



NEDBANK GROUP analyst presentation 2011

Nedbank opened Africa's first wind-powered branch
in the Western Cape town of Du Noon.



MAKE THINGS HAPPEN

NEDBANK
GROUP

A Member of the  OLD MUTUAL Group

DU NOON BRANCH history

Africa's first wind-powered banking branch

Nedbank Group's commitment to sustainability goes beyond managing its environmental impact responsibly and thereby contributing to a cleaner and carbon-free future – it is rather an all-encompassing business approach based on environmental, social, cultural and sustainability issues.

The picture on the cover of this booklet depicts Africa's first wind-powered banking branch in Du Noon in the Western Cape, showing Nedbank Group's commitment to responsible environmental impact management. As the first bank in Africa to achieve carbon neutrality, the pilot project to launch a wind-powered branch is a testament to our commitment to a sustainable future for all our stakeholders and our vision that all South Africans should have access to banking.

The Du Noon branch is powered by wind turbines that generate a significant portion of the electrical power that the branch needs to operate. The existing power grid will only act as a backup energy source for the rare occasions when there is no wind energy to power the branch.

By capturing 100% clean and renewable wind energy the wind turbine at Nedbank Du Noon boasts the following benefits:

- It generates a significant portion of the electrical power that the branch requires.
- The renewable contribution is expected to reduce energy usage by up to 35%.
- It saves 2,7 tonnes of greenhouse gas from being released into the atmosphere every year.
- It saves 2,8 tonnes of coal from being burned.

Nedbank Du Noon is a powerful world first and impacts on the group's four pillars of sustainable business:

• *Environment*

Du Noon is a great example of how Nedbank Group manages its environmental impact responsibly, which not only makes business sense, but contributes to Nedbank Group meeting its energy reduction targets.

• *Social*

Du Noon is an impoverished informal settlement in the Western Cape and by opening this branch Nedbank Group has made a significant social contribution, supporting impoverished communities and keeping the group promise of giving all South Africans access to banking.

• *Cultural*

There are cultural groups, mostly from previously disadvantaged communities, who have not been exposed to banking in any way. As a pioneer in this field Nedbank Group is leading the way with its belief that everyone deserves the right to bank, no matter where he or she lives and what he or she earns.

• *Economic*

By utilising wind power Nedbank Group has reduced its energy consumption, which will also reduce the operating cost of the branch in the long-run.

Nedbank Group has realised its ideal of achieving sustainability by opening the first wind-powered banking branch on the African continent, stretching the limits of imagination and possibility and going the extra mile to prove that anything is possible.



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* *Executive* ** *Senior independent non-executive*

HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 JUNE 2011

HEADLINE
EARNINGS

R2 772m

▲ **28,8%**

DILUTED HEADLINE
EARNINGS PER SHARE

600 cents

▲ **26,3%**

STRONG NIR
GROWTH

R7 139m

▲ **15,9%**

- ROE (excluding goodwill) 13,7% and ROE 12,2%
- Capital adequacy further strengthened (core Tier 1: 10,7%)
- Interim dividend per share up 25,0% to 265 cents

'The growth trend of the second half of 2010 continued into the first half of 2011. During the past six months Nedbank Group has made good progress with its key strategic focus areas of repositioning Nedbank Retail, growing non-interest revenue and implementing a portfolio tilt strategy. This has resulted in the group delivering strong earnings growth while further strengthening portfolio impairments.

'Given our focus on growing the transaction franchise, it is pleasing to see that, since June 2010, we gained 94 000 net new retail primary clients. We increased the number of branches and other outlets by 116 and ATMs by 420, while transactional pricing is now at levels similar to 2005. We continue to see record transaction volume growth in electronic banking and increased net new primary client gains in the wholesale banking areas.

'The group remains focused on a client-centred strategy and is well positioned to deliver growth in earnings for 2011 in excess of our medium- to long-term financial target.'

Mike Brown
Chief Executive

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2011 INTERIM RESULTS PRESENTATION COMMENTARY

ECONOMIC ENVIRONMENT

Global demand has slowed in 2011 as industrial production and consumer spending in China and other large emerging markets moderated due to tighter monetary conditions. In many developed markets the fragile recovery faltered as surging oil prices and reduced fiscal and monetary stimulus negatively impacted consumer confidence and spending. In addition, concerns remain about the scale and increasing cost of sovereign debt in many parts of Europe.

Locally, real GDP grew at an annualised rate of 4,8% in the first quarter of 2011. Conditions softened in the second quarter, with the mining and manufacturing sectors in particular having been impacted by the loss of momentum in global markets and the strong rand. Capacity utilisation and confidence levels remain low, resulting in limited demand for corporate credit.

In the retail sector household loan growth was mostly from continued demand for unsecured loans and instalment sales. Mortgage advances growth remained depressed as buyers continue to be cautious in line with the flat outlook for house prices, high levels of consumer debt and increased living costs.

Given the weak global environment, domestic growth is largely dependent on further fixed-investment spending and an ongoing improvement in consumption levels.

REVIEW OF RESULTS¹

Nedbank Group produced strong earnings growth for the six months ended 30 June 2011 ('the period') in line with the guidance provided in the trading statements released in July this year.

Headline earnings increased by 28,8% to R2 772 million and profit from operations before taxation and non-trading and capital items was up 36,1%. Diluted headline earnings per share (HEPS) increased by 26,3% from 475 cents to 600 cents. Diluted basic earnings per share increased by 26,2% from 474 cents to 598 cents.

Earnings growth was driven by ongoing strong non-interest revenue (NIR) growth, improving margins and lower retail impairments. This growth was achieved while continuing to invest for the future and strengthening portfolio impairments.

Return on assets increased from 0,75% to 0,92% for the period. This increase, together with a decline in gearing to 13,3 times, resulted in the group's return on average ordinary shareholders' equity (ROE), excluding goodwill, increasing from 12,2% to 13,7%. ROE increased from 10,7% to 12,2% for the period.

The balance sheet remained well-capitalised, with the core Tier 1 capital adequacy ratio increasing to 10,7% (December 2010: 10,1%), while the group's Tier 2 capital position was reduced when the R1,5 billion Ned 5 bond was repaid in April 2011 and not replaced. The group's liquidity buffers were increased by R9,0 billion and the long-term funding profile continued to lengthen to 27,0%, all this in proactive preparation for Basel III.

Net asset value per share grew by 6,1% (annualised) from 9 831 cents in December 2010 to 10 128 cents in June 2011.

CLUSTER PERFORMANCE¹

Total operating cluster headline earnings increased strongly by 43,0% from R2 015 million to R2 881 million.

Nedbank Retail increased earnings from R133 million in 2010 to R826 million and, importantly, improved ROE from 1,7% to 9,9%. The repositioning of Nedbank Retail is being driven through a client-centred strategy of growing the primary-client base while leveraging the strong product lines. This has generated high levels of NIR growth and a significantly improving credit loss ratio, notwithstanding the continued strengthening of portfolio impairments.

Nedbank Capital's earnings reduced by 5,9% on the comparative period, with fee income down from lower market activity, and the credit loss ratio showed a slight deterioration from the prior period's elevated level. Nedbank Capital reported an increase of 4,3% in its NIR from trading. There has been some margin compression in foreign exchange flow businesses, and the market provided limited trading opportunities.

Nedbank Corporate achieved strong earnings growth of 24,0%, driven by improved margins, fair-value adjustments and improved income from its property private-equity portfolio.

Nedbank Business Banking's earnings were up 3,9%, reflecting the difficult conditions being experienced in the small to medium-sized business sector. In spite of this the cluster achieved an improvement in margins, above-inflation growth in fees and commission, primary-client acquisitions and deepened cross-sell.

Nedbank Wealth achieved good earnings growth of 16,6%, with strong contributions from insurance and asset management together with an improvement in the international wealth management businesses. Apart from strong growth in advice-based sales of financial planning, local Wealth Management had a disappointing performance in the first half of the year as a result of subdued activity and higher impairments.

Further segmental information is available on the group's website at www.nedbankgroup.co.za.

FINANCIAL PERFORMANCE

NET INTEREST INCOME (NII)

NII grew by 7,4% to R8 683 million (June 2010: R8 082 million). The net interest margin increased to 3,43% from 3,34% in the June 2010 period and 3,35% in the year to December 2010, while average interest-earning banking assets increased by 5,9% (annualised) (June 2010 growth: 2,8%).¹

The pleasing trend of widening margins can be ascribed to:

- the benefits from pricing assets to reflect risk (including both credit and liquidity risks) and funding costs more appropriately;
- ongoing improvement in the asset mix in line with the group's portfolio tilt strategy;
- a relative benefit this period from interest rates remaining stable, given that advances reprice quicker than deposits; and
- the cost of term liquidity continuing to decline.

This more than offset the effects of:

- the negative endowment from average rates being 123 basis points lower than in the 2010 period;
- the cost of lengthening the bank's funding profile; and
- the costs associated with carrying higher levels of lower-yielding liquid assets.

IMPAIRMENTS CHARGE ON LOANS AND ADVANCES

Impairment levels improved as a result of a better credit environment and affordability levels together with enhanced collection capabilities and reduced levels of defaulted advances

Credit loss ratio analysis (%)	H1 2011	Q1 2011	H2 2010	H1 2010
Specific impairments	1,10	1,12	1,19	1,46
Portfolio impairments	0,11	0,03	0,08	0,00
Total credit loss ratio	1,21	1,15	1,27	1,46

The credit loss ratio on the banking book improved to 1,21% for the period (June 2010: 1,46%). The credit loss ratio relating to specific impairments improved from 1,46% to 1,10%, reflecting the ongoing improvement in asset quality. Due to the current uncertain economic environment and as a result of increased emergence periods, the group has increased the level of portfolio impairments, as well as included R100 million in the centre to provide for unknown events that may have already occurred, but which will only be evident in the future.¹

The primary reduction in the impairments charge came from Nedbank Retail's secured-lending portfolios, due to the momentum gained from the improved credit environment and various risk management mitigation initiatives. This contributed to the credit loss ratio in Retail improving significantly from 2,93% in the period to June 2010 to 2,24%, which is now marginally outside the upper end of the cluster's through-the-cycle target range of 1,50% to 2,20%.¹

The advances portfolios in Nedbank Capital, Nedbank Corporate, Nedbank Business Banking and Nedbank Wealth remain of high quality. Credit loss ratios in these clusters, with the exception of Nedbank Capital and Nedbank Wealth, remain within the respective clusters' through-the-cycle levels.

Credit loss ratio (%)	Year to			
	H1 2011	H2 2010	H1 2010	December 2010
Nedbank Capital	0,86	1,72	0,80	1,27
Nedbank Corporate	0,34	0,10	0,31	0,20
Nedbank Business Banking	0,40	0,48	0,32	0,40
Nedbank Retail	2,24	2,42	2,93	2,67
Nedbank Wealth	0,41	0,05	0,24	0,15
Group	1,21	1,27	1,46	1,36

Defaulted advances declined by 11,5% (annualised) to R25 241 million (2010: R26 765 million). This reflects write offs as well as the improved collections processes and credit environment, together with ongoing restructuring initiatives that have resulted in over 10 700 families (clients of Nedbank) being kept in their homes since July 2009.

NIR

NIR increased 15,9% to R7 139 million (June 2010: R6 158 million) and 12,5% before fair-value adjustments. Negative fair-value adjustments on own subordinated debt amounted to R46 million (June 2010: R110 million).¹

In line with the group's focus on growing the transactional franchise core fee and commission income grew strongly by 14,1%. Ongoing primary-client acquisitions, product and systems innovation, record electronic-banking volume growth, cross-sell initiatives and the ability to leverage the group's strong wholesale client relationships to attract retail clients all contributed to this growth.

Insurance income grew 30,2% as a result of the growth in personal loans and motor finance, new-product revenues and cross-sell as well as an improved underwriting performance.

Trading income increased by 3,3% to R921 million (June 2010: R892 million).

NIR from the private-equity portfolios increased by 93,0%, primarily as a result of Nedbank Corporate's property private-equity earnings improving.

NIR from private equity (Rm)	June 2011	June 2010
Nedbank Capital	85	86
Nedbank Corporate Property Finance	52	(15)
Total NIR from private equity	137	71

EXPENSES¹

Expenses grew by 12,3% to R8 838 million (June 2010: R7 872 million) including significant investment in growing the franchise. Increases in distribution, cash fees and an increase in variable compensation also contributed to the growth in expenses.

With the strong growth in NIR the group's NIR-to-expenses ratio improved from 78,2% to 80,8%. However, the muted growth in NII led to the efficiency ratio deteriorating from 55,3% to 55,9%.

TAXATION¹

The taxation charge (excluding taxation on non-trading and capital items) increased from R577 million for the period to June 2010 to R1 013 million with the effective tax rate at a more normalised level of 25,7%. This was mainly due to:

- the 36,1% growth in income before taxation;
- dividend income as a proportion of total income being lower than in the comparative period in 2010;
- the reversal of certain tax risk provisions in 2010; and
- secondary tax on companies savings in the first six months of 2010 due to the take-up of the scrip alternative offered in that period.

2011 INTERIM RESULTS PRESENTATION

COMMENTARY continued

STATEMENT OF FINANCIAL POSITION

CAPITAL

The group's capital adequacy ratios remain well above its internal target ranges in preparation for Basel III, and showed further strengthening since December 2010. This resulted mainly from a R451 million increase in equity from the vesting of shares under the staff incentive schemes and black economic empowerment (BEE) structures, organic earnings and further risk-weighted asset (RWA) optimisation, which included a R4 billion reduction in market risk RWA with the adoption of the Internal Model Approach approved by the South African Reserve Bank (SARB) with effect from 1 January 2011.

In view of the predominate focus of Basel III on core Tier 1 capital and the group's high total capital ratio of 15,2% Nedbank Limited's Tier 2 bond (Ned 5) amounting to R1,5 billion was repaid in April 2011 and not replace

Basel II capital adequacy ratios	June 2011	December 2010	Internal target range	Regulatory minimum
Core Tier 1 ratio	10,7%	10,1%	7,5% to 9,0%	5,25%
Tier 1 ratio	12,4%	11,7%	8,5% to 10,0%	7,00%
Total capital ratio	15,2%	15,0%	11,5% to 13,0%	9,75%

Ratios calculated including unappropriated profits.

Further details will be available in the group's 30 June 2011 Pillar 3 Report to be published in September 2011 on the group's website at www.nedbankgroup.co.za.

CAPITAL ALLOCATION TO BUSINESSES

Enhancements relating to the internal capital allocation to business clusters were implemented for 2011. The major change related to home loans, with more use of loan-to-value (LTV) bands to measure estimated loss given default in order better to reflect the risk inherent in that portfolio, which resulted in the home loan capitalisation rate increasing from 3,2% to 5,1%. Clusters' individual capital allocation will naturally change due to any RWA optimisation and changes in the risk profile of their different portfolios. Other than the improvements from RWA optimisation, these enhancements had no impact on the group's overall capital levels and ROE.

FUNDING AND LIQUIDITY

Nedbank Group's liquidity position remains sound. The group continues to focus on diversifying its funding base, maintaining its strong retail deposit market share, growing its commercial deposit base, lengthening its funding profile and growing appropriate liquidity buffers, which have been increased by R9 billion during this period.

Nedbank Group increased its long-term funding ratio from 22,6% in December 2010 to 27,0% in June 2011 from increased capital market issuances under its domestic medium-term note programme (R3,7 billion issued during this period), from the

launch of a retail savings bond and also from the increased duration in the money market book.

The group's liquidity position is further supported by a strong loan-to-deposit ratio of 95,5% and a low reliance on interbank and foreign currency funding.

BASEL III AND SOLVENCY II DEVELOPMENTS

The majority of the Basel III proposals were finalised in December 2010, although some significant aspects remain to be completed in 2011. In South Africa the details of exactly how Basel III will be adopted will be determined by SARB, and this is anticipated to be clarified in 2012.

For Nedbank Group the impact of the new capital requirements is expected to be manageable, given existing strong capital ratios and the high quality of core Tier 1 equity. On a Basel III pro forma basis at 30 June 2011 the group is in a position to absorb the expected Basel III capital implications, with all capital ratios remaining well above the top end of current internal target ranges and expected regulatory minima. These ratios should improve further by the end of 2013 from projected earnings, while continued capital and RWA optimisation and the group's portfolio tilt strategy should have a further favourable effect on the capital ratios.

Once Basel III has been finalised by SARB Nedbank Group will revise its internal target capital ratios.

The main challenge of Basel III is in respect of the two proposed liquidity ratios, the liquidity coverage ratio (LCR) for implementation in 2015 and the net stable funding ratio (NSFR) for implementation in 2018. The group, together with the industry, remains focused on how best to comply with the LCR ahead of 2015. The impact of NSFR compliance by South African and most banking industries worldwide would be punitive if implemented as is. The structural constraints within the SA financial markets add to the local challenge of NSFR compliance; however, this is being proactively addressed by National Treasury in conjunction with the financial services industry. The group anticipates that, following the observation period that will commence in 2012, the Basel Committee will amend the NSFR requirement, and a pragmatic approach on this issue will be applied prior to the finalisation in 2018.

Solvency Assessment and Management (SAM) is the Financial Services Board's new economic risk-based solvency regime for SA insurers that closely follows international regulatory trends, in particular Solvency II. SAM affects the Nedbank Wealth Cluster and is set for 2014 implementation.

LOANS AND ADVANCES

Group loans and advances decreased by 1,4% (annualised) to R472 billion (December 2010: R475 billion).¹ Since June 2010 loans and advances increased by 2,3%.¹

Banking advances in Nedbank Capital declined 2,2% (annualised) and Nedbank Corporate's banking advances decreased by 3,9% (annualised). This reflects gross new advances being offset by the effect of slow utilisation of credit facilities, early unscheduled

repayments and delays in both public and private sector investment programmes. The pipelines in the wholesale banking areas remain strong and growth is expected to increase in the second half.

Nedbank Business Banking advances increased by 35,7% (annualised) and Nedbank Retail advances decreased by 7,9% (annualised) due to migrations from Nedbank Retail of R8,2 billion of former Imperial Bank Supplier Asset Finance and Professional advances and R1,0 billion from Small Business Services under Retail Relationship Banking. Adjusting for these two movements, Business Banking advances decreased by 0,8% (annualised) and Retail advances grew by 2,1% (annualised). Strategic rebalancing of the asset portfolio in Nedbank Retail, on a like-for-like basis, resulted in a decrease in home loans of 2,7% (annualised) and an increase in motor finance of 7,5% (annualised). Unsecured lending continued to grow with personal loans and card receivables increasing by 26,5% (annualised) and 13,6% (annualised) respectively.

DEPOSITS

Deposits increased by 1,5% (annualised) to R494 billion (2010: R490 billion). This resulted in the ratio of advances to deposits remaining strong at 95,5% (2010: 96,9%).¹

Lower interest-bearing current and savings accounts have shown less growth than higher interest-bearing term and fixed deposits. Although favourable for the group's funding strategy of lengthening the term deposit book, the group remains focused on optimising the mix of deposits.

In March this year Nedbank launched its retail savings bond to support a lengthening in the bank's funding profile. This offering was well received by clients and attracted in excess of R2 billion of competitively priced new term funds.

OUTLOOK

Domestic economic growth of 3,5% is currently anticipated for the full year. Increases in international food and fuel prices are expected to push inflation to the upper limit of the target band of 3% to 6% in the final quarter of 2011. The group expects interest rates to remain at current levels for the balance of 2011, with increases currently expected from the first quarter of 2012. Asset growth is expected to remain at conservative levels due to slow employment growth, relatively high levels of debt compared with historic levels, increases in electricity and fuel costs, and concerns about the possibility of interest rate hikes in 2012.

The growth in the SA economy will be dependent on global economic and financial developments, further fixed and infrastructure investment and ongoing improvement in consumption levels. Economic activity is expected to be subdued for the balance of 2011. However, corporate credit demand is expected to improve slightly as the recovery in capital expenditure builds momentum and demand for funding increases. The operating environment for small and medium-sized businesses remains challenging.

Government infrastructure spending will be relatively insensitive to the economic cycle, with substantial amounts set aside to

accelerate social and economic infrastructure as announced in this year's National Budget. The flow of this investment should improve as the year progresses, but is only expected to accelerate in 2012.

The retail banking sector should continue to improve modestly as a result of transactional volume growth, with lending activity remaining much the same as in this reporting period.

PROSPECTS

For the full year the group currently expects:

- interest margins to remain at similar levels to those of the first half;
- banking advances to grow in the lower to mid-single digits;
- impairments to continue improving, with the credit loss ratio reducing but remaining above the upper end of the group's target range of 0,60% to 1,00%;
- NIR (excluding fair-value adjustments) to grow at double digits; and
- expenses to grow in early double digits, but to remain less than NIR growth.

The balance sheet remains liquid, strongly capitalised and in a good position to take advantage of growth opportunities as they arise.

The group has had a positive start to the year and remains in a good position to deliver growth in 2011 earnings in excess of its medium- to long-term financial target.

Shareholders are advised that these forecasts have not been reviewed or reported on by the group's auditors.

BOARD AND EXECUTIVE CHANGES DURING THE PERIOD

As previously advised, senior independent non-executive director Chris Ball retired as a director of Nedbank Group and Nedbank Limited with effect from 6 May 2011, after reaching the mandatory retirement age for directors. The group would like to thank Chris for his significant contribution to the board since his appointment in 2002.

Malcolm Wyman was appointed as senior independent non-executive director and also succeeded Chris as Chairman of the Group Audit Committee.

Two appointments to the Group Executive Committee were made during the period. Abe Thebyane joined as Group Executive of Human Resources with effect from 1 February 2011 and Thulani Sibeko was appointed as Group Executive of Marketing, Communications and Corporate Affairs with effect from 1 May 2011.

Selby Baqwa retired as Chief Governance and Compliance Officer at the end of July 2011 and was requested to take up a position as an acting judge in Pretoria. We thank him for his contribution to the Group Executive Committee and wish him well. We are making good progress with appointing a replacement and an announcement in this regard will be made in due course.

2011 INTERIM RESULTS PRESENTATION

COMMENTARY continued

ACCOUNTING POLICIES¹

Nedbank Group Limited is a company domiciled in South Africa. The condensed consolidated interim financial results of the group at and for the six months ended 30 June 2011 comprise the company and its subsidiaries (the 'group') and the group's interests in associates and jointly controlled entities.

Nedbank Group's principal accounting policies have been prepared in terms of the International Financial Reporting Standards (IFRS) and have been applied consistently over the current and prior financial years. Nedbank Group's condensed consolidated interim financial results have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting and AC 500 standards as issued by the Accounting Practices Board.

In the preparation of these condensed consolidated interim financial results the group has applied key assumptions concerning the future and other inherent uncertainties in recording various assets and liabilities. The assumptions applied in the financial results for the six months ended 30 June 2011 were consistent with those applied during the 2010 financial year. These assumptions are subject to ongoing review and possible amendments. The results for the segmental reporting for the period ended 30 June 2010 have been restated for the integration of Imperial Bank Limited with various operating segments. These restatements have no effect on the group results and ratios, and only changes segment cluster results and ratios. The financial results have been prepared under the supervision of RK Morathi, the Group Chief Financial Officer.

EVENTS AFTER THE REPORTING PERIOD¹

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

REVIEWED RESULTS – AUDITORS' REVIEW REPORT

KPMG Inc and Deloitte & Touche, Nedbank Group's independent auditors, have reviewed the condensed consolidated interim financial results of Nedbank Group Limited and have expressed an unmodified review conclusion on the condensed consolidated interim financial results. The auditors' review was conducted in accordance with International Standards on Review Engagements (ISRE 2410): Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The condensed consolidated financial results comprise the consolidated statement of financial position at 30 June 2011, consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated cashflow statement for the six months then ended and selected explanatory notes. The selected explanatory notes are marked with¹. The report is available for inspection at Nedbank Group's registered office.

FORWARD-LOOKING STATEMENTS

This commentary contains certain forward-looking statements with respect to the financial condition and results of operations of Nedbank Group and its group companies that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially

from those in the forward-looking statements include, but are not limited to, global, national and regional economic conditions; levels of securities markets; interest rates; credit or other risks of lending and investment activities; as well as competitive and regulatory factors. By consequence, all forward-looking statements have not been reviewed or reported on by the group's auditors.

INTERIM DIVIDEND DECLARATION

Notice is hereby given that an interim dividend of 265 cents per ordinary share has been declared, payable to shareholders for the six months ended 30 June 2011. In accordance with the provisions of STRATE, the electronic settlement and custody system used by JSE Limited, the relevant dates for the dividend are as follows:

Event	Date
Last day to trade (cum dividend)	Friday, 2 September 2011
Shares commence trading (ex dividend) on	Monday, 5 September 2011
Record date (date shareholders recorded in books)	Friday, 9 September 2011
Payment date	Monday, 12 September 2011

Share certificates may not be dematerialised or rematerialised between Monday, 5 September 2011, and Friday, 9 September 2011, both days inclusive.

On Monday, 12 September 2011, the dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic funds transfer is either not available or not elected by the shareholder, cheques dated Monday, 12 September 2011, will be posted on that date.

Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 12 September 2011.

The above dates and times are subject to change. Any changes will be published on the Securities Exchange News Service (SENS) and in the press.

For and on behalf of the board

Dr RJ Khoza
Chairman

MWT Brown
Chief Executive

1 August 2011

EMBEDDING INTEGRATED SUSTAINABILITY

Sustainability, in all its forms, remains at the core of Nedbank Group and is, in many ways, the green thread that binds together every aspect of the business. The group follows an integrated approach to sustainability, built on the four key elements of economic, environmental, social and cultural sustainability.

Nedbank Group recently received the 2011 Nkonki Financial Mail Integrated Reporting Award for the best company in the financial services category. Instituted by Nkonki Incorporated in partnership with the Financial Mail, these awards recognise SA companies that best comply with integrated reporting standards as defined in King III. Nedbank's achievement of first place in the financial services category not only validates the bank's commitment to the principles of integrated reporting, but the fact that the award was based on Nedbank's 2009 annual and sustainability reports also demonstrates that Nedbank was committed to integrating sustainability into its operations and reporting long before it became a requirement of good governance and compliance.

By entrenching this philosophy of integrated sustainability throughout the organisation, and influencing its many external stakeholders to adopt a similar approach, Nedbank Group strives to ensure that its sustainability efforts achieve maximum results and deliver lasting benefits for the environment, communities and businesses, while helping to drive the economic development of the country as a whole.

SUSTAINABILITY HIGHLIGHTS FOR H1 2011

As the majority of the information contained in this booklet deals with the economic sustainability matters of Nedbank Group during the first half of 2011, the highlights below relate to the remaining three pillars of environmental, social and cultural sustainability.

ENVIRONMENTAL SUSTAINABILITY

- As part of its commitment to influencing its stakeholders to adopt more sustainable environmental practices, Nedbank has increased its focus on promoting and enabling greater environmental awareness. The group has been actively encouraging many of its suppliers to adopt more environmentally responsible and sensitive behaviours and practices. Environmental criteria have been included in Nedbank's Supplier Code of Conduct and are also being built into its general tender processes.
- In recognition of the need for the private sector to be proactive in protecting South Africa's scarce water resources, Nedbank Group was the first SA bank to become a signatory to the United Nations CEO Water Compact. This aligns with the group's intensified focus on water conservation and its water management strategy aimed at helping to address issues of access, quantity and quality.
- In addition to our commitment to the Equator Principles and a range of other best-practice responsible lending guidelines, we are investigating the adoption of Codes for Responsible Investment South Africa (CRISA), as applicable.

- In acknowledgement of the importance of the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties 17 in Durban at the end of the year Nedbank Group will actively be supporting the process as well as the SA government's endeavours and the relevant business activity.

SOCIAL

- The group maintained its third position overall in the Financial Mail Top Empowered Companies surveys for the third consecutive year by building on the level 2 status attained in 2009.
- Procurement from black-women-owned organisations remains a challenge, but a project addressing this has been instituted.
- Delivery on socio-economic programmes is spread nationally to coincide with the group's operational footprint, with increased focus on rural communities in the poorer provinces.
- In line with the national priority of improving the standard of education, Nedbank has increased the support it provides to education projects. Particular emphasis has been given to early-childhood development, teacher training and support for mathematics and science.
- The group has invested in excess of R278 million in socio-economic development since the advent of the dti Codes in 2007.

CULTURAL

- Nedbank Group continues to focus on its corporate culture, with specific focus on attracting and retaining talented employees, developing employees and transforming the organisation. In 2011 major focus has been placed on building a strong values-based leadership culture. Leading for Deep Green, which centres around leadership development and culture change, is being further cascaded throughout the organisation, with the aim of reaching approximately 6 800 employees within the next three years.
- Annually Nedbank conducts surveys to gauge the culture and climate of the organisation. In March the Barrett Survey was conducted, with the highest participation since its inception in 2005. The 2011 results of the survey showed an improvement of entropy (level of disorder in the business) from 13% to 11% compared with 2010 and stayed consistent, with a healthy six value matches.
- In 2011 Nedbank validated its list of scarce skills through the South African Qualifications Authority. This will aid the group in identifying the shortages in skills faced by Nedbank as well as opportunities to decrease the scarcity of the skills.

FINANCIAL HIGHLIGHTS

for the period ended

		% Change	June 2011	June 2010	December 2010
STATISTICS					
Number of shares listed	m		507,4	512,6	514,9
Number of shares in issue excluding shares held by group entities	m		454,4	445,8	448,6
Weighted average number of shares	m		451,2	440,7	443,9
Diluted weighted average number of shares	m		462,2	453,7	458,2
Headline earnings	Rm	28,8	2 772	2 153	4 900
Profit attributable to equity holders of the parent	Rm	28,6	2 764	2 150	4 811
Pre-provisioning operating profit	Rm	10,1	6 577	5 974	12 454
Economic profit/(loss)	Rm		146	(352)	(289)
Headline earnings per share	cents	25,6	614	489	1 104
Diluted headline earnings per share	cents	26,3	600	475	1 069
Basic earnings per share	cents	25,6	613	488	1 084
Diluted basic earnings per share	cents	26,2	598	474	1 050
Ordinary dividends declared per share	cents	25,0	265	212	480
– Interim			265	212	212
– Final					268
Dividend paid per share	cents		268	230	442
Dividend cover	times		2,32	2,31	2,30
TOTAL ASSETS ADMINISTERED BY THE GROUP					
	Rm	5,2	715 981	680 285	711 288
Total assets	Rm	3,2	609 875	590 847	608 718
Assets under management*	Rm	18,6	106 106	89 438	102 570
Life assurance embedded value	Rm	14,8	1 122	977	1 031
Life assurance value of new business	Rm	13,4	152	134	295
Net asset value per share	cents	7,8	10 128	9 397	9 831
Tangible net asset value per share	cents	9,6	8 477	7 732	8 160
Closing share price	cents	22,1	14 650	12 000	13 035
Price/Earnings ratio	historical		11,8	12,2	11,8
Market capitalisation	Rbn	20,8	74,3	61,5	67,1
Number of employees		4,8	28 210	26 924	27 525
KEY RATIOS (%)					
Return on ordinary shareholders' equity (ROE)			12,2	10,7	11,8
ROE excluding goodwill			13,7	12,2	13,4
Return on total assets (ROA)			0,92	0,75	0,82
Net interest income to average interest-earning banking assets			3,43	3,34	3,35
Non-interest revenue to total income			45,1	43,2	44,3
Non-interest revenue to total expenses			80,8	78,2	79,6
Credit loss ratio banking advances			1,21	1,46	1,36
Efficiency ratio			55,9	55,3	55,7
Efficiency ratio (excluding BEE transaction expenses)			55,5	54,9	55,2
Effective taxation rate			25,7	19,9	20,7
Group capital adequacy ratios: Basel II (including unappropriated profits)					
– Core Tier I			10,7	9,9	10,1
– Tier 1			12,4	11,5	11,7
– Total			15,2	14,8	15,0

* Restated (refer page 36b).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended

Rm	Note	% Change	June 2011	June 2010	December 2010
Interest and similar income		(5,2)	21 030	22 173	44 377
Interest expense and similar charges		(12,4)	12 347	14 091	27 769
Net interest income	1	7,4	8 683	8 082	16 608
Impairment charge on loans and advances	2	(13,9)	2 792	3 244	6 188
Income from lending activities		21,8	5 891	4 838	10 420
Non-interest revenue	3	15,9	7 139	6 158	13 215
Operating income		18,5	13 030	10 996	23 635
Total expenses	4	12,3	8 838	7 872	16 598
Operating expenses		12,5	8 788	7 812	16 450
BEE transaction expenses		(16,7)	50	60	148
Indirect taxation		9,6	252	230	447
Profit from operations before non-trading and capital items		36,1	3 940	2 894	6 590
Non-trading and capital items			(16)	(6)	(91)
Profit on sale of subsidiaries, investments and property and equipment			16	(6)	(4)
Net impairment of investments, property and equipment and capitalised development costs			(32)		(87)
Profit from operations		35,9	3 924	2 888	6 499
Share of profits of associates and joint ventures	10				1
Profit before direct taxation		35,9	3 924	2 888	6 500
Total direct taxation	5	75,1	1 005	574	1 364
Direct taxation		75,6	1 013	577	1 366
Taxation on non-trading and capital items			(8)	(3)	(2)
Profit for the period		26,1	2 919	2 314	5 136
Other comprehensive income net of taxation			79	(111)	(77)
Exchange differences on translating foreign operations			87	(99)	(246)
Fair value adjustments on available-for-sale assets			(8)	(14)	(3)
Gains on property revaluations				2	172
Total comprehensive income for the period		36,1	2 998	2 203	5 059
Profit attributable to:					
Equity holders of the parent			2 764	2 150	4 811
Non-controlling interest – ordinary shareholders	6		12	33	59
Non-controlling interest – preference shareholders	7		143	131	266
Profit for the period		26,1	2 919	2 314	5 136
Total comprehensive income attributable to:					
Equity holders of the parent			2 842	2 036	4 734
Non-controlling interest – ordinary shareholders			13	36	59
Non-controlling interest – preference shareholders			143	131	266
Total comprehensive income for the period		36,1	2 998	2 203	5 059
EARNINGS RECONCILIATION					
Profit attributable to equity holders of the parent		28,6	2 764	2 150	4 811
Less: Non-headline earnings items			(8)	(3)	(89)
Non-trading and capital items			(16)	(6)	(91)
Taxation on non-trading and capital items			8	3	2
Headline earnings		28,8	2 772	2 153	4 900

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at

Rm	Note	June 2011	June 2010	December 2010
ASSETS				
Cash and cash equivalents		11 743	8 063	8 650
Other short-term securities		29 125	21 080	27 044
Derivative financial instruments		8 284	12 776	13 882
Government and other securities		36 056	40 294	31 824
Loans and advances	8	471 918	461 303	475 273
Other assets		7 900	6 536	10 014
Clients' indebtedness for acceptances		2 754	1 818	1 953
Current taxation receivable		618	359	483
Investment securities	9	12 808	11 249	11 918
Non-current assets held for sale		8		5
Investments in associate companies and joint ventures	10	1 128	902	936
Deferred taxation asset		229	416	284
Investment property		202	211	199
Property and equipment		5 835	5 203	5 612
Long-term employee benefit assets		2 111	1 937	2 052
Intangible assets	11	7 502	7 422	7 494
Mandatory reserve deposits with central bank		11 654	11 278	11 095
Total assets		609 875	590 847	608 718
EQUITY AND LIABILITIES				
Ordinary share capital		454	446	449
Ordinary share premium		15 968	15 050	15 522
Reserves		29 600	26 397	28 130
Total equity attributable to equity holders of the parent		46 022	41 893	44 101
Non-controlling interest attributable to:				
– ordinary shareholders	6	146	117	153
– preference shareholders		3 560	3 562	3 560
Total equity		49 728	45 572	47 814
Derivative financial instruments		8 894	10 903	12 052
Amounts owed to depositors	13	493 974	480 418	490 440
Other liabilities		13 691	13 901	18 245
Liabilities under acceptances		2 754	1 818	1 953
Current taxation liabilities		121	212	191
Deferred taxation liabilities		1 858	1 936	1 804
Long-term employee benefit liabilities		1 458	1 338	1 414
Investment contract liabilities		7 666	6 920	7 309
Insurance contract liabilities		1 541	1 235	1 392
Long-term debt instruments	14	28 190	26 594	26 104
Total liabilities		560 147	545 275	560 904
Total equity and liabilities		609 875	590 847	608 718
Guarantees on behalf of clients		29 934	28 432	29 614

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

for the period ended

Rm	June 2011	June 2010	December 2010
Cash generated by operations	7 903	7 218	15 288
Change in funds for operating activities	(2 082)	(9 708)	(12 891)
Net cash from/(utilised by) operating activities before taxation	5 821	(2 490)	2 397
Taxation paid	(855)	(735)	(2 093)
Cash flows from/(utilised by) operating activities	4 966	(3 225)	304
Cash flows utilised by investing activities	(2 147)	(2 453)	(4 438)
Cash flows from financing activities	833	6 644	5 504
Net increase in cash and cash equivalents	3 652	966	1 370
Cash and cash equivalents at the beginning of the period*	19 745	18 375	18 375
Cash and cash equivalents at the end of the period*	23 397	19 341	19 745

* Including mandatory reserve deposits with central banks.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended

Rm	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Foreign currency translation reserve	Property revaluation reserve
Balance at 31 December 2009	435 733 177	436	13 728	224	1 002
Shares issued in terms of Employee Incentive Schemes	6 522 592	7	815		
Shares issued in terms of capitalisation award	7 397 653	7	937		
Shares issued in terms of BEE transaction	382 040	1	42		
Share delisted in terms of BEE transaction	(382 040)	(1)			
Shares acquired/cancelled by group entities and BEE trusts	(3 823 137)	(4)	(472)		
Preference shares issued					
Preference share dividend paid					
Dividends paid to ordinary shareholders					
Total comprehensive income for the period				(102)	2
Transfer from/(to) reserves				2	(19)
Share-based payments reserve movements					
Additional capitalisation of subsidiaries					
Buy out of outside shareholders' interests					
Regulatory risk reserve provision					
Other movements					
Balance at 30 June 2010	445 830 285	446	15 050	124	985
Shares issued in terms of Employee Incentive Schemes	2 300 566	2	296		
Shares issued in terms of BEE transaction	843 520	1	175		
Share delisted in terms of BEE transaction	(843 520)	(1)			
Shares acquired/cancelled by group entities and BEE trusts	433 260	1	1		
Dilution of shareholding in subsidiary					
Preference share dividend paid					
Dividends paid to ordinary shareholders					
Total comprehensive income for the period				(144)	170
Transfer (to)/from reserves					(9)
Liquidation of subsidiaries					
Share-based payments reserve movements					
Additional capitalisation of subsidiaries					
Buy out of outside shareholders' interests					
Regulatory risk reserve provision					
Other movements					
Balance at 31 December 2010	448 564 111	449	15 522	(20)	1 146
Shares issued in terms of Employee Incentive Schemes	2 332 510	2	299		
Shares issued in terms of BEE transaction	90 262		12		
Share delisted in terms of BEE transaction	(9 949 367)	(10)			
Shares acquired/cancelled by group entities	13 398 949	13	135		
Acquisition of minority shareholding in subsidiary					
Preference share dividend paid					
Dividends distribution in terms of BEE transaction					
Dividends paid to ordinary shareholders					
Total comprehensive income for the period				86	
Transfer (to)/from reserves					(13)
Share-based payments reserve movements					
Regulatory risk reserve provision					
Balance at 30 June 2011	454 436 465	454	15 968	66	1 133

* Represents other non-distributable revaluation surplus on capital items and non-distributable reserves transferred from other distributable reserves in order to comply with the Bank's Act, 1990.

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

Share-based payments reserve	Other non-distributable reserves*	Available-for-sale reserve	Other distributable reserves**	Total equity attributable to equity holders of the parent	Non-controlling interest attributable to ordinary shareholders	Non-controlling interest attributable to preference shareholders	Total equity
875	173	76	23 135	39 649	1 849	3 486	44 984
				822			822
				944			944
				43			43
				(1)			(1)
				(476)			(476)
				–		92	92
				–		(144)	(144)
			(1 054)	(1 054)	(8)		(1 062)
		(14)	2 150	2 036	36	131	2 203
25	2		(10)	–			–
22				22			22
				–	4		4
			(91)	(91)	(1 764)	(3)	(1 858)
	(2)			(2)			(2)
			1	1			1
922	173	62	24 131	41 893	117	3 562	45 572
				298			298
				176			176
				(1)			(1)
				2			2
			(13)	(13)	13		–
			(5)	(5)		(137)	(142)
			(988)	(988)			(988)
		11	2 661	2 698	23	135	2 856
(21)	(48)	25	53	–			–
			(4)	(4)			(4)
48				48			48
				–	(2)		(2)
				–	2		2
	(1)			(1)			(1)
			(2)	(2)			(2)
949	124	98	25 833	44 101	153	3 560	47 814
				301			301
				12			12
				(10)			(10)
				148			148
			11	11	(11)		–
			(310)	(310)		(143)	(143)
			(1 251)	(1 251)	(9)		(1 260)
		(8)	2 764	2 842	13	143	2 998
(370)	(20)		403	–			–
176				176			176
	2			2			2
755	106	90	27 450	46 022	146	3 560	49 728

RETURN ON EQUITY DRIVERS

for the period ended

	June 2011	June 2010	December 2010	
Net interest income	8 683	8 082	16 608	Net interest income/average interest-earning banking assets
Impairment of loans and advances	(2 792)	(3 244)	(6 188)	Impairments/average interest-earning banking assets
Non-interest revenue	7 139	6 158	13 215	Non-interest revenue/average interest-earning banking assets
Income from normal operations	13 030	10 996	23 635	
Total operating expenses	(8 838)	(7 872)	(16 598)	Total expenses/average interest-earning banking assets
Share of profits of associates and joint ventures			1	Associate income/average interest-earning banking assets
Net profit before taxation	4 192	3 124	7 038	
Indirect taxation	(252)	(230)	(447)	
Direct taxation	(1 013)	(577)	(1 366)	1 – effective direct and indirect taxation rate
Net profit after taxation	2 927	2 317	5 225	
Non-controlling interest	(155)	(164)	(325)	Income attributable to minorities
Headline earnings	2 772	2 153	4 900	Headline earnings
Daily average interest-earning banking assets	510 398	488 054	495 930	Interest-earning banking assets/daily average total assets
Daily average total assets	609 826	579 306	594 751	Interest-earning banking assets/daily average total assets
				Return on total assets
Daily average shareholders' funds	45 778	40 605	41 551	Gearing
				Return on ordinary shareholders' equity
				ROE excluding goodwill

* Annualised.

	June 2011*	June 2010*	December 2010
	<p>3,43%</p> <p>less</p> <p>1,10%</p> <p>add</p> <p>2,82%</p> <p>5,15%</p> <p>Impairments/NII</p> <p>32,1%</p> <p>NIR/Expenses</p> <p>80,8%</p>	<p>3,34%</p> <p>less</p> <p>1,34%</p> <p>add</p> <p>2,54%</p> <p>4,54%</p> <p>Impairments/NII</p> <p>40,1%</p> <p>NIR/Expenses</p> <p>78,2%</p>	<p>3,35%</p> <p>less</p> <p>1,25%</p> <p>add</p> <p>2,66%</p> <p>4,76%</p> <p>Impairments/NII</p> <p>37,3%</p> <p>NIR/Expenses</p> <p>79,6%</p>
	<p>less</p> <p>3,49%</p> <p>Efficiency ratio</p> <p>55,9%</p>	<p>less</p> <p>3,25%</p> <p>Efficiency ratio</p> <p>55,3%</p>	<p>less</p> <p>3,35%</p> <p>Efficiency ratio</p> <p>55,7%</p>
	<p>1,66%</p> <p>multiply</p> <p>0,70</p>	<p>1,29%</p> <p>multiply</p> <p>0,74</p>	<p>1,41%</p> <p>multiply</p> <p>0,74</p>
	<p>multiply</p> <p>0,95</p>	<p>multiply</p> <p>0,93</p>	<p>multiply</p> <p>0,94</p>
	<p>1,10%</p>	<p>0,89%</p>	<p>0,98%</p>
	<p>multiply</p> <p>83,7%</p> <p>=</p> <p>0,92%</p> <p>multiply</p> <p>13,32</p> <p>=</p> <p>12,2%</p> <p>13,7%</p>	<p>multiply</p> <p>84,2%</p> <p>=</p> <p>0,75%</p> <p>multiply</p> <p>14,27</p> <p>=</p> <p>10,7%</p> <p>12,2%</p>	<p>multiply</p> <p>83,4%</p> <p>=</p> <p>0,82%</p> <p>multiply</p> <p>14,31</p> <p>=</p> <p>11,8%</p> <p>13,4%</p>

OPERATIONAL SEGMENTAL REPORTING

for the period ended

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Rm)

	Nedbank Group			Nedbank Capital		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
ASSETS						
Cash and cash equivalents	23 397	19 341	19 745	4 524	2 059	2 732
Other short-term securities	29 125	21 080	27 044	24 537	13 097	20 792
Derivative financial instruments	8 284	12 776	13 882	8 196	12 587	13 790
Government and other securities	36 056	40 294	31 824	14 339	15 099	12 083
Advances and other accounts	471 918	461 303	475 273	60 458	57 639	62 328
Other assets	41 095	36 053	40 950	5 694	4 118	7 578
Intergroup assets	–	–	–	79 004	100 345	95 886
Total assets	609 875	590 847	608 718	196 752	204 944	215 189
EQUITY AND LIABILITIES						
Total equity*	49 728	45 572	47 814	5 238	4 926	5 116
Derivative financial instruments	8 894	10 903	12 052	8 864	10 821	12 006
Amounts owed to depositors	493 974	480 418	490 440	174 035	180 374	184 201
Other liabilities	29 089	27 360	32 308	7 936	8 056	13 200
Intergroup liabilities	–	–	–	–	–	–
Long-term debt instruments	28 190	26 594	26 104	679	767	666
Total equity and liabilities	609 875	590 847	608 718	196 752	204 944	215 189
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Rm)						
Net interest income	8 683	8 082	16 608	557	569	1 201
Impairment charge on loans and advances	2 792	3 244	6 188	187	166	535
Income from lending activities	5 891	4 838	10 420	370	403	666
Non-interest revenue	7 139	6 158	13 215	998	1 038	2 264
Operating income	13 030	10 996	23 635	1 368	1 441	2 930
Total expenses	8 838	7 872	16 598	768	745	1 561
Operating expenses	8 788	7 812	16 450	761	728	1 506
BEE transaction expenses	50	60	148	7	17	55
Indirect taxation	252	230	447	23	12	23
Profit/(Loss) from operations	3 940	2 894	6 590	577	684	1 346
Share of profits of associates and joint ventures	–	–	1	–	–	–
Profit/(Loss) before direct taxation	3 940	2 894	6 591	577	684	1 346
Direct taxation	1 013	577	1 366	31	104	139
Profit/(Loss) after taxation	2 927	2 317	5 225	546	580	1 207
Profit attributable to:						
Non-controlling interest – ordinary shareholders	12	33	59	–	–	5
Non-controlling interest – preference shareholders	143	131	266	–	–	–
Headline earnings	2 772	2 153	4 900	546	580	1 202
Selected ratios						
Average interest earning banking assets (Rm)	510 398	488 054	495 930	156 901	156 588	156 864
ROA (%)	0,92	0,75	0,82	0,5	0,6	0,6
ROE (%)	12,2	10,7	11,8	21,0	23,7	23,5
Interest margin (%)**	3,43	3,34	3,35	0,72	0,73	0,77
Non-interest revenue to gross income (%)	45,1	43,2	44,3	64,2	64,6	65,3
Non-interest revenue to total expenses (%)	80,8	78,2	79,6	130,0	139,4	145,0
Credit loss ratio banking advances (%)	1,21	1,46	1,36	0,86	0,80	1,27
Efficiency ratio (%)	55,9	55,3	55,7	49,3	46,3	45,1
Efficiency ratio (excluding BEE) (%)	55,6	54,9	55,2	48,9	45,3	43,5
Effective taxation rate (%)	25,7	19,9	20,7	5,4	15,2	10,4
Contribution to group economic profit/(loss) (Rm)	146	(352)	(289)	208	234	477
Number of employees	28 210	26 924	27 525	724	705	699

The results for the segmental reporting for the period ended 30 June 2010 have been restated with the combining of the Imperial Bank Limited business with the following segments – Motor Finance Corporation and IBL Supplier Asset Finance with Nedbank Retail and IBL Property Finance with Nedbank Corporate. The restatement has no effect of the group results and ratios, and only changes segment results and ratios.

