

NEDBANK GROUP LIMITED

GROUP AT A GLANCE

as at 30 June 2015

MAKE
THINGS
HAPPEN



MARKET CAP	CLIENTS	BRANCHES, OUTLETS AND KIOSKS	ATMs	NUMBER OF EMPLOYEES
R120bn	7,3m	1 097	3 780	30 739

ALLIANCE WITH ECOBANK PROVIDES OUR CLIENTS WITH ACCESS TO 39 COUNTRIES ACROSS AFRICA

DELIVERING GROWTH AND VALUE IN A DIFFICULT ENVIRONMENT

'Nedbank Group delivered a strong set of results for the first half of 2015, achieving an increase of 15,7% in headline earnings and a return on equity (excluding goodwill) of 17,3%.

Headline earnings growth was supported by strong non-interest revenue generation and disciplined expense management resulting in a higher NIR-to-expenses ratio of 83,1%. The credit loss ratio continued to improve and, following our R6bn investment in October 2014 to acquire approximately 20% of Ecobank Transnational Incorporated, earnings from our activities in the rest of Africa grew strongly.

The strategic choices we have made continue to support our ability to grow in an increasingly demanding macro and regulatory environment. We have simplified our businesses and are generating synergies from integrating our Retail and Business Banking clusters and from combining our wholesale businesses to form Nedbank Corporate and Investment Banking. Our transactional banking franchise continues to strengthen with growth of 8% in main banked retail clients.

Our expectation of organic growth in diluted headline earnings per share for the year ending 31 December 2015 to be above nominal gross domestic product growth remains unchanged.'

Mike Brown
Chief Executive

FINANCIAL HIGHLIGHTS

Six months ended	%	June 2015	June 2014
Headline earnings (Rm)	15,7	5 323	4 599
ROE (excl goodwill) (%)	17,3	16,5	
Diluted HEPS (cents)	14,1	1 101	965
Dividend per share (cents)	16,7	537	460
Common-equity tier 1 capital ratio (%)	11,4	12,1	
Advances (Rm)	11,8	648 844	608 210
Deposits (Rm)	11,4	690 495	631 663
NIR : Expenses	83,1	80,9	
NIM	3,36	3,55	
CLR	0,77	0,83	
Efficiency ratio	55,8	56,5	

TO BE AFRICA'S MOST
ADMIRED BANK

WHERE WE OPERATE

Outside of Africa we have presence in key global financial centres to provide international banking services for SA-based multinational and high-net-worth clients in the Isle of Man, Guernsey, Jersey and London, Toronto and Dubai (UAE).

KEY STRATEGIC FOCUS AREAS FOR GROWTH

- GROW OUR TRANSACTIONAL BANKING FRANCHISE
- OPTIMISE AND INVEST
- CLIENT-CENTRED INNOVATION
- PAN-AFRICAN BANKING NETWORK
- STRATEGIC PORTFOLIO TILT

- Nedbank representative offices
- Ecobank representative offices
- Deals concluded in Africa

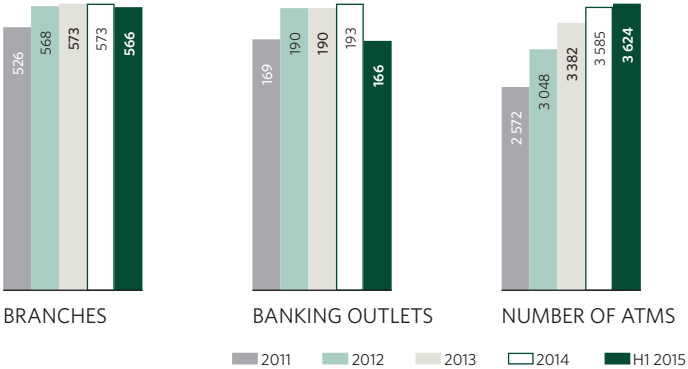
WHO LEADS US

■ Non-executive Directors
Vassi Naidoo (*Chairman*), David Adomakoh (*Ghanaian*), Tom Boardman, Brian Dames, Ian Gladman (*British*), Paul Hanratty (*Irish*), Mpho Makwana, Mantsika Matoane, Nomavuso Mnxasana, Joel Netshitenzhe, Julian Roberts (*British*), Malcolm Wyman (*Senior Independent Non-executive*) (*British*)

