



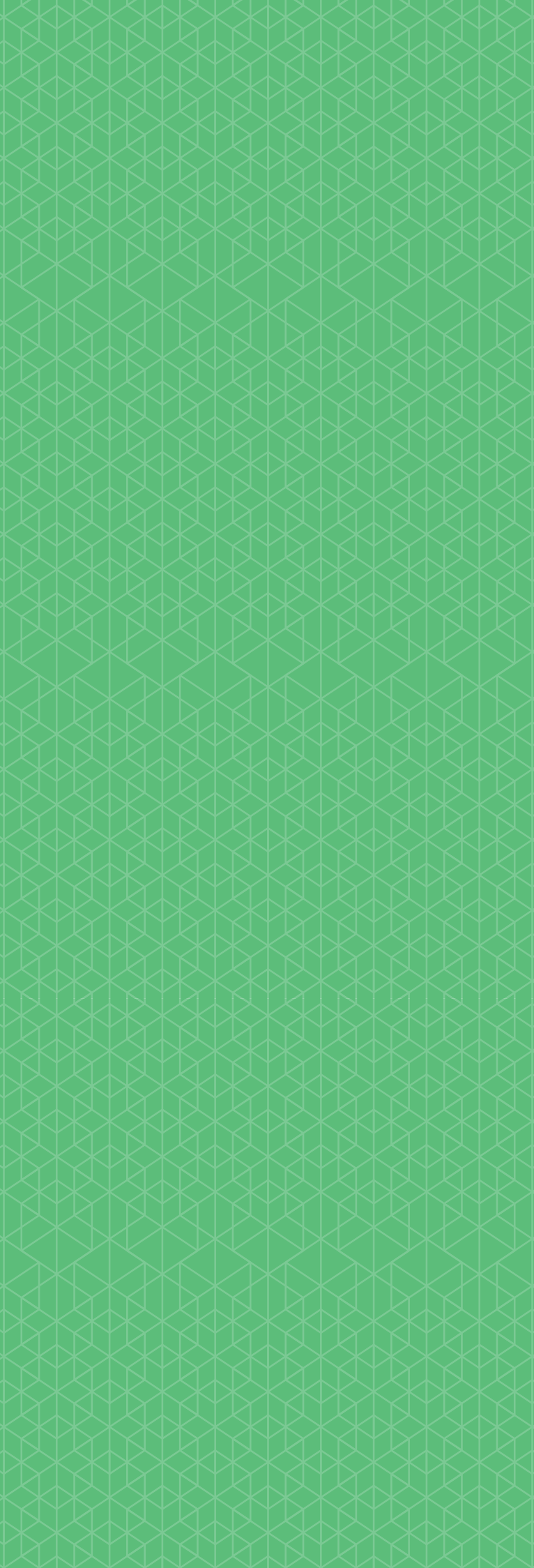
NEDBANK

**NOTICE OF AGM AND AUDITED SUMMARY
CONSOLIDATED FINANCIAL STATEMENTS
OF NEDBANK LIMITED**

FOR THE YEAR ENDED 31 DECEMBER 2019

AGM

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As required in terms of the Companies Act, this AGM notice includes the audited summary consolidated financial statements (pages 2 to 16), as was announced on 3 March 2020. These documents were approved by the board of Nedbank Limited on 2 March 2020 and thus contain disclosures and statements based on the economic conditions that existed at 2 March 2020 as required by International Financial Reporting Standards. However, material changes in market conditions have since occurred as a result of the Covid-19 pandemic that emerged in SA during March 2020 and the sovereign downgrades by Moody's and Fitch. Shareholders are requested to refer to the information contained in our Integrated Report to obtain initial insights into our current understanding of the impact of the Covid-19 pandemic on Nedbank Group.

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Nedbank Limited Reg No 1951/000009/06.

Prepared under the supervision of the Nedbank Group CFO, Raisibe Morathi CA(SA).

A copy of the Nedbank Limited audited consolidated annual financial statements can be obtained by contacting Nedbank Group Investor Relations at nedbankgroupir@nedbank.co.za.

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS – INDEPENDENT AUDITORS’ OPINION

The summary consolidated financial statements for the year ended 31 December 2019 have been audited by Ernst & Young (EY) and Deloitte & Touche, who expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the consolidated financial statements from which these summary consolidated financial statements were derived.

Copies of the auditors’ report on the summary consolidated financial statements and of the auditors’ report on the consolidated financial statements are available for inspection at the company’s registered office, together with the consolidated financial statements identified in the respective auditors’ reports.

The auditors’ report does not necessarily report on all of the information contained in this AGM notice. Shareholders are therefore advised that, to obtain a full understanding of the nature of the auditors’ engagement, they should obtain a copy of the auditors’ report, together with the accompanying consolidated financial statements, from Nedbank’s registered office.

BASIS OF PREPARATION*

Nedbank Limited is a company domiciled in SA. The audited summary consolidated financial statements of the group at and for the year ended 31 December 2019 comprise those of the company and its subsidiaries (group) and the group’s interests in associates and joint arrangements.

The summary consolidated financial statements comprise the summary consolidated statement of financial position at 31 December 2019, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity, summary consolidated statement of cashflows for the year ended 31 December 2019 and selected explanatory notes, which are indicated by the symbol*. The summary consolidated financial statements and the full set of consolidated financial statements have been prepared under the supervision of Raisibe Morathi CA(SA), the Chief Financial Officer.

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The listings requirements entail provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements issued by the Financial Reporting Standards Council. It also requires, as a minimum, that reports contain the information required by IAS 34: Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those used for the previous annual financial statements, except for changes arising from the adoption of IFRS 16, as set out in the notes to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD*

There are no material events after the reporting period to report on.

