Unaudited

Interim Results

for the six months ended 30 June 2022

see money differently

NEDBANK GROUP

Contents

A 26% increase in headline earnings per share and a robust balance sheet enabled an 81% increase in the interim dividend per share

The South African economy held up relatively well as global economic conditions deteriorated significantly in the first half of 2022. Russia's invasion of Ukraine, the hard lockdowns in China and supply chain constraints resulted in a surge in global inflationary pressures, particularly in energy and food prices, and faster-than-expected monetary policy tightening. These conditions dampened global demand and triggered fears of recession in both advanced and developing countries.

Early in the year South Africa's (SA's) economy continued to gather momentum off the back of favourable terms of trade, resulting in strong seasonally adjusted gross domestic product (GDP) growth of 1,9% quarter on quarter (qoq) in Q1 2022. However, the second quarter was considerably more challenging as local economic activity was disrupted by the floods in KwaZulu-Natal, severe load-shedding, weaker global demand, escalating domestic inflation and the faster-than-expected rise in interest rates. We currently expect SA real GDP to contract by 1,2% qoq in Q2 2022. Electricity supply is a binding constraint on economic growth and job creation and urgent implementation of the Energy Action Plan is needed.

Nedbank Group's financial performance in the first half of 2022 reflects an excellent performance across all key metrics in a complex and difficult external environment. We delivered strong revenue growth of 11%, a credit loss ratio (CLR) that was flat year on year (yoy) at 85 bps and good cost management. As a result, headline earnings (HE) increased by 27% to R6,7bn. The group's return on equity (ROE) increased to 13,6% (June 2021: 11,7%), and all our business clusters generated ROEs above the group's cost of equity (COE). The group ROE was diluted by an average of R11bn of surplus tier 1 capital held at the centre as we remain appropriately conservative in an uncertain external environment. We retain surplus capital primarily for higher levels of future growth and dividend payments. Capital and liquidity ratios continued to strengthen as reflected in our common equity tier 1 (CET1) ratio of 13,5% (Dec 2021: 12,8%), tier 1 capital ratio of 15,1% (Dec 2021: 14,3%), average second-quarter liquidity coverage ratio (LCR) of 144% (Dec 2021: 128%) and net stable funding ratio (NSFR) of 120% (Dec 2021: 116%). These capital and liquidity outcomes support a strong interim dividend of 783 cents per share, which is up 81% and is now at levels above the 2019 pre-Covid-19 interim dividend.

During the past six months we continued to make good progress on our strategic value drivers of growth, productivity, and risk and capital management. Growth trends across net interest income (NII) (+9%), non-interest revenue (NIR) (+13%) and gross advances (+7%) improved from the Covid-19 pandemic lows, supported by main-banked client gains across our business clusters and strong growth in digital activity. Levels of productivity improved, evident in our cost-to-income ratio declining to 56,2% (from 58,5% in H1 2021) and a 17% increase in preprovisioning operating profit (PPOP). Key risk and capital management metrics remain robust, all having improved to above 2019 levels.

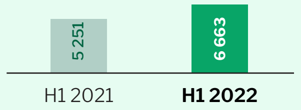
Our Managed Evolution (ME) technology strategy has reached 89% completion of the IT build, enabling continued double-digit growth in digital metrics. Client satisfaction scores are around the top end of the SA banking peer group, levels of cross-sell are increasing and cumulative TOM 2.0 cost savings of R1,2bn are ahead of target. Lastly, as we continue to create positive impacts, we remain committed to our market-leading Energy Policy as evidenced in renewable-energy lending exposures of R28bn, strong lending pipelines related to the Sustainable Development Goals (SDGs) and retaining our top-tier environmental, social and governance (ESG) ratings.

Looking forward, we currently expect SA's GDP to increase by 1,8% in 2022; interest rates to increase by a further 75 bps, taking the repo rate to 6,25%; and the prime lending rate to 9,75% by the end of the year. Inflation is expected to peak in Q3 at around 7,8% and average 6,8% for 2022. A continuation of the good strategic and operational delivery, as evidenced in H1 2022, should support strong earnings growth for the full-year 2022 and a yoy increase in ROE. We remain on track to meet our medium-term targets* by exceeding our 2019 diluted headline earnings per share (DHEPS) level of 2 565 cents by the end of 2022 (a year earlier than planned) and achieving an ROE greater than the 2019 ROE level of 15%, a cost-to-income ratio of below 54% and the #1 ranking on Net Promoter Score (NPS) among South African banks by the end of 2023.

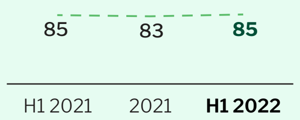
We thank all our employees for their commitment to delivering value to our clients and the economies in which we operate in line with our purpose of using our financial expertise to do good. As we continue to reintegrate increasing numbers of employees into the office in a phased manner, we look forward to reinforcing our strong Nedbank culture and reconnecting safely as one Nedbank.

Mike Brown
Chief Executive

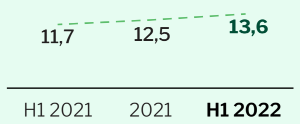
Headline earnings
▲ 27%



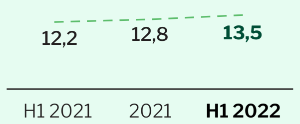
CLR
85 bps



ROE
13,6%



CET1 RATIO
13,5%



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

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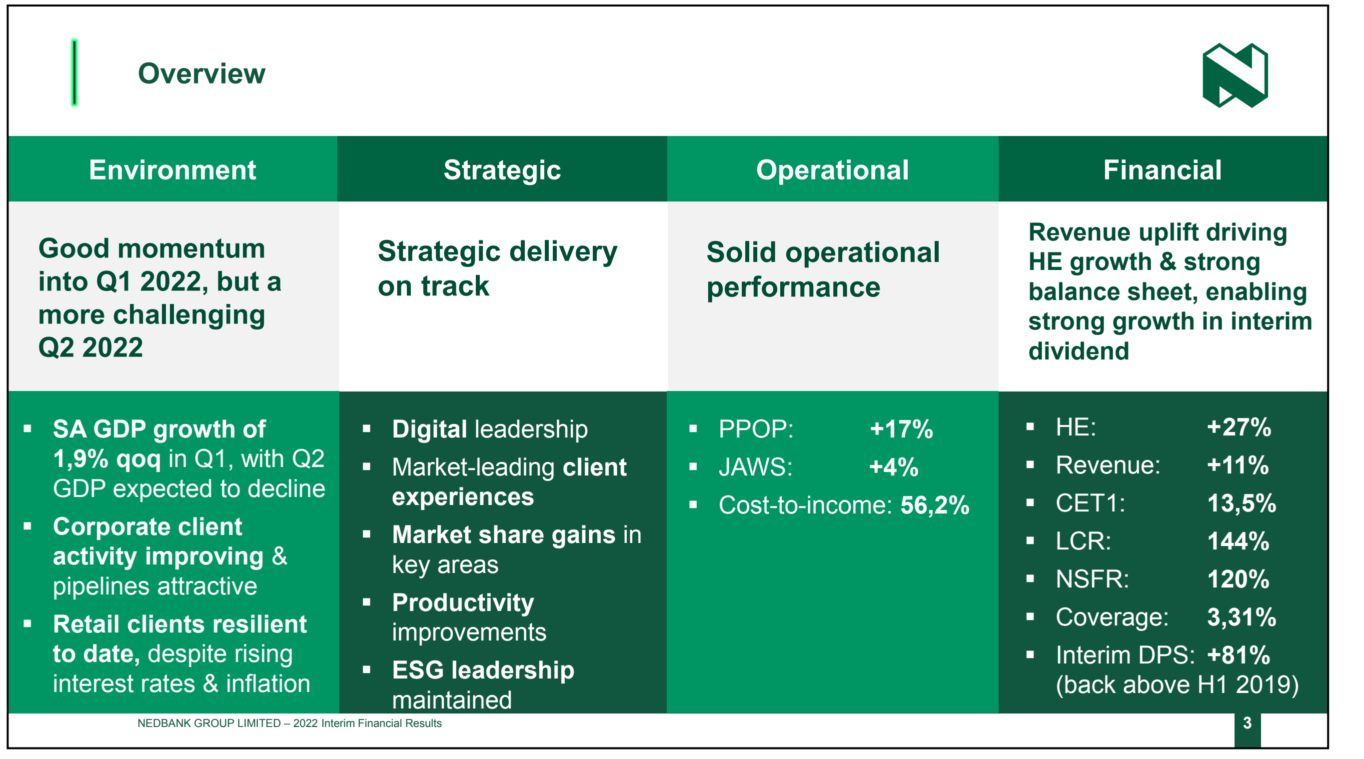

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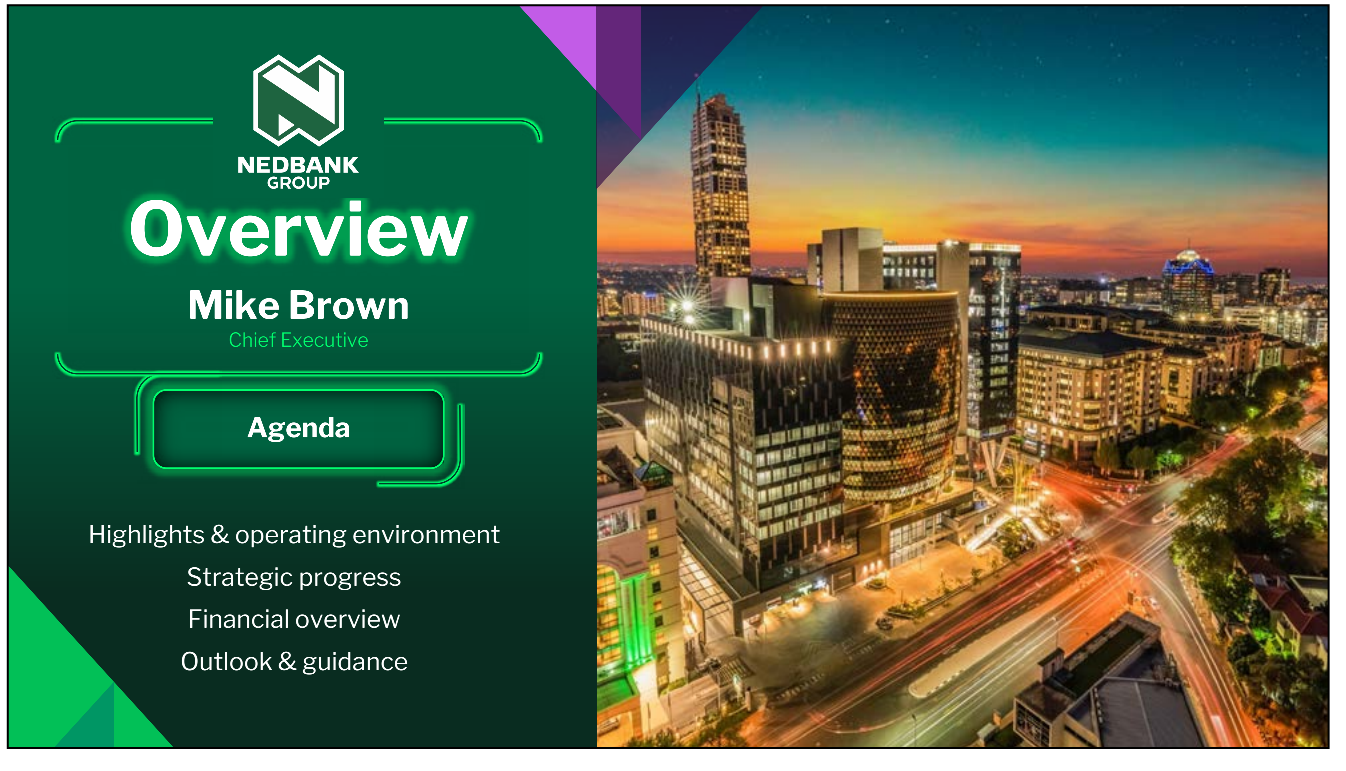

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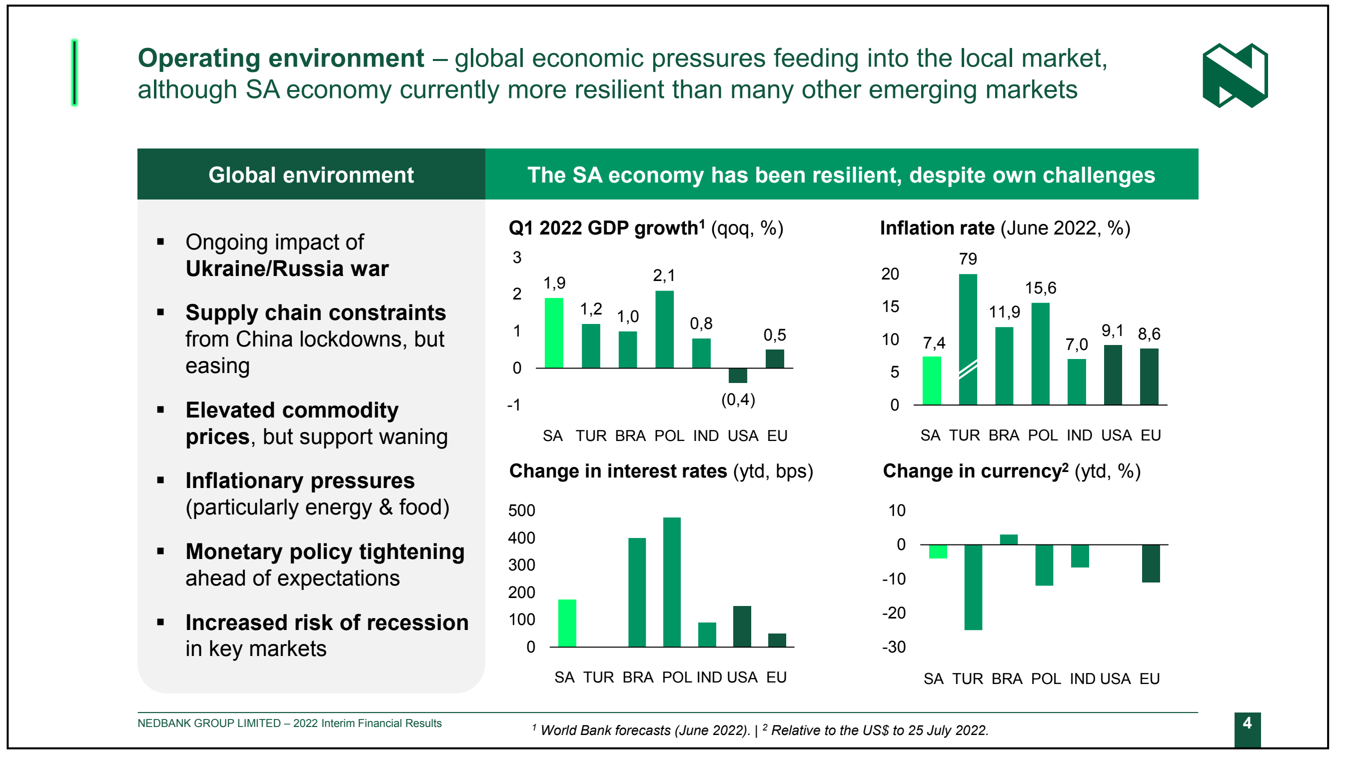
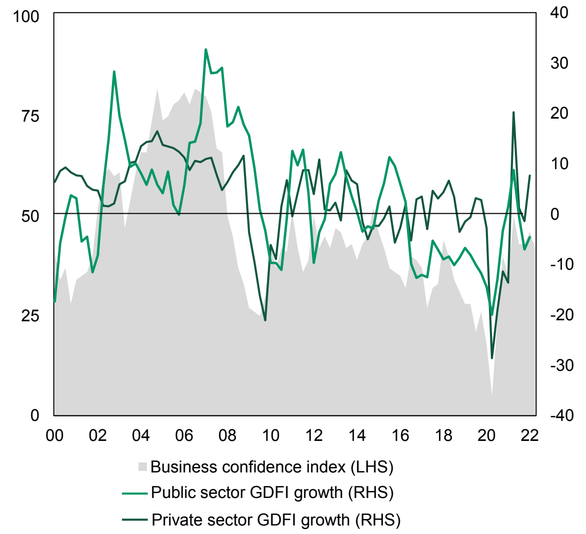


Notes:

Operating environment – some positive developments on key SA reforms, but business confidence still low as delivery remains slow & energy constraints remain

Business confidence[1] vs growth in fixed investment



- **Fixed investment edging up off a low base & client activity improving, driving a mild recovery in wholesale loan growth**
- **Positive developments on key SA reforms[2] but delivery remains slow**
  - 'Red-tape reduction drive'
  - SA president's energy plan – initiatives to improve operations at Eskom & adding significant new capacity (private sector)
  - RFP for public-private partnership in ports
  - Some large water infrastructure projects underway & aim to eliminate delays in granting water licences
  - Auctioning of 5G spectrum
  - Third-party access to SA freight rail network
- Negative impact from **KZN floods**
- **Stage six load-shedding** (electricity shortages are expected to continue over the next few years)

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[1] *SA Bureau of Economic Research.* | [2] *Extracted from the SA president's State of the Nation Address 2022.*

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Notes:

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Operating environment – SA government plan to address electricity constraints & ensure sustainable supply

1 Support for Eskom
- Improve performance of existing fleet – increase budget for spares, bringing back experienced plant managers/engineers, etc
- Purchase surplus electricity from IPPs, mines, neighbouring countries, etc
- Use foreign funding to repurpose power plants
- Appointed special SAPS team to address fraud/corruption/sabotage
- Make land available for 1 600 MW of generation

2 Accelerate new capacity from IPPs
- Renewable, gas & battery storage
- Bid window 4 (2 000 MW) completed
- Accelerate bid window 5 delivery (2 600 MW to come online from 2024)
- Doubled bid window 6 (2 600 MW to 5 200 MW)
- RFP for gas by Sept 2022
- RFP for battery storage shortly after Sept 2022

3 Accelerate private sector capacity
- Initial 100 MW self-generation pipeline = 80 projects/ 6 000 MW
- Removed 100 MW cap & licensing requirements
- Change in regulation for municipalities to procure privately
- Create a single point of entry for approvals

4 Accelerate rooftop solar
- Accelerate rooftop solar by businesses & households + enable feed into the national grid (sell to Eskom)
- Eskom to publish rules & feed-in tariffs

5 Transform the energy sector
- Restructure Eskom into generation, transmission & distribution (completed by end-2022 & board appointments in progress)
- Allow more generation/competition, but Eskom retains transmission

Load-shedding expected to remain intermittent over the next few years, but still elevated in 2022

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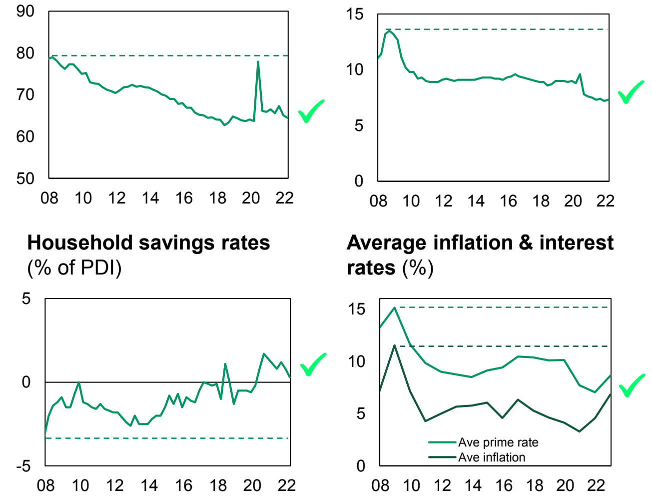
Notes:

Operating environment – households remain resilient despite rising interest rates & inflation



- **Households have de-levered since the GFC**
  - Debt-to-income ratio at a relatively low 64,5%, down from a GFC peak of 79%
- **Interest rates still 100 bps lower than at end-2019 & households' debt servicing cost-to-income ratio at a 16-year low, supporting:**
  - Demand for prime-linked credit
  - Easier cash flow for households, businesses & corporates to service their debt
- **Households have accumulated savings**, providing some buffer against rising interest rates
- **The recovery in employment likely to continue** as tourism picks up
- **Rising pressure on consumers** – from fuel, food & electricity price increases, but the inflation shock is not likely to be as severe as during the GFC

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PDI = Personal disposable income.

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Notes:

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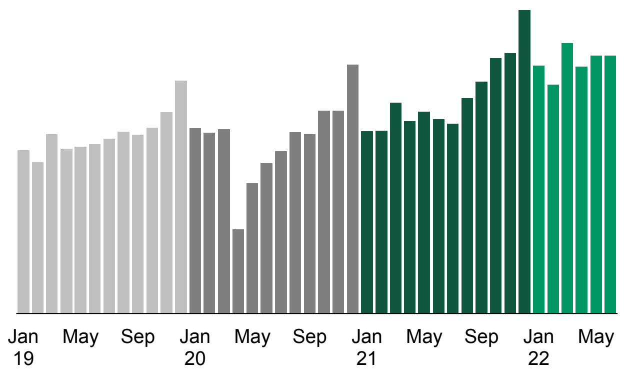
Operating environment – our high-frequency card & POS data shows a continued SA recovery

Total monthly industry POS turnover[1]
(Rbn)



- **Recovery continued** into H1 2022 (although H1 seasonally lower than H2)
- **All underlying industries now above 2019 levels**
- **Amex volumes above 2019 levels since April 2022** (recovery in corporate, leisure & travel sectors)
  - Corporate spend[2] up > 80% ytd
  - Foreign cardholder spend up[2] > 180% ytd

[1] *Based on Nedbank POS & card-related digital payment data (client turnover).* | [2] *Monthly volumes in June 2022.*

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Operating environment – risks & implications of a possible SA FATF greylisting & actions underway

The **Financial Action Task Force (FATF) Mutual Evaluation Report** identified significant weaknesses in parts of the SA's AML, CFT & CPF systems. The SA government was given until October 2022 to demonstrate that it has a credible plan to address the deficiencies, failing which it could be placed on a monitoring greylist in February 2023

Key actions

Omnibus bill	IO 1	IO 2, 4 & 5	IO 2, 6, 7 & 8	IO 2, 6, 8, 9, 10 & 11
Proposed to address technical deficiencies & amendments to NPO Act, FIC Act, Co Act, etc	Complete national risk assessment & identify potential vulnerabilities to conceal inward flow of suspected proceeds	Supervision, preventative measures, & beneficial ownership enhancements	International cooperation, ML investigations, prosecutions & asset forfeiture enhancements	International cooperation, TF investigations & prosecutions enhancements

The potential risks relating to greylisting SA

If a greylisting materialises, SA would be deemed to pose a much higher money laundering & terrorist financing & proliferation risk, & could face, inter alia:

- **high risk classification** by the EU & UK, **downgrade** in investment grade ratings & **potential de-investment**;
- **increased monitoring** by FATF;
- **adverse economic consequences** for trade & transactions;
- impacts to **correspondent banking relationships**; &
- **possible restrictions on banks** in the US, UK & EU from transacting with SA banks

Potential implications for SA banks & Nedbank

- Global correspondent banks & other intermediary financial institutions involved in transactions with SA entities are likely to:
  - demand a **higher level of due diligence**;
  - may **reprice business**; or
  - as last resort **de-risk SA exposures**
- **Nedbank has adequate AML/CFT & sanctions measures in place**, & fully supports all the initiatives to address the weaknesses identified by FATF within SA
- The most **pertinent components** in respect of financial institutions/banks can be found under **IO 4**, which deals with **preventive measures**

IO = Immediate outcome workstreams led by a SA government interdepartmental working group. | AML: Anti-money-laundering. | CFT: Counter-financing of terrorism & related activities. | CPF: Counter-proliferation Financing & related activities.

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Notes:

Nedbank Group strategy

Strategic value drivers

Growth	Productivity	Risk & capital management

Strategic value unlocks

Enabled by **Managed Evolution** technology strategy

Delivering market-leading client solutions	Ongoing disruptive market activities	Driving efficient execution (TOM 2.0)	Focusing on areas that create value (SPT 2.0)	Creating positive impacts

Targets to 2023[1]

DHEPS	ROE	Cost-to-income ratio	Net Promoter Score
> 2 565 cents (2019 levels)	> 15% (2019 levels)	< 54%	#1 bank (from #2 in 2021)

Long-term targets

> CPI + GDP +5% (growth)	> 18% (COE + 3% to 4%)	< 50%	#1 bank

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[1] Set in March 2021

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Nedbank Group strategy

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[1] Set in March 2021.

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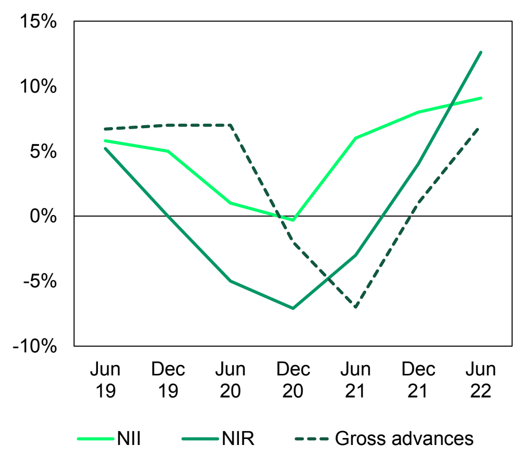
Notes:

Growth – growth trends improving, notwithstanding the negative macroeconomic & financial market impacts that emerged in Q2 2022

Strategic value drivers: Growth | Productivity | Risk & capital management

Nedbank revenue & gross advances growth
(%)



Strong digital & client-driven growth

- New primary client wins in CIB: **11**
- Retail main-banked clients: **+2%** yoy to 3,04m
- NAR client gains: **+4%** to 351k
- App volumes **+35%** yoy & **+289%** since 2019

Negative impact from financial markets

- AUM down 9% ytd to R385bn
- Trading income down 10%

Gross advances +7% (RBB +6% & CIB +9%)

Structural benefit from higher interest rates (endowment)

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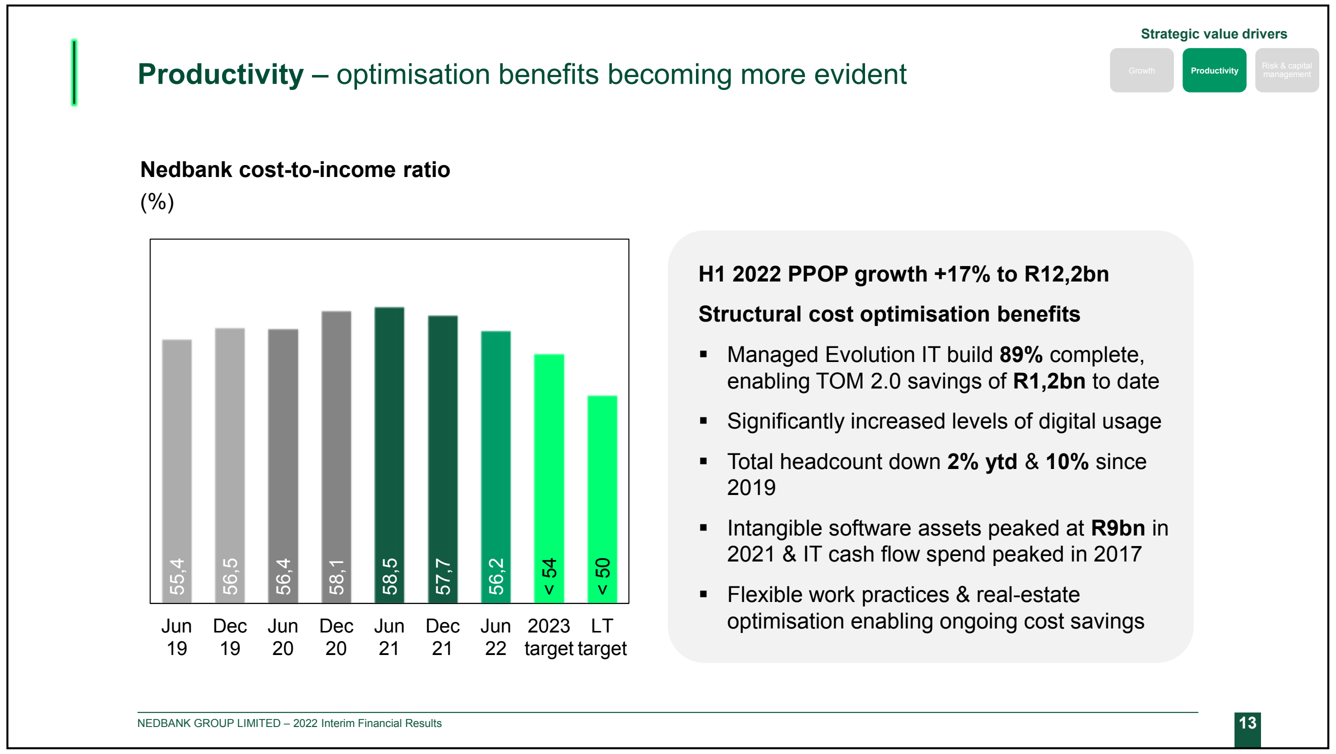

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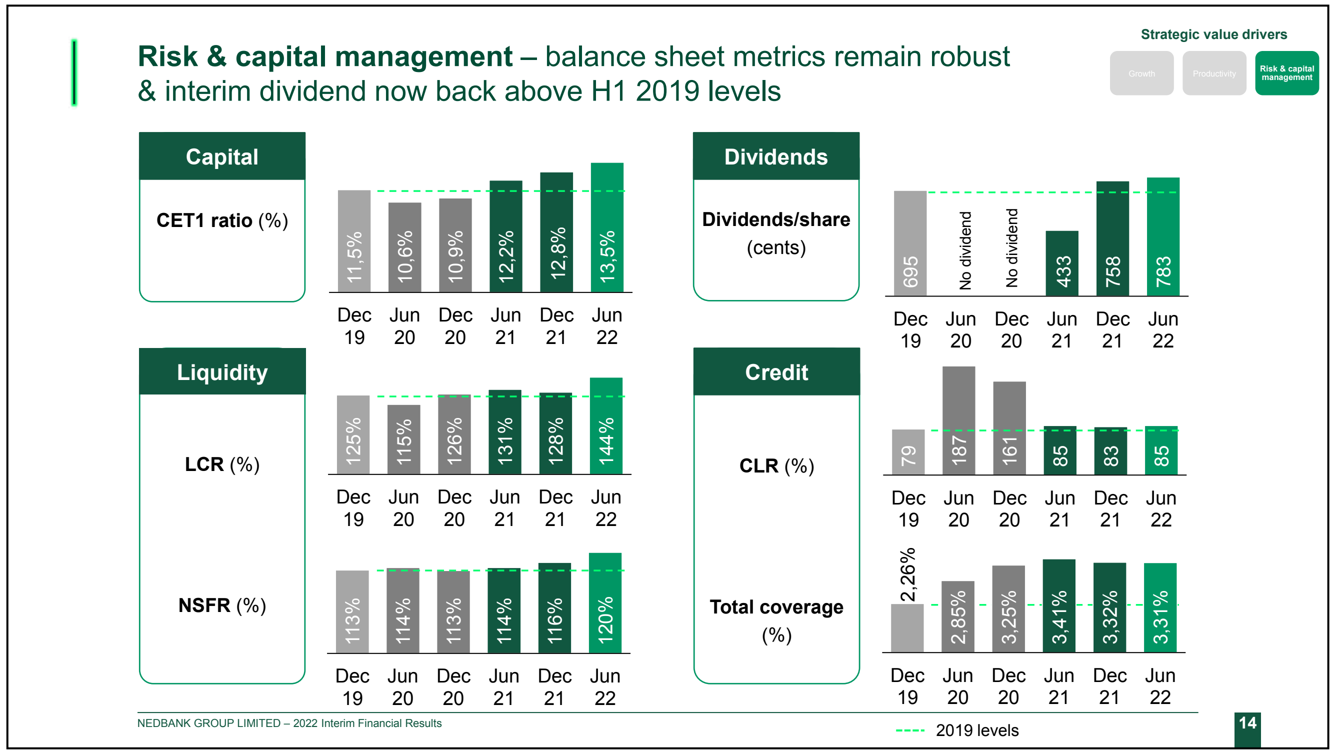

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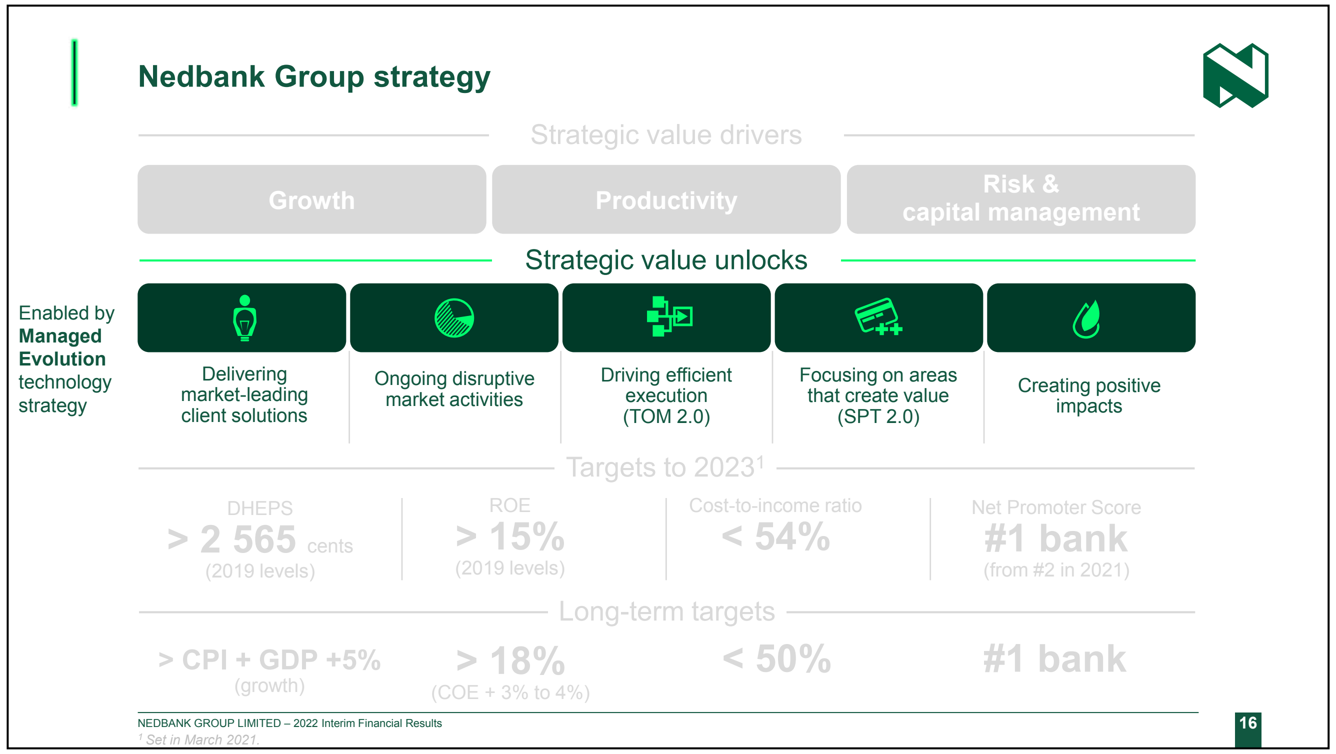

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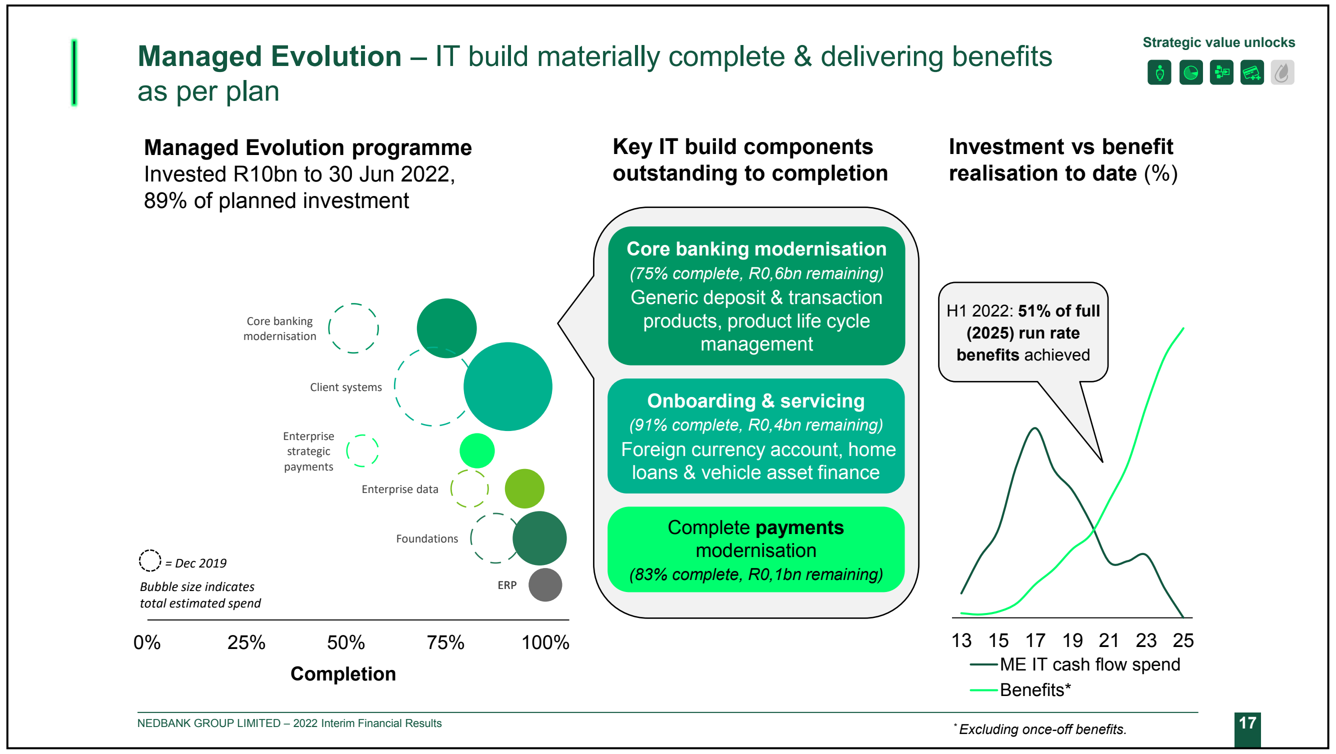

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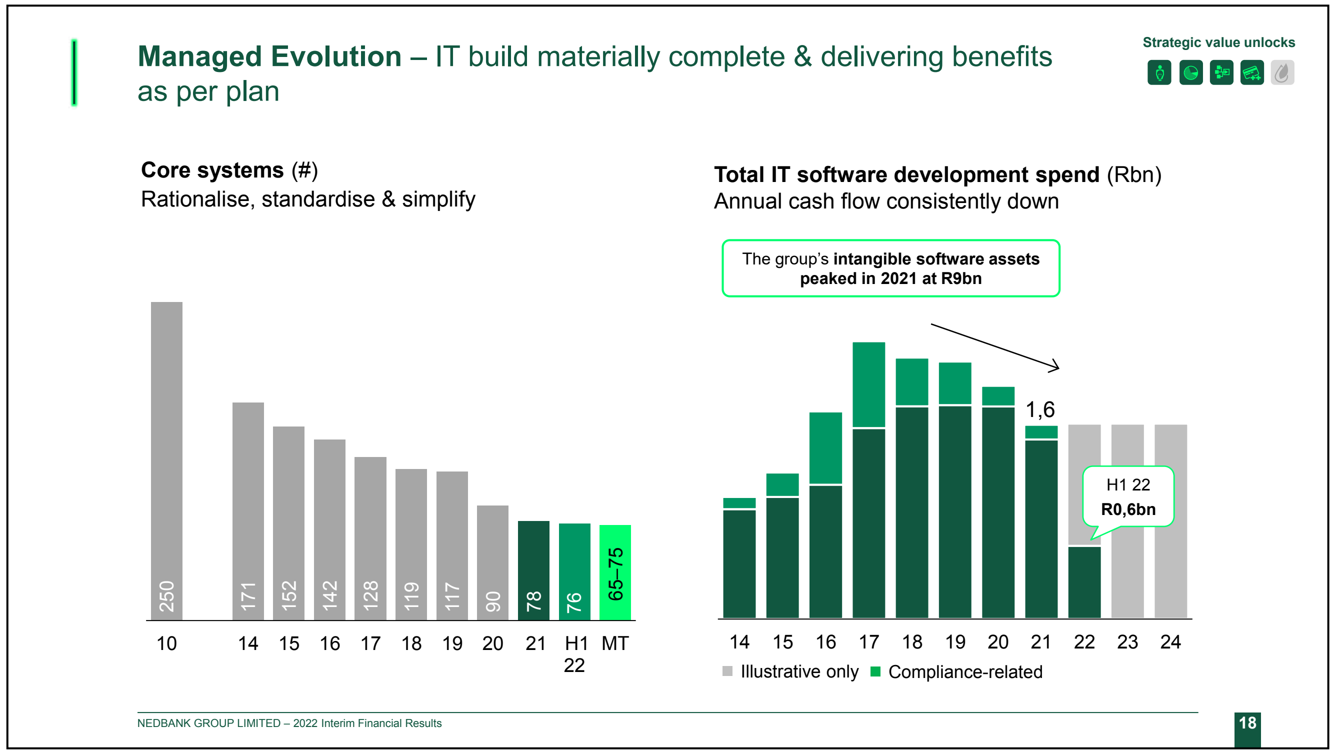

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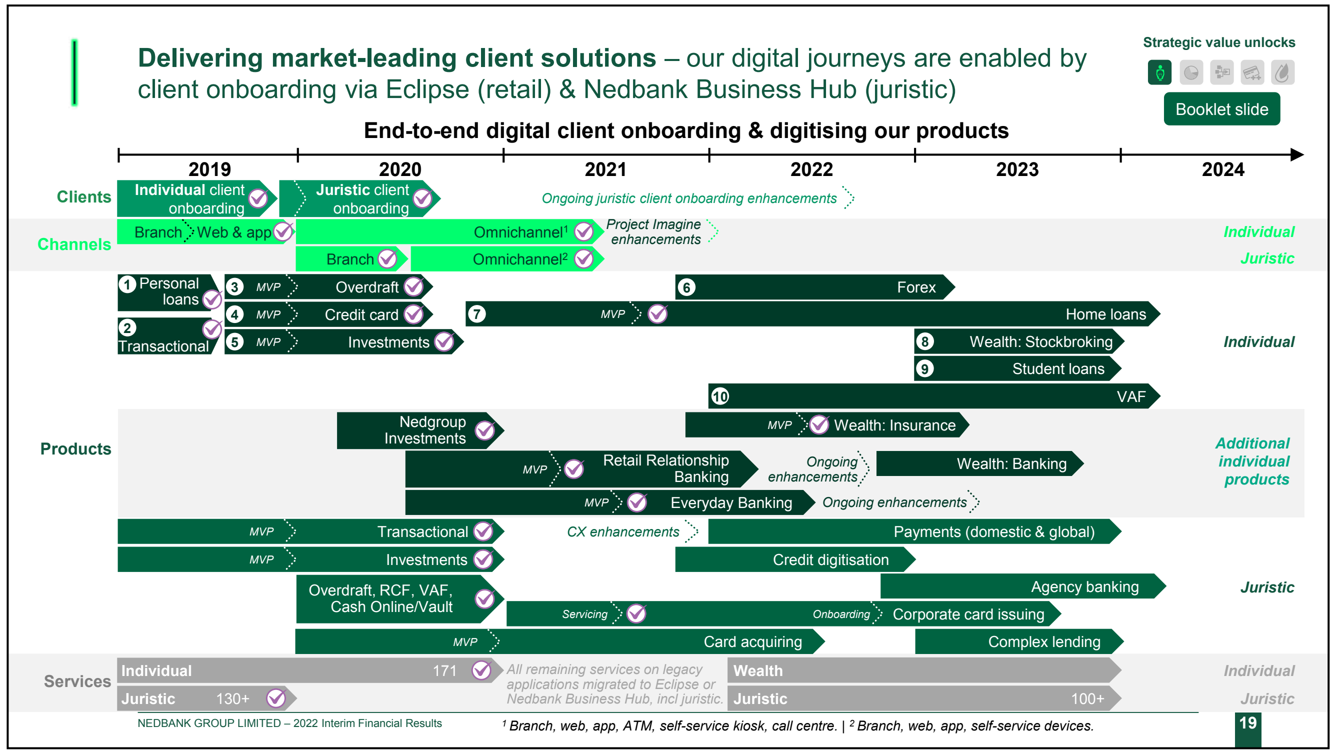

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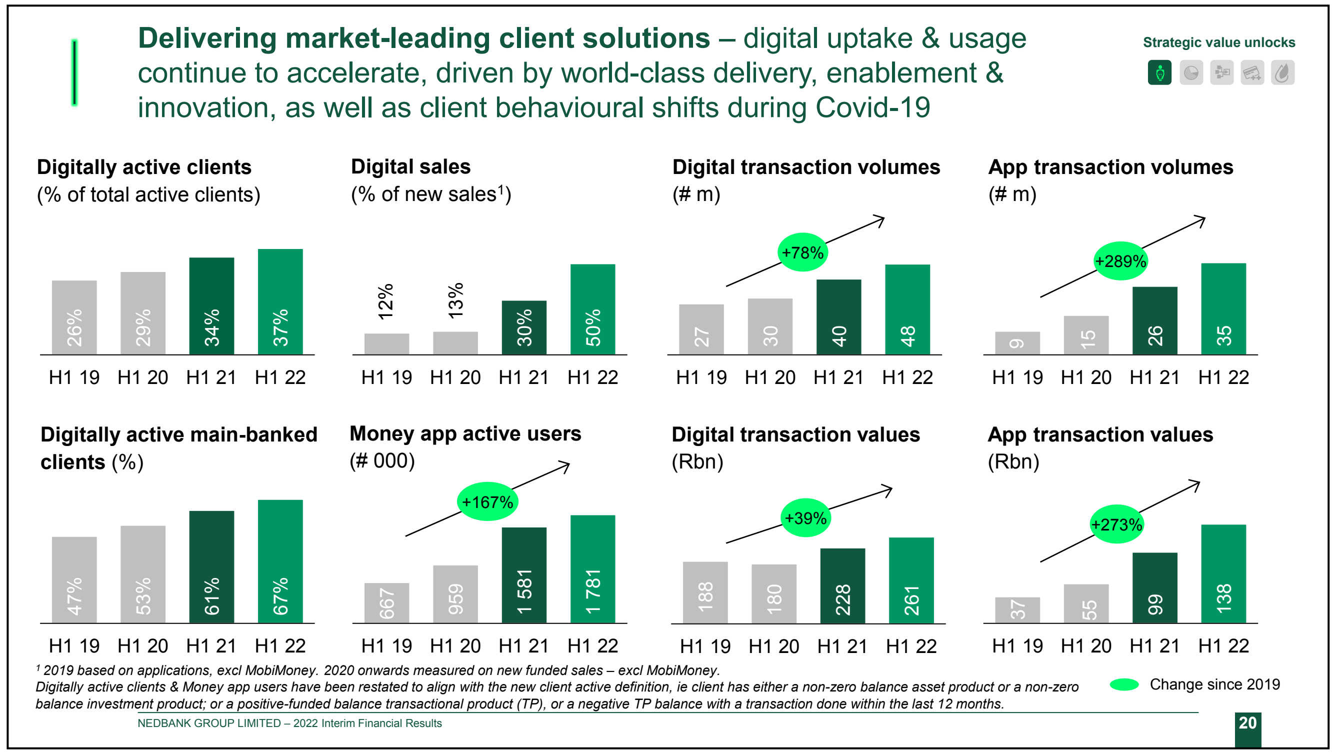

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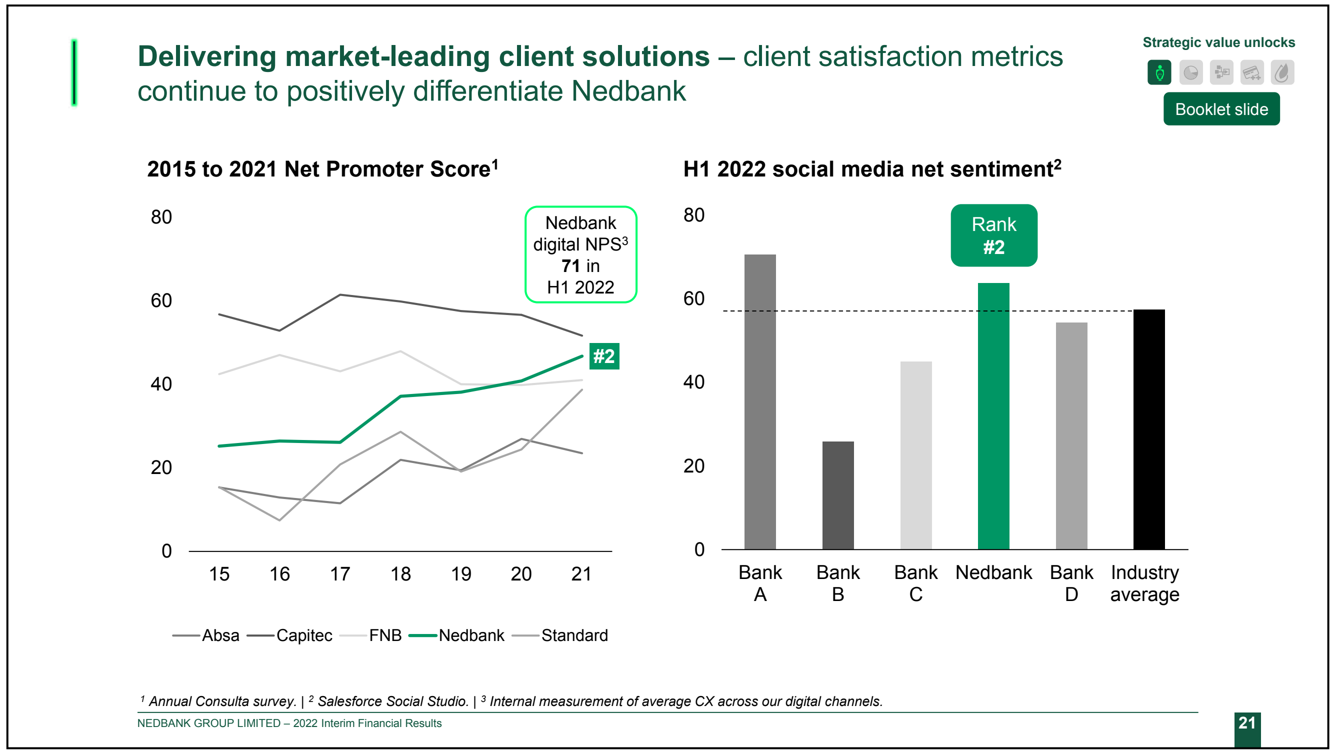

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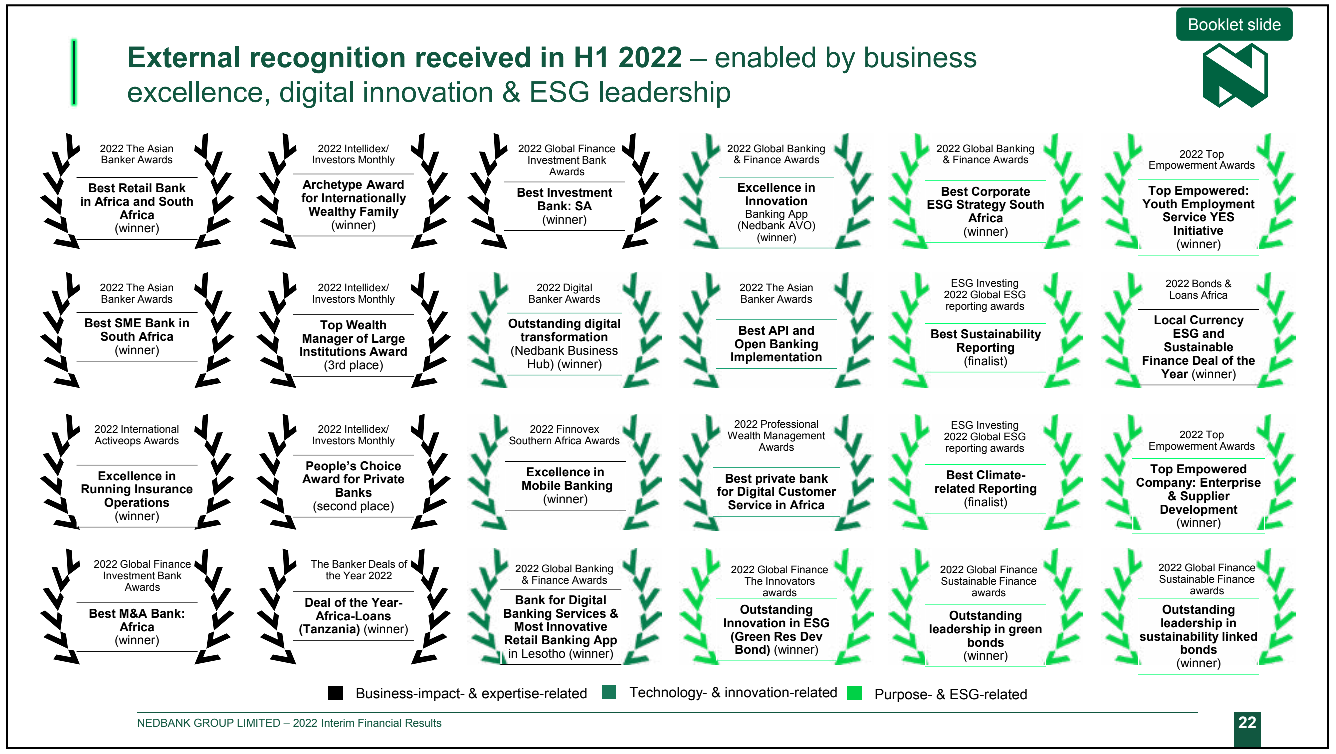

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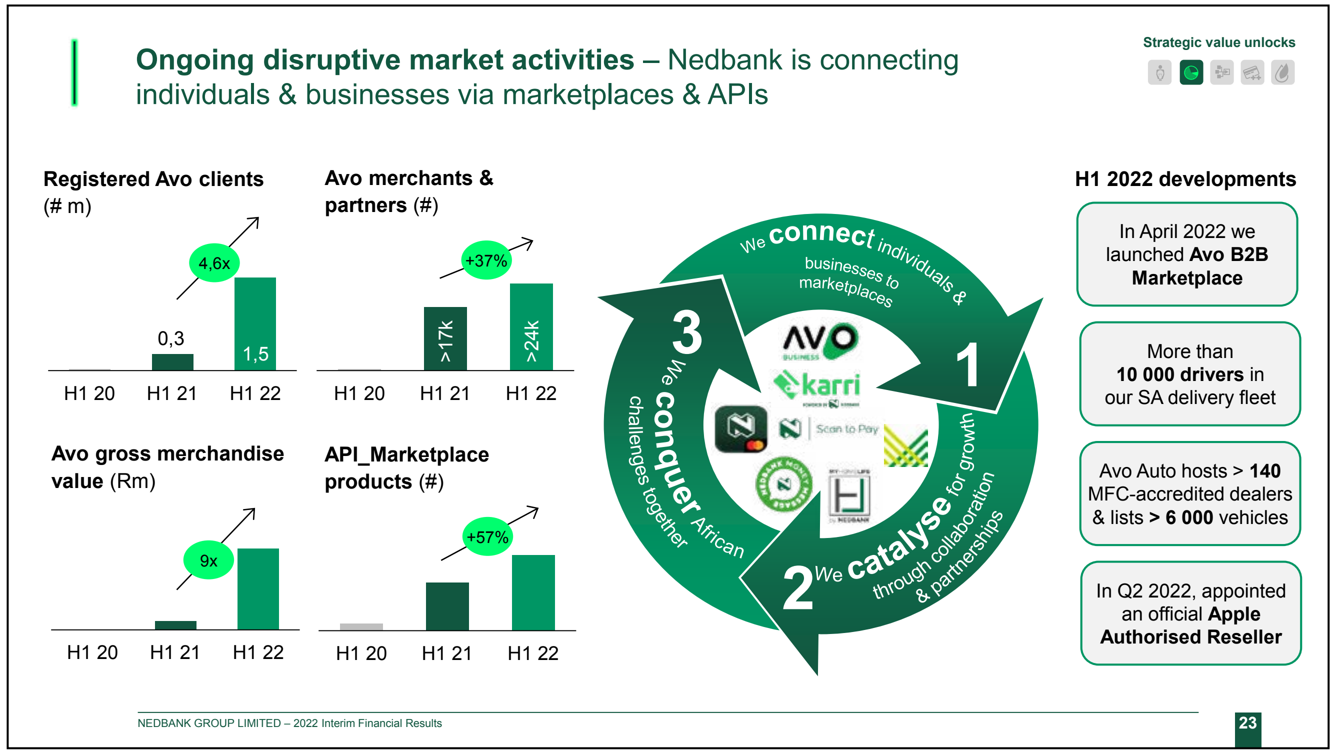

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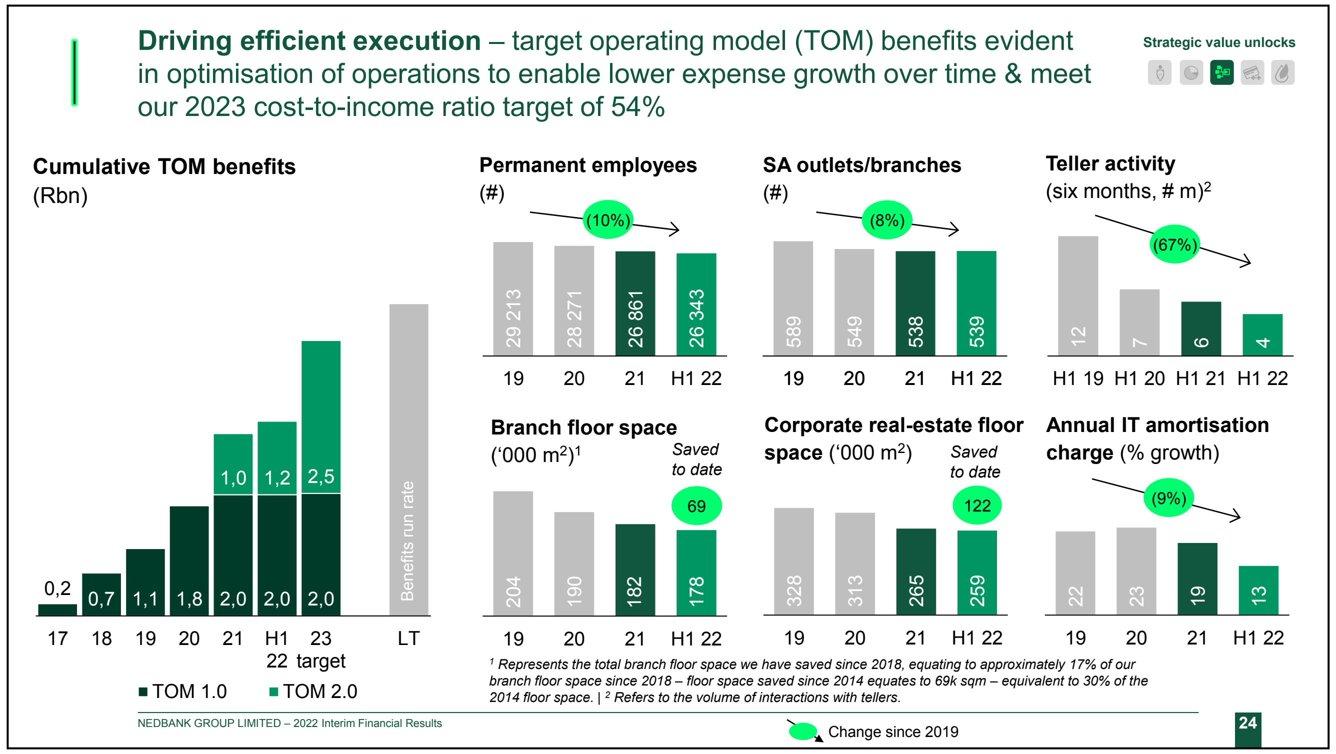


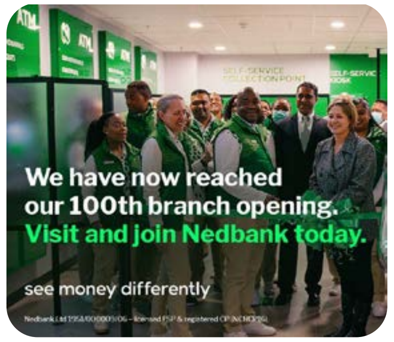
Notes:

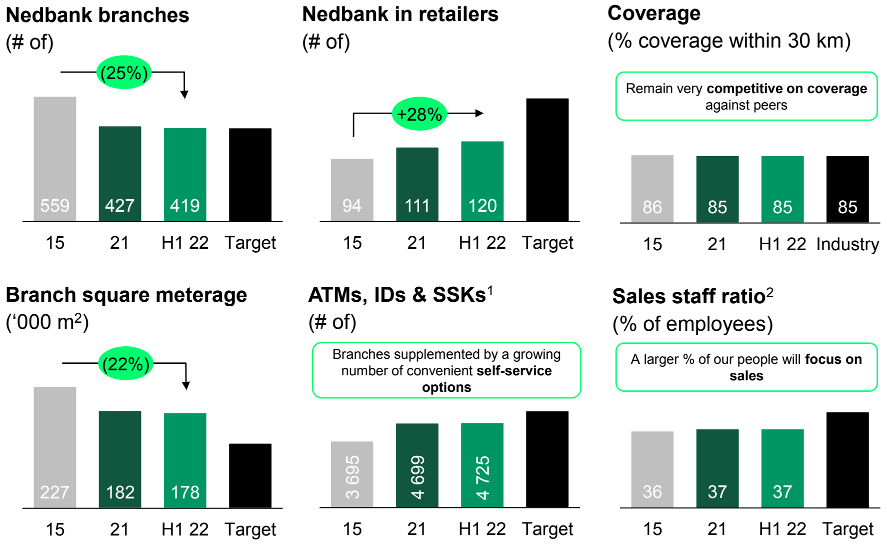
Driving efficient execution: RBB – become more client-centred & changing our distribution footprint as we shift to smaller formats & enable increased levels of self-service

Strategic value unlocks

Booklet slide

New-format branch milestone





[1] Automated teller machines, Intelligent Depositors & self-service kiosks. | [2] Consumer, which includes Boxer & BDO. | All targets set in January 2022 – target for 2024.

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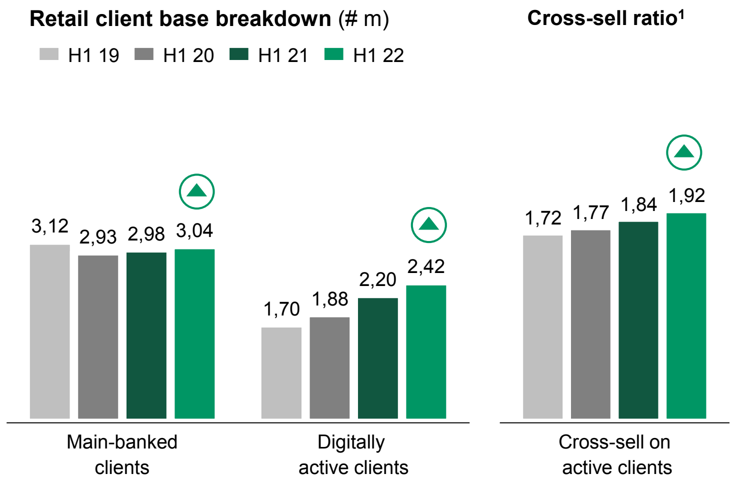
Notes:

Strategic Portfolio Tilt 2.0 (RBB growth vectors) – growth in main-banked clients & improving levels of cross-sell

Strategic value unlocks



Consulta[2] main-banked market share (%)

	2015	2020	2021
Nedbank	10,1%	11,2%	12,4%
Capitec	21,2%	39,2%	40,1%
Other banks	1,9%	1,3%	1,8%
SBSA	20,5%	14,0%	13,6%
FNB	21,7%	19,1%	18,5%
Absa	24,6%	15,2%	13,6%

[1] Based on new definition of active clients: Client has either a non-zero balance asset product or a non-zero balance investment product; or a positive-funded balance transactional product (TP), or a negative TP balance with a transaction done within the past 12 months | [2] Consulta surveys: 2020 & 2021 (released November 2021). AMPS Survey: 2015

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Notes:

Strategic Portfolio Tilt 2.0 – targeting profitable market share gains over time & increased cross-sell, while being prudent in a more difficult economic environment

Strategic value unlocks

BA900 market share[2] (%)

	19	20	21	H1 22
Core corporate loans	21,2	20,9	19,8	19,4
CPF	38,7	38,5	37,2	37,6
Home loans	14,4	14,4	14,2	14,0
Vehicle finance	36,4	36,5	36,3	36,0
Personal loans	10,2	11,2	12,2	11,9
Card	13,0	12,6	12,0	11,4
Retail overdrafts	7,2	8,0	9,9	10,6
Retail transactional deposits	16,0	15,0	13,5	13,7
Commercial transactional deposits	13,9	15,6	16,6	14,3

Including preference shares[1]: 19,9% (2021: 20,2%)

- **Growth opportunities** – infrastructure & SDG-related financing, particularly in wholesale lending
- **Selective credit origination** in areas where we have strong market positions – commercial property, vehicle finance
- **Prudent credit granting** in a more difficult macroeconomic environment & grow market share over time – personal loans, card
- **Leverage** digital channels, improved client experiences & cross-sell
- **Grow transactional deposits** – household transactional deposits a key focus area leading to strongest ytd growth among large SA banks

[1] CIB preference shares reported in Nedbank Group, not Nedbank Limited & therefore not included in the BA900 returns as the industry does, resulting in an understatement of our core corporate loans market share. | [2] H1 2022 market share at May 2022.

