



**NEDBANK**

**BE THE  
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OUR WORLD.**

**UNAUDITED CONDENSED CONSOLIDATED INTERIM  
FINANCIAL RESULTS**

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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# UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

## OVERVIEW

Nedbank Limited (Nedbank) is a wholly owned subsidiary of Nedbank Group Limited (Nedbank Group), which is listed on JSE Limited. These condensed consolidated financial results are published on the Securities Exchange News Service (SENS) to provide information to holders of Nedbank's listed non-redeemable, non-cumulative, non-participating preference shares.

Commentary relating to the Nedbank condensed consolidated financial results is included in the Nedbank Group results, as presented to shareholders on 11 August 2021. Further information is provided at [nedbank.co.za](http://nedbank.co.za).

## BOARD AND LEADERSHIP CHANGES DURING THE PERIOD

Iain Williamson stepped down as a non-executive director of Nedbank Limited and Nedbank Group Limited with effect from the close of the companies' AGMs on 26 May and 28 May 2021 respectively. Iain's appointment was in terms of the relationship agreement previously concluded between Old Mutual Limited (OML) and Nedbank Group, which provided for OML to nominate one director to the boards of Nedbank Group and Nedbank Limited for as long as OML's shareholding was equal to or greater than 15% in Nedbank Group. Following the announcement by OML on 23 June 2021 that it would exit the majority of its shareholding in Nedbank Group through an unbundling (12,2%) to OML shareholders, subject to the requisite regulatory approvals, this provision will no longer apply post the unbundling.

As disclosed in the SENS released on 22 January 2021, Vassi Naidoo was granted medical leave of absence and in line with our board continuity programme, Mpho Makwana stepped in seamlessly as Acting Chairperson. Vassi was making good progress in his recovery and had started attending board meetings in June, but in July his recovery suffered an unexpected setback necessitating an extension of his medical leave of absence. The Board continues to review this situation and Mpho Makwana remains as Acting Chairperson.

## BASIS OF PREPARATION#

Nedbank Limited is a company domiciled in SA. The unaudited condensed consolidated interim financial results of the group at and for the six months ended 30 June 2021 comprise the company and its subsidiaries (the group) and the group's interests in associates and joint arrangements.

The condensed consolidated interim financial statements comprise the condensed consolidated statement of financial position at 30 June 2021, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cashflows for the six months ended 30 June 2021 and selected explanatory notes, which are indicated by the symbol #. The condensed consolidated interim financial statements have been prepared under the supervision of Mike Davis BCom (Hons), DipAcc, CA(SA), AMP (Insead), the Chief Financial Officer (CFO).

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the provisions of the Companies Act, 71 of 2008, of SA as required in terms of the JSE Listings Requirements. The accounting policies applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those used for the previous annual financial statements.

## EVENTS AFTER THE REPORTING PERIOD#

The civil unrest in parts of Gauteng and Kwazulu-Natal that occurred in early July is not expected to have a material impact on the group as all damages to Nedbank premises and equipment are fully recoverable under Sasria (government's unrest insurance cover) with zero excess, while cash losses are estimated at R32m. The impact on client transactional behaviour is currently not expected to be material based on initial high-frequency data, however the unrest will have a negative impact on confidence and therefore future expected GDP growth.

## 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 financial information on which all forward-looking statements is based has not been reviewed or reported on by the group's joint auditors.

## NEDBANK NON-REDEEMABLE, NON-CUMULATIVE, NON-PARTICIPATING PREFERENCE SHARES – DECLARATION OF DIVIDEND NO 37

Notice is hereby given that gross preference dividend no 37 of 28,92693 cents per share has been declared for the period from 1 January 2021 to 30 June 2021, payable on 6 September 2021, to shareholders of the Nedbank non-redeemable, non-cumulative, non-participating preference shares recognised in the accounting records of the company at the close of business on 3 September 2021. The dividend has been declared out of income reserves.

The dividend will be subject to a dividend withholding tax rate of 20% (applicable in SA), resulting in a net dividend of 23,14154 cents per share to those shareholders who are not exempt from paying dividend tax. Nedbank's tax reference number is 9250/083/71/5 and the number of preference shares in issue at the date of declaration is 358 277 491.

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

Last day to trade (cum dividend)	Tuesday, 31 August 2021
Shares commence trading (ex dividend)	Wednesday, 1 September 2021
Record date (date shareholders recorded in books)	Friday, 3 September 2021
Payment date	Monday, 6 September 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 1 September 2021 and Friday, 3 September 2021, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. The acceptance/collection of cheques has ceased, effective from 31 December 2020. In the absence of specific mandates, the dividend will be withheld until such time that shareholders provide their banking information. Shareholders who have dematerialised their share certificates will have their accounts at their participant or broker credited on Monday, 6 September 2021.

For and on behalf of the board

<b>Mpho Makwana</b> Acting Chairperson	<b>Mike Brown</b> Chief Executive
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11 August 2021

## REGISTERED OFFICE

Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196. PO Box 1144, Johannesburg, 2000, SA.

## TRANSFER SECRETARIES

JSE Investor Services (Pty) Limited, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 SA. PO Box 4844, Marshalltown, 2000, SA.

## DIRECTORS

V Naidoo (Chairperson), PM Makwana\* (Acting Chairperson), MWT Brown\*\* (Chief Executive), HR Brody, BA Dames, MH Davis\*\* (Chief Financial Officer), NP Dongwana, EM Kruger, RAG Leith, L Makalima, Prof T Marwala, Dr MA Matookane, MC Nkuhlu\*\* (Chief Operating Officer), S Subramoney.

\*Lead Independent Director \*\*Executive

<b>Group Company Secretary</b>	J Katzin Investec Bank LimitedNedbank Corporate and Investment Banking, a division of Nedbank Limited Reg No 1951/000009/06 Incorporated in the Republic of South Africa
<b>Sponsors</b>	
<b>Nedbank Limited</b>	
<b>JSE share code</b>	NBKP
<b>ISIN</b>	ZAE000043667
<b>JSE alpha code</b>	BINBK

# UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

Prepared under the supervision of the Nedbank Group CFO, Mike Davis BCom (Hons), DipAcc, CA(SA), AMP (Insead).  
Nedbank Limited Reg No 1951/00009/06.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended

	Yoy % change	30 June 2021 (Unaudited) Rm	30 June 2020 (Unaudited) Rm	31 December 2020 (Audited) Rm
Interest and similar income	(17)	30 652	37 086	68 654
Interest expense and similar charges	(32)	15 969	23 407	41 146
<b>Net interest income</b>	<b>7</b>	<b>14 683</b>	13 679	27 508
Impairments charge on financial instruments	(59)	3 047	7 382	12 425
<b>Income from lending activities</b>	<b>85</b>	<b>11 636</b>	6 297	15 083
Non-interest revenue	(8)	8 913	9 682	19 026
<b>Operating income</b>	<b>29</b>	<b>20 549</b>	15 979	34 109
Total operating expenses	6	14 243	13 412	27 705
Indirect taxation	(13)	458	529	1 017
<b>Profit from operations before non-trading and capital items</b>	<b>&gt;100</b>	<b>5 848</b>	2 038	5 387
Non-trading and capital items	98	(1)	(53)	(417)
<b>Profit from operations</b>	<b>&gt;100</b>	<b>5 847</b>	1 985	4 970
Share of gains of associate companies	17	41	35	115
<b>Profit from operations before direct taxation</b>	<b>&gt;100</b>	<b>5 888</b>	2 020	5 085
Total direct taxation	>100	1 502	445	1 164
Direct taxation		1 506	464	1 283
Taxation on non-trading and capital items		(4)	(19)	(119)
<b>Profit for the period</b>	<b>&gt;100</b>	<b>4 386</b>	1 575	3 921
Other comprehensive income (OCI) net of taxation	(62)	151	398	256
<b>Items that may subsequently be reclassified to profit or loss</b>				
Exchange differences on translating foreign operations		(62)	413	199
Debt investments at fair value through OCI (FVOCI) – net change in fair value		(44)	(51)	96
<b>Items that may not subsequently be reclassified to profit or loss</b>				
Property revaluations				(40)
Remeasurements on long-term employee benefit assets		257	36	1
<b>Total comprehensive income for the period</b>	<b>&gt;100</b>	<b>4 537</b>	1 973	4 177
Profit attributable to:				
– Ordinary and preference shareholders	>100	4 384	1 575	3 919
– Non-controlling interest – ordinary shareholders		2		2
<b>Profit for the period</b>	<b>&gt;100</b>	<b>4 386</b>	1 575	3 921
Total comprehensive income attributable to:				
– Ordinary and preference shareholders	>100	4 535	1 973	4 175
– Non-controlling interest – ordinary shareholders		2		2
<b>Total comprehensive income for the period</b>	<b>&gt;100</b>	<b>4 537</b>	1 973	4 177

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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	Yoy % change	30 June 2021 (Unaudited) Rm	30 June 2020 (Restated) (Unaudited) <sup>1</sup> Rm	31 December 2020 (Audited) Rm
<b>Assets</b>				
Cash and cash equivalents	(25)	6 663	8 828	8 115
Other short-term securities	(25)	29 934	40 118	27 082
Derivative financial instruments	(40)	46 196	76 474	79 933
Government and other securities <sup>2</sup>	23	137 154	111 338	131 380
Loans and advances <sup>2</sup>	(4)	811 460	841 582	835 568
Other assets	35	13 466	9 973	10 407
Current taxation assets	(81)	110	581	75
Investment securities	(11)	7 424	8 381	8 269
Non-current assets held for sale	(23)	69	90	69
Investments in associate companies and joint arrangements	(17)	911	1 103	1 037
Deferred taxation assets	43	57	40	346
Investment property	(100)		56	
Property and equipment	(10)	9 197	10 227	9 661
Long-term employee benefit assets	14	6 292	5 500	5 709
Mandatory reserve deposits with central banks	4	21 481	20 602	24 482
Intangible assets	5	10 284	9 758	10 225
<b>Total assets</b>	<b>(4)</b>	<b>1 100 698</b>	1 144 651	1 152 358
<b>Equity and liabilities</b>				
Ordinary share capital		28	28	28
Ordinary share premium	2	20 073	19 632	20 073
Reserves	10	56 941	51 563	53 512
<b>Total equity attributable to equity holders</b>	<b>8</b>	<b>77 042</b>	71 223	73 613
Preference share capital and premium		3 561	3 561	3 561
Holders of participating preference shares	(29)	5	7	(58)
Holders of additional tier 1 capital instruments	28	8 769	6 850	7 822
Non-controlling interest attributable to ordinary shareholders	44	13	9	11
<b>Total equity</b>	<b>9</b>	<b>89 390</b>	81 650	84 949
Derivative financial instruments	(42)	36 844	63 003	64 649
Amounts owed to depositors	(3)	897 501	924 099	929 761
Provisions and other liabilities	34	17 287	12 939	12 359
Current taxation liabilities	65	38	23	516
Deferred taxation liabilities	(54)	259	559	155
Long-term employee benefit liabilities	5	2 392	2 273	2 366
Long-term debt instruments	(5)	56 987	60 105	57 603
<b>Total liabilities</b>	<b>(5)</b>	<b>1 011 308</b>	1 063 001	1 067 409
<b>Total equity and liabilities</b>	<b>(4)</b>	<b>1 100 698</b>	1 144 651	1 152 358

<sup>1</sup> IAS 34: Interim financial reporting (IAS 34) requires interim reports to include the statement of financial position as at the end of the current interim period, ie 30 June 2021, and a comparative statement of financial position as at the immediately preceding financial year, ie 31 December 2020. The 30 June 2020 statement of financial position has been presented voluntarily. In line with IAS 34 requirements, the comparative notes to the statement of financial position are as at 31 December 2020.