* The components indicated with this symbol form part of the audited summary consolidated financial statements. Please refer to the notice on page 1 for the impact of events occurring after the approval of the audited summary consolidated financial statements on 2 March 2020.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*

FOR THE YEAR ENDED

	Change (%)	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm
Interest and similar income	8,9	79 240	72 739
Interest expense and similar charges	10,9	51 888	46 774
Net interest income	5,3	27 352	25 965
Impairments charge on financial instruments	67,8	5 953	3 547
Income from lending activities	(4,5)	21 399	22 418
Non-interest revenue	0,1	20 905	20 884
Operating income	(2,3)	42 304	43 302
Total operating expenses	1,0	27 891	27 616
Indirect taxation	19,5	961	804
Profit from operations before non-trading and capital items	(9,6)	13 452	14 882
Non-trading and capital items	>(100)	(424)	(164)
Profit from operations	(11,5)	13 028	14 718
Share of gains/(losses) of associate companies	>100	121	(83)
Profit from operations before direct taxation	(10,2)	13 149	14 635
Total direct taxation	(20,2)	3 076	3 854
Direct taxation		3 205	3 899
Taxation on non-trading and capital items		(129)	(45)
Profit for the year	(6,6)	10 073	10 781
Other comprehensive income/(losses) (OCI) net of taxation	>100	144	(368)
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translating foreign operations		(37)	70
Debt investments at fair value through OCI (FVOCI) – net change in fair value		(294)	7
Items that may not subsequently be reclassified to profit or loss			
Gains/(Losses) on property revaluations		145	(100)
Remeasurements on long-term employee benefit assets		330	(345)
Total comprehensive income for the year	(1,9)	10 217	10 413
Profit attributable to:			
– Ordinary and preference shareholders	(6,3)	10 087	10 765
– Non-controlling interest – ordinary shareholders	>(100)	(14)	16
Profit for the year	(6,6)	10 073	10 781
Total comprehensive income attributable to:			
– Ordinary and preference shareholders	(1,6)	10 231	10 397
– Non-controlling interest – ordinary shareholders	>(100)	(14)	16
Total comprehensive income for the year	(1,9)	10 217	10 413

* The components indicated with this symbol form part of the audited summary consolidated financial statements. Please refer to the notice on page 1 for the impact of events occurring after the approval of the audited summary consolidated financial statements on 2 March 2020.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION*

AT

	Change (%)	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm
Assets			
Cash and cash equivalents	3,4	8 199	7 931
Other short-term securities	(26,7)	42 395	57 844
Derivative financial instruments	55,8	34 923	22 412
Government and other securities	32,8	127 662	96 123
Loans and advances	8,4	787 110	725 792
Other assets	(12,4)	10 544	12 040
Current taxation assets	>100	213	105
Investment securities	32,7	9 007	6 787
Non-current assets held for sale	(70,5)	90	305
Investments in associate companies and joint arrangements	56,4	1 229	786
Deferred taxation assets	5,0	42	40
Investment property		56	
Property and equipment	24,3	10 403	8 367
Long-term employee benefit assets	15,6	5 505	4 764
Mandatory reserve deposits with central banks	8,3	21 424	19 789
Intangible assets	11,4	9 508	8 538
Total assets	10,0	1 068 310	971 623
Equity and liabilities			
Ordinary share capital		28	28
Ordinary share premium		19 182	19 182
Reserves	7,9	53 582	49 636
Total equity attributable to ordinary equity holders	5,7	72 792	68 846
Preference share capital and premium		3 561	3 561
Holders of preference shares	(98,8)	7	561
Holders of additional tier 1 capital instruments	>100	6 850	3 416
Non-controlling interest attributable to ordinary shareholders	(60,9)	9	23
Total equity	8,9	83 219	76 407
Derivative financial instruments	39,8	27 621	19 761
Amounts owed to depositors	9,3	881 297	806 487
Provisions and other liabilities	29,4	13 473	10 414
Current taxation liabilities	(84,6)	42	272
Deferred taxation liabilities	>100	645	224
Long-term employee benefit liabilities	(9,3)	2 401	2 648
Long-term debt instruments	7,6	59 612	55 410
Total liabilities	10,0	985 091	895 216
Total equity and liabilities	10,0	1 068 310	971 623

* The components indicated with this symbol form part of the audited summary consolidated financial statements. Please refer to the notice on page 1 for the impact of events occurring after the approval of the audited summary consolidated financial statements on 2 March 2020.

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

	Total equity attributable to ordinary equity holders Rm	Preference share capital and premium Rm	Holders of preference shares in subsidiary companies shares Rm	Holders of additional tier 1 capital instruments Rm	Non-controlling interest attributable to ordinary shareholders Rm	Total equity Rm
Audited balance at 1 January 2018	65 085	3 561	561	2 600	7	71 814
Additional tier 1 capital instruments issued				750		750
Preference share dividend	(355)					(355)
Additional tier 1 capital instruments interest paid	(301)					(301)
Dividend to ordinary shareholders	(6 050)					(6 050)
Total comprehensive income for the year	10 397				16	10 413
Share-based payment reserve movement	170					170
Other movements	(100)			66		(34)
Audited balance at 31 December 2018	68 846	3 561	561	3 416	23	76 407
Impact of adopting IFRS 16, net of taxation	(241)					(241)
Audited balance at 1 January 2019	68 605	3 561	561	3 416	23	76 166
Additional tier 1 capital instruments issued				3 500		3 500
Preference share dividend	(345)			(66)		(411)
Preference share buybacks			(554)			(554)
Additional tier 1 capital instruments interest paid	(496)					(496)
Dividend to ordinary shareholders	(4 750)					(4 750)
Total comprehensive income for the year	10 231				(14)	10 217
Share-based payment reserve movement	(441)					(441)
Other movements	(12)					(12)
Audited balance at 31 December 2019	72 792	3 561	7	6 850	9	83 219

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SUMMARY CONSOLIDATED STATEMENT OF CASHFLOWS*

FOR THE YEAR ENDED

	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm
Cash generated by operations	25 427	22 789
Change in funds for operating activities	(13 110)	(10 105)
Net cash from operating activities before taxation	12 317	12 684
Taxation paid	(3 815)	(3 653)
Cashflows from operating activities	8 502	9 031
Cashflows utilised by investing activities	(7 821)	(6 232)
Cashflows from/(utilised by) financing activities	1 222	(2 047)
Effects of exchange rate changes on opening cash and cash equivalents	¹	¹
Net increase in cash and cash equivalents	1 903	752
Cash and cash equivalents at the beginning of the year ²	27 720	26 968
Cash and cash equivalents at the end of the year ²	29 623	27 720

¹ Represents amounts less than R1m.

² Including mandatory reserve deposits with central banks.