* Total equity includes non-controlling interest attributable to ordinary shareholders and preference shareholders. The cluster allocated capital is reported as a year to date average within the operational segmental report. Cluster economical capital allocated as at 30 June 2011 and 31 December 2010 are reported on page 89b within the risk and balance sheet review respectively.

** Cluster margins include internal assets.

Nedbank Corporate			Nedbank Retail and Business Banking			Nedbank Retail		
June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
1 899	1 707	1 868	1 320	1 204	1 494	1 320	1 204	1 494
1 226	1 145	1 357		(3)	(1)		(3)	(1)
(62)	16	(65)						
5 096	4 549	4 314						
154 690	151 014	157 703	239 737	235 535	238 099	179 994	183 496	187 334
5 942	4 595	5 097	5 247	5 466	5 263	4 440	4 616	4 567
			25 190	24 248	28 364			
168 791	163 026	170 274	271 494	266 450	273 219	185 754	189 313	193 394
6 553	7 615	7 603	20 683	19 156	19 683	16 878	16 112	16 560
17	41	20		2			2	
142 236	126 139	131 194	166 388	161 108	162 973	85 656	88 074	87 204
4 237	3 106	3 570	4 196	3 407	3 357	2 993	2 348	2 424
15 745	26 123	27 885	78 597	80 862	85 446	78 597	80 862	85 446
3	2	2	1 630	1 915	1 760	1 630	1 915	1 760
168 791	163 026	170 274	271 494	266 450	273 219	185 754	189 313	193 394
1 754	1 559	3 306	6 053	5 574	11 611	4 679	4 381	9 181
266	227	307	2 200	2 829	5 320	2 081	2 748	5 110
1 488	1 332	2 999	3 853	2 745	6 291	2 598	1 633	4 071
867	712	1 566	4 116	3 486	7 353	3 412	2 844	6 011
2 355	2 044	4 565	7 969	6 231	13 644	6 010	4 477	10 082
1 258	1 212	2 496	5 984	5 312	11 110	4 696	4 202	8 770
1 243	1 199	2 455	5 975	5 302	11 090	4 690	4 196	8 761
15	13	41	9	10	20	6	6	9
21	17	41	107	113	232	95	103	210
1 076	815	2 028	1 878	806	2 302	1 219	172	1 102
		1						
1 076	815	2 029	1 878	806	2 302	1 219	172	1 102
285	179	504	583	234	717	380	39	342
791	636	1 525	1 295	572	1 585	839	133	760
12	8	29	13			13		
779	628	1 496	1 282	572	1 585	826	133	760
163 647	154 906	158 943	264 020	261 223	264 010	180 198	181 703	183 756
0,9	0,8	0,9	1,0	0,4	0,6	0,9	0,1	0,4
24,0	16,6	19,7	12,5	6,0	8,1	9,9	1,7	4,6
2,16	2,03	2,08	4,62	4,30	4,40	5,24	4,86	5,00
33,1	31,3	32,1	40,5	38,5	38,8	42,2	39,4	39,6
68,9	58,7	62,8	68,8	65,6	66,2	72,7	67,7	68,5
0,34	0,31	0,20	1,79	2,37	2,18	2,24	2,93	2,67
48,0	53,4	51,2	58,8	58,6	58,6	58,0	58,2	57,7
47,4	52,8	50,4	58,8	58,5	58,5	58,0	58,1	57,7
26,5	22,0	24,8	31,0	29,0	31,2	31,2	22,4	31,0
357	94	421	(51)	(773)	(1 201)	(262)	(998)	(1 583)
3 627	3 741	3 611	18 322	17 246	17 863	15 913	15 022	15 473

OPERATIONAL SEGMENTAL REPORTING continued

for the period ended

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Rm)

	Nedbank Business Banking			Nedbank Wealth		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
ASSETS						
Cash and cash equivalents				400	510	327
Other short-term securities				3 121	4 193	4 200
Derivative financial instruments				1	24	
Government and other securities						
Advances and other accounts	59 743	52 039	50 765	17 816	17 378	16 869
Other assets	807	850	696	13 307	12 159	12 524
Intergroup assets	25 190	24 248	28 364			
Total assets	85 740	77 137	79 825	34 645	34 264	33 920
EQUITY AND LIABILITIES						
Total equity*	3 805	3 044	3 123	1 540	1 431	1 445
Derivative financial instruments						
Amounts owed to depositors	80 732	73 034	75 769	11 029	12 260	11 356
Other liabilities	1 203	1 059	933	10 473	9 416	9 794
Intergroup liabilities				11 603	11 157	11 325
Long-term debt instruments						
Total equity and liabilities	85 740	77 137	79 825	34 645	34 264	33 920

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Rm)

Net interest income	1 374	1 193	2 430	206	192	405
Impairment charge on loans and advances	119	81	210	36	21	25
Income from lending activities	1 255	1 112	2 220	170	171	380
Non-interest revenue	704	642	1 342	1 066	905	1 958
Operating income	1 959	1 754	3 562	1 236	1 076	2 338
Total expenses	1 288	1 110	2 340	820	713	1 471
Operating expenses	1 285	1 106	2 329	819	712	1 469
BEE transaction expenses	3	4	11	1	1	2
Indirect taxation	12	10	22	32	25	53
Profit/(Loss) from operations	659	634	1 200	384	338	814
Share of profits of associates and joint ventures						
Profit/(Loss) before direct taxation	659	634	1 200	384	338	814
Direct taxation	203	195	375	110	103	222
Profit/(Loss) after taxation	456	439	825	274	235	592
Profit attributable to:						
Non-controlling interest – ordinary shareholders						
Non-controlling interest – preference shareholders						
Headline earnings	456	439	825	274	235	592
Selected ratios						
Average interest earning banking assets (Rm)	83 822	79 520	80 254	21 702	21 608	21 471
ROA (%)	1,1	1,1	1,0	1,6	1,4	1,7
ROE (%)	24,2	29,1	26,4	35,8	33,0	41,0
Interest margin (%)**	3,31	3,03	3,03	1,91	1,79	1,89
Non-interest revenue to gross income (%)	33,9	35,0	35,6	83,8	82,5	82,9
Non-interest revenue to total expenses (%)	54,7	57,8	57,4	129,9	127,0	133,1
Credit loss ratio banking advances (%)	0,40	0,32	0,40	0,41	0,24	0,15
Efficiency ratio (%)	62,0	60,5	62,0	64,5	65,0	62,2
Efficiency ratio (excluding BEE) (%)	61,8	60,3	61,7	64,4	64,8	62,2
Effective taxation rate (%)	30,8	30,8	31,3	28,8	30,6	27,3
Contribution to group economic profit/(loss) (Rm)	211	225	382	174	134	388
Number of employees	2 409	2 224	2 390	1 936	1 802	1 896

The results for the segmental reporting for the period ended 30 June 2010 have been restated with the combining of the Imperial Bank Limited business with the following segments – Motor Finance Corporation and IBL Supplier Asset Finance with Nedbank Retail and IBL Property Finance with Nedbank Corporate. The restatement has no effect of the group results and ratios, and only changes segment results and ratios.

* Total equity includes non-controlling interest attributable to ordinary shareholders and preference shareholders. The cluster allocated capital is reported as a year to date average within the operational segmental report. Cluster economical capital allocated as at 30 June 2011 and 31 December 2010 are reported on page 89b within the risk and balance sheet review respectively.

** Cluster margins include internal assets.

	Shared Services			Central Management			Eliminations		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
	188	143	154	15 066	13 718	13 170			
				241	2 648	696			
				149	149	157			
				16 621	20 646	15 427			
	(7)	129	(6)	(776)	(392)	280			
	7 071	6 327	6 643	3 834	3 388	3 845			
				5 846	583	3 747	(110 040)	(125 176)	(127 997)
	7 252	6 599	6 791	40 981	40 740	37 322	(110 040)	(125 176)	(127 997)
	1 499	1 237	1 362	14 215	11 207	12 605			
				13	39	26			
	390	353	370	(104)	184	346			
	1 262	1 948	1 718	985	1 427	669			
	4 101	3 061	3 341	(6)	3 973		(110 040)	(125 176)	(127 997)
				25 878	23 910	23 676			
	7 252	6 599	6 791	40 981	40 740	37 322	(110 040)	(125 176)	(127 997)
	(124)	(54)	(156)	237	242	241			
			1	103	1				
	(124)	(54)	(157)	134	241	241			
	198	205	401	(86)	(149)	(246)	(20)	(39)	(81)
	74	151	244	48	92	(5)	(20)	(39)	(81)
	49	(25)	113	(21)	(46)	(72)	(20)	(39)	(81)
	30	(48)	73	(20)	(42)	(62)	(20)	(39)	(81)
	19	23	40	(1)	(4)	(10)			
	66	61	94	3	2	4			
	(41)	115	37	66	136	63			
	(41)	115	37	66	136	63			
	(21)	(80)	(218)	25	37	2			
	(20)	195	255	41	99	61			
					25	25			
				130	131	266			
	(20)	195	255	(89)	(57)	(230)	-	-	-
	2	129	117	25 341	22 603	22 759	(121 215)	(129 003)	(128 234)
	(116)	108	255	(426)	(149)	(629)			
	3 513	3 363	3 381	88	67	75			

GEOGRAPHICAL SEGMENTAL REPORTING

for the period ended

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Rm)

	Nedbank Group			South Africa*		
	30 June 2011	30 June 2010	31 Dec 2010	30 June 2011	30 June 2010	31 Dec 2010
ASSETS						
Cash and cash equivalents	23 397	19 341	19 745	19 227	16 413	16 488
Other short-term securities	29 125	21 080	27 044	23 740	15 202	20 488
Derivative financial instruments	8 284	12 776	13 882	7 971	12 549	13 349
Government and other securities	36 056	40 294	31 824	33 721	38 081	29 532
Loans and advances	471 918	461 303	475 273	448 698	438 079	453 187
Other assets	41 095	36 053	40 950	37 868	32 614	37 848
Intergroup assets				(7 548)	(7 974)	(6 676)
Total assets	609 875	590 847	608 718	563 677	544 964	564 216
Total equity	49 728	45 572	47 814	43 894	39 972	42 350
Derivative financial instruments	8 894	10 903	12 052	8 575	10 588	11 506
Amounts owed to depositors	493 974	480 418	490 440	466 317	451 398	462 379
Provisions and other liabilities	29 089	27 360	32 308	28 167	26 488	31 469
Intergroup liabilities				(11 463)	(10 074)	(9 590)
Long-term debt instruments	28 190	26 594	26 104	28 187	26 592	26 102
Total liabilities	609 875	590 847	608 718	563 677	544 964	564 216

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Rm)

	Nedbank Group			South Africa*		
	30 June 2011	30 June 2010	31 Dec 2010	30 June 2011	30 June 2010	31 Dec 2010
Net interest income	8 683	8 082	16 608	8 246	7 672	15 702
Impairment charge on loans and advances	2 792	3 244	6 188	2 782	3 229	6 372
Income from lending activities	5 891	4 838	10 420	5 464	4 443	9 330
Non-interest revenue	7 139	6 158	13 215	6 631	5 674	12 248
Operating income	13 030	10 996	23 635	12 095	10 117	21 578
Operating expenses	8 788	7 812	16 450	8 212	7 266	15 354
BEE transaction expenses	50	60	148	47	58	145
Indirect taxation	252	230	447	244	224	431
Profit from operations	3 940	2 894	6 590	3 592	2 569	5 648
Share of profits of associates and joint ventures			1			
Profit before direct taxation	3 940	2 894	6 591	3 592	2 569	5 648
Direct taxation	1 013	577	1 366	930	496	1 191
Profit after taxation	2 927	2 317	5 225	2 662	2 073	4 457
Profit attributable to:						
Non-controlling interest – ordinary shareholders	12	33	59		25	29
Non-controlling interest – preference shareholders	143	131	266	143	131	266
Headline earnings	2 772	2 153	4 900	2 519	1 917	4 162

* Includes all group eliminations.

	Rest of Africa			Rest of world		
	30 June 2011	30 June 2010	31 Dec 2010	30 June 2011	30 June 2010	31 Dec 2010
	1 445	1 315	1 285	2 725	1 613	1 972
	1 226	1 145	1 357	4 159	4 733	5 199
	18	16	28	295	211	505
	48	20	50	2 287	2 193	2 242
	9 002	8 272	8 843	14 218	14 952	13 243
	850	757	771	2 377	2 682	2 331
	1 704	2 369	2 266	5 844	5 605	4 410
	14 293	13 894	14 600	31 905	31 989	29 902
	1 774	1 586	1 665	4 060	4 014	3 799
	17	9	20	302	306	526
	10 811	11 033	11 419	16 846	17 987	16 642
	696	594	521	226	278	318
	992	670	973	10 471	9 404	8 617
	3	2	2			
	14 293	13 894	14 600	31 905	31 989	29 902

	Rest of Africa			Rest of world		
	30 June 2011	30 June 2010	31 Dec 2010	30 June 2011	30 June 2010	31 Dec 2010
	291	274	606	146	136	300
	12	21	33	(2)	(6)	(217)
	279	253	573	148	142	517
	224	228	461	284	256	506
	503	481	1 034	432	398	1 023
	348	326	654	228	220	442
	3	2	3			
	6	4	12	2	2	4
	146	149	365	202	176	577
			1			
	146	149	366	202	176	577
	39	43	104	44	38	71
	107	106	262	158	138	506
	12	8	30			
	95	98	232	158	138	506

SEGMENTAL COMMENTARY

NEDBANK GROUP – INTERIM RESULTS 2011

NEDBANK GROUP LIMITED

Segmental financial results for the six months ended to 30 June 2011.

Cluster performance	Rm – six months ended	% change	Headline earnings		ROE %	
			June 2011	June 2010	June 2011	June 2010
Nedbank Capital	(5,9)	546	580	21,0	23,7	
Nedbank Corporate	24,0	779	628	24,0	16,6	
Nedbank Retail	>100,0	826	133	9,9	1,7	
Nedbank Business						
Banking	3,9	456	439	24,2	29,1	
Nedbank Wealth	16,6	274	235	35,8	33,0	
Operating units	43,0	2 881	2 015	17,1	12,3	
Centre		(109)	138			
Group	28,8	2 772	2 153	12,2	10,7	

NEDBANK CAPITAL

Nedbank Capital achieved a return on equity (ROE) of 21,0% (June 2010: 23,7%), headline earnings decreased by 5,9% to R546 million (June 2010: R580 million) and produced economic profit (EP) of R208 million was generated. The decrease in EP is the result of the reduction in headline earnings and 6,3% additional economic capital utilised in the six months to 30 June 2011 ('the period').

Investment Banking made good progress in developing its pipeline of credit extension, although low levels of corporate activity resulted in slow credit utilisation. This, together with high levels of loan repayment contributed to annualised growth in average banking advances of 9,2%. Net interest income (NII) decreased to R557 million, impacted by lower advances and negative endowment. Margins decreased to 0,72%.

Trading activities grew by 4,3% to R823 million for the period (June 2010: R789 million), partially offset by a decrease in advisory and other activity. As a result non-interest revenue (NIR) decreased by 3,9% to R998 million and the NIR-to-expense ratio to 130,0%.

The credit loss ratio of 0,86% remained at levels similar to those in the comparative period in 2010, as a conservative valuation of private-equity investments was maintained.

Expenses remain tightly managed with a below-inflation-level increase of 3,1% to R768 million (June 2010: R745 million). The efficiency ratio at 49,3% (June 2010: 46,3%) was predominantly impacted by pressure on income generation.

Nedbank Capital will continue to focus on growing its franchise and revenues. Highlights during the period included underwriting the world's first carbon project for Reducing Emissions from Deforestation and Forest Degradation (REDD). An award was received from Global Trade Review in the Best Deals of 2010 category at the Transport Africa Awards. Nedbank Capital also received the Best Financial Support in the Transport Industry

award. Nedbank Capital was also placed joint first by Dealmakers in the General Corporate Finance Investment Advisers by Flow category in the first quarter of 2011 and second in Bloomberg's Overall Corporate Bond Flow category for the first half of 2011.

The operating environment is expected to be challenging, with continued margin compression in franchise businesses such as equities and forex and limited volatility in the interest rate environment.

However, the outlook for infrastructure and renewable energy projects is good and we are well positioned to take advantage of this with our sector focused teams.

NEDBANK CORPORATE

Headline earnings for the cluster increased by 24,0% to R779 million (June 2010: R628 million). ROE improved to 24,0% (June 2010: 16,6%) and EP grew to R357 million (June 2010: R94 million).

Margins widened to 2,16% (2010: 2,03%) despite subdued advances growth. Core NIR growth of 4,2% was boosted by an increase of 24 new primary clients and higher electronic banking revenues of 14,7%. Total NIR growth of 21,7% included positive returns on the property investing business as well as positive fair value adjustments. Management remains focused on further enhancements to transactional banking offerings, entrenching strong client relationships and advancing the skills and experience of the cluster's teams.

Expenses increased moderately by 3,8% while investing in product innovation and volume growth. The ratio of NIR-to-expenses improved to 68,9% (June 2010: 58,7%). The efficiency ratio across the cluster improved to 48,0% (June 2010: 53,4%).

Corporate Banking achieved headline earnings growth of 16,1% to R389 million at a ROE of 26,7%. Property Finance grew assets by 6,4% and reported headline earnings of R319 million, up 56,4% with an ROE of 24,7%. Nedbank Africa achieved headline earnings of R37 million and ROE of 8,4%, reflecting the impact of the global economic slowdown and country-specific circumstances.

The credit loss ratio of 0,34% remains within the cluster's through-the-cycle range (June 2010: 0,31%). Corporate Banking's ratio increased to 0,22% from a low base as a result of net recoveries occurring in the comparative period (June 2010: 0,03%). Nedbank Africa ratio was 0,28% (June 2010: 0,57%) and that of Property Finance, 0,47% (June 2010: 0,54%).

We anticipate that the economic recovery will still be protracted, further impacting the slow advances growth that unfolded in the first half of the year. Nonetheless we still see selective opportunities for growth on advances with continued focus on gaining primary banked clients.

NEDBANK RETAIL AND BUSINESS BANKING

An excellent start has been made to the strategic repositioning of Nedbank Retail to provide distinctive client-centred banking experiences for all in South Africa, underpinned by worldclass risk

management. Business Banking is working closely with Retail to leverage the strong market position and banking relationships it has with businesses to provide enhanced banking solutions for the benefit of clients of both clusters.

Headline earnings in Nedbank Retail and Business Banking more than doubled to R1,3 billion for the period (June 2010: R572 million) in a muted economy yielding very little organic growth and clients managing their financial affairs judiciously (using surplus cash to deleverage). The main after-tax drivers of the headline earnings growth were a R435 million increase in NIR through growth in primary clients, cross-sell and fee collection, earnings of R251 million as a result of improved margins and a R434 million reduction in impairments, offset by a further R216 million lower endowment earnings and a R52 million investment in optimising the distribution footprint.

Good progress on cross-cutting strategic initiatives between the clusters delivered an enhanced client experience, further strengthened risk management and unlocked operating efficiencies, with specific focus on:

- aligning frontline teams to optimise cross-referrals and footprint;
- identifying 30 priority area growth nodes for distribution expansion;
- integrating the card acquiring sales force more closely with Business Banking;
- streamlining systems, like the integration of MFC's differentiated front end system with Business Banking's newly developed motor finance platform; and
- leveraging Business Banking's client centred risk management and pricing systems into Retail Relationship Banking.

The Imperial Bank integration was implemented effectively, maintaining business momentum and a retail motor market share in excess of 30,0% improved returns. To date 48,0% of the R94 million integration costs has been incurred and asset impairments of R54 million have been booked to unlock 32,0% of the R158 million cost synergy benefits.

Headcount continues to be stringently managed, with an emphasis on increasing frontline employees, strengthening the retail risk line capabilities, refining role accountabilities and creating career opportunities to strengthen the collaborative culture, which is a competitive differentiator.

Over 7 900 clients, including certain clients in Imperial Bank, were moved to areas in the clusters where they can be best served. The individual cluster results are impacted by this, with a net benefit to Business Banking of about R50 million in headline earnings, R9,3 billion in advances and R2,5 billion in liabilities. Over the past five years approximately 60 clients representing R1 billion in advances and R35 million in headline earnings have transitioned from Business Banking to Corporate Banking, enhancing client retention and revenue growth.

NEDBANK BUSINESS BANKING

Nedbank Business Banking delivered attractive returns on equity for the seventh successive year, with an ROE of 24,2% (June 2010: 29,1%) and headline earnings of R456 million (June 2010: R439 million). EP for the period was R211 million (June 2010: R225 million).

NIR growth of 9,6% (June 2010: 12,4%) was achieved through continued growth in client numbers with the acquisition of approximately 625 net new primary clients since June 2010, cross-sell of transactional products and further enhancements to the fee collection processes. Revenue generation remains challenging, with about 35,0% of clients generating less NIR due to lower transactional volumes and a decrease in excess and commitment fees as clients manage their cashflows more proactively.

Excluding the impact of client migrations between clusters, organic advances growth remains muted at -0,6%, in line with slow growth in the banking market and the strategy of selective advances growth linked to attracting primary clients and maintaining asset margin pricing gains. New asset pay-outs of R6,1 billion for the period are at similar levels to those of last year, while liabilities grew 1,8%.

The margin improvement to 3,31% (June 2010: 3,03%) is pleasing as gains in client-centred, risk-based pricing were maintained and the cost of funding eased, more than offsetting the R101 million lower endowment earnings.

The credit loss ratio at 0,40% (June 2010: 0,32%) remains well below the through-the-cycle target range of 0,55% – 0,75%, reflecting the effective risk management practices within the cluster, although the defaulted portfolio remains elevated at 5,8% of advances. Overall, income-statement specific-impairments remain relatively stable at R128 million (June 2010: R127 million) on a R60,5 billion average advances portfolio.

Business Banking is investing for growth and building capacity through the talent academy and expansion of the sales force after having carefully managed costs for several years in an environment with significantly lower endowment earnings following a 6,5% reduction in interest rates. In the short term and in the current slow growth environment revenue growth lags the investment cost. Total expenses grew at 16,0% but, excluding the investment for growth and the additional staff costs related to absorbing Imperial Bank Supplier Asset Finance and Professional Assets, core expenses grew at 9,7%.

Business Banking is well placed to benefit from an economic recovery, with a 1,0% increase in interest rates, translating into an increase in headline earnings and EP of approximately R110 million and an approximately 2,9% higher ROE, and from a high-quality advances portfolio. With client and employee satisfaction metrics at six-year highs, the business is outwardly focused to service clients through the decentralised, accountable business model

SEGMENTAL COMMENTARY continued

and client service team approach, which remains a competitive differentiator.

NEDBANK RETAIL

The turnaround of Nedbank Retail is well on track and gaining momentum. A strong leadership team has been formed to implement the distinctive client-centred growth strategy in a phased approach, building a strong foundation for sustainable earnings growth, having addressed the secured-lending impairment challenges of the back book.

Headline earnings increased significantly to R826 million for the period (June 2010: R133 million) and ROE grew from 1,7% to 9,9%, with improved performance and financial returns in all of the underlying businesses, driven by a large number of management actions to support the Retail strategic intent. The economic loss decreased by R736 million to R262 million (June 2010: R998 million).

The results reflect a pre-tax financial increase of R298 million in NII (margin benefits of 38 basis points) due to continued asset re-pricing and a change in balance sheet mix, R667 million lower impairments (down 24,3% on June 2010) and R568 million growth in NIR of 20,0%, offsetting the reduction in endowment income of R210 million.

Secured Lending achieved an increase in headline earnings of R455 million to R254 million at an ROE of 5,1% (June 2010: -4,8%) on R10,1 billion of allocated capital. Card and Consumer Banking delivered headline earnings of R288 million at an ROE of 32,3% and R272 million at an ROE of 16,8% respectively. Retail Relationship Banking showed improved performance as reflected by a modest profit of R8 million on R1,7 billion of allocated capital.

Two specific client value propositions, Nedbank Savvy and Nedbank Ke Yona, have enhanced Nedbank's positioning for the middle market and entry-level banking segments respectively, with new client growth and sales up markedly over the prior year. In addition, extended branch banking hours and investment in staff resulted in 94 000 net new primary clients year on year and a 14,6% increase in the overall client base to five million, aided by the acquisition of Imperial Bank. The Vodacom m-pesa mobile phone offering continues to build momentum, with client registrations more than doubling to 177 000 since February 2011.

The strong growth in NIR was largely from a combination of increased volumes in unsecured lending giving R197 million, increased volume and quality of transactional clients contributing R70 million, annual transactional price increases of approximately 6,2% with pricing held at levels similar to those of 2005 adding R162 million and fair value gains and accounting changes amounting to R113 million.

Expenses grew by 11,8% and excluding distribution expansion and higher legacy Imperial Bank profitability, core expenses grew by 9,3%. Since December 2010 operating cost efficiencies of R140 million were delivered while investing R31 million in

growing distribution (additional 479 front line sales staff, 116 outlets and 420 ATM's), including increasing branch presence to 53,0% for Retail Relationship Banking from 38,0% a year ago.

Impairments declined to R2,1 billion from R2,7 billion reflecting the benefit of the continued strong focus on collections and client rehabilitations. The credit loss ratio improved to 2,24% (June 2010: 2,93%), encouragingly just above the upper end of the through-the-cycle target range. This was as a result of an improved arrears status from better asset quality due to selective advances growth, higher EP pool products, as well as continued post-write-off recoveries. The Retail balance sheet impairment ratio of 4,2% includes additional provisioning of R203 million on the defaulted book due to the inclusion of legal and other costs in the loss given default LGD calculation, as well as a further strengthening of portfolio impairments by R233 million mainly in relation to restructured loans.

Retail's home loans defaulted portfolio continued to improve to 9,8% of home loan advances (June 2010: 12,4% and December 2010: 10,5%) and is now at R10,8 billion (2010: R12,2 billion) while coverage ratios improved to 26,4% (2010: 23,0%), providing protection in respect of the challenge of rehabilitating defaulted advances in a property market showing negative growth in real terms and continued high levels of consumer indebtedness. The following management actions contributed to this improved position:

- Cumulatively restructuring R5,6 billion of loans while retaining a balance sheet impairment ratio of 8,0%.
- Actively ensuring the honouring of debt counselling commitments, causing a 15,0% reduction in the portfolio to R3,0 billion since December 2010.
- Increasing security realisation through the voluntary sales process, Nedbank Assisted Sales, now at 38,0% of distressed disposals (R37 million benefit).
- Enhancing collection processes by means of a 21,0% higher collections headcount, 5% improved collections productivity (97% penetration of accounts in collections in 2011 vs 92,0% in 2010) and the 'Now or neva' initiative that improved non-performing loans by R2,1 billion through enabling clients with defaulted exposures to rehabilitate through restructure or Nedbank Assisted Sales.

Since July 2009 Nedbank has kept over 10 700 households in their homes through effective rehabilitations and nurturing clients towards improved financial fitness.

This home loan portfolio continues to be impacted by the effects of 2007 and 2008 vintages, which could influence over 50% of future impairments and, together with the mis-pricing of risk, will continue negatively to impact headline earnings on the R4,6 billion of allocated capital over the next few years. The strategy of selective advances origination is appropriate as home loans utilise a disproportionate share of long-term liquidity and capital relative to the marginal contribution to EP, whilst carrying

significant downside risk potential to earnings in stressed economic scenarios. With the tightening of loan-to-value ratios to 85% for new registrations and better credit risk profiles at improved average client pricing above prime, the front-book should be able to deliver a marginally positive EP based on matched maturity funds transfer pricing and an allocated economic capital level of approximately 5,0%.

Average advances of R180,1 billion (June 2010: R181,7 billion) included the client moves between clusters and strategic rebalancing of the portfolio. On a comparable basis advances increased by 3,6%, driven mainly by the unsecured lending and MFC businesses.

Overall deposits of R84 billion, after taking client moves into consideration, grew moderately by 1,0%, maintaining Nedbank's position of having the second largest market share in household deposits. In March this year, Nedbank launched its 'retail savings bond', which has been well received by clients and attracted over R2 billion of competitively priced new term deposits.

The outlook for Nedbank Retail is positive. While the strategy to re-build the client franchise in Nedbank Retail is a longer-term objective, the intention is to deliver growth and a shareholder return above the cost of capital in three to four years, based on the current economic outlook.

NEDBANK WEALTH

Despite the continued low interest rate environment NII increased by 7,4%. The credit loss ratio deteriorated from 0,24% to 0,41%, as a result of increased specific impairments in Wealth Management, but still remains within the target range. Continued

growth in insurance and asset management supported the strong NIR growth of 17,8%. Increased acquisition costs and investment in key skills and systems resulted in expense growth of 15,1%.

Overall Wealth Management achieved earnings growth of 10,5%. This was as a result of high NIR and NII in Fairbairn Private Bank and fiduciary business internationally. Lower fiduciary and stockbroking activity, subdued investment appetite and an increase in impairments impacted local wealth management earnings.

Improved collaboration within the broader Nedbank Group supported financial planner productivity. This increased productivity as well as a decrease in client lapses resulted in advice-based sales increasing by 20,7%.

Asset Management grew assets under management by 18,6% on June 2010 to R106 billion on the back of good fund performance and strong inflows. Internationally the best-of-breed strategy is gaining momentum, with a significant increase in net flows.

Insurance delivered strong earnings growth of 26,7% with the value of new business growing 13,4% and the annual premium equivalent growing 12,6%. Earnings growth in the life business was supported by good growth in personal loans and vehicle asset finance. Short-term insurance earnings were impacted by new business strain, investment in key skills as well as Nedbank's conservative approach to home loans. Gross written premiums increased by 6,2% to R455 million.

Prospects for Nedbank Wealth remain positive across the divisions of wealth management, asset management and insurance.

RESTATEMENTS

for the period ended

The comparative results for the operations segment reporting for the period ended 30 June 2010 has been restated as a result of the integration of Imperial Bank Limited within various operating segments. The restatement has no effect of the group results and ratios, and only changes segment cluster results and ratios.

Effects of the changes are as follows:

	Headline earnings (Rm)		
	Movement on June 2010 SENS	June 2010 (June 2011 SENS)	June 2010 (June 2010 SENS)
Nedbank Capital	2	580	578
Nedbank Corporate	5	628	623
Nedbank Business Banking	2	439	437
Nedbank Retail	248	133	(115)
Nedbank Wealth	2	235	233
Imperial Bank	(185)		185
Shared Services	(19)	195	214
Central Management	(55)	(57)	(2)
Total group	–	2 153	2 153

	Operating income (Rm)		
	Movement on June 2010 SENS	June 2010 (June 2011 SENS)	June 2010 (June 2010 SENS)
Nedbank Capital	3	1 441	1 438
Nedbank Corporate	41	2 044	2 003
Nedbank Business Banking	3	1 754	1 751
Nedbank Retail	620	4 477	3 857
Nedbank Wealth	2	1 076	1 074
Imperial Bank	(618)		618
Shared Services	2	151	149
Central Management	(53)	92	145
Eliminations		(39)	(39)
Total group	–	10 996	10 996

	Total assets (Rm)		
	Movement on June 2010 SENS	June 2010 (June 2011 SENS)	June 2010 (June 2010 SENS)
Nedbank Capital		204 944	204 944
Nedbank Corporate	9 016	163 026	154 010
Nedbank Business Banking		77 137	77 137
Nedbank Retail	44 194	189 313	145 119
Nedbank Wealth		34 264	34 264
Imperial Bank	(57 777)		57 777
Shared Services	246	6 599	6 353
Central Management	3 177	40 740	37 563
Eliminations	1 144	(125 176)	(126 320)
Total group	–	590 847	590 847

NEDBANK CORPORATE SEGMENTAL REPORT

for the period ended

	Total			Corporate Banking		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Headline earnings (Rm)	779	628	1 496	389	335	826
ROE (%)	24,0	16,6	19,7	26,7	22,9	27,6
ROA (%)	0,9	0,8	0,9	0,5	0,5	0,6
Credit loss ratio (%)	0,34	0,31	0,20	0,22	0,03	(0,17)
Non-interest revenue to total expenses (%)	68,9	58,7	62,8	64,7	64,5	65,6
Efficiency ratio (%)	48,0	53,4	51,2	48,3	54,9	52,5
Interest margin (%)	2,16	2,03	2,08	1,02	0,91	0,93
Impairment charge on loans and advances (Rm)	266	227	307	74	11	(119)
Total assets (Rm)	168 791	163 026	170 274	164 140	148 302	151 274
Average total assets (Rm)	168 511	159 976	163 860	152 621	135 980	141 969
Total advances (Rm)	154 690	151 014	157 703	66 686	67 791	69 486
Average total advances (Rm)	155 000	147 935	151 433	68 584	68 013	68 812
Total deposits (Rm)	142 236	126 139	131 194	128 062	113 165	117 604
Average total deposits (Rm)	134 181	118 858	124 077	119 278	105 648	110 467
Allocated capital (Rm)	6 553	7 615	7 603	2 935	2 955	2 998

* Includes Centralised Credit, Risk, HR, Finance, Shared Services, Transactional Banking and eliminations.

NEDBANK BUSINESS BANKING SEGMENTAL REPORT

for the period ended

	June 2011	June 2010	December 2010
Headline earnings (Rm)	456	439	825
ROE (%)	24,2	29,1	26,4
ROA (%)	1,1	1,1	1,0
Credit loss ratio banking advances (%)	0,40	0,32	0,40
Non-interest revenue to total expenses	54,7	57,8	57,4
Efficiency ratio (%)	62	60,5	62
Interest margin (%)	3,31	3,03	3,03
Impairment charge on loans and advances (Rm)	119	81	210
Total assets (Rm)	85 740	77 137	79 825
Average total assets (Rm)	83 896	79 651	80 375
Total advances (Rm)	59 743	52 039	50 765
Average total advances (Rm)	58 888	50 404	51 179
Total deposits (Rm)	80 732	73 034	75 769
Average total deposits (Rm)	79 000	75 632	76 218
Allocated capital (Rm)	3 805	3 044	3 123

	Property Finance			Africa			Other*		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
	319	204	501	37	48	139	34	41	30
	24,7	11,4	14,1	8,4	10,2	14,6			
	0,7	0,5	0,6	0,6	0,8	1,1			
	0,47	0,54	0,53	0,28	0,57	0,42			
	71,1	21,8	41,1	56,3	59,8	61,2			
	29,8	39,9	35,6	81,7	77,8	72,2			
	1,58	1,75	1,72	4,45	4,70	4,90			
	180	195	393	12	21	33			
	96 035	85 597	96 939	13 392	13 234	13 869	(104 776)	(84 107)	(91 808)
	93 956	82 718	85 663	13 446	12 520	13 024	(91 512)	(71 242)	(76 796)
	78 123	74 218	77 481	8 935	8 205	8 777	946	800	1 959
	76 601	71 985	73 881	8 656	7 372	7 943	1 159	565	797
	308	358	325	10 811	11 033	11 419	3 055	1 583	1 846
	400	325	319	11 444	10 668	11 152	3 059	2 217	2 139
	2 610	3 609	3 549	885	949	950	123	102	106

NEDBANK RETAIL SEGMENTAL REPORT

for the period ended

	Total			Relationship Banking			Small Business Services		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Headline earnings (Rm)	826	133	760	8	(68)	(88)	(6)	(74)	(87)
ROE (%)	9,9	1,7	4,6	1,0	(10,3)	(6,3)	(1,2)	(16,3)	(9,2)
ROA (%)	0,9	0,1	0,4	0,1	(0,5)	(0,3)	(0,1)	(0,9)	(0,5)
Credit loss ratio (%)	2,24	2,93	2,67	1,38	2,78	2,60	2,29	4,88	4,30
Non-interest revenue to total expenses (%)	72,7	67,7	68,5	49,1	52,5	53,4	53,3	58,2	59,2
Efficiency ratio (%)	58,0	58,2	57,7	81,9	73,7	72,6	83,3	72,1	71,2
Interest margin (%)	5,24	4,86	5,00	3,74	4,04	4,02	4,26	4,89	4,82
Impairment charge on loans and advances (Rm)	2 081	2 748	5 110	171	353	674	128	303	540
Total assets (Rm)	185 754	189 313	193 394	20 563	24 903	23 464	7 533	11 829	11 732
Average total assets (Rm)	185 700	187 267	189 386	24 036	24 750	25 035	10 525	11 884	11 867
Total advances (Rm)	179 994	183 496	187 334	20 524	24 851	25 417	7 508	11 800	11 846
Average total advances (Rm)	180 075	181 703	183 739	23 979	24 685	24 944	10 486	11 844	11 799
Total deposits (Rm)	85 656	88 074	87 204	27 163	27 510	28 050	15 478	16 550	17 475
Average total deposits (Rm)	84 403	84 990	85 558	27 052	26 367	26 689	16 693	15 908	16 333
Allocated capital (Rm)	16 878	16 112	16 560	1 657	1 335	1 390	1 007	918	952

	RBS			Secured Lending		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Headline earnings (Rm)	14	31	(7)	254	(201)	(297)
ROE (%)	67,2	163,6	(17,2)	5,1	(4,8)	(3,4)
ROA (%)	0,7	1,6	(0,1)	0,4	(0,3)	(0,2)
Credit loss ratio (%)	16,93	(0,95)	78,06	1,66	2,31	2,26
Non-interest revenue to total expenses (%)	4,5	(0,8)	(0,8)	42,2	29,6	30,6
Efficiency ratio (%)	212,7	259,7	165,2	35,0	36,3	36,1
Interest margin (%)	(5,09)	(5,76)	(4,00)	2,86	2,62	2,74
Impairment charge on loans and advances (Rm)				1 149	1 551	3 077
Total assets (Rm)	2 376	2 171	2 507	139 344	133 962	135 597
Average total assets (Rm)	2 260	2 087	2 151	136 385	132 550	133 473
Total advances (Rm)	16	(3)	(1)	137 826	132 265	134 025
Average total advances (Rm)	(3)	(1)	(1)	135 021	130 991	131 936
Total deposits (Rm)	131	119	89	194	907	453
Average total deposits (Rm)	103	98	96	277	1 046	838
Allocated capital (Rm)	44	39	41	10 132	8 446	8 776

* Includes Retail Central unit, Marketing, Risk, Shared Service and Divisional Management.

Private Bank			Consumer Banking			Personal loans			Personal Banking & CVM		
June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
14	6	(1)	272	216	590	234	161	495	24	24	102
4,3	3,1	(0,2)	16,8	14,0	17,0	20,7	14,9	20,6	5,0	5,3	10,0
0,2	0,1		0,7	0,6	0,8	3,2	2,9	4,1	0,1	0,1	0,2
0,63	0,77	1,00	8,11	8,99	7,61	8,23	8,98	7,58	6,76	9,03	7,87
38,7	38,9	39,5	72,3	67,1	67,5	83,8	70,4	74,0	64,7	60,2	62,0
78,7	77,8	76,0	66,9	67,6	67,1	34,0	37,5	35,8	95,6	94,0	92,4
3,03	2,95	2,97	4,47	4,23	4,35	13,79	15,01	15,39	2,49	2,50	2,51
43	50	134	593	505	929	554	449	831	39	56	98
13 030	13 074	11 732	16 583	13 211	15 476	13 256	10 146	12 004	951	894	965
13 511	12 866	13 168	16 137	12 600	13 562	12 739	9 511	10 368	1 138	1 002	1 043
13 016	13 051	13 571	13 845	10 755	12 342	13 060	9 934	11 545	769	824	798
13 493	12 841	13 145	13 469	10 228	11 101	12 523	9 277	10 146	949	952	956
11 685	10 960	10 575	57 447	58 748	57 910	7	5	3	57 309	58 624	57 818
10 359	10 459	10 356	56 213	56 655	57 154	72	50	56	56 038	56 507	57 002
650	417	438	3 269	3 133	3 463	2 280	2 182	2 400	945	912	1 022

Homeloans			Motor Finance Corporation			Card			Other*		
June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
(197)	(419)	(903)	451	218	606	288	205	561	4	(19)	(6)
(8,6)	(28,9)	(31,9)	16,5	8,0	10,2	32,3	19,1	25,0	25,6	(4,0)	(1,0)
(0,4)	(0,9)	(1,0)	1,8	0,9	1,3	6,0	4,3	6,0		0,1	
1,53	2,04	2,20	1,91	2,92	2,38	4,17	5,44	3,73	(19,01)	2,97	1,59
17,7	17,1	19,6	66,2	42,9	41,8	122,5	114,7	119,0	10,7	16,1	14,1
49,9	52,6	51,4	27,0	27,3	27,7	60,2	63,2	61,3		26,2	43,4
1,65	1,43	1,51	5,04	4,97	5,01	8,75	8,71	8,99	0,00	(0,40)	(0,34)
696	943	2 035	453	608	1 042	169	205	287	(1)	134	143
91 642	90 902	89 653	47 702	43 060	45 944	8 330	7 611	7 840	934	9 626	11 017
90 042	91 683	90 997	46 343	40 867	42 476	8 232	7 638	7 770	910	9 729	9 546
90 690	89 770	88 606	47 136	42 495	45 419	7 789	6 957	7 261	10	8 668	8 289
89 034	90 495	89 847	45 987	40 496	42 089	7 626	7 032	7 142	(20)	8 767	8 616
			194	907	453	852	902	785		7	6
	1	1	277	1 045	837	861	916	871		6	6
4 621	2 919	2 827	5 511	5 527	5 949	1 793	2 167	2 245	27	1 031	686

NEDBANK RETAIL – ADVANCES AND IMPAIRMENTS

for the period ended

ADVANCES

	Daily gross average advances (Rm)			Current %		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Homeloans	112 458	118 800	118 753	87,2	84,3	87,2
Motor Finance Corporation	50 687	48 928	50 297	90,5	90,8	91,0
Personal Loans	13 539	10 813	11 628	83,4	83,1	85,7
Card	8 148	7 552	7 630	90,3	89,6	90,3
Overdrafts	2 794	2 922	2 895	79,0	68,7	79,1
Total	187 626	189 015	191 203	87,8	85,9	88,1

BALANCE SHEET – IMPAIRMENTS

Impairment as a % of book

	Total impairments (Rm)			Current (%)		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Homeloans	3 554	3 762	3 375	0,41	0,06	0,30
Motor Finance Corporation	2 132	1 866	2 162	0,63	0,24	0,41
Personal Loans	1 098	828	916	0,12	0,12	0,11
Card	604	603	564	0,51	0,47	0,46
Overdrafts	508	549	555	0,67	0,57	0,83
Total	7 896	7 608	7 572	0,46	0,14	0,30

INCOME STATEMENT

	Total impairment charge (Rm)			Portfolio impairment (Rm)		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Homeloans	801	1 333	2 511	164	(19)	160
Motor Finance Corporation	482	656	1 245	34	(52)	231
Personal Loans	554	449	842	60	43	32
Card	169	205	287	11	2	
Overdrafts	75	105	225	1	1	(7)
Total	2 081	2 748	5 110	270	(25)	416

* Calculated using daily average advances.