<sup>2</sup> As disclosed at 31 December 2020, the group reviewed the presentation of corporate bonds during 2020. As a result of the review, the group reclassified listed corporate bonds from 'Government and other securities' to 'Loans and advances'. 30 June 2020 comparative information has been restated accordingly.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Rm	Reserves						Reserves				Non-controlling interest					Total equity				
	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve	Property revaluation reserve	Share-based payments reserve	Other non-distributable reserves	FVOCI reserve	Other distributable reserves	Total equity attributable to ordinary equity holders	Preference share capital and premium	Holders of preference shares in subsidiary companies	Holders of participating preference shares	Holders of additional tier 1 capital instruments	Non-controlling interest attributable to ordinary shareholders					
<b>Audited balance at 1 January 2020</b>	27 876 479	28	19 182	125	1 614	(763)					15	316	52 275	72 792	3 561	7		6 850	9	83 219
Acquisition of shares issued in terms of employee incentive schemes													(53)	(784)						(784)
Shares issued			450											450						450
Preference share dividend													(101)	(101)						(101)
Dividend to shareholders													(407)	(407)						(407)
Total comprehensive income/(losses) for the year				413	-	-		-	(51)	1 611	1 973									1 973
Profit attributable to ordinary and preference equity holders													1 575	1 575						1 575
Exchange differences on translating foreign operations				413										413						413
Movement in fair-value reserve									(51)					(51)						(51)
Remeasurements on long-term employee benefit assets										36	36			36						36
Transfer (from)/to reserves and other movements					(23)	(323)				346	-			-						-
Share-based payments reserve movement						97					97			97						97
Other movements										3	3			3						3
<b>Unaudited balance at 30 June 2020</b>	27 876 479	28	19 632	538	1 591	(1 720)					15	265	50 874	71 223	3 561	7	-	6 850	9	81 650
Additional tier 1 capital instruments issued														-				972		972
Share issuance			441											441						441
Preference share dividends													(179)	(179)						(179)
Preference share buybacks														-		(7)				(7)
Additional tier 1 capital instruments interest paid													(332)	(332)						(332)
Total comprehensive (losses)/income for the year				(214)	(40)	-		-	147	2 367	2 260						(58)		2	2 204
Profit attributable to ordinary and preference equity holders													2 402	2 402			(58)		2	2 346
Exchange differences on translating foreign operations				(214)										(214)						(214)
Movement in fair-value reserve									147					147						147
Property revaluations					(40)									(40)						(40)
Remeasurements on long-term employee benefit assets										(35)	(35)			(35)						(35)
Transfer (from)/to reserves and other movements					(13)	(14)				27	-			-						-
Share-based payments reserve movement						196					196			196						196
Other movements										4	4			4						4

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

Rm				Reserves			Reserves				Non-controlling interest				Total equity	
	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve	Property revaluation reserve	Share-based payments reserve	Other non-distributable reserves	FVOCI reserve	Other distributable reserves	Total equity attributable to ordinary equity holders	Preference share capital and premium	Holders of preference shares in subsidiary companies	Holders of participating preference shares	Holders of additional tier 1 capital instruments		Non-controlling interest attributable to ordinary shareholders
<b>Audited balance at 31 December 2020</b>	27 876 479	28	20 073	324	1 538	(1 538)	15	412	52 761	73 613	3 561	-	(58)	7 822	11	84 949
Additional tier 1 capital instruments issued										-				2 447		2 447
Additional tier 1 capital instruments redeemed										-				(1 500)		(1 500)
Acquisition of shares issued in terms of employee incentive schemes						(862)			(36)	(898)						(898)
Preference share dividends									(106)	(106)						(106)
Additional tier 1 capital instruments interest paid									(369)	(369)						(369)
Total comprehensive (losses)/income for the year				(62)	-	-	-	(44)	4 578	4 472	-	-	63	-	2	4 537
Profit attributable to ordinary and preference equity holders									4 321	4 321			63		2	4 386
Exchange differences on translating foreign operations				(62)						(62)						(62)
Movement in fair-value reserve								(44)		(44)						(44)
Remeasurements on long-term employee benefit assets									257	257						257
Transfer (from)/to reserves and other movements					(5)	(332)	4		333	-						-
Share-based payments reserve movement						323				323						323
Other movements									7	7						7
<b>Unaudited balance at 30 June 2021</b>	27 876 479	28	20 073	262	1 533	(2 409)	19	368	57 168	77 042	3 561	-	5	8 769	13	89 390

# CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

for the period ended

	30 June 2021 (Unaudited) Rm	30 June 2020 (Restated) <sup>2</sup> (Unaudited) Rm	31 December 2020 (Restated) <sup>2</sup> (Unaudited) Rm
Profit from operations	5 847	1 985	4 970
Adjusted for:	(7 459)	(161)	11 057
Non-cash items	6 990	11 344	19 153
Non-trading and capital items	1	53	417
Indirect taxation	458	529	1 017
Dividends received and recoveries on loans previously written off	(781)	(591)	(1 402)
Movements in accrued operating expenses and income	(5 683)	(932)	349
Movement in accrued interest	(8 444)	(10 564)	(8 477)
Dividends received on investments	140	115	266
Recoveries on loans previously written off	641	476	1 136
Change in funds for operating activities	562	5 346	(3 386)
Decrease/(increase) in operating assets (Decrease)/increase in operating liabilities	45 691 (45 129)	(76 580) 81 926	(90 688) 87 302
<b>Net cash from operating activities before taxation</b>	<b>(269)</b>	<b>7 761</b>	<b>14 043</b>
Taxation paid	(2 264)	(1 413)	(2 344)
<b>Cashflows (utilised by)/from operating activities</b>	<b>(2 533)</b>	<b>6 348</b>	<b>11 699</b>
<b>Cashflows utilised by investing activities</b>	<b>(409)</b>	<b>(2 701)</b>	<b>(3 995)</b>
Acquisition of property and equipment, computer software and development costs and investment property	(1 259)	(1 908)	(3 696)
Disposal of property and equipment, computer software and development costs and investment property	7	6	84
(Acquisition)/Disposal of investment banking assets	(2)	3	30
Disposal of associate companies	25	1	266
Acquisition of investment securities	(1 569)	(956)	(2 116)
Disposal of investment securities	2 389	154	1 437
<b>Cashflows utilised by financing activities</b>	<b>(1 511)</b>	<b>(3 837)</b>	<b>(4 730)</b>
Acquisition of shares issued in terms of employee incentive schemes	(862)	(731)	891
Issue of additional tier 1 capital instruments	2 447		972
Redemption of additional tier 1 capital instruments	(1 500)		
Issue of long-term debt instruments	4 658	3 139	5 189
Redemption of long-term debt instruments	(5 289)	(2 551)	(7 039)
Capital repayments of lease liabilities	(490)	(386)	(924)
Dividends paid to ordinary shareholders		(2 800)	(2 800)
Preference share dividends paid	(106)	(101)	(280)
Additional tier 1 capital instruments interest paid	(369)	(407)	(739)
Effects of exchange rate changes on opening cash and cash equivalents	1	(3)	1
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4 453)</b>	<b>(193)</b>	<b>2 974</b>
Cash and cash equivalents at the beginning of the year <sup>3</sup>	32 597	29 623	29 623
<b>Cash and cash equivalents at the end of the year<sup>3</sup></b>	<b>28 144</b>	<b>29 430</b>	<b>32 597</b>

<sup>1</sup> Represents amounts less than R1m.<sup>2</sup> As disclosed at 31 December 2020, management corrected the group's cashflow from operating activities disclosure to exclude non-cash items (ie accrued interest income, accrued interest expense, accrued operating expenses, unrealised fair-value adjustments, share-based payment expense and accrued employee benefits) from the presentation of cash received from clients and cash paid to clients, employees and suppliers that was previously erroneously included in the consolidated statement of cashflows. As a result, the 30 June 2020 comparative information has been restated.

In addition, management elected to change the presentation of the statement of cashflows from the direct method to the indirect method and to present a full statement of cashflows rather than a condensed statement of cashflows. As a result, the 30 June 2020 and 31 December 2020 comparative information has been restated to reflect these changes.

<sup>3</sup> Including mandatory reserve deposits with central banks.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021<sup>#</sup>

## REVENUE

for the year ended

	30 June 2021 (Unaudited) Rm	30 June 2020 Restated <sup>1</sup> (Unaudited) Rm	31 December 2020 Restated <sup>1</sup> (Unaudited) Rm
<b>Interest and similar income</b>	<b>30 652</b>	<b>37 086</b>	<b>68 654</b>
Listed corporate bonds <sup>1</sup>	612	1 164	1 912
Home loans (including properties in possession)	5 167	6 243	11 435
Commercial mortgages	6 092	7 439	13 688
Instalment debtors	5 882	6 519	12 361
Credit cards	1 065	1 182	2 237
Overdrafts	635	909	1 596
Term and other loans	5 154	8 089	14 058
Personal loans	2 560	2 465	5 008
Government and other securities <sup>1</sup>	3 245	2 577	5 537
Short-term funds and securities	240	499	822
<b>Interest expense and similar charges</b>	<b>15 969</b>	<b>23 407</b>	<b>41 146</b>
Deposit and loan accounts	8 855	12 620	22 075
Current and savings accounts	231	358	597
Negotiable certificates of deposit	2 238	4 061	7 007
Other interest-bearing liabilities	3 014	5 570	9 444
Long-term debt instruments	1 890	2 571	4 625
Interest expense related to fair-value activities	(259)	(1 773)	(2 602)
<b>Net interest income</b>	<b>14 683</b>	<b>13 679</b>	<b>27 508</b>
<b>Non-interest revenue</b>	<b>8 913</b>	<b>9 682</b>	<b>19 026</b>
Net commission and fee income	7 233	6 885	14 393
Net insurance (expense)/income	(26)	(1)	1
Fair-value adjustments	(732)	831	336
Net trading income	1 857	2 708	4 550
Equity revaluation gains/(losses)	228	(709)	(945)
Investment income	98	37	183
Net sundry income/(expenses)	255	(69)	508
<b>Revenue</b>	<b>23 596</b>	<b>23 361</b>	<b>46 534</b>

<sup>1</sup> As disclosed at 31 December 2020, the group reviewed the presentation of corporate bonds during 2020. As a result of the review, the group reclassified listed corporate bonds from 'Government and other securities' into 'Loans and advances'. Comparative information has been restated accordingly.