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NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019*

SUMMARY CONSOLIDATED SEGMENTAL REPORTING* FOR THE YEAR ENDED

	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm
	Total assets		Total liabilities		Revenue ¹		Headline earnings/ (losses)	
Nedbank Corporate and Investment Banking	543 726	507 807	508 841	474 252	15 565	15 767	6 167	6 714
Nedbank Retail and Business Banking	377 751	355 614	347 178	327 143	33 149	31 283	5 293	5 379
Nedbank Wealth Centre	77 433	71 142	73 229	66 917	4 584	4 597	1 042	1 133
Fellow subsidiaries	106 054	71 831	83 210	53 623	99	315	(453)	(433)
	(36 654)	(34 771)	(27 367)	(26 719)	(5 140)	(5 113)	(1 667)	(1 909)
Total	1 068 310	971 623	985 091	895 216	48 257	46 849	10 382	10 884

¹ Revenue is calculated as net interest income plus non-interest revenue.

HEADLINE EARNINGS RECONCILIATION* FOR THE YEAR ENDED

	Change (%)	31 December 2019 (Audited) Rm Gross	31 December 2019 (Audited) Rm Net of taxation	31 December 2018 (Audited) Rm Gross	31 December 2018 (Audited) Rm Net of taxation
Profit attributable to ordinary and preference equity holders	(6,3)		10 087		10 765
Non-trading and capital items	>100	424	295	164	119
IAS 16 loss on disposal of property and equipment		18	13	29	22
IAS 36 impairment of property and equipment		148	107		
IFRS 16 impairment of right-of-use assets		33	24		
IAS 36 impairment of intangible assets		227	153	135	97
IAS 40 profit on revaluation of investment properties		(2)	(2)		
Headline earnings	(4,6)		10 382		10 884

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CONTINGENT LIABILITIES AND COMMITMENTS*

CONTINGENT LIABILITIES AND UNDRAWN FACILITIES

AT

	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm
Guarantees on behalf of clients	23 220	31 973
Letters of credit and discounting transactions	6 702	8 936
Irrevocable unutilised facilities and other	145 183	133 800
	175 105	174 709

The group, in the ordinary course of business, enters into transactions that expose it to tax, legal and business risks. Provisions are made for known liabilities that are expected to materialise. Possible obligations and known liabilities where no reliable estimate can be made or it is considered improbable that an outflow would result are reported as contingent liabilities. This is in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

There are a number of legal or potential claims against Nedbank Limited and its subsidiary companies, the outcomes of which cannot currently be foreseen. None of these matters are material in nature.

COMMITMENTS

Capital expenditure approved by directors

AT

	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm
Contracted	373	435
Not yet contracted	1 573	2 320
	1 946	2 755

Funds to meet capital expenditure commitments will be provided from group resources. In addition, capital expenditure is incurred in the normal course of business throughout the year.

CASHFLOW INFORMATION*

FOR THE YEAR ENDED

	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm
Acquisition of property and equipment, computer software and development costs and investment property	(4 476)	(4 133)
Issue of additional tier 1 capital instruments	3 500	750
Issue of long-term debt instruments	12 895	9 404
Redemption of long-term debt instruments	(8 737)	(5 495)
Dividends to ordinary shareholders	(4 750)	(6 050)
Preference share dividends paid	(345)	(355)
Additional tier 1 capital instruments interest paid	(496)	(301)

* The components indicated with this symbol form part of the audited summary consolidated financial statements. Please refer to the notice on page 1 for the impact of events occurring after the approval of the audited summary consolidated financial statements on 2 March 2020.

LOSS ALLOWANCE*

The following table presents a reconciliation from the opening balance to the closing balance of the loss allowance, and indicates how significant changes in the gross carrying amount of financial instruments contributed to changes in the loss allowance:

	Not credit-impaired						Credit-impaired						Total
	Subject to 12-month ECL			Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total			
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	
Rm													
Audited balance at 1 January 2018	582 593	2 572	580 021	75 861	3 760	72 101	18 388	7 226	11 162	676 842	13 558	663 284	
New financial assets originated or purchased	156 921	2 062	154 859	-	-	-	-	-	-	156 921	2 062	154 859	
Financial assets written off													
Repayments net of readvances, capitalised interest and fees	(92 942)	2 393	(95 335)	(22 505)	(346)	(22 159)	(4 640)	281	(4 921)	(120 087)	2 328	(122 415)	
Transfers to 12-month ECL	21 461	221	21 240	(20 030)	(189)	(19 841)	(1 431)	(31)	(1 400)	-	1	(1)	
Transfers to lifetime ECL (not credit-impaired)	(42 410)	(1 860)	(40 550)	45 544	2 164	43 380	(3 133)	(303)	(2 830)	1	1	-	
Transfers to lifetime ECL (credit-impaired)	(8 722)	(2 800)	(5 922)	(7 719)	(1 883)	(5 836)	16 440	4 683	11 757	(1)	-	(1)	
Foreign exchange and other movements	(147)	42	(189)	-	1	(1)	255	-	255	108	43	65	
Audited net balances at 31 December 2018	616 754	2 630	614 124	71 151	3 507	67 644	22 708	8 719	13 989	710 613	14 856	695 757	
New financial assets originated or purchased	218 069	2 338	215 731	-	-	-	(5 392)	(3 150)	(2 242)	218 069	2 338	215 731	
Financial assets written off													
Repayments net of readvances, capitalised interest and fees	(140 590)	2 997	(143 587)	(20 095)	861	(20 956)	(5 338)	(618)	(4 720)	(166 023)	3 240	(169 263)	
Transfers to 12-month ECL	22 686	724	21 962	(21 110)	(594)	(20 516)	(1 576)	(130)	(1 446)	-	-	-	
Transfers to lifetime ECL (not credit-impaired)	(45 695)	(2 260)	(43 435)	49 897	2 561	47 336	(4 202)	(301)	(3 901)	-	-	-	
Transfers to lifetime ECL (credit-impaired)	(11 624)	(3 259)	(8 365)	(8 225)	(2 480)	(5 745)	19 849	5 739	14 110	-	-	-	
Foreign exchange and other movements	302	(3)	305	(515)	2	(517)	3	3	-	(210)	2	(212)	
Net balances	659 902	3 167	656 735	71 103	3 857	67 246	26 052	10 262	15 790	757 057	17 286	739 771	
Total credit and zero balances	6 436	(45)	6 481	17	(2)	19	47	(1)	48	6 500	(48)	6 548	
Audited balance at 31 December 2019	666 338	3 122	663 216	71 120	3 855	67 265	26 099	10 261	15 838	763 557	17 238	746 319	
Loans and advances at fair value through profit or loss												39 340	
Loans and advances at FVOCI impairment allowance												336	
Off-balance-sheet impairment allowance												255	
Fair-value hedge-accounted portfolios ECL credit and other balances												907	
												(47)	
Audited loans and advances at 31 December 2019												787 110	

* The components indicated with this symbol form part of the audited summary consolidated financial statements. Please refer to the notice on page 1 for the impact of events occurring after the approval of the audited summary consolidated financial statements on 2 March 2020.

