



NEDBANK
GROUP

Governance Report

for the year ended 31 December 2023

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Integrated Report



The 2023 Nedbank Group Integrated Report, produced in line with the Integrated Reporting Framework, provides a holistic, yet concise read of how the group creates and protects value while minimising the risk of value erosion over the short, medium and long term. It primarily addresses the information requirements of long-term investors (our equity shareholders, bondholders, debt providers and prospective investors).

This report is also relevant to other stakeholders as it incorporates material issues relating to value creation for them, supplemented by more granular reporting in our various online publications that include financial, risk management, sustainability and environmental, social and governance (ESG) disclosures. These reports are available on our website at nedbankgroup.co.za.



What is disclosed in these reports

Key regulatory and reporting frameworks:

Financial and risk management reporting 	<p>Our financial and risk management reporting provides information relating to the group's financial position and performance. They are primarily of interest to Nedbank's equity and debt investors, credit rating agencies, depositors, regulators, and various other stakeholders. The disclosed information can be used to assess the group's financial performance, strength, and prospects, and includes important risk and regulatory disclosures.</p>	<ul style="list-style-type: none"> • 2023 Results Booklet and presentation • 2023 Nedbank Group Annual Financial Statements • 2023 Pillar 3 Risk and Capital Management Report 	<ul style="list-style-type: none"> • International Financial Reporting Standards (IFRS) • Companies Act • Banks Act • South African Reserve Bank (SARB) Regulations • Basel Committee on Banking Supervision (BCBS) Guidance • JSE Listings Requirements 	
Climate reporting 	<p>Our climate reporting includes information relating to the group's climate-related activities, governance, strategy, policies, risk management, carbon footprint and emissions, as well as targets. It is primarily of interest to investors, non-governmental organisations (NGOs), ESG ratings agencies, as well as key stakeholders such as clients and invested members of society who associate with value-aligned and purpose-driven companies. The disclosed information can be used to assess Nedbank's progress in managing its positive and negative impacts in addressing climate change.</p>	<ul style="list-style-type: none"> • 2023 Climate Report • Nedbank Energy Policy* • Nedbank Climate Change Position Statement* • Nedbank Nature Position Statement (new)* 	<ul style="list-style-type: none"> • Task Force on Climate-related Financial Disclosures (TCFD)¹ • Basel Committee on Banking Supervision • Global Reporting Initiative Standards • JSE Sustainability and Environmental Disclosures 	
Societal reporting 	<p>Our societal reporting includes information relating to how the group uses its financial expertise to do good by creating positive economic, societal and environmental impacts, including those aligned to the United Nations (UN) Sustainable Development Goals (SDGs). They are primarily of interest to investors, existing and prospective employees, regulators, NGOs, existing and prospective clients, ESG ratings agencies, and engaged members of society. The disclosed information demonstrates progress in how Nedbank is fulfilling its purpose.</p>	<ul style="list-style-type: none"> • Sustainable development finance • Human capital, diversity and inclusion • Social impact • Supplier relationships and procurement • Client responsibility 	<ul style="list-style-type: none"> • Financial inclusion • Transformation • Broad-based Black Economic Empowerment (BBBEE) Certificate* • Global Reporting Initiative Standards Disclosures* • Sustainable Development Finance Inclusion Criteria* 	 <p><i>The JSE Sustainability and Environmental Disclosure Guidance as well as the International Sustainability Standards Board Sustainability-related Financial Disclosures were also considered.</i></p>
Governance reporting 	<p>Our governance disclosures include information relating to board matters, ethics, financial crime, tax and remuneration. They are primarily of interest to investors, ESG rating agencies, clients, employees, regulators, suppliers and members of society. The information disclosed demonstrates how Nedbank does business according to sound governance practices, and the highest standards of ethics, integrity, transparency and accountability.</p>	<ul style="list-style-type: none"> • Governance • Ethics • Financial crime (including amongst others AML and cybercrime) • Remuneration Policy and Implementation Report • Tax disclosures 	<ul style="list-style-type: none"> • Stakeholder engagement • Key policies* • Leadership CVs and profiles* 	
Shareholder information 	<p>The notice of AGM and form of proxy provide valuable information to shareholders who want to participate in the Nedbank Group's 57th AGM.</p>	<ul style="list-style-type: none"> • Notice of 57th annual general meeting (AGM) • Form of proxy • Shareholding profile* 		

* Available separately at nedbankgroup.co.za.

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¹ Reporting of TCFD has been incorporated into the ISSB Standards: "The incorporation of the TCFD recommendations into the ISSB's Standards provides yet further simplification of the so-called 'alphabet soup' of disclosure initiatives for companies and investors. The Financial Stability Board has also asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the TCFD"

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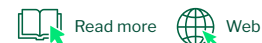
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Digital and ESG reporting

Our 2023 integrated reporting suite has been designed for an enhanced digital experience and ease of use as our stakeholders now primarily engage with information through digital channels. The landscape layout supports readability on computer screens and tablets while the digital navigation capability in the report will assist you to easily navigate between different sections or topics. This can be done using the navigation icons at the top of the page or pop-ups wherever you hover with your cursor.

Digital navigation icons



ESG data • ESG •

This icon refers to our 2023 ESG data sheet available at nedbankgroup.co.za where Nedbank-specific terminology is aligned with similar terminologies used by various disclosure frameworks we ascribe to.

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Governance

Governance at Nedbank

Nedbank's governance is established by the tone set at the top through purpose-driven leadership by the board and management, and the values and behaviours expected of all employees in the organisation. Our leadership continues to drive and enable new governance mindsets and capabilities required to manage and thrive in an agile, digital and disruptive environment.

Leading the way for value creation and preservation through good governance

The board strives to optimise value for all stakeholders by fulfilling our purpose of using our financial expertise to do good, executing our strategy to enhance our competitiveness and differentiation, ensuring the sustainability of our business model, monitoring the external environment, assessing key risks as well as the availability and quality of the group's capitals, and understanding the needs of all relevant stakeholders.

Our governance philosophy

Nedbank is committed to the highest standards of governance, ethics and integrity, which are essential for sustained value and to protect the interests of all our stakeholders. We believe that good governance is essential to promoting our values through accountability, effective risk and performance management, transparency, and ethical leadership.

Our underlying **governance objectives** (which align with King IV) are to promote ethical and effective leadership that achieves the outcomes of an **ethical culture, good performance and sustainable value creation, effective control** and **legitimacy**.



Governance objectives

Ethical culture

Commitment to establishing and maintaining an ethical culture and leadership founded on the highest standards of ethics, integrity and best governance practices.

Good performance and sustained value creation

Strong leadership and governance structures that support good performance, the creation of value for all our stakeholders, and the protection of our capitals in a sustainable manner.

Effective controls

Corporate governance frameworks and policies that provide effective and adequate controls within Nedbank. We are mindful that effective and adequate controls lead to compliance with applicable laws and best-practice guidelines. But we also endeavour to go beyond compliance to protect both the interests of our stakeholders and our capitals, as well as to ensure accountability, strong risk and performance management, transparency, and ethical and effective leadership.

Legitimacy


Building and maintaining trust and confidence from all our stakeholders through a stakeholder-inclusive approach that balances the needs, interests and expectations of all our stakeholders in the best interests of the organisation in the short, medium and long term.

Our approach to achieving our governance objectives is based on mindful governance and integrated thinking. We believe that to achieve our desired governance objectives, it is necessary to be mindful of the potential consequences of our decisions and integrate this awareness into our decision-making processes, actions and strategies. Integrated thinking

requires mindful consideration of our capitals and the creation of sustainable value for all our stakeholders over the short, medium and long term. This ensures that we always act in a transparent, accountable and socially responsible manner for all our stakeholders.

We embrace world-class banking practices and robust institutional governance and risk frameworks to ensure that our banking services are secure and stable. We regularly review these practices and frameworks to ensure that we act in the best interests of all our stakeholders, taking into account the everchanging landscape in which we operate, including factors such as economic changes, geopolitics, cultural shifts in the workplace, digital trends such as artificial intelligence and data security, as well as climate change risks. We are also mindful that banks are expected to adapt to regulatory changes quickly, which means we must entrench good governance practices while remaining flexible in responding proactively to the fast-changing regulatory environment. However, governance at Nedbank goes beyond mere compliance with legislation and best practices. We are mindful that good governance contributes to our living our values through ethical and effective leadership.

The board's governance oversight is driven by its commitment to its responsibilities and governance objectives through the application of the principles and practices of King IV.

 Please refer to page 34 for details on how Nedbank applied the principles and practices of King IV during the year under review.

Key board focus areas in 2023

In line with the board priorities that we identified and communicated in our 2022 Integrated Report, as well as external developments in the operating environment, the following areas received heightened focus in 2023:

- 1 Board and executive succession
- 2 Delivery of the group's strategy and targets
- 3 Managing the group through a difficult environment
- 4 ESG, climate change and ensuring a Just Transition
- 5 Reputational matters

1 Board and executive succession

Succession planning is an extremely important responsibility of the board as a whole, assisted by the Group Directors' Affairs Committee (DAC). The DAC ensures that, where directors are reaching tenure and retirement age, board continuity is maintained through active succession planning that considers any changes to the skills needed on the board in terms of the group's strategy. The DAC also monitors the split between executive, non-executive and independent non-executive directors as well as the diversity, skills, experience and tenure of boardmembers as shown on pages 10-16.

In this context, 2023 was a milestone year in which the group announced the appointments of a new chairperson (Daniel Mminele) and Chief Executive (CE)-designate (Jason Quinn), as well as changes to the board and group executive.

Chairperson succession – On 1 May 2023 Daniel Mminele was appointed as an independent non-executive director and Chairperson-designate post the retirement of Mpho Makwana at the close of the group's 56th AGM on 2 June 2023. At the AGM, Daniel received 99,9% votes in favour of his appointment to the board, illustrating strong shareholder support.

CE succession – After the successful completion of the chairperson succession process, the board, supported by a global search firm with a strong domestic presence, commenced a process to choose a successor to Mike Brown who has joined the Nedbank Group 30 years ago, and has been the CE since 2010 and an executive director since 2004. Following a rigorous process, considering both internal and external candidates that were both racially and gender diverse, on 22 November 2023, Jason Quinn was announced as CE-designate after emerging as the most suitable candidate. Jason will assume the role of CE on Mike's planned retirement from the boards at the close of the group's AGM on 31 May 2024. Mike will remain at Nedbank for another 3 months as a senior adviser to ensure a seamless handover to Jason.

Board changes – In addition to Mpho Makwana, Dr Mantsika Matooane retired from the board following the completion of her 9-year term, while Prof Tshilidzi Marwala stepped down to take up the role as the next Rector of the United Nations University in Tokyo, and Mteto Nyati stepped down to take up the role of Chairperson at Eskom. The board extended the tenure of Brian Dames for an additional year given the need for continuity on the Group Climate Resilience Committee¹. Terence Nombembe (independent non-executive director) was appointed to the board, adding valuable experience and expertise in the areas of regulation, financial services, accounting, economics, social matters, and politics. The focus on board succession continues in 2024 in light of the planned retirements over the next 3 years.

Executive leadership changes – The DAC reviews the succession plans for Nedbank Group Executive Committee members. During the year, and in terms of those executive succession plans, Dave Crewe-Brown was appointed as the group's Chief Risk Officer, and Ray Naicker was appointed as the group's Chief Information Officer, after their predecessors, Trevor Adams and Fred Swanapoel reached the group's retirement age of 60.

¹ With effect from 1 April 2024, the GCR was renamed as the Group Sustainability and Climate Resilience Committee (GSCRC) and its mandate expanded to reflect broader sustainability/ESG considerations, including oversight of environmental and social risks and opportunities beyond and in addition to climate risks and opportunities.

2 Delivery of the group's strategy and targets

Strategic discussions at the board and relevant board subcommittee meetings remained a key agenda item. The board debated and provided input into the group's strategy and deliberated on material matters throughout the year before approving the group's 3-year business plan in November 2023.

The group's strategy, which incorporates the strategic value drivers of growth, productivity and risk and capital management, drives value creation as we seek to deliver on our short-, medium- and long-term targets as shown in the Integrated Report. Value creation is enabled by 5 strategic unlocks: digital leadership; market-leading client experiences; focusing on areas that create value; driving efficient execution; and creating positive impacts – all underpinned by the group's world-class technology platform and its people and culture. Read more about our strategy in the Integrated Report.

In 2023 the board and management discussed strategies to further optimise and profitably grow the franchise. These included:

- leveraging and commercialising the group's IT foundations/investments to amplify the **digital experience (DX)** through leading digital innovations;
- accelerating profitable growth and the delivery of the group's purpose through enhanced **client experience (CX)**; and
- intensifying the group's differentiated **employee experience (EX)** to ensure we attract and retain the best talent.

In an environment that has become more challenging, as evident in the material matters discussed in the Integrated Report, the board reviewed the progress made towards the group's medium- and long-term financial targets. While all targets remain in place and suitably ambitious, the macroeconomic environment has become more challenging since the targets have been set at the start of 2022 and it is likely that the group's medium-term (2025) cost-to-income ratio target of < 52% will only be achieved a year later in 2026.

As part of business planning for 2024 to 2026, the board signed off the group's material matters and financial and non-financial targets, and made decisions to secure strategic resources for the future, involving the group's various capitals. This included capital, liquidity and funding plans, as well as IT [Group Information Technology Committee (GITCO)-approved], marketing, compliance, risk appetite [Group Risk and Capital Management Committee (GRCMC)-approved], and human capital plans. Key considerations included resource allocation to technology initiatives and ongoing digital innovations (R1,6bn annual IT cashflow spend), building our capabilities in data and AI, the optimisation of various capitals under our Target Operating Model initiative, such as the group's real estate (branches and own offices – manufactured capital) and employees (human capital).

Key board focus areas in 2023 continued

3 Managing the group through a difficult environment

Risk management was again a key focus in 2023, with emphasis on the group's top 5 risks as we navigate through conditions of volatility, uncertainty, and low economic growth in a world seemingly in permacrisis with elevated geopolitical risks. Integrated thinking becomes evident as we continue to make trade-offs and capital allocation decisions to manage our risks but, at the same time, unlock new opportunities.

Business risk – Oversight at the level of the board and various board committees of the impact of volatility and material changes in both the global and local environments, particularly the implications of sociopolitical developments such as the conflicts in Ukraine and the Middle East, high levels of inflation, the steep rise in interest rates, record levels of load-shedding and electricity shortages in SA, heightened competition, and climate change impacts. In this context, the group retained a strong balance sheet to protect against downside risk and developed action plans to manage impacts from higher impairments to ensure the group reports a solid set of 2023 financial results. Please refer to our Integrated Report for more information.

Credit risk – Oversight by the Group Credit Committee (GCC) of clients in the RBB consumer segment that came under stress from the impact of higher interest rates and inflation, particularly in home loans and personal loans, as well as the few clients in CIB that went into business rescue. At the end of 2023 the group's credit loss ratio (CLR) at 109 bps exceeded its target range of 60 bps to 100 bps, and improved from the 121 bps reported in H1 of the year following focused management interventions in respect of collections and origination. Pleasingly, the RBB CLR is trending down, although it may still be elevated in H1 of 2024 given the impact of seasonality, while risks associated with CIB clients in business rescue are mostly behind us.

Cyber risk – Oversight by GITCO and GRCMC of the increasing threat of cyberattacks and the increased levels of digitisation across the business, data privacy, data loss protection, as well as the increasing focus of the group on AI.


People risk – Oversight by the Group Transformation, Social and Ethics Committee (GTSEC) and the Group Remuneration Committee (Remco) of risks relating to ongoing skills shortages, increased competition for scarce skills, employee well-being and the unprecedented levels of change, hybrid work practices, as well as succession planning.

Strategic execution risk – Oversight at the level of the board, GITCO, DAC, GRCMC and GTSEC of the group's technology strategy, as well as delivery on strategic portfolio tilt (SPT) and operating model ambitions.

Our top 5 risks



- 1 Business
- 2 Credit
- 3 Cyber risk
- 4 People
- 5 Strategic execution

 Read more about our top 10 risks in our Integrated Report.

4 ESG, climate change and ensuring a Just Transition

Nedbank, alongside our stakeholders, operates in a nested and interdependent system. This means that for our business to be successful, we need a thriving economy, a well-functioning society, and a healthy environment. To this end, we can play a key role in driving sustainable economic development for the benefit of all stakeholders. We also recognise that ESG matters such as climate change, a Just Energy Transition, diversity, equity and inclusion, and good governance practices to name a few, are top of mind for investors.

The following governance- and risk-related initiatives were implemented:

- The Group Climate Resilience Committee was renamed as the Group Sustainability and Climate Resilience Committee (GSCRC). Its mandate will expand to reflect broader sustainability and ESG considerations, including oversight of environmental and social risks and opportunities beyond and in addition to climate risks and opportunities, referencing international standards including the International Financial Reporting Standards (IFRS) S1 and S2 and the Taskforce on Nature-related

Disclosures (TNFD). Its mandate now includes the identification and regular monitoring of controversial matters, the accuracy of reporting and expanded roles and responsibilities to include the ESG Risk Management Framework, and ensuring alignment with the group's work around purpose fulfilment. This change will come into effect from 1 April 2024.

- The ESG Risk Management Framework was approved in 2023, focusing on a broad range of ESG risks and factors faced by the group and its counterparties, as well as on setting the principles for the

implementation of sound ESG risk management practices across the group's activities. Embedding ESG risk management into core activities supports the achievement of the group's strategic objectives.

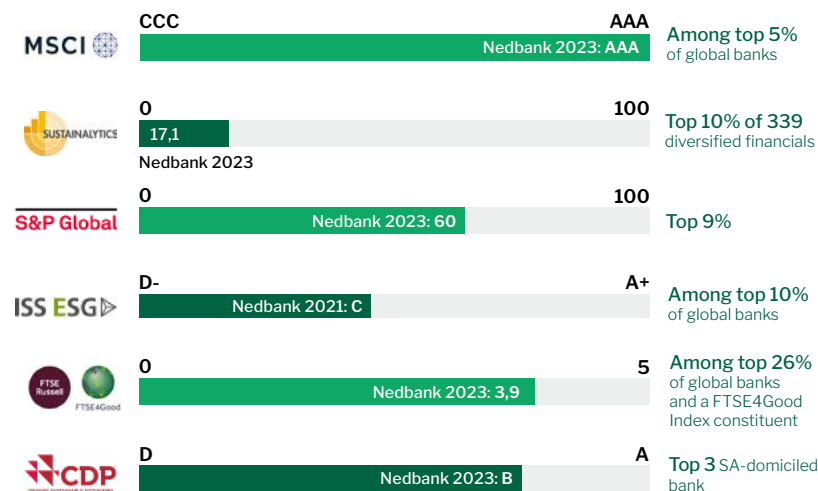
- We initiated a groupwide institutional capacitation programme, Purpose Programme of Work (PPOW), that focusing on integrating climate and broader sustainability across the organisation in key areas such as strategy, risk, credit, and governance.



Read more about the progress we have made on ESG and sustainability matters and the targets we have set and through our strategic value unlock of creating positive outcomes in our Integrated Report.

Independent ESG ratings of Nedbank

We continually engage with shareholders and stakeholders on strategy, sustainability and ESG matters. This enables our board to exercise constructive influence, as and when appropriate, receive valuable feedback, and protect the interests of our shareholders. Additionally, we strive to maintain world-class transparent reporting through our comprehensive suite of reports. This has enabled us to retain our top-tier ESG ratings.



Key board focus areas in 2023 continued

A decade of proactively engaging on ESG matters

In 2023 we celebrated our 10th annual ESG shareholder roadshow. These meetings were led by Mpho Makwana (Board Chairperson at the time) and supported by Hubert Brody (Lead Independent Director and Chairperson of our Group Remco and the DAC), Stanley Subramoney [Independent Director and Chairperson of the Group Audit Committee (GAC)], Daniel Mminele (Chairperson-designate at the time). The primary focus of the discussions was on succession planning considering board changes and the anticipated retirement of CE, Mike Brown. Other areas of discussion included remuneration (with no material

issues raised); the importance of the role that banks play in moving towards a net-zero economy (Nedbank is seen as the leading bank in this area and investors were looking forward to the disclosure of our fossil fuel glidepaths); support for the group's R5bn capital optimisation initiative; dividend considerations; updates on mandatory audit firm rotation (MAFR); oversight of IT and technology developments; progress on DEI; and addressing reputational issues. In recognition, the Nedbank Board was once again voted #1 among financial services companies in the 2023 Institutional Investor emerging EMEA survey.

AGM voting outcomes and important resolutions

All the resolutions at the 56th AGM (2023) were passed. Noteworthy resolutions include the following:

Key resolutions at the 56th AGM (2023)	2023 votes in favour	Key resolutions at the 57th AGM (2024)
Advisory endorsement, on a non-binding basis, of the following:		Advisory endorsement, on a non-binding basis, of the group's Remuneration Policy and Implementation Report.
• Nedbank Group Remuneration Policy.	90,4%	Remuneration remains a focus and we continue to engage proactively with our shareholders to get their feedback and address issues raised.
• Nedbank Group Remuneration Implementation Report.	74,8%	
Appointment of Daniel Mminele as Chairperson.	99,9%	Election of Jason Quinn as Nedbank Group CE and executive director.
		Appointment of KPMG as external auditor alongside Ernst & Young as joint auditors.

5 Reputational matters

We are committed to fostering honest and trustworthy relationships with all our stakeholders, both internal and external, and have a strict policy of zero tolerance towards corruption. We hold all our stakeholders, including our clients, service providers, and employees, to the highest standards of ethical conduct and integrity.

In this context the following reputational matters were top of mind for the board in 2023:

- **Investigations foreshadowed in the Zondo Commission** – Nedbank continues to cooperate with various enquiries and investigations that are underway in respect of transactions mentioned in the Zondo Commission report. These engagements may result in Nedbank entering into negotiations or, failing which, becoming involved in litigation and associated regulatory proceedings with various parties. Given that there is no evidence of any wrongdoing, collusion, or corruption on the part of Nedbank, we will strongly defend any litigation against us.
- **High-profile account closures** – In 2022 media reports highlighted a few high-profile cases where clients' accounts had been closed. Subsequently, Nedbank was involved in various legal processes in this regard. In particular, urgent interdicts were granted by the Equality Court and the Competition Tribunal against Nedbank and other banks. These interdicts ordered us to reopen and keep open clients' accounts that had been terminated on the basis of reputational risk. In December 2023 the Supreme Court of Appeal overturned the Equality Court interdict against Nedbank and in January 2024 the Competition Tribunal refused to further extend the interim interdict against Nedbank and other banks. Decisions to terminate banking relationships with clients are neither arbitrary nor discriminatory and are taken extremely seriously, as clients are the essence of our business. Such decisions are taken only after a rigorous assessment and an internal independent governance process with reference to all the relevant information and facts have been followed, including a comprehensive due-diligence process overseen by the board. Nedbank is bound by client confidentiality and therefore does not disclose client matters in our external disclosures. As a result of our ongoing reviews of client activity and related reputational risks, during 2023 we offboarded just over 190 clients.
- **Competition Commission investigation into rand-dollar exchange manipulation** – The Competition Commission cited 28 banks in a referral of a complaint to the Competition Tribunal regarding allegations on the rand-dollar exchange manipulation. Nedbank and all implicated banks raised different technical arguments against the referral, among which was that the Commission's allegations are impossible to plead to. The Competition Tribunal dismissed all these technical objections. Nedbank lodged an appeal and review application with the Competition Appeal Court (CAC), against the dismissal (along with 15 other banks). On 8 January 2024, the CAC dismissed the Competition Commission's case against Nedbank. The Competition Commission has since applied to the Constitutional Court for leave to appeal the CAC's decision. The Competition Commission is not appealing the CAC's decision in respect of Nedbank Group. Nedbank maintains that there is no evidence against it or any of its traders participating in any of the chatrooms, or being involved in any so-called 'single overarching conspiracy' to fix the rand-dollar currency pair in contravention of the Competition Act. Nedbank therefore intends to oppose the Competition Commission's leave to appeal to the Constitutional Court of South Africa and will continue to defend itself against all these claims brought by the Competition Commission.

Focus areas of the board in 2024

- 1 CE succession and handover
- 2 Talent retention
- 3 Delivering the group's strategy and targets
- 4 Managing the group through an uncertain environment
- 5 Climate change and a Just Transition

Key board discussions and approvals in 2023

In addition to the 5 focus areas, the board had various discussions aimed at creating and protecting value and minimising the risk of value erosion in 2023.

Jan/Feb

Annual board kick-off, which covered topics such as geopolitical challenges, SA's Just Energy Transition Plan, risk management and balance sheet management, digital assets (including cryptocurrencies), the legal and regulatory horizon, the labour market and people risk.

Approved and announced the appointment of Chairman-designate, Daniel Mminele.



Discussed the results of the 2022 internal board and board committee evaluations.

Approved a R5bn capital optimisation programme to be executed through a general share repurchase programme and odd-lot offer.

Mar/Apr

Approved the 2022 annual financial results and final ordinary declaration.

Approved the 2022 Integrated Report and suite of ESG-related reports.

Approved the 2022 Pillar 3 report.

Approved the group's 2023–2025 forecasts, updated after the 2022 year-end.

Approved further odd-lot offer execution resolutions.

Considered and agreed on the directors to be put forward for re-election at the AGM.

Approved the annual remuneration review of the CE and Group Exco and approved the Remuneration Policy.

Approved the group's ESG Risk Management Framework.

May/Jun

Considered the proposed acquisition of Eqstra Fleet Management.

Attended the annual strategy planning session.

Held the group's 10th annual ESG roadshow with shareholders and provided feedback to the board.

Announced the retirement of CE, Mike Brown, and start of a succession process.

Held the group's AGM (virtual and in-person options in 2023).

Considered the feedback provided through the 2022 results and ESG roadshows.

Undertook blackout planning.

Jul/Aug

Approved the group's 2024–2026 strategic planning framework.

Approved the group's 2023 interim results.

Approved the 2023 Internal Capital Adequacy Assessment Process (ICAAP) Report and Internal Liquidity Adequacy Assessment Process (ILAAP) Report.

Sep/Oct

Held the annual meeting with the Prudential Authority (PA) and the FSCA to discuss the group's medium- and long-term strategy.

Signed the annual board ethics statement.

Received annual AML, CFT, CPF and sanctions training.

Considered the feedback provided through the 2023 interim results roadshows.

Undertook the annual review of the Enterprisewide Risk Management Framework.

Approved the proposed issuance of redeemable preference shares.

Approved the proposed acquisition of Eqstra Fleet Management.

Nov/Dec

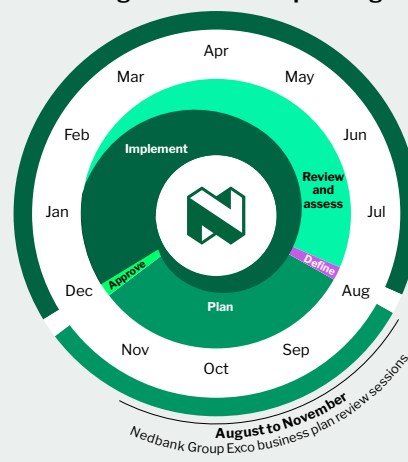
Interrogated and approved the Nedbank Group business plan for 2024–2026, as well as the group's material matters.

Approved and announced the appointment of CE-designate, Jason Quinn.



The CE succession process was considered in various board meetings (including ad hoc board meetings convened specifically for this purpose) throughout the year. Other regular agenda items included detailed feedback to the full board from the chairpersons of board committees on key deliberations of those committees, comprehensive presentations by the CE on front-of-mind items, which incorporated, among others, financial performance updates and forecasts, discussions on the macroeconomic, sociopolitical and competitor environmental landscapes, value creation, strategic implementation and the status of key strategic actions, key risk and reputational matters, key people matters and progress on significant programmes underway in the organisation such as Managed Evolution (ME), TOM 2.0 and SPT 2.0, as well as presentations by the Chief Financial Officer (CFO) on our financial results and forecasts at regular intervals.

Strategic and business planning



Overview of corporate governance features

Our corporate governance framework and policies (which ensure effective and adequate controls within Nedbank) have been developed in compliance with applicable laws and best-practice guidelines to protect the interests of our stakeholders and to ensure accountability, strong risk and performance management, transparency, and ethical and effective leadership.

Board structure

Unitary board structure	Election of directors by majority shareholder vote	One-third of directors are elected annually. This is the established practice in South Africa.	Individual director elections
Separate Chairperson and CE	Independent Chairperson	Lead Independent Director	Through the CE and 2 other executive directors, the board has more than 1 link to management.
13 directors	77% non-executive directors	69% independent non-executive directors	23% executive directors
Non-executive directors retire at the first AGM that follows their reaching the age of 70 or after 9 years on the board, unless otherwise agreed by the board.	Executive directors retire at age 60 unless otherwise approved by the board.	CE subject to 12 month's resignation notice period.	Other executive directors subject to 6 months' resignation notice period.

Board diversity

Target of 50% black directors – achieved (62%)	Target of 25% black women directors – not achieved (23%)	Target of 40% of black independent non-executive directors – achieved (67%)	Target of 50% black executive directors – not achieved (33%)
Target of 25% black women executive directors – not achieved (0%)	The average age of the board is 58	69% of the board is under 60 31% of the board is over 60	

Board committees

<ul style="list-style-type: none"> Five statutory board committees. All board committee chairs are independent non-executive directors except for GCRC, which is chaired by a non-executive director. All board committees have majority independent non-executive director membership. 			
Nine board committees: <ul style="list-style-type: none"> Group Audit Committee (GAC). Group Credit Committee (GCC). Large-exposures Approval Committee (LEAC). Group Risk and Capital Management Committee (GRCMC). 		<ul style="list-style-type: none"> Group Climate Resilience Committee (GCRC). Group Directors' Affairs Committee (DAC) Group Information Technology Committee (GITCO). Group Remuneration Committee (Remco). Group Transformation, Social and Ethics Committee (GTSEC). 	
GAC and Remco have 100% independent non-executive director membership.	GAC, Remco, GITCO, DAC and GCRC have 100% non-executive director membership.	GTSEC, GCC, GAC, DAC, GCRC and Remco have at least 50% black director membership.	GTSEC, Remco, GCC, GAC, and GCRC have at least 25% women director membership.
GTSEC, GAC and GCRC have black chairpersons.	GTSEC has a woman chairperson.	GRCMC (40%) and GITCO (33%) have less than 50% black director membership.	GRCMC (20%), DAC (14%) and GITCO (0%) have less than 25% women director membership.

Group Exco

13 members.	Combined service of 233 years.	Average tenure of 18 years per member.	Average age of 53.
15% of the Group Exco is under 50. 85% of the Group Exco is over 50.	46% black members.	46% women members.	15% black women members. 31% black male members.

Key board policies and practices

<ul style="list-style-type: none"> Board charter. Annual board and board committee evaluations. 	<ul style="list-style-type: none"> Policy on nomination and appointment of directors. Protections against overboarding of directors. 	Conflicts of interest policy.	Board-approved policy on independent professional advice.
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Shareholder rights

<ul style="list-style-type: none"> All holders of the same share class are treated equitably. No shareholder has a controlling interest in issued share capital. 	<ul style="list-style-type: none"> All issued ordinary shares rank equally with the same voting, dividend and other rights. The entire ordinary issued share capital is made up of a single class of ordinary shares, which are publicly tradable. 	The memorandum of incorporation (MOI) contains no defensive mechanisms or voting or share ownership ceilings.	There are no restrictions on the number of shares that may be held by a single shareholder, other than as prescribed by law.
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Related-party transactions

<ul style="list-style-type: none"> Related-party transactions are monitored and transparently disclosed in the AFS. There were no related-party transactions involving boardmembers or Group Exco members.
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Board of directors – custodians of corporate governance

Our board is the custodian of corporate governance within Nedbank. It retains ultimate accountability and responsibility for the performance and affairs of the company and ensures that the group adheres to high standards of corporate governance and ethical behaviour.

Board's primary governance roles and responsibilities King IV™

Our board provides ethical leadership and strategic guidance aimed at safeguarding shareholder value creation. The board is supported by 9 board committees with clearly defined mandates and decision-making powers as well as the Group Exco, which is responsible for operational matters and the day-to-day management of the business. This leadership and guidance is provided within a framework of robust and effective controls that support the establishment of an ethical culture. The framework enables continuous assessment and management of emerging risks and opportunities to ensure long-term sustainable development and growth.

Strategy

The board sets and steers the group's strategy and its short-, medium- and long-term direction towards realising the group's core purpose and values.

Approving policy and planning

The board approves policies, frameworks, budgets, plans and procedures that help the group deliver on the strategy and proceed in the set direction.

Oversight on strategy implementation

The board oversees and monitors the implementation and execution of strategy by management.

Ensuring accountability and transparency

The board ensures accountability for organisational performance and transparency through, among other things, reporting and disclosures.

Risk universe	Accounting, financial & taxation risks	Credit risk	Operational risk	Financial Crime risk	Liquidity & finding risk	Capital risk	Insurance risk including non-banking risks	Market risk		Concentration risk	Conduct risk	Regulatory risk	Information Technology risk	Business & Strategic (execution) risk	Reputational risk	Governance & Compliance risk	Transformation, social & environmental risk	People risk	
								Trading book	Banking book										
Strategy, Performance and Risk Management and Risk Appetite																			
Focused and informed involvement by the Board and Group Exco, accountability and responsibility of business management and Group Finance, all supported by appropriate internal control, risk management and governance structures and processes.																			
Board committees	Nedbank Board of Directors																		
	Group Audit Committee (GAC)	Group Credit Committee (GCC)	Group Information Technology Committee (GITCO)	Group Remuneration Committee (Remco)	Group Risk and Capital Management Committee (GRCMC)	Group Transformation, Social and Ethics Committee (GTSEC)	Group Directors' Affairs Committee (DAC)	Group Climate Resilience Committee (GCRC)											
Chief Executive (CE)																			
Group executive committees	Nedbank Group Executive Committee (Exco)																		
	Group Alco & Executive Risk Management Committee	Group Operational Risk Committee	Executive Information Technology Committee	Brand, Client and Conduct Committee	Financial Crime Committee	Transformation Human Resources Committee	Group Reputational Risk Committee	Mergers & Acquisitions Committee	Climate Risk Committee	Executive Credit Committee									
Group executive committees & forums	Group Operational Committee (Opcom)																		
	Cluster Credit Committees	Coordinated Assurance Forum	Capital and Risk Weighted Assets Management & Optimisation Forum	Group Conduct Risk Committee	Model Risk Committee	Group Transformation Forum	Nedbank Diversity, Equity & Inclusion Forum	Regulatory Risk & Compliance Forum	Transactional Balance Sheet Forum	Finance Forum									
Enterprisewide Risk Committees (ERCOs)																			
Shared services	Chief Operating Officer (COO)										Chief Financial Officer (CFO)								
	Group Marketing and Corporate Affairs	Ecobank Transnational Incorporated (ETI): Associate Investment	Group Strategy	Group Human Resources	Group Technology	Group Finance	Balance Sheet Management	Group Business Services	Group Taxation	Group Secretariat									
First line of defence (1st LoD)																			
Client-facing clusters	CIB					RBB					Wealth					NAR			
1st line functions	Business line managers										Some central functions (Group Risk/BSM), eg Forensics, Legal, Security Services, etc.								
Second line of defence (2nd LoD: 2A and 2B)																			
Risk oversight, monitoring and advisory																			
2 A Client-facing clusters	CIB					RBB					Wealth					NAR			
						• Cluster Executive Head: Risk • Business Unit Risk Officers					• Cluster Executive Head: Governance & Compliance • Business Unit Compliance Officers • Other statutory-/regulatory-appointed officers								
2 B Group risk and compliance functions	Group Risk										Group Compliance								
	The Chief Risk Officer reports directly to the CE.										The Group Chief Compliance Officer reports directly to the CE.								
	Group Chief Risk Officer (GCRO)										Group Chief Compliance Officer (GCCO)								
	• Group Credit Risk • Group Risk Analytics • Group Market Risk • Group Operational Risk					• Group Strategic Risk • Group Financial Crime, Forensics & Security • Group AML, CFT & Sanctions Office & Exchange Control					• Group Conduct Risk • Group Legal Corporate Insurance					• Monitoring Compliance Services & Oversight • Advocacy, Policy & New Regulatory Requirements • Nedbank Editorial & Language Services • Regulatory Reporting & Strategic Reporting • Reputational Risk & Ethics			
Third line of defence (3rd LoD)																			
Independent assurance																			
3rd line of defence	Group Internal Audit																		

Board of directors – custodians of corporate governance continued

How the board functions – commitment to governance, ethics and integrity



Nedbank is committed to the highest standards of governance, ethics and integrity. The board charter (which is available at nedbankgroup.co.za) serves as a guide for directors' performance of their duties in accordance with such requirements and the principles of good corporate governance, the appropriate legislative requirements, and codes of conduct. It outlines and informs the board of directors' roles and responsibilities, the establishment of board committees and delegation of authority to those board committees. It also sets out those matters that are reserved for the board.

Subject to compliance with all applicable regulations and the MoI, certain governance matters are reserved for the board and may not be delegated. These governance matters are dealt with by the board itself and not the board committees.

The board regularly reviews and monitors management's execution of Nedbank's strategy, practices and frameworks, being mindful of the dynamic landscape that we operate in and that is influenced by, among other things, digital demands, geopolitics, enhanced data safety and security requirements, and climate change risks. We believe that our matured governance structures – which are based on enhanced accountability, strong risk and performance management, transparency, strategic agility, effective leadership, people management and lived values – have contributed to our response and resilience.

We have a rolling 3-year strategy focused on value creation for our shareholders and stakeholders such as clients, employees and communities that we touch. The major macro trends in our operating environment are influenced by politics, the macro economy, society, competition, technology, regulators and the environment. Continued engagement with material internal and external stakeholders takes place and their needs and expectations are considered. Material matters are ranked according to the greatest relevance and highest potential to have a significant impact on the viability of our business and relationships with our stakeholders. Risks and opportunities emanating from these material matters are continuously assessed and tested against our vision to ensure that our strategy remains relevant.

The board ensures that responsible investment is practised by the group to promote good governance and value creation for our shareholders and follows the responsible-investment guidelines based on the key elements of the United Nations Principles for Responsible Investment (UN PRI), the Code for Responsible Investing in South Africa (Crisa), as well as ESG requirements. As responsible corporate citizens our sustainability-related policies focus on agriculture, mining, oil, gas, natural capital, waste and recycling of hazardous substances, asbestos and contaminated land. Our approach in this regard is further explained in our Sustainability Development Framework.

Our response to the challenging macroeconomic environment confirms and gives comfort that our governance practices are fully integrated across the group. Working in unison, our board provides groupwide oversight of the governance processes and frameworks while our executive management implements policies and procedures through which governance is applied within the organisation. During 2023 Nedbank Group Limited, as the parent company, was able to exercise appropriate governance oversight over its subsidiaries while maintaining the independence and the legal and governance responsibilities that apply to each subsidiary.

Our board and executive management demonstrated their commitment to the highest standards of governance, ethics and integrity based on world-class banking practices and robust institutional governance and risk frameworks, which ensured the security and stability of our banking services.

Board Ethics Statement


Our boardmembers acknowledge and sign the Board Ethics Statement every year. This allows them to demonstrate their continued commitment to the Nedbank Group values and to the ethical conduct we embrace.

Our Company Secretary

All directors have access to the services of the Group Company Secretary, Jackie Katzin. The Group Company Secretary is not a member of the board. The board is satisfied that an arm's-length relationship exists between it and the Group Company Secretary.

Board profile


Nedbank Group has a unitary board structure. The size of the Nedbank Board (13 members at 31 March 2024) is influenced by the demands of a vast and complex banking industry.

Our board charter (which is aligned with King IV) requires that at least a majority of the board should be non-executive directors (with most non-executive directors being independent non-executive directors). We exceed this threshold since 77% of our board comprises non-executive directors (of which 69% are independent non-executive directors). The remaining 23% of our board is made up of 3 executive directors (CE, CFO COO), which ensures that our board has more than one link to management. 

3	Executive directors
9	Independent non-executive directors
1	Non-executive directors
13	Total number of directors

Our board size ensures that there is adequate membership for the 9 board committees, of which five are statutory, while adequate levels of independence are maintained. All board committees are chaired by an independent director except for the GCRC which is chaired by a non-executive director. All board committees comprise a majority of independent non-executive directors.

Two board committees (GAC and Remco) comprise only independent non-executive directors and 3 further board committees (DAC, GITCO and GCRC) comprise only non-executive directors. Our board size also ensures that the board and management have capacity and time to guide the group's strategy. Annually, our board considers whether its size, diversity, demographics, and race and gender representation are appropriate to ensure and maintain its effectiveness.

The structure of our board ensures that no single person has unfettered authority in board discussions and decisions. There are distinct and separate roles for the Chairperson, Lead Independent Director and CE. 

1. Chairperson: The primary role of our Chairperson is to provide ethical and effective leadership to the board, set the tone for its performance and undertake management of the board. Our Chairperson regularly engages with boardmembers both as a collective and separately with the non-executive directors through 1-on-1 meetings, and regular non-executive director working dinners. This maintains the collegiality among the non-executive directors and promotes good governance since non-executive directors have the opportunity to discuss matters without executive directors being present.

2. Lead Independent Director: In the absence of the Chairperson, our Lead Independent Director leads the board. He acts as intermediary between the Chairperson and other members of the board, if necessary, and chairs discussions and decision-making by the board on matters where the Chairperson has a conflict of interest. The LID also serves as the DAC Chairperson.

3. Chief Executive: The CE's primary roles are to lead the Group Exco and assume responsibility for leading the implementation and execution of approved strategy, policy and operational planning, and for serving as the chief link between management and the board.

Our policy on nomination and appointment of directors (which is available at nedbankgroup.co.za) includes our board continuity programme and principles governing the promotion of diversity. This policy incorporates the requirements of Directive 4/2018 issued by the South African Reserve Bank Prudential Authority (SARB PA) in terms of section 6(6) of the Banks Act, 94 of 1990. This policy also sets out the principles governing board appointments to ensure that board appointments are conducted in a formal and transparent manner by the board as a whole, assisted by the DAC. The board makes use of its existing networks in identifying suitably qualified candidates and, where appropriate, briefs search consultants to assist. Board appointments are subject to regulatory approval.

Our Board of Directors

Election at 57th AGM Re-election at 57th AGM

Independent non-executive director and Chairperson	Independent non-executive directors								Non-executive director	Executive directors		
												
Daniel Mminele ⁵⁹	Hubert Brody ⁵⁹	Neo Dongwana ⁵¹	Errol Kruger ⁶⁶	Phumzile Langeni ⁴⁹	Rob Leith ⁶¹	Linda Makalima ⁵⁵	Terence Nombembe ⁶²	Stanley Subramoney ⁶⁵	Brian Dames ⁵⁸	Mike Brown ⁵⁷	Mike Davis ⁵²	Mfundo Nkuhlu ⁵⁷
Chairperson: Nedbank Group and Nedbank Limited Years on board: < 1 (Chairperson from 2 June 2023.)	Lead Independent Director Chairperson: DAC, Group Remco Years on board: 6	Years on board: 6	Chairperson: GRCMC, GCC, Large Exposure Approval Committee Years on board: 7	Years on board: 2	Chairperson: GITCO Years on board: 7	Chairperson: GTSEC Years on board: 6	Years on board: < 1 (Appointment as director effective from 1 January 2024.)	Chairperson: GAC Years on board: 8	Chairperson: GCRC Years on board: 9	Chief Executive Years on board: 19	Chief Financial Officer Years on board: 3	Chief Operating Officer Years on board: 9

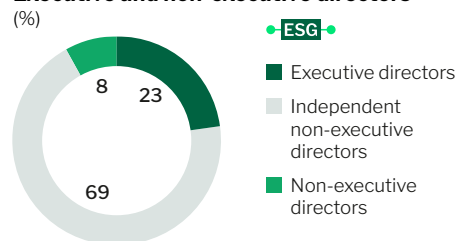
Independence – protecting the interests of all shareholders



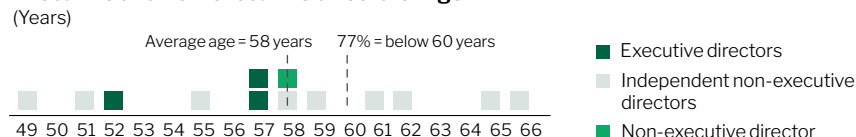
At 69%, the majority of Nedbank's boardmembers are independent directors, which complies with King IV and global best-practice governance.

The size of the Nedbank Board, at 13 members, is influenced by the demands of a large and complex banking industry. The size gives the board adequate membership for its 9 board committees, of which 5 are statutory, while adequate levels of independence are maintained.

Executive and non-executive directors (%)



Executive and non-executive directors: Age (Years)



Non-executive directors: Tenure (Years)



Jason Quinn – CE-designate

Jason [BAcc (Hons), CA(SA)] was most recently the Financial Director of Absa Group Limited and Absa Bank Limited, having been initially appointed to that role in 2016. He joined Absa in 2008, where he held finance roles in the Group and Retail and Business Banking. Jason was also the Interim Group Chief Executive Officer of Absa from April 2021 to March 2022. Before Absa, he joined Ernst & Young Inc in 1992, where he held the role of partner from 2005 to 2008. Given his previous roles, Jason is well known and highly regarded by the investment community.



Board of directors – custodians of corporate governance continued

Elections, rotations and board changes – mindful succession planning

Elections and rotations policy

- Good governance requires boardmembers to be individually and collectively accountable. Our Mol provides that each boardmember must be individually elected by a majority vote of the shareholders at the AGM. We do not follow bundled director elections.
- To ensure accountability, boardmembers are not given a fixed term of appointment but are subject to retirement by rotation in terms of the Mol. One-third of all boardmembers retire at each AGM but may make themselves available for re-election. This is an established practice in South Africa to ensure accountability while maintaining board continuity.
- Non-executive directors must retire at the first AGM that follows their reaching the age of 70 or after 9 years of being on the board as a non-executive director, unless agreed otherwise by the board.
- An executive director is required to retire from the board at age 60, unless otherwise agreed by the board.
- Executive directors are subject to a notice period of 6 months. This excludes the CE, who is subject to a notice period of 12 months. Executive directors are discouraged from holding significant directorships outside the group.



For further information, please refer to our policy on nomination and appointment of directors, which is available at nedbankgroup.co.za.

Recent board and board committee changes

Daniel Mminele was appointed as an independent non-executive director and Chair-designate on 1 May 2023. Following the retirement of the former Chairperson, Mpho Makwana, Daniel was elected as Chairperson at the close of the 56th AGM on 2 June 2023. Daniel is a member of the DAC and the GCRC, and his appointment strengthened the board's skillset in banking and financial services, the environment and climate (including climate finance), and large corporates.

On 22 November 2023, Jason Quinn was announced as the CE-designate with effect from 22 May 2024. Jason will be available for election as a boardmember and will assume the role of CE on the planned retirement of Mike Brown (as boardmember and CE) at the close of the 57th AGM on 31 May 2024. Mike will remain at Nedbank for a suitable period to ensure a seamless hand over to Jason.

Terence Nombembe was appointed as an independent non-executive director and member of the GAC with effect from 1 January 2024 and as a member of the GRMC with effect from 1 April 2024.

Mteto Nyati (independent non-executive director) resigned on 9 October 2023 due to capacity constraints. Mteto also stepped down as a member and chairperson of the GITCO and as member of the GRMC and the DAC.

Following the resignation of Mteto, Rob Leith (independent non-executive director) was appointed as chairperson of the GITCO and as a member of the DAC with effect from 30 October 2023.

Phumzile Langeni (independent non-executive director) was appointed as a member of the Remco with effect from 30 October 2023.

Prof Tshilidzi Marwala stepped down as an independent non-executive director on 28 February 2023 to take up the role of Rector of the United Nations University, headquartered in Tokyo. He also stepped down as a member of the GITCO, the GCRC and the GTSEC.

Mantsika Matooane (who was appointed as an independent non-executive director in 2014) retired at the close of the 2023 AGM on 2 June 2023. She also stepped down as a member of the DAC and as both chairperson and member of the GITCO.

Brian Dames (who was appointed as an independent non-executive director in 2014) reached the end of his 9-year term on 2 June 2023. In 2023 board approval was obtained to extend Brian's tenure for an initial period of 1 year and, in 2024, the board approved an extension of his tenure for a further year while the search for additional directors with climate risk expertise is underway. From 2 June 2023 Brian was classified as a non-independent non-executive director, as he had already served as an independent non-executive director for more than 9 years. Brian remains chairperson of the GCRC and member of the GITCO, GRMC and DAC, but stepped down as a GCC member with effect from 2 June 2023.

Hubert Brody (independent non-executive director) was appointed as a member of GITCO with effect from 3 March 2023.

Brian Dames, Neo Dongwana and Mfundo Nkuhlo retire by rotation at the AGM and make themselves available for re-election. Jason Quinn and Terence Nombembe make themselves available for election at the AGM.

Board of directors – custodians of corporate governance continued

Skills, expertise and experience

a diversified board that adds value  

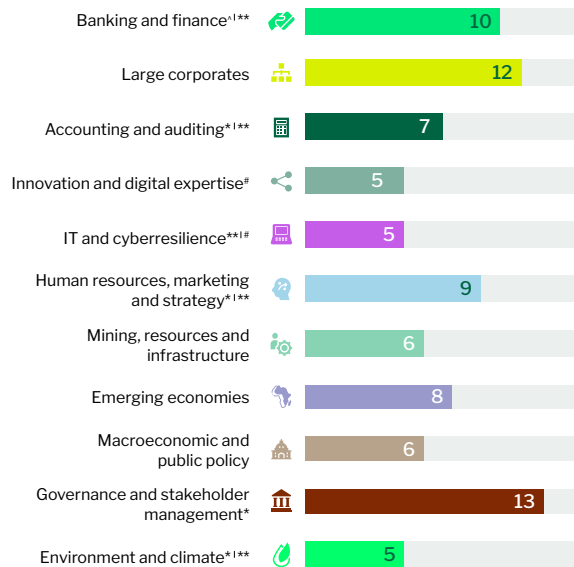
The boards of banks and financial services companies require a broad range of skills to govern and act in the best interests of all stakeholders. The appropriate mix of skills, expertise, and experience ensures that the board, as a collective, is well equipped to guide and drive strategy and thereby create and protect value.

Overview of board skills and experience

The board, through the DAC, determines the required composition of skills and expertise in response to shifts in the group's long-term strategy and a rapidly changing environment. The DAC annually reviews the board's composition and determines the categories of skills and expertise that should be reflected in the Nedbank Board.

Board skills and expertise

(Number of boardmembers with experience)



[^] Banking and finance

^{*} Key ESG experience

^{**} Key risk management experience

[#] Cyber and technology

In determining the specific categories of skills and expertise, the board is influenced by, among other considerations, the importance of having boardmembers with banking and finance; risk management; ESG; and cyber and technology experience to ensure a well-rounded board capable of addressing diverse challenges and adding value.

We set out below an overview of the board's skills and expertise across the 4 main themes: banking and finance; risk management; ESG; and cyber and technology.

Banking and finance

In the dynamic and complex world of banking and finance, having boardmembers with skills and expertise in banking (including retail and investment banking) and other financial services (including insurance and asset management) is invaluable. Their deep understanding of the industry's intricacies, regulatory landscape, and risk management practices can guide strategic decision-making, ensuring the group's operations align with industry standards and best practices. Their insights can help anticipate market trends, navigate challenges, and seize opportunities, contributing to the group's resilience and competitive edge. Boardmembers with banking and finance skills and expertise are instrumental in steering the bank towards sustainable growth and success.

The table below shows each director's skills and expertise in banking and finance:

Banking and finance categories	Executive directors	Non-executive directors
Banking and other financial services	Mike Brown; Mike Davis; Mfundo Nkuhlu	Daniel Mminele; Rob Leith; Hubert Brody; Errol Kruger; Linda Makalima; Neo Dongwana; Phumzile Langeni

Risk management

Given the ever-evolving risk landscape, it is crucial for the board to have directors with expertise in managing risks and opportunities. This includes risk assessment, compliance, and crisis management. These individuals help the board anticipate opportunities and mitigate risks related to financial stability, regulatory compliance, reputational damage and other matters. We monitor the board's risk management skills and expertise across various categories including banking (including retail and investment banking); other financial services (including insurance and asset management); accounting and auditing; IT and cyberresilience; human resources (HR), marketing and strategy; and environment and climate.

The table below shows each director's skills and expertise in the various risk management categories:

Risk management categories	Executive directors	Non-executive directors
Banking and other financial services	Mike Brown; Mike Davis; Mfundo Nkuhlu	Daniel Mminele; Rob Leith; Hubert Brody; Errol Kruger; Linda Makalima; Neo Dongwana; Phumzile Langeni
Accounting and auditing	Mike Brown; Mike Davis	Rob Leith; Hubert Brody; Neo Dongwana; Terence Nombembe; Stanley Subramoney
IT and cyberresilience	Mike Brown; Mike Davis; Mfundo Nkuhlu	Rob Leith; Brian Dames
Environment and climate	Mike Brown; Mike Davis; Mfundo Nkuhlu	Brian Dames; Daniel Mminele
Human resources, marketing and strategy	Mike Brown; Mike Davis; Mfundo Nkuhlu	Brian Dames; Rob Leith; Hubert Brody; Neo Dongwana; Errol Kruger; Linda Makalima

Board of directors – custodians of corporate governance continued





Skills, expertise and experience continued

a diversified board that adds value  

ESG

ESG issues continue to gain prominence and impact long-term sustainability. The board appreciates the value of directors who understand environmental sustainability, social impact, DEI and ethical governance. These directors guide the company towards responsible practices and stakeholder engagement.

The table below shows each director's skills and expertise in ESG:

ESG categories	Executive directors	Non-executive directors
Accounting and auditing 	Mike Brown; Mike Davis	Rob Leith; Hubert Brody; Neo Dongwana; Terence Nombembe; Stanley Subramoney
Human resources, marketing and strategy 	Mike Brown; Mike Davis; Mfundo Nkuhlu	Brian Dames; Rob Leith; Hubert Brody; Neo Dongwana; Errol Kruger; Linda Makalima
Governance and stakeholder management 	Mike Brown; Mike Davis; Mfundo Nkuhlu	Daniel Mminele; Brian Dames; Rob Leith; Hubert Brody; Neo Dongwana; Errol Kruger; Phumzile Langeni; Linda Makalima; Terence Nombembe; Stanley Subramoney
Environment and climate 	Mike Brown; Mike Davis; Mfundo Nkuhlu	Brian Dames; Daniel Mminele

Cyber and technology

In our digital age, cyber-threats and technological advancements are paramount. The board values directors with cybersecurity knowledge, familiarity with emerging technologies, and the ability to assess the company's digital resilience. These directors contribute to robust cybersecurity strategies and informed technology decisions.

The table below shows each director's skills and expertise in cyber and technology:

Cyber and technology categories	Executive directors	Non-executive directors
Innovation and digital 	Mike Brown; Mike Davis; Mfundo Nkuhlu	Rob Leith; Linda Makalima
IT and cyberresilience 	Mike Brown; Mike Davis; Mfundo Nkuhlu	Rob Leith; Brian Dames



For more information please refer to the CVs of each director, which are available at nedbankgroup.co.za.

Rob Leith was appointed as the chairperson of the GITCO on 30 October 2023, having been a member of the GITCO since 1 March 2019. Rob has broad experience in information technology (IT) development in large financial institutions in an international context and had oversight of Nedbank's managed evolution in IT innovation, digital and cyberresilience through his GITCO membership.

Over the past 3 years we have expanded and strengthened our board's skills and expertise, specifically banking and other financial services; large corporates; accounting and auditing; governance and stakeholder management; HR, marketing and strategy; macroeconomic and public policy; mining, resources and infrastructure; environment and climate; IT and cyberresilience; innovation and digital; doing business in emerging economies; and risk management. The appointments of Phumzile Langeni, Daniel Mminele and Terence Nombembe in 2022, 2023 and 2024 strengthened the board's skillset in the following areas: risk management; banking and other financial services; accounting and auditing; mining, resources and infrastructure; large corporates; macroeconomic and public policy; HR, marketing and strategy; and environment and climate.

The board's succession process over the next few years looks to increase skills and expertise in key areas such as risk management; banking and other financial services; environment and climate; innovation and digital; and IT and cyberresilience. A further focus area of the board's succession plan is increasing gender and race diversity.



Board of directors – custodians of corporate governance continued

Board training and induction

future-focused leadership



The Nedbank Group Board has a sophisticated induction programme aimed at ensuring that incoming boardmembers are orientated to make the maximum contribution in the shortest time possible. All incoming boardmembers must participate in the induction programme. The induction programme includes a briefing on essential board and company information, as well as updates on changes and trends in the business; the banking industry; financial markets; and risk management. The programme is administered by the Group Company Secretary and is regularly reviewed for improvement based on best practices. The board is satisfied with the quality and standard of the induction programme. Daniel Mminele and Terence Nombembe participated in the induction programme in 2023 and 2024 respectively.





A bespoke board training programme is developed each year following input from the Chairperson, boardmembers and management. The board training programme is aimed at maintaining a well-rounded board capable of addressing diverse challenges and adding value.

Future focused themes (such as risk management, ESG, and cyber and technology) featured prominently on the 2023 board training programme.



2023 training



Geo Political challenges  



South Africa's Just Energy Transition Plan  


Energy transition and new technologies    

Risk management & balance sheet management 

Digital assets, including cryptocurrencies  

Legal and regulatory horizon  

Financial crime trends and outcomes  




Annual AML, CFT and sanctions training 




The global state of responsible investing  

Executive compensation trends  



Compliance risk management and monitoring  

ChatGPT  

Payments modernisation and evolution   

Labour market and people risk   












The latest view of the Indlulamithi (social cohesion) scenarios 

International Sustainability Standards Board, sustainability disclosures and assurance  

Amendments to the JSE Listings Requirements   

[^] Banking and finance * ESG ** Risk management # Cyber and technology

Topic categories

-  Banking and finance[^]**
-  Large corporates
-  Accounting and auditing[^]***
-  Innovation and digital expertise[#]
-  IT and cyberresilience^{**}^
-  Human resources, marketing and strategy[^]***
-  Mining, resources and infrastructure^{*}
-  Emerging economies^{*}
-  Macroeconomic and public policy
-  Governance and stakeholder management^{*}
-  Environment and climate[^]***



Board of directors – custodians of corporate governance continued

Diversity

being relevant in a transforming society

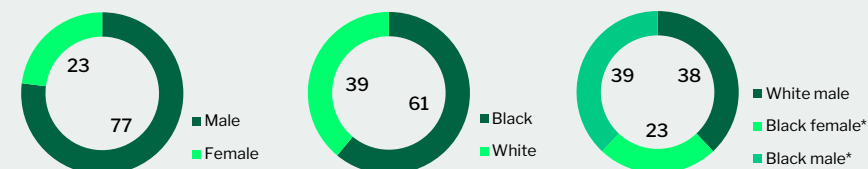


Board diversity is important for remaining relevant and sustainable in a fast-transforming society and promoting diversity of thought in board decisions. It is therefore no surprise that companies that embrace gender, race and ethnic diversity tend to achieve more sustainable outcomes.

Nedbank is deeply committed to promoting diversity at board level. We believe that diversity is a driver of board effectiveness, and that the composition of the Nedbank boards must be appropriately representative. This benefits all stakeholders as it promotes diversity of thought in board decisions. We accordingly strive for a diverse and transformed board that closely reflects the demographics of SA.

Diversity is a key consideration in our board selection processes. Our nomination and appointment of directors policy provides that race, gender, age, culture and expertise (or experience) must be considered in evaluating the diversity of Nedbank boards. This policy is reviewed annually to ensure that our diversity considerations are revisited regularly in light of recommended governance practices and societal shifts.

Board gender and race representation ESG



Target	50% black
Current	62% black
Target achieved	✓

Target	25% black female
Current	23% black female
Target achieved	✗

Nedbank policy: Maintain boardmembership that broadly represents the demographics of SA.

* African, Coloured and Indian population.

Our targets for race and gender board composition align with the Amended Financial Sector Code (FSC). We have exceeded our diversity target for black boardmembers (50%) as our board comprises 62% black boardmembers. Our board comprises 23% black women, which is slightly below our diversity target for black women boardmembers (25%).

Although our diversity target for black women boardmembers aligns with the Amended FSC, we are mindful that gender diversity requires more than mere compliance and we also appreciate that our gender diversity at board level is low at 23%. We are continuously reviewing our targets and board succession planning to ensure we trend closer to internationally recommended practices and gender benchmarks set by ESG ratings agencies. Gender diversity accordingly remains a key priority in the board's succession plan.

Category <small>ESG</small>	Target	Current achievement	Target achieved
Voting rights of black boardmembers (%)	50,00%	62,00%	✓
Voting rights of black women boardmembers (%)	25,00%	23,00%	✗
Black executive boardmembers (% of all executive boardmembers)	50,00%	33,33%	✗
Black women executive boardmembers (% of all executive boardmembers)	25,00%	0,00%	✗
Black independent non-executive directors (% of all independent non-executive directors)	40,00%	67,00%	✓

The Amended FSC scorecard measures the diversity of the board as a whole and does not have a specific target for black independent non-executive director membership. Nonetheless, as part of the board's mindful approach to governance, the board has a target requiring that 40% of all independent non-executive directors be black. We have achieved this target as 67% of all independent non-executive directors are black.

Six of our board committees (GTSEC, GCC, GAC, DAC, GCRC and Remco) have at least 50% black membership and 5 board committees (GTSEC, Remco, GCC, GAC and GCRC) have at least 25% women members. The chairpersons of three board committees (GTSEC, GAC and GCRC) are black and the chairperson of GTSEC is a black woman.

Our board includes members from diverse ethnic and cultural backgrounds, including those speaking Sepedi, isiZulu, Afrikaans, isiXhosa, and English.

Board of directors – custodians of corporate governance continued

Conflicts of interest and overboarding

transparent and ethical leadership



Under the Companies Act, 71 of 2008, a director of a company must use their powers and perform their functions in good faith, for a proper purpose and in the best interests of the company. This includes the duty of a director to avoid a conflict of interest. Section 60 of the Banks Act, 94 of 1990, also provides for the fiduciary duties of directors and executive officers of a bank. Our Conflicts of Interest Policy (which is available at nedbankgroup.co.za) sets out the processes that the directors of Nedbank Group and its executive management must follow to declare their interests, as well as how any potential conflicts must be managed and evaluated.

Before a director accepts additional commitments, that director must discuss and have agreement on them with the Chairperson to ensure that they do not present a potential conflict of interest that would impact the director's ability to exercise their fiduciary duties.

A director or prescribed officer is prohibited from using their position or confidential or price-sensitive information to benefit themselves or any related third party, whether financially or otherwise. Directors and officers are also required to inform the board timeously of conflicts or potential conflicts of interest that they may have in relation to particular items of business or other directorships. At the start of each board meeting, at the request of the Chairperson, all boardmembers must declare any actual and/or potential conflict of interest with matters to be considered at that meeting. Comprehensive registers of individual directors' interests in and outside the company are maintained and updated and signed by the directors, with details noted by the board at each board meeting.

The board assesses the independence of our directors on appointment and continuously during their tenure. Each director provides an annual attestation of their interests, conflicts and independence and is presented with an opportunity to declare their interests throughout the year. None of our directors have an interest in Nedbank that exceeds 5% of the group's total number of shares in issue

or that is material to their personal wealth. Only executive directors participate in the group's share incentive scheme.

Good governance requires that boardmembers should not be overboarded but must be able to devote sufficient time to discharge their responsibilities as a boardmember of Nedbank. We adopt a rigorous process aimed at ensuring that boardmembers (both when appointed and during their terms) are not overboarded:

- ▶ **1** A boardmember may not accept any other board appointments (of other companies) unless the prior agreement of the Chairperson is obtained. The proposed appointment must not be a fundamental conflict with the group's interests and/or adversely affect the boardmember's duties to Nedbank.
- ▶ **2** A boardmember may hold the position of director on no more than 5 (including the Nedbank boards) listed and/or significant unlisted operating boards, with the relevant director's circumstances and the nature, scale and complexity of the respective directorships being taken into account. Directorships held in non-profit companies, private investment companies or non-operating subsidiaries are excluded from this requirement and positions on the Nedbank boards are treated as one board position.
- ▶ **3** Executive directors are generally discouraged from accepting board appointments at other companies.
- ▶ **4** A boardmember must notify the Group Company Secretary, who in turn must notify the PA, of any changes to the non-executive director's interests.

The table below lists the external directorships held by each boardmember (in listed and/or significant operating companies) at 31 March 2024.

Boardmember	Directorships in listed and/or significant unlisted operating boards
Daniel Mminele	–
Linda Makalima	PathCare

Boardmember	Directorships in listed and/or significant unlisted operating boards
Errol Kruger	Capital Appreciation Ltd Nedbank Private Wealth Ltd (IOM) Bank, Islam Brunei Darussalam Berhard (BIBD)
Phumzile Langeni	Metrofile Holdings Ltd Delta Property Fund DP World Ltd Imperial Logistics Ltd
Mfundo Nkuhlu*	Ecobank Transnational Incorporated (ETI)*
Neo Dongwana	–
Brian Dames	African Rainbow Energy and Power (AREP) African Rainbow Energy General Partner Industrial Development Corporation of South Africa Ltd
Rob Leith	–
Mike Brown	–
Hubert Brody	Woolworths Holdings Ltd
Mike Davis	–
Terence Nombembe	–
Stanley Subramoney	Sasol Ltd Terrasan Group Ltd

* Nedbank nominated Mfundo Nkuhlu to the board of ETI.

Our 2021 Governance Review records that Old Mutual Limited (OML) is no longer a strategic shareholder and that no shareholder has a controlling interest. The Group Related-party Transactions Committee (GRPTC), whose oversight was largely related to Nedbank's relationship with OML, was discontinued in 2021 as its mandate had been fulfilled. Currently, this role is fulfilled by the relevant board committees, depending on the nature of any potential related-party transactions, and transactions are conducted on an arm's-length commercial basis. Related-party transactions are monitored and transparently disclosed in the AFS. In 2023 there were no related-party transactions involving any boardmembers or Group Exco members.

