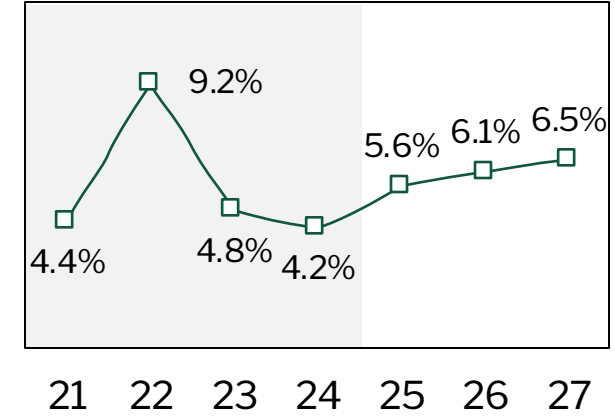
**SA GDP growth (%)**



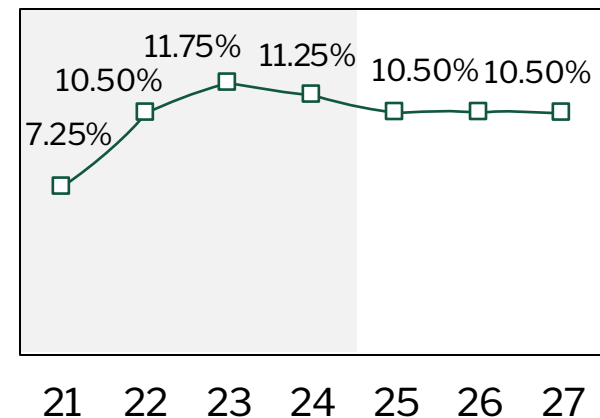
**Inflation (average, %)**



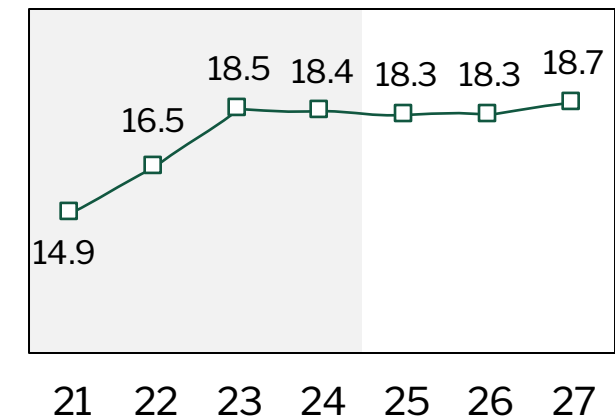
**Total overall credit growth (YE, %)**



**Prime interest rate (YE, %)**



**Rand/US\$ (average)**

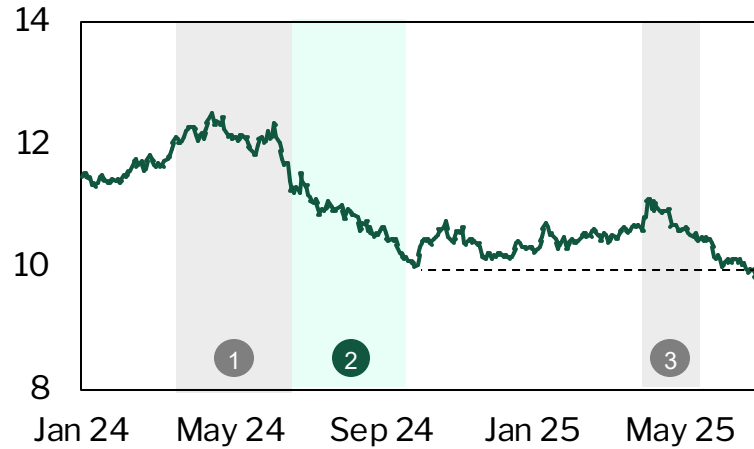


Source: Nedbank Group Economic Unit.