FAIR-VALUE HIERARCHY*

FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

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

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

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

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

FAIR-VALUE HIERARCHY

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

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

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

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

All fair values disclosed below are recurring in nature.

* The components indicated with this symbol form part of the audited summary consolidated financial statements. Please refer to the notice on page 1 for the impact of events occurring after the approval of the audited summary consolidated financial statements on 2 March 2020.

FINANCIAL ASSETS

	Total financial assets		Total financial assets recognised at amortised cost		Total financial assets classified as level 1		Total financial assets classified as level 2		Total financial assets classified as level 3	
	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm
Cash and cash equivalents	29 623	27 720	29 623	27 720						
Other short-term securities	42 395	57 844	9 340	21 500			33 055	36 344		
Derivative financial instruments	34 923	22 412			61	38	34 862	22 374		
Government and other securities	127 662	96 123	92 345	67 628	32 599	25 505	2 718	2 990		
Loans and advances	787 105	725 792	731 893	683 770			55 212	42 022		
Other assets	9 294	10 776	9 294	10 776						
Investment securities	8 980	6 787			671	16	860	793	7 449	5 978
	1 039 982	947 454	872 495	811 394	33 331	25 559	126 707	104 523	7 449	5 978

FINANCIAL LIABILITIES

	Total financial liabilities		Total financial liabilities recognised at amortised cost		Total financial liabilities classified as level 1		Total financial liabilities classified as level 2	
	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm	31 Dec 2019 (Audited) Rm	31 Dec 2018 (Audited) Rm
Derivative financial instruments	27 621	19 761			16	8	27 605	19 753
Amounts owed to depositors	881 287	806 487	847 515	784 908	75		33 697	21 579
Provisions and other liabilities	3 381	5 261	2 502	4 795	879	466		
Long-term debt instruments	59 612	55 410	59 612	55 410				
	971 901	886 919	909 629	845 113	970	474	61 302	41 332

LEVEL 3 RECONCILIATION

	Opening balance at 1 January Rm	Gains relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the year Rm	Losses relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the year Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 31 December Rm
31 December 2019 (Audited)						
FINANCIAL ASSETS						
Investment securities	5 978	(43)	4 561	(3 047)	7 449	
	5 978	(43)	4 561	(3 047)	7 449	
31 December 2018 (Audited)						
FINANCIAL ASSETS						
Investment securities	4 712	211	2 201	(1 169)	20	5 978
	4 712	211	2 201	(1 169)	20	5 978

EFFECT OF CHANGES IN SIGNIFICANT UNOBSERVABLE ASSUMPTIONS – LEVEL 3 INSTRUMENTS

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

	Valuation technique	Significant unobservable input	Variance in fair value (%)	Value per statement of financial position Rm	Favourable change in fair value Rm	Unfavourable change in fair value Rm
31 December 2019 (Audited)						
FINANCIAL ASSETS						
Investment securities	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations and dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (17) and 21	7 449	1 566	(1 239)
Total financial assets classified as level 3				7 449	1 566	(1 239)
31 December 2018 (Audited)						
FINANCIAL ASSETS						
Investment securities	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations and dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (10) and 13	5 978	788	(620)
Total financial assets classified as level 3				5 978	788	(620)

UNREALISED GAINS

The unrealised gains arising on instruments classified as level 3 include the following:

	31 December 2019 (Audited) Rm	31 December 2018 (Audited) Rm
Private-equity gains		211

SUMMARY OF PRINCIPAL VALUATION TECHNIQUES - LEVEL 2 INSTRUMENTS

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

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

TRANSFERS BETWEEN LEVELS OF THE FAIR-VALUE HIERARCHY

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

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

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

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

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
31 December 2019 (Audited)					
Financial assets	833 578	809 538	63 219	26 929	719 390
Other short-term securities	9 340	9 332		9 332	
Government and other securities	92 345	91 088	63 219	17 597	10 272
Loans and advances	731 893	709 118			709 118
Financial liabilities	59 612	62 115	38 130	23 985	-
Long-term debt instruments	59 612	62 115	38 130	23 985	
Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
31 December 2018 (Audited)					
Financial assets	772 898	760 518	44 554	21 460	694 504
Other short-term securities	21 500	21 460		21 460	
Government and other securities	67 628	66 844	44 554		22 290
Loans and advances	683 770	672 214			672 214
Financial liabilities	55 410	56 226	27 944	28 282	-
Long-term debt instruments	55 410	56 226	27 944	28 282	

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

Loans and advances

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

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

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

The group has developed a methodology and model to determine the fair value of the gross exposures for the performing loans and advances measured at amortised cost. This model incorporates the use of average interest rates and projected monthly cashflows per product type. Future cashflows are discounted using interest rates at which similar loans would be granted to borrowers with similar credit ratings and maturities. Methodologies and models are updated on a continuous basis for changes in assumptions, forecasts and modelling techniques. Future forecasts of the group's probability of default (PD) and loss-given defaults (LGDs) for the periods 2020 to 2022 (2018: for periods 2019 to 2021) are based on the latest available internal data and are applied to the projected cashflows of the first three years. Thereafter PDs and LGDs are gradually reverted to their long-run averages and are applied to the remaining projected cashflows. Inputs into the model include various assumptions utilised in the pricing of loans and advances. The determination of such inputs is highly subjective and therefore any change to one or more of the assumptions may result in a significant change in the determination of the fair value of loans and advances.

* The components indicated with this symbol form part of the audited summary consolidated financial statements. Please refer to the notice on page 1 for the impact of events occurring after the approval of the audited summary consolidated financial statements on 2 March 2020.

Government and other securities

The fair value of government and other securities is determined based on available market prices (level 1) or discounted-cashflow analysis (level 3), where an instrument is not quoted or the market is considered to be inactive.

Other short-term securities

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

Long-term debt instruments

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

Amounts owed to depositors

The amounts owed to depositors principally comprise variable-rate liabilities and hedge-accounted fixed-rate liabilities. The carrying value of the amounts owed to depositors approximates fair value because the instruments reprice to current market rates at frequent intervals.

In addition, a significant portion of the balance is callable or short term in nature.