Board of directors – custodians of corporate governance continued

Board and committee evaluations

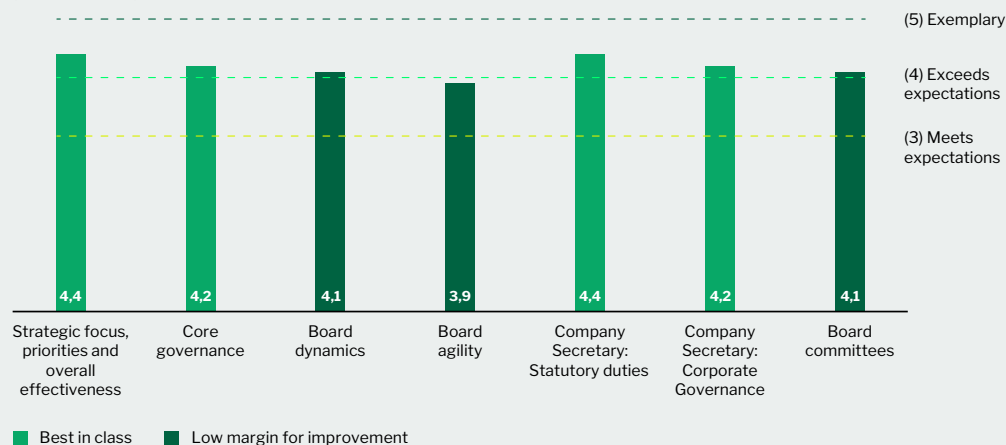
an effective board discharging its duties fully

Evaluations of the Nedbank Group Board and board committees alternate annually between independent evaluations and internal evaluations.

The Board Practice undertook independent evaluations of the Nedbank Group Board and board committees in 2023, which involved questionnaires, interviews with boardmembers and a 360-degree peer review. The results of the 2023 independent board evaluation were presented to the board on 30 January 2024.

'This is an effective board discharging its duties fully. Committees and the Company Secretary are critical support structures of the board'

Board performance
(score out of 5)



The 2023 independent evaluation found that the Nedbank Group Board and board committees effectively discharge their duties, and the overall feedback was very positive with respect to the board's work. Board committees and the company secretary are critical support structures for the board.

Theme: Strategic focus, priorities, overall effectiveness and core governance

'The board's priorities are clear and the composition appropriate.'

Best in class

Findings

The board ranks as best in class for these themes. The board has a clear mandate, priorities, and established committees to undertake its mandate. It is effective in ensuring clear execution plans, communicating with shareholders and stakeholders, and arriving at clear decisions. The board composition reflects an appropriate mix of knowledge, skills, experience, diversity, and independence, and it is strong at following through on agreed priorities and commitments. The board also strikes a balance in its focus on short- and long-term issues and has sufficient members to contribute to thinking about the future of the business.

Theme: Board dynamics

'The dynamics of the board are healthy and directors are committed.'

Low margin for improvement

Findings

The board ranks well and there is a low margin for improvement for this theme. Board members demonstrate high standards of personal integrity, have a learning culture, and make decisions in the best interest of the company. The board comprehends and respects the difference between its stewardship role and the role of the CE/Group Exco. The board speaks with one voice once a decision is made and addresses shortcomings in CE or management performance expeditiously. The partnership between the board and management is effective, with a high level of trust, openness, and transparency. The board is agile and nimble and adapts its focus to support the changing needs of the business.



Board of directors – custodians of corporate governance continued

Board and committee evaluations continued

an effective board discharging its duties fully

Theme: Board agility

'The board deals well with all matters pertaining to risks, with good focus on key issues.'

Low margin for improvement

Findings

The board ranks well and there is a low margin for improvement for this theme. The board is effective in managing the company's major risks, execution of the CE succession, dealing with crisis situations, and contributing to the development and refinement of the company's strategy. The board is also proactive in implementing succession planning, generating new ideas, and helping the company stay abreast of emerging issues and potential market disruptions.

Theme: Company secretary

'The company secretary contributes strongly to the effectiveness of the board.'

Best in class

Findings

This theme ranks as best in class. The company secretary is effective at providing practical, competent support and guidance to the board, assisting in their ongoing training and education, maintaining an arms-length relationship with the board and ensuring that minutes of all meetings are properly recorded.

Theme: Board committees

'Board committees are effectively discharging their duties.'

Low margin for improvement

Findings

The theme ranks well and there is a low margin for improvement. Board committees are well-led, focused on priorities, and facilitate robust dialogue and rigorous decision-making. They make clear recommendations to the board and are effective in fulfilling their responsibilities. They are valuable thought partners in shaping the future of Nedbank and have the required mix of skills and experience.

Board committees and interdependency

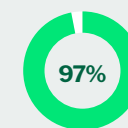
The board committees assist the board in the discharge of its duties and responsibilities. There are 9 board committees (5 of which are statutory board committees).

Each board committee has formal written terms of reference that are reviewed annually and effectively delegated in respect of certain of the board's responsibilities. These terms of reference are available at nedbankgroup.co.za. The board monitors these responsibilities to ensure effective coverage of and control over the group's operations.

Board committees report in detail on key discussions and activities at each Nedbank Group Board meeting, and the minutes of board committee meetings are also subsequently made available to all boardmembers. GAC receives regular feedback from GITCO regarding the monitoring of the adequacy and effectiveness of the group's IT controls as well as new or emerging IT risks associated with the bank's digital transformation journey, and receives feedback from GCC regarding its oversight of the adequacy and effectiveness of the credit-monitoring processes and systems. The chairpersons of GRCMC and Remco also meet separately to consider remuneration risks, and there is a formal process between Remco and GTSEC in respect of the consideration of the ethics of remuneration.

Details of the committees' considerations and focus areas for 2023 are covered in the following reports by the chair of each committee. We also provide the board's meeting attendance register showing the attendance at board and committee meetings.

• ESG •
Board meeting attendance

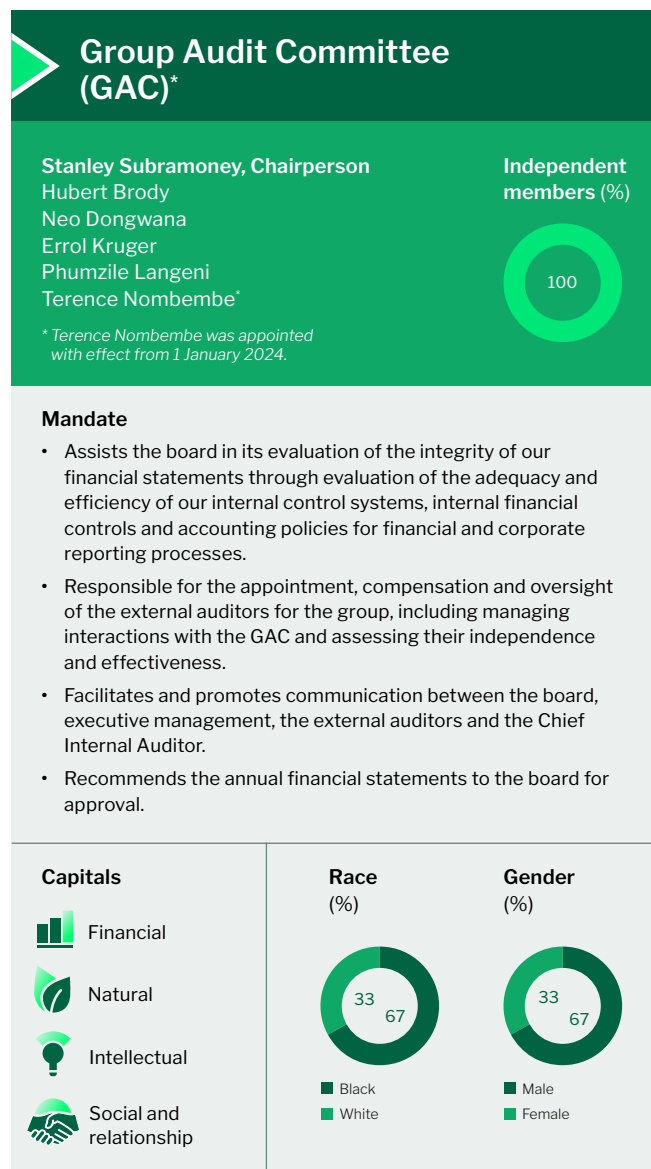


Total number of board and board committee meetings
67
(2022: 68)

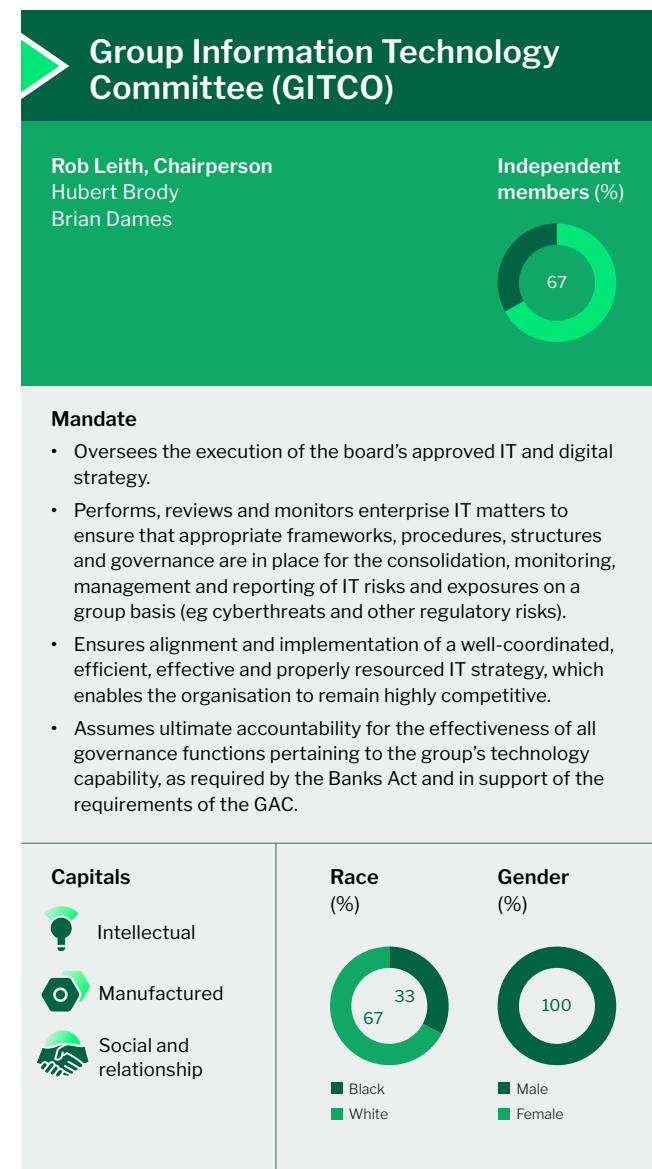
Interdependencies of committees



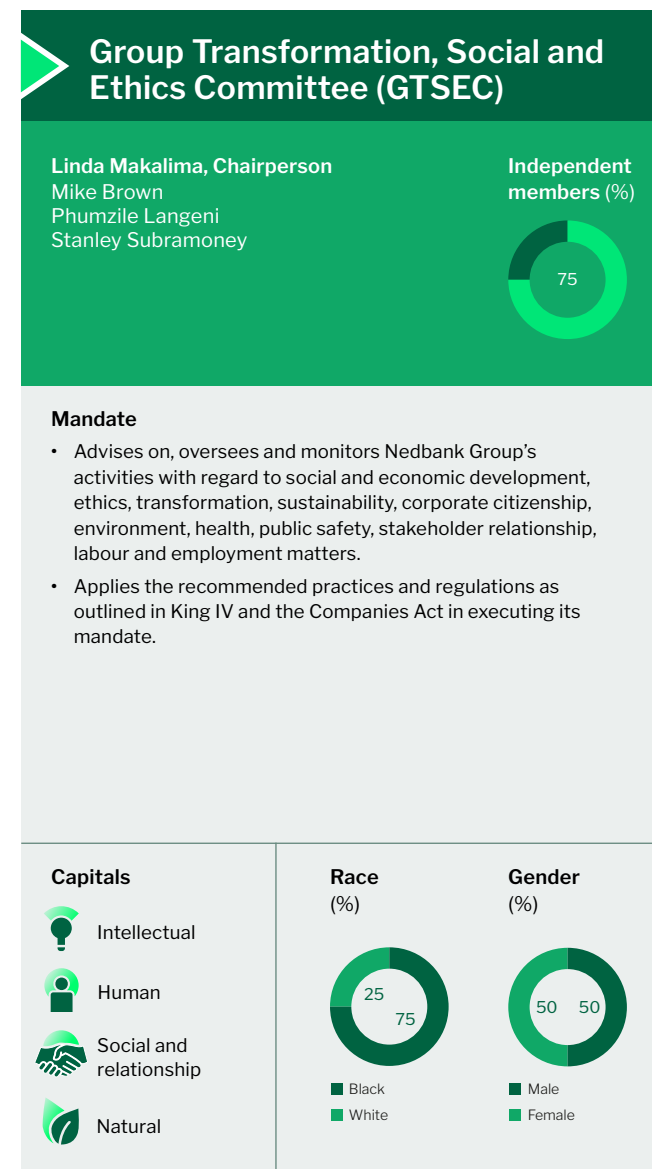
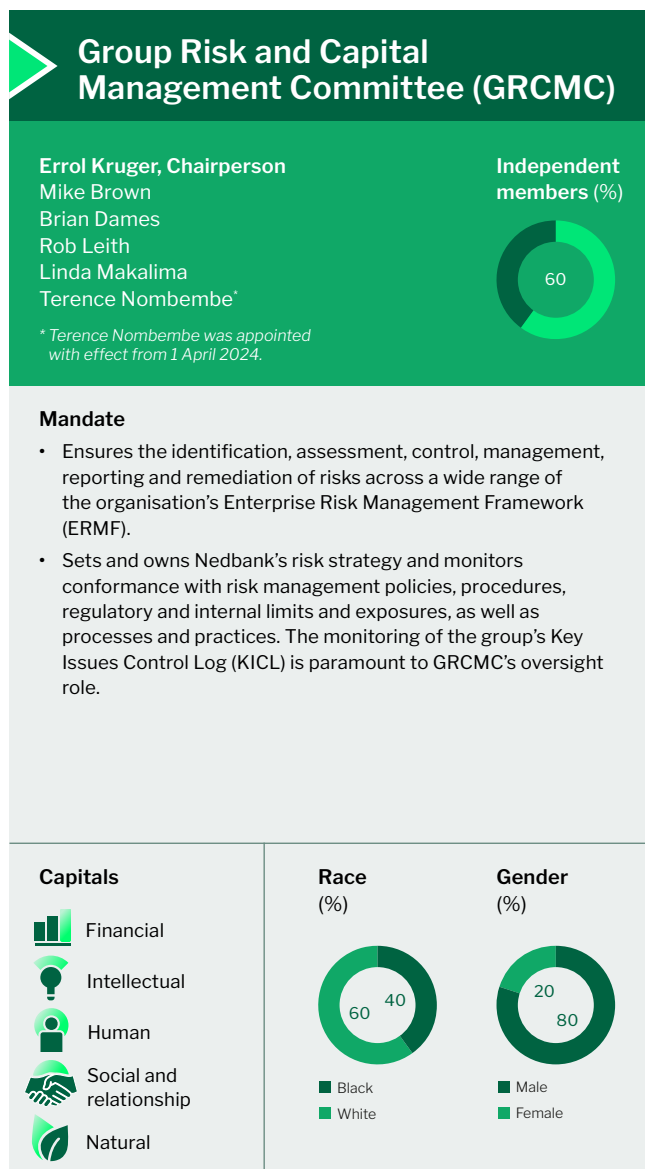
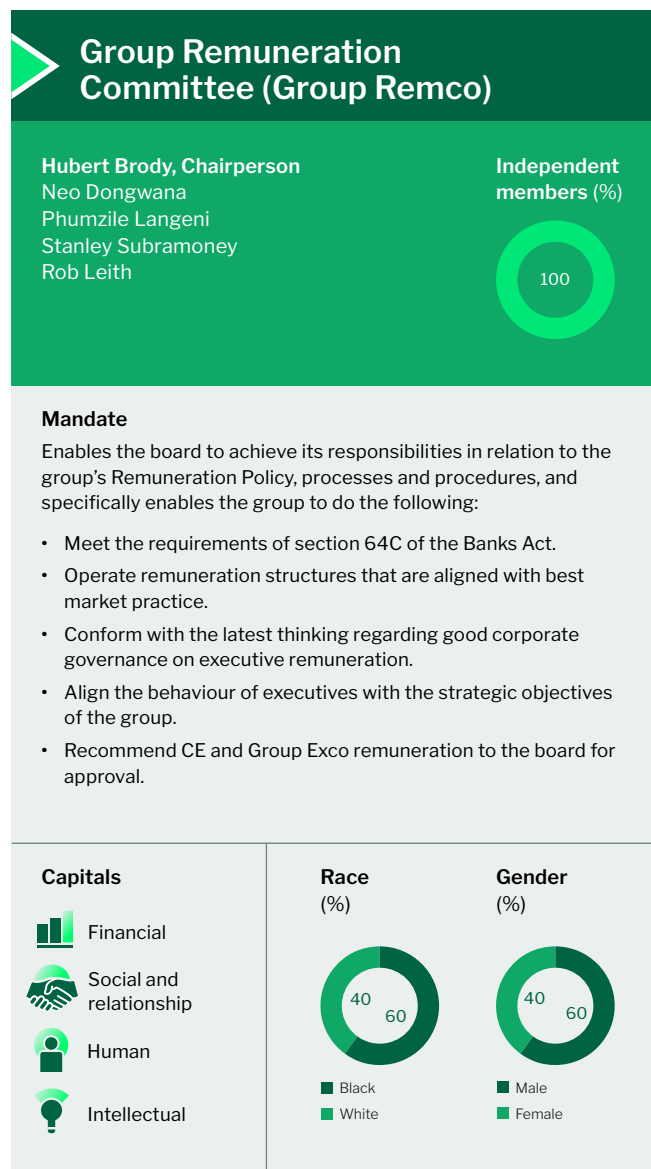
Board committees and interdependency continued



Board committee representation at 31 March 2024.



Board committees and interdependency continued



Board committee representation at 31 March 2024.

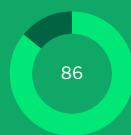
Board committees and interdependency continued

Group Directors' Affairs Committee (DAC)

Hubert Brody, Chairperson

Brian Dames
Errol Kruger
Rob Leith
Linda Makalima
Daniel Mminele
Stanley Subramoney

Independent members (%)



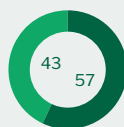
Mandate

- Monitors progress regarding the implementation and achievement of the board's corporate governance objectives and determines and evaluates the adequacy, efficiency and appropriateness of the corporate governance structures and practices of the group.
- Assists, evaluates and advises the board on issues of fundamental strategic importance to the group that are beyond the scope of the specific authorities mandated to the other board committees.
- Considers, monitors and reports to the board on reputational risk and compliance risk.
- Acts as the Nominations Committee for the board.

Capitals

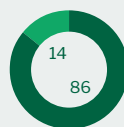


Race (%)



■ Black
■ White

Gender (%)



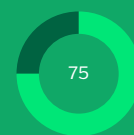
■ Male
■ Female

Group Climate Resilience Committee (GCRC)

Brian Dames, Chairperson

Phumzile Langeni
Linda Makalima
Daniel Mminele

Independent members (%)



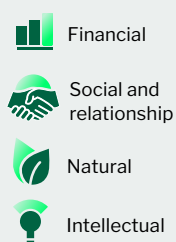
Mandate

Enables the board to achieve its responsibility in relation to the group's:

- identification, assessment, control, management, reporting and remediation of all categories of sustainability and climate-related risks and opportunities; and
- adherence to internal risk management policies, procedures, processes and practices.

With effect from 1 April 2024, the GCRC was renamed as the Group Sustainability and Climate Resilience Committee (GSCRC) and its mandate expanded to reflect broader sustainability/ESG considerations, including oversight of environmental and social risks and opportunities beyond and in addition to climate risks and opportunities.

Capitals



Race (%)



■ Black
■ White

Gender (%)



■ Male
■ Female

Board committee representation at 31 March 2024.

Committee chairpersons' reports

Board oversight – ensuring and protecting value Group Audit Committee (GAC)

'The GAC oversaw the strengthening of Nedbank's balance sheet and the delivery of a strong financial performance in 2023, despite the difficult operating environment. The GAC continued to focus on enhancing the integrity of financial and corporate reporting through proactive identification and resolution of audit and technical matters, enhanced financial reporting controls, review of financial results, the internal financial control environment, and the integrated reporting process. In addition the GAC continued to oversee the audit firm rotation process.'

Stanley Subramoney, Chairperson



Ensuring and protecting value in 2023

- Nominated KPMG for appointment in a shadow capacity for the year ending 31 December 2023, which was approved by the shareholders at the 2023 annual general meeting (AGM).
- Nominated Deloitte & Touche and Ernst & Young Inc as the external auditors for Nedbank Limited and Nedbank Group Limited for the year ending 31 December 2023. The appointment of KPMG, in a shadow capacity, resulted in improved voting outcomes for the auditor appointment at the 2023 AGM.
- The GAC considered the control deficiencies identified via the group's 3 lines of defence (1st line via cluster finance and risk functions, 2nd line via

Group Finance and Group Risk and 3rd line via GIA), as well as the appropriateness of management's response including remediation, reliance on compensating controls and additional review procedures.

- Approved the external auditors' 2023 annual plan and related scope of work, confirming suitable reliance on GIA and the appropriateness of key audit risks identified.
- Reviewed the findings and recommendations of the external auditors and confirmed that there were no material unresolved findings.
- Reviewed the 2023 audited annual financial statements and related disclosures and recommended them to the board for approval.

- Ensured that GIA performed an independent assurance function and monitored the effectiveness of the GIA function in terms of its scope, execution of its plan, coverage, independence, skills, staffing, overall performance, and position within the organisation.
- Monitored and challenged, where appropriate, actions taken by management regarding adverse internal audit findings.
- Monitored the effectiveness of the external auditors in terms of their audit quality, expertise, and independence.

Focus for 2024 and beyond

- Continue to focus on ensuring that the group's financial systems, processes and internal financial controls are operating effectively.
- Ensure a smooth transition for KPMG to ensure minimal disruptions to the 2024 year-end audit process.
- Ensure, through the College of Audit Committee Chairs, that there is meaningful engagement between the GAC chairperson and the chairpersons of subsidiary audit committees.
- Monitor the implementation of the JSE Listings Requirements, including the effectiveness of internal financial controls.
- Monitor audit firm rotation at a subsidiary level.
- Oversee the assessment of the impact of implementing the new accounting standard dealing with presentation and disclosure in financial statements (IFRS 18) once the final version of the new standard is published.

Members

Stanley Subramoney, Chairperson
Hubert Brody
Neo Dongwana
Errol Kruger
Phumzile Langeni
Terence Nombembe*

* Terence Nombembe was appointed with effect from 1 January 2024.

Stakeholders



Regulators



Shareholders

Top 10 risks

- | | |
|------------|---------------|
| 1 Business | 2 Credit |
| 4 People | 7 Operational |
| | 10 Capital |

Committee chairpersons' reports continued

Board oversight – ensuring and protecting value

Group Credit Committee (GCC)

'Credit risk management and governance remained resilient despite a weak local economy hampered by high interest rates, higher inflation, load-shedding, infrastructure challenges, a weaker global economy, and a deteriorating geopolitical environment. The GCC continued to provide independent oversight, ensuring a quality credit portfolio that remains adequately impaired.'

Errol Kruger, Chairperson



Ensuring and protecting value in 2023

- Approved the adequacy of impairments (biannually) to ensure that the expected credit loss (ECL) held against gross loans and advances (GLAA) was appropriate.
- Approved the adequacy of credit risk-weighted assets (RWA).
- Tracked and monitored initiatives to improve the origination and collection processes and their impact on the 2023 credit loss ratio (CLR).
- Approved the review and adjustments of credit models to ensure they were fit-for-purpose in the prevailing macroeconomic environment.
- Approved the macroeconomic forecast scenarios (biannually) to ensure that forward-looking information is incorporated in the calculation of the International Financial Reporting Standards (IFRS) 9 impairments.
- Oversaw the limited out-of-model overlays, which incorporated bottom-up client or sector reviews, as well as risk assessments of the retail and wholesale portfolios.
- Monitored regulatory changes across the Nedbank Africa Regions (NAR) portfolio to ensure compliance with local regulator requirements.
- Monitored the identification and management of distressed portfolios and individual watch list clients.
- Oversaw deep dives into the possible impact of a blackout scenario (electricity outages) on the economy, the impact of elevated interest rates on the credit portfolio, and the impact of infrastructure decay on Nedbank's portfolio.
- Monitored the efficiency and appropriateness of coordinated-assurance-thematic activities across all 3 lines of defence in the credit risk universe.
- Ensured that developments relating to climate risk were well considered and incorporated into applicable Group Credit Policy annexures.

Focus for 2024 and beyond

- Oversee ongoing active credit risk management across all portfolios to optimise the outcome of the cost of credit and credit RWA.
- Continue to focus on early-identification strategies regarding distressed portfolios, industry-specific concentration risks, and the proactive management of key watch list clients.
- Monitor and consider the impact of the implementation of Basel III Reforms on the credit portfolio.
- Monitor the implementation of solutions to automate, digitise and advance credit processes and analytics emanating from Target Operating Model 2.0 (TOM 2.0) credit risk initiatives.
- Monitor developments emanating from SARB's proposed amendments to Directive 7/2015 relating to the treatment and classification of distressed restructures on the credit portfolio.

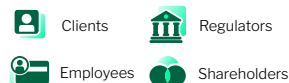
Members

Errol Kruger, Chairperson

Mike Brown	Linda Makalima
Mike Davis	Mfundo Nkuhlu
Neo Dongwana	Stanley Subramoney
Rob Leith	

Board committee representation at 31 December 2023.

Stakeholders



Top 10 risks

- 1 Business
- 2 Credit
- 8 Climate

Committee chairpersons' reports continued

Board oversight – ensuring and protecting value

Group Information Technology Committee (GITCO)

'The Nedbank Group technology strategy remains relevant and has laid the foundations to accelerate value creation across the group, supporting sustainable growth and returns.'

Rob Leith, Chairperson



Ensuring and protecting value in 2023

GITCO carried out its mandated responsibilities to monitor and ensure the adequacy, effectiveness and efficiency of information systems from a risk and strategic-alignment perspective. The committee focused particularly on the following during the year:

Operational resilience

- Monitored closely the availability and stability of systems.
- Monitored the management of IT-related risks across operational risk, digital risk and, particularly, cyberrisk fields.
- Monitoring the progress of strategic initiatives
- Monitored the management of critical resourcing matters, including the transition to the new group chief information officer (CIO) and IT talent management initiatives,

specifically regarding scarce and critical skills.

- Oversaw the progress of large IT programmes, particularly ME – Nedbank's IT transformation and modernisation programme – in terms of project delivery against targeted timelines, budget and scope, as well as value creation (realised to date and planned benefits embedded in business plans).
- Approved funding for the final ME programmes.
- Approved business cases for other large, new IT programmes, including the NAR harmonisation (ie migration onto the modernised South African technology stack).
- Ensuring appropriate strategies going

forward

- Reviewed and recommended to the board for approval the group's technology strategy up to 2026, with its increased focus on accelerating the commercialisation of the modernised technology stack to increase competitiveness and sustainable value creation.
- GITCO received training on technology trends that were relevant to the IT strategy, namely generative artificial intelligence (AI), payments modernisation and evolution, and environmental, social and governance (ESG) criteria in banking.

Focus for 2024 and beyond

Operational resilience

- Monitor the availability and stability of systems.
- Ensure that operational and strategic technology risks remain well-managed and that Nedbank enhances its cyberresilience.
- Monitor emerging cyber- and technology trends (threats and opportunities) and assess management responses.

Monitor execution of the IT strategy

- Oversee and monitor the progress on delivering the approved technology strategy, digitisation and delivery of gold-standard client journeys and services across all distribution channels and territories.
- Oversee the completion of ME, with specific focus on core banking modernisation, and monitor the achievement of business case outcomes.
- Monitor the commercialisation of technology initiatives.
- Monitor the migration of NAR to the South African tech stack (ie the harmonisation strategy).
- Oversee the scaling of Nedbank's 'beyond banking' and platform and ecosystem strategies in SA and in African countries where we have a footprint.
- Monitor the progress of Nedbank's hybrid multicloud strategy.
- Monitor maturation of Nedbank's data infrastructure, governance and capabilities to ensure that appropriate value is extracted, especially through AI and machine learning.
- Monitor the optimisation and automation of processes across Nedbank.
- Ensure that Nedbank's operating model and investment case are sustainably supported and enabled by technology.

Members

Dr Mantsika Matooane (ex-Chairperson)¹
 Hubert Brody²
 Brian Dames
 Rob Leith (Chairperson)³
 Mteto Nyati (ex-Chairperson)⁴

Board committee representation at 31 December 2023.

- 1 Dr Matooane stepped down from the board with effect from 2 June 2023.
- 2 Mr Brody was appointed as a member of GITCO with effect from 3 March 2023.
- 3 Mr Leith was appointed as the GITCO Chairperson with effect from 30 October 2023.
- 4 Mr Nyati was appointed as the Chairperson of GITCO with effect from 2 June 2023 and stepped down from the board on 9 October 2023.

Stakeholders

- Clients
- Regulators
- Employees
- Shareholders

Top 10 risks

- 3 Cyberrisk
- 7 Operational
- 5 Strategic execution
- 9 Reputational and conduct

Committee chairpersons' reports continued

Board oversight – ensuring and protecting value

Group Remuneration Committee (Group Remco)

'Following a fit-for-purpose review, Group Remco is satisfied that Nedbank's remuneration strategy is well aligned to support the group's human capital and business strategy.'



Hubert Brody, Chairperson

Ensuring and protecting value in 2023

- Conducting a fit-for-purpose remuneration review that was reviewed by the Group Remco to assess the effectiveness and impact of Nedbank's remuneration against our HC Strategy and business strategy:
 - » Nedbank's variable pay schemes are competitive, enabling the attraction and retention of the right talent, and support the human capital and business strategy;
 - » The LTI scheme is deemed to have the desired retention effect, as evidenced by lower attrition of LTI participants compared to the average;
 - » Efforts will continue to ensure that LTI awards are more targeted to the appropriate talent and STI awards more targeted to high value contributors
- » More rigour has been introduced in the Group Exco goal commitment contracts (GCCs) process regarding the setting and evaluation of the non-financial goal commitments, which influence the STI pool by way of the non-financial modifier whilst LTI CPTs are more refined in our LTI targets.
- » LTI awards from 2023 are 100% performance-based.
- » Shares required for 2024 LTI issuance will be acquired in the market, continuing with the approach adopted in 2023.
- Approved the 2024 GCCs of Group Exco members, including a joint GCC for the incoming and outgoing CE.
- Agreed terms for the incoming CE and outgoing CE, effective in 2024, with all remuneration components in line with the group remuneration policy.
- Achieved growth in single-figure remuneration outcomes due to:
 - » strong share price performance (Nedbank was the top-performing South African bank stock, with the share price appreciating 64% over the past three years); and
 - » the 2021 LTI awards vesting in March 2024 at 124,8% for Group Exco members, compared to 0% vesting in 2023, based on underlying business performance.
- As stated in last year's Remuneration Report, we estimated that 133% of the 2021 Group Exco awards would vest in March 2024, based on business plans at the time and before any Remco discretion on the vesting

outcome. Group Remco exercised its discretion and increased the DHEPS target on the 2021 LTI awards. This reduced the DHEPS vesting outcome for Group Exco from 200% to 190%, after taking into account management's approach to managing endowment, and as a result reduced the overall vesting for Group Exco to 124,8%.

- Reviewed the annual independent remuneration review which tested the control adequacy and effectiveness of the remuneration system. The findings remained positive, providing comfort that our remuneration is aligned with Regulations 39 and 43 of the Banks Act, 94 of 1990.
- Reviewed employee benefits to ensure that they remain competitive and prudently managed.
- Group Remco is satisfied that, for the reporting period, the objectives of the Remuneration Policy have been met, with no material deviation.

Focus for 2024 and beyond

- Maintaining continued dialogue with shareholders to ensure the relevance and appropriateness of the Remuneration Policy.
- Ensuring remuneration outcomes that are fair and responsible.
- Ensuring that the Remuneration Policy and outcomes support our strategic objectives and that these are appropriate to the changing environment.
- Staying abreast of remuneration best practices.
- Updating disclosures in line with the amended Companies Act requirements on remuneration, once it has been enacted.
- Reviewing the competitiveness of the group's LTI pool, the LTI CPTs, weightings and vesting ranges.

Members

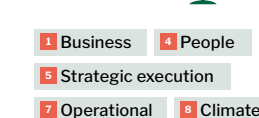
Hubert Brody, Chairperson
 Neo Dongwana
 Phumzile Langeni
 Stanley Subramoney
 Rob Leith

Board committee representation at 31 December 2023.

Stakeholders



Top 10 risks



Committee chairpersons' reports continued

Board oversight – ensuring and protecting value

Group Risk and Capital Management Committee (GRCMC)

'The GRCMC remained focused on maintaining a high standard of risk and governance oversight and enhancing Nedbank's resilience and growth in a challenging and turbulent operating environment. We remain confident that our robust and agile risk management framework enables the creation and preservation of value for all stakeholders.'

Errol Kruger, Chairperson



Ensuring and protecting value in 2023

- Reviewed the annual internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP) as well as stress and scenario testing and recommended board approval.
- Continued monitoring the risk management maturity and effectiveness of anti-money laundering (AML), combatting the financing of terrorism (CFT) and sanctions, including the progress of our Immediate Outcome 4 (IO4) remediation project relating to SA's 'greylisting' by the Financial Action Task Force (FATF).
- Monitored the effectiveness of the ERMF in ensuring high standards of risk management governance practices and cultivating a desired risk culture.
- Ensured a thorough assessment of the implications and learnings from the international banking turmoil of March 2023 in some international markets and enhanced risk management processes accordingly.
- Monitored cyberresilience against the evolving threat landscape in which digital banking fraud losses across the industry and ransomware attacks, in both the private and public sectors, have increased.
- Assessed the adequacy and effectiveness of the Group Blackout Plan to support operational resilience in an unlikely national blackout (electricity outages) and the orderly closing and re-opening of financial markets.
- Oversaw and supported the board and management in their engagement with shareholders, regulators and other stakeholders, and addressed their feedback and suggestions regarding risk and governance.
- Monitored and reviewed the Risk Management Plan (including the Risk Appetite Plan) and recommended board approval to capitalise on the polycrisis (multiple crises occurring simultaneously or rapidly) as part of the annual strategic planning cycle.
- Monitored the effectiveness of capital risk management and reviewed the capital optimisation strategy to enhance through-the-cycle shareholder value for the group and recommended board approval.
- Monitored and reviewed the results of the internal control environment assessment ensuring that high levels of safety and soundness were promoted.
- Monitored the possible impact of people risk on execution and delivery of key strategic projects and saw to effective human capital strategies regarding people risk management and top talent hotspots.

Focus for 2024 and beyond

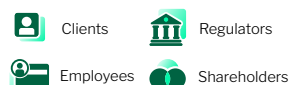
- Monitor heightened business risk due to the complex and challenging operating environment, externally driven by megatrends like technological disruption, demographic shifts, a fracturing world order and social instability.
- Review and approve the 2024 ICAAP and ILAAP and recommend board approval.
- Monitor the agility and effectiveness of our ERMF while ensuring it aligns to industry leading practice to create and preserve shareholder value.
- Continue to monitor the exploration and safe adoption of newly emerging technologies [eg generative artificial intelligence (GenAI) and crypto assets] while remaining competitive.
- Ensure increased focus on financial crime risk management, in light of the weak macroeconomic outlook and the 'digital storm' in the operating environment, to ensure a safe and sound banking experience and digital trust.
- Continue to monitor the risk management plan implementation, risk appetite, top 10 risks, risk universe heatmap and the Group Key Issues Control Log to maintain Nedbank's resilience in this challenging environment.

Members

Errol Kruger, Chairperson
Mike Brown
Brian Dames
Rob Leith
Linda Makalima

Board committee representation at 31 December 2023.

Stakeholders



Top 10 risks

1 Business	5 Strategic execution	10 Capital
2 Credit	6 Organisational resiliency	
3 Cyberrisk	7 Operational	8 Climate
4 People	9 Reputational and conduct	

Committee chairpersons' reports continued

Board oversight – ensuring and protecting value

Group Transformation, Social and Ethics Committee (GTSEC)

'Nedbank continues to contribute positively to society through its values driven approach. Our purpose *to use our financial expertise to do good for individuals, families, business and society* remains relevant and aligns with the ESG agenda.'

Linda Makalima, Chairperson



Ensuring and protecting value in 2023

- Oversaw management of the impact of the Amended FSC against the industry targets to measure BBBEE contributor status. We maintained our level 1 BBBEE contributor status.
- Oversaw continued implementation of the groupwide CSI green economy strategy. From inception R75,9m has been invested in waste, water, energy and agriculture, as well as over 270 enterprises supported, and 943 jobs created.
- Monitored the quantification of the impact of the investments made into Green Economy Strategic focus sectors of Agriculture, Energy, Water and Waste using the Social Return on Investment (SROI) methodology.
- Monitored remuneration practices as reviewed by the Group Remuneration Committee to ensure fair and ethical outcomes.
- Oversaw the continued implementation of our Ethics Management Plan in response to the outcomes of the ethics risk assessment (ERA) conducted in 2019/2020.
- Monitored progress towards the fulfilment of our purpose as guided by our Sustainable Development Framework and evidenced through our ambition to deliver on Sustainable Development Finance.
- Monitored feedback on workforce surveys and the progress made towards our culture shift.
- Oversaw the evolution of Nedbank's Culture and the introduction of The Nedbank Way, (our culture captured into 7 core principles – a framework identifying what differentiates our employee value proposition and guides how we do things at Nedbank in a practical and actionable way.
- Monitored employment equity (EE) and talent practices including the retention of underrepresented (specifically African) talent at middle- and senior-management levels.
- Oversaw the well-being of employees.
- Monitored progress and guided practice to enhance successful progression towards our employment equity and skills development plans.
- Oversaw the YES programme.
- Gained in-depth insights on the state of labour market and strategies on mitigation of people risk.
- Received reports on our market conduct and culture, client experience, financial education enabling financial inclusion and transformation activities underway.
- Considered the 2023 Indlulamithi Scenarios Barometer and our contribution to society. The barometer considers what a socially cohesive SA could look like and the extent to which it is attainable by 2035.

Focus for 2024 and beyond

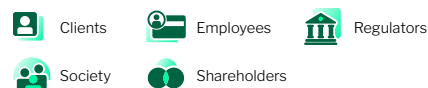
- Monitor progress in retaining a competitive BBBEE contributor status, including any impacts that may emanate from the pending FSC industry review process.
- Monitor the creation of a Nedbank ecosystem approach that shifts green economy CSI projects from grant funding to commercial funding.
- Monitor the impact of the investments made into Green Economy Strategic focus sectors of Agriculture, Energy, Water and Waste using the SROI.
- Guide the enhancement of the culture of ethics and ethical leadership and provide strategic guidance on emerging ethical issues.
- Oversee the Nedbank Purpose Programme of Work elements that relate to the GTSEC mandate, ie enablers such as HR, people matters, human rights and CSI.
- Oversee the consideration for the incorporation of longer-term societal impact scenarios as part of our long-term strategy development.
- Oversee the YES programme.
- Monitor people risk.
- Oversee the development and implementation of our Human Rights Management Plan based on the outcomes of the human rights assessment conducted in 2022.
- Monitor talent practices, including the retention of underrepresented (specifically African) talent at middle- and senior-management levels.
- Oversee our progress in respect of transformation (employment equity and skills development).
- Monitor the well-being of employees including specific focus on mental and financial health.
- Monitor the evolution of Nedbank's culture.
- Monitor ongoing implementation plans on diversity, equity and inclusion.

Members

Linda Makalima, Chairperson
Mike Brown
Phumzile Langeni
Stanley Subramoney

Board committee representation at 31 December 2023.

Stakeholders



Top 10 risks



Committee chairpersons' reports continued

Board oversight – ensuring and protecting value Group Directors' Affairs Committee (DAC)

'Our goal is to set the gold standard when it comes to corporate governance, board succession, compliance, reputational risk management, and strategic execution risk by using the expertise of our highly skilled employees and continuously striving to enhance our processes in step with developments in a rapidly changing operating environment.'



Hubert Brody, Chairperson

Ensuring and protecting value in 2023

- Managed the composition of board committees and succession process for the Board Chairperson, CE and non-executive directors positions.
- Continued to set the tone at the top by fostering a strong ethical and compliance culture and ensured that the group was led in a responsible and effective manner in line with the applicable regulatory framework and in a manner that protected the group's reputation while strengthening stakeholder trust.
- Assessed the status of board governance in the Nedbank subsidiaries, the results of which were satisfactory.
- Assessed and enhanced board effectiveness where necessary following the completion of the internal self-evaluation for 2022.
- Provided guidance on potential risks to strategy implementation.
- Tracked strategic key performance indicators and monitored execution of the group's strategy.
- Considered operational and market trends and the implications on the group's strategy.
- Together with the board, considered shareholders' input received during the 10th annual ESG roadshow.
- Monitored progress of required remediation post South Africa's greylisting.
- Oversaw the activities of the compliance function as specified in the Banks Act, and ensured effective control of compliance risks, including regulatory and reputational risks.
- Approved the updated Compliance Risk Management Policy, supporting framework and annual coverage plan.
- Tracked the completion of the compliance coverage plan.
- Supported enhancement of compliance skills and the use of technology to augment efficiencies and effectiveness.
- Monitored overall compliance levels, including AML, CFT and sanctions, data privacy and OHS compliance, as well as the status of the compliance control environment and remediation of significant findings.
- Oversaw regulatory and advocacy activities, participation at industry associations, and readiness and implementation of regulatory requirements to achieve compliance and uncover opportunities.
- Oversaw the fair treatment of clients by tracking market conduct compliance levels.
- Managed reputational risk through the Group Reputational Risk Committee (GRRC) and oversaw enhancements to the Reputational Risk Management Framework and Reputational Risk Policy.
- Provided strategic guidance on the management of material reputational-risk matters.
- Maintained oversight of interactions with regulators.
- Maintained oversight of all regulatory developments, including those relating to market conduct, ESG, crypto, open finance and AI.

Focus for 2024 and beyond

- Continuing to plan and manage board succession.
- Continuing to monitor strategy execution to deliver on market commitments in the short term while building a sustainable bank for the longer term.
- Continuing to consider market and competitor trends and the impact on the group's strategy.
- Ensuring the bank maintains an independent, effective and adequately resourced compliance function.
- Ensuring continuous assessment of the effectiveness and appropriateness of the group's corporate governance structure and practices.
- Tracking completion of the compliance coverage plan.
- Continuing to evaluate compliance risk levels, including tracking status of the compliance control environment, significant compliance findings and related remedial action.
- Supporting the compliance function so that it is innovative and agile within the boundaries of legal and regulatory requirements.
- Maintaining oversight of AML, CFT and sanctions compliance levels and outcomes of SARB and offshore regulators' inspections, and regulatory reform.
- Continuing to oversee privacy and OHS compliance matters.
- Retaining focus on the adherence to market-conduct-related regulatory requirements in support of fair treatment of clients.
- Monitoring regulatory developments and the appropriateness of Nedbank's response, including developments related to market conduct, ESG, crypto, open finance and AI.
- Continuing to oversee management of reputational-risk matters and to support proactive reputational-risk management.
- Maintaining oversight of regulator interactions.

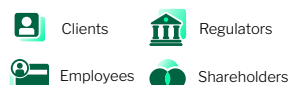
Members

Hubert Brody (Chairperson)

Brian Dames	Linda Makalima
Errol Kruger	Rob Leith
Daniel Mminele	Stanley Subramoney

Board committee representation at 31 December 2023.

Stakeholders



Top 10 risks

- Business
- Strategic execution
- Reputational and conduct

Committee chairpersons' reports continued

Board oversight – ensuring and protecting value

Group Climate Resilience Committee (GCRC)

'Nedbank's purpose inextricably aligns with the sustainability agenda. Its purpose-led, values-driven approach gives us direction in protecting nature, adapting to a changing landscape impacted by climate change, and engaging our clients on mitigating social and environmental risks.'

Brian Dames, Chairperson



- Steered the development of the bank's fossil fuel (upstream coal, oil and gas) and power generation glidepaths.
- Provided guidance to ensure that the Energy Policy targets remained appropriate for the group.
- Monitored the group's climate risk appetite, ensuring that all climate-related risk appetite metrics remained within board-approved targets and limits throughout the year.
- Added a prohibition of lending towards activities that may negatively impact biodiversity resources in protected areas or critical habitat or conservation areas, supporting the commitments made in the Nature Position Statement.
- Provided oversight of and guidance on climate risk data requirements to be considered through the GT Tech Steerco.
- Facilitated training sessions for the board on SA's journey to net zero by 2050, the National

Energy Crisis Committee (NECOM) to accelerate the energy transition, the government's Just Energy Transition Investment Plan, the Private Power Projects in SA, and the global state of responsible investing and the requisite considerations for Nedbank's Asset Management businesses.

- Reviewed and supported the alignment of sustainability and climate reporting with the IFRS Sustainability Disclosure Standards published under IFRS S1 and IFRS S2.
- Considered a client engagement approach focusing on unpacking the bank's role in supporting clients in their transition journeys and requirements.
- Monitored the progress of the operationalisation of the Climate Risk Management Framework (CRMF).
- Monitored the delivery of climate finance opportunities as committed to in the 3-year group business plan and the annual progress made to achieve the bank's Sustainable

Development Finance (SDF) ambition.

- Considered the overall responsibility for central coordination of sustainability, SDF and climate-related functions.
- Provided oversight of enterprisewide roles and responsibilities for environmental and social issues (including climate resilience), which resulted in a proposed programme of work [Purpose Programme of Work (PPOW)] to institutionalise purpose fulfilment across the organisation.
- Facilitated a successful SARB PA onsite meeting where the climate-related risks topic was presented.
- Supported the establishment of the ESG Tech Steerco, which had the necessary mandate and enterprisewide view of data and systems to provide support for sustainability, ESG and climate risk, which is a key stream in PPOW.
- Supported the development of an internal climate tool intended to be used for active credit risk portfolio management and the integration of climate risk into other risk types.

Focus for 2024 and beyond

- Guiding the preparation for the SARB Financial Stability Department's intended 2024 Climate Risk Stress Test (CRST). The formal SARB CRST initiation letter was received during March 2024.
- Overseeing and facilitating the prioritisation of sectoral glidepath developments and scaling the group's sectoral glidepath development to cover a significant portion of the prioritised high-emissions portfolios.
- Continuously monitoring the operationalisation of the CRMF through the Climate Risk Programme, with a strong focus on climate scenario analysis.
- Continuously overseeing client engagements to assist with clients' own transition journeys.
- Continuously overseeing PPOW institutionalisation across the group.
- Focusing on the execution of ESG Tech Steerco initiatives aimed at climate data collection and sourcing, as well as enhanced data capabilities to support the identification, measurement, and monitoring of climate-related risks and opportunities.
- Guiding the development of a standardised, consistent carbon accounting approach across the bank's operational, investment and lending activities.
- Ensuring continuous improvements of our implementation of the Task Force on Climate-related Financial Disclosures (TCFD) or Taskforce on Nature-related Financial Disclosures (TNFD) recommendations.
- Continuously reviewing our climate risk appetite to ensure compliance with board risk appetite limits and targets.
- Working with global partners to improve our sustainability, climate and ESG management across our lending and investment businesses.
- Participating in global peer engagements, indices and surveys to ensure that we are considering globally recognised material issues in sustainability, ESG, nature and climate.

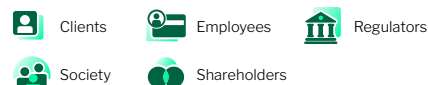
Members

Brian Dames, Chairperson
Phumzile Langeni
Linda Makalima
Daniel Mminele

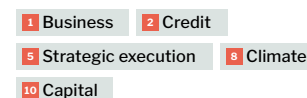
Board committee representation at 31 December 2023.

- 1 Brian Dames remains the Chairperson of the GCRC for an additional one year given the need for continuity on the GCRC while the search for additional directors with climate risk expertise is underway.
- 2 Mpho Makwana stepped down as a member of the GCRC on 2 June 2023.
- 3 Daniel Mminele was appointed as a member of the GCRC on 1 May 2023.

Stakeholders



Top 10 risks



2023 Attendance at board and board committee meetings by directors and professional consultants

Overall attendance at board and board committee meetings is 97%. This is significantly higher than the minimum attendance level of 75% in terms of the policy on nomination and appointment of directors.

	Total	% total	Nedbank board	Nedbank board (pre-scheduled)	Nedbank board (ad hoc /short notice)	Nedbank Limited Board	DAC	DAC (pre-scheduled)	DAC (ad hoc /short notice)	Remco	Remco (pre-scheduled)	Remco (ad hoc /short notice)	GAC*	GITCO	GCC	GCC (pre-scheduled)	GCC (ad hoc /short notice)	Large Exposure Approval Committee	GRCMC	GRCMC (pre-scheduled)	GRCMC (ad hoc /short notice)	GTSEC	GCRC	GCRC (pre-scheduled)	GCRC (ad hoc /short notice)
Number of meetings			10	8	2	7	9	4	5	6	5	1	6	4	6	5	1	5	6	5	1	3	5	4	1
Directors																									
Executive																									
Mike Brown	36/37	97%	10/10	8/8	2/2	7/7									6/6	5/5	1/1	5/5	5/6	4/5	1/1	3/3			
Mike Davis	27/27	100%	9/9	8/8	1/1***	7/7									6/6	5/5	1/1	5/5							
Mfundo Nkulu	20/22	91%	8/9	8/8	0/1***	7/7									5/6	4/5	1/1								
Non-executive																									
Brian Dames	42/44	95%	10/10	8/8	2/2	7/7	8/9	4/4	4/5					4/4	2/2	2/2	0/0	0/1	6/6	5/5	1/1		5/5	4/4	1/1
Previous Non-executive																									
Mpho Makwana	11/11	100%	2/2	2/2	0/0	2/2	4/4	2/2	2/2														3/3	2/2	1/1
Independent non-executive																									
Daniel Mminele	23/23	100%	8/8	6/6	2/2	5/5	7/7	3/3	4/4														3/3	3/3	0/0
Hubert Brody	41/41	100%	10/10	8/8	2/2	7/7	9/9	4/4	5/5	6/6	5/5	1/1	6/6	3/3											
Neo Dongwana	39/40	98%	10/10	8/8	2/2	7/7				6/6	5/5	1/1	6/6		6/6	5/5	1/1	4/5							
Errol Kruger	49/49	100%	10/10	8/8	2/2	7/7	9/9	4/4	5/5				6/6		6/6	5/5	1/1	5/5	6/6	5/5	1/1				
Phumzile Langeni	31/32	97%	10/10	8/8	2/2	7/7				1/1	1/1	0/0	6/6									3/3	4/5	4/4	0/1
Rob Leith	43/44	98%	10/10	8/8	2/2	7/7				6/6	5/5	1/1		4/4	6/6	5/5	1/1	4/5	6/6	5/5	1/1				
Linda Makalima	51/51	100%	10/10	8/8	2/2	7/7	9/9	4/4	5/5						6/6	5/5	1/1	5/5	6/6	5/5	1/1	3/3	5/5	4/4	1/1
Tshilidzi Marwala	2/4	50%	1/1	1/1	0/0	1/1								0/1								0/1			
Mantsika Matoane	10/10	100%	2/2	2/2	0/0	2/2	4/4	2/2	2/2					2/2											
Mteto Nyati	18/22	82%	6/8	5/6	1/2	4/5	2/3	1/1	1/2					3/3					3/3	3/3	0/0				
Stanley Subramoney	49/52	94%	10/10	8/8	2/2	7/7	8/9	4/4	4/5	6/6	5/5	1/1	6/6		6/6	5/5	1/1	3/5				3/3			
Independent consultant																									
Brendan Olivier**										5/5															
Total	492/509		126/129			91/92	60/63			25/25			30/30	16/17	49/50			31/36	32/33			12/13	20/21		
No. %	97%		98%			99%	95%			100%			100%	94%	98%			86%	97%			92%	95%		

* Includes annual meeting with SARB.

** Professional Consultant to Group Remuneration Committee from Vasdex Associates.

*** Recused from ad hoc meeting held on 26 September 2023.



Other key areas of responsibility and oversight

Subsidiary governance

In accordance with best governance practices, the Nedbank Group Board has overall responsibility for governance across the group. Our response to the challenging environment confirms how well our governance practices are integrated across the group. Working in unison with executive management, our board provides groupwide oversight of the governance processes and frameworks, while our executive management implements policies and procedures through which governance is applied within the organisation. Accordingly, Nedbank Group Limited, as the parent company, was able to exercise appropriate governance oversight over its subsidiaries while maintaining the independence and the legal and governance responsibilities that apply to each subsidiary.

Governance frameworks: Our Group Operating Manual sets out the management processes that are in place for business clusters (Nedbank Corporate and Investment Banking, Nedbank Retail and Business Banking, Nedbank Wealth and NAR) to provide oversight of the relevant subsidiaries within the group.

Group Company Secretaries' Forum: To ensure alignment with corporate governance standards, the Group Company Secretaries Forum was established by the Group Company Secretary to be an advisory, monitoring and information-sharing platform for company secretaries across our main operating subsidiaries. Some of the items discussed at the Group Company Secretaries Forum in 2023 included ESG training; recommended practices for board evaluations; proportional application of King IV; director independence considerations; board governance frameworks and policies; recommended practices for assessing board skills; and key governance themes across the group.

Board evaluations: The main operating subsidiaries regularly undertake independent or internal evaluations of their boards and board committees, based on the applicable regulatory requirements, local conditions and best-practice guidelines. In 2023 Group Secretariat facilitated independent evaluations of the board and board committees of Nedbank Private Wealth (NPW) Limited. The results were shared with the NPW Limited Board and board committees on 15 February 2024.

Annual review of the status of governance in subsidiaries: The DAC annually reviews the status of governance in the group's main operating subsidiaries in the NAR and Nedbank Wealth Clusters. In 2023 the review included both a qualitative and a quantitative review. The overall findings are that board governance processes in the main operating subsidiaries worked well and that there are no areas of concern.

Annual directors and senior leadership training: An annual training programme is held for subsidiary boards and other senior leaders in the group. The training topics are decided in consultation with clusters, subsidiaries and other key stakeholders. Training topics in the 2023 programme included open AI in financial services; recent trends and developments in governance; ethical leadership; balancing innovation and regulation; beneficial ownership; and financial assistance transactions. The annual training programme is in addition to other bespoke and general training programmes provided by individual subsidiaries or clusters.

Other initiatives: Close ties with the subsidiary boards are also achieved through Daniel Mminele's Chairman's College, Mike Brown's CEO College, and Stanley Subramoney's College of Audit Committee Chairs.

Our relationship with stakeholders

The board continuously monitors the group's relationship with its stakeholders and engages directly with employees, clients, regulators, and shareholders. Nedbank is acknowledged as a neutral convener of stakeholder dialogues on a range of national, financial, social and policy development issues. During 2023 online, hybrid and face-to-face stakeholder events facilitated by Nedbank covered areas such as ethics and good governance; green economy and the Just Energy Transition; youth development and job creation; financial inclusion; digital readiness; township economy; and more. No less than 500 key stakeholders participated at these events, including CEOs of various companies, ministers of government, diplomats, civil society leaders, and youth and community representatives. Top leadership at Nedbank (including the CE, the Chairperson and Group Exco members) participated actively.

Fair and responsible remuneration

The Group Exco holds management accountable for ensuring that total remuneration is distributed fairly, while the board, through Remco, with consideration by GTSEC, is committed to ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration. Remco helps the board in discharging its responsibility in relation to board and executive remuneration.

Shareholder rights

All holders of the same class of shares issued by Nedbank Group are treated equitably and all ordinary issued shares rank equally and have the same voting, dividend and other rights. Our MoI does not contain any defensive mechanisms or share ownership ceilings. Accordingly, there are no restrictions on the number of shares that may be held by a single shareholder, other than in those instances prescribed by law. No shareholder has any priority rights and there are no multiple voting shares or shares that have no voting rights. Following the unbundling of OML's controlling interest in 2018, no shareholder has a controlling interest in our issued share capital. To date, our entire issued share capital is made up of a single class of ordinary shares that are publicly tradable.

The creation of 1 000 000 cumulative redeemable non-participating preference shares by Nedbank Group was approved by shareholders in 2014. The purpose of these preference shares is to provide flexibility in the nature of financing instruments and sources of funding that Nedbank Group has for the purposes of funding its business activities in general. The creation of these preference shares provides Nedbank Group with the ability to source funds from either the institutional or retail investor market in a long-term dividend-yielding instrument and a source of stable additional funding for the group. The preference shares have remained unissued to date.

In 2014 Nedbank Limited advanced R5,8bn to Nedbank Group, which funds were used to acquire a stake in Ecobank Transnational Incorporated (ETI). The company proposes issuing up to 450 000 of the authorised but unissued cumulative redeemable, non-participating preference shares to Nedbank Group subsidiaries whose business includes investments in long-term dividend yielding instruments and to external investors. The proceeds from the issuances will be used to repay the remaining balance of the Nedbank Limited loan.

In 2023 Nedbank Group shareholders approved the creation of A non-redeemable, non-cumulative, non-participating, perpetual preference shares (A preference shares). The A preference shares qualify as Additional Tier 1 capital in terms of Basel III regulatory requirements. The A preference shares are intended to provide, among others, an alternative source of capital, as well as provide an attractive dividend-yielding investment product for corporates and high-net-worth individuals who are seeking a dividend return.

Our Group Executive Committee

The Nedbank Group Exco is a diverse and experienced management team that comprises the CE, COO, CFO, 4 frontline managing executives and 6 shared-services executives.

Executive directors

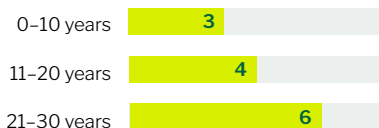
Frontline MEs

Shared-services Group Executives



Mike Brown ⁵⁷	Jason Quinn ⁴⁹	Mfundo Nkuhlu ⁵⁷	Mike Davis ⁵²	Anél Bosman ⁵⁷	Ciko Thomas ⁵⁵	Iolanda Ruggiero ⁵³	Dr Terence Sibiya ⁵⁴	Dave Crewe-Brown ⁵⁶	Deb Fuller ⁵¹	Daleen du Toit ⁵⁹	Priya Naidoo ⁵⁰	Khensani Nobanda ⁴⁵	Ray Naicker ⁴⁶
CE Exco member since: 17 June 2004 30 years' service at Nedbank	CE-designate Exco member since: 31 May 2024 0 years' service at Nedbank	COO Exco member since: 1 December 2008 19 years' service at Nedbank	CFO Exco member since: 1 January 2015 27 years' service at Nedbank	Group Managing Executive: CIB Exco member since: 1 April 2020 22 years' service at Nedbank	Group Managing Executive: RBB Exco member since: 18 January 2010 13 years' service at Nedbank	Group Managing Executive: Wealth Exco member since: 1 May 2015 21 years' service at Nedbank	Group Managing Executive: NAR Exco member since: 1 April 2020 12 years' service at Nedbank	Chief Risk Officer Exco member since: 1 April 2023 28 years' service at Nedbank	Group Executive: Group HR Exco member since: 25 June 2018 5 years' service at Nedbank	Chief Compliance Officer Exco member since: 1 May 2022 9 years' service at Nedbank	Group Executive: Strategy Exco member since: 1 January 2015 22 years' service at Nedbank	Group Executive: Group Marketing and Corporate Affairs Exco member since: 15 May 2018 6 years' service at Nedbank	Chief Information Officer Exco member since: 1 July 2023 19 years' service at Nedbank

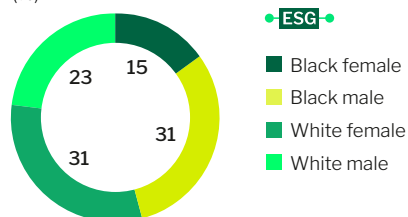
Group Exco tenure at Nedbank (Number of Group Exco members)



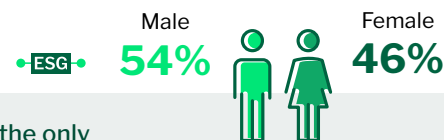
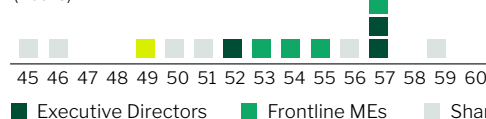
233 years
of combined service

Graphs show Group Exco representation, demographics and age at 31 March 2024 and excludes Jason Quinn.

Group Exco demographics (%)



Group Exco age (Years)¹



Nedbank is the only company with close to gender parity at executive level.

Source: Just Share NPC Women in leadership: Assessing gender equality in the JSE Top 40

Average age
53 years

Nedbank policy:
Group Exco members retire on reaching the age of 60.

Group Exco changes

After having reached the group's mandatory retirement age of 60 in January 2023, Trevor Adams, the group's Chief Risk Officer (CRO), retired and was succeeded by David Crewe-Brown. Fred Swanepoel retired as Chief Information Officer (CIO) at the end of June 2023 and was succeeded by Ray Naicker. Jason Quinn will succeed Mike Brown (CE) post his retirement at the conclusion of the group's AGM in May 2024.


Seamless succession

Seamless succession planning since 2015 enabled the appointment of 10 experienced group executive members from within the group, including 5 female and 4 black (AIC) leaders.

Disclosure of our application of King IV principles

Good performance and legitimacy

The board remains committed to the application of and adherence to the 17 King IV principles to achieve their associated outcomes. The detailed application status of the King IV principles in the bank is contained in the section below.



Leadership

Status: Aligned

Principle 1 – The governing body should lead ethically and effectively.

The Nedbank Group Board sets the tone at the top and leads the group ethically, effectively and responsibly within acceptable risk parameters. The board provides leadership and strategic guidance continually aimed at safeguarding stakeholder value creation. This leadership and guidance are provided within a framework of ethical and prudent controls, which supports the establishment of an ethical culture.


Annually, each boardmember signs the Board Ethics Statement, which recognises that boardmembers are individually and collectively accountable for their ethical, effective and responsible leadership of Nedbank Group. Boardmembers are required to conduct themselves in accordance with the Nedbank values, the Nedbank Group Board Ethics Statement and their legal duties as company directors under the Companies Act.

The directors subscribe to the Board Ethics Statement annually, thereby committing to high ethical standards and to conducting themselves honestly, scrupulously and with integrity. As part of this statement, boardmembers acknowledge that our values must guide the way we do business, and they commit to exercising their powers and functions in the utmost good faith and in the interests of the bank, its stakeholders and the planet.


As part of the statement, boardmembers also acknowledge their obligation to avoid conflicts of interest, whether real or perceived, and commit to timeous and full disclosure where a conflict of interest cannot be avoided. In line with this obligation, boardmembers complete a detailed conflicts-of-interest and fit-and-proper questionnaire annually. Regarding the aforementioned, the Nedbank Group Limited and Nedbank Limited Policy on Conflicts of

Interest is in place (as required by the JSE Debt Listings Requirements) to deal with identification, management and avoidance of conflicts of interest). The policy addresses compliance with the relevant common law, Companies Act requirements related to fiduciary duties of directors, as well as relevant King IV principles, JSE Listing Requirements (including JSE Debt Listing Requirements) and any other applicable Nedbank policy from time to time.

The performance of the board as a whole, and the individual boardmembers, is assessed through the board evaluation process. Evaluations of the Nedbank Group Board and board committees alternate annually between independent evaluations and internal evaluations. In 2023 The Board Practice undertook independent board and board committee evaluations. The results of the evaluations were presented at the Nedbank Group Board session on 30 January 2024. The overall feedback from the evaluations is that the Nedbank Group board was effective in discharging its duties.

 Please refer to page 17 for a summary of the board and board committee evaluation results.

The board considers the values-strategy alignment on a regular basis to ensure that the group adheres to high standards of ethics and corporate behaviour, and that a code of ethics and conduct that addresses conflicts of interests is in place for this purpose. The board makes an annual attestation to the Board Ethics Statement, which reads in part: ‘Ethical leadership and effective leadership should complement and reinforce each other’. In line with this requirement, our boardmembers are required to acknowledge and sign the statement every year, with a similar statement also signed by subsidiaries.



Organisational ethics

Status: Aligned

Principle 2 – The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

At Nedbank, ethics is governed in a way that supports an ethical culture, where we seek to ensure that ethical practices and behaviour are effectively embedded across all functions and activities of the bank.


The board establishes the tone at the top, and the group has implemented a comprehensive governance structure aimed at giving effect to the responsibilities of the board in relation to ethics, as set out in more detail in the Ethics Review chapter.

In addition to signing the annual Board Ethics Statement, whereby the board (individually and collectively) commits to conducting itself with the highest standards of integrity, the board, through GTSEC, provides leadership and strategic guidance on how ethics should be addressed across the organisation. It does this by, among other things, conducting a review and approving the Employee Code of Ethics and Conduct annually and providing oversight of the adoption and annual review of all ethics-related policies, as well as the communication of these policies to employees.

The board has delegated the management of ethics and human rights to the Group Ethics Office and provides oversight and guidance on all ethics initiatives implemented across the group, which include the implementation of ethics-related policies, training and

awareness initiatives, ethics investigations, and other measures designed to promote an ethical culture. Additionally, the board ensures that periodic independent ERAs are conducted for the group every 3 to 4 years, and provides strategic guidance and oversight of the implementation of the ethics management plan, which is developed to address the outcomes of these assessments.

