Creating **value** by using our **financial expertise** to do **good**

**Transformation Report**
for the year ended 31 December 2018

**see money differently**
‘At Nedbank we are financial experts who do good – we are committed to authentic organisational transformation by creating an empowering culture, delivering innovative, market-leading client experiences. Our aspiration is to contribute our fair share towards sustainable economic outcomes that create wealth and meaningful opportunities for all South Africans, especially Black African South Africans.’
Transformation is much more than compliance with any codes; it is a moral and business imperative to contribute to a sustainable future for all. Our approach, that ongoing transformation is needed to remain relevant in the changing societies in which we operate, supports both business and national strategic priorities.

The National Development Plan (NDP) details a comprehensive approach to transformation, acknowledging that “If SA registers progress in deracialising ownership and control of the economy, without reducing poverty and inequality, transformation will be superficial. Similarly, if poverty and inequality are reduced without demonstrable changed ownership patterns … the country’s progress will be stifled”.

Transformation must be a catalyst for the higher levels of inclusive growth our country needs. Nedbank is committed to playing its part, working together with business, government, labour and civil society to address structural socioeconomic challenges in the country and improve the lives of all South Africans.

The evolving broad-based black economic empowerment (BBBEE) landscape

Transformation of the financial services sector plays a significant yet complex role in SA’s nation-building journey. Nedbank plays a key role in contributing to the country’s economic growth, and in so doing is very conscious that the manner in which such contributions are made must promote access to economic opportunities and financial inclusion to improve the overall standard of living and uplift the moral quotient of the country.

HIGH-LEVEL HISTORY BBBEE TIMELINE OF KEY EVENTS

- **1999** BBBEE Commission established.
- **1993** First BBBEE Transaction: Methold (later NAIL) /Sanlam.
- **1990** Release of Nelson Mandela and other political prisoners. Repudiation of group areas, population registration and land acts.
- **2000** BBBEE Commission report released.
- **2003** BBBEE Act. dti published a strategy document on BBBEE.
- **2004** First draft of dti Codes issued.
- **2004** Financial sector summit hosted in 2002. FSC Council formed and first draft of FSC came into effect. The industry measured its performance against the FS Charter from 2004 to 2008 after which the FSC would be reviewed.
- **2007** Codes gazetted in January 2007.
- **2002–2007** 56% of deals concluded against an attractive macro, as corporates set to comply with legislation. (Source: Rothschild).
- **2008–2010** Slowdown in transactions given global financial crisis and companies having already concluded transactions. (Source: Rothschild).
- **2010** Phase 7 of the FSC gazetted in terms of section 9(3) of BBBEE Act.
- **2011** KPMG BBBEE Survey results average level 6 contributor.
- **2011** KPMG BBBEE Survey results average level 6 contributor.
- **2012** KPMG BBBEE Survey results average level 5 contributor.
- **2012** Revised dti codes gazetted in October 2012.
- **2012** FS Code gazetted in November in terms of Section 9(7).
- **2013** Revised dti codes gazetted in October 2013.
- **2013** Amended FSC gazetted on 1 December 2017 in terms of section 9(7).
- **2014–16**
- **2015** Revised dti Codes published in terms of section 9(7).
- **2016** FS Code realigned with Revised Codes of Good Practice.
- **2017** The Banking Association South Africa (BASA) formulated five workgroups to address a new transformation agenda for the banking industry that goes beyond the FSC following the Parliamentary Committee Hearings.
- **2017** Parliamentary Committee Hearings on “Transformation in Financial Sector”.
- **2017** Revised FSC codes gazetted on 1 December 2017 in terms of section 9(7).
- **2017** Revised dti Codes published in terms of section 9(7).
- **2019** BBBEE Advisory Council appointed to advise Government on BBBEE.

Nedbank Transformation Report 2018
NEDBANK GROUP’S APPROACH TO TRANSFORMATION

Nedbank operates as an integral part of the SA society, representing a microcosm of the environment, and its operations and interactions are therefore intricately linked to the very fibre of society.

Transformation is a key enabler of Nedbank’s ability to achieve our vision of being the most admired financial services provider in Africa. This creates a solid basis from which to drive sustainability for all our stakeholders.

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>VISION</th>
<th>DEEP GREEN ASPIRATIONS</th>
<th>TRANSFORMATION A KEY STRATEGIC ENABLER</th>
<th>OUR BRAND</th>
<th>WHO WE ARE</th>
<th>LIVING OUR VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>To use our financial expertise to do good for individuals, families, businesses and society</td>
<td>To be the most admired financial services provider in Africa by our staff, clients, shareholders, regulators and communities</td>
<td>Great place to work</td>
<td>2004 Beyond Transformation</td>
<td>A universal bank with an integrated wealth franchise delivered through a regional footprint with strategic access to pan-African banking network</td>
<td>Integrity</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Great place to bank</td>
<td>2008 Accelerated Transformation</td>
<td></td>
<td>Respect</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Great place to invest</td>
<td>2009 - Present Leading Transformation</td>
<td></td>
<td>Accountability</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>World class at mitigating risk</td>
<td></td>
<td></td>
<td>Client-Driven</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Green and caring bank</td>
<td></td>
<td></td>
<td>People-Centred</td>
<td></td>
</tr>
</tbody>
</table>

Our transformation framework supports the national imperative while transcending mere compliance. Our goal is to build a nationally relevant bank and to contribute to a better life for all in SA.

Our purpose is to use our financial expertise to do good for individuals, families, business and society.

Transformation of the financial services sector plays a significant yet complex role in SA’s nation building journey.

Nedbank’s transformation framework continues to evolve while supporting both the national strategic priorities as well as its purpose in using financial expertise to do good for all stakeholder in SA.

Transformation transcends compliance.

Human capital
- Ownership
- Management control
- Employment equity
- Skills development

Leadership capital
- Culture
- Brand
- Stakeholders
- Response to underlying legislation
- Skills development

Financial capital
- Access to financial services
- Empowerment Financing
- Ownership
- Enterprise development
- Supplier development

Socio-economic capital
- Preferential procurement
- Supplier development
- Enterprise development
- Socio-economic development
- Skills development

* Overlapping areas indicated in grey.

Nedbank Transformation Report 2018
Level 1 achieved for FY2018

Nedbank has achieved a level 1 BBBEE contributor status for FY2018 under the Amended Financial Sector Code (FSC), gazetted in terms of section 9(1) of the BBBEE Act, 53 of 2003, having retained level 2 BBBEE contributor status for 10 consecutive years. This result is a culmination of our ongoing commitment to sustainable transformation.

‘At Nedbank we are financial experts who do good - we are committed to authentic organisational transformation by creating an empowering culture and delivering innovative market-leading client experiences. Our aspiration is to make our fair-share of contribution towards sustainable economic outcomes that create wealth and meaningful opportunities for all South Africans; especially black-African South Africans’. – Chairperson of Nedbank’s GTSEC, Mpho Makwana

A robust governance approach is applied to our transformation efforts and there are therefore several structures that debate, critique and approve each of the transformation initiatives. This receives full support of the Board and the Nedbank Group Executive Committee (Nedbank Group Exco), primarily through the following two main board committees:

- The Nedbank Transformation and Human Resources Committee (TRAHRCO), a subcommittee of the Nedbank Executive Committee (Exco), which is responsible for implementing the transformation programme for the bank and ensuring that there is full integration of all transformation and human resources processes and initiatives in the group.
- The Group Transformation, Social and Ethics Committee (GTSEC), a subcommittee of the Nedbank Limited Board, which provides oversight of the group’s activities in relation to transformation, human capital development and sustainability, and monitors progress in terms of the transformation agenda for the group.

Operating with an expanded mandate based on King IV™, the GTSEC remains committed to ensuring that Nedbank fulfils its social, ethical, environmental and transformational agendas in support of sustainable development, including growth, value creation, effective stakeholder management and protection of the good reputation of the bank.

Furthermore, there is crossmembership between the Group Remuneration Committee (Remco) and GTSEC so that regular and healthy interaction between these committees takes place with a view to promoting an ethical and values-based culture. One of the stated objectives of our remuneration policy is ‘to enable appropriate transparency in the development of remuneration programmes and the distribution of individual remuneration awards to ensure equity and fairness (ethical outcomes) based on valid and appropriate external and internal benchmarks’. Management is committed to ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration.
The table below provides a breakdown of Nedbank Group’s 2017 and 2018 scores against the main indicators set out by the Amended FSC.