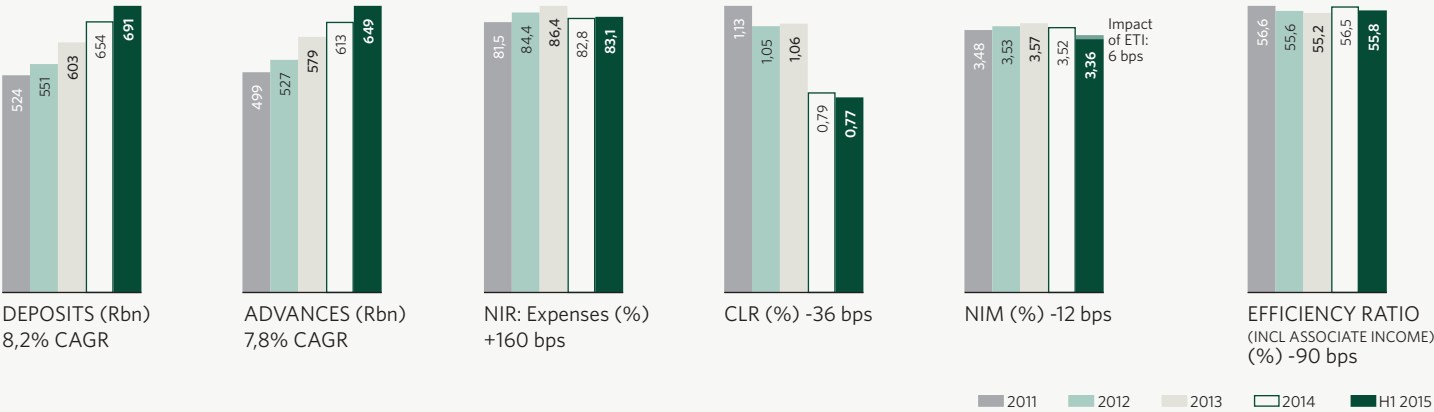
■ Group Executive
Mike Brown (*CE*), Mfundo Nkuhlu (*COO*), Raisibe Morathi (*CFO*), Brian Kennedy (*ME: Nedbank Corporate and Investment Banking*), Iolanda Ruggiero (*ME: Nedbank Wealth*), Philip Wessels (*ME: Nedbank Retail and Business Banking*), Sandile Shabalala (*ME: Business Banking*), Ciko Thomas (*ME: Consumer Banking*), Thabani Jali (*GE: Enterprise Governance and Compliance, Group Company Secretary*), Fred Swanepoel (*CIO*), Trevor Adams (*CRO*), Abe Thebyane (*GE: Group Human Resources*), Thulani Sibeko (*GE: Group Marketing, Communication and Corporate Affairs*), Priya Naidoo (*GE: Strategic Planning and Economics*), Mike Davis (*GE: Balance Sheet Management*)

GE: Group Executive ME: Managing Executive

OUR DISTRIBUTION NETWORK

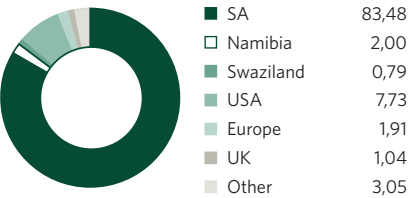


OUR PERFORMANCE

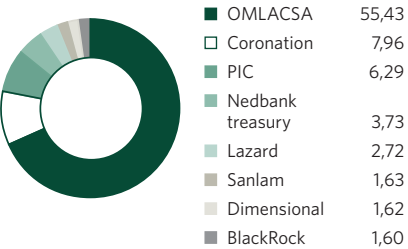


SHAREHOLDING

By geography (%)