	Impaired %			Default %			% of total		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
	2,7	3,3	2,3	10,1	12,4	10,5	59,3	62,4	60,8
	5,1	4,3	4,5	4,4	4,9	4,5	27,4	26,1	26,8
	5,6	6,2	4,7	11,0	10,7	9,6	7,6	5,9	6,8
	3,2	3,7	3,1	6,5	6,7	6,6	4,4	4,2	4,0
	1,9	7,6	1,6	19,1	23,7	19,3	1,3	1,4	1,6
	3,6	3,8	3,1	8,6	10,3	8,8	100,0	100,0	100,0

	Impaired (%)			Default (%)			% of total		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
	7,90	6,20	7,15	26,43	21,32	22,99	3,16	2,90	2,80
	13,53	4,80	18,75	67,13	70,60	64,81	4,16	4,69	4,16
	21,45	18,25	18,66	61,73	60,09	61,59	7,76	7,68	6,91
	13,69	12,35	12,80	100,62	105,81	97,35	7,22	8,00	7,20
	40,30	13,29	36,23	88,19	83,55	88,39	21,56	21,16	18,31
	12,15	7,40	13,30	40,18	34,05	36,14	4,19	3,35	3,76

	Specific impairment (Rm)			Write off recoveries (Rm)			Credit loss ratio* %		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
	672	1 382	2 403	(35)	(30)	(52)	1,44	2,26	2,10
	505	741	1 090	(57)	(33)	(76)	1,92	2,70	2,50
	590	486	981	(96)	(80)	(171)	8,25	8,37	7,20
	236	269	425	(78)	(66)	(138)	4,19	5,46	3,76
	89	114	251	(15)	(10)	(19)	5,19	7,31	7,70
	2 092	2 992	5 150	(281)	(219)	(456)	2,24	2,93	2,67

NEDBANK WEALTH – NEW BUSINESS PREMIUMS

for the period ended

Rm	% change	June 2011	June 2010	December 2010
Credit, Single Life & Simple Investment Products (Nedlife)	15,4	568,7	492,8	1 023,9
Short-term Insurance (Nedic & NGIB)	19,5	584,3	488,9	903,4
Advise Based Products (NFP)	20,7	4 285,3	3 551,8	7 868,7
Life	24,3	1 083,4	871,8	1 795,8
Non-Life	8,3	2 807,7	2 593,0	5 867,2
Nedbank Pref Shares	353,3	394,2	87,0	205,7
Total	20,0	5 438,3	4 533,5	9 796,0

NEDBANK WEALTH SEGMENTAL REPORT

for the period ended

	June 2011	June 2010	December 2010
Headline earnings (Rm)	274	235	592
ROE (%)	35,8	33,0	41,0
ROA (%)	1,6	1,4	1,7
Credit loss ratio (%)	0,41	0,24	0,15
Non-interest revenue to total expenses	129,9	127,0	133,1
Efficiency ratio (%)	64,5	65,0	62,2
Interest margin (%)	1,91	1,79	1,89
Impairment charge on loans and advances (Rm)	36	21	25
Assets under management (Rm)	106 106	89 438	102 570
Life assurance embedded value (Rm)	1 122	977	1 031
Life assurance value of new business (Rm)	152	134	295
Total assets (Rm)	34 645	34 264	33 920
Average total assets (Rm)	34 513	34 208	34 063
Total advances (Rm)	17 816	17 378	16 869
Average total advances (Rm)	17 406	17 484	17 246
Total deposits (Rm)	11 029	12 260	11 356
Average total deposits (Rm)	11 823	12 498	12 094
Allocated capital (Rm)	1 540	1 431	1 445

NEDBANK CAPITAL SEGMENTAL REPORT

for the period ended

	June 2011	June 2010	December 2010
Headline earnings (Rm)	546	580	1 202
ROE (%)	21,0	23,7	23,5
ROA (%)	0,5	0,6	0,6
Credit loss ratio (%)	0,86	0,80	1,27
Non-interest revenue to total expenses	130,0	139,4	145,0
Efficiency ratio (%)	49,3	46,3	45,1
Interest margin (%)	0,72	0,73	0,77
Impairment charge on loans and advances (Rm)	187	166	535
Total assets (Rm)	196 752	204 944	215 189
Average total assets (Rm)	206 697	202 787	209 211
Total advances (Rm)	60 458	57 639	62 328
Average total advances (Rm)	63 955	57 748	63 519
Total deposits (Rm)	174 035	180 374	184 201
Average total deposits (Rm)	179 191	178 393	182 637
Allocated capital (Rm)	5 238	4 926	5 116

OPERATIONAL STATISTICS

for the period ended

NEDBANK RETAIL

Classification of clients	Number of clients	Number of internet banking clients	Number of branches	Banking outlets including kiosks	Private bank suites	Roving sales
June 2011	5 015 470	521 207	454	147	18	71
December 2010	4 832 306	498 006	452	144	18	71
	Number of personal loans kiosks	Number of personal loans branches	POS devices enabled for cash back	Number of ATMs	Number of SSTs	Number of employees
June 2011	385	45	6 138	2 467	384	15 913
December 2010	320	43	6 419	2 283	384	15 473

NEDBANK CORPORATE

Classification of clients	Number of clients	Number of electronic banking clients/profiles	Number of ATM's Africa	Number of locations/branches	Number of employees
June 2011					
Corporate Banking (Turnover > R400m)	562	2 204		5	289
Property Finance	4 938			7	437
Africa	217 796	18 877	87	49	1 396
Other					1 505
Total	223 296	21 081	87	61	3 627
December 2010					
Corporate Banking (Turnover > R400m)	546	2 224		5	278
Property Finance	5 212			7	450
Africa	219 942	18 880	83	46	1 404
Other					1 479
Total	225 700	21 104	83	58	3 611

NEDBANK BUSINESS BANKING

Classification of clients	Number of clients*	Number of electronic banking clients/profiles*	Number of locations/branches	Number of employees
June 2011	15 039	13 156	62	2 409
December 2010	21 842	18 950	63	2 390

* Client numbers are based on number of ACLM Groups and have been impacted year on year by changes in client segmentation rules and client migrations.

ASSETS UNDER MANAGEMENT

at

Rm	June 2011	June 2010*	December 2010
Fair value of funds under management – by type			
Unit trusts	62 913	50 817	59 354
Third party**	833	125	112
Private clients**	42 360	38 496	43 104
	106 106	89 438	102 570
Fair value of funds under management – by geography			
South Africa	97 266	84 339	96 378
Rest of world	8 840	5 099	6 192
	106 106	89 438	102 570

Rm	June 2011			
	Unit trusts	Third party	Private clients	Total
Reconciliation of movement in funds under management – by type				
Opening balance at 31 December 2010	59 354	112	41 104	102 570
Inflows	15 001	715	3 982	19 698
Outflows	(12 104)		(4 159)	(16 263)
Mark-to-market value adjustment	583		(666)	(83)
Foreign currency translation differences	79	6	99	184
Closing balance – 30 June 2011	62 913	833	42 360	106 106

Rm	June 2011		
	South Africa	Rest of world	Total
Reconciliation of movement in funds under management – by geography			
Opening balance at 31 December 2010	96 378	6 192	102 570
Intergroup transfers			
Disposals			
Inflows	16 882	2 816	19 698
Outflows	(15 668)	(595)	(16 263)
Mark-to-market value adjustment	(326)	243	(83)
Foreign currency translation differences		184	184
Closing balance – 30 June 2011	97 266	8 840	106 106

* As per the group annual financial statement for the year ended 31 December 2010 we disclosed that the Wealth Management Cluster has identified that assets under administration (AUA) have been incorrectly disclosed as part of managed funds in prior years. As per the definition of managed funds these AUA balances should not be included in the group's managed funds disclosure. As a result, the 2009 closing balance was restated by R6,4bn, resulting in a restatement of the June 2010 balances as follows.

** Certain assets under management classifications have been refined, resulting in a reclassification of R1 451m for December 2010 and R3 198m for June 2010 from Third Party to Private Clients. Prior periods have been restated accordingly.

EARNINGS PER SHARE AND WEIGHTED AVERAGE SHARES

Earnings per share	Basic	Diluted basic	Headline	Diluted headline
June 2011				
Earnings for the period	2 764	2 764	2 772	2 772
Weighted average number of ordinary shares	451 198 648	462 173 927	451 198 648	462 173 927
Earnings per share (cents)	613	598	614	600
June 2010				
Earnings for the period	2 150	2 150	2 153	2 153
Weighted average number of ordinary shares	440 738 988	453 698 798	440 738 988	453 698 798
Earnings per share (cents)	488	474	489	475
December 2010				
Earnings for the period	4 811	4 811	4 900	4 900
Weighted average number of ordinary shares	443 900 061	458 229 105	443 900 061	458 229 105
Earnings per share (cents)	1 084	1 050	1 104	1 069

Basic earnings and headline earnings per share are calculated by dividing the relevant earnings amount by the weighted average number of shares in issue. Fully diluted basic earnings and fully diluted headline earnings per share are calculated by dividing the relevant earnings amount by the weighted average number of shares in issue after taking the dilutive impact of potential ordinary shares to be issued into account (the estimated future dilutive shares arising from the BEE transaction as set out in note 15).

NUMBER OF WEIGHTED AVERAGE DILUTIVE POTENTIAL ORDINARY SHARES ('000)

Generally, potential shares are dilutive if the strike price + SBP charge to come < average share price for the period of R137,61 (the SBP charge to come represents the value of services to be received by Nedbank Group in exchange for these potential shares).

	June 2011	June 2010	December 2010
	Potential shares	Weighted average dilutive shares	Weighted average dilutive shares
Traditional schemes	13 258	7 361	9 124
Nedcor Share Incentive Trust (1994)	44		156
Nedbank Group Options Scheme (2005)	12 409	6 982	8 443
Matched share scheme	805	379	525
BEE schemes – South Africa	26 197	3 555	5 139
Black Business Partners	7 891	1 290	775
Non-executive directors	622	170	142
Corporate	10 273	460	2 220
Black Executives	1 058	251	374
Black Management	6 353	1 384	1 628
BEE schemes – Namibia	490	57	66
Black Business Partners	200		
Affinity Groups	74		
Education	99		
LTIP – Black	20	13	13
LTIP – White	46	29	27
Black Management	51	15	26
FBP			
Total	39 945	10 973	14 329

NEDBANK GROUP CATEGORIES OF FINANCIAL INSTRUMENTS

at 30 June 2011

Rm	Total	At fair value through profit or loss	
		Held for trading	Designated
ASSETS			
Cash and cash equivalents	11 743		
Other short-term securities	29 125	11 385	14 619
Derivative financial instruments	8 284	8 284	
Government and other securities	36 056	(1 927)	20 575
Loans and advances	471 918	18 264	44 556
Other assets	7 900	2 461	867
Clients' indebtedness for acceptances	2 754		
Current taxation receivable	618		
Investment securities	12 808	462	11 922
Non-current assets held for sale	8		
Investment in associate companies and joint ventures	1 128		1 105
Deferred taxation asset	229		
Investment property	202		
Property and equipment	5 835		
Post-employment assets	2 111		
Intangible assets	7 502		
Mandatory reserve deposits with central bank	11 654		
Total assets	609 875	38 929	93 644
TOTAL EQUITY AND LIABILITIES			
Ordinary share capital	454		
Ordinary share premium	15 968		
Reserves	29 600		
Total equity attributable to equity holders	46 022		
Minority shareholders' equity attributable to ordinary shareholders	146		
Minority shareholders' equity attributable to preference shareholders	3 560		
Total equity	49 728		
Derivative financial instruments	8 894	8 894	
Amounts owed to depositors	493 974	30 307	86 789
Other liabilities	13 691	5 311	
Liabilities under acceptances	2 754		
Current taxation liabilities	121		
Deferred taxation liabilities	1 858		
Post-employment liability	1 458		
Investment contract liabilities	7 666		7 666
Insurance contract liabilities	1 541		1 541
Long-term debt instruments	28 190		6 253
Total liabilities	560 147	44 512	102 249
Total equity and liabilities	609 875	44 512	102 249

CLASSIFICATIONS IN TERMS OF IAS 39

A financial asset or financial liability at fair value through profit or loss is an asset or liability held that was either acquired to sell or repurchase in the short term, or is managed on a portfolio basis for short-term gains, or is a derivative or is an asset or liability that has been designated for classification and valuation as fair value through profit and loss.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss and are held at fair value with fair value gains and losses recorded directly within equity and not through profit and loss.

Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Financial liabilities at amortised cost	Non-financial assets and liabilities
		11 743		
2 636	485			
781	11 778	4 849		
		409 098		
		4 572		2 754
				618
424				8
				23
				229
				202
				5 835
				2 111
				7 502
		11 654		
3 841	12 263	441 916	–	19 282
				454
				15 968
				29 600
				46 022
				146
				3 560
				49 728
			376 878	
			8 380	
				2 754
				121
				1 858
				1 458
			21 937	
–	–	–	407 195	6 191
–	–	–	407 195	55 919

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity date that an entity has the positive intention and ability to hold to maturity.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are carried at an accrued value and not fair valued.

Financial liabilities at amortised cost are non-derivative liabilities carried at amortised cost and not fair valued

Non-financial assets and liabilities are all other assets and liabilities, which fall outside of the scope of IAS 39.

NEDBANK GROUP CATEGORIES OF FINANCIAL INSTRUMENTS continued

at 30 June 2010

Rm	Total	At fair value through profit or loss	
		Held for trading	Designated
ASSETS			
Cash and cash equivalents	8 063		
Other short-term securities	21 080	10 734	6 156
Derivative financial instruments	12 776	12 776	
Government and other securities	40 294	2 427	18 184
Loans and advances	461 303	15 996	39 584
Other assets	6 536	1 158	680
Clients' indebtedness for acceptances	1 818		
Current taxation receivable	359		
Investment securities	11 249	315	10 681
Investment in associate companies and joint ventures	902		886
Deferred taxation asset	416		
Investment property	211		
Property and equipment	5 203		
Post-employment assets	1 937		
Intangible assets	7 422		
Mandatory reserve deposits with central bank	11 278		
Total assets	590 847	43 406	76 171
TOTAL EQUITY AND LIABILITIES			
Ordinary share capital	446		
Ordinary share premium	15 050		
Reserves	26 397		
Total equity attributable to equity holders	41 893		
Minority shareholders' equity attributable to ordinary shareholders	117		
Minority shareholders' equity attributable to preference shareholders	3 562		
Total equity	45 572		
Derivative financial instruments	10 903	10 903	
Amounts owed to depositors	480 418	35 772	80 516
Other liabilities	13 901	5 220	
Liabilities under acceptances	1 818		
Current taxation liabilities	212		
Deferred taxation liabilities	1 936		
Post-employment liability	1 338		
Investment contract liabilities	6 920		6 920
Insurance contract liabilities	1 235		1 235
Long-term debt instruments	26 594		8 026
Total liabilities	545 275	51 895	96 697
Total equity and liabilities	590 847	51 895	96 697

Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Financial liabilities at amortised cost	Non-financial assets and liabilities
		8 063		
3 178	1 012			
776	14 652	4 255		
		405 723		
		4 698		1 818
				359
253				16
				416
				211
				5 203
				1 937
				7 422
		11 278		
4 207	15 664	434 017	–	17 382
				446
				15 050
				26 397
				41 893
				117
				3 562
				45 572
			364 130	
			8 681	1 818
				212
				1 936
				1 338
			18 568	
–	–	–	391 379	5 304
–	–	–	391 379	50 876

NEDBANK GROUP CATEGORIES OF FINANCIAL INSTRUMENTS continued

at 30 December 2010

Rm	Total	At fair value through profit or loss	
		Held for trading	Designated
ASSETS			
Cash and cash equivalents	8 650		
Other short-term securities	27 044	10 316	12 528
Derivative financial instruments	13 882	13 882	
Government and other securities	31 824	288	17 305
Loans and advances	475 273	19 679	43 088
Other assets	10 014	5 203	902
Clients' indebtedness for acceptances	1 953		
Current taxation receivable	483		
Investment securities	11 918	314	11 171
Non-current assets held for sale	5		
Investment in associate companies and joint ventures	936		912
Deferred taxation asset	284		
Investment property	199		
Property and equipment	5 612		
Post-employment assets	2 052		
Intangible assets	7 494		
Mandatory reserve deposits with central bank	11 095		
Total assets	608 718	49 682	85 906
TOTAL EQUITY AND LIABILITIES			
Ordinary share capital	449		
Ordinary share premium	15 522		
Reserves	28 130		
Total equity attributable to equity holders	44 101		
Minority shareholders' equity attributable to ordinary shareholders	153		
Minority shareholders' equity attributable to preference shareholders	3 560		
Total equity	47 814		
Derivative financial instruments	12 052	12 052	
Amounts owed to depositors	490 440	35 815	90 144
Other liabilities	18 245	11 795	
Liabilities under acceptances	1 953		
Current taxation liabilities	191		
Deferred taxation liabilities	1 804		
Post-employment liability	1 414		
Investment contract liabilities	7 309		7 309
Insurance contract liabilities	1 392		1 392
Long-term debt instruments	26 104		7 774
Total liabilities	560 904	59 662	106 619
Total equity and liabilities	608 718	59 662	106 619

Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Financial liabilities at amortised cost	Non-financial assets and liabilities
		8 650		
3 639	561			
827	10 113	3 291		
		412 506		
		3 909		1 953
				483
433				5
				24
				284
				199
				5 612
				2 052
				7 494
		11 095		
4 899	10 674	439 451	–	18 106
				449
				15 522
				28 130
				44 101
				153
				3 560
				47 814
			364 481	
			6 450	
				1 953
				191
				1 804
				1 414
			18 330	
–	–	–	389 261	5 362
–	–	–	389 261	53 176

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – BANKING/TRADING CATEGORISATION

at

Rm	June 2011			Total
	Banking	Trading	Elims	
ASSETS				
Cash and cash equivalents	11 718	25		11 743
Other short-term securities	18 428	13 623	(2 926)	29 125
Derivative financial instruments	245	9 965	(1 926)	8 284
Government and other securities	38 027	4 260	(6 231)	36 056
Loans and advances	453 653	18 265		471 918
Other assets	4 429	3 471		7 900
Customers' indebtedness for acceptances	2 754			2 754
Current taxation receivable	618			618
Investment securities	12 347	461		12 808
Non-current assets held for sale	8			8
Investments in associate companies and joint ventures	1 128			1 128
Deferred taxation asset	(40)	269		229
Property and equipment	6 027	10		6 037
Long-term employee benefit assets	2 103	8		2 111
Mandatory reserve deposits with central banks	11 654			11 654
Intangible assets	7 501	1		7 502
Interdivisional assets		7 416	(7 416)	–
Total assets	570 600	57 774	(18 499)	609 875
TOTAL EQUITY AND LIABILITIES				
Allocated capital	43 709	2 313		46 022
Non-controlling interest attributable to:				
– ordinary shareholders	146			146
– preference shareholders	3 560			3 560
Total equity	47 415	2 313		49 728
Derivative financial instruments	1 971	8 849	(1 926)	8 894
Amounts owed to depositors	463 773	33 135	(2 934)	493 974
Other liabilities	6 601	13 313	(6 223)	13 691
Liabilities under acceptances	2 754			2 754
Current taxation liabilities	121			121
Deferred taxation liabilities	1 694	164		1 858
Long-term employee benefit liabilities	1 458			1 458
Investment contract liabilities	7 666			7 666
Insurance contract liabilities	1 541			1 541
Long-term debt instruments	28 190			28 190
Interdivisional liabilities	7 416		(7 416)	–
Total liabilities	523 185	55 461	(18 499)	560 147
Total equity and liabilities	570 600	57 774	(18 499)	609 875

June 2010				December 2010			
Banking	Trading	Elims	Total	Banking	Trading	Elims	Total
8 055	8		8 063	8 621	29		8 650
11 047	12 090	(2 057)	21 080	18 067	12 306	(3 329)	27 044
187	14 376	(1 787)	12 776	258	15 673	(2 049)	13 882
38 074	4 870	(2 650)	40 294	31 571	4 313	(4 060)	31 824
445 329	15 974		461 303	455 595	19 678		475 273
4 580	1 956		6 536	4 446	5 568		10 014
1 818			1 818	1 953			1 953
359			359	483			483
10 943	306		11 249	11 604	314		11 918
				5			5
902			902	936			936
155	261		416	15	269		284
5 401	13		5 414	5 799	12		5 811
1 930	7		1 937	2 044	8		2 052
11 278			11 278	11 095			11 095
7 422			7 422	7 492	2		7 494
	10 385	(10 385)	–		12 022	(12 022)	–
547 480	60 246	(16 879)	590 847	559 984	70 194	(21 460)	608 718
39 987	1 906		41 893	41 543	2 558		44 101
117			117	153			153
3 562			3 562	3 560			3 560
43 666	1 906		45 572	45 256	2 558		47 814
1 890	10 800	(1 787)	10 903	2 168	11 933	(2 049)	12 052
445 031	37 803	(2 416)	480 418	454 648	39 129	(3 337)	490 440
6 596	9 596	(2 291)	13 901	5 887	16 410	(4 052)	18 245
1 818			1 818	1 953			1 953
212			212	191			191
1 795	141		1 936	1 640	164		1 804
1 338			1 338	1 414			1 414
6 920			6 920	7 309			7 309
1 235			1 235	1 392			1 392
26 594			26 594	26 104			26 104
10 385		(10 385)	–	12 022		(12 022)	–
503 814	58 340	(16 879)	545 275	514 728	67 636	(21 460)	560 904
547 480	60 246	(16 879)	590 847	559 984	70 194	(21 460)	608 718

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended

1 AVERAGE BANKING BALANCE SHEET AND RELATED INTEREST

Rm	June 2011			June 2010			December 2010		
	Average balance	Margin statement interest		Average balance	Margin statement interest		Average balance	Margin statement interest	
	Assets	Received	%	Assets	Received	%	Assets	Received	%
Average prime rate			9,00			10,23			9,90
Advances and clients' indebtedness for acceptances									
Homeloans (including PIPs)	146 334	5 402	7,4	150 499	6 368	8,5	146 426	11 962	8,2
Commercial mortgages	84 412	3 661	8,7	76 084	3 616	9,6	81 936	7 686	9,4
Lease and instalment debtors	67 705	3 468	10,3	64 141	3 627	11,4	65 400	7 303	11,2
Credit card balances	8 273	569	13,9	7 649	549	14,5	7 733	1 106	14,3
Bills and acceptances*	2 406	4	0,3	1 823	12	1,3	1 955	20	1,0
Overdrafts	13 305	598	9,1	12 806	664	10,5	13 230	1 331	10,1
Term loans and other**	143 378	5 394	7,6	136 336	5 463	8,1	139 256	11 304	8,1
Impairment of loans and advances	(11 371)			(10 307)			(10 628)		
Government and public sector securities	34 767	1 451	8,4	36 268	1 594	8,9	34 923	2 929	8,4
Short-term funds and trading securities	21 189	483	4,6	12 755	280	4,4	15 699	736	4,7
Interest-earning banking assets	510 398	21 030	8,3	488 054	22 173	9,2	495 930	44 377	8,9
Net interdivisional assets – trading book	(1 322)			(3 243)			(666)		
Revaluation of FVTPL designated assets	1 466			670			1 442		
Derivative financial instruments	186			86			93		
Insurance assets	9 140			8 248			8 435		
Cash and bank notes	2 026			2 129			2 083		
Other assets	7 489			7 251			7 111		
Associates and investments	3 604			2 930			2 984		
Property and equipment	5 897			5 260			5 399		
Intangible assets	7 543			7 370			7 387		
Mandatory reserve deposit with central banks	12 304			11 650			11 766		
Total assets	558 371	21 030	7,6	530 405	22 173	8,4	541 964	44 377	8,2
	Liabilities	Paid	%	Liabilities	Paid	%	Liabilities	Paid	%
Deposit and loan accounts	249 390	6 155	5,0	233 503	7 157	6,2	238 284	13 955	5,9
Current and savings accounts	58 996	309	1,1	56 154	418	1,5	56 878	788	1,4
Negotiable certificates of deposit	115 833	3 668	6,4	108 205	4 199	7,8	111 230	8 319	7,5
Other interest-bearing liabilities***	32 995	1 035	6,3	41 514	1 208	5,9	42 264	2 420	5,7
Long-term debt instruments	27 645	1 180	8,6	24 528	1 109	9,1	25 696	2 287	8,9
Interest-bearing banking liabilities	484 859	12 347	5,1	463 904	14 091	6,1	474 352	27 769	5,9
Other liabilities	12 509			11 487			11 317		
Revaluation of FVTPL designated liabilities	1 466			669			1 442		
Derivative financial instruments	1 804			1 730			1 445		
Investment contract liabilities	8 922			8 099			8 257		
Ordinary shareholders' equity	45 442			40 543			41 305		
Minority shareholders' equity	3 729			3 973			3 846		
Total shareholders' equity and liabilities	558 371	12 347	4,5	530 405	14 091	5,4	541 964	27 769	5,1
Interest margin on average interest-earning banking assets	510 398	8 683	3,43	488 054	8 082	3,34	495 930	16 608	3,35

Where possible, averages are calculated on daily balances.

* Includes: clients' indebtedness for acceptances.

** Includes: term loans, preference shares, factoring debtors, other lending-related instruments and interest on derivatives.

*** Includes: foreign currency liabilities and liabilities under acceptances.

2 IMPAIRMENT OF LOANS AND ADVANCES

Rm	June 2011	June 2010	December 2010
Opening balance	11 226	9 798	9 798
Specific impairment	9 072	7 830	7 830
Specific impairment excluding discounts	7 740	6 690	6 690
Specific impairment for discounted cash flow losses	1 332	1 140	1 140
Portfolio impairment	2 154	1 968	1 968
Income statement impairment charge (net of recoveries)	2 792	3 244	6 188
Specific impairment	2 397	3 030	5 802
Nett increase in impairment for discounted cash flow losses	134	203	192
Portfolio impairment	261	11	194
Recoveries	290	249	763
Amounts written off/other transfers	(2 842)	(2 302)	(5 523)
Specific impairments	(2 867)	(2 299)	(5 515)
Portfolio impairment	25	(3)	(8)
Total impairments	11 466	10 989	11 226
Specific impairment	9 026	9 013	9 072
Specific impairment excluding discounts	7 560	7 670	7 740
Specific impairment for discounted cash flow losses	1 466	1 343	1 332
Portfolio impairment	2 440	1 976	2 154
Total advances	483 384	472 292	486 499
Details on segmental impairments and defaulted loans and advances are disclosed in the credit risk section on pages 107b to 122b.			
Reconciliation of specific impairment for discounted cash flow losses			
Rm			
Opening balance	1 332	1 140	1 140
Net increase in impairment for discounted cash flow losses	134	203	192
Interest on specifically impaired loans and advances	(716)	(907)	(1 704)
Net specific impairment charge for discounted cash flow losses	850	1 110	1 896
Closing balance	1 466	1 343	1 332

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

for the period ended

3 NON-INTEREST REVENUE

Rm	Nedbank Group			Nedbank Capital		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Commission and fees income	5 311	4 656	9 758	78	105	246
Administration fees	282	167	336			
Cash handling fees	340	301	630			
Insurance commission	333	241	525			
Exchange commission	173	149	300			
Fees	603	583	1 254	72	85	218
Guarantees	63	65	122			
Card income	1 051	1 002	2 097			
Service charges	1 453	1 302	2 680			
Other commission	1 013	846	1 814	6	20	28
Insurance income	496	381	860			
Securities dealing and fair value adjustments	111	(202)	(300)	44	2	(65)
Securities dealing	50	(71)	(42)	(2)	(25)	(97)
Fair value adjustments	61	(131)	(258)	46	27	32
Trading Income	921	892	2 096	823	789	1 879
Foreign exchange	445	418	1 040	347	315	823
Debt securities	323	310	774	323	310	774
Equities	125	154	276	125	154	276
Commodities	28	10	6	28	10	6
Rental income	18	28	51			
Investment income	77	119	265	51	77	194
Long-term assets sales	5	5	11			
Dividends received	72	114	254	51	77	194
Sundry income	205	284	485	2	65	10
Non-banking subsidiary	97	100	185			
Other sundry income	108	184	300	2	65	10
Total non-interest revenue	7 139	6 158	13 215	998	1 038	2 264

3.1 Private equity income included in NIR

Rm	Nedbank Group			Nedbank Capital		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Securities dealing	79	(30)	3	34	9	(46)
Investment income – dividends received	58	101	225	51	77	194
Total private equity NIR	137	71	228	85	86	148
Realised	61	120	230	51	94	214
Unrealised	76	(49)	(2)	34	(8)	(66)
Total private equity NIR	137	71	228	85	86	148

Nedbank Corporate			Nedbank Retail and Business Banking			Nedbank Retail		
June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
681	646	1 294	3 968	3 381	7 094	3 325	2 786	5 862
18	18	30	234	124	259	225	121	253
84	80	172	256	221	458	106	78	164
2	2	3	268	187	407	266	185	403
59	50	99	92	77	160	35	27	57
138	139	270	31	24	52			
41	43	79	22	22	43	6	5	10
5	2	5	1 046	958	2 008	1 017	932	1 954
62	60	120	1 386	1 238	2 552	1 164	1 022	2 116
272	252	516	633	530	1 155	506	416	905
97	(57)	28	59	10	29	59	16	35
62	(27)	84	(2)		(1)			
35	(30)	(56)	61	10	30	59	16	35
27	35	76	71	68	141	23	26	50
27	35	76	71	68	141	23	26w	50
6	12	17	(6)		(1)	(6)		(1)
15	32	51	4	5	12			1
15	32	51	4	5	11			1
41	44	100	20	22	78	11	16	64
41	44	100	20	22	78	11	16	64
867	712	1 566	4 116	3 486	7 353	3 412	2 844	6 011

Nedbank Corporate

June 2011	June 2010	December 2010
45	(39)	49
7	24	31
52	(15)	80
10	26	16
42	(41)	64
52	(15)	80

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

for the period ended

3 NON-INTEREST REVENUE (continued)

Rm	Nedbank Business Banking			Nedbank Wealth		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Commission and fees income	643	595	1 232	576	530	1 130
Administration fees	9	3	6	31	28	52
Cash handling fees	150	143	294			
Insurance commission	2	2	4	63	52	115
Exchange commission	57	50	103	20	21	38
Fees	31	24	52	368	345	728
Guarantees	16	17	33			
Card income	29	26	54		42	84
Service charges	222	216	436	5	4	8
Other commission	127	114	250	89	38	105
Insurance income				496	381	860
Securities dealing and fair value adjustments	–	(6)	(6)	(8)	(7)	(15)
Securities dealing	(2)		(1)	(8)	(7)	(15)
Fair value adjustments	2	(6)	(5)			
Trading Income	48	42	91			
Foreign exchange	48	42	91			
Debt securities						
Equities						
Commodities						
Rental income						1
Investment income	4	5	11	1		
Long-term assets sales	4	5	11	1		
Dividends received						
Sundry income	9	6	14	1	1	(18)
Non-banking subsidiary						
Other sundry income	9	6	14	1	1	(18)
Total non-interest revenue	704	642	1 342	1 066	905	1 958

	Shared Services			Central Management and Eliminations		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
	21	12	18	(13)	(18)	(24)
	4	3	7	(5)	(6)	(12)
	2	1	3			
	2	2	(2)	(8)	(12)	(12)
	13	6	10			
			(1)	(81)	(150)	(276)
			(1)		(12)	(12)
				(81)	(138)	(264)
	18	16	34			
	6	5	5			3
	6	5	5			3
	153	172	345	(12)	(20)	(30)
	97	100	185			
	56	72	160	(12)	(20)	(30)
	198	205	401	(106)	(188)	(327)

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

for the period ended

4 EXPENSES

Rm	Nedbank Group			Nedbank Capital		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Staff costs	4 782	4 191	8 794	360	353	736
Salaries and wages	4 653	4 132	8 716			
Long-term employee benefits	(2)	(28)	(44)			
Share-based payment expenses – employees	131	87	122			
Computer processing	1 125	1 042	2 135	46	44	98
Depreciation for computer equipment	172	171	337			
Amortisation of computer software	248	231	496			
Operating lease charges for computer equipment	92	80	167			
Other computer processing expenses	613	560	1 135			
Communication and travel	359	319	671	41	43	91
Depreciation for vehicles	2	5	8			
Other communication and travel	357	314	663			
Occupation and accommodation	753	689	1 392	28	24	52
Depreciation for owner-occupied land and buildings	60	44	106			
Operating lease charges for land and buildings	264	270	526			
Other occupation and accommodation expenses	429	375	760			
Marketing and public relations	496	474	1 009	17	22	67
Fees and insurances	849	718	1 592	47	53	118
Office equipment and consumables	171	166	357	5	3	6
Depreciation for furniture and other equipment	145	126	263			
Operating lease charges for furniture and other equipment	4	5	11			
Other office equipment and consumables	22	35	83			
Other sundries	220	181	436	6	11	18
Amortisation of intangible assets	33	32	64			
Activity-justified transfer-pricing	–	–	–	211	175	320
Operating expenses	8 788	7 812	16 450	761	728	1 506
BEE transaction expenses	50	60	148	7	17	55
BEE share-based payments expenses	40	49	143			
Fees	10	11	5			
Total operating expenses	8 838	7 872	16 598	768	745	1 561

Nedbank Corporate			Nedbank Retail and Business Banking			Nedbank Retail		
June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
652	626	1 263	2 464	2 146	4 579	1 941	1 705	3 628
109	93	192	225	211	438	194	184	381
63	63	125	178	156	336	158	138	299
102	86	177	591	519	1 064	533	472	964
23	27	56	245	224	487	231	210	434
232	185	428	332	252	576	300	239	549
35	33	69	89	94	202	84	89	190
33	29	52	146	155	320	131	151	302
(6)	57	93	1 705	1 545	3 088	1 118	1 008	2 014
1 243	1 199	2 455	5 975	5 302	11 090	4 690	4 196	8 761
15	13	41	9	10	20	6	6	9
1 258	1 212	2 496	5 984	5 312	11 110	4 696	4 202	8 770

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

for the period ended

4 EXPENSES (continued)

Rm	Nedbank Business Banking			Nedbank Wealth		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Staff costs	523	441	951	398	352	738
Salaries and wages						
Long-term employee benefits						
Share-based payment expenses – employees						
Computer processing	31	27	57	46	46	71
Depreciation for computer equipment						
Amortisation of computer software						
Operating lease charges for computer equipment						
Other computer processing expenses						
Communication and travel	20	18	37	23	21	43
Depreciation for vehicles						
Other communication and travel						
Occupation and accommodation	58	47	100	50	61	81
Depreciation for owner-occupied land and buildings						
Operating lease charges for land and buildings						
Other occupation and accommodation expenses						
Marketing and public relations	14	14	53	44	30	81
Fees and insurances	32	13	27	67	73	115
Office equipment and consumables	5	5	12	9	7	18
Depreciation for furniture and other equipment						
Operating lease charges for furniture and other equipment						
Other office equipment and consumables						
Other sundries	15	4	18	9	(33)	15
Amortisation of intangible assets				33	32	64
Activity-justified transfer-pricing	587	537	1 074	140	123	243
Operating expenses	1 285	1 106	2 329	819	712	1 469
BEE transaction expenses	3	4	11	1	1	2
BEE share-based payments expenses						
Fees						
Total operating expenses	1 288	1 110	2 340	820	713	1 471

	Shared Services			Central Management and Eliminations		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
	900	744	1 522	8	(30)	(44)
	698	647	1 333	1	1	3
	53	52	110	1	(16)	(34)
	(20)	(3)	14	2	2	4
	183	187	350	(16)	(16)	(32)
	146	119	273	25	36	82
	33	29	62			
	26	21	35		(2)	(4)
	(1 989)	(1 844)	(3 626)	(61)	(56)	(118)
	30	(48)	73	(40)	(81)	(143)
	19	23	40	(1)	(4)	(10)
	49	(25)	113	(41)	(85)	(153)

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

for the period ended

5 TAXATION CHARGE

Rm	June 2011	June 2010	December 2010
South African normal taxation			
Current	743	619	1 547
Deferred	100	(89)	(248)
Secondary taxation on companies (STC)	95	(29)	33
Foreign taxation	76	79	57
Current and deferred taxation on income	1 014	580	1 389
Prior year overprovision – current	(12)	8	(68)
Prior year underprovision – deferred	11	(11)	45
Total taxation on income	1 013	577	1 366
Tax on non-trading and capital items	(8)	(3)	(2)
Total	1 005	574	1 364
Effective taxation rate excluding non-trading and capital items (%)	25,7	19,9	20,7
%			
Taxation rate reconciliation (excluding non-trading and capital items)			
Standard rate of South African normal taxation	28,0	28,0	28,0
Reduction of taxation rate			
Non-taxable dividend income	(3,8)	(5,0)	(4,9)
Capital items	(0,6)	1,0	(1,0)
Structured deals	(0,7)	(1,0)	(0,3)
STC	2,4	(1,0)	0,5
Other	0,4	(2,1)	(1,6)
Total taxation on income as percentage of profit before taxation (excluding non-trading and capital items)	25,7	19,9	20,7

6 NON-CONTROLLING INTEREST

Rm	June 2011		June 2010		December 2010	
	Balance sheet	Income statement	Balance sheet	Income statement	Balance sheet	Income statement
Imperial Bank				25		25
Nedbank (Swaziland)	91	11	72	9	100	23
Nedbank (Namibia) various subsidiaries	7	*	5	1	6	2
Nedbank (Malawi)	3	*	3	*	3	*
MBCA Bank (Zimbabwe)	35	1	32	(2)	34	4
Ideas Nedbank AIF Investors Trust	10		5		10	5
	146	12	117	33	153	59

* Less than R1m.

7 PREFERENCE SHARES

Dividends declared	Number of shares	Cents per share	Amount (Rm)
2010			
Nedbank – Final declared for 2009 – paid March 2010	358 277 491	40,15068	144
Imperial – Final declared for 2009 – paid March 2010	3 000 000	374,73973	11
Nedbank – Interim declared for 2010 – paid September 2010	358 277 491	38,05479	136
			291
Nedbank – Final declared for 2010 – paid March 2011	358 277 491	36,20548	130
			130
2011			
Nedbank – Interim declared for 2011 – payable 29 August 2011	358 277 491	33,47260	120
			120
Dividends declared calculations			
	Days	Rate	Amount (Rm)
2011			
Nedbank			
1 January 2011 – 30 June 2011	181		119,9
1 January 2011 – 30 June 2011	181	6,750%	119,9
Total declared			119,9
Dividends paid calculations			
	Days	Rate	Amount (Rm)
2011 (Paid March 2011)			
Nedbank			
1 July 2010 – 31 December 2010	184		129,7
1 July 2010 – 9 September 2010	71	7,500%	52,3
10 September 2010 – 18 November 2010	70	7,125%	48,9
19 November 2010 – 31 December 2010	43	6,750%	28,5
Nedbank (MFC) – Participating preference shares			13,1
Profit attributable to preference shareholders			142,8
2010 (Paid March 2010)			
Nedbank			
1 July 2009 – 31 December 2009	184		143,8
1 July 2009 – 13 August 2009	44	8,250%	35,6
14 August 2009 – 31 December 2009	140	7,875%	108,2
Imperial			
1 July 2009 – 31 December 2009	184		11,2
1 July 2009 – 13 August 2009	44	7,700%	2,8
14 August 2009 – 31 December 2009	140	7,350%	8,4
2010 (Paid September 2010)			
Nedbank			
1 January 2010 – 30 June 2010	181		136,3
1 January 2010 – 25 March 2010	84	7,875%	64,9
26 March 2010 – 30 June 2010	97	7,500%	71,4
Total paid			291,3
Less: Cumulative dividend paid			14,2
Less: Dividend paid to group entities			11,2
Profit attributable to preference shareholders			265,9

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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8 LOANS AND ADVANCES

Segmental breakdown	Nedbank Group			Nedbank Capital		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Rm						
Homeloans	145 199	145 770	145 895		1	
Commercial mortgages	87 214	83 834	86 100			
Properties in possession	580	777	662			
Credit cards	8 476	7 617	7 910			
Overdrafts	13 084	11 468	13 307	3	62	12
Term loans	71 227	73 566	74 605	4 637	4 873	4 323
Personal loans	14 667	11 202	13 001			
Other term loans	56 560	62 364	61 604	4 637	4 873	4 323
Overnight loans	13 583	12 197	12 552	4		1
Other loans to clients	41 960	43 154	42 897	32 090	33 444	33 019
Foreign client lending	8 112	8 600	6 716	6 373	7 441	5 133
Remittances in transit	116	121	108	2		(1)
Other loans*	33 732	34 433	36 073	25 715	26 003	27 887
Leases and instalment debtors	68 970	66 212	67 881		66	47
Preference shares and debentures	18 814	16 365	20 499	13 269	11 177	14 863
Factoring accounts	3 432	2 742	3 202			
Deposits placed under reverse repurchase agreements	10 797	8 404	10 849	10 797	8 404	10 849
Trade, other bills and bankers' acceptances	48	186	140	46	183	137
Loans and advances before impairments	483 384	472 292	486 499	60 846	58 210	63 251
Impairment of advances	(11 466)	(10 989)	(11 226)	(388)	(571)	(923)
Total loans and advances	471 918	461 303	475 273	60 458	57 639	62 328
Comprises:						
– Loans and advances to clients	468 081	457 964	469 021	48 381	47 188	49 801
– Loans and advances to banks	15 303	14 328	17 478	12 465	11 022	13 450
Loans and advances before impairments	483 384	472 292	486 499	60 846	58 210	63 251

Segmental breakdown	Nedbank Business Banking			Nedbank Wealth		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Rm						
Homeloans	18 088	14 338	14 136	14 461	13 505	13 733
Commercial mortgages	12 977	11 153	11 287	312	324	312
Properties in possession	12	11	8	13	28	18
Credit cards	92	61	55	21	21	20
Overdrafts	7 021	6 491	6 258	100	105	93
Term loans	1 665	1 571	1 446	581	749	610
Personal loans	18	3	4	1		1
Other term loans	1 647	1 568	1 442	580	749	609
Overnight loans	589	714	664			
Other loans to clients	3 877	4 452	3 825	2 102	2 468	1 874
Foreign client lending	234	335	154			
Remittances in transit	3	9	4			
Other loans*	3 640	4 108	3 667	2 102	2 468	1 874
Leases and instalment debtors	12 996	11 277	10 557	288	274	258
Preference shares and debentures	559	498	583	54	60	55
Factoring accounts	3 432	2 742	3 202			
Deposits placed under reverse repurchase agreements						
Trade, other bills and bankers' acceptances				2	3	3
Loans and advances before impairments	61 308	53 308	52 021	17 934	17 537	16 976
Impairment of advances	(1 565)	(1 269)	(1 256)	(118)	(159)	(107)
Total loans and advances	59 743	52 039	50 765	17 816	17 378	16 869
Comprises:						
– Loans and advances to clients	61 305	53 299	52 017	16 333	15 507	15 549
– Loans and advances to banks	3	9	4	1 601	2 030	1 427
Loans and advances before impairments	61 308	53 308	52 021	17 934	17 537	16 976

* Represents mainly loans relating to Specialised Finance and Debt Capital Markets in Nedbank Capital and other loans in Nedbank Corporate and Nedbank Retail.