<table>
<thead>
<tr>
<th>Element</th>
<th>Weighting points</th>
<th>FY2018 Audited</th>
<th>FY2017 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>23 + 5 bonus</td>
<td>26,00</td>
<td>23,00</td>
</tr>
<tr>
<td>Management control</td>
<td>20,00</td>
<td>15,64</td>
<td>14,90</td>
</tr>
<tr>
<td>Employment equity</td>
<td>Consolidated into management control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills development</td>
<td>20 + 3 bonus</td>
<td>14,37</td>
<td>12,75</td>
</tr>
<tr>
<td>Preferential procurement</td>
<td>15 + 4 bonus</td>
<td>18,61</td>
<td>15,00</td>
</tr>
<tr>
<td>Supplier development</td>
<td>7 + 2 bonus</td>
<td>5,58</td>
<td>7,00</td>
</tr>
<tr>
<td>Empowerment financing</td>
<td>15,00</td>
<td>15,00</td>
<td>15,00</td>
</tr>
<tr>
<td>Enterprise development</td>
<td>3 + 2 bonus</td>
<td>5,00</td>
<td>5,00</td>
</tr>
<tr>
<td>Socioeconomic development</td>
<td>5 + 3 bonus</td>
<td>6,00</td>
<td>6,00</td>
</tr>
<tr>
<td>Access to financial services</td>
<td>12,00</td>
<td>11,40</td>
<td>11,32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120 + 19 bonus</strong></td>
<td><strong>117,60</strong></td>
<td><strong>109,97</strong></td>
</tr>
<tr>
<td>BBBEE level</td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
## HIGHLIGHTS FOR 2018

**Made a R5,9m investment into the Green Engine YES Hub at Tembisa, which is set to deliver massive community benefits and create employment opportunities for young people.**

**Totalled R124m in corporate social investment (CSI) spend across the group.**

**Refreshed our Nedbank brand, accompanied by a new brand tagline ‘see money differently’, which aligns with our purpose to use our financial expertise to do good for individuals, families, businesses and society.**

**Absorbed 81 of the 144 learners who completed their learnerships.**

**Employed 830 persons with disabilities, with 1,64% being black and 1,07% black female.**

**Had a total of 28 060 staff, with 77,44% black and 49,56% black female.**

**Recorded total procurement spend of R17,97bn, of which 78% was local procurement (R14,02bn). There were 993 black-owned (BO) suppliers with a total spend of R4,39bn, 492 black-women-owned (BWO) suppliers with a total spend of R2,27bn, and 2 954 exempted microenterprises (EMEs) and qualifying small enterprises (QSEs) with a total spend of R2,87bn.**

**Totalled R468m in skills development spend across the group.**

**Empowered 175 000 adults and learners financially through Nedbank’s face-to-face consumer financial education programme.**

**Partnered with international advocacy organisation Global Citizen and provided funding of approximately R20m to bring the concert-style Global Citizen Festival to the African continent for the first time in 2018.**

**31 691 training beneficiaries (including compliance training) were recorded in 2018, with an average of 35 hours of training per employee. The number of training beneficiaries in 2018 increased by 27% from 2017.**

## AWARDS AND RECOGNITION

**2018 Sunday Times Top Brands**  
– Winner of Community Upliftment Award in Business category and runner-up for the Business Green award.  

**2018 South African Board for People Practices Employment Equity, Diversity and Transformation Awards**  
Won the Employment Equity, Diversity and Transformation award.
One of the main objectives of the Amended FSC is to drive the continued growth of real black ownership of SA’s financial assets.

While recognising that banks are largely institutionally owned, the primary method of achieving this is by promoting a steady increase in the number of black people in the country who have direct and indirect access to equity in economic assets and, equally important, empowering these individuals or groups to exercise control over the way in which these assets are utilised for the benefit of everyone in the country.

In 2005 Nedbank took a significant step towards the realisation of this equitable ownership vision with the introduction of the Nedbank Group BBBEE Eyethu transaction. The transaction enabled direct, broad-based ownership of the group by black stakeholders comprising employees, clients, strategic partners, community interest groups, non-executive directors and others. In 2015 this share scheme matured, unlocking R8,2bn in value for more than 500 000 SA shareholders.

**Case in point: Continuing to create an enduring legacy**

The Nedbank and Old Mutual Black Business Partners (BBP) Legacy Programme continues to forge strong relationships. Nedbank established the Nedbank BBP Legacy Trust to manage its R100m commitment to the BBP Legacy Programme. The programme comprises three broad-based investment streams: (i) commercialisation of small-scale farming and food security led by WIPHOLD; (ii) job creation and support of entrepreneurs led by Brimstone and (iii) the development of township economies and urban renewal led by Izingwe. The parties have committed a total endowment of R300m. To date a total of R161,43m has been disbursed in patient-capital loans across three streams. Projects highlights include:

- **Centane–Mbashe agricultural initiative (WIPHOLD stream)** – The past year has seen a further strengthening of the partnership between WIPHOLD and its community partners in the Centane–Mbashe initiative, which is still supporting the community through rural employment, income generation and provision of food security. The total number of families benefiting has increased to 2 188 (+ 8%) and the number of villages involved in the project stands at 32, with an increase in the number of jobs created (31 permanent and 1 969 temporary) in 2018.

- **Pick n Pay Township Economy Revitalisation programme (Brimstone stream)** – This programme has been improving the competitiveness and sustainability of spaza shops in high-density townships. This partnership is between the Gauteng and Western Cape provincial governments, Pick n Pay, local spaza shop owners, Old Mutual’s Masisizane Fund and the BBP Legacy Programme. The rollout plan for phase two is continuing, with nine stores already operational and six planned to be by the end of March 2019. The existing nine stores have resulted in the creation of 77 new jobs, with 63 jobs having been sustained.

- **Pay-for-performance pilot (Brimstone stream)** – This pilot project is a social impact bond designed and coordinated by Harambee and Yellowwoods to test a funding model to overcome barriers to interventions that accelerate employability of excluded youth in SA. The Legacy Programme, along with early adopters Hollard and Standard Bank’s Tutuwa Community Trust, participated in the pilot by disbursing a patient-capital loan of R113m ahead of the pilot launch in April 2018. In its first year the targeted outcomes of the pilot were transition and the placement of 600 excluded young people in high-complexity job families, based on Harambee’s classification system, all with minimum 12-month employment contracts. The outcomes were achieved by the end of 2018 and work is already underway to prepare and raise funds for years two to four of the pilot.

- **My Expressions (ME) hair and beauty salon franchise (Izingwe Stream)** – Cosmic Fashion Options (Pty) Ltd, a well-known brand in hair, beauty and fashion accessories, has successfully launched a hair salon franchise brand called My Expressions (ME Hair Salons). The franchise has rolled out five pilot township salons in Soweto, Tembisa, Soshanguve, Alexandra and Vosloorus in Gauteng. ME Hair Salons upskill and support salon stylists and entrepreneurs to become salon owners of an upmarket salon with competitive prices in the townships, and also create employment (approximately six new jobs per franchise salon).

**Managed separation execution**

In 2018 Nedbank completed its managed separation from Old Mutual, which was first announced by Old Mutual in March 2016, marking the historic moment of Nedbank’s becoming truly independent. Part of the managed separation included Old Mutual Limited (OML), the entity newly listed on the JSE, unbundling its majority stake of approximately 52% in Nedbank and retaining a strategic minority a strategic minority of 19.9% held through shareholder funds.

Nedbank worked closely with Old Mutual to ensure an effective and positive outcome for all our stakeholders, both internally and externally. The managed separation was successfully concluded with little impact from overhang, as the Nedbank share closed the year as the best-performing SA share.

The managed separation had no impact on Nedbank’s operations, staff, clients or strategy. We continue our arm’s-length collaboration with Old Mutual Limited for synergies in SA and the rest of Africa.
MANAGEMENT CONTROL

Nedbank continues to make good strides in terms of the ongoing transformation in top management and executive structures. Significant progress has been made in ensuring transformation of the board of directors and this is highlighted through exceeding the Amended FSC targets set for 2018.

The following reflects the composition of the Nedbank Group Limited Board and the Nedbank Exco for the financial year 2018.

Nedbank Group Limited Board

Board of directors

Independent non-executive directors

Vassi Naidoo 64
Chairman: Nedbank Group and Nedbank Limited
3 years on the board

Malcolm Wyman 72
Lead Independent Director
Chair: DAC, GRPTC
9 years on the board

Hubert Brody 54
Chair: Remco
1 year on the board

Mpho Makwana 48
Chair: GTSEC
7 years on the board

Linda Makalima 50
1 year on the board

Mantsika Matooane 43
Chair: GITCO
4 years on the board

Brian Dames 53
4 years on the board

Joel Netshitenzhe 62
8 years on the board

Neo Dongwana 46
1 year on the board

Stanley Subramoney 60
Chair: GAC
3 years on the board

Errol Kruger 61
Chair: GRCMC, GCC
2 years on the board

Non-executive directors

Mike Brown 52
Chief Executive
14 years on the board

Raisibe Morathi 49
CFO
9 years on the board

Mfundo Nkuhlu 52
COO
3 years on the board

Rob Leith 56
2 years on the board

Peter Mayo 56
0,5 years on the board

Black representation on the board (%)

2017 2018

<table>
<thead>
<tr>
<th>Black boardmembers</th>
<th>48,5</th>
<th>48,5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black female boardmembers</td>
<td>22,8</td>
<td>22,8</td>
</tr>
</tbody>
</table>

Nomavuso Mnxsasana, Bruce Hemphill and Ian Gladman stepped off the board last year and we welcomed Peter Mayo from Old Mutual Limited to the board.

Board changes since 2017 AGM

Additions
- Peter Mayo
- Rob Leith

Retirement
- Brian Hemphill
- Ian Gladman
- Rob Leith
- Nomavuso Mnxsasana

Board nominees for 2018 AGM

Election
- Peter Mayo
- Rob Leith

Reelection
- Mike Brown
- Brian Dames
- Vassi Naidoo
- Stanley Subramoney

(Rob Leith retired on 15 October 2018 and was reappointed on 1 January 2019)
Our Group Executive Committee

The Nedbank Group Executive Committee is a diverse and experienced management team that comprises the Chief Executive (CE), Chief Operating Officer (COO), Chief Financial Officer (CFO) and 10 other members of top management.