GTSEC receives reports from the Group Ethics Office covering the state of ethics and human rights in the business. This report includes an overview of key trends and regulatory developments in relation to ethics and human rights, information on whistleblowing and ethics investigations, updates on ethics and human rights management across the group, and other ethics and human rights risk indicators from across the group. The report received from GTSEC recognises that being ethical goes beyond legal and regulatory compliance. It monitors all ethical requirements in terms of the Companies Act, Banks Act, regulations, supervisory requirements as well as all other requirements in terms of the Nedbank Code of Ethics and Conduct (including compliance by directors and employees with the group's Code of Ethics and Conduct) and related policies. In addition to this the Group Chief Compliance Officer attends quarterly meetings with the Chairperson to provide an update on the group's performance in relation to ethics and human rights.

 Please refer to the Ethics Review chapter for more detail.

Disclosure of our application of King IV principles continued

Responsible corporate citizen

Status:
Aligned

Principle 3 – The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

Corporate citizenship is the recognition that an organisation is an integral part of society with concomitant rights, responsibilities and obligations towards it. Corporate citizenship is imbued within our vision of being Africa's most admired financial services provider and is crystallised in our purpose to use our financial expertise to do good. Our strategy is therefore purpose-led, is values-based and takes into account the needs and expectations of the societies in which we operate and our stakeholders. We have a responsibility to contribute positively towards the social, economic and environmental development of the societies in which we operate. The teams driving our sustainability and social responsibility strategy and processes through the organisation include the Group Ethics Office; Sustainability; HR (Learning and Development, Remuneration, and Transformation); Occupational Health and Safety; Group Financial Crime, Forensics and Security (GFCFS); Group Tax and the Nedbank Foundation.

Society

- The board, through its various committees, provides strategic guidance on matters that relate to Nedbank's impact on the wellbeing of society. From a human rights perspective we report through our bi-annual assessment of the state of ethics and human rights and we undertake an annual review of the Group Human Rights Statement and the Modern Slavery Act Statement. Implementation of our human rights plan will continue during 2024 with a risk-based approach, considering the outcomes of the human rights assessment.
- There are further arrangements in place for familiarising stakeholders (including suppliers) with the organisation's

ethical standards and ensuring accountability with regard to these standards. Social and environmental risk is one of the risks that Nedbank actively monitors. Whether strategic or operational in nature, it is viewed as seriously as all other risks to which our business is exposed.

- The board, through its committees, provides direction in relation to the management of human rights risk as part of our commitment to conducting business ethically and responsibly. The Group Human Rights Statement and the Modern Slavery Act Statement set out our commitments and further outline steps that we have taken to ensure that human rights are monitored, respected and upheld. Our clients in high-impact sectors are assessed on social impact, including human rights, through a social and environmental assessment. This assessment will be updated in 2024 to include more detailed declarations from stakeholders to enable comprehensive reporting and effective decision-making. Sign-off on social and environmental risks (which includes human rights in business aspects) is a prerequisite for a credit committee considering a credit application. The board has also delegated responsibility for the management of human rights to several key functions across the organisation, and the Group Ethics Office serves as the central function for the oversight and coordination of human rights considerations across the group.

Economy

- As a responsible corporate citizen, Nedbank adheres to corporate tax requirements and the board is ultimately accountable for determining the group's tax philosophy and approach and, together with the GAC, providing oversight of the group's tax practices and affairs.
- Our tax strategy supports our above-mentioned vision and purpose. We are committed to being a responsible taxpayer that pays its fair share of tax within industry norms, acting with integrity when engaging with revenue authorities to support positive and sustainable relationships and for the purposes of obtaining certainty of our tax positions.

Environment

- In consultation with social, environmental and climate risk experts and various stakeholder groups such as government departments, non-governmental organisations (NGOs) and other relevant institutions, we have developed a suite of precautionary risk management, mitigation, legislative compliance monitoring and global best practice aligned reporting tools that creates awareness with clients of statutory requirements related to their operations, protect shareholder and stakeholder interests, and ensure the protection of communities and the environment. These tools focus on high-impact industries, including agriculture, mining, oil, gas, construction, water infrastructure, manufacturing and waste management. Our approach in this regard is further explained in our Climate Report in the Risk Chapter.
- Climate change is the single largest threat we are facing as a society. Its impacts are far-reaching. As part of our journey as a purpose-led business, we are committed to playing a leading role in addressing climate change in ways that are sensitive to the local socioeconomic context and climate vulnerability. We will continue to take steps to identify, manage and mitigate climate-related risks in our business through the implementation of our Climate Risk Management Framework. These risks are reported in the Climate Report. Working with stakeholders and clients, we will unlock climate-related opportunities, which we will harness to deliver value for our stakeholders.

Disclosure of our application of King IV principles continued

Strategy and performance

Status:
Aligned

Principle 4 – The governing body should appreciate that the organisation’s core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The setting of strategic direction and support of holistic operational performance are the primary responsibilities of the Nedbank Group Board. The strategy development process identifies relevant factors across the operating context, risks, opportunities, financial performance, business model relevance and sustainable development matters, which are considered in terms of the group’s purpose, vision, targets, medium- and long-term goals, and underlying corporate values for annual board approval.

The board delegates the formulation and management of strategy and execution to management. The board-approved Strategy Risk Principles Policy addresses the risk principles to be considered in the development of strategy. The policy is considered and approved by the DAC and by the Nedbank Group Board through the annual review of the Nedbank Group ERMF.

The board ensures that a robust strategy process is defined and executed. The strategy planning timetable entails detailed business planning at business unit and

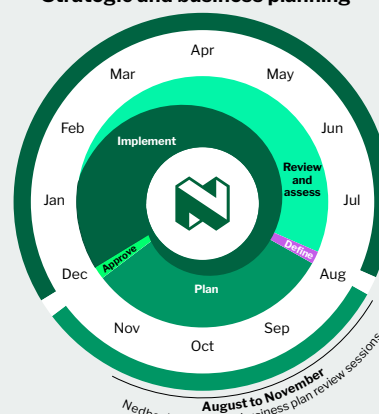
Group Exco level, and a strategy review by the board, culminating in final approval of the strategy framework by the board in August and the final approval of the group business plan in November (by both the Group Exco and the board). Nedbank has a rolling 3-year planning window that is focused on value creation and underpinned by strategic choices and goals that consider the economy, society and environment, as well as broader operating context. Management initiates the strategy review and business planning process in January with Group Exco.

The major macro trends in our operating environment are identified by analysing political, macroeconomic, social, competitive, technological, regulatory and environmental drivers. The effect of these trends on our client base and strategic objectives is assessed. Continued engagement with material internal and external stakeholders takes place and their needs and expectations are considered. Stakeholders include employees, clients, shareholders, regulators and communities. This process assists in highlighting whether any changes are required to any of Nedbank’s material matters – ie the issues that have the most impact on our ability to create value, with both opportunities and risks looked at.

These material matters are continually assessed through regular environmental-scanning efforts to ensure that the strategy remains contextually relevant.

Risks and opportunities arising from the material matters are identified and their impact on the short-, medium- and long-term strategies is assessed. The material matters are also considered in the context of Nedbank’s purpose, vision, targets and long-term goals. The outcome of this analysis assists in assessing the appropriateness of the current strategy and further informs any new strategic focus areas for the business planning window, which spans the following 3 years. This continual scanning and review process ensures that we are staying close to changes in the operating environment, enabling us to proactively review our strategic choices should there be significant changes in the material matters.

Strategic and business planning



Reporting

Status:
Aligned

Principle 5 – The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance and its short-, medium- and long-term prospects.

Nedbank Group incorporates integrated thinking in its strategy, decision-making, operations and reporting. The mandate of the GAC remains effective in its review of the suitability of information made available to stakeholders for them to extract the relevant value from such information.

Information related to the required disclosures appears in the group’s financial reporting, annual Integrated Report, as well as its suite of ESG reports. This includes information on financial and non-financial performance, the group’s purpose, vision and strategy; short-, medium- and long-term targets; as well as stakeholder and ESG-related matters in relation to the group’s ability to create value. These disclosures are available at nedbankgroup.co.za.

The company’s performance, financial and non-financial, is disclosed semiannually in the group’s results announcements, and annually in its financial statements, as well as the group’s Integrated Report and supplementary reports.

Our annual financial statements are assured by our joint external auditors, being Ernst & Young Inc (EY) and Deloitte & Touche (Deloitte). Limited assurance on selected sustainability information is provided by Deloitte, and Mosela Rating Agency provides limited assurance on our application of the Amended Financial Sector Code (FSC), which is verified against the group’s broad-based black economic empowerment status.

Disclosure of our application of King IV principles continued

Primary role and responsibilities of the governing body

Status:
Aligned

Principle 6 – The governing body should serve as the focal point and custodian of corporate governance in the organisation.

The board has ultimate accountability and responsibility for the performance and affairs of the company, including good-governance practices and principles.

The board aligns with the King IV objective in terms of its oversight functions and monitoring, as well as the roles and responsibilities set out in the respective charters.

All board and board committee charters are reviewed annually to ensure that they are appropriately aligned with the principles and practices of King IV and to any changes that may be required to the board committees' areas of responsibility.

Composition of the governing body

Status:
Aligned

Principle 7 – The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The board, through the DAC, reviews its composition on an ongoing basis. The reviews are done based on the criteria set out in the policy on the nomination and appointment of directors, which includes the board continuity programme. This policy deals with, among other things, the requirements for skills, experience, diversity, conflicts of interest and independence.

With regard to directors' reaching the end of their tenure or retirement age, board continuity is ensured through active succession planning. The qualifications of directors and their experience in specific industries are further scrutinised for applicability. Annual board reviews are conducted, alternating between independent evaluations and internal evaluations, to ensure that the board composition is aligned with best practice and governance codes.

The board composition is aligned with the requirements of King IV regarding the number of executive versus non-executive and independent directors. In this regard, 77% of the board is made up of non-executive directors (of which 69% are independent non-executive directors) and 23% executive directors. The skills, experience and tenure of boardmembers are monitored continuously.



Please refer to page 10 for more information.

Committees of the governing body

Status:
Aligned

Principle 8 – The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

The board of directors has the ultimate responsibility for the group's business strategy, financial soundness, governance, risk management and compliance and has allocated oversight of risk governance to GRCMC. This includes, among other things, the overall effectiveness of the process relating to corporate governance, internal controls, risk management, capital management and capital adequacy.

The board provides leadership to the group that enhances shareholder value and provides entrepreneurial vision within a framework of prudent and effective controls to ensure long-term sustainable development and growth. The board has established the following committees to assist the board in overseeing the management of the group: GAC, DAC, Remco, GCC, LEAC, GTSEC, GITCO, GCRC and GRCMC. By conducting annual effectiveness assessments (alternating between independent and internal evaluations), we aim to ensure that board structures are effective.

The ERMF specifically allocates the 17 key risks (which individually also include various significant subrisks) across various board committees, executive management committees at group executive level and governance within business clusters, and individual functions, roles and responsibilities. Risk management frameworks (for all significant risk types) are in place enterprisewide. Statutory board committees (as required by, among others, the Banks Act and Companies Act) and their roles of oversight and monitoring are catered for.

Accountability is delegated through committee terms of reference for the respective committees and effectiveness of the committees is measured regularly. The terms of reference are available at nedbankgroup.co.za.

Delegation of responsibilities and mandates to individuals and/or ad hoc committees are managed through a formal delegation-of-authority process and accompanying board resolutions.



Please refer to page 19 for more information regarding board committees.

Disclosure of our application of King IV principles continued

Evaluations of the performance of the governing body

Status:
Aligned

Principle 9 – The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members support continued improvement in its performance and effectiveness.

Evaluations of the Nedbank Group Board and board committees alternate annually between independent evaluations and internal evaluations. The evaluation questionnaires are developed to support continued improvement. In 2023 The Board Practice undertook independent evaluations that involved questionnaires, interviews with boardmembers and a 360-degree peer review. The independent evaluation covered the Nedbank Group Board, board committees, the Chairperson and the Company Secretary. All boardmembers participated in the evaluations.



Please refer to page 17 for more information regarding the evaluations.

Appointment and delegation to management

Status:
Aligned

Principle 10 – The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

Nedbank adheres to sound practices in respect of board continuity succession planning, board delegation processes and annual CE performance evaluation. Board structures undergo annual review for effectiveness, alternating between independent and internal board evaluations. Additionally, the Group Exco determines charters and Group Exco subcommittee and forum charters undergo annual review to ensure they remain fit for purpose.

Risk governance

Status:
Aligned

Principle 11 – The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The board is ultimately responsible for all risks in the group and the setting of risk appetite.

The board has delegated its risk governance responsibility to GRMC, which has the responsibility to provide independent oversight of the adequacy and effectiveness of the group's ERMF. The ERMF has been developed, in accordance with the Requirements of Basel Committee on Banking Supervision (BCBS), the South African Banks Act and the Regulations relating to Banks, the King IV Report on Corporate Governance (South Africa), and the 3 lines of defence (3LoD) international concept. The GRMC meets at least quarterly, receives reports from management and requests thematic deep dives by management.

The ERMF enables the group to identify, measure, manage, price and control risks and risk appetite, and to relate these to capital requirements to assist in ensuring capital adequacy and sustainability. The ERMF thus promotes sound business behaviour by linking capital adequacy and sustainability with performance measurement and remuneration practices. The fully embedded ERMF covers the group's risk universe and major risk classifications, with board and executive responsibility assigned to each. The risk universe has been allocated to the respective board committees.

The ERMF provides a solid and well-established, tried and tested framework for governance and the management of risk and compliance throughout the

group. In addition to providing a foundation, the ERMF demonstrates a simple, yet effective, system covering all lines of defence to ensure that governance, risk and compliance matters are properly dealt with at all levels and that significant matters are timeously and effectively escalated to the appropriate levels of authority. The ERMF also provides for a good flow of information between the lines of defence. The Three-lines-of-defence (3LoD) Model sets out and positions the 3 lines of defence across the group.

The group's sound risk governance and risk management are underpinned by the 3LoD Model, based on 'function' rather than 'location' in the organisation.

The 3LoD Model forms an important part of the ERMF, which provides the structure in which the group operates. If risks taken are not managed and controlled effectively, it can prevent the group from achieving its strategic objectives. The roles and responsibilities of the 3LoD Model provides a structure to consider risk and control to ensure that they are appropriate and managed effectively. The 3LoD Model provides guidance as to the appropriate organisational structure to be implemented, assigning roles and responsibilities to parties that will increase the effective management of risk and controls.

As part of TOM 2.0 in the risk function, Group Risk is refreshing the ERMF to ensure that Nedbank has digitally enabled, efficient and effective risk management that adapts to evolving internal and external stakeholder needs and client experience.

The Group Operating Manual caters for risk management and governance at the level of operating subsidiaries.

Disclosure of our application of King IV principles continued

Technology and information governance

Status:
Aligned**Principle 12 – The governing body should govern technology and information in a way that supports the organisation's setting and achieving its strategic objectives.**

There are various forums at board and Group Exco levels for the governance and management of technology and information.

Nedbank has a well-established governance structure with a tiered lines-of-defence model and oversight accountability designated to 2 board committees, GITCO and GRCMC.

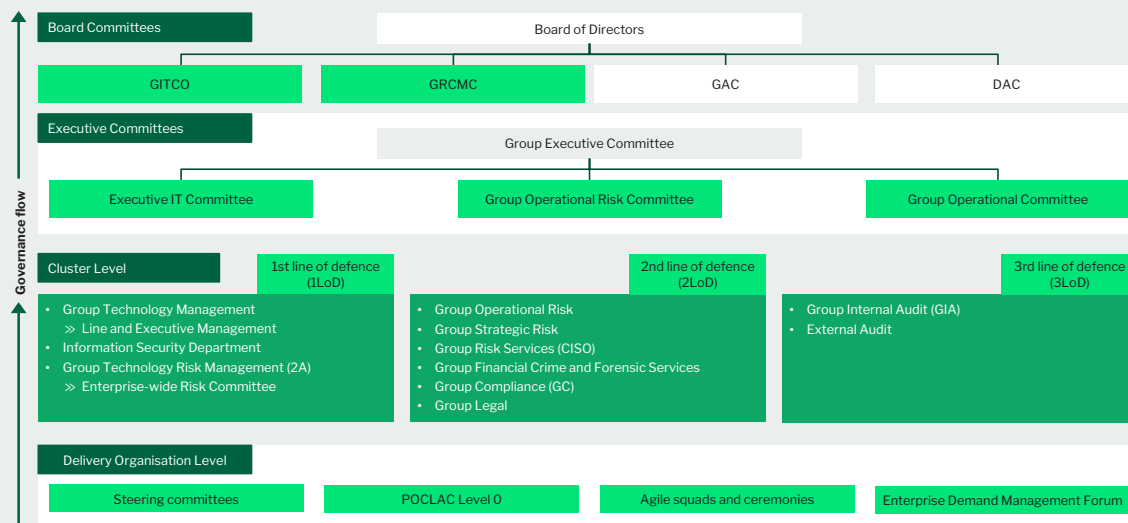
Frameworks, charters, committee structures and policies are in place to protect stakeholders, ensure value and mitigate the risks in delivering our plan, including appropriate prioritisation.

The GITCO and the Executive IT Committee (EITCO) are responsible for discharging the governance of technology and information in the organisation.

GITCO has the responsibility to ensure the effectiveness and efficiency of information systems from a risk and strategic-alignment perspective, as well as to monitor the adequacy, efficiency and effectiveness of all the group's

systems relevant to information technology, both operational (as reviewed and monitored by EITCO) and strategic (as reviewed and monitored by GITCO), in as much as these may impact the business strategy, financial performance, risk profile and information technology strategy of the group. The committee receives reports from management and meets quarterly.

The GRCMC is responsible for discharging the governance of risk and capital management in the organisation, and inherent in its scope is the oversight of IT risk and ensuring appropriate capital levels to support the group's IT strategy.



Compliance governance

Status:
Aligned**Principle 13 – The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.**

Nedbank is committed to the preservation of its reputation, financial soundness, and integrity through compliance with applicable regulatory requirements (including acts, rules, directives and codes made and maintained by authorities such as parliament, regulators, supervisory bodies and organs of state that Nedbank Group and its subsidiaries must by law comply with, as well as industry rules, codes and practices to which the Nedbank Group voluntarily adheres).

The board is ultimately accountable for compliance risk, which is one of the 17 risk types identified in the ERMF. Compliance is a material risk for the group and the board is responsible for reviewing the adequacy of group systems of governance, risk, compliance risk and compliance controls that are implemented to ensure that the group complies with regulatory requirements. The board sets the compliance risk appetite, which states that 'the group ensures that appropriate controls are in place to comply with regulatory requirements and has no appetite for material non-compliance with regulatory requirements'.

The board delegates its governance responsibility for compliance to the

DAC. The DAC ensures that the group has an independent and effective compliance function headed by the Group Chief Compliance Officer (GCCO), who reports directly to the CE. The GCCO is responsible for the facilitation, coordination and independent monitoring of compliance risk within the group. The GCCO reports to the DAC on the level of compliance risk, compliance issues and their resolution, and provides an overview of the regulatory environment and appropriate responses to changes and developments, emerging trends, engagements and relationships with regulators. The GCCO is invited to attend board and committee meetings and has the authority and access necessary to communicate directly and freely with the Chairperson, boardmembers, all layers of management, and internal and external auditors about compliance-risk-related matters.

The compliance function is responsible for creating and nurturing a healthy compliance culture, raising awareness of compliance risk and encouraging recognition of the value of managing compliance risk in the business. Leadership and management reinforce this message by communicating and modelling behaviours that support a culture of compliance. The compliance function measures the perceptions of general employees of the compliance culture of Nedbank.

Group Internal Audit undertakes independent reviews of the compliance function and the Compliance Risk Management Framework.

Disclosure of our application of King IV principles continued

Remuneration governance

Status:
Aligned

Principle 14 – The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The authority for remuneration is set out on page 73 of this report. Group Remco is responsible for remuneration governance, and its groupwide responsibilities are fully set out in the board-approved charter, which is available at nedbankgroup.co.za. The committee applies the principles of the Remuneration Policy but retains the right to apply discretion to deviate from this policy in exceptional circumstances and with full disclosure after circumstances.

The committee ensures that it remains knowledgeable about the changing remuneration regulatory environment, both locally and globally, and is supported by regular updates from the Group Reward Team and external advisers. This has enabled the committee to ensure full compliance with the regulatory requirements outlined in our Remuneration Policy. The committee also had full access to independent remuneration consultants Vasdex Associates during 2023.

Assurance

Status:
Aligned

Principle 15 – The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The board has delegated its governance responsibility in respect of assurances to the GAC on an ongoing basis. The GAC evaluates the effectiveness of the Combined Assurance Model. GAC considers whether the extent of reliance placed on Internal Audit by the external auditors is appropriate and whether no significant gaps in audit assurance exist between Internal Audit and External Audit. The GAC meets at least quarterly and receives regular reporting from each of the following functions: management, internal audit and external audit.

The board governs Group Exco by giving it direction on how it should ensure that assurance services and functions enable an effective control environment and support the integrity of information for internal decision-making and of Nedbank's external reporting purposes. Key elements are the following:

Nedbank Group's Code of Ethics and Conduct is communicated and must be acknowledged by all employees (permanent and fixed-term) annually. Employees are required to adhere to the code and other ethics-related policies. Awareness and implementation are supported by ongoing ethics awareness and training campaigns.

Nedbank Group's GAC Charter is reviewed annually and stipulates the oversight responsibilities of the committee, such as internal audit, external audit and coordinated assurance.

Nedbank Group Internal Audit (GIA) is governed by the GIA Charter which is reviewed and approved annually, and stipulates the mandate, authority, roles and responsibilities of the function. It also clearly indicates the functional and operational reporting line of the Chief Internal Auditor to ensure the independence and objectivity of the function.

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GIA follows a risk-based approach in defining the Annual Audit Plan which is approved by the GAC annually. The plan also includes whether GIA has sufficient expertise and resources to execute the approved plan. The plan is refreshed quarterly to consider any changes

to the risk landscape and these changes are submitted to the GAC for approval.

Nedbank GIA also undertakes periodic independent assessments every three years to assess conformance with the Institute of Internal Auditors Standards and to ensure a best-in-class service is provided to the Group.

Nedbank's Whistleblowing Policy enables internal and external stakeholders to inform the bank of matters of concern about duty, integrity and disclosure that may require internal investigation. Nedbank adopts a practical approach to coordinated assurance by incorporating, integrating, and optimising the assurance activities of risk, audit, compliance, business and central functions. This enables an effective internal control environment across the group, with assurance focused on critical risk exposures, supporting the integrity of information used in internal decision-making (to governance forums), the letters of representation (LoR) process in line with Regulation 39 of the Banks' Act and reporting to external stakeholders.

The CA Forum is where CA plans are shared, discussed, and challenged, and it provides a platform for enhanced assurance planning, information exchange and collaboration, ensuring an optimal level of governance and oversight of the organisation's risk and internal control environment. A CA plan for 2024 has been developed with prioritised CA themes to ensure that the evolving risk environment is considered.

Disclosure of our application of King IV principles continued

Stakeholders

Status:
Aligned

Principle 16 – In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

Stakeholder engagement at Nedbank is overseen by the GTSEC and material engagements are reported to the board annually through the Stakeholder Engagement Report (extracts of which are contained in this Governance Report).

The Group Stakeholder Relations and Public Affairs (GSRPA) Team compiles an annual report to the GTSEC incorporating input from the Group Exco and the Nedbank Stakeholder Relations Forum (NSRF), which consists of representatives from all clusters across the Nedbank enterprise.

The process of engaging with our stakeholders is decentralised and forms part of the operations of our various clusters and business areas. This means that interactions with stakeholders, both formal and informal, are conducted by the

functions directly aligned with the stakeholder group, on an ongoing basis.

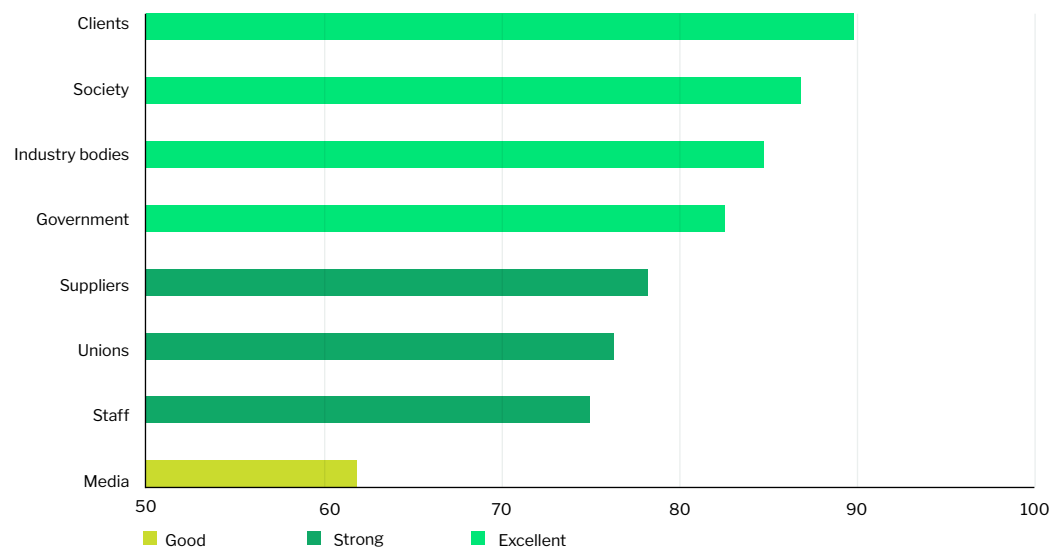
Stakeholder engagement is governed by the comprehensive Stakeholder Engagement Policy, which is available at nedbankgroup.co.za. The policy is reviewed and approved annually by GTSEC.

Key stakeholder engagement focus areas for 2023 included external stakeholder relationship-building; enabling dialogue sessions on issues of global, national and regional importance; and ensuring effective communication to ensure shared understanding.

Annually, GSRPA facilitates a stakeholder independent relationship survey that measures overall satisfaction and attitudes towards the relationships held. Further, the survey identifies engagement preferences and areas of improvement. The quality of our stakeholder relationships was once again measured in 2023.

A sample of stakeholders from 8 stakeholder categories were surveyed, with both the internal (Nedbank employees) and external stakeholders of the relationship being required to participate. Alongside is the overall stakeholder satisfaction score.

Group Stakeholder Relations and Public Affairs survey results
(score out of 100)



The above chart provides an overall snapshot of which relationships tend to be stronger and which weaker. The emerging picture is very positive overall. All relationships lie in the 'good or better' range, ie 60 and above. Half the categories emerged in the 'excellent' range.

The media's score falls within the 'good to better' range (50–70). Although this score may seem low compared to others, it is important to remember that each relationship is unique, with its own context, history, and circumstances. As such, the ranking chart should not be used to compare different stakeholder categories or to evaluate the performance of those managing these relationships. For instance, if the media relationship score was in the 'strong to exceeding' range, it could indicate a lack of media accountability. This could lead to questions about whether the media is truly playing its watchdog role or if Nedbank has an undue influence. The current rating underscores the reason why Nedbank has its own corporate communication unit that supports specific enterprise messaging.

Disclosure of our application of King IV principles continued

Responsibilities of institutional investors

Status:
Aligned

Principle 17 – The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote good governance and creation of value by the companies in which it invests.

Nedgroup Investments, the main investment business unit, follows responsible-investment guidelines, which are published on its website. As Nedbank is a signatory, the guidelines are based on key elements of the UN PRI as well as Crisa in the South African context. Nedgroup Investments has also published proxy voting and responsible-investing guidelines that inform the proxy voting across its suite of geographies and funds. In 2023 Nedgroup Investments published its third Responsible Investment Report, which provides an overview of the current landscape in SA and across the globe. The report also highlights key ESG-related corporate engagements that have occurred on behalf of client assets, as well as key data points on how the asset management business is progressing regarding diversity, equity, and inclusion (DEI), and BBBEE. The report also provides insight into how the Nedgroup Investments Sustainable Portfolios are aligned with the UNSDGs and global trends in areas such as clean energy. The report also provides an update on Nedgroup Investments' corporate social investment (CSI) and supported initiatives. Operationally and from

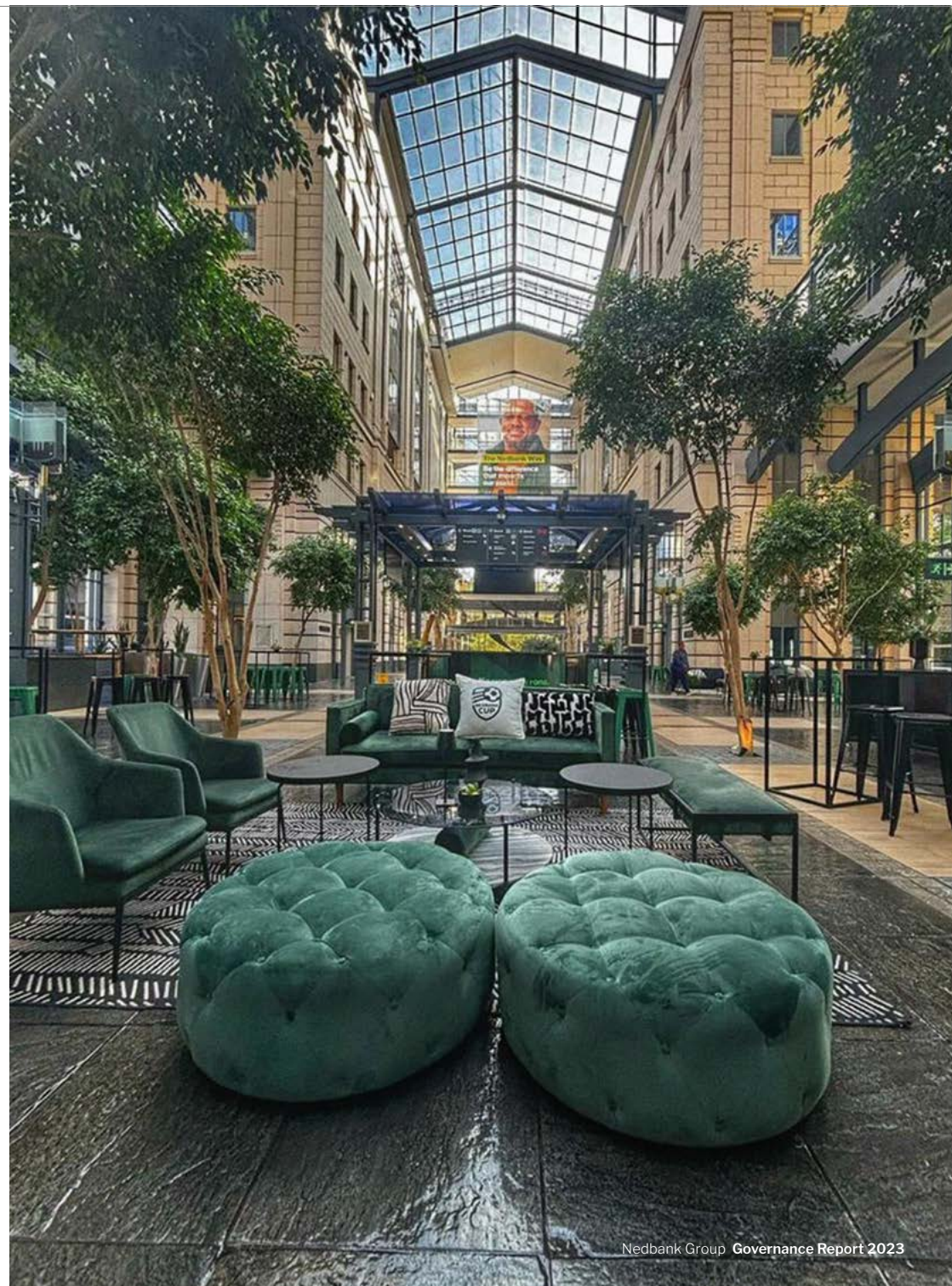
a governance perspective, the Nedbank Wealth Responsible Investment Committee performs an oversight function and ensures that responsible investment is aligned and championed across the business. The in-house investment team in NPW actively incorporate ESG factors into its investment process. The team makes use of proprietary and external research in its assessment and application of ESG issues.

In line with responsible stewardship, there are regular engagements with the management of investee companies and all proxy votes are exercised.

External fund managers employed by Nedbank are engaged annually on their incorporation of ESG factors and responsible stewardship through a survey and meetings. Responsible Investment is now considered a cornerstone of our asset management due-diligence process.

All the proxy voting results for these funds are consolidated and published on the Nedgroup Investments website. Nedbank Wealth and Nedgroup Investments' responsible-investment guidelines are available on the website, along with the proxy voting results.

The Responsible Investment Standard, approved by the board, applies to all business units involved in investment practices across the group and, as such, is embraced by Nedbank Group and its subsidiaries.



Ethics

Governance of ethics

Nedbank's Ethics Governance Framework is premised on and closely aligned with that proposed by The Ethics Institute of Southern Africa, and involves 4 key dimensions: leadership commitment, governance structures, ethics management and independent assessment and external reporting.

Driving the correct tone at the top

Leadership commitment is essential in building and maintaining an ethical culture. At Nedbank, ethics is governed in a way that starts with the correct 'tone at the top'. The Nedbank Board sets the tone and leads the Group ethically, effectively and responsibly within acceptable risk parameters. This is aligned with the King IV principle that 'the governing body should lead ethically and effectively' and formally constitutes one of the 'board corporate governance objectives' against which the board is measured annually.



In support of instilling an ethical culture, the Group has put several mechanisms in place, including but not limited to:

- **Directors' disclosure** of interests and '**fit and proper**' questionnaires that are completed annually.
- **A Board Ethics Statement** that all board members must sign annually. The statement sets out the expectations and commitments undertaken by every board member.

Nedbank Group Board Ethics Statement, October 2023

'As the Nedbank Group Board of Directors, we are committed to the highest ethical standards and we conduct our business honestly, scrupulously and with integrity. We will provide ethical, effective and responsible leadership, and we will act with independence and diligence in making decisions.

At the core of our Code of Ethics and Conduct is our purpose "to use our financial expertise to do good for individuals, families, businesses and society" and our values of integrity, accountability, respect, people-centeredness, and being client-obsessed. We use these to guide and direct the way we do business. We know that business depends on trust, which is why we do all we can to earn it and strive to do nothing to impair it. We will set an example knowing that what we do, and refrain from doing, is as important as what we say. As a catalyst for growth and an unstoppable force for good, we are committed to nation-building and contributing to a more transformed South Africa, and we will go beyond mere compliance to promote authentic organisational transformation. We will respect the rights of our employees and support their wellbeing.' – Extract

Our ethical commitment extends to our clients, our shareholders, the society in which we operate, and even our competitors, government and regulators.

Periodical upskilling on ethics, governance and risk through training and information sessions. The Ethics Office and business ethics initiatives have reached 7 581 employees and 43 suppliers via in-person, branch channel and online training sessions held during 2023. Biannual attestations by relevant group, cluster and subsidiary executives (through our **Letter of Representation** process).

Our Ethics Governance Structures

Nedbank has implemented a comprehensive governance structure for ethics and human rights, which, among others, gives effect to the responsibilities of the board in relation to ethics as outlined in the King IV Code. While the Nedbank Board remains collectively responsible for leading the organisation effectively and ethically, the ethics-related governance functions exist across various board and executive committees.

At board level, the primary responsibility for oversight has been delegated to the **Group Transformation, Social and Ethics Committee (GTSEC)**, while the responsibility for oversight at executive management level primarily rests with the **Transformation and Human Resources Committee (TRAHRCO)**.

Group Transformation, Social and Ethics Committee

The ethics role includes oversight and reporting on organisational ethics, responsible corporate citizenship, social and economic development, labour and employment and stakeholder relationships. The GTSEC also monitors Nedbank's activities in respect of the United Nations Global Compact (UNGC) and the Organisation for Economic Cooperation and Development (OECD) recommendations regarding corruption and the OECD Guidelines on Multinational Enterprises.

Transformation and Human Resources Committee

The TRAHRCO oversees people management policies and practices, as well as Nedbank's transformation agenda. In doing so, TRAHRCO also reviews, approves and recommends the approval and adoption of policies and practices relating to HR, social, ethics, transformation, integrated sustainability and human rights. TRAHRCO reviews the Ethics Office results regarding complaints/investigations; gifts and entertainment statistics; outside interests held by Nedbank employees; policy attestation; and training and awareness.

Our approach to managing ethics

How we embed ethics at Nedbank

Ethics is comprehensively managed and embedded through various structures and processes. These include the following:

- Dedicated Ethics Office.
- Board Ethics Statement.
- Employee Ethics Pledge (new).
- Ethics codes, policies and frameworks.
- 'Personal integrity management' checks during recruitment are pre-screening checks that determine, to an extent the integrity and suitability of prospective employees. Existing employees undergo these checks at any time when transferring to another position in the group and general checks across the board are done to ensure the continued integrity/suitability of employees to conduct their duties in an appropriate manner.
- Remuneration policy to ensure fair and responsible remuneration and the Framework for Making Fair Performance and Pay Decisions.
- Biannual declarations by group, cluster and subsidiary executives on corporate governance and internal processes.
- Employee and supplier training and awareness-raising activities.
- Supplier due diligences and the participation of the Ethics Office in high risk/high-value tenders.
- Anonymous (external) and confidential internal channels for reporting unethical behaviour.
- Quarterly meetings between the Group Chief Compliance Officer and the Chairperson of the Board on the state of ethics and human rights.
- Inclusion of a leadership, values and culture (LVC) goal into the performance appraisal criteria for group, cluster and divisional executives, as well as for management committee members.
- Ensuring fair and consistent consequence management through our Grievance Policy and Procedure and the Disciplinary Code.

Dedicated Ethics Office

Various functions across Nedbank play a role in ethics management and have responsibilities towards creating and maintaining a strong ethical culture. The primary responsibility for ethics management, oversight and coordination rests with our Group Ethics Office. The Ethics Office falls under GC and is overseen by the Group Chief Compliance Officer (GCCO). This means that the Ethics Office, through the GCCO, has direct and independent access to the Nedbank CE, its board, and its chairman.

The Ethics Office is the custodian of the Nedbank Employee Code of Ethics and Conduct and is responsible for developing and coordinating the group's ethics and human rights management strategies and plans. Its functions deter non-compliance and reduce exposure to unethical behaviour in all aspects of business includes tools and initiatives such as:

- Ensuring that the values of the group are embedded in the risk governance structures across functions and businesses.
- Running the helpdesk to provide independent and objective advice and support to employees and business functions on ethics and human rights-related matters.
- Conducting ethics investigations. The Ethics Office is mandated to conduct all investigations across the group (including within our subsidiaries and foreign offices) into all allegations of harassment (including sexual harassment), unfair discrimination, assault, human-rights infringements as own operations as well in suppliers and clients' operations, nepotism and cronyism, conflicts of interest not related to financial crime or dishonesty, and other forms of breach of values as outline in our Code.
- Training and awareness on ethics and human rights for employees and suppliers.
- Acting as independent tender observer in high-risk and high-value supplier tenders (>R10 million in value or high risk). During these tenders, all participating vendors must also complete an Ethics Responsibility Index, which is assessed by the Ethics Office for consideration in the awarding of the tender. Assessment is based on the governance of ethics, corporate governance and human rights in their respective businesses.
- Monitoring as arranged through the Coordinated Assurance Forum, including GIA, External Audit, Compliance Management and Risk Management and reporting on the state of ethics and human rights.
- Facilitating independent ERAs conducted by The Ethics Institute every 3 to 4 years, which started in 2023 with a human rights assessment performed internally by the Ethics Office.
- Contributing to the United Nations Global Compact by submitting the Communication of Progress on our state of ethics and human rights annually.
- Participating in global benchmarking initiatives such as those conducted by Bank Track (non-profit organisation).

Other group initiatives to deter non-compliance and unethical behaviour

- During 2023 the bank implemented 'The Nedbank Way' based on the desired values and behaviours from employees and a set of recognition badges were put in place to positively impact employees who adhere to these standards of behaviour. These are: Put purpose into practice, Client obsession, Play to win, Learn to grow, Different is good, Do the right thing and do things right, Stronger together and Human-centred leadership.
- As our purpose and strategy rest on the foundation of ethics and values, these are embedded in all due diligence processes, new product approval processes, as well the Risk Management and Internal Controls Letter of Representation process.

Our ethics codes, policies, frameworks and statements

We expect all of our employees to conduct themselves in line with our values, over and above complying with applicable laws and regulations. To this end, we have various ethics-related codes, policies, frameworks and statements that, ultimately, aim to ensure that our employees always do the right thing, and that ethics remains a central component of our business.

The Ethics Office is the owner and custodian of 6 of our core ethics policies, which include the Employee Code of Ethics and Conduct; the Ethics Governance Framework; the Gifts Policy; the Outside Interest and Conflict of Interest Policy; Policy on Ethics in Digital Technology and Artificial Intelligence; and the Personal Account Trading Policy. The Ethics Office further provides input into other ethics-related codes and policies, including the Supplier Code of Ethics and Conduct and the Whistleblowing Policy.

Our approach to managing ethics continued

Our approach to managing conflicts of interest

We aim to **proactively manage actual, potential and perceived conflicts of interest**. Three policies are in place to serve as guideline and controls to the management of outside interests: the Policy on Outside Interest and Conflicts of Interest, Policy on Conflicts of Interest for Directors and Executive Management, and the Conflicts of Interest Confidential Information and Information Barrier Policy. In considering the socio-economic realities together with the rising trend of 'side-hustles', employees are allowed to hold outside business interests. But before doing so, they must complete a declaration on our online declaration system and obtain prior approval. Our Conflict of Interest and Outside Interest Policy sets out in detail what must be declared; the level of approval required per type of outside interest; activities that do not have to be declared; as well as practical guidelines to assist in identifying conflicts of interest.

Special approval from the Cluster Executive and Group Exco is required for certain types of outside interests, including interests held in SOEs and public listed companies (or in entities owned or controlled by such entities); as well as leadership positions in political parties and holding public office.



Our approach to the giving and receiving of gifts

We believe in conducting business in an ethical and responsible manner that does not give rise to undue influence and does not jeopardise our reputation and the trust of our stakeholders. Our Gifts Policy sets out strict rules around the giving and receiving of gifts to or from clients, suppliers, and other third parties, and our gift and gratuity philosophy emphasises the fact that receiving gifts is not a benefit or perk of employment and is subject to conditions and restrictions.

Employees must declare all gifts given or received irrespective of the value and must obtain approval for gifts over a certain threshold or involving certain defined stakeholders. Stricter rules for approval apply to gifts given and received to and from suppliers, SOEs, organs of state and public officials.

Our rules about the giving or receiving of gifts take into consideration the provisions of the Prevention and Combating of Corrupt Activities Act, 12 of 2004, and the UK Bribery Act, 2010.

The following gifts are prohibited:

- Cash, cash equivalents (including cryptocurrency and Kruger coins), and gift vouchers that can be exchanged for cash.
- Travel or accommodation for leisure (whether in whole or in part).
- Gifts to current external auditors (including representatives of their firms and immediate family members).
- Gifts to or from any third party and intermediary whose business involves introducing clients or referring clients to us.
- Gifts to or from any third party acting as an agent of a client.
- Any gifts to or from political parties.

The Ethics Office frequently conducts monitoring exercises to identify and/or prevent potential breaches, which include the possibility of giving/accepting bribes as clarified in this policy and the Fraud and Corrupt Activities Policy.

Some of our core ethical principles as contained in our Code of Ethics and Conduct and our other policies include the following:

- Commitment to respect and uphold **human rights**.
- We prohibit **political influence/lobbying, donations and sponsorships**, and any employee who wishes to hold public office or a leadership position in a political party must obtain express consent from our Group Executive Committee.
- **During 2023 no political donations or sponsorships were given.**
- We are committed to upholding and driving a **fair and competitive marketplace**.
- **We promote diversity, equity and inclusion and a safe and healthy work environment:** We strive to create a culture of equality, inclusion and belonging, because in our world, different is good. We do not tolerate any form of harassment, violence, or unfair discrimination and expect all our employees to act in a way that embraces and accommodates the differences or unique characteristics of our stakeholders.
- We do not tolerate **dishonest conduct** or the concealment of dishonest conduct, and we will not be associated with or facilitate **tax evasion** in any way.
- We are committed to being transparent and cooperative with **government and regulators** and will never attempt to improperly influence a decision made by a government official or any public or private sector employee.
- We consistently promote a **Speak Up culture**, and an environment that is free from any form of retaliation.

Our approach to managing ethics continued

Harassment Management

Nedbank does not tolerate harassment in any form, including sexual harassment and any form of violent conduct or threat of such conduct, whether perpetrated by or against employees, clients or suppliers, or any other person that deals with the group or its employees. Following the release of the new Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace (in March 2022), **the bank launched a new procedure for the reporting, management and resolution of harassment complaints.**

The procedure sets out extensive guidelines to employees and includes both informal and formal mechanisms. All complaints relating to harassment must be referred to the Ethics Office to ensure consistency in the handling of complaints, centralised oversight to enable the Office to monitor and report on trends. As part of the new procedure, the Ethics Office can refer a complaint for mediation where deemed appropriate with a view of resolving the concerns raised through dialogue, facilitated by an independent third party.

In March 2022 the bank launched a new procedure for the reporting, management and resolution of harassment complaints.

During 2023, 16 harassment matters were addressed through mediation.

All of our policies are reviewed annually, and all employees (including fixed term or contract employees) must read and acknowledge the policies within 3 months of communication. Most policies also require employees to complete an assessment to demonstrate their understanding, where a compulsory pass mark of 80% is required.

• ESG •

Examples of acknowledgment statistics for 2023 (at 31 December 2023)	%
Employee Code of Ethics and Conduct	
• 2022/2023	96
• Outside Interest and Conflict of Interest Policy	98
Personal Account Trading Policy	96
Gift Policy	98
Ethics in Digital Technology and Artificial Intelligence Policy	99
Ethics Governance Framework	99
Human Rights Framework	98
Market Conduct Policy	96
Reputational Risk Management Policy	95
Competition Law Policy	97
Contact with Regulators Policy	96
Fraud and Corrupt Activities Policy	89
Policy for Anti-money-laundering, the Combating of the Financing of Terrorist and Related Activities, the Countering of Proliferation Financing and Related Activities and Sanctions	96

• ESG •

Examples of acknowledgment statistics for 2023 (at 31 December 2023)	%
Exchange Control Policy	96
Occupational Health and Safety Policy	96
Privacy Policy	94
Procurement Policy	97
Whistle-blowing Policy	89
Social Media Policy	95
Business Transformation Policy	94
Incident reporting and investigation procedure	97
Policy for Anti-Tax Evasion and Tax Evasion Facilitation (newly launched December 2023)	78
Grievance Policy and Procedure	95
Disaster Recovery Policy	94
Complaints Management Policy	98
Cyber Security Policy	98
Physical Security Policy	90

We consider a 90% completion rate as an acceptable level, taking into account employee attrition and the ongoing appointment of new employees.

Our approach to managing ethics continued

Training and awareness on ethics

Regular training and awareness workshops are provided for employees (including fixed-term and contract employees) and for our suppliers. In encouraging our stakeholders to do the right thing, we have placed an emphasis on making ethics real and practical, and aim to provide our stakeholders with both the knowledge and tools to make better, more ethical decisions.

Overall, **7 581 employees** and **43 supplier representatives** received some form of training on ethics during 2023 across various platforms, including face-to-face and virtual.

In addition to this, almost all of our employees completed an assessment attached to the various ethics-related codes, policies and frameworks.

All our employees must undergo mandatory training about specific topics, which takes the form of an online course and assessments. Apart from additional role and/or cluster-specific mandatory training, all employees must complete the following awareness training modules every 2 years:

- **AML, CFT and sanctions awareness**
- **CyberSMART awareness**
- **Corruption Risk awareness**
- **Fraud awareness**
- **Privacy awareness**
- **Sustainability awareness**

Ethics awareness highlights

An ethics intervention in Nedbank Namibia resulted in 538 employees being trained in the Fundamentals of Business Ethics: Ethical behaviour, decision making and harassment.

31 employees trained at the Henley Ignite Management Development Programme

43 current and potential suppliers attended training on corruption awareness, which included conflicts of interest, the giving and receiving of gifts, as well as Nedbank's reporting channels.

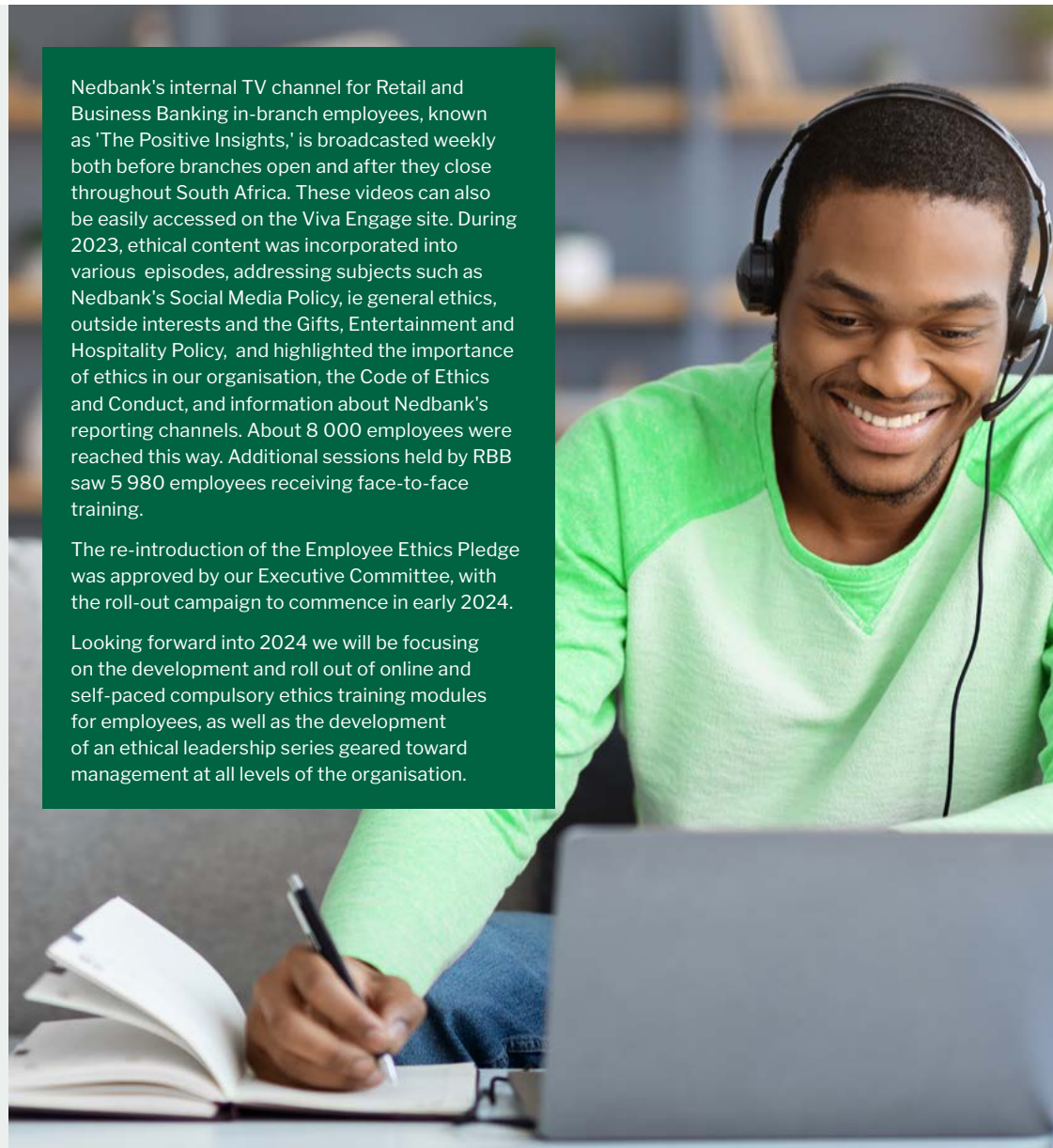
100 employees attended Ethics induction sessions.

112 employees trained in the Launchpad – management development programme in CIB

Nedbank's internal TV channel for Retail and Business Banking in-branch employees, known as 'The Positive Insights,' is broadcasted weekly both before branches open and after they close throughout South Africa. These videos can also be easily accessed on the Viva Engage site. During 2023, ethical content was incorporated into various episodes, addressing subjects such as Nedbank's Social Media Policy, ie general ethics, outside interests and the Gifts, Entertainment and Hospitality Policy, and highlighted the importance of ethics in our organisation, the Code of Ethics and Conduct, and information about Nedbank's reporting channels. About 8 000 employees were reached this way. Additional sessions held by RBB saw 5 980 employees receiving face-to-face training.

The re-introduction of the Employee Ethics Pledge was approved by our Executive Committee, with the roll-out campaign to commence in early 2024.

Looking forward into 2024 we will be focusing on the development and roll out of online and self-paced compulsory ethics training modules for employees, as well as the development of an ethical leadership series geared toward management at all levels of the organisation.



Measuring and monitoring our ethics performance

Continuously measuring and monitoring our ethics performance is an essential component of sustainable, responsible and competitive business. We measure, monitor and report on our ethics performance through a variety of mechanisms that include the following:

- Auditing our performance through an Independent ERA every 3 to 4 years.
- Conducting regular behavioural and cultural surveys throughout the year.
- Conducting regular audits and compliance reviews on ethics-related risks and functions.
- Monitoring and reporting on key ethics indicators (such as queries, complaints, investigations, outside interest declarations, gifts and entertainment declarations and policy acknowledgements) to executive management and the board in order to provide crucial insight into trends and observations.

Snapshot of our performance

2020 independent ERA for our South African operations

An ERA was conducted on behalf of Nedbank by The Ethics Institute for Nedbank's African subsidiaries in 2018, and for our South African operations in 2019/2020. The ERA covered three dimensions, namely ethical culture maturity; ethics behaviour risk; and ethics management, and consists of a qualitative component (ie face-to-face interviews and focus group sessions), as well as a quantitative component consisting of an anonymous online survey that was sent to all our employees.

The outcomes of the ERA is benchmarked against 20 other South African organisations across the public and private sector.

The outcome of our assessment indicated the following:

- Ethics culture maturity: The assessment found that we have a developing ethical culture and performed better than most other benchmarked entities across Southern Africa.

- Ethical behaviour: The assessment found that we performed better than most other benchmarked organisations, and that, overall, we are at a low risk for unethical behaviour.

Some of our focus areas coming out of the ERA were the need for greater transparency of consequence management and sanctions imposed for unethical behaviour, as well as increased transparency and awareness around reward and remuneration practices, and a need for more consistent ethics awareness and communication across the group.

Our next Independent Ethics Risk Assessment has been planned to take place in 2024.

Ethics-related complaints have increased significantly over the past three years in line with global trends.

The Whistleblowing section that follows provides more information.

Given our heightened focus on ensuring a speak up culture and the protection of whistle-blowers reporting non-compliance and unethical behaviour, a group-wide thematic review was conducted by GC in 2022 to assess the adequacy and effectiveness of 'whistleblowing controls', taking into account the following legislations: Protected Disclosures Act, 26 of 2000 (PDA); Prevention and Combating of Corrupt Activities Act, 12 of 2004; Labour Relations Act, 66 of 1995; and Companies Act, 71 of 2008. The outcome was that the controls were found to be adequate.

Nedbank has also developed a comprehensive **Ethics Management Plan** for its South African operations as well as for each subsidiary, which has considered the outcomes of the ERA, the employee Pulse Survey results, as well as other relevant trends identified as part of our ongoing monitoring activities.

Channels to seek advice and whistleblowing

We encourage our employees to engage openly with us on any matters of concern within our business and call on all of our stakeholders to report unethical conduct and human right infringements to contribute towards creating and maintaining a positive culture of ethics and responsible business practices.

Protection of whistle-blowers

Nedbank is committed to the creation and maintenance of a culture of openness and transparency. Our Whistle-blowing Policy outlines our commitment to, among others, the following:

- Maintaining procedures and processes that enable all persons to make full disclosure freely, voluntarily and without fear, favour, or prejudice.
- Protection of whistle-blowers in accordance with the Protected Disclosures Act, 26 of 2000, including the protection of employees against occupational detriment.

Nedbank does not tolerate any form of retaliation against whistle-blowers, and employees are encouraged to report actual or suspected forms of retaliation through one of the channels outlined above. If an employee is found to have retaliated against a whistle-blower, they will be subjected to disciplinary action.

Measuring and monitoring our ethics performance continued



Nedbank has several internal channels available for the reporting of grievances relating to employment; dishonest behaviour (including fraud and corruption); human rights infringements; and all other forms of unethical behaviour and the breach of Nedbank values.

In addition to this, we pride ourselves on having an anonymous tip-off line that is managed independently by an external service provider, thus providing complete anonymity for whistleblowers.

Our 2020 ERA showed that 84% of our employees were aware of our reporting channels and knew how to report actual or suspected ethical breaches. Since then, we have focused on raising even more awareness around these aspects through training and ongoing communications. All training conducted by the Ethics Office and business includes detail around whistleblowing, including our zero tolerance for retaliation. **This training reached 7 581 (Ethics Office: 1 601, RBB business: 5 980) employees during 2023.**

Reporting channels for employees

The Nedbank **Report-It channel** for reporting any actual or suspected unethical conduct and human rights infringements.

The **grievance procedure** is available for employees who wish to report any complaints regarding breaches of HR policies and processes, performance outcomes, bonus or remuneration, work requirements, management practices, and complaints around the employment relationship and work environment. Details about the grievance procedure are included in the Grievance Policy to which all employees have access and had to acknowledge on the policy management system.

Reporting channels for employees and external stakeholders

The following reporting channels are available for all of our internal and external stakeholders. This includes employees (including fixed-term employees), consultants, clients, suppliers, civil society organisations, human rights defenders, as well as groups or persons potentially affected by our operations or those with whom we do business:

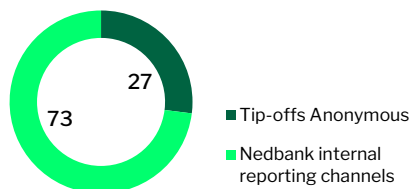
- **The Ethics Office** is for the reporting by internal and external stakeholders of any harassment (including sexual harassment), discrimination, assault, human rights infringements, nepotism and cronyism and other breaches of values-related transgressions of the Employee Code by employees. The Ethics Office can be contacted at talktotheethics@nedbank.co.za or on +27 (0)10 227 2086.
- **Tip-offs Anonymous** is managed externally and independently by Deloitte and is available to internal and external stakeholders who wish to report any unethical, dishonest or corrupt activities by employees and any human rights infringements by Nedbank, its clients, suppliers or any business partners. Complainants have the option to remain anonymous. They can send an email to nedbankgroup@tip-offs.com; send a letter to Tip-offs Anonymous, Freeport DN 298, Umhlanga Rocks, 4320; visit tip-offs.com; or call 0800 000 909.

The Client Complaint Helpline is available for Nedbank clients who wish to report any complaint. They can email ClientFeedback@Nedbank.co.za or call +27(0) 86 044 4000.

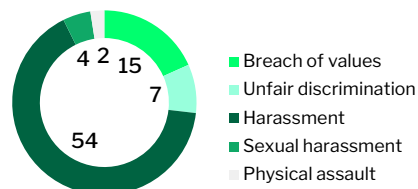
Measuring and monitoring our ethics performance continued

Complaints received in 2023

Complaints received via Tip-offs Anonymous tip-offs vs Nedbank's internal reporting channels (%)



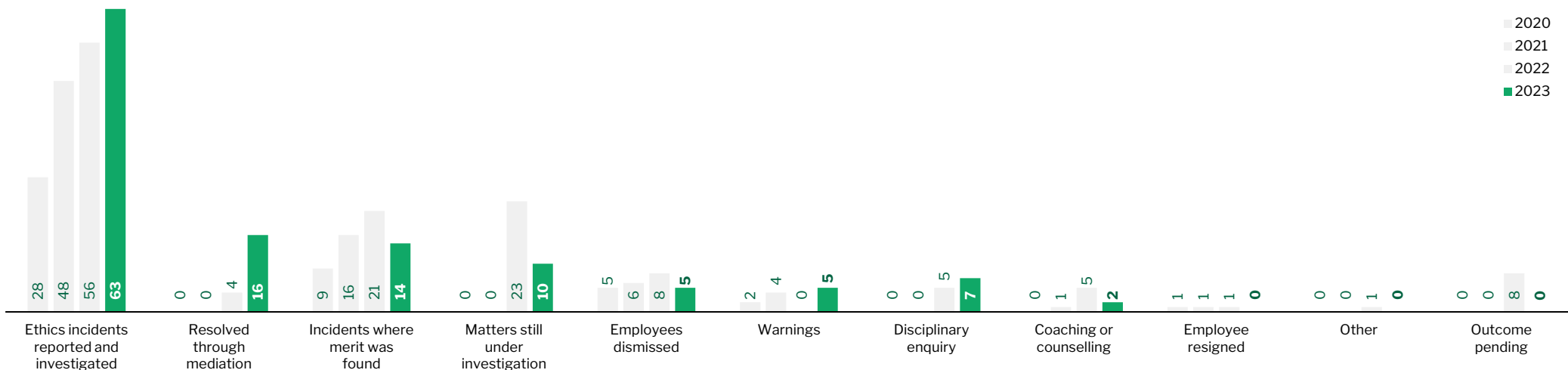
Types of ethics-related complaints investigated (number of incidents)



Investigations into other unethical conduct (not relating to dishonesty)

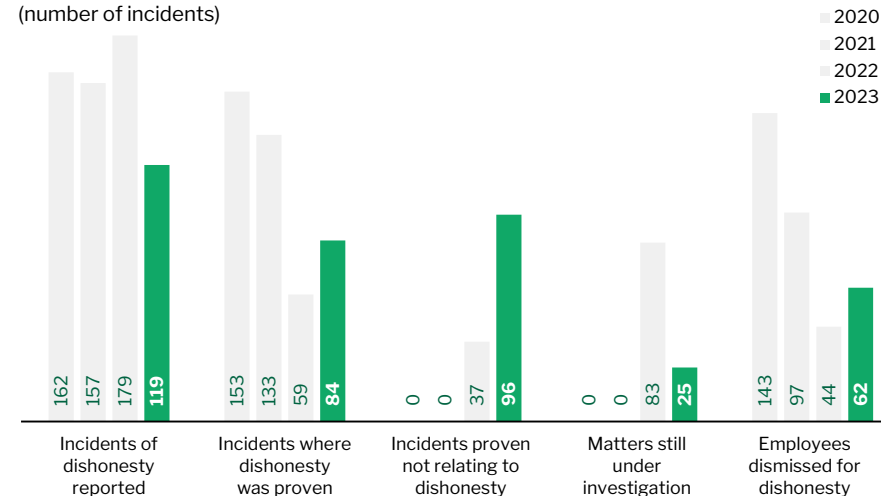
The Ethics Office has been centrally mandated by the Group Transformation, Social and Ethics Committee to investigate all complaints relating to harassment (including sexual harassment), unfair discrimination, assault, human-rights infringements, nepotism and cronyism, conflict of interest not related to financial crime or dishonesty, and other forms of breach of values as outlined in our Code. In doing so, our dedicated Ethics Investigators ensure that all of our complaints are handled confidentially, with **independence, objectivity and consistency to ensure fairness and accountability** irrespective of the persons involved.

Other unethical conduct (not relating to dishonesty)
(number of incidents)



Dishonesty investigations*

Types of ethics-related complaints investigated (number of incidents)



* Dishonesty investigations are conducted by Group Financial Crime, Forensics and Security (GFCFS)

Measuring and monitoring our ethics performance continued

Our year in reflection

All ethics-related codes, policies and frameworks underwent an annual review and approval processes.

The Procedure on the receiving, management and resolution of harassment complaints has proven to be successful.

We began to overhaul our ethics training material with a greater shift toward a behavioural approach to ethics and to providing employees with practical skillsets to empower more ethical decision-making. This will continue into 2024.

We revised the annual Board Ethics Statement, which was signed by all board members in October 2023.

The Employee Conduct Tool is an inhouse system developed to capture outside business interests of employees, conflicts of interest and gift declarations that is continuously being enhanced to provide a better user experience and value-adding management information. This tool, which replaces the existing system, will provide for enhanced risk management, tracking and reporting capabilities when all modules are finalised.

We enhanced our monitoring and reporting capabilities to give our stakeholders crucial insight into ethics trends and observations within the bank. This includes the introduction of cluster-specific 'state of ethics' breakdowns. Our enhanced reporting also draws on a combination of data and behavioural analytics to enable us to implement risk-based interventions that are effective and relevant, but also allows us to become more forward looking.

We continued to implement our Ethics Management Plan, which was developed by considering the outcomes of the ERA, employee Pulse Survey results, key ethics indicators, and global trends.

The Ethics Office provided ethics-related training to **1 601 employees** and **43 suppliers**.

A further **5 980 employees** were reached through the Retail and Business Banking Cluster Branch Channel initiatives.

Looking forward

Looking forward to 2024 and beyond, we have adopted an ambitious ethics plan, where we aim to further embed ethics as a core part of our broader strategy and day to day operations. In doing so, the ethics office has identified the following key activities for the year ahead:

As part of our strategy to re-brand the Ethics Office as a proactive and strategic partner to business, **we grew our ethics advisory portfolio** and restructured the area into two distinct functions: the Ethics and Human Rights Management function focusing on advisory services and all aspects of the governance of ethics and the Employee Conduct complaint and investigation area. A new strategic approach will also be followed in 2024 to cross-skill Ethics Office employees to create more depth in skill sets, providing improved service and tools in the face of ever-increasing demands by employees and stakeholders.

Focus on **growing our ethics advisory function** through the increased participation of the ethics office in key committees, the issuance of guidance notes on critical ethics issues, and closer collaboration with key business functions to ensure that ethical considerations are proactively built into strategies and operational activities.

Develop and roll-out **online and self-paced ethics modules** that will be compulsory for all employees, including fixed-term employees.

Building **ethical resilience within leadership** through the launch of dedicated ethical leadership training modules.