Nedbank Corporate			Nedbank Retail and Business Banking			Nedbank Retail		
June 2011	June 2010	December 2010	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
2 815	2 415	2 654	128 136	130 058	129 714	110 048	115 720	115 578
73 402	70 317	72 461	13 659	13 358	13 504	682	2 205	2 217
61	2	5	506	747	639	494	736	631
3 897	2 589	4 868	8 455	7 597	7 890	8 363	7 536	7 835
50 186	54 977	55 121	9 084	8 712	8 334	2 063	2 221	2 076
			15 827	12 972	14 555	14 162	11 401	13 109
487	433	478	14 179	10 769	12 522	14 161	10 766	12 518
49 699	54 544	54 643	1 648	2 203	2 033	1	635	591
12 989	11 483	11 887	590	714	664	1		
3 673	2 360	3 239	4 252	4 855	4 200	375	403	375
1 586	936	1 619	234	336	155		1	1
69	91	119	51	32	(5)	48	23	(9)
2 018	1 333	1 501	3 967	4 487	4 050	327	379	383
4 286	3 737	3 957	64 698	62 159	63 642	51 702	50 882	53 085
4 820	4 518	4 880	559	498	583			
			3 432	2 742	3 202			
156 129	152 398	159 072	249 198	244 412	246 927	187 890	191 104	194 906
(1 439)	(1 384)	(1 369)	(9 461)	(8 877)	(8 828)	(7 896)	(7 608)	(7 572)
154 690	151 014	157 703	239 737	235 535	238 099	179 994	183 496	187 334
154 937	151 152	156 461	249 147	244 380	246 932	187 842	191 081	194 915
1 192	1 246	2 611	51	32	(5)	48	23	(9)
156 129	152 398	159 072	249 198	244 412	246 927	187 890	191 104	194 906

Shared Services			Central Management and Eliminations		
June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
			(213)	(209)	(206)
			(159)	(165)	(177)
				(1)	
			(4)	(5)	(4)
			(4)	(5)	(4)
(7)	130	(5)	(150)	(103)	570
(6)	(2)	(5)	(81)	(113)	(191)
(1)	132		(69)	10	761
			(302)	(24)	(23)
			112	112	118
(7)	130	(5)	(716)	(395)	278
	(1)	(1)	(60)	3	2
(7)	129	(6)	(776)	(392)	280
(1)	132		(716)	(395)	278
(6)	(2)	(5)			
(7)	130	(5)	(716)	(395)	278

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

at

9 INVESTMENT SECURITIES

Rm	June 2011	June 2010	December 2010
Listed investments	546	513	536
Private-equity portfolio	542	499	532
Other	4	14	4
Unlisted investments	2 828	2 387	2 475
Endowment policies	18	18	18
NES Investments (Pty) Ltd	348	183	354
Morning Tide Investments 168 (Pty) Ltd	146	97	105
Strate Limited	35	31	36
Private-equity portfolio	1 186	1 193	1 127
Other	1 095	865	835
Total listed and unlisted investments	3 374	2 900	3 011
Listed policyholder investments at market value	7 133	6 661	7 068
Equities	201	330	275
Government, public and private sector stock	75	444	117
Unit trusts	6 857	5 887	6 676
Unlisted policyholder investments at directors' valuation	2 345	1 713	1 871
Equities	1	1	1
Negotiable certificates of deposit, money market and other short-term funds	2 344	1 712	1 870
Net policyholder liabilities	(44)	(25)	(32)
Total policyholder investments	9 434	8 349	8 907
Total investment securities	12 808	11 249	11 918
Summary of total private equity investments			
Investment securities	1 728	1 692	1 659
Property investments	633	569	614
Listed investments	512	477	508
Unlisted investments	121	92	106
Other investments	1 095	1 123	1 045
Listed investments	30	22	24
Unlisted investments	1 065	1 101	1 021
Investment in associates			
Unlisted property investments	1 100	874	908
Private equity shareholder loans and mezzanine debt facilities	2 238	2 158	1 945
Total private equity investments	5 066	4 724	4 512

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

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10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Name of company and nature of business	Percentage holding			
	30 Jun 2011	31 Dec 2010	Acquisition date	Year-end
Unlisted				
Ballywood Properties 1 (Pty) Ltd	49	49	Nov 05	Feb
Bond Choice (Pty) Ltd **	29	29	Jun 02	Feb
Capricorn Business and Technology Park (Pty) Ltd	41	41	Nov 98	Sep
Century City JV	50	50	Dec 10	Dec
Clidet No 683 (Pty) Ltd	49	49	Aug 06	Feb
Consep Developments (Pty) Ltd	31	31	Dec 07	Feb
Emergent Investments (Pty) Ltd	49	49	Jul 07	Feb
Erf 7 Sandown (Pty) Ltd	35	35	Oct 06	Feb
Falcon Forest Trading 85 (Pty) Ltd	30	30	Mar 05	Feb
Firefly Investments 74 (Pty) Ltd	35	35	Oct 06	Feb
Friedshelf 113 (Pty) Ltd	20	20	Aug 02	Feb
Hazeldean Retreat (Pty) Ltd	20	20	Mar 07	Feb
Masingita Property Investment Holdings (Pty) Ltd	35	35	Aug 05	Feb
Moorivier Mall (Pty) Ltd	30	30	Nov 06	Feb
Nedglen Property Developments (Pty) Ltd	35	35	Nov 04	Jun
Newmarket Property Developments JV	40	40	Aug 06	Dec
Odyssey Developments (Pty) Ltd	49	49	Nov 07	Jun
Oukraal Developments (Pty) Ltd	30	30	Jan 08	Jun
SafDev Tanganani (Pty) Ltd	25	25	Oct 08	Jun
TBA Genomineerdes (Pty) Ltd	30	30	Jan 03	Jun
The Waterbuck Trust	40	40	Oct 07	Feb
Visigro Investments (Pty) Ltd	30	30	Jun 06	Feb
Whirlprops 33 (Pty) Ltd **	49	49	Sep 06	Feb
XDV Investments (Pty) Ltd	25	25	Nov 06	Jun
Other **				

These associate companies are all property-related companies. There are regulatory constraints, apart from the provisions of the Companies Act, 1973, that restricts the distribution of funds to the shareholders. Distribution of funds may however be restricted by loan agreements that the entities have entered into.

* Represents amounts less than R1m.

** These associates are equity accounted.

Date to which equity income accounted for	Equity-accounted earnings		Carrying amount		Market value/Directors' valuation		indebtedness of loans to/(from) associates	
	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
	–	1	1 128	936	1 128	936	664	675
Jun 11			14	14	14	14	1	1
			25	25	25	25		
			11	11	11	11	9	9
			55	55	55	55		
			343	303	343	303	166	166
			16	16	16	16	16	16
			82	79	82	79	66	66
			31	25	31	25	5	5
			26	23	26	23	*	*
			*	16	*	16	7	7
			56	14	56	14	43	
			13	12	13	12	9	9
			44	40	44	40	14	12
			97	13	97	13	80	83
			14	13	14	13		
			*	10	*	10	16	14
			102	105	102	105	34	34
			27	27	27	27	15	15
			13	13	13	13		
			7	8	7	8	3	3
			16	15	16	15	20	18
			81	83	81	83	(21)	(20)
Jun 11			*	*	*	*		
			*	*	*	*		
Jun 11		1	55	16	55	16	181	237
	–	1	1 128	936	1 128	936	664	675

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

at

11 INTANGIBLE ASSETS

Rm	Note	June 2011	June 2010	December 2010
Computer software and capitalised development costs	11.1	2 026	1 867	1 998
Goodwill	11.2	4 958	4 972	4 945
Other intangible assets	11.3	518	583	551
		7 502	7 422	7 494

11.1 Computer software and capitalised development costs
– Carrying amount

Rm	Amortisation periods	June 2011	June 2010	December 2010
Computer software	2 – 5 years	1 293	1 147	1 154
Customer product systems		530	656	645
Infrastructure and supporting systems		515	293	295
Risk management systems		198	198	189
Channel systems		50		25
Capitalised development costs	none*	733	720	844
Customer product systems		422	336	318
Infrastructure and supporting systems		211	320	433
Risk management systems		61	64	85
Channel systems		39		8
		2 026	1 867	1 998
Computer software				
Opening balance		1 154	1 068	1 068
Additions		42	39	154
Commissioned during period		369	280	423
Foreign exchange and other moves				5
Amortisation charge for period		(248)	(231)	(496)
Impairments		(24)	(9)	
Closing balance		1 293	1 147	1 154
Capitalised development costs				
Opening balance		844	751	751
Additions		267	249	570
Commissioned during period		(369)	(280)	(423)
Impairments		(9)		(54)
Closing balance		733	720	844

* Assets not yet commissioned and only begin amortisation once transferred to computer software. These assets are impaired if the value is adjusted.

11.2 Goodwill – Carrying amount

Rm	June 2011	June 2010	December 2010
Carrying amount at beginning of period	4 945	4 981	4 981
Foreign currency translation	13	(9)	(36)
Carrying amount at end of period	4 958	4 972	4 945

11.2 Goodwill – Carrying amount

Rm	Percentage holding	June 2011			December 2010		
		Cost	Accumulated impairment losses	Carrying amount	Cost	Accumulated impairment losses	Carrying amount
Major subsidiaries							
Fairbairn Private Bank (Jersey) Limited/Fairbairn Trust Company Limited (Guernsey)	100	385	(138)	247	372	(138)	234
Peoples Mortgage Limited	100	198	(198)		198	(198)	
IBL Asset Finances and Services Limited	100	285	(25)	260	285	(25)	260
Nedbank Limited	100	3 938	(1 114)	2 824	3 938	(1 114)	2 824
Old Mutual Bank	100	206		206	206		206
BoE (Pty) Limited	100	725		725	725		725
Nedgroup Life Assurance Company Limited	100	401		401	401		401
Nedbank Namibia Limited	100	134	(2)	132	134	(2)	132
Capital One		82		82	82		82
American Express		81		81	81		81
		6 435	(1 477)	4 958	6 422	(1 477)	4 945

11.3 Other intangible assets – Carrying amount

Rm	Amortisation period	June 2011			December 2010		
		Cost	Accumulated amortisation and impairments	Carrying amount	Cost	Accumulated amortisation and impairments	Carrying amount
Major subsidiaries							
BoE (Pty) Ltd	8 – 15 years	458	94	364	458	71	387
Nedgroup Life Assurance Company Limited	10 years	195	41	154	195	31	164
		653	135	518	653	102	551

11.4 Intangible assets – Ratio's

Rm	June 2011	June 2010	December 2010
Total assets	609 875	590 847	608 718
Ordinary shareholders' equity	46 022	41 893	44 101
Intangible assets	7 502	7 422	7 494
Capitalised software (Refer note 11.1)	2 026	1 867	1 998
Goodwill (Refer note 11.2)	4 958	4 972	4 945
Other intangible assets (Refer note 11.3)	518	583	551
Intangible assets/Total assets (%)	1,23	1,26	1,23
Intangible assets/Ordinary shareholders' equity (%)	16,3	17,7	17,0

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

at

12 ORDINARY SHARE CAPITAL AND PREMIUM

	30 June 2011					31 December 2010			
	Price R	Number of shares m	Total Rm	Ordinary share capital Rm	Ordinary share premium Rm	Number of shares m	Total Rm	Ordinary share capital Rm	Ordinary share premium Rm
Total shares listed		507,4	20 522	507	20 015	514,9	20 220	515	19 705
Less: Treasury shares held		53,0	4 100	53	4 047	66,3	4 249	66	4 183
Executed H2 2005	97,2	1,0	100	1	99	1,0	100	1	99
Executed H1 2006	111,7	5,5	616	6	610	5,5	616	6	610
Executed H2 2006	109,2	8,2	897	8	889	8,2	897	8	889
Bought back – capital management	109,04	14,7	1 613	15	1 598	14,7	1 613	15	1 598
BEE transaction shares		25,5	1 167	25	1 142	40,3	1 504	40	1 464
Other shares held by group entities									
Dr Holsboer trust		0,2	1		1	0,2	3		3
Nedbank Namibia		0,1	4		4	0,1	4		4
Restricted share plan		12,5	1 315	13	1 302	11,0	1 125	11	1 114
Net shares reported		454,4	16 422	454	15 968	448,6	15 971	449	15 522

13 AMOUNTS OWED TO DEPOSITORS

Segmental breakdown

Rm	Nedbank Group			Nedbank Capital		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Current accounts	46 168	44 346	47 672	126	133	161
Savings accounts	14 383	15 263	14 756			
Other deposits and loan accounts	300 598	292 618	293 467	49 827	60 473	58 070
Call and term deposits	181 131	161 214	166 386	6 289	7 063	3 579
Fixed deposits	29 479	27 778	27 078	3 393	2 163	2 689
Cash management deposits	47 776	49 117	46 151	526	43	239
Other deposits	42 212	54 509	53 852	39 619	51 204	51 563
Foreign client liabilities	7 529	8 619	9 781	591	1 813	3 343
Negotiable certificates of deposit	112 406	105 658	110 584	110 985	104 422	108 810
Deposits received under repurchase agreements	12 890	13 914	14 180	12 506	13 533	13 817
Total amounts owed to depositors	493 974	480 418	490 440	174 035	180 374	184 201

Segmental breakdown

Rm	Nedbank Business Banking			Nedbank Wealth		
	June 2011	June 2010	December 2010	June 2011	June 2010	December 2010
Current accounts	15 273	14 423	15 172	747	668	674
Savings accounts	196	196	182	5 358	6 396	5 758
Other deposits and loan accounts	62 339	56 354	58 190	4 924	5 196	4 924
Call and term deposits	55 471	49 875	51 227	4 301	4 562	4 294
Fixed deposits	1 346	621	684	63	52	59
Cash management deposits	5 010	5 334	5 766	558	582	571
Other deposits	512	524	513	2		
Foreign client liabilities	2 924	2 061	2 225			
Negotiable certificates of deposit						
Deposits received under repurchase agreements						
Total amounts owed to depositors	80 732	73 034	75 769	11 029	12 260	11 356

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

at

14 LONG-TERM DEBT INSTRUMENTS

	Nominal value	Instrument terms	June 2011	June 2010	December 2010
Subordinated debt			9 429	11 335	10 937
Rand-denominated (Rm)			8 747	10 566	10 269
Callable bonds repayable on 30 December 2010 (IPB2) (a)+	500	8,38% per annum*		499	
Callable bonds repayable on 4 December 2013 (IPB3) (b)	300	JIBAR + 2,5% per annum**	151	151	151
Callable notes repayable on 24 April 2016 (NED5) (c)++	1 500	7,85% per annum*		1 517	1 525
Callable notes repayable on 20 September 2018 (NED6) (d)	1 800	9,84% per annum*	1 903	1 832	1 915
Callable notes repayable on 8 February 2017 (NED7) (c)	650	9,03% per annum*	682	671	682
Callable notes repayable on 8 February 2019 (NED8) (d)	1 700	8,90% per annum*	1 790	1 684	1 759
Callable notes repayable on 6 July 2022 (NED9) (f)	2 000	JIBAR + 0,47% per annum**	2 028	2 034	2 031
Callable notes repayable on 15 August 2017 (NED10) (c)	500	JIBAR + 0,45% per annum**	504	504	504
Callable notes repayable on 17 September 2020 (NED11) (e)	1 000	10,54% per annum*	1 065	1 050	1 076
Callable notes repayable on 14 December 2017 (NED12A) (c)	500	JIBAR + 0,70% per annum**	501	502	502
Callable notes repayable on 14 December 2017 (NED12B) (c)	120	10,38% per annum*	123	122	124
Namibian dollar-denominated (NAM\$m)			3	2	2
Long-term debenture repayable on 15 September 2030	40	17% per annum until 15 September 2000 – thereafter zero coupon	3	2	2
US dollar-denominated (US\$m)					
Callable notes repayable on 3 March 2022 (EMTN01) (i)	100	Three month USD LIBOR**	679	767	666
Hybrid subordinated debt			1 802	1 792	1 808
Rand-denominated (Rm)					
Callable notes repayable on 20 November 2018 (NEDH1A) (g)	487	15,05% per annum*	522	511	529
Callable notes repayable on 20 November 2018 (NEDH1B) (g)	1 265	JIBAR + 4,75% per annum**	1 280	1 281	1 279
Securitised liabilities			1 052	1 308	1 154
Rand-denominated (Rm)					
Callable notes repayable on 18 November 2039 (GRN1A1) (h)+++	291	JIBAR + 0,25% per annum**		191	38
Callable notes repayable on 18 November 2039 (GR1A2A) (h)	1 407	JIBAR + 0,60% per annum**	927	992	991
Callable notes repayable on 18 November 2039 (GRN1B) (h)	98	JIBAR + 0,85% per annum**	74	74	74
Callable notes repayable on 18 November 2039 (GRN1C) (h)	76	JIBAR + 1,1% per annum**	51	51	51

14 LONG-TERM DEBT INSTRUMENTS (continued)

	Nominal value	Instrument terms	June 2011	June 2010	December 2010
Senior unsecured debt					
Rand-denominated	(ZARm)		15 899	12 152	12 197
Senior unsecured notes repayable on 9 September 2012 (NBK1B)	1 690	JIBAR + 1,50% per annum**	1 646	1 698	1 697
Senior unsecured notes repayable on 15 September 2015 (NBK2A)	3 244	10,55% per annum*	3 347	3 347	3 347
Senior unsecured notes repayable on 15 September 2015 (NBK2B)	1 044	JIBAR + 2,20% per annum**	1 053	1 054	1 054
Senior unsecured notes repayable on 9 September 2019 (NBK3A)	762	11,39% per annum*	788	788	788
Senior unsecured notes repayable on 31 March 2013 (NBK11)	1 750	3,9% real yield base CPI ref 106.70667*	1 913	1 836	1 859
Senior unsecured notes repayable on 28 October 2024 (NBK4)	660	Zero coupon	167	140	164
Senior unsecured notes repayable on 31 March 2013 (NBK11U)	98	3,8% real yield base CPI ref 108.68065*	105	100	102
Senior unsecured notes repayable on 19 April 2013 (NBK5B)	1 552	JIBAR + 1,48% per annum**	1 574	1 577	1 575
Senior unsecured notes repayable on 19 April 2015 (NBK6A)	478	R157 + 1,75% per annum*	487	487	487
Senior unsecured notes repayable on 19 April 2015 (NBK6B)	1 027	JIBAR + 1,75% per annum**	1 042	1 044	1 043
Senior unsecured notes repayable on 19 April 2020 (NBK7B)	80	JIBAR + 2,15% per annum**	81	81	81
Senior unsecured notes repayable on 24 March 2014 (NBK8A)	450	R206 + 1,28% per annum *	460		
Senior unsecured notes repayable on 24 March 2014 (NBK8B)	837	JIBAR + 1,05% per annum**	886		
Senior unsecured notes repayable on 23 March 2016 (NBK9A)	1 137	R157 + 1,50% per annum*	1 166		
Senior unsecured notes repayable on 23 March 2016 (NBK9B)	677	JIBAR + 1,25% per annum**	678		
Senior unsecured notes repayable on 21 April 2014 (NBK10B)	500	JIBAR + 1,00% per annum**	506		
Other			8	7	8
Rand-denominated	(Rm)				
Unsecured debentures repayable on 30 November 2029	200	Zero coupon	8	7	8
Total long-term debt instruments in issue			28 190	26 594	26 104

During the period there were no defaults or breaches of principal, interest or any other terms and conditions of long-term debt instruments.

Coupon holders are entitled, in the event of interest default, to put the coupon covering such interest payments to Nedbank Group Limited. The US dollar subordinated-debt instruments are either matched by advances to clients or covered against exchange rate fluctuations. In accordance with the group's articles of association, the borrowing powers of the company are unlimited.

* Interest on these notes is payable biannually.

** Interest on these notes is payable quarterly.

+ The debt instrument was redeemed on its call date 30 December 2010.

++ The debt instrument was redeemed on its maturity date 24 April 2011.

+++ The debt instrument was redeemed on 18 February 2011.

(a) Callable by the issuer, Imperial Bank Limited, after approximately five years from the date of issue, 30 March 2006 (ie 30 December 2010), at which time the interest converts to a floating three-month JIBAR rate, plus a spread of 2,67%.

(b) Callable by the issuer, Imperial Bank Limited, after five years from the date of issue, 4 December 2008 (ie 4 December 2013), at which time the interest converts to a floating three-month JIBAR rate, plus a spread of 3,75%.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

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14 LONG-TERM DEBT INSTRUMENTS (continued)

- (c) Callable by the issuer, Nedbank Limited, after five years from the date of issue, 24 April 2006, 8 February 2007, 15 August 2007, 14 December 2007 and 14 December 2007 (ie 24 April 2011, 8 February 2012, 15 August 2012, 14 December 2012 and 14 December 2012), at which time the interest converts to a floating three-month JIBAR rate, plus a spread of 1,70%, 1,95%, 1,45%, 1,70% and 1,70% respectively.
- (d) Callable by the issuer, Nedbank Limited, after seven years from the date of issue, being 20 September 2006 and 8 February 2007 (ie 20 September 2013 and 8 February 2014), at which time the interest converts to a floating three-month JIBAR rate, plus a spread of 2,05% and 2,17% respectively.
- (e) Callable by the issuer, Nedbank Limited, after eight years from the date of issue, being 17 September 2007 (ie 17 September 2015), at which time the interest converts to a floating three-month JIBAR rate, plus a spread of 2,85%.
- (f) Callable by the issuer, Nedbank Limited, after ten years from the date of issue, being 6 July 2007 (ie 6 July 2017), at which time the interest will step up by 1,00% to a floating three-month JIBAR rate, plus a spread of 1,47%.
- (g) Callable by the issuer, Nedbank Limited, after ten and a half years from the date of issue, being 20 May 2008 (ie 20 November 2018), at which the interest converts to a floating three-month JIBAR rate plus 712,5bps in perpetuity unless called.
- (h) Callable by the issuer, Greenhouse Funding (Pty) Ltd, after approximately five years from the date of issue, being 10 December 2007 (ie 18 November 2012), at which time the interest rate on the notes (GRN1A1, GR1A2A, GRN1B, GRN1C) will step up to three-month JIBAR rate, plus a spread of 0,40%, 0,80%, 1,10% and 1,35% respectively.
- (i) Callable by the issuer, Nedbank Limited, after eight years from the date of issue 3 March 2009 (ie 3 March 2017), at which time the interest rate converts to a floating three-month USD LIBOR rate, plus a spread of 3,00%.

15 BEE: ESTIMATED FUTURE DILUTIVE SHARES AND IFRS 2 CHARGE

These are purely illustrative scenarios for the period 2011 – 2019 of the dilutive potential ordinary shares and the IFRS 2 charge as at the end of each year. The first scenario is at an illustrative annual share price growth of 10% and dilutive sensitivity.

15.1 Estimated future dilutive shares as at end of each year ('000)

	2005	2006	2007	2008	2009	2010
	Actual	Actual	Actual	Actual	Actual	Actual
Dilutive shares at 10% share price growth:						
SA BEE transaction	1 408	8 144	9 812	2 094	4 381	5 084
Black Business Partners	764	2 992	2 631		1 024	775
Non-executive directors	21	116	225	81	171	142
Retail	12	685	2 051	1 065	1	
Corporate	581	3 164	3 243		1 976	2 269
Black Executives	11	209	377	226	286	373
Black Management	19	978	1 285	722	923	1 525
Namibia BEE transaction			10	6	19	42
Black Business Partners						
Affinity Groups						
Education						
Discretionary						
LTIP					9	13
Black Management			10	6	10	29
	1 408	8 144	9 822	2 100	4 400	5 126
Dilutive shares at share price growth of:						
SA BEE transaction						
5%	1 408	8 144	9 812	2 094	4 381	5 084
15%	1 408	8 144	9 812	2 094	4 381	5 084
20%	1 408	8 144	9 812	2 094	4 381	5 084
30%	1 408	8 144	9 812	2 094	4 381	5 084
Namibia BEE transaction						
5%			10	6	18	42
15%			10	6	18	42
20%			10	6	18	42
30%			10	6	18	42

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

at

15 BEE: ESTIMATED FUTURE DILUTIVE SHARES AND IFRS 2 CHARGE (continued)

15.2 Estimated share-based payment IFRS 2 BEE charge per year (Rm)

	2005	2006	2007	2008	2009	2010
IFRS 2 BEE charge at 10% share price growth:						
SA BEE transaction	371,2	116,5	146,5	180,0	109,0	140,0
Black Business Partners	214,6		19,0	9,0	10	10
Non-executive directors	0,6	2,0	12,0	5,0	2	
Retail	1,1	38,0	30,2	73,0	6	
Corporate	14,3	50,7	56,3	60,0	53	101,0
Black Executives	2,4	6,7	7,0	9,0	6	7,0
Black Management	10,6	19,1	22,0	24,0	32	22,0
Broad-based	127,6					
Namibia BEE transaction		21,7		0,9	1,0	2,9
Black Business Partners		9,0				
Affinity Groups		3,3				
Education		4,4				
Discretionary						
LTIP					0,1	0,4
Black Management				0,9	0,9	2,5
Broad-based		5,0				
	371,2	138,2	146,5	180,9	110,0	142,9

15.3 Total estimated IFRS 2 BEE charge (Rm) at varying share price growth assumptions

	June 2011				
	5%	10%	15%	20%	30%
SA BEE transaction	1 453,1	1 465,3	1 478,1	1 491,6	1 520,6
Pegged cost for instruments allocated to date	1 141,6	1 141,6	1 141,6	1 141,6	1 141,6
Future costs dependant on share price growth	311,4	323,6	336,5	349,9	379,0
Namibia BEE transaction	35,1	35,1	35,1	35,1	35,1
Pegged cost for instruments allocated to date	35,1	35,1	35,1	35,1	35,1
Future costs dependant on share price growth					
	1 488,2	1 500,4	1 513,2	1 526,7	1 555,8

	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
	78,4	67,6	74,4	81,3	46,2	36,7	17,5	2,0	8,4	1 465,3
	23	24	26,4	29,0						365,0
										21,6
	16,6									148,3
	9,4	12,5	15,9	18,9	17,7	14,4	16,1	0,3	1,5	351,9
	29,5	31,1	32,1	33,4	28,5	22,2	1,4	1,7	7,0	144,8
										316,5
										127,6
	2,4	1,9	1,5	1,2	0,9	0,5	0,2			35,1
										9,0
										3,3
										4,4
	2,2	1,9	1,5	1,2	0,9	0,5	0,2			8,3
										0,5
	0,2									4,6
										5,0
	80,9	69,5	75,9	82,5	47,1	37,2	17,7	2,0	8,4	1 500,4

December 2010

	5%	10%	15%	20%	30%
	1 532,4	1 541,0	1 549,9	1 559,0	1 578,2
	1 112,6	1 112,6	1 112,6	1 112,6	1 112,6
	419,8	428,4	437,3	446,4	465,6
	37,9	37,9	37,8	37,8	37,7
	37,9	37,9	37,8	37,8	37,7
	1 570,4	1 578,9	1 587,7	1 596,8	1 615,9

NEDBANK GROUP – SHARE-BASED PAYMENTS

ANALYSIS OF BEE SCHEMES – ILLUSTRATIVE ROLL OF SHARES – BASED ON A 10% INCREASE IN SHARE PRICE

To 30 June 2011

15 BEE: ESTIMATED FUTURE DILUTIVE SHARES AND IFRS 2 CHARGE (continued)

	2005	2006	2007	2008	2009	2010	2011	2012
	Inception	Actual	Actual	Actual	Actual	Actual	Illustrative forecast	Illustrative forecast
15.4 Illustrative vesting outside of group								
Opening balance		1 471 700	1 559 493	1 713 617	3 744 050	9 212 904	10 116 024	22 946 396
SA BEE transaction	1 471 700	47 977	154 124	2 030 433	5 468 854	883 310	12 818 126	929 501
BBP								
NED							695 816	
Retail – For sale		19 965	65 280	2 024 091	3 192 834			
Retail – Free shares					1 767 390			
Corporate Non-Aka							9 385 880	
Corporate Aka							1 676 901	
Community								
Black Executives					105 480	247 138	150 521	138 217
Black Management		28 012	88 844	6 342	403 150	636 172	909 008	791 284
Broad-based	1 471 700							
Evergreen								
Namibia BEE transaction		39 816				19 810	12 246	25 370
BBP								
AG								
Education								
Discretionary								
LTIP						6 600		6 600
Black Management						13 210	12 246	18 770
Broad-based		39 816						
	1 471 700	1 559 493	1 713 617	3 744 050	9 212 904	10 116 024	22 946 396	23 901 267
Treasury shares ie. in Trusts considered to be inside group								
Opening balance		39 796 430	40 374 080	40 219 956	38 189 523	32 720 669	31 817 549	18 987 177
Inception**	41 268 130	665 443						
SA BEE transaction	41 268 130	(1 471 700)	(47 977)	(154 124)	(2 030 433)	(5 468 854)	(883 310)	(12 818 126)
BBP	7 891 300							
NED	789 130						(789 130)	
Retail – For sale	5 302 170	(19 965)	(65 280)	(2 024 091)	(3 192 834)			
Retail – Free shares	1 767 390				(1 767 390)			
Corporate Non-Aka	10 160 049						(10 160 049)	
Corporate Aka	1 676 901						(1 676 901)	
Community	1 531 551						867 483	
Black Executives	2 093 521				(105 480)	(247 138)	(150 521)	(138 217)
Black Management	7 661 076	(28 012)	(88 844)	(6 342)	(403 150)	(636 172)	(909 008)	(791 284)
Broad-based	1 471 700	(1 471 700)						
Evergreen	923 342							
Namibia BEE transaction	665 443	(39 816)				(19 810)	(12 246)	(25 370)
BBP	199 929							
AG	74 048							
Education	98 730							
Discretionary	81 452							
LTIP	81 750					(6 600)		(6 600)
Black Management	89 718					(13 210)	(12 246)	(18 770)
Broad-based	39 816	(39 816)						
	39 796 430	40 374 080	40 219 956	38 189 523	32 720 669	31 817 549	18 987 177	18 032 306
Illustrative cap/issued/purchased shares		815 960	2 150 413	3 666 988	5 304 469	6 052 248	6 560 429	6 560 429
	39 796 430	41 190 040	42 370 369	41 856 511	38 025 138	37 869 797	25 547 605	24 592 734

** Inception figures have changed due to reallocation between the Ned scheme and Corporate Non-Aka.

2013	2014	2015	2016	2017	2018	2019				
Illustrative forecast	Illustrative forecast	Illustrative forecast	Illustrative forecast	Illustrative forecast	Illustrative forecast	Illustrative forecast	Total	Illustrative cap shares	Illustrative call option	Illustrative shares
23 901 267	25 176 655	26 506 455	35 434 190	36 695 358	37 193 819	37 544 934				
1 269 252	1 323 653	8 927 735	888 461	498 461	269 663	964 504	37 945 754	9 070 662	(13 409 652)	33 606 765
		7 891 300					7 891 300	5 378 003	(5 947 106)	7 322 197
							695 816	198 147	(584 832)	309 131
							5 302 170			5 302 170
							1 767 390			1 767 390
							9 385 880	2 878 148	(5 714 284)	6 549 744
							1 676 901	616 364	(1 163 429)	1 129 836
137 624	194 500	153 801	266 458	170 557	128 466	400 759	2 093 521			2 093 521
1 131 628	1 129 153	882 634	622 003	327 904	141 197	563 745	7 661 076			7 661 076
							1 471 700			1 471 700
6 136	6 147		372 707		81 452		563 684	327 408	(327 093)	564 000
			199 929				199 929	119 714	(173 659)	145 984
			74 048				74 048	29 491	(28 346)	75 193
			98 730				98 730	39 321	(37 795)	100 256
					81 452		81 452	138 882	(87 292)	133 042
							13 200			13 200
6 136	6 147						56 509			56 509
							39 816			39 816
25 176 655	26 506 455	35 434 190	36 695 358	37 193 819	37 544 934	38 509 438	38 509 438	9 398 070	(13 736 744)	34 170 764
18 032 306	16 756 918	15 427 118	6 499 383	5 238 215	4 739 754	4 388 639				
(1 269 252)	(1 323 653)	(8 927 735)	(888 461)	(498 461)	(269 663)	(964 504)	3 322 376			
		(7 891 300)								
							2 399 034			
(137 624)	(194 500)	(153 801)	(266 458)	(170 557)	(128 466)	(400 759)				
(1 131 628)	(1 129 153)	(882 634)	(622 003)	(327 904)	(141 197)	(563 745)				
							923 342			
(6 136)	(6 147)		(372 707)		(81 452)		101 759			
			(199 929)							
			(74 048)							
			(98 730)							
					(81 452)					
							68 550			
							33 209			
16 756 918	15 427 118	6 499 383	5 238 215	4 739 754	4 388 639	3 424 135	3 424 135			
6 560 429	6 560 429	6 560 429	6 560 429	6 560 429	6 560 429	6 560 429				
23 317 346	21 987 546	13 059 811	11 798 643	11 300 182	10 949 067	9 984 563	3 424 135			

NEDBANK GROUP – SHARE-BASED PAYMENTS continued

15 BEE: ESTIMATED FUTURE DILUTIVE SHARES AND IFRS 2 CHARGE (continued)

	2005	2006	2007	2008	2009	2010	2011	2012	
	Inception	Actual	Actual	Actual	Actual	Actual	Illustrative forecast	Illustrative forecast	
Illustrative roll of shares – SA BEE transaction									
Issued outside group		1 471 700	1 519 677	1 673 801	3 704 234	9 173 088	10 056 398	22 874 524	23 804 025
Treasury shares	41 268 130	39 796 430	39 748 453	39 594 329	37 563 896	32 095 042	31 211 732	18 393 606	17 464 105
Original BEE allocation									
Cap shares	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130
– BBP		116 659	747 199	1 024 777	1 458 515	1 551 300	860 842	903 026	510 426
– NED		96 214	289 466	442 266	619 756	675 548	421 840	464 024	510 426
– Corporate		20 445	429 712	547 072	789 982	824 166	421 840	421 840	
	41 268 130	41 384 789	42 015 329	42 292 907	42 726 645	42 819 430	42 128 972	42 171 156	41 778 556
							(9 949 366)		
Call option shares									
– BBP								(621 898)	
– NED								(9 327 468)	
– Corporate									
Shares expected at end									
	41 268 130	41 384 789	42 015 329	42 292 907	42 726 645	42 819 430	42 128 972	32 221 790	41 778 556
Weighted dilutive shares		1 406 976	8 143 756	9 811 687	2 093 953	4 381 086	5 084 264	2 855 970	2 814 977
Illustrative roll of shares – Namibia BEE transaction									
Issued outside group			39 816	39 816	39 816	39 816	59 626	71 872	97 242
Treasury shares	665 442		625 626	625 626	625 626	625 626	605 816	599 028	573 658
Original BEE allocation									
Cap/issued/purchased shares	665 442	665 442	665 442	665 442	665 442	665 442	665 442	670 900	670 900
– BBP				13 937	34 815	35 377	13 291	14 620	16 082
– AG				8 928	19 148	20 061	6 102	6 712	7 383
– Education				2 724	6 296	7 431	3 280	3 608	3 969
– Discretionary				2 285	3 113	418	699	769	846
				6 258	7 467	3 210		3 531	3 884
	665 442	665 442	679 379	700 257	700 819	700 819	678 733	685 520	686 982
Call option shares									
– BBP									
– AG									
– Education									
– Discretionary									
Shares expected at end									
	665 442	–	665 442	679 379	700 257	700 819	678 733	685 520	686 982
Weighted dilutive shares				10 065	5 796	41 258	66 355	61 134	48 874

2013	2014	2015	2016	2017	2018	2019	Total
Illustrative forecast	Illustrative forecast	Illustrative forecast	Illustrative forecast	Illustrative forecast	Illustrative forecast	Illustrative forecast	
25 073 277	26 396 930	35 324 665	36 213 126	36 711 587	36 981 250	37 945 754	37 945 754
16 194 853	14 871 200	5 943 465	5 055 004	4 556 543	4 286 880	3 322 376	3 322 376
41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130
561 469	617 616	679 378					9 031 207
561 469	617 616	679 378					5 378 003
							198 147
							3 455 057
41 829 599	41 885 746	41 947 508	41 268 130	41 268 130	41 268 130	41 268 130	50 299 337
		5 947 106					(4 002 260)
		5 947 106					5 947 106
							(621 898)
							(9 327 468)
41 829 599	41 885 746	47 894 614	41 268 130	41 268 130	41 268 130	41 268 130	46 297 077
3 226 940	3 595 169	2 157 281	1 331 465	921 934	696 739	329 038	
103 378	109 525	109 525	482 232	482 232	563 684	482 232	563 684
567 522	561 375	561 375	188 668	188 668	107 218	188 670	107 220
670 900	670 900	670 900	670 900	670 900	670 902	670 902	670 904
17 690	19 459	21 405	23 546	6 255	6 881	7 569	230 928
8 122	8 934	9 827	10 810				106 028
4 366	4 802	5 282	5 811				47 569
930	1 023	1 126	1 238				12 448
4 273	4 700	5 170	5 687	6 255	6 881	7 569	64 884
688 590	690 359	692 305	694 446	677 155	677 783	678 471	901 832
			(208 391)		(56 111)		(264 502)
			(111 068)				(111 068)
			(28 346)				(28 346)
			(37 795)				(37 795)
			(31 181)		(56 111)		(87 292)
688 590	690 359	692 305	486 055	677 155	621 672	678 471	637 330
43 676	44 648	42 454					

BEE DEAL – FORECAST ASSUMPTIONS

The following are the assumptions used for the South African BEE deal:

Changes in assumptions	Forecast June 2011	December 2010
Timing of initial grant	August 2005	August 2005
Share price	R87,90 for initial grants R146,50 at June 2011+10% p.a. for future allocations	R87,90 for initial grants R130,35 at December 2010 + 10% p.a. for future allocations
Timing of allocations	Greater number allocated later (ie at higher share price) in line with latest fact pattern	Greater number allocated later (ie at higher share price) in line with latest fact pattern
Expected vesting criteria (Management Schemes)	Expected life to mirror experience in current employee schemes. Evenly spread between vesting and expiry dates at 50/50	Expected life to mirror experience in current employee schemes. Evenly spread between vesting and expiry dates at 50/50
Pricing of allocations	Instrument values based on average share price on grant date Corporate and Non-Executive Directors' scheme issue prices based on R74,75 plus interest for all anticipated grants	Instrument values based on average share price on grant date Corporate and Non-Executive Directors' scheme issue prices based on R74,75 plus interest for all anticipated grants
Dividend yield	Illustrative dividend yields	Illustrative dividend yields
Participant drop-off rates	Refined per scheme based on historical data – increased for some	Refined per scheme based on historical data – increased for some

* Grant date has impact on Black-Scholes valuation.

NEDBANK GROUP EMPLOYEE INCENTIVE SCHEMES

	30 June 2011	31 December 2010
Movements		
Instruments outstanding at beginning of period	11 670 629	18 732 388
Granted	4 334 137	4 581 240
Exercised	(875 660)	(5 200 338)
Expired	(54 375)	(5 328 228)
Surrendered	(2 216 587)	(1 114 433)
Instruments outstanding at end of period	12 858 144	11 670 629
Analysis		
Non-performance-based options – 1994 Scheme		43 500
Performance-based options – 2005 Scheme	7 503 887 ^p	7 547 282 ^p
Non-performance-based options – 2005 Scheme	4 692 173	3 430 400
Performance-based options – matched shares 2005 Scheme	331 042	324 724
Non-performance-based options – matched shares 2005 Scheme	331 042	324 724
	12 858 144	11 670 629
Summary by scheme		
Nedcor Group Employee Incentive Scheme (1994)		43 500
Nedbank Group options scheme (2005)	12 196 060	10 977 682
Nedbank Group matched share scheme (2005)	662 084	649 447
Instruments outstanding at end of period	12 858 144	11 670 629

^p Performance-based instruments.

NEDBANK GROUP EMPLOYEE INCENTIVE SCHEMES continued

Nedbank Group (2005) share option, matched and restricted share scheme

Share instruments:

The following instruments granted had not been exercised at 30 June 2011:

Instrument expiry date	Number of shares	Issue price R
31-Dec-10	99 340 ^P	*
31-Dec-10	92 208	*
04-Mar-11	3 398 251 ^P	*
10-Aug-11	34 400	107,03
12-Aug-12	559 270	*
03-Mar-13	1 909 574 ^P	*
04-Mar-13	1 909 573	*
06-Aug-13	97 909 ^P	*
07-Aug-13	97 909	*
09-Mar-14	1 998 813 ^P	*
09-Mar-14	1 998 813	*
Total	12 196 060	

** Restricted shares issued at a market price for no consideration, to participants and held by the scheme until expiry date (subject to achievement of performance conditions). Participants have full rights and receive dividends.*

Matched shares:

The obligation to deliver the following matched shares, 50% is subject to time and the other 50% to performance criteria, exists at 30 June 2011:

Instrument expiry date	Number of shares
01-Apr-12	173 892
01-Apr-13	216 683
01-Apr-14	271 509
Total	662 084

^P Performance-based instruments.

SHAREHOLDERS' ANALYSIS

Register date: 30 June 2011
 Authorised share capital: 600 000 000 shares
 Issued share capital: 507 365 232 shares

	Number of shares	June 2011 % holding	June 2010 % holding	Dec 2010 % holding
Major shareholders/managers				
Old Mutual Life Assurance Company (South Africa) Limited and associates	263 139 014	51,86	51,50	51,37
Nedbank Group treasury shares	52 928 767	10,43	13,03	12,89
BEE trusts:				
– Eyethu scheme – Nedbank South Africa	24 713 013	4,87	7,78	7,69
– Omufima scheme – Nedbank Namibia	738 467	0,15	0,15	0,14
Nedbank Group (2005) Share Option, Matched Share and Restricted Share Scheme	12 482 546	2,46	2,17	2,14
Nedbank Group Limited and associates (Capital Management)	14 715 049	2,90	2,87	2,86
Nedbank Namibia Limited	47 512	0,01	0,01	0,01
NES Investments (Pty) Ltd	232 180	0,05	0,05	0,05
Public Investment Corporation (SA)	36 015 713	7,10	6,32	6,45
Lazard Asset Management (US and UK)	15 614 221	3,08	4,92	2,96
Coronation Fund Managers (SA)	13 759 273	2,71	2,63	2,74
Sanlam Investment Management (SA)	10 897 026	2,15	1,89	2,18
Government Institutions Pension Fund (NA)	6 594 276	1,30	1,36	1,38
BlackRock Inc (US and UK)	6 004 915	1,18	1,22	1,38
Major beneficial shareholders				
Old Mutual Life Assurance Company (South Africa) Limited and associates (SA)	263 139 014	51,86	51,50	51,37
Government Employees Pension Fund (SA)	42 721 285	8,42	7,62	7,63
Geographical distribution of shareholders				
Domestic	439 613 931	86,65	85,84	87,04
– South Africa	428 965 464	84,55	83,67	84,91
– Namibia	7 941 609	1,57	1,60	1,61
– Swaziland			0,02	0,03
– Unclassified	2 706 858	0,53	0,55	0,49
Foreign	67 751 301	13,35	14,16	12,96
– United States of America	43 890 815	8,65	9,39	8,66
– United Kingdom and Ireland	7 918 499	1,56	1,46	1,50
– Europe	4 812 168	0,95	1,55	1,14
– Other countries	11 129 819	2,19	1,76	1,66
	507 365 232	100,00	100,00	100,00

NEDBANK LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended

Rm	June 2011	June 2010	December 2010
Interest and similar income	20 218	21 815	43 421
Interest expense and similar charges	11 868	14 071	27 556
Net interest income	8 350	7 744	15 865
Impairments charge on loans and advances	2 784	3 230	6 360
Income from lending activities	5 566	4 514	9 505
Non-interest revenue	5 810	5 025	10 741
Operating income	11 376	9 539	20 246
Total expenses	7 981	7 077	14 983
Operating expenses	7 933	7 018	14 838
BEE transaction expenses	48	59	145
Indirect taxation	216	205	387
Profit from operations before non-trading and capital items	3 179	2 257	4 876
Non-trading and capital items	(32)	(11)	(103)
Profit on sale of subsidiaries, investments, property and equipment		(11)	(17)
Net impairment of investments, property, equipment and capitalised development costs	(32)		(86)
Profit from operations before direct taxation	3 147	2 246	4 773
Total direct taxation	763	458	983
Direct taxation	763	461	985
Taxation on non-trading and capital items		(3)	(2)
Profit for the period	2 384	1 788	3 790
Other comprehensive income net of taxation	61	(39)	118
Exchange differences on translating foreign operations	10		(15)
Fair value adjustments on available-for-sale assets	51	(41)	(31)
Gains on property revaluations		2	164
Total comprehensive income for the period	2 445	1 749	3 908
Profit attributable to:			
Equity holders of the parent	2 373	1 754	3 737
Non-controlling interest – ordinary shareholders	11	34	53
Profit for the period	2 384	1 788	3 790
Total comprehensive income attributable to:			
Equity holders of the parent	2 433	1 715	3 855
Non-controlling interest – ordinary shareholders	12	34	53
Total comprehensive income for the period	2 445	1 749	3 908
EARNINGS RECONCILIATION			
Profit attributable to equity holders of the parent	2 373	1 754	3 737
Less: Non-headline earnings items	(32)	(8)	(101)
Non-trading and capital items	(32)	(11)	(103)
Taxation on non-trading and capital items		3	2
Headline earnings	2 405	1 762	3 838

NEDBANK LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at

Rm	June 2011	June 2010	December 2010
ASSETS			
Cash and cash equivalents	10 436	6 764	7 469
Other short-term securities	25 003	16 079	21 955
Derivative financial instruments	8 309	13 036	14 077
Government and other securities	35 903	40 233	31 667
Loans and advances	466 074	458 330	469 527
Other assets	3 928	3 761	3 613
Clients' indebtedness for acceptances	2 721	1 781	1 920
Current taxation receivable	590	315	440
Investment securities	3 299	2 927	2 999
Non-current assets held-for-sale	8		5
Investments in associate companies and joint ventures	1 126	899	933
Deferred taxation asset	40	138	48
Investment property	81	96	82
Property and equipment	5 620	5 002	5 394
Long-term employee benefit assets	2 022	1 859	1 965
Computer software and capitalised development costs	1 976	1 817	1 938
Goodwill	1 389	1 389	1 390
Mandatory reserve deposits with central bank	11 595	11 207	11 068
Total assets	580 120	565 633	576 490
TOTAL EQUITY AND LIABILITIES			
Ordinary share capital	27	27	27
Ordinary share premium	14 422	14 422	14 422
Reserves	21 981	18 513	20 281
Total equity attributable to equity holders of the parent	36 430	32 962	34 730
Preference share capital and premium	3 560	3 562	3 560
Minority shareholders' equity attributable to ordinary shareholders	102	78	110
Total equity	40 092	36 602	38 400
Derivative financial instruments	8 800	10 704	11 930
Amounts owed to depositors	491 011	480 573	489 118
Other liabilities	6 372	6 432	6 179
Liabilities under acceptances	2 721	1 781	1 920
Current taxation liabilities	50	104	76
Deferred taxation liabilities	1 434	1 513	1 358
Long-term employee benefit liabilities	1 452	1 332	1 408
Long-term debt instruments	28 188	26 592	26 101
Total liabilities	540 028	529 031	538 090
Total equity and liabilities	580 120	565 633	576 490
Guarantees on behalf of clients	29 470	28 432	29 185

RISK AND BALANCE SHEET MANAGEMENT REVIEW

HIGHLIGHTS

▲ BALANCE SHEET REVIEW

Rm	June 2011	December 2010	% growth (annualised)
ASSETS			
Cash and cash equivalents*	23 397	19 745	37,3
Other short-term securities	29 125	27 044	15,5
Derivative financial instruments	8 284	13 882	(81,3)
Government and other securities	36 056	31 824	26,8
Loans and advances	471 918	475 273	(1,4)
All other assets	41 095	40 950	0,7
Total assets	609 875	608 718	0,4
EQUITY AND LIABILITIES			
Amounts owed to depositors	493 974	490 440	1,5
Derivative financial instruments	8 894	12 052	(52,8)
Long-term debt instruments	28 190	26 104	16,1
All other liabilities	29 089	32 308	(20,1)
Total equity	49 728	47 814	8,1
Total equity and liabilities	609 875	608 718	0,4

Balance sheet growth slightly up in 2011 due to low demand for credit across most asset classes and lower trading activity.