Experienced with a strong track record

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Exco member since</th>
<th>Years' service in Nedbank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Brown 52</td>
<td>CE</td>
<td>17 June 2004</td>
<td>26 years' service</td>
</tr>
<tr>
<td>Raisibe Maratho 58</td>
<td>CFO</td>
<td>1 September 2009</td>
<td>9 years' service</td>
</tr>
<tr>
<td>Mfundo Nkuhlu 52</td>
<td>COO</td>
<td>1 January 2015</td>
<td>16 years' service</td>
</tr>
<tr>
<td>Mike Davis 47</td>
<td>Group Executive: Balance Sheet Management</td>
<td>1 January 2015</td>
<td>22 years' service</td>
</tr>
<tr>
<td>Brian Kennedy 58</td>
<td>Group Managing Executive: CIB</td>
<td>14 November 2003</td>
<td>23 years' service</td>
</tr>
<tr>
<td>Iolanda Ruggiero 48</td>
<td>Group Managing Executive: Wealth</td>
<td>1 May 2015</td>
<td>16 years' service</td>
</tr>
<tr>
<td>Ciko Thomas 50</td>
<td>Group Managing Executive: RBB</td>
<td>18 January 2010</td>
<td>9 years' service</td>
</tr>
<tr>
<td>Trevor Adams 56</td>
<td>Chief Risk Officer</td>
<td>5 August 2009</td>
<td>22 years' service</td>
</tr>
<tr>
<td>Deb Fuller 44</td>
<td>Group Executive: Group HR</td>
<td>25 June 2018</td>
<td>0.5 years' service</td>
</tr>
<tr>
<td>Anna Isaac 49</td>
<td>Group Chief Compliance Officer</td>
<td>1 January 2019</td>
<td>21 years' service</td>
</tr>
<tr>
<td>Priya Naidoo 46</td>
<td>Group Executive: Strategy and Economics</td>
<td>1 January 2015</td>
<td>18 years' service</td>
</tr>
<tr>
<td>Khensani Nkando 40</td>
<td>Group Executive: Group Marketing and Corporate Affairs</td>
<td>15 May 2018</td>
<td>1 year's service</td>
</tr>
<tr>
<td>Fred Swanepoel 56</td>
<td>Chief Information Officer</td>
<td>1 November 2008</td>
<td>22 years' service</td>
</tr>
</tbody>
</table>

Group Exco changes during the year

Additions
- Deb Fuller
- Khensani Nkando
- Anna Isaac

Retired
- Abe Thebyane
- Thabani Jali

Black representation in Group Exco (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Black Group Executive (%)</th>
<th>Black Female Group Executive (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>2018</td>
<td>64.2</td>
<td>55.3</td>
</tr>
</tbody>
</table>

- Black Group Executive
- Black female Group Executive
Nedbank is an organisation steeped in practices of equal opportunity and fair treatment for all our employees and continues to make strides in fulfilling the aspiration to be a 'great place to work'.

Nedbank focuses on implementing people transformation from both a qualitative and quantitative perspective. This is done through a focus on senior management, accelerated development as well as knowledge and skills transfer to ensure a robust and representative pipeline.

Nedbank aims to become more agile, innovative and competitive in serving clients, while remaining people-centred and being an employer of choice. This goal can be achieved through the attraction, development and retention of leaders who drive the strategic intent and replenishment of the talent pool, with individuals who exhibit the attributes contained in our Leadership Persona and with an appropriate diversity mix, implemented through employment equity (EE) and skills development policies.

At Nedbank, our strategic intent is to constantly improve across all areas, not just product and service offering which is reflected in the awarding of four accolades by the SA Board for People Practises (SABPP) in 2018. These awards include Change Agent Award, Disability Equity Employer Award, Affirmative Action Measures Award and the Employment Equity, Diversity and Transformation Overall Award. This further attests our efforts in embracing an inclusive and diverse culture.

**Initiatives supported**

**Cell C Take a Girl Child to Work**

This is an annual event that takes place in Gauteng and in the Western Cape. The project is organised by the Nedbank Women’s Forum and in the year under review 130 girls from Cosmo Secondary School and Thomas Mofolo Secondary School in Johannesburg were transported to Nedbank 135 Rivonia Campus and Nedbank Selby. The initiative, with the objective of empowering women, provides a platform for young girls that come from previously disadvantaged areas to experience the workplace so that they can make career choices. This project is well received by both the schools and the learners involved. Some of the girls are ‘adopted’ by Nedbank staff, who assist them with uniform and fees.

**Entrepreneurs workshop**

In the Western Cape over 80 girls and boys were hosted at an entrepreneurship workshop at Zeekoevlei Primary School (an underprivileged school in the southern suburbs of Cape Town). The event kicked off with a presentation, followed by an interactive workshop where learners were taught how to make a bracelet and earrings. The theme was ‘How to turn a hobby into a profitable business’. Benefits of this initiative for learners are:

- Improving their socioeconomic environment.
- Developing a hobby and entrepreneurial skills and earn money.
- Financial literacy.
- Cultivating an empowering mindset to say no to crime.
- Reducing social challenges in their households.

This initiative was followed up with a programme called ‘Teach a child to save’ to encourage a spirit of entrepreneurship should learners not be financially able to obtain a traditional academic qualification. We continue to support the school as the principal is a participant in the Partners for Possibilities Programme, of which Nedbank is a major sponsor.

The Nedbank Women’s Forum is part of our transformation journey, so there is a direct link between the forum and this initiative. Nedbank, and indeed the country, needs skilled and confident women to occupy strategic positions and drive the business for success. Therefore, the budget will continue to be allocated towards this event and a survey will be conducted over a period of time to determine the progress of the initiative.

**I am a woman: Sexual harassment in the workplace**

According to the Commission for Gender Equality, women remain largely oppressed and exploited, a fact that compelled the Women’s Forum to host an awareness session focusing on the importance of ethics in the workplace and our Code of Conduct.

Key insight were that:

- Sexual harassment includes a range of actions, from mild transgressions to sexual abuse or assault.
- The harasser could be the victim’s supervisor or a coworker.
- Both males and females are victims of sexual harassment.
- Ethics is a choice:
  - Choosing to carry out values-driven actions.
  - Choosing right over wrong.
  - Choosing good over bad.
  - Choosing fair over unfair.

**Professional development: Media training**

The Women’s Forum partnered with group strategic communication to train 30 women on the importance of communication in any business strategy and fulfilling one’s responsibility in line with Nedbank’s external and internal communications and social-media policies.

**Voices of Change**

The Women’s Forum partnered with Accenture and Thomson Reuters to host a Voices of Change event at Nedbank in August 2018. This was one of a series of global events to illustrate the importance of collaboration to accelerate the UN Sustainable Development Goals (SDGs), specifically SDG 5: Achieve gender equality and empower all women and girls. More than 200 women attended the event where empowerment and authentic leadership, inclusion and diversity, and countering gender-based violence were discussed.
Career guidance initiative
As part of this initiative, Nedbank employees spent a day at Progress High School in Soweto in July 2018 to engage with grade 11 and 12 learners on careers. This initiative empowers learners to make career choices and will be continued in partnership with Wits University.

LGBTQI and Disability Day
We have been at the forefront of diversity and inclusion and continue to respond to the challenges marginalised groups are faced with. The plight of the gay, lesbian, bisexual, transgender, queer and intersex (LGBTQI) community has necessitated Nedbank to embark on an awareness campaign focusing on the rights of this community. An event supported by the Human Rights Commission and attended by Nedbank employees was held at Nedbank 135 Rivonia Campus. Members of the LGBTQI community and Nedbank leadership shared their personal experiences to encourage workplace inclusivity.

At 31 December 2018 the Nedbank Group employee profile was as follows:

<table>
<thead>
<tr>
<th>Headcount</th>
<th>Male</th>
<th>Female</th>
<th>Foreign nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational levels</td>
<td>African</td>
<td>Coloured</td>
<td>Indian</td>
</tr>
<tr>
<td>Top management</td>
<td>3</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Senior management</td>
<td>73</td>
<td>41</td>
<td>107</td>
</tr>
<tr>
<td>Middle management</td>
<td>1 150</td>
<td>525</td>
<td>841</td>
</tr>
<tr>
<td>Junior management</td>
<td>2 945</td>
<td>881</td>
<td>712</td>
</tr>
<tr>
<td>Semiskilled</td>
<td>397</td>
<td>86</td>
<td>32</td>
</tr>
<tr>
<td>Unskilled</td>
<td>4 568</td>
<td>1 533</td>
<td>1 693</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>19</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Grand total</td>
<td>4 587</td>
<td>1 539</td>
<td>1 697</td>
</tr>
</tbody>
</table>

Note: The workforce profile excludes all non-payroll contractors, temporary non-payroll employees, international secondees.