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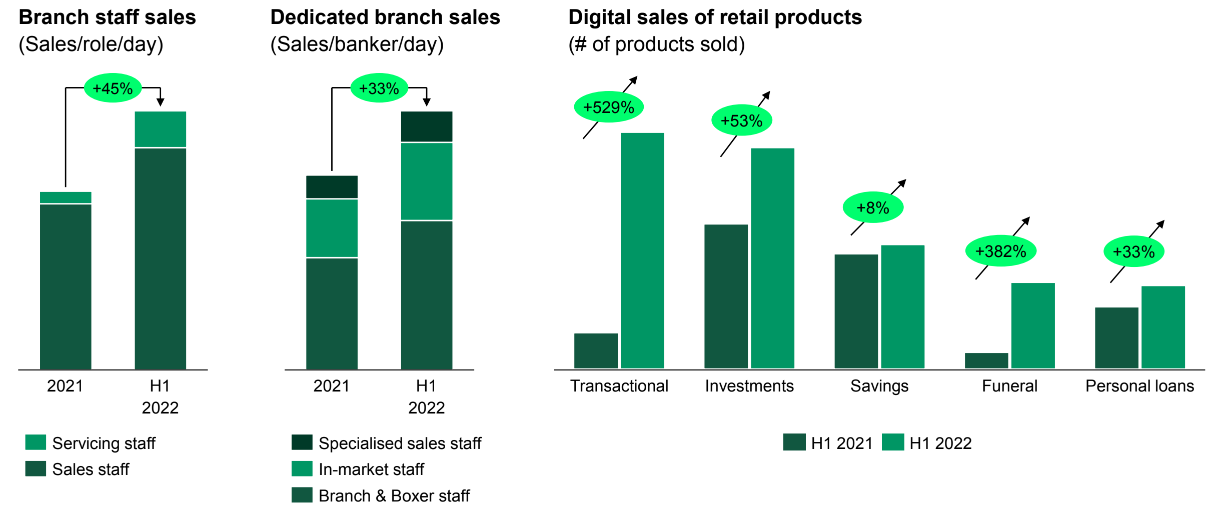
Notes:

Strategic value unlocks – strong retail product sales uplift driven by improvements in-branch & from our digital channels

Strategic value unlocks

Booklet slide



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Notes:

In summary – delivery on all key strategic value unlocks progressing well, driving revenue & cost benefits

Strategic value unlocks

Managed Evolution

- ME investment in IT build **89%** complete
- Benefit realisation, on track, at **51%** of full run rate target
- **Cash flow spend & IT assets peaked**

All digital metrics increasing strongly

\+

SPT 2.0
- HH deposit market share gains
- Cautious lending in a more difficult environment

\+

Client satisfaction levels increasing (SAcsi & NPS: #2)

\+

TOM 2.0
R1,2bn of benefits, well on track towards our R2,5bn target by 2023

=

- Stronger **revenue growth**
- **Main-banked** client gains
- **Cost optimisation**

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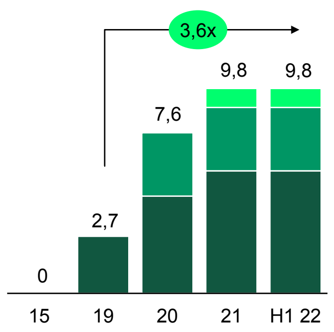
Notes:

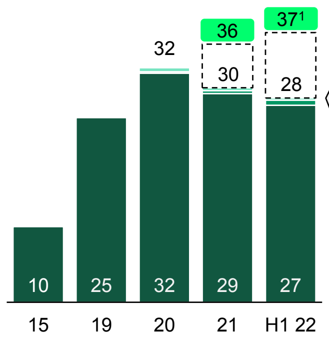
Creating positive impacts – anchoring our position as a market-leading impact financier & energy policy commitments to have zero exposure to fossil-fuel-related activities by 2045

Strategic value unlocks

Sustainable funding (Rbn)



Total renewable-energy financing (drawn exposures, Rbn)



- **Embedded energy:** mandated on various milestone projects in RFPs
- **RBB solar financing** solution launched

REIPPPP
- Lead arranger on 4 projects in emergency round/REIPPPP (close Q3 2022)
- Preferred bidder status in round 5 (close Q3 2022)
- Actively seeking to participate in round 6

Our journey to zero exposure to fossil-fuel-related activities by 2045

- **2020** – **Climate change resolutions** passed with 100% votes of approval at our 53rd AGM
- **2021** – Adopted & disclosed our market-leading **Energy Policy** & inaugural **TCFD report**
- **2025** – **No provision** of project financing for **new thermal-coal mines**
- **2030** – **Thermal-coal funding** to be < 0,5% of gross loans & advances
- **2035** – **No new finance** for oil production
- **2045** – **Zero exposure** to fossil-fuel-related activities
- **2050** – **100% of lending & investing** supporting a net-zero carbon economy

[1] *Current limits with immediate REIPPPP board-approved limits up to R50bn (to be reviewed as required).*

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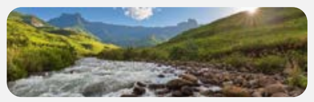
Notes:

Creating positive impacts – using our financial expertise to do good

Strategic value unlocks

4 Quality education
R363m financing in H1 2022
607 student loans (> 6 500 since 2015)
733 student beds funded (> 43 000 since 2015)

6 Clean water and sanitation
R227m funding for clean water sanitation in H1 2022
Net-zero operational water use since 2018 through Nedbank's support of the WWF-SA Water Balance Programme, which removes invasive alien trees in key water-scarce areas



7 Affordable and clean energy
R28bn total renewable-energy exposures
>3 500 MW added to the national electricity grid
Commencing with wheeling of green power from IPPs to reduce our own operational carbon emissions, ramping up to **>10%** of our energy consumption over the next few years

8 Decent work and economic growth
R20bn lending exposure to small business & their owners, up 12% yoy
Banking solutions to more than **300k SMEs**
1 835 first-time job opportunities for unemployed youth (YES) & > 7 000 since 2019

10 Reduced inequalities
Level 1 BBBEE status for the past 4 years
80% black[1] employees (H1 2021: 79%)
62% female employees (H1 2021: 61%)

11 Sustainable cities and communities
R1,6bn for affordable home loans, equating to **2 366** homes
R163m towards the financing of green buildings (>R25bn to date)
Carbon-neutral operations (since 2009)

NEDBANK GROUP LIMITED – 2022 Interim Financial Results

[1] *African, Coloured & Indian population.*

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Notes:

Creating positive impacts – ESG

Strategic value unlocks

Nedbank's ESG ratings

MSCI	AA rating	Top 34% of global banks
FTSE Russell	4,3 out of 5	Top 6% of global banks
Sustainalytics	17,3 low risk	30th out of 415 diversified financials
ISS ESG	C rating	Top 20% of all global banks
S&P Global	68 out of 100	Top-tier SA bank

H1 2022 updates

- Ranked #1 company in the **Satrix Inclusion & Diversity Index**
- **Top Empowered Company Awards** – Winner: YES, Enterprise & Supplier Development
- Approved as **signatory to the UN PRI**
- **Listed on A2X in April 2022**, offering investors choice – Nedbank a top 10 traded stock
- **Progressing audit matters**
  - Appointed, Vuyelwa Sangoni (Deloitte), a black African female lead audit partner
  - MAFR (rotation) decision in Q4 2022
- **Remuneration**[1] – no requests for meetings after < 75% votes of approval at our 54th AGM (Nedbank remains open to shareholder engagement & feedback)
- **Market leading** disclosures/ESG practices

1 Remuneration implementation vote of 72,9% & remuneration policy vote of 71,7%.

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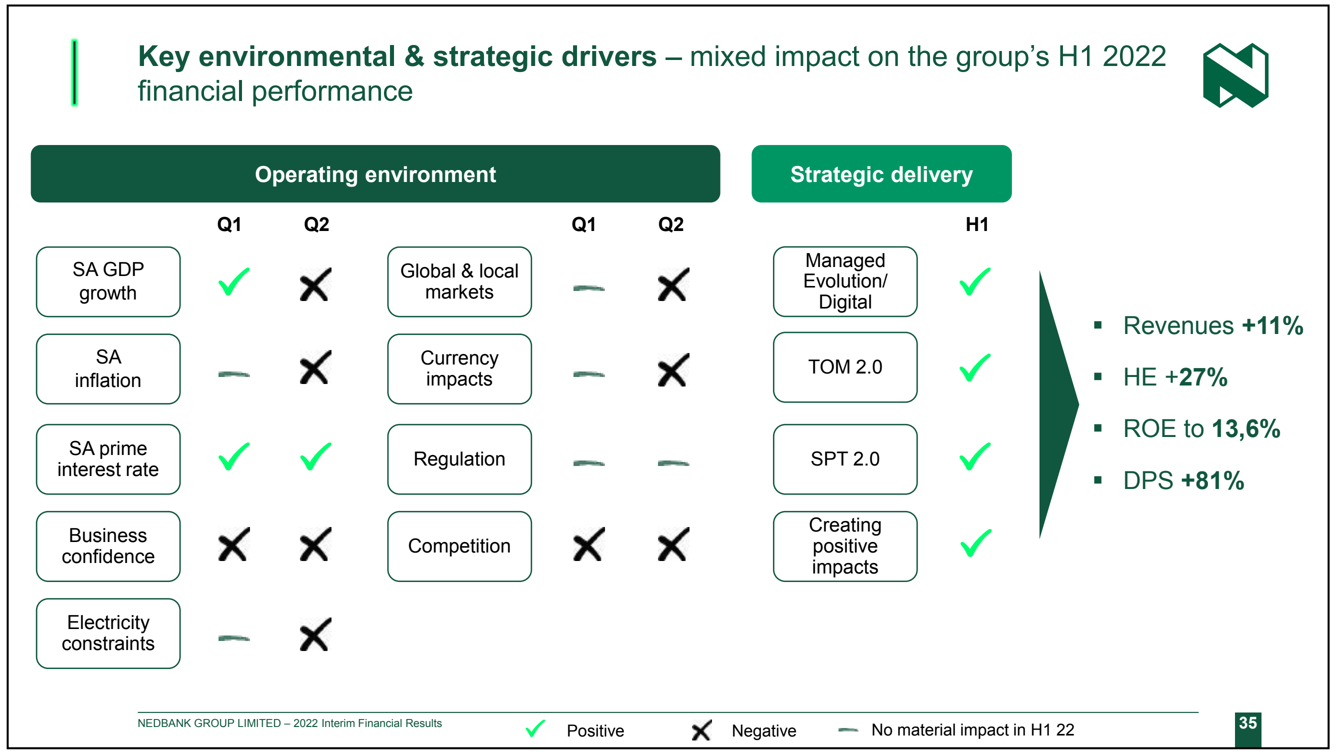
Notes:

Notes:



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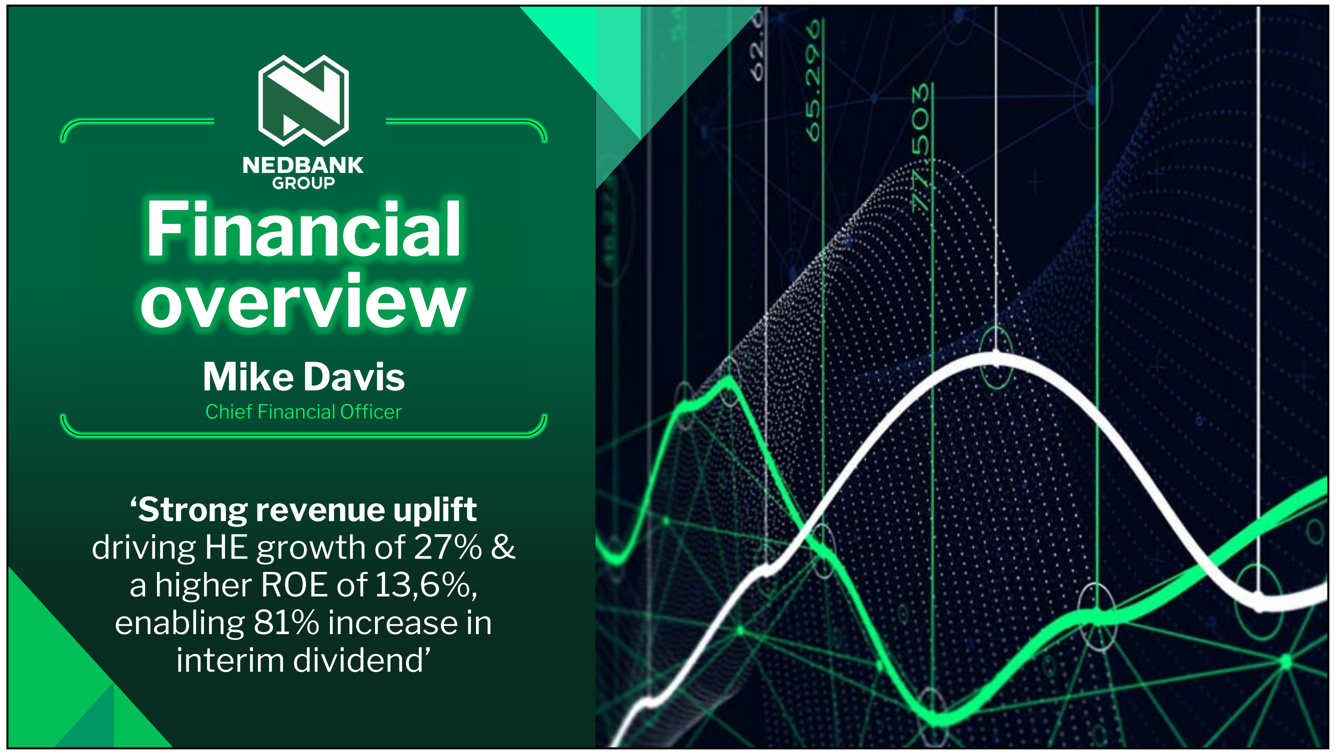

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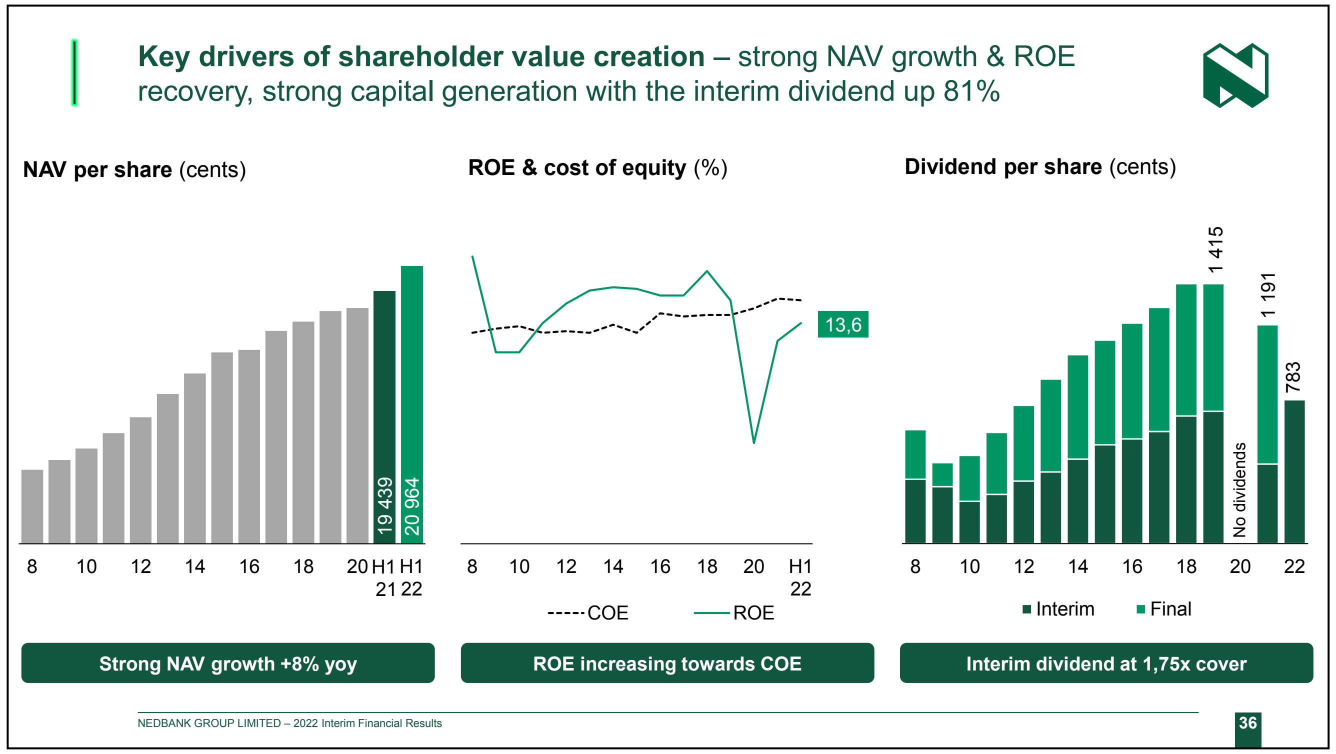

Notes:

Stronger profitability metrics, supported by robust capital & liquidity positions & prudent levels of provisioning

		yoy	H1 2022	H1 2021	H1 2020	H1 2019
Profitability	Headline earnings (Rm)	27%	**6 663**	5 251	2 114	6 870
	DHEPS (cents)	25%	**1 335**	1 067	434	1 411
	Basic EPS (cents)	31%	**1 412**	1 081	270	1 419
	ROE (%)		**13,6**	11,7	4,8	16,8
Advances & deposits	Gross banking advances (Rbn)	7%	**831**	781	838	753
	Deposits (Rbn)	8%	**1 008**	936	944	866
	NIM (bps)		**385**	368	333	357
Asset quality	Credit loss ratio (bps)		**85**	85	187	70
	Total coverage (%)		**3,31**	3,41	2,85	2,21
Liquidity	Liquidity coverage ratio (%)		**144**	131	115	115
	NSFR (%)		**120**	114	114	110
Capital	CET1 (%)		**13,5**	12,2	10,6	11,3
	Risk-weighted assets (Rbn)	(0%)	**644**	647	678	619

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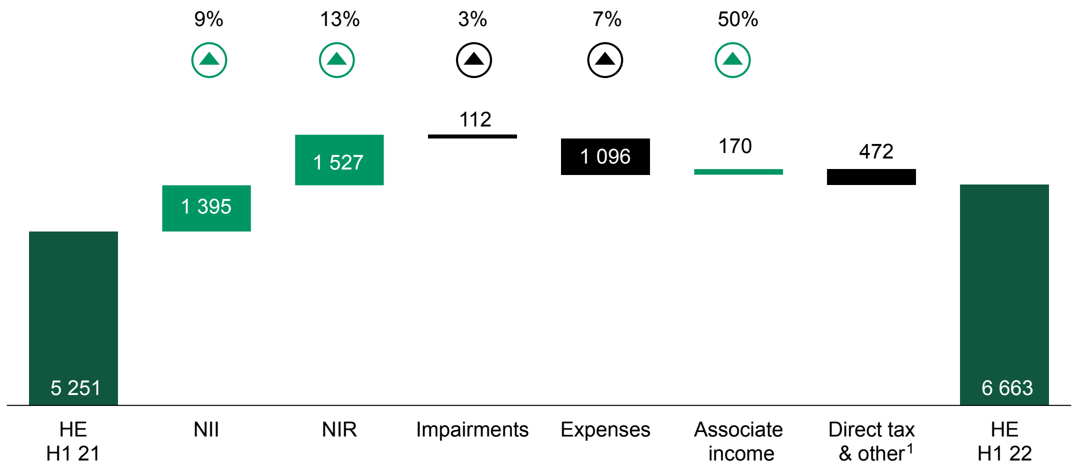
Notes:

Headline earnings up by 27% – driven by strong revenue growth



[1] Other includes indirect tax, net monetary loss, and minority & preference shareholders.

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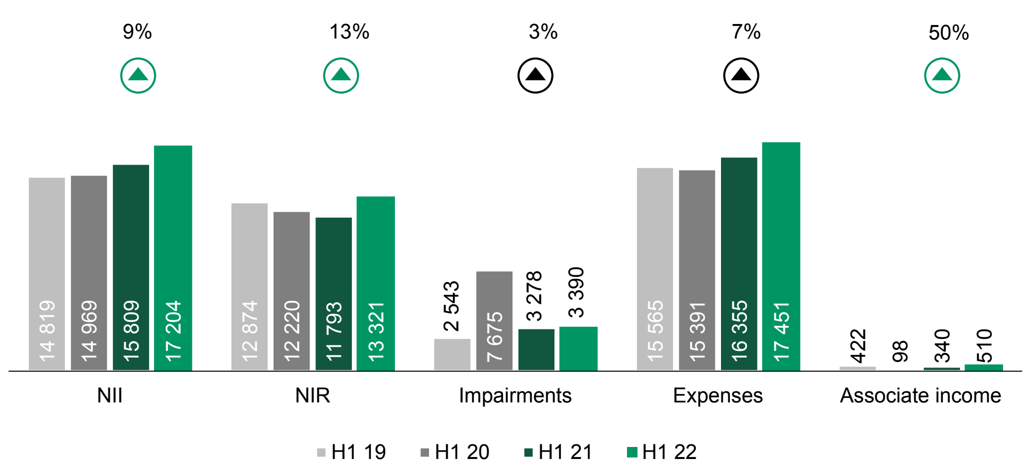
Notes:

Booklet slide

Headline earnings up by 27% – driven by strong revenue growth



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Notes:

Booklet slide

PPOP growth of 17% & cost-to-income ratio down to 56,2%

PPOP (Rm)	yoy	H1 2022	H1 2021	H1 2020	H1 2019
CIB	3%	**4 563**	4 423	4 363	4 598
RBB	19%	**6 315**	5 291	5 136	5 793
Wealth	(9%)	**547**	600	531	576
NAR	130%	**642**	279	241	413
Centre		**161**	(138)	446	255
Group	17%	**12 228**	10 456	10 717	11 635

Cost-to-income (%)	H1 2022	H1 2021	H1 2020	H1 2019
CIB	**43,3**	42,9	41,0	40,9
RBB	**62,4**	65,5	65,0	62,3
Wealth	**73,5**	71,7	76,7	74,6
NAR	**55,1**	74,9	74,8	70,0
Centre				
Group	**56,2**	58,5	56,4	55,4

- CIB resilient in a tough operating environment
- RBB continues to report solid revenue growth & realise benefits from cost optimisation

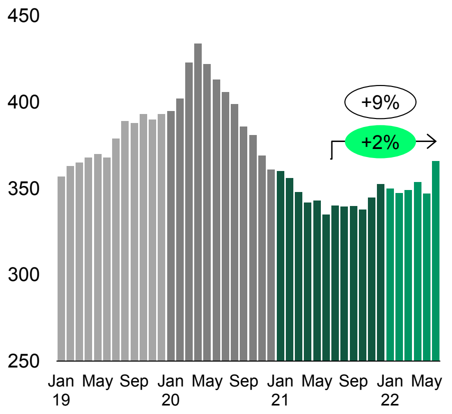
- Wealth negatively impacted by external market developments (revenue growth) & base effects
- NAR supported by ongoing progress from ETI & FX gains in Zimbabwe on foreign-denominated assets

NEDBANK GROUP LIMITED – 2022 Interim Financial Results 40

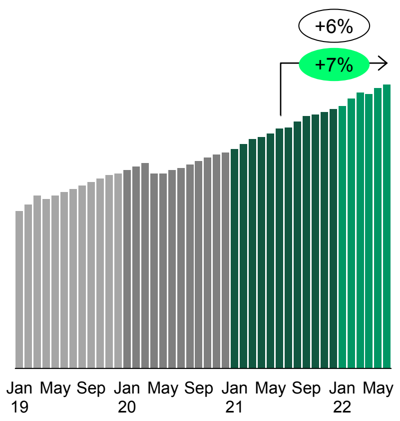
Notes:

Gross banking advances up 7% yoy

CIB gross banking advances (Rbn)



RBB gross banking advances (Rbn)



Average yoy growth (6M 2022 on 6M 2021) Actual yoy growth (June 2022 on June 2021)

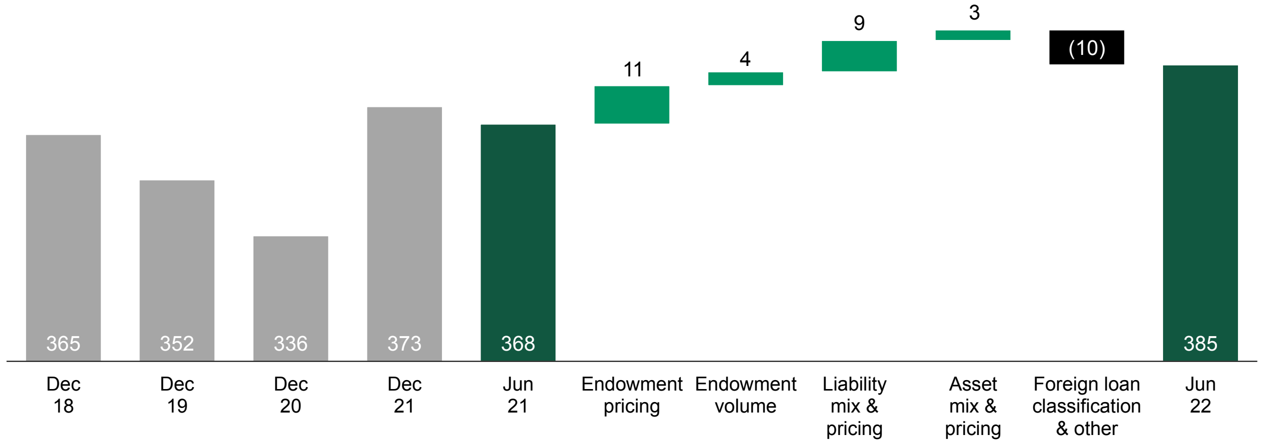
- **Momentum picking up in CIB**
  - Uptick in credit demand & robust pipeline with H2 2022 focus on conversion in key sectors
- **Growth momentum in RBB continued**
  - HL growth broadly in line with market
  - Leveraging our strong position in MFC (second-hand & lower-value vehicles)
  - More cautious in unsecured lending given elevated risk in the macroeconomic environment
  - Solid growth in SME & commercial client segments

NEDBANK GROUP LIMITED – 2022 Interim Financial Results 41

Notes:

NII up by 9% – NIM expansion driven by endowment income (higher interest rates as well as capital & CASA volumes), asset/liability mix & pricing benefits

Net interest margin (bps)



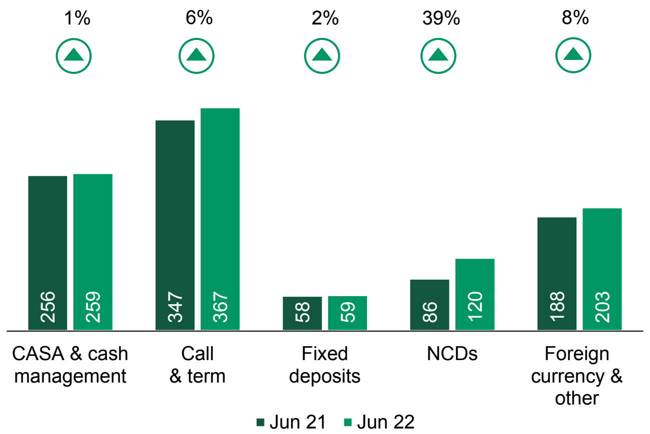
Positively positioned for a rising rate cycle – NII sensitivity for 1% change in interest rates: R1,6bn

NEDBANK GROUP LIMITED – 2022 Interim Financial Results 43

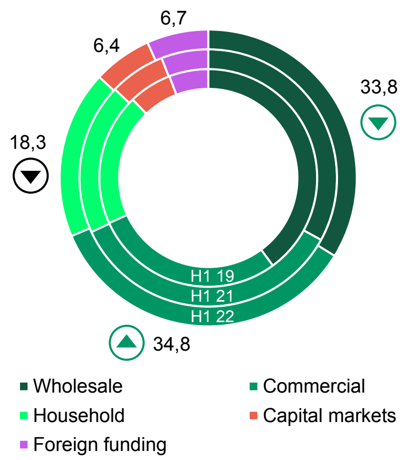
Notes:

Deposits up by 8% – exceeding R1 trillion for the first time

Deposits (Rbn, % change yoy)



Funding mix (% contribution)



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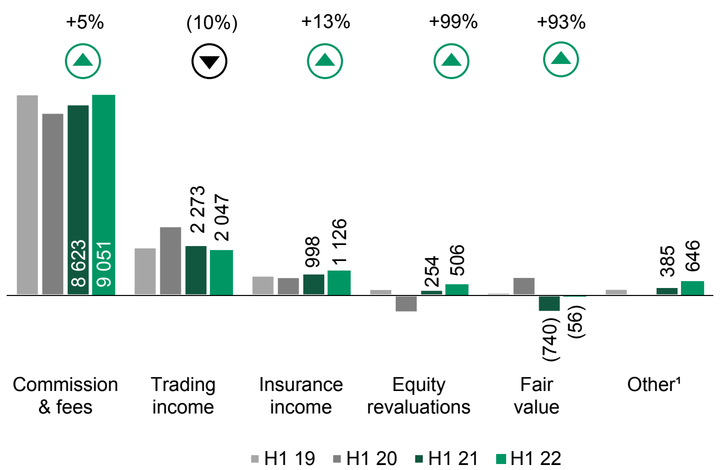
Notes:

NIR up by 13% – solid commission & fees growth, good insurance income & equity performance & prior-year MVFHA loss did not recur. NIR growth excl MFVHA +7%

NIR (Rm)



- **Commission & fees** – solid growth driven by ongoing recovery in client transactional activity & cross-sell
- **Trading** – negatively impacted debt & interest rate markets, offset by good outcomes in FX & equity
- **Insurance** – lower claims in the life portfolio, partially offset by higher non-life claims due to KZN floods
- **Equity** – driven by realised gains & dividends
- **Fair value** – boosted by H1 2021 fair-value losses that did not recur
- **Other** – increase driven by R360m of FX gains in Zimbabwe on foreign-denominated assets & R112m related to hyperinflation indexing (offset in net monetary loss)

[1] Represents sundry income & investment income.

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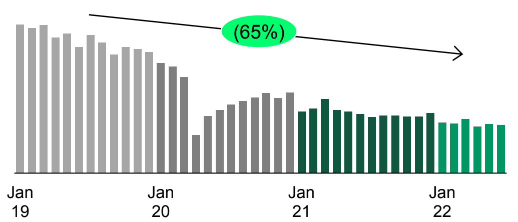
Notes:

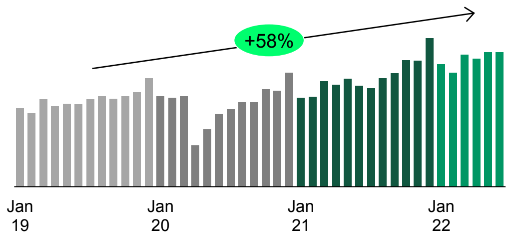
Booklet slide

NIR – our ME technology strategy, along with shifts in RBB client transactional behaviours, is driving NIR growth & cost optimisation opportunities

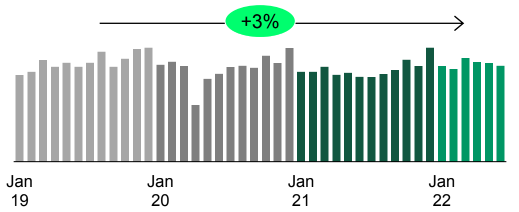
Branch teller transactions[1]



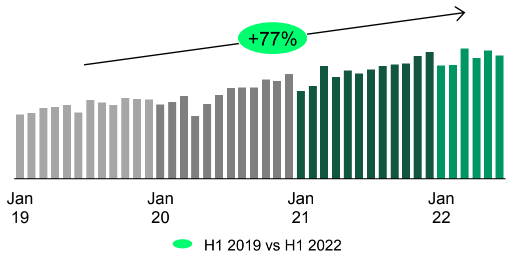
POS volumes



ATM withdrawals



Digital payment & transfers[2]



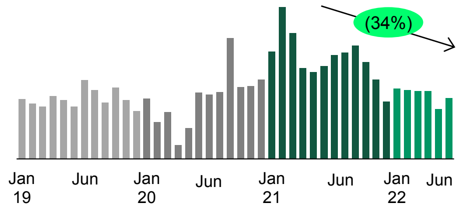
[1] *Teller transactions include any cash-related transaction performed over the counter (eg deposits, withdrawals & transfers, etc).* | [2] *App & web payment volumes combined.*

Notes:

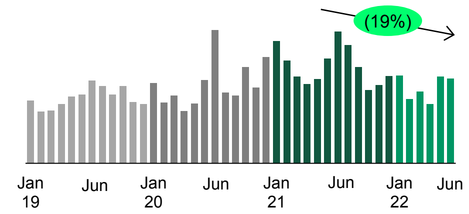
Booklet slide

Nedbank Insurance income – higher non-life claims due to KZN floods & reduced investment returns due to negative market performance, offset by lower claims in the life portfolio

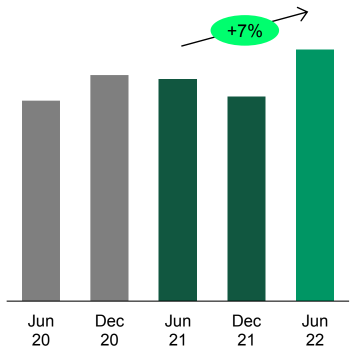
Death claims (volumes)



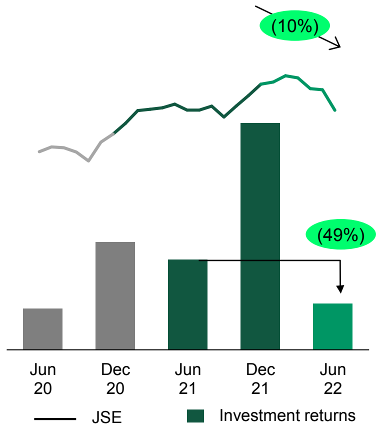
Funeral claims (volumes)



Non-life claims ratio (%)



JSE All-share Index[1] & investment returns (volumes)



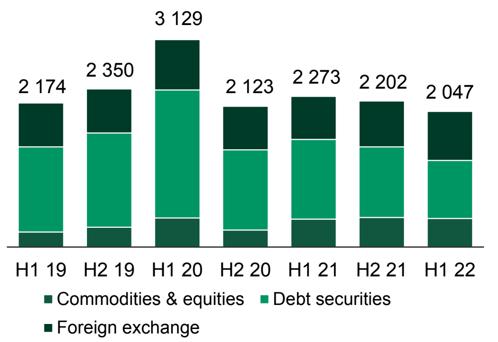
[1] *Measured end-December '21 to end of June '22.*

Notes:

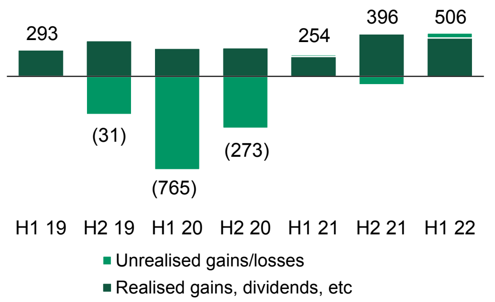
Booklet slide

Trading income & equity revaluations – low levels of market liquidity impacting trading, while the equity portfolio has seen higher yoy realised gains & dividends

Trading income (Rm)



Equity revaluations (Rm)



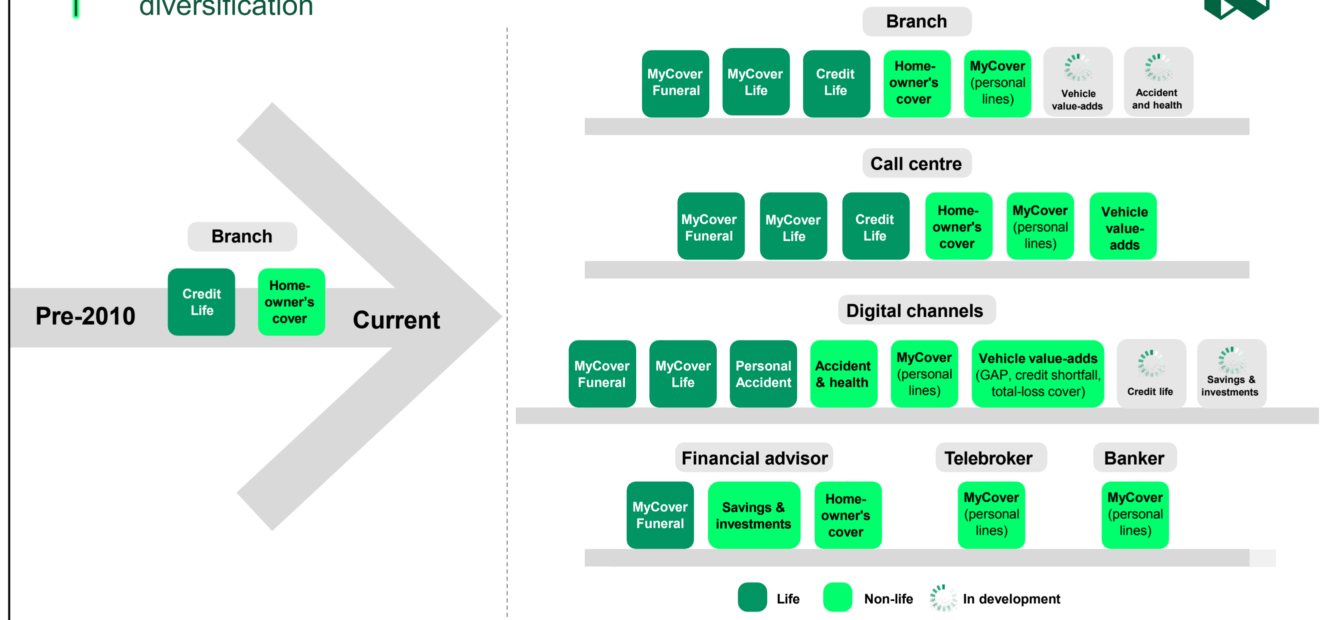
- **Equities –** growth on the back of good client flows & positioning into risk events
- **FX –** increase in client activity has driven 6% growth across the FX franchise
- **Debt securities –** tough macro backdrop & high 2021 base

- **Investment Banking** – driven by realised gains & dividends
- **CPF** – increased valuations on certain assets compared to the prior year

Notes:

Booklet slide

Nedbank Insurance – significant progress made on product & channel diversification

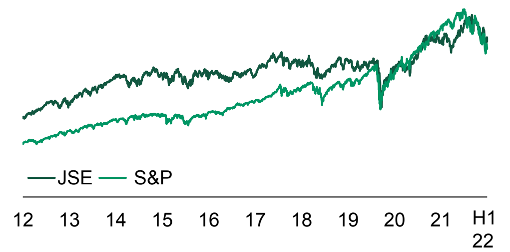


Notes:

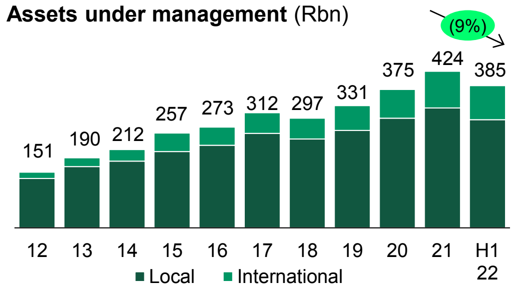
Booklet slide

Asset Management – 9% ytd decline in AUM driven by negative market performance & net outflows, particularly in the cash portfolio

JSE & S&P indices



Assets under management (Rbn)



- Lower AUM due to **negative market performance** (S&P 500 down 21% & JSE down 10%) and net outflows
- Increased outflows in the cash portfolio due to reversal of 2020 'Covid-19 excess'
- Higher inflows into low-cost Core & Global fund ranges, benefiting from the desire of South Africans to diversify
- ASISA Q1 2022 statistics:
  - **5th largest AUM locally** (7% market share)
  - **3rd largest AUM international** (12% market share)

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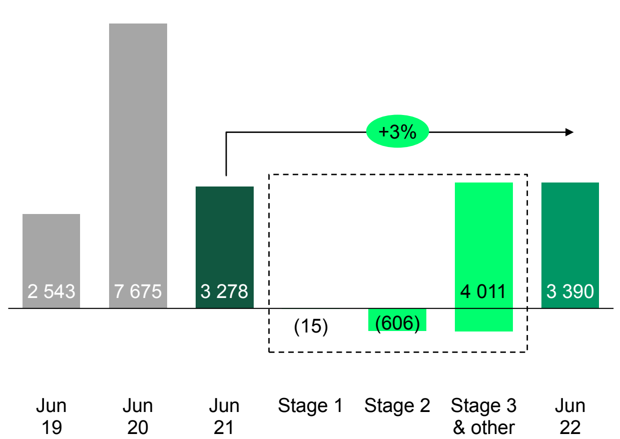
Notes:

Impairment charge up 3% – driven by stage 3 increases, partially offset by improvements in stage 1 & 2 impairments

Impairment charge (Rm)



- **Stage 1 impairments** – average gross loan & advances growth of 4%, offset by mix change impact (ytd wholesale growth > ytd retail growth)
- **Stage 2 impairments** – general improvement, but initial signs of higher levels of early arrears (inflation & interest rate pressures)
- **Stage 3 impairments** – providing for specific CIB counters (including aviation & agricultural sectors) & impact of withdrawal of D3 loans
- **Judgemental Covid-19 & macro-economic overlays** – since Dec 2021 R0,2bn emerged in our IFRS models, R0,4bn was released through the IS (as expected risks did not emerge) & R0,9bn remains in place

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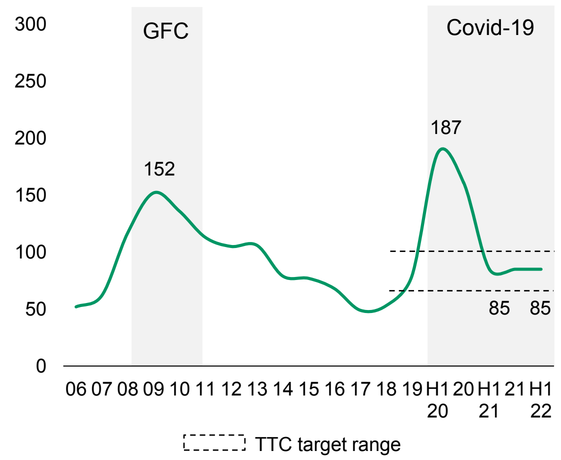
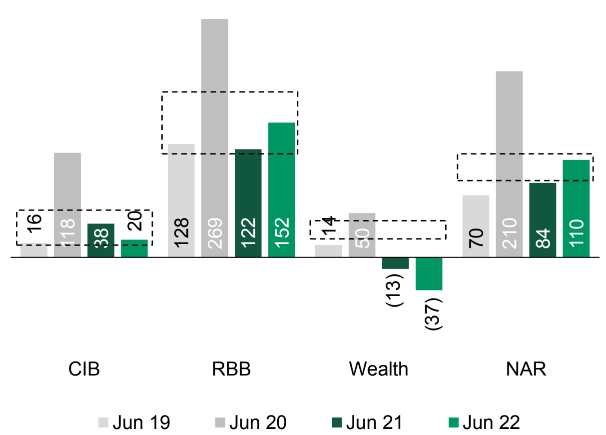
Notes:

Credit loss ratio flat at 85 bps – within our TTC range of 60 to 100 bps

Group CLR (bps)



Cluster CLR (bps)



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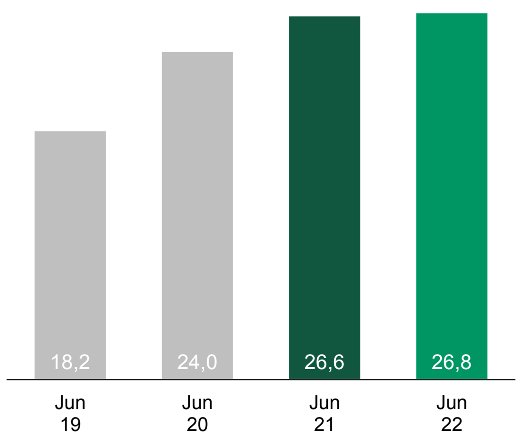
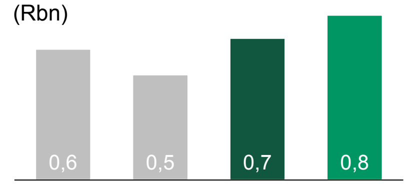
Notes:

Balance sheet ECL at R26,8bn – driven by R3,4bn impairment charge & an increase in recoveries, while write-offs remain conservative

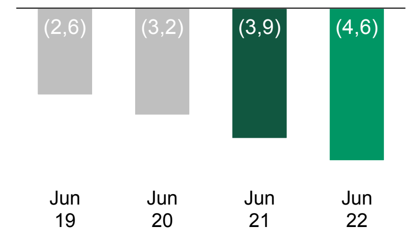
Balance sheet ECL (Rbn)



Post-write-off recoveries (Rbn)



Write-offs (Rbn)



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Notes:

Booklet slide

All clusters within or below TTC target ranges & coverage above 2019 levels

	Credit loss ratio (bps)					ECL coverage (%)			
	H1 22	H1 21	H1 20	H1 19	TTC	H1 22	H1 21	H1 20	H1 19
CIB	**20**	**38**	**118**	**16**	**15–45**	**1,29**	**1,28**	**1,05**	**0,57**
CIB excl CPF	26	31	156	33		1,40	1,38	1,21	0,65
CPF	13	46	63	(8)		1,19	1,19	0,81	0,47
RBB	**152**	**122**	**269**	**128**	**120–175**	**4,82**	**4,92**	**4,69**	**3,77**
CB	12	9	150	38	50–70	1,95	2,48	2,35	1,51
Retail	188	151	302	155	160–240	5,59	5,56	5,34	4,45
HL	19	4	89	9		1,62	1,91	1,96	1,50
VAF	167	114	284	168		4,86	4,92	4,79	3,89
PL	909	835	1 096	562		23,5	20,8	19,2	16,2
Card	629	568	997	605		16,4	12,0	16,3	14,1
Wealth	**(37)**	**(13)**	**50**	**14**	**20–40**	**1,31**	**1,35**	**0,99**	**0,63**
NAR	**110**	**84**	**210**	**108**	**85–120**	**5,09**	**4,53**	**4,00**	**3,33**
Group	**85**	**85**	**187**	**70**	**60–100**	**3,31**	**3,41**	**2,85**	**2,21**

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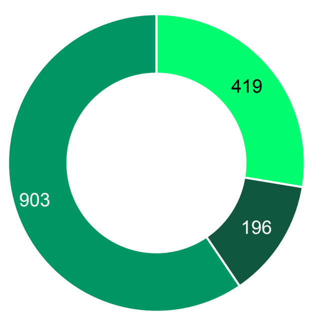
Notes:

Booklet slide

Covid-19 & macro-related adjustments/overlays – risks either emerged via our IFRS models, did not emerge or still remain in place

	Covid-19 & macro-related adjustments/overlays	Dec 2021	Jun 2022
Other	▪ **Central provision** (emerging risk not yet in models/data/macroeconomic forecasts)	R500m	R450m
	▪ **Nedbank Wealth & NAR** overlays	R75m	R72m
CIB	▪ **IB & TS overlays** – migration risk	R76m	-
	▪ **CPF overlays**	R370m	R300m
RBB	▪ **Interest rate benefit neutralisation overlay** (MFC, the rest of Retail adjusted in the models from H2 20)	-	-
	▪ **Covid-19-related adjustments**		
	– **Overlays on Retail loans** to cater for short-term residual risk (reduction driven by RBB D3 loans declining to zero)	-	-
	– **CB overlays**	R257m	R10m
	– Longer-term impact using stressed **forward-looking information** (FLI)	R240m	R71m
		R1 518m	**R903m**

Changes Dec 2021 to June 2022
(Rm)



In addition to the R903m Covid-19 & macro-related adjustments/overlays, the group holds a further R1,7bn of other judgemental overlays (Dec 2021: R1,7bn)

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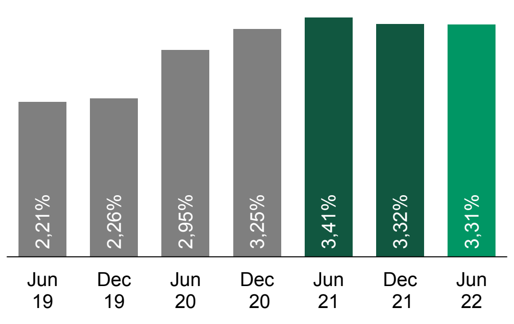
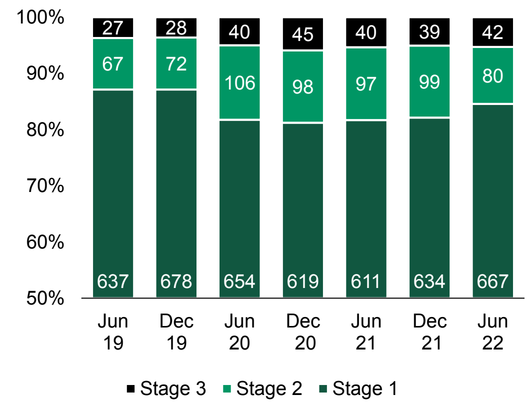
Notes:

Total ECL coverage of 3,31% remains high & above pre-Covid-19 levels

Total ECL coverage
(%)



Stage 1, 2 & 3 loan contribution
(Rbn)



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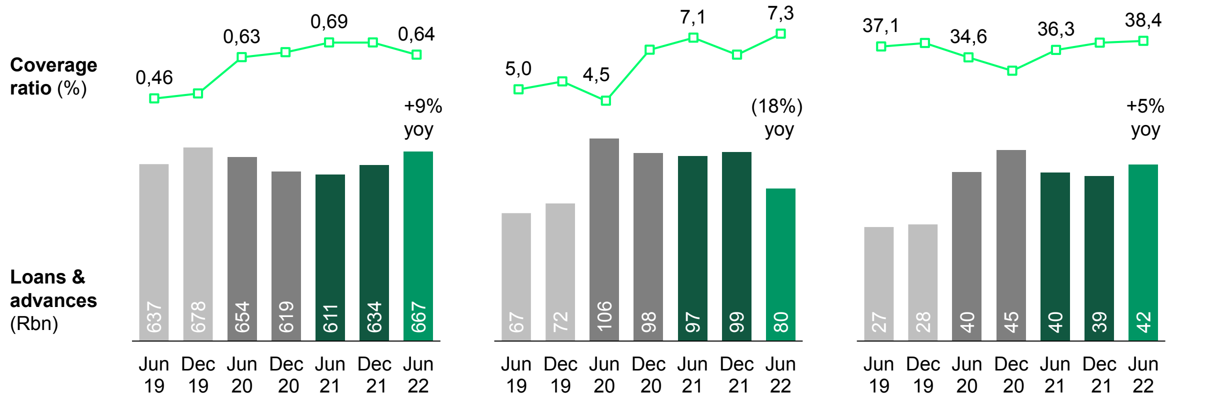
Notes:

Strong ECL coverage ratios across stage 1, 2 & 3 loans

Stage 1 loans | **Stage 2 loans** | **Stage 3 loans**



Stage 1 loans – increase driven by loan growth & cure from stage 2 loans

Stage 2 – decrease driven by recovery in some sectors in CIB (eg hospitality & previous stressed SOEs, cured & moved to stage 1). Retail up as a result of increases in early arrears

Stage 3 – increase driven by the withdrawal of directive D3/2020 resulting in some loans now classified as stage 3 & a few specific CIB clients

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Performing coverage (stage 1 & 2) improved from Jun 2021: 1,56% to Dec 2021: 1,46% & to Jun 22: 1,35%.

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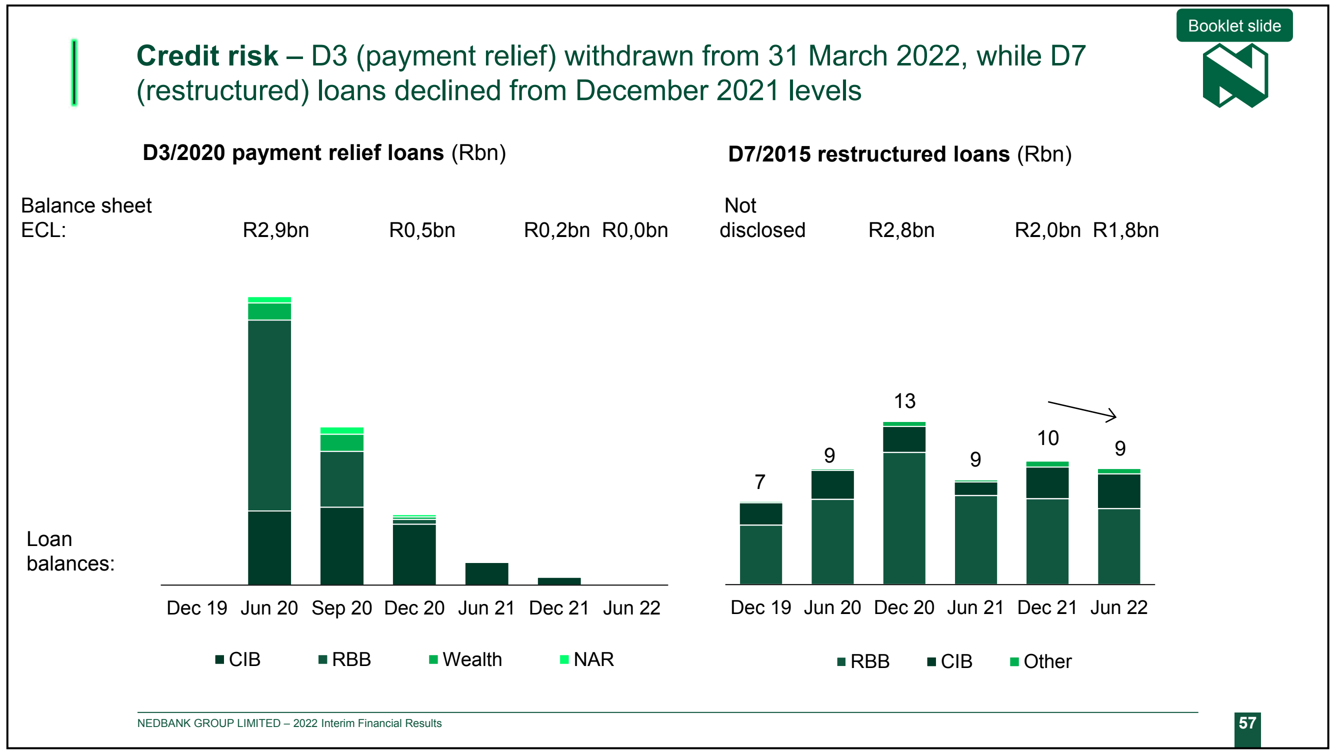
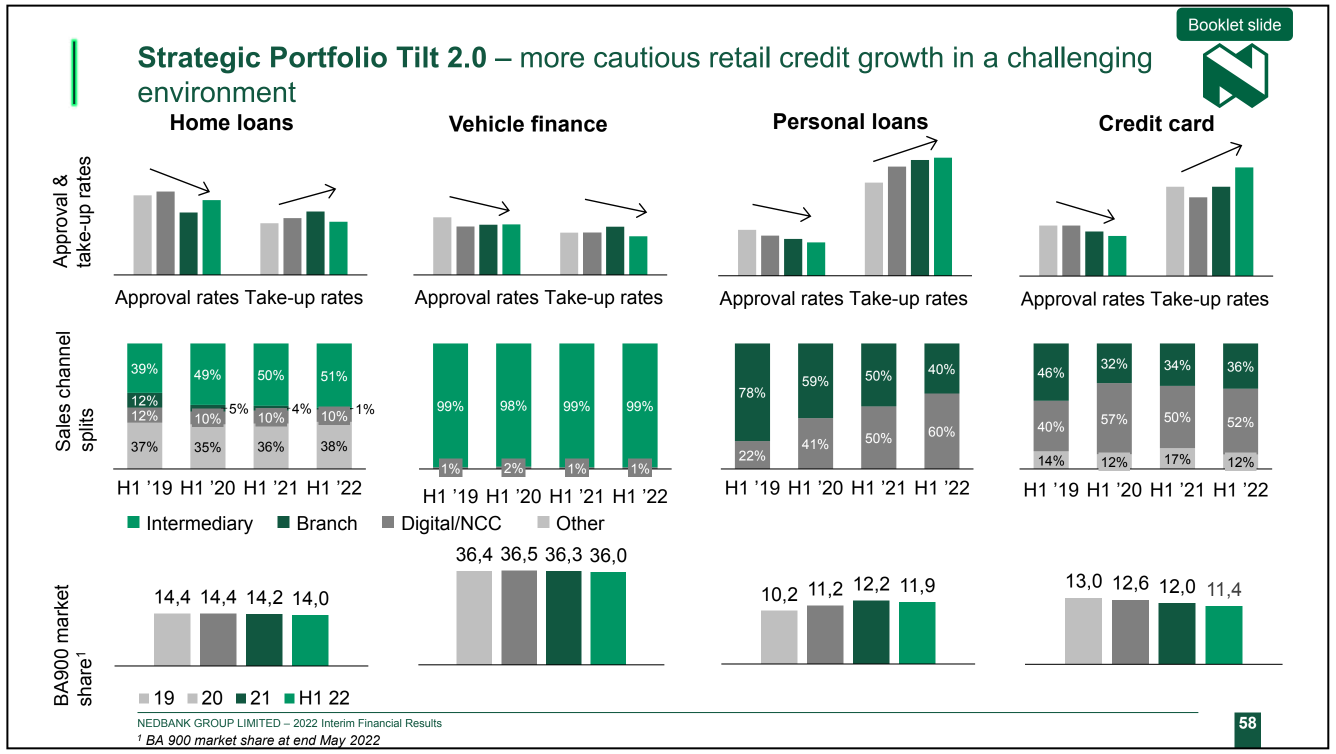
Notes:



Notes:



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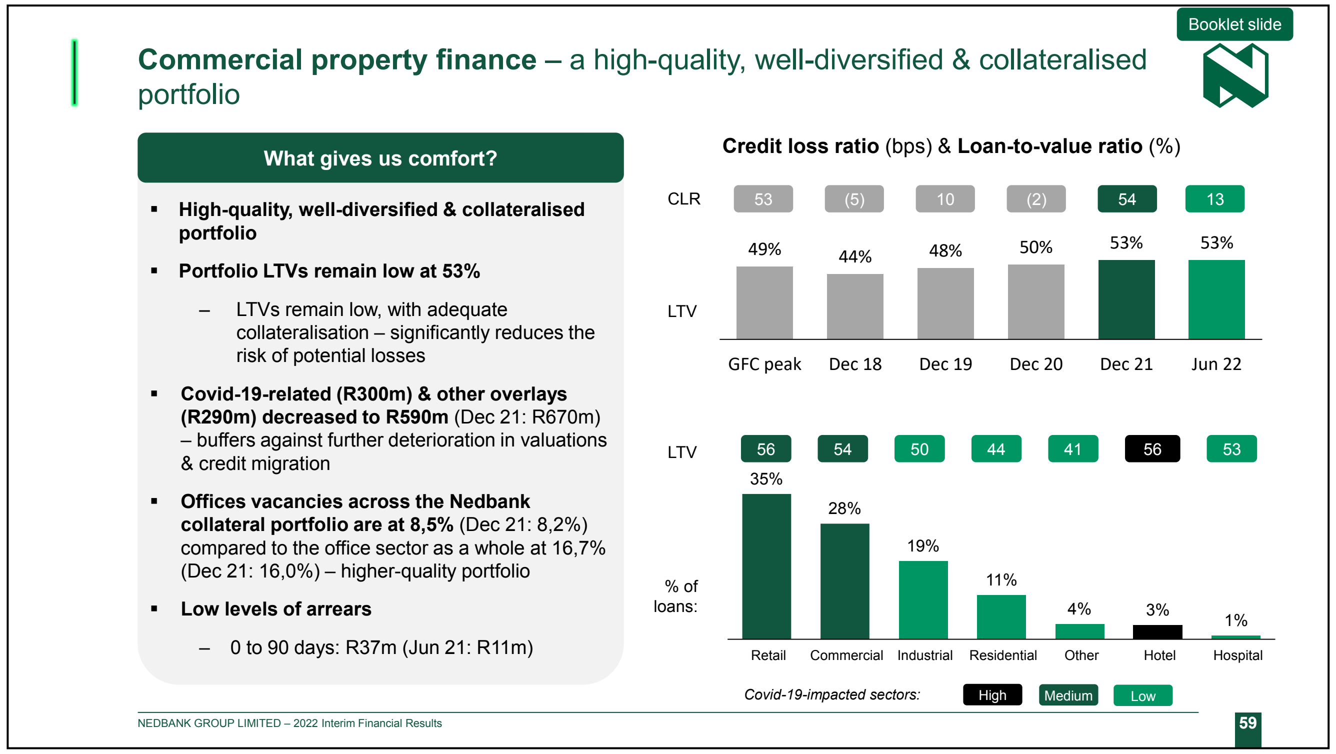

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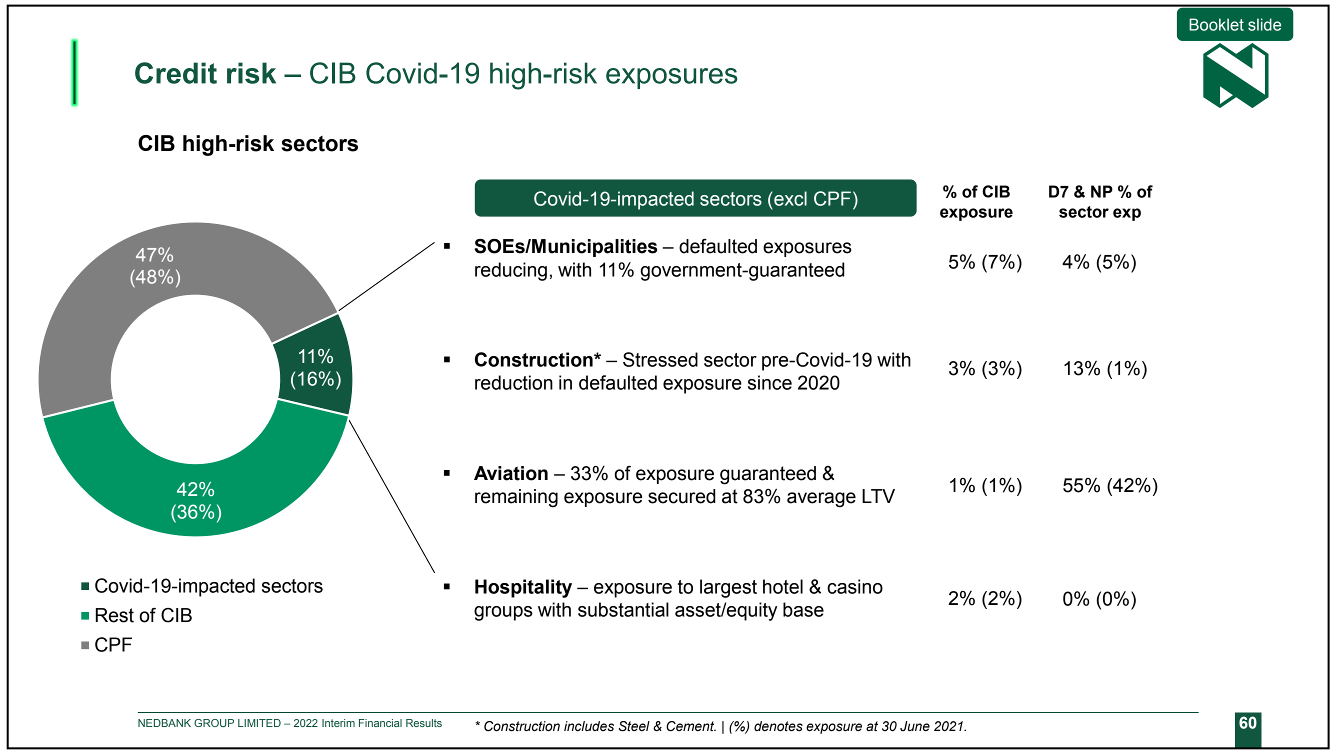
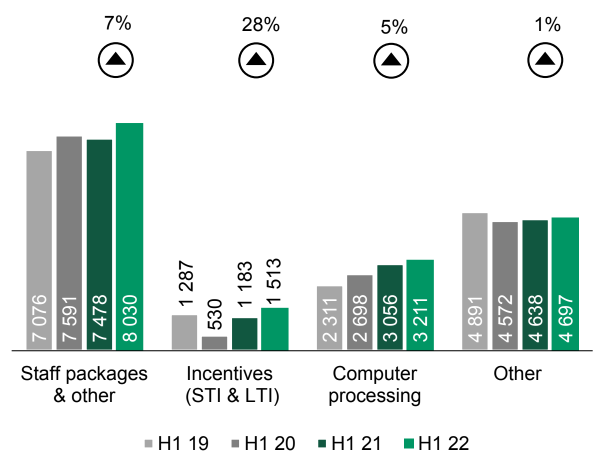


Notes:

Expenses up by 7% – excluding incentives, expenses up 5%, reflecting a solid operating performance, with focus on efficiencies, benefits from digitisation & TOM 2.0

Expenses (Rm)



- **Staff costs**
  - Salaries & wages +3%
    - Average ASR increases: +4,6% (BU +5,2%)
    - 4% yoy decline in permanent headcount (mainly through natural attrition)
  - Other staff costs increased due to lower returns from employee benefit assets & higher IT staff development costs expensed (not capitalised)
  - Variable-pay incentives +28%, aligned with improved profitability metrics (STI +22%)
- **Computer processing** – amortisation growth rate slowing as our ME journey matures (H1 22: +13%, 2021: +19%, 2020: +23%) & benefits from transitioning to cloud services (lower depreciation charge)
- **Other costs** +1%
  - Normalisation of discretionary spend, including marketing (+12%) & travel (+21%)
  - Offset by savings from lower accommodation-related costs (-5%) & TOM savings

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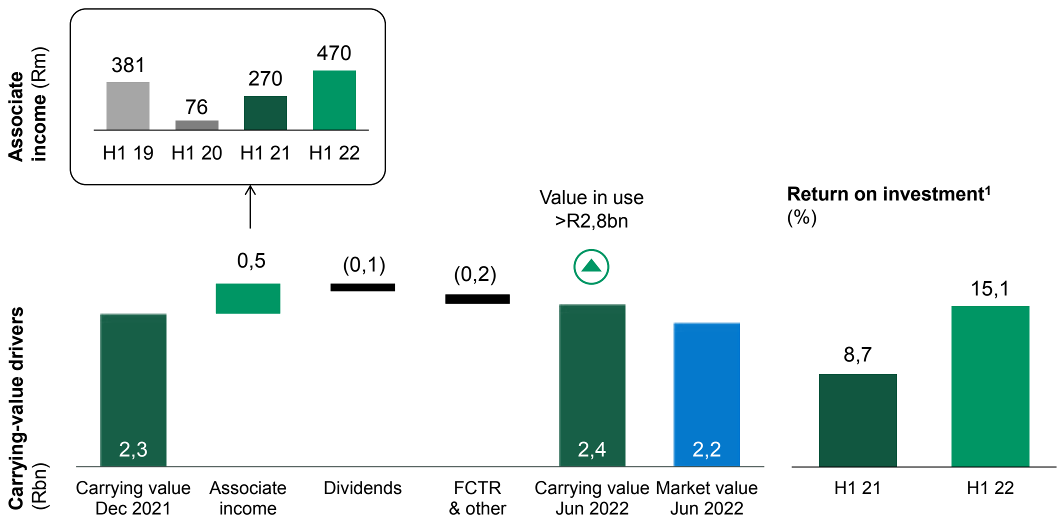
Notes:

ETI associate investment – strong continued turnaround in financial performance



Note: ETI accounted for 1 quarter in arrear. | Associate income includes goodwill impairment. | Return on original investment of R6,3bn (based on associate income).