Strong growth in government and other securities as Group Asset and Liability Committee (ALCO) builds additional liquid assets*.

Positive deposit growth, albeit low, following flat asset growth and issuance of new long-term debt*.

* Specific ALCO strategy.

* Including mandatory deposits with SARB.

- Summary of key balance sheet movements

- Asset growth for the industry remains subdued. While corporate credit demand remained limited, loan growth in the retail sector was mostly from continued demand for personal loans, instalment sales and cards. Mortgage advances growth was muted as buyers remained cautious in line with the flat outlook for house prices, high levels of consumer debt and increased living costs.
- Total assets of R609,9 billion are R1,2 billion up on December 2010 (R608,7 billion) or 0,4% annualised. A decrease in the group's derivative assets (R5,6 billion) and advances (R3,3 billion) portfolios has been offset by an increase in the statutory assets portfolio (R4,3 billion) as the group builds additional liquid asset buffers in preliminary preparation for Basel III.
 - Loans and advances at R471,9 billion are slightly down on December 2010 (R475,3 billion), while trading assets also declined. An increase in foreign correspondent balances (R1,5 billion) and overnight loans (R1,0 billion) has been offset by a decline in term loans (R3,4 billion) and other loans (R2,3 billion).
- Total liabilities at R560,1 billion are R0,8 billion down on December 2010 (R560,9 billion).
 - Amounts owed to depositors at R493,9 billion are up on December 2010 (R490,4 billion). A decrease in foreign currency liabilities (R2,3 billion), deposits received under repurchase agreements (R1,3 billion) and other deposits (R11,6 billion) was offset by an increase in cash management deposits (R1,6 billion), fixed deposits (R2,4 billion), negotiable certificates of deposit (R1,8 billion) and call and term deposits (R14,7 billion).
 - Long-term debt instruments issued increased by R2,1 billion to R28,2 billion from R26,1 billion in December 2010, as the group issued a further R3,7 billion senior unsecured debt this year and redeemed the R1,5 billion Ned 5 Tier 2 subordinated debt in April 2011.

- **Loans and advances**

- Banking advances growth in Nedbank Capital declined 2,2% (annualised).
- Nedbank Corporate advances decreased by 3,9% (annualised), reflecting gross new advances offset by the effect of slow utilisation of credit facilities, early unscheduled repayments, and delays in both public and private sector investment programmes. Commercial mortgages continued to exhibit positive growth in 2011, albeit at lower levels, continuing their positive trend from last year. Nedbank Corporate showed strong growth in its overnight loans portfolio. The pipelines in the wholesale banking areas remain strong and Nedbank Capital experienced strong growth in foreign client lending, albeit off a reasonably low base.
- Nedbank Business Banking advances increased by 35,7% (annualised) and Nedbank Retail advances decreased by 7,9% (annualised) due to migrations from Nedbank Retail of R8,2 billion of former Imperial Bank, Supplier Asset Finance and Professional advances and R1,0 billion from Small Business Services under Retail Relationship Banking. Adjusting for these two movements, Business Banking advances have decreased by 0,8% (annualised) and Retail advances grew by 2,1% (annualised).
- Strategic rebalancing of the asset portfolio in Nedbank Retail resulted in a decrease in home loans of 2,7% (annualised) and an increase in motor finance of 7,5% (annualised). Unsecured lending continued to grow with personal loans and card receivables increasing by 26,5% (annualised) and 13,6% (annualised), respectively.
- Personal Loans growth was significant but below the industry growth rate, resulting in a marginal decline in market share. Nedbank remains vigilant against any future potential asset bubble in this class of unsecured lending, pricing correctly for the risks assumed.
- While advances growth was marginally down, new advances were nevertheless still substantial, being offset by the roll off of maturing exposure.

▲ **MANAGE FOR VALUE AND PORTFOLIO TILT**

- Introduced in 2010, portfolio tilt is about taking Nedbank Group's manage for value key strategic focus area to the next level by:
 - Ultimately targeting an optimal balance sheet shape in order to maximise return on equity (ROE), improve sustainability and proactively respond to Basel III.
 - Actively managing the portfolio of businesses which comprise the group, and being judicious in the allocation of capital and liquidity/funding to the various businesses.
 - Business clusters exploiting value skews within their portfolios, following differentiated strategies and applying client value management.
 - Focusing on growth of market share 'by value' (or economic profit), not just in terms of 'volume or asset size'.
 - Recognising low or negative growth portfolios are just as important to exploit the value skews, and so follow a differentiated strategy (eg Home Loans).
 - A stronger focus on deposits.

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

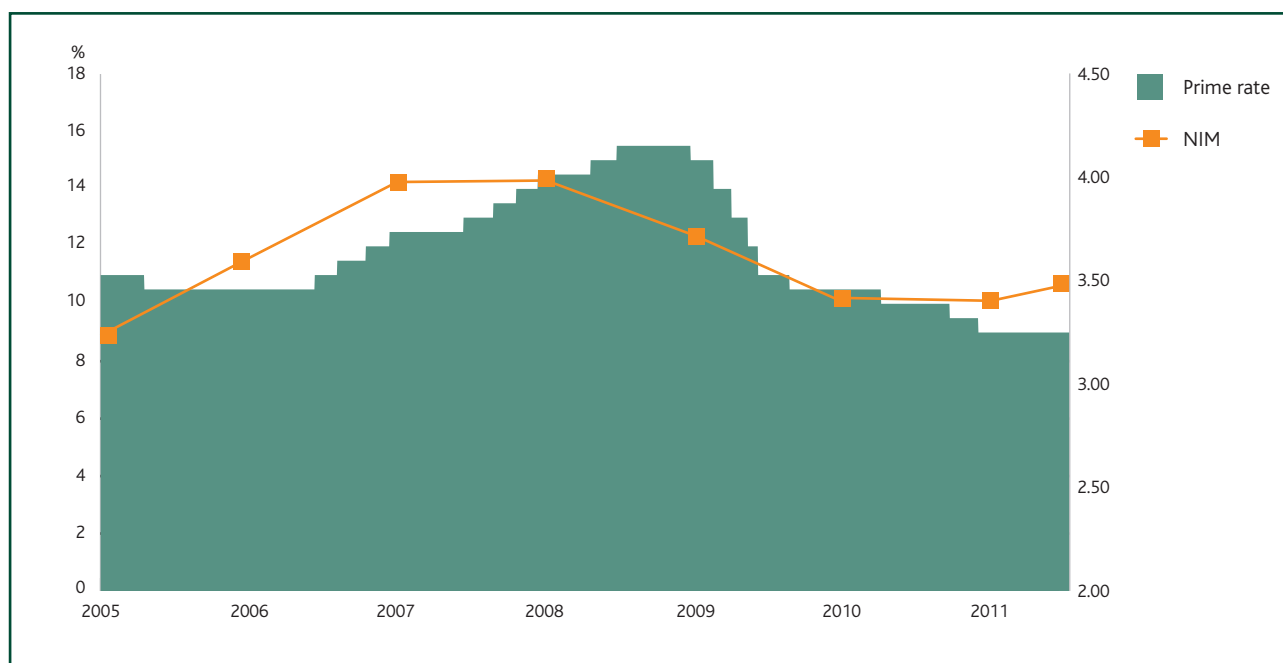
- In summary, Nedbank Group's portfolio tilt objectives include:
 - **Advances**
 - Higher, in line with or below market growth rates in order to attain the desired change in advances mix over time. For example, low growth in home loans given that the economics are unattractive, even after recent repricing of the front book, low economic profit pool attractiveness, high concentration risk, negative Basel III implications, high capital and liquidity consumption, and high earnings volatility especially under stress. In Business Banking and Corporate Banking, Nedbank seeks high growth linked to high deposit growth and the non-interest revenue (NIR) strategy. In personal loans, the group also seeks high growth but below explosive industry growth rates as the group remains vigilant against a potential asset bubble and completes a comprehensive risk versus return analysis on this asset class.
 - Targeted tilts are open to revision if alternative financial attractiveness and/or risk profile is presented in respect of the front book.
 - **Deposits**
 - Focus on transactional (primary client) deposits, linking with the NIR project.
 - Reduce wholesale funding reliance.
 - Increase corporate and business bank deposits to relative market share.
 - Retain strong retail deposits market share position.
 - **Non-banking**
 - Essentially targeting high earnings growth in Nedbank Wealth, especially Asset Management and Insurance.
 - **Net interest income (NII)/NIR**
 - Significant growth improvement in all business clusters, and positive shift overall in the group's NII/NIR mix and NIR/expenses ratio.
 - **Capital and liquidity**
 - Risk (capital) versus return enhancement – shift to higher economic profit businesses generally and Nedbank Retail from negative to a positive economic profit on a sustainable basis.
 - Shift towards lower capital/liquidity demanding businesses, eg Nedbank Wealth, Nedbank Capital and Nedbank Business Banking.
 - Reduce earnings volatility risk and balance sheet duration.
 - **Productivity and execution**
 - Information technology simplification and rationalisation.
 - Cost optimisation.
 - Embed a culture of innovation and improve on execution.
- Accordingly, in H1 2011 Nedbank Group continued with its strong Manage for Value strategic focus, including pricing for risk (including both for credit and liquidity), pursuing selective asset growth, a differentiated growth strategy for Home Loans and other active balance sheet management by applying 'portfolio tilt', which contributed to the improvement in NII, NIR, the credit loss ratio (while retaining a conservative stance on impairments), capital and liquidity ratios and the group's ROE, in conjunction with proactive preparation for Basel III.
 - Although balance sheet growth remains subdued in light of the slow global and local economic recovery and ever present associated global risks, growth in certain asset classes has retained some positive momentum in the first half of 2011, new advances are being correctly priced for the risks being assumed (both credit and liquidity) and portfolio tilts have been embedded within the group's financial and strategic plans.
 - What has been encouraging is that group margins have widened as a result of the benefits of pricing new advances to reflect risk and funding costs more appropriately, as well as the ongoing change in asset mix within the balance sheet growth. A reduction in the cost of term liquidity, which has continued as the deposit base is refinanced at lower levels due to a substantially lower cost of market liquidity, has also contributed to enhanced group margins.
 - The group realised strong first-half earnings, with further strengthened capital adequacy ratios and, as a result, an increase in organic liquidity. The group lengthened its funding profile through the issue of senior unsecured debt, reflected in an increase in the proportion of funding raised through long-term funding, and through the launch of retail savings bonds (R2,0 billion to date).
 - In a low-growth economic environment the opportunity to give effect to a portfolio tilt strategy is limited and will take time. Nevertheless some sound progress has been made to date, contributing to the enhanced financial performance and sustainability of the group mentioned above, as summarised below:

- Growth in the Nedbank Wealth business and earnings growth of 16,6%.
- Acquisition of the remaining 50% in Imperial Bank, which has now been fully integrated into Nedbank.
- High growth in unsecured lending, albeit conservatively below the explosive growth rates of competitors.
- Negative growth in Home Loans, intentional due to the poor through-the-cycle economics of this asset class and Basel III implications, even with recent repricing.
- Continuing high growth in NIR (15,9%) positively shifting the group's NII/NIR mix and improving the NIR/expenses ratio.
- Significant pipeline of deals approved, not yet paid out, in the targeted high-growth businesses of Nedbank Corporate and Nedbank Capital.
- Focus on deposits, increasing by 1,5% (annualised), with loans and advances declining by 1,4%. In March 2011 Nedbank launched a retail savings bond, which was well received by the market and thus for attracted in excess of R2,0 billion of new funds.
- Overall shift in portfolio mix, growing primary clients, and client value management within portfolios contributing to higher interest margin.
- The balance sheet remained well-capitalised, with the core Tier 1 capital adequacy ratio increasing to 10,7% (December 2010: 10,1%), while the group's Tier 2 capital position was reduced in line with the group's focus on core Tier 1, with the R1,5 billion Ned 5 bond that was called in April 2011 and not replaced.

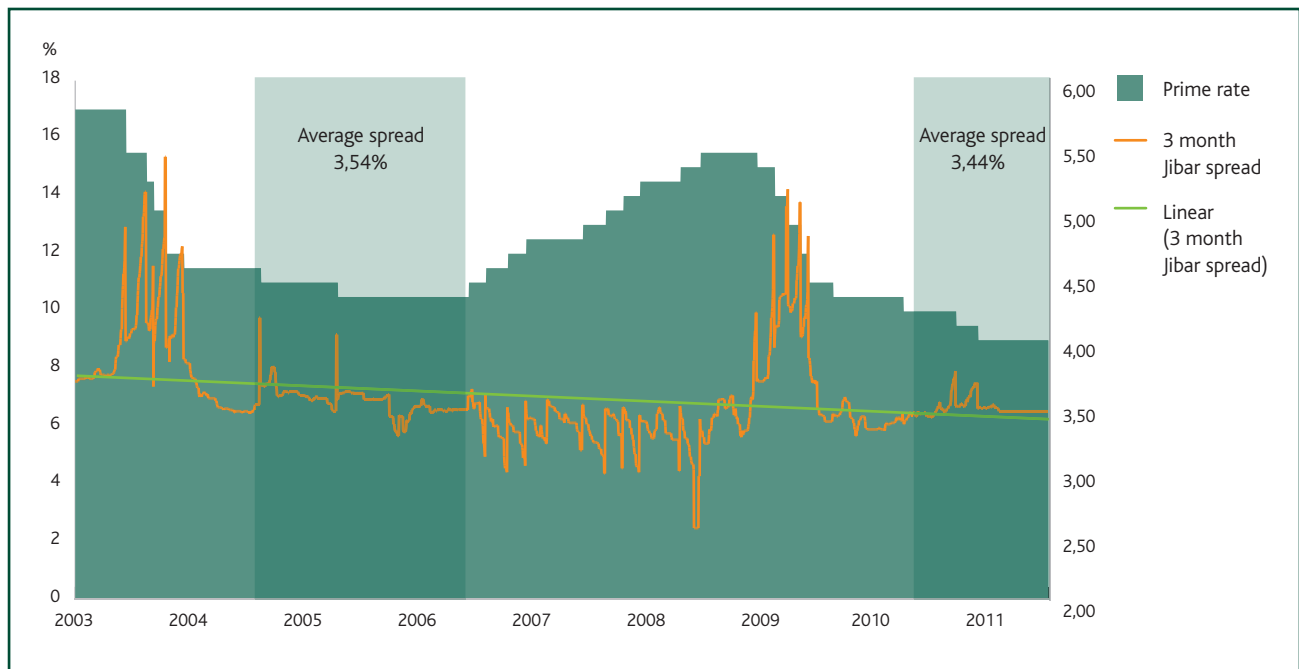
The group's liquidity buffers were increased by R9,0 billion and the funding profile continued to lengthen, with its long-term funding profile now at 27%, all this in proactive preparation for Basel III.

▲ NET INTEREST MARGIN (NIM)

- NIM has improved to 3,43% (June 2010: 3,34%) due to the following:
 - The benefits from pricing assets to fully reflect risk (including both credit and liquidity) and funding costs more appropriately.
 - Ongoing improvement in asset mix in line with the group's portfolio tilt strategy.
 - A relative benefit in this period owing to interest rates remaining stable, given that advances reprice quicker than deposits.
 - The cost of term liquidity continuing to decline.
- The above more than offset the effect of:
 - Negative endowment from lower average rates compared with the 2010 period.
 - The cost of lengthening the bank's funding profile.
 - The costs associated with carrying higher levels of lower-yielding liquid assets.
- Below is a summarised historical analysis of NIM and Nedbank Group's views on the structural shifts that have impacted margins looking forward:



RISK AND BALANCE SHEET MANAGEMENT REVIEW continued



- Looking forward bank margins will be negatively impacted by the following structural changes:
 - Interest rates continue to move to structurally lower levels as depicted in the graph above (of the Prime lending rate). This has negative implications for bank margins in South Africa, as banks are exposed to negative endowment on transactional accounts and equity in a lower rate environment.
 - Basel III will:
 - Reduce the extent of liquidity transformation allowed by banks. This will increase the cost of funding and pricing of new advances.
 - Result in banks carrying higher levels of liquidity buffers.
- Bank margins will squeeze to the extent that banks cannot pass on these additional funding and liquidity costs in revised client pricing. The lead times adopted by local banks in complying with these new Basel III liquidity ratios will also determine the timing of this.
- The spread between lending rates and funding costs have narrowed over time as depicted in the second graph above, that is in the spread between the Prime lending rate and three-month Jibar.
- Accordingly, bank margins are likely to be under pressure and not return to previous highs, all other things being equal.

CAPITAL ADEQUACY

REGULATORY CAPITAL

Ratio %	Target range	Nedbank Group		Nedbank Limited	
		June 2011	December 2010	June 2011	December 2010
		Pro forma			
		Actual	Basel III	Actual	Actual
Core Tier 1	7,5 – 9,0	10,7	9,9	10,1	10,1
Tier 1	8,5 – 10,0	12,4	11,0	11,7	12,0
Total	11,5 – 13,0	15,2	14,0	15,0	15,3

The capital ratios above include unappropriated profits to the extent these are expected to be duly appropriated by the board.

- Nedbank Group's capital ratios remain strong with further increases since December 2010 due to a R451 million increase in ordinary share capital from the vesting of shares under the black economic empowerment and management share structures, strong organic earnings and further risk weighted asset (RWA) optimisation, including a R4,0 billion reduction in market risk RWA with the adoption of the Internal Model Approach (IMA) from January 2011 following approval by the South African Reserve Bank (SARB).
- A surplus of R17,4 billion over the group's total regulatory capital adequacy requirements exists at 30 June 2011.
- Given the predominant focus on the core Tier 1 ratio by Basel III and new future requirements to ensure all classes of capital instruments fully absorb losses at the point of non-viability before taxpayers are exposed to loss, all of which will be phased-in from 2013 onwards, and in consideration of Nedbank Group's high total capital adequacy ratio of 15,2%, the Nedbank Limited Tier 2 bond (Ned 5), amounting to R1,5 billion, was called in April 2011 without being replaced as part of the group's proactive capital management programme.

ECONOMIC CAPITAL

- The group currently holds a surplus of R10,7 billion against its internally calculated economic capital [and Internal Capital Adequacy Assessment Process (ICAAP)] requirements calibrated to an A solvency standard or 99,93% confidence interval, which is more conservative than that for regulatory capital.

Rm	Nedbank Group		Nedbank Limited	
	June 2011	December 2010	June 2011	December 2010
Available financial resources (AFR):				
Economic capital ratio (%)	134%	144%	130%	134%
AFR*	42 294	42 157	35 129	33 047
Tier A (core capital)	36 982	36 845	29 817	27 735
Tier B (non-core capital)	5 312	5 312	5 312	5 312
Total requirements	31 580	29 373	27 023	24 641
Capital buffer (10%)	2 871	2 670	2 457	2 240
Minimum requirement	28 709	26 703	24 566	22 401
Surplus	10 714	12 784	8 106	8 406

* Includes unappropriated profits.

- The decrease in the AFR surplus and ratio since December 2010 is due to the enhancements to the group's economic capital methodology summarised below. On a comparable pro forma basis to 2010, the surplus at 30 June 2011 would have been R13,8 billion.

CAPITAL ALLOCATION TO BUSINESS CLUSTERS

- The group is capitalised at the higher of regulatory and economic capital, currently being regulatory capital. The group's equity included in its ROE calculation is allocated to the business clusters using the group's sophisticated economic capital framework.
- The following enhancements/updates to the group's economic capital methodology for 2011 were implemented and impact the various businesses differently:
 - Changed to a 'full tail risk' allocation for credit risk economic capital, which aligns with the Basel III developments. The group previously applied a '1/3 body and 2/3 tail' weighting.
 - Credit portfolio modelling correlations were updated, done annually.
 - New loss given default (LGD) used for Home Loans in the credit economic capital calculations. Instead of applying a flat average LGD for all Home Loans, LGD parameters depending on the respective LTV bands are now used (significantly more conservative). Accordingly, the capitalisation rate for Home Loans increased from 3,2% to 5,1%, better reflecting the risk inherent in that portfolio.
 - A simpler capital buffer allocation methodology is now used, directly related to the clusters' minimum economic capital requirement.
 - Imperial Bank's portfolios were fully integrated into the existing Nedbank Group economic capital structures.
 - Parameters used in the business risk methodology were refined and updated, using more recent data.
- Clusters' capital allocation quantum will also naturally alter due to any material RWA optimisation and changes in the risk profile of their different portfolios.

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

ICAAP

- The annual group ICAAP was completed and signed off by the board on 27 July 2011.
- Best-practice stress and scenario testing is performed to confirm the robustness of the group's capital adequacy.
- The board's conclusion on ICAAP is that it remains satisfied that the capital (both regulatory capital and the internal capital assessment, economic capital) and liquidity levels are appropriate, and both Nedbank Group and Nedbank Limited are strongly capitalised relative to their business activities, strategy, risk appetite, risk profile and the external environment in which the group operates, and their liquidity profile is sound [for which a separate Internal Liquidity Adequacy Assessment Process (ILAAP) Report supporting this view is produced].

LEVERAGE

- The group's leverage ratio remains low at 13,3 times (December 2010: 13,8 times) when compared with international levels.
- Under Basel III the Nedbank pro forma leverage ratio for June 2011 is 17,9 times (including unappropriated profits). The main difference under Basel III is the inclusion of off-balance-sheet exposure, but the group is still well within the Basel III proposed maximum of 33,3 times, highlighting a relatively low level of gearing.

▲ LIQUIDITY AND FUNDING

- Nedbank continued to enhance its liquidity risk profile in 2011, mainly in preparation for Basel III.
 - Significantly lengthened the long-term funding ratio to 27% (December 2010: 23%), supported by the successful issue of R3,7 billion in senior unsecured debt and the launch of Nedbank's Retail Savings Bond, with in excess of R2,0 billion having been issued during the period.
 - Further strengthened the group's liquidity buffer by increasing the surplus liquid asset portfolio to R15,0 billion, up from R6,0 billion at December 2010.
 - Matched maturity funds transfer pricing (MMFTP) and liquidity premiums (pricing for liquidity risk) are well entrenched across the businesses, ensuring pricing discipline is maintained and contributing to the enhanced NIM.
 - Amounts owed to depositors increased by 1,5%, improving the loan-to-depositor percentage from 96,9% at December 2010 to 95,5% at June 2011.
 - A well-diversified funding mix prevails (ie retail versus wholesale deposit reliance) and strong retail household deposits positioning maintained.
 - Low reliance on interbank funding and foreign markets.
 - Annual ILAAP also completed as part of the ICAAP.

▲ CREDIT RISK

Rm	June 2011	December 2010
Gross loans and advances	483 384	486 499
Standard advances	458 143	459 734
Defaulted advances	25 241	26 765
Total impairment	11 466	11 226
Specific impairment	9 026	9 072
Portfolio impairment	2 440	2 154
Credit loss ratio	1,21%	1,36%
Specific	1,10%	1,32%
Portfolio	0,11%	0,04%
Total impairment to gross loans and advances	2,37%	2,31%
Specific impairment to defaulted loans and advances	35,76%	33,90%
Portfolio impairment to standard advances	0,53%	0,47%

- The credit loss ratio improved to 1,21% (December 2010: 1,36%), but remains above the group's 0,60% – 1,00% target range due to the uncertain economic environment and as a result of increased emergence periods, the group has increased the level of portfolio impairments, as well as included R100 million in the centre to provide the unknown events that may have already occurred, but which will only be evident in the future.
 - The credit loss ratio relating to specific impairments improved from 1,46% in June 2010 to 1,10%, reflecting the improvement in asset quality. Due to the uncertain economic environment, portfolio impairment provisions have been strengthened.
 - The primary reduction in the specific impairment charge came from Nedbank Retail's secured lending portfolio, in particular Nedbank Motor Finance, as a result of the accelerating impact of the improved environment and various risk management mitigation initiatives, with the credit loss ratio in Retail improving significantly from 2,93% in June 2010 to 2,24%, now only marginally outside the upper end of the cluster's through-the-cycle target range.
 - Credit loss ratios in all other clusters, with the exception of Nedbank Capital and Nedbank Wealth, remain within the respective clusters' through-the-cycle target levels.
- Defaulted advances decreased by 11,5% (annualised) to R25 241 million (December 2010: R26 765 million), reflecting writeoffs, the improved collections processes and credit environment, and ongoing restructuring and initiatives in Home Loans.
- The sovereign debt crisis in the Eurozone remains unresolved. Portugal was bailed out by the European Union in May and Greece in June 2011. These two countries may need further bailouts in the near future. Spain will be at risk should contingent liabilities from the banking sector increase.
 - Nedbank's total exposure to banks in Portugal, Italy, Ireland, Greece and Spain at June 2011 was low at R2,5 million, with R3,3 billion (short term exposure) to Italy and R282 million to Spain. Overall 98% of Nedbank Group's total sovereign exposures of R40 billion is to highly rated credit sovereigns (NGR00 to NGR08). Of the R40 billion, R36,2 billion is in the form of SA government bonds. In the international and domestic financial institutions portfolio, over 96% is to institutions rated NGR00 to NGR08.

▲ RISK MANAGEMENT

- The group's Enterprisewide Risk Management Framework (ERMF) continued to be resilient, with sound risk governance and compliance aligned with Basel Committee requirements.
 - Reducing credit impairments, which are now evident in the declining credit loss ratios across all business clusters, except for Nedbank Capital.
 - Robust capital and liquidity risk management, and proactively managing the potential implications of the proposed Basel III regulations in respect of capital, liquidity and risk management requirements.
 - Significant steps to enhance risk management in Nedbank Retail and to fix the economics in secured lending.
 - Successful Imperial Bank integration into Nedbank Limited.
 - Giving effect to the requirements having achieved Advanced Measurement Approach (AMA) and Internal Model Approach (IMA) approval from SARB, attained with effect from December 2010 and January 2011, respectively.
 - Prudent risk appetite followed with group metrics cascaded to all business units.
 - Risk-based remuneration practices applied since 2008 align in all material respects with recent international requirements.
 - Effective operational and security risk management, containing impact of crime at reasonable levels. Alternative operational risks to sustainability, such as environmental and transformation risks, have been well managed by the group.
 - Preparing Nedbank Group for legislation that will come into effect in 2011, such as the Consumer Protection Act, Protection of Personal Information Act and the revised Companies Act.

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

▲ BASEL III

- The majority of the Basel III proposals were finalised in December 2010, although some significant aspects remain to be completed in 2011. In South Africa the details of exactly how Basel III will be adopted will be determined by the SARB, and this is anticipated to be clarified in 2012.
- The strategic impact of Basel III internationally is very significant, changing business models and potentially reducing ROEs extensively. In South Africa we are well placed, but there is much to do and the strategic impact is also significant, especially driven by the new liquidity requirements and higher capital levels, but also other implications such as counterparty credit risk.
- For Nedbank Group the impact of the new capital requirements is expected to be manageable, given existing strong capital ratios and the high quality of core Tier 1 equity. On a Basel III pro forma basis for 30 June 2011 the group is in a position to absorb the Basel III capital implications easily, with all capital ratios still remaining well above the top end of current internal target ranges.

By the end of 2013 these ratios should improve further from projected earnings and be well positioned in the anticipated revised target ranges, even before considering further capital and RWA optimisation and the impact of the group's portfolio tilt strategy.

Once Basel III has been finalised by SARB, Nedbank Group will finalise its revised target capital ratios. For now Nedbank continues to operate well above its current Basel II target capital ratios.

- The main challenge of Basel III is in respect of the two proposed liquidity ratios, the liquidity coverage ratio (LCR) for implementation in 2015, and the net stable funding ratio (NSFR) for implementation in 2018.

The group, together with the industry, has remained focused on how best to comply with the LCR, given that banks would need to be compliant ahead of 2015. The impact of NSFR compliance by South Africa and most banking industries worldwide would be punitive if implemented as it currently stands. The structural constraints within the SA financial markets add to the local challenge of complying with these ratios. However, this is being proactively tackled by National Treasury in conjunction with the financial services industry.

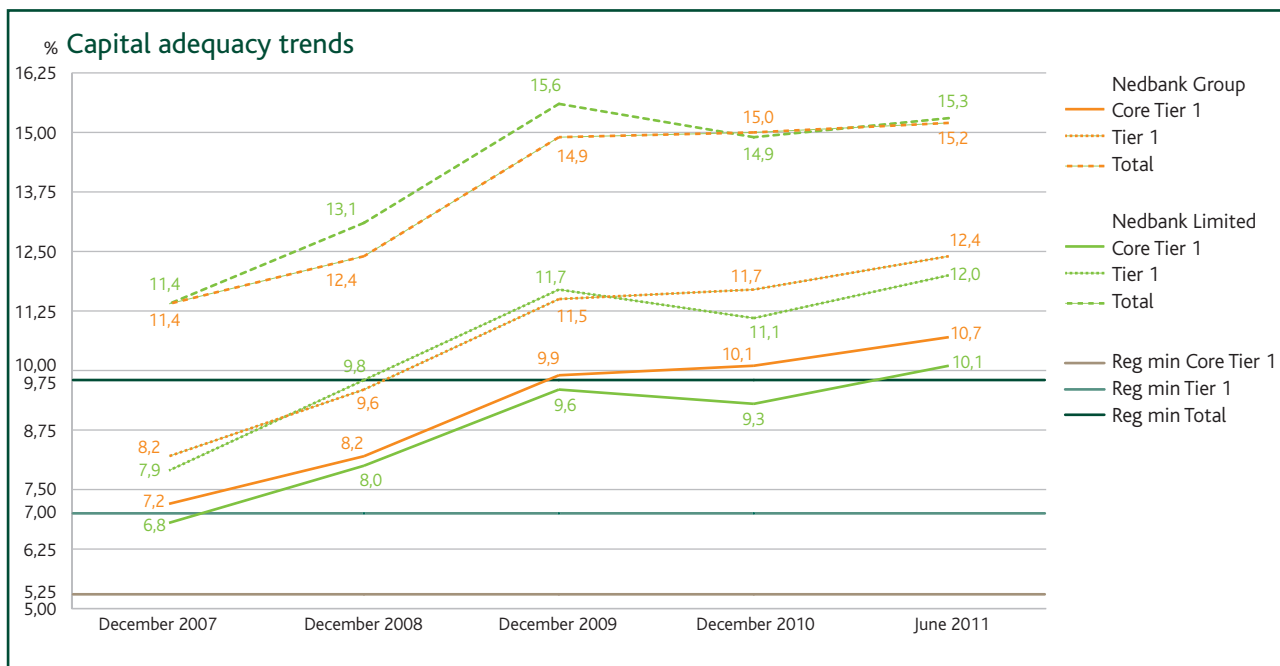
The group anticipates that, following the observation period that has commences in 2012, the Basel Committee will soften the NSFR requirement and a pragmatic approach to this issue will be applied prior to the finalisation in 2018.

▲ SOLVENCY II

- Solvency Assessment and Measurement (SAM) is the Financial Services Board's new economic risk-based solvency regime for South African insurers, which closely follows international regulatory trends, in particular Solvency II. SAM affects the Nedbank Wealth cluster and implementation is set for 1 January 2014.

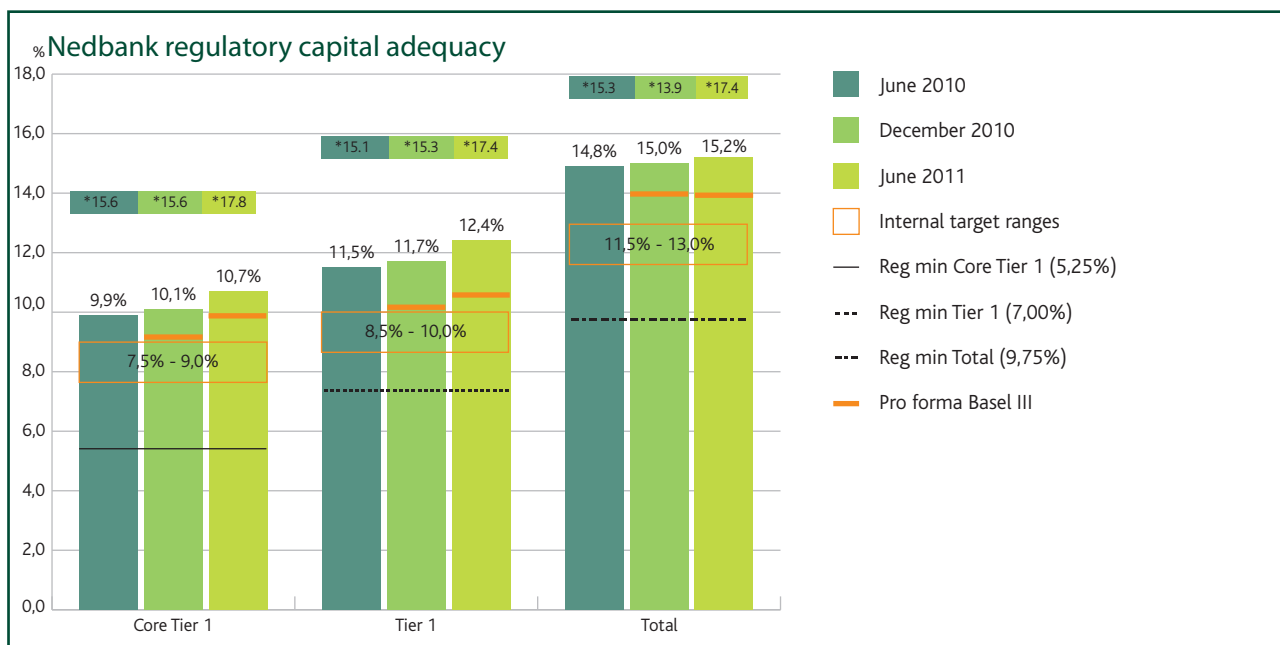
CAPITAL MANAGEMENT REGULATORY CAPITAL ADEQUACY

The graph below shows Nedbank Group's capital adequacy ratios (CARs) from December 2007 to June 2011.



Nedbank Group capital ratios have continued to strengthen since 2007, enhanced by the group's RWA optimisation programme, which is ongoing. The downward or slowing trend in 2010 is the result of using internal capital resources to buy out the minorities in Imperial Bank, the increase in RWA resulting from its integration into Nedbank Limited, and the impairment as intangible assets of capitalised software development costs against qualifying capital and reserves, rather than their treatment as fixed assets that was previously only expected from 2013 onwards under the Basel III requirements.

Nedbank Group's CARs strengthened since December 2010 due to a R451 million increase in ordinary share capital from the vesting of shares under the black economic empowerment (BEE) and management share structures, strong organic earnings and further RWA optimisation, including a R4,0 billion reduction in market risk RWA with the adoption from January 2011 of the Internal Model Approach (IMA) approved by the South African Reserve Bank (SARB).



* Surplus (R billion) above regulatory minima.

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

The group's capital ratios remain well above the group's internal targets in preparation for Basel III, being 10,7% core Tier 1 (December 2010: 10,1%; June 2010: 9,9%), 12,4% Tier 1 (December 2010: 11,7%; June 2010: 11,5%) and 15,2% Total (December 2010: 15,0%; June 2010: 14,8%). The ratios include unappropriated profits at the end of the half-year to the extent that these are not expected to be reversed and are expected to be appropriated subsequent to the end of the half-year.

Given the predominant focus on the core Tier 1 ratio by Basel III and new requirements to ensure all classes of capital instruments fully absorb losses at the point of non-viability before taxpayers are exposed to loss, all of which will be phased in from 2013 onwards, as well as in consideration of Nedbank Group's high total CAR of 15,2%, the Nedbank Limited Tier 2 bond (Ned 5), amounting to R1,5 billion, was called in April 2011 without being replaced.

Nedbank Limited regulatory capital ratios also strengthened since December 2010 on the back of profitability and RWA optimisation to 10,1% core Tier 1 (December 2010: 9,3%; June 2010: 8,8%), 12,0% Tier 1 (December 2010: 11,1%; June 2010: 10,9%), 15,3% Total (December 2010: 14,9%; June 2010: 14,8%).

The impact of the new Basel III capital requirements is expected to be manageable for Nedbank Group, given existing strong capital ratios and the high quality of core Tier 1 equity. On a Basel III pro forma basis for 30 June 2011 the group is in a position to easily absorb the Basel III capital implications, with all capital ratios remaining well above the top end of current internal target ranges.

These ratios should improve further by the end of 2013 from projected earnings and be well-positioned in the anticipated revised target ranges, even before considering the effects of capital and RWA optimisation and the impact of the group's portfolio tilt strategy.

Once Basel III has been finalised by the SARB, Nedbank Group will finalise and communicate its revised target capital ratios. For now, Nedbank continues to operate well above its current Basel II target capital ratios.

Consolidation of entities for regulatory purposes is performed in accordance with the requirements of Basel II, the Banks Act and accompanying regulations. There are some differences in the basis of consolidation for accounting and regulatory purposes. These include the exclusion of certain accounting reserves [eg the foreign currency translation (FCT) reserve, share-based payments (SBP) reserve and available-for-sale (AFS) reserve], the deduction of insurance entities and the exclusion of trusts that are consolidated in terms of International Financial Reporting Standards (IFRS) but not currently subject to regulatory consolidation, which we anticipate will qualify in terms of Basel III, subject to limitations.

The FCT, SBP and AFS reserves that arise in the consolidation of entities in terms of IFRS amounted to R0,9 billion at the end of June 2011 (December 2010: R1,0 billion) and are currently excluded from qualifying regulatory capital. Restrictions on the transfer of funds and regulatory capital within the group are not a material factor. These restrictions mainly relate to those entities that operate in countries other than South Africa where there are exchange control restrictions in place.

SUMMARY OF RWA (BY RISK TYPE AND BUSINESS CLUSTER)

Nedbank Group	June 2011 Rm	Mix %	December 2010 Rm	Mix %
Credit risk	246 005	76,1	246 793	76,3
Nedbank Capital	27 677	8,6	28 632	8,9
Nedbank Corporate	73 565	22,7	76 794	23,7
Nedbank Retail and Business Banking (RBB)	137 570	42,5	134 488	41,5
Nedbank Retail	99 636	30,8	97 483	30,1
Nedbank Business Banking	37 934	11,7	37 005	11,4
Nedbank Wealth	6 347	2,0	6 031	1,9
Central Management and Shared Services	846	0,3	848	0,3
Equity risk	15 150	4,7	13 273	4,1
Market risk	3 897	1,2	7 339	2,3
Operational risk	45 007	13,9	43 415	13,4
Other assets	13 503	4,2	12 861	3,9
Total RWA	323 562	100,0	323 681	100,0

Nedbank Group's total RWA decreased by R119 million since December 2010. This is mainly due to negative growth in gross loans and advances of 1,4% and RWA optimisation, as discussed earlier.

SUMMARY OF RWA AND CAPITAL ADEQUACY POSITION

Risk type	Nedbank Group		Nedbank Limited***	
	June 2011	December 2010	June 2011	December 2010
Rm				
Credit risk	246 005	246 793	224 317	225 719
Credit portfolios subject to the Advanced Internal Ratings-based (AIRB) Approach	188 928	188 610	177 466	176 680
Corporate, sovereign, bank, SME****	104 940	106 312	94 569	95 545
Residential mortgages	44 871	46 305	43 779	45 141
Qualifying revolving retail	9 126	8 489	9 112	8 490
Other retail	29 991	27 504	27 196	27 504
Credit portfolios subject to the Standardised Approach	54 155	52 771	43 958	43 694
Corporate, sovereign, bank, SME	17 072	17 645	10 632	12 111
Retail exposures	37 083	35 126	33 326	31 583
Counterparty credit risk (Current Exposure Method)	2 246	4 543	2 217	4 476
Securitisation exposures (Internal Ratings-based Approach)	676	869	676	869
Equity risk (Market-based Simple Risk Weight Approach)	15 150	13 273	12 190	10 829
– Listed (300% risk weighting)	1 637	1 605	1 625	1 596
– Unlisted (400% risk weighting)	13 513	11 668	10 565	9 233
Market risk (Internal Model Approach)	3 897	7 339	2 771	6 373
Operational risk (Advanced Measurement Approach)	45 007	43 415	36 910	35 693
Other assets (100% risk weighting)	13 503	12 861	10 250	9 721
Total risk weighted assets	323 562	323 681	286 438	288 335
Total minimum regulatory capital requirements*	31 732	34 481	28 112	31 034
Total qualifying capital and reserves**	49 129	48 419	43 743	42 860
Total surplus capital over minimum requirements	17 397	13 938	15 631	11 826
Analysis of total surplus capital**				
Core Tier 1	17 768	15 603	13 983	11 571
Tier 1	17 418	15 250	14 282	11 838
Total	17 397	13 938	15 631	11 826

* Includes Basel II capital floor requirements.

** Includes unappropriated profits.

*** Nedbank Limited refers to the SA reporting entity in terms of Regulation 38 (BA700) of the SA banking regulations.

**** SME = Small and medium-sized enterprises.

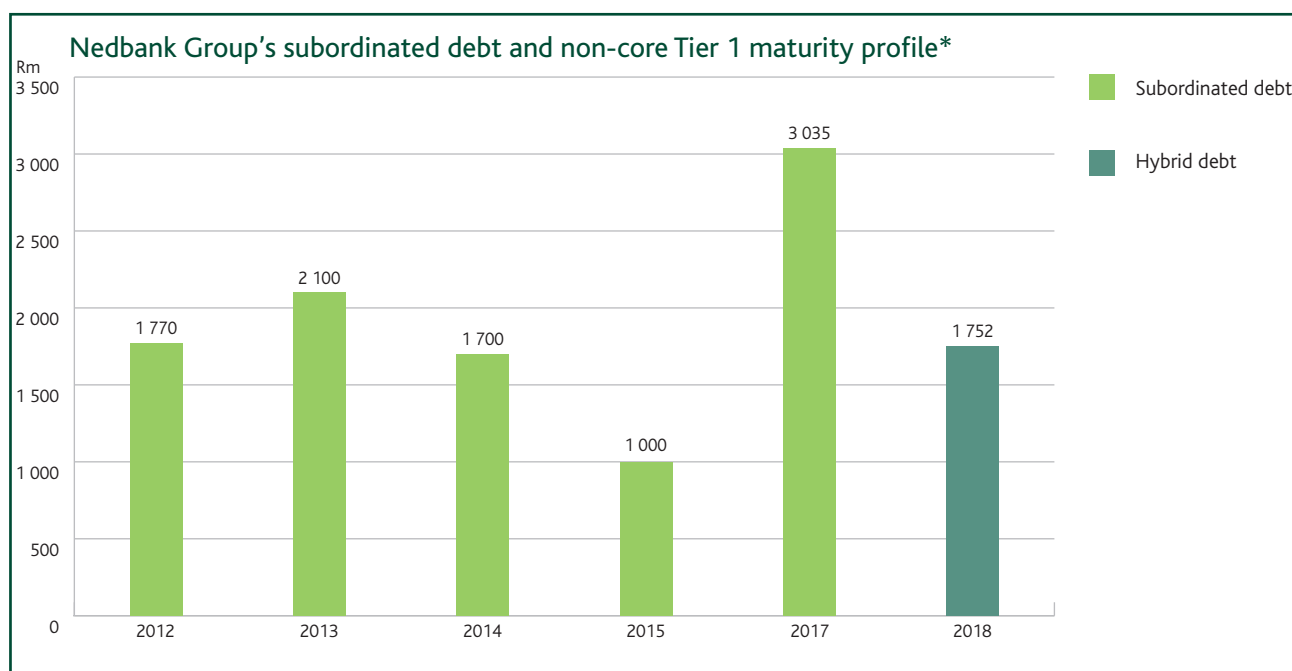
RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

SUMMARY OF QUALIFYING CAPITAL AND RESERVES

Excluding unappropriated profits	Nedbank Group		Nedbank Limited	
	June 2011	December 2010	June 2011	December 2010
Rm				
Tier 1 capital (primary)	37 636	36 861	32 134	31 249
Core Tier 1 capital	32 324	31 549	26 822	25 937
Ordinary share capital	454	449	27	27
Ordinary share premium	15 968	15 522	14 434	14 434
Reserves	29 600	28 130	18 923	17 605
Minority interest: ordinary shareholders	146	153		
Deductions	(13 844)	(12 705)	(6 562)	(6 129)
Impairments	(10)	(10)	(264)	(720)
Goodwill	(4 958)	(4 945)	(1 410)	(1 410)
Capitalised software development costs*	(2 026)	(1 998)	(1 972)	(1 936)
Other intangibles*	(519)	(544)		
Excess of expected loss over eligible provisions (50%)	(765)	(866)	(790)	(869)
Unappropriated profits**	(2 510)	(1 217)	(2 277)	(942)
AFS reserves	(90)	(98)	(9)	(9)
FCT reserves	(66)	20	(9)	(9)
SBP reserves	(755)	(949)	947	557
Property revaluation reserves	(1 133)	(1 146)	(738)	(747)
Capital held in insurance entities (50%)	(602)	(562)		
Other regulatory differences	(410)	(390)	(40)	(44)
Non-core Tier 1 capital	5 312	5 312	5 312	5 312
Preference share capital and premium	3 560	3 560	3 560	3 560
Hybrid debt capital instruments	1 752	1 752	1 752	1 752
Tier 2 capital (secondary)	9 061	10 511	9 410	10 839
Long-term debt instruments	9 501	11 000	9 499	10 998
Revaluation reserves (50%)	566	573	369	374
Deductions	(1 006)	(1 062)	(458)	(533)
Capital held in insurance and financial entities (50%)	(602)	(562)		
Excess of expected loss over eligible provisions (50%)	(765)	(866)	(790)	(869)
General allowance for credit impairment	401	410	372	380
Other regulatory differences	(40)	(44)	(40)	(44)
Total capital	46 697	47 372	41 544	42 088
Including unappropriated profits**				
Core Tier 1 capital	34 756	32 596	29 021	26 709
Tier 1 capital (primary)	40 068	37 908	34 333	32 021
Total capital	49 129	48 419	43 743	42 860

* Treated as an impairment to qualifying capital rather than as fixed assets since June 2010.