At 31 December 2018 the Nedbank Group employee profile for persons with disabilities was as follows:

<table>
<thead>
<tr>
<th>Headcount</th>
<th>Male</th>
<th>Female</th>
<th>Foreign nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational levels</td>
<td>African</td>
<td>Coloured</td>
<td>Indian</td>
</tr>
<tr>
<td>Top management</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Senior management</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Middle management</td>
<td>15</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Junior management</td>
<td>53</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>Semiskilled</td>
<td>15</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Unskilled</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total permanent</td>
<td>86</td>
<td>25</td>
<td>49</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Grand total</td>
<td>86</td>
<td>25</td>
<td>49</td>
</tr>
</tbody>
</table>

Note: The workforce profile excludes all non-payroll contractors, temporary non-payroll employees, international secondees.
Nedbank is committed to addressing skills development, not only by investing in our own employees, but also by supporting multiple initiatives in the broader society.

We also support the outcomes of the parliamentary hearings held by the Standing Committee of Finance and the Portfolio Committee of the Department of Trade and Industry (dti), who urged the National Economic Development and Labour Council (NEDLAC) to pay special attention to the skills development element of the FSC and to ensure that blacks, particularly Africans and women, are prioritised. The investment in people will ensure that we can deliver sustained enhanced performance and will contribute to the growth and sustainability of the group.

This commitment is also reflected in the training investment for 2018:

<table>
<thead>
<tr>
<th></th>
<th>2018 – ytd December</th>
<th>2017 – ytd December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total basic payroll</td>
<td>R14 131 011 851</td>
<td>R13 602 411 699</td>
</tr>
<tr>
<td>Total training spend</td>
<td>R468 128 368</td>
<td>R355 317 856</td>
</tr>
<tr>
<td>Training spend as % of basic payroll</td>
<td>3.31%</td>
<td>2.61%</td>
</tr>
<tr>
<td>Training spend for black staff as % of basic payroll</td>
<td>2.62%</td>
<td>2.09%</td>
</tr>
<tr>
<td>Training spend for black female staff as % of basic payroll</td>
<td>1.61%</td>
<td>1.34%</td>
</tr>
<tr>
<td>Training spend for black staff with disabilities as % of basic payroll</td>
<td>0.04%</td>
<td>0.03%</td>
</tr>
<tr>
<td>Training spend for black female staff with disabilities as % of basic payroll</td>
<td>0.03%</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

As a result of investment in differentiated skills development, the 2018 training spend for black staff exceeded the spend recorded for 2016 and 2017. Furthermore, the 2018 training spend for black female staff exceeded the spend recorded for 2015 to 2017. Training spend for black and female disabled staff also shows a steady increase from 2017 spend.

As a result of this ongoing commitment to invest in skills development, 31 691 training beneficiaries (including compliance training) were recorded in 2018, with an average of 35 hours of training per employee. The number of training beneficiaries in 2018 increased by 27% from 2017.

Continuous professional development

Nedbank is committed to enabling all employees to perform to their full potential by creating a great place to work and learn. Continuous professional development is encouraged and supported by Nedbank. The granting of internal bursaries to permanent Nedbank employees who wish to acquire academic qualifications from recognised and accredited academic institutions, is an important driver of professional development.

In 2018 Nedbank continued their support and commitment toward professional development by granting the following bursaries:

<table>
<thead>
<tr>
<th>Occupational level</th>
<th>Number of employees</th>
<th>Actual payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>8</td>
<td>R357 437</td>
</tr>
<tr>
<td>Middle management</td>
<td>372</td>
<td>R6 036 291</td>
</tr>
<tr>
<td>Junior management</td>
<td>387</td>
<td>R5 527 162</td>
</tr>
<tr>
<td>Semi-skilled</td>
<td>37</td>
<td>R584 421</td>
</tr>
<tr>
<td>Grand total</td>
<td>804</td>
<td>R12 505 311</td>
</tr>
</tbody>
</table>

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<tr>
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<td>R12 505 311</td>
</tr>
</tbody>
</table>

Learnerships

Learnerships not only provide opportunities for Nedbank to meet its regulatory requirements, but also for reskilling and upskilling to ensure future relevance of Nedbank employees. It is one of the vehicles that drive and enable a future-fit workforce and addresses skills shortages.

Within the Retail environment, huge focus is placed on ensuring that Nedbank meets its regulatory requirements for client-facing roles. A number of Financial Advisory and Intermediary Services (FAIS) learnerships ran in 2018 whereby existing staff were reskilled or upskilled with the objective of creating a pipeline for sales-affected roles. Candidates graduate from the programme with workplace experience, allowing them to obtain a nationally accredited qualification.

Within the IT environment the EUC Technical Support Learnership is aimed at upskilling the previously disadvantaged and unemployed youth of SA, providing them with entry-level IT and engineering skills and workplace experience. The workplace experience is supplemented by coaching, technical mentoring as well as informal learning.

Altogether 22 learnership programmes were implemented and were attended by 1 376 learners (92% black), including unemployed graduates, matriculants and Nedbank employees. Participation increased from 765 learners in 2017 to 1 376 learners in 2018, with black representation remaining at 92% for both years. Of these graduates and matriculant learners 61% will be offered permanent employment in Nedbank.
Women’s development

In 2018 the Nedbank Women’s Forum partnered with female service providers to pilot professional development programmes with the aim to:

- further develop women leadership skills and presence;
- support women so that they are better prepared to realise opportunities for roles in the bank and to strengthen the pipeline of female leadership towards our senior management level;
- determine what value our women gained from going through a development programme tailored for women, and
- determine what future programmes must be considered to meet the needs of our women.

These programmes were launched in June 2018 and concluded in November 2018, and 50 talented females (across junior, middle and senior management) undertook a six-month group and personal coaching journey.

The fourth programme was a niche programme resulting in Nedbank being the first bank in SA to undertake maternity transition coaching. This is a strategic intervention aimed at supporting key professional women through this significant life event as a measure to retain them. For the pilot 14 senior female leaders were coached before, during and after maternity leave. Taking a systemic approach, the line managers of these women also received coaching to help them navigate this transition period.

Accelerated development programmes

Run-IT@Nedbank Leadership Development is a formalised programme that aims to fast-track development and build a strong middle-management pipeline for transition to senior management roles. The programme runs over 24 months and comprises both formal and informal learning experiences. Candidates are provided with the opportunity to develop their business acumen and interpersonal and leadership skills. Candidates can attend and participate in various business forums for immersive and experiential learning experiences. At the end of the programme candidates are assessed by a variety of stakeholders to determine their application of the learning and their readiness to move to a more senior role.

Case in point

The Nedbank Contact Centre (NCC) is proud to have a strong relationship with Harambee, a non-profit social enterprise with extensive experience-building solutions and innovations that can help solve the global youth unemployment challenge.

Harambee connects employers with appropriate candidates ranging from entry-level talent to high-potential SA youth who are hungry for opportunity but lack the finances and networks needed to find jobs because they come from disadvantaged households.

Harambee uses scientifically rigorous matching tools and an eight-week behavioural readiness programme to reduce hiring risk, and sources high-potential young people from a labour pool that is untapped by most employer networks. They assess the competencies of each candidate to match them to jobs where they are most likely to succeed. They also work with us to fine-tune interviewing skills, so we are better able to identify a young person’s capability and potential to do the job properly, instead of placing unnecessary focus on previous work experience.

During this year NCC is proud to have employed 46 unemployed youth on contract through a 12-month NQF3 Contact Centre and Business Process Outsourcing Support Learnership. On successful completion of this learnership, they are set up for success by being permanently employed by Nedbank. To date our retention rate is more than 90%. At NCC we are passionate about this programme and our contribution towards meeting national requirements.

Some insightful feedback from our new unemployed youth recruits:

‘We are ever grateful and thankful for the training and experience we have had through Harambee. We were groomed and trained to add value in all we do. It is a privilege being here and we are gaining invaluable knowledge and experience in helping clients and making their lives better as we serve the Nedbank brand.’ – Skhumbuzo Shezi

‘Harambee means “pulling together”. Nedbank gave us an amazing platform to help us find our inner strength.’ – Makhosandile Dlamini

‘Harambee has helped me to discover my potential and what I’m capable of. I have developed leadership skills and learnt how to manage myself and behave in a corporate environment.’ – Khanyisa Damane

‘The eight weeks at Harambee equipped me for this golden opportunity that Nedbank offered me. It gave me the tenacity I need to get through the day-to-day challenges I encounter at work. It did not only groom me as an individual, but also developed my mental capacity so that I can deliver worldclass service. The journey is amazing and full of growth each day and I am forever thankful!’ – Pumice Ngcobo

‘I am very grateful to Harambee for laying the foundation so that I can be where I am right now at the Nedbank Contact Centre. Nedbank has given me an amazing opportunity – I love putting a smile on someone’s face and helping others.’ – Ayanda Nsibande

‘The experience with Harambee has been nothing but positive in my life. It gave me a different perspective on how to face challenges and not be afraid. It laid a foundation that I will be using for the rest of my life. Nedbank has given me a chance to make my life better financially but also taught me how a person should make the most of the opportunity that has been given to you to make yourself a better person in life.’ – Abdul Ebrahim

The partnership between NCC and Harambee is changing lives, one recruit at a time.
As part of the transformation strategy we entered into a strategic partnership with SAP Ariba to empower and develop small BO suppliers. Selected suppliers were provided with Nedbank-sponsored access to the Ariba platform to market their businesses as well as participate in sourcing opportunities.