## CONDENSED CONSOLIDATED SEGMENTAL REPORTING

for the period ended

The group has one segment, therefore no additional segment disclosures have been provided. The group's measure of segment profit is headline earnings. Please refer to the headline earnings reconciliation note.

The group's internal management reporting and reviews submitted to the chief operating decision-maker, the Group Executive Committee, are based on Nedbank-level information only.

## HEADLINE EARNINGS RECONCILIATION

for the period ended

	Yoy % change	30 June 2021 (Unaudited) Rm Gross	30 June 2021 (Unaudited) Rm Net of taxation	30 June 2020 (Unaudited) Rm Gross	30 June 2020 (Unaudited) Rm Net of taxation	31 December 2020 (Audited) Rm Gross	31 December 2020 (Audited) Rm Net of taxation
Profit attributable to ordinary shareholders	174		4 321		1 575		3 977
Non-trading and capital items	>(100)	1	(3)	53	34	417	298
IAS 16 – (profit)/loss on disposal of property and equipment		(8)	(10)	20	15	73	55
IAS 36 – impairment of property and equipment		3	2				
IAS 36 – impairment of intangible assets		5	4	50	36	207	149
IAS 40 – loss on revaluation of investment properties						2	2
IFRS 5 – impairment of non-current assets held for sale				(17)	(17)	(17)	(17)
IFRS 16 – impairment of right-of-use assets		1	1			152	109
<b>Headline earnings</b>	<b>168</b>		<b>4 318</b>		<b>1 609</b>		<b>4 275</b>

## HISTORICAL VALUE AT RISK

(99%, one-day) by risk type

Value at risk (VaR) is the potential loss in pretax profit due to adverse market movements over a defined holding period with a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products and markets. It facilitates the consistent measurement of risk across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The 99% one-day VaR number used by the group reflects, at a 99% confidence level, that the daily loss will not exceed the reported VaR and therefore that the daily losses exceeding the VaR figure are likely to occur, on average, once in every 100 business days.

The group uses one year of historical data to estimate VaR. Some of the considerations that are taken into account when reviewing the VaR numbers are the following:

- The assumed one-day holding period will not fully capture the market risk of positions that cannot be liquidated or offset with hedges within one day.
- The historical VaR assumes that the past is a good representation of the future, which may not always be the case.
- The 99% confidence level does not indicate the potential loss beyond this interval.
- If a product or listing is new in the market, limited historical data would be available. In such cases, a proxy is chosen to act as an estimate for the historical rates of the relevant risk factor. Depending on the amount of (limited) historical rates available, regression analysis is used on the chosen proxy to refine the link between the proxy and the actual rates.

Additional risk measures are used to monitor the individual trading desks, including performance triggers, approved trading products, concentration of exposures, maximum tenor limits and market liquidity constraints.

All market risk models are subject to periodic independent validation in terms of the Group Market Risk Management Framework. A formal review of all existing valuation models is conducted at least annually. Should the review process indicate that models need to be updated, a formal independent review will take place. All new risk models developed are independently validated prior to implementation.

The group's current trading activities are focused on liquid markets, which are in line with the current regulatory liquidity horizon assumption of a 10-day holding period (Basel III).

The extreme market volatility that previously resulted in the VaR measures increasing did not occur during the period under review, and as such the VaR measures have returned to pre-Covid-19 levels.

Rm	30 June 2021 (Unaudited) Rm				31 December 2020 (Audited) Rm			
	Average	Minimum	Maximum	Period-end	Average	Minimum	Maximum	Year-end
Foreign exchange	6,6	1,3	19,1	4,1	6,8	1,4	18,6	9,2
Interest rate	70,0	26,9	120,5	28,1	70,3	32,0	128,2	97,7
Equity	10,4	2,7	19,0	11,6	3,3	0,1	14,5	4,1
Credit	11,1	6,0	16,9	7,1	16,0	4,7	42,3	16,6
Commodity	0,1		0,1		0,2		3,6	0,1
Diversification	(35,5)			(21,2)	(31,0)			(45,8)
<b>Total VaR exposure</b>	<b>62,7</b>	<b>29,7</b>	<b>102,3</b>	<b>29,7</b>	<b>65,6</b>	<b>30,0</b>	<b>125,1</b>	<b>81,9</b>

## LOSS ALLOWANCE

The following table represents a reconciliation from the opening balance to the closing balance of the loss allowance, and indicates how significant changes in the gross carrying amount of financial instruments contributed to changes in the loss allowance. Subsequent to the publication of the June 2020 results the group has refined its reporting process for fair value through profit or loss (FVTPL) and FVOCI loans. As a result, comparative information for the six months ended 30 June 2020 has been reclassified.

Loans and advances	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
<b>Rm</b>												
<b>Audited net balance at 1 January 2020</b>	668 036	3 121	664 915	70 556	3 811	66 745	25 604	10 026	15 578	764 196	16 958	747 238
New financial assets originated or purchased	200 938	2 052	198 886							200 938	2 052	198 886
Financial assets written off			-				(7 361)	(7 361)	-	(7 361)	(7 361)	-
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(56 061)	5 303	(61 364)	(10 030)	4 070	(14 100)	(2 828)	4 700	(7 528)	(68 919)	14 073	(82 992)
Final repayments	(120 784)	(785)	(119 999)	(19 423)	(297)	(19 126)	(1 304)	(433)	(871)	(141 511)	(1 515)	(139 996)
Transfers to 12-month ECL	38 592	836	37 756	(35 897)	(687)	(35 210)	(2 695)	(149)	(2 546)	-	-	-
Transfers to lifetime ECL (not credit-impaired)	(100 761)	(2 496)	(98 265)	102 857	2 688	100 169	(2 096)	(192)	(1 904)	-	-	-
Transfers to lifetime ECL (credit-impaired)	(19 733)	(4 132)	(15 601)	(13 988)	(3 080)	(10 908)	33 721	7 212	26 509	-	-	-
Foreign exchange movements	4 153	9	4 144	72	(4)	76	12	8	4	4 237	13	4 224
<b>Audited net balance at 31 December 2020</b>	614 380	3 908	610 472	94 147	6 501	87 646	43 053	13 811	29 242	751 580	24 220	727 360
New financial assets originated or purchased	<b>93 839</b>	<b>1 203</b>	<b>92 636</b>							<b>93 839</b>	<b>1 203</b>	<b>92 636</b>
Financial assets written off			-				(3 797)	(3 797)	-	(3 797)	(3 797)	-
Repayments net of readvances, capitalised interest, fees and ECL remeasurements <sup>1</sup>	(17 178)	2 479	(19 657)	(12 828)	743	(13 571)	(5 413)	845	(6 258)	(35 419)	4 067	(39 486)
Final repayments	(59 218)	(569)	(58 649)	(5 452)	(129)	(5 323)	(1 333)	(307)	(1 026)	(66 003)	(1 005)	(64 998)
Transfers to 12-month ECL	27 121	717	26 404	(22 984)	(496)	(22 488)	(4 137)	(221)	(3 916)	-	-	-
Transfers to lifetime ECL (not credit-impaired)	(42 862)	(1 742)	(41 120)	49 527	2 275	47 252	(6 665)	(533)	(6 132)	-	-	-
Transfers to lifetime ECL (credit-impaired)	(7 440)	(1 921)	(5 519)	(8 035)	(2 110)	(5 925)	15 475	4 031	11 444	-	-	-
Foreign exchange movements	74	(1)	75	(17)		(17)	(16)	(2)	(14)	41	(3)	44
Net balances	<b>608 716</b>	<b>4 074</b>	<b>604 642</b>	<b>94 358</b>	<b>6 784</b>	<b>87 574</b>	<b>37 167</b>	<b>13 827</b>	<b>23 340</b>	<b>740 241</b>	<b>24 685</b>	<b>715 556</b>
Total credit and zero balances <sup>2</sup>	<b>7 543</b>	<b>(49)</b>	<b>7 592</b>	<b>27</b>	<b>(13)</b>	<b>40</b>	<b>460</b>		<b>460</b>	<b>8 030</b>	<b>(62)</b>	<b>8 092</b>
<b>Unaudited balance at 30 June 2021</b>	<b>616 259</b>	<b>4 025</b>	<b>612 234</b>	<b>94 385</b>	<b>6 771</b>	<b>87 614</b>	<b>37 627</b>	<b>13 827</b>	<b>23 800</b>	<b>748 271</b>	<b>24 623</b>	<b>723 648</b>
Loans and advances at FVTPL												67 289
Loans at FVOCI3												18 444
Off-balance sheet impairment allowance												463
Fair-value hedge-accounted portfolios												1 678
ECL credit and other balances												(62)
<b>Unaudited loans and advances at 30 June 2021</b>	<b>616 259</b>	<b>4 025</b>	<b>612 234</b>	<b>94 385</b>	<b>6 771</b>	<b>87 614</b>	<b>37 627</b>	<b>13 827</b>	<b>23 800</b>	<b>748 271</b>	<b>24 623</b>	<b>811 460</b>

<sup>1</sup> Repayments net of readvances, capitalised interest, fees and ECL remeasurements throughout this note includes credit risk changes as a result of SICR, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model input assumptions, and changes due to drawdowns of undrawn commitments.

<sup>2</sup> Total credit and zero balances throughout this note refer to the balances that are liabilities payable at 30 June 2021 and the related loss allowance arising from credit risk exposure on these facilities.