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Notes:

Booklet slide

ETI associate investment – an ongoing strong financial performance supporting our investment, while strategic progress is encouraging

ETI share price (NGN)

ETI associate investment

- **ETI paid a dividend** for the first time in 6 years
- **ETI's ROTE[2] up to 19,5%**
- **Strong capital & liquidity metrics[1]** – CAR: 14,8% (H1 2019: 12,8%)
- **Share price re-rating:** +45% in 2021 & +22% H1 2022 (highest level in 3 years during Q1 2022 at NGN13,50)
- **ETI–Nedbank collaboration** – levels of collaboration & pipeline of deals are increasing (> 30 deals currently in the pipeline)

Recent awards

2022 Euromoney Awards for Excellence – **Africa's Best Bank**

2022 Euromoney Awards for Excellence – **Africa's Best Bank for SMEs**

2022 Euromoney Awards for Excellence – **Africa's Best Digital Bank**

[1] As of 31 March 2022. | [2] At 30 June 2022.

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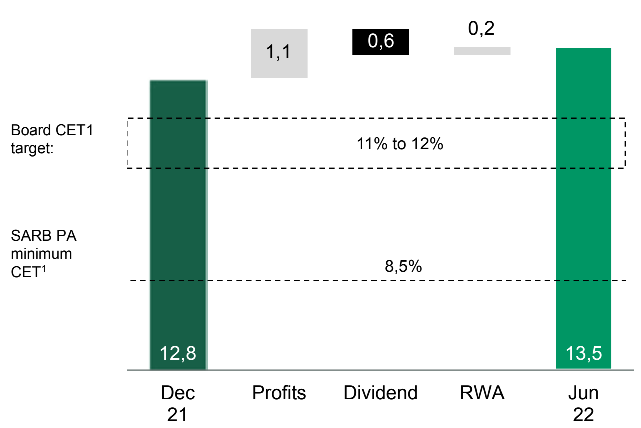
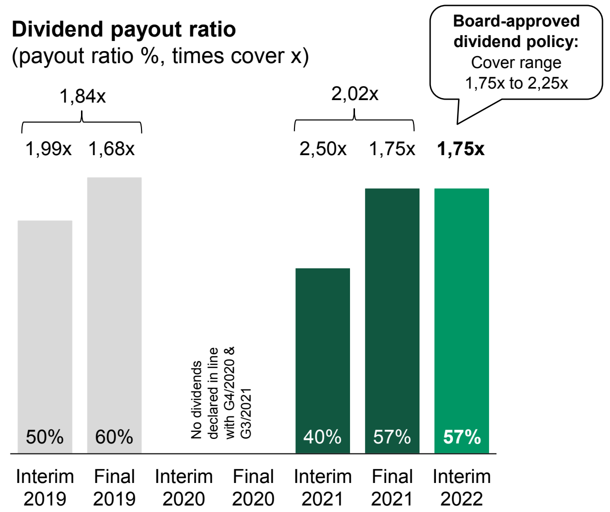
Notes:

Capital – CET1 ratio well above the top end of our board-approved target range of 11% to 12%, supporting strong growth in the interim dividend

CET1 ratio (%)



Dividend payout ratio (payout ratio %, times cover x)



[1] Excluding idiosyncratic buffers & including the D-SIB capital requirement of 100 bps, in line with PA Directive 5/2021 (from 8% in 2021).

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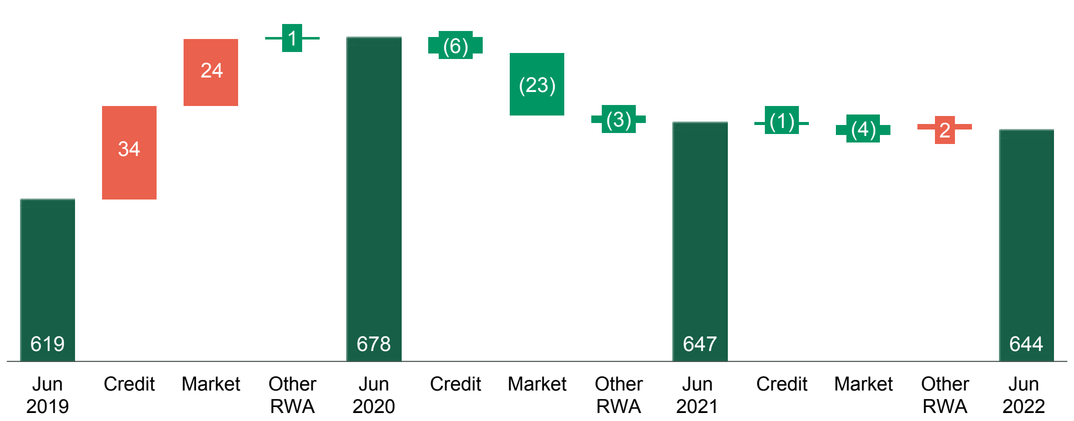
Notes:

Booklet slide

Risk-weighted assets – credit RWA optimisation & selective origination, along with normalisation of market RWA as volatility reduced

Risk-weighted assets (Rbn)



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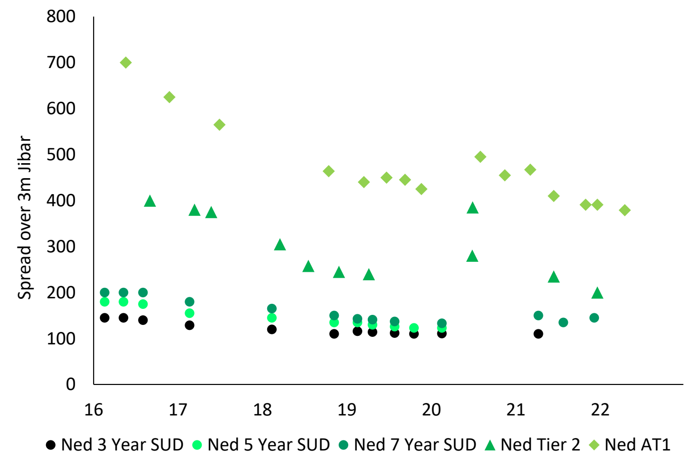
Notes:

Booklet slide

Capital management – pricing has reduced over time across all capital & debt instruments, reflecting market dynamics & the strength of the Nedbank franchise

Nedbank AT1, Tier 2 & Senior Unsecured Debt pricing
(bps above JIBAR)



SA bank pricing ranges during 2021/2022 (bps)

AT 1

- SA banks: 379 to 480 (Nedbank: 379 to 467)

Tier 2

- SA banks: 190 to 260 (Nedbank: 200 to 235)

Senior unsecured

- SA banks 3 year: 101 to 120 (Nedbank: 110)
- SA banks: 7 year: 145 to 155 (Nedbank: 135 to 150)

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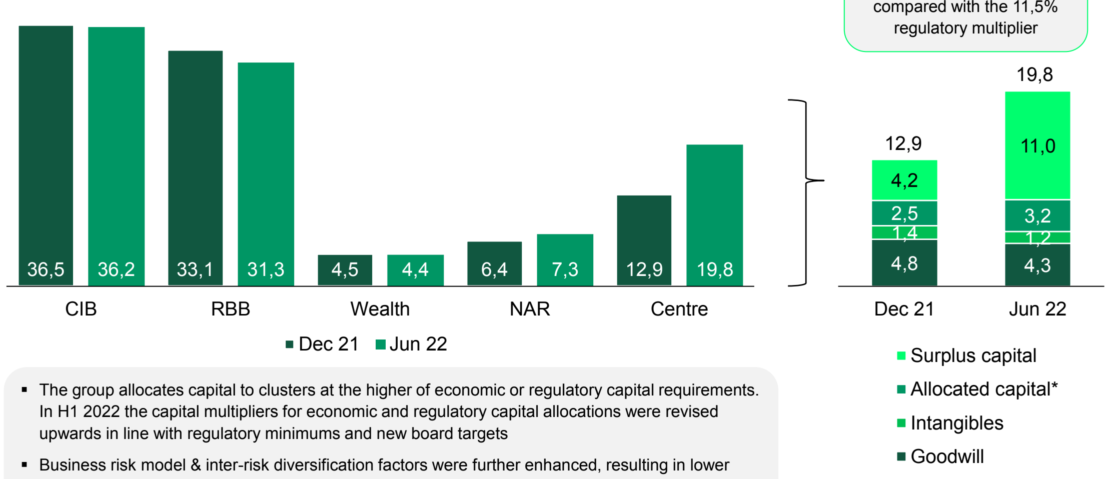
Notes:

Capital allocation – surplus capital held at the centre, driven by the group's stronger levels of profitability & lower RWA growth

Average capital allocation (Rbn)

Average surplus capital of **R11bn** driven largely by the strong CET1 ratio of 13,5%, compared with the 11,5% regulatory multiplier



- The group allocates capital to clusters at the higher of economic or regulatory capital requirements. In H1 2022 the capital multipliers for economic and regulatory capital allocations were revised upwards in line with regulatory minimums and new board targets
- Business risk model & inter-risk diversification factors were further enhanced, resulting in lower capital allocated to RBB

NEDBANK GROUP LIMITED – 2022 Interim Financial Results

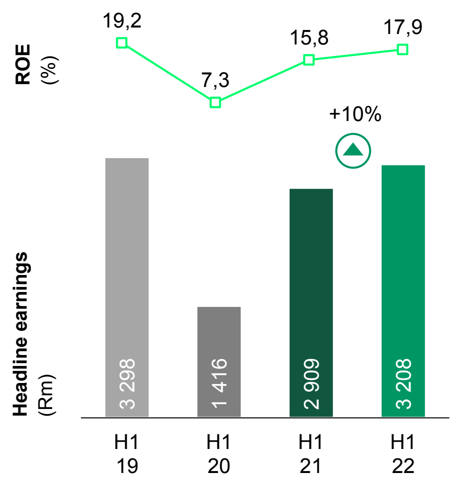
** Mainly relates to property risk (R1,8bn) & credit risk for the HQLA portfolio (R0,8bn).*

66

Notes:

CIB financial performance – solid HE growth & ROE expansion, driven by NII & impairments, with NIR impacted by lower trading income

Financial performance



- **NII up 10%**
  - NIM increased by 17 bps, benefiting from optimisation of exposures & returns, in a rising interest rate cycle
- **Impairments down 47%**
  - CLR at 20 bps (lower end of TTC range, including providing for stressed counters), with CPF continuing to perform well
- **NIR down 1%**
  - Strong performance in the equity portfolios, mostly through realised gains & dividends
  - Debt & interest rate markets offset good outcomes in foreign exchange & equities
  - Lower-than-anticipated transactional income impacted by lower fees in payments & processed values in cash withdrawals

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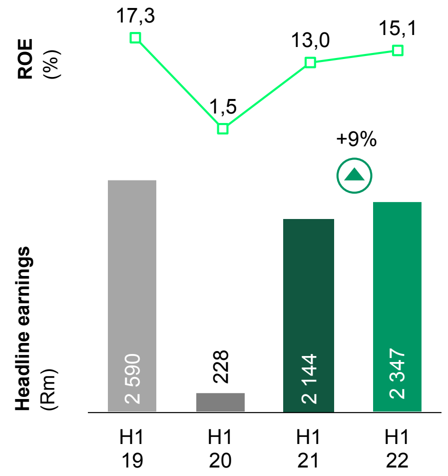
Notes:

RBB financial performance – ROE improved to above COE with strong revenue growth & good cost optimisation, partially offset by a normalisation of impairments

Financial performance



- **NII up 10%**
  - Advances growth momentum continued & endowment benefit of higher interest rates
- **Impairments up 32%**
  - Increase in CLR to 152 bps, driven largely by once-off base effects in H1 2021 (R529m) & now within the middle of the TTC target range
  - Adjusting for these once-off benefits (relating to the curing of D7 accounts & release of Covid-19-related overlays), the normalised H1 2021 CLR was 150 bps. On a normalised basis the CLR was up by 2 bps yoy
- **NIR up 9%**
  - Strong recovery seen in client transactional activity
  - Much higher card interchange volumes
- **Expense growth of 4%**
  - Enabled by ongoing cost optimisation & digitisation impacts

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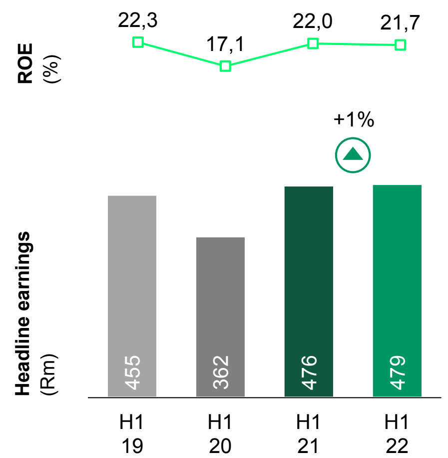
Notes:

Wealth financial performance – HE up 1%, impacted by negative market performance & KZN floods, with ROE remaining strong

Financial performance



- **Insurance HE down 30%,** impacted by:
  - Higher non-life claims due to the KZN floods
  - Reduced investment returns due to negative market performance
  - Offset by lower claims in the life portfolio
- **Asset Management HE flat**
  - Average AUM remained steady, resulting in flat NIR
- **Wealth Management HE up >100%,** benefiting from:
  - Credit impairment recoveries
  - Higher local & international interest rates
  - Increase in brokerage & estate fees

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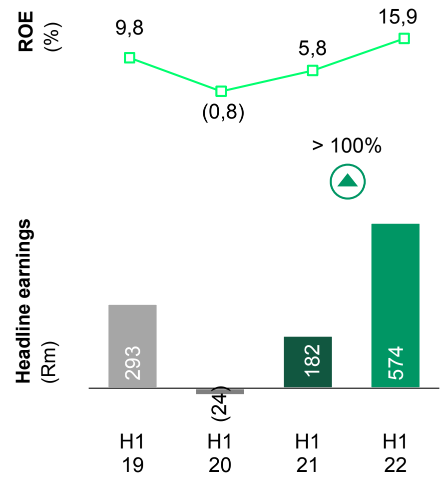
Notes:

NAR financial performance – strong uplift in ROE with improving performance from SADC operations & strong performance from ETI

Financial performance



- **SADC operations**
  - HE of R190m, up from R11m loss in H1 2021, & ROE of 6,1%
  - NII increased by +12%, driven by improved margins
  - NIR up 79% (> 2019 levels), driven by forex gains in Zimbabwe (offset in net monetary loss) & increased transaction volumes
  - Impairments increased by 18% & CLR increased 26 bps to 110 bps, off a low base in the prior year
- **ETI associate investment**
  - HE of R384m, up from R193m in H1 2021
  - Improved capital & liquidity metrics – total CAR 14,8%[1] (H1 2021: 12,3%), with an improved ROTE of 19,5%[2]
  - Dividend payment resumed
  - Although profitable, Ecobank Nigeria's performance remains suboptimal & a key management focus

[1]At 31 March 2022 I [2]At 30 June 2022

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Notes:

NEDBANK GROUP

Outlook

Mike Brown

Chief Executive

'We remain on track to meet our 2023 targets, with DHEPS target expected to be delivered in 2022'

Notes:

Nedbank current economic forecasts – 2022 & beyond

	Forecast: February 2021						Forecast: February 2022				Forecast: July 2022		
	19	20	21	22	23	24	21A	22	23	24	22	23	24
SA GDP growth	0,1%	(6,4%)	3,4%	2,2%	1,8%	1,5%	4,9%	1,7%	1,8%	1,0%	1,8%	1,5%	1,6%
Prime interest rate (year-end)	10,0%	7,0%	7,0%	7,5%	7,5%	7,5%	7,25%	8,5%	9,0%	9,5%	9,75%	10,5%	10,5%
Inflation (average CPI)	4,1%	3,3%	4,2%	4,6%	4,3%	4,2%	4,6%	4,9%	4,2%	4,3%	6,8%	5,5%	4,6%
Industry credit growth	5,3%	1,2%	4,5%	5,7%	5,1%	5,2%	4,5%	4,5%	4,3%	4,7%	5,4%	4,6%	5,3%
Rand/US$ (year-end)	14,0	14,6	15,3	15,9	16,9	18,1	15,9	15,9	15,6	16,3	16,9	16,6	16,8
SA fiscal deficit % of GDP[1]	(3,6%)	(5,1%)	(14,2%)	(10,6%)	(9,8%)	(9,7%)	(10,0%)	(6,5%)	(5,7%)	(4,5%)	(5,8%)	(6,2%)	(5,7%)
SA govt debt % of GDP[1]	52%	56%	82%	85%	90%	94%	67%	67%	70%	71%	70%	73%	75%

Source: Nedbank Group Economic Unit.
[1] Year ending March.

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Notes:

2022 full-year financial guidance based on current economic forecasts

	H1 2022 performance	Initial 2022 guidance[1]	Revised 2022 guidance[1]	Key drivers
NII growth	+9%	Upper single digits	Low double digits	▪ 250 bps interest rate increases in 2022 ▪ RBB advances growth > CIB advances growth ▪ Continued NIM expansion
CLR	85 bps	Within top half of our 60 to 100 bps TTC range	Within top half of our 60 to 100 bps TTC range	▪ Negative impact from mix change, rising interest rates & general pressure on consumers, offset by benefits of a quality portfolio & high ECL coverage
NIR growth	+13%	Upper single digits	Upper single digits	▪ Ongoing benefits from SPT 2.0 ▪ MVFHA volatility removed (benefits in H1 2021 do not repeat)
Expense growth	+7%	Above mid-single digits	Above mid-single digits, with upside risk	▪ Some costs return (eg travel, sponsorships), new regulatory costs (Twin Peaks) & incentive costs aligned with financial performance, along with increased inflationary and FX-related pressures ▪ TOM 2.0 benefits continue
DHEPS growth	+25%	> GDP + CPI + 5%	> GDP + CPI + 5%	▪ H1 2022 DHEPS growth > H2 2022 DHEPS growth
Capital (CET1 ratio)	13,5%	Above TTC (11% to 12%)	Above TTC (11% to 12%)	▪ Remains above the top end of board target range
Dividend	1,75x cover	Within target range (1,75x to 2,25x)	At the lower end of target range (1,75x to 2,25x)	▪ Supported by strong capital ratios

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

Notes:

Meeting our medium-term targets & progress towards our long-term targets support shareholder value creation

Targets to 2023

DHEPS	ROE	Cost-to-income ratio	Net Promoter Score
> 2 565 cents (2019 levels)	**> 15%** (2019 levels)	**< 54%**	**#1 bank** (from #2 in 2021)
Expected to be achieved in 2022	Remains a stretch target	Remains a stretch target	Remains a stretch target

Long-term targets

DHEPS growth	ROE	Cost-to-income ratio	Net Promoter Score
> GDP + CPI +5%	**> 18%** (COE + 3% to 4%)	**< 50%**	**#1 bank**

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Notes:

Conclusion – the group's strong H1 2022 financial performance & good strategic delivery position Nedbank well for delivery of our 2023 targets, notwithstanding a difficult macroeconomic environment

Strong balance sheet

CET1: 13,5%

LCR: 144%

NSFR: 120%

ECL coverage: 3,31%

Strong start to the year supports meeting our 2022 financial guidance

HE up 27%

Strong revenue growth: +11%

C:I down to 56,2%

CLR stable at 85 bps

Interim DPS: +81%

Tangible proof points around strategic delivery

ME IT build nearing completion

Digital growth

Client satisfaction up

TOM 2.0 savings

SPT 2.0 benefits

Purpose/ESG delivery

Meeting our 2023 & LT targets will create shareholder value through:

- DHEPS growth
- Improvement in ROE
- Efficiency gains
- Dividend growth

All business cluster ROEs > COE & R11bn of average surplus capital held in the centre

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Notes:

Notes:

Disclaimer

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

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

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

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

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

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

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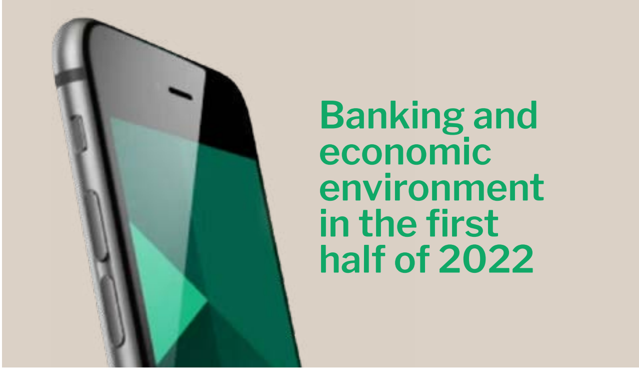
Notes

2022 Interim Results commentary

2022 Interim results commentary



Global economic conditions deteriorated markedly in the first half of 2022. Russia's invasion of Ukraine pushed international energy, food, and other commodity prices sharply higher, adding to global inflationary pressures. In advanced countries, inflation increased to around 40-year highs, forcing the United States (US) Federal Reserve and other major central banks to tighten monetary policy much more aggressively than anticipated at the start of the year. The pace of economic activity in the US, Eurozone, the United Kingdom (UK) and Japan slowed, hurt by the erosive impact of surging inflation on household incomes, much tighter financial conditions and the disruptions caused to global trade by the war in Ukraine and hard lockdowns in China. In most advanced countries manufacturing activity weakened significantly. Services held up somewhat better, supported by the ongoing recovery in international travel and tourism, albeit impacted by employee shortages and supply bottlenecks. However, China's stringent lockdown restrictions over the second quarter disrupted the recoveries of many developing countries, dampening demand for commodities. While China has since reopened its economy, its continued commitment to a zero-Covid-19 policy, surging global food prices and the rapid tightening in global financial conditions pose downside risks to developing countries, including sub-Saharan Africa. The international landscape has become less supportive, with the recent rapid loss of growth momentum exacerbating fears of recession in both advanced and developing countries.

Against this unsettled global backdrop, SA's economy held up relatively well. Real GDP grew by a seasonally adjusted 1,9% qoq in Q1 2022, up from 1,4% in Q4 2021. This increase was driven by continued growth in spending by households and government, complemented by an encouraging acceleration in fixed investment. However, economic conditions deteriorated significantly in Q2 2022. The floods in Kwazulu-Natal, severe load-shedding, weaker global demand, escalating domestic inflation and the faster-than-expected rise in interest rates disrupted economic activity. Real GDP is forecast to contract by 1,2% qoq in Q2 2022.

Household finances remained relatively healthy. Personal disposable income grew by 1% qoq in Q1 2022, supported by the uptick in employment, higher-wage settlements and the continued recovery in dividends, interest, and other sources of income as government lifted the state of disaster and ended most Covid-19 restrictions. However, there are early signs of modest strain on household incomes, with consumers dipping into savings to sustain spending and maintain living standards. The household savings rate moderated to 0,3% of disposable income in Q1 2022 from 0,8% in Q4 2021. Loans and advances, which excludes the volatile bills and investments categories, increased to 6,9% yoy in May 2022 from 4,5% at the end of 2022.

Loans to households were supported by increased demand for vehicle finances and mortgages. Nominal disposable income outpaced the increase in borrowing, helping reduce the ratio of household debt to disposable income to 64,5% in Q1 2022 from 65,1% in Q4 2021. These relatively low debt levels, coupled with positive savings rates, should provide households with some buffers against the impact of higher inflation and interest rates in the months ahead.

Loans to companies also rebounded, boosted by recoveries in overdrafts and general loans off very low bases in 2021. While the growth in corporate loans is exaggerated by base effects, it also reflects firmer demand for funding of capital spending. Fixed-investment activity fared better than expected in Q1 2022, growing by 3,6% qoq, reflecting increased outlays by the private sector on computer software, transport equipment, as well as general machinery and equipment. Encouragingly, investment in non-residential buildings also returned to growth after two years of contraction.

Inflation breached the upper 6% limit of the South African Reserve Bank (SARB) target range in May and June due to rising food and fuel prices. Much of the upward pressure emanates from global forces. Russia's war on Ukraine amplified the rise in global oil, food, and other commodity prices, while the war, combined with fresh lockdowns in China, worsened existing supply chain bottlenecks. Headline consumer price inflation rose to 7,4% in June, up considerably from 5,9% at the end of 2021. Given mounting price pressures and the upside risks to the inflation outlook, SARB's Monetary Policy Committee (MPC) accelerated the pace of monetary policy tightening, raising interest rates by a further 175 basis points over the first seven months of the year, lifting the repo rate to 5,5% and the prime rate to 9,0%. The decision to move faster was motivated by the higher-than-expected inflation outcomes, rising inflation expectations and the continued upside risks to the inflation outlook. Key risks include generally high and rising global inflation, elevated international oil and food prices and the rand's vulnerability to the faster pace of US monetary policy tightening and volatile global risk sentiment.

The first half of 2022 saw client activity continue to rebound and market volatility returning to more normalised levels, although corporate deal flow across various sectors remained muted. The banking sector continues to demonstrate strong levels of resilience, remaining well capitalised, liquid and profitable.

Strategic progress

Our strategy gives us a clear framework on where we want to focus as a purpose-led organisation and what we need to do to meet our medium-term targets of achieving DHEPS greater than the 2019 level (2 565 cents), an ROE greater than the 2019 level (15,0%), a cost-to-income ratio lower than 54% (2019: 56,5%) and the #1 ranking in NPS (2019: #3) by the end of 2023. In the longer term we aim to grow DHEPS by more than GDP growth + CPI + 5%, as well as achieve an ROE of more than 18% (COE + 3% to 4%) and a cost-to-income ratio below 50%. Through our strategy we seek to create value by growing revenue and increasing levels of productivity, both strongly enabled by technology, while maintaining world-class risk and capital management metrics. We are focusing on growing our share of transactional main-banked clients and related deposits across all our businesses and ensuring we deliver market-leading client experiences that will help us attract new clients and a deepened share of wallet among existing clients. To boost our productivity and improve operational efficiency, we are building on and accelerating existing efforts in optimising our operating model in a more digital world by leveraging the technology platforms we have put in place. Our world-class risk management capabilities ensure that we balance risk/reward trade-offs appropriately.

Our strategy is delivered through five strategic value unlocks: delivering innovative market-leading client solutions; engaging in ongoing disruptive market activities (underpinned by digital leadership); focusing on areas that create value (strategic portfolio tilt, known as SPT); driving efficient execution (including target operating model enhancements, known as TOM); and creating positive impacts, including delivering on our purpose of using our financial expertise to do good and maintaining our leadership in ESG.

Underpinning these strategic value unlocks is our ME strategy and technology transformation programme to build a modern, modular and digital IT stack, which has reached 89% build completion. Most foundational IT programmes are either complete or nearing completion, and the group's intangible software assets are expected to have peaked in 2021 at around R9bn (June 2022: R8,6bn), in line with reducing levels of IT cash flow spend that peaked in 2017. The resultant rationalisation, standardisation and simplification of our core banking systems have resulted in a reduction from 250 large systems down to 76 (final target of 65 to 75), enabling reduced infrastructure, and support and maintenance costs, less complexity, and increased agility in adopting new innovations. The benefits of ME are evident in the digital progress we have made, as well as the realisation of benefits through TOM 1.0 and TOM 2.0.

The following strategic progress was made in H1 2022:

- **Delivering innovative, market-leading client solutions**
  - **Digital client onboarding, sales and servicing** (Eclipse for retail clients and Nedbank Business Hub (NBH) for business clients): Our simplified digital client-onboarding platforms for individual and juristic (business) clients continue to mature and expand, enabling clients to open FICA-compliant accounts remotely through our employee-assisted and self-service digital channels by providing a seamless omnichannel experience. Clients can now also join the bank through our self-service kiosks, with a card issued immediately. The processing of product sales to individuals via Eclipse currently includes six of our top retail products, being transactional products, personal loans, card issuing, home loans, investments and overdrafts, as well as more than 170 services. In addition, MyCover Funeral Plans, with straight-through digital processing, were enabled on the Eclipse platform in Q2 2022. Foreign exchange, and the roll-out of student loans and selective other Nedbank Insurance products, including additional MyCover Funeral products and MyCover Life, will be available on the Eclipse platform during 2022. In 2021 juristic client onboarding in Retail and Business Banking (RBB) and Corporate and Investment Banking (CIB) started with the roll-out of the NBH, leveraging our new digital token-less security and enabling a step change in client experience for businesses. The NBH provides a convenient platform for clients from which they have a single view of relevant digital offerings. Clients can also transact and apply for products (transacting, lending and borrowing) or services. The convergence of various juristic digital channels has gained momentum, with a first release implemented in July 2022. From a digital servicing perspective, an additional 100+ juristic services are intended to be digitised by the end of 2023. NBH adoption and commercialisation continue to accelerate and track according to the commercialisation commitments. Pleasingly, NBH was recently recognised at the Digital Banker Middle East and Africa (MEA) Innovation Awards 2022, winning the Outstanding Digital Transformation by a Transaction/Wholesale Bank in Covid-19 Award for outstanding digital transformation.
  - **Apps:** The Nedbank Money app continues to be rated highly on the Apple and Google app stores, with lifetime store client ratings exceeding 4,0 (out of five). The app is actively used by 1,8 million clients, up by 13% yoy and 167% since H1 2019 (H1 2021: 1,6 million). Transaction volumes on the Money app increased by 35% yoy (up 289% since H1 2019) and transaction values increased by 39% yoy (up 273% since H1 2019). Revenue from value-added services increased by 22% (up 101% since H1 2020) across prepaid data, voucher and electricity purchases, as well as LOTTO and Send-iMali. The Nedbank Private Wealth app, which offers integrated local and international banking capabilities, retained an average rating of 4,7 (out of five) on the Apple and Google app stores. The business has experienced a 27% increase in the value of payments and transfers yoy on the Nedbank Private Wealth app. The Nedbank Money App (Africa) has proven to be the channel of choice across our Nedbank Africa Regions (NAR) subsidiaries owing to the convenience, wide functionality base and user experience. The total number of enrolments at the end of June 2022 for the Common Monetary Area (CMA) countries exceeded 73 000 users, with the total number of app users across NAR now more than 100 000, up 42% yoy. App volumes in NAR increased by 48% yoy, while value-added services (including airtime and electricity) purchases grew by 22% yoy (up 101% since H1 2020). At the Global Banking and Finance Awards 2022 Nedbank won the Most Innovative Retail Banking App in Lesotho and Best Bank for Digital Banking Services in Lesotho Awards. Nedbank was recognised for Excellence in Mobile Banking at the Finnovex Southern Africa Awards 2022.
  - **Digital outcomes:** Our digital initiatives helped us to increase the number of digitally active retail clients in SA by 10% to 2,4 million (H1 2021: 2,3 million) and by 60% since H1 2019. This now represents 37% of total active clients (H1 2021: 34% and H1 2019: 26%) and 67% of main-banked clients (H1 2021: 61% and H1 2019: 47%). Retail digital transaction volumes in SA increased by 20% yoy (up 78% since H1 2019) and transaction values by 14% yoy (up 39% since H1 2019). Digitally active clients across the NAR business grew by 20% and represents 57% of the total active client base. Nedbank Insurance has extended its quoting, fulfilment and claims functionality on digital channels to 10 product offerings.
  - **Great client experiences:** The outcome of our digital innovations is evident in higher levels of client satisfaction, as illustrated in Nedbank being rated the second-best large bank on NPS in 2021. In the first half of 2022 we saw a continuation of this trend as client experiences across our digital channels recorded an NPS of more than 70, highlighting the higher relative client satisfaction levels associated with digital experiences. Enbi, our new artificial intelligence (AI)-driven chatbot, which was launched to meet client expectations for immediate and excellent personal assistance, has resolved more than one million client enquiries to date. To support great client experiences in the commercial banking market, Nedbank Business Banking was strategically repositioned as Nedbank Commercial Banking to better represent the comprehensive range of services and products we offer to medium-, large-, and mid-corporate-sized businesses. We also rebranded our Professional Banking offering to Private Clients. Nedbank was recognised as Best Private Bank for Digital Customer Service in Africa at the 2022 Professional Wealth ManagementWealth Tech Awards. Nedbank Wealth Management SA won the coveted Archetype: Wealthy Family Award at the 2022 Intellidex Awards. Nedbank Insurance won first place in Excellence in Running Operations in the Insurance category at the 2022 International ActiveOps Awards. At the 2022 City of London Wealth Management Awards, Nedbank Private Wealth (International) was recognised as Best Private Bank in the UK for the eighth consecutive year.
- **Ongoing disruptive market activities**
  - **Avo super app:** Our market-leading digital ecosystem Avo is a one-stop super app enabling clients to buy essential products and services online and have them delivered to their home, with seamless secure payments and credit enabled by the Avo digital wallet and Nedbank. Since its launch in app stores on 19 June 2020, Avo has signed up more than 1,5 million users, up 4,6 times yoy, along with over 24 000 businesses registered and offering their products and services on this e-commerce platform, up by 37% yoy. Avo now has access to over 10 000 drivers on its delivery fleet nationwide as product orders continue to grow exponentially, with a ninefold yoy increase in gross merchandise value (GMV). Avo Auto, a virtual vehicle mall that was launched in August 2021, now hosts over 140 MFC-accredited dealers, with more than 6 000 vehicles available on the platform. In April 2022 we launched Avo B2B Marketplace, making it easier for business buyers and sellers to connect, anywhere, anytime, on a secure platform. Avo continues to increase its number of partners to drive scale. Our newest partnerships with Apple, Dell and Uber Direct highlight the increasing appeal of Avo as a destination marketplace to assist global brands and manufacturers in realising their growth aspirations. Apple, in the first month of being live, was already the second-highest grossing reseller by value on the app. The marketplace intends to become the destination for consumers and businesses looking to acquire Apple devices through convenient embedded finance options. The launch of Avo in our first NAR subsidiary is currently being planned. At the Global Banking and Finance Awards 2022, Nedbank won the Excellence in Innovation Banking App (Nedbank Avo) in South Africa Award.
  - **APIs:** After having been the first bank in Africa to launch an API platform (API_Marketplace) that is aligned with the open-banking standard PSD2, we made good progress in scaling the platform by allowing approved partners to leverage the bank's financial capabilities through integration into our standard, secure and scalable APIs. The number of third parties active on API_Marketplace continued to grow and increased to 48 (2021: 45, 2020: 17). The number of available API products increased from nine (June 2021) to 11, with the addition of auto insurance and credit card data API products. Our Personal Loans API implementation continues to be our most successful implementation to date, with June 2022 being a record-breaking month in terms of highest disbursal rate since inception, supporting our market share increase ambitions in this product. Auto insurance has similarly seen promising interest and lead generation since going live in June. At the Asian Banker Financial Technology Innovation Awards 2022, Nedbank was recognised for Best API and Open Banking Implementation.
  - **Karri app:** The Karri app, developed by Karri in partnership with Nedbank, is an integrated message-based payment, collection, and reconciliation app for solving a niche problem experienced by schools. The app enables parents to make school-related payments within seconds while it also reduces the risk of parents and children carrying cash and relieves schools from the burden of receiving and administering cash payments. The Karri app is one of the most popular apps in schools and is already used by over 900 schools, with a database of parents and children in excess of 1,3 million. Karri has seen exponential growth in H1 2022, setting all-time records across all key value drivers. Active monthly users are up by 58%, payment value is up by 177% and number of payments is up by 122%. The Karri partnership is well positioned to broaden the value to schools, parents and children across SA.
- **Focusing on areas that create value (SPT 2.0)**
  - We continue to focus on areas that create value, particularly through strategic portfolio tilt (Strategic Portfolio Tilt 2.0), which is a groupwide strategy focused on growing profitable market share in selected areas through integrated client-led asset/liability client value propositions (CVPs), leveraging the point of origination to increase the levels of cross-sell with a keen focus on growing the transactional banking relationship and main-banked market share.
  - From December 2021 to May 2022, as reported in SARB BA 900 returns, we increased market share in retail overdrafts (from 9,9% to 10,6%) and household transactional deposits (from 13,5% to 13,7%). The former by bringing a new competitive overdraft product to market and the latter as a result of our strategic focus on and actions relating to this key deposit category. Given increasing risks in the environment, we have slowed growth in some key products areas, resulting in market share declining slightly in unsecured lending, including personal loans (from 12,0% to 11,9%) and card (from 12,0% to 11,4%). The home loans market remains competitive and we expect growing market share from here, although we saw a slight decline in H1 2022 (from 14,2% to 14,0%). From a vehicle finance perspective, we continue to leverage our market-leading position and unique business model that is skewed towards financing used and lower-value vehicles, although market share softened slightly from 36,3% to 36,0%. In wholesale lending we remained selective in granting loans, resulting in a decline in term loan market share (from 16,8% to 16,3%), although we saw an increase in client activity in June 2022, and expect an increase in pipeline conversion in the second half of the year. In commercial mortgages we increased our market share slightly (from 37,2% to 37,6%).
  - Main-banked clients in retail grew by 2% to 3,04 million yoy and cross-sell was 1,92 (compared with 1,84 in H1 2021 and 1,72 in H1 2019). CIB gained 11 new primary clients in the period. In NAR total clients increased by 4% ytd to 351 000, of which around 162 000 are main-banked clients.
- **Driving efficient execution (TOM 2.0)**
  - **Unlocking benefits through technology:** TOM 2.0, which was launched in 2021, is aimed at optimising the shape of our infrastructure (branches and corporate real estate), shifting our RBB organisational structure so that it is more client-centred and optimising our shared-services functions across the group as a direct result of the digital benefits from ME. In H1 2022 we recorded benefits of R229m, bringing the cumulative number to R1,2bn, on our way to unlocking cost savings of R2,5bn by the end of 2023.
  - **Branch optimisation:** The digitisation of services in RBB and changing client behaviour, along with the impact of the Covid-19 lockdowns, have enabled us to reduce branch teller volumes by 65% since H1 2019. To date, as we optimise the shape of our infrastructure through Project Imagine, branch floor space has decreased by around 69 000 m^2 (December 2021: 65 000 m^2) from 2014 levels, while the number of branches declined by eight ytd to 419 without impacting client service.
  - **Real estate optimisation:** Through our strategy of consolidating and standardising our own buildings to support new Ways of Work, our number of campus sites (offices) has decreased from 31 to 24 over the past four years, with a longer-term target of 19. Since 2016 we have saved over 122 000 m^2 and over 6 000 m^2 in H1 2022. In the next few years we will continue to optimise the portfolio by enhancing workstation use through enabling flexible office constructs to support more dynamic ways of work, as well as leveraging successful work-from-home experiences as a result of Covid-19, while creating further value and cost reduction opportunities. Our optimal workplace distribution mix is expected to settle at around 60% at Nedbank premises and at 40% as a mix of hybrid and permanent work-from-home models to support an anticipated workforce distribution model of 50% full-time on premises, 30% hybrid and 20% permanently off-site.
  - **RBB reorganisation:** In 2020 we started the implementation of Project Phoenix, which aimed to shift our RBB organisational structure from being 'product-led, supported by client and channel views' to being 'client-segment-led, supported by product and channel views'. We concluded phases one and two of our journey during 2021, moving from product-focused expert knowledge to centres of excellence with product insights present across the value chain. We also concluded the restructure of the cluster and divisional executive roles and finalised the next tiers in line with the competencies required to deliver on the outcomes of the value chain accountabilities in 2021. In H1 2022 we commenced phase three, which focuses on driving increased

levels of process standardisation and consolidation, combined with digitisation through automation (straight-through processing or robotic process automation), leveraging the client-centred technology investments we have made, enabling digital client onboarding and enhanced cross-sell of additional products through simplified processes. These investments have assisted us in consolidating middle and back offices within the cluster, unlocking efficiencies.

- **Groupwide shared-services optimisation:** We have increased our focus on ensuring efficient and effective central group functions including marketing, risk, human resources, finance and technology. In addition, we are in the process of further optimising smarter supply chain and procurement capabilities. Over the past six months our total group permanent headcount declined by 518 or 2% (and 2 870 or 10% since 2019), largely through natural attrition.

- **Creating positive impacts**
  - Our efforts in sustainability and ESG matters were externally recognised, including through Nedbank winning the Best Corporate ESG Strategy South Africa Award at the prestigious Global Banking and Finance Awards 2022. We retained our top-tier ESG ratings with the following scores and rankings: MSCI – AA (within the top 34% of global banks); Sustainalytics – low risk score of 17,3 (30th out of 415 diversified financial companies); ISS – C rating (within the top 20% of global banks); FTSE Russell – 4,3 rating out of five (top 6% of global banks); and S&P Global – score of 68 out of 100 (a top-tier SA bank).

Overview of H1 2022 results

Nedbank Group delivered a strong financial performance for the six months to 30 June 2022 when compared to the six months to 30 June 2021 (prior period). HE increased by 27% to R6 663m, driven by strong revenue growth, a slightly higher impairment charge and a well-managed expense base.

HEPS and basic EPS increased by 26% to 1 370 cents and by 31% to 1 412 cents respectively, in line with the trading statement released on 20 July 2022. In this trading statement we noted that HEPS and basic EPS were expected to increase by between 23% and 28%, and 28% and 33% respectively. DHEPS increased by 25% to 1 335 cents.

Return on equity (ROE) for the period increased to 13,6%, above the prior period of 11,7%, assisted by the return on assets that increased from 0,88% to 1,11%. Net asset value (NAV) per share of 20 964 cents increased by 8%, compared with 19 439 cents in H1 2021, while tangible NAV of 18 312 cents increased by 10%, compared with the 16 591 in the prior period.

The group's balance sheet remained very strong, and capital and liquidity positions improved further. CET1 and tier 1 capital ratios of 13,5% and 15,1% respectively increased from the 31 December 2021 levels and are well above SARB minimum requirements. The average LCR for the second quarter of 144% and an NSFR of 120% were well above the 100% regulatory minimums. On the back of strong earnings growth and capital and liquidity positions, the group declared an interim dividend of 783 cents per share, up by 81% yoy (June 2021: 433 cents per share) and higher than the 2019 interim dividend of 720 cents per share. The dividend was declared at 1,75 times cover (payout ratio of 57%), at the bottom end of the group's board-approved dividend target range of 1,75 to 2,25 times.

Cluster financial performance

The group's HE increase of 27% to R6 663m was supported by solid performances across all our business clusters, and our ROE of 13,6% improved from the prior period but remains below our estimated COE of around 15,0%. All business clusters reported ROEs above the group's COE, with surplus capital held at the Centre diluting the overall ROE.

		HE (Rm)		ROE (%)	
	Change (%)	Jun 2022	Jun 2021	Jun 2022	Jun 2021
CIB	10	**3 208**	2 909	**17,9**	15,8
RBB	9	**2 347**	2 144	**15,1**	13,0
Wealth	1	**479**	476	**21,7**	22,0
NAR	> 100	**574**	182	**15,9**	5,8
Centre	> 100	**55**	(460)		
Group	27	**6 663**	5 251	**13,6**	11,7

HE in CIB increased by 10% to R3,2bn, and the cluster delivered an ROE of 17,9%. HE was driven primarily by a 47% decrease in impairments as reflected in the credit loss ratio (CLR) declining to 20 bps (H1 2021: 38 bps), within the cluster through-the-cycle (TTC) target range of 15 bps to 45 bps. NII increased by 10%, supported by average interest-earning banking asset (AIEBA) growth of 2% to R351bn and a higher net interest margin (NIM). Actual gross banking advances increased by 9% to R366bn as credit demand increased towards the latter part of Q2 2022. NIR decreased by 1%, with strong growth achieved in the equity portfolio, offset by a 13% decline in trading revenue, which was impacted by unfavourable macroeconomic and market conditions in the debt and interest rate markets. Expenses increased by 5%, mainly from higher performance-linked costs, resulting in a cost-to-income ratio of 43,3%.

HE in RBB increased by 9% to R2,3bn, delivering an ROE of 15,1%. The main drivers were a 9% growth in revenues, expense increases that were curtailed below inflationary levels, and higher impairments. NII grew 10%, driven by an increase in loans and advances on the back of strong new-loan payouts of approximately R57bn, by a widening of the NIM that benefited from positive endowment (higher interest rates), and by an increase in liability margins from slightly more favourable funding spreads. NIR increased by 9%, reflecting the ongoing improvement in client transactional activity, as well as benefits of cross-sell, main-banked client gains and growth in card interchange revenue. Impairments increased by 32%, due to the impact of once-off benefits in H1 2021 relating to the curing of Directive 7/2015 accounts and the release of Covid-19-related overlays. Adjusting for these once-off benefits of R529m, the RBB CLR in H1 2021 was 150 bps (122 bps reported) and therefore, on a normalised basis, the CLR is up by 2 bps yoy to 152 bps, remaining in the middle of the TTC target range of 120 bps to 175 bps.

Nedbank Wealth delivered a resilient financial performance in a challenging operating environment, with HE up by 1% to R479m and its ROE remaining attractive at 21,7%. The cluster's financial performance was adversely impacted by significant insurance claims resulting from the recent floods in KwaZulu-Natal, and the impact of negative equity market performance on investment returns and assets-under-management (AUM) fees locally and internationally. This was offset by credit impairment recoveries and the benefit of higher SA, US, and UK interest rates on NII.

HE in NAR increased more than 100% to R574m and ROE increased to 15,9%. The performance reflects an improved performance in the SADC operations, with HE up by more than 100% to R190m (H1 2021: R11m loss); an ROE of 6,1%; continued strong recovery from Ecobank Transnational Incorporated (ETI) contributing HE of R384m (H1 2021: R193m); and a return on the ETI investment (ROI) of 15,1%. The performance of the SADC operations was driven mainly by increases in NIR (up by 79%) and NII (up by 12%) as a result of higher forex gains in Zimbabwe (offset in the net monetary loss) and increased transaction volumes.

The performance in the Centre primarily reflects the base effects of the impact of the fair-value unrealised losses from macro fair-value hedge accounting last year and a R50m (pre-tax) central impairment release in H1 2022, compared with an R250m increase in H1 2021.

Financial performance

Net interest income

NII increased by 9% to R17 204m, driven by 4% yoy growth in AIEBA to R901bn and an increase in the group's NIM. The increase in AIEBA was driven by strong yoy growth of 7% in higher-yielding RBB loans and advances and 2% growth in CIB loans and advances.

NIM increased by 17 bps to 3,85% from the 3,68% reported in H1 2021. This increase was driven by a positive endowment rate impact due to higher interest rates, higher levels of capital and current and savings accounts (CASA) balances (endowment mix benefit), improved asset pricing and improved liability pricing and mix changes. The increase was partially offset by the negative impact of increased funding costs on the high-quality liquid asset (HQLA) portfolios as well as the dilutive impact of moving the foreign currency loan portfolio, with lower-yielding assets into the banking book (previously trading book) in line with the regulatory requirements under Fundamental Review of the Trading Book (FRTB), as well as basis risk impacts. Nedbank is positively positioned for a rise in interest rates, gaining an additional R1,6bn NII (pre-tax) for each 100 bps increase in interest rates over 12 months.

Impairments charge on loans and advances

The group's impairment charge increased by 3% to R3 390m. The key drivers of the increase include the 4% increase in average gross loans and advances and an increase in stage 3 impairments, driven by provisioning for specific CIB counters and the impact of the regulatory withdrawal of Directive 3/2020 loan classifications. The increase was partially offset by a decrease in Covid-19 and macro-related judgemental overlays and a general improvement in stage 2 loans. The group's CLR remained flat yoy at 85 bps, within the group's TTC target range of 60 bps to 100 bps and at the lower end of the full-year 2022 guidance range of between 80 bps and 100 bps, which was provided in March 2022.

CLR (%)	Average banking advances (%)	Jun 2022	Jun 2021	Dec 2021	TTC target ranges
CIB	43	**0,20**	0,38	0,42	0,15–0,45
RBB	50	**1,52**	1,22	1,34	1,20–1,75
Wealth	4	**(0,37)**	(0,13)	0,09	0,20–0,40
NAR	3	**1,10**	0,84	0,72	0,85–1,20
Group	100	**0,85**	0,85	0,83	0,60–1,00

CIB impairments decreased by 47% to R349m and its CLR, at 20 bps, is below the 38 bps reported in H1 2021 and within its TTC target range of 15 bps to 45 bps. The total CIB coverage ratio was flat against the prior year at 1,3%, still reflecting a conservative approach to higher-risk sectors and stage 3 impairments. Stage 3 loans in CIB increased by 13% from December 2021, representing 3% of CIB's banking advances. The majority of Directive 3 restructures at the end of December 2021 have been rehabilitated, with less than 20% migrating to stage 3 loans in H1 2022. High-risk Covid-19-impacted sectors, such as aviation, remain a challenge while sectors such as hospitality are showing some recovery. Pre-Covid-19-stressed sectors, such as construction and state-owned enterprises (SOEs), and certain exposures in the agriculture sector continue to be challenging given the difficult economic environment. The commercial property portfolio continues to perform well and reported a CLR of 13 bps, down from 46 bps in H1 2021. Developments in the commercial property office portfolio continue to be monitored closely, while average vacancies in the Nedbank office portfolio remain well below the market average. In RBB impairments increased by 32% to R3 033m, reflecting the impact of once-off benefits in H1 2021, 6% growth in loans and advances, an increase in early arrears and a 4% increase in stage 3 loans since December 2021. The RBB CLR, at 152 bps, is in the middle of the TTC target range of 120 bps to 175 bps. Normalising for the once-off benefits in H1 2021 results in the CLR remaining around similar levels. Secured lending (home loans and vehicle finance), with mostly variable interest rates, is still benefiting from slightly lower interest rates, but pressure is slowly increasing as a result of the recent interest rate increases and inflationary pressures. From a personal-loans perspective, there is less direct exposure to interest rates as rates are fixed, but this segment continues to be under pressure given inflationary pressures. Nedbank Wealth reported a CLR of -37 bps, driven by the release of client-specific overlays as a result of better-than-expected repayments and valuations. NAR reported an increase in impairments of 18% to R113m, and its CLR of 110 bps is within the NAR TTC target range of 85 bps to 120 bps, driven by an increase in NAR overlays and additional provisions raised on specific wholesale exposures. Nedbank has no direct exposures to Ukraine and Russia, and has insignificant indirect exposure.

Covid-19- and macro-related judgemental overlays decreased to R903m (Dec 2021: R1 518m) as R419m was released through the income statement as the expected risk did not emerge and R196m emerged through International Financial Reporting Standards (IFRS) models. The central provision has declined by R50m since December 2021, with R450m remaining in place to account for forward-looking information and risks not yet reflected in the data and impairment models, including the risks associated with a more-difficult-than-expected macroeconomic environment.

The group's balance sheet expected credit loss (ECL) increased from R26,6bn (December 2021) to R26,8bn, reflecting prudent credit risk management. This increase was driven by the R3,4bn impairment charge and post-write-off recoveries of R0,8m (H1 2021: R0,7bn) despite higher levels of write-offs at R4,6bn (H1 2021: R3,9bn). Overall ECL coverage remained high at 3,31% of total loans and advances, similar to December 2021 at 3,32% but much higher than the pre-Covid-19 level of 2,21% (June 2019). The stage 1 coverage ratio decreased slightly to 0,64% (December 2021: 0,69%) but remains higher than the pre-Covid-19 level of 0,46% (June 2019). Stage 2 coverage increased to 7,3% (December 2021: 6,4%), primarily as a result of loans with lower coverage moving into stage 1. Stage 2 coverage remains well above the pre-Covid-19 levels of 5,0% (June 2019). The stage 3 coverage ratio remained at similar levels at 38,4% (December 2021: 38,0%).

Non-interest revenue and income

NIR increased by 13% to R13 321m, driven primarily by the fair-value unrealised losses from macro fair-value hedge accounting recorded in the H1 2021 base that did not recur, solid commission and fee income growth and good performances from insurance and equity realisations. This strong growth was partially offset by a muted trading performance NIR growth. Excluding macro fair-value hedge-accounting adjustments, NIR growth was 7%.

- Commission and fee income increased by 5% to R9 051m, driven by improving transactional activity in RBB as evident in increased levels of client spend, cash withdrawals and purchases of value-added services, as well as improved levels of cross-sell. The number of retail main-banked clients, at 3,04 million, grew by 2% yoy as client-related transacting activity improved. In CIB client activity remained subdued, although the cluster recorded 11 primary client wins that will support growth into the future.
- Insurance income increased by 13% to R1 126m. The benefit of lower death and funeral claims in the life portfolio was partially offset by accounting for insurance claims (net of reinsurance) relating to the KwaZulu-Natal floods in April 2022 and the base impact of benefiting from the implementation of a revised asset-and-liability matching strategy in H1 2021.
- Trading income decreased by 10% to R2 047m as unfavourable conditions impacted the debt and interest rate markets, partially offset by favourable outcomes in foreign exchange and equity markets.
- Equity revaluations of R506m (H1 2021: R254m) were driven by realised gains and dividends.
- The fair-value unrealised losses, including those from the group's macro fair-value hedge accounting of R55m in H1 2022, were less than the H1 2021 loss of R740m after the successful implementation of model methodology enhancements in the second half of 2021.
- Other NIR was driven by foreign currency gains in Zimbabwe as a result of hyperinflationary conditions (largely offset in the net monetary loss).

Expenses

The increase in expenses of 7% to R17 451m reflects the impacts of higher variable-pay incentives, ongoing investment in technology and digital solutions, and the normalisation of certain discretionary costs as business returns to normality after the Covid-19-related lockdown restrictions in the prior years. Excluding variable-pay incentive costs, expenses increased by 5%, highlighting diligent cost management in an environment of rising inflation and weaker exchange rates.

- Staff-related costs increased by 10% following:
  - an average 2022 annual salary increase of 4,6% (bargaining-unit increase of 5,2%) and a 4% yoy reduction in employee numbers since 30 June 2021 (2% since 31 December 2021), largely through natural attrition; and
  - a 22% increase in short-term incentives (STIs) and a 47% increase in long-term incentives (LTIs), driven by the impact of the group's improved financial performance on variable incentives.
- Computer-processing costs increased by 5% to R3 211m (growth of 13% in H1 2021), reflecting an increase in the amortisation charge of 13% (slowing from the growth of 21% in H1 2021), as well as investment in digital solutions. As our ME technology IT build reaches material completion, the growth rates in computer-processing costs and amortisation have started to slow, along with benefits from lower depreciation and computer-processing lease charges, particularly as we leverage cloud-based solutions.
- Marketing costs increased by 12% to R751m off a low H1 2021 base and reflects the group's increased focus on increasing Nedbank's share of voice in the market in support of revenue growth. Communication and travel increased by 21% as operations returned to business-as-usual levels post the Covid-19-related lockdown restrictions.
- Other cost lines reflect the good management of discretionary spend and the non-staff-related benefits of TOM 2.0 as seen in occupation and accommodation costs (declining by 5%), as well as from lower fees and insurances, declining by 2%.

The group's increase in expenses of 7% was lower than the increase in revenue and associate income of 11%, resulting in a positive JAWS ratio of 4% and a cost-to-income ratio decreasing to 56,2% (June 2021: 58,5%).

Hyperinflation accounting in Zimbabwe

Given the significant inflationary pressures in Zimbabwe, the net monetary loss increased by more than 100% to R277m (H1 2021: R40m loss), which contributed to a HE loss of R110m (H1 2021: R19m loss). However, as the Zimbabwean dollar depreciated against the US dollar by 332% and the SA rand by 276%, a R360m foreign exchange gain on Nedbank Zimbabwe's foreign currency holdings was recognised in NIR.

Earnings from associates

Associate income of R470m, relating to the group's 21% shareholding in ETI for the period ended 30 June 2021, has been recognised (up by 74% when compared with R270m in H1 2021). This includes accounting for our share of ETI's Q4 2021 and Q1 2022 earnings (in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrear). The total effect of ETI on the group's HE was a profit of R384m (H1 2021: R193m), including the R119m impact of funding costs.

In the first three months of 2022, ETI reported attributable earnings growth of 27% to US$66m and an ROE increase to 18,9% (Q1 2021: 15,7%). The performance was supported by solid growth in their West and Central Africa regions, where ROEs were all above 20%. Ecobank Nigeria, however, remains a drag on the overall ETI performance and we continue to work alongside other shareholders to address the issues. Non-performing loans continued to decline, while market-leading in-country franchises drove strong growth in deposits. The group's capital position strengthened further, reflected in a total capital adequacy ratio (CAR) of 14,8% (Q1 2021: 12,3%).

Statement of financial position

Banking loans and advances

Gross banking loans and advances increased by 7% yoy to R831bn, driven by ongoing momentum in RBB advances growth and an increase in CIB banking loans and advances towards the end of Q2 2022.

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

Rm	Change (%)	Jun 2022	Jun 2021	Dec 2021
CIB	9	**365 918**	334 722	352 487
RBB	6	**414 284**	389 297	400 301
Wealth	(3)	**30 271**	31 358	30 729
NAR	(3)	**22 372**	23 113	22 325
Centre[1]	> (100)	**(1 609)**	2 012	1 112
Group	7	**831 236**	780 502	806 954

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

CIB gross banking loans and advances increased by 9% to R366bn, supported by an uptick in credit demand towards the end of Q2 2022. The cluster has a strong and robust pipeline, with a positive expectation of conversion in key sectors in the second half of the year.

RBB gross loans and advances increased by 6% yoy to R414bn, thereby continuing momentum from 2021 and benefiting from client demand for secured loans. However, unsecured lending volumes have slowed due to a more cautious approach to new lending as a result of elevated risk in the macroeconomic environment. Overall new-loan payouts remained relatively stable at R57bn in H1 2022. Commercial Banking (previously Business Banking) gross loans and advances grew by 8% yoy as client utilisation of existing facilities increased, although we noted cautious borrowing behaviour, with new-loan payouts declining by 4% yoy to R11bn. Mortgage loans grew by 7%, broadly in line with the industry, while MFC (vehicle finance) loans increased by 6%, resulting in our maintaining our market-leading position.

Deposits

Deposits increased by 8% yoy to over R1 trillion for the first time, with total funding-related liabilities increasing by 7% to R1,1 trillion, while the group's loan-to-deposit ratio decreased to 85% (June 2021: 87%).

Within the business clusters, CIB grew deposits by 4%, RBB by 6% and Wealth by 1% yoy. NAR deposits decreased by 0,4%.

CASA accounts, along with cash management deposits, increased by 1% yoy. Individually, current accounts increased by 11%, aligned with our SPT 2.0 objectives, but cash management accounts decreased by 7% as clients invested in working capital, while savings accounts were broadly flat. Call and term deposits increased by 6% and fixed deposits increased by 2% as clients began to term out their deposits due to the increasing -interest-rate environment. Negotiable certificates of deposit (NCDs) increased by 39% off a low base as institutional clients had appetite in H1 2022 to invest in high-quality bank paper. Foreign funding, although small in relative terms for Nedbank, increased by 8% due to foreign lending requirements.

Funding and liquidity

The group achieved a quarterly average long-term funding ratio of 29%, which is above the industry average of around 22%, as a result of the proactive management of Nedbank's long-term funding profile.

The group's June 2022 quarter average LCR of 144% (Dec 2021: 128%) exceeded the minimum regulatory requirement, with the group maintaining appropriate operational buffers to absorb seasonal, cyclical and systemic volatility observed in the LCR.

Nedbank Group LCR	Jun 2022	Jun 2021	Dec 2021
HQLA (Rm)	**208 207**	204 244	207 105
Net cash outflows (Rm)	**145 120**	156 484	161 678
LCR (%)[2]	**143,5**	130,5	128,1
LCR regulatory minimum (%)	**100,0**	80,0	80,0
NSFR (%)	**120,3**	113,6	116,1
NSFR regulatory minimum (%)	**100,0**	100,0	100,0

[2] *Average for the quarter.*

More details on the LCR are available in the 'Additional information' section of the condensed consolidated interim financial results.

Nedbank's portfolio of LCR-compliant HQLA increased to a June 2022 quarterly average of R208bn, while the lower quarterly arithmetic average net cash outflows were driven by an increased demand for longer-dated deposits. Nedbank's proactive management of its HQLA liquidity buffers, close monitoring of its net cash outflows, and the implementation of the SARB Prudential Authority's (PA's) Directive 1/2022 resulted in an increase in the LCR to 144%. The HQLA portfolio, together with Nedbank's portfolio of other sources of quick liquidity, equated to total available sources of quick liquidity of R272bn, representing 22% of total assets.

The lengthening of Nedbank's funding profile resulted in an increase in the group's NSFR to 120% at June 2022 (December 2021: 116%), exceeding the minimum NSFR regulatory requirement of 100%. The structural liquidity position of the group has strengthened from December 2021 as a result of the effective management of the balance sheet.

Capital

The group remains strongly capitalised, with ratios significantly above the minimum regulatory requirements, reflected in a CET1 ratio of 13,5% (Dec 2021: 12,8%) and a tier 1 ratio of 15,1% (Dec 2021: 14,3%). The increase in the CET1 ratio was driven by strong organic earnings growth and a reduction in risk-weighted assets (RWAs), driven mainly by a decrease in credit risk as asset growth slowed in some portfolios, and a decrease in market risk as a result of general risk reduction across the trading portfolio. This was partly offset by the payment of the final dividend for 2021 of R3,9bn in H1 2022.

The group continues to optimise its capital structure through utilising the full range of capital instruments. During H1 2022 the group enhanced the tier 1 ratio by issuing additional tier 1 instruments amounting to R1,0bn. The total CAR was impacted by the redemption of tier 2 instruments of R2,5bn, in line with the group's capital plan.

Basel III capital ratios (%)	Jun 2022	Dec 2021	Jun 2021	Internal target range	Regulatory minimum[3]
CET1	**13,5**	12,8	12,2	11,0–12,0	8,5
Tier 1	**15,1**	14,3	13,6	> 12,0	10,3
Total CAR	**17,7**	17,2	16,8	> 14,5	12,5

(Ratios include unappropriated profits.)