Launch an **ethics ambassador programme** across the bank, including in our foreign offices and subsidiaries. The ambassador programme will predominantly focus on strengthening an ethical culture through the promotion of ethics awareness initiatives.

Place a greater focus on **emerging ethical issues**, including data ethics, generative AI, crypto-assets, the metaverse and ESG.

We are also embarking on an intensive human rights awareness and education campaign and plan to embed human rights considerations into the policies and procedures of all business units.

Financial Crime



Integrated financial crime risk management

In recognition of the ever-present and ever-growing threat posed by financial crime to the financial services industry, Nedbank Group has long since elevated the risk of financial crime to a key risk in the Nedbank risk universe, governed at an executive level by the Financial Crime Committee (FCC) and at board level by the GRCMC. At a more granular and focused level various subcommittees provide oversight, make recommendations and take decisions relating to specific financial crime types.

Nedbank considers financial crime to be an economically motivated crime covering a wide range of illegal activities and regulatory contraventions that may result in fines and/or prosecutions, including human rights abuses, trafficking of humans, slavery and environmental crimes. 'Financial crime', as defined by Nedbank, includes cybercrime, commercial and violent crime (ie fraud, corruption and violent crime), money laundering, terrorist financing, proliferation finance and sanctions contraventions, exchange control violations, market abuse, tax evasion, and privacy breaches. Financial crime is often committed through a combination of these different crime types, which is why having an integrated view of financial crime risk management enables us to identify, assess, mitigate, monitor and manage the risk posed by financial crime more progressively and holistically.

Vision: Be market-leading in identifying, assessing, managing, monitoring and mitigating financial crime risk by integrating risk management of the different financial crime types across Nedbank.

Mission: Embedding sound financial crime risk management principles throughout Nedbank, enabled by the right data, intelligence and technology to identify and assess real risks that are effectively managed, monitored and mitigated, thereby adding value to clients and internal and external stakeholders.

Nedbank's Integrated Financial Crime Risk Management Framework

Through the application of our Integrated Financial Crime Risk Management (IFCRM) Framework and strategy, and with support from the relevant governance forums, these financial crime types are managed on a more integrated basis. IFCRM is the combined and holistic identification and measurement of financial crime risk, as well as the mitigation and reporting of the identified risks. This integrated approach allows us to identify similarities across the different financial crime types, which provides a more robust view of the real risk the bank is exposed to and enables holistic management of financial crime risk.

The IFCRM Framework sets out how we have embedded sound risk management principles throughout the organisation. The principles on which the framework is built include the establishment of an appropriate organisational culture; the determination of the group's risk appetite; the functioning of effective governance structures supported by the 3LoD Model, with clear assignment of roles and responsibilities; and the development, implementation and maintenance of group frameworks, policies and manuals relating to financial crime risk management. Furthermore, the IFCRM Framework requires the appointment and retention of adequate resources to assist in the management of financial crime (both from a headcount and skills perspective) and provision of independent assurance through the group coordinated-assurance model. The group – through preventative, detection, responsive and reporting measures – manages the identification and measurement of financial crime risks.

Risk appetite (expressed in qualitative and quantitative terms) is an integral part of risk measurement and refers to the type and level of risk that we are willing to take, pursue or retain to meet our strategic objectives. Decisions that impact the financial crime risk profile of the group are taken within the defined risk appetite and approved within the appropriate governance structures responsible for financial crime and operational risk.

Nedbank has zero tolerance for the intentional participation of the group and/or its employees or associated parties (clients, agents, vendors) in any form or part of financial crime.

Risk assessment

Risk identification and assessment are key activities that allow us to understand where we are more exposed to financial crime inherently and how well controls help to manage and mitigate these risks. Individual risk assessments are performed across the group for each financial crime type, including holistically for a consolidated, enterprisewide integrated financial crime risk assessment. This integrated assessment provides a view of the most significant threats and vulnerabilities arising from our overall financial crime risk, as well as a view of the effectiveness with which we manage the identified threats and vulnerabilities.

Prevention, detection and response

We manage financial crime risk through preventative, detection, and responsive measures – including timeous reporting, an embedded organisational culture of ethics and integrity, and risk management systems – that support and enable effective prevention of financial crime. Prevention is aided by various combinations of initiatives, which include compulsory training and awareness on different crime types, pre-employment screening, vendor screening, completion of risk assessments, alignment of internal controls with industry standards and international better practice, and identification and verification processes to confirm the veracity of information and authenticity of documents received from clients and 3rd parties.

In instances where preventative measures in respect of financial crime are not successful, it is important that we detect such incidents timeously. Detection includes the analysis of data for the purpose of early identification of crimes. An effective detection programme invariably forms an integral part of a comprehensive risk management strategy, and we continuously adapt and mature detection measures accordingly as new trends are identified.

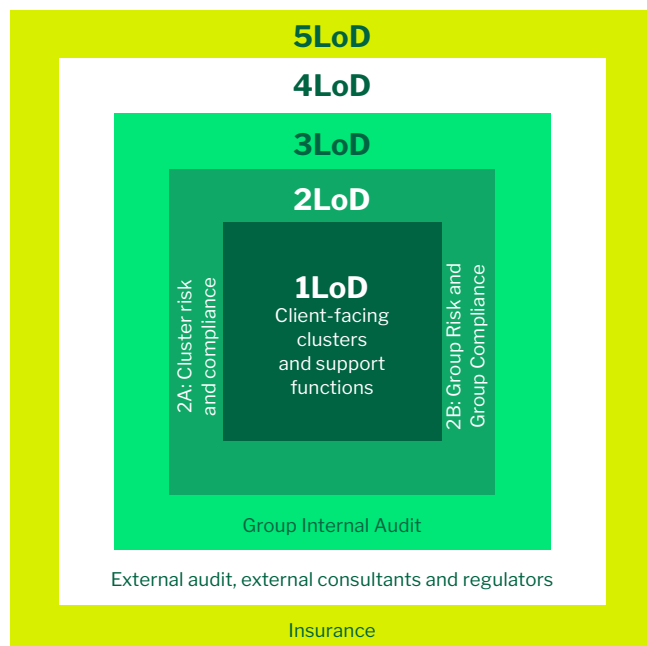
Where incidents of financial crime are detected, we respond to minimise losses for the group and/or our clients, reduce regulatory exposure, and curtail reputational and legal risk. Even though financial crime risk types are managed by various business areas in Nedbank, investigations of financial crime incidents are conducted centrally by GFCFS, with certain business areas having dedicated specialist investigators responsible for the investigation of product-specific external fraud. Confirmed or suspected financial-crime-related incidents are reported within the required legislative

Integrated financial crime risk management continued

time frames to the South African Police Service (SAPS), relevant regulators and industry databases such as those of the Southern African Fraud Prevention Service (SAFPS) and South African Banking Risk Information Centre (SABRIC). All areas of the group, including subsidiaries and branches, have an obligation to report on failures to comply with certain reporting requirements (eg Financial Intelligence Centre Directive 3 reporting).

Nedbank's Lines-of-defence Model

In addition to the mitigating controls and processes, we manage and mitigate financial crime risk through a strong culture of corporate governance, with the 3LoD Model embedded in the organisation. The external 4th line of defence (4LoD), formed by regulators and external auditors, performs important oversight in respect of financial crime. With regard to cyber risk and large fraud matters, we use a 5th line of defence (5LoD) in the form



of insurance or risk transfer. The board is ultimately responsible for managing financial crime risk, with reliance placed on cluster senior management, relevant Group Risk functions, GC and GIA, which provide assurance that such risks are identified, assessed, managed, monitored and mitigated to an appropriate level, with effective escalation and reporting of material risks. Aligned with our 3LoD Model, a coordinated-assurance model is in place to provide sufficient oversight of our controls, which form part of our financial crime risk management. The coordinated-assurance model consists of risk and compliance reviews conducted by cluster assurance, GR, GC and GIA. The outcomes of such reviews – which focus on how compliant we are with our own policies, methodologies and processes – are reported to the board through the relevant governance forums.

Commercial and violent crime

We follow mainly a centralised approach to commercial- and violent-crime risk management. As the bank adheres to the principles of the Basel regulatory framework, commercial and violent crimes are classified as operational risks, and more particularly as fraud risks (with corruption as internal fraud and violent crime as external fraud). Corruption is defined as the unlawful use of an official position to gain an advantage. It includes offering, giving or soliciting, or accepting an inducement or reward for acting in relation to the exercise, carrying out or performing of the employee's powers, duties or functions within the scope of their employment relationship. For the purpose of our policies, corruption includes the definition of bribery as defined in the United Kingdom Bribery Act 2010 (UKBA). Losses related to these risks are reflected as operational losses, with fraud related to credit products included in these losses but flagged as boundary events for risk measurement purposes.

The strategy for commercial- and violent-crime risk management is underpinned by the legislative and regulatory framework in which we must operate, as well as by appropriate policies and risk appetite. Processes, procedures and controls are put in place to deter, detect and respond to commercial and violent crime incidents committed by internal and external parties. These components form the basis of our commercial- and violent-crime risk management programme.

Nedbank does not have an appetite for and will not tolerate any fraudulent, illegal, corrupt or unlawful acts (including concealing them) perpetrated by our employees, clients and/or suppliers. **The group will investigate and take the necessary disciplinary and criminal action** (where appropriate) against any employee, and criminal and civil action against any client or supplier (where appropriate), involved in confirmed fraudulent acts.

Prevention

Various prevention initiatives are embedded in Nedbank and include awareness and training programmes for both employees and clients, pre-employment screening, the listing of employees who have been found guilty of dishonesty on the Register of Employees Dishonesty System (REDS) (managed since April 2020 by REDalert – an independent 3rd party), and risk assessments and process reviews that include testing conformance to security protocols in branches and campus sites. Details of employees dismissed for dishonesty (together with details of the transgressions) are published internally every quarter to create awareness of activities that constitute employee dishonesty and to act as a deterrent. Pre-employment screening is completed in line with our Recruitment Policy, with an increasing degree of due diligence dependent on the seniority or risk exposure of the position.

Both the Fraud and Corrupt Activities Policy and Whistleblowing Policy set out our zero-tolerance approach as well as key aspects of fraud risk management and anti-bribery and corruption measures. All employees, including contractors, are required to annually review and acknowledge receipt and understanding of the contents of these policies. Failure to comply with the policies could result in disciplinary action against employees and/or criminal and civil action. In terms of the Whistleblowing Policy employees are required to immediately report any offence or other dishonest behaviour that is suspected or discovered. There are reporting principles and responsibilities in place and protection is available to parties who report listed transgressions. Alternatively, provision is made for an individual's right to anonymous reporting in terms of the Protected Disclosures Act, 26 of 2000 (as amended).

Integrated financial crime risk management continued

Case in point

Fraud awareness training

We have an ongoing training and awareness programme that includes a focus on the requirements of the UKBA, including specific focus on due diligence for employees in Procurement. During 2023 specific training sessions were conducted for high-risk positions in Group Finance, Group Procurement and NAR, including subsidiaries. The training programme also covers the risk of corruption in general and includes a corruption awareness campaign to promote awareness of anonymous reporting, among other matters, throughout the bank and our subsidiaries in the rest of Africa. This entails online learning, presentations via Microsoft Teams, and face-to-face workshop sessions.

During 2023 a total of **6 039 employees** underwent fraud and corruption awareness and training. A total of **2 372 clients** from various organisations received fraud awareness training from Nedbank. In addition, **323 branches** and **4 169 employees** received training on security-related procedures.

Number of employees, corporate clients and branches that received training

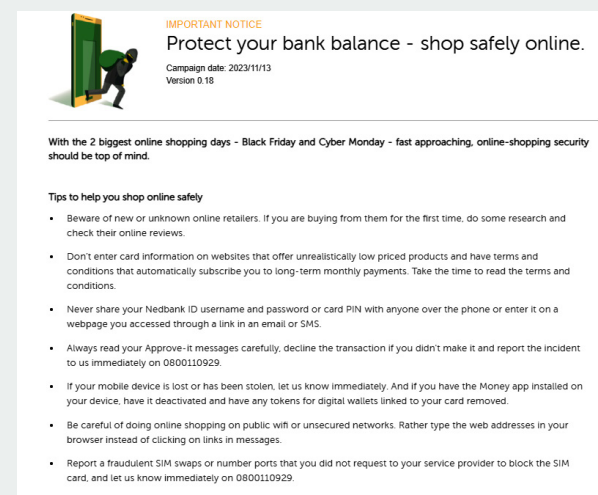


In addition to the above, during 2023 client fraud awareness campaigns were run using platforms such as Online Banking, the Money app, social media (X, Facebook, Tiktok and Instagram), the NPW app, push notifications and SMSs, ATMs and the Nedbank website to create awareness of cybercrime (phishing, smishing, vishing and email hacking), prevalent scams, card fraud, mobile banking security, withdrawing cash safely at ATMs, using cellphones safely, reporting lost and stolen cellphones, reporting SIM swaps and number porting, as well as protecting personal information. A security awareness programme was conducted nationally at branches to highlight both the importance of adhering to branch security measures and the crime trends being experienced, as well as to provide guidance on how to be vigilant to protect the bank's assets, employees and clients, and how consumers can bank safely.

As part of our supplier onboarding process, suppliers (including consultants and independent contractors) are required to acknowledge our Supplier Code of Ethics and Conduct. Suppliers and their employees are required to adhere to the code when conducting business with and/or on behalf of Nedbank. The objective of the code is to ensure that the integrity of the bank and its employees, suppliers and representatives is beyond reproach in all business transactions. The code also informs suppliers of requirements that we must meet under the UKBA and the South African Prevention and Combating of Corrupt Activities Act (PRECCA), 12 of 2004, as well as our due diligence requirements for suppliers. In terms of the standard contractual agreement with suppliers, failure to adhere to the Supplier Code of Ethics and Conduct or legislation is grounds for contract termination. We perform due-diligence checks on suppliers as part of the onboarding process and do periodic due-diligence checks to ensure that they adhere to the requirements included in the code. In 2023, 1 533 anti-corruption due diligence checks were performed on 3rd parties. Of these, 4 were rated high risk, 75 were rated medium risk, while 1 453 were rated low risk.

Fraud and corruption risks are assessed annually by all business units in Nedbank as part of the risk and control self-assessment (RCSA) methodology. Fraud and corruption risk reviews (also called 'deep dives') are conducted by GFCFS on business processes, systems and products that have the potential either to facilitate fraudulent and corrupt practices or inherent fraud and corruption risk due to the nature of the business model of that area. The purpose of these reviews is to identify areas of concerns, make recommendations on how to mitigate the identified risks, and

To help educate our clients, we used a post login Money app campaign to remind them how to shop safely online as fraudsters use various scams to try and get clients to compromise these details.



IMPORTANT NOTICE
Protect your bank balance - shop safely online.
Campaign date: 2023/11/13
Version 0.10

With the 2 biggest online shopping days - Black Friday and Cyber Monday - fast approaching, online-shopping security should be top of mind.

Tips to help you shop online safely

- Beware of new or unknown online retailers. If you are buying from them for the first time, do some research and check their online reviews.
- Don't enter card information on websites that offer unrealistically low priced products and have terms and conditions that automatically subscribe you to long-term monthly payments. Take the time to read the terms and conditions.
- Never share your Nedbank ID username and password or card PIN with anyone over the phone or enter it on a webpage you accessed through a link in an email or SMS.
- Always read your 'Approve-it' messages carefully, decline the transaction if you didn't make it and report the incident to us immediately on 0800110929.
- If your mobile device is lost or has been stolen, let us know immediately. And if you have the Money app installed on your device, have it deactivated and have any tokens for digital wallets linked to your card removed.
- Be careful of doing online shopping on public wifi or unsecured networks. Rather type the web addresses in your browser instead of clicking on links in messages.
- Report a fraudulent SIM swaps or number ports that you did not request to your service provider to block the SIM card, and let us know immediately on 0800110929.

track management action to implement or enhance controls to address these risks. Furthermore, during 2023 Nedbank conducted the second phase of the enterprisewide fraud and corruption risk assessment, which focused on non-transactional products. This was incorporated into the integrated financial crime enterprisewide risk assessment and has provided a deeper understanding of the fraud risk posed to the bank in terms of transactional (phase one) and non-transactional products.

In line with requirements included in the Physical Security Policy, regular risk assessments are conducted on 4 key areas – namely ATMs, branches, regional offices and campus sites – to identify risks and ensure that effective control measures are implemented to reduce or keep exposure to these risks (including the risk of robberies) at an acceptable level. In 2023 the group embarked on

Integrated financial crime risk management continued

several initiatives, including the independent social engineering physical security assessment at head office that aimed to identify any physical security weaknesses. The ATM and branch site assessments, which included remediations related to mitigating the risk of load-shedding and the use of technology to identify violent crime suspects, were conducted at high-risk sites. An enterprisewide security risk assessment that will include ATM security, branch security, property physical security (campus sites) and people security is scheduled to be performed in 2024. The results of this assessment will be incorporated in the integrated financial crime enterprisewide risk assessment to provide a deeper understanding of the higher security and violent crime risks posed at branches, ATMs and campus sites.

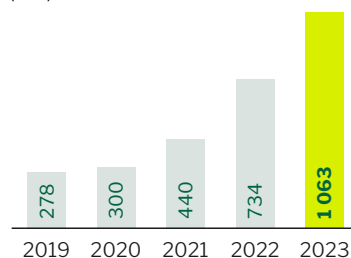
Detection

With the increase in financial crime due to the challenging macro and political environments and the complexity of increasing digital activity, we are steadfastly committed to safeguarding our digital ecosystem and protecting client information from cyberthreats. In today's rapidly evolving cyberthreat landscape, ensuring the integrity, confidentiality, and availability of digital services is paramount to upholding client responsibility. We have introduced various measures to mitigate the risk of cybercrime. Given the growing importance of fraud committed electronically, we maintain a resilient anti-cybercrime capacity and provide our employees and clients with various awareness communications focusing on phishing, smishing, vishing and SIM swaps, and how to bank safely when using digital banking channels by protecting their personal information and never sharing their PIN.

Globally, financial institutions and their clients are exposed to ever-increasing volumes of online fraud attacks. As perpetrators are frequently able to hide behind the considerable anonymity afforded by the internet, law enforcement struggles to deter this onslaught. Detection and prevention of online fraud are therefore a key strategy in keeping our clients' money safe when they transact online. With loss preventions and enhanced detection initiatives of R8,7bn across all external fraud, we see the prevention of card and online banking fraud and related losses as a priority and maintain a mature real-time fraud detection system that has helped minimise fraud losses. We have implemented robust strategies and cutting-

edge technologies to identify and mitigate digital fraud effectively. Our approach to digital fraud detection encompasses a range of sophisticated technologies and methodologies designed to monitor and detect anomalous activities in real time. These technologies include advanced analytics, machine learning algorithms, anomaly detection systems, and behavioural biometrics, among others. By leveraging these tools, we can swiftly identify and respond to suspicious activities, protecting our clients from potential financial harm. Continuous improvement is integral to our digital fraud detection efforts. We regularly review and enhance our systems and processes to stay ahead of emerging threats and adapt to evolving fraud techniques. Metrics for effectiveness are closely monitored, allowing us to measure the success of our fraud detection measures and identify areas for further enhancement.

Digital Banking fraud losses in SA (Rm)



The South African Banking Risk Information Centre (SABRIC) continues to report steep rises in digital banking fraud, **with losses in 2023 surging by 45% to over R1bn.**

Although not primarily a detection tool, various reporting channels are available to employees, vendors, service providers and clients. Actual or suspected security, fraud, corruption, and other dishonesty-related incidents can be reported any time through Report-It. Anonymous reporting of these suspicions is facilitated by an external, independently managed whistleblowing hotline available to employees and clients both in SA and in our subsidiaries in Namibia, Eswatini, Lesotho, Mozambique, and Zimbabwe. The service is promoted to both employees (internally) and external parties (through Nedbank's website) such as clients, service providers, partners, agents and intermediaries, joint ventures, and vendors.

Case in point

Reporting corrupt and unethical behaviour

Below is an extract from Nedbank's website on how to report corrupt and unethical behaviour.

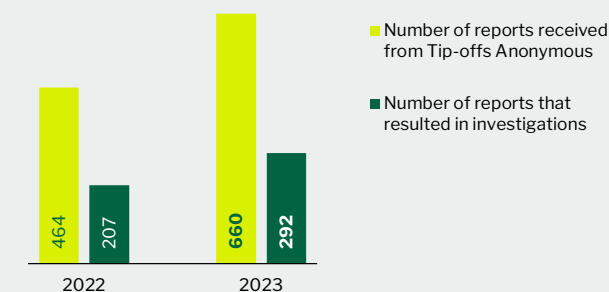
Nedbank is committed to the highest ethical standards when conducting business and requires all employees, contract workers, part-time employees, partners, agents or intermediaries, joint ventures and vendors to act with honesty and integrity. Report unethical behaviour and corruption here (you can remain anonymous):

Unethical behaviour – talktotheethicso@nedbank.co.za
Corruption – **0800 000 909** or
nedbankgroup@tip-offs.com

We adhere to the Protected Disclosures Act, 26 of 2000 (as amended), and our policies ensure that all reports are treated confidentially and are not discussed or disclosed other than for investigation.

Altogether, 660 reports were received via Tip-offs Anonymous in 2023 (2022: 464). A total of 292 (2022: 207) reports resulted in investigations, and to date 11 (2022: 6) of those resulted in disciplinary action being taken against employees.

Number of reports of and investigations into unethical behaviour



Integrated financial crime risk management continued

Response

In response to commercial and violent crime (including allegations or suspicions of employee-related dishonesty such as theft, fraud or corruption and other dishonesty-related conduct or crime), we conduct investigations and attempt to recover losses. This is conducted both centrally by GFCFS and in certain businesses by dedicated specialist investigators. In line with our zero-tolerance approach to fraud and corruption, disciplinary, criminal and civil proceedings are instituted in all cases where the evidence allows for this. An internal fraud-related loss was uncovered during the year and the relevant employee was dismissed immediately and listed on REDS in line with our zero tolerance for employee dishonesty. This loss was an insured event and the net impact has been accounted for in the 2023 financial results.

During 2023 a total of 62 employees were dismissed for dishonesty-related offences and 1 for corruption-related offences.

In 2023 GFCFS received and investigated 2 reports related to corruption or bribery, 1 of which was not substantiated, but a recommendation was made to create awareness of the appropriate standards of work discipline, rules and values required for the employee. The other report was substantiated and a disciplinary enquiry to address the misconduct was recommended for the employee for offering to pay bribes to colleagues in exchange for receiving monthly sales.

In compliance with section 34 of PRECCA, 936 reports related to suspected fraud and corruption (where the value was more than R100 000) were made to SAPS.

We continue to participate in industry initiatives with other financial institutions and law enforcement agencies to ensure that the perpetrators of commercial and violent crime activities are identified, caught and brought to book.

Corruption risk management in terms of the United Kingdom Bribery Act, 2010

The UKBA defines corruption as the unlawful use of an official position to gain an advantage. It includes the offering, giving or soliciting, or accepting of an inducement or reward for doing any act in relation to the exercise, carrying out or performance of employee's powers, duties or functions within the scope of their employment relationship.

Nedbank supports efforts towards preventing bribery and corruption as criminal behaviour threatens the sustainable economic progress of countries and their societies. Therefore, Nedbank supports and adheres to anti-bribery and corruption legislation to which its activities or employees are subject to and has a zero tolerance of any intentional behaviour that may benefit Nedbank or its employees through inappropriate influence, collusion, or facilitation.

We have a governance and risk management structure in place to ensure that we comply with the requirements of the various pieces of legislation and guidelines on corruption and bribery, including guidance issued by the Organization for Economic Cooperation and Development (OECD) and the United Nations (UN). To ensure compliance with these requirements, we have a formal corruption risk management programme and implementation plan in place. Progress against the plan is tracked through the Commercial and Violent Crime Risk Committee, and significant risks and issues are escalated to the FCC and GRMC. These committees form part of the governance structure related to the management of corruption risk in Nedbank.

The corruption risk management plan, among other things, aims to meet the requirements for a defence of 'adequate procedures' against a criminal prosecution in terms of section 7 of UKBA. Initiatives by our Ethics Office, in conjunction with the implementation plan, enable us to comply with the international guidelines issued by the OECD and the UN Global Compact, which overlap with UKBA.

As part of our corruption risk management plan, all new and existing suppliers must acknowledge the Supplier Code of Ethics and Conduct and adhere to this code when conducting business with and/or on behalf of Nedbank. In addition, we complete a corruption risk assessment questionnaire for each supplier, either at onboarding or when an existing contract is renewed. The aim of the questionnaire is to identify potential associated persons, as defined in the UKBA. Once identified, the supplier is risk-rated, and an appropriate level of due diligence is conducted. In terms of 3rd-party risk management, a process is in place for ongoing and risk-based 3rd-party due diligence. The process is aimed at ensuring that all 3rd parties continue to comply with relevant regulations, protect confidential information, have a satisfactory performance history and record of integrity and business ethics, and mitigate operational risks. We continue to further enhance our procedures aimed at providing principled guidance on how to identify and manage entities identified as associated persons through our case management system where all high risk associated persons are identified, risk rated, ratified and approved.

Our anti-money-laundering (AML), combating-the-financing-of-terrorism (CFT), counter-proliferation-financing (CPF) and sanctions due-diligence processes assess the direct and indirect risks of bribery and corruption before we enter into a business relationship and on a transaction basis as needed. We apply a holistic approach that requires considering the possibility of other crimes being enabled by an act of bribery or corruption, such as violation of human rights and freedom.

Reporting on the progress and outcome of the corruption risk management plan is both a part of the plan and a feeder for determining and revising policies and risk appetite approaches. Such reporting also feeds into the risk management objectives as it acts as a checkpoint to determine whether procedures are adequate and proportionate to the risk exposure. Reporting to senior management is seen as part of the 'monitoring and review' requirement to ensure that an entity has adequate procedures in place to prevent, detect and manage corruption. Oversight and reviews are conducted by GFCFS as the second line of defence and GIA as the 3LoD.

Although annual corruption risk assessments conducted in terms of UKBA are integrated into the RCSA, a separate risk assessment to identify areas that are high-risk for prosecution under section 7 of PRECCA is also conducted annually.

Integrated financial crime risk management continued

The corruption risk management plan ensures that both general and targeted awareness relating to the UKBA is facilitated across the group. All our employees are subject to the compulsory computer-based training on corruption risk management.

This module has been completed by 96% of employees. New compulsory corruption awareness training in the 4 subsidiaries in the NAR was launched during 2023 and has been completed by more than 87% of employees.

Anti-money-laundering, combating the financing of terrorism, counter-proliferation-financing, and sanctions

AML, CFT, CPF and sanctions risk management resourcing continues to be bolstered to ensure the adequacy, effectiveness and oversight of the compliance and risk management control environments. The board is ultimately responsible for oversight of AML, CFT, CPF and sanctions risk management, with reliance placed on business cluster senior management; GFCFS; Group AML, CFT and Sanctions; GC; and GIA. Coordinated assurance across the 3LoD continues to be emphasised, with AML, CFT, CPF and sanctions being a main theme and with management actions being implemented inclusive of risk mitigants to close identified gaps where relevant.

Our approach to sustainable Financial Intelligence Centre Amendment Act (FICAA) implementation has been integrated with our technology journey through Managed Evolution (ME), specifically Eclipse (Enterprisewide Client and Product Onboarding and Servicing), which supports digital onboarding for individual and juristic clients. ME was formalised in 2016 as the group's vehicle for executing its IT transformation agenda. Nedbank has successfully completed 3 prioritised projects within its FICAA SA Sustainable Programme with the remaining 3 prioritised projects to be completed by 31 May 2024. System risk management enhancements continue to be identified and implemented on an ongoing basis.

Risk Management and Compliance Programme

Nedbank has established a Risk Management and Compliance Programme (RMCP) to manage risks associated with ML, TF, PF and sanctions, which includes all ML, TF, PF and sanctions risk management policies, principles, procedures, plans, methodologies and processes.

When establishing a business relationship or concluding a single transaction with a client, Nedbank applies appropriate customer due diligence (CDD) measures, taking into account the regulatory requirements for CDD, as well as ML, TF, PF and sanctions risk assessments.

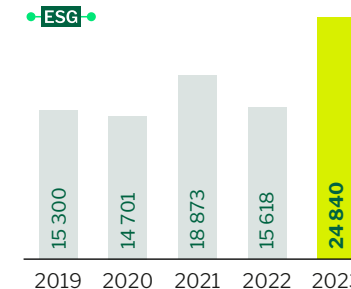
Nedbank screens prospective or existing clients, associated parties and, where applicable, beneficial owners against Nedbank's ratified sanctions lists, identified internal lists, the Do Not Engage (DNE) list and approved domestic political exposed person (DPEP) and foreign politically exposed person (FPEP) lists prior to establishing a business relationship with the client.

In addition, Nedbank screens all clients, associated parties and beneficial owners' records on an ongoing basis and when any additions, amendments or deletions are made to the Nedbank's ratified sanctions lists, identified internal lists, the DNE list and approved DPEP and FPEP lists or identified party records. All clients that are classified as high risk, including those identified as a DPEP or FPEP, are subjected to enhanced due diligence and senior management sign-off at onboarding.

Nedbank conducts ongoing due diligence (ODD) for existing clients based on the risk profile of that client, which includes enhanced due diligence (EDD) for high-risk clients.

Nedbank has implemented various controls to ensure its reporting obligations for cash threshold reporting (CTR), international funds transfer reporting (IFTR), terrorist property reporting (TPR), terrorist financing activity reporting (TFAR), terrorist financing transaction reporting (TFTFR), suspicious activity reporting (SAR) and suspicious transaction reporting (STR) are adhered to. In 2023 we saw an increase in suspicious transactions reported to the FIC. This increase can be mainly attributed to the growth in digital fraud, specifically transactional fraud such as scams and in line with the industry increases, and well as an increase in automated transaction monitoring alerts as we refined our rules.

Number of suspicious transactions reported to the FIC



FICAA requires Nedbank to provide initial and ongoing training to all employees [ie any permanent, contract, temporary or seconded employee of the group, including directors (executive and non-executive) of the group] to comply with FICAA and our RMCP. Employees must be trained appropriately for purposes of AML, CFT, CPF

and sanctions in accordance with the degree of their engagement in relation to ML, TF, PF and sanctions risk and based on their function or role. Nedbank has a threshold for the total number of selected employees who have been trained (compliant), for all compulsory AML, CFT and sanctions computer-based and non-computer-based training.

Nedbank provides ongoing AML, CFT, CPF and sanctions general awareness training to existing employees at regular intervals but at least once every 2 years. In addition to the general awareness training, employees must also complete any cluster-specific AML, CFT, CPF and sanctions related training applicable to their role or function(s). The board is trained annually, and training in the past year took place on 27 October 2023. A training framework has been established which documents the training interventions, training outcomes, target audience and method of training. A combination of classroom or digital training (ie computer-based training or other online mediums) to train employees appropriately is utilised. Training needs are identified on an ongoing basis due to new/amended AML, CFT, CPF and sanctions legislative requirements, systems or processes and products, channels, etc.

At 31 December 2023 just over 96% of employees had completed the AML online training, which is above the internal 90% threshold.

Integrated financial crime risk management continued

Governance

The ongoing identification, assessment and management of AML, CFT, CPF and sanctions risk are tracked, assessed, evaluated and reported on through various governance committees across the 3 lines of defence, including board committees. The AML, CFT, CPF and sanctions governance committees ensure that the board is informed of AML, CFT, CPF and sanctions risk affecting the group to assist the board in discharging its AML, CFT, CPF and sanctions risk management obligations. Over and above these business-as-usual processes underpinning the governance committees, Nedbank uses an enterprisewide risk assessment, together with key risk indicators, to identify and assess its AML, CFT, CPF and sanctions risk, enabling it to develop appropriate controls to manage and mitigate this risk exposure.

Regulatory inspections

The previous administrative sanctions imposed on SA were due to Nedbank's failure to comply with certain of the administrative provisions of FICAA. The South African Reserve Bank Prudential Authority (SARB PA) imposed administrative sanctions on Nedbank in the following 2 instances:

- Following a compliance inspection conducted during September to November 2013, a total financial penalty of R25m was imposed on Nedbank in April 2014. Nedbank successfully closed all 30 of the Findings from the SARB PA inspection conducted during September to November 2013.
- Following a compliance inspection conducted during May to June 2019, a total financial penalty of R20m was imposed on Nedbank in August 2022 (excluding R15m, which was conditionally suspended). Nedbank successfully closed all 30 of the findings from the SARB PA inspection conducted during May to June 2019.

The FSCA and SARB PA conducted a joint inspection on Nedbank from 18 September 2023 to 29 September 2023. The final inspection report has not yet been issued.

Cyberrisk

The challenging macro and political environments and the complexity of increasing digital activity remain key drivers of increasing financial crime, and the trend is expected to continue for the foreseeable future. Our most important cyber risks include loss of money and client data (at Nedbank or a 3rd party) as well as system downtime to the extent that transactions cannot be processed. We strive to be cyberresilient, protecting our 'crown jewels' – personal and client data as well as critical systems, platforms and infrastructure.

New threat actors

The evolving threat landscape presents significant challenges in how cyber threats and vulnerabilities across complex operational frameworks are managed. Cybercriminals are constantly improving their techniques to compromise networks, forcing us to adopt an adaptive defence stance in line with evolving threats to mitigate the material negative effects of a potential cyber event. Social engineering attacks (phishing, vishing and smishing) and the exploitation of remote-working vulnerabilities remain a threat, necessitating continuous enhancement of preventative and detective controls, with ongoing employee awareness being a critical focus area. The most likely avenues for a successful cyberattack are analysed through threat modelling and resilience testing by attack path mapping and red-team testing. Resilience testing is a crucial step in understanding the severity of consequences associated with cyberattacks and in continuously building on the experience of successfully responding to threats, such as the observed escalation of ransomware and supply chain attacks. The independent red-team testing programme, managed by the 2nd line of defence, provides assurance on the capability of the 1st and 2nd lines of defence to detect and respond to cyber threats. Nedbank cyber incidents are managed through mature existing processes, continuously tested and improved. In 2023 Nedbank successfully participated in the Association for Savings and Investment South Africa (ASISA) and South African Insurance Association (SAIA) cyber- desktop simulation, which included 192 individuals from 23 ASISA and SAIA members testing the response to a cyber event that impacts multiple entities across industry, focusing on industry coordination in response while testing corporate cyber crisis playbooks.

Technology

We continuously invest in IT security to detect and respond effectively to cyberattacks, since the assumption is that these attacks will continue across the industry. We apply a variety of strong technical controls, further augmented with non-technical controls, such as a

comprehensive employee security awareness programme. We apply various measures to counter cybercrime and fraud, including client awareness campaigns, state-of-the-art technology and digital forensic capability, to detect and monitor suspicious activity, and provide communication facilities where clients can report suspicious activity. We continue to work closely with industry bodies – eg SABRIC, peers and law enforcement agents – to combat cybercrime and fraud. Our internal Computer Security Incident Response Team (CSIRT) and Cybercrisis Management Team (CCMT) continue to respond effectively to cyber incidents and cybercrime and, if needed, recover losses from these. Cybercrisis playbooks are in place for relevant threat scenarios, and include communication to regulators, our clients and employees.

Monitoring, management and reporting

Nedbank subscribes to the **Information Security Forum (ISF) Standards of Good Practice** for its policy suite, augmented by the International Organization for Standardization (ISO) 27000 series of standards.

As required, the board, management and the Nedbank security community continue to focus on cyber risk to address known and newly identified gaps through various initiatives that will enhance cyber resilience and reduce residual operational risk. Cyber risk is a standing agenda item on both the GRCMC and Group Information Technology Committee (GITCO). Cyber awareness was also included in training for board members, enhanced with a comprehensive analysis of publicly available (open-source intelligence) information such as social media and the risk it holds in terms of crafted attacks against our board members and executives as well as home internet security. An advanced cyber management information system has been embedded to produce metrics that inform the board and management when cyber risk increases outside of the risk appetite. There is continued implementation of the various components of the Cyber Resilience Risk Management Framework (CRRMF) through the cyber resilience programme. The CRRMF has been operationalised and since its implementation, significant improvements have been made in the cybersecurity capability at Nedbank, as well as alignment with leading practices. Our cyber resilience programme activities are prioritised and agreed to by executive committees and tracked in detail. The prioritisation is influenced by the changing cyber threat landscape, a focus on crown jewels and threat modelling input from an external, internal and 3rd-party perspective.

Integrated financial crime risk management continued

The CISO reports on the cyberresilience strategy and programme at various board and executive-level committees and Business Information Security Officers (BISO) at cluster risk committees. New initiatives are added as and when threats are identified and in line with changes in the cyberrisk environment.



Our external security (internet footprint) is rated at an advanced level by an independent security rating vendor (BitSight). We have subscribed to BitSight since 2017, which enables better risk decisions based on ratings and analysis. The BitSight ratings range from basic (250–640) to intermediate (640–740) to advanced (740–900). Our aim is to maintain a rating of advanced. **The CyberMIS dial rating, which is the balanced result of different cyberrisk key risk indicators, was improved further in 2023 by adding 34 more cyberrisk metrics.** The CyberMIS dial was in line with the 2023 target at year-end.

In addition to the security rating, independent assessment of our cyberresilience includes international consulting firm benchmarking against the National Institute of Technology (NIST) Cyber Security Framework (CSF), independent red-team testing (ethical hacking), annual GIA cyberrisk audit coverage, as well as an annual external audit cyberrisk assessment.

We participate in the Society for Worldwide Interbank Financial Telecommunication (SWIFT) Customer Security Programme required standards to protect the payment system. In 2023 compliance was assessed independently, and 100% compliance was achieved on all controls managed by the group.

A 3rd-party risk management process is in place to assess whether sufficient controls and secure connections are in place to protect Nedbank sensitive data. This process is applied to existing and newly onboarded high-risk cyber and privacy 3rd parties. The end-to-end process includes risk categorisation, cyber and privacy due diligence, contractual agreements, ongoing monitoring, and termination requirements. The BitSight security platform is used to augment the risk management through ongoing monitoring and remediation.

A data classification framework and policy are in place to guide the implementation of appropriate controls for handling, managing and maintaining data in line with the defined classification schemes. In line with defined classification schemes, security controls such as

access to sensitive data and critical systems are managed through the Identity and Access Governance programme, and encryption in transit (when sensitive data is transmitted externally) is also in place.

Comprehensive cyberassurance activities are performed by the various lines of defence to ensure extensive coverage of the environment and crown jewels. Cyberrisk remains a key coordinated assurance theme, with comprehensive oversight provided by both internal and external assurance providers.

Two material cyberincidents were reported and successfully managed by the CCMT in 2023. In addition, the CSIRT handled 9 incidents, which was 18% lower than the previous year. All cyberincidents were handled with no known impact to the bank and lessons learnt are continuously used to further enhance incident processes.

As a final line of defence, we maintain dedicated cyberinsurance cover through international insurance providers.

Case study

Be CyberSMART awareness

Ongoing cyberawareness initiatives and testing are a cornerstone of the cyberresilience programme. Initiatives included the following:



- The Cyberawareness Month 2-day physical event (The Cyber Expo) held at the Nedbank Head Office campus attended by 600 employees. Several topics were covered including working from home safely and securely, social engineering tactics and online safety tips, identifying phishing characteristics, cyber mindfulness, and social

media safety for adults and children. Two online webinars hosted with cyberindustry experts attended by 6 250 employees, and 3 059 online videos and games were watched or played.

- Nineteen face-to-face and online training presentations, and 3 webinars were held, attended by 10 874 employees.
- There were reduced click rates across the various groupwide phishing campaigns and campaigns targeting crown jewels: 6 phishing campaigns, with a total of 55 396 emails delivered with an overall click rate of 14%. Continuous phishing refresher training is key in mitigating this risk.
- A formal Be CyberSMART e-learning training module is compulsory for employees to complete. At year-end 96% of employees had completed the training.
- Roadshows, in collaboration with HR, visited most campus sites across SA, engaging 1 010 employees to address

their well-being and behavioural aspects relating to cybersecurity. A mindfulness app, The Zensory, was introduced to employees during these visits.

- As part of our Cyber Mindfulness campaign, an online webinar discussed the connection between mindfulness and how it can affect our cyberrisk. This webinar had about 3 600 employees joining online.

Three group executive and non-executive director cyberawareness education sessions highlighted how employees at these levels could be a potential target in a cyberattack based on their digital footprints. We also evaluated and enhanced their home network security.

Integrated financial crime risk management continued

Data privacy

Privacy governance

Nedbank adopted core privacy principles to address every stage of the personal information life cycle, in accordance with the Protection of Personal Information Act, 4 of 2013 (POPIA). The Nedbank Privacy Governance Framework (policy, standard, risk management framework and processes) ensures that Nedbank is adequately prepared to comply with local and international privacy best practice and is applicable to all employees. The Privacy Policy is legislative agnostic and focuses on general privacy principles and is applicable across the various jurisdictions in which we operate. The policy provides for the reasonable collection and processing of data as well as the protection and storage thereof. Each Nedbank employee must acknowledge and attest to reading the policy and complete a short assessment confirming their understanding of the policy every year.

An information officer and a deputy information officer have been registered with the Information Regulator. Details of these appointments are available on the Promotion of Access to Information Act, 2 of 2000 (PAIA) manual, as well as the Nedbank Privacy Notice (available at nedbank.co.za). The PAIA manual and supporting processes afford all data subjects an opportunity to request access to the deletion or correction of their personal information via Form 2, which is also contained in the PAIA manual.

Privacy assessments are conducted by the internal audit, risk and compliance functions in Nedbank to ensure that all required privacy controls are in place and are working effectively. Where findings may be noted, remediation activities are agreed and tracked to closure.

A Privacy Impact Assessment has also been embedded in the Nedbank project lifecycles and in new product approval processes. This ensures that all projects and new products (including amendments to existing products) undergo privacy assessments that ensure processing activities are aligned to policy requirements.

Code of Conduct

Nedbank processes all personal information in line with the Banking Association South Africa (BASA) Code of Conduct (Code) for the banking industry. Following an application from BASA, which represents banks (including Nedbank), the Information Regulator issued and approved this code in terms of chapter 7 of POPIA.

The Code outlines and expands on the specific obligations that members of BASA (banks as responsible parties, operators, or joint responsible parties) have when processing their clients' personal information and does not replace the provisions of POPIA. The annual letter for 2023, detailing compliance with the Code, was issued by BASA to the Information Regulator.

Usage

Data is obtained and used fairly, appropriately and for specified business purposes only, with a client's informed consent. Nedbank adheres to compliance with applicable regulatory, legislative and contractual requirements in respect of data and data management, balancing open access and the release of data with the need to protect classified, proprietary, and sensitive data.

Privacy training

Over and above the acknowledgement of the Nedbank Privacy Policy, employees complete additional privacy training modules as and when required (ie based on a schedule or if a specific privacy risk is highlighted in a business unit). These modules highlight specific privacy considerations that are sometimes role specific. Additionally, all new joiners must complete a privacy training module that has been embedded in the Nedbank induction courses.

Data breaches

To support our commitment to protecting the personal information of our clients and employees, privacy governance structures and privacy breach processes are in place to investigate and prevent unauthorised access or disclosure of personal information. All relevant privacy breaches are reported to the Information Regulator and the impacted clients are notified accordingly.

All Nedbank privacy breaches are monitored and tracked on an ongoing basis and the relevant governance structures and processes are in place to proactively identify any related risks that may result in client detriment. Once the root causes have been identified through collaboration by the respective specialist areas and business, appropriate control measures are considered and implemented to mitigate the risk of reoccurrence of similar breaches. Incident trends and analysis results in additional internal communication to business areas to ensure that employees are aware of their responsibilities in protecting the personal information of fellow employees, clients and 3rd parties that Nedbank may provide a service to.

Specific cybertools have also been adopted to ensure that all personal information is protected in use, at rest or when being transferred outside of Nedbank. Controls are in place to guard against both malicious and accidental transfer of data outside of the Nedbank environment. Appropriate and safe channels have also been provided for business to use when data needs to be transferred to authorised external recipients. Nedbank has an established cybersecurity capability that uses a variety of tools to protect the bank against cyberattacks and infiltration. Nedbank continuously invests in IT security to protect, detect and respond to cyberattacks effectively.

Third parties that process personal information on Nedbank's behalf must undergo a robust cyber and privacy due diligence process, and sign formal contracts and data sharing agreements before any data is provided to them.

Exchange control

Exchange control aims to prevent the loss of foreign currency resources through the transfer abroad of real or financial capital assets held in SA and constitutes an effective system of control over their movement into and out of SA, while simultaneously avoiding interference with the efficient operation of the commercial, industrial and financial system.

The Financial Surveillance Department (FinSurv) of SARB is responsible for the administration of exchange control on behalf of the National Treasury. The Minister of Finance appoints certain banks to act as authorised dealers (ADs) in foreign exchange, thereby giving these banks the right to buy and sell foreign exchange, subject to conditions and within limits prescribed by FinSurv. ADs are not agents of FinSurv, but act on behalf of their clients. Accordingly, Nedbank has been issued with an AD licence from SARB in terms of which it may buy, borrow, receive, sell, lend or deliver any foreign currency or gold for these purposes, subject to the conditions allowed by the governing regulatory requirements.

We have not only developed a comprehensive approach to managing our compliance risk in relation to exchange control, but also instituted a comprehensive risk management framework to ensure adequacy and effectiveness across our control environment in managing our risk effectively and ensuring our discharge of responsibilities as an AD. This is further underpinned by a revised governance structure and oversight across the 3LoD by the coordinated-assurance practitioners, which include Group Exchange Control, GC and GIA.

Integrated financial crime risk management continued

Market abuse

We are committed to taking all the necessary measures to prevent market abuse in any form, including abuses defined in the South African Financial Markets Act, 9 of 2012, namely insider trading; unlawful publication of inside information; prohibited trading practices; and publication of false, misleading or deceptive statements, promises or market forecasts. Similarly, we maintain the required vigilance and oversight in relation to market abuse regulatory requirements in all jurisdictions in which we operate, and we implement the highest standard of protocols to identify, prevent and meet our regulatory and market conduct obligations in relation to market abuse.

We have a zero-tolerance approach to practices that amount to market abuse. Market abuse is classified as a financial crime and falls under the broader definition of 'market conduct'. As such, Nedbank has embedded various market conduct and financial crime policies, most notably the Market Conduct Policy, Personal-account Trading Policy, Conflicts of Interest Policy, Code of Ethics and Conduct Policy, and Outside Interests and Conflict of Interest Policy, all of which address, among other issues, market abuse together with the prevention, detection and monitoring thereof. In response to suspicions of possible contraventions, investigations are undertaken by the business unit compliance function where applicable. If necessary, these investigations are escalated to GFCFS for a forensic investigation, and are followed by disciplinary action and criminal proceedings against employees, if appropriate.

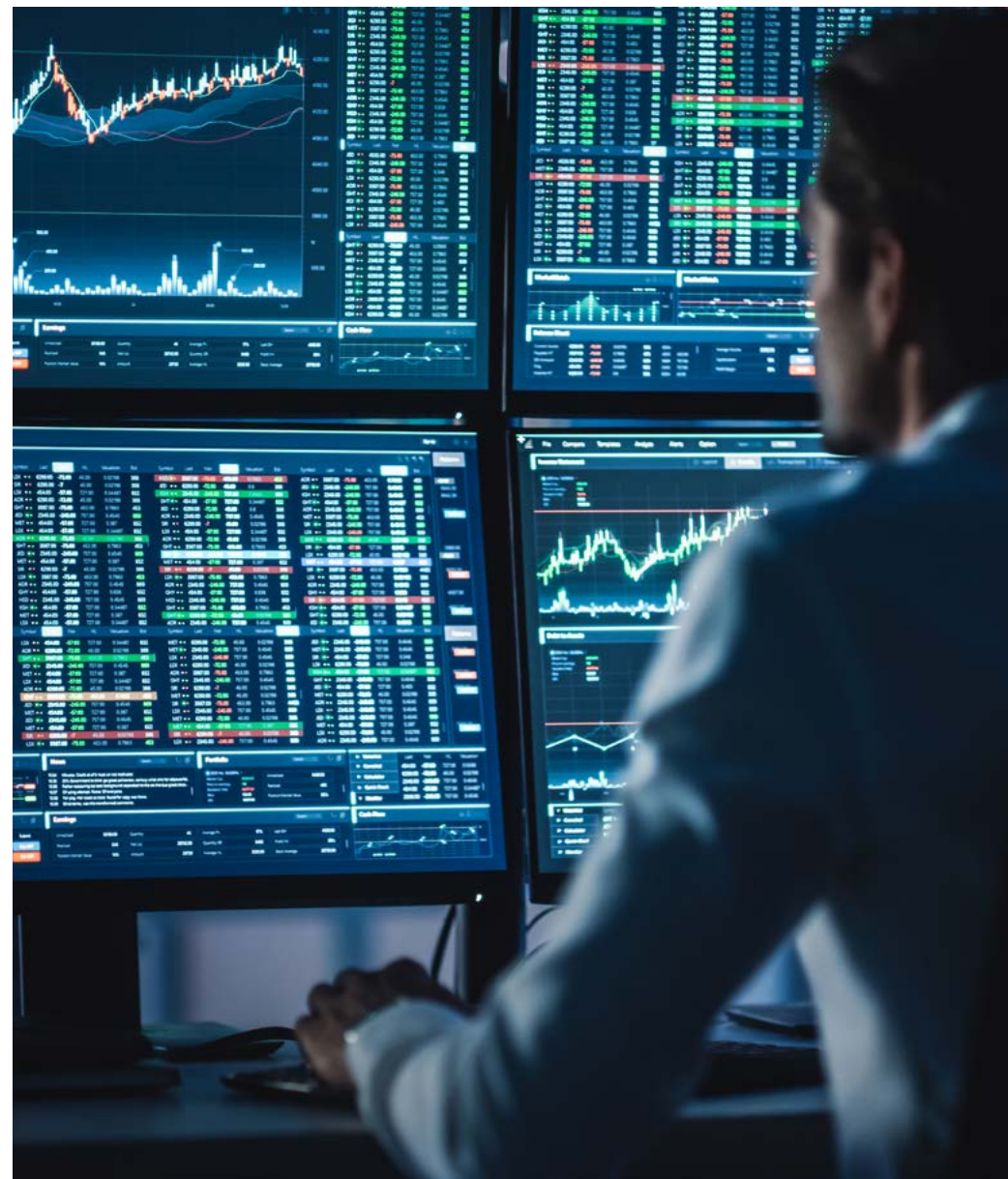
Tax evasion

We have a zero-tolerance approach to tax evasion and tax evasion facilitation, and we have adopted a policy that aims to mitigate the risks posed by client tax evasion. These risks include failure to comply with relevant laws and regulations; tax evasion facilitation by clients, employees, suppliers and associated persons; and risks that manifest from client tax information compliance regimes, such as in respect of the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS). Compliance with this policy also ensures compliance with the United Kingdom Criminal Finance Act, 2017, and mitigates the risk of corporate sanction. In addition, we have implemented a process through GFCFS to comply with the requirement of the South African Tax Administration Act, 28 of 2011, which places an obligation on banks to monitor suspicious tax refunds paid to client accounts, block the relevant funds and report the refunds to the South African Revenue Service for their confirmation of tax fraud.

We are committed to implementing policies and procedures – which includes having clear roles and responsibilities – concerning the prevention of, detection of and response to tax evasion, providing awareness training, promoting ethical behaviour, undertaking risk assessments to identify possible high-risk exposure, and encouraging employees to be vigilant and report any suspicions of tax evasion. Employees are prohibited, in the course or scope of their employment, from any conduct that facilitates, supports or results in tax evasion, including giving any advice to clients, suppliers or other 3rd parties.



You can find more detail in the Tax review on page 106 of this report.





Remuneration

Letter from the chairperson of the Group Remuneration Committee



Following a fit-for-purpose review, Group Remco is satisfied that Nedbank's remuneration strategy is well aligned to support the human capital and business strategy

Hubert Brody, Chairperson: Group Remco

Covered in this section

Business performance highlights
Remuneration highlights
The composition of the Group Remuneration Committee
Business performance
Shareholder engagement
Remuneration outcomes
Group Remco focus areas
Group Remco discretion
Future focus areas
Service providers
Peer group benchmarking
Committee effectiveness
Approval of the Remuneration Report
Conclusion

Part 1 outlines the business performance and how it links to key remuneration outcomes for the year, the committee's key activities in 2023, and feedback that we received during our stakeholder engagements.

Business performance highlights

Strong 2023 performance – all targets for 2023 announced in March 2021 met

All drivers of shareholder value creation improved

Return on equity (ROE) **increased to 15,1%**, now back above cost of equity (COE)

Headline earnings (HE) **up by 11%** and diluted headline earnings per share (DHEPS) **up by 14%**

Dividends per share **up by 15%**

Cost-to-income ratio **improved to 53,9%**

Remuneration highlights

2023 short-term incentive (STI) pool up by 4,6%

Growth in 2023 total single-figure remuneration due to

Strong share price appreciation of 67% over the vesting period (award in 2021 to the end 2023). Nedbank was the top-performing South African bank stock over the past 3 years

The 2021 LTI awards for Group Exco vested at 124,8% (2022: 0%) based on underlying business performance against challenging targets. The Remco also exercised discretion to increase the DHEPS CPT vesting targets

A 100% match on the Matched-share Scheme (MSS), compared with 0% in 2022

Agreed terms for the incoming CE and outgoing CE, effective in 2024, with all remuneration components in line with the Group Remuneration Policy

Letter from the chairperson of the Group Remuneration Committee continued

The composition of the Group Remuneration Committee

The Remco convened 6 times in 2023. This included an ad hoc meeting in October 2023. All the current members are independent non-executive directors and are set out below:

Name	Directorship status	Current membership
Hubert Brody	Lead Independent Director	Chairperson of Group Remco
Neo Dongwana	Independent non-executive director	Current member
Phumzile Langeni ¹	Independent non-executive director	Current member
Robert Leith	Independent non-executive director	Current member
Stanley Subramoney	Independent non-executive director	Current member

¹ Appointed effective 30 October 2023.

The Group Chairperson, CE, COO, CFO and Group Executive for HR are permanent invitees but are not present in discussions regarding their own remuneration.

Despite the difficult and volatile operating environment, Nedbank Group achieved all the post-Covid-19 targets for 2023 announced in March 2021. Two of these targets were already achieved in 2022 – exceeding the 2019 DHEPS of 2 565 cents and ranking #1 on Net Promoter Score (NPS). In 2023 we further increased DHEPS to 3 199 cents, up by 14%, and we maintained our #1 NPS ranking among South African banks. At the end of 2023 we met the remaining 2 targets by reporting an ROE of 15,1% ahead of the target level of 15%, and now back above the group's COE, and a cost-to-income ratio of 53,9%, better than our target of 54%.

Business performance

All 2023 targets met: DHEPS, cost-to-income, ROE and NPS

Headline earnings	Return on equity	Cost-to-income ratio
R15,7bn ✓	15,1% ✓	53,9% ✓
2023 15,7	2023 15,1	2023 53,9
2022 14	2022 14	2022 55,8
2021 11,7	2021 12,5	2021 57,8
2020 5,4	2020 6,2	2020 58,1
2019 12,5	2019 15	2019 56,5

Shareholder engagement

Annual General Meeting votes on remuneration and remuneration policy changes

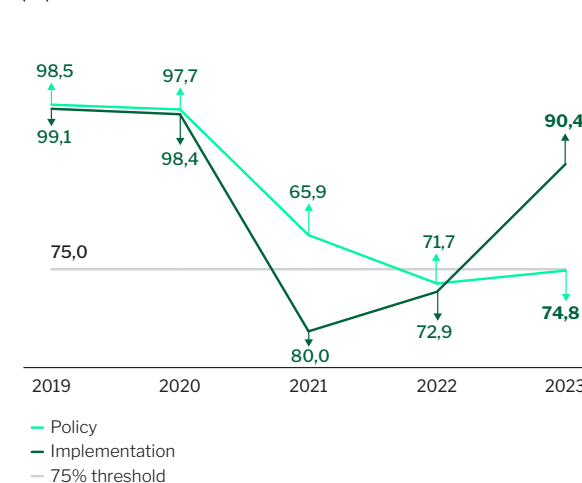
The 2023 AGM produced a pleasing shareholder remuneration voting outcome with increased shareholder support for our Remuneration Policy and Implementation Report. We fell just below the 75% level on the implementation vote, which was attributable to the position of 1 large shareholder that did not vote in favour of the Implementation Report in the year (2022) following their vote against the Remuneration Policy in 2021. The shareholder voted against the 2021 policy because not all the long-term incentive (LTI) awards were 100% performance-based in the particular year.

LTI awards from 2023, for all staff, are 100% performance-based. This policy change has been well received by our shareholders as evidenced by the 90,4% support at the 2023 AGM (2022 policy). From 2022, Group Exco LTI awards are 100% performance-based.

Voting history on remuneration

Following an extensive fit-for-purpose review of our remuneration policy in 2023, discussed further below, Group Remco decided that no material policy changes were required. All LTI awards, including the awards under the MSS remained 100% performance-based. The decision not to make any material policy changes also followed the 2023 ESG shareholder roadshow and the 2023 AGM, where no material remuneration concerns were raised. Following the 2023 AGM results, shareholders were invited to share any further concerns not previously raised with the Remco chair. No shareholders had accepted this invitation.

Shareholder votes in favour of proposed remuneration (%)



Group Remco adjusted the R1m compulsory STI deferral threshold to R1,5m effective from March 2024. This deferral threshold had not been adjusted since 2011, follows the fit-for-purpose review and is in line with Group Remco's discretion in terms of the shareholder-approved share scheme rules.

Group Remco is committed to ensuring that remuneration aligns with legitimate shareholder expectations and management's interests and therefore actively seeks shareholder views at the annual ESG roadshows.

Letter from the chairperson of the Group Remuneration Committee continued

Remuneration outcomes

GP increases 2024, effective April 2024		
Non-bargaining unit 5,3% (2023: 5,6%)	Bargaining-unit 7% (2023: 7%)	Minimum annual GP R225 000 7,1% increase (2023: R210 000)
Vesting % of 2021 LTI awards, effective March 2024		
Group Exco 124,8%	Cluster exco 115,3%	Other participants 117,1%
STI paid in March 2024		
Increased 4,6% from R2 900m (2022) to R3 032m (2023)		
Non-executive directors fees, effective July 2024		
6,7% overall average increase (2023: 6%) recommended for shareholder approval		

Guaranteed package increases (effective from April 2024)

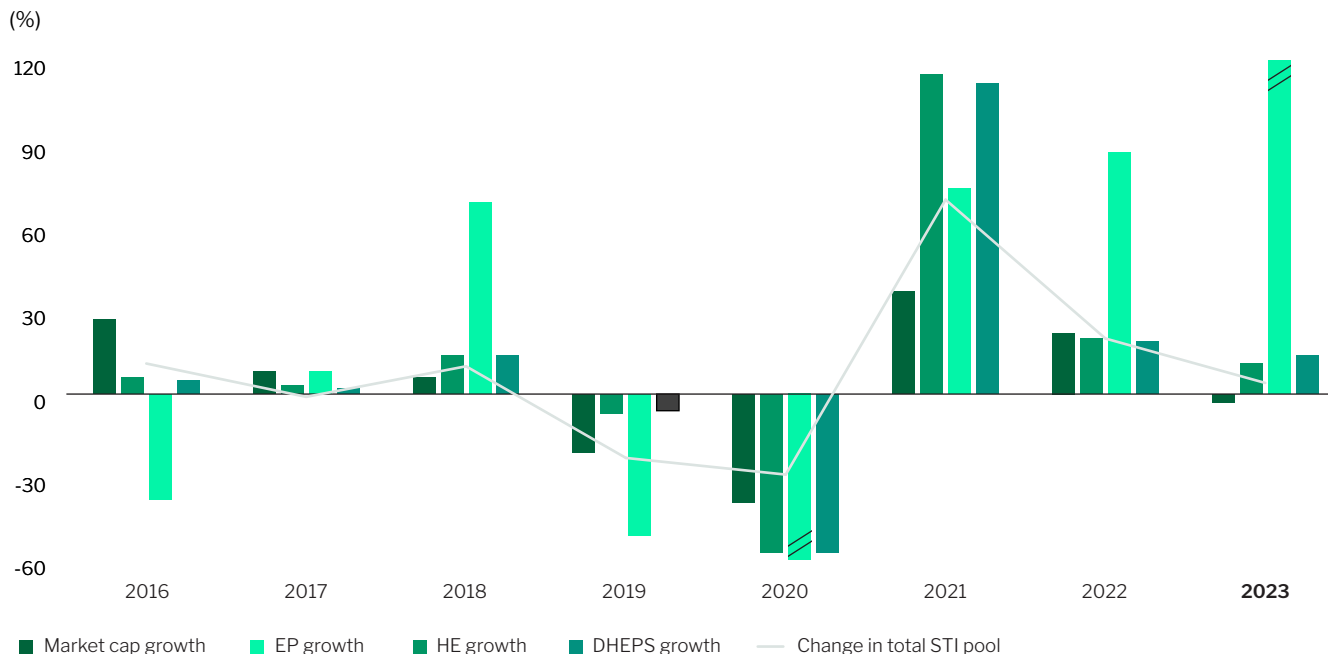
The overall spend for guaranteed package (GP) increases for Group Exco, cluster exco and non-bargaining-unit employees was 5,3% with effect from April 2024 and 7% for employees in the bargaining-unit level.

Short-term incentives for 2023 (paid in March 2024)

The 2023 STI pool of R3 032m is 4,6% above the 2022 pool of R2 900m, against an increase in HE of 11%, an increase in DHEPS of 14%, and a meaningful improvement in economic profit (EP) of more than 100%.

The STI pool is driven by EP and HE performance against targets agreed annually by the board and Group Remco. The 2023 STI pool represents 12,4% (2022: 13%) of HE (pre-bonus and pre-tax). Group Remco is satisfied that the STI is appropriately aligned with the group's increase in HE, improvement in EP (see graph below) and performance against targets for the year.

Annual % change in HE, DHEPS, market capitalisation, and EP vs % change in STI pool



Long-term incentives

2024 awards Corporate Performance Targets (CPTs)

ROE, diluted headline earnings per share (DHEPS) growth, and efficiency ratio (cost-to-income) have been retained as CPTs as they align with our board-approved medium-term targets. The non-financial CPTs have also been retained but with more granular detail. Strategic CPTs have been added as set out in the Implementation Report.

Delivery on these CPTs will support Nedbank's continued focus on value creation for shareholders by delivering sustainable earnings growth (DHEPS compound annual growth of nominal GDP + 5%), continued increases in ROE (to greater than 17%) and a lower cost-to-income ratio (to less than 52%).

The MSS is operated under our approved LTI plan, whereby 50% of all STI awards above the current deferral threshold of R1,5m are compulsorily deferred into shares on a post-tax basis [Compulsory

Bonus Share Scheme (CBSS)]. The deferrals may be subject to forfeiture (malus and clawback) at the discretion of Group Remco. In addition, all employees may elect to voluntarily defer not more than 50% of their post-tax STI into the Voluntary Bonus Share Scheme (VBSS) subject to the deferral (including the compulsory deferral set out above). In the CBSS and VBSS, participants are offered a share-matching opportunity of up to a 1-for-1 basis after 3 years if they are still in service and the matching performance condition is met.

2021 awards vesting in March 2024: DHEPS targets increased at Group Remco's discretion

The cumulative DHEPS achieved for the 3 financial years ending 31 December 2023 of 8 370c was well above the stretch target for 200% vesting of 7 750c set in 2021. The cumulative target for 100% vesting set in 2021 was 6 750c, a level above the medium-term goal of a recovery to 2019 levels.

Letter from the chairperson of the Group Remuneration Committee continued

However, given the significant uncertainty in macroeconomic forecasts at the time of setting these CPTs in 2021, Group Remco had retained discretion up to the vesting date to adjust the DHEPS CPTs to consider whether, in aggregate, the macroeconomic variables over the vesting period were significantly different to the expectation at issuance. The purpose of this discretion was to manage the risk of material undue windfall gains.

After having reviewed an external independent report on the nature and extent of any 'unforeseen changes in macroeconomic variables arising over the 3-year period ending 31 December 2023', Group Remco decided to make an upward adjustment of 10% to the DHEPS target metrics for 100% (on target) and 200% (stretch) vesting to 7 425c and 8 525c, respectively. This resulted from Group Remco's review of management's estimates of the positive impact on the 3-year cumulative DHEPS from the greater-than-expected increases in interest rates on endowment income, partially offset by lower-than-expected loan growth and higher-than-expected impairments. This would reduce the DHEPS vesting outcome for Group Exco from 200% to 185,9%. However, as the greater-than-expected endowment income was also due to management's approach to managing endowment as a natural offset to impairments over cycles, Group Remco decided that a final vesting of 190% in respect of the DHEPS target would be appropriate. The Remco is satisfied that the following overall vesting outcomes for the 2021 LTI awards are aligned with the performance of the business over the period:

Group Exco	Cluster exco	All other employees
124,8%	115,3%	117,1%

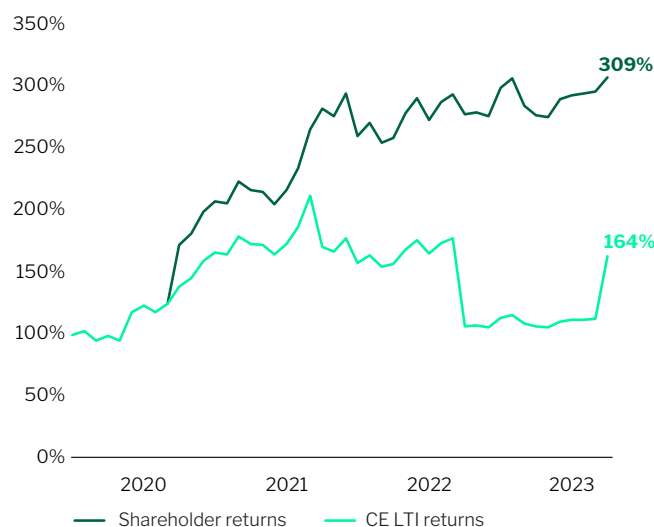
The higher 2024 vestings followed an extended period of low or no vestings as CPTs were not reset in the Covid-19 period, as indicated below:

	2023	2022	2021
Group Exco	0%	18%	15%
Cluster exco	40%	58%	55%
All other employees	50%	50%	50%

Further details on the vesting outcomes are set out in the implementation report.