Top 10 shareholders (%)







CREDIT RATINGS

FITCH	Short term	Long term	Outlook
Foreign currency	F3	BBB	Negative
Local currency		BBB	Negative
National	F1+ (zaf)	AA(za1)	Stable
MOODY'S	Short term	Long term	Outlook
Foreign currency	Prime-2	Baa2	Stable
Local currency	Prime-2	Baa2	Stable
National	Prime-1.za	A1.za	Stable
STANDARD & POOR'S	Short term	Long term	Outlook
Foreign currency	A-3	BBB-	Stable
Local currency	A-3	BBB-	Stable
National	zaA-1	zaAA	

AWARDS AND RECOGNITIONS

- The Banker**
SA Bank of the Year 2014, 2013 and 2011
- African Banker Awards**
Socially Responsible Bank of the Year
Most Innovative Bank of the Year

OUR **BUSINESSES**

				
	NEDBANK CORPORATE AND INVESTMENT BANKING <p>Delivering impactful solutions for the enduring success of clients, CIB offers the full spectrum of transactional, corporate, investment banking and markets solutions, including lending products, advisory services, leverage financing, trading, broking, structuring, hedging and client coverage. Solutions are characterised by a highly integrated partnership approach.</p> <p>Proven expertise in a broad spectrum of product and relationship-based solutions including:</p> <p>Primary units:</p> <ul style="list-style-type: none">■ Specialist corporate finance advice – the foundation of our end-to-end solutions■ Innovative products and services - particularly foreign exchange, fixed-income, commodities and credit solutions■ Customised transactional banking – tailored to suit specific business needs■ Commercial property finance – development solutions for the commercial, industrial, retail and residential property sectors	NEDBANK RETAIL AND BUSINESS BANKING <p>A bank for all financial needs of individuals and small businesses with < R10m turnover pa.</p> <p>Transactional, card, lending, deposit-taking, risk management and investment products/services, as well as card-acquiring services for business.</p> <p>Commercial banking solutions for small-to-medium-sized businesses with turnover of R10m to R700m pa.</p> <p>Holistic offering for the business, business owners/households and employees.</p>	NEDBANK WEALTH <p>Providing the broad-based financial services and solutions of Wealth Management, Asset Management and Insurance to clients of the Nedbank Group</p> <p>Offices in SA, London, Isle of Man, Jersey, Guernsey and the UAE</p>	REST OF AFRICA <p>Rest of Africa (RoA) division has operations in Lesotho, Malawi, Namibia, Swaziland and Zimbabwe (MBCA) and operates a representative office in Kenya and Angola</p> <p>The division has investments in Banco Único (Mozambique) and Ecobank. RoA is the custodian of the Ecobank Nedbank Alliance</p>
FINANCIAL METRICS <p>HEADLINE EARNINGS</p> <p>R2 485m</p> <p>▲12,3%</p> <p>ASSETS (Rbn) ROE¹ (%) ECAP² (Rm)</p> <p>422,9 22,9 21 848</p>	FINANCIAL METRICS <p>HEADLINE EARNINGS</p> <p>R2 132bn</p> <p>▲16,4%</p> <p>ASSETS (Rbn) ROE¹ (%) ECAP² (Rm)</p> <p>283 15,9 27 043</p>	FINANCIAL METRICS <p>HEADLINE EARNINGS</p> <p>R519m</p> <p>▲11,9%</p> <p>ASSETS (Rbn) ROE¹ (%) ECAP² (Rm)</p> <p>61,5 38,9 2 691</p>	FINANCIAL METRICS <p>HEADLINE EARNINGS</p> <p>R344m</p> <p>▲437,5%</p> <p>ASSETS (Rbn) ROE¹ (%) ECAP² (Rm)</p> <p>29,3 15,3 4 528</p>	