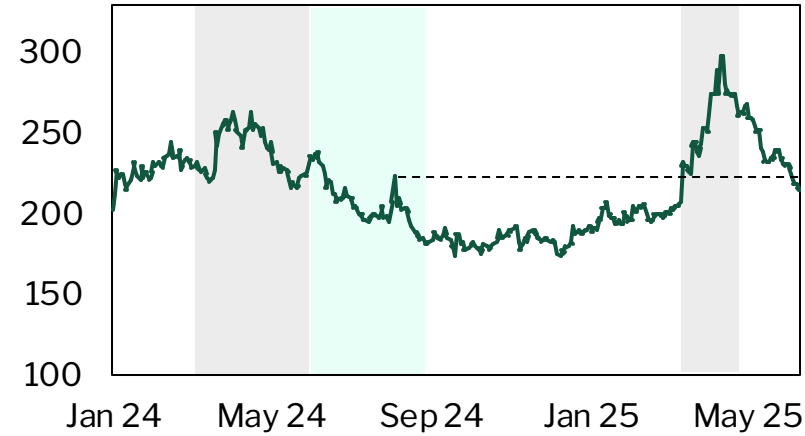


## Operating environment – financial markets still reflect cautious optimism

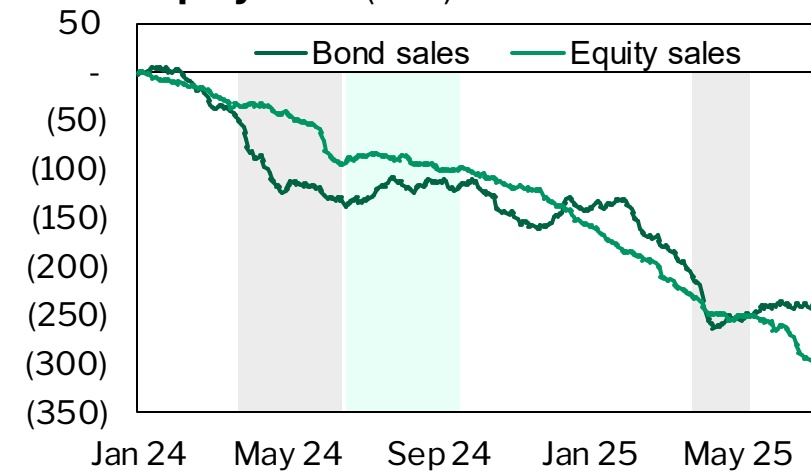
**SA government bond yields (%)**



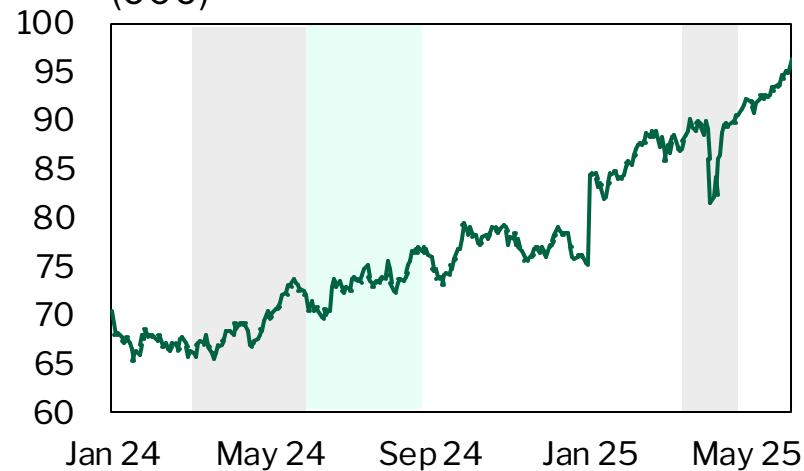
**SA CDS spreads (bps)**



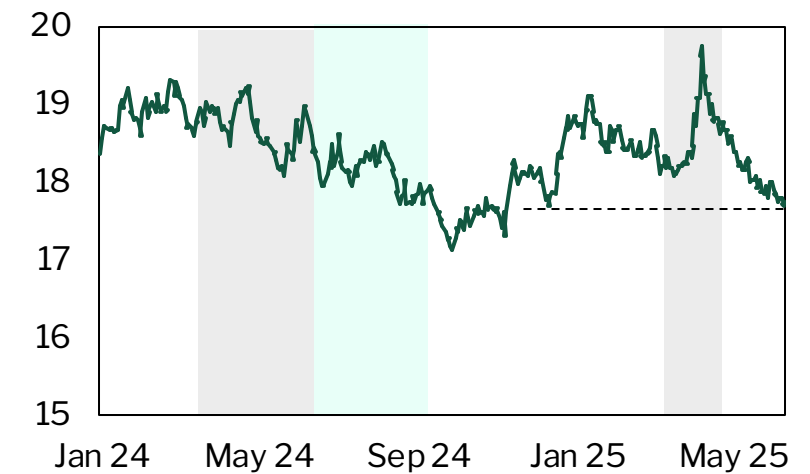
**Cumulative SA foreign bond & equity sales (Rbn)**