[3] *The Pillar 2A capital requirement was reinstated, with effect from 1 January 2022, to 50 bps at CET1; 75 bps at tier 1 and 100 bps for the total ratio, and our internal targets were recalibrated with effect from 1 January 2022 to align with the reinstatement.*

Using our financial expertise to do good

Nedbank continues to play an important role in society and in the economy, and we remain committed to delivering on our purpose of using our financial expertise to do good and to contribute to the well-being and growth of the societies in which we operate by delivering value to our employees, clients, shareholders, regulators and society.

Employees

- We maintained our focus on the physical, mental and financial well-being of our employees through various interventions, including the introduction of an initiative called FLOW Time Wednesday (no internal meetings and non-essential meetings between 13:00 and 17:00). This provides our workforce with a dedicated block of time to become fully immersed in other work activities, whether it is a specific task, research or attending an online learning session. The aim, aside from providing dedicated weekly time to focus without interruption, is to aid productivity and allow space for deep work, innovation and problem-solving.
- The well-being of our workforce remains a high priority. To aid our employees in KwaZulu-Natal who were adversely impacted by the floods in April and May 2022, approximately 3 800 employees were supported with water and accommodation where necessary.
- Employee engagement levels remained high, with our H1 2022 Workforce Insights Pulse Survey highlighting that 85% of participating employees are proud to work at Nedbank. We will continue to use this score as a measure of our workforce sentiment in future Pulse surveys. Our first survey for 2022 had a response rate of 67%, up from 62% in November 2021.
- In the first six months of the year our Agility Centre successfully redeployed 107 employees into alternative roles within Nedbank, while 15 employees have regrettably been retrenched as a result of necessary operational changes. A key focus has been on timeous reskilling and upskilling to enable employees to transition into future internal roles. Employees are also supported with 'out-skilling' support to empower them with relevant market-related skills should outplacement or external redeployment be necessary.
- We have paid our 26 343 employees' salaries and benefits of R9,5bn. We concluded annual salary increases of 5,2% for our bargaining-unit employees, with non-bargaining-unit employees receiving increases of 4,0%. The blended average employee salary increase was 4,6% in 2022.
- In H1 2022 training spend was R252m, supporting an increase in digital learning with the introduction of FLOW Time Wednesday and the flourishing of a learning culture.
- We have implemented a hybrid work model where a portion of our workforce will continue to work on-site while others will alternate between working on-site and remotely. Although a large part of our workforce is digitally enabled to work remotely, employees are encouraged to return to the office to collaborate and engage. During H1 2022, 51% of our employees worked from home (excluding branch employees) as many of our clusters commenced with workplace reintegration in a phased manner. Workplace reintegration allows us to reinforce our strong Nedbank culture by returning to face-to-face engagements that create not only leadership visibility, but also an opportunity to build relationships and reinforce our culture that help us perform better as one Nedbank.
- We continued to focus on transformation as a key imperative to ensure that Nedbank remains relevant in a transforming society. Nedbank remains strongly representative of a diverse talent, with 80% of total employees (H1 2021: 79%) being black African, Coloured and Indian (ACI) and ACI representation at board level remaining at 64% (H1 2021: 64%). At executive level it was 39% (H1 2021: 46%). Pleasingly, we continue to record improvements in ACI employee representation at senior and middle management levels. Female representation at board level improved to 29% (H1 2021: 21%), at executive level it remained at 46% and among total employees it was 62% (H1 2021: 61%).
- In 2022 we were formally recognised for our efforts towards transformation and diversity and won two awards at the 21st Top Empowerment Awards, namely the Top Empowered Company: Youth Employment Service (YES) Initiative Award and the Top Empowered Company: Enterprise and Supplier Development Award.

Clients

- Delivering market-leading client experiences remains a key priority for us. We continue to build on the positive outcomes of the 2021 Consulta survey, where we achieved the #2 position among South African banks on client satisfaction metrics. In support of this achievement in 2021, we continued to consistently rank as the #2 bank and above the industry average on social-media net sentiment, measured by Salesforce Social Studio, in H1 2022.
- We safeguarded more than R1 trillion in deposits at competitive rates.
- We supported clients by advancing R149bn (H1 2021: R96bn) in new loans to enable them to finance their homes, vehicles and education, as well as grow their businesses.
- Our clients' access to banking improved as clients continue to shift to digital channels. Digitally active retail users increased by 10% yoy to 2,4 million (up by 60% since H1 2019). Our end-to-end digital onboarding, sales and servicing capabilities, as part of our ME technology journey, supported the increase in digital sales as a percentage of total sales in RBB to 50% (from 12% in H1 2019).
- In support of clients impacted by the recent floods in KwaZulu-Natal, all available platforms were used to inform clients of branch closures and the nearest operational branches in the affected areas. Our Nedbank teams across the country pulled together to handle temporary branch and workforce capacity constraints to handle large client volumes and maintain client relationships.
- In recognition of the value-add to our clients and our leadership position in key industries, segments and products, Nedbank won various awards, including the Best Retail Bank in Africa and SA and the Best SME Bank in SA at The Asian Banker Awards 2022. At the City of London Wealth Management Awards 2022, Nedbank Private Wealth was recognised as Best Private Bank in the UK for the eighth consecutive year and won the award for Total Wealth Planning – High Net Worth at the Private Asset Managers Awards 2022. Nedbank received recognition from Global Finance for 'Outstanding leadership in green bonds' as well as 'Outstanding leadership in sustainability-linked bonds'. ETI was recently recognised at the Euromoney Awards for Excellence 2022, winning numerous awards, including Africa's Best Bank 2022, Africa's Best Bank for SMEs 2022 and Africa's Best Digital Bank 2022.

Shareholders

- Notwithstanding difficult equities markets where the JSE All-share Index declined by 10% in the first six months of 2022, the Nedbank share price increased by 18%, outperforming the South African bank index, which increased by 5%. This outperformance was underpinned by the group's strong financial performance, operational delivery and good strategic progress. A very strong capital and liquidity position at 30 June 2022 supported the declaration of an interim dividend for 2022 of 783 cents per share, an increase of 81% on the prior year and now higher than the interim dividend declared in 2019.
- We successfully hosted our third virtual annual general meeting (AGM) in 2022. On the back of a remuneration implementation report vote of 72,9% and remuneration policy vote of 71,7%, being below the required 75%, we reached out to engage with shareholders. Given the high level of our ongoing shareholder engagements, we received no shareholder meeting requests but continue to value feedback from our shareholders to enhance our disclosures and ESG practices, including any comments or questions relating to remuneration. In acknowledgement of Nedbank's leadership and progress made on ESG-related disclosures, Nedbank was recently ranked first in the Refinitiv Satrix SA Inclusion and Diversity Index, which reflects the progress we have made on matters of diversity, equity and inclusion, and we remained at the top end of various ESG ratings when compared with local and international peers.
- On 1 April 2022 Nedbank Group ordinary shares started trading on A2X Markets (A2X) via a secondary listing. The secondary listing on A2X complements our existing listings on the Johannesburg Stock Exchange (JSE) and the Namibian Stock Exchange (NSX) by giving our investors the opportunity to source additional liquidity and save money when they transact, thereby benefiting Nedbank shareholders. Since listing, the Nedbank share has been a top 10 traded equity on the exchange.

Regulators

- We continued to work closely with the government, regulators and the Banking Association South Africa (BASA) to ensure the safety and soundness of the South African banking system.
- Key regulatory developments in H1 2022 included the following:
  - Directive 3/2020, which deals with Covid-19-related distressed restructures, remained effective for 2021 in line with Circular 1/2021 but, on the back of Directive 7/2021, does not apply to any restructured credit exposures granted after 1 January 2022, whether new or in terms of reapplications. Directive 3/2020 has been withdrawn with effect from 1 April 2022.
  - The PA issued Directive 5/2021, which directs banks in respect of matters related to the prescribed minimum required capital ratios as well as the application of various components of the previously mentioned capital requirements, such as the systemic risk capital requirement (Pillar 2A), the domestic systemically important bank (D-SIB) capital requirement, the countercyclical buffer range and the capital conservation buffer range. This seeks to reinstate the Pillar 2A capital requirement back to the pre-Covid-19 levels of 50 bps, 75 bps and 100 bps for CET1, tier 1 and total capital respectively. The Pillar 2A reinstatement has been in effect from 1 January 2022.
  - The LCR temporary relief measure was withdrawn in line with Directive 8/2021 with effect from 1 January 2022. Banks are now directed to comply with the revised minimum regulatory LCR requirements of 100% with effect from 1 April 2022.
  - Guidance Note 2/2022 replaces Guidance Note 3/2021. The guidance note advises that all relevant decisions regarding the payment of dividends and bonuses must continue to be assessed and balanced carefully against the need to support the real economy. Furthermore, the PA advises that payout ratios should be prudent and commensurate with the bank's assessment of the current conditions and potential future uncertainty.
  - Guidance Note 4/2022, which was issued on 11 May 2022, replaces Guidance Note 4/2021 (which replaced Guidance note 7/2020). Guidance Note 4 provides a detailed update to the changes to the implementation timeline of the Basel III reforms. The guidance note moved the implementation date to 1 January 2024.
  - The PA issued Directive 5/2022, which clarifies the requirements relating to liquidity risk. In terms of this directive:
    - a bank must hold sufficient liquidity buffers at a group level to compensate for cases where its foreign entity is not able to meet the minimum LCR and NSFR requirements, to ensure overall group LCR and NSFR compliance;
    - a bank does not need to apply for condonation if it has sufficient liquidity buffers at a group level to compensate for foreign banking entities within the group that are unable to maintain the required minimum LCR and NSFR requirements (the currency used for the liquidity buffer is at the bank's discretion); and
    - a bank must ensure that the amount of liquid assets disclosed in line item 13 of the form BA 325 reflects the month-to-date average calculated from the 15th business day of the current reporting month to the 14th business day of the month following the current reporting month.
  - SARB is currently in the process of transitioning from a cash deficit (money market shortage) monetary policy transmission mechanism to a cash surplus (floor) system given that the cash deficit system was proving both difficult and costly to implement on the back of a significant increase in domestic structural liquidity in the period following the onset of the Great Lockdown Crisis (GLC). The transition will take place over 12 weeks, which started on 8 June and will end on 24 August 2022. The resultant effect is that the banking system will switch from a shortage of approximately R30bn to a surplus of approximately R50bn. The switch from a cash deficit system to a cash surplus system should be net positive for the banking sector, with the most significant benefit being a reduction in the cost of funding at the short end of the funding curve, while also offering banks an option to diversify their HQLA portfolios and/or extend additional credit and liquidity to the real economy.
  - The PA issued Guidance Note 8/2022, which deals with the capitalisation requirements of the revised market risk and credit valuation adjustment (CVA) frameworks. The proposed implementation date for the revised market risk and CVA frameworks is 1 January 2024 and the respective prudential standards on market risk and CVA will be finalised and effective from 1 January 2024. The prudential standards for the revised market risk and CVA frameworks will include transitional arrangements for the PA to determine the effective date from which banks must calculate and maintain capital in terms of the relevant specified methods and comply with the requirements of the respective prudential standards.
- In May 2022, S&P Global (S&P) revised the outlook on Nedbank to positive and affirmed our global and national scale ratings, including issue ratings. The revised outlook followed S&P's decision to revise its outlook on SA to positive from stable on 'resilient external sector performance'.
- We hold investments of over R172bn in government and public sector bonds as part of our HQLA requirements.
- We made cash taxation payments relating to direct, indirect and employee taxes, as well as other taxation, of R6,5bn across the group, up by 18% yoy.

Society

Banks play a central role in driving sustainable socioeconomic development for the benefit of all stakeholders and helping create the desired future by providing capital for investment in the real economy. We acknowledge that we, alongside our stakeholders, operate in a nested, interdependent system. This means that for our business to succeed, we need a thriving economy, a well-functioning society and a healthy environment. We also recognise that sustainability issues such as climate change, inequality, social justice and, most recently, pandemics are playing an increasingly material role in shaping this system. Our purpose guides our strategy, behaviours and actions towards the delivery of long-term system value for us and our stakeholders. Together, the SDGs (as forward-looking strategic levers) and ESG keep us on track to fulfil our purpose.

We have adopted the United Nations Sustainable Development Goals (UN SDGs) as a framework for measuring delivery on our purpose and prioritised nine of the 17 SDGs where we believe we have the greatest ability to deliver meaningful impact through our core business. Key highlights for the first half of 2022 include the following:

- **Quality education (SDG 4):** We provided R363m of financing towards student loans and student accommodation in the past six months, supporting 607 student loans (more than 6 500 since 2015) and 733 student beds (more than 43 000 since 2015). Our corporate social investment (CSI) spend totalled R64m in H1 2022, with 70% of this allocated to skills development and education.

- **Clean water and sanitation (SDG 6):** We provided R227m in financing towards clean-water provision relating to public sector reticulation and sanitation projects. In our own operations we have been a net-zero operational water user since 2018 through our support of the WWF-SA Water Balance Programme, which removes invasive alien trees in key water-scarce areas. In our operations we decreased our total water consumption by a further 18% yoy and by 45% when compared with the average H1 2019 base. This decrease was driven by ongoing water restriction measures, floorspace consolidation and reduced levels of employees at our campus sites.
- **Affordable and clean energy (SDG 7):** We recently partnered with Hohm Energy to finance and install solar power solutions in SA for homeowners, thereby making solar-energy funding available to all, including non-Nedbank clients. These solar solutions will enable households to move off Eskom's grid, or to at least lower their dependency on the power utility during load-shedding. In the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) we have arranged 42 transactions in renewable-energy projects to date, giving us current exposures of R27bn. We were the lead arranger on four projects in the emergency round Risk Mitigation IPPPP (to close Q3 2022) and held preferred-bidder status in round 5 for four projects (close Q3 2022). We are actively seeking to participate in the upcoming round 6. The lifting of the licensing floor for energy projects in the private sector (embedded generation) from 1 MW to 100 MW and then the lifting of all limits post the announcement of the president's Energy Action Plan on 25 July 2022 were positive developments that will enable many of our clients to reduce their carbon footprint while ensuring energy certainty. We currently have embedded-energy exposures of R375m, with a strong pipeline over the coming years. We reduced our own high-carbon-emission electricity consumption by 4,1% yoy to 55 859 MWh (H1 2022). Consumption data excludes own generation and renewable-electricity certificates (RECs). To supplement our own PV-produced electricity towards greener and self-generated renewable energy, we will commence wheeling green power from independent power producers to reduce our carbon emissions in our own operations, ramping up to 5 500 MWh during the next 18 months with an aim to increase this to more than 10% of energy consumption in the next three-year window.
- **Decent work and economic growth (SDG 8):** We increased our support for small businesses and their owners, evident in loan exposures of R20bn (up by 12% yoy), and provide banking solutions to more than 300 000 small-and-medium-enterprise (SME) clients. In H1 2022 we welcomed our third intake of more than 1 800 Youth Employment Service (YES) participants as we continue to make an impact on South African youth and their families and communities. To date over 7 000 previously unemployed youth have been provided the opportunity of employment through participating in Nedbank's YES programme and many of them were permanently employed (within Nedbank and the YES programme partners) after having participated in the programme.
- **Reduced inequalities (SDG 10):** We maintained level 1 BBBEE status and were acknowledged at the 21st Top Empowerment Awards as the Top Empowered Company for the YES Initiative and enterprise and supplier development. In an effort to support the cash flow needs of small businesses, we ensured, as part of our commitment to the #PayIn30 Campaign, that 91% of SMEs were paid within 30 days of our receiving their invoices.
- **Sustainable cities and communities (SDG 11):** The value of affordable home loans paid out for lower-income households increased by 46% yoy to R1,6bn, equating to 2 366 homes. We also provided finance of R264m towards the development of 2 033 affordable housing units. We provided finance of R163m for the construction of buildings that conform to green building standards in H1 2022, bringing the amount of funding provided to this important sector to over R25bn to date.
- **Strengthening the means of implementation and revitalising the global partnership for sustainable development (SDG 17):** In H1 2022 Nedbank became a signatory to the UN-backed Principles for Responsible Investment (PRI). Responsible investing has been a key focus for Nedgroup Investments for some time and this will augment the work we are already doing with our partner fund managers and aligns well with growing regulatory requirements. We are committed to the following six principles: incorporation of ESG issues into investment analysis and decision-making processes, being active owners and incorporating ESG issues into our ownership policies and practices, seeking appropriate disclosure on ESG issues by the entities in which we invest, and promoting acceptance and implementation of these principles.

Economic outlook

The global economic environment is expected to deteriorate further before recovering. The slowdown in advanced countries is likely to intensify as persistent inflationary pressures, rising interest rates, and reduced wealth effects hurt household incomes and spending, while the war in Ukraine, uncertain energy supplies, sharply higher production costs, and sluggish global growth prospects will erode company profits and subdue fixed-investment activity. Growth in China is also expected to lose momentum, hurt by the ongoing slump in its property market, growing strain in the banking sector, and potentially disruptive structural and regulatory changes. As a result, emerging and developing economies face considerable downside risks. Fading global demand will hurt export earnings, while the surge in international fuel and food prices, generally higher inflation, and tighter monetary policies are expected to weigh on domestic demand. The risk of sovereign defaults among developing countries is also expected to rise as countries with high levels of foreign currency debt are highly exposed to the rise in US interest rates and the stronger US dollar. Given the multiple headwinds facing the world economy, the World Bank revised its world growth forecast for 2022 down to a modest 2,9% from a relatively robust 4,1%. With slowing growth and higher inflation, global risk appetites are likely to remain subdued and markets volatile, unsettled by growing fears of stagflation and the increased threat of recession.

SA's economy is likely to return to growth in the second half of the year as activity normalises from the floods and extreme power outages of the second quarter. The recovery is likely to be muted, contained by softer growth in consumer spending, government expenditure, and fixed investment. While fixed investment will be propped up by a flurry of renewable-energy projects, the upside for consumer spending will be capped by the acceleration in inflation and the faster rise in interest rates. At the same time, exports are likely to be stunted by weaker global growth, some easing in export prices, and persistent load-shedding. The Nedbank Group Economic Unit expects the economy to expand by around 1,8% this year. Real GDP for 2023, 2024 and 2025 is forecast to grow by 1,5%, 1,6% and 1,7%, respectively.

Inflation is forecast to peak in July, before gradually easing as international oil, food, and other imported prices moderate from the highs of late February and global supply chain constraints ease. Inflation is forecast to average 6,8% in 2022, up from the 4,6% expected in February. Thereafter, we expect inflation to moderate to an average of 5,5% in 2023, 4,6% in 2024, and 4,7% in 2025. Given the acceleration of inflation and the upside risks to the outlook, the MPC is likely to tighten interest rates further. Our forecast is for the repo rate to end the year at 6,25%, taking the prime lending rate up to 9,75%, representing a further increase of 75 basis points from current levels.

Conditions in the banking industry are likely to remain relatively robust, supported by the normalisation of economic activity. Demand for credit is forecast to improve marginally throughout 2022, underpinned by continued growth in consumer spending and firmer fixed investment. Household credit demand will be underpinned by relatively sound household finances, characterised by continued growth in household incomes, accumulated savings, and relatively low debt burdens. However, there are downside risks emanating from the rapid rise in the cost of living and higher interest rates, which will erode households' disposable income and affect discretionary spending. Corporate credit demand is expected to benefit from increased activity in the renewable-energy sector and the gradual uptick in general fixed-investment activity. The risk of bad debts is expected to increase moderately as interest rates rise.

Prospects

Our guidance on financial performance for full-year 2022, in a global and domestic macroeconomic environment with high forecast risk and uncertainty, is currently as follows:

- **NII** growth to be low double digits (revised up from around high single digits). Loan growth is expected to recover further in H2 2022 and the group's NIM is expected to increase slightly from the H1 2022 level of 3,85%.
- **CLR** to remain within the top half of our TTC target range of 60 bps to 100 bps (between 80 bps to 100 bps, with no change in guidance).
- **NIR** growth to be around the high single digits (with no change in guidance) as transactional activity continues to recover and strategic initiatives, including cross-sell and new revenue streams, contribute to growth. Trading conditions are expected to remain muted, although the closing of deals in CIB should benefit commission and fees as well as trading income. The benefit of changes in the macro fair-value hedge-accounting solution is now in the base and not expected to contribute additionally to growth in the second half of 2022.
- **Expenses** growth to be above mid-single digits, with upside risk (revised from above mid-single digits), reflecting the impact of improved levels of profitability on variable incentives, higher levels of inflation, weaker exchange rates and the faster-than-expected return of discretionary spend.
- **Liquidity** metrics, including the LCR and NSFR ratios, to remain well above PA minimum requirements.
- **CET1 capital** ratio to remain above the top end of the board-approved target range of 11% to 12%.
- **Dividend payments**, subject to board approval, to be towards the lower half of the group's target range of 1,75 times to 2,25 times.

As part of 2020 year-end reporting, we revised and set new medium-term targets to end 2023 that we believe are appropriate for driving value creation in the current economic environment. These targets, together with our 2022 guidance and updated long-term targets, are as follows:

Metric	H1 2022 performance[4]	Full-year 2022 outlook	Medium-term target	Long-term target
ROE	**13,6%**	Improve on 2021 (ROE: 11,7%)	Greater than 2019 levels (15%) by 2023	> 18% (COE + 3% to 4%)
Growth in DHEPS	**25%**	Growth greater than CPI + GDP + 5% (H1 growth > H2 growth)	Greater than 2019 levels (2 565 cents) by 2022, a year earlier than initially planned	≥ CPI + GDP growth + 5%
CLR	**85 bps**	Between 80 bps and 100 bps	Between 60 bps and 100 bps of average banking advances	
Cost-to-income ratio (including associate income)	**56,2%**	Improve on 2021 (57,7%)	Below 54% by 2023	≤ 50%
CET1 capital adequacy ratio (Basel III)	**13,5%**	Above the top end of target range	11,0–12,0%	
Dividend cover	**1,75 times**	Final (H2) dividend towards the lower end of our target range of 1,75–2,25 times	1,75–2,25 times	

[4] *The COE is currently forecast at around 15% in 2022 to 2023.*

Shareholders are advised that all guidance is based on organic earnings and that our latest macroeconomic outlook has not been reviewed or reported on by the group's joint auditors.

Board and leadership changes during the period

In accordance with the group's ongoing board continuity planning, Phumzile Langeni was appointed as an independent non-executive director of Nedbank Group with effect from 22 March 2022. Good progress is being made on the search for the Chairperson who will succeed Mpho Makwana when he steps down at the AGM in May 2023.

In terms of executive leadership changes, Anna Isaac, Group Chief Compliance Officer, resigned with effect from 30 April 2022 to join a bank in the United Arab Emirates. In accordance with Nedbank Group's executive succession plan, Daleen du Toit was appointed to the Group Executive Committee as Group Chief Compliance Officer with effect from 1 May 2022.

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.

Interim dividend declaration

Notice is hereby given that an interim dividend of 783 cents per ordinary share has been declared, payable to shareholders for the six months ended 30 June 2022. 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) or 156,6 cents per ordinary share, resulting in a net dividend of 626,4 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

Nedbank Group's tax reference number is 9375/082/71/7 and the number of ordinary shares in issue at the date of declaration is 511 500 790.

In accordance with the provisions of Strate, the electronic settlement and custody system used by the Johannesburg Stock Exchange Limited (JSE), the relevant dates for the dividend are as follows:

Event	Date
Last day to trade (cum dividend)	Tuesday, 30 August 2022
Shares commence trading (ex dividend)	Wednesday, 31 August 2022
Record date (date shareholders recorded in books)	Friday, 2 September 2022
Payment date	Monday, 5 September 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 31 August 2022, and Friday, 2 September 2022, 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 or collection of cheques has ceased, effective from 31 December 2021. In the absence of specific mandates, the dividend will be withheld until shareholders provide their banking information. Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 5 September 2022.

The above dates are subject to change. Any changes will be published on SENS and in the press.

For and on behalf of the board

Mpho Makwana
Chairperson

Mike Brown
Chief Executive

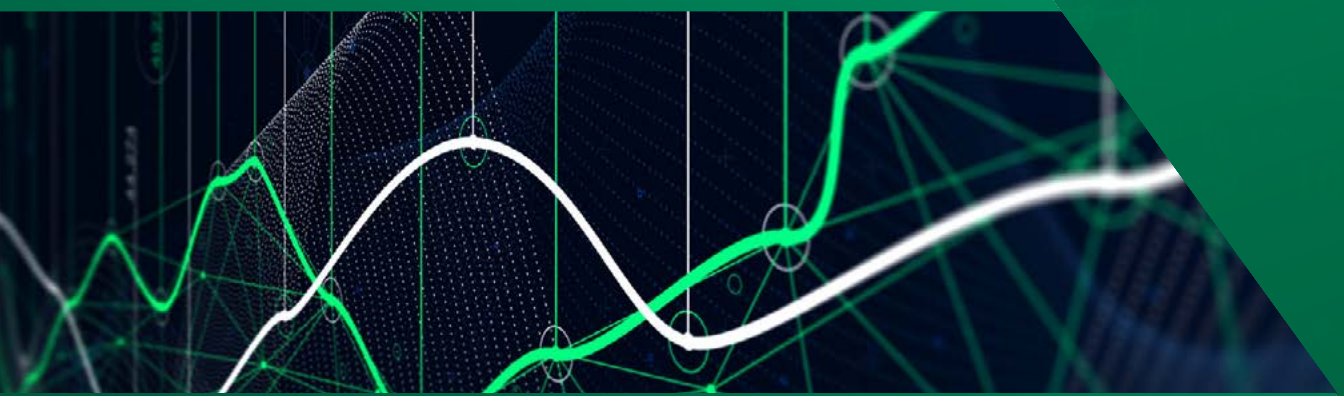
Directors

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

** Lead Independent Director ** Executive*

Notes

Financial results



Financial highlights

for the period ended

		Yoy % change	Jun 2022	Jun 2021	Dec 2021
Statistics					
Number of shares listed	m	1	511,5	508,9	508,9
Number of shares in issue, excluding shares held by group entities	m		487,3	485,4	485,6
Weighted-average number of shares	m		486,5	484,6	485,1
Diluted weighted-average number of shares	m	1	499,2	491,9	494,8
Headline earnings	Rm	27	6 663	5 251	11 689
Profit attributable to ordinary shareholders	Rm	31	6 869	5 239	11 238
Total comprehensive income	Rm	15	6 474	5 641	13 171
Preprovisioning operating profit	Rm	17	12 228	10 456	22 327
Economic loss	Rm	67	(375)	(1 143)	(1 735)
Headline earnings per share	cents	26	1 370	1 084	2 410
Diluted headline earnings per share	cents	25	1 335	1 067	2 362
Basic earnings per share	cents	31	1 412	1 081	2 317
Diluted basic earnings per share	cents	29	1 376	1 065	2 271
Ordinary dividends declared per share	cents		783	433	1 191
Interim			783	433	433
Final					758
Ordinary dividends paid per share	cents		758	N/A	433
Dividend cover	times		1,75	2,50	2,02
Total assets administered by the group	Rm	4	1 643 831	1 588 234	1 645 383
Total assets	Rm	6	1 258 365	1 188 005	1 221 054
Assets under management	Rm	(4)	385 466	400 229	424 329
Life insurance embedded value	Rm	(8)	3 575	3 902	4 039
Life insurance value of new business	Rm	(5)	146	153	322
Net asset value per share	cents	8	20 964	19 439	20 493
Tangible net asset value per share	cents	10	18 312	16 591	17 770
Closing share price	cents	21	20 726	17 087	17 502
Price/earnings ratio	historical		7,5	7,8	7,3
Price-to-book ratio	historical		1,0	0,9	0,9
Market capitalisation	Rbn	22	106,0	87,0	89,1
Number of employees (permanent)		(4)	26 343	27 561	26 861
Number of employees (permanent and temporary)		(3)	26 791	27 580	27 303
Key ratios (%)					
ROE			13,6	11,7	12,5
Return on tangible equity			15,7	13,9	14,8
ROA			1,11	0,88	0,98
Return on RWA			2,08	1,60	1,78
NII to average interest-earning banking assets			3,85	3,68	3,73
NIR to total income			43,6	42,7	43,5
NIR to total operating expenses			76,3	72,1	74,4
CLR – banking advances			0,85	0,85	0,83
Cost-to-income ratio			56,2	58,5	57,7
Gross operating income growth less expense growth rate (JAWS ratio)			4,4	(3,9)	0,8
Effective taxation rate			23,2	24,9	24,2
Group capital adequacy ratios (including unappropriated profits):					
– CET1			13,5	12,2	12,8
– Tier 1			15,1	13,6	14,3
– Total			17,7	16,8	17,2

Consolidated statement of comprehensive income

for the period ended

Rm	Note	Yoy % change	Jun 2022	Jun 2021 restated[1]	Dec 2021
Interest and similar income		11	35 726	32 231	65 772
Interest expense and similar charges		13	18 522	16 422	33 272
Net interest income	1	9	17 204	15 809	32 500
Non-interest revenue and income	3	13	13 321	11 793	25 027
Net commission and fee income			9 051	8 623	17 754
Commission and fee revenue			10 929	10 457	22 085
Commission and fee expense			(1 878)	(1 834)	(4 331)
Net insurance income			1 126	998	2 005
Fair-value adjustments			(55)	(740)	(833)
Net trading income			2 047	2 273	4 475
Equity revaluation gains			506	254	650
Investment income			74	104	263
Net sundry income			572	281	713
Share of gains of associate companies	10	56	510	327	786
Total income		11	31 035	27 929	58 313
Impairments charge on financial instruments	2	3	3 390	3 278	6 534
Net income		12	27 645	24 651	51 779
Total operating expenses	4	7	17 451	16 355	33 639
Zimbabwe hyperinflation		>100	277	40	138
Indirect taxation		3	544	526	1 073
Impairments charge on non-financial instruments and other (gains)/losses	5	>(100)	(218)	3	499
Profit before direct taxation		24	9 591	7 727	16 430
Total direct taxation		14	2 187	1 923	4 043
Direct taxation	6		2 175	1 927	4 104
Taxation on impairments charge on non-financial instruments and other gains and losses			12	(4)	(61)
Profit for the period		28	7 404	5 804	12 387
Other comprehensive (losses)/income (OCI) net of taxation		>(100)	(930)	(163)	784
Items that may subsequently be reclassified to profit or loss					
Exchange differences on translating foreign operations			(402)	(79)	1 029
Share of OCI of investments accounted for using the equity method			(261)	(302)	(722)
Debt investments at FVOCI – net change in fair value			(30)	(2)	(5)
Items that may not subsequently be reclassified to profit or loss					
Share of OCI of investments accounted for using the equity method			21	(25)	(21)
Remeasurements on long-term employee benefit assets			(191)	252	389
Property revaluations			(15)	(7)	36
Equity instruments at FVOCI – net change in fair value			(52)	78	78
Total comprehensive income for the period		15	6 474	5 641	13 171

Rm	Note	Yoy % change	Jun 2022	Jun 2021 restated[1]	Dec 2021
Profit attributable to:					
– Ordinary shareholders		31	6 869	5 239	11 238
– Non-controlling interest – ordinary shareholders		>100	86	38	99
– Non-controlling interest – holders of preference shares	7	(100)		95	188
– Non-controlling interest – holders of participating preference shares	7	(13)	55	63	125
– Non-controlling interest – holders of additional tier 1 capital instruments		7	394	369	737
Profit for the period		28	7 404	5 804	12 387
Total comprehensive income attributable to:					
– Ordinary shareholders		18	5 954	5 055	11 941
– Non-controlling interest – ordinary shareholders		20	71	59	180
– Non-controlling interest – holders of preference shares	7	(100)		95	188
– Non-controlling interest – holders of participating preference shares	7	(13)	55	63	125
– Non-controlling interest – holders of additional tier 1 capital instruments		7	394	369	737
Total comprehensive income for the period		15	6 474	5 641	13 171
Headline earnings reconciliation					
Profit attributable to equity holders of the parent		31	6 869	5 239	11 238
Less: Non-headline earnings items		>100	206	1	(438)
Impairments charge on non-financial instruments and other gains and losses			218	(3)	(499)
Taxation on impairments charge on non-financial instruments and other gains and losses			(12)	4	61
Share of associate (ETI) impairment of goodwill				(13)	(13)
Headline earnings	5	27	6 663	5 251	11 689

[1] *As disclosed at 31 December 2021, the group reviewed the presentation of its statement of comprehensive income during 2021. As a result of the review, certain line descriptions have been renamed, certain subtotals have been added and removed, the locations of certain line items have been changed, and the 'Non-interest revenue and income' line item has been disaggregated. It is the group's view that these changes provide more relevant disclosures on the group's financial performance. To provide comparability, the 30 June 2021 balances have been restated accordingly. The reclassifications had no impact on the group's statement of financial position, statement of changes in equity and statement of cash flows.*

Consolidated statement of financial position

at

Rm	Note	Yoy % change	Jun 2022	Jun 2021 restated[1,2]	Dec 2021 restated[2]
Assets					
Cash and cash equivalents		15	**44 394**	38 562	44 586
Other short-term securities		34	**74 400**	55 326	60 037
Derivative financial instruments		(5)	**44 183**	46 649	39 179
Government securities		1	**138 402**	137 609	149 340
Other dated securities		(11)	**1 119**	1 260	1 158
Banking loans and advances	8	7	**805 128**	754 977	781 304
Trading loans and advances	8	(14)	**51 686**	60 002	50 431
Other assets		18	**38 859**	32 901	33 877
Current taxation assets		24	**253**	204	124
Investment securities	9	(3)	**25 177**	25 893	25 498
Non-current assets held for sale		>100	**294**	69	638
Investments in associate companies	10	17	**3 606**	3 071	3 395
Deferred taxation assets		56	**566**	363	889
Investment property		48	**31**	21	28
Property and equipment			**10 962**	10 918	10 739
Long-term employee benefit assets			**6 382**	6 360	6 610
Intangible assets	11	(6)	**12 923**	13 820	13 221
Total assets		6	**1 258 365**	1 188 005	1 221 054
Equity and liabilities					
Ordinary share capital			**487**	485	486
Ordinary share premium		3	**19 220**	18 726	18 768
Reserves		10	**82 449**	75 144	80 259
Total equity attributable to equity holders of the parent		8	**102 156**	94 355	99 513
Non-controlling interest attributable to ordinary shareholders		21	**634**	525	620
Holders of preference shares		(100)		3 222	
Holders of participating preference shares		>100	**55**	5	59
Holders of additional tier 1 capital instruments		18	**10 319**	8 769	9 319
Total equity		6	**113 164**	106 876	109 511
Derivative financial instruments		13	**42 204**	37 282	36 042
Amounts owed to depositors	12	8	**1 008 021**	935 723	971 795
Provisions and other liabilities		(16)	**21 106**	25 276	23 451
Current taxation liabilities		(35)	**109**	167	330
Non-current liabilities held for sale					80
Deferred taxation liabilities		(12)	**428**	487	458
Long-term employee benefit liabilities		(9)	**2 377**	2 615	2 427
Investment contract liabilities		(13)	**17 005**	19 597	17 959
Insurance contract liabilities		(3)	**785**	809	842
Long-term debt instruments		(10)	**53 166**	59 173	58 159
Total liabilities		6	**1 145 201**	1 081 129	1 111 543
Total equity and liabilities		6	**1 258 365**	1 188 005	1 221 054

1 *As disclosed at 31 December 2021, the group reviewed its presentation of the mandatory reserve deposits with central banks, which were previously disclosed separately on the statement of financial position. As a result of this review, the mandatory reserve deposits with central banks have now been aggregated within the 'Cash and cash equivalents' balance as the nature of the mandatory reserve deposits represent cash and cash equivalents. This is in line with the disclosure in the statement of cash flows. The amount of mandatory reserve deposits with central banks that were reclassified to cash and cash equivalents is R23 459m for 30 June 2021, and consequently the 30 June 2021 balances have been restated to provide comparative information. The group is of the view that the updated disclosure provides more relevant information for users to understand better the group's cash and cash equivalents.*

2 *During the six-month period ended 30 June 2022, the group reviewed the presentation of its statement of financial position. As a result of the review, the 'Loans and advances to clients' and 'Loans and advances to banks' line items have been aggregated. These changes represent reclassifications to the presentation of the statement of financial position. It is the group's view that these changes provide more relevant disclosures on its financial position. To provide comparability, the prior-year balances have been restated accordingly. The reclassifications had no impact on the group's statement of comprehensive income, statement of changes in equity and statement of cash flows.*

Notes

Consolidated statement of changes in equity

	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve	Property reserve revaluation	Share-based payment reserve	Other non-distributable reserves[1]	FVOCI reserve	Other distributable reserves[2]	Total equity attributable to equity holders of the parent	Holders of preference shares	Holders of participating preference shares	Holders of additional tier 1 capital instruments	Non-controlling interest attributable to ordinary shareholders	Total equity
Balance at 1 January 2021	483 892 767	484	18 583	(1 995)	1 757	1 032	290	961	67 880	88 992	3 222	(58)	7 822	466	100 444
Share movements in terms of long-term incentive and BEE scheme[3]	1 479 426	1	143			(107)			(36)	1					1
Additional tier 1 capital instruments issued										–			2 447		2 447
Additional tier 1 capital instruments redeemed													(1 500)		(1 500)
Preference share dividend paid										–	(95)				(95)
Additional tier 1 capital instruments interest paid													(369)		(369)
Dividends paid to shareholders									(4)	(4)					(4)
Total comprehensive income for the period				(234)	(7)	–	–	(170)	5 466	5 055	95	63	369	59	5 641
Profit attributable to ordinary shareholders and non-controlling interest									5 239	5 239	95	63	369	38	5 804
Exchange differences on translating foreign operations				(100)						(100)				21	(79)
Movement in fair-value reserve								(2)		(2)					(2)
Property revaluations					(7)					(7)					(7)
Remeasurements on long-term employee benefit assets									252	252					252
Share of OCI of investments accounted for using the equity method				(134)				(168)	(25)	(327)					(327)
Transfer (from)/to reserves					(1)	(332)	73		260	–					–
Value of employee services (net of deferred tax)[4]						323				323					323
Other movements									(12)	(12)					(12)
Balance at 30 June 2021	485 372 193	485	18 726	(2 229)	1 749	916	363	791	73 554	94 355	3 222	5	8 769	525	106 876
Share movements in terms of long-term incentive and BEE scheme	229 354	1	42			(25)				18					18
Additional tier 1 capital instruments issued										–			1 050		1 050
Additional tier 1 capital instruments redeemed										–			(500)		(500)
Preference share capital redeemed							78			78	(3 222)				(3 144)
Preference share dividend paid										–	(93)	(8)			(101)
Additional tier 1 capital instruments interest paid										–			(368)		(368)
Dividends paid to shareholders									(2 174)	(2 174)					(2 174)
Total comprehensive income for the period				733	35	–	–	(22)	6 140	6 886	93	62	368	121	7 530
Profit attributable to ordinary shareholders and non-controlling interest									5 999	5 999	93	62	368	61	6 583
Exchange differences on translating foreign operations				1 056						1 056				52	1 108
Movement in fair-value reserve								75		75					75
Property revaluations					35					35				8	43
Remeasurements on long-term employee benefit assets									137	137					137
Share of OCI of investments accounted for using the equity method				(323)				(97)	4	(416)					(416)
Transfer (from)/to reserves					(23)		(168)		191	–					–
Value of employee services (net of deferred tax)						314				314					314
Transactions with non-controlling interest				(12)	3				35	26				(26)	–
Other movements									10	10					10

Consolidated statement of changes in equity (continued)

	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve	Property reserve revaluation	Share-based payment reserve	Other non-distributable reserves[1]	FVOCI reserve	Other distri-butable reserves[2]	Total equity attributable to equity holders of the parent	Holders of preference shares	Holders of participating preference shares	Holders of additional tier 1 capital instruments	Non-controlling interest attributable to ordinary shareholders	Total equity
Balance at 31 December 2021	**485 601 547**	**486**	**18 768**	**(1 508)**	**1 764**	**1 205**	**273**	**769**	**77 756**	**99 513**	**–**	**59**	**9 319**	**620**	**109 511**
Share movements in terms of long-term incentive and BEE scheme	1 715 696	1	452			(372)			(81)	–					–
Additional tier 1 capital instruments issued										–			1 000		1 000
Preference share dividend paid										–		(59)			(59)
Additional tier 1 capital instruments interest paid										–			(394)		(394)
Dividends paid to shareholders									(3 831)	(3 831)				(37)	(3 868)
Total comprehensive income for the period				(666)	(9)	–	–	(70)	6 699	5 954	–	55	394	71	6 474
Profit attributable to ordinary shareholders and non-controlling interest[5]									6 869	6 869		55	394	86	7 404
Exchange differences on translating foreign operations[6]				(395)						(395)				(7)	(402)
Movement in fair-value reserve								(80)		(80)				(2)	(82)
Property revaluations					(9)					(9)				(6)	(15)
Remeasurements on long-term employee benefit assets									(191)	(191)					(191)
Share of OCI of investments accounted for using the equity method				(271)				10	21	(240)					(240)
Transfer (from)/to reserves					(25)	(70)	(19)		114	–					–
Value of employee services (net of deferred tax)						504				504					504
Transactions with non-controlling interest				(17)	2				35	20				(20)	–
Other movements									(4)	(4)					(4)
Balance at 30 June 2022	**487 317 243**	**487**	**19 220**	**(2 191)**	**1 732**	**1 267**	**254**	**699**	**80 688**	**102 156**	**–**	**55**	**10 319**	**634**	**113 164**

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

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

3 *At 31 December 2021, the group reviewed its presentation of the statement of changes in equity. As a result of this review, the 'Shares issued in terms of employee incentive schemes' and 'Shares (acquired)/no longer held by group entities and BEE schemes' line items, which were previously presented in separate lines, have been aggregated into one line item, 'Share movements in terms of long-term incentive and BEE scheme'. The group is of the view that the updated disclosure provides more relevant information for users to better understand the group's changes in equity.*

4 *At 31 December 2021, the group reviewed its presentation of the statement of changes in equity. As a result of this review, the 'Share-based payment movements' line item was renamed 'Value of employee services (net of deferred taxation)' to better reflect the nature of the line item. The group is of the view that the updated disclosure provides more relevant information for users to better understand the group's changes in equity.*

5 *The R55m gains attributable to holders of participating preferences shares relate to economic gains allocated to participating preference shareholders in accordance with an operating-profit-share preference share agreement.*

6 *Exchange differences of R402m disclosed in the statement of other comprehensive income include R79m for the conversion of our investment in ETI from USD to ZAR. The R666m increase in the FCTR includes R271m relating to the conversion of our investment in ETI and a R474m increase related to foreign subsidiaries.*

Return-on-equity drivers

for the period ended

Rm	Jun 2022	Jun 2021	Dec 2021
NII	17 204	15 809	32 500
Impairments charge on financial instruments	(3 390)	(3 278)	(6 534)
NIR	13 321	11 793	25 027
Income from normal operations	27 135	24 324	50 993
Total operating expenses	(17 451)	(16 355)	(33 639)
Zimbabwe hyperinflation	(277)	(40)	(138)
Share of gains of associate companies	510	340	799
Net profit before taxation	9 917	8 269	18 015
Indirect taxation	(544)	(526)	(1 073)
Direct taxation	(2 175)	(1 927)	(4 104)
Net profit after taxation	7 198	5 816	12 838
Non-controlling interest	(535)	(565)	(1 149)
Headline earnings	6 663	5 251	11 689
Daily average interest-earning banking assets	900 845	866 588	870 382
Daily average total assets	1 214 742	1 197 145	1 195 860
Daily average shareholders' funds	99 017	90 675	93 359

Note: Averages calculated on a 365-day basis.

	Jun 2022	Jun 2021	Dec 2021
NII/average interest-earning banking assets	3,85%	3,68%	3,73%
	less	less	less
Impairments/average interest-earning banking assets	0,76%	0,76%	0,75%
	add	add	add
NIR/average interest-earning banking assets	2,98%	2,74%	2,88%
	6,07%	5,66%	5,86%
	less	less	less
Total expenses/average interest-earning banking assets	3,91%	3,81%	3,86%
	less	less	less
Zimbabwe hyperinflation/average interest-earning banking assets	0,06%	0,01%	0,02%
	add	add	add
Associate income/average interest-earning banking assets	0,11%	0,08%	0,09%
	2,22%	1,92%	2,07%
	multiply	multiply	multiply
100% – effective direct and indirect taxation rate	0,73	0,70	0,71
	multiply	multiply	multiply
100% – income attributable to minorities	0,93	0,90	0,91
Headline earnings/average interest-earning banking assets	1,49%	1,22%	1,34%
	multiply	multiply	multiply
Interest-earning banking assets/daily average total assets	74,2%	72,4%	72,8%
	=	=	=
Return on total assets	1,11%	0,88%	0,98%
	multiply	multiply	multiply
Leverage	12,27	13,20	12,81
	=	=	=
ROE	13,6%	11,7%	12,5%

Notes

Segmental analysis

Our organisational structure, products and services

We deliver our products and services through **four main business clusters**.

Cluster | Areas of strength and differentiation | Outputs | Contribution to group

Nedbank Corporate and Investment Banking

Corporates, institutions and parastatals with an annual turnover of over R750m

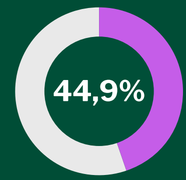
- Market leader with strong expertise in commercial property, corporate advances, advisory services and renewable-energy financing.
- Market-leading trading franchise with excellent trading capabilities across all asset classes.
- Leading industry expertise in public sector, mining and resources, infrastructure and telecoms.
- Integrated model, delivering high levels of client service and better coverage.
- Ability to attract and retain high-quality intellectual capital.
- Efficient franchise.

> 600 large corporate clients

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

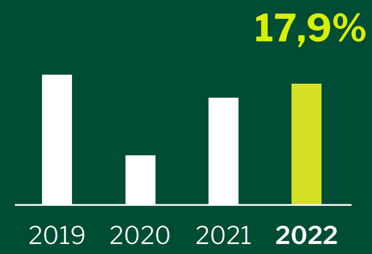
NEDBANK CIB

Banking advances[1]



R362bn
2021: R331bn
2020: R409bn
2019: R342bn

ROE



Nedbank Retail and Business Banking

Individual clients and businesses

- Leading digital capabilities enabling clients to join and engage with the bank through multiple channels, eg app, online, USSD, self-service kiosks, contact centre, ATMs and Intelligent Depositors, third-party channels and branches, as well as end-to-end digital onboarding capability for transactional and lending products across various channels.
- Differentiated and disruptive CVPs across our different client segments, including Unlocked.Me, MobiMoney, Avo, MoneyTracker, the USSD-based Stokvel Account, Home-buying Toolkit, Karri school payments app, tap on phone, SimplyBiz, Apple Pay, Money Message and API_Marketplace.
- In Commercial Banking, well-positioned and distinctive value propositions incorporating unique lending solutions and digital network platforms to facilitate commercial growth have been developed for the public sector, as well as for the agriculture, franchising and manufacturing sectors.
- Highly competitive relationship banking offering for our affluent and small-business clients.
- Digitally enabled, reimagined distribution network with five different store types, including retailer partnerships and flexible workforce.

Approximately three million retail main-banked clients

- **> About 300 000 business clients are served through our Small Business Services offering (tailored to businesses with annual turnover of less than R30m and the business owner).**
- **> 14 231 commercial-banking client groups catering to mid-size and large commercial entities.**
- Differentiated and disruptive client-centred value propositions that help our clients manage money better. Full range of Banking and Beyond services including transactional banking, card and payment solutions, lending solutions, deposit-taking services, risk management, investment products, card-acquiring services for businesses, ecosystems and platforms-based solutions.

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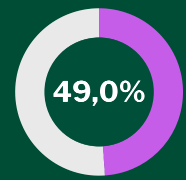
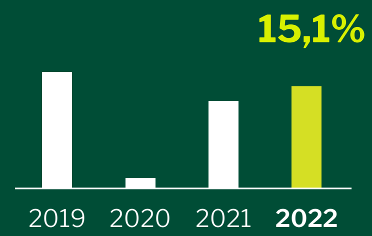
Advances



R394bn
2021: R370bn
2020: R348bn
2019: R339bn

ROE



Nedbank Wealth

High-net-worth individuals, and other retail, business and corporate clients

Insurance
- Leverages existing distribution channels and platforms to sell short-term, credit life and other insurance products to Nedbank's 7,2 million clients.

Asset Management
- Top fund managers identified through Nedgroup Investments' Best of Breed investment approach.
- Nedgroup Investments is committed to responsible investing through continuous engagement with partner fund managers to assess progress on agreed ESG focus areas.

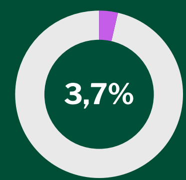
Wealth Management
- An award-winning, integrated and holistic advice-led, high-net-worth offering for local and international clients.

High-net-worth clients locally and internationally (SA, UK, Jersey, Isle of Man and the UAE)

- The cluster provides insurance, asset management and wealth management solutions to a wide spectrum of clients – ranging from entry-level to high-net-worth individuals.

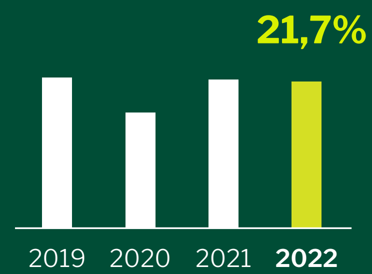
NEDBANK PRIVATE WEALTH | NEDGROUP INVESTMENTS | NEDBANK INSURANCE

Advances



R30bn
2021: R31bn
2020: R32bn
2019: R31bn

ROE



Nedbank Africa Regions

Retail, small and medium enterprises, and business and corporate clients across the countries we operate in

SADC (own, manage and control banks)
- Presence in five SADC countries – well positioned for growth on the back of a standardised model customised for market context.
- Ongoing technology investments to ensure digital leadership, and competitive and locally relevant CVPs.
- Recognised as the Most Innovative Retail Banking App and Best for Digital Banking Services in Lesotho 2022.
- Aiming for #1 in client service in every market that we operate in (#1 in NPS scores in Eswatini and Mozambique).

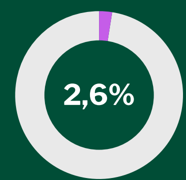
Central and West Africa (ETI alliance – 21,2% shareholding)
- Ecobank–Nedbank alliance is the widest banking network on the African continent, covering 39 countries.
- Aiming to increase deal flow by leveraging ETI's local presence and knowledge and Nedbank's structuring expertise.
- ETI has a very strong West and Central Africa franchise: it is in the top three in 13 of 16 countries in the region.

> 351 300 clients

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

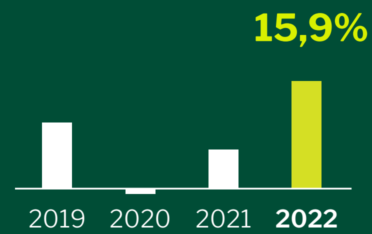
NEDBANK | Ecobank

Advances



R21bn
2021: R22bn
2020: R23bn
2019: R22bn

ROE



[1] *Excludes R52bn trading advances.*

Operational segmental reporting

for the period ended

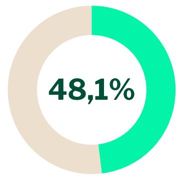
	Nedbank Group			Corporate and Investment Banking			Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre		
Rm	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**
Summary of consolidated statement of financial position (Rm)																		
Assets																		
Cash and cash equivalents	**44 394**	38 562	44 586	**5 171**	927	2 122	**6 505**	5 726	5 137	**2 897**	2 980	2 526	**6 301**	7 446	8 075	**23 520**	21 483	26 726
Other short-term securities	**74 400**	55 326	60 037	**45 034**	26 789	30 058				**25 224**	25 434	25 477	**4 838**	3 676	5 050	**(696)**	(573)	(548)
Derivative financial instruments	**44 183**	46 649	39 179	**44 136**	46 596	39 151				**17**	17	9	**16**	16	1	**14**	20	18
Government and other securities	**139 521**	138 869	150 498	**59 125**	57 150	68 887				**253**	270	268	**1 843**	1 430	1 773	**78 300**	80 019	79 570
Banking loans and advances	**805 128**	754 977	781 304	**361 749**	330 820	348 191	**394 317**	370 131	380 985	**29 892**	30 948	30 273	**21 233**	22 067	21 243	**(2 063)**	1 011	612
Trading loans and advances	**51 686**	60 002	50 431	**51 686**	60 002	50 431												
Other assets	**99 053**	93 620	95 019	**38 771**	33 957	33 504	**11 728**	11 359	11 858	**21 853**	22 017	22 433	**4 571**	3 937	4 285	**22 130**	22 350	22 939
Intergroup assets	**–**	–	–				**9 085**	13 026	17 040				**2 873**	2 085	2 420	**(11 958)**	(15 111)	(19 460)
Total assets	**1 258 365**	1 188 005	1 221 054	**605 672**	556 241	572 344	**421 635**	400 242	415 020	**80 136**	81 666	80 986	**41 675**	40 657	42 847	**109 247**	109 199	109 857
Equity and liabilities																		
Total equity[1]	**113 164**	106 876	109 511	**36 232**	37 103	36 536	**31 256**	33 215	33 060	**4 454**	4 363	4 528	**7 284**	6 326	6 385	**33 938**	25 869	29 002
Total equity attributable to ordinary shareholders	**102 156**	94 355	99 513	**36 232**	37 103	36 536	**31 256**	33 215	33 060	**4 454**	4 363	4 528	**7 284**	6 326	6 385	**22 930**	13 348	19 004
Non-controlling interest attributable to ordinary shareholders	**634**	525	620													**634**	525	620
Holders of preference shares	**–**	3 222	–														3 222	
Holders of participating preference shares	**55**	5	59													**55**	5	59
Holders of additional tier 1 capital instruments	**10 319**	8 769	9 319													**10 319**	8 769	9 319
Derivative financial instruments	**42 204**	37 282	36 042	**42 183**	37 275	35 998				**5**	4	34	**16**	3	10			
Banking amounts owed to depositors	**940 225**	845 901	886 007	**363 840**	324 466	351 863	**383 002**	360 240	374 972	**43 962**	43 721	43 840	**33 002**	33 134	35 054	**116 419**	84 340	80 278
Trading amounts owed to depositors	**67 796**	89 822	85 788	**67 796**	89 822	85 788												
Provisions and other liabilities	**41 810**	48 951	45 547	**7 398**	11 335	7 305	**5 834**	5 246	5 447	**21 232**	23 974	23 678	**946**	876	971	**6 400**	7 520	8 146
Long-term debt instruments	**53 166**	59 173	58 159		415	316	**1 543**	1 541	1 541				**427**	318	427	**51 196**	56 899	55 875
Intergroup liabilities	**–**	–	–	**88 223**	55 825	54 538				**10 483**	9 604	8 906				**(98 706)**	(65 429)	(63 444)
Total equity and liabilities	**1 258 365**	1 188 005	1 221 054	**605 672**	556 241	572 344	**421 635**	400 242	415 020	**80 136**	81 666	80 986	**41 675**	40 657	42 847	**109 247**	109 199	109 857

[1] *Total equity includes non-controlling interests in the Centre. Total equity of the client-facing clusters is based on average allocated capital, whereas the group's equity is based on actual equity. The difference between average allocated capital and actual equity, R3 139m (Jun 2021: R3 680m; Dec 2021: R6 154m), resides in the Centre.*

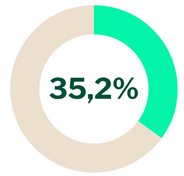
Operational segmental reporting (continued)

for the period ended

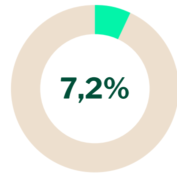
HE Contribution to group



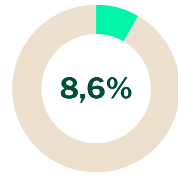
R3 208m
2021: R2 909m
2020: R1 416m
2019: R3 298m



R2 347m
2021: R2 144m
2020: R228m
2019: R2 590m



R479m
2021: R476m
2020: R362m
2019: R455m



R574m
2021: R182m
2020: (R24m)
2019: R293m

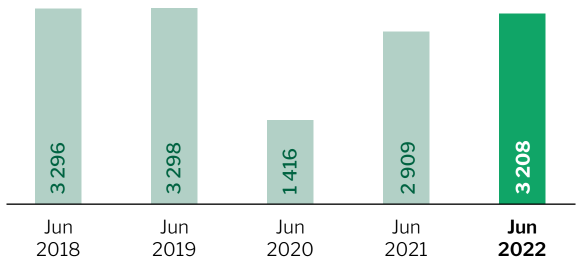
	Nedbank Group			Corporate and Investment Banking			Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre		
Rm	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Summary of consolidated statement of comprehensive income (Rm)																		
NII	17 204	15 809	32 500	4 286	3 907	7 966	11 047	10 053	20 745	511	416	866	773	676	1 448	587	757	1 475
NIR	13 321	11 793	25 027	3 907	3 949	7 881	6 649	6 112	12 783	1 759	1 862	3 788	1 074	599	1 431	(68)	(729)	(856)
Share of income of associate companies[1]	510	340	799	40	57	100							470	283	699			
Total income	31 035	27 942	58 326	8 233	7 913	15 947	17 696	16 165	33 528	2 270	2 278	4 654	2 317	1 558	3 578	519	28	619
Impairments charge on financial instruments	3 390	3 278	6 534	349	659	1 418	3 033	2 292	5 172	(56)	(21)	28	113	96	168	(49)	252	(252)
Net income	27 645	24 664	51 792	7 884	7 254	14 529	14 663	13 873	28 356	2 326	2 299	4 626	2 204	1 462	3 410	568	(224)	871
Total operating expenses	17 451	16 355	33 639	3 567	3 396	7 011	11 043	10 584	21 442	1 668	1 633	3 280	1 277	1 167	2 535	(104)	(425)	(629)
Zimbabwe hyperinflation	277	40	138										277	40	138			
Indirect taxation	544	526	1 073	102	94	202	283	227	529	56	45	99	36	35	72	67	125	171
Profit before direct taxation	9 373	7 743	16 942	4 215	3 764	7 316	3 337	3 062	6 385	602	621	1 247	614	220	665	605	76	1 329
Direct taxation	2 175	1 927	4 104	1 007	855	1 711	935	855	1 728	123	145	285	(45)	2	(26)	155	70	406
Profit after taxation	7 198	5 816	12 838	3 208	2 909	5 605	2 402	2 207	4 657	479	476	962	659	218	691	450	6	923
Profit attributable to:																		
– Non-controlling interest – ordinary shareholders	86	38	99										85	36	97	1	2	2
– Holders of preference shares	55	158	313				55	63	125								95	188
– Holders of additional tier 1 capital instruments	394	369	737													394	369	737
Headline earnings/(losses)	6 663	5 251	11 689	3 208	2 909	5 605	2 347	2 144	4 532	479	476	962	574	182	594	55	(460)	(4)
Selected ratios																		
Average interest-earning banking assets (Rm)	900 845	866 588	870 382	351 274	344 214	339 442	394 958	374 988	382 661	58 002	60 154	59 958	33 858	34 114	34 513	62 753	53 118	53 808
Average risk-weighted assets (Rbn)	647 277	660 281	655 675	297 067	321 427	312 716	234 353	225 444	228 299	31 980	27 576	28 461	46 254	46 126	46 520	37 623	39 708	39 678
ROA (%)	1,11	0,88	0,98	1,13	1,01	0,98	1,15	1,10	1,13	1,22	1,17	1,18	2,78	0,89	1,41			
RORWA (%)	2,08	1,60	1,78	2,18	1,83	1,79	2,02	1,92	1,99	3,02	3,48	3,38	2,50	0,80	1,28			
ROE (%)	13,6	11,7	12,5	17,9	15,8	15,3	15,1	13,0	13,7	21,7	22,0	21,2	15,9	5,8	9,3			
Interest margin (%)[2]	3,85	3,68	3,73	2,46	2,29	2,35	5,64	5,41	5,42	1,78	1,39	1,44	4,60	4,00	4,20			
NIR to total income (%)	43,6	42,7	43,5	47,7	50,3	49,7	37,6	37,8	38,1	77,5	81,7	81,4	58,1	47,0	49,7			
NIR to total operating expenses (%)	76,3	72,1	74,4	109,5	116,3	112,4	60,2	57,7	59,6	105,5	114,0	115,5	84,1	51,3	56,4			
CLR – banking advances (%)	0,85	0,85	0,83	0,20	0,38	0,42	1,52	1,22	1,34	(0,37)	(0,13)	0,09	1,10	0,84	0,72			
Cost-to-income ratio (%)	56,2	58,5	57,7	43,3	42,9	44,0	62,4	65,5	64,0	73,5	71,7	70,5	55,1	74,9	70,8			
Effective taxation rate (%)	23,2	24,9	24,2	23,9	22,7	23,4	28,0	27,9	27,1	20,4	23,3	22,9	(7,3)	0,9	(3,9)			
Contribution to group EP/(loss) (Rm)	(375)	(1 859)	(1 735)	513	150	125	22	(327)	(428)	148	152	284	32	(289)	(365)	(1 090)	(1 545)	(1 351)
Number of employees (permanent)	26 343	27 561	26 861	2 371	2 404	2 360	15 891	16 825	16 304	1 877	2 060	1 976	2 284	2 343	2 309	3 920	3 929	3 912

[1] *On an IFRS basis Nedbank Africa Regions earned associate income of R470m (June 2021: R270m) as IFRS requires associate income to be presented net of our share of ETI's goodwill impairment of Rnil (June 2021: R13m). Our share of ETI's goodwill impairment is excluded from HE.*

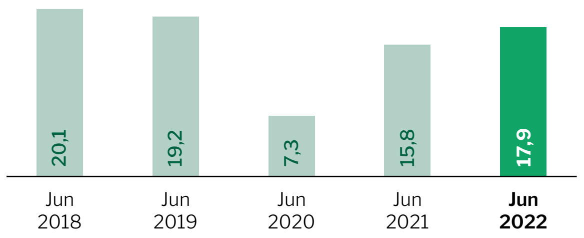
[2] *Cluster margins include internal assets.*

Nedbank Corporate and Investment Banking

Headline earnings
(Rm)



Return on equity
(%)



Financial performance

CIB delivered good growth and continues to recover towards 2019 HE and ROE levels earlier than 2023. This was achieved in a challenging global and local environment with low business confidence. CIB increased headline earnings by 10% to R3 208m, supporting ROE recovery to 17,9%. GOI increased by 4% to R8 233m, NII grew 10%, NIR decreased 1%, while impairments decreased by 47%. The focus on balancing income and enhancing returns, while supporting the needs of our clients translated into closing loans and advances growth of 9%, a 2% reduction in capital utilisation and a 7% reduction in RWA.

NII increased by 10% to R4 286m (June 2021: R3 908m), this was driven by NIM increasing by 17 bps and average banking advances increasing by 2%. The NIM benefited from higher deposit margins and volumes as well as endowment. Excess liquidity management further enhanced growth, resulting in closing banking advances increasing by 9%. Average deposits increased by 5% to R431bn, arising from a strategic focus on growing deposits.

Impairments decreased by 47% to R349m (June 2021: R659m). The CLR declined from 38 bps to 20 bps, in line with management expectations to be within the TTC target range of 15 to 45 bps. The total coverage ratio was flat against the prior year, at 1,3%, still reflecting a conservative approach to higher-risk sectors and stage 3 impairments. Stage 3 advances increased from R9,4bn to R10,6bn, representing 3% of banking advances. The majority of Directive 3/2020 restructures at the end of December 2021 have been rehabilitated, with less than 20% migrating to stage 3 in H1 2022. High-risk Covid-19-impacted sectors, such as aviation, remain a challenge while others, such as hospitality, are showing some recovery. Pre-Covid-19-stressed sectors, such as construction and state-owned entities, as well as certain exposures in the agri-sector, continue to be challenging given the environment. The commercial property sector remains stable.

NIR decreased 1% to R3 907m (June 2021: R3 949m). From the second half of 2021 interchange fees were offset against NIR, realigning with the market norm. Applying this treatment consistently in the first half of 2021 results in NIR growth of 2%. Equity revaluations and income showed growth of 87% yoy. Good client outcomes in FX and equity trading did not offset debt securities trading, which was impacted by challenging and persistent macro and market conditions. This resulted in trading income contracting by 13%. Commission and fees income decreased by 5% to R1 326m as transactional activity was lower than anticipated, partially offset by continued gains made in primary-banked wins.

Expenses increased by 5% mainly as a result of increasing staff costs. Normalised for interchange fees, classified against NIR in the second half of 2021, expense growth is 8%. The efficiency ratio increased slightly to 43,3%.