In addition, we remain a signatory to the Prompt Payment Code, which means that small suppliers (exempted microenterprises) are paid within seven days and all other SMEs within 30 days. New job opportunities are being created within these supplier organisations.

Number of suppliers engaged or supported in 2017: 6,877
Total procurement spend: R17,97bn

Primary supplier locations and relative % of spend:
- Gauteng: 87%
- KwaZulu-Natal: 5%
- Western Cape: 4%
- Other regions: 4%

Adding value through a sustainable supply chain

Government’s quest to foster the creation of a sustainable economy by increasing local business development forms an integral part of the transformation and enterprise development agenda in SA. Nedbank’s communities of suppliers are far more than stakeholders that are dependent on our business; they are viewed as important enablers in the attainment of our own strategies and objectives. This understanding has allowed transformation in supplier engagement and has ensured the realisation of significant benefits for all parties. Various procurement functions work closely with suppliers to promote and enable shared growth, strong relationships and greater sustainability across the entire supply chain.

Preferential-procurement practices remain a key strategy for enabling transformation, job creation and community upliftment, and Nedbank’s policies are designed to maximise our contribution. Group policy is mandated to give preference to local suppliers over foreign-based suppliers and small, medium and micro-sized enterprises (SMMEs).

Nedbank maintains a strong collaborative relationship with its suppliers, leading to improved service levels and efficiencies throughout the supply chain.

A big part of our supply chain success has been the seamless integration and partnership with an increasing number of transformed as well as SMME suppliers, all helping us achieve our vision.

In the current year, we increased the number of direct SMME suppliers in our supply chain by almost 34%. We also witnessed a 50% increase in spend with black-owned (BO) suppliers and a 16% increase in spend with our black-women-owned (BWO) suppliers. This once again shows our commitment to transformation and preferential procurement in SA.

Some of the notable case studies include:

**The Odd Number: First digital-media-buying agency**

The digital-media-buying function was moved from the digital creative agencies and overall media buying and is now its own commodity within Nedbank Marketing. After a successful tender process, The Odd Number was awarded the digital-media-buying contract for Nedbank and it became the first SMMEs and black youth supplier in the banking industry to offer this critical service to a major SA banking institution.

Digital-media buying is the process of purchasing placements for advertisements on websites, apps and other digital platforms. As consumers spend more time on digital and mobile devices, the world of advertising has evolved and created new methods to keep up. This relatively new spend commodity has gained significance over the past few years and has become a critical commodity for any banking institution.

**Soft seating: Totally ring-fenced to two small black-owned businesses**

The drive to help small BO suppliers grow their manufacturing capabilities and create more employment was the catalyst for the ring-fencing of our soft-seating tender to suitable suppliers, one BO and one BWO.

Extensive market research and factory visits were carried out, culminating in the appointment of Z&M Interiors and Vin Deco Interiors to manufacture and deliver soft-seating furniture. These two suppliers demonstrated that they could upscale their operations to supply Nedbank with soft-seating furniture for its branches and office parks.
As a leading SA industry player, we have a responsibility to ensure that companies owned by black people are given a platform to develop and grow their businesses within the group’s supply chain.

A healthy relationship with suppliers is seen as a unique opportunity to express our enterprise development (ED) commitment tangibly and practically through a values-driven approach built on trust, collaboration and innovation. Procurement from EMEs and QSEs has remained a challenge due to the nature of the goods and services required by the group. However, Nedbank intends to continue using the ESD initiatives to support the development of the black SMME sector through accelerated efforts in meeting this challenge and fulfilling its national responsibility.

We implement this philosophy both by investing directly into the growth and development of businesses and by partnering with other initiatives that ensure small and medium businesses are able to prosper.

Nedbank has developed a multipronged approach, not just in terms of non-recoverable funding, but also in terms of integrating enterprises through the group’s supply chain, which will assist in better alignment of our value chain to respond to the requirements of the Amended FSC.

Nedbank implemented several ED training programmes, incubator programmes and other events for the support and development of qualifying entrepreneurs.

**Public sector clients**

Nedbank supports government in the strategic imperative to grow the economy and create sustainable jobs. Through its ED proposition Nedbank offers a holistic approach across access to finance, financial products and services and non-financial support to qualifying businesses. The key facet of this approach is partnerships and collaboration among key stakeholders.

Our multi-faceted holistic interventions support government’s effort around ED and simultaneously address objectives to grow and nurture sustainable businesses. The programmes focus on the entrepreneur as an individual and the business value chain, providing potential and existing entrepreneurs in the community with necessary skills to grow and develop. In line with this the following programmes were implemented:

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**OUR ENTERPRISE AND SUPPLIER DEVELOPMENT PROPOSITION**

<table>
<thead>
<tr>
<th>Enterprise development</th>
<th>Supplier development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of non-recoverable funding for specific activities – extends into supplier development</td>
<td>Nedbank ESD programme</td>
</tr>
<tr>
<td>SME incubator programmes</td>
<td>Early payments (15%)</td>
</tr>
<tr>
<td>Mentorship</td>
<td>Access to funding</td>
</tr>
<tr>
<td>Training</td>
<td>Collaboration across procurement, CIB, NBB and RRB to fulfil on banking relationships</td>
</tr>
<tr>
<td>Contracts in place</td>
<td>Holistic relationship approach (CIB, NBB, RRB) with procurement</td>
</tr>
<tr>
<td>Primary banking</td>
<td>Products and services</td>
</tr>
<tr>
<td>Access to accredited service providers in line with specific needs</td>
<td>Three-year contract strategic planning for growth of contract so that development plan is in line with growth</td>
</tr>
<tr>
<td>Sourcing internal and industry-specific mentors</td>
<td>CIB: Corporate and Investment Banking</td>
</tr>
<tr>
<td>Business partner mentorship programme</td>
<td>NBB: Nedbank Business Banking</td>
</tr>
<tr>
<td>Inhouse programmes</td>
<td>RRB: Retail and Relationship Banking</td>
</tr>
</tbody>
</table>

Nedbank Transformation Report 2018
African Women Innovation and Entrepreneur programmes and training initiatives in 2018:
Nedbank launched various other incubator financing options and provide business links.
Local businesses had the opportunity to engage with relevant stakeholders to address regulatory developments.
Chamber in the Make Business Happen Exhibition. It was aimed at providing a platform to bring together roleplayers that are critical for the support and development of the SME across the business value chain.

**Krynza Municipality**
Nedbank initially supported the Krynza SME Incubator in 2009 with R500 000, increasing to R700 000 in 2012 and enabling the following achievements:

- A total of 48 businesses benefited from assistance with equipment and stock.
- Of the 48 businesses, 40 still operate sustainably, with three having established international markets.
- The businesses in the programme created 112 permanent jobs.

This incubation programme extends over three years and is a comprehensive offering that includes training and mentorship. Mentors engage with entrepreneurs and application is made to the incubator for the purchase of equipment, material and other key products and services for the SME. Nedbank provided R300 000 to Krynza Municipality for 21 entrepreneurs to participate in the incubator.

**Municipality financial management and tender training**
Together with 20 municipalities across the country, Nedbank implemented a training programme that benefited 525 entrepreneurs.

The training focused on operational financial management and tender training, unpacking how the business owner can use financial information to make strategic business decisions. It was practical and created awareness, understanding and appreciation of financial disciplines.

In addition, delegates were taken through the key challenges that SMEs experience when completing tender documents. It also included information on the essential components of responding to tenders, pricing and compliance and governance.

**Ilembe Chamber of Commerce**
Nedbank partnered with Ilembe’s Business Support Chamber in the Make Business Happen Exhibition. It was aimed at providing a platform to bring together roleplayers that are critical for the support and development of the SME across the business value chain.

Local businesses had the opportunity to engage with relevant stakeholders to address regulatory compliance issues, explore commercial and business financing options and provide business links.
Nedbank launched various other incubator programmes and training initiatives in 2018:

- **African Women Innovation and Entrepreneur Forum (AWIEF)**
AWIEF is a non-profit women’s economic empowerment organisation that promotes and supports female innovation, technology and entrepreneurship. Its focus is to foster women’s economic inclusion, advancement and empowerment through entrepreneurship support and development. Nedbank partnered with AWIEF in their networking, conference and growth accelerator platforms.

The AWIEF Growth Accelerator is designed to support participants in the development of a business growth strategy to scale their enterprise business model. Emphasis is placed on providing participants with a comprehensive understanding of each component of the growth strategy development process. This includes becoming investment-ready and developing entrepreneurial leadership, underpinned by personalised mentorship. The programme aims to improve access to resources, knowledge, technology and training, creating a more enabling environment for women to participate fully and more efficiently in the economic value chain.

Through the various channels and platforms, we supported 315 beneficiary businesses across 2018.

- **Women of stature**
Women of Stature (WOS) is an organisation set-up to provide a platform for women in business. Their Five Pillars programme offers a holistic equitable balance across business and personal development, addressing the building blocks for a solid foundation for both the entrepreneur and the business. The journey includes various assessments, practical assignments and classroom training with excellent facilitators. Following various assessments, the entrepreneur’s needs are mapped on a personal and a business development plan. Nedbank enabled 50 dynamic, vibrant women in business to embark on this life-changing journey.