Home loans	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
<b>Audited net balance at 1 January 2020</b>	128 154	267	127 887	13 890	523	13 367	7 218	1 463	5 755	149 262	2 253	147 009
New financial assets originated or purchased	9 237	35	9 202							9 237	35	9 202
Financial assets written off							(222)	(222)		(222)	(222)	
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	6 485	508	5 977	6	552	(546)	(463)	180	(643)	6 028	1 240	4 788
Final repayments	(7 971)	(13)	(7 958)	(699)	(23)	(676)	(404)	(77)	(327)	(9 074)	(113)	(8 961)
Transfers to 12-month ECL	5 227	23	5 204	(4 673)	(17)	(4 656)	(554)	(6)	(548)			
Transfers to lifetime ECL (not credit-impaired)	(9 656)	(209)	(9 447)	10 645	265	10 380	(989)	(56)	(933)			
Transfers to lifetime ECL (credit-impaired)	(2 804)	(295)	(2 509)	(3 453)	(520)	(2 933)	6 257	815	5 442			
Foreign exchange movements					(4)	4					(4)	4
<b>Audited net balance at 31 December 2020</b>	128 672	316	128 356	15 716	776	14 940	10 843	2 097	8 746	155 231	3 189	152 042
New financial assets originated or purchased	6 055	30	6 025							6 055	30	6 025
Financial assets written off							(141)	(141)		(141)	(141)	
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	4 553	199	4 354	(133)	26	(159)	(490)	(74)	(416)	3 930	151	3 779
Final repayments	(4 578)	(21)	(4 557)	(419)	(13)	(406)	(409)	(78)	(331)	(5 406)	(112)	(5 294)
Transfers to 12-month ECL	4 897	27	4 870	(4 084)	(20)	(4 064)	(813)	(7)	(806)			
Transfers to lifetime ECL (not credit-impaired)	(5 067)	(171)	(4 896)	7 234	282	6 952	(2 167)	(111)	(2 056)			
Transfers to lifetime ECL (credit-impaired)	(906)	(81)	(825)	(1 656)	(224)	(1 432)	2 562	305	2 257			
Foreign exchange movements	1		1							1		1
Net balances	133 627	299	133 328	16 658	827	15 831	9 385	1 991	7 394	159 670	3 117	156 553
Total credit and zero balances	171	(1)	172	6		6	11		11	188	(1)	189
<b>Unaudited balance at 30 June 2021</b>	133 798	298	133 500	16 664	827	15 837	9 396	1 991	7 405	159 858	3 116	156 742

Commercial mortgages	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
<b>Audited net balance at 1 January 2020</b>	152 794	205	152 589	18 638	334	18 304	2 348	496	1 852	173 780	1 035	172 745
New financial assets originated or purchased	48 872	150	48 722							48 872	150	48 722
Financial assets written off							(29)	(29)		(29)	(29)	
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(7 390)	55	(7 445)	(1 394)	681	(2 075)	(339)	310	(649)	(9 123)	1 046	(10 169)
Final repayments	(28 592)	(53)	(28 539)	(1 744)	(76)	(1 668)	(169)	(51)	(118)	(30 505)	(180)	(30 325)
Transfers to 12-month ECL	7 990	117	7 873	(7 786)	(103)	(7 683)	(204)	(14)	(190)			
Transfers to lifetime ECL (not credit-impaired)	(13 150)	(69)	(13 081)	13 198	77	13 121	(48)	(8)	(40)			
Transfers to lifetime ECL (credit-impaired)	(1 220)	(43)	(1 177)	(2 672)	(223)	(2 449)	3 892	266	3 626			
Foreign exchange movements	73	1	72							73	1	72
<b>Audited net balance at 31 December 2020</b>	159 377	363	159 014	18 240	690	17 550	5 451	970	4 481	183 068	2 023	181 045
New financial assets originated or purchased	25 374	158	25 216							25 374	158	25 216
Financial assets written off							(20)	(20)		(20)	(20)	
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(3 705)	116	(3 821)	(200)	49	(249)	(359)	43	(402)	(4 264)	208	(4 472)
Final repayments	(22 121)	(99)	(22 022)	(530)	(7)	(523)	(110)	(9)	(101)	(22 761)	(115)	(22 646)
Transfers to 12-month ECL	3 317	38	3 279	(3 143)	(26)	(3 117)	(174)	(12)	(162)			
Transfers to lifetime ECL (not credit-impaired)	(4 893)	(39)	(4 854)	5 085	55	5 030	(192)	(16)	(176)			
Transfers to lifetime ECL (credit-impaired)	(407)	(18)	(389)	(225)	(9)	(216)	632	27	605			
Foreign exchange movements	(61)		(61)							(61)		(61)
Net balance	156 881	519	156 362	19 227	752	18 475	5 228	983	4 245	181 336	2 254	179 082
Total credit and zero balances	(3)		(3)							(3)		(3)
<b>Unaudited balance at 30 June 2021</b>	156 878	519	156 359	19 227	752	18 475	5 228	983	4 245	181 333	2 254	179 079

Credit cards and overdrafts	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
<b>Audited net balances at 1 January 2020</b>	26 381	788	25 593	4 954	500	4 454	2 899	1 824	1 075	34 234	3 112	31 122
New financial assets originated or purchased	7 774	238	7 536	-	-	-	-	-	-	7 774	238	7 536
Financial assets written off	-	-	-	-	-	-	(1 421)	(1 421)	-	(1 421)	(1 421)	-
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	7 736	1 279	6 457	1 819	239	1 580	(223)	896	(1 119)	9 332	2 414	6 918
Final repayments	(16 007)	(83)	(15 924)	(4 815)	(43)	(4 772)	(185)	(83)	(102)	(21 007)	(209)	(20 798)
Transfers to 12-month ECL	3 413	105	3 308	(2 895)	(82)	(2 813)	(518)	(23)	(495)	-	-	-
Transfers to lifetime ECL (not credit-impaired)	(8 460)	(679)	(7 781)	8 511	700	7 811	(51)	(21)	(30)	-	-	-
Transfers to lifetime ECL (credit-impaired)	(2 513)	(888)	(1 625)	(1 059)	(300)	(759)	3 572	1 188	2 384	-	-	-
Foreign exchange movements	345	(1)	346	187	20	167	-	-	-	532	19	513
<b>Audited net balance at 31 December 2020</b>	18 669	759	17 910	6 702	1 034	5 668	4 073	2 360	1 713	29 444	4 153	25 291
New financial assets originated or purchased	3 446	79	3 367	-	-	-	-	-	-	3 446	79	3 367
Financial assets written off	-	-	-	-	-	-	(940)	(940)	-	(940)	(940)	-
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	7 904	637	7 267	533	43	490	(533)	239	(772)	7 904	919	6 985
Final repayments	(8 368)	(56)	(8 312)	(878)	(44)	(834)	(212)	(45)	(167)	(9 458)	(145)	(9 313)
Transfers to 12-month ECL	2 698	124	2 574	(2 433)	(92)	(2 341)	(265)	(32)	(233)	-	-	-
Transfers to lifetime ECL (not credit-impaired)	(2 373)	(322)	(2 051)	2 762	416	2 346	(389)	(94)	(295)	-	-	-
Transfers to lifetime ECL (credit-impaired)	(703)	(394)	(309)	(942)	(488)	(454)	1 645	882	763	-	-	-
Foreign exchange movements	(519)	2	(521)	289	3	286	-	-	-	(230)	5	(235)
Net balances	20 754	829	19 925	6 033	872	5 161	3 379	2 370	1 009	30 166	4 071	26 095
Total credit and zero balances	7 375	(48)	7 423	21	(13)	34	449	2 370	449	7 845	(61)	7 906
<b>Unaudited balance at 30 June 2021</b>	28 129	781	27 348	6 054	859	5 195	3 828	2 370	1 458	38 011	4 010	34 001

Term loans	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
<b>Audited net balance at 1 January 2020</b>	147 094	881	146 213	9 922	687	9 235	5 927	3 346	2 581	162 943	4 914	158 029
New financial assets originated or purchased	42 352	973	41 379	-	-	-	-	-	-	42 352	973	41 379
Financial assets written off	-	-	-	-	-	-	(3 543)	(3 543)	-	(3 543)	(3 543)	-
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(37 956)	2 019	(39 975)	(13)	886	(899)	543	1 531	(988)	(37 426)	4 436	(41 862)
Final repayments	(18 889)	(298)	(18 591)	(4 363)	(46)	(4 317)	(107)	(89)	(18)	(23 359)	(433)	(22 926)
Transfers to 12-month ECL	5 634	109	5 525	(5 617)	(108)	(5 509)	(17)	(1)	(16)	-	-	-
Transfers to lifetime ECL (not credit-impaired)	(25 595)	(734)	(24 861)	26 109	788	25 321	(514)	(54)	(460)	-	-	-
Transfers to lifetime ECL (credit-impaired)	(6 081)	(1 884)	(4 197)	(1 784)	(975)	(809)	7 865	2 859	5 006	-	-	-
Foreign exchange movements	2 801	8	2 793	72	-	72	12	7	5	2 885	15	2 870
<b>Audited net balance at 31 December 2020</b>	109 360	1 074	108 286	24 326	1 232	23 094	10 166	4 056	6 110	143 852	6 362	137 490
New financial assets originated or purchased	18 421	543	17 878	-	-	-	-	-	-	18 421	543	17 878
Financial assets written off	-	-	-	-	-	-	(1 355)	(1 355)	-	(1 355)	(1 355)	-
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(20 929)	728	(21 657)	(5 765)	347	(6 112)	(1 145)	190	(1 335)	(27 839)	1 265	(29 104)
Final repayments	(8 116)	(155)	(7 961)	(1 267)	(31)	(1 236)	(69)	(46)	(23)	(9 452)	(232)	(9 220)
Transfers to 12-month ECL	5 107	93	5 014	(5 062)	(90)	(4 972)	(45)	(3)	(42)	-	-	-
Transfers to lifetime ECL (not credit-impaired)	(9 971)	(521)	(9 450)	12 385	619	11 766	(2 414)	(98)	(2 316)	-	-	-
Transfers to lifetime ECL (credit-impaired)	(1 574)	(709)	(865)	(2 724)	(864)	(1 860)	4 298	1 573	2 725	-	-	-
Foreign exchange movements	(381)	(2)	(379)	(17)	(1)	(16)	(15)	(2)	(13)	(413)	(5)	(408)
<b>Unaudited balance at 30 June 2021</b>	91 917	1 051	90 866	21 876	1 212	20 664	9 421	4 315	5 106	123 214	6 578	116 636