Financial highlights

		Corporate and Investment Banking			Property Finance			Corporate and Investment Banking, excluding Property Finance		
	Yoy % change	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Headline earnings (Rm)	10	**3 208**	2 909	5 605	**826**	438	1 111	**2 382**	2 471	4 494
NII (Rm)	10	**4 286**	3 907	7 966	**1 391**	1 308	2 682	**2 895**	2 599	5 284
Impairments charge (Rm)	(47)	**349**	659	1 418	**106**	382	495	**243**	277	923
NIR (Rm)	(1)	**3 907**	3 949	7 881	**485**	229	550	**3 422**	3 720	7 331
Gross operating income (Rm)	4	**8 233**	7 913	15 947	**1 876**	1 537	3 232	**6 357**	6 376	12 715
Operating expenses (Rm)	5	**3 567**	3 396	7 011	**628**	555	1 211	**2 939**	2 841	5 800
ROE (%)		**17,9**	15,8	15,3	**18,2**	9,5	11,8			
ROA (%)		**1,13**	1,01	0,98	**0,86**	0,44	0,56			
CLR – banking advances (%)		**0,20**	0,38	0,42	**0,13**	0,46	0,30			
NIR to total operating expenses		**109,5**	116,3	112,4	**77,1**	41,3	45,4			
Cost-to-income ratio (%)		**43,3**	42,9	44,0	**33,5**	36,1	37,5			
Interest margin (%)		**2,46**	2,29	2,35	**1,48**	1,37	1,40			
Total assets (Rm)	9	**605 672**	556 241	572 344	**172 764**	170 935	171 035	**432 908**	385 306	401 309
Average total assets (Rm)	(1)	**574 068**	579 263	569 247	**169 849**	172 173	170 934	**404 219**	407 090	398 313
Banking advances (Rm)	9	**361 749**	330 820	348 191	**167 418**	165 099	165 635	**194 331**	165 721	182 556
Average banking advances (Rm)	2	**349 228**	342 229	337 685	**164 464**	166 006	164 981	**184 764**	176 223	172 704
Total deposits (Rm)	4	**431 636**	414 288	437 651	**258**	230	262	**431 378**	414 058	437 389
Average total deposits (Rm)	5	**430 833**	411 322	414 248	**273**	327	303	**430 560**	410 995	413 945
Average allocated capital (Rm)	(2)	**36 232**	37 103	36 536	**9 161**	9 330	9 416	**27 071**	27 773	27 120

Looking forward

CIB's strength is evident in this set of results as the business remained on a growth trajectory despite the challenging economic environment. We continue to drive execution of our strategy, which aligns with our purpose and focuses on long-term value creation while contributing to the communities in which we operate.

Additional attention is placed on the Transactional Services pillar, supported by our digital transformation journey. We continue with the drive to improve the return on capital and the management of the portfolio to further enhance ROE in the context of growth and sustainability.

Our ESG focus continues to gain traction as we embed ESG factors into our lending and investment decisions. CIB continues to play a leading role in the renewable-energy transition and we are actively looking to participate in the sixth bid window, while pursuing the financing of other renewable-energy projects in the commercial and industrial space.

Internally, people are the foundation of the business and focus on succession, development, and retention of key talent remains central to our leadership agenda. We have made significant traction on our journey towards a diverse, equitable and inclusive culture.

Global recessionary fears, coupled with the local economic environment, continue to be a concern for us and our clients. However, CIB remains focused on delivering strong and sustainable financial results, while delivering innovative solutions to our clients.

Strategic progress

Our intent is to be the corporate and investment bank that creates value by using our financial expertise to partner with clients and contribute to the building of a strong, equitable and inclusive South Africa.

Client relationships and service delivery are at the core of our business and strategy. While building and maintaining quality client relationships are key, effective digitisation enables consistent service delivery. Our digital programmes are progressing well, with some having attained market recognition. For example, Nedbank Business Hub (NBH) received the 2022 Digital Banker award for outstanding digital transformation.

Sustainable solutions for our clients in SA and the rest of Africa are a key focus. ESG and climate change initiatives play an important role in our future landscape. We continue to grow our book and are expanding our involvement in the energy and infrastructure sectors. We are proud to have received recognition from *Global Finance* for 'Outstanding leadership in green bonds' as well as the 'Outstanding leadership in sustainability-linked bonds' categories. Thinking differently about environmental and social performance can drive change that delivers more business value while channelling the power of the enterprise to deliver better outcomes for all people and the planet.

We optimise levels of returns and growth through the strategic portfolio optimisation initiative that incorporates client, sector and product. CIB is a trusted long-term strategic partner, through our sector-led approach, that delivers products and services in ways that meet client needs and optimises the use of capital and returns to investors.

We continue to make progress with the acquisition, development and retention of the skills required to drive our business in a very competitive market where talent is highly sought after. The digital transformation journey has also aligned closely with this initiative as we continue to inject agility into our processes, ways of work and approach to leadership. The diversity, equity and inclusion journey continues to cultivate an environment that embraces the diversity of our society and inspires every member of the CIB team to reach their full potential.

Segmental performance

Property Finance

Property Finance supports the property sector through debt and equity participation. Growth in the property sector remains slow and is linked directly to the performance of the economy. The performance of the sector has, however, remained resilient despite the economic challenges, and this resilience can be seen in impairment levels for the first half of the year. Valuations in general appear to have stabilised, although we do still see pressure in certain segments of the market, and we are seeing increased interest in ESG-linked products, driven largely by our clients in the listed sector and we expect this trend to continue. We remain focused on the impact of rising interest rates on our portfolio; however, we have not seen any significant deterioration to date.

Financial highlights

	Property Finance			Investment Banking			Markets			Working capital and Transactional Services		
	Jun 2022	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021
Gross operating income (Rm)	**1 876**	1 537	3 232	**2 166**	2 011	4 270	**2 403**	2 759	5 299	**1 788**	1 606	3 146
Average banking advances (Rm)	**164 464**	166 006	164 981	**152 892**	155 975	151 916	**12 985**	2 832	2 790	**18 887**	17 416	17 998

Gross operating income increased by 22%, driven by NIR increasing more than 100%. The improvement in NIR is driven largely by increased valuations of certain assets in the property equity portfolio. NII growth of 6% relates to increased margins as the business optimises returns. Impairments have improved as the portfolio has stabilised and lower levels of impairment overlays are required. The CLR improved to 13 bps (2021: 46 bps) and we expect to remain within the TTC target range of 15 to 35 bps going forward.

Importantly in this environment, our portfolio contains good-quality collateralised assets and is well diversified. This is underpinned by a strong client base and supported by an experienced property team.

Investment Banking

Investment Banking provides long-term debt solutions to key economic sectors and participates in advisory, equity and debt capital markets, sustainable finance and equity investment activities. The focus areas for Investment Banking during the first six months of 2022 were clients and deal origination, risk management, portfolio optimisation and cross-sell initiatives aimed at enhancing the overall returns of the business. Growth was achieved while returns, earnings and advances were enhanced in a challenging macroeconomic environment.

Investment Banking gross operating income increased 8% on the prior year, driven by core NIR growth of 13%. NIR growth was in commission and fees income and the private equity and investment income portfolio. The performance in the private equity portfolio reflects an improved macro outlook and good investment performance. Commission and fees benefited from increased client activities. NII increased 1%, benefiting from asset growth and endowment benefits from the prevailing interest rate cycle. The reduction in impairments was driven by a yoy decrease in stage 2 loans, overlay releases and a more stable corporate environment that resulted in a reduction in portfolio impairments. The CLR came in slightly below the CIB excluding Property Finance TTC target range of 20 to 50 bps, at 19 bps (2021: 29 bps).

Investment Banking continues to invest in leading industry expertise, supporting key sectors that include mining and resources, infrastructure, telecoms, energy, and diversified and sustainable finance.

Markets

The Markets business trades in the foreign currency, equity, commodity and interest rate markets. Trading conditions were challenging throughout the year as both local and international markets experienced significant inflationary pressure, exacerbated by the Ukraine conflict. Despite policy stances, concern remains that central banks will not be able to contain inflation without further impacting growth.

GOI decreased by 13%, driven by a decline in trading income. Debt securities and interest rate markets declined by 27% after a period of continued growth over the past few years. Growth was seen in foreign exchange (7%), equities (2%) and commodities (16%). Markets continue to look for opportunities to invest in both talent and technology to drive franchise growth and diversify revenue pools.

Transactional Services

The Transactional Services business provides working capital products in conjunction with transactional solutions. Transactional Services continues to invest in a journey of change through digitisation, with the launch of the Nedbank Business Hub being an example.

GOI increased by 11%, driven by NII increasing 31%. Higher-deposit margins and volumes are key enablers of this growth. Many of our clients experienced a positive working capital cycle that translated into increased deposits, with a corresponding drop in working capital borrowings. The average amount owed to depositors increased by 9% from R244bn in 2021 to R265bn in 2022. Short-term lending products increased by 9% from R17bn to R18,5bn. CIB continues to support the working capital and transactional needs of its clients. The prevailing interest rate cycle, increased endowment benefits, enhancing NII growth further.

Restated NIR for interchange fees has decreased by 6%, impacted by a decline in fees earned on the payments product and reduced values processed on the cash withdrawal product.

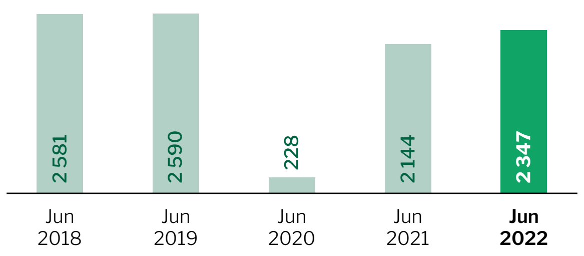
Investment in this business is centred around digitising our processes to improve our clients' experiences, enabled by the modernised technology stack of the bank. Equally important is innovation in our product offering that is aligned with client needs and continuous client feedback, incorporating industry and regulatory developments. The business continues to play a significant role through its thought leadership in cash and payment modernisation.

We recorded 11 new primary-banked client wins in the past six months and continue to see the accretive value of past primary-banked client wins. We have a growing pipeline, supported by our sector-based approach, that we expect will further improve our footprint and transactional revenue beyond 2022.

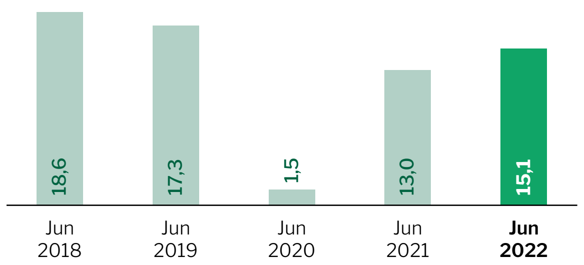
Favourable	Unfavourable
• Improvement in NIM driven by higher deposit volumes and margins and endowment. • Preprovisioning operating profit up yoy. • Achievement of 11 primary-client wins in H1. • Significant decline in impairments. • Good outcomes in the FX and equities markets. • Good asset growth in Investment Banking.	• Debt and interest rate markets impacted by unfavouable conditions.

Nedbank Retail and Business Banking

Headline earnings
(Rm)



Return on equity
(%)



Financial performance

RBB's financial performance has continued to show a good recovery, with HE for the six months ended June 2022 increasing by more than 9% to R2 347m.

Higher earnings, coupled with a slight decrease in allocated capital due to methodology changes, resulted in ROE increasing to 15,1% from 13,0% in June 2021, and is now higher than the group's COE.

The main driver of the HE growth was attributable to a 9% increase in revenue growth, with expense growth being curtailed to below inflationary levels at 4%. This was partially offset by the impairment charge that increased by 32% off the back of once-off releases in the prior year. The increase in revenue was driven largely by NIR recovering strongly from the 2021 levels as all sectors of the economy opened and NII growth remaining strong, benefiting from an improved NIM. The increase in revenue and low expense growth have resulted in PPOP increasing significantly by 19% and the cost-to-income ratio declining to 62,4%.

Besides the stronger financial performance, RBB also showed positive traction on several key non-financial metrics, including a 10% increase in digitally active clients to 2,4 million and 2,0% growth in main-banked clients to 3,04 million, with 4,4% growth in the economic-profit-rich middle and affluent segments. We received numerous awards in the first half of 2022, including the 2022 Global Banking and Finance Review Awards for Excellence in Innovation Banking App in South Africa for the Nedbank Avo app, and Best Corporate ESG Strategy in South Africa. At the Asian Banker Excellence in Retail Financial Services Awards 2022, we won the Best Retail Bank in Africa and South Africa Awards, as well as the Best SME Bank in South Africa Award. At the Asian Banker Financial Technology Innovation Awards 2022, we were recognised for Best API and Open Banking Implementation. We were also named the Best Private Bank for Digital Customer Service in Africa at the Professional Wealth Management Wealth Tech Awards - Financial Times 2022.

NII increased by 10% to R11 047m, driven by an increase in advances and a widening of NIM from 5,41% to 5,64%. NIM benefited from positive endowment as interest rates increased, as well as a higher liability margin from slightly more favourable funding spreads.

Average banking advances increased by 7% to R384bn as growth momentum continued from 2021, benefiting from client demand for secured loans. Unsecured-lending volumes have, however, slowed due to adopting a more cautious approach to new lending as a result of elevated risk. Overall new-loan payouts remained relatively stable at approximately R57bn yoy. Household advances market share decreased marginally to 17,4% in May 2022, from 17,7% in December 2021.

Average deposits increased by 6% to R373bn. Our market share of transactional deposits increased to 13,7% in May 2022, compared with 13,5% in December 2021. This is a key focus area, which has led to our achieving the strongest ytd growth among large South African banks, based on the BA900.

Defaulted advances increased by 4% to R27,7bn in June 2022 from R26,7bn in December 2021. However, as a percentage of book, the defaulted book remained flat at 6,7% from December 2021. Balance sheet impairments declined to 4,82% of total advances from 4,83% in December 2021 and coverage on the performing 'stage 1' book decreased slightly to 1,06% (December 2021: 1,08%). The increase in impairments yoy was attributable largely to the once-off benefits relating to the curing of Directive 7/2015 accounts and the release of Covid-19-related overlays in the prior year. When normalising for the once-off items of R529m realised in H1 2021, the June 2021 adjusted CLR of 150 bps (reported 122 bps) compares with the 152 bps in June 2022 and remains in the middle of our TTC target range of 120 bps to 175 bps.

NIR increased by 9% to R6 649m, reflecting the ongoing improvement in client transactional activity, as well as benefits of cross-sell, main-banked client gains and growth in card interchange revenue.

Expenses increased by 4% to R11 043m, driven by judicious management of discretionary spend and ongoing optimisation of operations. Permanent headcount decreased by 934 to 15 891 from June 2021, achieved mostly through natural attrition as we continue to leverage our investments into digital and the ME technology strategy. In 2017 we launched our cost optimisation programme through the Business Transformation Office and by the end of 2021 we had achieved R1,5bn in cumulative savings, driven mainly by our branch optimisation programme and RPA, combined with continued digital transformation initiatives. Our cost-to-income ratio improved to 62,4% (H1 2021: 65,5%), driven by higher revenue and cost savings initiatives.

Strategic progress

Clients – The number of main-banked clients was up 2% to 3,04 million at 30 June 2022. The increase in main-banked activity, the recovery of card spend and the digitisation of our client base have all driven the NIR recovery this year. We also continue to scale several key growth vector products to supplement our value proposition and to support sustainable NIR growth by diversifying the revenue base.

According to the SAcsi, Nedbank Consumer Banking continues to close the gap on the #1 position in the market across NPS and CSAT. Having retained our #2 position for both metrics, we steadily increased our NPS for the fourth consecutive year to 46,7 in 2021 (40,8 in 2020) and improved our SAcsi score to 82 points in 2021 (81 points in 2020).

Nedbank achieved #1 position in both NPS and CSAT for its ATM channel and improved NPS across all physical and digital channels in 2021. Continued improvements were made in loyalty, perceived-value and complaints-handling scores, as measured in SAcsi. Nedbank maintained the #2 position on client loyalty and perceived value. SAcsi metrics for 2022 are expected to be published by year-end.

In May 2022, Nedbank Business Banking was strategically repositioned as Nedbank Commercial Banking to better represent the comprehensive range of services and products we offer to medium-, large-, and mid-corporate-sized businesses. The annual 2021 study concluded by KPI Research showed again that Commercial Banking produced high-quality relationship scores and continues to maintain high relative NPS scores at a business manager level as an important outcome to its 'high touch' relationship-based service model.

Nedbank's client experience (CX) continues to improve in support of the RBB goal to consistently deliver leading client experiences. This is supported by the Service Excellence Programme initiated in 2019, with approximately 12 700 (82%) employees completing initial programme training. A gold-standard client journey management capability will enable improved solutions design and overall CX. Understanding and solving client pain points through prioritised process, channel and product enhancements will simplify services to better meet client needs. "Imagine" new branch formats remain well received in the market, with an average of 65% of Imagine branches out-performing the base with regard to NPS and enticement.

Nedbank seeks to institutionalise the use of behavioural economics across the bank to augment its leading CX journey. We partnered with one of the leading South African universities to develop a tailored skills and capability development programme for frontline employees and client-facing channels within our consumer and relationship banking segments. This initiative has brought the latest insights from the field of behavioural economics to enable our employees to understand how our clients make take-up and usage decisions related to deposit and credit products, including the factors that influence their use of digital channels.

Nedbank remains a leader in client conduct, improving the 2021 Consulta TCF score by 1,7 points and remaining #2.

Through our financial wellness programme (Consumer Financial Education and Financial Fitness) we reached more than 29 million clients through education programmes delivered via a combination of radio, virtual and face-to-face interventions. We are pleased with the continuous progress we are making to educate consumers and help them manage their money better.

Digital innovation – The digital growth story continued in H1 2022, with digitally active clients increasing by 10% yoy to 2,4 million, of which 1,8 million clients are now using the Nedbank Money app (up 13% yoy). The continued investment in digitising onboarding journeys, digital marketing capabilities, experience improvements and a bigger distribution of sales capability enabled by API_Marketplace all culminated in strong yoy digital sales growth of 94% and digital contributing 50% of funded consumer sales, up from 32% in 2021. Digital payment volumes continued to grow, up by 20% yoy, with Money app payment volumes increasing by 37% yoy. Our Beyond Banking offerings on Avo have further enabled compelling value propositions, driving additional scale and opportunities.

Digital innovation is in Nedbank's DNA and continues to be evident in the delivery of new and exciting features to market, adding value to its clients throughout H1 2022. Clients can now choose from a wider variety of vouchers, seamlessly integrate into our Greenback programme, and access the Avo super app with one click from the Money app, creating a more seamless journey and delivering greater value to clients within our ecosystem. Other new features driving more value for our clients include the Bill Payments feature, which makes bill management simple and convenient, all while earning Greenbacks. Cardless cash-out and improved financial wellness features also help clients gain insight into their financial situation. A combination of spend analysis, financial categorisation, budgets and a credit score dashboard help clients improve their financial health steadily. The innovation pipeline promises to deliver more in H2 2022, including opening investment accounts for new-to-Nedbank clients, virtual cards and new Family Banking digital offers.

Buying journeys continue to be enhanced with experience improvements gained from client feedback, while additional products have been introduced, such as vehicle insurance, gap warranty and more everyday vouchers on our value-added services platform. We continue to make investments in our Martech stack to drive leads and improved digital product conversion rates and engagement. The investment in digital marketing tooling driven by AI and leveraging data for commercial success will continue into H2 2022 and further into 2023.

Client security remained a core focus, with several new features and enhancements implemented in H1 2022 to further protect our clients. The introduction of facial recognition, which integrates with the Department of Home Affairs for facial comparisons and data checks, enables us to reduce friction and grow the list of functions offered via our digital platforms.

The Nedbank Business Hub journey improvements in H1 2022 have made becoming more digital easier for our Commercial Banking clients. It provides seamless access to a wide array of functions accessible through an integrated and secure platform, driving wider access to our ecosystem of products and services. To date there have been 101 928 service requests received via the hub, the bulk of which are straight-through, meaning immediate delivery to clients and ultimately a more efficient, streamlined CX. There have also been 13 038 digital product activations via the hub, effectively taking the vastly improved journeys to the market, with positive feedback from both clients and employees.

Nedbank's API_Marketplace enables a platform for its external and internal partners to consume financial products and services. New products in the pipeline for inclusion into API_ Marketplace are Building Insurance, Auto Insurance and Rapid Payments. Another exciting development is the partnership between Nedbank Insurance and Hippo, which is seeing its Auto Insurance

Financial highlights

for the period ended

Segmental view

		Total Retail and Business Banking			Commercial Banking			Consumer Banking			Relationship Banking			Other[1]		
	Yoy % change	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Headline earnings (Rm)	9	**2 347**	2 144	4 532	**768**	532	1 408	**871**	1 179	2 109	**560**	368	907	**148**	65	108
NII (Rm)	10	**11 047**	10 053	20 745	**2 195**	1 833	3 847	**7 248**	7 013	14 276	**1 565**	1 167	2 585	**39**	40	37
Impairments charge (Rm)	32	**3 033**	2 292	5 172	**48**	35	(167)	**2 878**	2 179	5 144	**91**	57	150	**16**	21	45
NIR (Rm)	9	**6 649**	6 112	12 783	**911**	885	1 844	**3 845**	3 597	7 353	**820**	758	1 568	**1 073**	872	2 018
Operating expenses (Rm)	4	**11 043**	10 584	21 442	**1 970**	1 927	3 864	**6 881**	6 652	13 287	**1 506**	1 350	2 728	**686**	655	1 563
ROE (%)		**15,1**	13,0	13,7	**20,9**	14,3	19,8	**9,2**	11,6	10,1	**32,8**	21,4	24,6			
ROA (%)[2]		**1,15**	1,10	1,13	**0,94**	0,71	0,90	**0,71**	0,99	0,88	**1,09**	0,83	0,97			
CLR – banking advances (%)[2]		**1,52**	1,22	1,34	**0,12**	0,09	(0,21)	**2,23**	1,75	2,04	**0,31**	0,23	0,29			
NIR to total operating expenses (%)		**60,2**	57,7	59,6	**46,3**	45,9	47,7	**55,9**	54,1	55,3	**54,4**	56,2	57,5			
Cost-to-income ratio (%)		**62,4**	65,5	64,0	**63,4**	70,9	67,9	**62,0**	62,7	61,4	**63,1**	70,1	65,7			
Interest margin (%)		**5,64**	5,41	5,42	**2,70**	2,46	2,48	**6,02**	6,01	6,01	**3,05**	2,65	2,76			
Total advances (Rm)	7	**394 317**	370 131	380 985	**85 637**	78 950	80 363	**248 423**	241 134	242 390	**59 051**	49 199	57 312	**1 206**	848	920
Average total advances (Rm)	7	**383 961**	358 958	365 656	**81 732**	75 071	76 912	**243 074**	235 012	236 192	**58 043**	47 994	51 625	**1 112**	881	927
Total deposits (Rm)	6	**383 002**	360 240	374 972	**159 942**	148 264	156 796	**122 314**	122 999	123 017	**100 568**	88 700	95 023	**178**	277	136
Average total deposits (Rm)	6	**372 692**	351 609	359 221	**157 625**	144 080	148 684	**118 571**	121 638	121 904	**96 309**	85 463	88 251	**187**	428	382
Average allocated capital (Rm)	(6)	**31 256**	33 215	33 060	**7 402**	7 482	7 116	**19 003**	20 549	20 789	**3 438**	3 462	3 684	**1 413**	1 722	1 471

[1] *'Other' includes income, impairments and costs relating to Channel, Card Acquiring, Central and Shared Services.*
[2] *Consumer Banking ROA and CLR have been restated to align with the methodology used across the bank.*

and Building Insurance APIs embedded in Hippo's financial products comparison website, with Auto Insurance already live in June and Building Insurance following soon. Aligned with our Group NAR strategy, API_Marketplace will extend beyond SA's borders into the CMA countries (Namibia, Lesotho and Eswatini) with payments, wallet and data products. Payment products for the NAR countries have started execution and are earmarked to land in Q3 2022. Continuous improvement of our partnership strategies across all products in API_Marketplace, cloud enablement, stability, operational improvements and evolving our developer experience remain a key focus.

The digital journey will continue to innovate into the next frontier, exploring and developing strategies centred around Web 3.0, including the metaverse, blockchain and NFTs, linking back into our physical offerings.

Currently, RBB has 136 robots servicing 59 processes. These processes have automated more than 1,2 million man-hours over the past four years, providing RBB with R227m in run-rated savings. The target of 25% cost to income for the RPA was reached at the end of June 2022. The RPA has increased CX and mitigated risk in RBB.

Physical distribution – Our physical footprint reflects both the increased drive towards client self-service and a diverse South African consumer base that still requires face-to-face assistance. In response to shifts in client behaviour and preferences that were fast-tracked by Covid-19, we continued to optimise our branch footprint, while investing in more mobile and self-service channels as we aim to change in line with the way clients bank in a digital world.

During 2022 we closed six points of presence and seven in-retailer outlets and opened no new branches. This reduction has not affected our coverage of the bankable population in SA, which remains around 85%, in line with that of the industry. Since 2014 we have achieved actual floor space reduction of 69 586 m^2. We have a new operating model in 67 branches, which will be rolled out over the next three-year cycle, including an innovative mix of branches, from full-service and express to easy-access smaller branches. By the end of 2025, 57% of branches will be smaller than 200 m^2, which is a significant shift from our current mix of branches. We have also tested various in-market operating models through taxi rank branches and nine mobile sales teams in township economies. We expanded access to Nedbank's products through new partners, both in market and online through APIs, acknowledging that clients are coming to branches less and that we need to be mobile and have a presence in the community.

To complement our in-market and digital channels we have a contact centre available to clients 24/7 through email, chat and voice options. Clients can now call our contact centre free of charge through our 0800 number. We have seen a 11% yoy shift in service volumes from employee-assisted channels towards self-service channels, a substantial increase in financial and non-financial servicing on digital channels, and a 7% increase in transactions on bank-owned devices.

With self-service options expanding, we further invested in our ATM footprint by rolling out another four devices. During this period, cash dispensed through branches and ATMs decreased by 2%. Altogether, 90% of client cash deposits at branches are now being processed through cash-accepting ATM devices. We continued to improve the experience of clients at our devices through the roll-out of our new ATM front end, which enable first-in-market functionality such as app-initiated withdrawals using QR codes, meaning that clients do not have to insert their cards into our ATMs when withdrawing cash. Clients can now also pay all Nedbank accounts and beneficiaries at cash-deposit-taking devices and make real-time deposits at deposit-taking ATMs.

Significant progress has been made in enhancing functionality across self-service and online channels, providing our clients with enhanced convenience. In the past six months, we simplified the password reset function for Online Banking and added great functionality, such as the ability to change card PINs in-app. Our network of 460 self-service kiosks in our branches enables clients to complete self-service actions at their own convenience, such as changing their ATM limit, maintaining their profile, issuing statements, as well as blocking and replacing personalised cards for PAYU and Savvy Plus Accounts. The long-term aim is to offer this across all accounts and for all clients, making the card process much faster as we continue to offer convenient options for clients. Clients can also pick up cards 24/7 by using our 124 lockers located in the self-service zone at branches or have their cards delivered to them. Our kiosks now also enable clients to open PAYU accounts seamlessly, with a card issued instantly, and we are looking to expand to other third parties.

Ecosystems – Avo by Nedbank, the super app, has seen significant scale on multiple fronts over the past six months. The consumer base has more than doubled, with over 1,5 million consumers signing up on an accumulative basis. Avo is a double-sided marketplace bringing consumers and businesses together to trade and now has over 24 000 businesses signed up.

Avo has also extended beyond the traditional home ecosystem, which currently provides value propositions for consumers looking for online grocery, takeaways, technology, appliance, homeware and home service options, to name a few, and has launched both the Auto ecosystem and B2B Marketplace. The Auto ecosystem is currently scaling, with over 140 motor dealers selling cars to private buyers on the platform and convenient access to embedded vehicle finance. The B2B Marketplace, the newest ecosystem added to the Avo ecosystem, is bringing buyers and sellers together to trade across several industries, with a core differentiator being embedded finance solutions offering, among others, working capital solutions that encourage these businesses to make the shift to trade on the B2B Marketplace. We have seen significant growth in GMV and achieved about four times the full-year 2021 GMV in the first six months of 2022.

Avo continues to increase the arsenal of partners to drive scale, and our newest partnerships with Apple, Dell and Uber Direct resonate with the increasing appeal of Avo as a destination marketplace to assist global brands and manufacturers in realising their growth aspirations. In the first month of being live, Apple is already the second-highest grossing reseller by value.

With two years of valuable customer experience being harnessed in an ever-changing landscape, a fresh redesign of the Avo app is scheduled for go-to-market in H2 2022. Lastly, Avo continues to make in-roads into acquiring new-to-franchise consumers and businesses for the bank, and seeks to fuel its customer retention drive by continuously providing great customer propositions and experiences.

We continue to see the benefits of our collaboration with communities in the township economy to test a new ecosystem-based go-to-market approach. This approach has helped us to co-create simple, cost-effective and accessible solutions, which we are currently piloting in the market to assess resonance with clients around responsible ways to lend within this market and drive inclusivity.

Product views, excluding Commercial Banking

	Home loans		VAF		Unsecured lending[1]		Transactional[2]		Card and[2] payments		Forex and investments	
	Jun 2022	Jun 2021	Jun 2022	Jun 2021	Jun 2022	Jun 2021	Jun 2022	Jun 2021	Jun 2022	Jun 2021	Jun 2022	Jun 2021
NII (Rm)	**1 564**	1 435	**2 686**	2 494	**2 047**	1 935	**1 089**	846	**679**	755	**744**	728
Consumer Banking and other	**1 121**	1 089	**2 601**	2 434	**1 925**	1 905	**445**	351	**679**	755	**473**	491
Relationship Banking	**443**	346	**85**	60	**122**	30	**644**	495			**271**	237
Impairments charge on financial instruments (Rm)	**142**	26	**1 023**	660	**1 277**	1 058	**29**	39	**512**	474	**–**	–
Consumer Banking and other	**108**	14	**1 028**	636	**1 216**	1 036	**29**	40	**512**	474		
Relationship Banking	**34**	12	**(5)**	24	**61**	22		(1)				
NIR (Rm)	**139**	138	**350**	362	**437**	348	**2 969**	2 774	**1 712**	1 513	**115**	94
Consumer Banking and other	**106**	107	**342**	356	**401**	332	**2 295**	2 122	**1 699**	1 501	**59**	53
Relationship Banking	**33**	31	**8**	6	**36**	16	**674**	652	**13**	12	**56**	41
Operating expenses (Rm)	**902**	834	**885**	823	**1 019**	900	**4 205**	4 100	**1 386**	1 260	**777**	748
Consumer Banking and other	**602**	570	**827**	777	**917**	869	**3 373**	3 274	**1 378**	1 252	**571**	574
Relationship Banking	**300**	264	**58**	46	**102**	31	**832**	826	**8**	8	**206**	174
Headline earnings (Rm)	**468**	507	**748**	917	**131**	231	**(135)**	(383)	**346**	392	**56**	51
Consumer Banking and other	**366**	434	**719**	920	**135**	236	**(485)**	(615)	**342**	389	**(31)**	(24)
Relationship Banking	**102**	73	**29**	(3)	**(4)**	(5)	**350**	232	**4**	3	**87**	75
ROE (%)	**16,0**	18,1	**17,4**	21,5	**7,2**	13,6	**(13,4)**	(23,8)	**30,9**	25,3	**37,2**	15,7
CLR – banking advances (%)	**0,19**	0,04	**1,67**	1,14	**9,45**	8,47	**28,90**	41,28	**6,26**	5,66		
Cost-to-income ratio (%)	**52,9**	53,0	**29,1**	28,8	**41,0**	39,4	**103,6**	113,3	**57,9**	55,5	**90,5**	91,0
Interest margin (%)	**2,08**	2,04	**3,94**	3,90	**15,12**	15,03	**3,59**	3,07	**7,55**	8,31	**0,97**	0,97
Average total advances (Rm)	**146 372**	136 848	**117 884**	110 853	**24 037**	22 995	**101**	106	**13 772**	13 948	**2**	3

The table does not include Commercial Banking HE of R768m (June 2021: R532m) and other unallocated costs of -R37m (June 2021: -R103m) relating to Channel, Clients and Shared Services. Therefore, the table does not cross-cast.

[1] *Excludes additional insurance income in Nedbank Wealth that would result in ROE of 14,6%.*

[2] *Debit and cheque interchange and related costs have historically been reported under, Card and payments, this has been restructured in the current period and is now reported under, Transactional, to more closely reflect the true economics of the transactional product and also align with the industry. The 2021 comparative period has been restated accordingly.*

Favourable	Unfavourable
• Solid revenue growth and benefits from cost optimisation realised. • Repositioning of CVPs for Consumer Banking, Private Clients and Commercial Banking, including agriculture and manufacturing. • Accelerated digital uptake (including Avo) and usage continuing, with several awards received. • Increased VAS revenue driven through Money app services and strategic partnerships. • Improving enablement of cross-sell continuing in our Eclipse onboarding platform, using strong data capability. • Significant progress in our channel transformation programme (Project Imagine). • Project Phoenix having resulted in continued headcount reductions, driving efficiencies.	• Aggressive competitor pricing driving lower household deposit market share. • The cost-to-income and ROE ratios recovering but still requiring further improvement. • The liquidation of Comair (Pty) Ltd having triggered a ticket obligation for Card Acquiring.

Nedbank Retail and Business Banking segmental review

Internal transfers

In line with the strategic intent of Project Phoenix to service clients holistically in a given segment, a clean-up of clients and products was conducted to ensure all income is accounted for in the correct segment.

As a result, R6,2bn in advances were transferred from Consumer Banking to Retail Relationship Banking in August 2021, and R2,1bn of deposits were transferred in January and April 2022, with the full-year impact as follows:

- R2,1bn in notice and term deposits
- R3,7bn in home loans
- R1,3bn in VAF
- R1,2bn in personal loans
- R29m in HE (for six months)

Commercial Banking

Commercial Banking provides relationship-based banking services to mid-sized and large commercial entities, including tailored banking and financial propositions for agricultural, franchising and manufacturing industries as well as the public sector.

Commercial Banking increased HE by 44% yoy to R768m at an attractive ROE of 20,9% through solid product volume growth, coupled with an improvement in NIM of 24 bps yoy to 2,7%.

Average advances grew by 9% yoy as client use of existing facilities increased, although we noted cautious borrowing behaviour, with new loan payouts declining by 4% yoy to R11bn. Commercial Banking remains a strong generator of funding, with R86bn in net surplus funds generated, supported by an increase of 9% in average deposits and, in particular, growth in transactional deposits.

The CLR of 12 bps (H1 2021: 9 bps) is below the target range of 50–70 bps and includes the release of forward-looking information overlays deemed as no longer required.
The commercial operating environment has been, and continues to be, beleaguered by many external factors such as intensified load-shedding, increased input costs, margin pressure, and logistical and transportation challenges. Although downside risk in the current economy persists, we are adequately provided at an impairment coverage of 1,95%, which remains above pre-Covid-19 levels.

Our digital journey continues to advance and is underpinned by both ongoing delivery towards a clear road map of strategic digital priorities, as well as incremental positive shifts in client experience, owing to the steady stream of functionality that we are taking to market. Commercial Banking continues to roll out the Nedbank Business Hub to clients, enabling a positive change in client experience for businesses, and remains on track to achieve critical scale in 2022, with an increasing focus on adoption. To date, 43% of clients have an active digital resolution in place, which enables businesses to nominate authorised persons to procure banking and financial products and services. The overall migration remains well on track.

We have successfully implemented a service model aimed at focusing on the delivery of a unique proposition to the lucrative mid-corporate segment within Commercial Banking, and plan to build on and evolve our proposition to support sustainability through the provision of differentiated mechanisms to finance our clients' clean-energy investments, coupled with advisory-based services. Our plans for 2022 will see the promotion of a bespoke industry-based proposition aimed at the manufacturing sector, as well as introducing a shariah-compliant investment-based solution for the Islamic business market.

Retail Relationship Banking

RRB provides tailored banking services to affluent individuals and their households (salaried and self-employed), non-resident clients and embassies as well as small-business services to SMEs, with an annual turnover of less than R30m. The relationship banking offering is designed for clients seeking a personalised, flexible and proactive approach, and caters for more complex financial needs typically associated with the above-mentioned client segments.

Despite the subdued economic environment, the business delivered HE of R560m, up 43% yoy, generating a quality return with an ROE of 32,8%. This affirms both the resilience of the client base (despite small-business clients being under more strain than affluent clients) and the quality of the Nedbank business.

After rebasing for the internal transfers, the CLR decreased from 38 bps to 31 bps, helped by the R32m release in provisions (11 bps), but still reflecting the quality of the book and effectiveness of the risk practices. Average advances growth of 7% was carried by of the good momentum in the prior year, while average deposits increased by 10%, resulting in a net funding contribution to the group of R43bn. NIR grew moderately at 5,5%, which includes the impact of various industrywide and Nedbank-specific pricing concessions. NIR growth was impacted by more-muted activity in the small-business sector but recovered strongly in the private-client segment.

Private Clients: Early in H1 2022 we rebranded our Professional Banking offering to Private Clients. Nedbank provides a well-priced, high-value offering to the sought-after affluent market. Main-banked client numbers increased by 8% yoy, maintaining Nedbank's affluent market share at approximately 15%. Service levels and client satisfaction remained stable yoy, with more clients willing to promote Nedbank off the back of continued efforts to provide a seamless experience to this demanding client base.

Small Business Services: Nedbank remains well positioned in the small-business segment, maintaining its urban market share of 24% as a result of positive views regarding our ability to understand and serve the needs of this important sector. According to the 2021 Small Business Tracker (a Nedbank-commissioned survey that has been running for 13 years and is conducted by independent research company KPI Research), small-business owners continue to rank Nedbank as the market leader in the provision of banking services to this market for the second year in a row.

SimplyBiz, a free business development platform powered by Nedbank and available to all entrepreneurs (whether banked with Nedbank or not) has provided over 45 000 business owners free Beyond Banking assistance in the form of advertising, coaching, relevant business support materials and strategic initiatives. This represents an 111% growth from inception, and actively supports the UN SDG 4s and SDG 9 through an expert community with resources, ongoing learning and tangible support.

The many enhancements being made to Online Banking and the Money app since the full migration of clients to the new platform in early 2021 have driven an improvement in digital satisfaction. Important digital features for this client base include the ability to receive and make international payments, open and manage investment accounts, apply for credit and access and manage wealth products (stockbroking, unit trusts, retirement annuities and life cover) as well as Personal Line insurance. Clients can also book appointments with their banker and our personal financial management solution continues to evolve and is seeing good usage by RRB clients.

Despite a challenging economic outlook and an increasingly competitive market, now also heavily focused on small businesses, there are still many opportunities for Nedbank to grow in both markets. We will continue executing on our strategy to digitise as much of the day-to-day banking functionality as possible, while investing heavily in the skills, knowledge and professionalism of our frontline employees to give impetus to our positioning of 'Digital when you want it, human when you need it'. Besides our going after growth in market share, financial performance will also be boosted by the growth in endowment earnings in an increasing-rate cycle.

Consumer Banking

Consumer Banking predominantly serves individuals earning less than R750 000 per year in three subsegments – middle market, entry-level banking and youth. Consumer Banking also serves a few non-individual client types, such as stokvels, clubs, societies and informal traders.

Consumer Banking generated HE of R871m, down by 26% yoy. This decline was driven primarily by an increase in impairments. Normalising for once-off Covid-19-related impairments unwound in H1 2021, HE growth was at 1%. The CLR for H1 2022 was 223 bps, relative to 175 bps in H1 2021 (or 210 bps in H1 2021 on a normalised basis).

Balance sheet growth was solid, with average advances growth of 3% yoy, driven by 5% growth in unsecured lending, 2% growth in home loans and 5% growth in vehicle loans. Average deposits declined by 2,5% yoy, despite a pleasing 10% growth in transactional deposits. Notice and term deposits declined by 5%, partly due to the migration to RRB.

Consumer Banking delivered solid client momentum in H1 2022, with 2% yoy growth in main-banked clients (from 2,70 million clients at June 2021 to 2,75 million clients at June 2022) and active clients remaining flat at six million. Main-banked growth was skewed towards the higher-economic-profit segments of the middle market (up 4,4% yoy to 1,01 million main-banked clients). Main-banked growth has been driven by a dedicated focus on frontline sales productivity, which has seen a monthly increase in client acquisition of 18% yoy. Total products sold per banker per day also increased materially by 33% in H1 2022 versus H1 2021.

The cross-sell ratio, or number of products per client, grew materially to 1,87 in June 2022 from 1,81 in December 2021. This was enabled by continued commercialisation of Next-Best-Action, our machine-learning-enabled client offer tool, as well as our frontline cross-sell programme, Core+. Digital remained a sharp focus, and the share of clients who are digitally active grew to 35% in June 2022 from 33% in December 2021, including 1,56 million Money app clients, up 16% from a year before. The share of sales that we made digitally grew to 50% in June 2022, from 32% in December 2021.

The momentum on key client metrics contributed to strong growth in NIR of 7% yoy, and overall revenue growth of 4,5% yoy. Expense growth was managed well at 3% yoy as the business became increasingly digitised. PPOP growth was pleasing at 7% yoy, and the cost-to-income ratio improved to 62,0% in June 2022, from 62,7% a year earlier.

We enhanced our CVPs with the launch of several exciting enhancements. For instance, we launched MySmartMoney, a tool on the Money app with which clients can enjoy My Spend (a spend management tool), My Budget (a budgeting tool), My Savings (a goal saving tool), and My Credit Score (a function to view one's credit score and find out how to improve it). We also launched Money Coach, which enables clients to set up an appointment with a financial planner conveniently on the Money app.

Looking forward

Our client-centred growth strategy and execution plans focus on the five core strategic levers set out below to help us achieve our aspirations. More so, our digital and data capabilities will enable us to create new and disruptive products and solutions to address clients' rapidly evolving needs and expectations, enabling us to expand access to new markets, reduce operational costs and help develop new revenue-generating opportunities. We have also heightened our focus on purpose-driven and ESG-inclined CVPs.

Create leading client experiences – We will focus on commercialisation of the revamped and repositioned CVPs across our three client segments: Consumer Banking, Relationship Banking and Commercial Banking. We believe these new CVPs will differentiate us in the market, especially around aspects such as financial wellness, ease of access, service quality and a comprehensive range of services and products, including advisory capabilities. We are continuously improving and enhancing our client journeys and are implementing measures to track these improvements across client experience, employee experience and operational-performance metrics.

Digital First, First in Digital – We expect continued improvements in key digital metrics, such as the number of active Money app users and the share of our sales delivered on digital channels based on the strong capabilities we landed in the past five years. We will continue to use digital to drive a lower-cost operating model, improve client experience and scale.

Efficient and agile operating model – Project Phoenix is a total restructure of our Retail and Business Banking Cluster into a more client-centred organisational model. Project Phoenix has also enabled the efficiencies that derive from centralised important capabilities, such as solution innovation, credit and pricing, and operations. Project Imagine sees us fundamentally transforming our frontline branch infrastructure so that it is fit for a digital world, more cost-effective and more geared towards growing market share at micro-market level. As part of our digital transformation, we have adopted the Scaled Agile Framework (SAFe®) to ensure more effective and efficient delivery of technology.

Exploring new growth vectors – We will unlock more value through relentless focus on growth vectors ranging across key areas, APIs and partnerships, Beyond Banking growth through digital ecosystems such as Avo and VAS, enhanced penetration of the township economy, improving retail cross-sell, and enhanced growth in insurance funeral plan sales. These growth vectors unlock alternate revenue generation opportunities and pave the future for the bank.

Equipping our people – The group has instituted several major initiatives for our employees, including leadership development, wellness and improved benefits. We are also investing enormously in better communication with our people, including via regular Exco stand-ups, which serve to energise and align our people. There is also significant focus on equipping our employees with future-fit skills to help us remain competitive.

Nedbank Retail and Business Banking product review

Transactional Banking

Transactional Banking provides fully inclusive access to banking by offering affordable and meaningful banking to clients across all income levels, enabling financial inclusion and effective money management through key innovations such as MobiMoney, Unlocked.Me, PAYU (consumers and small businesses) and savings pockets.

Transactional Banking was a significant contributor to NIR growth in H1. The business continues to improve onboarding and servicing capabilities across physical and digital channels and has afforded a significant shift to self-service across all channels. As clients changed behaviour and moved away from branches to ATMs and digital channels, there was a notable increase in the use of EFTs, with instant payments volumes growing by 50% and payments to cellphones (money transfers) growing by 56% yoy. The purchasing of value-added services such as airtime, electricity and LOTTO also increased, with total value-added services volumes increasing by 27% yoy across all products and over 1,2 million (a 14% increase) clients buying on the platform today. Savings pockets opened during the year have grown by 84%. Key servicing capabilities introduced have seen significant growth, including debit order switching instructions by 70% and card activation by 295%.

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

Our client-centred innovations with MobiMoney have enabled the opening of 1,5 million wallets, which has zero monthly maintenance fees, allows free deposits up to R4 000 per month, and gives clients the ability to pay bills, buy airtime and electricity, and withdraw and deposit money at retailers. Clients can also buy vouchers, including retailer vouchers for Pick n Pay and Makro. Payment options have been increased through the enablement of Masterpass and a unique feature called Paycode, which enables informal traders with a MobiMoney wallet to receive payments from customers and pay for goods at wholesalers and other retailers.

Card and Payments

Card and Payments provides card issuing, card acceptance and payment products and solutions across all client segments, extending beyond RBB into Nedbank Private Wealth. It is also responsible for the bank's commercial card offerings. These offerings include key innovations such as tap-on-phone and scan-to-pay options, Market Edge, GAP Access, Apple Pay enablement, Samsung Pay and Money Message.

Nedbank Card and Payments experienced strong growth in card-issuing volumes of 19,5%, and card-acquiring volume growth of 26% during H1 as the economy normalised post-Covid-19. This growth was further evidenced through increased client acquisition, limit increases for card issuing as well as new innovations and enhanced CVPs. The liquidation of Comair (Pty) Ltd triggered a ticket obligation for Card Acquiring.

Surges in online shopping and the use of contactless payment technologies have also fuelled the popularity of recent shopping innovations, including app-based shopping, kerbside pickup and QR-code-based ordering and purchasing. There was a significant increase in the use of our digital payment methods, with growth of 71% in e-commerce volumes, over 61% growth in contactless payments and 22% growth in QR payments.

Nedbank is also the first in Africa to launch the Tap on Phone app, a payments solution that enables businesses to accept payments by simply using an Android smartphone for contactless card payments. Since its launch we have auto-enabled over 2 500 merchants with a continued steady uptake. Additionally, new features on the market-leading PocketPOS offering will be launched in H2, including a till interface, stock management and pricing catalogues.

As part of our innovative journey we launched the following new products during H1:

- The Bill Payments feature on the Money app and Online Banking, which gives our clients full control and easy management of their bill payments. Clients can make once-off payments, set rules for reoccurring monthly payments, track their payment history and maximise their rewards with the Greenbacks, American Express Membership Rewards® and SAA Voyager programmes.
- The refreshed American Express Platinum Card CVP, which offers enhanced travel and lifestyle benefits. Global benefits such as discounted bookings at luxury hotels internationally and access to international airport lounges using the Priority Pass are still part of the offerings. Local offers have been enhanced to include the revamped local dining programme, with discounts at the top 30 restaurants in SA.

Investments

We continue to focus on expanding our digital investment capabilities, with a number of new features enabling clients to:

- open an account online (Nedbank and non-Nedbank clients);
- switch investments in-app and online and transfer between differing term offerings;
- redeem Greenbacks into a notice deposit (we have seen 66 701 redemptions to date (ytd June 2022: 34 787);
- give notice of withdrawal in-app without the need to have a Nedbank transactional account; and
- use of USSD channels for investment servicing requests, so that we cater to all markets.

Further enhancements include enabling new-to-Nedbank clients to open an investment on the Money app and to save in a Simple Savings Account, with immediate access to their money.

New digital investments sales now contribute 80% of total sales and 95% of withdrawals notices.

The above improvements in digital capabilities, together with competitive investment pricing strategies in select product categories, have resulted in household demand and term market share increasing 2 bps to 15,7% since December 2021.

Forex

The forex business is well established in client journeys and continues to enhance and deliver innovative segment CVPs, enabling clients to transact and invest across numerous foreign currencies.

Forex-related NIR is up 50% yoy, driven mainly by economic recovery and digital enablement. Digital adoption of key forex capabilities continues to increase and is now on average above 60% across key services and segments.

We continue to focus on digital transformation and during H1 have:

- enhanced our international payments offering in-app and via Online Banking, enabling small-business clients, in addition to individual clients, to process both incoming and outgoing payments digitally in over 25 currencies;
- completed the development on the SendMoney service, which is planned to go live in H2, enabling clients to send money directly from their Nedbank account to top banks in 12 African countries;
- maintained foreign currency account market share of 8% (currently third in market from fifth position two years ago) ahead of enabling full digital onboarding and servicing; and
- implemented digital solutions to support high-volume straight-through settlement and client liquidity for qualifying rand incoming international payments, leveraging SARB dispensation.

Unsecured Lending

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

Personal-loan disbursal values declined by 4% in H1 2022, driven by a more cautious approach adopted to new lending given the uncertain and challenging macroenvironment. HE remained subdued at R131m due to the CLR still being above the target range and margin pressure on new business as a result of higher fixed funding rates. Including insurance profits reported in Nedbank Wealth, HE from Personal Loans is R236m at an ROE of 14,6%. Proactive credit risk management and DebiCheck operational improvements have resulted in new-business profitability returning to targeted levels. We expect the overall book CLR to be back within the upper end of the range by H2 and margin pressures to decrease as we get to the top of the rate cycle in early 2023. Growth is expected to remain subdued in the short term but improving as we move into 2023 and beyond as the macroeconomic climate improves and new digital solutions are commercialised.

Overdrafts continue to benefit from digital enablement, resulting in yoy book growth of 101% and overall group household market share increasing from 8,9% in June 2021 to 10,6% in May 2022. In total, 77% of overdrafts have been originated via digital channels, an increase from 56% in H1 2021.

The Personal Loans API solution enables both Nedbank and non-Nedbank clients to apply for personal loans or make payments in less than 10 minutes. Predetermined offers have driven an increase in straight-through loans, which have seen a 20% increase in monthly volumes yoy, building on the 42% increase seen in the prior year. Total loan volumes increased by 345% since its launch in 2020 and now represents 5% of the total of new-business sales.

Nedbank's free Credit Score tool on the Money app, which enables clients to monitor their credit scores and receive guidance on how to improve their credit behaviour, has now also been made available through Online Banking and nedbank.co.za. Any South African citizen, regardless of their relationship with Nedbank, can access this tool. At the end of June 2022, over 460 000 clients have registered on the tool, with a third actively engaging monthly.

Home Loans

Home Loans provides home ownership product solutions to the consumer, small-business and the juristic segments.

The residential mortgage market is reflecting slowing momentum as a result of a less supportive environment for home-buying activity, with increased interest rates, rising unemployment and deteriorating inflation. This is reflected in Nedbank's new business granted being flat yoy, while still exceeding pre-Covid-19 levels by over 50%.

House price inflation for June 2022 is forecast to be around 4,5% (H1 2021: 5,8%), with an expectation that this will continue to worsen, subject to interest rate increases by SARB and the GDP growth outlook. HE declined by 8% to R468m (H1 2021: R507m) at an ROE of 16% (H1 2021: 18%) and a CLR of 19 bps (H1 2021: 4 bps). Normalised for once-off impairment releases in H1 2021, HE grew by 10%.

Overall group residential mortgage market share declined to 14,0% (H1 2021: 14,3%). Home Loans continues to invest in digital optimisation and ease-of-doing-business initiatives across our new-business operations and sales channels, with a renewed focus on building and strengthening our relationship with our mortgage originator partners.

Looking ahead, Home Loans will focus on driving effective and efficient execution by targeting cost-efficient strategies and investing in appropriate technology solutions to enhance our service delivery to clients, which includes the following:

- Extending the current first-time homebuyer CVP offering to the affordable-housing segment.

Retail and business banking: Key business statistics

		Jun 2022	Jun 2021	Dec 2021
Commercial Banking				
New client acquisitions – groups[1]		**152**	129	336
Average product holding		**4,74**	4,70	4,85
Home Loans				
Number of applications received	thousands	**98**	105	200
Average loan-to-value percentage of new business registered	%	**94**	94	94
Average balance-to-original-value percentage of portfolio	%	**79**	78	79
Proportion of new business written through own channels	%	**52**	56	53
Proportion of book written since 2009	%	**88**	84	85
Owned-properties book	Rm	**36**	34	48
MFC				
Number of applications received	thousands	**935**	899	1 832
Percentage of used vehicles financed	%	**68**	71	70
Personal Loans				
Number of applications received	thousands	**738**	699	1 419
Average loan size	R000s	**59,7**	60,7	59,5
Average term	months	**42,3**	44,0	43,3
Retail deposits				
Total value of deposits taken in	rand billions	**41**	31	79
Total value of deposit withdrawals	rand billions	**41**	35	83
Number of clients at period-end[2]				
Retail active clients	thousands	**6 476**	6 465	6 417
Retail main-banked clients	thousands	**3 041**	2 983	3 052
Retail cross-sell ratio[3]	ratio	**1,92**	1,84	1,86
Commercial Banking groups		**14 231**	14 255	14 376
Small Business Services segment	thousands	**302**	300	299
Home Loans[4]	thousands	**377**	375	364
MFC	thousands	**581**	575	580
Personal Loans	thousands	**424**	435	433
Card issuing	thousands	**1 088**	1 088	1 079
Investment products	thousands	**1 457**	1 461	1 428
Distribution				
Number of commercial banking locations		**59**	59	59
Number of retail outlets		**539**	546	538
Number of ATMs		**4 265**	4 242	4 261
Number of ATMs with cash-accepting capabilities[5]		**1 303**	1 249	1 278
Digitally active retail clients[6]	thousands	**2 422**	2 204	2 289
Money app clients	thousands	**1 781**	1 581	1 631
POS devices	thousands	**106**	103	105

[1] *New client acquisitions – groups were restated from 175, which met the revenue threshold criteria on an annualised basis, to 129, which met the criteria on a ytd basis.*

[2] *All Retail clients are based on the new active-client rule, which defines active clients as those that have either a non-zero-balance asset or investment product or a positive-funded-balance transactional product (TP), or a negative TP balance with a transaction done within the past 12 months.*

[3] *The number of needs met (products) per active client.*

[4] *Home Loans now includes joint-bond clients.*

[5] *Cash-accepting devices and interactive teller machines are included in total number of ATMs.*

[6] *The definition of digitally active clients has been updated to include clients that are part of the active client base.*

- Streamlining the solar-finance process through the Money app for an enhanced client experience.
- Launching an asset-based finance product on our MFC platform to enable consumers to finance PV solar solutions. This product will be available to all qualifying clients owning a property, irrespective of whether it is bonded.
- Advancing machine-learning fraud scorecard and automated credit deployment for greater efficiencies and competitive turnaround times.
- Empowering Home Loans sales employees with pricing mandates to enable effective servicing through faster decision-making.

MFC

MFC provides secured-lending products to the consumer, small-business and juristic segments.

The domestic new-vehicle market has shown encouraging growth despite the impacts of the KwaZulu-Natal floods, new-vehicle stock shortages and higher inflation. Industry sales volumes in H1 2022 are now only 1,6% below the corresponding pre-Covid-19 level in 2019. According to the TransUnion SA Vehicle Pricing Index (Q1 2022), new- and used-vehicle prices increased by 4,0% and 7,9% yoy respectively, from 8,8% and 3,7% in Q1 2021. Used-vehicle values have performed well, increasing for the 12th successive quarter. MFC has remained a dominant player in the vehicle finance market, maintaining new-business and total book market share of 28,7% (TransUnion, April 2022) and 36,0% (BA900, May 2022) respectively. Sales in value terms grew by 6% while the advances book grew by 5%. MFC's used-to-new-vehicle finance ratio decreased to 68:32 (2021: 70:30).

HE declined by 18,4% to R748m at an ROE of 17,4% and a CLR of 1,67%. Normalising for once-off impairment releases in H1 2021, HE declined by 9,6%. The decline is driven by a higher impairment charge as a result of the worsening forward-looking macro-outlook.

MFC continues to innovate and leverage off our digital channels and platforms.

The Avo Auto channel launched successfully in H2 2021 and currently showcases almost 6 000 vehicles in a virtual dealer mall from 143 dealers.

An expansion of the virtual vehicle mall will incorporate Park and Sell. This feature will enable clients to sell their vehicles in the virtual mall to dealers and other buyers, which will initially assist MFC clients and then expand into the wider private vehicle market.

MFC continues to make positive strides with its client-centred solutions, while ensuring an efficient and productive business model that includes the following:

- The introduction of services such as change of ownership across all offboarding stages of the account lifecycle, thereby driving client value and enhancing retention strategies.
- The integration of secure automated payment solutions, enabling both businesses and clients to take up additional value-added services.
- The launching of finance for solar solutions, which will be modelled on the existing MFC straight-through process and technology capabilities.

We will continue to work with our dealer partners to gain momentum in growing their reach and efficacy, while providing a superior client experience as clients search for a vehicle that suits their needs.

Loyalty and rewards

The revamped Greenbacks programme now enables clients to join by virtue of having a transactional product, a loan or certain investment products, in addition to a credit card, delivering strong membership growth, with new enrolments up by 39% yoy to 1,5 million members.

Greenbacks earned are up by 20% yoy and clients increasing their card swipe and debit order volumes increased by 15% in H1 2022. Greenbacks members, on average, generate double the monthly net operating income when compared to clients who are not Greenbacks members, with a higher cross-sell ratio of 2,17 versus 1,13 for non-members.

In addition to swipe earn, strategic partnerships with bp fuel and Nu Metro have delivered additional value of more than R15 million to the Greenbacks base. New digital redemption volumes that enable clients to redeem their points into their MyPocket savings accounts and to buy airtime, data and electricity, have increased by 20% yoy.

We use competitions to support clients to create responsible financial behaviours, including repaying debt on time and in full and saving regularly. Through these competitions, clients have received more than R350 000 back for good money choices made and maintained.

The Greenbacks app was consolidated into the Money app, thereby providing clients with access to additional offers that, in turn, enhanced their client experience.

Notes

Retail and Business Banking — advances and impairments

Balance sheet average advances and impairments

	Daily gross average advances Rm			Stage 1 %			Stage 2 %			Stage 3 %			% of total advances			Credit loss ratio[1]		
	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Home loans	**148 815**	138 919	141 629	**84,3**	83,8	85,1	**10,6**	10,7	9,8	**5,1**	5,5	5,1	**36,6**	36,4	36,7	**0,19**	0,04	(0,09)
VAF	**123 934**	116 830	118 450	**80,4**	82,8	81,2	**14,3**	11,2	13,4	**5,3**	6,0	5,4	**31,0**	31,2	31,3	**1,67**	1,14	1,46
Personal loans	**27 256**	25 194	25 812	**63,8**	65,8	65,8	**14,1**	14,1	13,6	**22,1**	20,1	20,6	**6,5**	6,6	6,7	**9,09**	8,35	9,82
Card	**16 407**	16 826	16 717	**79,9**	79,9	79,3	**5,6**	6,0	6,8	**14,5**	14,1	13,9	**3,9**	4,3	4,0	**6,29**	5,68	6,33
Other loans	**3 720**	3 273	3 294	**80,7**	82,2	81,3	**6,4**	6,3	6,7	**12,9**	11,5	12,0	**0,9**	0,8	0,8	**4,23**	3,33	4,46
Total Retail	**320 132**	301 042	305 902	**80,8**	81,7	81,6	**12,0**	10,9	11,4	**7,1**	7,4	7,0	**78,9**	79,2	79,5	**1,88**	1,51	1,75
Commercial Banking	**83 435**	77 006	78 860	**83,7**	75,9	83,1	**11,3**	18,7	11,7	**5,0**	5,4	5,2	**21,1**	20,8	20,5	**0,12**	0,09	(0,21)
Total RBB	**403 567**	378 048	384 762	**81,4**	80,5	81,9	**11,9**	12,5	11,4	**6,7**	7,0	6,7	**100,0**	100,0	100,0	**1,52**	1,22	1,34

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

Balance sheet impairment as a percentage of book

	% of total			Stage 1 %			Stage 2 %			Performing stage 3 %			Non-performing stage 3 %			Total stage 3 %		
	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Home loans	**1,62**	1,91	1,64	**0,17**	0,21	0,19	**3,25**	5,16	3,38	**9,58**	9,49	9,11	**24,98**	26,42	28,04	**22,25**	21,25	22,32
VAF	**4,86**	4,92	4,82	**1,33**	1,14	1,32	**10,39**	11,14	10,74	**17,57**	19,39	17,29	**63,10**	67,46	62,92	**43,56**	45,52	42,71
Personal loans	**23,54**	20,80	22,75	**6,03**	4,53	6,18	**22,25**	23,14	24,22	**60,12**	59,71	58,35	**77,14**	74,45	77,12	**74,82**	72,45	74,69
Card	**16,42**	16,65	16,81	**5,28**	5,01	4,67	**50,22**	51,29	55,20	**15,00**	27,17	20,44	**69,43**	71,15	70,12	**64,81**	67,71	67,08
Other loans	**14,28**	12,01	12,80	**2,31**	1,68	1,95	**30,97**	27,75	29,36	**25,00**	22,22	30,00	**81,28**	78,82	78,33	**80,79**	77,36	77,10
Total Retail	**5,59**	5,56	5,54	**1,28**	1,14	1,28	**9,68**	11,04	10,61	**21,95**	20,28	19,13	**54,91**	56,39	57,16	**47,41**	46,01	46,76
Commercial Banking	**1,95**	2,48	2,05	**0,27**	0,34	0,34	**2,91**	4,43	3,43				**27,90**	25,71	26,10	**27,90**	25,71	26,10
Total RBB	**4,82**	4,92	4,83	**1,06**	0,98	1,08	**8,32**	8,99	9,11	**21,95**	20,28	19,13	**49,63**	49,89	50,67	**44,33**	42,75	43,43

Balance sheet actual advances

	Total advances Rm			Stage 1 Rm			Stage 2 Rm			Performing stage 3 Rm			Non-performing stage 3 Rm			Total stage 3 Rm		
	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Home loans	**151 434**	141 543	147 005	**127 708**	118 585	125 083	**16 000**	15 086	14 407	**1 368**	2 402	2 272	**6 358**	5 470	5 243	**7 726**	7 872	7 515
VAF	**128 587**	121 410	125 250	**103 435**	100 522	101 647	**18 334**	13 612	16 839	**2 926**	3 321	2 996	**3 892**	3 955	3 768	**6 818**	7 276	6 764
Personal loans	**27 113**	25 661	26 687	**17 286**	16 882	17 563	**3 829**	3 625	3 625	**815**	700	713	**5 183**	4 454	4 786	**5 998**	5 154	5 499
Card	**16 265**	16 685	16 040	**12 997**	13 324	12 714	**912**	1 004	1 087	**200**	184	137	**2 156**	2 173	2 102	**2 356**	2 357	2 239
Other loans	**3 544**	3 038	3 273	**2 860**	2 498	2 662	**226**	191	218	**4**	9	10	**454**	340	383	**458**	349	393
Total Retail	**326 943**	308 337	318 255	**264 286**	251 811	259 669	**39 301**	33 518	36 176	**5 313**	6 616	6 128	**18 043**	16 392	16 282	**23 356**	23 008	22 410
Commercial Banking	**87 341**	80 960	82 046	**73 081**	61 447	68 191	**9 879**	15 111	9 559				**4 381**	4 402	4 296	**4 381**	4 402	4 296
Total RBB	**414 284**	389 297	400 301	**337 367**	313 258	327 860	**49 180**	48 629	45 735	**5 313**	6 616	6 128	**22 424**	20 794	20 578	**27 737**	27 410	26 706

Balance sheet actual impairments

	Total impairments Rm			Stage 1 Rm			Stage 2 Rm			Performing stage 3 impairments Rm			Non-performing stage 3 impairments Rm			Total stage 3 impairments Rm		
	Jun 2022	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021
Home loans	**2 458**	2 702	2 404	**219**	251	240	**520**	778	487	**131**	228	207	**1 588**	1 445	1 470	**1 719**	1 673	1 677
VAF	**6 245**	5 974	6 043	**1 371**	1 145	1 346	**1 904**	1 517	1 808	**514**	644	518	**2 456**	2 668	2 371	**2 970**	3 312	2 889
Personal loans	**6 383**	5 337	6 071	**1 043**	764	1 086	**852**	839	878	**490**	418	416	**3 998**	3 316	3 691	**4 488**	3 734	4 107
Card	**2 671**	2 778	2 696	**686**	667	594	**458**	515	600	**30**	50	28	**1 497**	1 546	1 474	**1 527**	1 596	1 502
Other loans	**506**	365	419	**66**	42	52	**70**	53	64	**1**	2	3	**369**	268	300	**370**	270	303
Total Retail	**18 263**	17 156	17 633	**3 385**	2 869	3 318	**3 804**	3 702	3 837	**1 166**	1 342	1 172	**9 908**	9 243	9 306	**11 074**	10 585	10 478
Commercial Banking	**1 704**	2 010	1 683	**194**	208	234	**288**	670	328				**1 222**	1 132	1 121	**1 222**	1 132	1 121
Total RBB	**19 967**	19 166	19 316	**3 579**	3 077	3 552	**4 092**	4 372	4 165	**1 166**	1 342	1 172	**11 130**	10 375	10 427	**12 296**	11 717	11 599

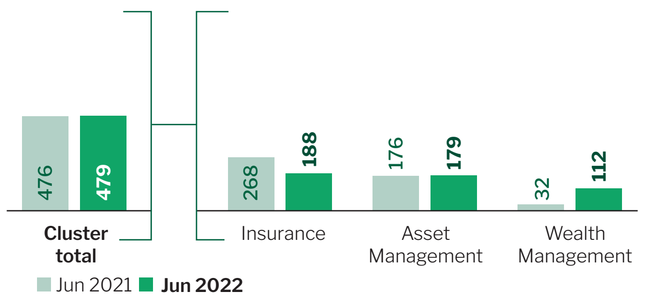
Income statement impairments

	Income statement impairments charge[1,2] Rm			Stage 1 Rm			Stage 2 Rm			Stage 3 Rm			Interest on impaired advances Rm			Post-write-off recoveries Rm		
	Jun 2022	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021	**Jun 2022**	Jun 2021	Dec 2021
Home loans	**142**	26	(129)	**(21)**	(9)	(5)	**37**	60	(199)	**186**	40	205	**(40)**	(39)	(75)	**(20)**	(26)	(55)
VAF	**1 024**	659	1 727	**22**	69	307	**97**	(33)	274	**1 166**	913	1 745	**16**	3	14	**(277)**	(293)	(613)
Personal loans	**1 228**	1 044	2 536	**(43)**	67	389	**(14)**	16	59	**1 857**	1 490	3 173	**(428)**	(389)	(792)	**(144)**	(140)	(293)
Card	**512**	474	1 059	**90**	115	36	**(143)**	(251)	(166)	**759**	802	1 611	**(10)**	(25)	(34)	**(184)**	(167)	(388)
Other loans	**79**	54	146	**15**	1	13	**7**	2	11	**79**	73	172	**(18)**	(14)	(29)	**(4)**	(8)	(21)
Total Retail	**2 985**	2 257	5 339	**63**	243	740	**(16)**	(206)	(21)	**4 047**	3 318	6 906	**(480)**	(464)	(916)	**(629)**	(634)	(1 370)
Commercial Banking	**48**	35	(167)	**(40)**	(106)	(83)	**(52)**	135	(207)	**181**	20	150	**3**	(8)	(6)	**(44)**	(6)	(21)
Total RBB	**3 033**	2 292	5 172	**23**	137	657	**(68)**	(71)	(228)	**4 228**	3 338	7 056	**(477)**	(472)	(922)	**(673)**	(640)	(1 391)

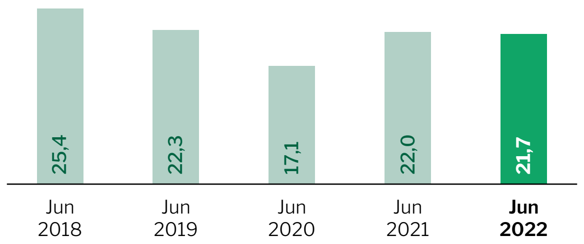
[1] *Impairments charge and resultant CLR include charges housed centrally in RBB.*
[2] *The income statement charge includes the charge associated with unutilised balances.*

Nedbank Wealth

Headline earnings
(Rm)



Return on equity
(%)



Financial highlights

for the period ended

	Yoy % change	Jun 2022	Jun 2021	Dec 2021
Headline earnings (Rm)	1	**479**	476	962
NII (Rm)	23	**511**	416	866
Impairments charge (Rm)	>(100)	**(56)**	(21)	28
NIR (Rm)	(6)	**1 759**	1 862	3 788
Operating expenses (Rm)	2	**1 668**	1 633	3 280
ROE (%)		**21,7**	22,0	21,2
ROA (%)		**1,22**	1,17	1,18
CLR – banking advances (%)		**(0,37)**	(0,13)	0,09
NIR to total operating expenses		**105,5**	114,0	115,5
Cost-to-income ratio (%)		**73,5**	71,7	70,5
Interest margin (%)		**1,78**	1,39	1,44
Assets under management (Rm)	(4)	**385 466**	400 229	424 329
Life assurance embedded value (Rm)	(8)	**3 575**	3 902	4 039
Life assurance value of new business (Rm)	(5)	**146**	153	322
Total assets (Rm)	(2)	**80 136**	81 666	80 986
Average total assets (Rm)	(3)	**79 303**	81 826	81 673
Total advances (Rm)	(3)	**29 892**	30 948	30 273
Average total advances (Rm)	(3)	**30 214**	31 239	30 978
Total deposits (Rm)	1	**43 962**	43 721	43 840
Average total deposits (Rm)	(4)	**42 548**	44 271	44 070
Average allocated capital (Rm)	2	**4 454**	4 363	4 528

Financial performance

Nedbank Wealth delivered a resilient financial performance in a challenging operating environment, with HE at R479m up by 1% compared to the prior year. ROE of 21,7% remains above the group's cost of equity, marginally down yoy due to higher growth in allocated capital. The Wealth Cluster's financial performance was adversely impacted by significant insurance claims due to the catastrophic weather-related event in KwaZulu-Natal and the impact of negative market performance on investment returns and flat AUM fees locally and internationally. This was offset by credit impairment recoveries and higher interest rates.