Cash and cash equivalents, other assets, mandatory deposits with central banks and provisions and other liabilities

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

INFORMATION TO OUR SHAREHOLDERS

NOTICE OF OUR ANNUAL GENERAL MEETING

Nedbank Limited (Incorporated in the Republic of South Africa)
Reg No 1951/000009/06
JSE share code: NBKP ISIN: ZAE0000043667 (Nedbank or the company)

This notice is sent to holders of Nedbank non-redeemable, non-cumulative, non-participating preference shares (perpetual preference shares) and holders of the Class A and Class B redeemable, cumulative preference shares (redeemable preference shares) for information purposes only.

In terms of article 44.8 of the memorandum of incorporation of Nedbank, holders of perpetual preference shares will not be entitled to be present or to vote, either in person or by proxy, at any meeting of the company by virtue of or in respect of perpetual preference shares, unless either or both of the following circumstances prevail at the date of the meeting:

- the preference dividend or any part thereof remains in arrears and unpaid after six months from the due date thereof; and
- a resolution of the company is proposed (in which event the preference shareholders will be entitled to vote only on such resolution) that directly affects the rights attached to the perpetual preference shares or the interests of the holders thereof, including a resolution for the winding up of the company or for the reduction of its capital.

In terms of articles 45.9 and 46.9 of Nedbank's memorandum of incorporation, holders of redeemable preference shares are entitled to receive notice and attend the annual general meeting, but will not be entitled to vote thereat unless any one or more of the following circumstances prevail at the date of the meeting:

- the preference dividend or any part thereof remains in arrears and unpaid after seven days from the relevant dividend payment date;
- any redemption payment remains in arrears and unpaid after seven days from the due date thereof; and
- a resolution of the company is proposed (in which event the holders of the redeemable preference shares will be entitled to vote only on such resolution) that directly adversely affects the rights attached to the redeemable preference shares or interests of the holders thereof.

Notice is hereby given to shareholders recorded in the securities register of Nedbank on Thursday, 9 April 2020, that the annual general meeting of ordinary shareholders will be held in the Executive Boardroom, Ground Floor, Block A, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, on Wednesday, 20 May 2020, at 16:00 to deal with such business as may lawfully be dealt with at the meeting and to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008 (as amended) (the Companies Act), as read with the Listings Requirements of JSE Limited (JSE Listings Requirements).

Record dates and proxies

In accordance with sections 59(1)(a) and (b) of the Companies Act, the board of the company has set the following record dates for determining the entitlement of shareholders:

SA dates and times

Record date to receive the notice of the annual general meeting	Thursday, 9 April 2020
Posting date	Monday, 20 April 2020
Last date to trade to be eligible to participate in and vote at the annual general meeting	Tuesday, 12 May 2020
Record date to be eligible to participate in and vote at the annual general meeting	Friday, 15 May 2020

The quorum requirement for the ordinary and special resolutions set out below is sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the resolutions, provided that at least three shareholders of the company are present at the annual general meeting.

Meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. Forms of identification include valid identity documents, driving licences and passports.

Agenda

Presentation of annual financial statements and reports

The annual financial statements of the company, incorporating among others, the Directors' Report, Auditors' Report and Report of the Audit Committee, for the financial year ended 31 December 2019, as approved by the board of directors of the company, are available at nedbankgroup.co.za and will be presented to the shareholders as required in terms of the Companies Act.

The summarised audited annual financial statements, together with the reports, are contained in this Notice of the Annual General Meeting and Summary Financial Statements booklet.

Ordinary resolutions for consideration and adoption

1. Ordinary resolutions 1.1 – Election of director of the company appointed during the year

The board appointed Prof T Marwala as a director of the company subsequent to the Nedbank annual general meeting held on 7 May 2019. Prof Marwala is obliged to retire in terms of clause 19.2 of the company's memorandum of incorporation and, being eligible, offers himself for election.

1.1 'Resolved that Prof T Marwala be and is hereby elected as a director of the company.'

Independent Non-executive Director South African

Qualifications: BSc (Mechanical Engineering), MSc (Engineering), PhD (Engineering, University of Cambridge, UK) AMP (Columbia)

Expertise in innovation and digital/IT and cyberresilience.

Experience in corporate governance and stakeholder management.

Professor Marwala is an accomplished scholar with multidisciplinary research interests that include the theory and application of artificial intelligence to engineering, computer science, finance, social science and medicine. He has an extensive track record in human capacity development and has published 15 books on artificial intelligence. Professor Marwala is the Vice Chancellor and

Principal of the University of Johannesburg and prior to this he was the Deputy Vice Chancellor for Research and Internationalisation and Executive Dean of Engineering and the Built Environment at the University of Johannesburg. He is an academic advisory boardmember of the International University Sports Federation and was recently appointed as Deputy Chair of the Presidential Commission on the Fourth Industrial Revolution.

Board committees

Member: Group Information Technology Committee and Group Transformation, Social and Ethics Committee.

The percentage of voting rights required for the passing of ordinary resolution 1.1 is more than 50% of the voting rights exercised in respect of that resolution.

2. Ordinary resolutions 2.1 to 2.5 – Reelection of directors retiring by rotation

The following directors retire by rotation in terms of clause 19.1 of the company's memorandum of incorporation, which requires not less than one-third of the directors to retire at each annual general meeting. The board supports the reelection of these directors who, being eligible, offer themselves for reelection.

2.1 'Resolved that Mr HR Brody be and is hereby reelected as a director of the company.'

Independent Non-executive Director South African

Qualifications: BAcc(Hons), CA(SA)

Expertise in accounting, auditing, retail banking, other financial services and HR, marketing, business strategy and strategic planning. Experience in large corporates, innovation, corporate governance and stakeholder management and in doing business in emerging economies.

Hubert was Chief Executive of Imperial Holdings, the diversified mobility group, from July 2007 until February 2014, and thereafter served as a non-executive director of Imperial Holdings until the end of 2014. He previously served as a director and Chair of Imperial Bank (previously a joint venture between Nedbank and Imperial Holdings and later acquired as a subsidiary of Nedbank) until 2010. Hubert was an executive at Sanlam Group Limited from January 2015 to May 2017. He is also an independent non-executive director and Chair at Woolworths Holdings Limited, a non-executive director of Tennis SA and serves on the council of Stellenbosch University.

Board committees

Chair: Group Remuneration Committee.

Member: Group Audit Committee and Group Directors' Affairs Committee.

2.2 'Resolved that Mr EM Kruger be and is hereby reelected as a director of the company.'