The graph below compares total returns (dividends and share price) since Covid-19 for the CE and shareholders using the same size share portfolio. This demonstrates that shareholders have recovered more strongly than the CE returns (indicative of all LTI participants). The lower LTI return is attributable to the significant forfeitures from the low-percentage vestings of the LTI awards over the period where CPTs were not reset during the Covid-19 period.

CE LTI returns vs shareholder returns
(Indexed to 100 in June 2020)



Feedback on qualitative CPTs on 2022 and 2023 LTI awards

To enhance transparency, Group Remco has committed to providing feedback in the Remuneration Report each year until vesting on progress towards the achievement of any qualitative CPTs.

The overall estimated vesting on the environmental, social and strategic CPTs remains at 80%, consistent with the update in the 2022 Remuneration Report:

- **Environmental:** As a leader in environmental matters, we continued to make good progress on delivery against our Energy Policy commitments, evidenced by strong pipelines of renewable energy finance and sustainable development finance at 16% of gross loans and advances (2021: 13%).

- **Social:** Our employee 'great place to work' 2023 NPS score remains favourable at 20 (2022: 22; 2021: 19). Our client NPS among South African banks remains #1. We have also retained our level 1 broad-based black economic empowerment (BBBEE) status for 6 years in a row, which has been supported by diversity metrics improving across gender and race.
- **ME:** By the end of 2023, our ME had reached 95% completion of the IT build, supporting great client experiences, new revenue growth opportunities, cross-sell, cost optimisation and growth across all digital metrics.
- **Strategic Portfolio Tilt 2.0 (SPT 2.0):** Market share outcomes remain mixed with market share gains recorded in retail deposits, wholesale term loans, home loans and overdrafts, and with decreases in other areas such as commercial deposits.
- **Target Operating Model 2.0 (TOM 2.0):** We unlocked benefits of 87% of the targeted R2,5bn by the end of 2023. We expect the balance to be delivered in the first half of 2024.

Group Remco focus areas

In addition to the standard requirements of the Group Remco Charter, the following areas received attention from Group Remco during the year:

Terms for the outgoing CE, and the incoming CE

During 2023, the Remco and the board approved the following terms, which have been agreed with the respective incoming and outgoing CE, and are in line with the group's remuneration policy:

- Mike Brown, our outgoing CE will step down from his CE role at the 2024 AGM, effective 31 May 2024. He will remain employed with Nedbank in an advisory role until 31 August 2024 when he retires. This will allow for an orderly transition period for the incoming CE: Jason Quinn who joins Nedbank on 22 May 2024. Mike's annual GP will accordingly be reduced by 25% from 31 May 2024. He will be eligible for a pro-rated STI award in March 2025, considering the partial period of employment in the 2024 financial year. He will not be eligible for an LTI award in March 2025. Mike will be eligible for good-leaver status in respect of previously awarded, but unvested, LTI and STI awards that will continue to vest over their remaining life. Mike has agreed to sign a restraint of trade agreement, which will be effective until 31 May 2026, in return for which an LTI award at 50% of his 2024 March annual award will be made in August 2024.

Letter from the chairperson of the Group Remuneration Committee continued

- Jason Quinn has been appointed as Nedbank's CE-designate effective from 22 May 2024. From 1 June 2024 he will be Nedbank's CE when Mike steps down. Jason's remuneration package was informed by market benchmarks, after also considering Mike Brown's remuneration. In August 2024 an on-appointment DSTI and an LTI award will be provided for in respect of the value he forfeited on his resignation from his previous employer. The corporate performance targets on his LTI award are the same as those in the 2024 awards for Group Exco. Jason's notice period, on-target and maximum STI and LTI awards, and minimum shareholding requirements are in line with the remuneration policy. A restraint of trade agreement has also been agreed with Jason.
- Further details on these awards will be disclosed in the 2024 Remuneration Report when they become effective.

Fit-for-purpose remuneration review

Core to our Human Capital (HC) Strategy is the need to secure access to talent and the skills that we require for today and tomorrow. Our remuneration solutions should therefore enable the HC strategy with competitive reward solutions that attract and retain necessary scarce skills, many of which are in high demand, across the world.

A fit-for purpose review was conducted by management, and reviewed by the Group Remco, to assess the effectiveness and impact of Nedbank's remuneration (both quantum and structure) against our HC Strategy and business strategy using the following 8 dimensions:

- **Is our remuneration competitive?**
- **Does it support the business strategy?**
- **Does it retain our staff?**
- **Is it aligned to shareholder interests?**
- **Is it aligned with leading practice?**
- **Does it support our talent strategy?**
- **Does it support our transformation agenda?**
- **Is it fair and transparent?**

Group Remco is comfortable that Nedbank's remuneration broadly satisfies these dimensions, noting specifically the following:

- Nedbank's variable pay schemes are competitive, enabling the attraction and retention of the right talent.
- Variable pay schemes support the business strategy, for example:
 - » STI pool funding is driven appropriately by reference to ROE and DHEPS targets and performance against HE and EP targets set in the business plans.
 - » the year-on-year variation in the STI pool is closely aligned with variation in annual business performance, and;
 - » the targets attached to the LTI vesting are closely aligned with the board-approved medium-term targets.
- Efforts will continue to ensure that LTI awards are more targeted to the appropriate talent and STI awards more targeted to high value contributors;
- That the LTI scheme has the desired retention effect, as evidenced by lower attrition of LTI participants compared to the average;
- More rigour has been introduced in the Group Exco goal commitment contracts (GCCs) process regarding the setting and evaluation of the non-financial goal commitments, which influence the STI pool by way of the non-financial modifier whilst LTI CPTs are more refined in our LTI targets;
- An increase in the compulsory STI deferral threshold from R1m to R1.5m was implemented with effect from 2024. It had not been adjusted since implementation in 2011 and had fallen behind market practice.
- The shareholder voting outcomes on the Remuneration Policy improved at the 2023 AGM. This indicates strong alignment with shareholder interests.
- Shares required for 2024 LTI issuance will continue to be acquired in the market.
- Efforts will continue to ensure remuneration outcomes are ethical, fair, responsible, and transparent and support our transformation agenda.

Group Remco attended to the following standard charter requirements as follows:

- Approved the overall remuneration spend for all employees.
- Reviewed senior risk, compliance, internal audit, and finance (RCAF) employees' remuneration outcomes for the 2023 financial year. Group Remco reviews the remuneration outcomes of RCAF employees to ensure that individuals in these functions remain

sufficiently independent of the businesses they serve. Overall, Group Remco was satisfied with the outcome.

- Approved the 2023 performance outcomes of the 2023 GCCs of Group Exco members.
- Approved the 2024 GCCs of Group Exco members, including a joint GCC for the incoming and outgoing CE.
- Approved the performance measures on variable pay schemes for 2024 awards.
- Reviewed the remuneration proposals for the outgoing and incoming CE and Group Exco members and recommended these to the board for approval.
- Reviewed benchmark remuneration data results from Willis Towers Watson, Remchannel and Aon McLagan, as well as published remuneration data from the banking and telecommunications sectors, which include players considered our peers, for maintaining competitive remuneration.
- Approved all STI and LTI awards over 200% (150% for employees in RCAF functions) and 100% of GP, respectively.
- Reviewed the single-figure remuneration outcomes of the executive directors (EDs) and prescribed officers (POs).
- Oversight of the annual independent remuneration review which was performed by GC. The findings remained positive, providing comfort that our remuneration is aligned with Regulations 39 and 43 of the Banks Act, 94 of 1990.
- Considered the risk remuneration reports of the Chief Risk Officer (CRO) and GlA. These reports were approved by the Group Risk and Capital Management Committee (GRCMC) and provide input as to whether the Group's performance and the resultant financial and strategic outcomes of the STI and the LTI schemes have been achieved in a sustainable and risk-appropriate manner. Group Remco was satisfied that appropriate consideration was given to these inputs and that there were no issues to warrant the implementation of malus or clawback.
- Worked closely with Group Transformation, Social and Ethics Committee (GTSEC) on the oversight of ethical remuneration differentials. Both committees were satisfied with the results of the work done, which included a detailed 'self-assessment' on several dimensions.
- Reviewed employee benefits to ensure that they remain competitive and prudently managed.
- Performed oversight of the bespoke incentive schemes.

Letter from the chairperson of the Group Remuneration Committee continued

Group Remco discretion

Consistent with our remuneration policy, our remuneration outcomes are not driven only by a fixed formulaic approach to the determination of STI and LTI pools and individual awards. A pure formulaic approach can lead to adverse risk and reward outcomes.

Adjustments for non-quantifiable factors, including risk and other factors outside of pure financial performance, ensure fair and responsible outcomes aligned with overall performance. The rationale, nature and extent of any discretion are always fully disclosed.

In this regard, Group Remco:

- made no material discretionary adjustments to the 2024 STI pool; and
- applied a downward discretionary adjustment to the March 2024 vesting outcome of the 2021 LTI awards, as explained on pages 67–68.

Future focus areas

Maintaining continued dialogue with shareholders to ensure the relevance and appropriateness of the Remuneration Policy.	Ensuring that the Remuneration Policy and outcomes support our strategic objectives and that these are appropriate to the changing environment.	Complying with amended Companies Act requirements on remuneration, once enacted.
Ensuring remuneration outcomes are fair and responsible .	Staying abreast of remuneration best practices .	Reviewing the competitiveness of the group’s LTI pool, the LTI CPTs, weightings and vesting ranges .

Service providers

Group Remco received remuneration consulting advice from Vasdex Consultants and is satisfied that it acted independently and objectively.

Peer group benchmarking

Group Remco refers to primary benchmark data from Remchannel and Willis Towers Watson for remuneration benchmarking purposes. Remuneration benchmarks from Aon McLagan are used for investment banking roles in Corporate and Investment Banking (CIB) (for South Africa and the United Kingdom). We also refer to the published remuneration disclosures of other financial services institutions

and telecommunication companies for non-executive directors, EDs and POs, as listed below.

Benchmarking is only 1 lens through which remuneration is considered and there are many nuances to take into account, such as sample sizes at the senior levels, differences in company size, complexity, top-management level, structures, company performance, geographic footprint, and individual performance.

The peer group we reference broadly for non-executive director fees and remuneration is as follows:

Element	Peer group
Non-executive director fees	Absa, FirstRand, and Standard Bank.
ED and PO remuneration	Absa, FirstRand, Standard Bank, Investec, Capitec, Old Mutual, Vodacom, MTN and Sanlam.

Committee effectiveness

The group’s Director Nomination and Appointment Policy requires annual board and board committee evaluations, alternating between a self-evaluation and an independent evaluation. As a self-evaluation was performed in 2022, the 2023 evaluation was an independent evaluation including interviews with board members.

The 2023 evaluation results found the committee to be effective in delivering on its responsibilities set out in its charter.

Approval of the Remuneration Report

Group Remco is satisfied that, for the reporting period:

- it has fulfilled the requirements of its charter;
- the objectives of the Remuneration Policy have been met; and
- There has been no material deviation from the Remuneration Policy.
 - » This report was approved by the board on 17 April 2024.

Conclusion

I wish to express my sincere appreciation for the support from each of the members of Group Remco, the executive leadership, and the HR function of Nedbank. We further welcome Ms Phumzile Langeni to the committee and look forward to her contribution.

Hubert Brody – Chairperson: Group Remco

Remuneration policy

Covered in this section

Policy fundamentals
Remuneration governance
Nedbank Remuneration Framework
Remuneration mix for EDs and POs
Performance enablement
Guaranteed remuneration
Short-term incentives (STI)
Long-term incentive plan – Nedbank Group (2005) Employee Share Scheme
Special-purpose short-term variable remuneration arrangements
Employee Ownership Plans
Risk and remuneration
Recognition Programme
Minimum shareholding requirements
Termination arrangements
Group executive service contracts
Change of control
Non-executive directors fees

Policy fundamentals

Scope of the policy

This policy has been approved by the board. It sets out how total remuneration is managed in the group and is supported by detailed operating procedures and practices.

The policy applies to all entities in Nedbank Group, including wholly owned subsidiaries, subsidiaries, and joint ventures in which we have a majority interest, but excluding companies in which we have only a private-equity investment or a minority investment.

The policy applies uniformly in all jurisdictions, except where it conflicts with either local statutes or regulations, in which case these statutes or regulations will apply. Where an operating jurisdiction has a more onerous regulatory or statutory framework, the local standards of governance in that jurisdiction will apply.

Aims of the policy

Our reward policy should do the following:

- Enable us to attract, motivate and retain people of high calibre, with the right mix of experience, skill, and knowledge to deliver on our strategy.
- Reinforce our desired culture and encourage ethical behaviour consistent with our values, to stimulate employee engagement.
- Create an appropriate balance between and alignment of the needs, expectations, and risk exposures of our stakeholders – including our employees, clients, shareholders, regulators, and communities – to ensure the creation of sustainable, long-term value for each of them.

Incentivise employees to deliver sustained high levels of performance and excellent execution of the group's strategic priorities, while preserving their well-being and being cognisant of the impact this delivery has on the risk profile and exposure of the organisation.

- 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.

Align with the principles of good corporate and remuneration governance, ensuring an appropriate share of value for the relevant stakeholders. While employees should not be prejudiced because of remuneration design issues, remuneration programmes should equally not be designed to favour or benefit employees at the expense of other stakeholders.

Fixed and variable remuneration is aimed at enabling the bank to remain competitive, which encompasses market relativity, sustainability, and commercial sensibility in the allocation and delivery of remuneration awards.

We are committed to ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration, with the following arrangements:

- There is a dedicated and skilled remuneration committee to provide independent oversight and direction on remuneration, with clear roles and responsibilities set out in the committee's charter.
- There is cross-membership between Group Remco and GTSEC so that regular and healthy interaction between these committees takes place to promote an ethical culture.

Group Remco reviews the terms and conditions of service of all employee levels of the group.

- A robust remuneration system is implemented and maintained by management. This system includes the following:
 - » A comprehensive pay structure and earnings ranges.
 - » A clear and transparent process for matching remuneration data to market benchmarks.
 - » Careful use of market benchmarks, not as absolute targets but to guide remuneration decisions.
 - » A performance management system that enables our talent management objectives and promotes positive individual and team contributions towards strategic objectives. One of the objectives of the performance management system is to provide a basis for consistent remuneration decisions across the bank.
 - » Incentive schemes that are well designed and tested and include carefully selected CPTs with sufficient levels of stretch.
- Our stakeholders, specifically shareholders and employees, have opportunities to engage on remuneration matters. Proactive shareholder engagement takes place before material changes to our Remuneration Policy are introduced. Employees are given an opportunity to engage with management on remuneration through membership of a recognised union and other channels.
- Remuneration information provided to our stakeholders is transparent and straightforward, within the constraints of privacy legislation.

Remuneration policy continued

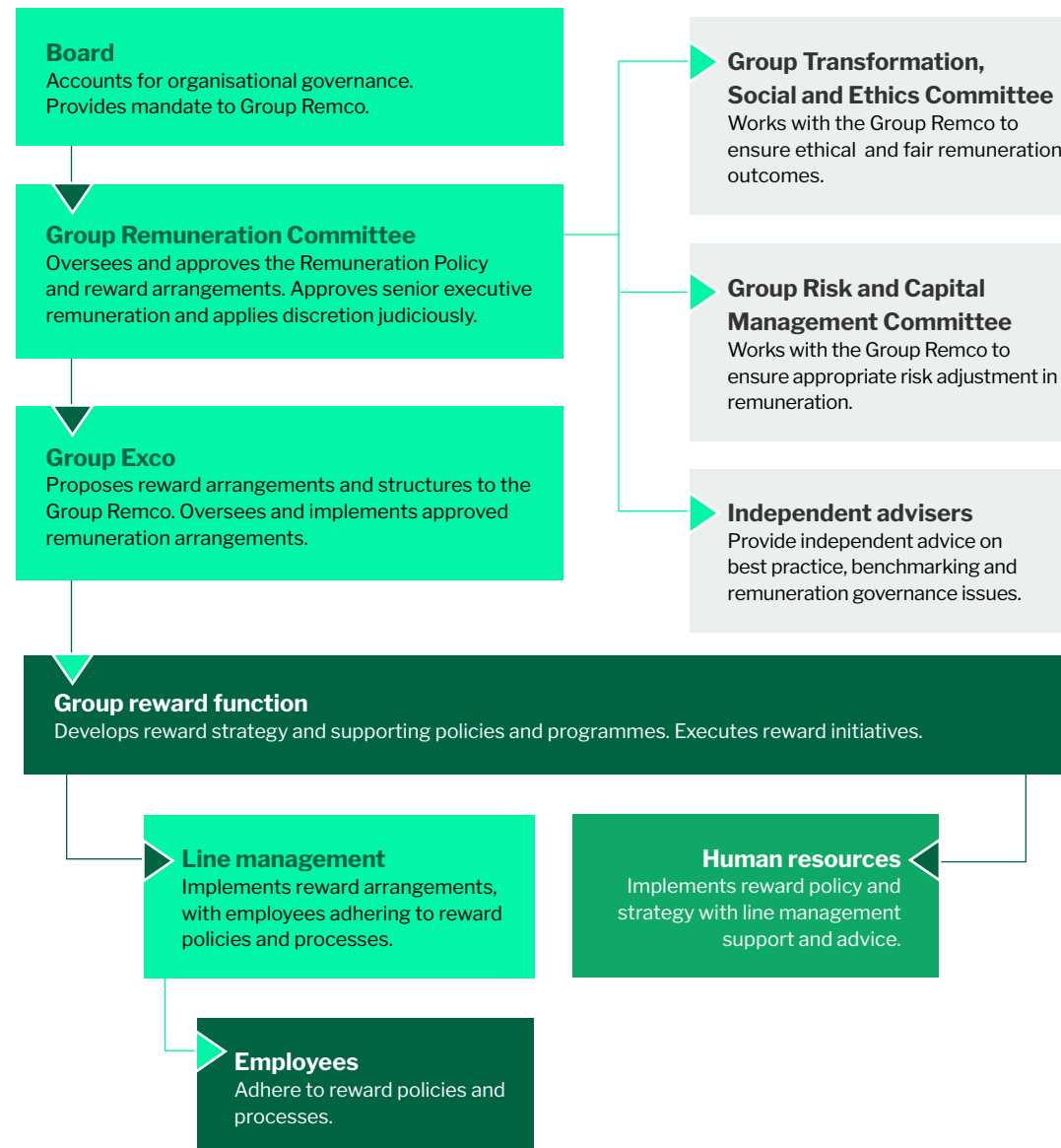
Remuneration governance Overview

We comply with the relevant remuneration governance codes that apply in our various operating jurisdictions. These include groupwide compliance with the Financial Stability Board (FSB) Principles for Sound Compensation Practice. In SA we meet the requirements of the King IV Code on Corporate Governance for South Africa (King IV); Regulations 39 and 43 of the Banks Act, 94 of 1990; as well as section 64C of the Banks Amendment Act, 3 of 2015. For operations domiciled in the UK, the provisions of the Prudential Regulatory Authority Remuneration Code apply. For our South African insurance operations, the provisions of the Prudential Governance Standards of Insurers apply.

An independent review of the Remuneration Policy and its implementation is regularly performed to obtain comfort that our remuneration practices have been implemented in line with the policy in all material respects and that the policy is aligned with legislation, regulations, and governance codes.

Our Group Remco is mandated by the board to oversee and govern all aspects of remuneration and operates according to a board-approved charter. Outcomes of all Group Remco meetings are reported to the board. Group Remco regularly evaluates its effectiveness and independent advisers provide strategic input and advice on international and local best practices as well as benchmarking. Group Remco is further supported by the Group Reward function, and works closely with GRMC to ensure a comprehensive approach to risk and reward, as well as GTSEC to achieve ethical remuneration outcomes.

Roles and accountabilities



Shareholder engagement

Engagement with shareholders on the group's remuneration affairs is an important governance requirement that the board endorses. Shareholder engagement is seen as a necessary and ongoing effort that contributes to fair and responsible remuneration outcomes.

Specifically, if 25% or more of the voting rights exercised by shareholders at an AGM are against the Remuneration Policy or the Implementation Report or both, the board will engage with shareholders.

Remuneration policy continued

Authority framework

The authority for the material remuneration aspects is delegated to the respective decision-making bodies as set out below:

Element	Shareholders	Board	Group Remco	CE/Management
Remuneration Policy	Endorses on a non-binding basis	Approves	Recommends to the board	Proposes to Group Remco
Remuneration Report	Endorses on a non-binding basis		Approves	Proposes to Group Remco
STI changes			Approves	Proposes to Group Remco
STI performance target setting		Approves business plans and targets	Approves	Proposes to Group Remco
LTI scheme changes	Approve	Recommends to the shareholders	Recommends to the board	Proposes to Group Remco
LTI performance target setting		Approves medium-term targets	Approves	Proposes to Group Remco
Bargaining unit remuneration			Approves	Proposes to Group Remco
Non-bargaining (NBU) remuneration			Approves	Proposes to Group Remco
Group executive remuneration (excluding EDs and POs)		Approves	Recommends to the board	Proposes to Group Remco
Senior RCAF employee remuneration			Approves	Proposals to Group Remco by CRO, CFO and the CCO
PO remuneration		Approves	Recommends to the board	Proposes to Group Remco
ED remuneration (excluding CE)		Approves	Recommends to the board	Proposes to Group Remco
CE remuneration		Approves	Recommends to the board	Board chairperson proposes to Group Remco
Non-executive director fees	Approve			Proposed by an independent management committee based on independent advice

Remuneration policy continued

Nedbank Remuneration Framework

Our remuneration framework, excluding bespoke schemes, is described below, highlighting the three remuneration components, their respective reward objectives, and the distinction between 'awarded' and single-figure remuneration:

Components	Reward objectives	Description	Frequency of payment/award	2023 awarded remuneration	2023 single-figure remuneration	Deferral or vesting period			
						2024	2025	2026	2027
1 Annual GP	Reward for skills and experience (month-to-month orientation).	Fixed annual cash salary and benefits including medical, retirement, death, and disability benefits. Benchmarked against peer banking group and listed telcos, supported by external survey data sourced from Remchannel and WTW.	Reviewed annually; increase effective April; paid monthly.						
2 STI award in respect of 2023	Reward for the achievement of annual HE and EP targets (annual orientation). The funding rate applied to target HE is subject to Group Remco approval. The final pool varies based on actual HE and EP performance relative to target and group Remco discretion for non-quantifiable factors.	Total STI consists of 2 elements: 1 Compulsory STI deferral – 50% of all STIs over R1,5m are compulsorily deferred into shares in the MSS, on a post-tax basis over a deferral period of 30 months.	Deferral period is 30 months; the deferral is released from forfeiture (<i>malus</i>) in three equal tranches on month six (Oct 2023), month 18 (Oct 2024) and month 30 (Oct 2025).			33,3% released	33,3% released	33,3% released	
		2 STI cash incentive (the balance) – Cash incentives and compulsory deferred awards are subject to <i>malus</i> and clawback at the discretion of Group Remco, for up to 3 years from the award date.	Cash incentives are awarded annually in March. Awards are discretionary, based on cluster, divisional and individual performance.						
3 LTI award in March 2024	Reward for achievement of, and exceeding published medium-term targets (3-year orientation) whilst aligning the interests of management and shareholders.	The shareholder-approved LTI plan consists of 2 schemes: 1 Restricted-share awards – A forfeitable share award in March and August, with a 3-year vesting period, subject to <i>malus</i> and clawback for 5 years from the award date. Awards are 100% performance based.	Face value of LTI is awarded annually in March with the three-year vesting period (2023, 2024, 2025), vesting in March 2026, subject to achievement of CPTs and ongoing employment.			Vesting period		Vesting (March)	
		2 MSS – A share-matching arrangement on the STI deferral, of up to 1 share for every share held, provided that the deferral is retained in the MSS plan for 36 months and the matching performance condition is met. All employees can also participate in the scheme by voluntary investment subject to meeting the matching performance conditions and specified limitations.	The match is awarded to the extent that the deferral is retained in the MSS for 36 months, i.e. until April 2027 and the performance condition is achieved.			Deferral period		Match (April)	
Total awarded remuneration for 2023: The sum of GP, total STI and face value of LTI award.									
Single-figure LTI: This is the value of the award that vests in March 2024 for which the 3-year vesting period ends in 2023, ie it was granted in March 2021 (at a share price of R131.57). The value vested (settled) in March 2024 differs from the face value at award in March 2021 due to share price movement over the 3-year performance period and achievement or non-achievement of CPTs. The value vested is valued at the 2023 year-end share price of R216.23.									
Single-figure match: This is the value of any matched shares settled in April 2024, but for which the measurement of the performance condition concluded on 31 December 2023. This is also valued at the 31 December year-end share price of R216.23.									
Dividends: These are dividends received during the financial year on unvested share-based awards.									
Total single-figure remuneration for FY2023: The sum of GP, total STI, single-figure LTI, single-figure match and dividends.									

Changes to remuneration arrangements

The group reserves the right, subject to compliance with the relevant legislation or collective agreements, to change or withdraw any aspect of its remuneration framework.

Remuneration policy continued

Remuneration mix for EDs and POs

By maintaining a suitably weighted remuneration mix, executive remuneration is appropriately aligned with the interests of Nedbank and its stakeholders. This ensures that executives remain motivated and focused on driving our strategic goals and provides a correlation between remuneration earned and the company's overall performance.

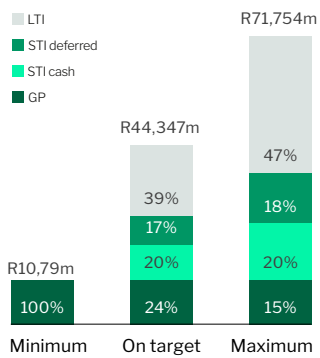
Pay outcomes by performance level

Performance level	Pay outcome
Minimum performance	Annual GP at April 2024 only, with no achievement of STI and LTI targets.
On-target performance	GP: Annual GP at April 2024. STI: At 150% of GP for EDs and POs, excluding the Managing Executive for CIB, where 250% applies. 50% of the STI above R1,5m is deferred mandatorily and the balance is paid in cash. LTI: Award at 175% of GP, and on-target vesting at 92% CPT achievement.*
Maximum performance	GP: Annual GP at April 2024. STI: Capped at 250% of GP for EDs and POs, excluding the Managing Executive for CIB, where 400% applies. 50% of the STI above R1,5m is deferred mandatorily and the balance is paid in cash. LTI: Award at 175% of GP and stretch vesting at 180% CPT achievement.*

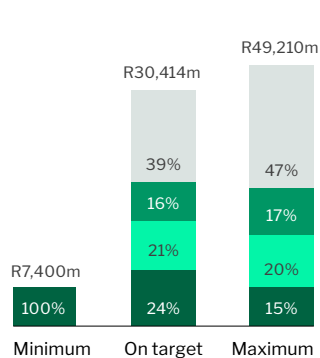
* The overall vesting outcome (i.e., for both on-target and stretch achievement) is determined by the weightings of financial and non-financial CPTs. Assumed no share price movement between award and vesting.

The graphs below illustrate the different remuneration mix scenarios of EDs and POs:

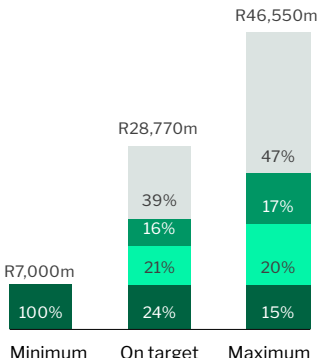
Chief Executive



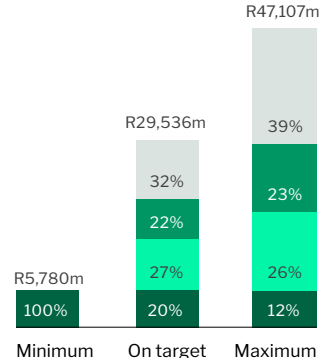
Chief Operating Officer



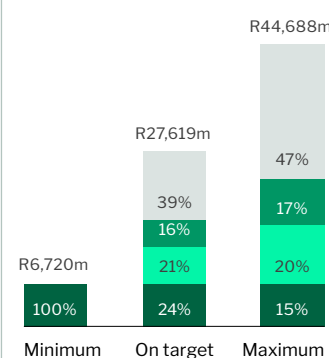
Chief Financial Officer



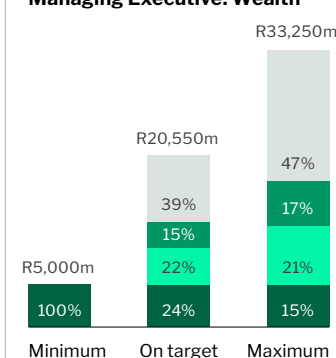
Managing Executive: CIB



Managing Executive: RBB



Managing Executive: NAR
Managing Executive: Wealth



Performance enablement

Our performance management approach is shifting from management to enablement of performance by embedding development, continuous learning and integrated talent conversations as part of the performance process. It aims to promote alignment of individual, team, and cluster performance objectives with those of the group. This enables translation of our strategic focus areas into individual action plans. The core principles of our performance management process are as follows:

- Performance management is consistently applied across the group to ensure effective alignment of strategic objectives and individual outputs.
- Performance objectives feature both financial and non-financial goals, which are aligned with our strategic objectives.
- Performance management is an ongoing process featuring regular conversations and the identification of individual learning and development needs.
- Performance outcomes are appropriately differentiated to reflect the various levels of employee contributions toward the group's success. Where performance deficits are identified, these are dealt with actively, with the primary objective of returning the employee to full performance.
- Performance management is a primary input into remuneration, with the aim, among others, of ensuring appropriate differentiation in remuneration based on contribution and performance.
- Individual performance outcomes are subject to a check and-challenge practice before finalisation to help promote fair outcomes free of any conscious or unconscious bias.

Remuneration policy continued

- The priorities of the performance management approach are to:
 - » ensure that transactional, transformational, and values-based goals, as documented in the GCCs, are focused on and aligned with our strategic objectives;
 - » ensure that feedback cycles are shorter and feature open and informal performance conversations that build on strengths instead of featuring only the formal reviews that merely measure and assign a rating for past performance; and
 - » develop our managers to become performance coaches able to hold forward-looking quality conversations that are integrated with learning and development opportunities as well as talent management objectives.

Guaranteed remuneration

Guaranteed remuneration comprises salary and employee benefits and is delivered to employees in a form determined by local market conditions. Guaranteed remuneration usually reflects the prevailing 'rate for the role' within an earnings range, with actual remuneration being distributed about the median of the range.

In SA, and in some non-South African operations, this will take the form of a GP, which represents the fixed cost of employment and, depending on local market practice, comprises a combination of the following:

- Cash salary
- Retirement benefits
- Medical benefits
- Death and disability benefits
- Motor vehicle benefits

A core principle under a GP approach is that changes to benefit contribution levels are cost-neutral to the group. This means that changes to benefit pricing result in a corresponding increase or decrease in the monthly cash salary of the individual.

Where appropriate, local market conditions may necessitate an approach that encompasses a basic salary and add-on-benefits. In these instances the salary is fixed, with benefit costs depending on whether the benefit is used. If the benefit is not used, there is no cash compensation in lieu of the benefit. The group carries the risk of increases in the cost of benefits.

The primary determinant influencing guaranteed remuneration is alignment with market standards, where we target the median of the market pay rate for the role. Annual benchmarking is conducted using data from Remchannel and Willis Towers Watson. Data from Aon McLagan is used for investment banking roles in CIB (SA and the UK). We also refer to the published remuneration disclosures of other banking institutions and telcos for our EDs and POs. Bespoke surveys for specific talent segments are conducted from time to time.

The combination of distribution of guaranteed remuneration within the earnings ranges and market standards of our guaranteed remuneration is a primary input into the annual salary review process, but in all instances subject to affordability and the sustainability of our remuneration practices.

In support of remuneration benchmarking there is a robust process of job profiling. This enables consistency in the sizing of roles and the associated benchmarking of guaranteed-remuneration levels.

At an individual level, performance, experience, and market position are key determinants of the individual's progression within an earnings range.

Adjustments to guaranteed remuneration outside the annual review process are the exception and linked to changes in responsibility or the intention to retain specific talent. These are subject to appropriate approval based on the relevant delegations of authority.

Employee benefits are regularly reviewed to ensure they remain appropriate and are prudently managed.

Most of our retirement schemes are of a defined-contribution nature, except where the benefits according to the rules of the old defined-benefit scheme are still applicable to members and where local legislative and regulatory conditions provide otherwise. Most of our South African employees are members of the Nedgroup Defined-contribution Pension and Provident Funds, which were transitioned into the Old Mutual SuperFunds in 2015.

All EDs and POs are members of the Nedgroup Defined contribution Pension or Provident Fund. Contributions to the retirement funds form part of the GP.

Our non-South African operations have a variety of defined contribution and legacy defined-benefit schemes, and if the defined-benefit schemes are in deficit, appropriate measures are taken to manage their financial impact.

Short-term incentives

STIs are delivered through our discretionary STI arrangements. Where appropriate, and subject to appropriate governance and approval, bespoke plans may be implemented, subject to approval and oversight of Group Remco.

The aim with STIs is to drive the achievement of sustainable results in line with our strategy and within an agreed risk appetite and to encourage behaviour that is consistent with our values and aligned with the best interests of our stakeholders. STI schemes are structured to reward collaborative work across different clusters. As a rule, all STI plans are funded from our overall STI pool. Bespoke plans will therefore result in a drawdown from the pool. Where there is a specific dispensation to exclude a bespoke plan from the overall STI pool (usually in cases of low guaranteed and high-variable remuneration models), Group Remco approval for such exclusion is required.

We do not operate any individual line-of-sight schemes that could encourage inappropriate risk-taking or increase the risk of moral hazard. In the case of commission arrangements (usually in respect of low-risk and, income-generating sales roles), appropriate safeguards are included to mitigate any potential moral and conduct hazards.

STI participation is discretionary and therefore there is no right to a performance incentive award in any given year. At an individual level, STIs are determined primarily based on performance, with the principle of 'exceptional reward for exceptional performance' observed. Furthermore, employees performing below a minimum acceptable level are typically not eligible for consideration for an STI award.

STIs are typically in the form of cash and employees must be in service on the date of payment. In line with global financial services governance and prudent risk management principles, we have an arrangement of compulsory deferral into shares in terms of STI awards paid above a threshold approved by Group Remco, and it has been effective since 2010. These deferrals may be subject to forfeiture at the discretion of Group Remco. If forfeiture applies, we will not retest conditions or extend the period over which shares must be held.

Remuneration policy continued

Since 2016 and at the discretion of Group Remco in respect of some of all participants, released cash incentives and deferred STI awards that are no longer subject to forfeiture are subject to clawback for up to 3 years from the original award date if any of the following events occur, as set out in the rules of the Nedbank Group Employee Share and Phantom Scheme:

- Gross misconduct.
- Loss to the group due to failure to observe risk management policies.
- Presentation or publication of misleading or misstated financial results.

If any of these triggers occur, malus and clawback will be applied in line with the principle of procedural and substantial fairness. To comply with applicable regulation, additional provisions exist for employees in the UK operations.

Specific Group Remco approval is required for all individual STI awards that exceed 200% of the GP.

The Group Remco has approved and retained a 200% cap on variable pay for the material risk-takers in our UK operations, as previously required under UK and EU regulations.

The Group STI Pool: the 'build-up' approach

Group Remco approves a 'sharing ratio' at the beginning of the year, based on, inter alia, peer practice, analyst expectations and level of stretch in business plans.

Targeted STI pool = 'sharing ratio' x Targeted HE

Determine the final STI pool for the year

- Targeted STI pool + HE variance + EP variance. HE variance = 10% of the HE variance (target to actual). EP variance = 15% of the EP variance
- **Discretion:** Group Remco retains discretion to amend the targeted and final pool for non-quantifiable factors

Adjust for performance against non-financial goal commitments included in Group Exco GCCs (non-financial modifier)

Short-term incentive pool allocation process

Our remuneration arrangements are not driven by a fixed formulaic approach only. As is evident below, Group Remco may make qualitative adjustments, on top of the formulaically determined STI pool, for any required corrections based on non-quantifiable factors, including the need to protect the franchise when key revenue generators may need to be retained.

Quantitative approach

1 Total group pool

- This is approved by Group Remco against benchmarks. It includes a targeted group pool for delivery of target HE and EP that are cascaded down to cluster-level targets.

2 HE and EP performance

- The allocation of the Group Remco-approved group pool to each cluster is done by the CE, with input from the CRO, Chief Internal Auditor and Group Exco.
- The cluster pools are based on a weighted combination of group and cluster performance. The group and cluster pools are adjusted for year-end performance variance to target, with a slant towards EP in order to incentivise capital efficiency, where:
 - » 40% is based on HE variance to target; and
 - » 60% is based on EP variance to target
- There is a 10% variance set for the bottom-up cluster pools relative to the overall group pool.

3 Goal commitment contracts

- The financially determined pools (top-down and bottom-up) are adjusted by a maximum of approximately 15% based on the non-financial elements of Group Exco members' scorecards.
- Risk metrics are included in the relevant GCCs and aligned with the group 5-year plan and risk frameworks.

Qualitative approach

4 Bonus pool adjustments

- The CE makes discretionary adjustments to quantitatively determined cluster pools based on judgement and nonquantifiable factors.
- Group Remco also makes discretionary adjustments to the group pool for any required corrections based on non-quantifiable metrics, including an assessment of the circumstances pertaining to a particular financial period, as well as non-financial performance, risk and conduct.

5 Individual-bonus proposals

- Individual-bonus proposals are discretionary with no fixed formulaic approach. All cluster executive bonus proposals are analysed by Group Exco and the necessary adjustments are made to ensure appropriate consistency across the bank.
- All Group Exco bonuses are individually motivated by the CE and recommended by Group Remco for approval by the board. The CE bonus is motivated by the Group Chairperson and recommended to Group Remco for approval by the board.
- Individual bonuses for all senior RCAF employees are reviewed and ratified by the CRO, Chief Compliance Officer (CCO) and CFO. The remuneration of the Chief Internal Auditor is agreed with the Chairperson of the GAC, and the remuneration of the CRO is agreed with the chairperson of the GRMC.
- The CRO and Chief Internal Auditor prepare independent annual risk remuneration reviews and report to GRMC and Group Remco.
- All proposed bonuses above 200% (150% in the instance of senior RCAF function employees) of GP require individual motivation and Group Remco approval.
- Group Remco has retained the 200% cap on variable pay for the material risk-takers in our UK operations, as previously required under UK and EU regulations.

Remuneration policy continued

Employees in the following bespoke schemes are excluded from the STI distribution process:

- Market analysts in CIB, since their STIs are predominantly determined using externally published ratings.
- Participants in the private-equity 'locked box' remuneration scheme, which is the market norm for private-equity collective-investment performance-based remuneration, based on a sharing of 'carried interest' on realised investments.
- Participants in the Nedbank Financial Planners and Insurance commission and earnout schemes.

Employees in the following bespoke schemes are included in the STI distribution process:

- The NPW Unit Trust Incentive Scheme within the Wealth cluster.
- MyRewards, which is a sales incentive scheme for front-line sales employees in Consumer Banking.
- The Consumer Collections Incentive scheme, which was successfully implemented during the past financial period.

In line with the principle of substantive and procedural fairness, the board has sole discretion concerning the quantum and nature of any forfeiture, malus or clawback relating to compulsory STI deferrals and LTI awards. In this regard STI deferrals and LTI awards will be forfeited should the employee resign or be dismissed before the end of the release of the outstanding forfeiture obligations or vesting period. LTI awards and STI deferrals will also be forfeited, at the sole discretion of the board, should material irregularities or misrepresentation of financial results become known during the deferral period. The board specifically considers these matters and events or conduct that may lead to such action.

Deferral of short-term incentives

The current deferral thresholds and periods for the compulsory and voluntary deferral schemes are set out below:

Compulsory STI deferral	Voluntary STI deferral
R0 to R1,5m No compulsory deferral.	Employees may voluntarily defer a portion of their post-tax STI into the Voluntary Bonus Share Scheme (VBSS), which is a subscheme of the MSS, subject to the total deferral (including the compulsory deferral) not exceeding 50% of the total post-tax STI award.
Compulsory STI deferral > R1,5m Fifty percent of any STI in excess of R1,5m is deferred into the Compulsory Bonus Share Scheme (CBSS), which is a subscheme of the MSS, over a period of 30 months, with releases from forfeiture occurring in 3 equal tranches at 6, 18 and 30 months from the date of the award. Deferral is on a post-tax basis.	

Long-term incentive plan – Nedbank Group (2005) Employee Share Scheme

The group has 1 LTI scheme, the Nedbank Group (2005) Employee Share Scheme, which has been approved by our shareholders. Under this LTI scheme, awards are made in the form of restricted-share awards and matched awards. Share awards are restricted awards because they may not be disposed of or otherwise encumbered at any time up to, but excluding the vesting date and are subject to the control of the board and/or Group Remco. These restrictions lapse on the vesting date.

Ordinary shares available for the LTI scheme are capped at 5% of the issued ordinary share capital.

Matched-share Scheme, operated under the approved long-term incentive plan

We offer a share-matching arrangement (matched awards) up to a 1-for-1 basis on compulsory and voluntary STI deferrals.

Compulsory bonus share scheme: The compulsory deferral is 50% of the STI that exceeds a predefined a threshold (currently R1,5m), which is deferred in the CBSS.

Voluntary bonus share scheme: All employees have the option to participate in the VBSS. This allows employees to participate in both potential share price appreciation and the application of share-matching arrangements.

The match is subject to the participant remaining in service on the vesting date and retaining the deferral in the plan for 36 months. The delivery of matched shares may be partially or wholly contingent on the achievement of a specified matching performance condition.

Share plan: 'Performance awards' and 'Individual performance awards'

Shares are awarded to align the interests of stakeholders and retain key employees. The criteria and quantum of allocations are benchmarked to the market annually. All LTI awards are discretionary and motivated by Group Exco and approved by Group Remco members in their capacity as trustees of the Nedbank (2005) Employee Share Scheme Trust. Specific Group Remco approval is also required for all LTI awards greater than 100% of the GP.

For our international and Nedbank Africa Regions (NAR) operations, LTIs are made on a phantom basis under the Nedbank Group Employee Phantom Scheme Plan Rules, which mirrors the Nedbank Group (2005) Employee Share Scheme in design and structure. The phantom scheme is also subject to malus and clawback provisions like those of the Nedbank 2005 scheme. These arrangements have been implemented to ensure that operations outside SA can also participate in LTI arrangements linked to the group's share price performance, thereby ensuring appropriate alignment of the interests of executives based abroad with those of the group's shareholders.

Remuneration policy continued

LTI awards are based on the following eligibility criteria:

- Individuals key to driving the business strategy
- Talent management and succession planning
- Critical talent and scarce skills
- Transformation objectives
- Potential and performance
- Leadership

The following are the core principles applicable to the group restricted-share award arrangements (including phantom share awards):

- Awards may typically be made at only 2 intervals per year – the annual pay review (typically March) and the once-off cycle award (typically August). All awards are subject to the necessary governance and approval processes.
- All awards are subject to performance conditions, being CPTs and individual performance conditions. Awards subject to CPTs may lapse in full or in part if the conditions are not met. Where awards lapse because of non-fulfilment of the CPTs, the CPTs will not be retested, and targets will not be adjusted.
- Awards are subject to vesting over at least 3 years from the grant date. Where awards lapse, no replacement compensation is issued.
- Employees may not take steps to hedge or otherwise insure themselves against potential losses in respect of their LTI participation before vesting.
- The pool available for allocation under our LTI arrangements is approved in advance by Group Remco.
- Group Remco assesses and confirms the CPT outcomes, ensuring that the interests of all stakeholders are appropriately considered.
- Since 2016 and at the discretion of Group Remco, awards are subject to malus and clawback provisions, and may be invoked in respect of some or all participants for a period of up to 5 years from the original date of the award if any of the following events occur, as set out in the rules of the Nedbank Group (2005) Employee Share Scheme and the Phantom Scheme:
 - » Gross misconduct.
 - » Loss to the group due to failure to observe risk management policies.
 - » Presentation or publication of misleading or misstated financial results.

- If any of these triggers occur, malus and clawback will be applied in line with the principles of procedural and substantial fairness. To comply with applicable regulation, additional provisions exist for employees in the UK operations.
- At the discretion of Group Remco, restricted shares may be awarded to new senior managers on appointment, and, on an exceptional basis to employees who have been appointed to more senior positions and have been recommended for an allocation by Group Exco.
- On-appointment allocations may take place typically biannually (and by exception on the date of appointment with specific approval), with awards based on the price paid by the Trust in purchasing the shares used to satisfy the awards.
- Restricted-share awards and matched awards are not, under any circumstances, backdated.
- No retrospective adjustments are made to performance conditions to mitigate the impact of weak performance.
- Participants are eligible for dividends from the award date.

Special-purpose short-term variable remuneration

We use special-purpose short-term variable remuneration arrangements on an exceptional basis to help attract and retain key employees and individuals with scarce skills. These include sign-on awards and deferred short-term incentive (DSTI) arrangements, both of which are subject to individual performance and service conditions to ensure an appropriate return on the remuneration investment. Sign-on awards are cash-based and made to prospective employees on joining the group, typically awarded to compensate for the loss of certain accrued benefits or to make these employees whole in terms of their existing contractual obligations to previous employers. DSTI awards are cash-based, comprising an upfront payment (typically 40% of the award), with a deferred component (the remaining 60%) payable subject to minimum service and individual performance conditions. EDs and POs are not eligible for DSTIs in the normal course.

Employee Ownership Plans

Broad-based schemes operate in jurisdictions where local regulations or statutes require specific economic participation by employees, usually through ownership of a stake in the business. In most instances these plans are put in place to redress past imbalances in participation in the respective country's economy. Therefore, participation in these plans, may be limited to certain employees based on demographic specifications. Failure to adhere to the requirements may have material legal implications for the relevant business. Broad-based schemes are typically implemented at zero cost to employees. All Employee Ownership Plans are subject to board approval (and may, subject to the nature of the transaction, require regulatory, stock exchange or shareholder approval). Accordingly, strict governance and approval processes apply.

Risk and remuneration Overview

We use a 3-year budgeting, forecasting, and planning process that is integrated with our strategic objectives, risk appetite and capital planning, enabling us to have a forward-looking view of the strategic, financial, and risk-and-return outcomes of remuneration policies and outcomes. The mandatory STI deferral of up to 30 months and the 3-year vesting of LTI share awards are aligned with this forward-looking business cycle. The deferral period provides for risk-based outcomes to be monitored over the 3-year period after the deferral and enables the application of malus or clawback.

The STI scheme is designed to incentivise a combination of profitable returns, appropriate risk-taking and growth. It is driven by actual EP and HE performance versus targets, using risk-based capital allocation as set out in the Risk and Balance Sheet Review, available online.

There is cooperation between Group Remco and GRMC to ensure that the overall risk environment is considered when making remuneration decisions, with a formal discussion between the Group Remco Chairperson and the GRMC Chairperson on the risk aspects of remuneration held. This reflects our commitment to achieving a balance between the prudent management of remuneration within the context of both our risk appetite and risk profile, and the need to attract, retain and motivate key talent to enable delivery on our strategic objectives. Risk is considered in the remuneration process by including ex-ante or 'before the fact' risk adjustments.

Group Remco works with GTSEC to ensure appropriate levels of oversight of the application of ethical principles aimed at achieving fair and ethical remuneration outcomes.



Remuneration policy continued

Our summarised approach to the governance of risk in remuneration

Variable-pay design

Long-term incentive awards

- Awards are discretionary, with 3-year vesting periods, subject to *malus* and clawback.
- CPTS are aligned with published medium-term strategic targets and value creation.
- Minimum shareholding requirements apply to Group Exco members to promote alignment of interests.

Short-term incentive awards

- Awards are discretionary, with up to a 30-month partial compulsory deferral so that risk-based outcomes may be monitored, and subject to *malus* and clawback.
- There are no line-of-sight schemes that encourage inappropriate risk-taking.

Group Remco

- The board approves the Remco Charter setting out the committee's roles and responsibilities, as well as the Remuneration Policy.
- The committee is independent.
- The committee commissions an annual external independent review to ensure implementation is in accordance with the policy and that the policy adheres to the requirements of King IV, the Banks Act, 94 of 1990, Prudential Governance Standards for Insurers, the JSE Listings Requirements, and Financial Stability Board Principles for Sound Compensation Practices (FSB) Principles.
- Additional committee oversight is applied to the following:
 - » CE and Group Exco awards.
 - » STI awards > 200% GP, and LTI awards > 100% GP.
 - » RCAF employee awards.

The governance of risk in remuneration

GRCMC and Group Remco

- Formal interaction between GRCMC and Group Remco takes place to ensure the overall risk environment is considered when making remuneration decisions.
- The CRO and GIA provide annual risk remuneration reviews for Group Remco and GRCMC approval.

GTSEC and Group Remco

- GTSEC and Group Remco work closely to ensure there is robust oversight on fair remuneration.
- Group Remco is responsible for ensuring that appropriate measures are in place to ensure the organisation pays fairly, responsibly and ethically, within the tone set by GTSEC.

Stakeholder engagement

- Annual governance roadshows take place with shareholders.
- Shareholders vote on the Remuneration Policy and Implementation Report.
- Sasbo engagement takes place for bargaining-unit employees.

Recognition Programme

We are a purpose-led and values-driven organisation and this is at the core of who we are and how we conduct our business. We believe that our actions and behaviours should reflect The Nedbank Way in everything we do.

Employees who deliver performance excellence and exemplify the desired behaviours are celebrated informally throughout the year through the awarding of virtual badges, as described below, and formally once a year through recognition of the achievements of individuals and teams in the form of the prestigious annual Top Achievers international incentive trip, incentivising desired performance, maintaining motivation, and always keeping our values and purpose top of mind.

Our redefined virtual recognition badges are designed to celebrate and reward actions that align with The Nedbank Way culture principles. These badges are not just symbols; they are tangible expressions of our dedication to recognising and honouring those who embody the spirit of Nedbank in all that they do.



The approval of formal Top Achiever nominations can be accompanied by the awarding of Avo vouchers, at the line manager's discretion.

Remuneration policy continued

Minimum shareholding requirements

As approved by Group Remco in 2012, members of Group Exco are subject to minimum shareholding requirements. The following minimum requirements must be met within 5 years from the date of appointment to Group Exco:

CE	2 times GP
EDs and POs	1,5 times GP
Other members of the Group Exco	1 times GP

Termination arrangements

EDs and POs are entitled to severance pay equal to 2 weeks' GP per completed year of service if their services are terminated by the company on a no-fault basis. Contractual notice (where applicable) will be served, and accrued leave will also be paid out in the normal course.

Treatment of any unpaid bonus, unvested deferrals or unvested LTI awards will be dealt with in line with the rules of the various schemes and will in all instances be subject to Group Remco and board oversight and approval. There are no special termination arrangements or golden parachute agreements in place. Malus or clawback may apply to some or all participants, including those who have been granted no-fault termination status or fault termination status. The provisions applying to unvested deferrals and unvested LTI awards are outlined below (the board and/or Group Remco may apply discretion to classify a termination as a no-fault termination for unvested LTI awards):

		STI	LTI
Fault termination	Resignation or dismissal	Employees who resign or are dismissed before the payment or vesting date of cash awards or deferrals will forfeit these awards.	Employees who resign or are dismissed before the vesting date of the unvested LTIs will forfeit these awards.
No-fault termination. Generally, this is any termination not treated as a fault termination.	Retirement, retrenchment or permanent disability	Cash and deferred STI awards continue in the normal course for the duration of the vesting period.	The LTI awards continue for the duration of the vesting period and remain subject to the applicable rules and performance conditions.
	Death	Deferred awards vest on death and any applicable match is settled within 30 days.	Unvested LTI awards vest on death and are adjusted for expected vesting outcomes as approved by Group Remco.

Group executive service contracts

Service contracts of EDs and POs are aligned with the general conditions of service applicable to all group employees based in SA, except for specific provisions relating to notice periods, which are set out below:

	Notice period	Retirement age
CE	12 months	60
EDs	6 months	60
POs	6 months	60

All Group Exco members, other than the CE, have a standard six-month notice period, which is a requirement for all new appointments. Normal retirement ages can be extended at the board's discretion, by mutual agreement.

Change of control

The Nedbank Group (2005) Employee Share Scheme rules provide that there may be no automatic early or accelerated vesting in the event of an offer of Nedbank Group Limited shares. They do, however, allow for accelerated vesting of unvested awards in limited circumstances. As an example, if there is a 100% takeover and the offeror wishes to vary the terms to accelerate the vesting, provided that the board is satisfied that the terms are not less favourable to the participants on an overall basis and that it is, in the best interests of the group.

Non-executive directors' fees

Non-executive director appointments are made in terms of the company's memorandum of incorporation and confirmed at the first AGM of shareholders after their appointment. Directors are then re-elected by shareholders at least every 3 years.

Each year, the fees are considered, and proposals are made by an independent committee comprising the CE and CFO with advice from independent experts. Fees are reviewed against the local banking sector and are subject to approval in advance by shareholders at the AGM. Changes to fees, where approved by shareholders, become applicable on 1 July of each year.

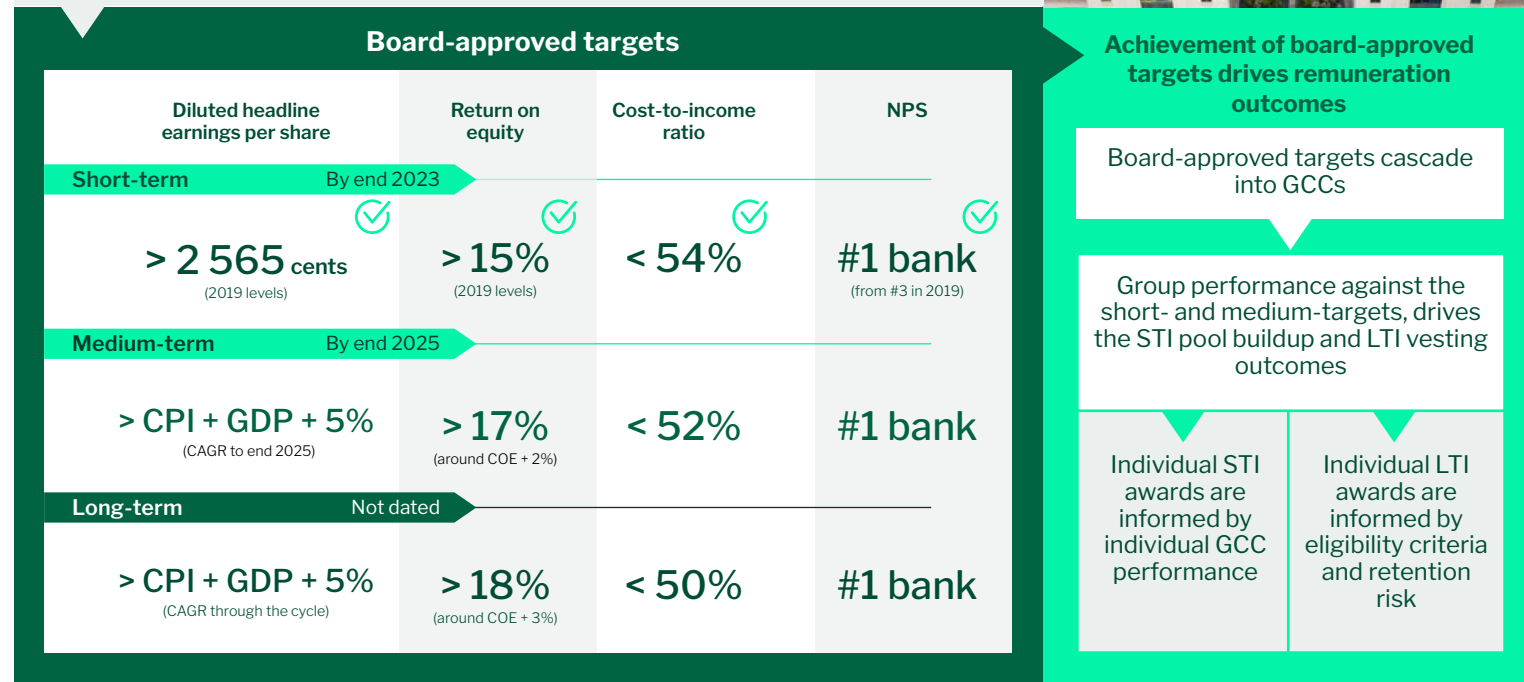
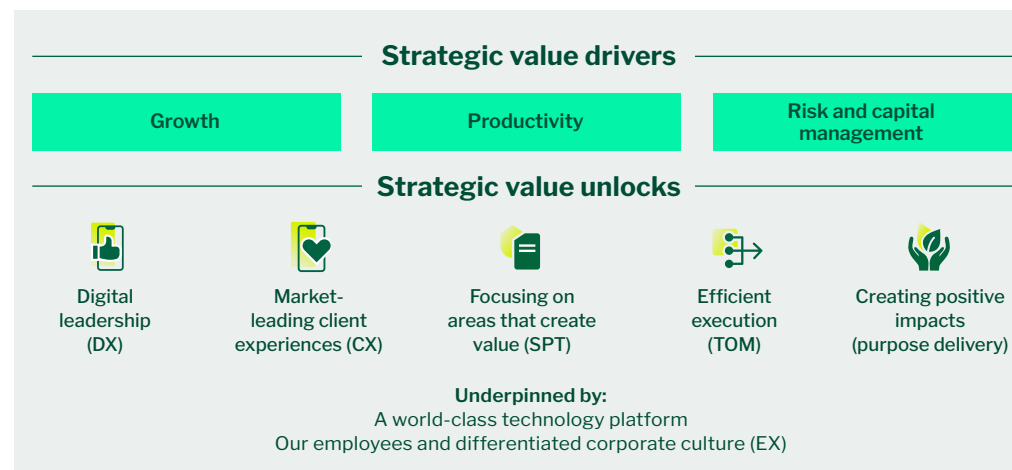
The fees of the Group Chairperson and the non-executive directors reflect the specific responsibilities relating to their membership of the board and, where applicable, board committees. The Group Chairperson receives a single fee for his role. Neither the Group Chairperson nor the board members receive any performance-related remuneration or any employee benefits. Non-executive directors are accountable for decisions made, regardless of attendance at meetings. Non-executive directors are also required, as a matter of course, to engage stakeholders and to make the necessary preparations for meetings and other engagements.

Implementation report













Covered in this section

Strategic alignment of remuneration
Fair pay
Retirement schemes status
GP outcomes in 2023
Short-term incentive outcomes in 2023
Long-term incentives outcomes
ED and PO performance and remuneration
Minimum shareholding requirement status of Group Exco members
ED and PO total awarded and single-figure remuneration
Regulation 43/Pillar 3 disclosures
Remuneration of risk, compliance, audit, and finance (RCAF) specialists
Non-executive directors' remuneration
Directors' and prescribed officers' interests
Share-based payments to executive directors and prescribed officers

Strategic alignment of remuneration



Implementation report continued

	Included in the GCCs	Drives STI pool build-up	Drives LTI vesting outcome
Board-approved target			
HE and economic profit <ul style="list-style-type: none"> HE and EP performance against 2023 business plan and budget drives the STI pool 			
DHEPS growth <ul style="list-style-type: none"> Short-term target (2023): > 2 565 cents Medium-term target (2025): > GDP + CPI + 5% (CAGR to end-2025) Long-term target: > GDP + CPI + 5% (CAGR through the cycle) 			
Return on equity <ul style="list-style-type: none"> Short-term target (2023): 15% Medium-term target (2025): 17% Long-term target: > 18% 			
Cost-to-income ratio <ul style="list-style-type: none"> Short-term target (2023): < 54% Medium-term target (2025): < 52% Long-term target: < 50% 			
Environmental, social and strategic <ul style="list-style-type: none"> Environmental: Active progress on the Energy Policy commitments and sustainable development financing SDF ambitions Social: Maintain positive employee NPS, strong client NPS, and competitive BBBEE status SPT 2.0: Achieve selected market share gains Achieve improved coverage and returns in NAR Unlock value from digital transformation 			



See page 90-93 for ED and PO GCCs

'Fair pay'

Fair remuneration is essential for a productive work environment. When remuneration is fair and reflective of contributions, employees are more likely to be motivated and engaged. In the long run, fair pay mitigates the risk of high levels of employee turnover and supports individual well-being, thus contributing to the overall sustainability of the business.

Pay differentials

At Nedbank, remuneration differentials are thoroughly tested and validated twice a year (pre- and post-annual pay review) using a proven model that considers the range of admissible factors, as set out in the Equal Pay for Work of Equal Value Regulations (regulation 7 of the Employment Equity Act, 55 of 1998). The factors considered by the model include seniority, length of service, time in role, qualifications, performance, and skills scarcity. By applying such factors that are justifiably expected to influence remuneration, the model predicts an expected value of remuneration (GP and STI) for each employee. Regression models were built using traditional and machine learning techniques. While models and proxies can never be perfectly accurate, they use the best information available and can highlight outliers in the data which are investigated and resolved in a subsequent review and qualitative exercise. We have continued to make refinements to this model since it was introduced in 2018, and all material factors that would be expected to justifiably influence pay are now considered.

Employees with large variances between the actual and expected value of pay are red-flagged. These items are validated and marked for review and possible remediation by the clusters. The number of pay differentials flagged for remediation has continued to trend downwards. The results are presented to Group Exco, GTSEC, and Group Remco for approval. Group Remco also reviewed the race and gender pay gap outcomes whereby compa ratios for each employee, by race and gender, are compared to the average remuneration for all employees performing 'comparable work'. Comparable work is categorised based on grade, union category, job profile, performance, and tenure.

Implementation report continued

Group Remco is satisfied that there is negligible evidence of 'pay bias', that differences in race and gender compa ratios are negligible and that overall, pay differentials are supported by admissible and justifiable factors.

Pay fairness

'Pay fairness' arguably starts with ensuring a decent living wage at the lower levels. Nedbank's minimum annual GP is R225 000, effective from April 2024 (2023: R210 000; 7,1% increase). This minimum GP is significantly above the legislated minimum wage in SA of R27,58 per hour, which translates to just below R60 000 per annum. This was supplemented by an STI of 8% of the guaranteed remuneration bill of qualifying employees in the bargaining unit (2023: 9%).

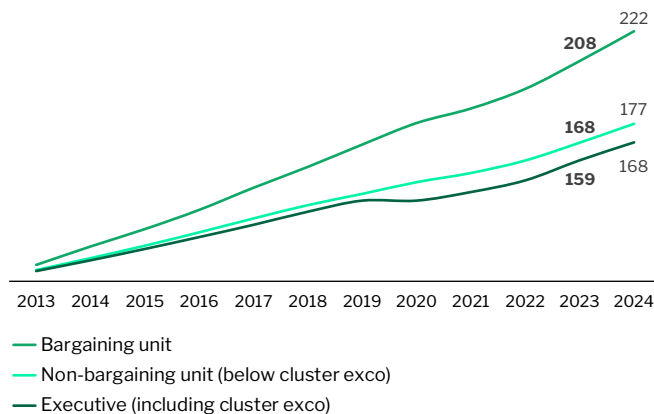
Executive GP increases are set by reference to, among other things, the increases of the broader workforce, which is represented by Sasbo, the finance union in SA. In 2024, employees at Group Exco level and NBU employees will receive increases in their total GP averaging 5,3%, compared with 7% for the bargaining unit.

Employees have a right to freedom of association and unions representing their interests. There are also collective-bargaining arrangements in our subsidiaries in Lesotho, Namibia, Eswatini and Zimbabwe. Care is taken to ensure that salary increase settlements are appropriate within the context of local market and economic conditions. We continue to remunerate our employees in the bargaining unit appropriately relative to the industry.

As shown in the graph on the top right, indexed at 100 from 2013 to April 2024, the GPs at bargaining unit level have, on average, more than doubled (122%), while at non-bargaining and exco level the average GPs have increased by 77% and 68% respectively. This is a result of a deliberate long-term approach to narrow vertical pay gaps and reduce income inequality, and has the added effect of increasing the STI awards of the bargaining-unit members as variable pay is determined as a percentage of GP.

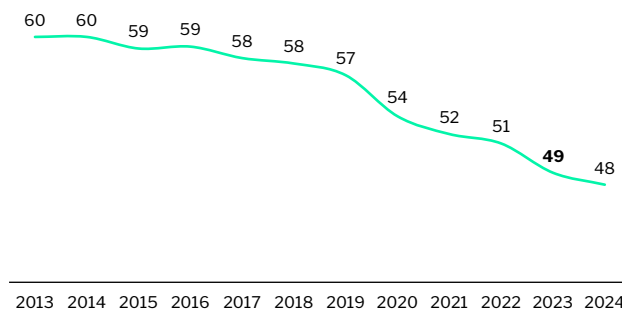
GP increases during 2013–2024

(Indexed)



CE GP to bank minimum ESG

(Ratio)



The ratio between the CE's GP and the bank minimum GP has steadily declined as depicted in the graph above, measured from 2013 to April 2024.

Additional voluntary pay disclosures ESG

The following disclosures are based on the current proposed amendments to the Companies Act, 71 of 2008, where we have interpreted remuneration to be 'awarded remuneration'. Total remuneration is annual GP effective April 2023 plus STI awarded in March 2023 plus LTI awarded in 2023:

Highest total remuneration

	Annual value R'000
Total remuneration of the highest earner	44 275 ¹

¹ This relates to the Chief Executive and comprises of annualised GP at April 2023 (R10,275m), STI paid March 2023 (R17m), LTI award in 2023 (R17m). This GP varies from the GP reported in the awarded remuneration on page 95 of this report which is GP received for the full financial year.