NII increased by 23% to R511m due to higher SA, US and UK interest rates, which led to NIM widening to 1,78% from 1,40% in the prior year.

CLR improved to -37 bps, below the TTC target range of 20 to 40 bps, as a result of local credit impairment recoveries and local IFRS 9 model releases.

NIR decreased by 5,5% to R1 759m due to lower investment returns, increased non-life claims as a result of the KwaZulu-Natal floods and the base effect of once-off profits from an enhanced asset-and-liability matching strategy in the prior year. Lower advice and investment fees, due to negative market sentiment and the exclusion of revenue previously accounted for due to the sale of the international Nedgroup Trust business, further contributed to the decrease in NIR. This was partially offset by reduced death and funeral claims in the life portfolio and an increase in brokerage and estate fees.

Expenses continued to be well managed, increasing by 2% yoy. The cost-to-income ratio deteriorated to 73,5% (2021: 71,7%), due primarily to lower NIR.

Strategic progress

Nedbank Wealth continued to focus on enhancing client experiences, building data and digital capabilities, investing in people and culture, driving long-term performance for clients, and collaborating across the group.

Insurance continued to focus on digitisation and diversification of client solutions and distribution channels. The expanded suite of MyCover solutions has reported an increase in sales due to multiple marketing campaigns that were launched specifically for MyCover Funeral and MyCover Life. Nedbank Insurance continued to invest in the MyCover Personal Lines solution by enhancing the value proposition and broadening awareness.

Nedbank Insurance has extended its quoting, fulfilment and claims functionality on digital channels to 10 product offerings, and the first phase of MyCover Funeral has been incorporated into the group's digital Eclipse platform. Nedbank Insurance recently partnered with Hippo to position the MyCover value proposition in the market by leveraging the Nedbank brand to attract new-to-Nedbank clients. At the 2022 International ActiveOps Awards Nedbank Insurance won first place in Excellence in Running Operations in the Insurance category.

Asset Management reported a 9% decline in AUM to R385bn as a result of negative market performance and outflows predominantly in the cash portfolio. Nedgroup Investments experienced good inflows into the low-cost Core and Global fund ranges, which benefited from an increased desire by South Africans to diversify their investments. According to the Q1 2022 ASISA stats, Nedgroup Investments maintained its ranking of being fifth largest in total AUM locally and third largest internationally, retaining a market share of 7% and 12% respectively. The business continued to focus on digital automation to improve client experiences and create efficiencies. Nedgroup Investments continued its journey of becoming one of the leaders in responsible investing by collaborating with Nedbank Private Wealth (International) to deliver sustainable investment model portfolios. In addition, Nedbank Wealth became signatories to the United Nations Principles for Responsible Investment (UN PRI).

Wealth Management (SA) continued to optimise its business structure and operations to enhance client experience through the centralisation of shared services and the implementation of a new Trading and Investments structure. To further improve client experience Nedbank Bank Private Wealth (SA) went live with digital client onboarding for Trading. The business also launched digital client onboarding for South African clients looking to invest internationally, building on its holistic integrated high-net-worth proposition. In April Nedbank Private Wealth (SA) launched the Connected Wealth digital marketing campaign, which is showing increased client engagement on various social-media platforms. The Nedbank Private Wealth app, which offers integrated local and international banking capabilities, has maintained an average rating of 4,7 on the Apple and Google app stores.

At the 2022 Intellidex Awards, Nedbank Private Wealth (SA) ranked first place in the Wealthy Family Archetype category, second place in People's Choice: Private Banks, and third place in the Top Wealth Manager: Large Institutions categories. These accomplishments can be attributed to efforts in repositioning Nedbank Private Wealth (SA) as a holistic, advice-led wealth management business.

Wealth Management (International) has made steady progress in digital innovation and adoption. The business continued to focus on enhancing the client onboarding experience for Nedbank Private Wealth (SA) clients, rolling out eKYC technology and reviewing its core Wealth Management platform. At the 2022 City of London Wealth Management Awards, Nedbank Private Wealth (International) was recognised as the Best Private Bank in the UK for the eighth consecutive year and won the award for Total Wealth Planning – High Net Worth at the 2022 Private Asset Managers Awards.

In April 2022 Nedbank Private Wealth (International) successfully concluded the sale of Nedgroup Trust Limited (Guernsey) and Nedgroup Trust Limited (Jersey) at a profit of R177m, shifting the company's focus to core business activities. In accordance with the group's accounting policies, the profit on sale is excluded from headline earnings.

Looking forward

The ongoing war between Russia and Ukraine, rising inflation, and power supply constraints locally provide an uncertain backdrop for the remainder of the year. Markets are expected to remain volatile, which will negatively impact investor sentiment and subsequently the performance of our businesses. While the challenging macro environment may require increased IFRS 9 provisions, we do not expect this to exceed impairment releases to date, resulting in CLR remaining below the TTC range in the second half of the year. Nedbank Wealth expects an increase in expenses due to rising inflation and the continued investment in strategic growth initiatives across the business.

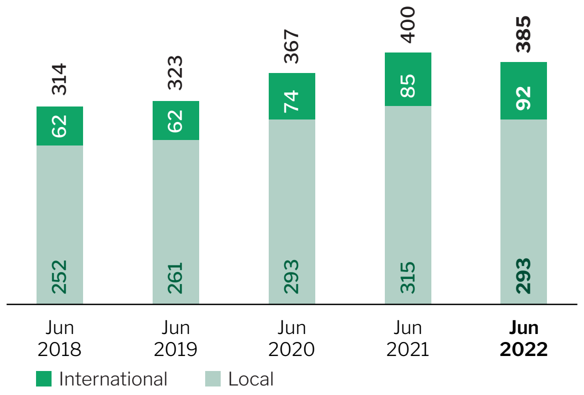
Insurance will focus on growing the MyCover portfolio, expanding its mobile and digital offerings, and repositioning the Nedbank Insurance brand as 'insurance you can bank on every day'. The business aims to further improve sales through digital and in-branch campaigns in collaboration with Nedbank Group to increase penetration. During the second half of the year Nedbank Insurance will continue to include the remainder of the MyCover suite on the group's Eclipse platform.

Asset Management remains committed to attracting positive net flows, delivering long-term investment performance, acting in the best interest of clients and taking further steps towards becoming one of the leaders in responsible investing. Nedgroup Investments will continue to integrate with the Nedbank Money app to leverage the Nedbank client base and other online digital channels to make investing easier and more accessible for clients. The recent amendments to offshore allowances will have significant implications for the asset management industry. Nedgroup Investments is well positioned for this change due to its well-known and diverse Global range and offshore capacity.

Wealth Management (SA) will focus efforts on entrenching its market presence as an advice-led business that connects clients' holistic wealth needs and leverages digital assets to create efficiencies and enhance client experiences. In addition, Nedbank Private Wealth (SA) will continue to grow its high-net-worth client base and optimise its structure and operations to remain future-fit and aligned with client needs. Collaboration with the group will be key to increasing client penetration and providing a full spectrum of services to clients. Growth across all offerings remains a priority, supported by the Connected Wealth client value proposition.

Wealth Management (International) will continue to provide an international wealth platform for Nedbank Private Wealth (SA) while also delivering advice-led international business growth from its operations in the Isle of Man, UK, Jersey and Dubai for high-net-worth clients outside of SA. Nedbank Private Wealth (International) is committed to simplifying the technology landscape by investing in solutions with a specific focus on digital engagement with clients, intelligent use of data, and improved automation to enhance the client experience.

Assets under management
(Rbn)



Segmental performance

Insurance

The insurance industry experienced a decline in investment returns due to negative market performance, with the life insurance industry reporting a decrease in death and funeral claims relative to the prior year due to the reduced impact of Covid-19. The non-life insurance industry has seen an increase in claims due to the impact of the KwaZulu-Natal floods. Nedbank Insurance's HE decreased by 30% to R188m, due primarily to lower investment returns as a result of negative market performance, a higher non-life claims experience and once-off profits from an enhanced ALM strategy in the prior year. This was partially offset by a decrease in death and funeral claims in the life portfolio.

Life EV decreased by 8% yoy to R3 575m, due primarily to the declaration of higher dividends. Life EV was also impacted negatively by lower EV earnings yoy due to negative market performance and higher interest rates. VNB decreased by 5% yoy to R146m despite a significant increase (13%) in new-business volumes. This reduction was driven primarily by lower margins as a result of a change in product mix. Non-life GWP increased by 0,8% to R587m due to higher HOC and Personal Lines premiums, offset by a reduction in Warranty premiums.

Asset Management

The asset management industry continues to experience pressure on fees and has been impacted significantly by negative local and international market performance in the first half of the year. Asset Management's HE remained flat yoy at R179m as a result of NIR remaining steady due to average AUM benefiting from higher opening balances, despite lower closing balances. This resulted in a decline of AUM of 9% to R385bn due to negative market performance and net outflows, primarily in the low-margin cash portfolio. This was driven mainly by the reversal of the 2020 'Covid-19 excess' as corporates became more confident in repaying debt, resuming dividends and investing. These outflows were partially offset by inflows into the Core and Global fund ranges.

Wealth Management

The wealth management industry has benefited from an increase in interest rates both locally and internationally. However, volatile and negative market performance has impacted investor sentiment significantly. Overall, Wealth Management's HE improved by >100% to R112m, driven mainly by credit impairment recoveries and an increase in NII. This was partially offset by a decrease in NIR due to lower advice fees and the exclusion of revenue previously accounted for due to the sale of the international Nedgroup Trust business in the current reporting period.

Wealth Management (SA) benefited from credit impairment recoveries, improved margins, and an increase in brokerage income and estate fees, offset by lower investment and advice fees due to negative market performance and investor sentiment.

Wealth Management (International) benefited from US and UK interest rate increases resulting in higher NII, with lending balances remaining steady compared to the prior year, despite fierce competition from ring-fenced banks. Although market conditions in the first half of 2022 have been challenging, Nedbank Private Wealth (International) achieved yoy growth in AUM due to favourable market conditions in the latter part of 2021, resulting in higher opening balances combined with positive net flows. These net flows can be attributed to success in executing a strategy of becoming a high-net-worth advice-led business. AUA balances have also been impacted negatively by market valuations in the first half of 2022.

Favourable	Unfavourable
• Lower death and funeral claims. • Post-Covid-19 credit impairment recoveries. • Higher local and international interest rates. • Good growth in client usage of digital channels. • Approved as signatories to the UN-backed Principles for Responsible Investment (UN PRI). • Successful completion of the sale of the international Nedgroup Trust business.	• Higher non-life claims driven by the KwaZulu-Natal floods. • Negative local and international equity market performance. • Adverse economic outlook and high inflation locally and internationally, impacting investment and client affordability. • Net AUM outflows. • Competitive lending rate environment internationally. • Base effect of enhanced ALM strategy in H1 2021.

Assets under management

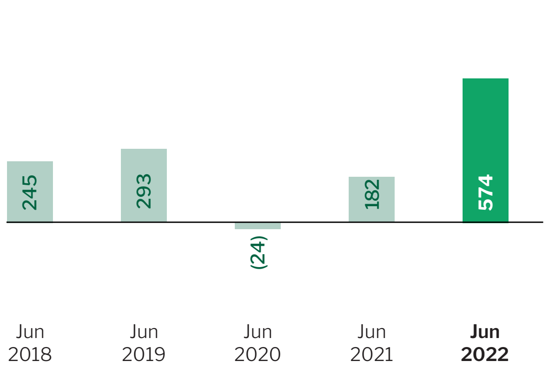
Rm	Jun 2022	Jun 2021	Dec 2021
Fair value of funds under management – by type			
Unit trusts	**331 616**	337 103	359 404
Third party	**950**	990	1 105
Private clients	**52 900**	62 136	63 820
	385 466	400 229	424 329
Fair value of funds under management – by geography			
SA	**292 924**	314 877	325 318
Rest of the world	**92 542**	85 352	99 011
	385 466	400 229	424 329

Rm	Unit trusts	Third party	Private clients	Total
Reconciliation of movement in funds under management – by type				
Opening balance at 31 December 2021	359 404	1 105	63 820	424 329
Inflows	341 321	9	3 715	345 045
Outflows	(346 696)	(22)	(4 176)	(350 894)
Mark-to-market value adjustment	(24 064)	(61)	(9 834)	(33 959)
Foreign currency translation differences	1 651	(81)	(625)	945
Closing balance – 30 June 2022	331 616	950	52 900	385 466

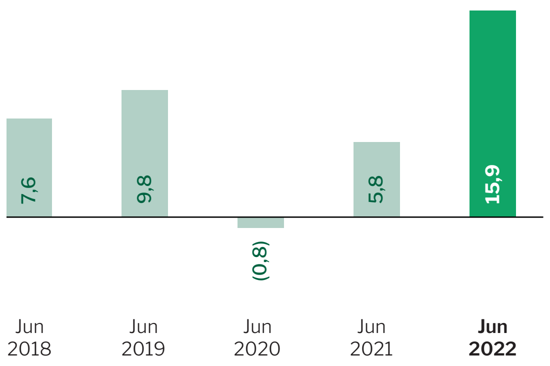
Rm	SA	Rest of the world	Total
Reconciliation of movement in funds under management – by geography			
Opening balance at 31 December 2021	325 318	99 011	424 329
Inflows	331 741	13 304	345 045
Outflows	(344 307)	(6 587)	(350 894)
Mark-to-market value adjustment	(19 828)	(14 131)	(33 959)
Foreign currency translation differences		945	945
Closing balance – 30 June 2022	292 924	92 542	385 466

Nedbank Africa Regions

Headline earnings
(Rm)



Return on equity
(%)



Financial performance

HE of the NAR business increased to R574m from R182m in H1 2021, delivering an ROE of 15,9%, above the group's COE. This increase is attributable to an improved performance in the SADC operations and a continued turnaround of our ETI associate investment.

Our SADC operations generated HE of R190m and ROE of 6,1% in H1 2022 from a headline loss of R11m and ROE of -0,4% in H1 2021. The improved performance was driven mainly by increases in revenue; SADC operations gross operating income (GOI) increased by 41% to R1 966m.

Average gross banking loans and advances decreased by 7% to R21,7bn, while average deposits decreased by 3% to R33,0bn. Lower-than-expected economic activity across the regions was the main driver of a reduction in advances and deposits. NII increased by 14% to R773m, despite the lack of growth in loans and advances, driven by improved margins across the regions to 4,60% from 3,99% in H1 2021. NIM benefited from the increase in interest rates.

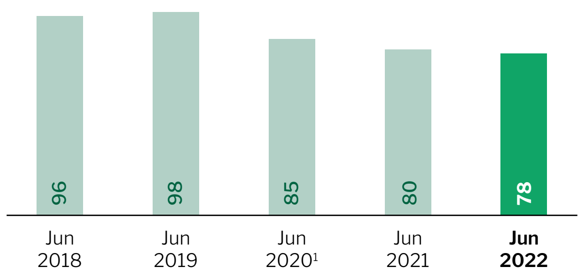
NIR increased by 79% to R1 074m. Although this was driven largely by higher unrealised forex gains in Zimbabwe, there was an overall uplift in transaction volumes across the regions. Our NIR levels have surpassed our 2019 pre-Covid-19 levels by more than 100% (H1 2019: R481m). Overall GOI, including associate income, was up by 50% to R2 317m.

The impairment charge increased by 18% to R113m, mainly as a result of a low base in the prior year on the back of releases in Namibia. The NAR CLR increased to 110 bps (H1 2021: 84 bps) due to an increase in impairments, particularly in Mozambique and Eswatini; however, this is comparable to our 2019 levels of 109 bps. The impairment increase in Mozambique was a result of changes in risk classifications to better align with group models and an impairment raised on a single corporate client. The impairment increase in Eswatini was a result of changes in the risk profiles of some clients.

Expenses increased by 9% to R1 277m, driven mainly by growth in employee costs and inflationary pressures in Zimbabwe. The cluster's cost-to-income ratio decreased from 75,0% to 55,1%, with the SADC operations showing a significant improvement, decreasing to 65,0% (H1 2021: 83,5%). This improvement was driven mainly by the growth in NIR stemming from the forex gains in Zimbabwe. Headcount decreased by 3% to 2 284 as we continue to focus on rightsizing the business and automating more functions.

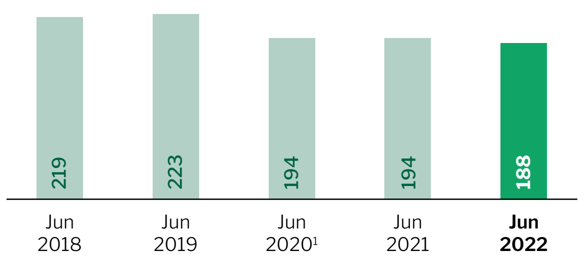
Associate income, relating to the group's 21% shareholding in ETI, increased to R470m, up from R283m (R270m excluding share of goodwill) in H1 2021. This includes accounting for our share of ETI's Q4 2021 and Q1 2022 earnings (in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrear). The strong performance from ETI was driven largely by good NIR growth from the three core regions, namely Anglophone West Africa (AWA), Central, Eastern and Southern Africa (CESA) and Francophone West Africa (UEMOA), and the ongoing cost optimisation efforts across ETI.

Branches



[1] *Malawi disposed of in H12020 (11).*

ATMs



[1] *Malawi disposed of in H12020 (22).*

Strategic progress

Our strategy on the continent remains to own, manage and control banking operations in SADC and East Africa, and to give our clients access to a banking network in West and Central Africa through our strategic investment in the pan-African banking group ETI, which has subsidiaries in 33 African countries. As part of the Ecobank–Nedbank alliance, Nedbank Group offers clients access to the widest banking network in Africa, with a presence in 39 countries on the continent. Nedbank's strategy is to achieve scale in the current markets where we operate while exploring opportunities to expand in large, fast-growing markets on the continent, when opportunities arise.

We are continuing to transform the NAR business as we look to rightsize the business with the right skills in place to ensure we achieve our fair share of the available banking revenue pools in the markets in which we operate. Mozambique remains a key focus market and good progress has been made in leveraging the enterprise capabilities through collaboration efforts, and we will continue to build on this progress to unlock further value. Rebranding from Banco Único to Nedbank Mozambique a year ago has been well received, as evidenced by Nedbank being rated #1 in NPS and being a top-two brand in brand sentiment score.

Our focus remains to transform the NAR business to be more digital, as we are making progress in delivering on our pan-African digital growth strategy. At the end of H1 2022 digitally active clients across NAR were 57% of the total active client base (H1 2021: 47%). The Nedbank Money App (Africa) is proving to be the channel of choice, with more than 90% of digitally active clients using the app. It achieved an app store rating of 3,8 (out of 5). The total number of enrolments at the end of June 2022 for the CMA countries exceeded 73 000 users, with the total number of app users across NAR now more than 100 000 (H1 2021: 70 600). App volumes increased by 48% yoy, while value-added services (including airtime and electricity) purchases grew by 36%. SendMoney volumes have increased by 64% yoy, as we continue to drive digital usage by our clients and increase the functionality on offer. The focus to date has been on enhancements to improve client experiences across our digital channels.

New innovations and improvements across our digital channels in the first half of 2022 included the following:

- We have enabled clients to apply for various insurance products and fixed deposits via the Nedbank Money App (Africa) and Nedbank Online Banking.

Financial highlights

		Nedbank Africa Regions			SADC			ETI		
	Yoy % change	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Headline earnings (Rm)	>100	**574**	182	594	**190**	(11)	71	**384**	193	523
NII (Rm)	14	**773**	676	1 448	**892**	799	1 693	**(119)**	(123)	(245)
Impairments charge (Rm)	18	**113**	96	168	**113**	96	168			
NIR (Rm)	79	**1 074**	599	1 431	**1 074**	599	1 431			
Operating expenses (Rm)	9	**1 277**	1 167	2 535	**1 277**	1 167	2 535			
Associate income[1]	74	**470**	270	686				**470**	270	686
ROE (%)[2]		**15,9**	5,8	9,3	**6,1**	(0,4)	1,3	**80,1**	51,6	67,8
ROA (%)		**2,78**	0,89	1,41	**1,10**	(0,07)	0,20	**11,14**	5,62	7,62
Return on cost of ETI investment (%)[3]		**15,1**	8,7	11,0				**15,1**	8,7	11,0
CLR (%)		**1,10**	0,84	0,72	**1,10**	0,84	0,72			
NIR to total operating expenses		**84,1**	51,3	56,4	**84,1**	51,3	56,4			
Cost-to-income ratio (%)		**55,1**	74,9	70,8	**65,0**	83,5	81,1			
Interest margin (%)		**4,60**	4,00	4,20	**6,14**	5,49	5,68			
Total assets (Rm)	3	**41 675**	40 657	42 847	**39 226**	38 602	40 575	**2 449**	2 055	2 272
Average total assets (Rm)	2	**39 135**	38 461	39 235	**36 750**	36 312	37 070	**2 385**	2 149	2 165
Total advances (Rm)	(4)	**21 233**	22 067	21 243	**21 233**	22 067	21 243			
Average total advances (Rm)	(7)	**20 620**	22 266	22 469	**20 620**	22 266	22 469			
Total deposits (Rm)		**33 002**	33 134	35 054	**33 002**	33 134	35 054			
Average total deposits (Rm)	(3)	**32 997**	33 852	34 413	**32 997**	33 852	34 413			
Average allocated capital (Rm)	15	**7 284**	6 326	6 385	**6 316**	5 572	5 614	**968**	754	771

[1] *Associate income on an IFRS basis is R470m (June 2021: R270m) as IFRS requires associate income to be presented net of our share of ETI's goodwill impairment of Rnil (June 2021: 13m). Our share of ETI's goodwill impairment is excluded from HE.*

[2] *June 2022 ROE on subsidiary in-country statutory capital is 15,5% (Namibia: 8,5%; Eswatini: 11,6%; Lesotho: 3,1%; Zimbabwe: 84,5%; Nedbank Mozambique: 14,1%).*

[3] *H1 2021 ROI calculation changed to be inclusive of Nedbank's share of ETI's goodwill impairment.*

- We have enabled business clients to send bulk SendMoney payments to clients with mobile numbers, including paying workers who don't have a bank account or are seasonal workers.
- In Mozambique we have enabled current clients to apply for loans via the digital channels, improved the new MyUey App so clients can make QR payments, and enabled business clients to apply for bank guarantee documents via Nedbank Online.
- In Zimbabwe we have enabled Zipit smart clients to pay merchants directly from their account through our mobile banking platform and have enabled clients to perform self-service functions in branch via tablets.

In the first half of 2022 we received the following awards:

- Excellence in Mobile Banking, Finnovex Southern Africa Awards 2022.
- Most Innovative Retail Banking App in Lesotho 2022, Global Banking & Finance Awards 2022 (Nedbank Lesotho).
- Best Bank for Digital Banking Services in Lesotho 2022, Global Banking & Finance Awards 2022 (Nedbank Lesotho).

Nedbank's bold aspiration is to be rated #1 in client experiences across most markets in which we operate. As a result of brand building and client experience improvement initiatives across our various channels, as well as social-media and other marketing activities over the past year, Nedbank's brand sentiment has improved in almost all markets (Eswatini, Lesotho, Mozambique, and Namibia), with Nedbank now ranked as a top-two brand in brand sentiment score in Lesotho, Mozambique, and Namibia. In H1 2022 Nedbank Eswatini and Mozambique ranked #1 in NPS (leaders in client experience) in their respective markets.

With regard to ETI, our focus remains to increase the value of our investment. We are working through our representation on the board to ensure an appropriate focus on capital, liquidity and growth to unlock value, including addressing the challenges in Ecobank Nigeria.

Looking forward

Economic growth in sub-Saharan Africa, slowed down by the impact of the war between Russia and Ukraine, is forecast to grow by 3,8% in 2022 and accelerate to 4,0% in 2023, lower than previous projections of 4,5%. This ongoing conflict as well as lockdowns in China and softer global demand pose a risk to business performance as various supply chains remain under pressure and the cost of living rises across the countries in which we operate. We continue to monitor the sporadic unrest in Eswatini for its impact on the economy. In the northern parts of Mozambique SADC forces have helped to stabilise the areas affected by Jihadist insurgents, but security will remain a challenge until the root cause is addressed. Stabilisation in Mozambique is essential to the business as the resumption of the construction of the liquefied-natural-gas fields will help the country to benefit from the global search for alternative gas suppliers. Responsive management action plans are in place to deal with Zimbabwe's hyperinflationary environment and macroeconomic policy uncertainties.

We expect the NAR business performance to continue its improvements into H2 2022. Our SADC operations are expected to deliver strong revenue growth (NIR and NII) in the second half of the year. From an ETI perspective the earnings recovery is also expected to continue, driven by its three core regions as already evident in its H1 2022 results. The focus remains on, as a shareholder, supporting the business in solving for the challenges that face Ecobank Nigeria.

Our key focus areas for the rest of 2022 remain the following:

- Driving the implementation of our pan-African digital growth strategy, leveraging the group's ecosystem and technology platform.
- Maximising growth opportunities in Mozambique, focusing on the key sectors of energy, infrastructure, agriculture, and agro-processing.
- Continuing the transformation of the NAR business and operating model aimed at rightsizing the business and improving overall efficiency.
- Unlocking value, with the other shareholders, in our ETI associate investment by increasing deal flows and providing support to resolve challenges faced by Ecobank Nigeria.

Nedbank is committed to long-term and profitable growth in our NAR business and seeks to leverage these growth opportunities. Our ambition is to give our clients access to the best financial services network in Africa and we will deploy capital to optimise returns for the group. In the medium-to-long term we expect the NAR business to continue to grow its overall contribution to group earnings and improve its ROE to levels consistently above the group's COE.

Segmental performance

SADC operations

Our SADC operations generated an HE of R190m, up by >100% from an HE loss of R11m in H1 2021. The business achieved these results despite the hyperinflationary environment and monetary policy uncertainty in Zimbabwe, new regulatory directives in Lesotho putting pressure on earnings, and concerns about ongoing unrest in Eswatini. The main driver of performance was improved revenue (NIR and NII) growth, largely in Zimbabwe, Mozambique and Namibia. Given the further depreciation of the Zimbabwean dollar, the monetary loss of R277m was higher yoy (H1 2021: R40m loss).

NIR in SADC increased significantly by 79% to R1 074m, with NII increasing by 12% to R892m. The increase in NIR was due to higher unrealised forex gains in Zimbabwe and increased transaction volumes in Mozambique. NIR in Zimbabwe was up by 192% and in Mozambique up by 70%. NII growth was driven largely by improved NIM across the region due to higher interest rates. SADC operating income was up by 42% to R1 853m. The SADC CLR increased to 110 bps (H1 2021: 84 bps), driven by an increase in impairments, particularly in Mozambique and Eswatini. The impairment increase in Mozambique was a result of changes in risk classifications to better align with group models and an impairment raised on a single corporate client. The impairment increase in Eswatini was due to changes in the risk profiles of some clients. NAR's CLR for H1 2022 is thus comparable with 2019 levels (H1 2019: 109 bps) and is within the cluster TTC target range of 85 bps to 120 bps.

Clients – The overall number of clients grew by 4% in H1 2022 to 351 356 (2021: 337 860). Most of the growth came from Mozambique, Zimbabwe and Lesotho, all growing more than 5%. In Namibia and Eswatini we achieved growth of just over 2%.

Distribution – We are transforming our business model for overall efficiency while driving growth to achieve scale. In line with this, we have been reviewing our distribution strategy to ensure an efficient, optimally staffed, fit-for-purpose distribution model for our business. We continue to invest in growing our digital channels as we aim to become a more digital business. In H1 2022 our branches and ATMs decreased by 4% to 77 and 187 respectively. We increased slightly the number of point-of-sale devices to 8 799 (H1 2021: 8 780) and this contributed to an increase in card-acquiring turnover of 17% to R7,2bn (H1 2021: R6,2bn).

ETI associate investment

The momentum in ETI's financial recovery continued, with associate income from the investment up 66% on the prior year to R470m. This resulted in an increase in HE from R193m to R384m. This includes accounting for our share of ETI's Q4 2021 and Q1 2022 earnings (in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrear). The turnaround in ETI's financial performance during 2021 continued into Q1 2022, as attributable earnings grew from US$52m in Q1 2021 to US$66m in Q1 2022, up by 27% yoy. ETI's H1 2022 results reflect a continuation of the strong momentum in earnings, with pre-impairment income up 18% yoy, a 36% increase in constant currency. After impairments and net monetary losses, profit before tax was up 24% yoy (a 53% increase in constant currency). H1 2022 earnings of US$130m were up 23% when compared to the prior period.

The performance for the six months ending 31 March 2022 (ETI results are reported in Nedbank results a quarter in arrear) was driven by the following:

- Strong growth in NIR from the three core regions (AWA, UEMOA and CESA).
- Tight expense management as a result of the ongoing cost optimisation project across ETI and rationalisation in Nigeria.
- The stabilisation in the stage 3 loan book and a concomitant improvement in the cost-of-risk charge (Q1 2021: 1,97% vs Q1 2022: 1,66%).

The turnaround in performance has meant that ETI has resumed payment of dividends - the last time dividends were paid was in 2016. ETI's ROTE is up to 19,5% (H1 2021: 16,1%). ETI has achieved a material improvement in its capital position, with total CAR at 14,8% (estimate at 31 March 2022).

ETI received the following awards at the 2022 Euromoney Awards for Excellence:

- Africa's Best Bank
- Africa's Best Bank for SME
- Africa's Best Digital Bank

Ecobank's strengths include local knowledge and experience, clients, technology, digital platforms and geographic footprint. Its focus is on growing the business and it wants to remain at the forefront of trade, payments, remittances and financial inclusion by continually leveraging technology and appropriate partnerships. To improve its operational and financial performance, it has restructured its businesses in Nigeria and the CESA regions, implementing a suite of efficiency initiatives, including closing physical branches and reducing headcount. It has also focused on the quality of the legacy credit portfolio and improving the health of its credit portfolio, specifically Nigeria.

ETI is focusing on delivering returns above the cost of equity, improving business performance by regions, and entrenching the leadership positions in the West African Monetary Zone and Economic Union and Anglophone West Africa, which is reflected in the strong financial performance across both regions. CESA's ROE has improved following restructuring exercises and the region's performance is expected to continue to improve, notwithstanding the impact of hyperinflation in Zimbabwe and South Sudan. Although still profitable, Ecobank Nigeria's performance remain suboptimal and a drag on the group's overall financial performance and returns.

Favourable	Unfavourable
• Strong liquidity and capital positions across subsidiaries. • Strong growth in digitally active clients and digital channel usage. • Significant growth in revenue. • Improved cost-to-income ratios. • Good cross-sell metrics. • Top 2 in brand sentiment score in Lesotho, Mozambique and Namibia. • Leading net promoter scores in Eswatini and Mozambique. • Increased contribution from our SADC operations to overall NAR HE. • Significant improvement in associate income from ETI. • Strong returns from ETI's West and Central Africa regions. • Dividends amounting to R139m received from our investment in ETI.	• Zimbabwe being impacted by hyperinflation. • While improving, ROE in SADC operations being relatively low. • Muted asset growth. • Low growth in main banked clients. • Ecobank Nigeria (ENG) performance improved but remain suboptimal.

Geographical segmental reporting

for the period ended

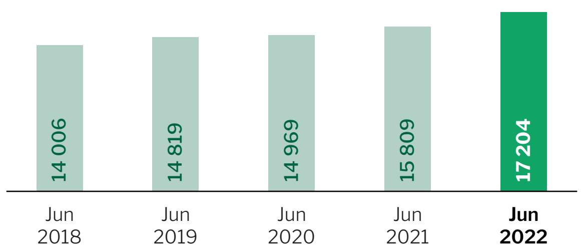
Rm	Nedbank Group			South Africa[1]			Nedbank Africa Regions[2]			Rest of the world		
	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Summary of consolidated statement of financial position												
Assets												
Cash and cash equivalents	**44 394**	38 562	44 586	**36 033**	28 926	34 563	**6 301**	7 446	8 075	**2 060**	2 190	1 948
Other short-term securities	**74 400**	55 326	60 037	**49 336**	31 024	34 459	**4 838**	3 676	5 050	**20 226**	20 626	20 528
Derivative financial instruments	**44 183**	46 649	39 179	**44 128**	46 532	39 099	**16**	16	1	**39**	101	79
Government and other securities	**139 521**	138 869	150 498	**137 675**	137 433	148 722	**1 843**	1 430	1 773	**3**	6	3
Loans and advances	**856 814**	814 979	831 735	**791 817**	753 041	767 051	**21 233**	22 067	21 243	**43 764**	39 871	43 441
Other assets	**99 053**	93 620	95 019	**88 663**	83 805	84 717	**4 571**	3 937	4 285	**5 819**	5 878	6 017
Intergroup assets	**–**	–	–	**(2 873)**	(2 085)	(2 420)	**2 873**	2 085	2 420			
Total assets	**1 258 365**	1 188 005	1 221 054	**1 144 779**	1 078 676	1 106 191	**41 675**	40 657	42 847	**71 911**	68 672	72 016
Equity and liabilities												
Total equity	**113 164**	106 876	109 511	**92 257**	88 118	89 896	**7 284**	6 326	6 385	**13 623**	12 432	13 230
Derivative financial instruments	**42 204**	37 282	36 042	**42 182**	37 222	35 956	**16**	3	10	**6**	57	76
Amounts owed to depositors	**1 008 021**	935 723	971 795	**916 151**	844 315	878 759	**33 002**	33 134	35 054	**58 868**	58 274	57 982
Provisions and other liabilities	**41 810**	48 951	45 547	**39 941**	46 932	43 341	**946**	876	971	**923**	1 143	1 235
Long-term debt instruments	**53 166**	59 173	58 159	**52 739**	58 855	57 732	**427**	318	427			
Intergroup liabilities	**–**	–	–	**1 509**	3 234	507				**(1 509)**	(3 234)	(507)
Total equity and liabilities	**1 258 365**	1 188 005	1 221 054	**1 144 779**	1 078 676	1 106 191	**41 675**	40 657	42 847	**71 911**	68 672	72 016
Summary of consolidated statement of comprehensive income												
NII	**17 204**	15 809	32 500	**16 008**	14 772	30 296	**773**	676	1 448	**423**	361	756
NIR	**13 321**	11 793	25 027	**11 646**	10 628	22 289	**1 074**	599	1 431	**601**	566	1 307
Share of income of associate companies	**510**	340	799	**40**	57	100	**470**	283	699			
Total income	**31 035**	27 942	58 326	**27 694**	25 457	52 685	**2 317**	1 558	3 578	**1 024**	927	2 063
Impairments charge on financial instruments	**3 390**	3 278	6 534	**3 215**	3 299	5 810	**113**	96	168	**62**	(117)	556
Net income	**27 645**	24 664	51 792	**24 479**	22 158	46 875	**2 204**	1 462	3 410	**962**	1 044	1 507
Total operating expenses	**17 451**	16 355	33 639	**15 660**	14 717	30 146	**1 277**	1 167	2 535	**514**	471	958
Zimbabwe hyperinflation	**277**	40	138				**277**	40	138			
Indirect taxation	**544**	526	1 073	**499**	482	979	**36**	35	72	**9**	9	22
Profit before direct taxation	**9 373**	7 743	16 942	**8 320**	6 959	15 750	**614**	220	665	**439**	564	527
Direct taxation	**2 175**	1 927	4 104	**2 164**	1 849	4 100	**(45)**	2	(26)	**56**	76	30
Profit after taxation	**7 198**	5 816	12 838	**6 156**	5 110	11 650	**659**	218	691	**383**	488	497
Profit attributable to non-controlling interest	**535**	565	1 149	**450**	529	1 052	**85**	36	97			
Headline earnings/(losses)	**6 663**	5 251	11 689	**5 706**	4 581	10 598	**574**	182	594	**383**	488	497

[1] Includes all group eliminations.
[2] The NAR geographical segmental income statement and balance sheet consist of the SADC banking subsidiaries and the investment in ETI. These statements do not include transactions concluded with clients resident in the rest of Africa by other group entities within CIB, or transactional-banking revenues. For example, CIB has a credit exposure to clients resident in the Africa regions of R40,0bn (June 2021: R32,6bn; December 2021: R41,5bn).

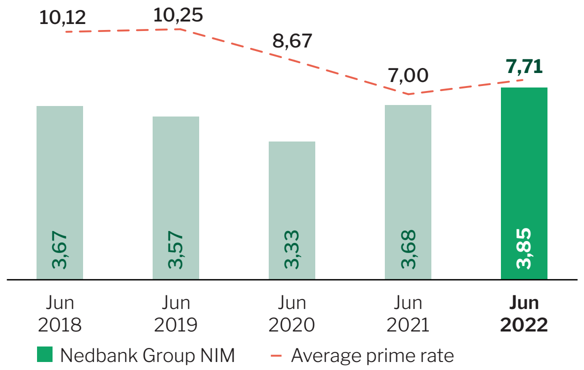
Income statement analysis

1 Net margin analysis

Net interest income
(Rm)

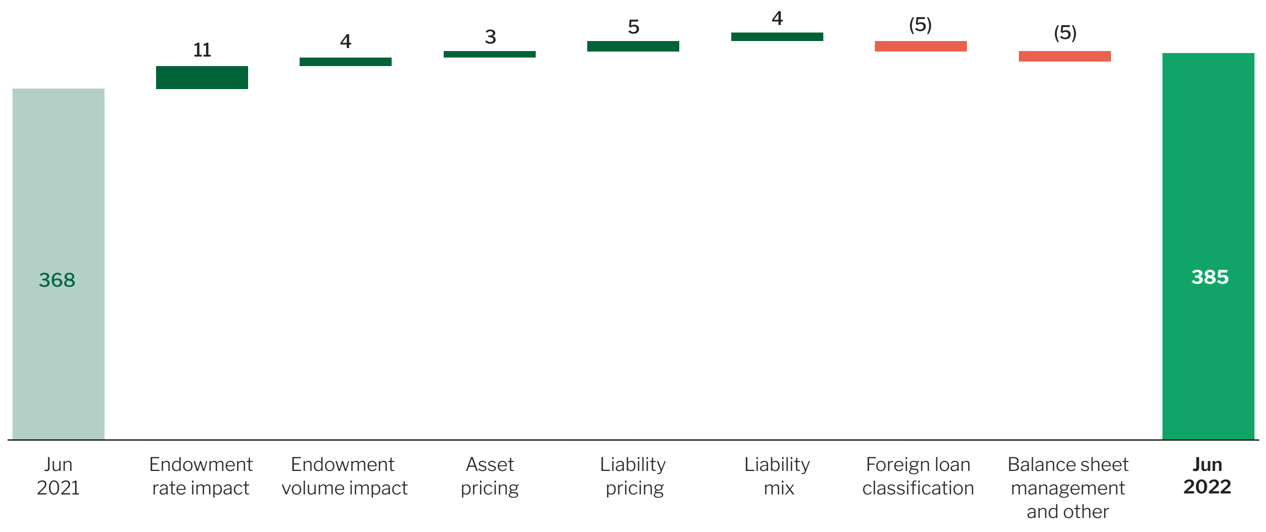


Interest margin trends versus prime rate
(%)



Nedbank Group	Jun 2022		Jun 2021		Dec 2021	
	Bps	Rm	Bps	Rm	Bps	Rm
Closing average interest-earning banking assets (year-to-date average)		900 845		866 588		870 382
Opening NIM/NII	368	15 809	333	14 969	336	30 081
Growth in banking assets		625		(670)		(856)
Endowment	15	680	(14)	(601)	(1)	(111)
Endowment rate impact	11	538	(30)	(1 295)	(14)	(1 293)
Endowment volume impact	4	142	16	694	13	1 182
Asset margin pricing and mix	3	130	34	1 455	20	1 744
Impact due to pricing	3	137	20	857	8	683
Impact due to mix change		(7)	14	598	12	1 061
Liability margin pricing and mix	9	429	(1)	(36)	6	504
Deposits pricing and mix	6	279	(2)	(66)	3	207
Impact due to pricing	6	299	(9)	(369)	(2)	(162)
Impact due to mix change		(20)	7	303	5	369
Enhancing funding profile	3	150	1	30	3	297
Impact due to pricing	(1)	(23)		7	1	62
Impact due to mix change	4	173	1	23	2	235
Foreign loan classification	(5)	(215)				
Balance sheet management and other	(5)	(254)	16	692	12	1 138
Closing NIM/NII for the period	385	17 204	368	15 809	373	32 500

Net interest margin
(Bps)



Net interest income

Favourable	Unfavourable
• Positive endowment rate impact due to higher interest rates, following interest hikes of 125 bps. • Endowment mix benefit given higher CASA deposits and capital (working capital and equity) balances. • Improved asset pricing on new commercial advances, including positive pricing benefits due to portfolio optimisation. • Liability mix benefits as a result of stronger growth in higher-margin deposits relative to lower-margin deposits, as well as a positive deposit pricing impact in commercial deposits.	• The dilutive impact of moving the foreign currency loan portfolio, with lower yielding assets, into the banking book (previously the trading book), in line with the regulatory requirements under the Fundamental Review of the Trading Book (FRTB). • Negative impact of increased funding cost on the return of HQLA portfolios as well as basis risk impacts.

NII sensitivity analysis

- At June 2022 the NII sensitivity of the group's banking book for a 1% parallel increase in interest rates, measured over 12 months, was 1,53% of total group ordinary shareholders' equity, which is below the board's approved risk limit of < 2,25%.
- This exposes the group to an increase in NII of approximately R1 565m before tax, should interest rates increase by 1% across the yield curve, measured over a 12-month period. Nedbank London branch and Wealth International NII sensitivities are, however, measured at a 0,5% instantaneous increase in interest rates and Nedbank Zimbabwe is measured at a 3,0% instantaneous increase in interest rates.
- The group's NII sensitivity exhibits very little convexity and will therefore also result in a decrease in pre-tax NII of approximately similar amounts should interest rates decrease by 1%.
- The group's NII sensitivity is managed actively through on- and off-balance-sheet interest rate risk management strategies for the group's expected interest rate view and impairment sensitivity over the cycle.
- Nedbank Limited's economic value of equity (EVE) for a 1% increase in interest rates remains at a low level of 0,05% (approximately R40m) of ordinary shareholders' equity, which is below the board's approved risk limit of 1,25%.

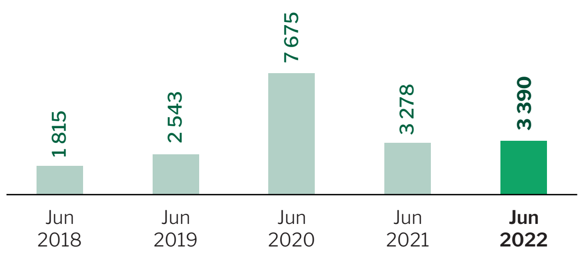
Average banking statement of financial position and related interest

	Jun 2022			Jun 2021			Dec 2021		
	Average balance	Margin statement interest[1]		Average balance	Margin statement interest[1]		Average balance	Margin statement interest[1]	
Rm	Assets	Received	%	Assets	Received	%	Assets	Received	%
Average prime rate			7,71			7,00			7,03
Assets									
Listed corporate bonds	22 994	712	6,24	21 416	612	5,76	22 236	1 287	5,79
Home loans (including properties in possession)	180 058	6 410	7,18	171 269	5 522	6,50	173 839	11 314	6,51
Commercial mortgages	188 463	6 744	7,22	187 945	6 187	6,64	187 550	12 516	6,67
Instalment debtors	140 191	6 643	9,56	132 393	5 960	9,08	134 137	12 199	9,09
Credit card balances	16 788	1 065	12,79	17 169	1 074	12,61	17 072	2 138	12,52
Overdrafts	22 503	933	8,36	21 274	772	7,32	21 316	1 576	7,39
Term loans and other[1]	207 327	6 303	6,13	198 122	5 613	5,71	195 198	11 357	5,82
Personal loans	29 661	2 788	18,95	27 829	2 702	19,58	28 454	5 528	19,43
Gross banking loans and advances	807 985	31 598	7,89	777 417	28 442	7,38	779 802	57 915	7,43
Impairment of loans and advances	(26 035)			(24 890)			(25 214)		
Government and other securities	79 670	3 551	8,99	74 893	3 311	8,92	76 635	6 837	8,92
Short-term funds and securities	39 225	577	2,97	39 168	478	2,46	39 159	1 020	2,60
Interest-earning banking assets	900 845	35 726	8,00	866 588	32 231	7,50	870 382	65 772	7,56
Other[2]	196 782			184 219			188 668		
Total assets	1 097 627	35 726	6,56	1 050 807	32 231	6,19	1 059 050	65 772	6,21
	Liabi-lities	Paid	%	Liabi-lities	Paid	%	Liabi-lities	Paid	%
Equity and liabilities									
Deposit and loan accounts	526 160	11 227	4,30	504 559	9 172	3,67	513 248	18 957	3,69
Current and savings accounts	144 246	338	0,47	136 615	253	0,37	140 660	523	0,37
Negotiable certificates of deposit	93 968	2 525	5,42	99 472	2 325	4,71	91 839	4 378	4,77
Other interest-bearing liabilities	130 115	2 482	3,85	102 096	2 706	5,34	104 440	5 465	5,23
Long-term debt instruments	55 356	1 950	7,10	58 609	1 966	6,76	58 278	3 949	6,78
Interest-bearing banking liabilities	949 845	18 522	3,93	901 351	16 422	3,67	908 465	33 272	3,66
Revaluation of FVTPL-designated liabilities	(159)			6 151			5 285		
Ordinary and minority shareholders' equity	107 325			101 609			103 619		
Other[3]	40 616			41 696			41 681		
Total shareholders' equity and liabilities	1 097 627	18 522	3,40	1 050 807	16 422	3,15	1 059 050	33 272	3,14
Interest margin on average interest-earning banking assets	900 845	17 204	3,85	866 588	15 809	3,68	870 382	32 500	3,73

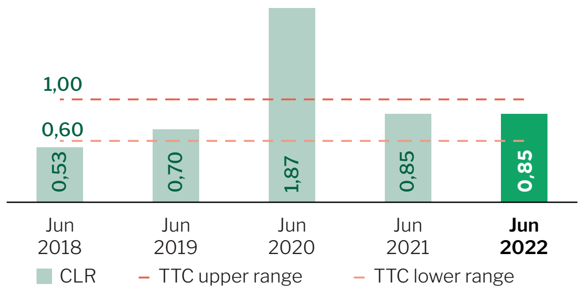
[1] *Includes term loans, preference shares, factoring debtors, foreign lending, loans to banks and other lending-related instruments.*
[2] *Includes cash and banknotes, derivative financial instruments, insurance assets, associates and investments, property and equipment, mandatory reserve deposits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

2 Impairments

Nedbank Group impairments charge
(Rm)



Nedbank Group credit loss ratio trends
(%)



Restructured credit exposures in line with Directive 3/2020 and Directive 7/2015

June 2022	Restructured credit exposure transactions						GLAA, excluding trading book	Directive 3/2020 restructures as a % of cluster/ business unit GLAA
Nedbank cluster/business unit	Directive 3/2020 restructures[1]			Directive 7/2015 restructures[2]				
	Total number	Exposure (Rm)	Impairments (Rm)	Total number	Exposure (Rm)	Impairments (Rm)	Exposure (Rm)	%
Corporate and Investment Banking	–	–	–	23	2 755	322	365 918	–
CIB, excl Property Finance				4	2 068	276	196 523	
Property Finance				19	687	46	169 395	
Retail and Business Banking	–	–	–	30 699	6 067	1 336	414 284	–
Commercial Banking				31	86	17	87 341	
Retail				30 668	5 981	1 319	326 943	
Wealth				23	213	56	30 271	
Nedbank Africa Regions				71	205	73	22 372	
Centre							(1 609)	
Group	–	–	–	30 816	9 240	1 787	831 236	–

[1] A directive from the PA that implements 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.

[2] 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.

December 2021	Restructured credit exposure transactions						GLAA, excluding trading book	Directive 3/2020 restructures as a % of cluster/ business unit GLAA
Nedbank cluster/business unit	Directive 3/2020 restructures			Directive 7/2015 restructures				
	Total number	Exposure (Rm)	Impairments (Rm)	Total number	Exposure (Rm)	Impairments (Rm)	Exposure (Rm)	%
Corporate and Investment Banking	14	3 249	167	18	2 513	400	352 487	0,92
CIB, excluding Property Finance	1	345	38	5	2 258	360	184 965	0,19
Property Finance	13	2 904	129	13	255	40	167 522	1,73
Retail and Business Banking	–	–	–	35 603	6 852	1 462	400 301	–
Commercial Banking				67	115	26	82 046	
Retail				35 536	6 737	1 436	318 255	
Wealth				29	194	67	30 729	
Nedbank Africa Regions				104	275	75	22 325	
Centre							1 112	
Group	14	3 249	167	35 754	9 834	2 004	806 954	0,40

June 2021	Restructured credit exposure transactions						GLAA, excluding trading book	Directive 3/2020 restructures as a % of cluster/ business unit GLAA
Nedbank cluster/business unit	Directive 3/2020 restructures			Directive 7/2015 restructures				
	Total number	Exposure (Rm)	Impairments (Rm)	Total number	Exposure (Rm)	Impairments (Rm)	Exposure (Rm)	%
Corporate and Investment Banking	26	9 458	448	16	1 081	339	334 722	2,83
CIB, excluding Property Finance	9	4 206	400	5	800	292	167 695	2,51
Property Finance	17	5 252	48	11	281	47	167 027	3,14
Retail and Business Banking	–	–	–	35 699	7 096	1 492	389 297	–
Commercial Banking				163	359	56	80 960	
Retail				35 536	6 737	1 436	308 337	
Wealth	2	16		42	327	70	31 358	0,05
Nedbank Africa Regions	3	17	4	147	243	97	23 113	0,07
Centre							2 012	
Group	31	9 491	452	35 904	8 747	1 998	780 502	1,22

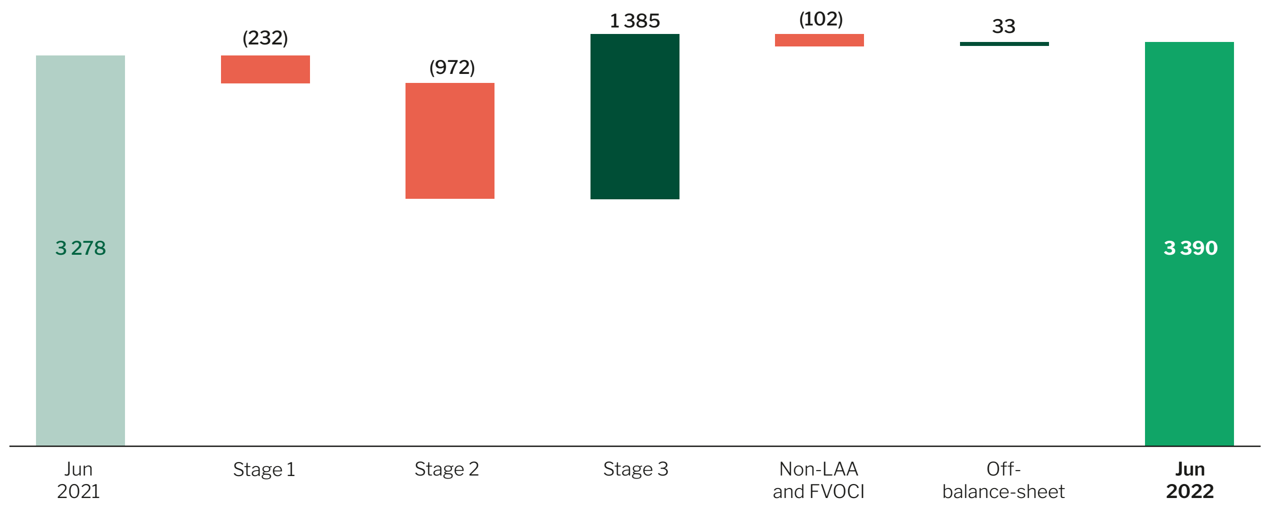
Nedbank Group income statement impairment charge and credit loss ratio

June 2022 (Rm)	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Non-LAA and FVOCI Rm	Off-balance-sheet Rm	Impairment charge, net of recoveries Rm	Mix of average banking advances %	CLR %	Target CLR range %
Corporate and Investment Banking (CIB)	(85)	(492)	1 139	(78)	(135)	349	43,7	0,20	0,15–0,45
CIB, excluding Property Finance	(6)	(412)	874	(78)	(135)	243	23,2	0,26	0,20–0,50
Property Finance	(79)	(80)	265			106	20,5	0,13	0,15–0,35
Retail and Business Banking (RBB)	26	(56)	3 076	–	(13)	3 033	49,8	1,52	1,20–1,75
Commercial Banking	(40)	(40)	138		(10)	48	10,3	0,12	0,50–0,70
Retail	66	(16)	2 938		(3)	2 985	39,5	1,88	1,60–2,40
Wealth	7	1	(64)			(56)	3,8	(0,37)	0,20–0,40
Nedbank Africa Regions	37	(11)	90	(5)	2	113	2,7	1,10	0,85–1,20
Centre		(48)		(1)		(49)			
Nedbank Group	(15)	(606)	4 241	(84)	(146)	3 390	100,0	0,85	0,60–1,00

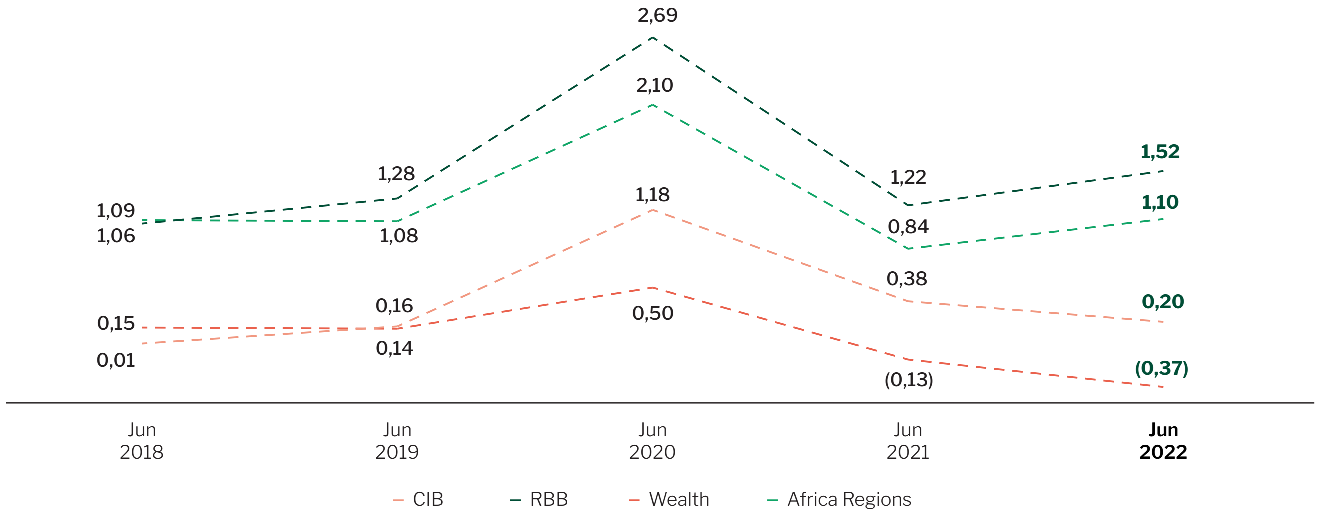
December 2021 (Rm)	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Non-LAA and FVOCI Rm	Off-balance-sheet Rm	Impairment charge, net of recoveries Rm	Mix of average banking advances %	CLR %	Target CLR range %
Corporate and Investment Banking (CIB)	(291)	453	1 178	290	(212)	1 418	43,6	0,42	0,15–0,45
CIB, excluding Property Finance	(129)	150	824	290	(212)	923	22,3	0,53	0,20–0,50
Property Finance	(162)	303	354			495	21,3	0,30	0,15–0,35
Retail and Business Banking (RBB)	669	(207)	4 763	–	(53)	5 172	49,1	1,34	1,30–1,80
Commercial Banking	(75)	(187)	141		(46)	(167)	10,1	(0,21)	0,50–0,70
Retail	744	(20)	4 622		(7)	5 339	39,0	1,75	1,60–2,40
Wealth	(18)	(3)	49			28	4,0	0,09	0,20–0,40
Nedbank Africa Regions	16	(7)	170	(2)	(9)	168	3,0	0,72	0,75–1,00
Centre		(249)		(3)		(252)	0,3		
Nedbank Group	376	(13)	6 160	285	(274)	6 534	100,0	0,83	0,60–1,00

June 2021 (Rm)	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Non-LAA and FVOCI Rm	Off-balance-sheet Rm	Impairment charge, net of recoveries Rm	Mix of average banking advances %	CLR %	Target CLR range %
Corporate and Investment Banking (CIB)	44	176	557	18	(136)	659	44,2	0,38	0,15–0,45
CIB, excluding Property Finance	(138)	105	428	18	(136)	277	22,7	0,31	0,20–0,50
Property Finance	182	71	129			382	21,5	0,46	0,15–0,35
Retail and Business Banking (RBB)	142	(53)	2 242	–	(39)	2 292	48,4	1,22	1,30–1,80
Commercial Banking	(102)	155	22		(40)	35	9,9	0,09	0,50–0,70
Retail	244	(208)	2 220		1	2 257	38,5	1,51	1,60–2,40
Wealth	4	(14)	(11)			(21)	4,1	(0,13)	0,20–0,40
Nedbank Africa Regions	27	7	68	(2)	(4)	96	3,0	0,84	0,75–1,00
Centre		250		2		252	0,3		
Nedbank Group	217	366	2 856	18	(179)	3 278	100,0	0,85	0,60–1,00

Nedbank Group income statement impairment drivers
(Rm)



Nedbank Group credit loss ratio per cluster
(%)



Favourable	Unfavourable
• The CLR ratio remained flat yoy at 85 bps, within the group's target range of 60 bps to 100 bps and at the lower end of the full-year 2022 guidance range of between 80 bps and 100 bps, which was provided in March 2022. • All businesses across the Nedbank Group were within or below their CLR target range, with one exception being Unsecured Lending (as was the case for YE 2021). • CIB impairments decreased by 47% to R349m and the CIB CLR of 20 bps was below the 38 bps reported in H1 2021. • The group's Covid-19 and macro-related judgemental overlays decreased to R903m (Dec 2021: R1 518m).	• The group's impairment charge increased by 3% yoy to R3 390m (June 2021: R3 278m), due to a challenging macroeconomic environment and rising interest rates. • The Unsecured Lending portfolio experienced a deteriorating risk profile, with higher-than-anticipated risk emergence in the portfolio partly due to the implementation of DebiCheck.