** Includes unappropriated profits, adjusted for Tier 2 debt interest obligations.



* The subordinated debt is based on call dates and not maturity dates and values are based on book values.

DIVIDEND COVER

The group has a dividend cover policy range of 2,25 to 2,75 covered by headline earnings per share, with an average dividend cover of 2,30 times for 2010. For the six months to 30 June 2011 dividend cover was 2,32 times.

SUMMARY OF REGULATORY CAPITAL ADEQUACY OF ALL BANKING SUBSIDIARIES OF NEDBANK GROUP

A summary of all the group's banking subsidiaries' Basel II regulatory capital positions is provided below.

Bank	June 2011		December 2010	
	RWA Rm	Total capital ratio %	RWA Rm	Total capital ratio %
Nedbank Limited (including unappropriated profits)	286 438	15,3	288 335	14,9
Nedbank Limited (excluding unappropriated profits)	286 438	14,5	288 335	14,6
Nedbank Namibia Limited*	5 213	14,17	5 067	13,5
Fairbairn Private Bank (IOM) Limited*	1 850	17,74	1 729	18,2
Fairbairn Private Bank Limited*	1 289	17,19	1 400	14,7
Nedbank (Swaziland) Limited*	1 847	14,94	1 290	20,2
Nedbank (Lesotho) Limited*	1 003	23,16	984	20,6
MBCA Bank Limited*	746	16,09	761	15,3
Nedbank (Malawi) Limited*	162	36,78	232	22,8

* Ratio reported based on host country requirements.

The capitalisation of all these banking entities is deemed adequate, all have conservative risk profiles, and are managed and monitored within the group's Enterprisewide Risk Management Framework and Internal Capital Adequacy Assessment Process (ICAAP).

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

SUMMARY OF SOLVENCY OF INSURANCE SUBSIDIARIES

The new solvency assessment and management (SAM) requirements, South Africa's version of Solvency II, are expected to be implemented in 2014, with revised measurements in respect of which the concept of risk-based capital is similar to that in Basel II.

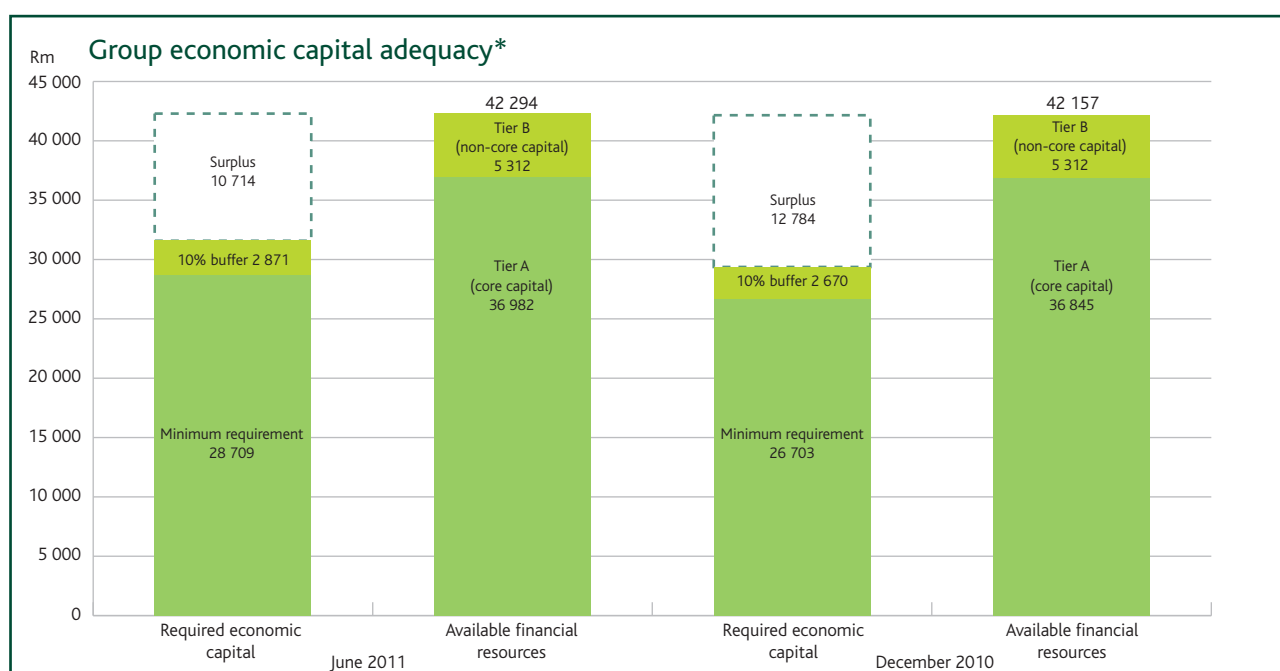
SOLVENCY RATIOS

	Regulatory minimum	June 2011	December 2010
Long-term insurance (Nedgroup Life)	1,00 x	4,00 x	4,00 x
Short-term insurance (Nedgroup Insurance Company)	1,25 x	1,38 x	1,38 x

ECONOMIC CAPITAL ADEQUACY AND ICAAP

Nedbank Group's economic capital methodology is contained in the group's Pillar 3 Report. Enhancements to the group's 2011 economic capital methodology are set out in the highlights section on page 89b.

Set out below is a summary of the group's economic capital adequacy and ICAAP position:



* Including unappropriated profits.

Nedbank Group's ICAAP confirms that the group is capitalised above its current A or 99,93% target debt rating (solvency standard) in terms of its proprietary economic capital methodology. This includes a 10% capital buffer.

The annual group ICAAP was completed and signed off by the board on 27 July 2011. Best-practice stress and scenario testing was performed to confirm the robustness of the group's capital adequacy, details of which are set out in the group's Pillar 3 Report.

The board's conclusion on ICAAP is that it remains satisfied that the capital (both regulatory capital and economic capital, the internal capital assessment) and liquidity levels are appropriate, that both Nedbank Group Limited and Nedbank Limited are strongly capitalised relative to their business activities, strategy, risk appetite, risk profile and the external environment in which the group operates, and that their liquidity profile is sound [a separate Internal Liquidity Adequacy Assessment Process (ILAAP) report supports this view].

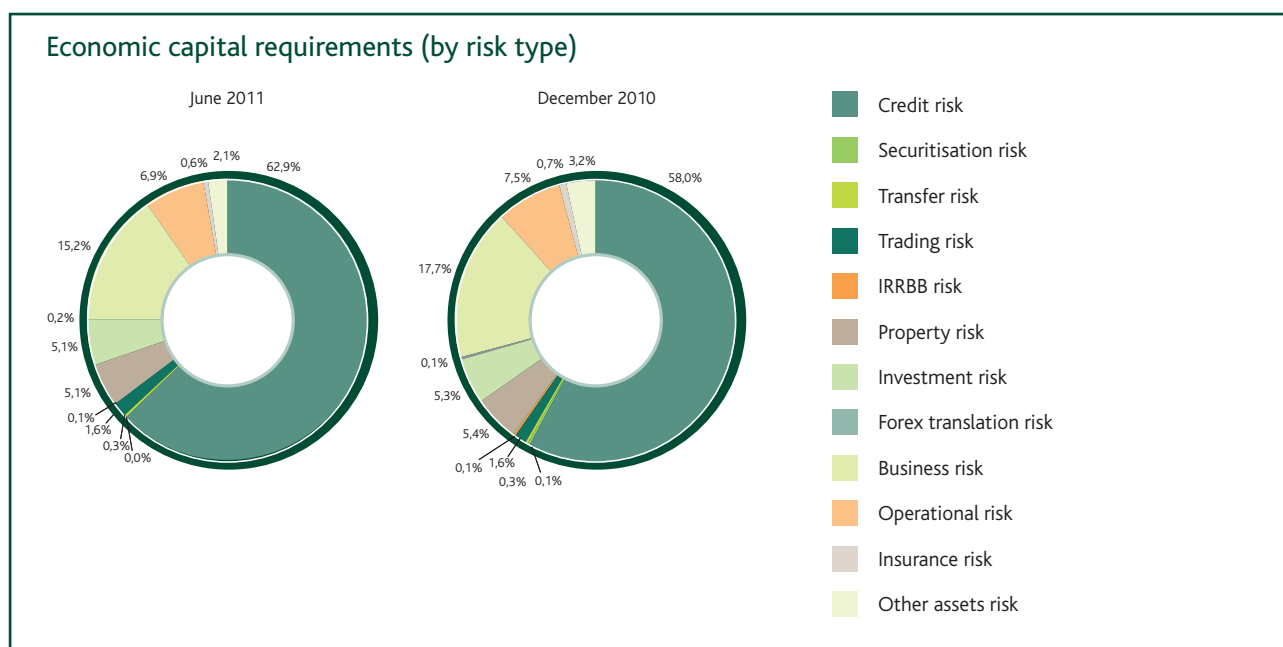
ECONOMIC CAPITAL REQUIREMENTS (BY RISK TYPE) AND AVAILABLE FINANCIAL RESOURCES

Rm	June 2011	December 2010
Credit risk	18 044	15 488
Securitisation risk	10	18
Transfer risk	84	89
Market risk	3 453	3 340
Trading risk	448	424
Interest rate risk in the banking book (IRRBB)	22	27
Property risk	1 453	1 436
Investment risk	1 477	1 421
FCT risk	53	32
Business risk	4 355	4 715
Operational risk	1 985	1 997
Insurance risk	184	192
Other assets risk	594	864
Minimum economic capital requirement	28 709	26 703
Capital buffer (10%)	2 871	2 670
Total economic capital requirement	31 580	29 373
Available financial resources (AFR)	42 294	42 157
Tier A capital (core capital)	36 982	36 845
Tier B capital (non-core capital)	5 312	5 312
Surplus available after capital buffer*	10 714	12 784
<i>* Comparable pro forma AFR surplus at June 2011 excluding the impact of credit risk methodology changes summarised in the highlights section on page 89b:</i>		
<i>Add back: Impact of credit risk methodology changes on total economic capital requirement</i>		1 875
<i>Add back: Impact of credit risk methodology changes on AFR</i>		1 224
<i>Surplus available excluding the impact of 2011 credit risk methodology changes</i>		<u>13 813</u>

Total economic capital requirements (including 10% buffer) increased by R2,2 billion from R29,4 billion in December 2010 to R31,6 billion in June 2011, largely due to the impact of the credit risk methodology change applied to the Home Loans portfolio within the Retail cluster.

AFR increased by only R137 million mainly due to the credit risk methodology change that also increased expected loss, which reduced the excess of IFRS provisions over expected loss (100%), offset by half-year profits and additional BEE and employee share scheme capital.

In conclusion, Nedbank Group's economic capital adequacy remains strong at its A (99,93%) target debt rating (solvency standard), with a surplus at group level of R10,7 billion. This is after the implementation of the methodology enhancements previously mentioned and providing for a 10% economic capital buffer, the adequacy of which is confirmed by sophisticated stress testing and the group's ICAAP.



RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

AVAILABLE FINANCIAL RESOURCES

Rm	June 2011	December 2010
Tier A capital	36 982	36 845
Ordinary share capital and premium	16 422	15 971
Minority interest: ordinary shareholders	146	153
Reserves	29 600	28 130
Retained income	20 810	16 924
Unappropriated profits	2 510	1 217
Distributable reserves	4 130	7 692
Non-distributable reserves	106	124
AFS reserves	90	98
FCT reserves	66	(20)
SBP reserves	755	949
Property revaluation reserves	1 133	1 146
Deductions	(9 246)	(9 225)
Impairments	(10)	(10)
Capitalised software development costs	(2 026)	(1 998)
Other intangibles	(519)	(551)
Goodwill	(4 958)	(4 945)
Subordinated-debt portion of unappropriated profits	(78)	(170)
First loss credit enhancement in respect of securitisation scheme (100%)	(80)	(88)
Capital held in insurance and financial entities (100%)	(1 204)	(1 124)
Other adjustments	(371)	(346)
Excess of IFRS provisions over expected loss (100%)	60	1 816
Tier B capital	5 312	5 312
Preference shares	3 560	3 560
Hybrid debt capital instruments	1 752	1 752
Total AFR	42 294	42 157

RISK-BASED CAPITAL ALLOCATION TO BUSINESS CLUSTERS

Risk-based economic capital allocation to the business clusters has been in place since 2008 for risk-adjusted performance measurement and remuneration purposes. It is a fundamental component in the measurement of the businesses' contribution to economic profit (EP), return on risk-adjusted capital (RORAC) and risk-adjusted return on capital (RAROC). The difference between RORAC and RAROC is simply that the former uses IFRS impairments and the latter through-the-cycle expected loss.

As discussed in the Highlights section on page 89b, further enhancements have been made in 2011 to the group's methodology for allocating capital to its businesses. Overall the move to 'full tail' allocation resulted in higher capital allocation for lumpy wholesale portfolios and lower capital allocation for homogenous retail portfolios. Pro rata allocation of the capital buffer also resulted in the Retail Cluster consuming a larger proportion of the capital buffer as a result of the significant increased economic capital consumption by the Home Loans portfolio within Retail.

A summary of the economic capital allocation by business cluster is presented below. The group is capitalised at the higher of regulatory and economic capital, currently being regulatory capital. The group's equity included in its return on equity calculation is allocated to the business clusters using the group's sophisticated Economic Capital Framework. The capital buffer allocated is increased to align the total economic capital allocated with the group's statutory capital.

SUMMARY OF ECONOMIC CAPITAL ALLOCATION (BY BUSINESS CLUSTER)*

June 2011								
Rm	Nedbank Group	Nedbank Capital	Nedbank Corporate	Total Nedbank RBB	Nedbank Retail	Nedbank Business Banking	Nedbank Wealth	Central Management
Credit risk	18 044	1 555	3 364	12 473	10 345	2 128	639	13
Securitisation risk	10	10						
Transfer risk	84	58	26					
Market risk	3 453	1 224	560	199	192	7	90	1 380
Trading risk	448	423	23				2	
IRRBB risk	22	2	4	15	12	3	1	
Property risk	1 453		43	179	175	4	7	1 224
Investment risk	1 477	773	483	5	5		64	152
FCT risk	53	26	7				16	4
Business risk	4 355	698	632	2 738	2 260	478	287	
Operational risk	1 985	530	516	828	408	420	50	61
Insurance risk	184						184	
Other assets risk	594	35	84	161	156	5	42	272
Minimum economic capital requirement	28 709	4 110	5 182	16 399	13 361	3 038	1 292	1 726
Capital buffer**	17 313	1 086	1 369	4 321	3 518	803	244	10 293
Total capital allocated	46 022	5 196	6 551	20 720	16 879	3 841	1 536	12 019
December 2010								
Credit risk	15 488	1 239	3 194	10 552	8 961	1 591	492	11
Securitisation risk	18	18						
Transfer risk	89	66	23					
Market risk	3 340	1 161	532	235	229	6	83	1 329
Trading risk	424	424						
IRRBB risk	27	2	6	18	15	3	1	
Property risk	1 436		38	212	209	3	10	1 176
Investment risk	1 421	721	483	5	5		61	151
FCT risk	32	14	5				11	2
Business risk	4 715	711	835	2 910	2 412	498	259	
Operational risk	1 997	546	504	799	596	203	85	63
Insurance risk	192						192	
Other assets risk	864	32	93	191	184	7	57	491
Minimum economic capital requirement	26 703	3 773	5 181	14 687	12 382	2 305	1 168	1 894
Capital buffer**	17 398	1 342	2 109	6 683	5 715	968	314	6 950
Total capital allocated	44 101	5 115	7 290	21 370	18 097	3 273	1 482	8 844

* The economic capital numbers disclosed in this table are as at 30 June 2011 and not year to date averages as disclosed in the operational segmental reporting.

** Unallocated buffer included in Central Management. The increase in the capital buffer retained in Central Management in 2011 is largely the result of a bigger impact of the application of a 10% core Tier 1 capital allocation cap due to strengthening group CARs. The major components of the buffer held in the Centre are goodwill, intangibles and excess capital over and above the 10% core Tier 1 capital cap.

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

COST OF EQUITY

Following a shift in the constituents of the cost of equity calculated using the Capital Asset Pricing Model, Nedbank Group revised its cost of equity to 13,00% at the beginning of 2011 (2010: 14,15%). The risk-free rate applied was the primary driver of this change with the 10-year point of the SA sovereign yield curve declining to 8,16% at 31 December 2010 (2009: 9,17%). The cost of equity is updated on an annual basis, using the closing risk-free rate from the prior year, but also reviewed quarterly.

EXTERNAL CREDIT RATINGS

FITCH RATINGS

OLD MUTUAL GROUP (OMG)

In May 2011 Fitch Ratings upgraded the long-term Issuer Default Rating (IDR) of Nedbank's parent, Old Mutual plc, to 'A-' from 'BBB+' and senior unsecured debt to 'BBB+' from 'BBB'. The outlooks on all of OMG's long-term IDRs and Insurer Financial Strength (IFS) ratings are 'stable'.

NEDBANK GROUP LIMITED AND NEDBANK LIMITED

In July 2011 Fitch reaffirmed the ratings of Nedbank Group Limited and Nedbank Limited, the 100%-owned subsidiary of Nedbank Group Limited.

The ratings of Nedbank Group Limited and Nedbank Limited reflect the bank's intrinsic strength through its well established and improving domestic franchise.

Fitch ratings	Nedbank Group Limited July 2011	Nedbank Limited July 2011
Individual	C	C
Support	2	2
Foreign currency		
Short term	F2	F2
Long term	BBB	BBB
Long-term rating outlook	Stable	Stable
Local currency		
Long-term senior	BBB	BBB
Long-term rating outlook	Stable	Stable
National		
Short term	F1+ (zaf)	F1+ (zaf)
Long term	AA – (zaf)	AA – (zaf)
Long-term rating outlook	Stable	Stable

MOODY'S INVESTORS SERVICE

Moody's Investors Service (Moody's) reaffirmed the ratings of Nedbank Limited in July 2010.

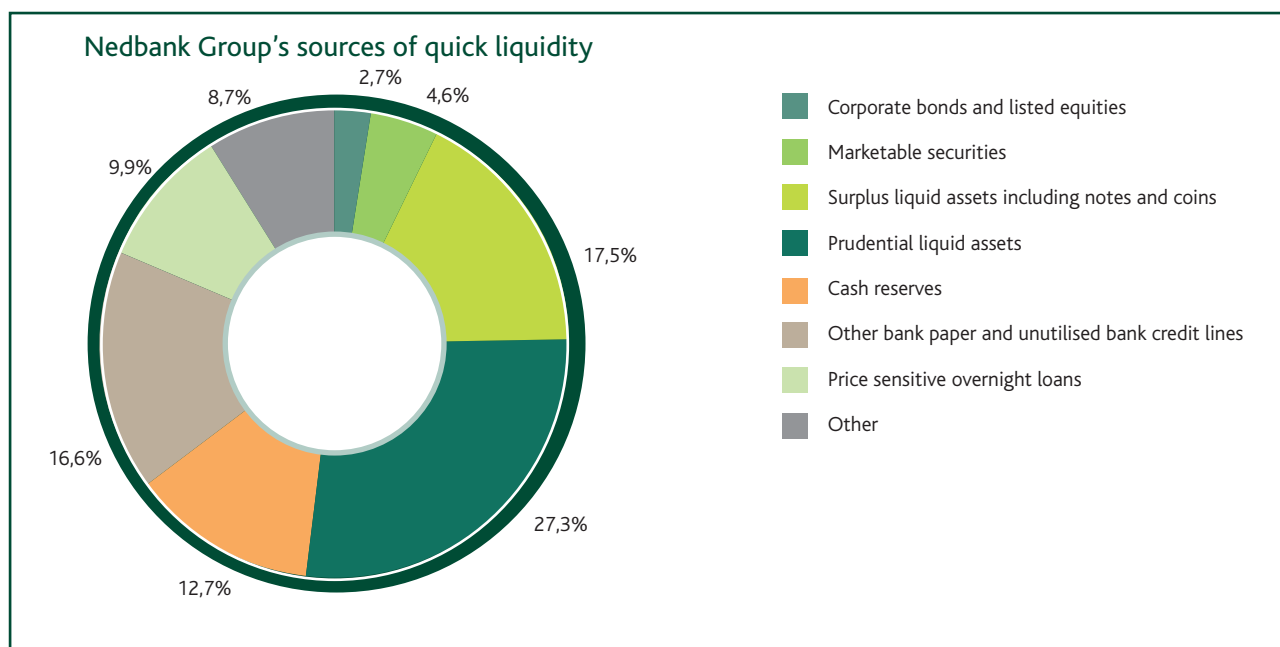
Moody's Investors Service	Nedbank Limited July 2010
Bank financial-strength rating	C-
Outlook – financial-strength rating	Stable
Global local currency – long-term deposits	A2
Global local currency – short-term deposits	Prime-1
Foreign currency – long-term bank deposits	A3
Foreign currency – short-term bank deposits	Prime-2
Outlook – foreign currency deposit rating	Stable
National scale rating – long-term deposits	Aa2.za
National scale rating – short-term deposits	Prime-1.za
Outlook – national scale rating	Stable

ASSET AND LIABILITY MANAGEMENT

LIQUIDITY RISK

A portfolio of marketable and highly liquid assets, which could be liquidated to meet unforeseen or unexpected funding requirements, is maintained. The market liquidity by asset type (and for a continuum of plausible stress scenarios) is considered as part of the internal stress testing and scenario analysis process.

The quantum of unencumbered assets available as collateral for stress funding is measured and monitored on an ongoing basis. Nedbank Group's sources of quick liquidity available for stress funding requirements amounted to R91 billion at June 2011 (December 2010: R78,6 billion). The table below reflects the composition of this portfolio:



The table below depicts the contractual and business-as-usual (BaU) liquidity mismatches in respect of Nedbank Limited, and highlights the split of total deposits into 'stable' and 'more volatile'. Based on the behaviour of the bank's clients, it is estimated that 84% of the total deposit base is stable.

Due to the tight reporting timelines at the half-year, the group's liquidity mismatch information is unavailable. This information will be reported in the group's Pillar 3 disclosure.

NEDBANK LIMITED CONTRACTUAL BALANCE SHEET MISMATCH

June 2011

Rm	Total	Next day	2 to 7 days	8 days to 1 month	More than 1 month to 2 months
Contractual maturity of assets	551 837	47 926	11 738	35 061	16 202
Loans and advances	422 321	23 429	358	28 253	6 240
Trading, hedging and other investment instruments	74 637	5 707	10 708	5 833	8 675
Other assets	54 879	18 790	672	975	1 287
Contractual maturity of liabilities	551 837	214 736	13 771	37 412	22 144
Stable deposits	389 455	181 765	8 976	31 070	17 377
Volatile deposits	74 988	22 139	1 620	5 781	3 969
Trading and hedging instruments	44 511	10 832	3 175	561	798
Other liabilities	42 883				
On-balance-sheet contractual mismatch	–	(166 810)	(2 033)	(2 351)	(5 942)
Cumulative on-balance-sheet contractual mismatch	–	(166 810)	(168 843)	(171 194)	(177 136)

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

The BaU table below shows the expected liquidity mismatch under normal market conditions after taking into account the behavioural attributes of Nedbank Limited's stable deposits, savings and investment products.

NEDBANK LIMITED BaU BALANCE SHEET MISMATCH

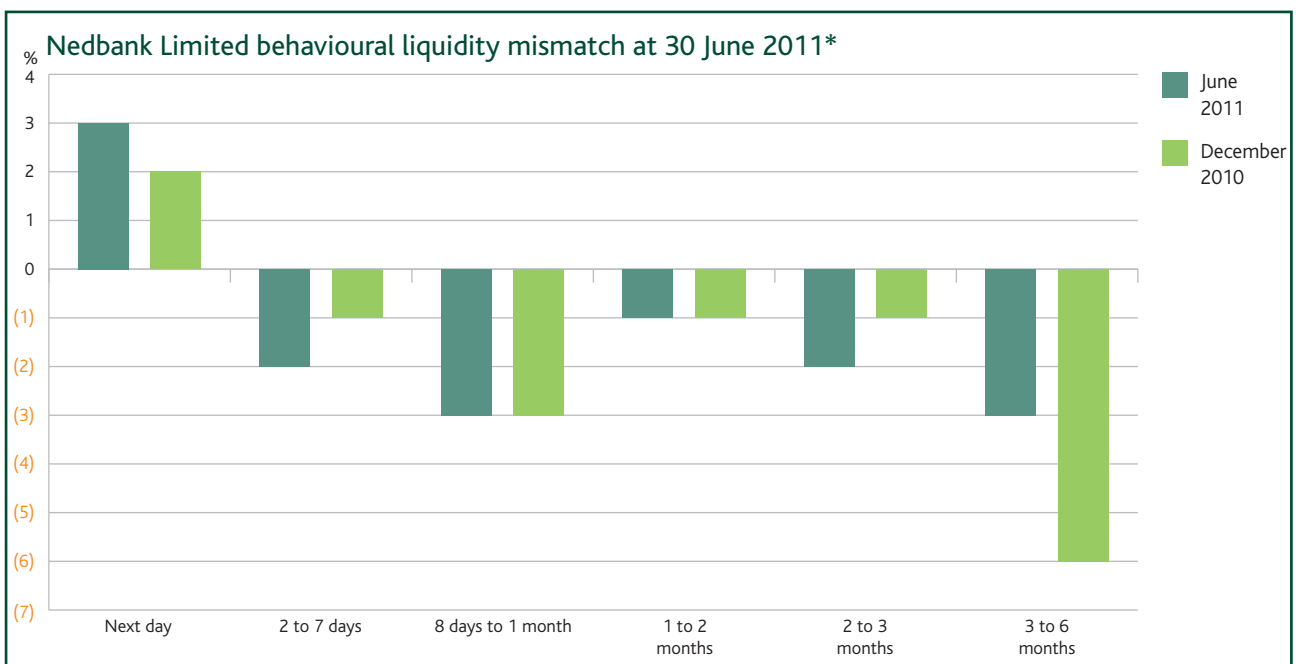
June 2011

Rm	Total	Next day	2 to 7 days	8 days to 1 month	More than 1 month to 2 months
BaU maturity of assets	551 837	27 778	1 781	17 260	9 848
Loans and advances	422 321	4 848	1 044	14 755	8 249
Trading, hedging and other investment instruments	74 637	22 930	737	2 505	1 599
Other assets	54 879				
BaU maturity of liabilities	551 837	10 261	10 405	31 889	17 443
Stable deposits	389 455	465	1 429	8 826	12 676
Volatile deposits	74 988	1 337	5 801	22 501	3 969
Trading and hedging instruments	44 511	8 459	3 175	562	798
Other liabilities	42 883				
On-balance-sheet BaU mismatch	–	17 517	(8 624)	(14 629)	(7 595)
Cumulative on-balance-sheet BaU mismatch	–	17 517	8 893	(5 736)	(13 331)

As per the table above Nedbank Limited's BaU inflows exceed outflows in the overnight-to-one-week time bucket, taking into account behavioural assumptions, including rollover assumptions associated with term deals, but excluding BaU management actions.

As illustrated below the BaU maturity mismatch has continued to improve. In other words, under BaU conditions Nedbank Group's liquidity position is stronger in June 2011 compared with December 2010. This has been achieved through a strategy of lengthening the funding profile and managing the asset/liability composition from a behavioural perspective.

In terms of lengthening the funding profile the long-term funding ratio increased to 27% in June 2011, compared with 23% in December 2010. Nedbank Group's capital market issues of R3,7 billion and the launch of the Nedbank Retail Savings Bond in 2011 have contributed to the increase in the long-term funding ratio.



* Expressed on total assets and based on maturity assumptions before rollovers and risk management.

INTEREST RATE RISK IN THE BANKING BOOK

Nedbank Group is exposed to interest rate risk in the banking book (IRRBB) primarily due to the following:

- The bank writes a large quantum of prime-linked advances.
- Funding is prudently raised across the curve at fixed-term deposit rates that reprice only on maturity.
- Three-month Johannesburg Interbank Agreed Rate (JIBAR)-linked swaps and forward-rate agreements are typically used in the risk management of term deposits and fixed-rate advances.
- Short-term demand funding products reprice to different short-end base rates.
- Certain non-repricing transactional deposit accounts are non-rate-sensitive.
- The bank has a mismatch in net non-rate-sensitive balances, including shareholders' funds that do not reprice for interest rate changes.

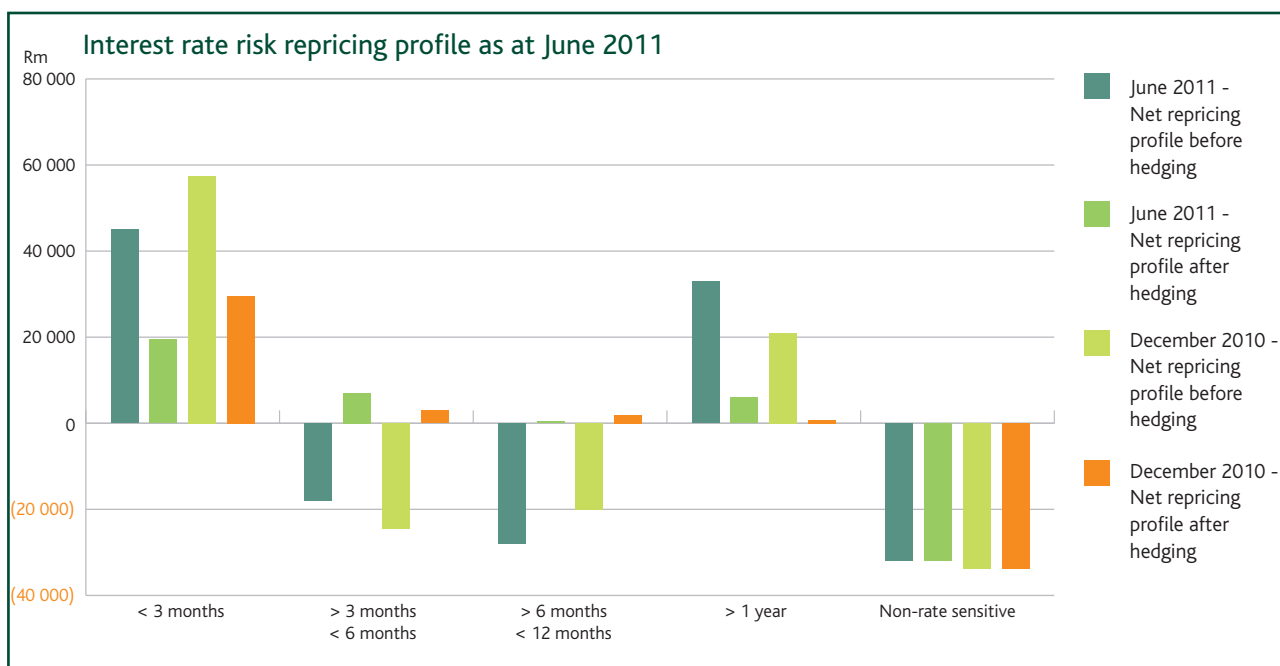
IRRBB comprises:

- Repricing risk (mismatch risk) – timing difference in the maturity (for fixed rate) and repricing (for floating rate) of bank assets, liabilities and off-balance-sheet positions.
- Reset or basis risk – imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.
- Yield curve risk – changes in the shape and slope of the yield curve.
- Embedded optionality – the risk pertaining to interest-related options embedded in bank products.

Due to the tight reporting timelines at the half-year, the group repricing profiles for all companies is not available. This information will be reported in the group's Pillar 3 disclosure.

NEDBANK LIMITED – INTEREST RATE REPRICING GAP

June 2011 Rm	< 3 months	> 3 months < 6 months	> 6 months < 12 months	> 1 year	Non-rate-sensitive
Net repricing profile before hedging	44 996	(17 893)	(27 964)	32 920	(32 059)
Net repricing profile after hedging	19 500	7 037	(456)	5 978	(32 059)
Cumulative repricing profile after hedging	19 500	26 537	26 081	32 059	–



RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

At June 2011 the earnings-at-risk sensitivity of the group's banking book for a 1% parallel reduction in interest rates was 1,29% of total group ordinary shareholders' equity (December 2010: 1,50%), well within the approved risk limit of 2,5%. This exposes the group to a decrease in net interest income (NII) of approximately R592 million pre tax should interest rates fall by 1%, measured over a 12-month period.

The level of interest rate sensitivity is managed in conjunction with credit impairment sensitivity and the group's interest rate view, and is benchmarked regularly against the peer group.

Nedbank Limited's economic value of equity, measured for a 1% parallel decrease in interest rates, is a loss of R249 million at June 2011 (December 2010: loss of R441 million).

The table below highlights the group's and bank's exposure to interest rate risk, measured for normal and stressed interest rate changes:

EXPOSURE TO INTEREST RATE RISK

Rm	Note	Nedbank Limited		Other group companies		Nedbank Group	
		June 2011	December 2010	June 2011	December 2010	June 2011	December 2010
Net interest income sensitivity	1						
1% instantaneous decline in interest rates		(487)	(562)	(105)	(98)	(592)	(660)
2% instantaneous decline in interest rates		(977)	(1 119)	(210)	(200)	(1 187)	(1 319)
Basis interest rate risk sensitivity	2						
0,25% narrowing of prime/call differential		(230)	(215)	(3)	(2)	(233)	(217)
Economic value of equity sensitivity	3						
1% instantaneous decline in interest rates		(249)	(441)	n/a	n/a	n/a	n/a
2% instantaneous decline in interest rates		(525)	(909)	n/a	n/a	n/a	n/a
Net interest income sensitivity							
Instantaneous stress shock*	4	(2 979)	(3 447)	n/a	n/a	n/a	n/a
Instantaneous stress shock modelled as a ramp*	5	(2 556)	(3 166)	n/a	n/a	n/a	n/a

n/a: not modelled

* Stressed interest rate changes.

Notes

- NII sensitivity**, as currently modelled, exhibits very little convexity. In certain cases the comparative figures have been estimated assuming a linear risk relationship to the interest rate moves.
- Basis interest rate risk sensitivity** is quantified using a narrowing in the prime/call interest rate differential of 0,25% and is an indication of the sensitivity of the margin to a squeeze in short-term interest rates.
- Economic value of equity sensitivity** is calculated as the net present value of asset cashflows less the net present value of liability cashflows.
- The **instantaneous stress shock** is derived from the principles espoused in the Basel Committee paper *Principles for the Management and Supervision of Interest Rate Risk*. 1st and 99th percentile observed interest rate changes over a five-year period with a one-year holding period have been used.
- The **instantaneous stress shock modelled as a ramp** uses the same interest rate shock as the instantaneous stress shock described above, but the rate shock is phased in over a nine-month period.

FOREIGN CURRENCY TRANSLATION RISK IN THE BANKING BOOK

Foreign currency translation (FCT) risk arises as a result of the group's investments in foreign companies that have issued foreign equity. This foreign equity is translated into rands for domestic reporting purposes, recording a profit where the rand exchange rate has deteriorated and a loss where the rand exchange rate has strengthened between periods.

FCT risk remains relatively low and is currently aligned with an appropriate offshore capital structure. Risk limits are based on the expected level of currency-sensitive foreign capital. The exposure was approximately \$301 million at June 2011 (December 2010: \$267 million).

NEDBANK GROUP OFFSHORE CAPITAL SPLIT BY FUNCTIONAL CURRENCY

\$m	US dollar equivalent			June 2011 Total	December 2010 Total
	Equity	Forex- sensitive	Non-forex- sensitive		
US dollar	137	137		137	121
Pound sterling	130	130		130	122
Swiss franc	25	25		25	16
Malawi kwacha	9	9		9	8
Other			552	552	543
Total	301	301	552	853	810

NEDBANK GROUP FOREX-SENSITIVE PORTION OF OFFSHORE CAPITAL

\$m	June 2011	December 2010
Forex-sensitive portion of offshore capital	301	292
Limit	325	325

The total risk weighted assets for foreign entities (R7,1 billion) relative to that for Nedbank Group (R323,6 billion) is 2,20% at year-end. The effective average capitalisation rate of the foreign-denominated business is 27% (December 2010: 27%). Any foreign exchange rate movement will therefore have a limited effect on Nedbank Group's capital adequacy ratio (eg a 10% appreciation in the rand will decrease the capital adequacy ratio only by 0,06%).

CREDIT RISK

Global demand has slowed in 2011 as industrial production and consumer spending in China and other large emerging markets moderated due to tighter monetary conditions. In many developed markets the fragile recovery faltered as surging oil prices and reduced fiscal and monetary stimulus negatively impacted consumer confidence and spending. In addition, concerns remain about the scale and increasing cost of sovereign debt in many parts of Europe.

Locally, real GDP grew at an annualised rate of 4,8% in the first quarter of 2011. Conditions softened in the second quarter, with the mining and manufacturing sectors in particular having been impacted by the loss of momentum in global markets and the strong rand. Capacity utilisation and confidence levels remain low, resulting in limited demand for corporate credit.

In the retail sector household loan growth came mostly from continued demand for unsecured loans and instalment sales. Mortgage advances growth continued to be depressed as buyers continue to be cautious in line with the flat outlook for house prices, high levels of consumer debt and increases in living costs.

Given the weak global environment, domestic growth is largely dependent on further fixed-investment spending and an ongoing improvement in consumption levels.

Group loans and advances decreased by 1,4% (annualised) to R472 billion (December 2010: R475 billion). Since June 2010 loans and advances increased by 2,3%.

Banking advances in Nedbank Capital declined 2,2% (annualised) and Nedbank Corporate's banking advances decreased by 3,9% (annualised). This reflects gross new advances being offset by the effect of slow utilisation of credit facilities, early unscheduled repayments and delays in both public and private sector investment programmes. The pipelines in the wholesale banking areas remain strong and growth is expected to increase in the second half.

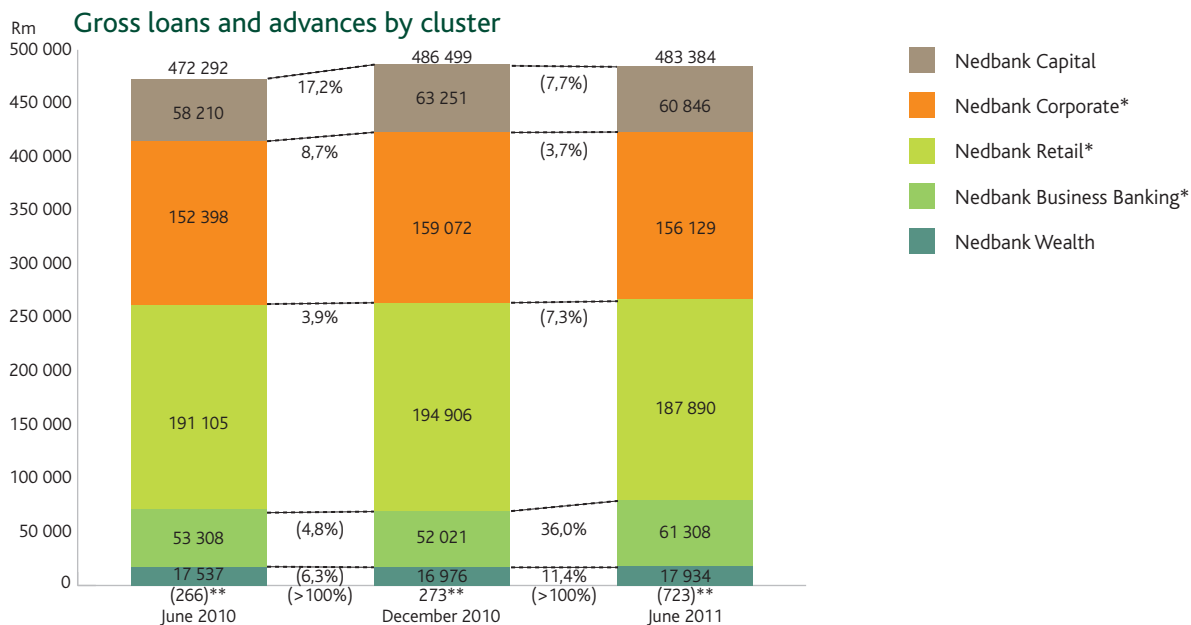
RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

Nedbank Business Banking advances increased by 35,7% (annualised) and Nedbank Retail advances decreased by 7,9% (annualised) due to migrations from Nedbank Retail of R8,2 billion of former Imperial Bank, Supplier Asset Finance and Professional advances and R1,0 billion from Small Business Services under Retail Relationship Banking. Adjusting for these two movements, Business Banking advances have reduced by 0,8% (annualised) and Retail advances grew by 2,1% (annualised). Strategic rebalancing of the asset portfolio in Nedbank Retail, on a like-for-like basis resulted in a decrease in home loans of 2,7% (annualised) and an increase in motor finance of 7,5% (annualised). Unsecured lending continued to grow with personal loans and card receivables increasing by 26,5% (annualised) and 13,6% (annualised) respectively.

The change in loans and advances by business cluster and by product are given in the following tables and graph:

SUMMARY OF LOANS AND ADVANCES BY BUSINESS CLUSTER

Rm	Gross advances	Total impairments	Net advances June 2011	Net advances December 2010	Net advances Annualised % change (June 2011 on December 2010)
Nedbank Capital	60 846	388	60 458	62 328	(6,1)
Nedbank Corporate	156 129	1 439	154 690	157 703	(3,9)
Total Nedbank Retail Business Banking (RBB)	249 198	9 461	239 737	238 099	1,4
Nedbank Retail	187 890	7 896	179 994	187 334	(7,9)
Nedbank Business Banking	61 308	1 565	59 743	50 765	35,7
Nedbank Wealth	17 934	118	17 816	16 869	11,3
Other	(723)	60	(783)	274	>(100)
Net loans and advances	483 384	11 466	471 918	475 273	(1,4)



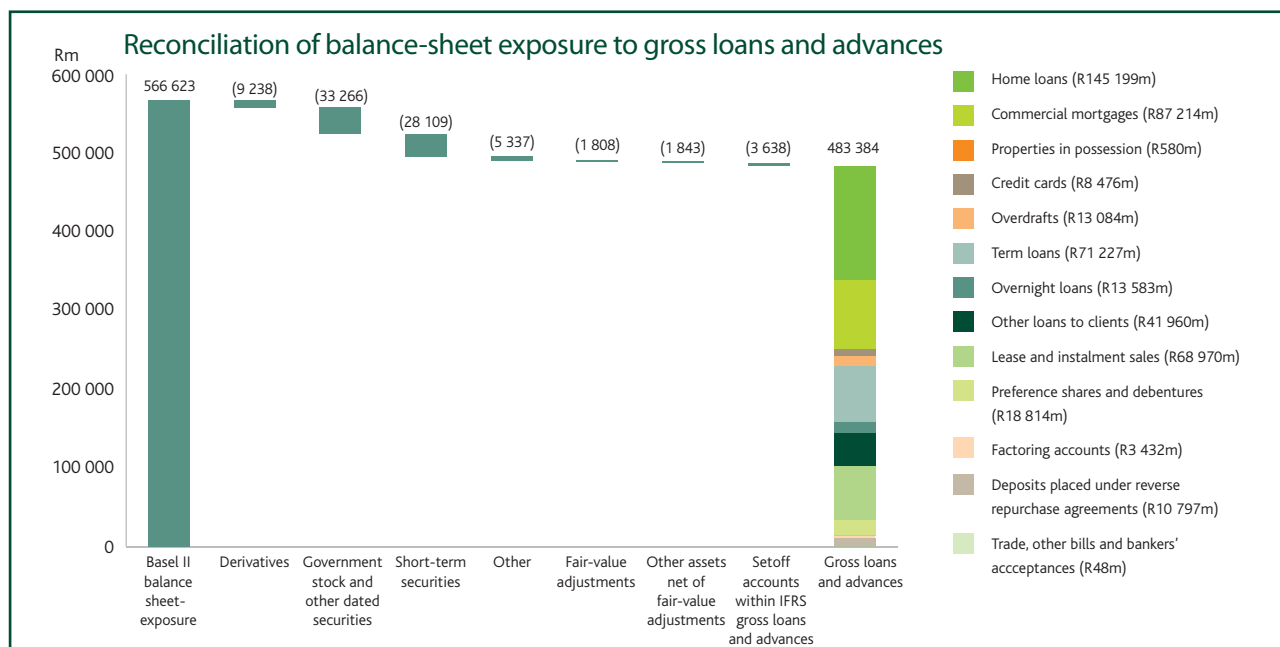
* June 2010 restated to include Imperial Bank loans and advances.