Instalment debtors	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/ originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
<b>Rm</b>												
<b>Audited net balance at 1 January 2020</b>	103 297	784	102 513	17 897	1 314	16 583	6 509	2 661	3 848	127 703	4 759	122 944
New financial assets originated or purchased	44 486	512	43 974							44 486	512	43 974
Financial assets written off							(2 139)	(2 139)		(2 139)	(2 139)	
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(15 068)	1 342	(16 410)	(2 769)	849	(3 618)	(2 360)	1 440	(3 800)	(20 197)	3 631	(23 828)
Final repayments	(15 094)	(97)	(14 997)	(1 205)	(57)	(1 148)	(199)	(44)	(155)	(16 498)	(198)	(16 300)
Transfers to 12-month ECL	8 787	151	8 636	(7 599)	(119)	(7 480)	(1 188)	(32)	(1 156)			
Transfers to lifetime ECL (not credit-impaired)	(14 186)	(599)	(13 587)	14 675	650	14 025	(489)	(51)	(438)			
Transfers to lifetime ECL (credit-impaired)	(5 622)	(954)	(4 668)	(4 587)	(1 019)	(3 568)	10 209	1 973	8 236			
<b>Audited net balance at 31 December 2020</b>	106 600	1 139	105 461	16 412	1 618	14 794	10 343	3 808	6 535	133 355	6 565	126 790
New financial assets originated or purchased	<b>26 102</b>	<b>332</b>	<b>25 770</b>							<b>26 102</b>	<b>332</b>	<b>25 770</b>
Financial assets written off							(1 335)	(1 335)		(1 335)	(1 335)	
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(9 922)	690	(10 612)	(1 351)	(123)	(1 228)	(1 871)	262	(2 133)	(13 144)	829	(13 973)
Final repayments	(7 502)	(54)	(7 448)	(602)	(23)	(579)	(214)	(53)	(161)	(8 318)	(130)	(8 188)
Transfers to 12-month ECL	8 184	180	8 004	(5 396)	(97)	(5 299)	(2 788)	(83)	(2 705)			
Transfers to lifetime ECL (not credit-impaired)	(8 303)	(593)	(7 710)	9 623	755	8 868	(1 320)	(162)	(1 158)			
Transfers to lifetime ECL (credit-impaired)	(2 757)	(504)	(2 253)	(2 102)	(515)	(1 587)	4 859	1 019	3 840			
<b>Unaudited balance at 30 June 2021</b>	<b>112 402</b>	<b>1 190</b>	<b>111 212</b>	<b>16 584</b>	<b>1 615</b>	<b>14 969</b>	<b>7 674</b>	<b>3 456</b>	<b>4 218</b>	<b>136 660</b>	<b>6 261</b>	<b>130 399</b>

Preference shares and debentures	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/ originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
<b>Rm</b>												
<b>Audited net balance at 1 January 2020</b>	12 306	57	12 249	76	4	72	197	33	164	12 579	94	12 485
New financial assets originated or purchased	4 387	23	4 364							4 387	23	4 364
Financial assets written off												
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(4 782)	12	(4 794)	(11)	(4)	(7)	4	34	(30)	(4 789)	42	(4 831)
Final repayments	(71)		(71)							(71)		(71)
Transfers to 12-month ECL	75		75	(75)		(75)						
Transfers to lifetime ECL (not credit-impaired)	(865)	(14)	(851)	865	14	851						
<b>Audited net balance at 31 December 2020</b>	11 050	78	10 972	855	14	841	201	67	134	12 106	159	11 947
New financial assets originated or purchased	<b>475</b>		<b>475</b>							<b>475</b>		<b>475</b>
Financial assets written off												
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(311)	(46)	(265)	(248)	13	(261)	4	51	(47)	(555)	18	(573)
Final repayments							(201)	(67)	(134)	(201)	(67)	(134)
Transfers to 12-month ECL	16		16	(16)		(16)						
Transfers to lifetime ECL (not credit-impaired)	(250)	(1)	(249)	250	1	249						
Transfers to lifetime ECL (Credit impaired)				(286)	(1)	(285)	286	1	285			
<b>Unaudited balance at 30 June 2021</b>	<b>10 980</b>	<b>31</b>	<b>10 949</b>	<b>555</b>	<b>27</b>	<b>528</b>	<b>290</b>	<b>52</b>	<b>238</b>	<b>11 825</b>	<b>110</b>	<b>11 715</b>

Specialised and other loans to clients <sup>1</sup>	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
<b>Rm</b>												
<b>Audited net balance at 1 January 2020</b>	98 010	86	97 924	5 179	386	4 793	506	116	390	103 695	588	103 107
New financial assets originated or purchased	43 830	98	43 732							43 830	98	43 732
Financial assets written off							(7)	(7)		(7)	(7)	
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(5 086)	48	(5 134)	(7 668)	631	(8 299)	10	94	(84)	(12 744)	773	(13 517)
Final repayments	(34 160)	(64)	(34 096)	(6 597)	(40)	(6 557)	(240)	(61)	(179)	(40 997)	(165)	(40 832)
Transfers to 12-month ECL	7 466	116	7 350	(7 252)	(107)	(7 145)	(214)	(9)	(205)			
Transfers to lifetime ECL (not credit-impaired)	(28 849)	(121)	(28 728)	28 854	123	28 731	(5)	(2)	(3)			
Transfers to lifetime ECL (credit-impaired)	(1 493)	(67)	(1 426)	(433)	(16)	(417)	1 926	83	1 843			
Foreign exchange movements	934	1	933	(187)	(20)	(167)		1	(1)	747	(18)	765
<b>Audited net balance at 31 December 2020</b>	<b>80 652</b>	<b>97</b>	<b>80 555</b>	<b>11 896</b>	<b>957</b>	<b>10 939</b>	<b>1 976</b>	<b>215</b>	<b>1 761</b>	<b>94 524</b>	<b>1 269</b>	<b>93 255</b>
New financial assets originated or purchased	<b>13 966</b>	<b>25</b>	<b>13 941</b>							<b>13 966</b>	<b>25</b>	<b>13 941</b>
Financial assets written off							(6)	(6)		(6)	(6)	
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	<b>5 232</b>	<b>161</b>	<b>5 071</b>	<b>(5 664)</b>	<b>386</b>	<b>(6 050)</b>	<b>(1 019)</b>	<b>102</b>	<b>(1 121)</b>	<b>(1 451)</b>	<b>649</b>	<b>(2 100)</b>
Final repayments	<b>(8 533)</b>	<b>(31)</b>	<b>(8 502)</b>	<b>(1 756)</b>	<b>(5)</b>	<b>(1 751)</b>	<b>(118)</b>	<b>(5)</b>	<b>(113)</b>	<b>(10 407)</b>	<b>(41)</b>	<b>(10 366)</b>
Transfers to 12-month ECL	<b>2 902</b>	<b>70</b>	<b>2 832</b>	<b>(2 850)</b>	<b>(43)</b>	<b>(2 807)</b>	<b>(52)</b>	<b>(27)</b>	<b>(25)</b>			
Transfers to lifetime ECL (not credit-impaired)	<b>(12 005)</b>	<b>(33)</b>	<b>(11 972)</b>	<b>12 188</b>	<b>62</b>	<b>12 126</b>	<b>(183)</b>	<b>(29)</b>	<b>(154)</b>			
Transfers to lifetime ECL (credit-impaired)	<b>(1 093)</b>	<b>(202)</b>	<b>(891)</b>	<b>(100)</b>	<b>(4)</b>	<b>(96)</b>	<b>1 193</b>	<b>206</b>	<b>987</b>			
Foreign exchange movements	<b>1 034</b>	<b>(1)</b>	<b>1 035</b>	<b>(289)</b>	<b>(2)</b>	<b>(287)</b>	<b>(1)</b>		<b>(1)</b>	<b>744</b>	<b>(3)</b>	<b>747</b>
<b>Unaudited balance at 30 June 2021</b>	<b>82 155</b>	<b>86</b>	<b>82 069</b>	<b>13 425</b>	<b>1 351</b>	<b>12 074</b>	<b>1 790</b>	<b>456</b>	<b>1 334</b>	<b>97 370</b>	<b>1 893</b>	<b>95 477</b>

<sup>1</sup> Specialised and other loans to clients include properties in possession, overnight loans, factoring accounts, trade, other bills and bankers' acceptances and deposit placed under reverse repurchase agreement.

Financial guarantees and loan commitments	Not credit-impaired		Credit-impaired	Total
	Subject to 12-month ECL (stage 1)	Subject to lifetime ECL (stage 2)	Subject to lifetime ECL (excluding purchased/originated) (stage 3)	
	Allowance for ECL	Allowance for ECL	Allowance for ECL	Allowance for ECL
<b>Rm</b>				
<b>Audited net balance at 1 January 2020</b>	53	63	87	203
New financial assets originated or purchased	23			23
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	40	236	215	491
Final repayments	(177)	(12)	(28)	(217)
Transfers to 12-month ECL	215	(151)	(64)	
Transfers to lifetime ECL (not credit-impaired)	(71)	71		
Transfers to lifetime ECL (credit-impaired)	(1)	(27)	28	
<b>Audited net balance at 31 December 2020</b>	<b>82</b>	<b>180</b>	<b>238</b>	<b>500</b>
New financial assets originated or purchased	<b>36</b>			<b>36</b>
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	<b>(6)</b>	<b>2</b>	<b>32</b>	<b>28</b>
Final repayments	<b>(153)</b>	<b>(6)</b>	<b>(4)</b>	<b>(163)</b>
Transfers to 12-month ECL	<b>185</b>	<b>(128)</b>	<b>(57)</b>	
Transfers to lifetime ECL (not credit-impaired)	<b>(62)</b>	<b>85</b>	<b>(23)</b>	
Transfers to lifetime ECL (credit-impaired)	<b>(13)</b>	<b>(5)</b>	<b>18</b>	
<b>Unaudited balance at 30 June 2021</b>	<b>69</b>	<b>128</b>	<b>204</b>	<b>401</b>

## ECONOMIC SCENARIOS

### FORWARD-LOOKING INFORMATION INCORPORATED IN THE ECL MODELS

To account for forward-looking information (FLI) the ECL input parameters [PD, loss-given default (LGD) and exposure at default (EAD)] are typically linked to macroeconomic drivers such as the prime rate, gross domestic product (GDP) growth, household debt-to-income, consumer price inflation and credit growth. Overlays are raised where the modelling inadequately captures the risks within the portfolio.

The incorporation of FLI into the ECL allows for a range of macroeconomic outcomes to capture non-linearities. The parameter inputs used to estimate the ECL are modelled on four macroeconomic scenarios: base (expected), positive, mild stress and high stress.

Scenarios are provided by the Nedbank Group Economic Unit and incorporate historical trends, statistical models and expert judgement. The macroeconomic scenarios are updated quarterly, with the option of an out-of-cycle update based on significant macroeconomic events. There is a robust internal governance process to review and approve the forecasted macroeconomic factors, which include approval by a board subcommittee.

The ECL under each macroeconomic scenario is the sum of the discounted products of the PD, LGD and EAD for that specific scenario.

The ECL is calculated to reflect an unbiased and probability-weighted amount, with the scenario weights estimated based on the likelihood of occurrence. The ECL is discounted from the point of default using the most applicable interest rate, or a reasonable estimate thereof, to arrive at the ECL at reporting date.