Lowest total remuneration

	Annual value R'000
Total remuneration of the lowest earner (permanent banking employees)	210

Average and median total remuneration of all permanent banking employees

	Annual value R'000
Average	771
Median	481

Top 5% and bottom 5%, permanent banking employees

	Value R'000
Total remuneration of the top 5% highest paid employees	4 764 532
Total remuneration of the bottom 5% lowest paid employees	234 851
Ratio	20,3

Implementation report continued

Employee benefits

In addition to monetary reward, we provide Nedbankers equal access to a suite of meaningful and competitive benefits offerings. We endeavor to improve our benefits each year, knowing that a carefully designed suite of employee benefits can make a positive contribution to the employee experience as a Nedbanker. Our benefits offerings are designed to meet the individual needs of our Nedbankers and are categorised with this in mind:



My peace of mind

In a dynamic world where change is inevitable, we have devised benefits to give employees a greater sense of security and stability now and in the future. #RetirementFunds #LifeAssurance #Finances #Health



My lifestyle

We want our employees to achieve a strong work-life integration. We provide several benefit packages to equip employees to successfully integrate work into their lives. #FlexibleWorkPractices #Leave #Discounts #NedbankRunningClub



My community

Employees can be a part of delivering the Nedbank purpose by using our financial expertise to do good for individuals, businesses, families, and communities. #SocialResponsibilityLeave #ReligiousHolidays



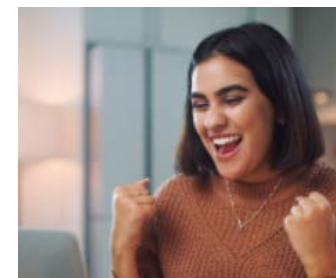
My career development

We offer coaching, mentoring, and graduate programmes to respond to diverse benefit needs and encourage career development. #Coaching #Bursaries



My well-being

We are committed to creating and fostering workplace conditions for our employees' holistic well-being. We offer benefits to provide employees with support along their well-being journey. #EmployeeWellbeingProgramme



My career

We celebrate employees and Top Achievers through recognition of their outstanding work and years of service. We value them and the work they do. #RetirementGratuity #TopAchiever #LongServiceRecognition



My family

We are a family-friendly employer – we make good use of voluntary benefits to create a family-friendly work environment for employees. #Leave #EducationalAssistance #StudyGrants



Discounted benefits

From time to time Nedbank negotiates a competitive range of employee discounts. These are positioned as a suite of voluntary benefits for our employees' convenience. #DiscountedBenefits



Benefits Experience

Nedbank invests in its employee experience initiatives that positively impact our company culture. Providing meaningful benefits for employees and their families to enjoy, is our priority. #BenefitsExperience

Implementation report continued

Additional benefits for lower-income employees

Nedbank provides lower-income employees and their dependants with additional benefits to improve their skills and capacity, which should in time translate to a higher remuneration opportunity, as outlined below:

Nedbank study grants

The Nedbank Tertiary Study Grants help employees who earn up to R600 000 GP per annum with a grant payment towards fees for tertiary studies for their children. In 2023 this grant was enhanced from R10 000 per recipient to up to R60 000 per recipient. A total of 281 of our employees’ children (2022: 81) were assisted with funds to study towards first-time degrees or diplomas to the value of R13,7m (2022: R1,1m).

Dr Holsboer Medical Assistance

Dr Holsboer Medical Assistance grants help employees with costs towards medical expenses once their own medical aid savings have been exhausted. At the end of December 2023, the fund assisted 867 employees (2022: 890) to the value of R3,6m (2022: R3m).

Dr Holsboer Education Assistance

The fund provides qualifying applicants who earn a joint income of up to R485 000 per annum with a once-off grant for their children and legal dependants towards the fees for formal primary- and high-school education. In 2023 the fund paid out R5m (2022: R4,6m), assisting 2 092 employees (2022: 2 056).

The Evergreen Trust

This scheme has the specific purpose of improving the living standards and personal circumstances of black permanent employees at lower income levels by providing grants or benefits to those who qualify. In 2023 R203, 000 (2022 R2,2m) was disbursed.

2023 saw a complete review of programmes offered by the Trust, following the completion of the pilot programs launched in 2022. A more structured approach has been introduced, which will enable the beneficiaries to apply for funding for a broader spectrum of learning opportunities, that extend beyond just formal qualifications, but will include short study programmes and skills development. The Trust has also availed funding for bursaries to both beneficiaries and their dependents for which the beneficiaries can apply directly and it is not restricted to specific learnerships.

Retirement schemes status

Set out below are the details of the current South African funds and the number of members at 31 December 2023:

Retirement fund	Number of active members
Defined-contribution Pension Fund	8 395
Defined-contribution Provident Fund	14 155
Nedgroup Defined-benefit Pension Fund ¹	58

1 Has an actuarial surplus and remains a stand-alone fund. Has 1 784 pensioners + 50 deferred pensioners.

Guaranteed package outcomes in 2023

Employees at Group Exco level and NBU employees received an increase in their total GP averaging 5,6% in 2023. This compares with 7% for the BU. The minimum GP for permanent full-time employees in SA was increased by 10,5% to R210 000 per annum in 2023, up from R190 000 in 2022, and remains significantly higher than the minimum wage in SA.

Short-term incentive outcomes in respect of 2023

The total STI pool approved by Group Remco in respect of the 2023 financial year was R3 032m, compared with R2 900m for 2022. In accordance with its charter, Group Remco also approved 14 individual STI payments above 200% of GP, compared with 25 for 2022.

The 2023 STI pool accounting charge increased by 4,8% to R3 040m from (2022: R2 900m), affected by small timing differences in accounting accruals.

Special-purpose short-term variable remuneration outcomes

Scheme type	Number of awards
Sign-on bonus	41 awards (2022: 48) totalling R15m (2022: R14,4m)
DSTI awards	115 awards (2022: 145) totalling R83,7m (2022: R66,9m)

Long-term incentive outcomes

LTI plan share usage

A limit of 24 905 446 shares for purposes of the LTI plan, representing 5% of the issued ordinary share capital on 1 January 2018, was approved by shareholders at the 10 May 2018 AGM. To date, 18 318 126 shares have been used against this limit.

From 2023 shares were purchased in the open market for the annual LTI issuance, averting further utilisation against this limit and shareholder dilution.

LTI vesting outcomes

As stated in last year’s Remuneration Report, we estimated that 133% of the 2021 Group Exco awards would vest in March 2024, based on business plans at the time, and before any Remco discretion on the vesting outcome. Group Remco exercised its discretion and increased the DHEPS target on the 2021 LTI awards. This reduced the DHEPS vesting outcome for Group Exco from 200% to 190%, after taking into account management’s approach to managing endowment, and as a result reduced the overall vesting for Group Exco to 124,8%.

The 2021 Remuneration Report disclosed that 101 additional LTI awards, to the value of R146,7m, representing 15,4% over and above the regular awards, were approved in March 2021 on a highly selective basis to critical and scarce talent. Furthermore, 20% of these awards to Group Exco did not carry performance conditions (40%: cluster exco, and 50% other participants). This was a once-off award for the specific year only and was necessitated to address the motivational and retention risks arising from ensuing low vestings, namely:

- expected (and actual) 0% vesting of the 2020 awards to Group Exco members, mainly because of the impact of Covid-19 on the ability to meet the CPTs that were set shortly before its onset; and
- expected low levels of vesting of the 2019 and 2018 awards (with actual 2019 awards vesting at 15,0% and 2018 awards vesting at 18,1%) also because of the impact of Covid-19.

Rather than seeking to amend historic CPTs, which Group Remco believed would have been inappropriate, Remco addressed the motivational and retention risks with these additional awards. Group Remco believes that this was the right decision. The average vesting outcome for Group Exco members over the past 4 years, including the March 2024 vesting, was 79%, which compares well to typical vestings we have experienced in the past and is aligned to, albeit lower than, shareholder returns over the period.

The impact of this year’s higher vesting relative to last year’s 0% vesting is explained in the single-figure remuneration tables section.

Implementation report continued

The vesting outcomes on the CPTs attached to the 2021 awards are listed below:

CPT	Performance	Vesting outcome
ROE (including goodwill) by 2023	2023 ROE of 15,1% against the 100% vesting target of 15%.	105%
DHEPS cumulative over 2021 to 2023 > 6 750	Cumulative actual performance of 8 370c, well above the maximum 200% vesting target of 7 750c. The targets were subsequently revised upward at Group Remco discretion, resulting in 190% vesting.	190%
Business recovery metrics	Final vesting of 81,25%*.	81,25%

* Vesting of business recovery CPTs on the 2021 LTI awards

A final rating of 4,25 out of 5 was determined on our business recovery metrics in aggregate, resulting in a vesting of 81,25%, with the maximum vesting limited to 100%. This was a result of the following:

- **Improvement in capital adequacy:** The CET1 ratio of 13,5% showed a significant improvement on 2020 (10,9%), well above the pre-Covid-19 level of 11,5% (2019), well above the SARB minimum requirements and exceeding the group's board-approved target ranges. This supported the execution of a R5bn capital optimisation initiative, resulting in shareholder value uplift.
- A strong **liquidity position:** the average LCR for Q4 2023 of 135% (Q4 2022: 161%; Q4 2021: 128%, Q4 2020: 126%, Q4 2019: 125%) is comfortably above the regulatory minimum level of 100%. The 2022 NSFR of 117% (2022: 119%; 2021: 116%, 2020: 113%, 2019: 113%) is also well above the 100% regulatory minimum.
- Mixed success in growing profitable asset and liability market share in selected areas (**SPT 2.0**): Main-banked clients in retail grew by 9% to 3,53 million clients and 17% higher than 2020 (3,02 million), CIB gained 20 new primary clients and NAR total clients increased by 4% in 2023. Market share was lost in household and commercial transactional deposits.

- Realisation of 87% of the targeted R2,5bn **TOM 2.0 benefits**, with the balance to be achieved in 2024.

The following CPT weightings applied to the 2021 LTI issuance:

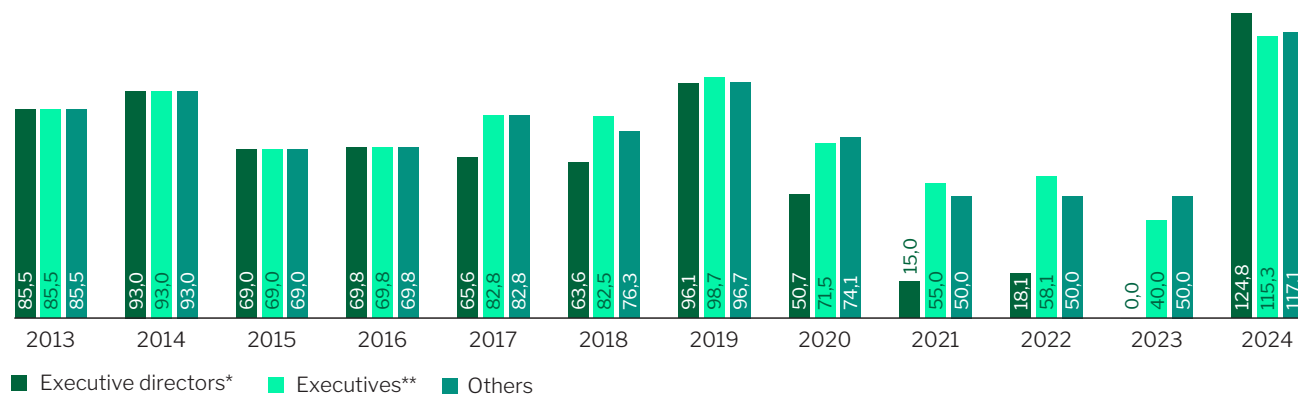
CPT weightings	Group Exco and cluster exco %	Group Exco and cluster exco %	All other %
ROE (including goodwill) by 2023	30	20	20
DHEPS, cumulative over 2021 to 2023	30	20	20
Business recovery metrics	20	20	10
Total	80	60	50
% award with performance with performance conditions	80	60	50
% award without performance conditions	20	40	50
Total	100	100	100

The matching condition on the MSS of ROE ≥ COE, where ROE and COE are measured on the results of the 2023 financial year, was also met, where COE was 14,8% and ROE was 15,1%. This resulted in a match of one share for every share held by the MSS participant following no matching in 2023, 2022 and 2021 for Group Exco members, and 50% for cluster exco and other participants in 2023, 2022 and 2021.

The final vesting outcomes of the 2021 issuance by employee level are included in the graphic below:

LTI vesting percentages

(%)



% of award subject to performance

* 100% of awards made to executive directors from 2014 onwards except for 2021 (vesting March 2017 onward, except for March 2024) are subject to CPTs.

** 'Executives' refers to cluster exco and Group Exco members (other than EDs) for awards vesting up to 2021 and 'refers to cluster exco only, for vesting from 2022.

Implementation report continued

2024 awards: Performance conditions and weightings

Vesting of Group Exco and cluster exco awards remains 100% business performance-based – the same as the 2023 awards. Vesting below cluster exco level is 50% CPT-based and 50% subject to an individual performance underpin – the same as 2023 issuance.

	Group Exco and cluster exco %	All other %
ROE	30	15
DHEPS growth	30	15
Cost-to-income ratio	20	10
Environmental and social	10	5
Strategic	10	5
Total	100	50
% of award linked to group business performance and continued employment	100	50
% of award linked to individual performance and continued employment	0	50 ¹
Total	100	100

1 Vesting of this portion is subject to a minimum acceptable individual performance standard and ongoing employment over the vesting period.

2024 awards: Vesting ratios and targets

	Minimum vesting 0%	Target vesting 100%	Maximum vesting 200%
ROE 2026 ¹	ROE ≤ 15,25%	ROE = 17,25%	ROE ≥ 18,75%
DHEPS CAGR growth ²	≥ CPI + GDP + 1%	= CPI + GDP + 5%	≥ CPI + GDP + 10%
Cost-to-income ratio 2026 ³	54%	52%	50%

	Minimum vesting 0%	Target vesting 60%	Maximum vesting 100%
Environmental and social ⁴	Rating = 0	Rating = 3	Rating = 5
Strategic ⁴	Rating = 0	Rating = 3	Rating = 5

Straight-line vesting applies between the points in the above table.

1 To be measured on the 2026 results. This will be reviewed and adjusted where appropriate in the event of material merger and acquisition activity in a manner that does not prejudice shareholders and is in the best interests of the group. Group Remco retains discretion to amend the vesting outcome, either down or up should actual COE be materially above or below the currently forecast COE.

2 DHEPS growth is measured as the CAGR over the 3-year vesting period, 2024 to 2026 (2023 as base year). CPI and GDP are for SA only and will be reviewed and adjusted where appropriate in the event of material merger and acquisition activity in a manner that does not prejudice shareholders and is in the best interests of the group.

3 Cost-to-income ratio, including associate income, is measured on the 2026 results.

4 E&S and the strategic CPT are measured as a qualitative evaluation by Remco of ‘substantial progress made’ on the board-approved metrics supporting these initiatives with input from relevant board committees, on a scale of 0 to 5 (with 3 at 60% vesting).

2024 awards: Environmental and social commitments

Environmental	Achieve appropriate progress on our Energy Policy commitments: Renewable-energy finance (SDG 7) and Energy Policy-related timelines and targets, including fossil-fuel related glidepaths will be communicated in 2024 with further sizing of next portfolio carbon intensities, with associated glidepaths.
	Our own carbon footprint is to decline by 40% by the end of 2025 and renewable green energy for our own operations is to contribute more than 30% of energy sourced by 2025 and both to be progressed further by 2026.
	Meet sustainable development financing (SDF) ambitions: By the end of 2025 it is our ambition to have increased SDF exposures to around 20% of the group’s total gross loans and advances (2023: 16%), supported by more than R150bn in new SDF finance (from the 2021 base) that is aligned to the SDGs. Our plans currently suggest we get to 19% by 2025.
Social	Maintain positive employee Net Promoter Score (NPS). Maintain an employee ‘great place to work’score of an average of around 20 over the period.
	Maintain a strong client NPS over the period.
	Maintain competitive BBBEE status (inclusive of diversity). Retain level one status, based on the current amended Financial Sector Code (FSC) targets. This is still a pending status given the industry review process underway and amended FSC rules are yet to be finalised, which may result in us targeting a different status.

2024 awards: Strategic commitments

Nedbank Africa Regions	Achieve improved coverage and returns.	SPT	Achieve selected market share gains in retail secured and unsecured lending, within appropriate risk appetite.
Digital transformation	Unlock value from AI and GenAI while strengthening capabilities in data and analytics (scaling commercial value from analytics, GenAI, Digital 2.0 and transforming Digital Customer engagement).		Achieve market share gains in retail and commercial transactional deposits.
			Achieve gains in main-banked clients.

2024 Matched-share Scheme

The 2024 matching performance conditions under the CBSS and VBSS are set out in the table below:

	Matched-share Scheme	
	CBSS (Deferral on a post-tax basis on 50% of any amount over R1,5m.)	VBSS [No more than 50% of total post-tax STI (including any compulsory deferral).]
Group Exco and cluster exco	100% of the match subject to ROE ≥ COE+1% in 2026 and ongoing employment on vesting date	
All other participants	50% of the match subject to ROE ≥ COE+1% in 2026 and ongoing employment on vesting date.	
	50% of the match subject to the participant’s maintaining a minimum acceptable individual performance standard and ongoing employment over the vesting period.	

Implementation report continued

For employees with earnings falling within the highest tax bracket, the gross STI has the potential to increase by 27,5% (before share price movement) if the performance condition in the MSS is met.

2023 awards: Performance conditions and weightings

	Group Exco and cluster exco %	All other %
ROE	30	15
DHEPS growth	30	15
Cost-to-income ratio	20	10
Environment and social	10	5
Strategic	10	5
Total	100	50
% of award linked to group business performance and continued employment	100	50
% of award linked to individual performance and continued employment	0	50 ¹
Total	100	100

¹ Vesting of this portion is subject to a minimum acceptable individual performance standard and ongoing employment over the vesting period.

The vesting ratios and targets for awards made in 2022

ROE, DHEPS and cost-to-income ratio	Minimum vesting 0%	Target vesting 100%	Maximum vesting 200%
ROE ¹	15%	17%	18,5%
DHEPS CAGR growth ²	= CPI + GDP + 1%	= CPI + GDP + 5%	= CPI + GDP + 8%
Cost-to-income ratio (2025) ³	54%	52%	50%

¹ Measured in final year of vesting in 2025. This will be reviewed and adjusted where appropriate in the event of material acquisitions in a manner that does not unduly prejudice shareholders and is in the best interests of the group. Remco retains discretion to amend the vesting outcome either down or up should actual COE be materially above or below the currently forecast COE.

² DHEPS growth is measured as the CAGR over the 3-year vesting period 2023 to 2025 (2022 as base year). CPI and GDP are for South Africa only and will be reviewed and adjusted where appropriate in the event of material acquisitions in a manner that does not unduly prejudice shareholders and is in the best interests of the group.

³ Cost-to-income ratio, including associate income, is measured as the ratio in the final year of vesting, namely 2025.

	Minimum vesting 0%	60% vesting	Maximum vesting 100%
Environmental, social, and strategic	Rating = 0	Rating = 3	Rating = 5 (substantial progress)

Straight-line vesting applies between the points in the above table.

Environmental, social, and strategic CPTs are measured as a qualitative evaluation by the Group Remco of 'substantial progress made' on the board-approved metrics with input from relevant board committees, on a scale of 0 to 5 (with 3 at 60% vesting). For the maximum vesting in 2025 of 100% to be achieved, after having received feedback from the respective board committees, the Group Remco would need to be satisfied that the group has made substantial progress over the 3-year period ending 2025 in the following areas:

Environmental and social commitments

Environmental	Achieve progress on our Energy Policy commitments: Renewable-energy finance (SDG 7) and Energy Policy-related timelines and targets, including fossil-fuel related glidepaths: thermal coal -47% - and gas -26% - by 2030.
	Meet SDF ambitions*: By the end of 2025, it is our ambition to have increased SDF exposures to around 20% of the group's total gross loans and advances (2021: 13%; 2022: 14,3%; 2023: 16%).
Social	Maintain an employee 'great place to work' NPS of an average of around 20 over the period (in the face of ongoing optimisation).
	Maintain a strong client NPS.
	Maintain level – 1 BBBEE status over the vesting period based on current FSC targets.

* Also relevant to social commitment.

Strategic commitments

SPT	Achieve selected market share gains in retail secured and unsecured lending, within appropriate risk appetite.
	Achieve market share gains in retail and commercial transactional deposits.
	Achieve gains in main-banked clients.

Employee ownership scheme status

Nedbank Eyethu Employee Scheme

We implemented our black economic empowerment employee schemes in August 2005. The remaining shares in these schemes will be used for the benefit of black people and funding of social and economic development initiatives.

Other employee ownership or empowerment schemes

Set out below, is the status of the approved scheme in our NAR operations:

Nedbank operation	Ownership/ Empowerment scheme	Scheme details
Namibia	Ofifiya Black Management Scheme	The Ofifiya Black Management scheme has been terminated and de-registered with the Namibian Master of the High Court. The residual beneficiary, the NNH Education Trust, received the final distribution. The trust was de-registered on 4 October 2023.

Implementation report continued

Executive directors' and prescribed officers' performance and remuneration

The managing executives of the 4 frontline, income-generating clusters are included in the disclosures set out in the following pages. The board has approved these executives to be regarded as prescribed officers.

The performance for 2023 of the CE and other EDs and POs is also outlined in this section.



+ Value creation ✓ Value preservation - Value erosion

Mike Brown Chief Executive

Financial performance

- + HE growth of 11% to R15,7bn, DHEPS growth of 14% and increase in ROE to 15,1%, back above COE.
- + Achieved all 2023 targets in respect of ROE, DHEPS, cost-to-income ratio and NPS.
- + Maintained a fortress balance sheet, evident in strong capital, liquidity, and balance sheet provisioning metrics.
- + Declared a total 2023 dividend that increased by 15%.
- + Successfully concluded a R5bn capital optimisation programme that was value enhancing for shareholders.
- Saw a 30% increase in impairments.

Strategy

- + Delivered great client satisfaction rating outcomes (#1 SA bank on NPS for the 2nd year).
- + Increased retail main-banked clients by 9% to 3,5 million, and won 20 primary transactional accounts in CIB.
- + Achieved ongoing strong digital uptake, including 2,3 million retail active Money app users.
- + Mixed SPT 2.0 performance - market share gains in retail deposits, home loans and wholesale term loans.
- + Realised R2,2bn of TOM 2.0 benefits and initiated TOM 2.1 to unlock further benefits.
- + Achieved 95% completion of our Managed Evolution IT build, enabling enhanced client satisfaction, and new revenue and cost optimisation opportunities.
- + Made good ongoing strategic and financial progress on the ETI turnaround.

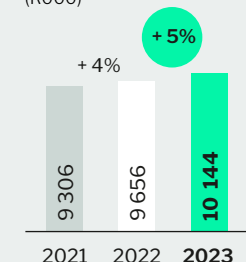
- + Achieved Nedbank brand ranking of #8 in SA (improved from #9 in 2022).

- Loss of market share in household and commercial transactional deposits.

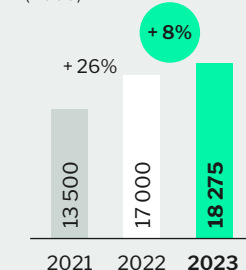
ESG delivery

- + Provided 1st-time job opportunities to 1 835 youth through the YES Programme.
- + Continued to drive Nedbank's overall leadership in climate-change-related matters, including being the market leader in renewable energy finance and becoming the SA 1st bank to release glidepaths for fossil-fuel-related reduction targets by 2030.
- ✓ MSCI ESG rating for Nedbank maintained at AAA (top 5% of global banks).
- ✓ 'Great place to work' employee NPS at 20.
- ✓ Achieved female employees as percentage of total employees at 62% and ACI employees at 82%.
- ✓ Maintained level 1 BBBEE for 6 years in a row.
- ✓ Worked with government, the banking industry, business and labour through participation and leadership in key industry bodies.
- ✓ Ensured sound cybersecurity.
- ✓ Good management of ongoing reputational issues.
- ✓ Ensured seamless succession planning in key roles.
- Incurred R17,0m in fines and administrative sanctions, down from R24,9m in 2022.

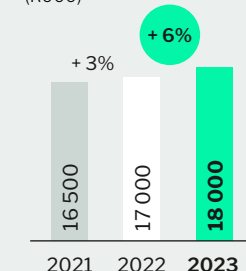
Guaranteed remuneration (R000)



Total STI (R000)



Total LTI at face value (R000)



Implementation report continued

+ Value creation ✓ Value preservation - Value erosion

Mfundo Nkuhlu Chief Operating Officer

Financial performance

- + HE growth of 11% to R15,7bn, DHEPS growth of 14% and increase in ROE to 15,1%, back above COE.
- + Achieved all 2023 targets in respect of ROE, DHEPS, cost-to-income ratio and NPS score.
- + Managed expenses well across all shared-services clusters.
- + Delivered a strong performance with associate income from ETI of R1,4bn, up by 77% and HE of R1,2bn, including the reversal of the impact of the Ghanaian sovereign bond provision of R175m raised in 2022.

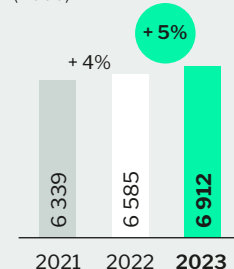
Strategy

- + Delivery of Managed Evolution IT system – 95% complete on time, scope, and budget.
- + Realised cost savings by leveraging the technology investment in the Managed Evolution programme.
- + Ensured good engagement with the board, Chairperson and other shareholders to maintain alignment on the value-unlock strategy.
- + Managed the COO function well and continued to deliver improvements in operational excellence and collaboration.
- + Achieved Nedbank brand ranking of #8 (2022: #9).
- ✓ Realised R2,2bn in TOM 2.0 benefits in 2023, with our target of R2,5bn to be achieved in 2024.

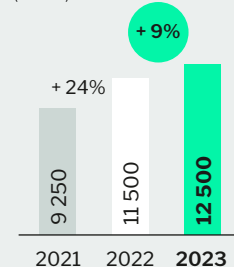
ESG delivery

- + Outperformed peers in Net Brand Sentiment, achieving a year-to-date score of 61%.
- + Provided first 1st-time job opportunities to 2 835 youth through the YES Programme.
- ✓ Maintained level 1 BBBEE for 6 years in a row.
- ✓ Continued support of Nedbank's efforts to accelerate purpose fulfilment effectively.
- ✓ Managed succession planning well in key roles.
- ✓ Introduced Nedbank's culture principles (The Nedbank Way) which assists to streamline, focus, and accelerate culture transformation efforts for employees.
- ✓ Maintained a high 'Great place to work' employee NPS – the 2nd highest level since inception of the survey.
- ✓ Stakeholder obligations adequately met.

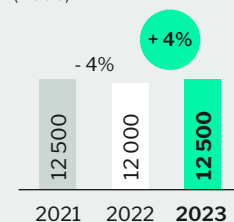
Guaranteed remuneration (R000)



Total STI (R000)



Total LTI at face value (R000)



Mike Davis Chief Financial Officer

Financial performance

- + HE growth of 11% to R15,7bn, DHEPS up 14%, and increase in ROE to 15,1%, back above COE.
- + Achieved all 2023 targets in respect of ROE, DHEPS, cost-to-income ratio and NPS score.
- + Maintained a fortress balance sheet, evident in strong capital, liquidity, and balance sheet provisioning metrics.
- + Managed expenses well across shared services clusters, and ongoing reduction in corporate real estate costs.
- + Maintained strong capital position, with CET1 ratio at 13,5% and declared record dividends, up 15%.

Strategy

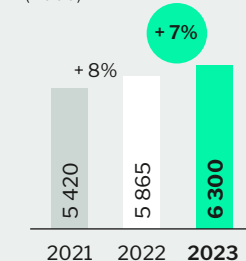
- + Achieved top-tier investor relations rankings and maintained strong relationships and communication with the investment community.
- + Ensured good cost savings to support the group's cost-to-income ratio targets through heightened focus on automation, creating efficiencies, and headcount and office space optimisation.
- + Delivered liquidity risk and capital management strategies optimally.
- + Successfully motivated and executed a R5bn capital optimisation initiative at attractive levels.
- + Implemented the monetary policy implementation framework successfully.

- + Made good ongoing strategic and financial progress on the ETI turnaround.
- + Managed taxation risk well and resolved key outstanding tax matters.
- ✓ Continued to drive an optimal capital structure through the raising of AT1 and tier 2 at competitive pricing.

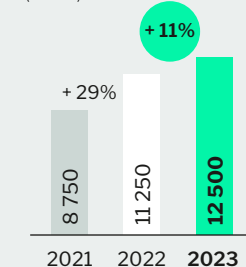
ESG delivery

- + Water and electricity consumption, and recycling volumes tracked ahead of target.
- + Improved employee (Me@Work) and visitor (Visitor@Work) experience with a newly launched digital desk.
- + MSCI ESG rating for Nedbank maintained at AAA (top 5% of global banks).
- + Recognised for leadership in renewable energy finance.
- + Received multiple prestigious industry awards in recognition of Nedbank's high standards of financial and taxation reporting.
- ✓ Maintained robust and efficient tax compliance and incurred no penalties or interest charges.
- ✓ Maintained level 1 BBBEE for 6 years in a row.
- ✓ Obtained good AGM outcomes.
- ✓ Maintained strong relationships with key stakeholders through regular and proactive engagements.

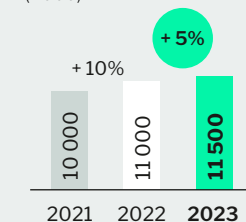
Guaranteed remuneration (R000)



Total STI (R000)



Total LTI at face value (R000)



Implementation report continued

+ Value creation ✓ Value preservation - Value erosion

Anél Bosman Group Managing Executive: Nedbank Corporate and Investment Banking

Financial performance

- + Increased HE in CIB by 6% and delivered an ROE of 18,9% above the group's COE.
- + Achieved higher average banking advances growth of 8%.
- Impairments increased by 17%, with credit risk well-managed as CLR at 24 bps was within the CIB TTC range of 15–45 bps.

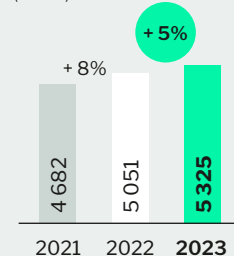
Strategy

- + Gained 20 primary clients and increased large transactions.
- ✓ Managed reputational and credit risk well with a focus on clients filing for business rescue in the property and agricultural sectors.
- ✓ Continued momentum in portfolio optimisation resulted in capital efficiency and improved ROE.
- ✓ Delivered strong performance against regulatory compliance, risk management and internal audit requirements.
- ✓ Maintained market leading position in property finance in SA.
- ✓ Implementation of CIB TOM 2.0 completed.

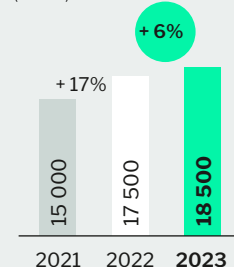
ESG delivery

- + Facilitated sustainable finance credit facilities for clients to the value of R15bn, up 25% yoy.
- + Recorded R29bn in renewable energy finance drawn exposures and maintained our position as lead arranger on IPPP projects. Recognised as a leading private power generation financier with R18bn exposure drawdowns expected in 2024.
- + Published our fossil fuels and power generation glidepath methodology and disclosed fossil fuel carbon accounting.
- + Continued progress in SDF exposure, with R29bn renewable energy financing, R15bn sustainable finance solutions, and R1,2bn in clean water and sanitation funding provided at the end of 2023.
- ✓ Maintained focus on product innovation, incorporating ESG considerations to manage risks, enhance reputation, meet regulatory requirements, increase access to capital, and to assist our clients to meet their ESG targets.
- ✓ Received multiple prestigious industry awards in recognition of CIB's expertise and purpose-led approach.
- ✓ Maintained a strong governance and control environment.

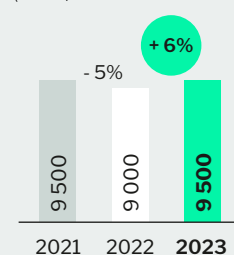
Guaranteed remuneration (R000)



Total STI (R000)



Total LTI at face value (R000)



Ciko Thomas Group Managing Executive: Nedbank Retail and Business Banking

Financial performance

- + Increased HE by 9% and ROE maintained at 16,0%, above group's COE.
- + Strong revenue growth of 11% and well-managed expenses growth, resulting in a reduction in cost-to-income ratio.
- Impairments up by 29% and CLR at 194 bps, above the TTC target range of 120–175 bps.

Strategy

- + Rated #1 SA bank by Kantar on NPS for the 2nd year in a row.
- + Increased retail main-banked clients by 9% to 3,5 million and the cross-sell ratio to 1,96.
- + Digital growth – Money app clients up by 16% to 2,3m, digitally active retail clients up 11% to 2,9 million, resulting in higher transaction volumes and values, up by 12% and 10% respectively.
- + Increased growth momentum with the Avo super app, now with 2,5 million users, up 26%.
- + Realised market share gains in retail deposits and selected retail advances categories such as overdrafts and home loans.
- + Contributed significantly to the group's R2,2bn of cumulative TOM 2.0 benefits through strategic initiatives such as Project Imagine and Project Phoenix, resulting in improved efficiencies and operational metrics.

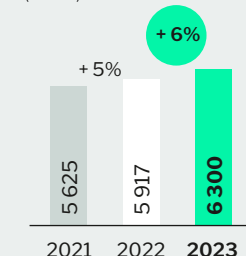
- + Launched MiGoals, a new transactional product range offering simple and easy-to-understand pricing structures.

- + Launched Greenbacks 2.0, which continues to deliver strong membership growth with new enrolments up by 15% yoy.
- Loss of market share in household and commercial transactional deposits.

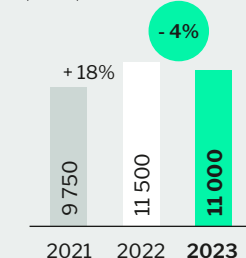
ESG delivery

- + Increased support to more than 300 000 SMEs with loan exposures of R22bn.
- + Positively impacted more than 23 000 township SMMEs, sponsored more than 300 township exhibitors with Nedbank POS machines, and created supplier procurement opportunities for more than 170 black-youth-owned service providers.
- + Increased support to employees through various financial education awareness programmes and financial support initiatives.
- + Trained 1 200 employees, supported by the success of our online offering.
- + Rehabilitated 936 000 clients, assisted 53 600 clients to keep their cars and homes, and assisted 15 500 clients to sell their assets through our assisted-sales programmes.

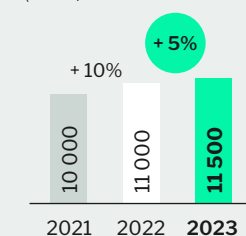
Guaranteed remuneration (R000)



Total STI (R000)



Total LTI at face value (R000)



Implementation report continued

+ Value creation ✓ Value preservation - Value erosion

Iolanda Ruggiero Group Managing Executive: Nedbank Wealth

Financial performance

✓ Increased HE by 6% and improved ROE to 26,8%, well above the group's COE.

+ Increased revenue by 9% and managed risk well with CLR at 12 bps below the cluster's TTC target range of 20–40 bps.

+ Assets under management up 14% yoy to R448bn due to good market performance and strong net inflows.

Strategy

+ Extended Nedbank Insurance quoting, fulfilment, and claims functionality on digital channels to 17 product offerings (2022: 10) across 7 channels.

+ Achieved good sales growth in the MyCover product range due to digital enablement, channel expansion and increased awareness.

+ Launched the 1st fixed-income boutique and fund with positive market response.

+ Strong client engagement producing good activity levels with target clients and good assets-under-management (AUM) flows in Wealth Management (International).

+ Delivered enhanced client experience with the NPW app, which continues to be highly rated by our clients and has resulted in consistently high digital adoption rates.

+ Initiatives implemented to enhance client-centricity and leverage digital resulted in a significant increase in average deposits of 20%, with good net client growth.

✓ Maintained top Asisa ranking in SA and internationally, being ranked 6th and 3rd largest in total AUM with 7% and 9% market shares respectively.

✓ NPW received 'Best Private Bank-Overall Client Service' at the WealthBriefing MENA Awards.

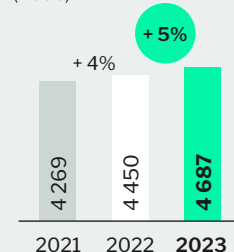
ESG delivery

✓ Achieved alignment with other signatories on most of the pillars of assessment in the latest United Nations Principles For Responsible Investment (UNPRI) assessment report.

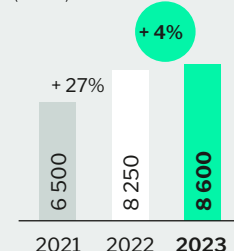
✓ Made good progress and concluded various risk and compliance initiatives that are aligned with a changing environment.

- Incurred fines and administrative sanctions. At group level, the total fines amounted to R17,0m, down from R24,9m in 2022.

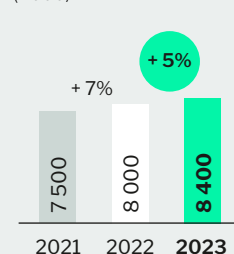
Guaranteed remuneration (R000)



Total STI (R000)



Total LTI at face value (R000)



Dr Terence Sibiya Group Managing Executive: Nedbank African Regions

Financial performance

+ Increased NAR HE by 94% and improved ROE to 25,2%, above the group's COE.

+ Excellent performance from SADC operations with HE up 80% to R662m.

+ Reported strong HE from ETI, up more than 100% with return on initial investment at 22%.

Strategy

+ Launched Avo SuperShop in Namibia (a 1st of its kind in that market), which is showing good progress with 15 merchants currently on board.

+ Accelerated digitisation and digital usage uptake – digitally active clients across the NAR business grew from 57% to 64% of its total active client base.

+ Increased the total number of clients by 4% to 349 000 of which 147 000 are main-banked clients.

+ Achieved market leader position in client experience (NPS) in Eswatini and Mozambique and a leader in brand sentiment in 2 markets.

+ Enabled API_Marketplace to operations in Namibia, Lesotho and Eswatini, with accounts, payments, and wallets now available in these countries.

+ Good progress made on implementing the value unlock agenda in ETI.

✓ Received multiple prestigious industry awards in recognition of the progress made in our businesses.

ESG delivery

+ Completed various embedded energy generation deals in Namibia, Eswatini and Lesotho.

+ Continued to support housing development projects in Namibia and received a 6-star Green Star rating for the Nedbank Namibia head office.

+ Provided funding to support Zimbabwean farmers with the installation of solar PV facilities to enable sustainable farming activities.

+ Participated in key water deals in Lesotho.

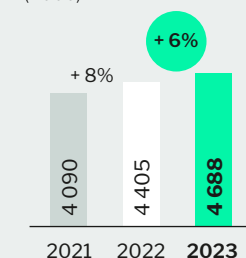
+ Provided financing for infrastructure projects such as mass transit, roads, and rail in Namibia and through partnerships in Côte d'Ivoire.

+ Launched a bespoke solar offering where we can re-advance or offer a further loan on a home loan or asset-based finance for solar purchases and installations in Namibia.

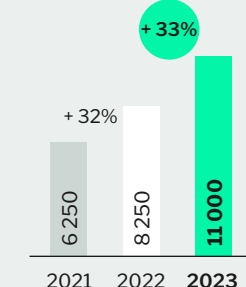
✓ Maintained a good relationship with all internal and external stakeholders.

✓ Ensured effectiveness in risk, governance, and compliance, although still some improvement required in the overall control environment.

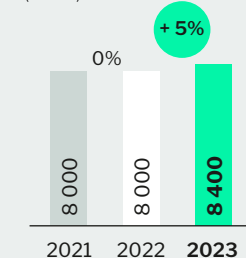
Guaranteed remuneration (R000)



Total STI (R000)



Total LTI at face value (R000)



Implementation report continued

Increase in guaranteed packages of executive directors and prescribed officers

The GPs of the CE and other EDs and POs were reviewed, and recommendations were made to the board by the Group Remco.

GP increases with effect from 1 April 2024 were in line with the overall 5.3% increase (2023: 5-6%), other than as noted below:

	GP ¹			Yoy movement	
	New GP with effect from Apr-24 (R'000)	GP at Apr-23 (R'000)	GP at Apr-22 (R'000)	2023-2024 % change	2022-2023 % change
Mike Brown	10 790	10 275	9 750	5,0%	5,4%
Mfundo Nkuhlu	7 400	7 000	6 650	5,7%	5,3%
Mike Davis	7 000	6 400	6 000	9,4% ²	6,7%
Ciko Thomas	6 720	6 400	6 000	5,0%	6,7%
Anél Bosman	5 780	5 400	5 100	7,0% ²	5,9%
Iolanda Ruggiero	5 000	4 750	4 500	5,3%	5,6%
Dr Terence Sibiya	5 000	4 750	4 500	5,3%	5,6%

¹ Audited.

² Higher increases made to align closer to market benchmarks.

STI awards of executive directors and prescribed officers

The following table represents the way in which STI awards have been determined, based on the assessment of the group and cluster performance, as well as the performance of the EDs and POs against their agreed individual GCCs in 2023:

	On target STI % of GP	Maximum target STI % of GP	% of GP achieved for group and cluster financial measures	% of GP achieved for individual performance and discretion	Final STI as % of GP 2022	Final STI as % of GP 2021
	A		B	C	B+C	
Executive directors						
Mike Brown	150	250	137	41	178	174
Mfundo Nkuhlu	150	250	137	41	178	173
Mike Davis	150	250	137	58	195	188
Prescribed officers						
Anél Bosman	250	400	250	93	343	343
Ciko Thomas	150	250	118	54	172	192
Iolanda Ruggiero	150	250	149	32	181	183
Dr Terence Sibiya	150	250	183	49	232	183

Minimum shareholding requirement status of Group Exco members

All Group Exco members, who have reached their qualifying period, have met their targets. The current shareholding includes the vesting of the March 2021 awards which vested in March 2024:

	Minimum shareholding requirement, as a multiple of GP	Current shareholding as a multiple of the required target ¹
Mike Brown	2,0	14,0
Mfundo Nkuhlu	1,5	8,2
Mike Davis	1,5	6,4
Anél Bosman	1,5	6,3
Ciko Thomas	1,5	6,9
Iolanda Ruggiero	1,5	10,5
Dr Terence Sibiya	1,0	Still within qualifying period
Ray Naicker	1,0	Still within qualifying period
Dave Crewe-Brown	1,0	3,3
Priya Naidoo	1,0	15,1
Daleen du Toit	1,0	Still within qualifying period
Khensani Nobanda	1,0	4,2
Deb Fuller	1,0	5,1

¹ Targets are set as a fixed number of shares determined at the point of testing.

Implementation report continued

ED and PO total awarded and single-figure remuneration

The tables below disclose the total awarded remuneration for the financial year and the total single-figure remuneration.

The total awarded remuneration contains the LTI award made in March 2024 in respect of the 2023 financial year, at face value. The total single-figure remuneration reflects the LTI award issued in 2021 at vested value at end 2023. This is the value of the award made in March 2021 that will be settled in March 2024, but for which measurement of performance conditions was concluded on 31 December 2023. Despite comparatively much lower year on year increases in awarded remuneration, the total 2023 single figure remuneration meaningfully exceeds the 2022 total single figure remuneration. For example, Mike Brown's awarded remuneration increased by 6,3% compared to a 176,4% increase in the total single figure remuneration. This increase in single figure remuneration can be attributed, in the main, to the following:

- share price appreciation of 67%, from award in 2021 to the end 2023;
- an overall vesting outcome on the 2021 LTI award of 124,8%, compared with 0% in 2022; and
- a 100% MSS match, compared with 0% in 2022.

	Mike Brown			Mfundo Nkuhlu			Michael Davis			Anél Bosman			Ciko Thomas			Iolanda Ruggiero			Terence Sibiya		
	2023 R000	2022 R000	%	2023 R000	2022 R000	%	2023 R000	2022 R000	%	2023 R000	2022 R000	%	2023 R000	2022 R000	%	2023 R000	2022 R000	%	2023 R000	2022 R000	%
Cash portion of package	8 596	8 204		5 732	5 484		5 108	4 756		4 735	4 493		5 260	4 949		4 015	3 818		4 046	3 817	
Other benefits	305	269		333	294		244	226		217	204		180	160		98	87		248	218	
Defined-contribution retirement fund	1 243	1 183		847	807		948	883		373	354		860	808		574	545		394	370	
GP	10 144	9 656	5,1	6 912	6 585	5,0	6 300	5 865	7,4	5 325	5 051	5,4	6 300	5 917	6,5	4 687	4 450	5,3	4 688	4 405	6,4
Cash performance incentive	9 888	9 000		7 000	6 250		7 000	6 125		10 000	9 250		6 250	6 250		5 050	4 625		6 250	4 625	
Deferred performance incentive (delivered in shares)	8 388	8 000		5 500	5 250		5 500	5 125		8 500	8 250		4 750	5 250		3 550	3 625		4 750	3 625	
Total STI¹	18 275	17 000	7,5	12 500	11 500	8,7	12 500	11 250	11,1	18 500	17 500	5,7	11 000	11 500	(4,3)	8 600	8 250	4,2	11 000	8 250	33,3
GP and Total STI	28 419	26 656	6,6	19 412	18 085	7,3	18 800	17 115	9,8	23 825	22 551	5,6	17 300	17 417	(0,7)	13 287	12 700	4,6	15 688	12 655	24,0
LTI – Award at face value ²	18 000	17 000	5,9	12 500	12 000	4,2	11 500	11 000	4,5	9 500	9 000	5,6	11 500	11 000	4,5	8 400	8 000	5,0	8 400	8 000	5,0
Total awarded remuneration³	46 419	43 656	6,3	31 912	30 085	6,1	30 300	28 115	7,8	33 325	31 551	5,6	28 800	28 417	1,3	21 687	20 700	4,8	24 088	20 655	16,6
Total awarded remuneration	46 419	43 656		31 912	30 085		30 300	28 115		33 325	31 551		28 800	28 417		21 687	20 700		24 088	20 655	
Less: LTI award at face value	(18 000)	(17 000)		(12 500)	(12 000)		(11 500)	(11 000)		(9 500)	(9 000)		(11 500)	(11 000)		(8 400)	(8 000)		(8 400)	(8 000)	
Add: Single-figure LTI⁴	53 327	0		36 919	0		34 098	0		22 561	2 065	992,6	29 740	0		21 023	0		16 408	1 511	985,9
Face value at award ⁵	26 000	15 500		18 000	10 250		16 625	6 000		11 000	9 600		14 500	10 250		10 250	6 750		8 000	7 000	
CPT performance ⁶	6 448	(15 500)		4 464	(10 250)		4 123	(6 000)		2 728	(7 960)		3 596	(10 250)		2 542	(6 750)		1 984	(5 800)	
Share price performance ⁷	20 879	0		14 455	0		13 350	0		8 833	425		11 644	0		8 231	0		6 424	311	
Add: Single-figure match⁸	3 545	0		2 327	0		1 773	0		3 878	2 367		1 123	0		1 884	0		877	789	
Performance and time-vested match ⁹	2 200	0		1 444	0		1 100	0		2 406	934		697	0		1 169	0		544	311	
Share price performance ¹⁰	1 345	0		883	0		673	0		1 472	1 433		426	0		715	0		333	478	
Add: Dividends¹¹	7 209	6 810	5,9	5 002	4 607	8,6	4 497	3 784	18,8	4 198	3 861	8,7	4 118	3 737	10,2	3 031	2 760	9,8	2 777	2 485	11,8
Total single-figure remuneration¹²	92 500	33 466	176,4	63 660	22 692	180,5	59 168	20 899	183,1	54 462	30 844	76,6	52 281	21 154	147,1	39 225	15 460	153,7	35 750	17 440	105,0

1 In terms of the rules of the MSS, the total STI has the potential to increase by up to 27,5% (before share price movement) if the deferred amount is invested in the MSS for 36 months and the performance condition in the MSS is met.

2 The LTI award at face value is the share-based award made in March 2024 in respect of the 2023 financial year – 'face value at award' is the share price at award multiplied by the number of shares.

3 Total awarded remuneration is the sum of GP, total STI and LTI awards at face value in respect of the financial year.

4 Single-figure LTI is the value that will be settled in March 2024 but for which the measurement of performance conditions was concluded on 31 December 2023. This is valued at the year-end share price of R216,23 (2022: R212,58).

5 Face value of shares awarded in March 2021 at the award price of R131,57.

6 The CPT performance is the variance of number of shares at award over the number of shares at vesting and is valued at the share price on award.

7 The share price performance is the variance of the share price at award over the share price at vesting and is valued on the actual number of shares vested.

8 The match is the value of matched shares that will be settled in April 2024 but for which the measurement of the performance condition was concluded on 31 December 2023. This is valued at the year-end share price of R216,23 (2022: R212,58).

9 The matching shares that will be settled in April 2024 valued at original award price.

10 The share price performance is the variance of the share price over the 3-year deferral period and is valued on the actual number of shares to be matched.

11 This represents the total value of dividends received during the financial year on unvested share-based awards

12 Total single-figure remuneration is the sum of GP, total STI, single-figure LTI, single-figure match and dividends.

Implementation report continued

Additional Regulation 43/Pillar 3 disclosures

Specific disclosures relating to senior managers and material risk-takers, the quantum of the remuneration paid in the year, sign-on awards, guaranteed bonuses, severance payments and the amount of remuneration subject to adjustment are set out below.

Aggregate remuneration of senior managers and material risk-takers:

Senior manager

Includes EDs and POs, members of Group Exco, as well as other members of the group's senior management with executive responsibility for a material part of the group's business.

Material risk-taker

Includes employees whose individual actions have a material impact on the risk exposure of the group, as well as those responsible for setting and monitoring trader mandates and risk and stop-loss limits.

Total value of remuneration in the 2023 financial year	2023			
	Senior managers		Material risk-takers	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration (Rm)	135,9		149,9	
Variable remuneration – cash award (Rm)	138,1		108,6	
Variable remuneration – deferred performance incentive (Rm)		93,1		45,6
Variable remuneration – long-term incentive awards (Rm)		159,9		96,7
Total 2023 remuneration (unrestricted and deferred remuneration) (Rm)	262,0	253,0	258,5	142,3
Total number of employees	30		38	

Value of outstanding deferred remuneration at 31 December 2023	Senior managers	Material risk-taker
Compulsory Bonus Share Scheme (Rm)	135,7	49,7
Restricted-share Scheme (Rm)	704,7	320,9
Total deferred remuneration outstanding (Rm)	840,4	370,6
Value of deferred remuneration paid out during 2023 (Rm)	126,8	67,4
Value of deferred remuneration forfeited during 2023 (Rm)	152,2	37,0

Total value of remuneration in the 2022 financial year	2022			
	Senior managers		Material risk-takers	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration (Rm)	132,5		125,7	
Variable remuneration – cash award (Rm)	147,5		83,9	
Variable remuneration – deferred performance incentive (Rm)		115,5		39,0
Variable remuneration – long-term incentive awards (Rm)		184,0		85,5
Total 2022 remuneration (unrestricted and deferred remuneration) (Rm)	280,0	299,5	209,5	124,5
Total number of employees	32		36	

Value of outstanding deferred remuneration at 31 December 2022	Senior managers	Material risk-taker
Compulsory Bonus Share Scheme (Rm)	153,2	39,9
Restricted-share Scheme (Rm)	758,7	273,6
Total deferred remuneration outstanding (Rm)	911,9	313,5
Value of deferred remuneration paid out during 2022 (Rm)	88,6	32,9
Value of deferred remuneration forfeited during 2022 (Rm)	74,7	16,7

Implementation report continued

Remuneration subject to adjustment in 2023 for senior management and other material risk takers

Outstanding deferred remuneration exposed to ex post explicit and/or implicit adjustments¹ is indicated in the following table:

Year	Amount
FY2023	R1 211,0m
FY2022	R1 225,4m

¹ This is valued at the year-end share price of R216,23

The total amount of reductions during the financial year due to ex post explicit adjustments (eg malus, clawbacks or similar reversals or downward revaluations of awards) is indicated in the following table:

Year	Amount
FY2023	-
FY2022	-

Variable remuneration: guaranteed bonuses, sign-on awards and severance awards for senior management and other material risk takers

Further disclosures specifically required in terms of regulation 43 of the Banks Act are set out below:

Other remuneration disclosures	2023 Rm	2022 Rm
Total guaranteed bonuses	-	-
Total sign-on awards	-	-
Total severance awards ¹	-	-

¹ 'Severance awards' mean payments that exceed the bank's contractual redundancy payment.

It is not our policy to award guaranteed bonuses and accordingly no such payments have been made. Where specific compensation is indicated for new employees for the loss of an accrued benefit the forfeiture of a performance bonus or in respect of a specific outstanding contractual obligation a sign-on or DSTI award may be made. This is subject to the passage of time and in the case of DSTI awards ongoing minimum individual performance.

Remuneration of risk, compliance, audit, and finance (RCAF) specialists

Consistent with good corporate governance and related local and international regulations there is special oversight on the remuneration of senior RCAF specialists in the group. This serves to ensure that individuals in these functions remain sufficiently independent of the businesses they serve. Their remuneration is not determined within the relevant business unit alone. In addition their STIs are not inappropriately tied to the financial outcomes of the group or their business unit. Their STIs are also linked to individual function objectives while overall as they fluctuate they will reflect the group's performance as well. As a starting point proposals are made by the business unit's management but the CRO CFO and the CCO have scope to influence the remuneration outcomes of senior employees within the respective RCAF functions. The final outcomes are presented to and carefully considered by the Group Remco thereby providing a further layer of independent oversight.

Non-executive directors' remuneration

The Group Remco is satisfied that the fee structure applied in respect of non-executive directors remains appropriate.

Non-executive director remuneration (excluding VAT) for the years ended 31 December 2023 and 2022 was as follows:

	Nedbank and Nedbank Group board fees (R'000)	Committee fees (R'000)	2023 (R'000)	2022 (R'000)
HR Brody ¹	825	1 254	2 079	1 854
BA Dames ²	589	906	1 495	1 573
NP Dongwana	589	820	1 409	1 342
EM Kruger ³	589	1 789	3 754	3 377
P Langeni ⁴	589	654	1 243	689
RAG Leith ^{5, 6}	589	973	1 562	1 410
L Makalima	589	1 142	1 731	1 649
PM Makwana ^{7, 8}	2 733		2 760	6 412
T Marwala ⁹	95	69	164	966
MA Matooane ¹⁰	242	207	449	1 042
D Mminele ^{11, 12}	4 003	18	4 021	-
M Nyati ^{13, 14, 15}	451	405	856	182
S Subramoney	589	1 617	2 206	2 101
Total	12 472	9 854	23 729	22 597

¹ Hubert Brody was appointed as a member of the Group IT Committee, effective 3 March 2023.

² Brian Dames stepped down as a member of the Group Credit Committee, effective 2 June 2023.

³ The total fee for Errol Kruger includes the Nedbank Private Wealth (Isle of Man) Chairperson fees of £60 000 (R1 376 438).

⁴ Phumzile Langeni was appointed as a member of the Group Remuneration Committee, effective 30 October 2023.

⁵ Rob Leith was appointed as acting Group IT Committee Chairperson following the resignation of Mteto Nyati. In terms of our approved fees, Rob received an additional R30 121 in November 2023.

⁶ Rob Leith was appointed as the Chairperson of the Group IT Committee and as a member of the Group Directors' Affairs Committee, effective 30 October 2023.

⁷ Mpho Makwana resigned as Chairperson and therefore as a member of the Group Directors Committee, effective 2 June 2023.

⁸ The total fee for Mpho Makwana includes taxable reimbursements and fringe benefit tax.

⁹ Prof Tshilidzi Marwala resigned as a board member and therefore as a member of the Group Transformation, Social and Ethics Committee, the Group Climate Resilience Committee and the Group IT Committee, effective 28 February 2023.

¹⁰ Dr Mantsika Matooane retired as a board member and therefore as Chairperson and a member of the Group IT Committee and the Group Directors' Affairs Committee, effective 2 June 2023.

¹¹ Daniel Mminele joined the Nedbank Group and Nedbank boards as Chairperson-designate, effective 1 May 2023, and was appointed as Board Chairperson on 2 June 2023.

¹² Daniel Mminele was appointed as a member of the Group Directors' Affairs Committee and the Group Climate Resilience Committee, effective 1 May 2023.

¹³ Mteto Nyati was appointed as a member of the Group Risk and Capital Management Committee, effective 3 March 2023.

¹⁴ Mteto Nyati was appointed as the Chairperson of the Group IT Committee and as a member of the Group Directors' Affairs Committee, effective 2 June 2023.

¹⁵ Mteto Nyati resigned as a board member and therefore as Chairperson of the Group IT Committee and as a member of the Group Risk and Capital Management Committee and the Group Directors' Affairs Committee, effective 9 October 2023.

Where applicable, board fees include travel reimbursements for business mileage.

Implementation report continued

Non-executive directors' fee structure

The non-executive director fee proposals as set out below were evaluated by an independent board committee consisting of Mike Brown and Mike Davis under advice from independent experts. Such evaluation was conducted from several perspectives, including the macroeconomic environment, peer group comparisons across the banking sector, effective rates per committee and yoy increases.

Increases to the Chairperson's fee, board fees and committee fees (excluding VAT) are proposed to be 5% aligned with the proposal for NBU employees, excluding the Remco, TSEC and IT committee, where higher increases of 10% are proposed to align with market.

The overall proposed increase averages **6,7%**.

We have also recommended the introduction of an ad hoc fee of R27 000 per ad hoc meeting, in line with market practice in the banking sector.

Non-executive directors' remuneration

	Increase (%)	Current annual fee (1 July 2023 to 30 June 2024) ^{4,5} R	Proposed annual fee (1 July 2024 to 30 June 2025) ^{3,4,5} R
Chairperson ¹	5,0%	6 860 521	7 203 547
Lead independent Director fee (additional 40% on both the Nedbank Group and Nedbank Limited boardmember fees)	5,0%	242 650	254 783
Nedbank Group boardmember	5,0%	329 786	346 275
Nedbank Limited	5,0%	276 829	290 670
Committee members' fee ²			
Group Audit Committee	5,0%	364 486	382 710
Group Credit Committee	5,0%	273 364	287 032
Group Directors' Affairs Committee	5,0%	109 346	114 813
Group Information Technology Committee	10,0%	164 019	180 421
Group Remuneration Committee	10,0%	206 542	227 196
Group Risk and Capital Management Committee	5,0%	273 364	287 032
Group Transformation, Social and Ethics Committee	10,0%	164 019	180 421
Group Climate Resilience Committee	5,0%	109 346	114 813
Ad hoc meeting fee ⁶	-	-	27 000

¹ The chairperson will be paid a single fee, inclusive of committee chairship and membership fees.

² The committee chairperson will be paid at 2,5 times the member fees.

³ Subject to shareholders' approval at the 2024 AGM.

⁴ No fees are payable to executive directors.

⁵ All fees are exclusive of VAT.

⁶ Per meeting attendance.

To acknowledge the additional responsibilities and time commitments for non-executive directors who may, in exceptional circumstances, be required to perform the role of acting Chairperson of the Nedbank boards, acting lead independent director or acting board committee chair for an extended period, acting fees were approved by shareholders for the first time in 2021.

Acting fees are paid monthly in arrears on a pro rata basis. It is proposed that acting fees remain in place for 2024. The proposed increases for 2024 are set out in the table below, with a 5% increase:

	Increase %	Current monthly fee (1 July 2023 to 30 June 2024) R	Proposed monthly fee (1 July 2024 to 30 June 2025) R
Acting Group Chairperson fee	5,0%	137 800	144 690
Acting Lead Independent Director fee	5,0%	20 222	21 233
Acting committee chairperson fee	5,0%	30 121	31 627

The payment of these additional fees would be subject to prior approval by the Group Remco, which would consider the relevant circumstances and the extent of additional commitments on a case-by-case basis. At 31 December 2023, no acting fees are payable to any director. The above proposals are effective from 1 July 2024, subject to shareholders' approval at the AGM on 31 May 2024.

Directors' and prescribed officers' interests (audited)

On 31 December 2023 the directors' and POs' interests in ordinary shares in Nedbank Group Limited were as follows:

Directors	Beneficial direct 2023 (number of shares)	Beneficial direct 2022 (number of shares)	Beneficial indirect 2023 (number of shares)	Beneficial indirect 2022 (number of shares)
Hubert Brody	5 119	2 737	3 600	
Mike Brown	552 486	515 837	403 190 ¹	435 871
Brian Dames	64	64		
Michael Davis	69 574	52 058	253 605	244 816
Mantsika Matooane ²	2200	2 261		
Mfundo Nkuhlu	45 465	24 023	283 398	297 680
Stanley Subramoney			2 300	2 300
Prescribed officers				
Ciko Thomas	13 707	11 064	233 484	239 183
Iolanda Ruggiero	93 236	80 866	174 482	180 835
Anél Bosman	79 719	73 640	224 694	244 792
Terence Sibiya	52 130	37 478	154 505	158 706
Total ordinary shares	913 700	800 028	1 733 258	1 804 183

¹ Includes 925 ordinary shares held in a family trust.

² Dr Mantsika Matooane retired as an independent non-executive director with effect from the close of the AGM on 2 June 2023.

No change in the above interests occurred between 31 December 2023 and 1 March 2024.

Implementation report continued

Share-based payments to executive directors and prescribed officers

Payments from the prior years' deferred bonuses, LTIs and outstanding share plan awards:

	Opening balance at 1 January 2023				Awards made during 2023				Awards vesting/lapsing during 2023					Dividends	Closing balance at 31 December 2023		
	Number of restricted shares	Date of issue/inception	Issue price (R)	Vesting date	Number of restricted shares	Date of issue/inception	Issue price (R)	Final vesting/exercise date	Number of restricted shares released	Number of restricted shares lapsed	Market price at vesting (R)	Value gained on vesting (R)	Notional value of loss on lapsing ³ (R)	Total value of dividends paid in respect of all plans ⁴ (R)	Number of restricted shares	End of performance period	Final vesting/exercise date
Executive directors																	
Mike Brown																	
Nedbank restricted shares	91 824	19 March 2020	168,80	20 March 2023					0	91 824	207,86	0	(19 086 537)				
	158 090	25 March 2021	131,57	26 March 2024											158 090	31 December 2023	26 March 2024
	39 523	26 March 2021	131,57	27 March 2024											39 523	31 December 2023	27 March 2024
	75 632	17 March 2022	218,16	18 March 2025											75 632	31 December 2024	18 March 2025
					75 191	22 March 2023	226,09	23 March 2026							75 191	31 December 2025	23 March 2026
Compulsory Bonus Share Scheme ¹	34 638	31 March 2020	83,36	01 April 2023					34 638	0	219,11	7 589 532	0				
	14 347	31 March 2021	134,17	01 April 2024											14 347	31 December 2023	01 April 2024
	14 394	31 March 2022	238,81	01 April 2025											14 394	31 December 2024	01 April 2025
					20 601	31 March 2023	213,58	01 April 2026							20 601	31 December 2025	01 April 2026
Voluntary Bonus Share Scheme ²	3 298	31 March 2020	83,36	01 April 2023					3 298	0	219,11	722 625	0				
	2 049	31 March 2021	134,17	01 April 2024											2 049	31 December 2023	01 April 2024
	1 151	31 March 2022	238,81	01 April 2025											1 151	31 December 2024	01 April 2025
					1 287	31 March 2023	213,58	01 April 2026							1 287	31 December 2025	01 April 2026
Total value of dividends														7 209 369	0		
Total	434 946				97 079				37 936	91 824		8 312 157	(19 086 537)	7 209 369	402 265		
Mfundo Nkuhlu																	
Nedbank restricted shares	60 722	19 March 2020	168,8	20 March 2023					0	60 722	207,86	0	(12 621 675)				
	109 447	25 March 2021	131,57	26 March 2024											109 447	31 December 2023	26 March 2024
	27 362	26 March 2021	131,57	27 March 2024											27 362	31 December 2023	27 March 2024
	57 297	17 March 2022	218,16	18 March 2025											57 297	31 December 2024	18 March 2025
					53 076	22 March 2023	226,09	23 March 2026							53 076	31 December 2025	23 March 2026
Compulsory Bonus Share Scheme ¹	18 144	31 March 2020	83,36	01 April 2023					18 144	0	219,11	3 975 532	0				
	8 710	31 March 2021	134,17	01 April 2024											8 710	31 December 2023	01 April 2024
	9 500	31 March 2022	238,81	01 April 2025											9 500	31 December 2024	01 April 2025
					13 519	31 March 2023	213,58	01 April 2026							13 519	31 December 2025	01 April 2026
Voluntary Bonus Share Scheme ²	3 298	31 March 2020	83,36	01 April 2023					3 298	0	219,11	722 625	0				
	2 049	31 March 2021	134,17	01 April 2024											2 049	31 December 2023	01 April 2024
	1 151	31 March 2022	238,81	01 April 2025											1 151	31 December 2024	01 April 2025
					1 287	31 March 2023	213,58	01 April 2026							1 287	31 December 2025	01 April 2026
Total value of dividends														5 001 811	0		
Total	297 680				67 882				21 442	60 722		4 698 157	(12 621 675)	5 001 811	283 398		

1 Matching on the CBSS occurs only on shares in the scheme at the vesting date. If CPTs are met, 100% matching occurs.

2 For the VBSS, employees invest their own Nedbank shares in the scheme. After 3 years, if the CPTs are met, a 100% matching occurs.

3 Value determined based on the number of shares lapsing, multiplied by the market share price on the scheduled vesting date.