- **Nedbank and Enterprise Room**
In 2018 Nedbank, in conjunction with Enterprise Room, conducted a five-day workshop demystifying corporate procurement requirements. The week included interactive engagement master classes, with sharing of tips and tricks of smart procurement. This productive platform allowed for dialogue between corporate partners and SMEs. The sessions were extremely valuable for networking and knowledge sharing, and access to procurement, product and brand promotion opportunities. Altogether 240 SMEs benefited from the workshops implemented during Global Entrepreneurship Week.

- **Poultry**
Nedbank, in conjunction with the World Poultry Foundation and the Department of Agriculture and Forestry, launched a five-day financial management and business administration intervention with poultry farmers across SA.

The programme commenced in August 2018 and will continue into 2019, collectively reaching 200 qualifying poultry farmers across SA.

- **Supplier development programme: A vehicle for job creation**
In an effort to accelerate the development of SMMEs, we have developed a three-year programme to support a selected number of BQ and BWO SMEs to benefit from the knowledge and business support that mentors bring to the programme.

Each business engages in strategic sessions with its business mentors to craft unique business strategies that define a growth path over a period. The programme entails the development of business acumen and a wide variety of subjects, such as growth strategies, planning and marketing. The business component is further augmented with coaches and business mentors to ensure that the business and the business owner are growing simultaneously for a sustainable future.

The programme further provides skills training, personal leadership development, mentorship and networking, as well as showcasing and market-access events to offer suppliers more opportunities.

We launched the inhouse ESD programme in September 2015. Eight businesses participated in the programme, receiving a combination of business mentorship, business acumen development and specialist training as well as personal coaching.
The decision to use inhouse skills and specialists has proven very beneficial as significant learnings have been bedded down, equipping us to make informed ESD grant allocations going forward. The objectives of this comprehensive ESD strategy are to transform our supplier base, grow successful clients, (eventually) save costs for the bank and ultimately render us a leader in ESD.

In the second year of the programme a customised approach was defined for each business. This entailed uniquely tailored solutions to address specific needs extending to mentorship, systems intervention, expansion strategy and diversification.

The ESD programme, launched in 2015, has yielded good results that have seen participating businesses flourish, with 162 new jobs created, 496 people employed, 634 hours of mentorship and R27m in new contracts.

Small business is the lifeblood of our economy. We have extensive experience in understanding and serving the needs of small businesses in SA.

The following represents a summary of initiatives, sponsorships and activities driven by Nedbank, aimed at contributing to the growth and wellbeing of our clients, our communities and our country.

1 EPWP Vuk’uphile Learnership Programme

Nedbank is the appointed financial service provider for the EPWP Vuk’uphile Learnership Programme. The aim of the programme is to develop emerging contractors into fully fledged contractors that are able to execute labour-intensive contracts in civil works as well as general building. Over the past six years we have successfully collaborated with the National Department of Public Works in rolling out the EPWP Vuk’uphile Learnership Programme, through which the following has been achieved:

- We have aided the development of over 656 learner contractors (small businesses) into what will become sustainable small enterprises. Part of this process involved close mentoring and the development of the financial skills of the participants with the assistance of the appointed service provider.
- R46m in credit facilities has been advanced to 185 SMEs over the period under review. We are proud to state that, to date, no bad debt has been incurred.

2 Mogale Trust (enterprise and supplier development fund)

Recently formed, Nedbank’s supplier development programme aims to create a diversified and inclusive supply chain, internally or externally, by forging strategic corporate partnerships for the support and funding of the creation and growth of black-owned suppliers.

3 Nedbank continues our contract with FinFind (initiated in 2017)

FinFind is an online one-stop solution for access to finance for small businesses. It helps business owners improve their readiness for finance and includes educational tools and links to various financial solutions that could best suit their financial needs. The value-add is further enhanced by matching potential clients with one of the offerings of our Small Business Services Division through a lending portal and a dedicated relationship banker that will serve as a business advisor for both their business and personal financial needs.

4 Nedbank is in its third year as a sponsor for Pitch & Polish

Pitch & Polish is a national initiative offering entrepreneurs and startups free workshops so that they are able to pitch their idea to an audience and a panel of judges (including representatives from Engen, Raizcorp and Nedbank). Finalists go through various rounds before a winner is chosen to receive startup funding. Nedbank provides financial training and sponsorships and agrees to provide funding to the business owners where possible. In 2018 there were 1 736 participants nationally (3% increase on 2017), and 67% of participants (1 179) opted in for Nedbank to contact them.

5 Small-business exhibitions

Key to our strategy is engaging with business owners and entrepreneurs at selected small-business expos, and in 2018 we participated in the following:

- The National Small Business Chamber (NSBC) show, which attracted over 21 000 visitors over the two-day period. Altogether 563 registrations for SimplyBiz™ (a networking and engagement platform for business owners by business owners powered by Nedbank) were recorded, with 61 new business leads generated.
- The Buy-A-Biz expo, which attracted over 7 000 visitors over a three-day period. We sponsored the Money Matters theatre, which primarily focused on how Nedbank supports small businesses. SimplyBiz™ recorded 254 registrations, with 31 new business leads generated.

Small Business Services from Nedbank

Nedbank offers a comprehensive suite of payment, investment and finance solutions, as well as industry specialisation and services that extend beyond banking. Nedbank supports business owners by allocating them a dedicated relationship banker (who is supported by a dedicated credit team that understands the needs and challenges of small business). The dedicated relationship banker is there to support and guide the business owner with the various financial decisions (lending or otherwise), equip them with the right tools to manage and grow their business, and to lower their administrative burden.

As further help to small businesses we created a suite of innovative solutions that make it easier for businesses to run and grow. Some of these solutions include:

- Business registration services, in branches through SwiftReg™ (since 2008) and more recently online through CIPC Online (nedbank.co.za). These services allow seamless account opening and business registration, and BBBEE certificates can be accessed through CIPC Online as part of our application process.
- Business bundles. At the core of a banking relationship is a business account. Nedbank offers a full-functionality business account on a pay-as-you-use basis, with the option to link cheque and credit cards, SMS notifications, mobile and electronic banking and the Greenbacks Membership Rewards Programme. Clients have a choice of business bundles that offer a comprehensive set of banking transactions and access to discounts on merchant services, all for a single monthly fee – saving business owners valuable money to add to their bottomline.
- Special-purpose accounts for trusts and attorneys. Industry-specific customised offerings (franchising, agriculture and public sector) are available through Business Banking.

Nedbank Transformation Report 2018
The community of Tembisa is set to benefit from the launch of a new high-tech urban farming facility through Nedbank’s R5.9m investment into the Green Engine YES Hub. This will create employment opportunities for young people in the area.

The aquaponics unit at the Tembisa hub is an ecosystem of approximately 1 000 m², using frontier production technologies, which will see the facility produce at maximum capacity approximately 43 200 fresh lettuce heads and 1 200 kg of fish annually. This collaborative initiative between YES, Nedbank and Afgri is a first of its kind and will create new jobs by enabling local urban farmers and youth to participate in a 12-month programme that prepares them to work in and support business owners through their growth journey. The fresh produce will not only help meet the nutritional needs of local communities in the Tembisa area but will also enable the export of high-quality produce out of the township into the surrounding markets.

‘We strongly believe we have a critical role in nation building that is creating inclusive economic growth, employment and transformation. We are committed to supporting effective and sustainable programmes such as these to equip young people with the skills they need to be successful entrepreneurs,’ Mfundo Nkuhlu.

CASE IN POINT
Nedbank partners with YES on urban farming initiatives to create new youth jobs in Tembisa

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‘We strongly believe we have a critical role in nation building that is creating inclusive economic growth, employment and transformation. We are committed to supporting effective and sustainable programmes such as these to equip young people with the skills they need to be successful entrepreneurs,’ Mfundo Nkuhlu.
Nedbank prioritises creating real economic opportunities for black businesses in SA, partnering with them to ensure their success as viable, productive participants in the country’s socioeconomic development.

By continuing with a holistic approach, our empowerment financing model has led us to provide funding for a range of initiatives, including transformational infrastructure projects, affordable housing, black agriculture, and black SMME and BBBEE transaction financing.

We recognise the focus of continued commitment towards this empowerment finance, with the Amended FSC identifying it as a priority element.

**OUR EMPOWERMENT FINANCING APPROACH**

<table>
<thead>
<tr>
<th>Transformational infrastructure</th>
<th>Affordable housing</th>
<th>Black agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects that support economic development in underdeveloped areas and contribute towards equitable access to economic resources.</td>
<td>Make quality, affordable housing more readily available and accessible to many people.</td>
<td>Key driver of SA’s sustainable and food-secure future.</td>
</tr>
</tbody>
</table>

**Black small and medium enterprises**
Partner with our clients for growth for a greater SA.

**BBBEE transaction financing**
Provide financing to BO businesses through our innovative and flexible solutions.

**Black business growth funding**
Provide financing that supports new and existing BO Companies that create jobs within the economy.

**Transformational infrastructure**
Our transformational infrastructure projects are engineered to both complement the electricity grid and contribute to the country’s growth. Through our dedicated Infrastructure, Energy and Telecommunications (IET) unit, infrastructure development initiatives undertaken include water, ports, rail and road projects. These are in addition to ongoing government public-private partnerships (PPPs).