The forecasted ranges for macroeconomic variables are shown below by using the annual average forecast over the three-year period per scenario.

Scenario	Probability weighting (%)	31 June 2021 (Unaudited)						
		Total ECL allowance Rm	Difference to weighted scenarios Rm	Percentage difference to weighted scenarios (%)	Economic measures	Economic forecast (%)		
						2021	2022	2023
<b>Base case</b>	<b>50</b>	<b>25 021</b>	<b>(304)</b>	<b>(1,2)</b>	<b>GDP<sup>1</sup></b>	<b>5,0<sup>1</sup></b>	<b>2,0</b>	<b>1,7</b>
					<b>Prime</b>	<b>7,0</b>	<b>7,4</b>	<b>8,0</b>
					<b>HPI</b>	<b>4,4</b>	<b>4,3</b>	<b>3,9</b>
<b>Mild stress</b>	<b>21</b>	<b>25 376</b>	<b>51</b>	<b>0,2</b>	<b>GDP</b>	<b>4,3</b>	<b>0,2</b>	<b>1,0</b>
					<b>Prime</b>	<b>7,1</b>	<b>7,5</b>	<b>8,5</b>
					<b>HPI</b>	<b>4,2</b>	<b>3,8</b>	<b>3,4</b>
<b>Positive outcome</b>	<b>21</b>	<b>24 692</b>	<b>(633)</b>	<b>(2,5)</b>	<b>GDP</b>	<b>5,5</b>	<b>3,0</b>	<b>2,4</b>
					<b>Prime</b>	<b>7,0</b>	<b>6,8</b>	<b>6,8</b>
					<b>HPI</b>	<b>4,8</b>	<b>5,0</b>	<b>4,7</b>
<b>High stress</b>	<b>8</b>	<b>25 730</b>	<b>405</b>	<b>1,6</b>	<b>GDP</b>	<b>3,5</b>	<b>(1,0)</b>	<b>0,5</b>
					<b>Prime</b>	<b>7,2</b>	<b>7,7</b>	<b>8,8</b>
					<b>HPI</b>	<b>4,0</b>	<b>3,4</b>	<b>2,9</b>
<b>Weighted scenarios</b>	<b>100</b>	<b>25 325</b>						

<sup>1</sup> Overlays reduce the effective 2021 GDP down to 4,2%.

Scenario	Probability weighting (%)	31 December 2020 (Audited)						
		Total ECL allowance Rm	Difference to weighted scenarios Rm	Percentage difference to weighted scenarios (%)	Economic measures	Economic forecast (%)		
						2021	2022	2023
<b>Base case</b>	<b>50</b>	<b>24 695</b>	<b>(122)</b>	<b>(0,5)</b>	<b>GDP</b>	<b>3,0</b>	<b>2,2</b>	<b>1,5</b>
					<b>Prime</b>	<b>7,0</b>	<b>7,4</b>	<b>7,5</b>
					<b>HPI</b>	<b>2,1</b>	<b>2,3</b>	<b>3,5</b>
<b>Mild stress</b>	<b>21</b>	<b>25 187</b>	<b>370</b>	<b>1,5</b>	<b>GDP</b>	<b>2,8</b>	<b>1,7</b>	<b>1,2</b>
					<b>Prime</b>	<b>7,3</b>	<b>8,0</b>	<b>8,0</b>
					<b>HPI</b>	<b>1,8</b>	<b>2,1</b>	<b>3,1</b>
<b>Positive</b>	<b>21</b>	<b>24 376</b>	<b>(441)</b>	<b>(1,8)</b>	<b>GDP</b>	<b>3,9</b>	<b>2,4</b>	<b>1,6</b>
					<b>Prime</b>	<b>7,0</b>	<b>7,0</b>	<b>7,0</b>
					<b>HPI</b>	<b>3,6</b>	<b>4,1</b>	<b>4,8</b>
<b>High stress</b>	<b>8</b>	<b>25 727</b>	<b>910</b>	<b>3,7</b>	<b>GDP</b>	<b>2,1</b>	<b>1,7</b>	<b>0,9</b>
					<b>Prime</b>	<b>7,4</b>	<b>8,5</b>	<b>8,5</b>
					<b>HPI</b>	<b>1,5</b>	<b>1,9</b>	<b>2,7</b>
<b>Weighted scenarios</b>	<b>100</b>	<b>24 817</b>						

## CREDIT RISK EXPOSURE

The following tables disclose the distribution of loan-to-value (LTV) ratios of credit-impaired financial assets:

### LOANS AND ADVANCES

Rm	Home loans	Commercial mortgages	Properties in possession	Credit cards and overdrafts	Term loans <sup>1</sup>	Overnight loans	Specialised and other loans to clients <sup>1</sup>	Leases and instalment debtors	Preference shares and debentures	Factoring accounts
<b>LTV distribution</b>										
<b>30 June 2021 (Unaudited)</b>										
Lower than 50%	1 518	398		326	103		172	151		
50% to 75%	2 023	230			419		53	265		
75% to 100%	3 474	2 541	19	265	1		69	709	290	36
Higher than 100%	2 381	2 059	45	3 237	9 742	262	1 058	6 549		76
<b>Total</b>	<b>9 396</b>	<b>5 228</b>	<b>64</b>	<b>3 828</b>	<b>10 265</b>	<b>262</b>	<b>1 352</b>	<b>7 674</b>	<b>290</b>	<b>112</b>

Rm	Home loans	Commercial mortgages	Properties in possession	Credit cards and overdrafts	Term loans <sup>1</sup>	Overnight loans	Specialised and other loans to clients <sup>1</sup>	Leases and instalment debtors	Preference shares and debentures	Factoring accounts
<b>LTV Distribution</b>										
<b>31 December 2020 (Audited)</b>										
Lower than 50%	1 810	584		386	1 155		115	285		
50% to 75%	2 305	323					2	562	201	
75% to 100%	3 982	2 409	23	323	1 644		108	1 616		164
Higher than 100%	2 755	2 135	40	3 413	9 078	292	1 183	7 880		49
<b>Total</b>	<b>10 852</b>	<b>5 451</b>	<b>63</b>	<b>4 122</b>	<b>11 877</b>	<b>292</b>	<b>1 408</b>	<b>10 343</b>	<b>201</b>	<b>213</b>

<sup>1</sup> Term loans and other loans were previously presented in one product line, namely 'Personal, term and other loans'. During 2020, 'Personal, term and other loans' has been split into 'Term loans' and 'Specialised and other loans to clients' due to the different nature and size of these accounts.

## FAIR-VALUE HIERARCHY

### FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is an assumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

The existence of published price quotations in an active market is the most reliable evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volumes and frequencies to provide pricing information on an ongoing basis. These quoted prices would generally be classified as level 1 in terms of the fair-value hierarchy.

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the group establishes fair value by using valuation techniques. These valuation techniques include, but are not limited to, reference to the current fair value of another instrument that is substantially the same in nature, to the value of the assets of underlying business, to earnings multiples, to a discounted-cashflow analysis and to various option pricing models. Valuation techniques applied by the group would generally be classified as level 2 or level 3 in terms of the fair-value hierarchy. The determination of whether an instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the instrument. Inputs typically used in valuation techniques include discount rates, appropriate swap rates, volatility, servicing costs, equity prices, commodity prices, counterparty credit risk and the group's own credit on financial liabilities.

The group has an established control framework for the measurement of fair value, which includes formalised review protocols for the independent review and validation of fair values separate from those of the business unit entering into the transaction. The valuation methodologies, techniques and inputs applied to the fair-value measurement of the financial instruments have been applied in a manner consistent with that of the previous financial year.

### FAIR-VALUE HIERARCHY

The financial instruments recognised at fair value have been categorised into the three input levels of the IFRS fair-value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

**Level 2:** Valuation techniques based (directly or indirectly) on market-observable inputs. Various factors influence the availability of observable inputs. These factors may vary from product to product and change over time. Factors include the depth of activity in the relevant market, the type of product, whether the product is new and not widely traded in the market, the maturity of market modelling and whether the transaction is bespoke or generic.

**Level 3:** Valuation techniques based on significant inputs that are not observable. To the extent that a valuation is based on inputs that are not market-observable, the determination of the fair value can be more subjective, depending on the significance of the unobservable inputs to the overall valuation. Unobservable inputs are determined on the basis of the best information available and may include reference to similar instruments, similar maturities, appropriate proxies or other analytical techniques.

All fair values disclosed below are recurring in nature.

## FINANCIAL ASSETS

Rm	Total financial assets	Total financial assets recognised at amortised cost	Total financial assets recognised at fair value	At FVTPL			At FVTPL			At FVOCI					
				Mandatorily at fair value			Designated			Debt instruments			Equity instruments		
				Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>30 June 2021 (Unaudited)</b>	<b>1 072 271</b>	<b>845 987</b>	<b>226 284</b>	<b>57 143</b>	<b>133 216</b>	<b>6 357</b>	-	<b>10 813</b>	-	-	<b>18 444</b>	-	-	-	<b>311</b>
Cash and cash equivalents	28 144	28 144													
Other short-term securities	29 934	117	29 817	560	29 257										
Derivative financial instruments	46 196		46 196	38	46 158										
Government and other securities	137 154	80 004	57 150	56 543	607										
Loans and advances	811 460	725 727	85 733		56 476		10 813				18 444				
Other assets	11 995	11 995													
Investment securities	7 388		7 388	2	718	6 357									311

Rm	Total financial assets	Total financial assets recognised at amortised cost	Total financial assets recognised at fair value	At FVTPL			At FVTPL			At FVOCI					
				Mandatorily at fair value			Designated			Debt instruments			Equity instruments		
				Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>31 December 2020 (Audited)</b>	<b>1 123 927</b>	<b>858 559</b>	<b>265 368</b>	<b>47 053</b>	<b>181 843</b>	<b>6 908</b>	-	<b>11 432</b>	-	-	<b>17 821</b>	-	-	-	<b>311</b>
Cash and cash equivalents	32 597	32 597													
Other short-term securities	27 082		27 082		27 082										
Derivative financial instruments	79 933		79 933	9	79 924										
Government and other securities	131 380	77 149	54 231	46 926	7 305										
Loans and advances	835 568	739 682	95 886		66 633		11 432				17 821				
Other assets	9 131	9 131													
Investment securities	8 236		8 236	118	899	6 908									311

## Reconciliation to statement of financial position

	30 Jun 2021 (Unaudited) Rm	31 Dec 2020 (Audited) Rm
Total financial assets	1 072 271	1 123 927
Total non-financial assets	28 427	28 431
<b>Total assets</b>	<b>1 100 698</b>	<b>1 152 358</b>