** These relate to eliminations passed through Central Management.

SUMMARY OF LOANS AND ADVANCES BY PRODUCT

Rm	Annualised % change (June 2011 on December 2010)	June 2011	December 2010
Homeloans	(1,0)	145 199	145 895
Commercial mortgages	2,6	87 214	86 100
Properties in possession	(25,0)	580	662
Credit cards	14,4	8 476	7 910
Overdrafts	(3,4)	13 084	13 307
Term loans	(9,1)	71 227	74 605
Overnight loans	16,6	13 583	12 552
Other loans to clients	(4,4)	41 960	42 897
Leases and instalment debtors	3,2	68 970	67 881
Preference shares and debentures	(16,6)	18 814	20 499
Factoring accounts	14,5	3 432	3 202
Deposits placed under reverse repurchase agreements	(1,0)	10 797	10 849
Trade, other bills and bankers' acceptances	>(100)	48	140
Gross loans and advances	(1,3)	483 384	486 499
Impairments	4,3	(11 466)	(11 226)
Net loans and advances	(1,4)	471 918	475 273

The Basel II balance-sheet exposure at year-end is R567 billion (December 2010: R569 billion). The reconciliation of the Basel II exposure to gross loans and advances of R483 billion at 30 June 2011 is shown below:



RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

BALANCE SHEET CREDIT EXPOSURE** PER BASEL II ASSET CLASS BY BUSINESS CLUSTER

Regulated	Nedbank Capital*	Nedbank Corporate*	Total Nedbank RBB
Rm			
Advanced Internal Rating-based Approach (AIRB)	92 061	140 723	195 850
Corporate	23 041	71 455	6 172
Specialised lending – high-volatility commercial real estate		6 252	
Specialised lending – income-producing real estate	2	42 843	2 677
Specialised lending – commodities finance	34		
Specialised lending – project finance	2 242		
SME – corporate	247	3 776	21 339
Public sector entities	6 776	10 274	11
Local governments and municipalities	333	5 800	1 114
Sovereign	21 221	135	
Banks	37 250	186	
Securities firms	310		
Retail mortgages			111 579
Retail revolving credit			9 207
Retail – other	6	1	23 958
SME – retail	43	1	19 569
Securitisation exposure	556		224
The Standardised Approach (TSA)		18 825	49 725
Corporate		2 569	61
SME – corporate		9 333	2 388
Public sector entities		31	
Local government and municipalities		14	4
Sovereign		827	
Banks		1 308	
Securities firms			
Retail mortgages		2 999	3 657
Retail – other		1 564	40 234
SME – retail		180	3 220
Securitisation exposure			161
Properties in possession	–	61	506
Non-regulated entities	18 270	10 877	2 429
Balance-sheet exposure (Basel II)	110 331	170 486	248 510
Less: Assets included in Basel II asset classes	(49 485)	(11 198)	1 167
Derivatives	(9 025)	(62)	
Government stock and other dated securities	(10 708)	(4 728)	
Short-term securities	(23 760)	(1 226)	
Call money	(2 116)	(61)	156
Deposits with monetary institutions	(2 389)	(896)	
Remittances in transit	2	69	51
Fair-value adjustments		(421)	(1 387)
Other assets net of fair-value adjustments on assets	(1 489)	(3 873)	2 347
Set-off of accounts within IFRS total gross loans and advances	–	(3 159)	(479)
Gross loans and advances	60 846	156 129	249 198

* Nedbank Corporate and Capital include London Branch (AIRB Approach).

** Balance sheet exposure includes on-balance-sheet exposure, repurchase and resale, and derivative exposures.

	Nedbank Retail	Nedbank Business Banking	Nedbank Wealth	Central Management	June 2011	December 2010
	141 889	53 961	12 659	17 846	459 139	451 766
		6 172		10	100 678	101 652
		2 677			6 252	6 740
					45 522	43 936
					34	67
					2 242	2 097
		21 339			25 362	27 576
		11			17 061	17 158
		1 114			7 247	7 343
				17 830	39 186	31 854
				2	37 438	37 515
					310	114
	107 256	4 323	9 192		120 771	124 883
	9 207		67		9 274	8 866
	22 578	1 380	766		24 731	24 803
	2 624	16 945	2 634	4	22 251	16 376
	224				780	786
	42 036	7 689	7 947	146	76 643	79 623
	4	57		116	2 746	3 220
	245	2 143			11 721	13 054
					31	32
		4			18	21
			295		1 122	2 689
			4 662	30	6 000	8 132
						313
		3 657	2 253		8 909	8 424
	39 325	909	737		42 535	39 971
	2 301	919			3 400	3 446
	161				161	321
	494	12	13	–	580	662
	2 025	404	532	(1 847)	30 261	36 735
	186 444	62 066	21 151	16 145	566 623	568 786
	1 446	(279)	(3 217)	(16 868)	(79 601)	(79 033)
			(3)	(148)	(9 238)	(14 526)
				(17 830)	(33 266)	(28 818)
			(3 123)		(28 109)	(25 764)
	156		(123)		(2 144)	(1 263)
				(30)	(3 315)	(1 556)
	48	3			122	114
	(1 331)	(56)			(1 808)	(2 305)
	2 573	(226)	32	1 140	(1 843)	(4 915)
	–	(479)	–	–	(3 638)	(3 254)
	187 890	61 308	17 934	(723)	483 384	486 499

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

ADVANCED INTERNAL RATINGS-BASED (AIRB) APPROACH FOR NEDBANK GROUP

Through Nedbank Limited and London Branch 88% of the total credit extended in Nedbank Group is covered by the Basel II AIRB Approach, with the legacy Imperial Bank, Fairbairn and Nedbank African subsidiaries' credit portfolios on TSA. Nedbank intends to apply to the SARB for approval to use the AIRB Approach for the legacy Imperial Bank book.

The results shown below include both the Nedbank Limited and London Branch exposure:

SUMMARY OF AIRB APPROACH

BASEL II CREDIT EXPOSURES BY BUSINESS CLUSTER AND ASSET CLASS

June 2011

Rm	AIRB on-balance-sheet exposure	AIRB off-balance-sheet exposure	Repurchase and resale exposure	Derivative exposure	Total credit extended*	Exposure at default (EAD)	Down-turn expected loss (performing)	Best estimate of expected loss (non-performing)
Nedbank Capital	72 363	8 316	10 768	8 930	100 377	86 039	134	214
Corporate	19 079	567	2 262	1 700	23 608	21 833	93	214
Specialised lending – income-producing real estate				2	2	2		
Specialised lending – commodities finance	34				34	35		
Specialised lending – project finance	2 242				2 242	2 313	14	
SME – corporate	42			205	247	300	4	
Public sector entities	5 455		667	654	6 776	6 406		
Local governments and municipalities	143			190	333	221		
Sovereign	20 151	15	1 001	69	21 236	20 305	1	
Banks	24 659	2 412	6 530	6 061	39 662	29 873	21	
Securities firms	2	13	308		323	21		
Retail – other				6	6	7		
SME – retail				43	43	60	1	
Securitisation exposure	556	5 309			5 865	4 663		
Nedbank Corporate	140 723	58 832			199 555	181 574	337	684
Corporate	71 455	50 123			121 578	105 157	145	196
Specialised lending – high volatility commercial real estate	6 252	468			6 720	6 720	41	349
Specialised lending – income-producing real estate	42 843	1 222			44 065	45 347	110	88
SME – corporate	3 776	1 231			5 007	4 847	21	51
Public sector entities	10 274	2 803			13 077	12 481	18	
Local governments and municipalities	5 800	472			6 272	6 318	2	
Sovereign	135				135	140		
Banks	186	2 512			2 698	562		
Retail – other	1				1	1		
SME – retail	1	1			2	1		
Total Nedbank RBB	195 850	56 324			252 174	245 383	2 852	6 386
Corporate	6 172	2 696			8 868	8 397	47	89
Specialised lending – income-producing real estate	2 677	247			2 924	2 970	8	5
SME – corporate	21 339	8 617			29 956	29 218	169	260
Public sector entities	11	16			27	21		
Local governments and municipalities	1 114	12			1 126	1 170		
Retail mortgages	111 579	19 368			130 947	134 566	798	2 973
Retail revolving credit	9 207	16 085			25 292	17 438	578	696
Retail – other	23 958	1 897			25 855	24 424	978	1 598
SME – retail	19 569	7 386			26 955	26 955	274	765
Securitisation exposure	224				224	224		

June 2011

Rm	AIRB on- balance- sheet exposure	AIRB off- balance- sheet exposure	Repur- chase and resale exposure	Derivative exposure	Total credit extended*	Exposure at default (EAD)	Down- turn expected loss (perform- ing)	Best estimate of expected loss (non- perform- ing)
Nedbank Retail	141 889	37 270			179 159	174 108	2 387	5 403
Corporate		223			223	223	6	
Retail mortgages	107 256	18 136			125 392	129 238	762	2 849
Retail revolving credit	9 207	16 085			25 292	17 438	578	696
Retail – other	22 578	1 789			24 367	22 975	968	1 417
SME – retail	2 624	1 037			3 661	4 010	73	441
Securitisation exposure	224				224	224		
Nedbank Business Banking	53 961	19 054			73 015	71 275	465	983
Corporate	6 172	2 473			8 645	8 174	41	89
Specialised lending – income- producing real estate	2 677	247			2 924	2 970	8	5
SME – corporate	21 339	8 617			29 956	29 218	169	260
Public sector entities	11	16			27	21		
Local governments and municipalities	1 114	12			1 126	1 170		
Retail mortgages	4 323	1 232			5 555	5 328	36	124
Retail – other	1 380	108			1 488	1 449	10	181
SME – retail	16 945	6 349			23 294	22 945	201	324
Nedbank Wealth	12 659	3 155			15 814	17 478	40	88
Retail mortgages	9 192	2 719			11 911	12 912	26	74
Retail revolving credit	67	218			285	559	3	1
Retail – other	766	110			876	938	6	13
SME – retail	2 634	108			2 742	3 069	5	
Central Management	17 840			6	17 846	17 847	1	36
Corporate	10				10	11		36
Sovereign	17 830				17 830	17 830	1	
Banks				2	2	2		
SME – retail				4	4	4		
Total excluding intercompany	439 435	126 627	10 768	8 936	585 766	548 321	3 364	7 408
Downturn expected loss (AIRB Approach)								10 772
IFRS impairment on loans and advances								9 242
Excess of downturn expected loss over eligible provisions								1 530

* Total credit extended is AIRB on-balance-sheet, repurchase and resale, derivatives, and off-balance sheet exposures (includes unutilised facilities).

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

THE STANDARDISED APPROACH (TSA) FOR NEDBANK GROUP

The exposure under TSA, which consists of the legacy Imperial Bank book, Nedbank Group's African subsidiaries and Fairbairn, is 12% of Nedbank Group total exposure. A breakdown of exposures by asset class is shown in the table below:

SUMMARY OF TSA FOR NEDBANK GROUP

BASEL II CREDIT EXPOSURES BY BUSINESS CLUSTER AND ASSET CLASS

June 2011	On- balance- sheet exposure	Off- balance- sheet exposure	Repurchase and resale exposure	Derivative exposure	Total credit extended*
Rm					
Nedbank Corporate	18 808	188		17	19 013
Corporate	2 552			17	2 569
SME – corporate	9 333	188			9 521
Public sector entities	31				31
Local governments and municipalities	14				14
Sovereign	827				827
Banks	1 308				1 308
Retail mortgages	2 999				2 999
Retail – other	1 564				1 564
SME – retail	180				180
Total Nedbank RBB	49 725	709			50 434
Corporate	61	4			65
SME – corporate	2 388	130			2 518
Local governments and municipalities	4				4
Retail mortgages	3 657	392			4 049
Retail – other	40 234	148			40 382
SME – retail	3 220	35			3 255
Securitisation	161				161
Nedbank Retail	42 036	212			42 248
Corporate	4	4			8
SME – corporate	245	43			288
Retail – other	39 325	139			39 464
SME – retail	2 301	26			2 327
Securitisation exposure	161				161
Business Banking	7 689	497			8 186
Corporate	57				57
SME – corporate	2 143	87			2 230
Local governments and municipalities	4				4
Retail mortgages	3 657	392			4 049
Retail – other	909	9			918
SME – retail	919	9			928
Nedbank Wealth	7 945			2	7 947
Sovereign	295				295
Banks	4 660			2	4 662
Retail mortgages	2 253				2 253
Retail – other	737				737
Central Management	146				146
Corporate	116				116
Banks	30				30
Total	76 624	897		19	77 540

* Total credit extended is on-balance-sheet exposure, derivatives, and off-balance-sheet exposures (includes unutilised facilities).

IMPAIRMENTS AND DEFAULTED LOANS AND ADVANCES

Impairment levels improved as a result of better economic conditions and affordability levels, together with enhanced collection capabilities and reduced levels of defaulted advances.

The credit loss ratio on the banking book improved to 1,21% for the period (June 2010: 1,46%). The credit loss ratio relating to specific impairments improved from 1,46% to 1,10%, reflecting the ongoing improvement in asset quality. Due to the uncertain economic environment and as a result of increased emergence periods, the group has increased the level of portfolio impairments, as well as included R100 million in the centre to provide for unknown events that may have already occurred, but which will only be evident in the future.

The primary reduction in the impairments charge came from Nedbank Retail's secured lending portfolios due to the momentum gained from the improved credit environment and various risk management mitigation initiatives. This contributed to the credit loss ratio in Retail improving significantly from 2,93% in the period to June 2010 to 2,24%, which is now marginally outside the upper end of the cluster's through-the-cycle target range of 1,50% to 2,20%.

The advances portfolios in Nedbank Capital, Nedbank Corporate, Nedbank Business Banking and Nedbank Wealth remain of high quality. Credit loss ratios in these clusters, with the exception of Nedbank Capital and Nedbank Wealth, remain within the respective clusters' through-the-cycle levels.

SUMMARY OF IMPAIRMENTS, CREDIT LOSS RATIOS, DEFAULTED LOANS AND ADVANCES, AND PROPERTIES IN POSSESSION

%	Nedbank Capital	Nedbank Corporate	Total Nedbank RBB	Nedbank Retail	Nedbank Business Banking	Nedbank Wealth	Total
June 2011							
Impairments to gross loans and advances	0,64	0,92	3,80	4,20	2,55	0,66	2,37
Specific impairments	0,46	0,70	3,05	3,37	2,05	0,51	1,87
Portfolio impairments	0,18	0,22	0,75	0,83	0,50	0,15	0,50
Impairment charge as a % of net interest income (NII)	33,57	15,17	36,35	44,48	8,66	17,48	32,15
Credit loss ratio	0,86	0,34	1,79	2,24	0,40	0,41	1,21
Credit loss ratio – specific	0,88	0,48	1,57	1,95	0,41	0,40	1,10
Credit loss ratio – portfolio	(0,02)	(0,14)	0,22	0,29	(0,01)	0,01	0,11
Defaulted loans and advances to gross loans and advances	1,39	2,77	7,89	8,57	5,80	2,25	5,22
Properties in possession to gross loans and advances	–	0,04	0,20	0,26	0,02	0,07	0,12
December 2010							
Impairments to gross loans and advances	1,45	0,86	3,58	3,88	2,42	0,63	2,30
Specific impairments	1,27	0,59	2,94	3,20	1,95	0,48	1,86
Portfolio impairments	0,18	0,27	0,64	0,68	0,47	0,15	0,44
Impairment charge as a % of NII	44,55	9,29	45,82	55,66	8,64	6,17	37,26
Credit loss ratio	1,27	0,20	2,18	2,67	0,40	0,15	1,36
Credit loss ratio – specific	1,17	0,27	2,08	2,46	0,71	0,16	1,32
Credit loss ratio – portfolio	0,10	(0,07)	0,10	0,21	(0,31)	(0,01)	0,04
Defaulted loans and advances to gross loans and advances	2,03	2,58	8,51	9,09	6,31	2,16	5,50
Properties in possession to gross loans and advances	–	–	0,26	0,32	0,02	0,11	0,14

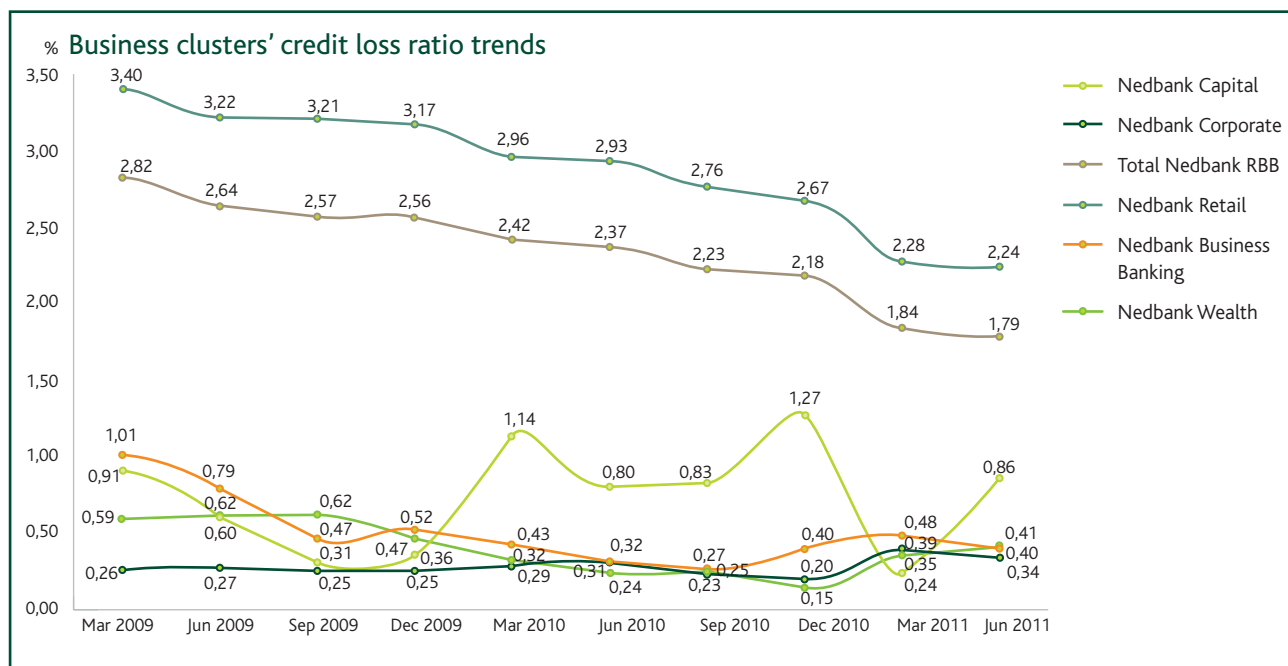
RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

Nedbank Group updated its methodology for calculating the credit loss ratio in 2010, removing trading assets from loans and advances. Impairments are not raised against trading assets as these are designated at fair value through profit or loss, and therefore any losses are realised through a decrease in non-interest revenue.

Nedbank Group has business-cluster-specific credit loss ratio targets, taking into account historic, through-the-cycle, sustainable performance as well as desired risk appetite. Nedbank Group's targeted credit loss ratio is 0,60% to 1,00%.



The business clusters' credit loss ratios over time are also shown below:



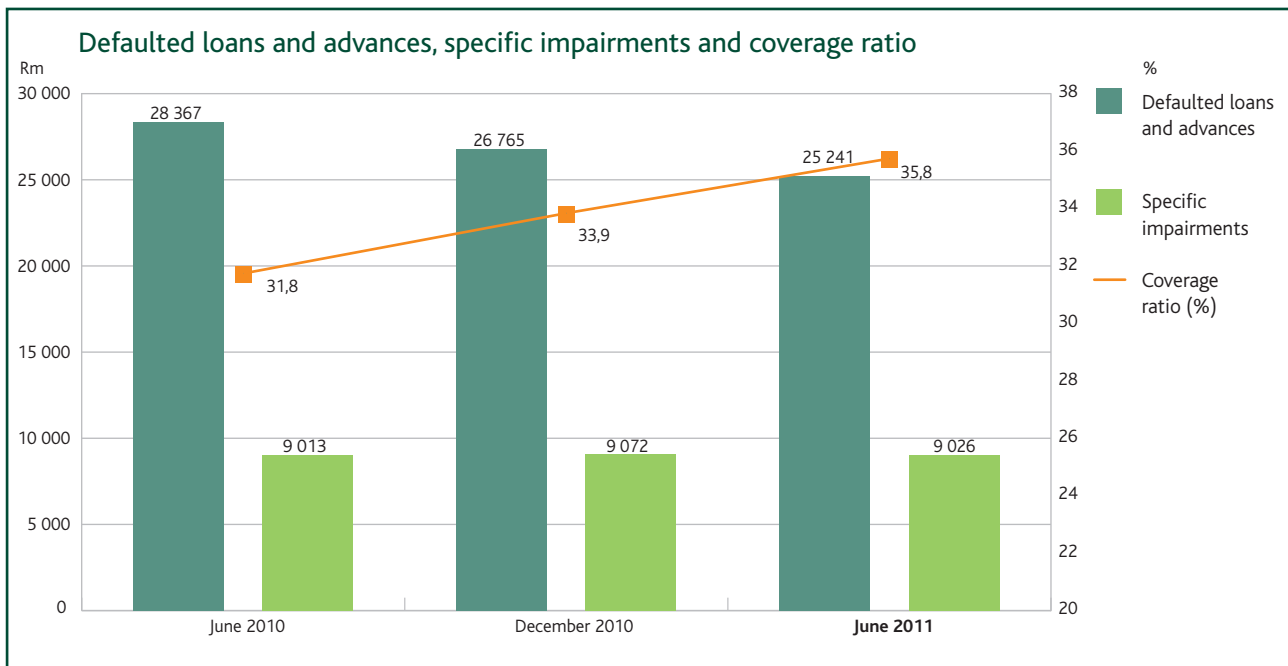
A reconciliation of the impairments movements over the past year is shown below.

RECONCILIATION OF IMPAIRMENTS

Rm	Nedbank Capital	Nedbank Corporate	Total Nedbank RBB	Nedbank Retail	Nedbank Business Banking	Nedbank Wealth	Central Manage- ment	June 2011	June 2010	December 2010
Opening balance	923	1 369	8 828	7 572	1 256	107	(1)	11 226	9 798	9 798
Specific impairment	806	932	7 251	6 237	1 014	82	1	9 072	7 830	7 830
Specific impairment, excluding discounts	782	555	6 385	5 588	797	17	1	7 740	6 690	6 690
Specific impairment for discounted cashflow losses	24	377	866	649	217	65		1 332	1 140	1 140
Portfolio impairment	117	437	1 577	1 335	242	25	(2)	2 154	1 968	1 968
Income statement impairment charge (net of recoveries)	187	266	2 200	2 081	119	36	103	2 792	3 244	6 188
Specific impairment	185	452	1 730	1 611	119	27	3	2 397	3 030	5 802
Net increase/ (decrease) in impairment for discounted cashflow losses	8	(83)	202	200	2	7		134	203	192
Portfolio impairment	(6)	(103)	268	270	(2)	2	100	261	11	194
Recoveries		6	289	281	8	(1)	(4)	290	249	763
Amounts written off/ other transfers	(722)	(202)	(1 856)	(2 038)	182	(24)	(38)	(2 842)	(2 302)	(5 523)
Specific impairment	(722)	(205)	(1 882)	(2 000)	118	(24)	(34)	(2 867)	(2 299)	(5 515)
Portfolio impairment		3	26	(38)	64		(4)	25	(3)	(8)
Closing balance	388	1 439	9 461	7 896	1 565	118	60	11 466	10 989	11 226
Specific impairment	277	1 102	7 590	6 329	1 261	91	(34)	9 026	9 013	9 072
Specific impairment, excluding discounts	245	808	6 522	5 480	1 042	19	(34)	7 560	7 670	7 740
Specific impairment for discounted cashflow losses	32	294	1 068	849	219	72		1 466	1 343	1 332
Portfolio impairment	111	337	1 871	1 567	304	27	94	2 440	1 976	2 154
Total gross loans and advances*	60 846	156 129	249 198	187 890	61 308	17 934	(723)	483 384	472 292	486 499
Total average banking book loans and advances*	43 989	156 368	248 096	187 626	60 470	17 523	(2 480)	463 496	449 024	454 105
Total average loans and advances*	64 782	156 368	248 096	187 626	60 470	17 523	(857)	485 912	465 568	477 767

* Total and averages relate to gross loans and advances.

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued



The coverage ratio is the amount of specific impairments that have been raised for the total defaulted loans and advances. This is effectively the inverse of the expected recoveries ratio. The expected recoveries are equal to the defaulted loans and advances less the specific impairments, as specific impairments are raised for any shortfall that would arise after all recoveries are taken into account.

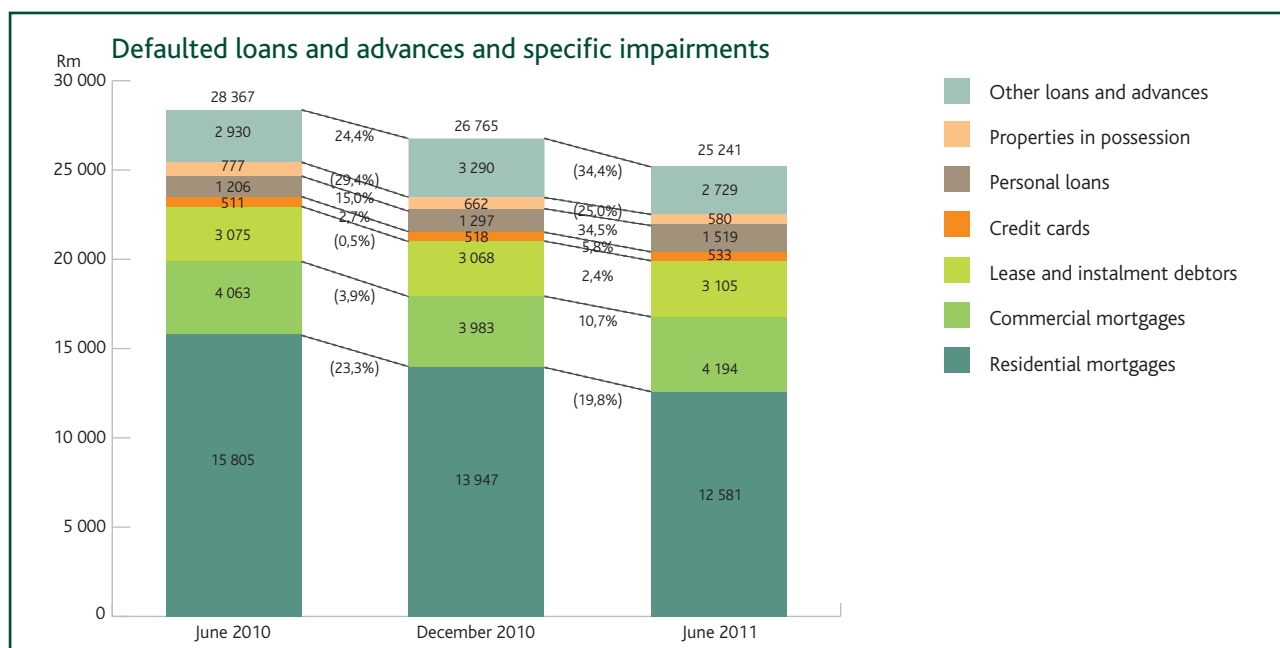
The expected recoveries of defaulted loans and advances include recoveries as a result of liquidation of security or collateral, as well as recoveries as a result of a client curing or partial client repayments.

The absolute value of expected recoveries of defaulted accounts (which includes security values) will increase as the number of defaults increase. The expected recovery amount will, in most instances, be less than the total defaulted exposure, as it is seldom the case that 100% of the defaulted loan would be written off.

A decrease in the coverage ratio (or increase in the expected recoveries ratio) may arise as a result of the following:

- Expected recoveries improving due to higher recoveries being realised in the loss given default (LGD) calculation.
- A change in the defaulted product mix, with a greater percentage of products that have a higher security value and therefore a lower specific impairment, such as secured products (home loans and commercial real estate).
- An increase in the collateral value, which is an input into the LGD calculation and would result in a decrease in the LGD and decrease in specific impairments.
- A change in the mix of new versus older defaults as, in most products, the recoveries expected from defaulted clients decrease over time.
- A change in the write off policy, such as extending the period prior to writing off a deal, that will result in a longer period in which recoveries can be realised.

Defaulted advances declined by 11,5% (annualised) to R25 241 million (2010: R26 765 million). This reflects write-offs as well as improved collections processes and credit environment, together with ongoing restructuring initiatives that have resulted in over 10 700 families (clients of Nedbank) being kept in their homes since July 2009.



DEFAULTED LOANS AND ADVANCES BY BUSINESS CLUSTER AND ASSET CLASS

Rm	Nedbank Capital	Nedbank Corporate	Total Nedbank RBB	Nedbank Retail	Nedbank Business Banking	Nedbank Wealth	June 2011	December 2010
AIRB Approach	519	2 431	17 325	14 215	3 110	383	20 658	22 557
Corporate	477	577	187		187		1 241	1 531
Specialised lending – high-volatility commercial real estate		1 478					1 478	1 664
Specialised lending – income-producing real estate		311	41		41		352	574
SME – corporate		65	1 069		1 069		1 134	1 366
Bank								
Sovereign	42						42	26
Retail mortgages			11 383	10 853	530	321	11 704	13 093
Retail revolving credit			715	715			715	749
Retail – other			2 558	2 148	410	43	2 601	2 393
SME – retail			1 372	499	873	19	1 391	1 161
TSA	–	1 363	1 827	1 393	434	7	3 197	2 983
Corporate			2		2		2	7
SME – corporate		1 363	187		187		1 550	1 450
Retail mortgages			79		79	6	85	97
Retail other			1 423	1 393	30	1	1 424	1 278
SME – retail			136		136		136	151
Other regulated entities		149					149	254
Properties in possession		61	506	494	12	13	580	662
Non-regulated entities	325	323	9	9			657	309
Total defaulted loans and advances	844	4 327	19 667	16 111	3 556	403	25 241	26 765

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

The coverage ratio and expected recovery ratio by business cluster and product is shown in detail in the table below:

SUMMARY OF DEFAULTED LOANS AND ADVANCES, IMPAIRMENTS AND COVERAGE RATIO BY BUSINESS CLUSTER

June 2011									
Rm	Defaulted loans and advances	Defaulted loans and advances as % of total	Expected recoveries	Net uncovered position after discounting	Specific impairments	Specific impairments on defaulted loans and advances	Specific impairments for discounted cashflow losses	Coverage ratio (%)	Expected recovery ratio (%)
Nedbank Capital	844	3,3	567	277	277	245	32	32,8	67,2
Other loans and advances	844	3,3	567	277	277	245	32	32,8	67,2
Nedbank Corporate	4 327	17,1	3 225	1 102	1 102	808	294	25,5	74,5
Residential mortgages	93	0,4	65	28	28	22	6	30,1	69,9
Commercial mortgages	3 607	14,2	2 858	749	749	556	193	20,8	79,2
Lease and instalment debtors	50	0,2	30	20	20	16	4	40,0	60,0
Personal loans	18	0,1	7	11	11	10	1	61,1	38,9
Properties in possession	61	0,2	50	11	11	10	1	18,0	82,0
Other loans and advances	498	2,0	215	283	283	194	89	56,8	43,2
Total Nedbank RBB	19 667	77,9	12 077	7 590	7 590	6 522	1 068	38,6	61,4
Residential mortgages	12 165	48,2	9 038	3 127	3 127	2 796	331	25,7	74,3
Commercial mortgages	564	2,2	437	127	127	65	62	22,5	77,5
Lease and instalment debtors	3 053	12,1	1 104	1 949	1 949	1 697	252	63,8	36,2
Credit card balances	533	2,1	1	532	532	529	3	99,8	0,2
Personal loans	1 501	5,9	571	930	930	554	376	62,0	38,0
Properties in possession	506	2,0	452	54	54	54		10,7	89,3
Other loans and advances	1 345	5,4	474	871	871	827	44	64,8	35,2
Nedbank Retail	16 111	63,8	9 782	6 329	6 329	5 480	849	39,3	60,7
Residential mortgages	10 792	42,8	7 964	2 828	2 828	2 576	252	26,2	73,8
Commercial mortgages	61	0,2	21	40	40	40		65,6	34,4
Lease and instalment debtors	2 211	8,8	727	1 484	1 484	1 268	216	67,1	32,9
Credit card balances	530	2,1	1	530	530	527	3	100,0	
Personal loans	1 488	5,8	571	917	917	541	376	61,6	38,4
Properties in possession	494	2,0	440	54	54	54		10,9	89,1
Other loans and advances	535	2,1	59	476	476	474	2	89,0	11,0
Nedbank Business Banking	3 556	14,1	2 295	1 261	1 261	1 042	219	35,5	64,5
Residential mortgages	1 373	5,4	1 074	299	299	220	79	21,8	78,2
Commercial mortgages	503	2,0	416	87	87	25	62	17,3	82,7
Lease and instalment debtors	842	3,3	377	465	465	429	36	55,2	44,8
Credit card balances	3		1	2	2	2		66,7	33,3
Personal loans	13	0,1		13	13	13		100,0	
Properties in possession	12		12						100,0
Other loans and advances	810	3,3	415	395	395	353	42	48,8	51,2
Nedbank Wealth	403	1,7	312	91	91	19	72	22,6	77,4
Residential mortgages	323	1,3	252	71	71	(1)	72	22,0	78,0
Commercial mortgages	23	0,1	23						100,0
Lease and instalment debtors	2		1	1	1	1		50,0	50,0
Properties in possession	13	0,1	10	3	3	3		23,1	76,9
Other loans and advances	42	0,2	26	16	16	16		38,1	61,9
Central Management			34	(34)	(34)	(34)			100,0
Other loans and advances			34	(34)	(34)	(34)			100,0

SUMMARY OF DEFAULTED LOANS AND ADVANCES, IMPAIRMENTS AND COVERAGE RATIO BY BUSINESS CLUSTER (continued)

June 2011

Rm	Defaulted loans and advances	Defaulted loans and advances as % of total	Expected recoveries	Net uncovered position after discounting	Specific impairments	Specific impairments on defaulted loans and advances	Specific impairments for discounted cashflow losses	Coverage ratio (%)	Expected recovery ratio (%)
Group	25 241	100,0	16 215	9 026	9 026	7 560	1 466	35,8	64,2
Residential mortgages	12 581	49,9	9 355	3 226	3 226	2 817	409	25,6	74,4
Commercial mortgages	4 194	16,6	3 318	876	876	621	255	20,9	79,1
Lease and instalment debtors	3 105	12,3	1 135	1 970	1 970	1 714	256	63,4	36,6
Credit card balances	533	2,1	1	532	532	529	3	99,8	0,2
Personal loans	1 519	6,0	578	941	941	564	377	61,9	38,1
Properties in possession	580	2,3	512	68	68	67	1	11,7	88,3
Other loans and advances	2 729	10,8	1 316	1 413	1 413	1 248	165	51,8	48,2

SUMMARY OF DEFAULTED LOANS AND ADVANCES, IMPAIRMENTS AND COVERAGE RATIO BY BUSINESS CLUSTER

December 2010

Rm	Defaulted loans and advances	Defaulted loans and advances as a % of total	Expected recoveries	Net uncovered position after discounting	Specific impairments	Specific impairments on defaulted loans and advances	Specific impairments for discounted cashflow losses	Coverage ratio (%)	Expected recovery ratio (%)
Group	26 765	100,0	17 693	9 072	9 072	7 740	1 332	33,9	66,1
Residential mortgages	13 947	52,1	10 834	3 113	3 113	2 684	429	22,3	77,7
Commercial mortgages	3 983	14,9	3 120	863	863	467	396	21,7	78,3
Lease and instalment debtors	3 068	11,5	1 209	1 859	1 859	1 758	101	60,6	39,4
Credit cards	518	1,9	16	502	502	500	2	96,9	3,1
Personal loans	1 297	4,8	498	799	799	505	294	61,6	38,4
Properties in possession	662	2,5	598	64	64	64		9,7	90,3
Other loans and advances	3 290	12,3	1 418	1 872	1 872	1 762	110	56,9	43,1

PROPERTIES IN POSSESSION

Rm	Nedbank Capital	Nedbank Corporate	Total Nedbank RBB	Nedbank Retail	Nedbank Business Banking	Nedbank Wealth	Central Management	June 2011	December 2010
Opening balance		5	639	631	8	18		662	887
Disposal/Writedowns/ Revaluations		(110)	(222)	(219)	(3)	(5)		(337)	(627)
Properties in possession acquired during the period		166	89	82	7			255	402
Closing balance		61	506	494	12	13		580	662
Unsold		51	353	345	8	12		416	490
Sold awaiting transfer		10	153	149	4	1		164	172

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

DEBT COUNSELLING

Shown below is an analysis of our debt counselling book. This needs to be managed proactively as it gives rise to defaulted advances, and additional provisions may be raised for any accounts under debt counselling. The total portfolio in terms of rand value showed a contraction within the last six months, in line with what is being experienced in the industry, which is showing signs of stabilisation.

The table below shows both new applications from January to June 2011 and the portfolio balance at 30 June 2011:

PRODUCT	New applications		Portfolio balance	
	Number of accounts	Exposure Rm	Number of accounts	Exposure Rm
June 2011				
Card	5 097	52	15 831	166
Personal Loans	6 447	182	16 256	444
Mortgages	1 077	490	4 948	2 161
Overdrafts	2 155	11	5 819	42
Vehicle and Asset Finance	3 104	289	13 197	1 253
Total	17 880	1 024	56 051	4 066
	Number of accounts	Exposure Rm	Number of accounts	Exposure Rm
June 2010				
Card	6 857	57	15 820	158
Personal Loans	7 754	165	14 567	345
Mortgages	2 175	941	5 400	2 685
Overdrafts	2 965	25	6 012	46
Vehicle and Asset Finance	5 751	524	13 887	1 287
Total	25 502	1 712	55 686	4 521

COUNTERPARTY CREDIT RISK

Nedbank Group applies the Current Exposure Method (CEM) for Basel II counterparty credit risk. Economic capital calculations also currently utilise the CEM results as input in the determination of credit economic capital.

OVER-THE-COUNTER (OTC) DERIVATIVES FOR NEDBANK LIMITED AND LONDON BRANCH

OTC derivative products	June 2011		December 2010	
	Notional value	Gross positive fair value	Notional value	Gross positive fair value
Rm				
Credit default swaps	9 837	128	8 338	56
Embedded derivatives	2 293*		3 720	2
Proprietary trading	7 544**	128	4 618	54
Equities	6 678	502	11 740	569
Forex and gold	170 474	1 991	346 824	6 212
Interest rates	605 789	6 557	419 210	7 234
Other commodities	581	69	4 172	147
Precious metals except gold			6 487	105
Total	793 359	9 247	796 771	14 323

* Credit default swaps embedded in credit-linked notes issued by Nedbank Group whereby credit protection of R2 193 million is purchased or credit linked notes purchased whereby credit protection of R100 million is sold.

** Proprietary trading positions through the purchase (R2 900 million) and sale (R4 644 million) of credit protection.

OTC derivative products			Netted current credit exposure (before mitigation)	Collateral amount	Netted current credit exposure (after mitigation)	Exposure at default value	Risk- weighted exposure
Rm	Gross positive fair value	Current netting benefits					
June 2011	9 247	4 958	4 289	981	3 377	6 218	2 170
December 2010	14 323	6 983	9 052	368	8 766	11 718	4 428

SECURITIES FINANCING TRANSACTIONS (SFTS) FOR NEDBANK LIMITED AND LONDON BRANCH

SFTs			Netted current credit exposure (after mitigation)	Exposure at default value	Risk-weighted exposure
Rm	Gross positive fair value	Collateral value after haircut			
June 2011					
Repurchase agreements	10 797	10 548	249	249	11
Securities lending	6 510	10 211	745	745	65
Total	17 307	20 759	994	994	76
December 2010					
Repurchase agreements	10 849	10 343	506	506	26
Securities lending	8 738	9 715	1 237	1 237	89
Total	19 587	20 058	1 743	1 743	115

CREDIT CONCENTRATION RISK

Single-name credit concentration risk

Of total group credit economic capital only 3,9% is attributable to the top 20 exposures, excluding banks and government exposure, and 1,5% to the top 20 banks' exposure, highlighting that Nedbank Group does not have undue single-name credit concentration risk.

The group's credit concentration risk measurement incorporates the asset size of obligors/borrowers into its calculation of credit economic capital. Single-name concentration is monitored at all credit committees, which includes the applicable regulatory and economic capital per exposure.

GEOGRAPHIC CONCENTRATION RISK

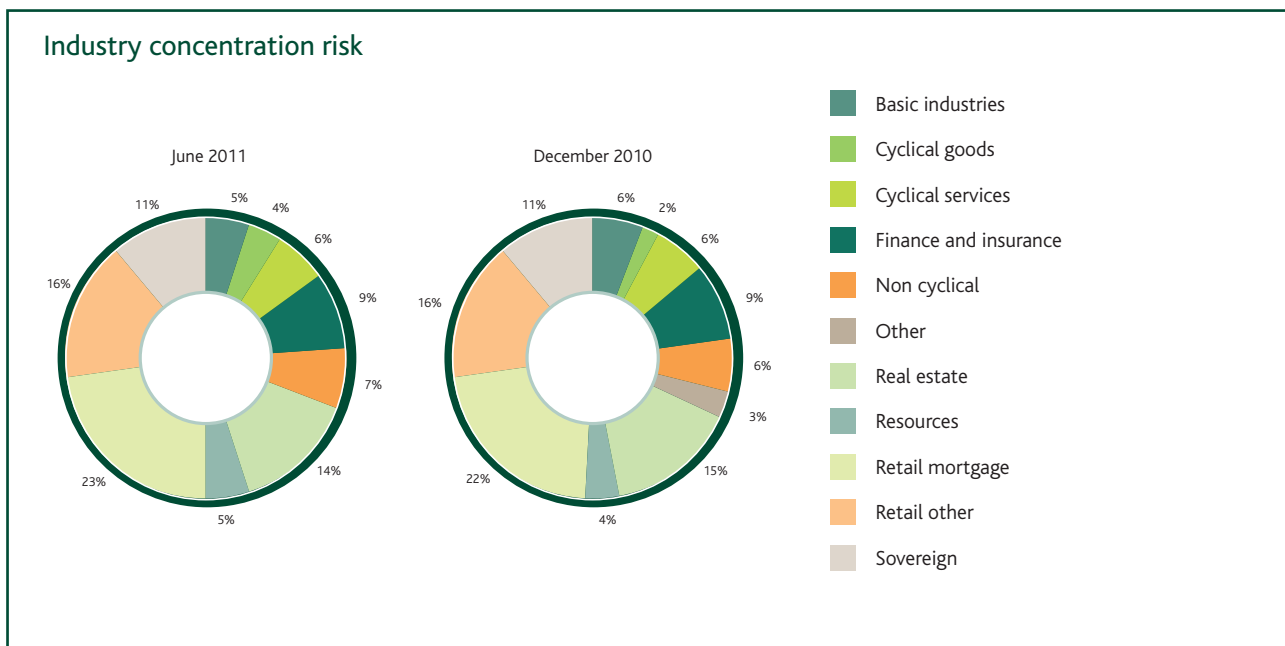
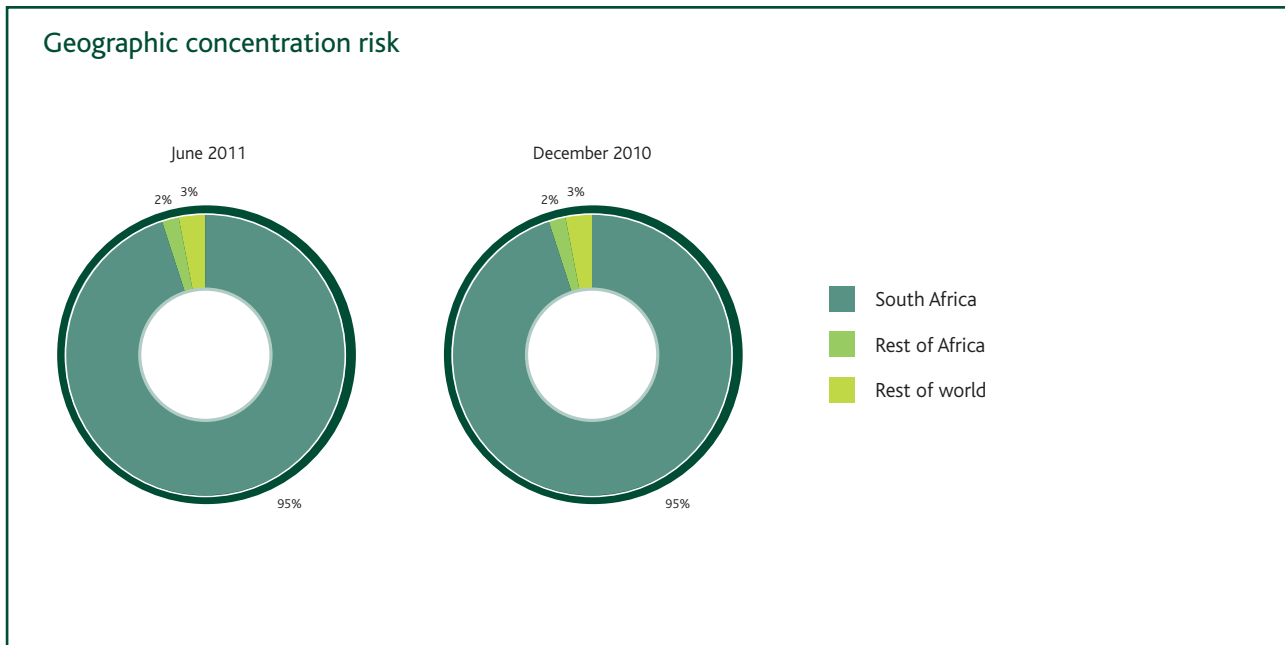
Given that 95% of the group's loans and advances originate in South Africa, geographic exposure risk is high. Practically, however, this concentration has proven positive for Nedbank Group, given the global financial crisis, and reflects its focus on its area of core competence.