Impairments charge on financial instruments

June 2022	Nedbank Group	Corporate and Investment Banking	Retail and Business Banking	Wealth	Nedbank Africa Regions	Centre[1]
Balance at the beginning of the year	26 581	5 114	19 406	456	1 105	500
Stage 1 ECL allowance	4 573	681	3 600	44	248	
Stage 2 ECL allowance	6 543	1 692	4 194	39	118	500
Stage 3 ECL allowance	15 465	2 741	11 612	373	739	
Statement of comprehensive income charge net of recoveries	3 390	349	3 033	(56)	113	(49)
Stage 1 ECL allowance	(15)	(85)	26	7	37	
Stage 2 ECL allowance	(606)	(492)	(56)	1	(11)	(48)
Stage 3 ECL allowance	4 241	1 139	3 076	(64)	90	
Off-balance-sheet allowance	(146)	(135)	(13)		2	
Non-loans and advances	(6)				(5)	(1)
FVOCI loan impairment charge	(78)	(78)				
Adjusted for:	(3 139)	(667)	(2 394)	(21)	(60)	3
Recoveries	756	66	673		17	
Interest in suspense	577	90	477		10	
Amounts written off	(4 565)	(877)	(3 664)	(18)	(6)	
Foreign exchange and other transfers	85	54	120	(3)	(86)	
Non-loans and advances	8				5	3
ECL allowance – closing balance	26 832	4 796	20 045	379	1 158	454
Stage 1	4 482	574	3 626	50	235	(3)
Stage 2	5 870	1 166	4 108	39	100	457
Stage 3	16 480	3 056	12 311	290	823	
Split by measurement category	26 832	4 796	20 045	379	1 158	454
Loans and advances	26 108	4 169	19 967	379	1 139	454
Loans and advances in FVOCI	483	483				
Off-balance-sheet allowance	241	144	78		19	

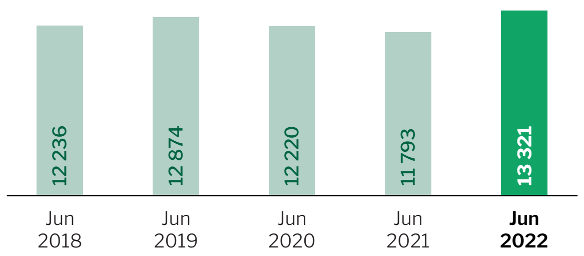
[1] *Centre includes consolidation and other adjustments.*

December 2021	Nedbank Group	Corporate and Investment Banking	Retail and Business Banking	Wealth	Nedbank Africa Regions	Centre
Balance at the beginning of the year	26 077	4 638	19 257	434	983	765
Stage 1 ECL allowance	4 237	935	3 015	46	241	
Stage 2 ECL allowance	6 772	1 306	4 504	56	158	748
Stage 3 ECL allowance	15 068	2 397	11 738	332	584	17
Statement of comprehensive income charge net of recoveries	6 534	1 418	5 172	28	168	(252)
Stage 1 ECL allowance	376	(291)	669	(18)	16	
Stage 2 ECL allowance	(13)	453	(207)	(3)	(7)	(249)
Stage 3 ECL allowance	6 160	1 178	4 763	49	170	
Off-balance-sheet allowance	(274)	(212)	(53)		(9)	
Non-loans and advances	(5)				(2)	(3)
FVOCI loan impairment charge	290	290				
Adjusted for:	(6 030)	(942)	(5 023)	(6)	(46)	(13)
Recoveries	1 425	4	1 391		30	
Interest in suspense	1 062	152	922		(12)	
Amounts written off	(8 139)	(691)	(7 380)	(5)	(63)	
Foreign exchange and other transfers	(19)	(43)	44	(1)	(3)	(16)
Non-loans and advances	5				2	3
FVOCI loans	(364)	(364)				
ECL allowance – closing balance	26 581	5 114	19 406	456	1 105	500
Stage 1	4 573	681	3 600	44	248	
Stage 2	6 543	1 692	4 194	39	118	500
Stage 3	15 465	2 741	11 612	373	739	
Split by measurement category	26 581	5 114	19 406	456	1 105	500
Loans and advances	25 650	4 296	19 316	456	1 082	500
Loans and advances in FVOCI	535	535				
Off-balance-sheet allowance	396	283	90		23	

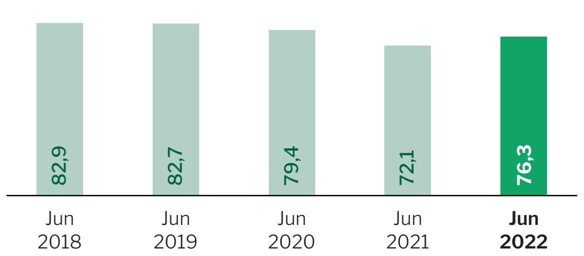
June 2021	Nedbank Group	Corporate and Investment Banking	Retail and Business Banking	Wealth	Nedbank Africa Regions	Centre
Balance at the beginning of the year	26 077	4 638	19 257	434	983	765
Stage 1 ECL allowance	4 237	935	3 015	46	241	
Stage 2 ECL allowance	6 772	1 306	4 504	56	158	748
Stage 3 ECL allowance	15 068	2 397	11 738	332	584	17
Statement of comprehensive income charge net of recoveries	3 278	659	2 292	(21)	96	252
Stage 1 ECL allowance	217	44	142	4	27	
Stage 2 ECL allowance	366	176	(53)	(14)	7	250
Stage 3 ECL allowance	2 856	557	2 242	(11)	68	
Off-balance-sheet allowance	(179)	(136)	(39)		(4)	
Non-loans and advances	–				(2)	2
FVOCI loan impairment charge	18	18				
Adjusted for:	(2 706)	(392)	(2 278)	(3)	(17)	(16)
Recoveries	650	1	640		9	
Interest in suspense	583	102	472		9	
Amounts written off	(3 915)	(438)	(3 479)		2	
Foreign exchange and other transfers	(24)	(57)	89	(3)	(39)	(14)
Non-loans and advances	–				2	(2)
ECL allowance – closing balance	26 649	4 905	19 271	410	1 062	1 001
Stage 1	4 378	958	3 133	44	243	
Stage 2	7 076	1 484	4 404	48	139	1 001
Stage 3	15 195	2 463	11 734	318	680	
Split by measurement category	26 649	4 905	19 271	410	1 062	1 001
Loans and advances	25 525	3 902	19 166	410	1 046	1 001
Loans and advances in FVOCI	646	646				
Off-balance-sheet allowance	478	357	105		16	

3 Non-interest revenue and income

Non-interest revenue
(Rm)



Non-interest revenue to total operating expenses
(%)



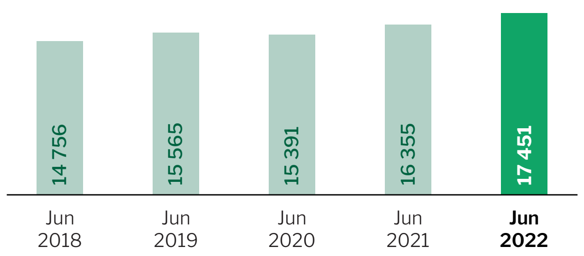
Favourable	Unfavourable
• Commission and fees having continued recovery evident in increasing client transactional activity, as well as benefits of cross-sell, main-banked client gains and growth in card interchange revenue. • Insurance having benefited from lower death and funeral claims. • Equity realisations and dividends. • Fair-value losses lower as the macro fair-value hedge accounting mismatch volatility did not reoccur.	• Trading income impacted by global, political and macroeconomic events, particularly in debt securities. • Non-repeat of insurance asset–liability matching execution in prior period base and KwaZulu-Natal floods impacting insurance income.

		Nedbank Group			Corporate and Investment Banking			Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre		
Rm	Yoy % change	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Commission and fees income	5	**9 051**	8 623	17 754	**1 326**	1 395	2 710	**6 229**	5 776	11 965	**1 055**	1 076	2 210	**474**	434	953	**(33)**	(58)	(84)
Administration fees	2	**694**	678	1 403	**23**	20	50	**242**	257	505	**388**	362	766	**32**	33	68	**9**	6	14
Card income	13	**1 932**	1 714	3 646	**14**	9	21	**1 855**	1 654	3 511				**62**	50	111	**1**	1	3
Cash-handling fees	4	**539**	517	1 027	**86**	100	193	**437**	401	802	**1**	1	1	**15**	15	31			
Exchange commission	26	**355**	282	648	**99**	91	192	**128**	107	242	**56**	58	110	**71**	55	129	**1**	(29)	(25)
Guarantees income	9	**150**	137	267	**116**	102	195	**18**	21	41				**16**	14	31			
Insurance commission	(3)	**222**	229	442				**128**	131	243	**92**	96	194	**3**	2	5			
Other commission	2	**2 032**	1 996	3 958	**570**	735	1 250	**1 413**	1 222	2 623	**(74)**	(78)	(178)	**115**	109	250	**7**	8	13
Other fees	3	**963**	934	2 041	**390**	310	753	**51**	49	98	**564**	611	1 264	**9**	8	15	**(51)**	(44)	(89)
Service charges	1	**2 164**	2 136	4 322	**28**	28	56	**1 957**	1 934	3 900	**28**	26	53	**151**	148	313			
Insurance income	13	**1 126**	998	2 005				**302**	201	487	**798**	768	1 474	**27**	40	65	**(1)**	(11)	(21)
Fair-value adjustments	93	**(55)**	(740)	(833)	**(41)**	(129)	(83)	**8**	12	25	**–**	–	–	**(6)**	(13)	(14)	**(16)**	(610)	(761)
Fair-value adjustments	38	**(89)**	(143)	(128)	**(49)**	(131)	(94)							**(6)**	(13)	(14)	**(34)**	1	(20)
Hedge-accounted portfolios	>100	**34**	(597)	(705)	**8**	2	11	**8**	12	25							**18**	(611)	(741)
Trading income	(10)	**2 047**	2 273	4 475	**1 926**	2 204	4 295	**68**	51	109	**–**	–	–	**53**	18	71	**–**	–	–
Commodities	10	**11**	10	26	**11**	10	26												
Debt securities	(27)	**877**	1 204	2 267	**877**	1 204	2 267												
Equities	2	**419**	411	842	**419**	411	842												
Foreign exchange	14	**740**	648	1 340	**619**	579	1 160	**68**	51	109				**53**	18	71			
Equity revaluation gains/(losses)	99	**506**	254	650	**539**	289	666	**–**	–	43	**–**	–	–	**–**	–	–	**(33)**	(35)	(59)
Realised gains, dividends, interest and other income	92	**447**	233	727	**480**	268	786										**(33)**	(35)	(59)
Unrealised gains/(losses)[1]	>100	**59**	21	(77)	**59**	21	(120)			43									
Investment income	(29)	**74**	104	263	**59**	91	87	**5**	15	16	**5**	3	161				**5**	(5)	(1)
Sundry income/(expenses)[2,3]	>100	**572**	281	713	**98**	99	206	**37**	57	138	**(99)**	15	(57)	**526**	120	356	**10**	(10)	70
Total non-interest revenue4	13	**13 321**	11 793	25 027	**3 907**	3 949	7 881	**6 649**	6 112	12 783	**1 759**	1 862	3 788	**1 074**	599	1 431	**(68)**	(729)	(856)

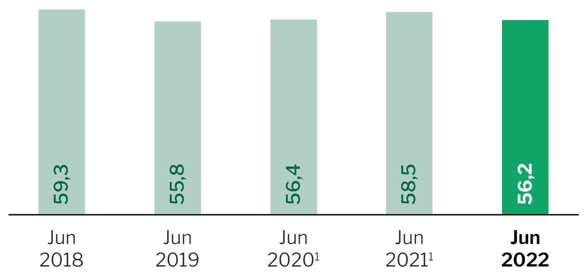
[1] *Unrealised losses relate to equity investments in associates and joint ventures, which are estimated and converted to realised or dividends once earned.*
[2] *Sundry income mainly comprises security dealings, rental income, fair-value movements on non-trading investments and forex gains and losses.*
[3] *Sundry income in NAR includes R360m of foreign exchange unrealised gains in Zimbabwe on foreign-denominated assets and R112m related to hyperinflation indexing (offset in net monetary loss).*
[4] *Total non-interest revenue excluding Zimbabwe hyperinflation related growth is 11,5%.*

4 Expenses

Total operating expenses
(Rm)

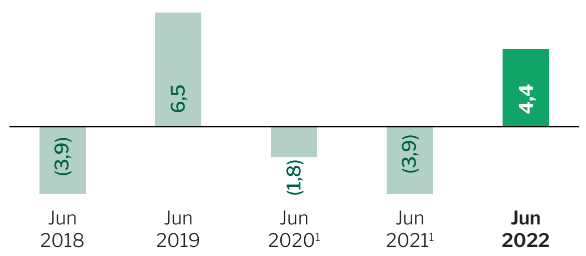


Cost-to-income ratio
(%)



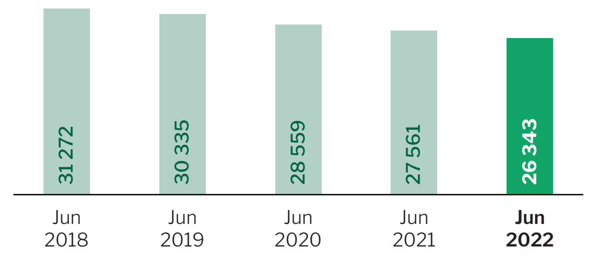
Excluding hedge-accounted portfolios, the group's cost-to-income ratio would be 56,3% (Jun 2021: 57,3%).

Gross operating income growth less expense growth rate (JAWS ratio)
(%)



Excluding hedge-accounted portfolios, the group's JAWS ratio would be 1,9% (Jun 2021: 1,3%).

Total employees
(Permanent)



Rm	Yoy % change	Nedbank Group Jun 2022	Nedbank Group Jun 2021	Nedbank Group Dec 2021	Corporate and Investment Banking Jun 2022	Corporate and Investment Banking Jun 2021	Corporate and Investment Banking Dec 2021	Retail and Business Banking Jun 2022	Retail and Business Banking Jun 2021	Retail and Business Banking Dec 2021	Wealth Jun 2022	Wealth Jun 2021	Wealth Dec 2021	Nedbank Africa Regions Jun 2022	Nedbank Africa Regions Jun 2021	Nedbank Africa Regions Dec 2021	Centre Jun 2022	Centre Jun 2021	Centre Dec 2021
Staff costs	10	**9 543**	8 661	18 018	**1 653**	1 488	3 172	**4 002**	3 958	7 963	**850**	838	1 719	**603**	520	1 113	**2 435**	1 857	4 051
Salaries and wages	3	**7 921**	7 693	15 412															
Total incentives	28	**1 513**	1 183	3 049															
Short-term incentives	22	**1 098**	901	2 427															
Long-term incentives	47	**415**	282	622															
Other staff costs	>100	**109**	(215)	(443)															
Computer processing	5	**3 211**	3 056	6 329	**215**	248	481	**954**	1 251	2 625	**206**	224	414	**193**	190	425	**1 643**	1 143	2 384
Depreciation of computer equipment	(7)	**323**	348	718															
Depreciation of right-of-use assets: computer equipment	(7)	**38**	41	83															
Amortisation of intangible assets	13	**910**	803	1 705															
Operating lease charges for computer processing	(19)	**91**	112	198															
Other computer-processing expenses	6	**1 849**	1 752	3 625															
Fees and insurances	(2)	**1 996**	2 037	4 109	**241**	352	574	**1 340**	1 264	2 563	**105**	117	230	**127**	103	291	**183**	201	451
Occupation and accommodation[1,2]	(5)	**1 037**	1 086	2 185	**104**	110	212	**846**	932	1 844	**61**	79	153	**107**	88	192	**(81)**	(123)	(216)
Marketing and public relations	12	**751**	671	1 332	**23**	14	58	**375**	356	698	**40**	26	48	**44**	23	56	**269**	252	472
Communication and travel	21	**428**	354	718	**146**	132	260	**183**	163	328	**17**	13	23	**68**	32	83	**14**	14	24
Other operating expenses[3]	(1)	**485**	490	948	**37**	28	108	**330**	267	540	**21**	20	37	**(53)**	56	61	**150**	119	202
Activity-justified transfer pricing		**–**	–	–	**1 148**	1 024	2 146	**3 013**	2 393	4 881	**368**	316	656	**188**	155	314	**(4 717)**	(3 888)	(7 997)
Total operating expenses	7	**17 451**	16 355	33 639	**3 567**	3 396	7 011	**11 043**	10 584	21 442	**1 668**	1 633	3 280	**1 277**	1 167	2 535	**(104)**	(425)	(629)

Analysis of total IT-related function spend included in total expenses	Yoy % change	Jun 2022	Jun 2021	Dec 2021
IT staff-related costs within Group Technology	28	**1 441**	1 125	2 326
Depreciation and amortisation of computer equipment, software and intangibles	7	**1 271**	1 192	2 506
Other IT costs (including licensing, development, maintenance and processing charges)[4]	5	**1 974**	1 881	3 881
Total IT-related functional spend	12	**4 686**	4 198	8 713

[1] *Includes the depreciation of right-of-use assets of R416m (June 2021: R430m; December 2021: R863m).*
[2] *Includes a building depreciation charge of R181m (June 2021: R194m; December 2021: R385m).*
[3] *Includes a furniture depreciation charge of R162m (June 2021: R164m; December 2021: R332m), consumables and sundry expenses.*
[4] *Includes consulting and professional fees (that are included in fees and insurance), communication and travel, and other IT-related spend (included in computer processing).*
[5] *Total operating expenses excluding Zimbabwe hyperinflation related growth is 6,3%.*

Favourable

- Employee numbers having decreased by 1 218 yoy, largely through natural attrition.
- Good management of discretionary spend during the crisis having contributed to savings being recorded in accommodation costs.
- Optimisation initiatives having delivered cost savings, including cumulative run rate savings from TOM 2.0 of R1,2bn.

Unfavourable

- Increase in incentive costs as a result of the group's improved financial performance.
- Increase in computer-processing costs, driven by an increase in the amortisation charge of 13% albeit slowing.
- Increase in marketing and travel costs as business returns to normal.
- Higher other staff costs due to lower returns from employee benefit assets.
- Increase in other staff costs due to less work on IT projects that are capitalised, given new-ways-of-work and demand for highly skilled resourcesincreasing costs.

5 Headline earnings reconciliation

Rm	Yoy % change	Jun 2022 Gross	Jun 2022 Net of taxation	Jun 2021 Gross	Jun 2021 Net of taxation	Dec 2021 Gross	Dec 2021 Net of taxation
Profit attributable to ordinary shareholders	31		**6 869**		5 239		11 238
Impairments charge on non-financial instruments and other (gains)/losses	>(100)	**(218)**	**(206)**	3	(1)	499	438
IAS 16 – (profit)/loss on disposal of property and equipment		**(62)**	**(44)**	(6)	(8)	41	26
IAS 36 – impairment of goodwill						306	306
IAS 36 – impairment of property and equipment				3	2		
IAS 36 – impairment of intangible assets		**18**	**13**	5	4	153	110
IFRS 10 – profit on sale of subsidiaries or associates		**(177)**	**(177)**			(11)	(11)
IFRS 16 – impairment of right-of-use assets		**3**	**2**	1	1	10	7
Share of gains of associate companies							
IAS 36 share of associate (ETI) impairment of goodwill				13	13	13	13
Headline earnings	27		**6 663**		5 251		11 689

6 Taxation charge

	Jun 2022	Jun 2021	Dec 2021
Direct taxation	**2 175**	1 927	4 104
Taxation rate reconciliation (excluding non-trading and capital items) (%)			
Standard rate of South African normal taxation	**28,0**	28,0	28,0
Reduction of taxation rate			
Dividend income	**(0,9)**	(1,5)	(1,3)
Capital items	**(1,6)**	(0,4)	(0,1)
Foreign income and section 9D attribution	**(0,4)**	(0,2)	(0,5)
Additional tier 1 capital instruments	**(1,2)**	(1,3)	(1,2)
Revenue losses not recognised	**0,0**	0,6	0,1
Exempt income and special allowances	**(0,1)**	(0,1)	(0,4)
NAR non-taxable amounts	**(0,6)**	(0,5)	(0,5)
Share of profits of associate companies	**(1,5)**	(1,2)	(1,3)
Non-deductible expenses	**0,9**	0,5	0,9
Share-based payments	**0,9**	0,5	0,1
Prior-year adjustments	**(0,3)**	0,5	0,4
Total taxation on income as percentage of profit before taxation	**23,2**	24,9	24,2
Effective tax rate, excluding associate income	**24,5**	26,0	25,4

During the 2021 financial year, the group reviewed the presentation of its taxation rate reconciliation. As a result of this review, certain reconciling line items have been disaggregated to provide our users with additional information. 'Non-taxable income' has been disaggregated into 'Dividend income' (Jun 2021: -1,5%), 'NAR non-taxable amounts' (Jun 2021: -0,5%) and 'Exempt income and special allowances' (Jun 2021: -0,1%). 'Non-deductible expenses' (Jun 2021: 0,5%) has been disaggregated into 'Additional tier 1 capital instruments' (Jun 2021: -1,3%), 'Revenue losses not recognised' (Jun 2021: 0,6%) and 'Share-based payments' (Jun 2021: 0,5%). To provide comparability, the prior-year balances have been restated accordingly.

7 Preference shares

Profit attributable to preference shareholders	Number of shares	Cents per share	Amount Rm
2021			
Nedbank – final (dividend number 36) declared for 2020 – paid April 2021	358 277 491	29,45696	106
Total of dividends declared			106
Less: Dividends declared in respect of shares held by group entities			(11)
Dividends declared to holders of preference shares[1]			95
Nedbank (MFC) – participating preference shares[2]			63
			158
2022			
Nedbank (MFC) – participating preference shares[2]			**55**
			55

[1] *The group repurchased all of the non-redeemable, non-cumulative, non-participating preference shares in issue on 21 December 2021.*
[2] *Share in economic profit/(loss) calculated semiannually.*

Notes

Statement of financial position analysis

8 Loans and advances

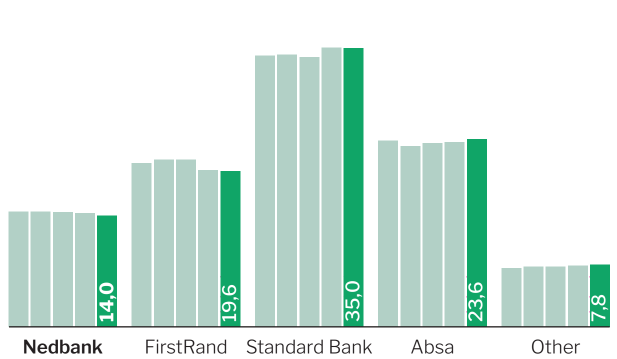
Loans and advances segmental breakdown

Rm	Yoy % change	Nedbank Group Jun 2022	Nedbank Group Jun 2021	Nedbank Group Dec 2021	Corporate and Investment Banking Jun 2022	Corporate and Investment Banking Jun 2021	Corporate and Investment Banking Dec 2021	Retail and Business Banking Jun 2022	Retail and Business Banking Jun 2021	Retail and Business Banking Dec 2021	Wealth Jun 2022	Wealth Jun 2021	Wealth Dec 2021	Nedbank Africa Regions Jun 2022	Nedbank Africa Regions Jun 2021	Nedbank Africa Regions Dec 2021	Centre[1] Jun 2022	Centre[1] Jun 2021	Centre[1] Dec 2021
Home loans	5	**182 191**	173 522	178 840	**20**	23	19	**158 574**	149 151	154 272	**16 260**	17 056	17 257	**7 337**	7 292	7 292			
Commercial mortgages	2	**192 035**	188 558	189 576	**154 161**	151 657	152 413	**27 458**	26 351	26 782	**8 247**	8 524	8 424	**2 071**	1 909	1 855	**98**	117	102
Properties in possession	13	**183**	162	187				**53**	50	68	**17**	13	13	**113**	99	106			
Credit cards	(2)	**16 592**	16 971	16 297				**16 448**	16 831	16 154				**144**	140	143			
Overdrafts	5	**26 022**	24 702	23 042	**3 470**	3 176	3 733	**19 324**	17 846	16 048	**151**	156	151	**3 077**	3 524	3 110			
Personal loans	4	**29 463**	28 386	29 175				**27 727**	26 393	27 277	**11**			**1 725**	1 993	1 898			
Term and other loans	8	**163 666**	151 631	168 584	**140 640**	129 893	146 040	**13 378**	11 852	13 278	**5 288**	5 391	4 641	**4 090**	4 234	4 364	**270**	261	261
Overnight loans	(22)	**9 063**	11 628	9 479	**7 868**	10 368	8 341	**982**	1 051	878				**213**	209	260			
Foreign client lending	>100	**23 520**	4 267	5 793	**21 223**	2 064	3 799	**322**	302	330				**1 975**	1 901	1 664			
Instalment debtors	6	**146 334**	138 465	142 559	**2 848**	2 729	2 880	**141 828**	133 886	138 013	**36**	37	32	**1 618**	1 806	1 629	**4**	7	5
Preference shares and debentures	6	**12 706**	12 006	12 204	**12 429**	11 773	11 977	**16**	52	16	**261**	181	211						
Factoring accounts	48	**8 181**	5 532	7 188				**8 174**	5 532	7 185				**7**		3			
Listed corporate bonds	1	**23 261**	22 988	23 279	**23 261**	22 988	23 279												
Fair-value hedge-accounted portfolios	>(100)	**(1 983)**	1 678	750	**(2)**	51	6										**(1 981)**	1 627	744
Trade, other bills and bankers' acceptances	(67)	**2**	6	1										**2**	6	1			
Gross banking loans and advances	7	**831 236**	780 502	806 954	**365 918**	334 722	352 487	**414 284**	389 297	400 301	**30 271**	31 358	30 729	**22 372**	23 113	22 325	**(1 609)**	2 012	1 112
Impairment of advances	(2)	**(26 108)**	(25 525)	(25 650)	**(4 169)**	(3 902)	(4 296)	**(19 967)**	(19 166)	(19 316)	**(379)**	(410)	(456)	**(1 139)**	(1 046)	(1 082)	**(454)**	(1 001)	(500)
Net banking loans and advances	7	**805 128**	754 977	781 304	**361 749**	330 820	348 191	**394 317**	370 131	380 985	**29 892**	30 948	30 273	**21 233**	22 067	21 243	**(2 063)**	1 011	612
Trading loans and advances	(14)	**51 686**	60 002	50 431	**51 686**	60 002	50 431												
Loans and advances	5	**856 814**	814 979	831 735	**413 435**	390 822	398 622	**394 317**	370 131	380 985	**29 892**	30 948	30 273	**21 233**	22 067	21 243	**(2 063)**	1 011	612

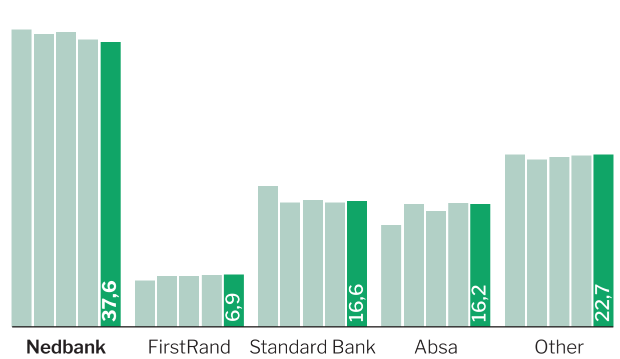
[1] *Centre includes the group's centrally managed macro fair-value hedge-accounting adjustment and a central impairment provision.*

Market share according to BA900

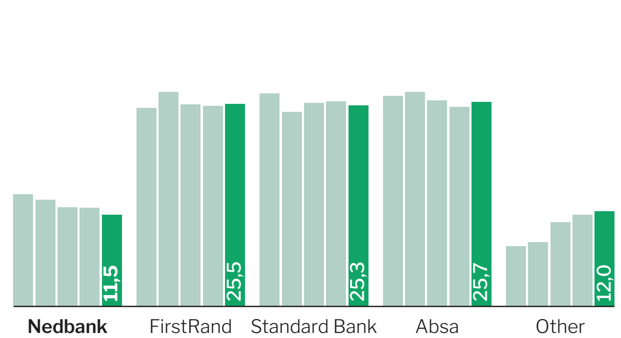
Home loans (Jun 2018 – May 2022)
(%)



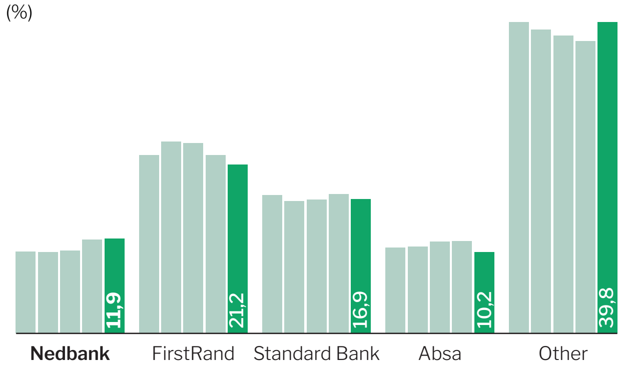
Commercial mortgage loans (Jun 2018 – May 2022)
(%)



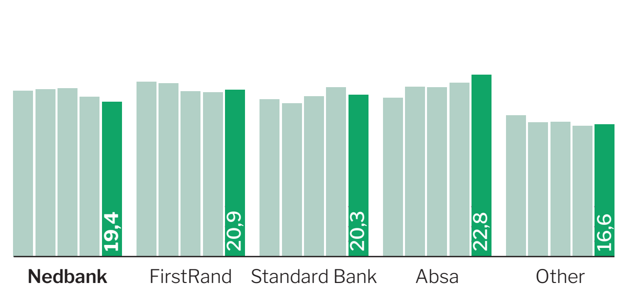
Credit cards (Jun 2018 – May 2022)
(%)



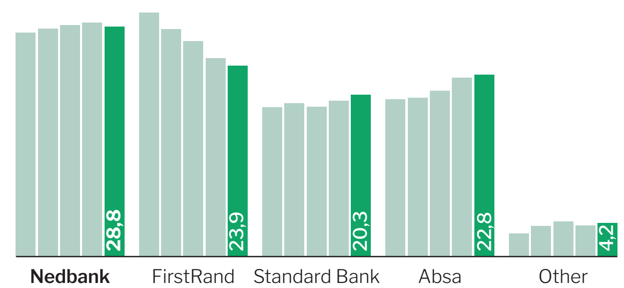
Personal loans (Jun 2018 – May 2022)
(%)



Core corporate loans (Jun 2018 – May 2022)
(%)

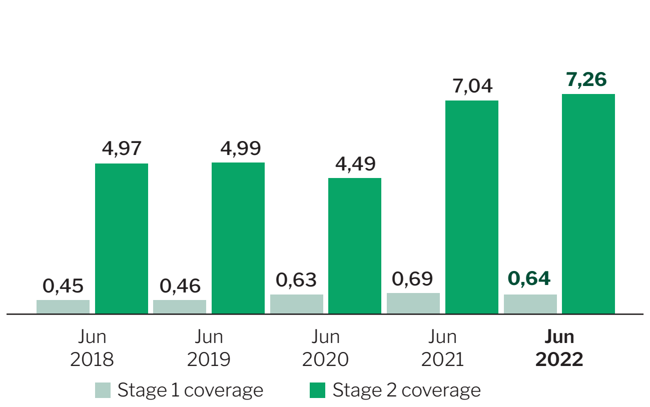


Instalment sales and leases (Jun 2018 – May 2022)
(%)

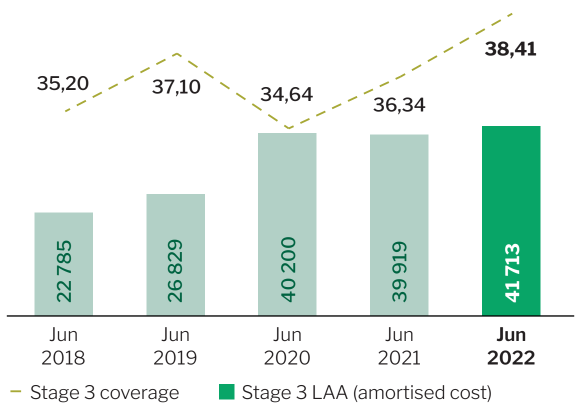


Summary of loans and advances and coverage ratios

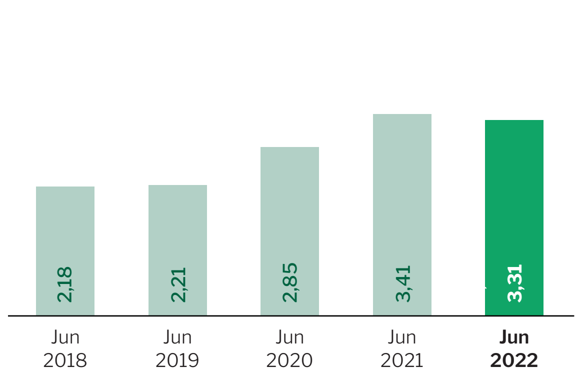
Stage 1 and stage 2 coverage
(%)



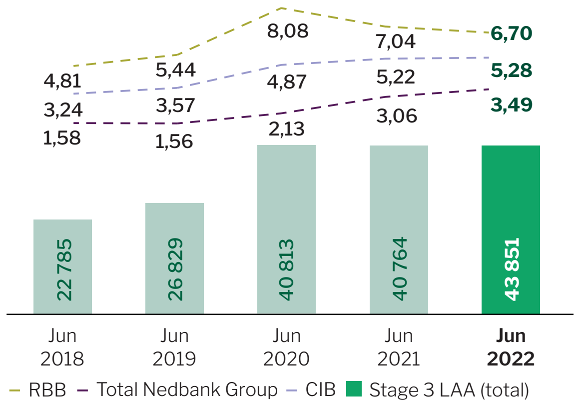
Stage 3 advances and coverage ratio
(Rm) (%)



Nedbank Group coverage
(%)



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



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

	Stage 1			Stage 2			Stage 3			TOTAL				
	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA excluding trading book	Stage 3 GLAA as a % of GLAA excluding trading book
June 2022	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	%
Corporate and Investment Banking (CIB)	285 360	439	0,15	27 074	1 115	4,12	10 641	2 615	24,58	323 075	4 169	1,29	365 918	3,49
CIB, excluding Property Finance	139 749	369	0,26	9 836	283	2,88	6 605	1 540	23,32	156 190	2 192	1,40	196 523	4,45
Property Finance	145 611	70	0,05	17 238	832	4,83	4 036	1 075	26,64	166 885	1 977	1,19	169 395	2,38
Retail and Business Banking (RBB)	337 367	3 579	1,06	49 180	4 092	8,32	27 737	12 296	44,33	414 284	19 967	4,82	414 284	6,70
Commercial Banking	73 081	194	0,27	9 879	288	2,91	4 381	1 222	27,89	87 341	1 704	1,95	87 341	5,02
Retail	264 286	3 385	1,28	39 301	3 804	9,68	23 356	11 074	47,41	326 943	18 263	5,59	326 943	7,14
Wealth	25 399	50	0,20	2 176	39	1,79	1 324	290	21,90	28 899	379	1,31	30 271	4,37
Nedbank Africa Regions	18 993	219	1,15	1 366	97	7,10	2 013	823	40,88	22 372	1 139	5,09	22 372	9,00
Centre	331	(3)		39	457		4			374	454		(1 609)	
Gross loans and advances/ECL held at amortised cost	667 450	4 284	0,64	79 835	5 800	7,26	41 719	16 024	38,41	789 004	26 108	3,31	831 236	5,28
GLAA/ECL for assets held at FVOCI	28 695	66		641	18		2 138	399		31 474	483			
Trading GLAA held at FVTPL	51 686									51 686			51 686	
Banking book GLAA held at FVTPL	12 741									12 741				
GLAA for fair-value hedge-accounted portfolios	(1 983)									(1 983)				
Off-balance-sheet ECL		132			52			57			241			
Total GLAA/ECL	758 589	4 482		80 476	5 870		43 857	16 480		882 922	26 832		882 922	

December 2021	Stage 1			Stage 2			Stage 3			TOTAL				
	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA, excluding trading book	Stage 3 GLAA as a % of total GLAA
	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	%
Corporate and Investment Banking (CIB)	260 775	529	0,20	49 193	1 543	3,14	9 384	2 224	23,70	319 352	4 296	1,35	352 487	3,08
CIB, excluding Property Finance	116 082	382	0,33	31 747	631	1,99	6 520	1 396	21,41	154 349	2 409	1,56	184 965	4,33
Property Finance	144 693	147	0,10	17 446	912	5,23	2 864	828	28,91	165 003	1 887	1,14	167 522	1,71
Retail and Business Banking (RBB)	327 860	3 552	1,08	45 735	4 165	9,11	26 706	11 599	43,43	400 301	19 316	4,83	400 301	6,67
Commercial Banking	68 191	234	0,34	9 559	328	3,43	4 296	1 121	26,09	82 046	1 683	2,05	82 046	5,24
Retail	259 669	3 318	1,28	36 176	3 837	10,61	22 410	10 478	46,76	318 255	17 633	5,54	318 255	7,04
Wealth	25 453	44	0,17	2 538	39	1,54	1 282	373	29,10	29 273	456	1,56	30 729	4,17
Nedbank Africa Regions	19 118	230	1,20	1 248	112	8,97	1 959	740	37,77	22 325	1 082	4,85	22 325	8,77
Centre	302			62	500		4			368	500		1 112	
Gross loans and advances/ECL held at amortised cost	633 508	4 355	0,69	98 776	6 359	6,44	39 335	14 936	37,97	771 619	25 650	3,32	806 954	5,06
GLAA/ECL for assets held at FVOCI	21 279	60		2 694	48		1 481	427		25 454	535			
Trading GLAA held at FVTPL	50 431									50 431			50 431	
Banking book GLAA held at FVTPL	9 131									9 131				
GLAA for fair-value hedge-accounted portfolios	750									750				
Off-balance-sheet ECL		158			136			102			396			
Total GLAA/ECL	715 099	4 573		101 470	6 543		40 816	15 465		857 385	26 581		857 385	

June 2021	Stage 1			Stage 2			Stage 3			TOTAL				
	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA, excluding trading book	Stage 3 GLAA as a % of total GLAA
	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	%
Corporate and Investment Banking (CIB)	251 064	853	0,34	44 621	1 257	2,82	9 396	1 792	19,07	305 081	3 902	1,28	334 722	3,06
CIB, excluding Property Finance	107 905	364	0,34	29 004	577	1,99	5 840	1 033	17,69	142 749	1 974	1,38	167 695	3,99
Property Finance	143 159	489	0,34	15 617	680	4,35	3 556	759	21,34	162 332	1 928	1,19	167 027	2,13
Retail and Business Banking (RBB)	313 258	3 077	0,98	48 629	4 372	8,99	27 410	11 717	42,75	389 297	19 166	4,92	389 297	7,04
Commercial Banking	61 447	208	0,34	15 111	670	4,43	4 402	1 132	25,71	80 960	2 010	2,48	80 960	5,44
Retail	251 811	2 869	1,14	33 518	3 702	11,05	23 008	10 585	46,01	308 337	17 156	5,56	308 337	7,46
Wealth	27 124	44	0,16	1 886	48	2,55	1 333	318	23,86	30 343	410	1,35	31 358	4,25
Nedbank Africa Regions	19 680	227	1,15	1 653	139	8,41	1 780	680	38,20	23 113	1 046	4,53	23 113	7,70
Centre	363				1 001					363	1 001		2 012	
Gross loans and advances/ECL held at amortised cost	611 489	4 201	0,69	96 789	6 817	7,04	39 919	14 507	36,34	748 197	25 525	3,41	780 502	5,22
GLAA/ECL for assets held at FVOCI	15 055	44		3 783	118		845	484		19 683	646			
Trading GLAA held at FVTPL	60 002									60 002			60 002	
Banking book GLAA held at FVTPL	10 944									10 944				
GLAA for fair-value hedge-accounted portfolios	1 678									1 678				
Off-balance-sheet ECL		133			141			204			478			
Total GLAA/ECL	699 168	4 378		100 572	7 076		40 764	15 195		840 504	26 649		840 504	

GLAA, ECL and coverage, by product

	Stage 1			Stage 2			Stage 3			TOTAL		
	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage
June 2022	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%
Residential mortgages	153 108	270	0,18	17 648	560	3,17	10 046	2 310	22,99	180 802	3 140	1,74
Commercial mortgages	162 086	132	0,08	21 118	936	4,43	6 172	1 411	22,86	189 376	2 479	1,31
Instalment debtors	119 224	1 418	1,19	19 815	1 931	9,75	7 295	3 157	43,28	146 334	6 506	4,45
Credit cards and overdrafts	25 178	926	3,68	5 133	699	13,62	4 357	2 681	61,53	34 668	4 306	12,42
Term loans	109 450	1 309	1,20	12 487	1 010	8,09	11 934	5 821	48,78	133 871	8 140	6,08
Other client loans	90 295	272	0,30	3 610	671	18,59	1 878	646	34,40	95 783	1 589	1,66
Other including credit and zero balances	8 109	(43)		24	(7)		37	(2)		8 170	(52)	
GLAA/ECL held at amortised cost	667 450	4 284	0,64	79 835	5 800	7,26	41 719	16 024	38,41	789 004	26 108	3,31

	Stage 1			Stage 2			Stage 3			TOTAL		
	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage
December 2021	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%
Residential mortgages	151 227	287	0,19	16 260	530	3,26	9 887	2 340	23,67	177 374	3 157	1,78
Commercial mortgages	161 636	217	0,13	20 360	979	4,81	4 825	1 119	23,19	186 821	2 315	1,24
Instalment debtors	117 158	1 392	1,19	18 125	1 841	10,16	7 275	3 106	42,69	142 558	6 339	4,45
Credit cards and overdrafts	21 890	815	3,72	5 360	884	16,49	3 964	2 460	62,06	31 214	4 159	13,32
Term loans	103 688	1 395	1,35	22 092	1 376	6,23	11 161	5 260	47,13	136 941	8 031	5,86
Other client loans	69 617	294	0,42	16 565	760	4,59	2 187	651	29,77	88 369	1 705	1,93
Other including credit and zero balances	8 292	(45)		14	(11)		36			8 342	(56)	
GLAA/ECL held at amortised cost	633 508	4 355	0,69	98 776	6 359	6,44	39 335	14 936	37,97	771 619	25 650	3,32

	Stage 1			Stage 2			Stage 3			TOTAL		
	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage	GLAA	ECL	Coverage
June 2021	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%	Rm	Rm	%
Residential mortgages	145 270	345	0,24	16 942	846	4,99	10 289	2 251	21,88	172 501	3 442	2,00
Commercial mortgages	158 667	528	0,33	19 515	786	4,03	5 505	1 041	18,91	183 687	2 355	1,28
Instalment debtors	113 985	1 207	1,06	16 655	1 617	9,71	7 825	3 545	45,30	138 465	6 369	4,60
Credit cards and overdrafts	23 396	900	3,85	6 842	926	13,53	3 590	2 476	68,97	33 828	4 302	12,72
Term loans	98 467	1 121	1,14	22 599	1 269	5,62	10 043	4 617	45,97	131 109	7 007	5,34
Other client loans	64 161	150	0,23	14 209	1 384	9,74	2 206	578	26,20	80 576	2 112	2,62
Other including credit and zero balances	7 543	(50)		27	(11)		461	(1)		8 031	(62)	
GLAA/ECL held at amortised cost	611 489	4 201	0,69	96 789	6 817	7,04	39 919	14 507	36,34	748 197	25 525	3,41

Gross advances and ECL movement

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

	Stage 1			Stage 2			Stage 3			Total		
Loans and advances (Rm)	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
Net balance at 31 December 2021	625 216	4 513	620 703	98 762	6 495	92 267	39 299	15 038	24 261	763 277	26 046	737 231
New loans and advances originated	148 866	1 666	147 200			–			–	148 866	1 666	147 200
Loans and advances written off			–			–	(4 565)	(4 565)	–	(4 565)	(4 565)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(106 905)	1 375	(108 280)	(12 543)	(142)	(12 401)	(5 872)	1 015	(6 887)	(125 320)	2 248	(127 568)
Transfers to stage 1	37 372	684	36 688	(35 167)	(529)	(34 638)	(2 205)	(155)	(2 050)	–	–	–
Transfers to stage 2	(34 537)	(2 065)	(32 472)	37 591	2 433	35 158	(3 054)	(368)	(2 686)	–	–	–
Transfers to stage 3	(8 620)	(1 993)	(6 627)	(8 842)	(2 478)	(6 364)	17 462	4 471	12 991	–	–	–
Foreign exchange and other movements	(2 051)	237	(2 288)	10	73	(63)	617	644	(27)	(1 424)	954	(2 378)
Net balances	659 341	4 417	654 924	79 811	5 852	73 959	41 682	16 080	25 602	780 834	26 349	754 485
Total credit and zero balances	8 109		8 109	24		24	37		37	8 170	–	8 170
Balance at 30 June 2022	667 450	4 417	663 033	79 835	5 852	73 983	41 719	16 080	25 639	789 004	26 349	762 655
GLAA for assets held at FVOCI	28 695	65	28 630	641	18	623	2 138	400	1 738	31 474	483	30 991
Trading book GLAA held at FVTPL	51 686		51 686			–			–	51 686	–	51 686
Banking book GLAA held at FVTPL	12 741		12 741			–			–	12 741	–	12 741
GLAA for fair-value hedge-accounted portfolios	(1 983)		(1 983)			–			–	(1 983)	–	(1 983)
Total GLAA/ECL	758 589	4 482	754 107	80 476	5 870	74 606	43 857	16 480	27 377	882 922	26 832	856 090
ECL on loans at FVOCI		(65)	65		(18)	18		(400)	400	–	(483)	483
Off-balance-sheet ECL		(133)	133		(52)	52		(56)	56	–	(241)	241
Loans and advances at 30 June 2022	758 589	4 284	754 305	80 476	5 800	74 676	43 857	16 024	27 833	882 922	26 108	856 814

Favourable

- Gross loans and advances grew by 4% to R882 922m (Dec 2021: R875 385m), driven by 9,3% yoy growth in CIB and 6,4% yoy growth from RBB.
- RBB GLAA continued its growth momentum from 2021, on the back of continued strong demand for both secured and unsecured products and Commercial Banking.
- Stage 2 LAA improved, driven by the recovery sectors such as hospitality & the curing of previously stressed sectors in CIB.
- The central provision reduced by R50m since December 2021, with R450m remaining in place to account for risks not yet reflected in the data and impairment models, including the risks associate with a more difficult macroeconomic environment and rising interest rates.

Unfavourable

- ECL coverage remained elevated due to the uncertainty in the macroeconomic environment.
- The group's Stage 3 LAA increased to R41 719m (Dec 2021: R39 335m) and Stage 3 ECL increased to R16 024m (Dec 2021: R14 963m), driven by a slight increase in debt counselling accounts in RCB, providing for specific CIB counters and the impact of the withdrawal of Directive 3/2020 loans.
- Retail Stage 2 LAA was impacted by an increase in early arrears across all the portfolios. This is due to economic strain on the consumer, with rising inflation and interest rates negatively impacting the disposable income of clients.
- Current demand for new wholesale loans remained low, but activity should improve on energy-generation capacity and storage facilities.
- The Retail card business was the only business unit that experienced a ytd annualised reduction of 2,1% in LAA, with policy changes implemented in April 2022 to bolster new business and increase market share.

CIB, excluding Property Finance (Rm)	Stage 1			Stage 2			Stage 3			Total		
	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
Net balance at 31 December 2021	116 082	474	115 608	31 747	732	31 015	6 520	1 486	5 034	154 349	2 692	151 657
New loans and advances originated	78 556	414	78 142			–			–	78 556	414	78 142
Loans and advances written off			–			–	(720)	(720)	–	(720)	(720)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(65 007)	(400)	(64 607)	(7 652)	(165)	(7 487)	(3 058)	(258)	(2 800)	(75 717)	(823)	(74 894)
Transfers to stage 1	22 502	255	22 247	(22 439)	(221)	(22 218)	(63)	(34)	(29)	–	–	–
Transfers to stage 2	(9 685)	(117)	(9 568)	9 806	154	9 652	(121)	(37)	(84)	–	–	–
Transfers to stage 3	(2 222)	(336)	(1 886)	(1 196)	(185)	(1 011)	3 418	521	2 897	–	–	–
Foreign exchange and other movements	(477)	149	(626)	(430)	1	(431)	629	623	6	(278)	773	(1 051)
Net balances	139 749	439	139 310	9 836	316	9 520	6 605	1 581	5 024	156 190	2 336	153 854
Total credit and zero balances			–			–			–	–	–	–
Balance at 30 June 2022	139 749	439	139 310	9 836	316	9 520	6 605	1 581	5 024	156 190	2 336	153 854
GLAA for assets held at FVOCI	28 695	65	28 630	641	18	623	2 138	400	1 738	31 474	483	30 991
Trading book GLAA held at FVTPL	51 686		51 686			–			–	51 686	–	51 686
Banking book GLAA held at FVTPL	8 859		8 859			–			–	8 859	–	8 859
GLAA for fair-value hedge-accounted portfolios			–			–			–	–	–	–
Total GLAA/ECL	228 989	504	228 485	10 477	334	10 143	8 743	1 981	6 762	248 209	2 819	245 390
ECL on loans at FVOCI		(65)	65		(18)	18		(400)	400	–	(483)	483
Off-balance-sheet ECL		(70)	70		(33)	33		(41)	41	–	(144)	144
Loans and advances at 30 June 2022	228 989	369	228 620	10 477	283	10 194	8 743	1 540	7 203	248 209	2 192	246 017

Property Finance (Rm)	Stage 1			Stage 2			Stage 3			Total		
	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost	GLAA	ECL	Amortised cost
Net balance at 31 December 2021	144 693	147	144 546	17 446	912	16 534	2 864	828	2 036	165 003	1 887	163 116
New loans and advances originated	16 388	16	16 372			–			–	16 388	16	16 372
Loans and advances written off			–			–	(157)	(157)	–	(157)	(157)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(14 076)	(204)	(13 872)	(490)	47	(537)	218	388	(170)	(14 348)	231	(14 579)
Transfers to stage 1	2 561	117	2 444	(2 449)	(113)	(2 336)	(112)	(4)	(108)	–	–	–
Transfers to stage 2	(3 080)	(2)	(3 078)	3 150	10	3 140	(70)	(8)	(62)	–	–	–
Transfers to stage 3	(874)	(4)	(870)	(419)	(24)	(395)	1 293	28	1 265	–	–	–
Foreign exchange and other movements	(1)		(1)			–			–	(1)	–	(1)
Net balances	145 611	70	145 541	17 238	832	16 406	4 036	1 075	2 961	166 885	1 977	164 908
Banking book GLAA held at FVTPL	2 510		2 510			–			–	2 510	–	2 510
Loans and advances at 30 June 2022	148 121	70	148 051	17 238	832	16 406	4 036	1 075	2 961	169 395	1 977	167 418

Commercial Banking (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost	Stage 2 GLAA	Stage 2 ECL	Stage 2 Amortised cost	Stage 3 GLAA	Stage 3 ECL	Stage 3 Amortised cost	Total GLAA	Total ECL	Total Amortised cost
Net balance at 31 December 2021	68 191	238	67 953	9 559	347	9 212	4 296	1 133	3 163	82 046	1 718	80 328
New loans and advances originated	11 091	86	11 005			–			–	11 091	86	11 005
Loans and advances written off			–			–	(82)	(82)	–	(82)	(82)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(4 209)	(97)	(4 112)	(836)	(90)	(746)	(669)	195	(864)	(5 714)	8	(5 722)
Transfers to stage 1	2 600	47	2 553	(2 471)	(30)	(2 441)	(129)	(17)	(112)	–	–	–
Transfers to stage 2	(3 826)	(21)	(3 805)	4 258	83	4 175	(432)	(62)	(370)	–	–	–
Transfers to stage 3	(766)	(53)	(713)	(631)	(16)	(615)	1 397	69	1 328	–	–	–
Balance at 30 June 2022	73 081	200	72 881	9 879	294	9 585	4 381	1 236	3 145	87 341	1 730	85 611
Off-balance-sheet impairment allowance		(6)	6		(6)	6		(14)	14	–	(26)	26
Loans and advances at 30 June 2022	73 081	194	72 887	9 879	288	9 591	4 381	1 222	3 159	87 341	1 704	85 637

Retail — Home loans (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost	Stage 2 GLAA	Stage 2 ECL	Stage 2 Amortised cost	Stage 3 GLAA	Stage 3 ECL	Stage 3 Amortised cost	Total GLAA	Total ECL	Total Amortised cost
Net balance at 31 December 2021	124 882	241	124 641	14 403	488	13 915	7 504	1 677	5 827	146 789	2 406	144 383
New loans and advances originated	3 916	13	3 903			–			–	3 916	13	3 903
Loans and advances written off			–			–	(142)	(142)	–	(142)	(142)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	1 471	196	1 275	(279)	55	(334)	(546)	(70)	(476)	646	181	465
Transfers to stage 1	3 101	10	3 091	(2 792)	(7)	(2 785)	(309)	(3)	(306)	–	–	–
Transfers to stage 2	(5 146)	(165)	(4 981)	6 482	228	6 254	(1 336)	(63)	(1 273)	–	–	–
Transfers to stage 3	(726)	(76)	(650)	(1 820)	(244)	(1 576)	2 546	320	2 226	–	–	–
Balance at 30 June 2022	127 498	219	127 279	15 994	520	15 474	7 717	1 719	5 998	151 209	2 458	148 751
Off-balance-sheet impairment allowance	210		210	6		6	9		9	225	–	225
Loans and advances at 30 June 2022	127 708	219	127 489	16 000	520	15 480	7 726	1 719	6 007	151 434	2 458	148 976

Retail — Instalment debtors (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost	Stage 2 GLAA	Stage 2 ECL	Stage 2 Amortised cost	Stage 3 GLAA	Stage 3 ECL	Stage 3 Amortised cost	Total GLAA	Total ECL	Total Amortised cost
Net balance at 31 December 2021	101 647	1 346	100 301	16 839	1 808	15 031	6 764	2 889	3 875	125 250	6 043	119 207
New loans and advances originated	23 721	322	23 399			–			–	23 721	322	23 399
Loans and advances written off			–			–	(1 121)	(1 121)	–	(1 121)	(1 121)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(15 722)	901	(16 623)	(1 850)	(180)	(1 670)	(1 691)	280	(1 971)	(19 263)	1 001	(20 264)
Transfers to stage 1	5 110	150	4 960	(3 804)	(103)	(3 701)	(1 306)	(47)	(1 259)	–	–	–
Transfers to stage 2	(9 087)	(960)	(8 127)	9 773	1 054	8 719	(686)	(94)	(592)	–	–	–
Transfers to stage 3	(2 234)	(388)	(1 846)	(2 624)	(675)	(1 949)	4 858	1 063	3 795	–	–	–
Balance at 30 June 2022	103 435	1 371	102 064	18 334	1 904	16 430	6 818	2 970	3 848	128 587	6 245	122 342
Off-balance-sheet impairment allowance			–			–			–	–	–	–
Loans and advances at 30 June 2022	103 435	1 371	102 064	18 334	1 904	16 430	6 818	2 970	3 848	128 587	6 245	122 342

Retail — Card, term and other (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost	Stage 2 GLAA	Stage 2 ECL	Stage 2 Amortised cost	Stage 3 GLAA	Stage 3 ECL	Stage 3 Amortised cost	Total GLAA	Total ECL	Total Amortised cost
Net balance at 31 December 2021	24 850	1 775	23 075	4 920	1 551	3 369	8 106	5 913	2 193	37 876	9 239	28 637
New loans and advances originated	8 030	740	7 290			–			–	8 030	740	7 290
Loans and advances written off			–			–	(2 319)	(2 319)	–	(2 319)	(2 319)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(4 306)	1 050	(5 356)	(454)	288	(742)	150	614	(464)	(4 610)	1 952	(6 562)
Transfers to stage 1	806	76	730	(704)	(67)	(637)	(102)	(9)	(93)	–	–	–
Transfers to stage 2	(2 612)	(771)	(1 841)	2 939	864	2 075	(327)	(93)	(234)	–	–	–
Transfers to stage 3	(1 524)	(1 034)	(490)	(1 752)	(1 246)	(506)	3 276	2 280	996	–	–	–
Balance at 30 June 2022	25 244	1 836	23 408	4 949	1 390	3 559	8 784	6 386	2 398	38 977	9 612	29 365
Off-balance-sheet impairment allowance	7 899	(41)	7 940	18	(10)	28	28	(1)	29	7 945	(52)	7 997
Loans and advances at 30 June 2022	33 143	1 795	31 348	4 967	1 380	3 587	8 812	6 385	2 427	46 922	9 560	37 362

Wealth (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost	Stage 2 GLAA	Stage 2 ECL	Stage 2 Amortised cost	Stage 3 GLAA	Stage 3 ECL	Stage 3 Amortised cost	Total GLAA	Total ECL	Total Amortised cost
Net balance at 31 December 2021	25 453	44	25 409	2 538	39	2 499	1 282	373	909	29 273	456	28 817
New loans and advances originated	3 663	11	3 652			–			–	3 663	11	3 652
Loans and advances written off			–			–	(18)	(18)	–	(18)	(18)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(2 899)	(13)	(2 886)	(352)	2	(354)	(101)	(67)	(34)	(3 352)	(78)	(3 274)
Transfers to stage 1	486	16	470	(459)	(1)	(458)	(27)	(15)	(12)	–	–	–
Transfers to stage 2	(551)	(3)	(548)	624	13	611	(73)	(10)	(63)	–	–	–
Transfers to stage 3	(123)	(8)	(115)	(145)	(19)	(126)	268	27	241	–	–	–
Foreign exchange and other movements	(630)	3	(633)	(30)	5	(35)	(7)		(7)	(667)	8	(675)
Net balances	25 399	50	25 349	2 176	39	2 137	1 324	290	1 034	28 899	379	28 520
Banking book GLAA held at FVTPL	1 372		1 372			–			–	1 372	–	1 372
Loans and advances at 30 June 2022	26 771	50	26 721	2 176	39	2 137	1 324	290	1 034	30 271	379	29 892

Nedbank Africa Regions (Rm)	Stage 1 GLAA	Stage 1 ECL	Stage 1 Amortised cost	Stage 2 GLAA	Stage 2 ECL	Stage 2 Amortised cost	Stage 3 GLAA	Stage 3 ECL	Stage 3 Amortised cost	Total GLAA	Total ECL	Total Amortised cost
Net balance at 31 December 2021	19 118	248	18 870	1 248	118	1 130	1 959	739	1 220	22 325	1 105	21 220
New loans and advances originated	3 483	65	3 418			–			–	3 483	65	3 418
Loans and advances written off			–			–	(6)	(6)	–	(6)	(6)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(2 193)	(54)	(2 139)	(632)	(57)	(575)	(173)	(68)	(105)	(2 998)	(179)	(2 819)
Transfers to stage 1	206	13	193	(50)	12	(62)	(156)	(25)	(131)	–	–	–
Transfers to stage 2	(549)	(26)	(523)	559	27	532	(10)	(1)	(9)	–	–	–
Transfers to stage 3	(151)	(93)	(58)	(254)	(69)	(185)	405	162	243	–	–	–
Foreign exchange and other movements	(921)	82	(1 003)	495	69	426	(6)	22	(28)	(432)	173	(605)
Net balances	18 993	235	18 758	1 366	100	1 266	2 013	823	1 190	22 372	1 158	21 214
Banking book GLAA held at FVTPL		(16)	16		(3)	3			–	–	(19)	19
Loans and advances at 30 June 2022	18 993	219	18 774	1 366	97	1 269	2 013	823	1 190	22 372	1 139	21 233

Economic scenarios

	June 2022							
						Economic forecast[1] (%)		
Scenario	Probability weighting (%)	Total ECL allowance	Difference to weighted scenarios	Percentage difference to weighted scenarios (%)	Economic measures	2023	2024	2025
Base case	50	26 801	(31)	(0,12)	GDP	1,58	1,51	1,41
					Prime	10,25	10,25	10,25
					HPI	4,42	4,40	4,73
Mild stress	21	26 959	127	0,47	GDP	0,39	0,65	0,93
					Prime	10,25	11,00	11,00
					HPI	3,90	3,80	4,03
Positive outcome	21	26 638	(194)	(0,72)	GDP	2,25	1,85	1,91
					Prime	8,75	8,75	8,75
					HPI	5,35	5,26	5,69
High stress	8	27 181	349	1,30	GDP	(0,8)	(0,21)	0,45
					Prime	10,50	11,50	12,25
					HPI	3,37	3,19	3,34
Weighted scenarios	100	26 832						

[1] *Forecast at 30 June 2022.*

	December 2021							
						Economic forecast[1] (%)		
Scenario	Probability weighting (%)	Total ECL allowance	Difference to weighted scenarios	Percentages difference to weighted scenarios (%)	Economic measures	2022	2023	2024
Base case	50	26 491	(90)	(0,33)	GDP	1,75	1,74	0,97
					Prime	8,25	8,75	9,25
					HPI	4,04	3,96	4,15
Mild stress	21	26 857	276	1,04	GDP	(0,09)	0,66	0,61
					Prime	8,50	9,75	10,75
					HPI	3,54	3,39	3,50
Positive outcome	21	26 262	(319)	(1,20)	GDP	3,08	2,86	1,92
					Prime	7,50	7,50	7,75
					HPI	4,90	4,89	5,00
High stress	8	27 259	678	2,55	GDP	(1,41)	(0,23)	0,30
					Prime	8,75	10,00	11,00
					HPI	3,04	2,82	2,85
Weighted scenarios	100	26 581						

[1] *Forecast at 31 December 2021.*

Climate-related disclosures

	Rm				% of GLAA		
	June 2022	June 2021	Dec 2021	Ytd change	June 2022	June 2021	Dec 2021
Thermal coal[1]							
Limit[2]	2 706	5 697	2 817	(111)	0,3	0,7	0,3
Drawn exposure	1 088	1 455	1 221	(133)	0,1	0,2	0,1
Upstream oil[3]							
Limit[2]	14 826	15 532	13 559	1 267	1,7	1,8	1,6
Drawn exposure	7 885	8 331	9 110	(1 225)	0,8	1,0	1,1
Upstream gas[3]							
Limit[2]	483	1 625	468	15	0,1	0,2	0,1
Drawn exposure	442	1 211	424	18	0,1	0,1	0,0
Non-renewable power generation							
Limit[2]	11 149	9 550	10 741	408	1,3	1,1	1,3
Drawn exposure	6 205	7 582	6 557	(352)	0,7	0,9	0,8
Renewable Energy Independent Power Producer Procurement Programme[4]							
Limit[2]	35 720	35 967	35 347	373	4,0	4,3	4,1
Drawn exposure	27 055	29 379	28 741	(1 686)	3,1	3,5	3,4
Embedded-energy generation projects[5]							
Limit[2]	463	419	513	(50)	0,1	0,0	0,1
Drawn exposure	375	387	417	(42)	0,0	0,0	0,0
African renewable-energy projects							
Limit[2]	421	609	614	(193)	0,0	0,1	0,1
Drawn exposure	332	469	438	(106)	0,0	0,1	0,1
Total renewable energy							
Limit[2]	36 604	36 995	36 474	130	4,1	4,4	4,3
Drawn exposure	27 762	30 235	29 596	(1 834)	3,1	3,6	3,5

[1] *Excludes derivative products and environmental guarantees.*
[2] *Limits include all committed facilities approved to the clients in the respective portfolios to date.*
[3] *Includes all limits and exposures involving all products and derivatives.*
[4] *Board-approved limit of R50bn.*
[5] *Board-approved limit of R2bn.*

9 Investment securities

Rm	Jun 2022	Jun 2021	Dec 2021
Equity investments	**6 366**	6 838	6 287
Associates – Property Partners	**1 818**	1 786	1 799
Associates – Investment Banking	**1 163**	1 251	1 020
Unlisted investments – Property Partners	**1 182**	1 400	1 228
Unlisted investments – Investment Banking	**2 203**	2 401	2 240
Listed investments	**21**	21	23
Unlisted investments	**3 098**	3 100	3 349
Taquanta Asset Managers portfolio	**520**	500	550
Strate Limited	**163**	143	163
Other	**2 415**	2 457	2 636
Total listed and unlisted investments	**9 485**	9 959	9 659
Listed policyholder investments at market value	**11 885**	13 146	11 638
Unlisted policyholder investments at directors' valuation	**3 807**	2 788	4 201
Total policyholder investments	**15 692**	15 934	15 839
Total investment securities	**25 177**	25 893	25 498

Equity risk in the banking book

		Jun 2022	Jun 2021	Dec 2021
Total equity portfolio	Rm	**13 091**	13 030	13 054
Accounted for at fair value	Rm	**9 485**	9 959	9 659
Equity-accounted, including investment in ETI	Rm	**3 606**	3 071	3 395
Percentage of total assets	%	**1,0**	1,1	1,1
Percentage of group minimum economic-capital requirement[1]	%	**7,0**	5,4	4,8

[1] *The increase to 7% is driven primarily by a ytd 28% (R1,1bn) increase in the investment risk economic capital and 5% (R3,9bn) decrease in the overall Nedbank Group's minimum economic capital requirement. The ytd investment risk economic capital increased as a result of the refinement in the inter-risk diversification (IRD) model.*

- The board sets the overall risk appetite and strategy of the group for equity risk, and business develops portfolio objectives and investment strategies for its investment activities. These address the types of investment, expected business returns, desired holding periods, diversification parameters and other elements of sound investment management oversight.
- Additional investments are undertaken as a result of operational requirements or strategic decisions, or as part of debt restructuring.
- The equity portfolio that is held at fair value declined by R175m ytd, due largely to the realisation of assets.
- The value of the portfolio that is equity-accounted increased by R211m to R3 606m (December 2021: R3 395m). This was due largely to a R177m increase in the ETI carrying value. The strong financial performance from ETI is accompanied by a material improvement in the balance sheet risk metrics.
- The ETI strategic investment is accounted for under the equity method of accounting and is therefore not carried at fair value.
- Equity risk in the banking book is assumed primarily in CIB, which actively makes investments with clearly defined strategies.

10 Investments in associate companies

Name of company and nature of business	Equity-accounted earnings Rm Jun 2022	Equity-accounted earnings Rm Jun 2021	Equity-accounted earnings Rm Dec 2021	Carrying amount Rm Jun 2022	Carrying amount Rm Jun 2021	Carrying amount Rm Dec 2021	Net exposure to associates[1] Rm Jun 2022	Net exposure to associates[1] Rm Jun 2021	Net exposure to associates[1] Rm Dec 2021
Associates									
Listed									
ETI[2]	**470**	270	686	**2 449**	2 055	2 272	**(7)**	38	81
Unlisted									
Equity investments: Tracker Technology Holdings Proprietary Limited	**27**	27	51	**507**	456	480	**1 126**	1 514	1 246
Other equity investments	**8**	20	33	**239**	160	237	**293**		271
Other strategic investments	**5**	10	16	**411**	400	406	**53**		35
Total	**510**	327	786	**3 606**	3 071	3 395	**1 465**	1 552	1 633

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

The percentage holding in ETI at 30 June 2022 remains unchanged at 21,2%.