Independent Non-executive Director South African

Qualifications: BCom

Expertise in macroeconomic and public policy, HR, marketing, business strategy and strategic planning, stakeholder management, retail and investment banking and other financial services.

Experience in regulatory affairs, doing business in emerging economies, corporate governance and stakeholder management, banking and financial services.

Errol joined the board as an independent non-executive director on 1 August 2016. From September 2003 to July 2011 he was the Registrar of Banks at the South African Reserve Bank (SARB), having been with SARB from July 1978. As the Registrar of Banks, Errol represented SA as a full member of the Basel Committee on Banking Supervision from 2009 to 2011 and he successfully project-managed the early adoption and full implementation of both the revised 25 Basel Core Principles for Effective Banking Supervision and Basel II. Errol was appointed Managing Director of Supervision and Authorisation at the Qatar Financial Centre Regulatory Authority on 1 August 2011, whereafter he was also appointed by the board of the Qatar Central Bank to serve on Qatar's Financial Stability and Risk Control Committee. He relinquished his role at the Qatar Financial Centre Regulatory Authority on 31 July 2016. Errol also serves as a non-executive director of Capital Appreciation Limited.

Board committees

Chair: Group Credit Committee, Large-exposure Approval Committee and Group Risk and Capital Management Committee.

Member: Group Audit Committee and Group Directors' Affairs Committee.

2.3 'Resolved that Ms L Makalima be and is hereby reelected as a director of the company.'

Independent Non-executive Director South African

Qualifications: BCom(Hons), HDE, MPhil

Expertise in investment banking, other financial services, mining/energy/resources and infrastructure, HR, marketing, business strategy and strategic planning.

Experience in large corporates, innovation and digital/IT and cyberresilience.

Linda, the founder of Lima Business Solutions Proprietary Limited, was previously a director and the Head of Investment Banking Coverage (SA) at Standard Bank, where she was responsible for business development and origination across a portfolio of sectors, including oil and gas, power, infrastructure and renewables, mining and telecommunications. Prior to that Linda was Managing Director of Diners Club SA. Linda left the corporate world to become a career and business coach, providing professionals and entrepreneurs with skills, insights and tools to enrich their careers and businesses. She is a member of the board of governors for Pathcare.

Board committees

Member: Group Transformation, Social and Ethics Committee, Group Credit Committee, Large-exposure Approval Committee, Group Related-party Transactions Committee and Group Risk and Capital Management Committee.

2.4 'Resolved that Mr PM Makwana be and is hereby reelected as a director of the company.'

Lead Independent Director South African

Qualifications: BAdmin(Hons), Postgraduate Diploma (Retail Management) (Stirling University, UK)

Expertise in HR, marketing, business strategy and strategic planning.

Experience in climate change, mining, energy, resources and infrastructure, retail and investment banking, large corporates, governance and stakeholder management.

Mpho joined the board as an independent non-executive director on 17 November 2011. He is a past Chair of Eskom Holdings Limited, where he led the team that kept the lights on during the 2010 FIFA World Cup. He is Chair of ArcelorMittal SA Ltd, Illovo Sugar SA Proprietary Limited, Limpopo Economic Development Agency and SAFCOL SOC Limited. He participates in various non-profit initiatives, among these as a trustee of the Nelson Mandela Children's Fund.

Board committees

Chair: Group Directors' Affairs Committee, Group Related-party Transactions Committee and Group Transformation, Social and Ethics Committee.

Member: Group Remuneration Committee, Group Information Technology Committee and Group Risk and Capital Management Committee.

2.5 'Resolved that Dr MA Matooane be and is hereby reelected as a director of the company.'

Independent Non-executive Director South African

Qualifications: BSc, MBA, PhD (Computer Science) (University of Cambridge, UK), CD(SA)

Expertise in innovation and digital/IT and cyberresilience.

Experience in retail and investment banking, other financial services, large corporates, corporate governance and stakeholder management.

Mantsika joined the board as an independent non-executive director on 15 May 2014. She is an executive at Johannesburg-based technology services company, Truespark, and serves as a non-executive director of the JSE Limited. Mantsika is also a member of the Board of Governors for Pathcare.

Board committees

Chair: Group Information Technology Committee.

Member: Group Directors' Affairs Committee.

The percentage of voting rights required for the passing of each ordinary resolution contained under points 2.1 to 2.5 is more than 50% of the voting rights exercised in respect of each resolution.

For noting – Director retiring by rotation but not available for reelection

Mr JK Netshitenzhe retires at the conclusion of the 2019 Nedbank Group Limited annual general meeting which is scheduled to be held on 22 May 2020 following the conclusion of his term of nine years on the Nedbank board.

Director resignation

Mr MP Moyo resigned from the board with effect from 19 March 2020. The board thanks him for his contribution during his tenure as Old Mutual Limited's nominated representative on the Nedbank Limited board.

3. Ordinary resolutions 3.1 and 3.2 – Reappointment of independent external auditors

The Group Audit Committee considered the independence of the joint external auditors on an ongoing basis during the year and assessed the skills, reporting and overall performance of Deloitte & Touche (with Mr L Nunes as designated registered auditor) and Ernst & Young (with Mr F Mohideen as designated registered auditor) and recommends their reappointment as joint auditors of the group. It is proposed that the appointments be made on a joint basis. If either resolution 3.1 or resolution 3.2 is not passed, the resolution that is passed will be effective.

3.1 'Resolved that Deloitte & Touche be and is hereby reappointed as external auditor of the company to hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting of Nedbank.'

3.2 'Resolved that Ernst & Young be and is hereby reappointed as external auditor of the company to hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting of Nedbank.'

The percentage of voting rights required for the passing of each ordinary resolution contained under points 3.1 and 3.2 is more than 50% of the voting rights exercised in respect of each resolution.

4. Ordinary resolution 4 – Placing the authorised but unissued ordinary shares under the control of the directors

'Resolved that the authorised but unissued shares in the authorised share capital of the company be and are hereby placed under the control of the directors to issue these shares, in the numbers and on the terms and conditions and times, as well as at the prices, as they deem fit, subject to the provisions of the Companies Act, 71 of 2008, the Banks Act, 94 of 1990, and the JSE Listings Requirements.'

The authority granted in terms of this ordinary resolution will remain valid until the next annual general meeting of the company to be held in 2021, at which meeting a similar resolution will be put to shareholders for approval.