OPERATIONAL OVERVIEW <p>Clients among top 200 SA corporates and parastatals</p> <p>Top three mergers and acquisitions player by volume</p> <p>Industry expertise in:</p> <ul style="list-style-type: none">■ Infrastructure■ Mining and resources■ Oil and gas■ Telecoms■ Energy <p>Top two SA corporate bank</p> <p>> 600 large corporate clients</p> <p>Strong market share in public sector loans</p> <p>Continued market leadership in commercial property finance</p>	<p>-24 800 client groups and strong primary-client gains</p> <p>A leader in Corporate Saver deposits and debtor management</p> <p>Excellent client-centred risk management and worldclass customer management capabilities</p> <p>Distinctive client value propositions and accountable empowered decentralised business service model</p> <p>7 million clients</p> <p>762 branches and alternate outlets, 287 kiosks and 3 624 ATMs</p> <p>Strong positioning in household motor finance (29,5% share), household deposits (20%), and compelling innovative client value propositions for all segments</p>	<p>Wealth Management:</p> <ul style="list-style-type: none">■ >14,000 HNW clients locally & internationally■ Nedbank Private Wealth rated first in the Entrepreneur category of the 2015 Intellidex SA Private Bank & Wealth Management survey■ 2015 City of London Wealth Management Awards: Best UK offshore Private Bank <p>Asset Management:</p> <ul style="list-style-type: none">■ Record net inflows of R13,4bn■ Record Assets Under Management: R233,5bn■ Sixth year in a row Nedgroup Investments placed in the top three domestic management companies at the annual Plexus survey awards <p>Insurance:</p> <ul style="list-style-type: none">■ Simple bancassurer■ Life embedded Value of R2,4bn■ Life Value of New Business of R129m	<p>Offer banking services in retail, small and medium enterprise (SME), business and corporate across most countries in footprint</p> <p>Retail distribution:</p> <ul style="list-style-type: none">■ RoA subsidiaries have close to 61 branches and 136 ATMs■ Banco Único has 17 branches <p>Banco Único: 'Fastest Growing Retail Bank in Mozambique 2014 and Best Bank CEO in Mozambique in 2014.' – Global Banking and Finance Review publication</p> <p>The Ecobank Nedbank Alliance has a footprint of 39 countries, the largest in Africa</p>	
STRATEGIC FOCUS AREAS <ul style="list-style-type: none">■ Strong client relationships■ Continued product and NIR growth through enhanced capabilities and primary client growth■ Sound risk management■ Strategic growth in Africa and leverage Ecobank, Bank of China and Canadian Imperial Bank of Commerce (CIBC)■ Leveraging industry expertise■ Leveraging trading systems■ Leveraging leadership in renewable energy	<ul style="list-style-type: none">■ A choice of distinctive client-centred banking experiences■ A rigorous approach to capturing virtuous circle and interdependencies between client segments■ Integrated channels strategy leveraging mobile innovation, digital channels and social media; selected micro markets for growth /optimisation; area collaboration■ Robust risk management supporting strong product niches■ Liabilities innovation sustaining historical strength■ Collaborative, people-centred culture	<ul style="list-style-type: none">■ Simplification and operational efficiencies■ Investment in profiling, presence and self-help capability■ Drive growth and unlock collaboration potential■ Explore broader inorganic financial services	<ul style="list-style-type: none">■ Creating a pan-African banking network by utilising our tiered approach for Rest of Africa expansion, which includes leveraging our investment in Ecobank■ Optimise economic profit through strategic portfolio tilt■ Optimise and invest initiative■ IT systems rationalisation and replacement■ Risk-based economics (economic capital allocation, funds transfer pricing, liquidity premiums and risk-adjusted performance management) embedded groupwide in the business	

MARKET INFORMATION

Date of incorporation	1966
Share code	NED
Registration number	1966/010630/06
ISIN	ZAE00004875

FINANCIAL CALENDAR 2015

Annual results	23 February
AGM	11 May
First-quarter trading update	11 May
Interim results	4 August
Third-quarter trading update	2 November

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