Accounting recognition of ETI

Rm	Jun 2022	Jun 2021	Dec 2021
Opening carrying value	**4 022**	3 930	3 930
Share of associate earnings[1,3]	**470**	270	686
Share of other comprehensive losses[2,3]	**(240)**	(326)	(742)
Foreign currency translation[4]	**79**	(69)	148
Dividends	**(132)**		
Closing carrying value pre-impairment provision	**4 199**	3 805	4 022
Impairment provision	**(1 750)**	(1 750)	(1 750)
Closing carrying value	**2 449**	2 055	2 272

[1] *Applicable period: 1 October 2021 – 31 March 2022.*
[2] *Period of applicable period: 1 January 2022 – 31 March 2022.*
[3] *Applicable average exchange rate: 1 January 2022 – 30 June 2022.*
[4] *Applicable period: 1 January 2022 – 30 June 2022, ie the cumulative difference at each quarter of the earnings and other comprehensive income converted at an average USD/ZAR rate compared with the related US dollar balances converted at the quarter-end spot rate. The ZAR/USD exchange rate depreciated from R15,90 on 31 December 2021 to R16,38 on 30 June 2022.*

The market value of the group's investment in ETI, based on its quoted share price, was R2,2bn on 30 June 2022 and R2,0bn on 4 August 2022.

11 Intangible assets

Rm	Jun 2022	Jun 2021	Dec 2021
Computer software and capitalised development costs	8 610	9 050	8 901
Goodwill	4 289	4 749	4 295
Client relationships, contractual rights and other	24	21	25
	12 923	13 820	13 221

Computer software and capitalised development costs – Carrying amount

Rm	Amortisation periods	Jun 2022	Jun 2021	Dec 2021
Computer software	2–10 years	7 329	7 590	7 763
Core product and client systems		1 851	1 816	1 928
Support systems		2 055	2 411	2 244
Digital systems		2 798	2 636	2 790
Payment systems		625	727	801
Development costs not yet commissioned	none	1 281	1 460	1 138
Core product and client systems		555	438	390
Support systems		370	310	327
Digital systems		239	606	296
Payment systems		117	106	125
		8 610	9 050	8 901
Computer software				
Opening balance		7 763	7 352	7 352
Additions		37	138	272
Commissioned during period		424	894	1 928
Foreign exchange and other moves		26	9	15
Amortisation charge for the period		(910)	(803)	(1 705)
Impairments		(11)		(99)
Closing balance		7 329	7 590	7 763
Development costs not yet commissioned				
Opening balance		1 138	1 629	1 629
Additions		562	730	1 495
Commissioned during period		(424)	(894)	(1 928)
Foreign exchange and other moves		12		(4)
Impairments		(7)	(5)	(54)
Closing balance		1 281	1 460	1 138

Notes

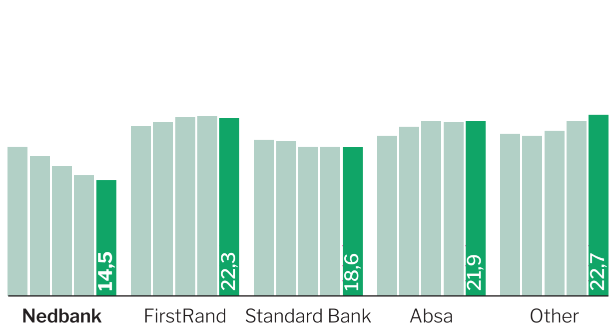
12 Amounts owed to depositors

Segmental breakdown

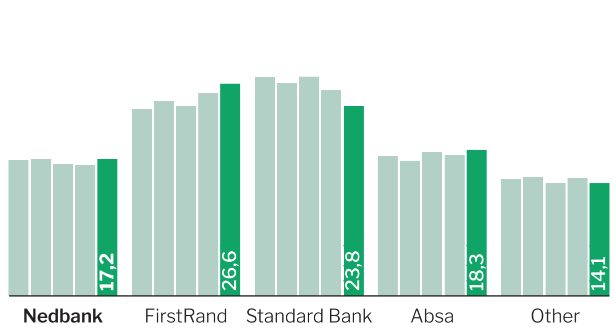
		Nedbank Group			Corporate and Investment Banking			Retail and Business Banking			Wealth			Nedbank Africa Regions			Centre		
Rm	**Yoy % change**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**	**Jun 2022**	**Jun 2021**	**Dec 2021**
Current accounts	11	**109 778**	99 300	106 751	**8 215**	7 155	6 170	**89 230**	79 948	87 005	**2 307**	2 105	2 256	**9 914**	9 999	11 224	**112**	93	96
Savings accounts		**44 980**	45 077	46 343				**13 914**	13 033	13 404	**30 179**	31 195	32 066	**887**	849	873			
Other deposits and loan accounts	2	**681 142**	670 242	698 075	**378 978**	380 605	400 175	**271 618**	259 757	267 822	**11 396**	10 308	9 471	**17 749**	18 202	19 182	**1 401**	1 370	1 425
Call and term deposits	6	**366 624**	346 862	363 857	**138 072**	127 765	137 404	**207 855**	198 935	206 433	**9 324**	9 064	7 652	**11 368**	11 095	12 364	**5**	3	4
Fixed deposits	2	**59 308**	58 004	60 238	**12 806**	14 395	14 361	**43 037**	40 392	42 237	**761**	578	651	**2 704**	2 647	2 989		(8)	
Cash management deposits	(7)	**103 918**	111 910	115 634	**90 562**	99 586	102 170	**10 743**	10 319	11 287	**336**	317	382	**2 043**	1 595	1 702	**234**	93	93
Other deposits	(1)	**151 292**	153 466	158 346	**137 538**	138 859	146 240	**9 983**	10 111	7 865	**975**	349	786	**1 634**	2 865	2 127	**1 162**	1 282	1 328
Foreign currency liabilities	28	**26 468**	20 664	22 688	**18 137**	12 999	15 880	**8 240**	7 502	6 741	**80**	113	47	**11**	50	20			
Negotiable certificates of deposit	39	**120 390**	86 397	82 429										**3 953**	4 034	3 755	**116 437**	82 363	78 674
Macro fair-value hedge-accounting adjustment	>(100)	**(1 531)**	514	83													**(1 531)**	514	83
Deposits received under repurchase agreements	98	**26 794**	13 529	15 426	**26 306**	13 529	15 426							**488**					
Total amounts owed to depositors	8	**1 008 021**	935 723	971 795	**431 636**	414 288	437 651	**383 002**	360 240	374 972	**43 962**	43 721	43 840	**33 002**	33 134	35 054	**116 419**	84 340	80 278
Comprises:																			
– Banking amounts owed to depositors	11	**940 225**	845 901	886 007	**363 840**	324 466	351 863	**383 002**	360 240	374 972	**43 962**	43 721	43 840	**33 002**	33 134	35 054	**116 419**	84 340	80 278
– Trading amounts owed to depositors	(25)	**67 796**	89 822	85 788	**67 796**	89 822	85 788												
Total amounts owed to depositors	8	**1 008 021**	935 723	971 795	**431 636**	414 288	437 651	**383 002**	360 240	374 972	**43 962**	43 721	43 840	**33 002**	33 134	35 054	**116 419**	84 340	80 278

Market share according to BA900

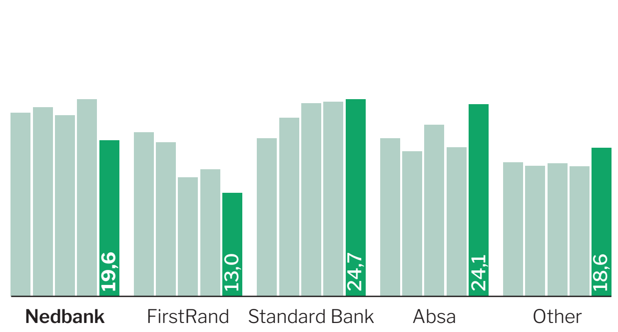
Household deposits[1] (Jun 2018 – May 2022)
(%)



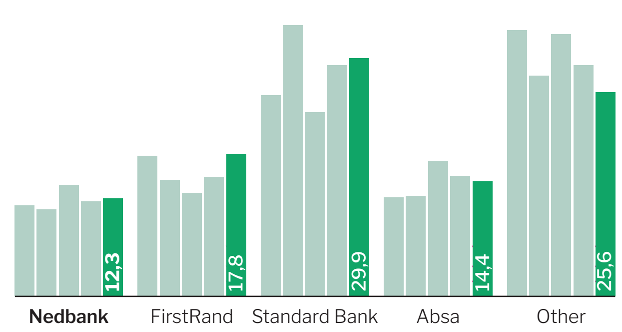
Non-financial corporate deposits[2] (Jun 2018 – May 2022)
(%)



Wholesale deposits[3] (Jun 2018 – May 2022)
(%)



Foreign currency liabilities[4] (Jun 2018 – May 2022)
(%)



[1] *Includes households according to the BA900 return.*
[2] *Includes private non-financial corporate sector deposits, unincorporated businesses as well as non-profit organisations and charities according to the BA900 return.*
[3] *Includes insurers, pension funds, private financial corporate-sector deposits, collateralised borrowings and repurchase deposits according to the BA900 return.*
[4] *Includes foreign currency deposits and foreign currency funding according to the BA900 return.*

Liquidity risk and funding

Summary of Nedbank Group liquidity risk and funding profile

		Jun 2022	Jun 2021	Dec 2021
Total sources of quick liquidity	Rm	**271 570**	254 132	264 224
Total HQLA	Rm	**208 207**	204 244	207 105
Other sources of quick liquidity	Rm	**63 363**	49 888	57 119
Total sources of quick liquidity (as a percentage of total assets)	%	**21,6**	21,4	21,6
Long-term funding ratio (three-month average)	%	**29,4**	27,9	26,6
Senior unsecured debt, including green bonds	Rm	**37 007**	38 669	39 193
Green bonds	Rm	**3 190**	2 629	3 829
Total capital market issuance (excluding additional tier 1 capital)	Rm	**53 166**	59 173	58 159
Reliance on NCDs (as a percentage of total deposits)	%	**11,9**	9,2	8,5
Reliance on foreign currency deposits (as a percentage of total deposits)	%	**2,6**	2,2	2,3
Loan-to-deposit ratio	%	**85,0**	87,1	85,6
Basel III liquidity ratios				
LCR[1]	%	**143,5**	130,5	128,1
Minimum regulatory LCR requirement[2]	%	**100,0**	80,0	80,0
NSFR[3]	%	**120,3**	113,6	116,1
Minimum regulatory NSFR requirement	%	**100,0**	100,0	100,0

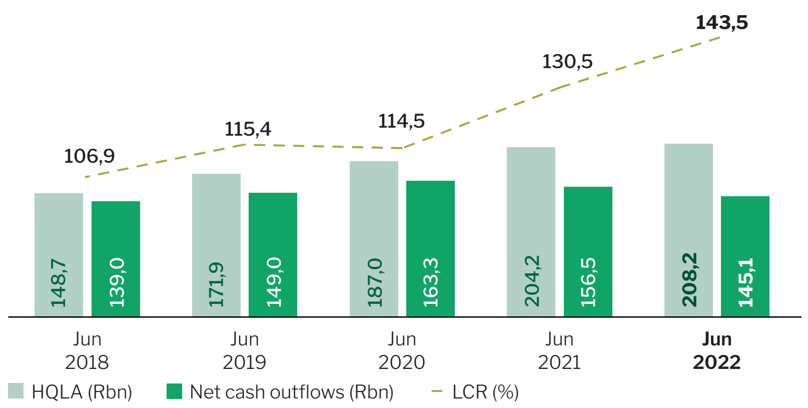
[1] *Only banking and/or deposit-taking entities are included in the group LCR and the group ratio represents a consolidation of the relevant individual net cash outflows (NCOF) and the individual HQLA portfolios across all banking and/or deposit-taking entities, where surplus HQLA holdings in excess of the minimum requirement of 100% have been excluded from the consolidated HQLA number in the case of all non-South African banking entities. The above values reflect the simple average of daily observations over the quarter ending 30 June 2022 for Nedbank and the simple average of the month-end values at 30 April 2022, 31 May 2022 and 30 June 2022 for all non-South African banking entities. For the prior periods the group ratio represents an aggregation of the relevant individual NCOF and the individual HQLA portfolios across all banking and/or deposit-taking entities, where surplus HQLA holdings in excess of the minimum regulatory requirement have been excluded from the aggregated HQLA number in the case of all non-South African banking entities.*

[2] *The PA issued Directive 1/2020 on 31 March 2020 reducing the minimum LCR requirement from 100% to 80%, with effect from 1 April 2020. The PA subsequently issued Directive 8/2021 specifying a phased-in approach to increasing the minimum LCR regulatory requirement from 80% to 90%, with effect from 1 January 2022, and subsequently to 100%, with effect from 1 April 2022.*

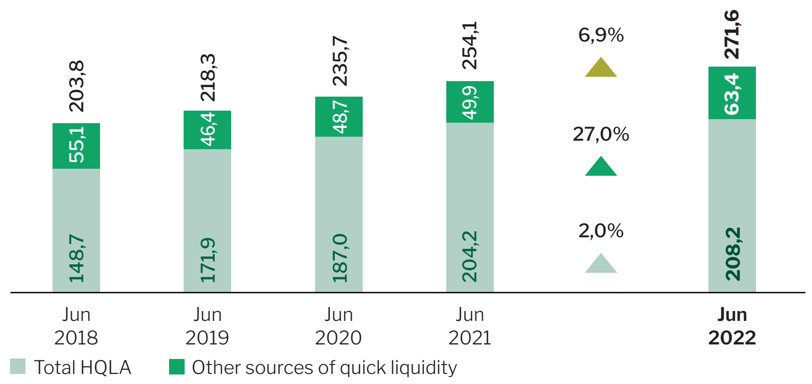
[3] *Only banking and/or deposit-taking entities are included in the group NSFR and the group data represents a consolidation of the relevant individual assets, liabilities and off-balance-sheet items.*

- Nedbank Group remains well funded, with a strong liquidity position, underpinned by a significant quantum of long-term funding, an appropriately sized surplus liquid-asset buffer, a strong loan-to-deposit ratio that is consistently below 100%, and a low reliance on interbank and foreign currency funding.
- The group's LCR exceeded the minimum regulatory requirement of 100%, with the group maintaining appropriate operational liquidity buffers designed to absorb seasonal, cyclical and systemic volatility observed in the LCR. On 29 October 2021, the PA issued Directive 8/2021 specifying a phased-in approach to reinstating the minimum LCR regulatory requirement from 80% to 90%, with effect from 1 January 2022, and subsequently to 100%, with effect from 1 April 2022. On 11 February 2022, the PA issued Directive 1/2022 requiring the LCR to be disclosed at a consolidated level, with all intergroup transactions between the banking entities being eliminated.
- The LCR, calculated using the simple average of daily observations over the quarter ending 30 June 2022 for Nedbank Limited, and the simple average of the month-end values at 30 April 2022, 31 May 2022 and 30 June 2022 for all non-South African banking entities, was 143,5%.
  - Nedbank's portfolio of LCR-compliant HQLA (comprising mainly government bonds and treasury bills) increased slightly to a quarterly average of R208,2bn, up from December 2021, when the portfolio amounted to R207,1bn.
  - The ytd increase in the LCR is attributable primarily to the implementation of Directive 1/2022 and a decrease in the quarterly arithmetic average NCOF driven by increased demand for longer-term deposits.
  - Nedbank will continue to manage the HQLA portfolio, taking into account balance sheet growth, while maintaining appropriately sized surplus liquid-asset buffers based on cyclical, seasonal and systemic market conditions.
  - In addition to the HQLA portfolio maintained for LCR purposes, the group also identifies other sources of quick liquidity, which can be accessed in times of stress. The group has significant sources of quick liquidity, as is evident in the combined portfolio of HQLA and other sources of quick liquidity, collectively amounting to R271,6bn at June 2022 and representing 21,6% of total assets.

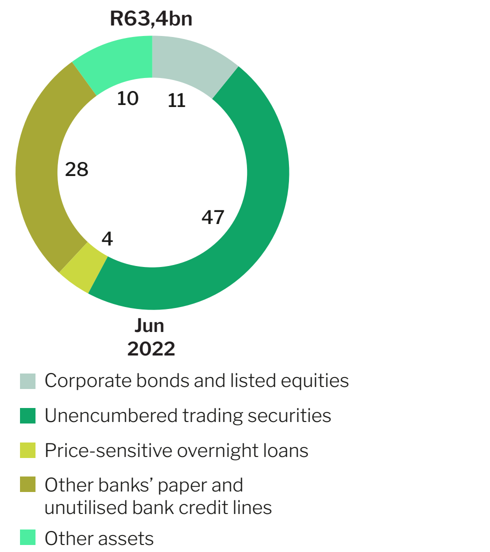
Nedbank Group LCR exceeds minimum regulatory requirements



Total sources of quick liquidity
(Rbn)

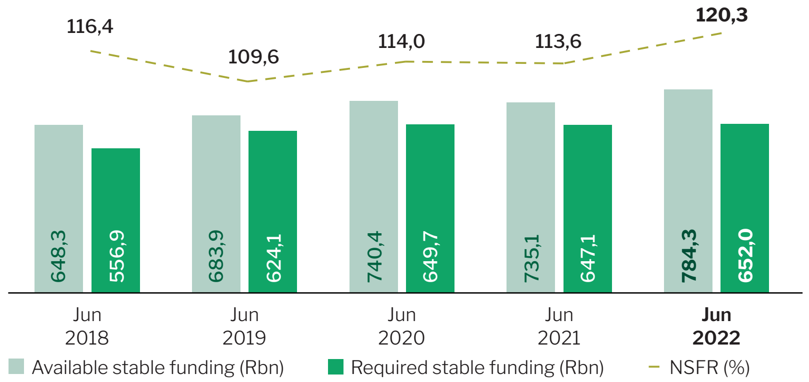


Other sources of quick liquidity contribution
(%)



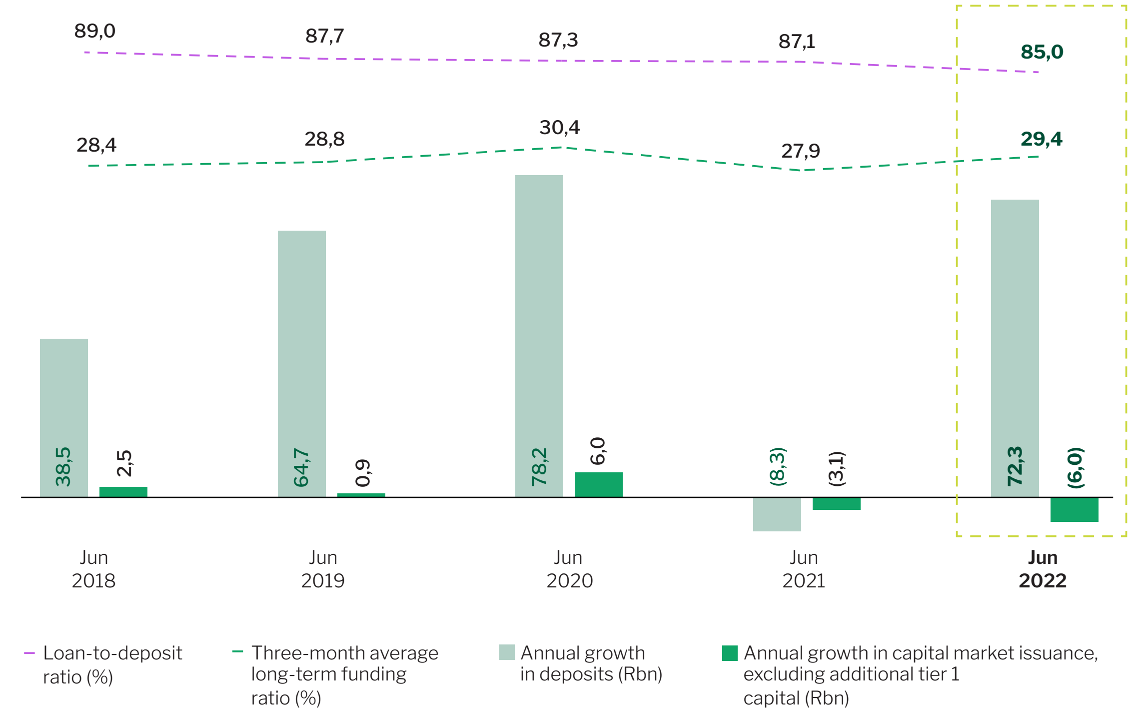
- Nedbank exceeded the minimum NSFR regulatory requirement of 100%, with a June 2022 ratio of 120,3%. The structural liquidity position of the group strengthened in H1 2022 as a result of the effective management of the balance sheet growth. The key focus in terms of the NSFR is to achieve ongoing compliance in the context of balance sheet optimisation.

Nedbank Group NSFR exceeds minimum regulatory requirements



- A strong funding profile was maintained in H1 2022, with the bank recording a three-month average long-term funding ratio of 29,4% in the second quarter of the year. The focus on managing Nedbank's long-term funding profile proactively contributed to a strong balance sheet position and sound liquidity risk metrics. Nedbank has continued to run a more prudent long-term funding profile when compared with the industry average of 22,0%.
- While foreign currency funding reliance remains small, at 2,6% of total deposits, Nedbank continues to focus on growing this funding source in support of funding base diversification, where the proceeds can be applied to meet funding requirements for foreign advances growth at attractive interest rates.

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



Exchange rates

	Average				Closing			
	Yoy % change	Jun 2022	Jun 2021	Dec 2021	Yoy % change	Jun 2022	Jun 2021	Dec 2021
UK pound to rand	(1)	**20,00**	20,18	21,11	1	**19,90**	19,72	21,48
US dollar to rand	6	**15,41**	14,55	15,86	15	**16,38**	14,27	15,90
US dollar to naira	3	**416,58**	405,65	408,99	3	**420,88**	410,25	424,83
Rand to naira	(3)	**27,04**	27,89	25,88	(11)	**25,69**	28,74	25,86
Zimbabwe dollar to rand[1]		**n/a**	n/a	n/a	(73)	**0,04**	0,17	0,15
US dollar to Zimbabwe dollar[1]		**n/a**	n/a	n/a	>100	**368,67**	85,35	108,41

[1] *In terms of hyperinflation accounting, the inflation-indexed income statement is translated at the year-end closing spot exchange rate.*

Equity analysis

Analysis of changes in net asset value

	Yoy % change	Jun 2022	Jun 2021	Dec 2021
Balance at the beginning of the period		**109 511**	100 444	100 444
Additional shareholder value	18	**5 954**	5 055	11 941
Profit attributable to equity holders of the parent		**6 869**	5 239	11 238
Currency translation movements		**(666)**	(234)	499
Exchange differences on translating foreign operations – foreign subsidiaries[1]		**(474)**	(31)	808
Exchange differences on translating foreign operations – ETI[1]		**79**	(69)	148
Share of other comprehensive income of investments accounted for using the equity method – ETI[2]		**(271)**	(134)	(457)
Fair-value adjustments		**(70)**	(170)	(192)
Fair-value adjustments on debt instruments		**(80)**	(2)	73
Share of other comprehensive income of investments accounted for using the equity method[2]		**10**	(168)	(265)
Defined-benefit fund adjustment		**(191)**	252	389
Share of other comprehensive income of investments accounted for using the equity method (included in other distributable reserves)		**21**	(25)	(21)
Property revaluations		**(9)**	(7)	28
Transactions with ordinary shareholders	>(100)	**(3 307)**	320	(1 418)
Dividends paid		**(3 831)**	(4)	(2 178)
Equity-settled share-based payments		**504**	324	637
Other transactions		**20**		123
Transaction with non-controlling shareholders	(92)	**10**	122	(2 951)
Additional tier 1 capital instruments	6	**1 000**	947	1 497
Other movements	67	**(4)**	(12)	(2)
Balance at the end of the period	6	**113 164**	106 876	109 511

[1] *Exchange differences on translating foreign operations, as shown in the statement of comprehensive income, of R402m (June 2021: R79m; December 2021: R1 029m).*
[2] *Share of other comprehensive income of investments accounted for using the equity method, as shown in the statement of comprehensive income, of R261m (June 2021: R302m; December 2020: R722m).*

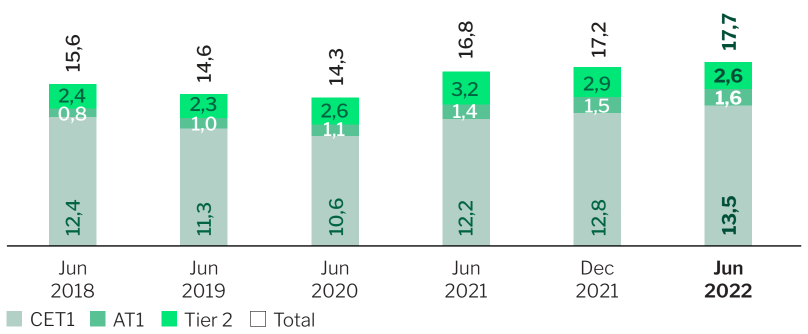
Movements in group foreign currency translation reserve

	Yoy % change	Jun 2022	Jun 2021	Dec 2021
Balance at the beginning of the period		**(1 508)**	(1 995)	(1 995)
Foreign currency translation reserve (FCTR)	>(100)	**(683)**	(234)	487
ETI		**(192)**	(203)	(309)
Nedbank Mozambique		**(34)**	86	198
Disposal of subsidiaries		**(107)**		
Other subsidiaries		**(350)**	(117)	598
Balance at the end of the period	2	**(2 191)**	(2 229)	(1 508)

Capital management

Regulatory capital adequacy and leverage

Capital ratios (including unappropriated profit)
(%)



		PA minimum	Internal targets[1]	Jun 2022	Jun 2021	Dec 2021
Nedbank Group Limited						
Including unappropriated profits						
Total CAR	%		> 14,5	**17,7**	16,8	17,2
Total tier 1	%		> 12,0	**15,1**	13,6	14,3
CET1	%		11,0–12,0	**13,5**	12,2	12,8
Surplus tier 1 capital[2]	Rm			**31 124**	26 248	31 292
Dividend cover	times		1,75–2,25	**1,75**	2,50	2,02
Cost of equity	%			**15,0**	15,0	15,1
Excluding unappropriated profits						
Total CAR	%	12,5		**16,4**	16,0	16,4
Total tier 1	%	10,3		**13,9**	12,8	13,4
CET1	%	8,5		**12,3**	11,4	12,0
Leverage	times	<25	<20	**14,5**	15,2	14,3
Nedbank Limited						
Including unappropriated profits						
Total CAR	%		> 14,5	**17,8**	17,3	17,6
Total tier 1	%		> 12,0	**14,7**	13,4	14,0
CET1	%		11,0–12,0	**12,7**	11,6	12,3
Surplus tier 1 capital[2]	Rm			**22 926**	20 455	23 993
Excluding unappropriated profits						
Total CAR	%	12,5		**16,6**	16,4	16,7
Total tier 1	%	10,3		**13,5**	12,5	13,1
CET1	%	8,5		**11,5**	10,7	11,3

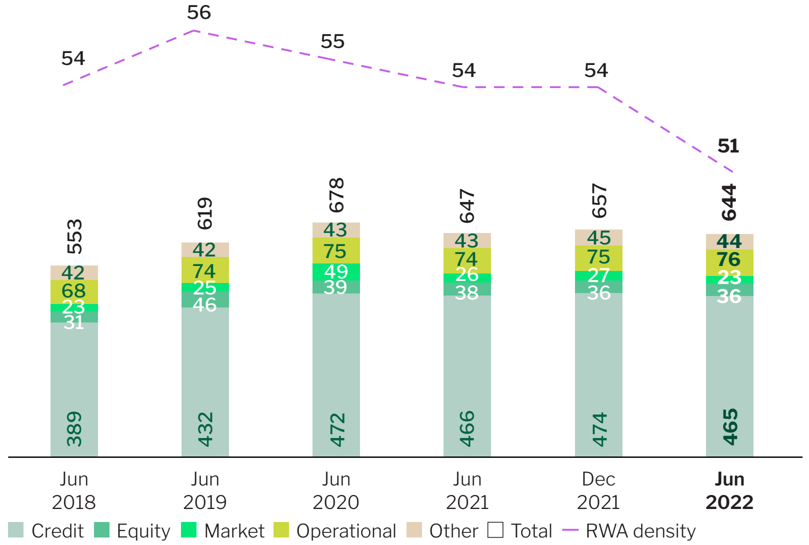
[1] *The Pillar 2A capital requirement was reinstated, with effect from 1 January 2022, to 50 bps at CET1; 75 bps at tier 1 and 100 bps for the total ratio, and our internal targets were recalibrated with effect from 1 January 2022 to align with the reinstatement.*

[2] *The surplus tier 1 capital is the difference between qualifying total tier 1 capital and the total tier 1 capital at the PA minimum requirement of 10.3%.*

- Nedbank Group maintained a strong capital adequacy position, on the back of strong organic earnings generation in H1 2022 and lower RWA , driven mainly by decreases in credit risk and market risk. The group's gearing remains below the Regulatory Leverage Ratio Framework requirement of less than 25 times, at 14,5 times.
- Nedbank Group manages its capital levels based on the board-approved risk appetite, taking cognisance of rating agency and shareholder expectations, and well above all regulatory requirements. The group further seeks to ensure that its capital structure uses the full range of capital instruments and capital management activities available to optimise the financial efficiency and loss absorption capacity of its capital base.
- Nedbank Group performs extensive and comprehensive stress testing to ensure that the group remains well capitalised relative to its business activities, the board's strategic plans, risk appetite, risk profile and the external environment in which the group operates.
- The Pillar 2A capital requirement was reinstated, with effect from 1 January 2022, to 50 bps at CET1; 75 bps at tier 1 and 100 bps for the total ratio, and our internal targets were recalibrated with effect from 1 January 2022 to align with the reinstatement.
- The PA published Guidance Note 2/2022, which advises that all relevant decisions regarding the payment of dividends and bonuses should continue to be assessed carefully and balanced against the need to support the real economy and that payout ratios should be commensurate with the bank's assessment of the current conditions and potential future uncertainty. Management is comfortable that the declared 2022 interim dividend has been assessed and deemed to be appropriately in line with this guidance note.

Nedbank Group overview of risk-weighted assets

Risk-weighted assets
(Rbn) (%)



	Jun 2022		Jun 2021	Dec 2021
	RWA	MRC[1]	RWA	RWA
Credit risk (including the securitisation exposures in banking book)	**437 398**	**54 675**	428 804	438 959
Counterparty credit risk	**14 547**	**1 818**	15 630	15 932
Credit valuation adjustment	**12 917**	**1 615**	21 412	18 797
Equity risk	**36 022**	**4 503**	38 154	35 601
Market risk	**22 786**	**2 848**	26 351	26 815
Operational risk	**75 932**	**9 492**	74 392	74 879
Amounts below the thresholds for deduction (subject to 250% risk weighting)	**18 608**	**2 326**	16 600	19 203
Other assets (100% risk weighting)	**26 229**	**3 279**	25 690	26 360
Total	**644 439**	**80 556**	647 033	656 546

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

Nedbank Limited overview of risk-weighted assets

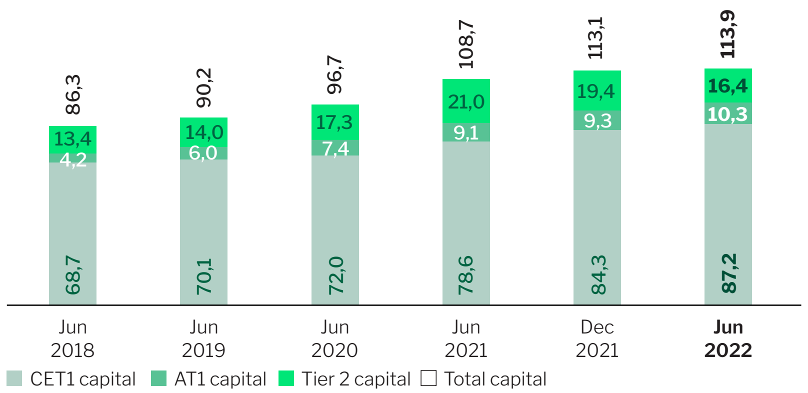
	Jun 2022		Jun 2021	Dec 2021
	RWA	MRC[1]	RWA	RWA
Credit risk (including the securitisation exposures in banking book)	**364 186**	**45 523**	356 970	361 760
Counterparty credit risk	**11 024**	**1 378**	14 932	12 856
Credit valuation adjustment	**12 806**	**1 601**	20 788	18 283
Equity risk	**20 143**	**2 518**	20 699	19 742
Market risk	**22 126**	**2 766**	25 124	26 081
Operational risk	**63 099**	**7 887**	62 359	62 360
Amounts below the thresholds for deduction (subject to 250% risk weighting)	**6 844**	**856**	5 750	7 596
Other assets (100% risk weighting)	**19 350**	**2 419**	19 482	19 821
Total	**519 578**	**64 948**	526 104	528 499

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

- The group's total RWA/total assets density improved to 51,2% in H1 2022 from 53,8% at December 2021, driven by a decrease of 1,8% in RWA.
- The decrease in total RWA is attributable mainly to the following:
  - Credit risk RWA decreased due to positive re-ratings in CIB and FX benefits and a reduction in sovereign exposures in NAR, partially offset by growth in GLAA across all portfolios.
  - Credit valuation adjustment decreased due to movements in interest rate swaps.
  - Market risk RWA decreased mainly as a result of general risk reduction across the trading portfolio on the back of heightened financial market volatility.

Summary of regulatory qualifying capital and reserves

Capital adequacy
(Rbn)



	Nedbank Group			Nedbank Limited		
Rm	Jun 2022	Jun 2021	Dec 2021	Jun 2022	Jun 2021	Dec 2021
Including unappropriated profits[1]						
Total tier 1 capital	**97 501**	87 716	93 664	**76 443**	70 435	74 200
CET1	**87 182**	78 624	84 345	**66 124**	61 135	64 881
Share capital and premium	**19 707**	19 211	19 254	**20 111**	20 111	20 111
Reserves	**82 417**	75 144	80 259	**58 471**	53 706	57 322
Minority interest: Ordinary shareholders	**624**	521	623			
Deductions	**(15 567)**	(16 252)	(15 791)	**(12 458)**	(12 682)	(12 552)
Additional tier 1 capital	**10 319**	9 092	9 319	**10 319**	9 300	9 319
Preference share capital and premium		531			531	
Perpetual subordinated debt instruments	**10 319**	8 769	9 319	**10 319**	8 769	9 319
Regulatory adjustments		(208)				
Tier 2 capital	**16 365**	21 000	19 425	**16 006**	20 461	18 913
Subordinated debt instruments	**14 007**	18 104	16 554	**14 007**	18 104	16 554
Excess of eligible provisions over downturn expected losses	**1 996**	2 565	2 496	**1 997**	2 355	2 357
General allowance for credit impairment	**362**	378	385	**2**	2	2
Regulatory adjustments		(47)	(10)			
Total capital	**113 866**	108 716	113 089	**92 449**	90 896	93 113
Excluding unappropriated profits						
Tier 1 capital	**89 324**	82 546	88 130	**70 077**	65 659	69 267
CET1 capital	**79 005**	73 454	78 811	**59 758**	56 359	59 948
Total capital	**105 690**	103 546	107 555	**86 084**	86 120	88 179

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

- The group's tier 1 capital position was enhanced by the issuance of additional tier 1 instruments of R1bn.
- The group's total capital was impacted by the redemption of tier 2 capital instruments of R2,5bn, in line with the group's capital plan.

Regulated banking subsidiaries

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

	Jun 2022			Jun 2021		Dec 2021	
	Total capital requirement (host country) %	RWA Rm	Total capital ratio %	RWA Rm	Total capital ratio %	RWA Rm	Total capital ratio %
Nedbank Africa Regions							
Nedbank Mozambique Limited	**12,0**	**4 391**	**18,3**	3 742	19,1	5 251	15,5
Nedbank Namibia Limited	**10,0**	**13 555**	**16,3**	13 608	14,0	13 057	16,7
Nedbank Eswatini Limited	**8,0**	**5 289**	**15,8**	5 382	16,4	5 397	17,2
Nedbank Lesotho Limited	**8,0**	**1 921**	**32,7**	2 032	29,3	2 076	29,2
Nedbank Zimbabwe Limited[1]	**12,0**	**1 812**	**33,7**	1 557	21,8	1 908	26,3
Isle of Man							
Nedbank Private Wealth Limited	**13,0**	**9 228**	**19,0**	8 748	17,7	10 184	17,4

[1] *The Reserve Bank of Zimbabwe (RBZ) imposes on foreign-owned banks a minimum-capital requirement of US$30m. The RBZ confirmed on 9 February 2022 that Nedbank Zimbabwe met the minimum-capital requirement of US$30m equivalent, following a rights issue of US$8m.*

Economic capital adequacy

Nedbank Group economic capital requirement

	Jun 2022		Jun 2021		Dec 2021	
	Rm	Mix %	Rm	Mix %	Rm	Mix %
Credit risk	**47 514**	**69**	47 148	67	47 902	67
Market risk	**9 140**	**13**	7 163	10	6 020	8
Business risk	**3 567**	**5**	7 984	11	7 930	11
Operational risk	**4 595**	**7**	4 609	7	5 426	8
Insurance risk	**305**	**<1**	506	<1	492	<1
Other assets risk	**1 622**	**3**	3 375	5	3 953	6
Model risk[1]	**1 701**	**3**				
Minimum economic capital requirement	**68 444**	**100**	70 785	100	71 723	100
Add: Stress-tested capital buffer[2]	**4 973**		7 079		7 172	
Total economic capital requirement	**73 417**		77 864		78 895	
AFR	**118 978**	**100**	114 393	100	117 769	100
Tier A capital	**94 652**	**80**	87 036	76	91 943	78
Tier B capital	**24 326**	**20**	27 357	24	25 826	22
Total surplus AFR	**45 561**		36 529		38 874	
AFR: Total economic capital requirement (%)	**162**		147		149	

[1] *With effect from January 2022, Nedbank implemented model risk as a standalone risk type.*
[2] *Stress-test capital buffer is set at 10% of credit risk, market risk, business risk, operational risk, insurance risk and other asset risk less the portion recognised separately as model risk.*

- Nedbank Group's minimum economic capital requirement decreased by R3,3bn during H1 2022 driven primarily by:
  - A business risk decrease of R4,4bn, which was driven mainly by the redevelopment of the business risk model, which removed the high levels of conservatism in the previous model through the incorporation of more appropriate factors.
  - The refinement of the IRD model, which resulted in decreases in operational risk (R831m), insurance risk (R187m) and other assets risk (R2,3bn), partially offset by an increase of R3,1bn in market risk.
  - The introduction of model risk into the economic capital risk universe, in January 2022 which resulted in an increase of R1,7bn in economic capital.
- An increase in Nedbank Group's available financial resources (AFR) of R1,2bn in H1 2022, mainly as a result of the following:
  - A R2,7bn increase in tier A capital, which was driven by growth in organic earnings over the period.
  - A R1,5bn decrease in tier B capital following the issuance of R1,0bn qualifying additional tier 1 capital and the redemption of R2,5bn qualifying tier 2 capital instruments in line with the group's capital plan.

Supplementary information

Earnings per share and weighted-average shares

Earnings per share	**Basic**	**Diluted basic**	**Headline**	**Diluted headline**
June 2022				
Earnings for the period	**6 869**	**6 869**	**6 663**	**6 663**
Weighted-average number of ordinary shares	**486 463 769**	**499 152 094**	**486 463 769**	**499 152 094**
Earnings per share (cents)	**1 412**	**1 376**	**1 370**	**1 335**
June 2021				
Earnings for the period	5 239	5 239	5 251	5 251
Weighted-average number of ordinary shares	484 631 140	491 921 409	484 631 140	491 921 409
Earnings per share (cents)	1 081	1 065	1 084	1 067
December 2021				
Earnings for the year	11 238	11 238	11 689	11 689
Weighted-average number of ordinary shares	485 071 919	494 841 155	485 071 919	494 841 155
Earnings per share (cents)	2 317	2 271	2 410	2 362

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

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

	Jun 2022		**Jun 2021**	**Dec 2021**
Number of weighted-average dilutive potential ordinary shares (000)	**Potential shares[1]**	**Weighted-average dilutive shares**	**Weighted-average dilutive shares**	**Weighted-average dilutive shares**
Traditional schemes	**21 326**	**11 129**	5 600	8 210
Nedbank Group Restricted-share Scheme (2005)	**18 065**	**9 379**	4 359	6 729
Nedbank Group Matched-share Scheme	**3 261**	**1 750**	1 241	1 481
Total BEE schemes	**1 592**	**1 559**	1 690	1 559
BEE schemes – SA	**1 559**	**1 559**	1 690	1 559
Community	**1 559**	**1 559**	1 690	1 559
BEE schemes – Namibia	**33**			
Total	**22 918**	**12 688**	7 290	9 769

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

Nedbank Group employee incentive schemes

for the period ended

Nedbank Group employee incentive schemes	Jun 2022	Jun 2021	Dec 2021
Summary by scheme			
Nedbank Group Restricted-share Scheme (2005)	**17 234 952**	16 567 091	16 193 982
Nedbank Group Matched-share Scheme (2005)	**3 426 256**	3 477 909	3 296 042
Instruments outstanding at the end of the period	**20 661 208**	20 045 000	19 490 024
Analysis			
Performance-based – restricted shares	**10 038 866**	9 485 384	9 291 564
Non-performance-based – restricted shares	**7 196 086**	7 081 707	6 902 418
Performance-based – matched shares (CBSS[1])	**2 249 290**	1 203 564	2 118 190
Non-performance-based – matched shares (VBSS[2])	**1 176 966**	2 274 345	1 177 852
Instruments outstanding at the end of the period	**20 661 208**	20 045 000	19 490 024
Movements			
Instruments outstanding at the beginning of the period	**19 490 024**	14 357 241	14 357 241
Granted	**5 457 645**	9 189 914	9 349 301
Accelerated		(8 719)	(16 011)
Exercised	**(3 706 802)**	(3 078 160)	(3 253 593)
Surrendered	**(579 659)**	(415 276)	(946 914)
Instruments outstanding at the end of the period	**20 661 208**	20 045 000	19 490 024

[1] *Compulsory Bonus Share Scheme.*
[2] *Voluntary Bonus Share Scheme.*

Matched shares

Instrument expiry date	Number of shares
1 April 2023	**1 666 695**
1 April 2024	**772 282**
1 April 2025	**987 279**
Matched shares outstanding not exercised at 30 June 2022	**3 426 256**
Shares exercised and forfeited during the period	**753 663**
Shares not expected to vest	**(919 144)**
Total potential shares	**3 260 776**
Weighted-average dilutive shares applicable for the period	**1 750 128**

- The obligation to deliver the matched shares issued under the Voluntary and Compulsory Bonus Share Schemes is subject to time and other performance criteria.
- This obligation exists over 30 June 2022 and therefore has a dilutive effect.
- Matched shares are not issued and are therefore not recognised as treasury shares. However, until they are issued, there remains a potential dilutive effect.

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

Restricted shares[3]

Details of instruments granted and not exercised at 30 June 2022 and the resulting dilutive effect:

Instrument expiry date	Number of shares	
16 August 2022	**50 034**	P
17 August 2022	**50 019**	
20 March 2023	**2 771 933**	P
21 March 2023	**1 979 090**	
26 March 2024	**4 442 081**	P
27 March 2024	**3 403 889**	
20 August 2024	**82 902**	P
21 August 2024	**72 898**	
18 March 2025	**2 691 916**	P
19 March 2025	**1 690 190**	
Restricted shares not exercised at 30 June 2022	**17 234 952**	
Unallocated shares	**418 543**	
Treasury shares	**17 653 495**	
Shares exercised and forfeited during the period	**1 688 312**	
Shares not expected to vest	**(1 276 997)**	
Total potential shares	**18 064 810**	
Weighted-average dilutive shares applicable for the period	**9 378 749**	

[3] *Restricted shares are issued at a market price for no consideration to participants, and are held by the schemes until the expiry date (subject to achievement of performance conditions). Participants have full rights and receive dividends.*
[P] *Performance-based instruments.*

Long-term debt instruments

Instrument code	Jun 2022	Jun 2021	Dec 2021
Subordinated debt	**14 560**	18 501	17 059
Callable notes (rand-denominated)[1]	**12 118**	16 170	14 620
Callabe notes and long-term debenture (Namibian-dollar-denominated)	**427**	319	426
Green bonds (rand-denominated)[1]	**2 015**	2 012	2 013
Securitised liabilities – callable notes (rand-denominated)	**1 543**	1 956	1 856
Senior unsecured debt – senior unsecured notes (rand-denominated)	**33 817**	36 040	35 364
Unsecured debentures (rand-denominated)	**56**	47	51
Senior unsecured green bonds (rand-denominated)	**3 190**	2 629	3 829
Total long-term debt instruments in issue	**53 166**	59 173	58 159

[1] *Loss-absorbing instruments.*

Further information can be accessed on our group website

Capital and risk management reports:

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

Debt investors programme:

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

External credit ratings

	Moody's Investors Service	
	Nedbank Limited	Sovereign rating SA
	Apr 2022	Apr 2022
Outlook	Stable	Stable
Foreign currency deposit ratings		
Long term	Ba2	Ba2
Short term	Not prime	Not prime
Local currency deposit ratings		
Long term	Ba2	Ba2
Short term	Not prime	N/A
National scale rating		
Long-term deposits	Aa1/NP	
Short-term deposits	P-1.za	

Additional tier 1 capital instruments

The group issued new-style (Basel III-compliant) additional tier 1 capital instruments as follows:

Instrument code	Instrument terms	Jun 2022	Jun 2021	Dec 2021
Subordinated				
Callable notes (rand-denominated)				
NEDT1B	3-month JIBAR + 6,25% per annum		500	
NGLT1A	3-month JIBAR + 5,65% per annum	**600**	600	600
NGLT1B	3-month JIBAR + 4,64% per annum	**750**	750	750
NGT103	3-month JIBAR + 4,40% per annum	**671**	671	671
NGT104	3-month JIBAR + 4,50% per annum	**1 829**	1 829	1 829
NGT105	3-month JIBAR + 4,25% per annum	**1 000**	1 000	1 000
NGT106	3-month JIBAR + 4,95% per annum	**500**	500	500
NGT107	3-month JIBAR + 4,55% per annum	**472**	472	472
NGT108	3-month JIBAR + 4,67% per annum	**1 537**	1 537	1 537
NGT1G – Green AT1	3-month JIBAR + 4,10% per annum	**910**	910	910
NGT109	3-month JIBAR + 3,91% per annum	**700**		700
NGT110	3-month JIBAR + 3,91% per annum	**350**		350
NGT111	3-month JIBAR + 3,79% per annum	**1 000**		
Total non-controlling interest attributable to additional tier 1 capital instruments		**10 319**	8 769	9 319

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

Shareholders' analysis

Register date: 24 June 2022
Authorised share capital: 600 000 000 shares
Issued share capital: 511 500 790 shares

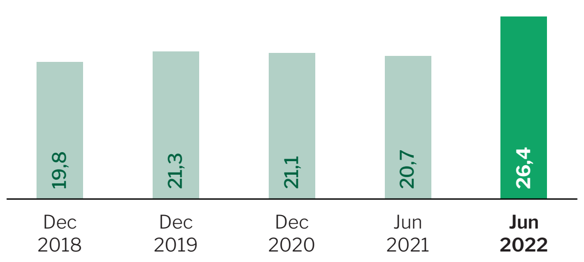
	Number of shares	Jun 2022 % holding	Jun 2021 % holding	Dec 2021 % holding
Major shareholders/managers[1]				
Nedbank Group treasury shares	24 183 547	**4,73**	4,62	4,58
BEE trusts	6 482 540	**1,27**	1,30	1,28
Eyethu scheme – Nedbank SA	6 336 586	**1,24**	1,27	1,25
Omufima scheme – Nedbank Namibia	145 954	**0,03**	0,03	0,03
Nedbank Group (2005) Restricted- and Matched-share Schemes	17 653 495	**3,45**	3,31	3,29
Nedbank Namibia Limited	47 512	**0,01**	0,01	0,01
Public Investment Corporation (SA)	69 665 340	**13,62**	10,29	13,69
Allan Gray Investment Council (SA)	50 775 097	**9,93**	8,98	10,63
Coronation Fund Managers (SA)	35 002 179	**6,84**	7,14	7,00
GIC Asset Management Proprietary Limited (international)	27 483 263	**5,37**	2,86	2,97
Ninety One (SA)	21 947 784	**4,29**	0,00	2,91
BlackRock Incorporated (international)	21 017 287	**4,11**	3,94	4,55
The Vanguard Group Incorporated (international)	16 286 349	**3,18**	0,00	3,09
Lazard Asset Management (international)	15 426 650	**3,02**	3,64	3,23
Old Mutual Life Assurance Company (SA) Limited and associates (includes funds managed on behalf of other beneficial owners)[1]	14 415 959	**2,82**	21,20	5,17
Sanlam Investment Management Proprietary Limited (SA)	14 259 582	**2,79**	2,60	3,08

[1] *Source: JP Morgan Cazenove at 24 June 2022.*

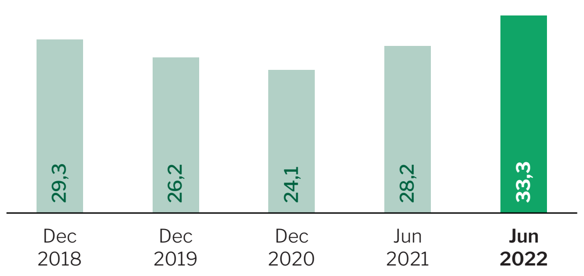
	Number of shares	Jun 2022 % holding	Jun 2021 % holding	Dec 2021 % holding
Major beneficial shareholders[2]				
Government Employees Pension Fund (SA)	76 126 099	**14,88**	11,04	15,00
Allan Gray (SA)	36 212 436	**7,08**	5,92	7,48
GIC Private Limited	27 360 923	**5,35**	0,00	2,89
Geographical distribution of shareholders[1]				
Domestic	340 938 920	**66,65**	71,85	68,64
SA	310 788 646	**60,76**	65,37	62,61
Namibia	12 932 828	**2,53**	2,53	2,59
Unclassified	17 217 446	**3,36**	3,95	3,44
Foreign	170 561 870	**33,35**	28,15	31,36
USA	76 704 684	**15,00**	14,47	15,56
Asia	41 622 462	**8,14**	4,96	5,51
Europe	23 110 303	**4,52**	3,72	4,21
UK and Ireland	15 972 812	**3,12**	2,48	2,93
Other countries	13 151 609	**2,57**	2,52	3,15
Total shares listed	511 500 790	**100,00**	100,00	100,00
Less: Treasury shares held	24 183 547			
Net shares reported	487 317 243			

[1] *Source: JP Morgan Cazenove at 24 June 2022.*
[2] *Source: Vaco Ownership at 1 July 2022.*

Index classified shareholding
(%)



Foreign shareholding
(%)



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

Rm	Nedbank CIB	Property Finance	Nedbank Retail and Business Banking	Nedbank Wealth	Nedbank Africa Regions	Centre	Nedbank Group 2022	Mix (%)	Change (%)	Risk weighting[1]	Downturn expected loss (dEL)[2]	BEEL[3]	Nedbank Group June 2021	Downturn expected loss (dEL)[2]	BEEL[3]
AIRB Approach	404 565	169 403	411 911	18 305	–	81 194	915 975	91,20	2,88	37,53	8 282	15 143	890 299	8 281	13 630
Corporate	165 781	53 321	19 068	28		38	184 915	18,41	5,15	42,67	1 191	992	175 853	1 653	413
Specialised lending – HVCRE[4]	4 976	4 976		59			5 035	0,50	(7,36)	96,55	50	242	5 435	67	147
Specialised lending – IPRE[5]	106 630	106 534	1 570	5 421			113 621	11,31	1,22	29,01	213	877	112 256	233	629
Specialised lending – project finance	42 272						42 272	4,21	(4,75)	51,17	141	153	44 382	133	74
SME – corporate	6 887	4 572	38 258	1 739			46 884	4,67	7,48	48,81	269	672	43 621	230	522
Public sector entities	11 843		37				11 880	1,18	(13,62)	41,33	34	296	13 753	35	392
Local governments and municipalities	8 956		1 793				10 749	1,07	(4,62)	38,19	17		11 270	14	
Sovereign	5 808		33			81 156	86 997	8,66	9,73	12,27	19	31	79 283	30	20
Banks	51 379		1				51 380	5,12	(13,01)	30,28	115	1	59 066	73	
Retail mortgage			150 465	9 328			159 793	15,91	6,45	25,88	840	1 892	150 108	786	1 871
Retail revolving credit			16 878	70			16 948	1,69	(1,45)	64,95	883	1 641	17 197	798	1 659
Retail – other			150 558	133			150 691	15,00	5,51	49,82	3 969	7 412	142 823	3 701	6 988
SME – retail	33		33 076	1 527			34 636	3,45	(0,78)	42,21	541	935	34 907	528	915
Securitisation exposure			174				174	0,02	(49,57)	173,64			345		
TSA[6]	–	–	158	33 597	38 966	–	72 721	7,24	5,56	47,14			68 891		
Corporate					6 261		6 261	0,62	(41,16)	96,29			10 640		
SME – corporate			158	1 554			1 712	0,17	85,28	87,45			924		
Public sector entities					381		381	0,04	1,06	91,66			377		
Local government and municipalities					20		20	0,00	(16,67)	81,74			24		
Sovereign				8 567	8 130		16 697	1,66	(9,65)	58,51			18 481		
Banks				16 501	10 739		27 240	2,71	90,57	19,76			14 294		
Retail mortgage				6 160	7 352		13 512	1,35	(4,10)	38,56			14 090		
Retail revolving credit					314		314	0,03	(50,94)	34,82			640		
Retail – other				650	3 057		3 707	0,37	(17,48)	74,09			4 492		
SME – retail				165	2 712		2 877	0,29	(41,63)	69,47			4 929		
PiPs			53	17	113		183	0,02	12,96				162		
Non-regulated entities	15 388		89				15 477	1,54	(3,50)				16 038		
Total Basel III balance sheet exposure[7]	419 953	169 403	412 211	51 919	39 079	81 194	1 004 356	100,00	2,97		8 282	15 143	975 390	8 281	13 630
dEL (AIRB Approach)												23 425			21 911
Expected loss performing book												8 282			8 281
BEEL on defaulted advances												15 143			13 630
IFRS impairment on AIRB loans and advances												(25 422)			(25 001)
Excess of downturn expected loss over eligible provisions[8]												(1 996)			(3 090)

[1] Risk weighting is shown as a percentage of exposure at default (EAD) for the AIRB Approach and as a percentage of total credit extended for the standardised approach (TSA).
[2] dEL is in relation to performing loans and advances.
[3] Best estimate of expected loss (BEEL) is in relation to defaulted loans and advances.
[4] High-volatility commercial real estate.
[5] Income-producing real estate.
[6] A portion of the legacy Imperial Bank book in Nedbank RCB, Nedbank Private Wealth (UK) and the non-South African banking entities in Africa are covered by TSA.
[7] Balance sheet credit exposure includes on-balance-sheet, repurchase and resale agreements and derivative exposure.
[8] Excess impairments compared to downturn expected loss for IRB exposures total R1 996m at 30 June 2022. In line with the Bank's Act regulations, the total amount that may be included in tier 2 unimpaired reserve funds is limited to 0,6% of total IRB risk-weighted assets, which amounts to R2 553m at 30 June 2022 (Jun 2021: R2 565m; Dec 2021: R2 496m).

Nedbank Limited consolidated statement of comprehensive income

for the period ended

Rm	Yoy % change	Jun 2022	Jun 2021 restated[1]	Dec 2021
Interest and similar income	11	**34 115**	30 652	62 452
Interest expense and similar charges	14	**18 242**	15 969	32 348
Net interest income	8	**15 873**	14 683	30 104
Non-interest revenue and income	11	**9 926**	8 913	18 801
Net commission and fee income		**7 639**	7 233	14 838
Commission and fee revenue		**9 434**	8 544	18 012
Commission and fee expense		**(1 795)**	(1 311)	(3 174)
Net insurance income		**(22)**	(26)	15
Fair-value adjustments		**(53)**	(732)	(827)
Net trading income		**1 606**	1 857	3 654
Equity revaluation gains		**460**	228	516
Investment income		**64**	98	98
Net sundry income		**232**	255	507
Share of gains of associate companies	(10)	**37**	41	79
Total income	9	**25 836**	23 637	48 984
Impairments charge on financial instruments	7	**3 273**	3 047	6 169
Net income	10	**22 563**	20 590	42 815
Total operating expenses	7	**15 236**	14 243	29 314
Indirect taxation	2	**466**	458	935
Impairments charge on non-financial instruments and other (gains)/losses	>(100)	**(36)**	1	205
Profit before direct taxation	17	**6 897**	5 888	12 361
Total direct taxation	17	**1 750**	1 502	3 113
Direct taxation		**1 738**	1 506	3 175
Taxation on impairments charge on non-financial instruments and other gains and losses		**12**	(4)	(62)
Profit for the period	17	**5 147**	4 386	9 248
Other comprehensive (losses)/income (OCI) net of taxation	>(100)	**(445)**	151	560
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations		**(226)**	(62)	222
Debt investments at FVOCI – net change in fair value		**(27)**	(44)	9
Items that may not subsequently be reclassified to profit or loss				
Gain on property revaluations				9
Remeasurements on long-term employee benefit assets		**(192)**	257	322
Equity instruments at FVOCI – net change in fair value				(2)
Total comprehensive income for the period	4	**4 702**	4 537	9 808
Profit attributable to:				
– Ordinary shareholders	18	**5 091**	4 321	9 121
– Non-controlling interest – ordinary shareholders	(50)	**1**	2	2
– Holders of preference shares	(13)	**55**	63	125
Profit for the period	17	**5 147**	4 386	9 248
Total comprehensive income attributable to:				
– Ordinary shareholders	4	**4 646**	4 472	9 681
– Non-controlling interest – ordinary shareholders	(50)	**1**	2	2
– Holders of preference shares	(13)	**55**	63	125
Total comprehensive income for the period	4	**4 702**	4 537	9 808
Headline earnings reconciliation				
Profit attributable to ordinary shareholders	18	**5 091**	4 321	9 121
Less: Non-headline earnings items	>100	**24**	3	(143)
Impairments charge on non-financial instruments and other gains and losses		**36**	(1)	(205)
Taxation on impairments charge on non-financial instruments and other gains and losses		**(12)**	4	62
Headline earnings attributable to ordinary and preference shareholders	17	**5 067**	4 318	9 264

[1] *As disclosed at 31 December 2021, the group reviewed the presentation of its statement of comprehensive income during 2021. As a result of the review, certain line descriptions have been renamed, certain subtotals have been added and removed, the locations of certain line items have been changed, and the 'Non-interest revenue and income' line item has been disaggregated. It is the group's view that these changes provide more relevant disclosures on the group's financial performance. To provide comparability, the 30 June 2021 balances have been restated accordingly. The reclassifications had no impact on the group's statement of financial position, statement of changes in equity and statement of cash flows.*

Nedbank Limited consolidated financial highlights

for the period ended

Rm	Jun 2022	Jun 2021	Dec 2021
ROE (%)	**12,8**	11,8	12,2
ROA (%)	**0,93**	0,81	0,86
NII to average interest-earning banking assets (%)	**3,85**	3,73	3,77
CLR – banking advances (%)	**0,82**	0,80	0,81
Cost-to-income ratio	**59,0**	60,3	59,8

Nedbank Limited consolidated statement of financial position

at

Rm	Yoy % change	Jun 2022	Jun 2021 restated[1,2]	Dec 2021 restated[2]
Assets				
Cash and cash equivalents	25	**35 313**	28 144	34 056
Other short-term securities	62	**48 559**	29 934	33 425
Derivative financial instruments	(6)	**43 422**	46 196	38 840
Government securities		**136 320**	135 974	147 297
Other dated securities	(6)	**1 105**	1 180	1 144
Banking loans and advances	8	**808 851**	751 458	786 841
Trading loans and advances	(14)	**51 686**	60 002	50 431
Other assets	(31)	**9 265**	13 466	9 664
Current taxation assets	61	**177**	110	42
Investment securities	(6)	**6 953**	7 424	6 867
Non-current assets held for sale	65	**114**	69	127
Investments in associate companies	7	**975**	911	944
Deferred taxation assets	>100	**238**	57	573
Property and equipment	2	**9 413**	9 197	9 140
Long-term employee benefit assets	(1)	**6 259**	6 292	6 487
Intangible assets	(4)	**9 869**	10 284	10 142
Total assets	6	**1 168 519**	1 100 698	1 136 020
Total equity and liabilities				
Ordinary share capital		**28**	28	28
Ordinary share premium		**20 073**	20 073	20 073
Reserves	9	**62 269**	56 941	60 694
Total equity attributable to equity holders of the parent	7	**82 370**	77 042	80 795
Preference share capital and premium	(100)		3 561	
Holders of participating preference shares	>100	**55**	5	59
Holders of additional tier 1 capital instruments	18	**10 319**	8 769	9 319
Non-controlling interest attributable to ordinary shareholders	15	**15**	13	13
Total equity	4	**92 759**	89 390	90 186
Derivative financial instruments	13	**41 576**	36 844	35 623
Amounts owed to depositors	8	**966 982**	897 501	937 736
Provisions and other liabilities	(20)	**13 873**	17 287	13 942
Current taxation liabilities	(3)	**37**	38	260
Deferred taxation liabilities	(47)	**136**	259	120
Long-term employee benefit liabilities	(7)	**2 236**	2 392	2 268
Long-term debt instruments	(11)	**50 920**	56 987	55 885
Total liabilities	6	**1 075 760**	1 011 308	1 045 834
Total equity and liabilities	6	**1 168 519**	1 100 698	1 136 020

[1] *As disclosed at 31 December 2021, the group reviewed its presentation of the mandatory reserve deposits with central banks, which were previously disclosed separately on the statement of financial position. As a result of this review, the mandatory reserve deposits with central banks have now been aggregated within the 'Cash and cash equivalents' balance as the nature of the mandatory reserve deposits represent cash and cash equivalents. This is in line with the disclosure in the statement of cash flows. The amount of mandatory reserve deposits with central banks that were reclassified to cash and cash equivalents is R21 481m for 30 June 2021, and consequently the 30 June 2021 balances have been restated to provide comparative information. The group is of the view that the updated disclosure provides more relevant information for users to understand better the group's cash and cash equivalents.*

[2] *During the six-month period ended 30 June 2022, the group reviewed the presentation of its statement of financial position. As a result of the review, the 'Loans and advances to clients' and 'Loans and advances to banks' line items have been aggregated. These changes represent reclassifications to the presentation of the statement of financial position. It is the group's view that these changes provide more relevant disclosures on its financial position. To provide comparability, the prior-year balances have been restated accordingly. The reclassifications had no impact on the group's statement of comprehensive income, statement of changes in equity and statement of cash flows.*

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.

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

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

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

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

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

Credit loss ratio (CLR) (% or bps) 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 1/2020 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 deemed it appropriate to amend the minimum liquidity coverage ratio (LCR) requirement temporarily to 80%, with effect from 1 April 2020.

Directive 2/2020 A directive from the PA that 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, 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 3/2020 A directive from the PA that implements 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 7/2015 A directive from the PA that provides clarity on how banks should identify restructured credit exposures and how these exposures should be treated for purposes of the definition of default.

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

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

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

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

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

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

Guidance Note 4/2020 A guidance note from the South African Reserve Bank that recommends 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 3/2021 A guidance note from the South African Reserve Bank that recommends banks be prudent and consider the adequacy of their current and forecast 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 3/2021 replaces Guidance Note 4/2020.

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.

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

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

Life insurance 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.

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

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

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

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

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

Non-interest revenue and income (NIR) to total income (%) Non-interest revenue and income as a percentage of total income, excluding the impairments charge on loans and advances and share of gains or losses of associate companies.

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

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

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

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

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

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

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

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

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

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

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

Total income growth rate less expenses growth rate (JAWS ratio) (%) Measure of the extent to which the total income growth rate exceeds the total operating expenses growth rate.

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

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

Year-to-date annualised or ytd annualised The growth rate for the six-month period to 30 June annualised by 365 days, divided by 181 days.

Abbreviations and acronyms

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

Company details

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Instrument codes

Nedbank Group ordinary shares

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

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This announcement is available on the group's website at nedbankgroup.co.za, together with the following additional information:

- Financial results presentation.
- Link to a webcast of the presentation to investors.

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Sponsors in SA: Merrill Lynch SA Proprietary Limited
Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Sponsor in Namibia

Old Mutual Investment Services (Namibia) Proprietary Limited

Disclaimer

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

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

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

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

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