The IET unit is able to meet its empowerment targets successfully by requiring each infrastructure project to contribute a percentage of its revenue towards the local community’s economic development. Construction companies must therefore ensure that there is a percentage of local ownership in projects and that construction supplies are produced in SA by entities that have a percentage of SA ownership.
Nedbank Private Equity (NPE) has successfully concluded the acquisition of a 30% equity stake in General Profiling (Pty) Ltd (GP).

GP was established in 1971 and is the largest independent steel service centre and component manufacturer in SA, offering all major value-add steel services. Its one-stop offering of large-format laser machines and the biggest bending machine in the country ensures that it is able to deliver on industry-leading projects. GP’s proprietary enterprise resource planning (ERP) system with ISO 9001 certification is its key differentiator and ensures that its largest customers have peace of mind in terms of traceability and on-time delivery.

NPE was fortunate to have negotiated an exclusivity period within which to engage with the management shareholders of GP about acquiring the 30% equity stake from two of the three existing shareholders. At the outset of the transaction GP also highlighted its need for black women ownership, and NPE was able to facilitate the introduction of Heritage Capital (100% BWO) who, in addition to NPE, will be acquiring a 30% equity stake.

GP presents an attractive investment opportunity in the SA value-added flat-steel-services market given its ability to differentiate itself effectively with regard to service and quality in a highly competitive market. In addition, with an improved BBBEE status, GP will be able to differentiate its offering to selected industries, such as mining, power and agriculture, and will enhance stickiness with certain clients.

**Affordable housing**

The Affordable Housing (AH) unit continued on its growth path of leveraging good client relationships with leading affordable-housing developers to expand its business and grow the lending book to aid the creation of much-needed affordable housing in SA.

During 2018 the unit disbursed a record R820m towards new affordable-housing developments and received more than R1.3bn in sales. New-development funding for 2018 totalled R1.2bn, which includes funding for rental stock to an amount of R863m.

**CASE IN POINT**

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**CASE IN POINT**

**Trust for Urban Housing Finance: Inner-city rentals, coastal metros**

In 2017 and 2018 NPF disbursed R100m to the Trust for Urban Housing Finance (TUHF) to refinance existing property loans in coastal areas. TUHF is a specialist lender providing property finance to mainly SMEs for development of inner-city rental stock (conversions, refurbishments), targeting gaps in the market. To manage credit risk, it has developed unique underwriting tools and practices to limit bad debts. The impact of this approach includes revitalisation of inner cities and empowerment of black property entrepreneurs. A green mortgage product to futureproof property value and operational costs will be launched soon.

**BBBEE transaction financing**

The evolving landscape of BBBEE in SA, including regulatory uncertainty, means that the number of empowerment transactions that can be financed continues to decline significantly. Also, the significant decline in the share prices of local mining companies has put pressure on the funding of BBBEE transactions in that sector. We continue to look for ways to provide financing to BO businesses seeking innovative funding solutions.

In response to government’s quest about the development of SMMEs and the creation of black industrialists, the Amended FSC has introduced black business growth financing, which will focus on accelerated financing of black businesses, including the creation and support of black industrialists. We fully support this new initiative as a means of developing primary industries along with its potential for higher job creation.
Investing in communities

Nedbank recognises that it has a responsibility to its clients to be good at managing money. However, we also embrace our responsibility to apply our expertise to help build a thriving society. This belief is embodied in our brand promise to help people ‘see money differently’ and we deliver on this promise through our stated purpose, which is to use our financial expertise to do good for individuals, families, business and society.

Team Care Bears partnered with Breaking the Chains, a drug and substance abuse rehabilitation centre based in Lenasia South. Care Bears, together with the centre management, identified projects under the following themes for 2018:

**Theme 1 – Restoring some dignity to recovering addicts** by providing them with hygiene packs. In total 727 toiletry essentials made up into 43 packs were donated.

**Theme 2 – Upliftment of the environment and the individual to support healing** by, among other things, painting the back walls surrounding the garden.

**Theme 3 – Raising awareness and visibility of the organisation and its needs**, as well as the addiction pandemic, on social media and creating an awareness video on the incredible work the organisation is doing.

**Theme 4 – Explore possible career and skills development support after rehabilitation**. A financial fitness session as well as a resume writing, and interview skills workshop has been scheduled to kick off early in 2019. Existing skills development programmes in hospitality, electrical engineering, coding, plumbing, carpentry and furniture-making have also been identified to help the recovering addicts enter mainstream society and the workplace.

CASE IN POINT
Care Bears

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CASE IN POINT
Coding and robotics programme by ORT SA Trust

The programme provides 21st century skills by training teachers and learners on coding and robotics programmes. The schools identified are Unity School of Specialisation in Daveyton (high school), and four of its feeder primary Schools, Moshoeshoe, Gugulesizwe, Ntsikane and Sphethu. The objective of this initiative is to expose the learners, all from disadvantaged communities in Gauteng, to IT skills. Pupils are taught to apply design and technical skills by constructing physical models to solve real-life problems. Robotics helps develop problem-solving skills as it fosters the ability of pupils to design and engineer independently. It also motivates pupils to study STEM subjects and to choose careers in science, engineering and technology.

This intervention aims to help develop skills we will require in future by getting involved at school level.

The project covers the basic principles of programming and trains teachers on block and text coding, which is the foundation for learning programming languages. Teachers will then impart the gained knowledge and skills to learners. The course opens up a world of possibilities and skills transfer, which includes improved digital literacy. The beneficiaries will be able to apply the knowledge gained to solve real-life problems, become entrepreneurs or pursue technology-related careers. Participants will also improve their maths and science knowledge and skills.

**Number of beneficiaries:**
- Direct: 24 teachers
- Indirect: 220 learners for coding and robotics clubs at four primary schools and one high school.
CASE IN POINT
Partners for Possibilities

This programme, in which principal’s partner with business leaders, is aimed at improving the quality of education through principal leadership development and the involvement of the community in their schools.

Partners for Possibilities (PFP) is premised on asset-based community development and frugal innovation. Instead of developing an expensive consultant-led solution to the problem, one of SA’s national assets are tapped into: well-trained business leaders who have valuable knowledge and experience about leading change and managing teams and who want to make a contribution to public education. When these individuals partner with school principals in a facilitated and structured development process, principals receive the support they need to lead their institutions with confidence.

The core assumption of the PFP experience is that the solution to most of the problems faced by our schools are available in the community itself rather than somewhere externally. The only thing principals and community members need is help to rediscover their own capacity to lead and collaborate. Each PFP partnership is catalytic and has the potential to be fully transformational for students, teachers, communities and the principals and business leaders themselves.

Number of beneficiaries
Direct: 15 principals
Indirect: 550 teachers and 22,000 learners

A focus on education
Nedbank supported several educational initiatives across various disciplines:

- **The Maths and Science Leadership Academy (MSLA)** – This initiative directly responds to SA’s maths and science educational challenges, focusing on the Kimberley area in the Northern Cape. The Nedbank Foundation has been funding the MSLA since 2010, and in 2016 it contributed R300,000 towards the MSLA’s Maths Pioneers Programme, which develops maths problem-solving skills and a passion for the subject in learners and empowers teachers to improve their knowledge and teaching methods. The funding has enabled the MSLA to grow its Maths Pioneers Programme to over 440 learners in grade 7 to 12 and 20 teachers from 38 Kimberley schools in 2016. The matric results of the learners participating in the programme have been outstanding, producing some of the province’s top students in both maths and science. Since 2013 over 60 students have gone on to study in engineering fields at tertiary institutions around SA. Their progress at tertiary level is also tracked.

- **Get me to Graduation programme (GMTG)** – This programme helps students secure funds for fees, accommodation and necessities such as food and toiletries (R1,000 a month). We committed R4,5m to benefit 600 students at different universities to cover gaps in the NSFSA scheme and various bursary programmes that do not provide monthly allowances for students to buy food or other basic necessities, resulting in many students having to abandon their studies.

- **Solar Water Heater Project** – Building the capacity of technical and vocational education and training colleges to deliver green skills. Solar water heater programmes in technical and vocational education and training (TVET) colleges are offering South Africans increased opportunities for employment and self-employment. In July 2017, 27 candidates (15 female and 12 male) completed their theoretical and practical training in the installation and maintenance of solar water heaters, including basic plumbing principles. The training took place at the Central Johannesburg TVET College. Following this, the candidates participated in work-readiness training in August at Harambee. This was followed by a five-day entrepreneurship boot camp designed to prepare candidates to start and run their own basic plumbing business. In phase 2 candidates will be tracked and they will be offered ongoing support.
**Breakdown of education investment**

<table>
<thead>
<tr>
<th>Type of education</th>
<th>Spend (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic education</td>
<td>35,0</td>
</tr>
<tr>
<td>Total tertiary education</td>
<td>28,9</td>
</tr>
<tr>
<td>Undergraduate bursaries</td>
<td>24,9</td>
</tr>
<tr>
<td>Postgraduate bursaries</td>
<td>4,0</td>
</tr>
<tr>
<td>Total basic and tertiary education</td>
<td>63,9</td>
</tr>
</tbody>
</table>

**Nedbank External Bursary Fund**

Our bursary programme funds students based on academic merit and financial need. This equal-opportunity programme is aimed at encouraging and rewarding bright young people with learning potential from lower-income families to study towards a first degree at an SA public university or university of technology.