## FINANCIAL LIABILITIES

Rm	Total financial liabilities	Total financial liabilities recognised at amortised cost	Total financial liabilities recognised at fair value	At FVTPL		
				Mandatory at fair value		
				Level 1	Level 2	Level 3
<b>30 June 2021 (Unaudited)</b>	<b>994 510</b>	<b>923 926</b>	<b>70 584</b>	<b>389</b>	<b>70 195</b>	<b>-</b>
Derivative financial instruments	36 844		36 844	76	36 768	
Amounts owed to depositors	897 497	864 070	33 427		33 427	
Provisions and other liabilities	3 182	2 869	313	313		
Long-term debt instruments	56 987	56 987				

Rm	Total financial liabilities	Total financial liabilities recognised at amortised cost	Total financial liabilities recognised at fair value	At FVTPL		
				Mandatory at fair value		
				Level 1	Level 2	Level 3
<b>31 December 2020 (Audited)</b>	<b>1 053 481</b>	<b>952 415</b>	<b>101 066</b>	<b>64</b>	<b>101 002</b>	<b>-</b>
Derivative financial instruments	64 649		64 649	64	64 585	
Amounts owed to depositors	929 757	893 340	36 417		36 417	
Provisions and other liabilities	1 472	1 472				
Long-term debt instruments	57 603	57 603				

## Reconciliation to statement of financial position

	30 Jun 2021 (Unaudited) Rm	31 Dec 2020 (Audited) Rm
Total financial liabilities	994 510	1 053 481
Total equity and non-financial liabilities	106 188	98 877
<b>Total equity and liabilities</b>	<b>1 100 698</b>	<b>1 152 358</b>



## LEVEL 3 RECONCILIATION

	Opening balance at 1 January Rm	Gains in non-interest revenue in profit for the year Rm	Losses relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the year Rm		Purchases Rm	Issues	Sales Rm	Settlements	Transfers to level 1	Closing balance at 30 June Rm
<b>30 June 2021 (Unaudited)</b>										
At FVTPL – Mandatorily at fair value	6 908	176	-		432	15	(498)	(676)	-	6 357
Investment securities	6 908	176			432	15	(498)	(676)		6 357
At FVOCI – Equity instruments	311	-	-		-	-	-	-	-	311
Investment securities	311									311
<b>Total financial assets classified as level 3</b>	<b>7 219</b>	<b>176</b>			<b>432</b>	<b>15</b>	<b>(498)</b>	<b>(676)</b>	<b>-</b>	<b>6 668</b>
	Opening balance at 1 January Rm	Losses in non-interest revenue in profit for the year Rm	Losses relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the year Rm		Purchases Rm	Issues	Sales Rm	Settlements	Transfers to level 1	Closing balance at 31 December Rm
<b>31 December 2020 (Audited)</b>										
At FVTPL – Mandatorily at fair value	7 016	(1 091)	-		1 764	-	(618)	(46)	(117)	6 908
Investment securities	7 016	(1 091)			1 764		(618)	(46)	(117)	6 908
At FVOCI – Equity instruments	433	-	(122)		-	-	-	-	-	311
Investment securities	433		(122)							311
<b>Total financial liabilities classified as level 3</b>	<b>7 449</b>	<b>(1 091)</b>	<b>(122)</b>		<b>1 764</b>		<b>(618)</b>	<b>(46)</b>	<b>(117)</b>	<b>7 219</b>

## EFFECT OF CHANGES IN SIGNIFICANT UNOBSERVABLE ASSUMPTIONS

The fair value of financial instruments is, in certain circumstances, measured using valuation techniques that include assumptions that are not market-observable. Where these scenarios apply, the group performs stress-testing on the fair value of the relevant instruments. When performing the stress-testing, appropriate levels for the unobservable-input parameters are chosen so that they are consistent with prevailing market evidence and in line with the group's approach to valuation control. The following information is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable-input parameters and which are classified as level 3 in the fair-value hierarchy. However, the disclosure is neither predictive nor indicative of future movements in fair value.

The group has developed a risk appetite tool to estimate downside income volatility to determine the effects of changes in significant unobservable assumptions on level 3 instruments. For risk appetite purposes, downside income volatility is estimated using a methodology that follows value-at-risk principles.

The following table shows the effect on the fair value of changes in unobservable input parameters to reasonable possible alternative assumptions.

30 June 2021 (Unaudited)	Valuation technique	Significant unobservable input	Variance in fair value %	Value per statement of financial position Rm	Favourable change in fair value Rm	Unfavourable change in fair value Rm
<b>FINANCIAL ASSETS</b>						
	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations and dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (16) and 20			
Investment securities				6 668	1 308	(1 068)
<b>Total financial assets classified as level 3</b>				<b>6 668</b>	<b>1 308</b>	<b>(1 068)</b>

31 December 2020 (Audited)	Valuation technique	Significant unobservable input	Variance in fair value %	Value per statement of financial position Rm	Favourable change in fair value Rm	Unfavourable change in fair value Rm
<b>FINANCIAL ASSETS</b>						
	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations and dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (16) and 19			
Investment securities				7 219	1 381	(1 119)
<b>Total financial assets classified as level 3</b>				<b>7 219</b>	<b>1 381</b>	<b>(1 119)</b>

## UNREALISED GAINS/(LOSSES)

The unrealised gains/(losses) arising on instruments classified as level 3 include the following:

	30 June 2021 (Unaudited) Rm	31 December 2020 (Audited) Rm
Private-equity gains/(losses)	176	(1 091)

## SUMMARY OF PRINCIPAL VALUATION TECHNIQUES – LEVEL 2 INSTRUMENTS (UNAUDITED)

The following table sets out the group's principal valuation techniques used in determining the fair value of financial assets and financial liabilities classified as level 2 in the fair-value hierarchy:

Assets	Valuation technique	Key inputs
Other short-term securities	Discounted-cashflow model	Discount rates
Derivative financial instruments	Discounted-cashflow model Black-Scholes model Multiple valuation techniques	Discount rates Risk-free rates and volatilities Valuation multiples
Government and other securities	Discounted-cashflow model	Discount rates
Loans and advances	Discounted-cashflow model	Interest rate curves
Investment securities	Discounted-cashflow model Adjusted net asset value Dividend yield method	Money market rates and interest rates Underlying price of market-traded instruments Dividend growth rates
<b>Liabilities</b>		
Derivative financial instruments	Discounted-cashflow model Black-Scholes model Multiple valuation techniques	Discount rates Risk-free rates and volatilities Valuation multiples
Amounts owed to depositors	Discounted-cashflow model	Discount rates
Provisions and other liabilities	Discounted-cashflow model	Discount rates
Long-term debt instruments	Discounted-cashflow model	Discount rates

## TRANSFERS BETWEEN LEVELS OF THE FAIR-VALUE HIERARCHY (UNAUDITED)

There were no significant transfers between level 1 and level 2 of the fair-value hierarchy during 2021.

In terms of the group's policy, transfers of financial instruments between levels of the fair-value hierarchy are deemed to have occurred at the end of the reporting period.

## ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE FOR WHICH FAIR VALUE IS DISCLOSED

Certain financial instruments of the group are not carried at fair value and are measured at amortised cost. The calculation of the fair value of the financial instruments incorporates the group's best estimate of the value at which the financial assets could be exchanged, or financial liabilities transferred, between market participants at the measurement date. The group's estimate of what fair value is, does not necessarily represent what it would be able to sell the asset for or transfer the respective financial liability for in an involuntary liquidation or distressed sale.

The fair values of these respective financial instruments at the reporting date detailed below are estimated only for the purpose of IFRS disclosure, as follows:

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
<b>30 June 2021 (Unaudited)</b>					
<b>Financial assets</b>	<b>805 848</b>	<b>806 031</b>	<b>79 029</b>	<b>20 927</b>	<b>706 075</b>
Other short-term securities	117	117		117	
Government and other securities	80 004	79 029	79 029		
Loans and advances	725 727	726 885		20 810	706 075
<b>Financial liabilities</b>	<b>56 987</b>	<b>59 886</b>	<b>32 513</b>	<b>27 373</b>	<b>-</b>
Long-term debt instruments	56 987	59 886	32 513	27 373	
<b>31 December 2020 (Audited)</b>					
<b>Financial assets</b>	<b>816 831</b>	<b>817 959</b>	<b>74 208</b>	<b>20 877</b>	<b>722 874</b>
Government and other securities	77 149	74 208	74 208		
Loans and advances	739 682	743 751		20 877	722 874
<b>Financial liabilities</b>	<b>57 603</b>	<b>61 465</b>	<b>33 928</b>	<b>27 537</b>	<b>-</b>
Long-term debt instruments	57 603	61 465	33 928	27 537	

There have been no significant changes in the methodology used to estimate the fair value of the above instruments during the year.

### LOANS AND ADVANCES

Loans and advances that are not recognised at fair value principally comprise variable-rate financial assets. The interest rates on these variable-rate financial assets are adjusted when the applicable benchmark interest rate changes.

Loans and advances are not actively traded in most markets and it is therefore not possible to determine the fair value of these loans and advances using observable market prices and market inputs. Due to the unique characteristics of the loans and advances portfolio and the fact that there have been no recent transactions involving the disposal of such loans and advances, there is no basis to determine a price that could be negotiated between market participants in an orderly transaction. The group is not currently in the position of a forced sale of such underlying loans and advances, and it would therefore be inappropriate to value the loans and advances on a forced-sale basis.

For specifically impaired loans and advances the carrying value, as determined after consideration of the group's IFRS 9 expected credit losses, is considered the best estimate of fair value.

The group has developed a methodology and model to determine the fair value of the gross exposures for the performing loans and advances measured at amortised cost, resulting in these assets' fair value being 0,16% higher (2020: 0,55% higher) than carrying value. This model incorporates the use of average interest rates and projected monthly cashflows per product type. Future cashflows are discounted using interest rates at which similar loans would be granted to borrowers with similar credit ratings and maturities. Methodologies and models are updated on a continuous basis for changes in assumptions, forecasts and modelling techniques. Future forecasts of the group's PDs and LGDs for the periods 2022 to 2024 (2020: for periods 2021 to 2023) are based on the latest available internal data and are applied to the projected cashflows of the first three years. Thereafter PDs and LGDs are gradually reverted to their long-run averages and are applied to the remaining projected cashflows. Inputs into the model include various assumptions used in the pricing of loans and advances. The determination of such inputs is highly subjective and therefore any change to one or more of the assumptions (eg interest rates, future forecasts of PDs or LGDs, or macroeconomic conditions) may result in a significant change in the determination of the fair value. Reasonable bounds for the fair value are estimated to be between 0,7% lower and 0,9% higher than the carrying value.