4 Excludes the VBSS, which consists of own shares.

Implementation report continuedShare-based payments to executive directors and prescribed officers continued

Payments from the prior years' deferred bonuses, LTIs and outstanding share plan awards:

	Opening balance at 1 January 2023				Awards made during 2023				Awards vesting/lapsing during 2023					Dividends	Closing balance at 31 December 2023		
	Number of restricted shares	Date of issue/inception	Issue price (R)	Vesting date	Number of restricted shares	Date of issue/inception	Issue price (R)	Final vesting/exercise date	Number of restricted shares released	Number of restricted shares lapsed	Market price at vesting (R)	Value gained on vesting (R)	Notional value of loss on lapsing ⁵ (R)	Total value of dividends paid in respect of all plans ⁶ (R)	Number of restricted shares	End of performance period	Final vesting/exercise date
Mike Davis																	
Nedbank restricted shares	35 545	19 March 2020	168,8	20 March 2023					0	35 545	207,86	0	(7 388 384)				
	101 086	25 March 2021	131,57	26 March 2024											101 086	31 December 2023	26 March 2024
	25 272	26 March 2021	131,57	27 March 2024											25 272	31 December 2023	27 March 2024
	45 837	17 March 2022	218,16	18 March 2025											45 837	31 December 2024	18 March 2025
					48 653	22 March 2023	226,09	23 March 2026							48 653	31 December 2025	23 March 2026
Compulsory Bonus Share Scheme ¹	15 505	31 March 2020	83,36	01 April 2023					15 505	0	219,11	3 397 301	0				
	8 198	31 March 2021	134,17	01 April 2024											8 198	31 December 2023	01 April 2024
	8 924	31 March 2022	238,81	01 April 2025											8 924	31 December 2024	01 April 2025
					13 197	31 March 2023	213,58	01 April 2026							13 197	31 December 2025	01 April 2026
Voluntary Bonus Share Scheme ²	3 298	31 March 2020	83,36	01 April 2023					3 298	0	219,11	722 625	0				
	1 151	31 March 2022	238,81	01 April 2025											1 151	31 December 2024	01 April 2025
					1 287	31 March 2023	213,58	01 April 2026							1 287	31 December 2025	01 April 2026
Total value of dividends														4 497 044	0		
Total	244 816				63 137				18 803	35 545		4 119 925	(7 388 384)	4 497 044	253 605		
Prescribed Officers																	
Anel Bosman																	
Nedbank restricted shares	47 155	19 March 2020	168,8	20 March 2023					0	47 155	207,86	0	(9 801 638)				
	9 716	20 March 2020	168,8	21 March 2023					9 716 ³	0	213,97	2 078 933	0				
	66 884	25 March 2021	131,57	26 March 2024											66 884	31 December 2023	26 March 2024
	16 721	26 March 2021	131,57	27 March 2024											16 721	31 December 2023	27 March 2024
	43 546	17 March 2022	218,16	18 March 2025											43 546	31 December 2024	18 March 2025
					39 807	22 March 2023	226,09	23 March 2026							39 807	31 December 2025	23 March 2026
Compulsory Bonus Share Scheme ¹	22 267	31 March 2020	83,36	01 April 2023					33 401 ⁴	0	219,11	7 318 493	0				
	15 884	31 March 2021	134,17	01 April 2024											15 884	31 December 2023	01 April 2024
	16 121	31 March 2022	238,81	01 April 2025											16 121	31 December 2024	01 April 2025
					21 244	31 March 2023	213,58	01 April 2026							21 244	31 December 2025	01 April 2026
Voluntary Bonus Share Scheme ²	3 298	31 March 2020	83,36	01 April 2023					4 947 ⁴	0	219,11	1 083 937	0				
	2 049	31 March 2021	134,17	01 April 2024											2 049	31 December 2023	01 April 2024
	1 151	31 March 2022	238,81	01 April 2025											1 151	31 December 2024	01 April 2025
					1 287	31 March 2023	213,58	01 April 2026							1 287	31 December 2025	01 April 2026
Total value of dividends														4 198 389			
Total	244 792				62 338				48 064	47 155		10 481 363	(9 801 638)	4 198 389	224 694		

1 Matching on the CBSS occurs only on shares in the scheme at the vesting date. If CPTs are met, 100% matching occurs.

2 For the VBSS, employees invest their own Nedbank shares in the scheme. After 3 years, if the CPTs are met, a 100% matching occurs.

3 Restricted-share awards with time-based vesting only.

4 Match occurred at one share for every 2 shares in the CBSS and VBSS at the vesting date.

5 Value determined based on the number of shares lapsing, multiplied by the market share price on the scheduled vesting date.

6 Excludes the VBSS, which consists of own shares.

Implementation report continued

Share-based payments to executive directors and prescribed officers continued

Payments from the prior years' deferred bonuses, LTIs and outstanding share plan awards:

	Opening balance at 1 January 2023				Awards made during 2023				Awards vesting/lapsing during 2023					Dividends	Closing balance at 31 December 2023		
	Number of restricted shares	Date of issue/inception	Issue price (R)	Vesting date	Number of restricted shares	Date of issue/inception	Issue price (R)	Final vesting/exercise date	Number of restricted shares released	Number of restricted shares lapsed	Market price at vesting (R)	Value gained on vesting (R)	Notional value of loss on lapsing ³ (R)	Total value of dividends paid in respect of all plans ⁴ (R)	Number of restricted shares	End of performance period	Final vesting/exercise date
Ciko Thomas																	
Nedbank restricted shares	60 722	19 March 2020	168,8	20 March 2023					0	60 722	207,86	0	(12 621 675)				
	88 166	25 March 2021	131,57	26 March 2024											88 166	31 December 2023	26 March 2024
	22 041	26 March 2021	131,57	27 March 2024											22 041	31 December 2023	27 March 2024
	45 837	17 March 2022	218,16	18 March 2025											45 837	31 December 2024	18 March 2025
					48 653	22 March 2023	226,09	23 March 2026							48 653	31 December 2025	23 March 2026
Compulsory Bonus Share Scheme ¹	7 149	31 March 2020	83,36	01 April 2023					7 149	0	219,11	1 566 417	0				
	5 192	31 March 2021	134,17	01 April 2024											5 192	31 December 2023	01 April 2024
	10 076	31 March 2022	238,81	01 April 2025											10 076	31 December 2024	01 April 2025
					13 519	31 March 2023	213,58	01 April 2026							13 519	31 December 2025	01 April 2026
Voluntary Bonus Share Scheme ²																	
Total value of dividends														4 117 527			
Total	239 183				62 172				7 149	60 722		1 566 417	(12 621 675)	4 117 527	233 484		
Iolanda ruggiero																	
Nedbank restricted shares	39 988	19 March 2020	168,8	20 March 2023					0	39 988	207,86	0	(8 311 906)				
	62 324	25 March 2021	131,57	26 March 2024											62 324	31 December 2023	26 March 2024
	15 581	26 March 2021	131,57	27 March 2024											15 581	31 December 2023	27 March 2024
	34 378	17 March 2022	218,16	18 March 2025											34 378	31 December 2024	18 March 2025
					35 384	22 March 2023	226,09	23 March 2026							35 384	31 December 2025	23 March 2026
Compulsory Bonus Share Scheme ¹	9 072	31 March 2020	83,36	01 April 2023					9 072	0	219,11	1 987 766	0				
	6 661	31 March 2021	134,17	01 April 2024											6 661	31 December 2023	01 April 2024
	6 333	31 March 2022	238,81	01 April 2025											6 333	31 December 2024	01 April 2025
					9 334	31 March 2023	213,58	01 April 2026							9 334	31 December 2025	01 April 2026
Voluntary Bonus Share Scheme ²	3 298	31 March 2020	83,36	01 April 2023					3 298	0	219,11	722 625	0				
	2 049	31 March 2021	134,17	01 April 2024											2 049	31 December 2023	01 April 2024
	1 151	31 March 2022	238,81	01 April 2025											1 151	31 December 2024	01 April 2025
					1 287	31 March 2023	213,58	01 April 2026							1 287	31 December 2025	01 April 2026
Total value of dividends														3 031 377			
Total	180 835				46 005				12 370	39 988		2 710 391	(8 311 906)	3 031 377	174 482		

¹ Matching on the CBSS occurs only on shares in the scheme at the vesting date. If CPTs are met, 100% matching occurs.

² For the VBSS, employees invest their own Nedbank shares in the scheme. After 3 years, if the CPTs are met, a 100% matching occurs.

³ Value determined based on the number of shares lapsing, multiplied by the market share price on the scheduled vesting date.

⁴ Excludes the VBSS, which consists of own shares.

Implementation report continued

Share-based payments to executive directors and prescribed officers continued

Payments from the prior years' deferred bonuses, LTIs and outstanding share plan awards:

	Opening balance at 1 January 2023				Awards made during 2023				Awards vesting/lapsing during 2023					Dividends	Closing balance at 31 December 2023		
	Number of restricted shares	Date of issue/inception	Issue price (R)	Vesting date	Number of restricted shares	Date of issue/inception	Issue price (R)	Final vesting/exercise date	Number of restricted shares released	Number of restricted shares lapsed	Market price at vesting (R)	Value gained on vesting (R)	Notional value of loss on lapsing ⁵ (R)	Total value of dividends paid in respect of all plans ⁶ (R)	Number of restricted shares	End of performance period	Final vesting/exercise date
Dr Terence Sibiya																	
Nedbank restricted shares	23 696	19 March 2020	168,8	20 March 2023					0	23 696	207,86	0	4 925 451				
	10 663	19 March 2020	168,8	20 March 2023					0	10 663	207,86	0	2 216 411				
	7 109	20 March 2020	168,8	21 March 2023					7 109 ³	0	213,97	1 521 113	0				
	48 643	25 March 2021	131,57	26 March 2024											48 643	31 December 2023	26 March 2024
	12 161	26 March 2021	131,57	27 March 2024											12 161	31 December 2023	27 March 2024
	36 670	17 March 2022	218,16	18 March 2025											36 670	31 December 2024	18 March 2025
					35 384	22 March 2023	226,09	23 March 2026							35 384	31 December 2025	23 March 2026
Compulsory Bonus Share Scheme ¹	7 422	31 March 2020	83,36	01 April 2023					11 133 ⁴	0	219,11	2 439 352	0				
	2 562	31 March 2021	134,17	01 April 2024											2 562	31 December 2023	01 April 2024
	6 045	31 March 2022	238,81	01 April 2025											6 045	31 December 2024	01 April 2025
					9 334	31 March 2023	213,58	01 April 2026							9 334	31 December 2025	01 April 2026
Voluntary Bonus Share Scheme ²	1 199	31 March 2020	83,36	01 April 2023					1 799 ⁴	0	219,11	394 179	0				
	1 490	31 March 2021	134,17	01 April 2024											1 490	31 December 2023	01 April 2024
	1 046	31 March 2022	238,81	01 April 2025											1 046	31 December 2024	01 April 2025
Total value of dividends														2 777 354			
Total	158 706				45 888				20 041	34 359		4 354 643	7 141 862	2 777 354	154 505		

¹ Matching on the CBSS occurs only on shares in the scheme at the vesting date. If CPTs are met, 100% matching occurs.

² For the VBSS, employees invest their own Nedbank shares in the scheme. After 3 years, if the CPTs are met, a 100% matching occurs.

³ Restricted-share awards with time-based vesting only.

⁴ Match occurred at one share for every 2 shares in the CBSS and VBSS at the vesting date.

⁵ Value determined based on the number of shares lapsing, multiplied by the market share price on the scheduled vesting date.

⁶ Excludes the VBSS, which consists of own shares.

Tax

Letter from the Chief Financial Officer



“Nedbank Group is committed to being fully compliant with all tax legislation and regulatory requirements in all the jurisdictions in which it operates. We remain committed to delivering on our purpose of using our financial expertise to do good and contributing to the well-being and growth of the societies in which we operate by delivering value to our employees, clients, shareholders, regulators and society.”

Mike Davis, Chief Financial Officer

I am pleased to introduce our Tax Review for the year ended 31 December 2023, which forms part of our integrated and environmental, social and governance (ESG) reporting universe.

We constantly strive to improve our tax transparency every year to ensure that we effectively and clearly communicate how we manage tax to all our stakeholders. We are particularly proud to be acknowledged in the recently published PwC *Tax Transparency and Sustainability Reporting 2023* Report, which is a global study on tax reporting. This is the 1st year that SA has participated in the global study, which takes a closer look at the tax contribution role that corporations play, as well as their role in enabling the broader tax system to work. Additionally, in the 8th PwC *Building Public Trust Through Tax Reporting Review*, Nedbank achieved an overall 1st place amongst the top 100 companies listed on the JSE in terms of consistently providing value-added and high-quality tax disclosure based on the criteria of the PwC Tax Transparency Framework.

Businesses and societies benefit where there is transparency and trust. The purpose of the Tax Review remains the same as in previous years, which is to provide increased transparency and valuable financial and non-financial information to all our stakeholders

about our tax strategy and policies, our approach to tax management, and the key tax principles that we have adopted to demonstrate that we are doing business in a sustainable and responsible way. To act with integrity, respect and accountability, while being people-centered and client-driven, are the principles that guide us.

In this Tax Review, consistent with prior years and to demonstrate that we continue to make significant tax and economic contributions, we present the component parts of our total tax contribution, which amounted to R13,2bn for the FY 2023 (up by 15% from 2022), as an expression of our commitment to the inclusive growth and sustainable development of the communities and jurisdictions in which we operate.

We are furthermore confident that the integration of and our approach to tax, as set out in this report, demonstrates our commitment to advancing the achievement of the United Nations (UN) Sustainable Development Goals (SDGs), which we have

adopted as a framework for measuring delivery on our purpose.

Nedbank Group is committed to being fully compliant with all tax legislation and regulatory requirements in all the jurisdictions in which we operate. We remain committed to deliver on our purpose of using our financial expertise to do good and contributing to the well-being and growth of the societies in which we operate by delivering value to our employees, clients, shareholders, regulators and society.

We hope that throughout the Tax Review we answer the relevant questions about tax fairness and tax transparency, and I encourage you to read our 2023 Integrated Report and our 2023 Society Report, including the Sustainable Development Review chapter for more details on the other initiatives, social investments, and contributions that we have made this year.

About our 2023 Tax Review

Our 2023 Tax Review is the outcome of a groupwide reporting process that is governed by the board, led by Group Exco, assured through our coordinated-assurance model, and delivered through groupwide collaboration. Integrated thinking enables us to create and preserve value as we fulfil our purpose to use our financial expertise to do good for individuals, families, businesses and society.

The process we follow to complete the Nedbank Tax Review

The 2023 Tax Review is the outcome of internal and external discussions, minutes, business plans, decisions and approvals, as well as internal and external information.

A cross-functional team, led by the Executive Head: Group Tax and representing various subject matter experts in Group Tax and across the group, produces the content that is included in the Tax Review. The process is governed by the GAC, which provides final approval of the report, while the Group Integrated Report Approval Committee (which has delegated authority from the board) provides final sign-off for publication.

The reporting frameworks to which we adhere

Our Tax Review is guided and influenced by the principles and requirements of the following frameworks:

- Integrated Reporting Framework.
- King Code of Corporate Governance Principles for South Africa (SA) (King IV).
- B Team Responsible Tax Principles.
- Global Reporting Initiative Sustainability Reporting Standard on Tax (GRI 207).

- World Economic Forum Stakeholder Capitalism Metrics.
- Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.
- S&P Global Corporate Sustainability Assessment.
- MSCI ESG Ratings Methodology.
- Johannesburg Stock Exchange (JSE) Sustainability and Climate Disclosure Guidance.

As a predominantly SA-based bank and a company listed on the JSE, we align with the JSE Listings Requirements, the South African Companies Act, 71 of 2008, and the Banks Act, 94 of 1990.

How we ensure the integrity of our report

The GAC considered the integrity of the Tax Review and concluded that it adequately provides material disclosures of the group's financial and non-financial tax matters.

The financial information contained in this report has been extracted from the Nedbank Group Limited Consolidated Annual Financial Statements for the year ended 31 December 2023. An unmodified audit opinion was expressed on the Consolidated Annual Financial Statements. We have also engaged Deloitte to provide limited assurance over selected value driver indicators covering environmental, economics, IT, HR, and SDF. These value drivers have been identified by management as important to stakeholders for communication throughout the Nedbank Integrated Report and Climate Report, and to the extent to which these are included in our Tax Review. This limited assurance was conducted in accordance with ISAE 3000 (Revised).

The board ensures the integrity of the report through our integrated-reporting process and the various approvals and signoffs by Group Exco and the board. The board also relies on our coordinated-assurance model, which is overseen by the GAC, and assesses and assures various aspects of our business


operations and reporting. These assurances are provided by management and the board through rigorous internal reporting governed by the group's ERMF, GIA, as well as independent external sources and service providers.

Our 2023 Tax Review

The Nedbank Tax Review presents a detailed view of our strategic approach to tax and tax-related processes, tax governance and the Tax Risk Management Framework, stakeholder engagement, and our tax contributions in the various jurisdictions in which we operate for the financial year ended 31 December 2023.

We are a predominantly SA-focused banking group with a vision to be the most admired financial services provider in Africa by our stakeholders. We have a clear and driving purpose: to use our financial expertise to do good for individuals, families, businesses and society. In this Tax Review and in line with our purpose, we have positioned tax as a strategic asset to our stakeholders by showing how the integration of and our approach to tax is linked to the UN SDGs, disclosing the wider economic impact analysis of our tax contributions, highlighting initiatives that support adherence to our key strategic tax principles, and providing specific information on our contribution as a strategic financial services role player to the tax collections system and tax reform.

Nedbank is committed to the highest ethical standards when conducting business and requires all employees, contract workers, part-time employees, partners, agents, intermediaries, joint ventures and vendors to act with honesty and integrity. Nedbank has mechanisms in place for reporting concerns about unethical or unlawful behavior, including integrity in relation to tax. In this regard, tax evasion and tax evasion facilitation are listed as financial crimes under Nedbank Group's Financial Crime Risk Management Framework, and inappropriate behavior by our employees linked to tax evasion is prohibited in terms of our Code of Ethics and Conduct.

 Channels for reporting unethical behavior are discussed in the Ethics Review on page 49 of this report.

Nedbank's approach to tax

Nedbank's tax strategy and approach to tax are enabled by our key tax principles as contained in the Nedbank Group Tax Policy, which the GAC reviews and approves annually. Our key tax principles are guided by our purpose, vision, brand promise and values.

Our tax strategy

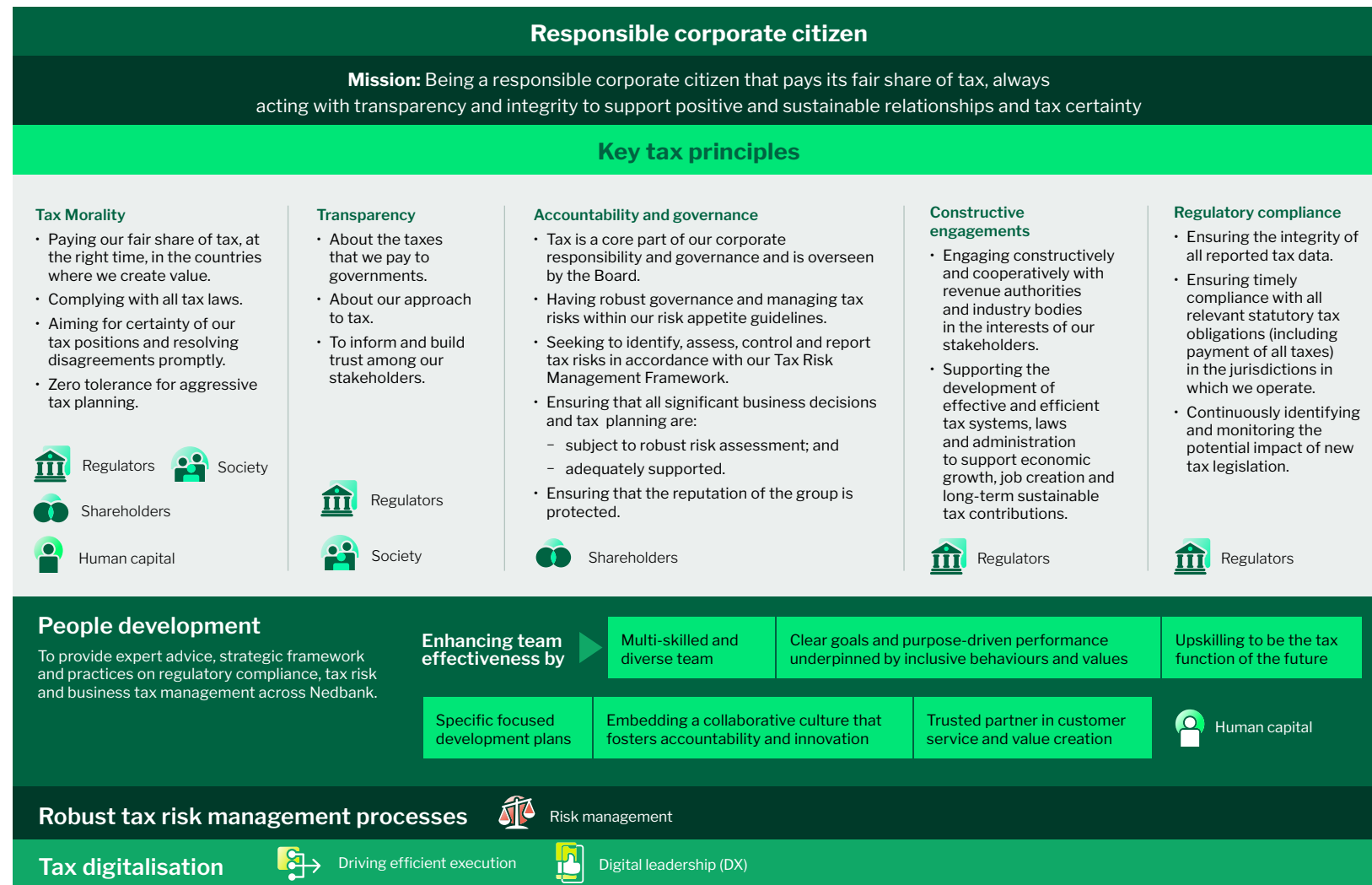
Nedbank's tax mission is to be a responsible corporate citizen that pays its fair share of tax, always acting with transparency and integrity to support positive and sustainable relationships and create tax certainty. Our tax strategy is designed to support us in our purpose, vision, values, and business strategy.

Tax principles


We believe that it is essential to have a set of guiding tax principles as set out in the Nedbank Group Tax Policy, which we adhere to and which set the tone for our tax strategy and approach to tax. These principles that guide our approach to tax are related to how we create, preserve, and minimise the erosion of value for our stakeholders, including our employees, clients, government, regulators, and society.

Our key tax principles are aligned with the B Team Responsible Tax Principles, which have been developed through dialogue with a group of leading companies and contributions from civil society, institutional investors, and international institutional representatives, with the aim to establish the golden standard of principles and an approach to taxation that companies can endorse to demonstrate their responsibility and play their part in creating a stable, secure and sustainable society.

Our tax strategy, unlocking strategic value, is executed in an integrated approach as follows:



Nedbank's Group Tax Policy is reviewed annually and was approved by the Finance Forum on 16 May 2023 and the GAC on 26 October 2023.

 Read more on how we deliver value for our stakeholders on page 109.

Nedbank's approach to tax continued

The key tax principles that guide our actions are as follows:

▶ 1 Responsible corporate citizen

As a responsible corporate citizen and taxpayer, we are committed to –

being a responsible taxpayer that pays its fair share of tax within industry norms, acting with integrity when engaging with revenue authorities to support positive and sustainable relationships and, for the purposes of obtaining certainty of its tax positions, engaging with revenue authorities regarding the application of the tax law and identifying and resolving disagreements with the revenue authorities promptly.

▶ 2 Transparency

We are committed to –

being transparent about the taxes that we pay to governments and the approach to tax to provide a better understanding to all stakeholders, manage their expectations and build trust among all stakeholders.

▶ 3 Risk management and governance

We are committed to –

having strong governance, managing tax risks within the risk appetite guidelines of the group; seeking to identify, assess, control and report tax risks in accordance with our Tax Risk Management Framework; ensuring that the group has a sustainable effective tax rate and cash tax paid; ensuring that all adopted tax positions are subject to robust risk assessment and adequately supported; and ensuring that the reputation of the group is protected.

▶ 4 Constructive engagement

We are committed to –

engaging constructively and cooperatively with revenue authorities and industry bodies in the interests of our stakeholders and supporting the development of effective and efficient tax systems, laws and administration to support economic growth, job creation and long-term sustainable tax contributions.

▶ 5 Regulatory compliance

We are committed to –

ensuring the integrity of all reported tax data and timely compliance with all relevant statutory tax obligations (including payment of all taxes) in the jurisdictions in which we operate, and continuously identifying and monitoring the potential impact of new tax legislation.

▶ 6 People development

We are committed to –

developing highly qualified tax professionals, with digital and analytical skills as part of a leading tax function.



Nedbank's approach to tax continued

Our tax digitalisation roadmap

During the FY 2023, we made good progress on our Digitisation Roadmap. We have successfully consolidated a substantial part of our tax data across the Group to align with the anticipated SARS Digitisation Journey, automated part of the 3rd-Party Appointments process and further enhanced the corporate income tax processes. To enhance our productivity and improve operational efficiency and the integrity of our tax reporting, we will continue to leverage the technology platforms that we are putting in place and continue to drive automation and digitalisation of our tax processes.

What

- Implementing more robust and efficient tax processes, enabled by tax technology solutions to move towards a strategic and leading tax function.

How

- Integrating, automating and digitising tax data and processes to improve risk management and provide data insights into the business.

Why

- To mitigate operational tax risk associated with compliance and reporting in the current and future state.
- To enhance efficiencies in tax processes.
- To provide insightful data analytics that will assist in budgeting and provisioning.
- To enhance governance and transparency.

Driving effective execution

Transfer pricing

Design, consolidate and implement a cross-border and inter-company transfer pricing capability by leveraging existing internal systems.

3rd-party appointments

End-to-end automation of the 3rd-party appointment processes, with appropriate workflow.

Corporate income tax

Leverage existing internal general-ledger technology to facilitate real-time analytical and data insights for client-facing clusters in terms of their direct tax charge.

Adhering to regulatory reporting requirements

Workflow compliance

The use of a digital interface with the SARS e-filing platform, with workflow functionality to align with the new digitisation reform of revenue authorities.

3rd-party IT3 reporting

Automation of processes to facilitate client reporting to revenue authorities.

Value-added tax

Design and implement enhanced VAT reporting capabilities through the creation of a Data Mart with automated preparation of VAT returns.

Base Erosion Profit Shifting (BEPS) Pillar Two

Reporting solution to enable accurate and timeous reporting to revenue authorities, aligning with the global minimum tax directive under the OECD.

Tax and sustainability

Creating value in a sustainable manner through our strategy

Nedbank is aware that it, alongside its stakeholders, operates in a nested and interdependent system. This means that for our business to succeed, we need a thriving economy, a well-functioning society, and a healthy environment. The tax that we pay is an important part of the wider economic growth, social upliftment, and environmental impact on the communities and the development of the jurisdictions in which we operate.

We ensure that tax is integrated and aligned to business, and that all the tax implications of our sustainable finance solutions and investments are considered from both an organisational and client perspective and are aligned to our tax strategy and principles.

Our responsible tax strategy and the tax that we contribute in the jurisdictions in which we operate fund critical infrastructure to support our SDG commitments.



 Refer to our economic contribution of taxes paid on page 123.

Tax as a material matter

We have identified tax as a material matter given its significant financial and social impact on the organisation and our stakeholders. Identifying our material matter is a groupwide responsibility and requires input from our businesses, an assessment of the risks and opportunities in our operating environment, and input and feedback from our various stakeholders.

We apply the principle of materiality in assessing the information that should be included in our Tax Review. Although all the material matters noted on page 11 of the 2023 Integrated Report all impact tax, the demand related to governance, regulation, and risk management plays a significant role in tax management. Fundamentally, the business of banking remains managing risk, and we always strive to be world-class, having a strong risk culture, sound governance, and a robust ERMF. We strive for agile but responsible, accountable, and effective governance and risk management, while creating and protecting value for all our stakeholders.

Nedbank's approach to tax continued

Stakeholder engagement

Delivering value by fulfilling our purpose

As a financial services provider, we are deeply connected to the environment we operate in and the societies we serve. Our ability to create and protect value is dependent on our relationships, activities, and the contributions we make to our stakeholders, including our economic contribution through the taxes we pay and collect. By providing for their needs and meeting their expectations in relation to tax matters, we create and protect value for our stakeholders and Nedbank, while looking to minimise value erosion.

Nedbank Group

A strong and profitable business enables continued investment in our employees and operations, which in turn creates value for our clients, shareholders and society at large. Trust is core to our relationships and to creating and preserving value.

Employees



We engage with our employees on a regular basis on tax. Our employees are interested in tax matters and tax developments to allow them to better understand tax risks and add value to our clients. Employees, as part of society, contribute materially to the communities in which they live and work through tax contributions.

Value is created and preserved through ...

- providing support to employees with their personal income tax compliance obligations;
- providing tax specific training and awareness;
- developing our employees with future-fit tax skills;
- equipping our business with professional tax advice and oversight to ensure tax risks are mitigated;
- rewarding employees for the value they add;
- embracing flexible working practices; and
- contributing to the transformation towards a more inclusive society through employment equity and gender equality.

Clients



Our clients expect accurate and valid tax reporting to revenue authorities. They also expect seamless and modern KYC processes to ensure a satisfactory experience. They are interested in the tax implications of the products and services we offer.

Value is created and preserved through ...

- providing clients and revenue authorities with accurate and valid tax information to ensure tax compliance;
- providing tax guidance in relation to our products and services;
- providing credit in a responsible manner that enables wealth creation, sustainable development and job creation, aligned with the SDGs and the drive to transition to a net-zero economy by 2050; and
- developing innovative solutions that meet our clients' specific needs.

Shareholders



Our shareholders require from us transparent and accurate tax reporting and disclosure. They are interested in our tax strategy and how we create value and contribute to our ESG practices in a sustainable way.

Value is created and preserved through ...

- providing insightful, relevant and transparent tax reporting;
- ensuring robust tax governance and tax risk management; and
- operating within our tax risk appetite.

Government



The taxes we pay are imperative for the economic and social development of the countries in which we operate. Our government and regulators expect open and honest dialogue on tax matters and active contribution to industry working groups.

Value is created and preserved through ...

- participating actively in industry forums on tax matters;
- contributing meaningfully to government budgets through our own corporate taxes and employees paying personal taxes; and
- collaborating with legislators and tax policy setters to ensure clear and unambiguous tax legislation.

Revenue authorities



We engage cooperatively and constructively to ensure an effective and efficient tax administration. We act with integrity to support positive and sustainable relationships and obtain tax certainty. We have a responsibility to comply fully with the regulations of the jurisdictions in which we operate.

Value is created and preserved through ...

- regular industry engagements on various operational and service delivery issues;
- commitment to the banking accord between BASA and SARS;
- the integrity of our tax data reporting to revenue authorities;
- ensuring the broadening of the tax base through the eradication of corruption, fraud and tax evasion through robust anti-financial crime risk and compliance programmes;
- supporting SARS to transform into a more digitised tax administrator; and
- working closely with revenue authorities during times of crisis.

Society



We embrace our role in society as an active contributor to building a thriving society and can do this only with engaged communities that have the same values. Our tax contributions ensure investment in sustainable infrastructure and critical services.

Value is created and preserved through ...

- building trust through our transparent reporting on the taxes we contribute in the jurisdictions where we operate;
- transforming economies, the environment and society positively through our lending and investment activities, aligned with the SDGs;
- playing a meaningful role in the broader society as a procurer and consumer of goods and services; and
- making a difference through our partnerships and corporate social investment (CSI) activities.

Tax compliance

We are committed to tax compliance in all the jurisdictions in which we operate. We ensure the integrity of all our reported tax data through robust internal control frameworks and our combined assurance methodology.



Read more about our approach to tax governance and risk management on page 112.

We pay our taxes promptly and in accordance with all applicable laws and regulations. We aim to take into account the letter as well as the spirit of the tax laws and regulations. Where tax law is unclear or subject to interpretation, we evaluate whether our position is more likely than not to be upheld and, where appropriate, seek external advice or resolve any uncertainty directly with revenue authorities. We also escalate any uncertain tax positions to senior management and the board for their review and guidance. Following careful consideration and risk evaluation of any tax dispute with revenue authorities, we may seek a resolution through the judicial system to test the legal principle of the tax law concerned or seek to resolve the dispute through the alternative dispute resolution process, provided it is in the best interest of both parties.

We continuously monitor the regulatory landscape to identify and evaluate the potential impact of changes to, or of new tax legislation, on our business operations.

As a financial institution, we are also subject to client tax compliance and reporting obligations, including obligations under the United States (US) Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS), and in respect of income earned on financial products, withholding taxes and exchange of information on request from the revenue authorities. Clients' tax positions remain their responsibility. However, we require clients, including high-net-worth clients, to self-certify their worldwide tax obligations as part of our client onboarding processes and ongoing client due diligence processes. In relation to the standardised products we offer, we advise clients of likely tax implications, and in the case of new products, tax implications are discussed and considered carefully at the appropriate governance committees. Some of these products often deliver tax incentives specifically introduced by the government, such as tax-free savings accounts.

Tax evasion and fraud entail taxpayers deliberately misrepresenting or concealing the true state of their affairs to the tax authorities to reduce their tax liability, including dishonest tax reporting (such as under-declaring income, profits or gains, or overstating deductions). Nedbank has a zero-tolerance approach to tax evasion and tax evasion facilitation and has implemented policies and procedures to prevent such conduct by its employees and associated parties. These include having clear roles and responsibilities for preventing, detecting, and responding to tax evasion; providing awareness training; promoting ethical behavior; undertaking risk assessments to identify possible high-risk exposures; and encouraging employees to be vigilant and report any suspicions of tax evasion. Employees are prohibited from any conduct and the giving of any advice to clients, suppliers and 3rd parties in the course or scope of their employment that facilitates, supports or results in tax evasion.

We do not condone, encourage or support tax evasion nor the willful misrepresentation of facts to revenue authorities or independent assurance providers. Compliance with all applicable laws and regulations of the jurisdictions in which we operate is embedded in our Code of Ethics and Conduct, available [here](#). Employees (including contract employees) and 3rd parties with whom Nedbank has a business relationship may raise ethical and compliance concerns, anonymously if preferred, through Report-IT. Corrupt and unethical behavior can be reported [here](#).

Our approach to tax planning

We believe that tax planning initiatives must be conducted in a responsible and sustainable manner. During such planning due consideration needs to be given to Nedbank's legitimate interests, reputation, brand, and corporate social responsibility.

We have clear procedures regarding tax risk management and carry out risk assessments as part of any tax planning and review of significant business decisions. We do not enter into any aggressive and contrived tax planning structures.

We further believe that our products should not be used by our clients to shelter information from the tax authorities to avoid or evade taxation.

Principles and risk appetite

The board sets the risk appetite for the group. The risk appetite in relation to tax is the level of tolerance for taxation risk in the group.

The underlying principle in setting the taxation risk appetite is that tax planning should support the group's strategy and be aligned with the group's commercial and economic activity.

Taxation risk should be minimised and mitigated, with both the cost versus the benefit of doing so, as well as the financial and reputational impact of a tax planning initiative being considered.

The group applies the following principles to tax planning:

- Zero tolerance for evading any tax liability or facilitating the evasion of any tax liability on behalf of a 3rd party.
- Zero appetite for transactions that have no valid commercial purpose other than obtaining a tax benefit.
- Zero appetite for arrangements where the tax benefit is paid to clients, but the tax risk remains within the group.
- May enter into transactions with significant tax uncertainty only if the commercial benefits clearly exceed the potential cost (ie risk-reward equation). In this context, risk appetite must be guided by the 'more likely than not' principle.
- Low appetite for arrangements that could rebound to the detriment of the group in the event of external disclosure, eg litigation. Accordingly, the group enters only into transactions that can be fully justified if they become public.
- Will not purposefully structure its affairs to shift profits to low-tax jurisdictions or 'tax havens,' and will operate in these jurisdictions only if there are valid business reasons and sufficient commercial substance.
- Will only enter into cross-border transactions with controlled parties on an arm's-length basis.

Tax compliance continued

Incentives

Governments offer tax incentives to support investment, employment or economic development. We seek to ensure that tax incentives are transparent and consistent with statutory and regulatory frameworks before deciding whether to make use of them. We make use of incentives only where they are aligned with our business and operational objectives, and where we have a qualifying business activity.

We continually review our approach to tax incentives to ensure transparency and that unfair tax advantages are not gained. If there is uncertainty about tax incentives, we would seek clarity from relevant authorities to ensure the incentive meets the government's intended policy objectives.

Nedbank has benefited from the following allowances and incentives in terms of the Income Tax Act, 58 of 1962, during the FY 2023:

Learnership allowances in terms of section 12H, estimated at R58,6m (2022: R46,1m).

Employment tax incentive through participating in the YES Programme, amounting to R7,7m (2022: R9,7m).

Nedbank is now also offering photovoltaic (PV) solar asset finance for clients in support of its sustainability goals and continues to lower its own energy consumption. This asset-finance offering was launched during FY 2022. During FY 2023 a total of 101 deals were approved, with more than R400m of deals financed for commercial clients and more than 450 households financed through MFC solar.

Nedbank will continue pursuing the benefits of energy efficiency allowances offered under the Income Tax Act.

Transfer pricing

In terms of transfer pricing documents, there is a requirement to submit both a master file, with high-level information about global business operations and transfer pricing policies, as well as a local file with detailed transactional transfer pricing documents specific to each country, identifying material related-party transactions, the amounts involved in those transactions, as well as the company's analysis of the transfer pricing determinations that have been made regarding those transactions.

Nedbank adheres to the key principles set out in the base-erosion-and-profit-shifting (BEPS) package and the related regulations put in place by fiscal authorities. In this regard, the group adopted an internal policy that outlines key principles and mandatory requirements with which the business must comply to ensure that transfer pricing methodologies are applied consistently, that the terms of all intergroup dealings are in line with the arm's-length principle, and that contemporaneous transfer pricing documents are maintained. Nedbank has filed a master file, local files, and country-by-country reporting (CbCR) for financial reporting periods up to 31 December

2022. In the section titled 'Economic contribution of taxes paid', more information is provided on Nedbank's tax contribution on a country-by-country basis.

Tax havens

As a matter of principle, we do not purposefully structure our affairs to shift profits to low-tax jurisdictions or 'tax havens' to avoid paying our fair share of taxes. We will operate in these jurisdictions only if there are valid business reasons and sufficient commercial substance. All significant business decisions, such as acquisitions and business restructurings involving low-tax jurisdictions or 'tax havens', must be approved by Nedbank Group Tax before being approved by the appropriate governance structure.

We have banking, asset management, and wealth management businesses in Isle of Man, Guernsey and Jersey that have operated in these jurisdictions for more than 30 years. These operations are fully fledged stand-alone businesses with proper business and economic substance. We have historically operated in these jurisdictions to grow our international footprint and enable our clients to diversify their investments on a global scale.



Tax governance and tax risk management

Nedbank's tax status is reported quarterly to the GAC, which is responsible for monitoring all significant tax matters and key judgements, including compliance with the Nedbank Group Tax Policy.

Governance Oversight

Board of directors

Group Audit Committee (GAC)

Group Executive Committee

Group CFO

The Nedbank Group Board is ultimately accountable for determining Nedbank Group's tax strategy and approach to tax and, together with the GAC, provides oversight of the tax practices and affairs of the group.

The board holds the CFO accountable for ensuring compliance with the Nedbank Group Tax Policy. To this end, the Finance Forum, which the CFO has established and chairs, supports him in performing his duties to the board. The forum monitors tax compliance and compliance with the Nedbank Group Tax Policy, ensures that taxation risk is managed appropriately throughout the group, and deals with tax matters and key judgements across the group. The forum meets monthly and is represented by the cluster chief financial officers and the Executive Head of Group Tax.

The group's tax risk status is reported quarterly to the GAC, which is responsible for monitoring all significant tax matters and key judgements, including compliance with the Nedbank Group Tax Policy.

Executive Head: Group Tax

Cluster CFOs

Group Tax

Cluster Executive Committees

Functions supporting the governance structures

Finance Forum

Group Business Services

Group Enterprisewide Risk Committees

Steering Committees

Group Compliance

Group Internal Audit

Cluster Enterprisewide Risk Committees

The GAC also receives regular updates on changes to the tax landscape. An area of continued focus during the 2023 financial year was managing the outcome of the SARS capital gains tax (CGT) dispute and the value-added tax (VAT) audit for the December 2017 to December 2022 VAT periods.

Policies and control

Our tax strategy and approach to tax are incorporated in the Nedbank Group Tax Policy, which the GAC reviews and approves annually. The policy provides the mandatory minimum principles and standards to manage tax risk across the group, including tax compliance, transaction planning and implementation. The policy applies to all taxes and tax-reporting obligations to relevant fiscal authorities in all jurisdictions in which the group operates.

The Nedbank Group Tax Policy, the Tax Risk Management Framework and associated supporting procedures, standards and guidance documents are subject to periodic review by the Executive Head: Group Tax to ensure that they are updated to reflect any changes in leading practice, tax risk governance and control standards, as well as changes in the organisational structure of Nedbank Group and in the external tax and regulatory environments. No significant changes were made to these documents in the past year, and they were considered fit for purpose.

An annual letter of representation is used to track adherence to the governance structure, processes, and procedures of enterprise risk management, and is an attestation of compliance completed twice a year by all executives in the group, signed by the CRO, CFO and CEO.

An annual questionnaire is also distributed to board members and prescribed officers to determine the related-party transactions and tax compliance of these individuals as required by International Accounting Standard (IAS) 24. These individuals confirm their tax status and standing with the revenue authorities. This is in alignment with King IV and demonstrates that Nedbank and its key representatives exhibit responsible corporate citizenship. These individuals also acknowledge that they pay their fair share of tax and are not party to any aggressive tax-planning transactions.

Tax governance and tax risk management continued

We publish a UK Tax Strategy for our respective businesses in the UK, in compliance with paragraph 22(2) of Schedule 19 to the UK Finance Act 2016. These respective tax strategies are aligned with the group tax strategy and our published approach to tax contained in our relevant Tax Review, and can be found via the links below:

[Nedbank CIB London](#)

[Nedbank Private Wealth](#)

[Nedgroup Investment Advisors \(UK\)](#)



Ongoing liaison with revenue authorities and other specific tax investigations

Due to the complex and diverse nature of our business, we receive ongoing requests for information from revenue authorities on various tax matters. It's the group's policy to be transparent and proactive in all our interactions with the revenue authorities to ensure we meet all our compliance obligations, and that all information is presented adequately. The status of the more significant requests for information and revenue authority investigations conducted during the financial year are as follows:

Entity	Tax type	Tax year	Nature of query/dispute	Status
Revenue authority queries/disputes closed during FY 2023				
Glenmore Seaside Resorts (Pty) Ltd	Income tax verification	2021	Schedules and information in support of income statement items and adjustments regarding leases in respect of the 2021 tax return.	Audit finalised with no adjustments
Nedbank Eswatini	PAYE audit	2019 and 2020	A letter of findings was issued regarding the treatment relating to study loans, professional subscriptions and long-service awards.	Audit finalised with immaterial adjustments
Nedbank Eswatini	VDP	2020 and 2021	After seeking legal advice, it was established that tax must be withheld on Visa fees. Nedbank Eswatini addressed the issue of non-compliance through the Practice Note on Voluntary Disclosure 2016 of the Eswatini Revenue Service, which included a waiver of penalties and interest. The determined tax liability for the 2020/2021 financial year was SZL500 000.	VDP finalised
Nedbank Limited	Income Tax Audit	Various	SARS audit in respect of the liquidation process that gave rise to a capital loss claimed by Nedbank in its 2017 year of assessment, relating to the liquidation of one of its subsidiaries.	Audit finalised without any tax adjustment
Nedbank Limited	Income Tax Audit	Various	Capital Gains Tax dispute.	Resolved through the Alternative Dispute Resolution process
Nedbank Limited	Notice of enquiry from HM Revenue & Customs (HRMC)	2021	The HRMC issued a compliance check.	Finalised
Nedbank Limited	VDP	2019	The application related to several defaults discovered in Nedbank's 2019 income tax return through the ongoing review process, which takes place on all income tax returns.	VDP agreed and a settlement agreement concluded.
Nedbank Zimbabwe	Intermediated money transfer tax (IMTT)	Various	An IMTT audit was conducted for the period 1 January 2020 to 31 December 2022, with the following findings noted: <ul style="list-style-type: none"> • Underpayment of IMTT between 13 May and 31 December 2022. • Incorrect application of IMTT caps for the period 13 May to 31 December 2022. • Failure by Nedbank Zimbabwe to withhold IMTT on certain transactions. 	Audit finalised with principal interest and penalties settled
Nedbank Zimbabwe	VDP	2023	Nedbank Zimbabwe was delayed in correctly implementing new IMTT caps, resulting in an underpayment of the tax to the Zimbabwe Revenue Authority (ZIMRA) of approximately US\$325 000 for the period 1 January to 31 August 2023. Since then, the tax has been collected from affected clients, paid to ZIMRA, and disclosed in terms of the VDP.	VDP finalised
West Road South No 3 (RF) Limited	Income Tax audit	2020 to 2022	An audit inquiry into the overpayment of provisional tax when compared to the tax payable on assessment.	Audit finalised with no adjustments

Tax governance and tax risk management continued

Entity	Tax type	Tax year	Nature of query/dispute	Status
Revenue authority queries/disputes in progress at 31 December 2023				
Nedbank Limited	Compliance with reporting requirements	2020 to 2023	An inquiry related to compliance with the requirements of the CRS and FATCA.	In progress
Nedbank Limited	Employment tax incentive audit	March 2019 to February 2023	SARS started an audit in relation to Nedbank's employment tax incentive claims submitted during the 2019/03 to 2023/02 employment periods. These employment tax incentive claims were in respect of Nedbank's participation in the YES Programme. SARS issued a letter of findings to which Nedbank provided comprehensive responses and mitigating documents.	Awaiting final SARS response
Nedbank Limited	Request for information	2021	Request for information on exchange rate derivatives and impairments.	Awaiting SARS response
Nedbank Limited	Request for correction	2020	A request for correction was submitted to SARS for certain debt-to-equity restructure transactions implemented during the 2020 assessment.	Awaiting SARS response
Nedbank Limited	VAT audit	December 2017 to December 2022	The audit started in May 2022, with some of the key issues being bad debt, imported services, and our VAT apportionment ratios.	In progress
Nedbank Mozambique	VAT and PAYE audit	Various	A draft letter of findings was issued regarding VAT from services provided by Visa and Mastercard, employee tax benefits as a result of interest rates being below the market and withholding taxes on Visa fees.	In progress
Nedbank Namibia	Income tax verification	2022	2022 Income Tax return audit conducted by the Namibia Revenue Agency (NamRa).	In progress
Nedbank Namibia	VAT audit	2023	August 2023 VAT return audit conducted by NamRa.	In progress

Most tax returns submitted for the 2022 year of assessment were subject to verification audits. All these verification audits were finalised with no adjustments made by SARS.
The table above excludes requests for relevant information and material in relation to our clients.

Tax risk management

Risk Framework

Tax risk is managed in the context of Nedbank Group's ERMF and the 3-lines-of-defence (3 LoD) Model, which is the backbone of this framework. In line with this, Nedbank has developed the Tax Risk Management Framework, which incorporates the group's approach to tax and aims to ensure that tax risks are identified, assessed, managed, and reported appropriately and in line with the group's risk frameworks and principles. The Nedbank Group Board and GAC provide oversight of the Tax Risk Management Framework, considering the potential financial, legal, business, and reputational risks of failing to detect and manage tax risks timeously.

Regular and transparent tax reporting is embedded in the governance structures of the group, including the GAC, various board committees, and group and cluster executive committees.

At Nedbank tax risk forms part of one of the 17 main risk categories comprising the enterprisewide risk universe, with the relevant category consisting of accounting, financial, and taxation risk. The group's risk taxonomy describes taxation risk as any event, action or inaction in tax strategy, operations, financial reporting, or compliance that either adversely affects the group's tax objectives or results in an unanticipated or unacceptable level of tax liabilities.

Tax risk can be divided into general risks that most commercial organisations are likely to face, and specific risks linked to the industry in which the group operates, which may arise from the following:

- Non-compliance with tax regulations resulting in penalties, fines, payment of interest or under-provision for tax.
- Incorrect assessment, deduction, and payment of tax liabilities.
- Ineffective tax planning and implementation.
- Inability to engage timeously with revenue authorities and other relevant governmental departments.

Tax governance and tax risk management continued

In terms of the Nedbank Group Tax Policy, the tax implications of all significant business decisions must be evaluated, documented, and approved by Group Tax, and the group must comply with all tax regulations in all the jurisdictions in which it operates. In this regard the group employs highly qualified tax professionals and takes advice from reputable professional firms, when appropriate.

The Group Tax Team is measured against the following key performance indicators (KPIs):

Key Performance Indicators		Achieved by
Level of compliance.		All regulatory submissions and payments met in accordance with both internal and regulatory timelines.
Introduction of technology to enhance and improve the effectiveness and efficiency of operational tax processes.		Execution of the tax digitalisation roadmap and assisting in driving efficient execution.
Maintenance of an acceptable level of operational losses, such as tax penalties and tax interest, within a predetermined accepted-loss tolerance level.		Management of tax penalties and tax interest. Tracking at Nil for 2023.
Feedback from stakeholders, regulators, shareholders, and business.		Enhanced and improved business partnering and engagement with regulators and stakeholders.
Management and resolution of key audit issues and regulatory disputes.		Effective resolution and management of tax disputes and ongoing revenue audits.
Accurate and adequate provision and disclosure of all tax obligations.		Actual tax payable is tracking within 3% of provisions.

The Group Tax Team met all its KPIs during the FY 2023 and Nedbank is fully compliant with all its tax obligations in all the jurisdictions in which it operates.

Material tax risks

We operate in a complex and evolving regulatory environment with extensive global scrutiny. Through our risk management processes, we have identified the following key taxation considerations and focus areas:

Transfer pricing

To ensure client centredness, many support functions in the group are centralised, providing support services to subsidiaries in other jurisdictions in the group. The OECD Transfer Pricing Guidelines require that the provider of such services must be remunerated for the services they render on an arm’s length basis. We follow the OECD Transfer Pricing Guidelines when developing appropriate transfer pricing policies and documenting our transfer pricing studies for domestic transfer pricing compliance purposes on a fully transparent and commercially validated basis. Revenue authorities and banking regulators pay close attention to how multinational enterprises (MNEs) implement transfer pricing policies to ensure that profits are appropriately allocated to the jurisdictions where the relevant economic activity takes place.

Significant business decisions

All significant business decisions must be evaluated and documented from a tax perspective and approved by Group Tax. As a key component of the evaluation of many complex financial transactions, the accounting treatment may play a critical role in the evaluation of the tax implications. We require internal accounting opinions as part of our Finance and Accounting Risk Policy before we enter into these significant business transactions.

Regulatory compliance

As a financial institution, we are subject to extensive tax reporting and compliance regulations in respect of our clients’ tax status and their income earned on financial products, including tax debt collection, criminal investigations, and information requests. The consequences for non-compliance are sanctions, personal liability of clients’ tax debt or criminal prosecution. Due to the significant increase in regulations and revenue collection efforts of revenue authorities, we are exposed to significant financial and reputational risk in this regard. We directly, or through the dedicated established BASA work groups, engage regularly with the revenue authorities to manage compliance with these obligations.

Changing tax landscape

We continuously monitor the regulatory landscape to identify and evaluate the potential impact of changes in the interpretation of and application of tax legislation and principles on our business operations.

This is principally informed by new interpretation notes, directives and rulings issued by the revenue authorities, as well as potential changes in the interpretation of specific tax legislation informed by relevant case law, eg the recent judgements by the Supreme Court of Appeal in favour of SARS.

This requires us to continuously evaluate our business structures and processes to assess our compliance with tax legislation, and if necessary, to proactively engage in discussions with relevant industry forums and revenue authorities.

Nedbank's strategic value unlocks

- Delivering market-leading client experiences (CX)
- Digital leadership (DX)
- Focusing on areas that create value (SPT)
- Driving efficient execution (TOM)
- Creating positive impacts (purpose delivery)

Tax governance and tax risk management continued

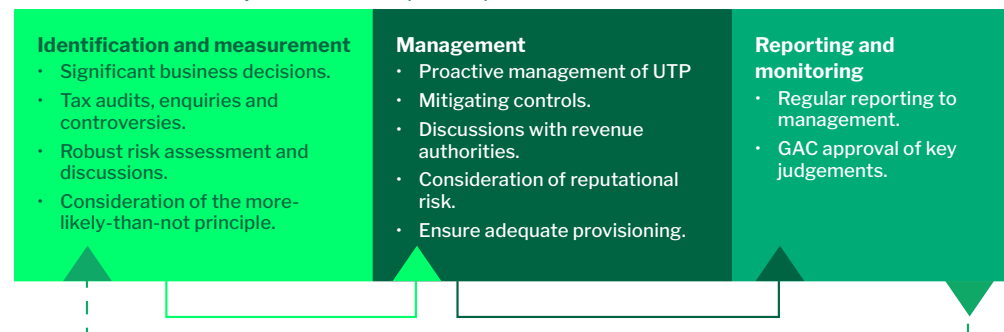
Combined assurance

Nedbank has adopted an organisational risk governance structure that reflects the concepts represented in the 3 LoD Model. Taxation risk is managed in this context and assurance is provided by all 3 lines of defence, as well as external audit.

1st of defence – Risk-taking and risk ownership	2nd line of defence – Oversight, monitoring and advisory	3rd line of defence – Independent assurance
<ul style="list-style-type: none"> Comprise business line management and client-facing operations and activities. Has ‘ownership’ of taxation risk, acknowledging and managing the risk that arises in conducting business activities. Responsible and accountable for the ongoing management of taxation risks, including identifying, assessing, and reporting these risks and issues, and considering our tax risk appetite and policies, procedures and controls. Responsible for assessing taxation risks of significant business decisions, tax compliance requirements and the implementation of regulatory changes in respect of the products, services, conduct, activities, processes, and systems for which it is accountable. Any person in the organisation who has a delegation, deploys resources or makes decisions, is responsible and accountable for managing taxation risk. 	<ul style="list-style-type: none"> Comprise independent risk management and compliance functions. The risk management function complements business line risk activities through its oversight, monitoring, advisory, and reporting responsibilities and is sufficiently independent of the business units and not involved in revenue generation. Responsible for overseeing the risk-taking activities and assessing risks and issues independently from the 1st line of defence. Responsible for testing internal financial controls. Group Tax acts as a policy-, process-, procedure- and standard-setting function for the 1st line of defence and, at the same time, provides oversight and review to ensure that its requirements are being discharged by the 1st line of defence. 	<ul style="list-style-type: none"> Comprise an independent and effective internal audit function. Provides independent detailed testing, review and objective assurance on the quality and effectiveness of the internal control systems, the 1st and 2nd lines of defence and the Risk Governance Framework, including links to the organisational culture, as well as strategic and business planning, compensation and decision-making processes. Provides independent assurance to the board of directors and senior management on the quality and effectiveness of Nedbank’s internal control, risk management and governance systems and processes, thereby helping the board and senior management protect the organisation and its reputation.

Internal and External Audit provide independent assurance on the effectiveness of the management of tax risk across the group. Internal Audit conducts ongoing process audits to examine the adequacy of the internal control environment. External Audit provides assurance on the appropriate compliance and financial frameworks in Nedbank, including recomputing all tax calculations and confirming that there are adequate tax risk provisions held against uncertain tax positions.

Uncertain tax positions (UTP) and controversies



Due to the complex nature of tax, there may be transactions and calculations for which the ultimate tax treatment is uncertain. If the position is uncertain, appropriate tax provisions will be raised in accordance with the principles as envisaged in IAS 37: Provisions, Contingent Liabilities and Contingent Assets and IFRIC 23: Uncertainty Over Income Tax Treatments, which will affect our current or deferred tax disclosures. As it can take several years to finalise our tax positions adopted in the tax returns that have been submitted to and assessed by the revenue authorities, it is necessary to reflect the risk that the final assessed tax liabilities could differ from the current tax liabilities disclosed in the annual financial statements. UTP are governed by our tax risk management principles as outlined in the table above.

During the year under review, we have successfully managed the outcome of the ongoing VAT audit conducted by SARS in respect of the December 2017 to December 2022 VAT periods. All the relevant information requested in respect of the VAT audit was provided to SARS, and to date, no findings have been raised by SARS.

We also successfully resolved the ongoing CGT dispute with SARS through the alternative dispute resolution process, thereby removing any further tax uncertainty in relation to this specific transaction that was implemented in a prior tax period.

SARS initiated an audit review during the FY 2023 in respect of Nedbank’s entitlement to an employment tax incentive allowance for the 2019/03 to 2023/02 employment tax periods. Nedbank claimed an employment tax incentive allowance in respect of its participation in the YES Programme in terms of which youth were employed to provide them with a 1-year work experience opportunity to develop skills and gain meaningful workplace experience, as envisaged by the Government Gazette 41866, 28 August 2018, and Practice Note 1 of 2018 – Youth Employment Service Initiative. SARS issued a letter of findings in November 2023, to which Nedbank has responded comprehensively. SARS subsequently issued a progress report wherein it is indicated that SARS is still reviewing the response to the letter of findings, and that an audit finalisation letter will be issued in due course.

Stakeholder dialogue and advocacy

In line with our tax principles, we engage constructively and cooperatively with revenue authorities and industry bodies in the interests of our stakeholders and support the development of effective and efficient tax systems, laws and administration.

Public policy and advocacy

We participate actively in various industry bodies and forums where we can influence the outcome of revenue authority behaviour, taxpayers' rights, and legislative changes.

The Banking Association of South Africa (BASA), of which Nedbank is a member, is the representative of the banking sector in SA. The BASA Taxation Committee focuses on direct and indirect tax issues and assists in formulating industry positions or motivations for tax reforms in respect of relevant tax legislation. Similar industry bodies are in operation in Nedbank Africa Regions (NAR), and tax developments in all jurisdictions are monitored centrally by Group Tax.

We also have representatives on various other industry and professional forums, such as the CFO Forum Tax Committee, the South African Institute of Chartered Accountants (SAICA) National Tax Committee, and the Association for Savings and Investment South Africa (Asisa) Tax Committee.

During the year under review, we continued to participate in various legislative matters, proposed tax amendments, and technical papers that had the potential to negatively impact our industry and organisation.

We have placed specific focus on the following proposed legislative changes that directly impacted our business:

Preference share funding

We indirectly provide funding to our clients through the subscription in redeemable preference shares issued by our clients. An essential requirement of such funding arrangements is that our clients use these funds for a 'qualifying purpose', as envisaged, to ensure that the dividend income derived from these preference shares retain its nature and therefore remain exempt from tax. The National Treasury wanted to narrow the application of the 'qualifying purpose' test. We actively collaborated via BASA to ensure that the narrowing of the 'ownership requirement' will not negatively impact our preference share business, and therefore ensured that the dividend income retained its nature as tax exempt.

Deposit Insurance Scheme

The SARB has established a separate legal entity, *the Corporation for Deposit Insurance (CODI)* in fulfilling its mandate of protecting and enhancing financial stability by introducing a deposit insurance scheme. Nedbank, like other banks, will have to contribute relevant levies and other charges to the CODI. We have made submissions to ensure that all levies and payments to CODI result in tax and VAT neutrality.

Deductibility of interest (PN 31)

SARS unilaterally decided to withdraw PN 31, which affords taxpayers a tax deduction of expenditure incurred if the trade requirement was not necessarily met, thereby limiting any deduction to the interest income received. The practice note was widely used by taxpayers and holding company structures, and the decision to withdraw the practice note led to significant uncertainty. Through active lobbying, SARS decided to abandon the withdrawal of PN 31 until appropriate legislation is put in place to codify the rules in terms of which expenditure will be allowed as a deduction in circumstances where the trade requirement was not necessarily met.

None of the above-mentioned changes will have any impact on our business from a tax perspective.

Our other engagements

Nedbank supports the Banking Accord signed by SARS and BASA, being a commitment to cooperative tax compliance and open dialogue about tax issues between BASA and SARS. In addition, the accord has established the BASA and SARS Operational Forum to facilitate interaction between SARS and BASA regarding all tax-related operational issues that are relevant to the banking industry and SARS. The SARS Commissioner regularly meets with the chief executive officers of the banking industry.

Nedbank, directly and through BASA, pledged its commitment to facilitating and supporting SARS in the automation of 3rd-party data processes and other SARS IT initiatives.

BASA collaborated with SARS on the following operational issues and initiatives during the year under review:

- Continuous engagement in relation to service delivery improvement at SARS.
- Digitisation of tax compliance and real-time tax data reporting and assessments.
- Continuous engagement in relation to the improvement of the taxpayer debt collection processes through 3rd-party bank accounts.
- Improvements to the process of collecting taxpayer information from banks for purposes of tax audits and criminal investigations.
- The escalating burden and complexities in relation to the compliance obligations of trusts.
- Continuous engagement on the practical implications of the findings of the OECD Peer Review conducted on the automatic exchange of information implementation in SA.

We support the aims of the various OECD domestic tax BEPS initiatives, which entail assisting tax regimes to develop in ways that make the tax system more fair and transparent. Developing countries rely more on corporate income tax, which means they suffer disproportionately from BEPS.

Over 140 countries, including SA, have worked together on the OECD/G20 Inclusive Framework on BEPS (Inclusive Framework) to tackle tax avoidance, improve the coherence of international tax rules, and ensure a more transparent tax environment. The Inclusive Framework has now concluded its work on the 2-pillar solution to

Tax landscape

address the tax challenges arising from the digitisation of the economy. Pillar One aims to expand the taxing rights of market jurisdictions where there is an active and sustained participation of a business in the economy of that jurisdiction. Pillar Two introduces global anti-base-erosion rules to ensure a minimum level of effective taxation to address remaining BEPS concerns. The Pillar One scope excludes financial services industries following the lobbying efforts of the International Banking Federation (IBFed), of which BASA is a member.

Nedbank is a multinational enterprise (MNE) with an annual turnover of more than €750m and will be subject to the Pillar Two model rules, which aim to ensure that the effective tax rate of affected MNEs is at least 15%. Legislation has been enacted in the United Kingdom (UK), and the income inclusion rule (IIR) as well as the ‘qualified domestic minimum top of tax’ (QDMTT) will become effective in 2024. The Crown Dependencies (Isle of Man, Guernsey, and Jersey) in which we operate have announced the implementation of the IIR and the QDMTT, which will become effective from 2025. In his annual budget speech on 21 February 2024 the Minister of Finance announced that SA will introduce both the IIR and the QDMTT for qualifying MNEs with effect from 1 January 2024. The draft legislation is subject to public input, and comments must be provided by 31 March 2024. Nedbank will use this opportunity to comment on and voice concerns about the proposed draft legislation.

Since Pillar Two legislation has not been effective for the 2023 financial year, Nedbank has no related current tax exposure. Nedbank applies the exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

 Refer to the Group Annual Financial Results disclosure note B8.2.2: International Tax Reform - Pillar Two model rules (amendments to IAS 12).

Local tax landscape

Nedbank has procedures in place to ensure that the group stays abreast of all key changes in the global tax landscape, including relevant changes in interpretation from case law. Recent developments worth noting, and the group’s response, are set out on pages 117 and 119.

The Minister of Finance acknowledged that to broaden the tax base, efficient and effective tax administration that builds trust to increase voluntary compliance is the cornerstone of SA’s progressive tax system.

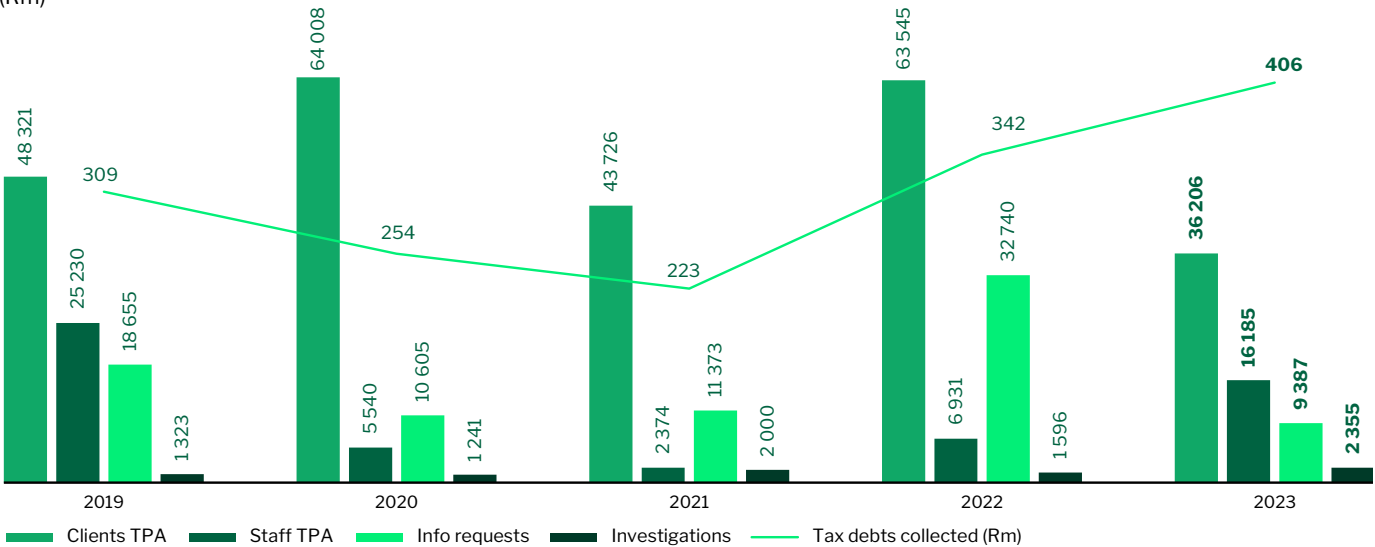
As a result, SARS continues to enhance its service offering as it rebuilds from the period of state capture, ensuring that its systems, officials, and leadership are empowered to improve the taxpayer’s experience, increase compliance, and generate additional tax revenue. Over the past 4 years SARS has raised revenue collection by improving debt collection, expanding the tax register, curbing trade valuation fraud, and issuing additional assessments where tax was underdeclared.