The percentage of voting rights required for the passing of this ordinary resolution is more than 50% (fifty percent) of the voting rights exercised in respect of this resolution.

Advisory vote

5. Advisory endorsements 5.1 and 5.2 on a non-binding basis of the Nedbank Remuneration Policy and the Remuneration Implementation Report

In accordance with the principles of King IV, separate advisory votes are being put to shareholders for the endorsement of Nedbank's Remuneration Policy and the Remuneration Implementation Report in the same manner as an ordinary resolution at the annual general meeting. Given that the votes on these two resolutions are non-binding, the results would not be binding on the board and will not have any legal consequences for existing arrangements. However, the board will consider the outcomes of the votes when reviewing its Remuneration Policy and the implementation thereof in future and will seek to engage further with shareholders in terms of the consultation process set out in the Remuneration Policy, read with King IV, in the event that either has been voted against by 25% or more of the voting rights exercised by shareholders. The manner and timing of such engagement will be set out in the voting results announcement.

5.1 'To endorse, through a non-binding advisory vote, the company's Remuneration Policy (excluding the remuneration of non-executive directors for their services as directors and members of the board committees) as set out in the Remuneration Report available at nedbankgroup.co.za.'

5.2 'To endorse, through a non-binding advisory vote, the company's Remuneration Implementation Report as set out in the Remuneration Report available at nedbankgroup.co.za.'

Special resolutions for consideration and adoption

6. Special resolution 1 – Remuneration of non-executive directors

The Nedbank board has taken a decision to not take an increase in non-executive directors' fees in the current economic climate.

'Resolved that the relevant non-executive directors' fees for their service as directors be and are hereby approved as a separate special resolution as follows:'

	Current annual fee (VAT excl) (1/7/2019 to 30/6/2020) R	Proposed annual fee (VAT excl) (1/7/2020 to 30/6/2021) R
Nedbank Limited boardmember	243 800	243 800

The percentage of voting rights required for special resolution 1 is at least 75% (seventy-five percent) of the voting rights exercised in respect of this resolution.

7. Special resolution 2 – General authority to provide financial assistance to related and interrelated companies

'Resolved that, subject to the provisions of the Companies Act, 71 of 2008 ('the Companies Act'), the shareholders of the company hereby approve, as a general approval for a period of two years, the company providing direct or indirect financial assistance ('financial assistance') as contemplated in sections 44 and 45 of the Companies Act on such terms as may be authorised by the board of directors of the company in accordance with the following:

7.1 the financial assistance can be provided to any related or interrelated company (and any person 'related' to such company) or any other person ('a recipient') (which, for the avoidance of doubt, excludes financial assistance provided to any directors or prescribed officers of the company or of any such recipients); and

7.2 nothing in this approval will limit the provision by the company of financial assistance that does not require approval by way of a special resolution of the shareholders in terms of sections 44 and 45 of the Companies Act or falls within any exemption provided in those 'sections.'

Section 44 of the Companies Act essentially requires, subject to limited exceptions, approval by way of special resolution for the provision of financial assistance for the purpose of, or in connection with, the subscription of any option or any securities issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company.

Section 45 of the Companies Act essentially requires, subject to limited exceptions, approval by way of special resolution for the provision of financial assistance, among others, to companies 'related' to and 'interrelated' with the company. Both sections 44 and 45 provide, among others, that the regulated financial assistance may be provided only pursuant to a special resolution passed by shareholders within the previous two years.

The provision of any direct or indirect financial assistance by the company will always be subject to the board being satisfied that, immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test referred to in sections 44(3)(b)(i) and 45(3)(b)(i) of the Companies Act, respectively, and that the terms under which such financial assistance is to be given are fair and reasonable to the company, as referred to in sections 44(3)(b)(ii) and 45(3)(b)(ii) of the Companies Act.

The directors would like the authority to be able to provide financial assistance to companies related and interrelated to the company and persons related to such companies, including for the acquisition of securities issued by the company and related companies, where they regard it as desirable. Such authorisation is generally required for providing loans and guarantees and other financial assistance to subsidiaries and group companies, which is often necessary or desirable for the conduct of Nedbank's business. The extension of this authority to 'any other person' is for the sole purpose of facilitating the mechanics of the Nedbank's preference share funding business.

The percentage of voting rights required for the passing of special resolution 2 is at least 75% (seventy-five percent) of the voting rights in respect of this resolution.

Voting by proxy

Each person entitled to attend and vote at the annual general meeting may appoint a proxy or proxies to attend, speak and vote or abstain from voting in their stead. A proxy need not be a shareholder of the company. Completed proxy forms must please be received at the Company Secretary's office no later than 24 hours before the time appointed for the holding of the annual general meeting. Thereafter, forms of proxy may be delivered to the company at the location for the annual general meeting immediately prior to the commencement thereof.

By order of the board

J Katzin
Company Secretary

20 April 2020
Sandown

Approved by the board on 14 April 2020.

FORM OF PROXY

Nedbank Limited
 (Incorporated in the Republic of South Africa)
 Reg No 1951/000009/06
 JSE share code: NBKP ISIN: ZAE000043667
 (Nedbank or the company)

To be used by the holders of voting rights on ordinary shares

I/We _____
 of _____ (address)
 Email address: _____ Cellphone number: _____
 being the holder(s) of _____ ordinary shares in the company, appoint (see note 1):
 1 _____ or failing him/her
 2 _____ or failing him/her

the chair of the annual general meeting as my/our proxy to act for me/us and on my/our behalf at the annual general meeting that will be held in the Executive Boardroom, Ground Floor, Block A, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, on Wednesday, 20 May 2020, at 16:00, for the purpose of considering and, if deemed fit, passing with or without modification the ordinary and special resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against such resolutions and/or to abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions:

Ordinary resolutions	Number of votes (one vote per ordinary share)		
	For	Against	Abstain
Ordinary resolution 1 – Election of directors of the company appointed during the year			
1.1 Election as a director of Prof T Marwala, who has been appointed as a director since the previous annual general meeting of shareholders			
Ordinary resolution 2 – Reelection of directors retiring by rotation			
2.1 Reelection as a director of Mr HR Brody, who is retiring by rotation			
2.2 Reelection as a director of Mr EM Kruger, who is retiring by rotation			
2.3 Reelection as a director of Ms L Makalima, who is retiring by rotation			
2.4 Reelection as a director of Mr PM Makwana, who is retiring by rotation			
2.5 Reelection as a director of Dr MA Matoane, who is retiring by rotation			
Ordinary resolution 3 – Appointment of external auditors			
3.1 Reappointment of Deloitte & Touche as external auditor			
3.2 Reappointment of Ernst & Young Incorporated as external auditor			
Ordinary resolution 4 – Placing the authorised but unissued ordinary shares under the control of the directors			
Advisory endorsement			
Endorsement of remuneration policy and implementation report			
5.1 Advisory endorsement on a non-binding basis of the company's Remuneration Policy			
5.2 Advisory endorsement on a non-binding basis of the company's Remuneration Implementation Report			
Special resolutions			
Special resolution 1 – Remuneration of non-executive directors			
Special resolution 2 – General authority to provide financial assistance to related and interrelated companies			

On a show of hands a person entitled to vote is entitled to one vote only, irrespective of the number of the relevant Nedbank Shares he or she holds or represents.