The fair value of corporate bonds is based on the discounted cashflow methodology (level 2).

### GOVERNMENT AND OTHER SECURITIES

The fair value of high-quality South African government bonds listed in an active market is based on available market prices (level 1) or significant unobservable inputs (level 3). The discounted cashflow methodology principles (level 3) are the same as those used to determine the fair value of loans and advances.

### OTHER SHORT-TERM SECURITIES

The fair value of other short-term securities is determined using a discounted-cashflow analysis (level 2).

### LONG-TERM DEBT INSTRUMENTS

The fair value of long-term debt instruments is based on available market prices (level 1). Where prices are not quoted or where the market is considered to be inactive, fair value is based on the discounted cashflow analysis (level 2).

### AMOUNTS OWED TO DEPOSITORS

The amounts owed to depositors principally comprise variable-rate liabilities and hedge-accounted fixed-rate liabilities. The carrying value of the amounts owed to depositors approximates fair value because the instruments are repriced to current market rates at frequent intervals. In addition, a significant portion of the balance is callable or short-term in nature.

### CASH AND CASH EQUIVALENTS, OTHER ASSETS, MANDATORY DEPOSITS WITH CENTRAL BANKS, AND PROVISIONS AND OTHER LIABILITIES

The carrying values of cash and cash equivalents, other assets, mandatory deposits with central banks, and provisions and other liabilities are considered a reasonable approximation of their respective fair values, as they are either short-term in nature or repriced to current market rates at frequent intervals.

## ADDITIONAL INFORMATION

## LIQUIDITY COVERAGE RATIO

Rm	Total unweighted value <sup>1</sup> (average)	Total weighted value <sup>2</sup> (average)
<b>Total high-quality liquid assets</b>		<b>197 701</b>
Cash outflows		
Retail deposits and deposits from small-business clients	192 739	19 274
Less-stable deposits	192 739	19 274
Unsecured wholesale funding	289 802	135 576
Operational deposits (all counterparties) and deposits in institutional networks of cooperative banks	150 035	37 509
Non-operational deposits (all counterparties)	138 873	97 173
Unsecured debt	894	894
Secured wholesale funding	15 054	
Additional requirements	150 061	22 397
Outflows related to derivative exposures and other collateral requirements	4 977	4 977
Credit and liquidity facilities	145 084	17 420
Other contingent funding obligations	157 536	7 431
<b>Total cash outflows</b>	<b>805 192</b>	<b>184 678</b>
Cash inflows		
Secured lending (eg reverse repurchase agreements)	4 706	4 125
Inflows from fully performing exposures	42 830	31 347
Other cash inflows	1 600	1 600
<b>Total cash inflows</b>	<b>49 136</b>	<b>37 072</b>
		<b>Total adjusted value</b>
Total HQLA		197 701
Total net cash outflows		147 606
<b>Liquidity coverage ratio (%)</b>		<b>133,9%</b>

<sup>1</sup> Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

<sup>2</sup> Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

The figures above reflect the daily average over the quarter ended June 2021, based on regulatory submissions to SARB. This section on the liquidity coverage ratio has not been audited or reviewed by the group's auditors.

## NET STABLE FUNDING RATIO

Rm	Unweighted value by residual maturity				Weighted value
	No maturity	Six months or less	Between six months and one year	More than one year	
<b>Available stable funding (ASF)</b>					
Capital	87 061	-	-	14 380	101 441
Regulatory capital	82 586			12 682	95 268
Other capital instruments	4 475			1 698	6 173
Retail deposits and deposits from small-business clients	76 686	159 986	11 972	14 853	238 633
Less-stable deposits	76 686	159 986	11 972	14 853	238 633
Wholesale funding	129 032	318 411	98 926	114 801	346 219
Operational deposits	124 769	55 161			89 965
Other wholesale funding	4 263	263 250	98 926	114 801	256 254
Other liabilities	17 858	12 286	350	7 796	2 169
Net stable funding ratio (NSFR) derivative liabilities				5 802	
All other liabilities and equity not included in the above categories	17 858	12 286	350	1 994	2 169
<b>Total ASF</b>					<b>688 462</b>
<b>Required stable funding</b>					
Total NSFR high-quality liquid assets (HQLA)					16 493
Performing loans and securities	-	165 996	65 554	539 225	523 662
Performing loans to financial institutions secured by level I HQLA		24 221			2 422
Performing loans to financial institutions secured by non-level I HQLA and unsecured performing loans to financial institutions		49 433	7 338	29 340	40 423
Performing loans to non-financial corporate clients, loans to retail and small-business clients and loans to sovereigns, central banks and public sector enterprises, of which		82 155	54 733	365 175	376 382
with a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				12 310	8 001
Performing residential mortgages, of which		3 075	3 056	138 626	95 495
with a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3 075	3 056	127 012	8 562
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		7 112	427	6 084	8 940
Other assets	34 481	154	-	46 616	70 107
Assets posted as an initial margin for derivative contracts and contributions to default funds of central counterparties		79			67
NSFR derivative assets				27 528	21 726
NSFR derivative liabilities before deduction of variation margin posted				5 840	584
All other assets not included in the above categories	34 481	75		13 248	47 730
Off-balance-sheet items				286 077	10 517
<b>Total required stable funding</b>					<b>620 779</b>
<b>NSFR (%)</b>					<b>110,9%</b>

## DEFINITIONS

**12-month expected credit loss (ECL)** This expected credit loss represents an ECL 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.

**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 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)** 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.

**Default** In line with the Basel III definition, default occurs 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 Nedbank's 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 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.

For retail portfolios this is product-centred, and 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 six-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 1 of 2020** A directive from the Prudential Authority (PA) that provides temporary measures to aid compliance with the liquidity coverage ratio during the Covid-19 pandemic stress period. The PA has deemed it appropriate to amend the minimum liquidity coverage ratio (LCR) requirement temporarily to 80%, effective from 1 April 2020.

**Directive 2 of 2020** A directive from the PA provides temporary capital relief to alleviate risks posed by the Covid-19 pandemic. The PA has implemented measures to reduce the specified minimum requirement of capital and reserve funds to be maintained by banks, in order to provide temporary capital relief to enable banks to counter economic risks to the financial system as a whole, and to individual banks. These measures are intended to provide relief to banks in response to the Covid-19 pandemic, thereby enabling banks to continue providing credit to the real economy during this period of financial stress.

**Directive 3 of 2020** A directive from the PA that implemented measures to ensure that various types of relief to qualifying borrowers that were up to date at 29 February 2020, such as payment holidays, do not result in unintended consequences such as inappropriate higher capital requirements. The PA has provided temporary relief for qualifying loans from portions of Directive 7/2015 dealing with distressed restructures. Importantly, this relief covers retail, small and medium enterprises (SMEs) and corporate loans, including all specialist asset classes such as commercial property.

**Directive 7 of 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 non-trading and capital items.

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

**Forward-looking economic expectations** The impact of forecasted macroeconomic conditions in determining a significant increase in credit risk (SICR) and ECL.

**Gross operating 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.

**Guidance Note 4 of 2020** A guidance note from the South African Reserve Bank that recommends that banks no longer make dividend distributions on ordinary shares to conserve capital, in light of the negative economic impact of the Covid-19 pandemic and the temporary regulatory-capital relief provided.

**Guidance Note 3 of 2021** A guidance note from the South African Reserve Bank that recommends banks be prudent and consider the adequacy of their current and forecasted capital and profitability levels, internal capital targets and risk appetite as well as current and potential future risks posed by the ongoing pandemic when making distributions of dividends on ordinary shares and the payment of cash bonuses to executive officers and material risk takers. Guidance Note 3 of 2021 replaces Guidance Note 4 of 2020.

**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.

**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 embedded value (Rm)** The embedded value (EV) of the covered business is the discounted value of the projected future after-tax shareholder earnings arising from covered business in force at the valuation date, plus the adjusted net worth.

**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 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.

**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 (NIR) to total income (%)** NIR as a percentage of operating income, excluding the impairments charge on loans and advances.

**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.

## ABBREVIATIONS AND ACRONYMS

- Performing stage 3 loans and advances (Rm)** Loans that are up to date (not in default) but are classified as defaulted due to regulatory requirements, ie Directive 7 of 2015 or the curing definition.
- Preprovisioning operating profit (PPOP) (Rm)** Headline earnings plus direct taxation plus impairment charge on loans and advances.
- Price/earnings ratio (historical)** Closing share price divided by the headline earnings multiplied by total days in the year divided by 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 (%)** Headline earnings from the group's ETI investment pre-funding costs 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 (RWA).
- Risk-weighted assets (RWA) (Rm)** On-balance-sheet and off-balance-sheet exposures after applying prescribed risk weightings according to the relative risk of the counterparty.
- SME loan guarantee scheme** An initiative by National Treasury and the South African Reserve Bank, in partnership with participating commercial banks, aimed at giving financial support to SMEs affected by the lockdown.
- 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 the SA 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.
- Value in use (VIU) (Rm)** The present value of the future cashflows 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.
- Year-to-date annualised or ytd annualised** The growth rate for the six-month period to 30 June annualised by 366 days, divided by 182 days.

- ACI** African, Coloured and Indian
- 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
- 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
- CVP** client value proposition
- 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
- EV** embedded value
- ETI** Ecobank Transnational Incorporated
- 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
- GDP** gross domestic product
- GFC** great financial crisis
- GLAA** gross loans and advances
- GLC** great lockdown crisis
- GOI** gross operating income
- group** Nedbank Group Limited
- HE** headline earnings
- HEPS** headline earnings per share
- 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 lending division of Nedbank)
- MRC** minimum required capital
- MZN** Mozambican metical
- N/A** not applicable
- NAFEX** The 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
- NI** net interest income
- NIM** net interest margin
- NIR** non-interest revenue
- NPL** non-performing loan(s)
- NPS** Net Promoter Score
- NSFR** net stable funding ratio
- nWoW** New Ways of Work
- OCI** other comprehensive income
- OM** Old Mutual
- PA** Prudential Authority
- PAT** profit after tax
- PayU** Pay-as-you-use account
- Plc** Public Limited Company
- PPOP** preprovisioning operating profit
- PRMA** postretirement medical aid
- R** rand
- RBB** Retail and Business Banking
- Rbn** South African rands expressed in billions
- REITs** real estate investment trusts
- Rm** South African rands 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** The South African Customer Satisfaction Index
- SADC** Southern African Development Community
- SAICA** South African Institute of Chartered Accountants
- SARB** South African Reserve Bank
- SDGs** Sustainable Development Goals
- SICR** Significant Increase in Credit Risk
- SME** small to medium enterprise
- STI** short-term incentive
- TSA** The Standardised Approach
- TTC** through the cycle
- UK** United Kingdom
- 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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