Using big data and artificial intelligence, SARS’s automated risk engines prevented over R60bn in impermissible refunds during the 2023/2024 fiscal year.

SARS has also taken active steps to strengthen the management of its information communication technology (ICT) systems, rebuild its technical prowess, and harness opportunities arising from information-sharing agreements between national tax authorities. Nedbank, as one of the larger contributors to the fiscus, is committed to assisting SARS with these initiatives and adhering to specific requests for information and special investigations, as well as monitoring and reporting on suspicious refunds. Over the past year we have again received and processed a significant number of 3rd-party tax debt (TPA) collections on behalf of SARS and received special requests for information in respect of SARS investigations pertaining to 3rd parties. The Real Time Balance Enquiry system made available to SARS negated the large number of information requests received in 2022 compared to 2023, as illustrated in the graphs below.

Furthermore, Nedbank will continue to support the Commissioner of SARS with its ICT strategy through constructive participation in relevant forums and modernisation initiatives. Also refer to page 106 for the relevant projects that Nedbank has undertaken from a regulatory and compliance perspective in support of the SARS ICT strategy.

Tax debt collected and remitted to SARS
(Rm)



Tax landscape continued

International tax landscape


As a reporting financial institution, Nedbank must provide client financial information to the relevant regulatory authority in terms of FATCA and the OECD CRS (collectively called the Automatic Exchange of Information or AEOI). Nedbank is compliant with the AEOI regimes in the jurisdictions where it operates, continuously enhances its systems and processes, and trains its people to ensure the integrity of data and our clients' experiences are seamless.

The Mandatory Disclosure Rules (MDR) for CRS Avoidance Arrangements and Opaque Offshore Structures form part of the CRS regulations, introduce additional reporting obligations of affected transactions, and will take effect from 1 March 2024. We have implemented additional controls and procedures to comply with the MDR. Our businesses in the UK and Isle of Man are already compliant with MDR, as legislated in those jurisdictions.

Due to Nedbank's operations in London, the group subscribes to the UK Code of Practice on Taxation for Banks (code), which was introduced on 9 December 2009. The code aims to ensure that banking groups operating in the UK comply with the spirit and the letter of the law when it comes to tax matters.

The table below represents the tax legislation changes affecting the domestic and international landscape, and the proposed changes to tax legislation. Through the relevant industry forums and tax committees we have actively engaged and submitted comments to the regulators to shape the legislation and ensure that there is no adverse impact on our business.

The proposed changes in legislation will not have a material impact on the group or the specific in-country legal entity.

Entity	Tax	Developments
South Africa	Income tax	Tax legislation for insurance companies, with effect from 1 January 2023, due to the implementation of IFRS 17.  Refer to Note A4.2 on page 29 of the Nedbank Group Limited Consolidated Annual Financial Statements.
Nedbank Namibia	Income tax	Corporate income tax rate for non-mining companies to be reduced to 31% with effect from 1 April 2024, and further reduced to 30% with effect from 1 April 2025.
	PAYE	The individual income tax threshold for our employees will be increased from N\$50 000 to N\$100 000 with effect from the 2024/2025 financial year.
Nedbank Private Wealth (Isle of Man)	Income tax	With effect from 1 January 2024 the corporate income tax rate has increased from 10% to 15% for banks that: <ul style="list-style-type: none"> • are part of groups that are in scope for Pillar Two global minimum tax; and • have an ultimate parent entity located in a jurisdiction that has implemented IIR for the financial year starting on or after 1 January 2024.
Nedbank UK	Income tax	The tax rate increased from 19% to 25% with effect from 1 April 2023. The banking surcharge limit has increased to GBP100m at a rate of 3%. No further change is expected for the 2024 financial year.
	Transfer pricing	The UK has implemented new transfer pricing document requirements for accounting periods beginning on or after 1 April 2023. (Effective for Nedbank for the 2024 financial year.)
Nedbank Zimbabwe	Income tax	Corporate income tax rate increased from 24% to 25% with effect from 1 January 2024.
	Income tax	The digital minimum tax threshold of a minimum corporate tax rate of 15% is to be imposed with effect from 1 January 2024.

Reconciliation of tax charge to cash tax rate

The graph below illustrates the various adjustments made to the tax chargeable at the standard rate of tax on SA profits before tax to achieve the actual taxation charge and effective tax rate of the SA operations.

The actual tax charge of the SA operations is adjusted for tax payable by NAR and other non-SA jurisdictions and then adjusted by actual tax deductions and allowances to achieve the cash tax payable and the group's cash tax effective rate. **This is a normalised tax rate as it excludes non-recurring items such as prior-year adjustments.**

Reasons for reconciling items and adjustments

Taxation charge of SA operations

- 1
- Exempt income from listed and unlisted ordinary and preference shares.
- 2
- Tax relief in respect of interest paid on Tier 1 capital, which is accounted for in comprehensive income, although the interest paid is accounted for in equity.

Taxation charge in NAR and other jurisdictions

- 3
- The NAR taxation charge consists of the Southern African Development Community (SADC) banking subsidiaries and excludes any tax charge associated with our investment in Ecobank Transnational Incorporated (ETI). The adjustment consists mainly of the effects of the lower tax charge in Nedbank Zimbabwe, Nedbank Namibia, and also includes the tax adjustments of NPW Isle of Man and Nedgroup Investments Isle of Man.

Total group normalised taxation charge

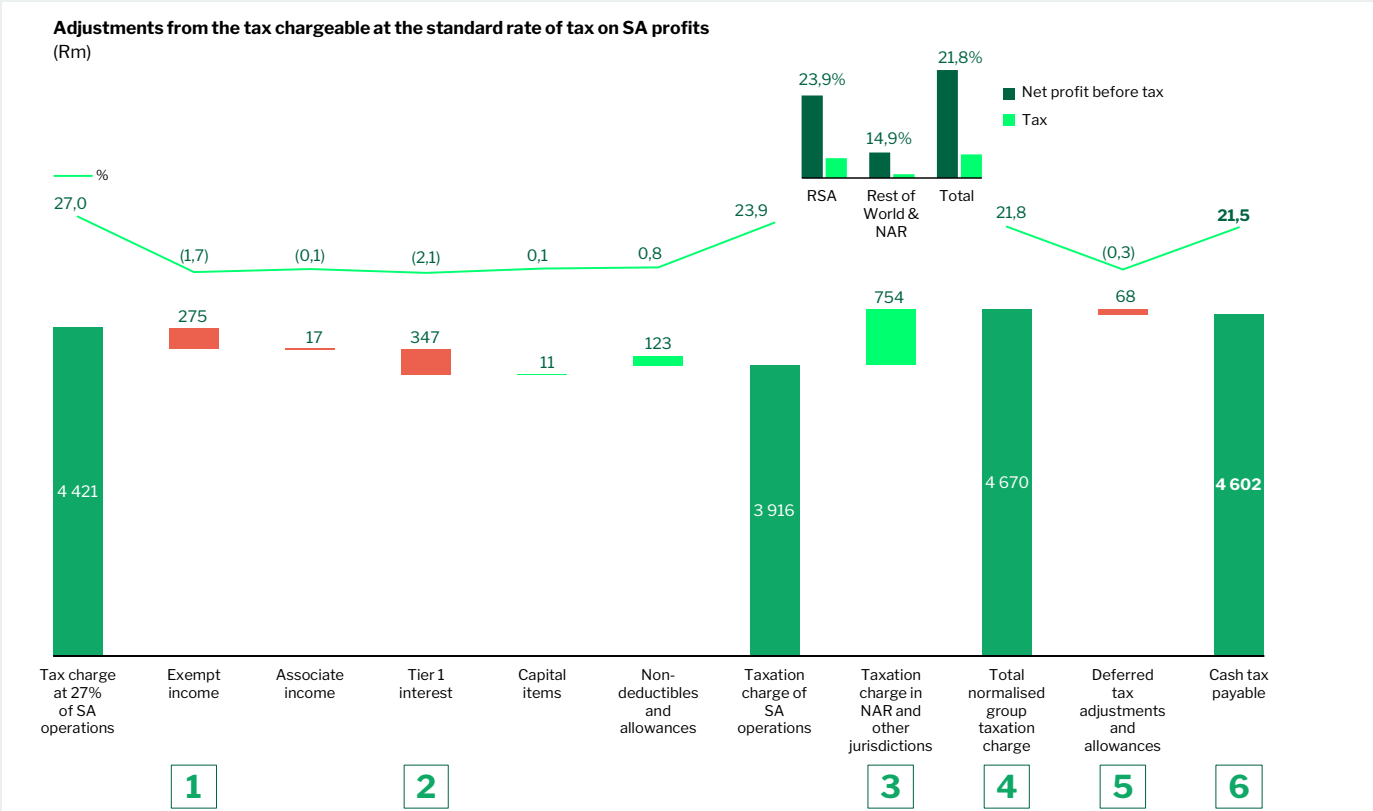
- 4
- The normalised effective taxation charge of the group, excluding the impact of non-recurring items of 1,1%, is 21,8%.

Deferred tax adjustments and allowances

- 5
- The main drivers for the adjustments in deferred tax were because of the origination and reversal of temporary differences in relation to fixed assets, credit impairments, share-based payments, and long-term employee benefits. As in the prior year, there was an increase in the loss allowances relating to impairments due to a migration of credit allowances to stage 3.

Effective cash tax payable

- 6
- At 31 December 2023 the group's effective cash tax rate was 21,5% (2022: 21,2%), calculated by adjusting the total group taxation charge by timing differences and current tax in equity, excluding prior-year adjustments. Refer to Note B8.3 of the Group Annual Financial Statements for a reconciliation and composition of the deferred tax balances. Despite the calculated effective cash tax rate being lower than the effective tax rate, the deferred tax asset increased in the current year. This is due to the cash tax rate excluding non-cash items, for example prior-year adjustments and items adjusted for in equity and other comprehensive income for deferred tax purposes.



Effective taxation rate

A detailed reconciliation between the statutory tax rate and the effective tax rate on adjusted headline earnings (HE), and the International Financial Reporting Standards (IFRS) is provided below.

Effective taxation rate

	2023 %	2023 Rm	2022 %	2022 Rm	2021 %	2021 Rm
Standard rate of SA normal taxation	27,0		28,0		28,0	
Dividend income	(1,3)	(1 017)	(1,0)	(725)	(1,3)	(737)
Share of profits of associate companies	(1,8)	(1 443)	(1,3)	(879)	(1,3)	(799)
Capital items	0,1	42	(0,7)	(540)	(0,1)	(27)
Effects of profits taxed in different jurisdictions	(1,1)	(817)	(1,5)	(1 021)	(0,6)	(380)
Additional tier 1 capital instruments	(1,6)	(1 285)	(1,3)	(871)	(1,2)	(737)
Assessed losses not subject to deferred tax and special allowances	(0,2)	(205)	(0,2)	(113)	(0,3)	(232)
Non-deductible expenses	0,5	385	0,7	488	0,6	356
Prior-year adjustments	(1,1)	(238)	(0,7)	(151)	0,4	76
Tax rate change			0,1	23	-	-
Effective taxation rate on headline earnings	20,5		22,1		24,2	
Impairment of non-financial instruments and other gains and losses	0,2	205	(0,2)	(176)	0,4	295
Effective taxation rate on IFRS	20,7		21,9		24,6	

HE effective tax rate

The HE effective tax rate is the adjusted tax charge as a percentage of the group's HE. HE is defined as the profit attributable to equity holders of the parent, excluding specific separately identifiable remeasurement, net of related tax and controlling interest.

IFRS effective tax rate

The IFRS effective tax rate is the direct income tax charge as a percentage of the group's profits before tax.

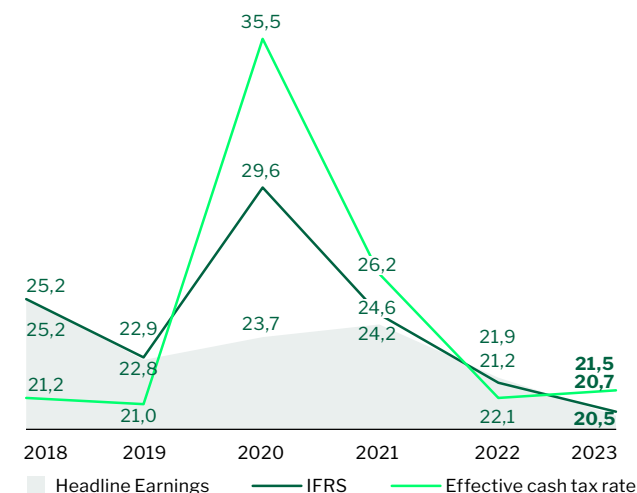


Refer to note B8.2.2 on page 52 of the Nedbank Group Limited Consolidated Annual Financial Statements for the year ending 31 December 2023 for more detail.

The effective tax rate has declined from 21,9% in 2022 to 20,7% in 2023, with the main drivers being the following:

- An increase in exempt dividends received on investments held by Nedbank Corporate and Investment Banking (CIB) and Nedbank Wealth.
- An increase in additional Tier 1 capital and associated interest payments.
- Refer to Note B5 on page 43 of the Nedbank Group Limited Consolidated Annual Financial Statements).
- An increase in associate income from our investment in ETI, which is taxed in its own right.
- The effect of prior-year adjustments because of the resolution of the capital gains tax dispute with SARS.

Effective tax rate and cash tax rate history



The graph above depicts the 6-year historical analysis of the effective cash tax rate and the effective tax rate on an HE and IFRS basis for the group.

The increase in the IFRS effective tax rate in the FY 2020 was due to the following:



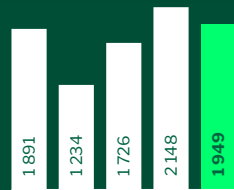




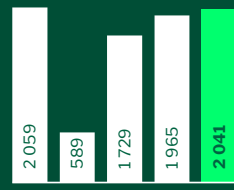






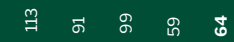







- Impairments of goodwill in the Wealth cluster.
- Impairments of our investment in ETI.
- Devaluations of our capital investments due to poor market conditions experienced because of Covid-19.

Effective cash tax rate

In addition to the effects above, the effective cash tax rate in 2020 was further impacted by the higher levels of credit impairments during Covid 19. Tax relief is only granted based on the relevant stage of the credit impairment: stage 1 (25%), stage 2 (40%) and stage 3 (85%). The decrease in the effective cash tax rate in 2021 is reflective of the corresponding normalisation in credit impairments post Covid-19.

Tax numbers and performance

The graphic below reflects our organisational structure, comprising 4 main business clusters through which we deliver our products and services, and includes the contributed direct and indirect taxation charges.

Cluster	Products and services	Key tax focus areas	Direct taxation charge (Rm)	Indirect taxation charge (Rm)																								
<div><div><div>Nedbank Corporate and Investment Banking</div><div><div>Corporates, institutions, governments and parastatals.</div></div></div></div>	<ul style="list-style-type: none">Investment banking and corporate lending.Global markets and treasury.Commercial-property finance.Deposit-taking and transactional banking. <div></div>	<ul style="list-style-type: none">Fair value adjustments of financial assets.Preference share funding and deemed dividend considerations.Tax alignment in commercial property and renewable energy financing.Impairment and credit loss charges on financial instruments.Foreign operations.Transactional taxes (VAT).	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Direct</td><td>1 891</td><td>1 234</td><td>1 726</td><td>2 148</td><td>1 949</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Direct	1 891	1 234	1 726	2 148	1 949	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Indirect</td><td>181</td><td>159</td><td>202</td><td>215</td><td>259</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Indirect	181	159	202	215	259
Year	2019	2020	2021	2022	2023																							
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Indirect	181	159	202	215	259																							
<div><div><div>Nedbank Retail and Business Banking</div><div><div>Individual clients and businesses.</div></div></div></div>	<ul style="list-style-type: none">Transactional banking.Card and payment solutions.Lending and deposit-taking.Investment products.Beyond Banking solutions. <div><div><div>A division of NEDBANK</div></div><div></div></div>	<ul style="list-style-type: none">Impairment and credit loss charges on financial instruments.Transactional taxes (VAT).	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Direct</td><td>2 059</td><td>589</td><td>1 729</td><td>1 965</td><td>2 041</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Direct	2 059	589	1 729	1 965	2 041	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Indirect</td><td>548</td><td>488</td><td>529</td><td>587</td><td>747</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Indirect	548	488	529	587	747
Year	2019	2020	2021	2022	2023																							
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Year	2019	2020	2021	2022	2023																							
Indirect	548	488	529	587	747																							
<div><div><div>Nedbank Wealth</div><div><div>Individual (high-net-worth), business and corporate clients.</div></div></div></div>	<ul style="list-style-type: none">High-net-worth banking.Wealth management.Asset management.Insurance. <div><div><div>SINCE 1974</div></div><div></div><div></div></div>	<ul style="list-style-type: none">IFRS 17 and tax transitional arrangements in short- and long-term insurance operations.Asset management.Wealth management.	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Direct</td><td>264</td><td>152</td><td>278</td><td>299</td><td>257</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Direct	264	152	278	299	257	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Indirect</td><td>113</td><td>91</td><td>99</td><td>59</td><td>64</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Indirect	113	91	99	59	64
Year	2019	2020	2021	2022	2023																							
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Indirect	113	91	99	59	64																							
<div><div><div>Nedbank Africa Regions</div><div><div>Individual clients, small and medium enterprises, and business and corporate clients.</div></div></div></div>	<ul style="list-style-type: none">Transactional banking.Lending, deposit-taking and card products.Wealth management. <div><div></div><div></div></div>	<ul style="list-style-type: none">Transfer pricing.Cross-border VAT and withholding taxes.In-country tax application.	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Direct</td><td>(77)</td><td>(29)</td><td>(40)</td><td>(95)</td><td>155</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Direct	(77)	(29)	(40)	(95)	155	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Indirect</td><td>58</td><td>64</td><td>72</td><td>75</td><td>56</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Indirect	58	64	72	75	56
Year	2019	2020	2021	2022	2023																							
Direct	(77)	(29)	(40)	(95)	155																							
Year	2019	2020	2021	2022	2023																							
Indirect	58	64	72	75	56																							
<div><div><div>Centre</div><div>The group's frontline business clusters are supported by various shared services functions, including compliance, finance, tax, HR, marketing and corporate affairs, risk, technology and strategy, as well as sustainability, that make up the balance of the tax contributions.</div></div></div>		<ul style="list-style-type: none">Share-based payments.Tier 1 interest payments.	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Direct</td><td>34</td><td>161</td><td>346</td><td>335</td><td>320</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Direct	34	161	346	335	320	<div><table><tr><th>Year</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Indirect</td><td>196</td><td>346</td><td>171</td><td>166</td><td>3</td></tr></table></div>	Year	2019	2020	2021	2022	2023	Indirect	196	346	171	166	3
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The total direct taxation charge split between the Clusters includes the taxation offset associated with the internal funding.

The Nedbank African Regions (NAR) taxation charge consist of SADC banking subsidiaries and excludes any taxation charge associated with our investment in ETI.

Economic contribution of taxes paid

This section of the report outlines how the Nedbank Group aims to fulfil its purpose by using its financial expertise to do good by creating value for society. The group has prioritised 9 of the 17 SDGs where we believe we have the greatest ability to deliver meaningful impact through innovation in our banking products, lending, and investment practices.



The details of the group's commitment to driving sustainable development are contained in the 2023 Nedbank Society Report.

Nedbank Group Board Chairperson Daniel Mminele has the following to say:

'As we charted a sustainable future in an interconnected world in 2023, the boundaries between environmental, social, and economic systems became increasingly blurred, highlighting both the need for institutions like Nedbank to acknowledge that they are an integral part of this nested and highly interdependent system, and the need to develop strategies that consciously address the broader context in which we operate.'

The recent World Economic Forum and the 2024 Global Risks Report highlight the need to address carbon emissions at a global scale, with the next decade predicted to be a period of significant change that will stretch our adaptive capacity to the limit. At the Conference of the Parties (COP) 28 the global community took decisive steps towards a more sustainable future. The United Arab Emirates (UAE) Consensus, which emerged from the summit, calls for a global transition away from fossil fuels towards cleaner energy sources. This transition must be equitable and just, recognising the varying circumstances and unique challenges of each country. As a signatory to these outcomes, SA is not only in support of, but also an active participant in this vital journey towards net zero by 2050. This ambitious path is marked by a near-term pivot away from fossil fuels, aligning with the global mandate to triple renewable energy capacity and double energy efficiency by 2030. It will be important to ensure that all government, private sector, and civil society actions are aligned in support of the Just Transition, although there are some policies that seem to conflict with net-zero commitments and Just Transition pathways, resulting in unnecessary confusion and delayed progress.

In SA our reliance on fossil fuels presents both a significant challenge and a profound opportunity. Our country's commitments, in the broader African context, require both bespoke solutions and dedicated, collaborative efforts. Recognising that the shift away from fossil fuels must take into account the socioeconomic fabric of our society, we are committed to doing our part in a Just Transition. This encompasses not only environmental imperatives and decarbonisation but also socioeconomic dimensions, including job creation, health, and meaningful financial inclusion, and access that work to lift people out of poverty and instill hope. It is a transition that must be inclusive, leaving no member of our society behind. Of course, this transition is a complex

process that involves rethinking and reshaping entire industries, livelihoods, and communities.

In this era of transition, banks have a renewed mandate to be the effective engines of inclusive economic growth and stability. As a bank that operates at the heart of Africa's economy, Nedbank is cognisant of the role it must play. For us this means that our role must evolve beyond traditional banking, leveraging our financial acumen and influence to drive sustainable development. To this end, we are committed to being a force for good in our own right by working with our clients – many of whom are among SA's largest organisations towards more sustainable practices. This commitment is reinforced by our Energy Policy, which delineates our approach to financing energy projects, and by our recent Nature Position Statement, which underlines our pledge to safeguard biodiversity and nature.

Our dedication to sustainable development is reflected in our ambition to allocate at least 20% of our gross loans and advances towards supporting sustainable development finance that is aligned with the SDGs by 2025.

Daniel Mminele

Nedbank Group Board Chairperson

Our approach to tax, as set out in this report, demonstrates our commitment to advancing the achievement of the UN SDGs, which we have adopted as a framework for measuring delivery on our purpose.



These SDGs guide our climate change response.

Through tax, we contribute as follows:

Our tax contributions of R13 228m for 2023 (2022: restated at R11 569) in the various countries, are used for building critical infrastructure to ensure water security and clean energy sources.

- We support the provision of sustainable development finance by aligning tax to the business processes, to ensure all the tax implications are considered.
- We pay no carbon tax due to our zero-carbon footprint and therefore suffer negligible environmental taxes and levies. These taxes were not included in our economic contribution of taxes.
- Our contribution to the General Fuel Levy, which increased due to the doubling of our diesel consumption in our electricity generators in 2023, was 0,064% of our total tax contribution (2022: 0,043%).



Our fossil fuel consumption is included in our 2023 Climate Report.

Economic contribution of taxes paid continued

Our economic contribution

Today, Nedbank Group is one of the largest financial services groups in Africa, offering wholesale and retail banking, insurance, asset management and wealth management services and solutions to over 7 million clients. **In SA, Nedbank has a strong franchise that contributes approximately 90% of the group's R1,3tn in assets and approximately 80% of the group's R15,7bn headline earnings.**

Outside SA we operate in 5 countries in SADC through subsidiary banks in Lesotho, Mozambique, Namibia, Eswatini and Zimbabwe. In central and west Africa, we have a strategic alliance with ETI, and a representative office in Kenya. Outside Africa we have a presence in key global financial centres to provide international financial services for Africa-based multinational and high-net-worth clients in the Isle of Man, Jersey and London, and we have a representative office in Dubai.

We recognise that we have a responsibility to not only be good with money, but to do good with money as well. Our core purpose as a bank is therefore to use our financial expertise to do good for individuals, families, businesses and society in the countries in which we operate. By seeing money differently in this way, we are confident that we will achieve our vision of being Africa's most-admired financial services provider.

The world faces massive economic, social, and environmental challenges as a result of steady growth in the population and growing levels of consumption and climate change, with challenges ranging from unemployment and income inequality to an increasing disease burden, as well as food and water deficiencies.

Against this background we recognise that the tax we pay is vital to the economic and social development of the countries in which we operate, and that we have a responsibility to comply fully with the regulations in these countries.

This section of the report sets out the group's total economic contribution for the FY 2023 compared with the total economic contribution for prior years.

Types of taxes

Tax consists of more of than just a tax charge on a company's profits. Besides the tax that we pay on the profits that we generate, we pay and collect taxes through our business cycles from our business activities.

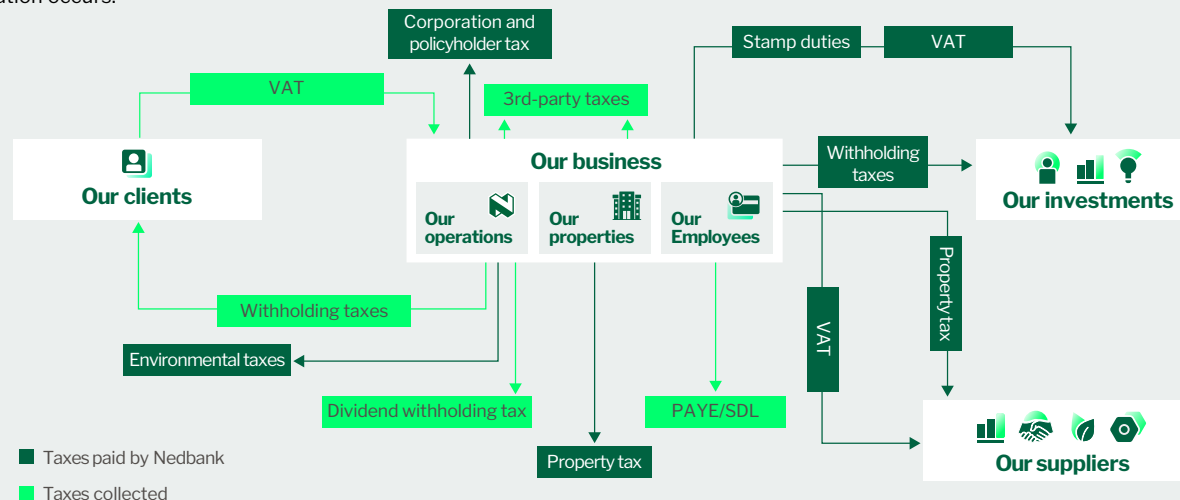
Taxes contributed to the revenue authorities can be categorised as follows:

- Nedbank Group's direct cash tax contribution in each country, consisting mostly of tax on profits, securities transfer tax (STT), as well as withholding taxes on dividends, management fees and interest received.
- Cash taxes collected by the group on behalf of revenue authorities, including pay-as-you-earn (PAYE), skills development levies (SDLs) and Unemployment Insurance Fund (UIF) contributions, which would not have been collected if the group had not employed people.

- Consumption taxes and VAT that the group collected on behalf of revenue authorities, and that would not have been collected had the group not offered financial services or financial products to the clients responsible for paying the relevant tax, or had the group not procured from its supplier's goods and services on which these taxes are due. Being a bank, we can claim back only a relatively small proportion of the VAT we have incurred, resulting in a significant cost that we absorb.
- Taxes paid to other spheres of government, excluding taxes raised by revenue authorities in line with the country's direct-taxation regime, such as rates and taxes and levies.
- Dividend tax withheld from shareholders liable for the tax and paid to the revenue authority as a result of the group declaring interim and final dividends to shareholders every year. Had the group not generated profits, it would not have had to pay dividends to shareholders. The 2023 full-year dividend amounted to 1 893 cents per share.
- Tax debt of 3rd parties that the group collected on behalf of revenue authorities.

Our tax value chain

We pay taxes at different points in our value chain. Both the value chain and the value creation within the value chain are the basis for paying taxes. To illustrate the tax footprint of our business, the diagram below reflects our value chain and the main instances in which taxation occurs.



Economic contribution of taxes paid continued



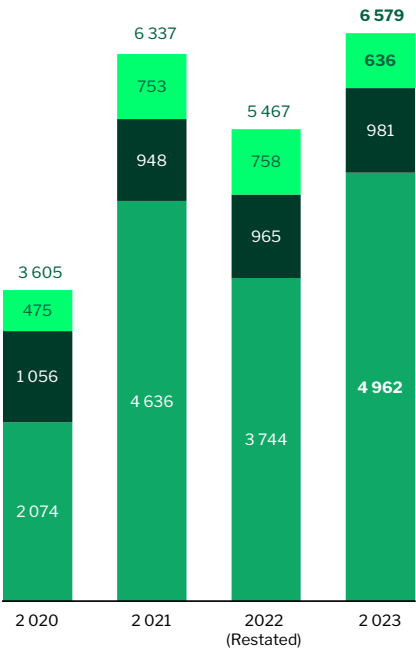
Delivering value through our tax contributions

The taxes we pay and collect are a key source of revenue to Government finances and contribute to the upliftment and sustainability of the societies in which we operate.

The graph below represents our total tax contribution for 2023 of R13 228m (of which R6 579m represents taxes contributed by the group and R6 649m represents taxes collected by the group) compared with R11 560m in 2022 (of which R5 467m represents taxes contributed by the group and R6 093m represents taxes collected by the group). The 2023 corporate income tax paid by Nedbank increased to R4,9bn (2022: R3,7bn), mainly due to higher profits within the group.

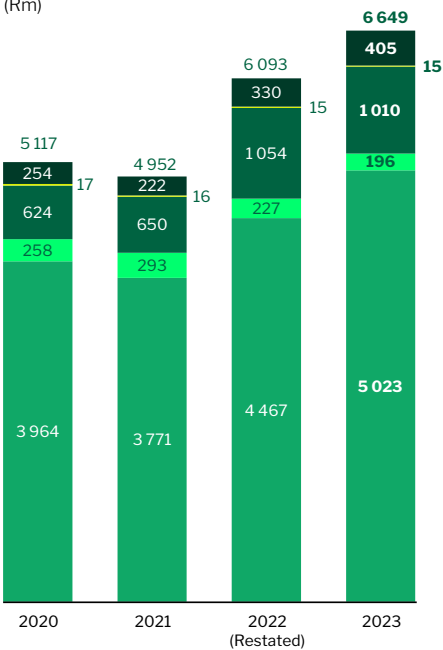
The taxes paid represent the actual taxes paid by Nedbank during the particular year and include 3rd provisional tax payments in respect of a prior year. The taxes paid in 2021 include an amount of R411m in respect of the 2020 tax year, and 2023 includes an amount of R399m in respect of the 2022 tax year.

Taxes paid by Nedbank (Rm)



- STT stamp duty and property taxes
- VAT
- Corporate income tax

Taxes collected on behalf of revenue authorities (Rm)



- 3rd-party appointments and collections
- Income tax paid on behalf of policyholders
- Withholding taxes
- VAT paid
- Payroll taxes

Economic contribution of taxes paid continued

Our tax contributions to governments where we operate

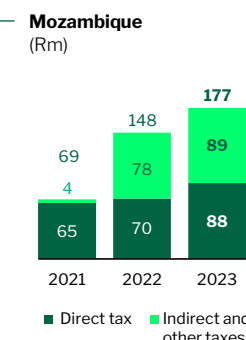
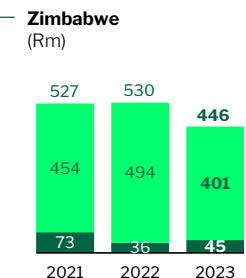
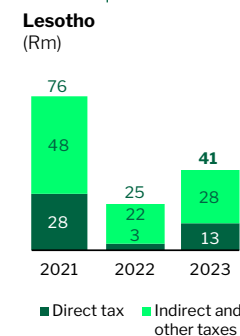
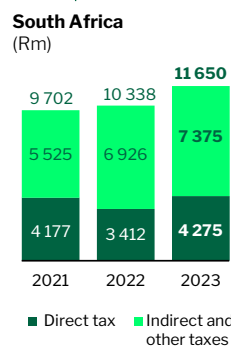
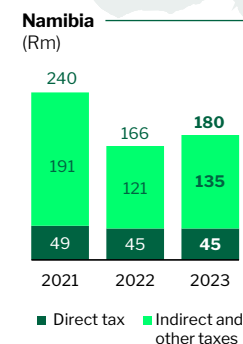
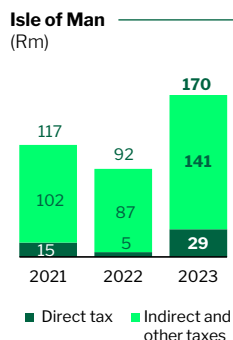
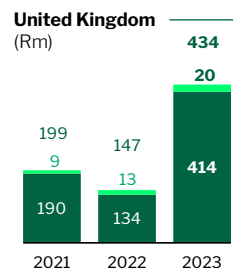
The graphs alongside show the geographical split of the taxes that we pay in each tax jurisdiction where we operate. The total tax contribution of R13 228m in 2023 is split between direct taxes of R4 962m and indirect and other taxes of R8 266m, compared to a total tax contribution of R11 560m in 2022 split between direct taxes of R3 744m and indirect and other taxes of R7 816m. Direct taxes include only corporate taxes paid and indirect taxes include all other taxes that we withheld or collected and paid to the relevant revenue authorities. The graphic on the right does not include the taxes paid in Mauritius as this amount is immaterial for the group.

The SA operations contributed 88% of the total group's tax contribution, which is in line with the contribution in the prior year. The number of employees in South Africa is 22 483, with their total remuneration amounting to R19 239m.

The section below provides the tax contribution for operations outside SA, as well as a country analysis for each country.



Refer to the individual country analysis in respect of the 'rest of world' tax contribution on the pages that follow.



Individual country analysis

Namibia



Total tax contribution: **R180m**

Employees: **743**

Tangible assets: **R828m**

Name of resident entities

- NedCapital Investment Holdings (Pty) Ltd
- NedNamibia Holdings Ltd
- Nedbank Namibia Ltd
- NedCapital Namibia (Pty) Ltd
- NedNamibia Life Assurance Co Pty Ltd
- NedPlan Insurance Brokers Namibia (Pty) Ltd
- Walvis Bay Land Syndicate (Pty) Ltd
- Ten Kaiser Wilhelm Strauss (Pty) Ltd
- NedLoans (Pty) Ltd
- CBN Nominees (Pty) Ltd

Business activity

Nedbank Namibia is a Namibian registered commercial bank, providing a wide range of wholesale (including corporate and investment banking) and retail (including private and business banking) banking services, as well as insurance, asset management and wealth management solutions.

The business activities of other Namibian subsidiaries include the provision of life insurance services, property investment and custodial services.

Employee remuneration

R412 501 073

Tax overview

We paid R45m in corporate income taxes and R135m of indirect taxes, compared to a total tax contribution of R166m in 2022.

The effective corporate income tax rate of 11,39% on our consolidated operations was lower than the statutory tax rate of 32% because the return on investments from corporate funds and the return on investments outside of Namibia are not taxable. In addition, only 40% of NedNamibia Life Assurance Company's investment income is taxable at the statutory rate of 32%.

Zimbabwe



Total tax contribution: **R446m**

Employees: **311**

Tangible assets: **R197m**

Name of resident entities

Nedbank Zimbabwe Limited

Business activity

Nedbank Zimbabwe Limited offers a full range of commercial and consumer banking products and services. These services are offered under dedicated functional areas, namely, Corporate and Institutional Banking, Treasury, and Sales and Origination.

Employee remuneration

R169 169 151

Tax overview

We paid R45m corporate income taxes, R111m of indirect taxes and state taxes of R290m, compared to a total tax contribution of R530m in 2022.

The effective corporate income tax rate of 7,44% on our operations was lower than the statutory tax rate of 24,72%. This is primarily due to the unrealised foreign exchange gain on a USD investment being considered capital in nature and therefore exempt from tax.

Lesotho



Total tax contribution: **R41m**

Employees: **277**

Tangible assets: **R96m**

Name of resident entities

Nedbank Lesotho Limited

Business activity

The main services constitute financial services banking activities, providing banking services to retail, SME, and corporate clients.

Employee remuneration

R100 036 363

Tax overview

We paid R13m in corporate income taxes and R28m indirect taxes, compared to a total tax contribution of R25m in 2022.

The effective corporate income tax rate of 23,63% on our operations was marginally lower than the statutory tax rate of 25% due to exempt receipts.

Individual country analysis *continued*

Mozambique

Total tax contribution: **R177m**Employees: **462**Tangible assets: **R243m****Name of resident entities**

Nedbank Mozambique, SA (previously Banco Único)

Business activity

The main services offered constitute financial services banking activities.

Employee remuneration**R349 897 082****Tax overview**

We paid R88m of corporate income taxes and R89m indirect taxes compared to a total tax contribution of R148m in 2022.

The effective corporate income tax rate of 29,59% on our operations was lower than the statutory tax rate of 32%. The difference is due to the use of tax assets arising from prior-year tax losses, which enabled us to recognise mainly tax on income at the liberatory rate of 20% this year.

United Kingdom

Total tax contribution: **R434m**Employees: **39**Tangible assets: **R104m****Name of resident entities**

- Nedgroup Investment Advisors (Pty) Ltd
- NBSA Limited
- Nedbank London Branch

Business activity

The main services constitute financial services banking activities.

Employee remuneration**R299 450 214****Tax overview**

We paid R414m of corporate income taxes and R20m indirect taxes compared to a total tax contribution of R147m in 2022.

The effective corporate income tax rate of 23,5% on our operations was aligned with the weighted statutory tax rate of 23,5%. The UK corporate tax rate increased from 19% to 25%, effective from 1 April 2023 resulting in the increase of direct tax paid in 2023.

Eswatini

Total tax contribution: **R122m**Employees: **324**Tangible assets: **R152m****Name of resident entities**

Nedbank Eswatini Limited

Business activity

The main services offered constitute financial services banking activities.

Employee remuneration**R 144 804 629****Tax overview**

We paid R60m of corporate income taxes and R62m indirect taxes compared to a total tax contribution of R110m in 2022.

The effective corporate income tax rate of 26,7% on our operations was lower than the statutory tax rate of 27,5% due to non-taxable interest income.

Isle of Man

Total tax contribution: **R170m**Employees: **188**Tangible assets: **R5 063m****Name of resident entities**

- Nedgroup Insurance Company Ltd
- Nedbank Private Wealth Ltd
- Nedgroup Investments (IOM) Ltd
- Nedgroup International Holdings Ltd

Business activity

The main services offered are wealth-related financial services, including investment advisory and administration services.

Employee remuneration**R593 451 814****Tax overview**

We paid R29m of corporate income taxes and R141m indirect taxes compared to a total tax contribution of R92m in 2022.

The effective corporate income tax rate of 6,59% on our operations was in line with the statutory tax rate of between 0% and 10%.

Individual country analysis continued

Ecobank Transnational Incorporated



Business activity

Nedbank and ETI established a strategic banking alliance in 2008. In 2014 the strategic partnership was strengthened when Nedbank acquired a shareholding of 21,2% in ETI, enabling a unique 1-bank experience for our clients in 33 African countries across the largest banking network in central and west Africa.

ETI is the leading pan-African bank and has a larger continental footprint than any other bank in the world.

Tax overview

The associate income of ETI represents the profit after tax for the period 1 October 2022 to 30 September 2023.

ETI paid US\$136m in corporate taxes compared to US\$122m in 2022.

The income tax rate applicable to the majority of the income of the ETI subsidiaries ranged from 25% to 45%.

Country-by-Country Reporting definitions

Revenue

Represents all revenue, gains, income, or other inflows as reflected in the AFS, and is split between unrelated and related-party revenue.

Profit/(loss) before tax

Represents all the entity's profits, without the consideration of any taxes.

Income tax paid

Represents amounts of taxes actually paid during the reporting fiscal year, including payments made in respect of prior-year tax obligations.

Income tax accrued

Represents amounts of accrued current tax expense recorded on taxable profits or losses in the reporting fiscal year, irrespective of whether the tax has been paid.

Stated capital

Represents an amount equal to the cash consideration received by an entity in exchange for the issue of shares.

Accumulated earnings

Represents the retained earnings of an entity and is the accumulated net income that is retained by the entity at a particular point of time, such as at the end of the reporting period.

Tangible assets

Represents an asset that has a physical substance.

Related-party receivables/payables

Represents current accounts, deposits, derivatives, and loan funding. The interest rates are consistent with the pricing of funding and deposits with independent 3rd parties.

Headcount

Represents the number of people employed by an entity at a given time, excluding contract workers, temporary employees, and contingent employees.

Individual country analysis continued

The tables and information below reflect the CbCR information and are based on CbCR requirements of the Global Reporting Initiative's Sustainability Reporting Standard on Tax. The CbCR information has been prepared on an entity standalone basis at a jurisdiction level and the amounts will not agree to the consolidated Nedbank Group AFS numbers. The individual country reports in the tax overview section above provide an explanation of the movement in the tax cash contribution as well as an explanation for the difference between the in-country effective tax rate and the statutory tax rate applicable to that jurisdiction. The CbCR report for the 2023 financial year has not been submitted to SARS yet and is only due on or before 31 December 2024.

Pro-forma CbCR for Nedbank Group at 31 December 2023

Tax jurisdiction	Unrelated-party revenue R'000	Related-party revenue R'000	Total revenue R'000	Profit (loss) before tax R'000	Income tax paid (on cash basis) R'000	Income tax accrued – current year R'000	Stated capital R'000	Accumulated earnings R'000	Tangible assets other than cash and cash equivalents R'000	Related-party receivables R'000	Related-party payables R'000	Net related-party receivable/(payable) R'000	Headcount
South Africa	100 199 149	5 832 258	106 031 407	34 816 370	4 274 622	3 656 172	42 906 952	72 168 427	56 226 793	149 636 553	151 630 876	(1 994 323)	22 483
England and Wales	10 293 521	428 274	10 721 795	1 914 072	413 652	448 993	1 800 746	4 324 363	103 977	33 165 102	38 610 529	(5 445 427)	39
Guernsey								(14 225)					
Isle of Man	2 334 464	112 521	2 446 984	609 952	28 916	40 203	6 760 715	796 404	5 063 357	2 121 836	115 964	2 005 872	188
Lesotho	421 815	122 417	544 231	99 050	13 282	23 404	20 000	632 697	95 823	1 545 163	137 246	1 407 917	277
Mauritius		330	330	(994)		1	131 925	(102 545)	123 637	5 836		5 836	1
Mozambique	1 327 471		1 327 471	288 038	87 571	85 233	562 758	439 864	242 631	5 388	16 027	(10 639)	462
Namibia	2 123 339	427 704	2 551 044	519 783	45 074	59 221	194 523	2 991 893	828 115	4 381 664	1 151 401	3 230 263	743
Eswatini	804 881	42 373	847 254	252 527	60 351	67 417	22 375	574 250	152 300	489 980	365 402	124 578	324
Zimbabwe	1 205 023	49 952	1 254 975	840 568	45 202	62 578	740 842	2 015 971	197 214	684 680	8 757	675 923	311
Total	118 709 663	7 015 829	125 725 491	39 339 366	4 968 670	4 443 222	53 140 836	83 827 099	63 033 847	192 036 202	192 036 202	0	24 828

* Stated Capital decreased in South Africa in the current year as a result of the share buy-back in Nedbank Group Limited.

* The Nedbank Zimbabwe numbers are reflected before hyperinflation adjustments.

Submitted CbCR for Nedbank Group at 31 December 2022

Tax jurisdiction	Unrelated-party revenue R'000	Related-party revenue R'000	Total revenue R'000	Profit (loss) before tax R'000	Income tax paid (on cash basis) R'000	Income tax accrued – current year R'000	Stated capital R'000	Accumulated earnings R'000	Tangible assets other than cash and cash equivalents R'000	Related-party receivables R'000	Related-party payables R'000	Net related-party receivable/(payable) R'000	Headcount
South Africa	80 613 756	5 473 072	86 086 829	25 168 737	3 403 636	3 930 967	48 342 102	66 838 112	54 840 762	129 949 907	131 089 763	(1 139 856)	22 799
England and Wales	5 291 950	221 096	5 513 047	1 379 156	131 544	322 266	1 800 746	3 962 540	109 288	34 219 280	39 599 722	(5 380 442)	40
Guernsey	61 353		61 353	(93 883)		1 280		(14 229)					
Isle of Man	1 189 935	69 939	1 259 874	709 594	4 989	22 241	6 760 715	584 350	5 033 046	2 121 644	105 379	2 016 265	184
Lesotho	336 436	58 249	394 685	61 311	2 855	9 384	20 000	583 499	116 587	759 670	95 421	664 249	277
Mauritius	3 243	404	3 646	(9 826)			131 925	(102 380)	123 637	6 132		6 132	3
Mozambique	986 897		986 897	165 047	70 291	34 860	562 758	316 770	260 773		28 009	(28 009)	551
Namibia	1 736 783	359 128	2 095 911	318 556	44 536	44 502	219 523	2 610 310	1 023 206	4 790 157	1 997 901	2 792 256	722
Eswatini	642 486	29 111	671 597	202 567	52 964	46 091	22 375	525 306	134 338	478 213	170 993	307 220	306
Zimbabwe	1 513 024	9 991	1 523 015	902 953	36 156	40 237	354 425	1 541 047	119 889	774 957	12 772	762 185	293
Total	92 375 863	6 220 990	98 596 854	28 804 212	3 746 971	4 451 828	58 214 569	76 845 325	61 761 526	173 099 960	173 099 960	0	25 175

Related party receivables and payables in SA were previously disclosed including inter-divisional amounts. This has been amended to exclude the interdivisional amounts in 2023.

Demonstrating compliance

Compliance of our Tax Review with the relevant reporting frameworks is demonstrated as follows:

GRI 207 Standards	GRI 207-1 Approach to tax	GRI 207-2 Tax governance, control, and risk management	GRI 207-3 Cooperative Relations and Advocacy	GRI 207-4 Publication of the Country-by-Country Report
Evidence	<ul style="list-style-type: none"> The Tax Strategy is included in the Tax Review and approved by the board. The board approves the Tax Policy and oversees the implementation of the strategy and the management of tax risks. Corporate structure aligned with the business and in line with legal requirements and corporate governance standards. Non-use of special-purpose vehicles in non-cooperative jurisdictions. 	<ul style="list-style-type: none"> Internal control risk framework and processes to ensure tax compliance. Internal procedure for setting transfer prices aligned with value creation and the arm's-length principle. Organisational structure and adequate means to ensure the proper performance of the tax function. Existence of a 24/7 complaints channel. Application of the tax law in line with the letter and spirit of the law. 	<ul style="list-style-type: none"> Banking Accord signed by SARS and BASA that commits Nedbank to cooperative tax compliance and open dialogue about tax matters. Application of the UK Banking Code of Good Tax Practices. Collaboration with local and international policy-setting organisations and local governments. 	<ul style="list-style-type: none"> Voluntary publication of the CbCR prepared according to OECD and GRI-207 criteria. The published CbCR contains economic magnitudes related to the group's performance, as well as a description of its business model with background information on the business activities conducted in each country. The CbCR is made public on a pro-forma basis for the current financial year, and the actual report that was submitted to the revenue authorities in respect of the prior year.
Tax principles (aligned with The B Team Responsible Tax Principles)	<ul style="list-style-type: none"> Tax morality Transparency Regulatory compliance 	Accountability and governance	Constructive engagement	Transparency



Stakeholder Engagement

Stakeholder engagement

Our relationships with our stakeholders and their support are key, not only to our success and the sustainability of our business, but also to our contributing to the sustainability of the societies in which we operate. Our mission is to position Nedbank as a purpose-led organisation that uses its financial expertise to do good for stakeholders in pursuit of a common objective of creating shared value.

In line with Principle 16 of the King IV Code on Corporate Governance, the Nedbank governing body has adopted a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interest of the organisation over time when executing its governance role and responsibilities.

The following information is disclosed in this report, in line with the recommendation of Part 5.5 of Principle 16 of King IV:

- i Governance and management of stakeholder relationships (overview)
- ii Stakeholder engagement coordination
- iii Our Stakeholder Engagement Policy
- iv Key focus areas during the period 2023
- v Mapping of material stakeholder groupings
- vi Measurement of quality of stakeholder relationships
- vii Areas of focus in 2024

i Governance and management of stakeholder relationships (overview)

The Group Transformation, Social and Ethics Committee (GTSEC) of the board oversees stakeholder engagement at Nedbank. The status of any material engagements with stakeholders is reported to the board annually through the Stakeholder Engagement Report, extracts of which form part of the Governance Report (previously part of the Society Report) as part of the Integrated Report.

The Group Stakeholder Relations and Public Affairs Team compiles an annual report to GTSEC, incorporating input from the Nedbank Stakeholder Relations Forum (NSRF) and the Group Executive Committee (Group Exco).

ii Stakeholder engagement coordination

The process of engaging with our stakeholders is decentralised and forms part of the operations of our various clusters and business areas. Interactions with stakeholders, both formal and informal, are conducted by these business areas directly.

All Nedbank client-facing business units and corporate functions in South Africa and Nedbank Africa Regions (NAR), which include Lesotho, Mozambique, Eswatini, Namibia and Zimbabwe, report regularly on their stakeholder engagement activities to the NSRF, which has clear terms of reference that guide its existence and functioning, and predominantly focuses on fulfilling the Stakeholder Engagement Policy.

iii Stakeholder engagement policy

To ensure that our business areas engage with our key stakeholders in a consistent and coordinated manner, cluster-based stakeholder engagement is governed by a comprehensive

Stakeholder Engagement Policy, which is available at www.nedbank.co.za. The Stakeholder Engagement Policy is reviewed and approved annually by GTSEC, following input from NSRF and Group Exco.

iv Key focus areas during 2023

As committed to in the 2022 Stakeholder Engagement Report, we focused on the following 6 key performance indicators (KPIs) for stakeholder management:

- 1 Improve stakeholder relations operations excellence.
- 2 Conduct internal stakeholder needs analysis.
- 3 Establish and maintain strategic relationships and partnerships with key external stakeholders in SA and NAR.
- 4 Position Nedbank as a thought leader on issues of global, regional, and national importance.
- 5 Scan the sociopolitical environment, with an assessment of key issues that might impact the Nedbank Group.
- 6 Communicate key Nedbank activities, products, and capabilities to a wider stakeholder audience.

We are pleased with the outcomes we have achieved, despite the challenges of 2023. A few highlights are reflected in the subsequent pages.



At the 51st Nedbank & Old Mutual Budget Speech Competition Gala Dinner in Cape Town on Wednesday, 22 February 2023, where the Finance Minister Enoch Godongwana (front centre) underscored the pragmatic aspects of formulating the national budget.



Stakeholder engagement focus areas in 2023

Focus area	KPI/Achievements
Operational excellence	<ul style="list-style-type: none"> Ensured optimal configuration and functioning of the Stakeholder Relations Forum. Improved coordination of stakeholder engagement activities across the group, including NAR, with more meaningful impact through the optimal configuration and functioning of the Nedbank Stakeholder Relations Forum. Facilitated helpful Protocol and Etiquette training provided by the Department of International Relations and Cooperation (DIRCO) to 60 Nedbank Stakeholder Relations Forum members, including NAR colleagues.
Internal stakeholder needs analysis	<ul style="list-style-type: none"> Conducted an internal analysis of stakeholder needs, involving input from the Board Chairperson. The insights gathered informed the enhancement of our Stakeholder Relations and Public Affairs strategy, which subsequently received approval from Group Exco and GTSEC.
External stakeholder relationship building	<p>Build strategic relationships with external stakeholders – The execution of our group Stakeholder Relations and Public Affairs strategy resulted in the establishment of flagship strategic partnerships and strengthened the existing relationships.. Some of the highlights include the following:</p> <ul style="list-style-type: none"> The National School of Government (NSG) – We consolidated our formal partnership with the NSG to help build state capacity in line with our purpose of using our financial expertise to do good for our stakeholders. National Treasury: Budget Speech competition dinner – The year 2023 marked the 51st anniversary of the Nedbank–Old Mutual Budget Speech Competition Awards, which has over the years contributed to the development of young and bright economic students across the country who have gone on to occupy senior strategic positions in their respective careers. The event was attended by key stakeholders, including government ministers, deputy ministers, and National Treasury leadership. Nedbank Golf Challenge (NGC) – Hosted key stakeholders, including clients from across our businesses and national, provincial and local government stakeholders. Gauteng government – Established a relationship with the Gauteng premier and his Members of the Executive (MECs). DIRCO/Diplomatic Mission– Established a relationship with the Department of International Relations and Cooperation (DIRCO) at the Director-General level and the Public Diplomacy Directorate. UNICEF – Actively participated in UNICEF’s Global Breastfeeding Week with the national Department of Health and CEOs Forum to address Sustainable Development Goals. Traditional Healers Outreach programme - Spearheaded the Traditional Healers Outreach programme and provided them with financial literacy support. COGTA – Worked with senior stakeholders from the Department of Cooperative Governance and Traditional Affairs (COGTA) for the business to better understand the District Development Model. GOOD Governance Academy – Actively participated in the GOOD Governance Academy that focusses on improving corporate reporting and good governance.

Stakeholder engagement focus areas in 2023 continued

Focus area	KPI/Achievements
Thought leadership	<p>Thought leadership on issues of global, regional and national importance</p> <ul style="list-style-type: none"> • Energy dialogue session – Hosted an impactful energy dialogue session with the Minister of Electricity, Dr Ramokgopa – over 100 C-suite clients/stakeholders attended. • JSE dialogue session with the Deputy President – Co-organised the successful JSE dialogue session between business leaders and the Deputy President, Paul Mashatile. • Wits Business School – Facilitated Nedbank's subject matter experts (economic and sociopolitical) participation as guest lecturers at the Wits Business School of Governance and at the Sustainability Institute. • Youth development – Hosted 50+ young entrepreneurs for a dialogue about the green economy at the Nedbank campus, attended by the Minister of Human Settlements, Mmamoloko Kubay. Other monthly sessions were organised successfully, which were attended by senior government officials from the Department of Public Works, Gauteng government, Transnet and senior Nedbank executives. • TELCO dialogue session – Facilitated a TELCO dialogue session at which former board director, Mteto Nyati, and the Deputy Minister of Communications, Philly Mapulane, were keynote speakers, alongside Nedbank's private sector clients. • Youth job creation – Nedbank hosted a successful youth entrepreneurship awards ceremony on 12 December 2023. The ceremony was the culmination of the 'STEP UP 2 A GREEN START-UP' programme – an initiative championed by PrimeStars, which is a youth agency that seeks to raise young entrepreneurs for a changing climate by helping them identify opportunities in the green economy. Nedbank presented financial literacy training to the entrepreneurs who were shortlisted for the final awards. Over 200 stakeholders attended the ceremony held at the Nedbank Boardman Auditorium. Attendees included luminaries and stakeholders, including the former Deputy President of South Africa, Phumzile Mlambo Ngcuka, the Minister of Small Business Development, Stella Ndabeni Abraham, industry stakeholders such as Naspers CEO, Phuti Mahanyele-Dabengwa, key Nedbank clients and more. • Water dialogue session – Facilitated a successful water dialogue session attended by the director-general of the Department of Water and Sanitation and Nedbank clients. • Facilitated a successful post BRICS dialogue session attended by senior DIRCO and DTIC officials, as well as Nedbank representatives. • Top empowerment – Nedbank executive team members provided thought leadership on transformation and being a purpose-led organisation at the Top Empowerment Conference. • Township economy – Engaged with township entrepreneurs across 12 townships to discuss topics relevant to their businesses and run pitch competitions. • Proud of my Town programme – Engaged different communities to understand their needs and find ways to support and help (eg raising funds for early-childhood development centres, providing education for SASSA recipients, and building business programmes).
Sociopolitical analysis	<p>Proactively scan and analyse the sociopolitical environment and flag issues that might impact Nedbank's business</p> <ul style="list-style-type: none"> • Internal Nedbank Leadership and Risk Business School – Engagements on sociopolitical analysis. • The Weekly Sparks newsletter – Relevant global and local analyses of Nedbank's leadership. • Indlulamithi scenarios – Indlulamithi scenarios discussion and engagement between GTSEC and Prof Somadoda Fikeni. • Exco briefings – Regular Group Exco briefings on sociopolitical analysis of key issues.
Effective communication	<p>Effective communication of key stakeholder engagement activities</p> <ul style="list-style-type: none"> • We kept our internal stakeholder community updated on major sociopolitical developments globally, regionally, and nationally through our regular internal newsletter, The Weekly Sparks, which ensured shared understanding and involvement of relevant Nedbank representatives in the various stakeholder engagement activities happening across the group. • Stakeholder activities were published on social media platforms, particularly LinkedIn.



v Mapping of material stakeholder groupings

v Mapping of material stakeholder groupings

In line with Part 5.5 of Principle 16 of King IV, we determine our material stakeholder groupings based on the extent to which they affect or are affected by Nedbank's activities, outputs, and outcomes. These stakeholder groupings have not changed over the years.

Our stakeholder relationships matrix

Stakeholder	Why we engage with stakeholders	Why they engage with us
Employees	<ul style="list-style-type: none"> To ensure we address employee matters that will contribute to Nedbank becoming an employer of choice. To understand and respond to the needs and concerns of our employees and how they contribute to Nedbank's achievements. To provide all employees with strategic direction and pertinent information about group activities. 	<ul style="list-style-type: none"> To give us feedback and input that can help us improve our working environment and business performance.
Unions	<ul style="list-style-type: none"> To promote fair and equitable employee relation practices, good governance and a sound working relationship. To ensure that all matters impacting the primary conditions of employment are addressed adequately through collective bargaining. 	<ul style="list-style-type: none"> To represent their members on issues of mutual interest. To serve the interests of their members. To consult on salary negotiations and engage on any changes impacting employees in the bargaining unit through a consultative forum and collective bargaining forum.
Shareholders	<ul style="list-style-type: none"> To provide current and future shareholders with relevant and timeous information to ensure that Nedbank shares are valued appropriately. To manage shareholder expectations. To maintain strong relationships, keep abreast of market developments and inform our Shareholder Targeting strategy. To ensure good governance and deepen the trust placed in us and our brand. To get feedback that informs our strategy, business operations and how we govern. 	<ul style="list-style-type: none"> To derive value through share price appreciation and an attractive and sustainable dividend stream. To receive relevant and timeous information on our strategy, competitive position, and financial and non-financial performance so that they can assess our performance and prospects. To assess and gain insight into our practices and quality of leadership.
Clients	<ul style="list-style-type: none"> To ensure financial inclusion and accessibility to our products and services. We give particular attention to identifying client vulnerabilities and specific needs so that we can tailor our financial products and services in a manner that is sensitive and accommodating. We believe that the fair treatment of our clients through quality service delivery is the cornerstone of our business. To understand client needs and requirements. To become their financial services provider of choice. 	<ul style="list-style-type: none"> To receive sound financial advice and financial education. To access world-class innovative solutions and services. To grow and protect their investments and wealth. To enjoy convenient access to financial services, with less complexity and improved flexibility. To protect their assets through secure information technology (IT) systems and infrastructure. To get value for financial service offerings that are priced competitively and transparently.

v Mapping of material stakeholder groupings continuedOur stakeholder relationships matrix continued

Stakeholder	Why we engage with stakeholders	Why they engage with us
Suppliers	<ul style="list-style-type: none"> To manage and mitigate risk across our supply chain. To assist with obtaining products or services required for conducting our business. 	<ul style="list-style-type: none"> To provide products and services. To negotiate pricing and contracts. To promote new products and service offerings. To respond to tenders and requests for proposals. To seek input and guidance on their sustainability journeys.
Society	<ul style="list-style-type: none"> To create partnerships that serve to facilitate our integrated sustainability activities. To obtain input from environmental experts, communities, and non-government organisations about key focus areas. To create awareness of our integrated sustainability commitment and initiatives. To remain relevant in the communities in which we operate. 	<ul style="list-style-type: none"> To get advice and guidance on achieving desired outcomes for themselves, their families, businesses, and communities. To partner on common social and environmental matters. To collaborate in a way that furthers social, environmental, and other common agendas for the greater good.
Governments	<ul style="list-style-type: none"> To seek alignment on the implementation of the National Development Plan 2030 and all associated national campaigns aimed at socioeconomic development and sustainable communities. To support the productive capacity of the economy. To facilitate economic growth through effective public and private partnerships. To help preserve the fiscus. 	<ul style="list-style-type: none"> To ensure regulatory oversight over the financial community at large. To partner on national campaigns aimed at socioeconomic development and the development of sustainable communities. To seek out a financial partner and banker.
Regulators	<ul style="list-style-type: none"> To maintain open, professional, honest, and transparent relationships. To ensure compliance with all legal and regulatory requirements. To maintain our operating licenses. To solicit views on some of the bank's contemplated innovative products and services. To provide comments to regulators regarding regulatory developments and requirements. 	<ul style="list-style-type: none"> To ensure regulatory compliance. To promote the soundness and stability of the domestic banking and financial system, which in turn contributes to its financial stability. To respond to applications or provide feedback on contemplated innovative products or services. To engage on feedback in respect of regulatory developments and requirements.
Industry bodies	<ul style="list-style-type: none"> To continue learning through interaction. To promote our viewpoints and collaborate on key industry issues, regulatory developments, and requirements. To collectively engage on regulatory developments and requirements. To promote effective engagements with regulators as a collective body with common goals. 	<ul style="list-style-type: none"> To deliver mutually useful learnings. To influence or promote common key issues. To assist in presenting commentary on regulatory developments to parliamentary portfolio committees. To gain insights and understanding on various specialised areas of expertise.
Media	<ul style="list-style-type: none"> To communicate our business and corporate citizenship story. To share information about our products and services. To promote, protect and manage our corporate reputation. 	<ul style="list-style-type: none"> To share and inform their audiences on developments in the financial services sector in general and specific to Nedbank. To enquire about our contribution to the South African economy and our products and services.

vi Measurement of quality of stakeholder relationships

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In line with Part 5.5 clause 4 (e) of Principle 16 of King IV regarding stakeholder relationship measurement and results, , 2023 was the 3rd year that Nedbank commissioned a 3rd-party service provider to conduct an independent stakeholder relationship quality assessment survey. The data gathered is used to continue improving the quality of stakeholder relationships and to enhance the stakeholder engagement plan.

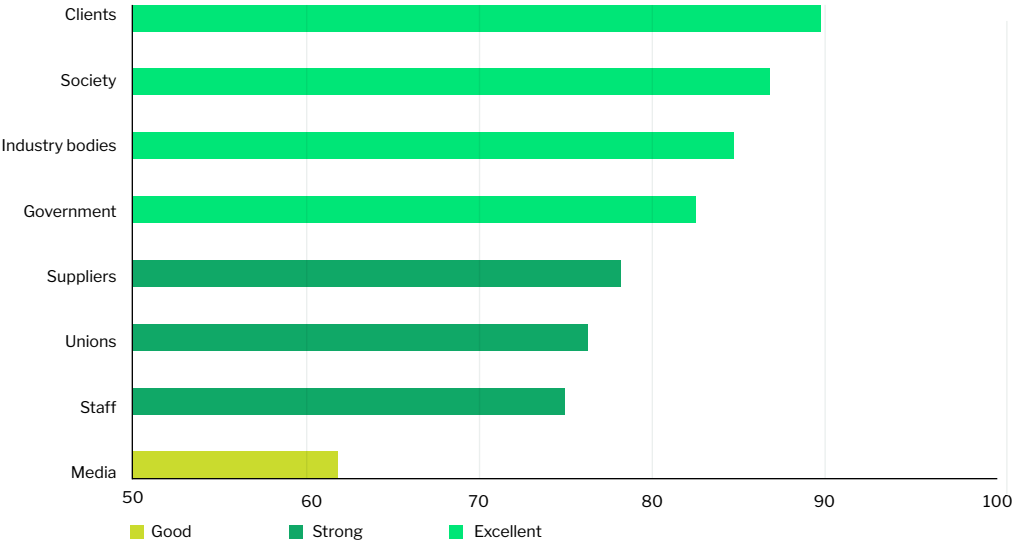
The stakeholder relationship quality measurement framework has 6 pillars: Context; Materiality; The Parties; Engagement; Atmosphere; and Value Creation. Each pillar has 4 drivers. In total, it has 24 drivers, which are then translated into a questionnaire.

Inherent and sacrosanct in the framework is the principle that both parties to the relationship must participate in the measurement. Internal stakeholders (our employees) and the external stakeholder for each category of stakeholder were interviewed. A total sample of 32 stakeholders from 8 stakeholder categories were surveyed.

The assessment was a cross-sectional study that reflected the state of the relationships only at a particular point in time, and was conducted from November 2023 to February 2024. It was not a longitudinal study, which typically tracks phenomenon over a long period of time. Therefore, the assessment should be understood and equated to a balance sheet, which is a snapshot at a particular point in time.

Overall, the stakeholder relationship survey, as shown in figure 1, revealed a very positive picture. All relationships lie in the ‘good or better’ range, ie 60 and above. Half the categories emerged in the ‘excellent’ range (+80%).

Overall ranking of the quality of stakeholder relationships (score out of 100)



vii Areas of focus in 2024

In 2024 we will focus on the following 4 KPIs for stakeholder management.

1 Chief Executive transition stakeholder engagement

We will continue with the implementation of our Stakeholder Engagement strategy, which aims to nurture existing relationships and forge new ones with key stakeholders that impact the group. These will specifically include engagements as part of the transition to our new Chief Executive.

2 Sociopolitical analysis

This year marks an important milestone in the history of South Africa as we will be celebrating 30 years of democracy, and pivotal national and provincial elections will be held on 29 May 2024. We will continue to provide sociopolitical analysis and flag matters that might impact our business and stakeholders.

3 Thought leadership

We will work with like-minded stakeholders to create opportunities for engagement and thought leadership on matters of global, regional, and national importance.

4 Measurement of quality of stakeholder relationships

We will continue to conduct an annual independent stakeholder survey to measure the quality of our stakeholder relationships.



Nedbank CE, Mike Brown, with the Minister of Electricity, Kgosientsho Ramokgopa, at the Nedbank-Nepad Business Foundation (NBF) Business networking dialogue.

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