**JSE Top 40 Index (000)**



**Rand vs US\$**



- 1 Pre-SA election concerns
- 2 Peaceful elections & formation of GNU
- 3 US tariff concerns & SA budget delays



## Short-term guidance (2025) – operating environment negatively impacting revenue growth & change in our strategy regarding ETI

	H1 2025 performance	2025 guidance <sup>1</sup> (March 2025)	Updated 2025 guidance <sup>1</sup> (August 2025)
<b>NII growth</b>	+2%	<b>Around mid-single digits</b>	<b>Low-to-mid single digits</b>
<b>CLR</b>	81 bps	<b>Around the midpoint</b> of the group's TTC target range (60 bps to 100 bps)	<b>Slightly below the midpoint</b> of the group's TTC target range (60 bps to 100 bps)
<b>NIR growth</b>	+6%	<b>Upper single digits</b>	<b>Mid-single digits</b>
<b>Expense growth</b>	+9%	<b>Mid-to-upper single digits</b>	<b>Above mid-single digits</b>
<b>ETI associate income</b>	R986m	<b>Positive growth</b>	<b>No ETI-related associate income in H2 2025 &amp; beyond</b>
<b>CET1 ratio</b>	13.1%	<b>Above TTC target range</b> (11% to 12%)	<b>Above TTC target range</b> (11% to 12%)
<b>Dividend per share</b>	57% payout	<b>Top end of payout ratio</b>	<b>Top end of payout ratio</b>

<sup>1</sup> 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.





# Financial targets – revised 2025 guidance given impacts of a more-difficult-than-expected operating environment & change in our strategy regarding ETI

	DHEPS growth <sup>1</sup>	ROE <sup>1</sup>	Cost-to-income ratio <sup>1</sup>
<b>2025<sup>1</sup></b>  <div>Updated</div>	<b>&gt; Mid-single digits</b> (for FY 2025)  <b>Low-single digits</b> (for FY 2025)	<b>&gt; 16%</b>  <b>15%</b>	<b>Increase yoy</b>  <b>Increase yoy</b>
<b>Medium term<sup>1</sup></b>	<b>&gt; CPI + GDP + 3%</b> (CAGR)	<b>17%</b>	<b>54%</b>
	<ul style="list-style-type: none"> <li>○ A <b>sale of ETI</b> will reduce the group's ROE by ~1% on an annualised basis.</li> <li>○ <b>Focus on unlocking opportunities</b> that will progress us to an ROE of 17% in the MT, including:                             <ul style="list-style-type: none"> <li>▪ the <b>organisational restructure</b></li> <li>▪ various <b>growth vectors</b> such as insurance growth &amp; cross-sell &amp; portfolio diversification</li> <li>▪ <b>M&amp;A and capital optimisation</b></li> </ul> </li> </ul>		
<b>Long term<sup>1</sup></b> (5+ years)	<b>&gt; CPI + GDP + 3%</b> (CAGR through the cycle)	<b>&gt; 18%</b>	<b>&lt; 50%</b>

<sup>1</sup> 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.



## Conclusion – focused execution in the short term, while pivoting for the future

### Focused execution

#### Deliver on our perform agenda

- Manage through a volatile, uncertain & difficult operating environment
- Execute robust lending pipelines & green shoots in key market share categories, payments, insurance etc.
- Focus on financial & strategic outcomes that create value

#### Maintain strong balance sheet

- Maintain strong risk management practices and sound capital & coverage levels
- Remain good stewards of capital & active capital management

### Pivot for the future

#### Strategic reorganisation

- Finalise cluster KPIs & targets
- Extract value through faster revenue growth & productivity enhancements

#### Transform agenda

- Execute our growth initiatives (portfolio diversification, grow & enhance insurance cross-sell, leverage our IT investments etc)
- Seek selective bolt-on M&A opportunities to drive scale & diversification, incl SA retail, SADC & East Africa

#### ETI investment

- Finalise & execute the sale of our ETI investment & redeploy capital into the transform agenda

**Deliver  
on our  
medium &  
long term  
targets**





Thank you





## 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.

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