On a poll a person entitled to vote at the annual general meeting, present in person or by proxy, is entitled to that proportion of the total votes in the company that the aggregate amount of the nominal value of the Nedbank shares held or represented by him/her bears to the aggregate amount of the nominal value of all the Nedbank shares issued by the company and carrying the right to vote.

Proxies may delegate their authority in terms of this proxy to another person. Unless it is revoked earlier, this proxy form will lapse and cease to be of force and effect immediately after the annual general meeting of the company to be held on Wednesday, 20 May 2020, at 16:00, or at any adjournment thereof, unless it is revoked earlier.

Signed at (place) _____ on (date) _____ 2020

Signature _____

Assisted by me _____

(where applicable)

Please read the notes on the reverse side hereof.

NOTES TO FORM OF PROXY

Summary of the rights of a certified holder to be represented by proxy as contained in section 58 of the Companies Act, 71 of 2008 (as amended), and notes to the form of proxy.

- 1 Each holder entitled to attend and vote at the annual general meeting is entitled to appoint one or more individuals as proxy/proxies [who need not be person(s) entitled to vote at the annual general meeting] to attend, participate in, speak and vote or abstain from voting in place of that holder at the annual general meeting.
- 2 The proxy/proxies may delegate the authority received from the holder to a further person, subject to any restriction set out in this form of proxy.
- 3 A proxy appointment must be in writing, dated and signed by the holder appointing the proxy/proxies.
- 4 A holder may insert the name of a proxy or the names of two alternative proxies of the holder's choice in the space provided, with or without deleting 'the chair of the annual general meeting'. The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of the persons whose names follow. Further, a holder may appoint more than one proxy to exercise voting rights attached to different securities held by that holder.
- 5 A holder's instructions to the proxy/proxies have to be indicated by the insertion of the relevant number of votes exercisable by that holder in the appropriate box provided. Failure to comply with this will be deemed to authorise the chair of the annual general meeting, if the chair is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or the appointed proxy/proxies to vote or abstain from voting at the annual general meeting, without direction as he/she/they deem fit, in respect of all the holder's votes exercisable thereat.
- 6 A holder or their proxy/proxies is/are not obliged to vote in respect of all the ordinary shares held by such holder or represented by such proxy/proxies, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the holder or their proxy/proxies is/are entitled.
- 7 Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the company secretary or waived by the chair of the annual general meeting. Examples of satisfactory identification include a valid identity document, a valid driving licence or a valid passport.
- 8 Any alterations or corrections to this form of proxy must be initialled by the signatory/signatories.
- 9 The completion and lodging of this form of proxy will not preclude the relevant holder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such holder wish to do so, in which case this proxy will be suspended accordingly.
- 10 For a proxy/proxies to exercise any voting rights of a holder at the annual general meeting forms of proxy have to be lodged with or posted to the Company Secretary's Office for the attention of Jackie Katzin, Ground Floor Block A, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196, or PO Box 1144, Johannesburg, 2000, and must be received no later than 16:00 on Monday, 18 May 2020, for administrative purposes. Thereafter forms of proxy can be delivered to the company by hand no later than 16:00 on Wednesday, 20 May 2020. Forms of proxy can also be submitted electronically to the Company Secretary at JackieK@nedbank.co.za, subject to the proxy instructions meeting all other criteria.
- 11 This form of proxy may be completed by:
 - 11.1 those holders who are holding Nedbank ordinary shares in a certificated form; or
 - 11.2 persons who are not shareholders but who are entitled to exercise any voting rights (irrespective of the form, title or nature of the securities to which those voting rights are attached) at the record date of this annual general meeting.
- 12 Holders of Nedbank ordinary shares (whether certificated or dematerialised) through a nominee, should timeously make the necessary arrangements with that nominee.
- 13 Holders attending the annual general meeting on 20 May 2020 will be afforded the opportunity of putting questions to the directors and management.
- 14 If this form of proxy has been delivered to the company in accordance with paragraph 10, and as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to a holder must be delivered by the company to the holder or, to such holder's proxy/proxies if such holder has directed the company to do so in writing and has paid any reasonable fees charged by the company for doing so.
- 15 Except if a holder provides in this proxy form that a proxy appointment is irrevocable, a holder may revoke the proxy appointment by:
 - 15.1 cancelling it in writing, or making a later inconsistent appointment of a proxy/proxies; and
 - 15.2 delivering a copy of the revocation instrument to the proxy/proxies and to the Company Secretary's Office at Nedbank, 135 Rivonia Campus 135 Rivonia Road, Sandown, Sandton, 2196, for the attention of Jackie Katzin, to be received before the replacement proxy/proxies exercise(s) any rights of the holder at the annual general meeting of the company or any adjournment thereof.
- 16 The revocation of a proxy appointment constitutes a complete and final cancellation of the authority of the proxy/proxies to act on behalf of the holder as of the later of:
 - 16.1 the date stated in the revocation instrument, if any; or
 - 16.2 the date on which the revocation instrument was delivered, as required in paragraph 15 above.

COMPANY DETAILS

NEDBANK LIMITED

Incorporated in the Republic of SA
Registration number 1951/000009/06

Registered address

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

INSTRUMENT CODES

Nedbank Limited non-redeemable, non-cumulative, non-participating preference shares

JSE share code NBKP
ISIN ZAE000043667

Company Secretary: J Katzin

Sponsors: Investec Bank Ltd
Nedbank CIB

FOR MORE INFORMATION CONTACT

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DISCLAIMER

Nedbank Limited 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 Limited 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.

Nedbank Limited 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, profits, or consequential loss or damage.

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