Nedbank awards bursaries to address scarce skills in the banking sector as well as provide bursaries for the greater good of SA. The bursary covers the following: registration and tuition fees; prescribed textbooks (capped at R7 000,00); accommodation and meal allowances for students living on campus and at approved off-campus facilities (for 10 months and excluding accommodation deposits); a monthly stipend of R800,00 for 10 months and a laptop allowance of R7 000,00 for first-year bursars. Bursars who obtain an academic average of above 75% at the end of each funded academic year are awarded a Top Achiever award of R5 000,00. In 2018 altogether 86 bursaries were awarded to undergraduate students towards a first degree across 13 SA public universities and universities of technology, at a cost of R11m.
ACCESS TO FINANCIAL SERVICES

Financial inclusion is imperative for SA’s social transformation. Nedbank remains committed to improving access to inclusive financial services, particularly to the low-income market, by continuously innovating to offer low-cost products and services to these markets. Our Access to Financial Services Model continues to be multifaceted to respond to the needs of our clients, incorporating products and access.

Calling on the world to take positive action in partnership with Global Citizen and #VaxTheNation

Global Citizens received commitments for 5,6 million actions and USD 7,1bn to affect 137 368 628 lives.

As part of Nedbank’s commitment to building a better future for all members of society, we partnered with international advocacy organisation Global Citizen, and provided funding of approximately R20m to bring the concert-style Global Citizen Festival to the African continent for the first time in 2018. The Global Citizen Festival: Mandela 100 celebrated the centenary year of Nelson Mandela and was held at Soccer City in Johannesburg on 2 December 2018.

Since the first Global Citizen Festival in New York in 2012, the initiative has grown into one of the largest activist platforms for people around the world to call on world leaders to honour their responsibilities to contribute to the achievement of the UN Sustainable Development Goals and help to end extreme poverty by 2030.

To celebrate Madiba’s legacy, Nedbank called on SA to help #VaxTheNation

431 960 actions were taken for #VaxTheNation.

As part of our commitment to supporting the Global Citizen initiative and deliver on our purpose of using our financial expertise to do good, Nedbank, through the Nedbank Children’s Affinity and as part of the Nelson Mandela Children’s Fund’s First 1,000 Days initiative, launched its #VaxTheNation movement to coincide with Global Citizen 2018. The campaign aligned with worldwide commitments to ensure higher rates of child survival, which are enshrined in both the UN Sustainable Development Goals and SA’s National Development Plan.

The #VaxTheNation initiative represented our focused response to help address the still unacceptably high number of SA children who are succumbing to preventable illnesses. While the country’s child mortality rates have been decreasing in recent years, research done by Statistics SA in 2015 (latest available data) highlighted that, for every 1000 births recorded in SA, around 30 infants die at birth, and another 40 pass away before they reach five years of age. The main reasons cited for this high child mortality rate include inaccessibility of medical facilities and a lack of community education around the importance of child vaccinations.

The #VaxTheNation campaign was Nedbank’s response to these challenges and aimed to highlight the importance of immunisation and life-saving vaccines for children. The campaign also worked to fast-track immunisation by removing barriers to access, including location and economic status.

ACCESS TO FINANCIAL SERVICES

Electronic access
Enabling access to finance through any client-owned or third-party infrastructure, eg internet banking, cellphone banking, telephone banking or any new electronic product and/or technology.

Focusing on clients who have transacted in the past 180 days.

Access qualifying products (AQP)
An AQP is defined as any product that enables clients with a derived income of ≤ R5 000 per month to transact and who meet the minimum access standards.

Banking densification
Measurement of the number of points of access to cash within easy reach of clients’ homes. No less than 1 500 individuals within agreed suburbs.

Consumer financial education
Programmes that are aimed at empowering consumers with the knowledge to enable them to make informed decisions about their finance and lifestyles.

Focus on the LSM 1–5 target market

Nedbank Transformation Report 2018
LOOKING FORWARD

Leading transformation remains a strategic priority for Nedbank, as this will enable us to achieve our vision to be the most admired financial services provider in Africa by our staff, clients, shareholders, regulators and communities.

Leading transformation remains a strategic priority for Nedbank, as this will enable us to achieve our vision to be the most admired financial services provider in Africa by our staff, clients, shareholders, regulators and communities. We recognise that the Amended FSC, which comprises stricter weightings and targets, will lead to an industry rebasing, possibly impacting relative competitor positioning in this regard and potentially making it difficult to retain level 1.

Nedbank will continue to:

- manage the abovementioned impacts and specifically focus on the priority elements, including ownership, skills development, ESD and empowerment financing;
- engage with key stakeholders to ensure transformation and inclusive growth through, for example, the NEDLAC summit and active participation through the Banking Association SA (BASA); and
- support the national agenda, remaining committed to being a leader of transformational change and achieving our purpose of using financial expertise to do good for individuals, families, businesses and society.

Nedbank has committed to support the Youth Employment Service (YES) initiative subsequent to the CEO Initiative with government. YES, is a business-led collaboration with government and labour. Its intention is to stimulate demand-side job creation through company investment and by leveraging government’s existing recognitions such as the Employment Tax Incentive (ETI) and BBBEE recognition for transformation. From the first quarter in 2019 we will be investing approximately 1.5% of the three-year average SA net profit after tax per annum based on Gazette 41866 from the Department of Trade and Industry. This will provide employment opportunities for over 3 000 youths either through placements internally or sponsored placements with implementation partners.

The Nedbank team, under the leadership of Group Chief Executive, Mike Brown, welcomed the appointment of Mr Cyril Ramaphosa as the President of SA and looks forward to continued engagements with the new leadership to rebuild the social compact and address the pressing needs of our society. Nedbank is committed to playing a key role in developing all sectors of the SA economy and working alongside leadership who has the best interests of SA at heart.
DEFINITIONS

**BBBEE recognition level**

The BBBEE status for companies based on Amended FSC scorecard percentages achieved as outlined below:

<table>
<thead>
<tr>
<th>Contributor level</th>
<th>BBBEE score (%)</th>
<th>BBBEE recognition level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>≥ 110</td>
<td>135%</td>
</tr>
<tr>
<td>2</td>
<td>≥ 105 but &lt; 110</td>
<td>125%</td>
</tr>
<tr>
<td>3</td>
<td>≥ 99 but &lt; 105</td>
<td>110%</td>
</tr>
<tr>
<td>4</td>
<td>≥ 88 but &lt; 99</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td>≥ 83 but &lt; 88</td>
<td>80%</td>
</tr>
<tr>
<td>6</td>
<td>≥ 77 but &lt; 83</td>
<td>60%</td>
</tr>
<tr>
<td>7</td>
<td>≥ 61 but &lt; 77</td>
<td>50%</td>
</tr>
<tr>
<td>8</td>
<td>≥ 44 but &lt; 61</td>
<td>10%</td>
</tr>
<tr>
<td>Not compliant</td>
<td>&lt; 44</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Black-owned (BO)**

Suppliers that are at least 51% black-owned.

**Black-women-owned (BWO)**

Suppliers that are at least 30% black-women-owned.

**Black designated groups**

- Unemployed black people not attending, and not required by law to attend, an educational institution and not awaiting admission to an educational institution.
- Black youth as defined in the National Youth Commission Act, 19 of 1996.
- Black persons with disabilities, as defined in the Code of Good Practice on employment of persons with disabilities issued under the Employment Equity Act, 55 of 1998, as amended.
- Black people living in rural and underdeveloped areas.
- Black military veterans who qualify as such in terms of the Military Veterans Act, 18 of 2011.

**Direct ownership**

Ownership of an equity interest, together with control over all the voting rights attached to that equity interest other than through mandated investment, which may include equity equivalents.

**Employment Equity Act**

The Employment Equity Act, 55 of 1998, as amended.

**Exempted microenterprise (EME)**

An entity with a total annual revenue of up to R10m.

**Financial institutions**

Banks, long-term insurers, short-term insurers, reinsurers, managers of formal collective investment schemes in securities, investment managers and other entities that manage funds on behalf of the public, including members of any exchange licensed to trade equities or financial instruments in this country and entities listed as part of the financial index of a licensed exchange.

**Priority elements**

Ownership, skills development and empowerment financing and enterprise and supplier development are priority elements for banks under the Amended FSC. Failure to meet the 40% subminimum thresholds, as prescribed, will result in the measured entity being discounted by one level on the overall scorecard until the next verification period, in which the measured entity can demonstrate compliance with the 40% subminimum requirements.

**Qualifying enterprise and supplier development contributions**

A collective term describing enterprise development and supplier development contributions targeting EMEs, qualifying small enterprises (QSEs) and QSFIs that are at least 51% black-owned or at least 51% black-women-owned.

**Qualifying small financial institution (QSFII)**

An entity that qualifies for measurement in the qualifying small financial institution scorecard, having total annual revenue of more than R10m but less than R50m.

**Skills development expenditure**

Legitimate training expenses on skills development, excluding the skills development levy payable under the Skills Development Levies Act, 9 of 1999.

**CONTACT DETAILS**

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Nedbank is proud to have won The Banker magazine’s 2018 fintech partnership award for our ‘Satellite and drone imagery analytics experimentation’. Together with Aerobotics (Pty) Ltd, a disruptive technology company that builds advanced analytics on top of aerial drone and satellite imagery, we deliver precision farming tools for our agricultural clients.