The direct exposure of Nedbank Group to the banking sectors of Portugal, Italy, Ireland, Greece and Spain (PIIGS) is monitored on an ongoing basis and is not material. The group holds no sovereign bonds issued by these countries. Direct lines to banks in Italy and Spain are restricted to systemically important banks.

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

A summary of NedbankGroup’s exposure to the PIIGS at 30 June 2011 is provided below:

- Portugal – total exposure amounts to R2,53 million.
- Italy – total exposure amounts to R3,29 billion.
- Ireland – Nedbank Group has no exposure or lines to Irish banks.
- Greece – Nedbank Group has no exposure or lines to Greek banks.
- Spain – total exposure amounts to R282,14 million.



Note: The figures above represent the industry (%) split of Nedbank Group’s total exposure, including on-balance-sheet, off-balance-sheet and derivatives based on the Proprietary Credit Portfolio Model used for credit economic capital measurement.

We conclude that credit concentration risk is adequately measured, managed, controlled and ultimately capitalised. There is no undue single-name concentration or sector concentrations. While there is a concentration of Nedbank Group loans and advances in South Africa, this has been positive for Nedbank Group as evident after the global financial crisis.

SECURITISATION RISK

Nedbank Group uses securitisation exclusively as a funding diversification tool and to add flexibility in mitigating structural liquidity risk.

The group currently has three traditional securitisation transactions:

- Synthesis Funding Limited (Synthesis), an asset-backed commercial paper (ABCP) programme launched during 2004.
- Octane ABS 1 (Pty) Limited (Octane), a securitisation of motor vehicle loans launched in July 2007.
- GreenHouse Funding (Pty) Limited, Series 1 (GreenHouse), a residential mortgage-backed securitisation programme launched in December 2007.

Nedbank Group also fulfils a number of secondary roles as liquidity facility provider, swap provider and investor in third-party securitisation transactions. All securitisation transactions entered into thus far have involved the sale of the underlying assets to the special-purpose vehicles. Nedbank Group has not originated or participated in synthetic securitisations.

Nedbank Group complies with International Financial Reporting Standards in recognising and accounting for securitisation transactions. In particular, the assets transferred to the GreenHouse and Octane securitisation vehicles continue to be recognised and consolidated in the balance sheet of the group and the respective securitisation vehicles are consolidated under Nedbank Group for financial reporting purposes. Synthesis is also consolidated into the group for financial reporting purposes.

Securitisations are treated as sales transactions (rather than financing). The assets are sold to the special-purpose vehicles at carrying value and no gains or losses are recognised.

Nedbank Group has not engaged in any new securitisation transactions of its own assets in the period under review.

There have been no downgrades of any of the commercial paper issued in Nedbank Group's securitisation transactions and the performance of the underlying portfolios of assets remains acceptable.

ASSETS SECURITISED AND RETAINED SECURITISATION EXPOSURE

Transaction	Year initiated	Rating agency	Transaction type	Asset type	Assets securitised		Assets outstanding		Amount retained/purchased*	
					June 2011	Dec 2010	June 2011	Dec 2010	June 2011	Dec 2010
GreenHouse	2007	Moody's and Fitch	Traditional securitisation	Retail mortgages	2 000	2 000	1 581	1 699	221	226
Octane	2007	Fitch	Traditional securitisation	Auto loans	2 000	2 000	279	607	115	312
Total					4 000	4 000	1 860	2 306	336	538

* This is the nominal amount of exposure and excludes accrued interest.

LIQUIDITY FACILITIES PROVIDED TO NEDBANK'S ABCP PROGRAMME

Transaction	Year initiated	Rating agency	Transaction type	Asset type	Programme size	Assets outstanding	Liquidity facilities	Assets outstanding	Liquidity facilities
						June 2011	June 2011	December 2010	December 2010
Synthesis	2004	Fitch	ABCP programme	Asset-backed securities, corporate term loans and bonds	15 000	4 706	4 710	5 006	5 009

RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

TRADING MARKET RISK

Most of Nedbank Group's trading activity is executed in Nedbank Capital. This includes market-making and the facilitation of client business and proprietary trading in the commodity, equity, credit, interest rate and currency markets. Nedbank Capital primarily focuses on client activities in these markets.

In addition to applying business judgement, management uses a number of quantitative measures to manage the exposure to trading market risk. These measures include:

- risk limits based on a portfolio measure of market risk exposures referred to as value at risk (VaR), including expected tail loss; and
- scenario analysis, stress tests and other analytical tools that measure the potential effects on the trading revenue arising in the event of various unexpected market events.

While VaR captures Nedbank Group's exposure under normal market conditions, sensitivity and stress-and-scenario analysis (and in particular stress testing) are used to add insight into the possible outcomes under abnormal market conditions.

TRADING MARKET RISK PROFILE

The tables below reflect the VaR statistics for the Nedbank Group trading book activities:

GROUP TRADING BOOK VALUE AT RISK

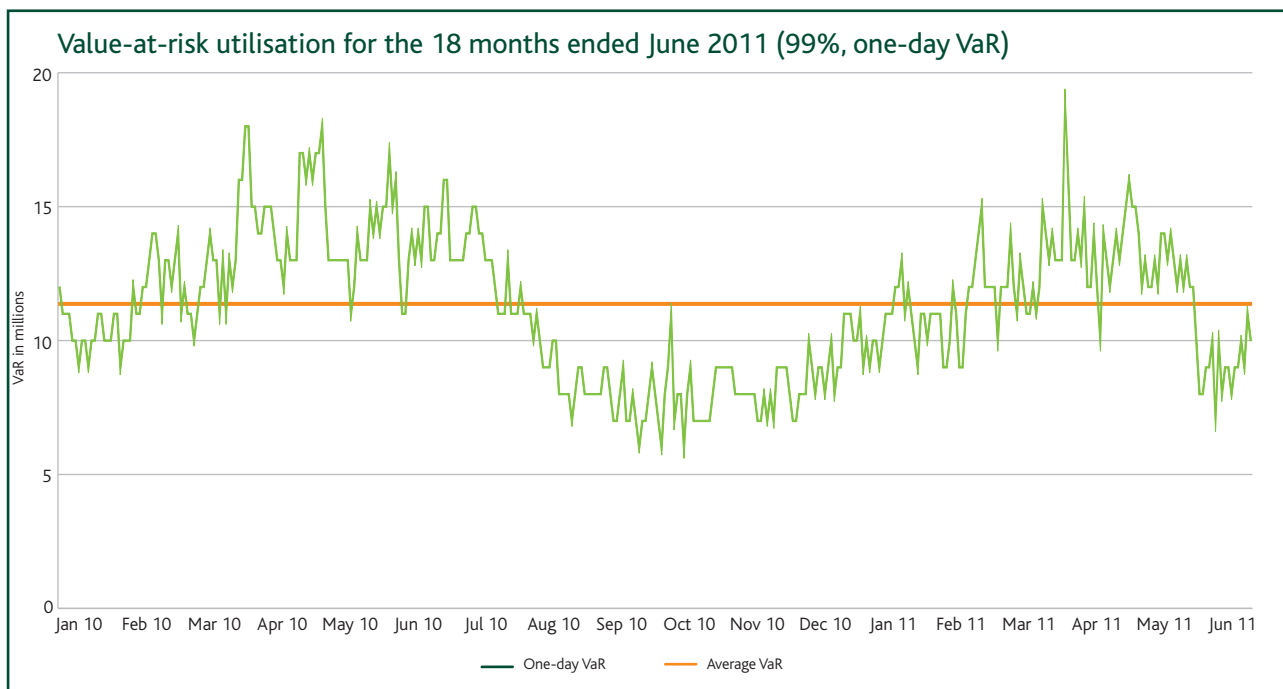
Risk categories	Historical VaR (99%, one-day VaR) by risk type			
	Average	Minimum*	Maximum*	End of period
January to June 2011				
Foreign exchange	2,3	0,7	5,0	1,8
Interest rate	9,8	6,0	14,2	7,4
Equity	3,2	2,2	6,6	3,4
Credit	2,6	1,4	4,0	1,4
Commodity	0,2	0,0	0,5	0,0
Diversification**	(6,4)			(4,4)
Total VaR exposure	11,7	7,4	19,4	9,6
January to June 2010				
Foreign exchange	1,8	0,8	3,6	2,0
Interest rate	11,4	6,8	14,9	11,1
Equity	4,0	1,4	9,3	3,4
Credit	2,3	0,8	3,2	2,2
Commodity	0,7	0,0	1,5	0,0
Diversification**	(7,2)			(7,0)
Total VaR exposure	13,0	8,9	18,3	11,7
January to December 2010				
Foreign exchange	2,2	0,6	6,7	3,9
Interest rate	9,0	3,9	14,9	6,2
Equity	3,6	1,4	9,3	2,8
Credit	2,8	0,8	4,0	4,0
Commodity	0,7	0,0	1,5	0,2
Diversification**	(7,3)			(6,2)
Total VaR exposure	11,0	6,1	18,3	10,9

* The maximum and minimum VaR values reported for each of the different risk factors do not necessarily occur on the same day. As a result a diversification number for the maximum and minimum values have been omitted from the table.

** Diversification benefit is the difference between the aggregate VaR and the sum of VaRs for the five risk categories. This benefit arises because the simulated 99%/one-day loss for each of the five primary market risk categories occurs on different days.

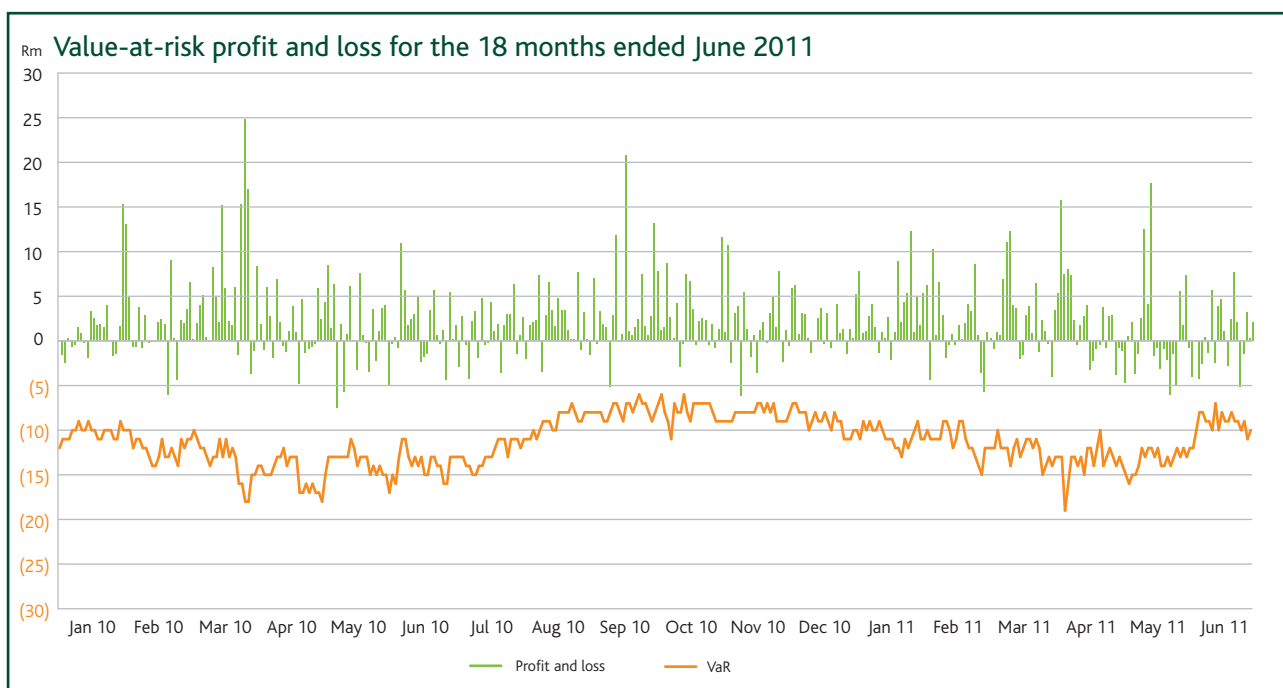
Nedbank Group's trading market risk exposure expressed as average daily VaR decreased in the first six months of 2011 by just over 9% from R13,0 million to R11,7 million. The economic and financial outlook in 2011 has continued to remain uncertain against the backdrop of a fragile global economic recovery and near sovereign default in the Eurozone. This has negatively impacted the risk appetite in all the market risk categories.

The following graph illustrates the daily VaR for the 18-month period from 1 January 2010 to 30 June 2011. Nedbank Group remained within the approved risk appetite and the VaR limits allocated by the board, which remain low, with market trading risk consuming only 1,6% and 1,2% of group economic capital and regulatory capital respectively.



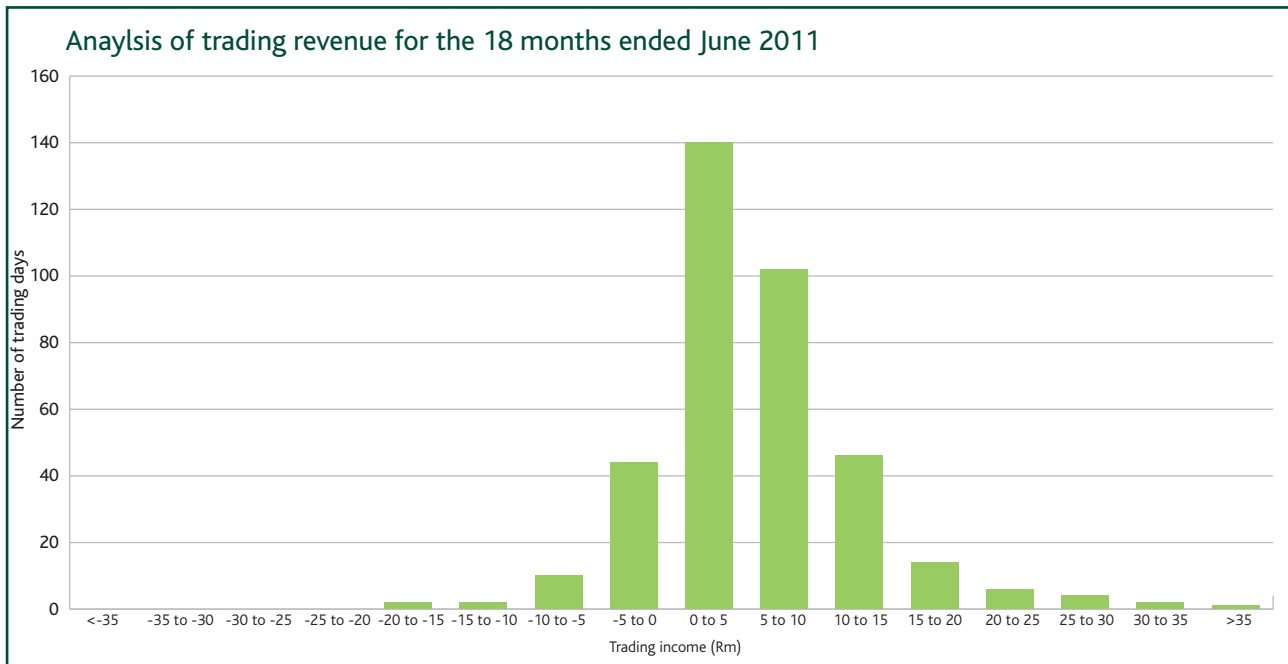
VaR is an important measurement tool and the performance of the model is regularly assessed. The approach to assessing whether the model is performing adequately is known as backtesting, which is simply a historical test of the accuracy of the VaR model. To conduct a backtest the bank reviews the actual daily VaR over a one-year period (on average 250 trading days) and compares the actual daily trading revenue (including net interest but excluding commissions and primary revenue) with the VaR estimate and counts the number of times the trading loss exceeds the VaR estimate.

Nedbank Group used a holding period of one day with a confidence level of 99%, and had no backtesting exceptions for the 18-month period from 1 January 2010 to 30 June 2011.



RISK AND BALANCE SHEET MANAGEMENT REVIEW continued

The following histogram illustrates the distribution of daily revenue for the period 1 January 2010 to 30 June 2011 for Nedbank Group's trading businesses (including net interest, commissions and primary revenue credited to Nedbank Group's trading businesses). The distribution is skewed to the profit side and the graph shows that trading revenue was realised on 315 days out of a total of 373 days in the period. The average daily trading revenue generated for the period was R5,55 million (December 2010: R6,03 million).



REVISIONS TO THE BASEL II FRAMEWORK

In the revisions to the Basel II Framework published by the Basel Committee in July 2009 a guideline for calculating stressed VaR was provided. Stressed VaR is calculated using market data taken over a period through which the relevant market factors were experiencing stress. Nedbank Group uses historical data from the period 26 March 2008 to 12 March 2009. This period captures significant volatility in the SA market.

The information in the following table is the comparison of the VaR using three different calculations at 30 June 2011. The three different calculations are historical VaR, extreme tail loss and stressed VaR. The extreme tail loss measures the expected losses in the tail of the distribution and stressed VaR uses a volatile historical data period. A 99% confidence level and one-day holding period are used for all the calculations.

COMPARISON OF TRADING VALUE AT RISK

June 2011 Rm	Historical VaR 99% (one-day VaR)	Stressed VaR 99% (one-day VaR)	Extreme tail loss 99% (one-day VaR)
Foreign exchange	1,8	2,6	2,6
Interest rates	7,4	32,9	10,2
Equities	3,4	5,6	4,0
Credit	1,4	5,7	2,5
Commodities	0,0	0,2	0,1
Diversification	(4,4)	(6,5)	(7,9)
Total VaR exposure	9,6	40,5	11,5

As part of the Basel 2.5 updates to the Banks Act regulations, to be implemented in South Africa on 1 January 2012, the risk weighted assets (RWA) for market risk will require an add-on for stressed VaR as opposed to being based purely on VaR as currently required by the regulations. This will result in an approximate doubling in the RWA required for market risk but will have a small impact on capital adequacy ratios due to Nedbank's risk profile having a low market risk component, and this is incorporated in the pro forma Basel III ratios as at 30 June 2011 reported on page 88b.

EQUITY RISK (INVESTMENT RISK) IN THE BANKING BOOK

The total equity portfolio for investment risk is R4 474 million (December 2010: R3 919 million). R3 304 million (December 2010: R2 897 million) is held for capital gain, while the rest is mainly strategic investments.

Investments	Publicly listed		Privately held		Total	
	June 2011	December 2010	June 2011	December 2010	June 2011	December 2010
Fair value disclosed in balance sheet (excluding associates and joint ventures)	546	536	2 828	2 475	3 374	3 011
Fair value disclosed in balance sheet (including associates and joint ventures)	546	536	3 928	3 383	4 474	3 919

Equity investments held for capital gain are generally classified as fair value through profit and loss, with fair-value gains and losses reported in non-interest revenue. Strategic investments are generally classified as 'available for sale', with fair-value gains and losses recognised directly in equity.

EQUITY INVESTMENTS HELD FOR CAPITAL GAIN (PRIVATE EQUITY) REPORTED IN NON-INTEREST REVENUE

Rm	Nedbank Group		Nedbank Capital		Nedbank Corporate	
	June 2011	December 2010	June 2011	December 2010	June 2011	December 2010
Securities dealing	79	3	34	(46)	45	49
Investment income – dividends received	58	225	51	194	7	31
Total private equity	137	228	85	148	52	80
Realised	61	230	51	214	10	16
Unrealised	76	(2)	34	(66)	42	64
Total private equity	137	228	85	148	52	80

OPERATIONAL RISK

Nedbank Group was granted approval in December 2010 from the South African Reserve Bank for the use of the Advanced Measurement Approach (AMA), and now calculates its operational risk regulatory capital requirements using partial and hybrid AMA.

This approval demonstrates the existence of sound operational risk governance practices across the group aimed at identifying, measuring and mitigating operational risks. The group has continued investment in the improvement of its operational risk measurement and management approaches.

The AMA Operational Risk Management Framework was approved by the board's Group Risk and Capital Management Committee. The AMA methodologies contained therein have already been rolled out and embedded in the businesses, including for the purposes of economic capital and the International Capital Adequacy Assessment Process.

INSURANCE RISK

Insurance risk arises in the Nedbank Wealth Cluster and encompasses underwriting and product design risk.

Actuarial and statistical methodologies are used to price insurance risk (eg morbidity, mortality and theft). Underwriters align clients with this pricing basis and respond to any anti-selection by placing clients in substandard-risk pools, pricing this risk with an additional risk premium, excluding certain claim events or causes, or excluding clients from entering pools at all.

The failure to reinsure with acceptable-quality reinsurers (beyond the level of risk appetite mandated by the board of directors) for risks underwritten by the short-term insurance and/or life assurance activities of the group, and also including catastrophe insurance (ie more than one insurance claim on the group arising from the same event), could lead to disproportionate losses (reinsurance risk).

Insurance underwriting activities are predominantly undertaken by Nedgroup Life Assurance Company Limited (Nedgroup Life) and Nedgroup Insurance Company Limited (Nedgroup Insurance) within the Nedbank Wealth Cluster.

Nedgroup Insurance is a short-term insurer that focuses predominantly on homeowner's insurance and limited vehicle-related value-add products for the retail market.

Nedgroup Life offers credit life, simple-risk and savings solutions, as well as a set of differentiated underwritten individual risk life products supported by a wellness programme. A large part of the book is derived from the provision of life cover linked to Nedbank Group's lending activities.

The group's risk appetite for insurance risk is currently low, reflected by its consumption of only 0,6% of total minimum required group economic capital (refer page 99b). The solvency ratios are set out on page 98b.

SUMMARISED DTI CODES SCORECARD

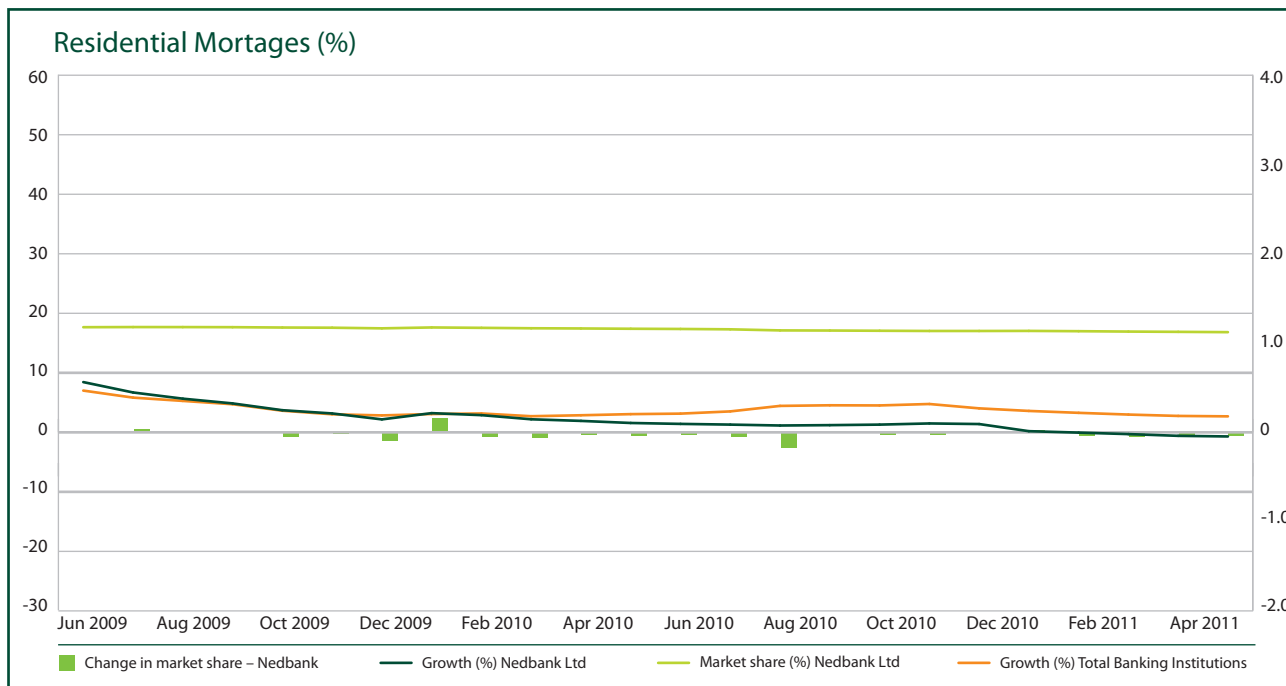
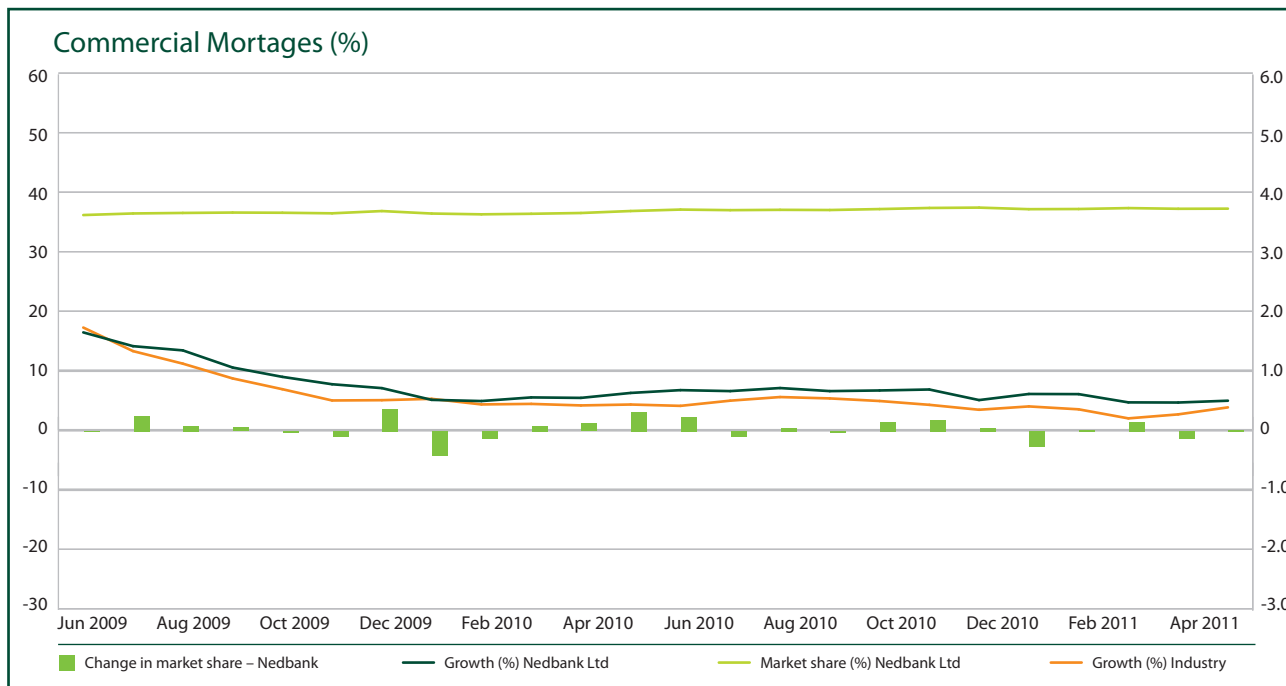
as at 31 December 2010*

COMPANY NAME: NEDBANK LTD

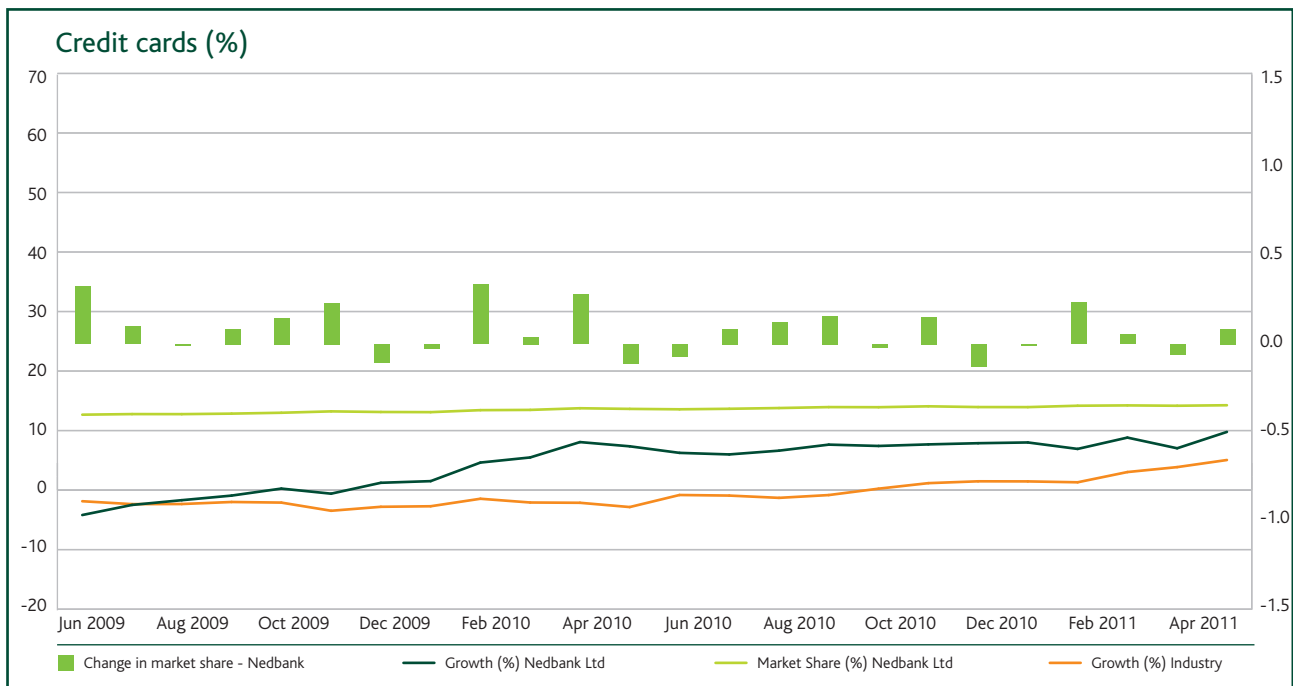
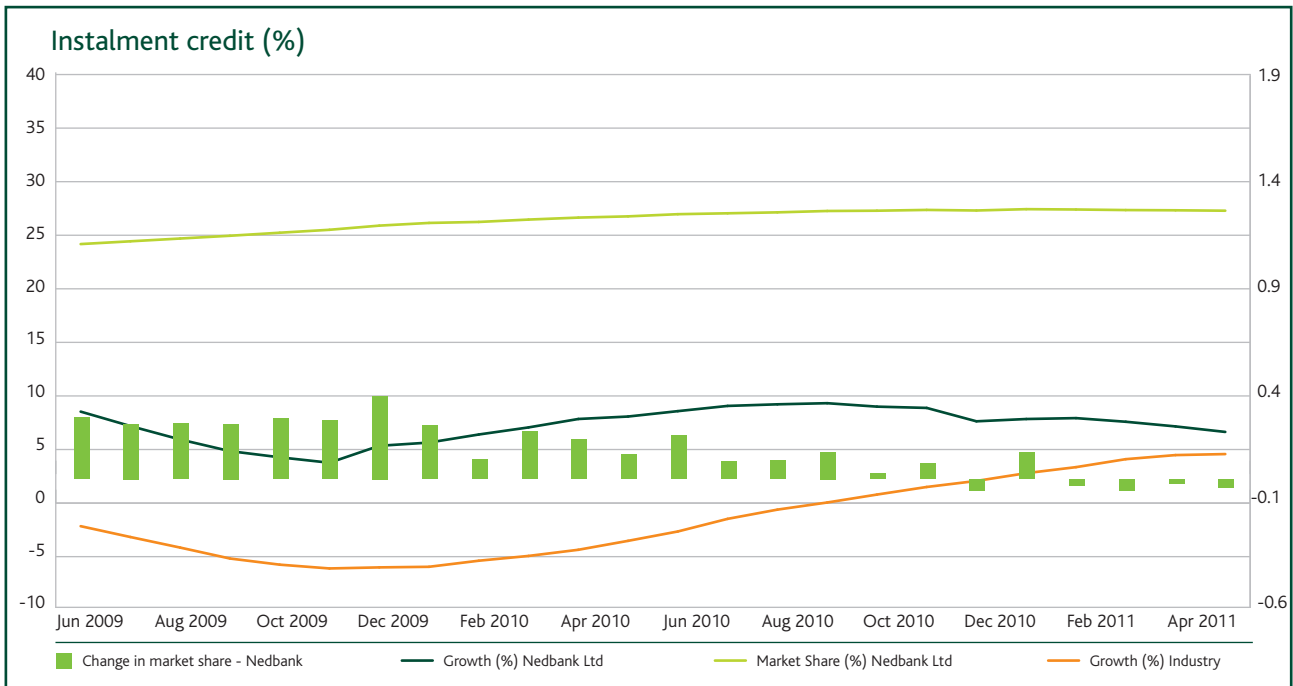
Ownership	Voting Rights		Economic interest			Employee schemes/ broad-based schemes, etc	Net equity value	Total score	Weighting
	Black People	Black Woman	Black People	Black Woman	Designated Groups				
	30,71%	3,25%	28,05%	3,84%	11,33%	11,33%	30,71%	20,11%	20%
Management	Board	Black Executive Directors	Senior top management	Top other management	Bonus: Independent directors	Total score	Weighting		
	47,06%	41,67%	25,00%	n/a	50,00%	8,62%	10%		
Employment Equity	Senior management	Middle management	Junior management	Disabled as % of total	Total score	Weighting			
	26,15%	50,85%	72,40%	1,15%	11,42%	15%			
Skills Development	Skills spend %	Disabled skills spend %	Category B, C, D black learners	Total score	Weighting				
	2,78%	0,04%	3,02%	9,60%	15%				
Preferential Procurement	% spend	% spend on QSE's and EME's	% spend black owned	% black women-owned	Total score	Weighting			
	85,12%	27,13%	12,56%	5,24%	19,75%	20%			
Enterprise Development	% Contributions					Total score	Weighting		
	6,98%					15,00%	15%		
Social Economic Development	% Contributions					Total score	Weighting		
	1,46%					5,00%	5%		
Non-scoring performance									Weighting
Product/area	Mzansi	FSC branches	Black SMMES	Black agriculture	Affordable housing	Trans- formational infra- structure	Bee transaction financing	Consumer education	0%
Achieved	315 024	8	R1 772	R70	R2 099	R5 681	R6 570	0,27%	
Growth vs. 2009	1,00%	0,00%	52,54%	71,43%	63,84%	59,18%	79,27%	18,52%	
Total BEE Score								89,50%	100%

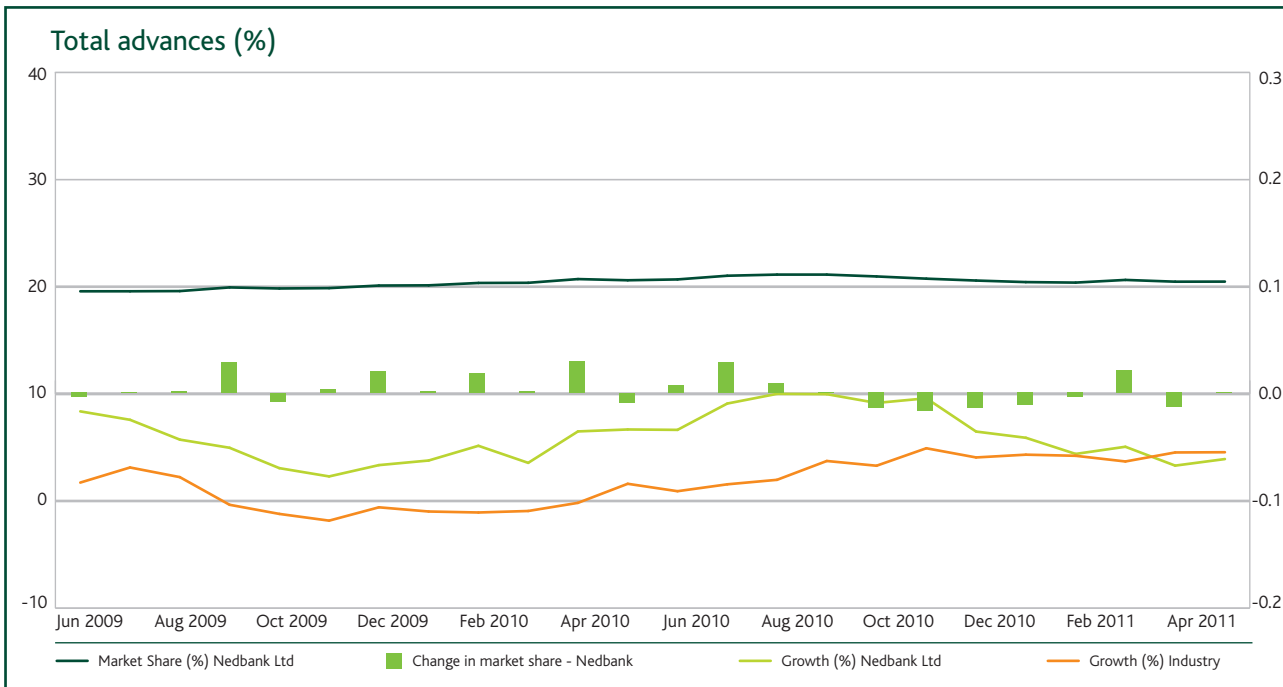
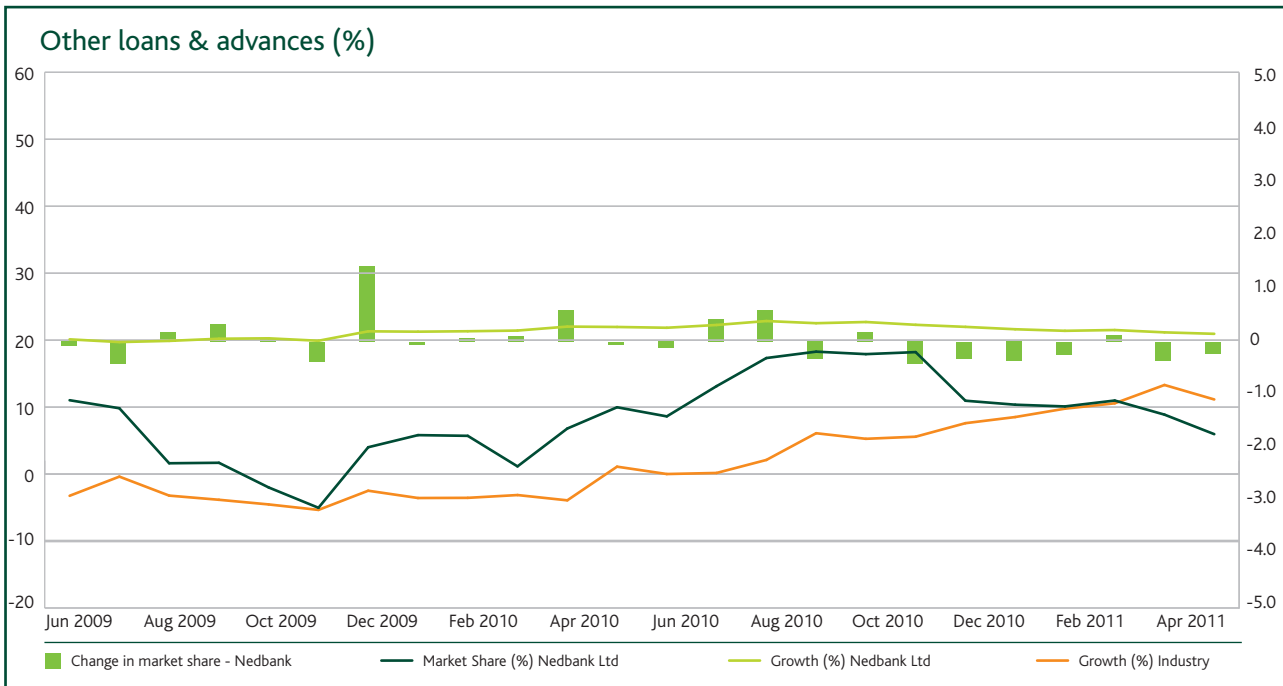
* Updated annually.

MARKET SHARE

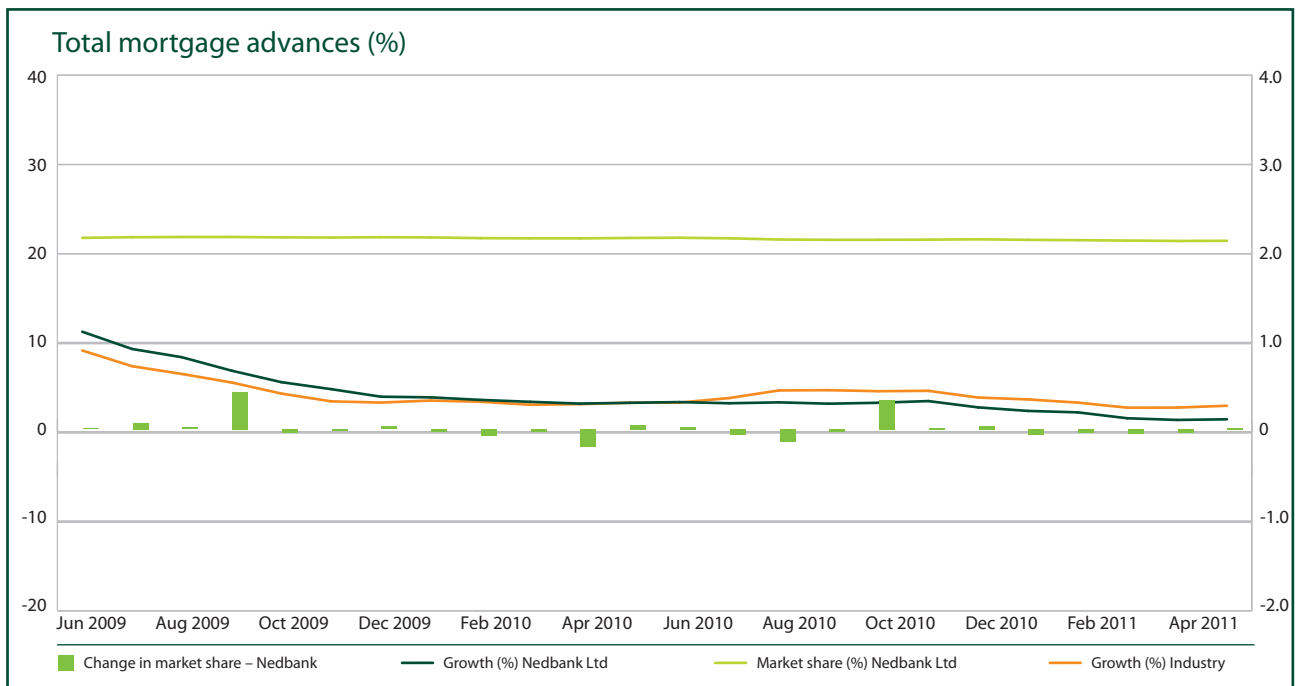
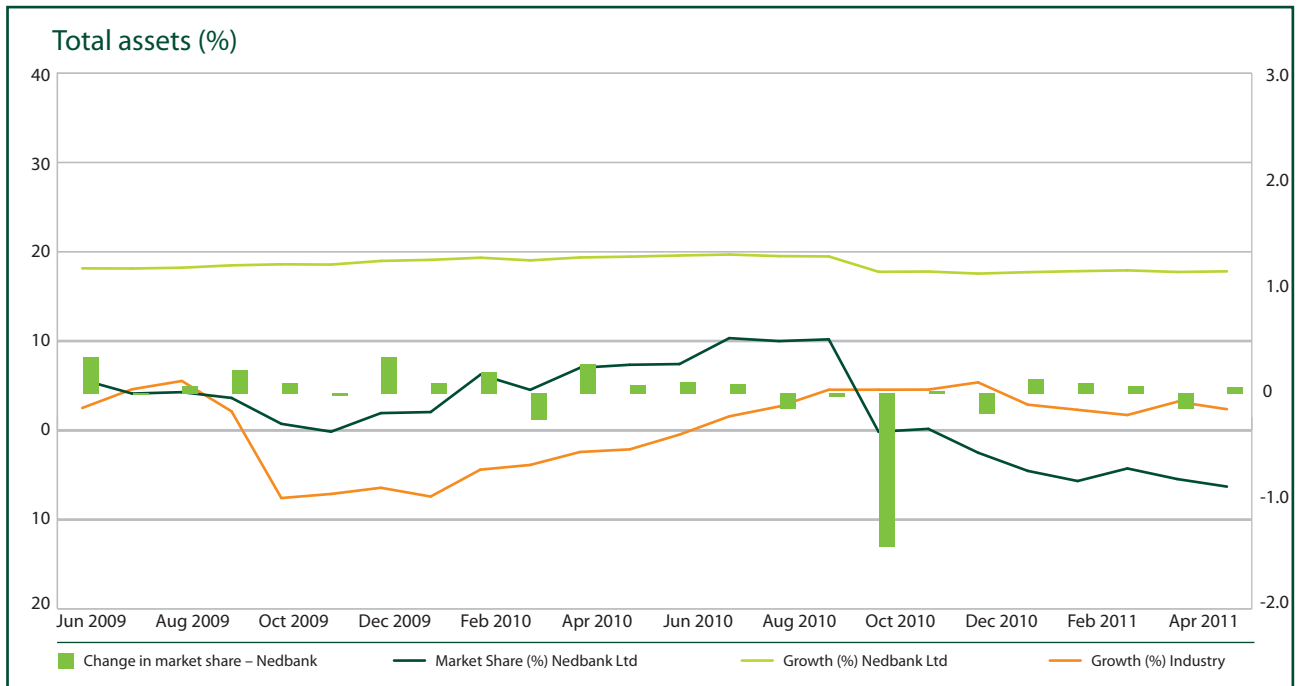


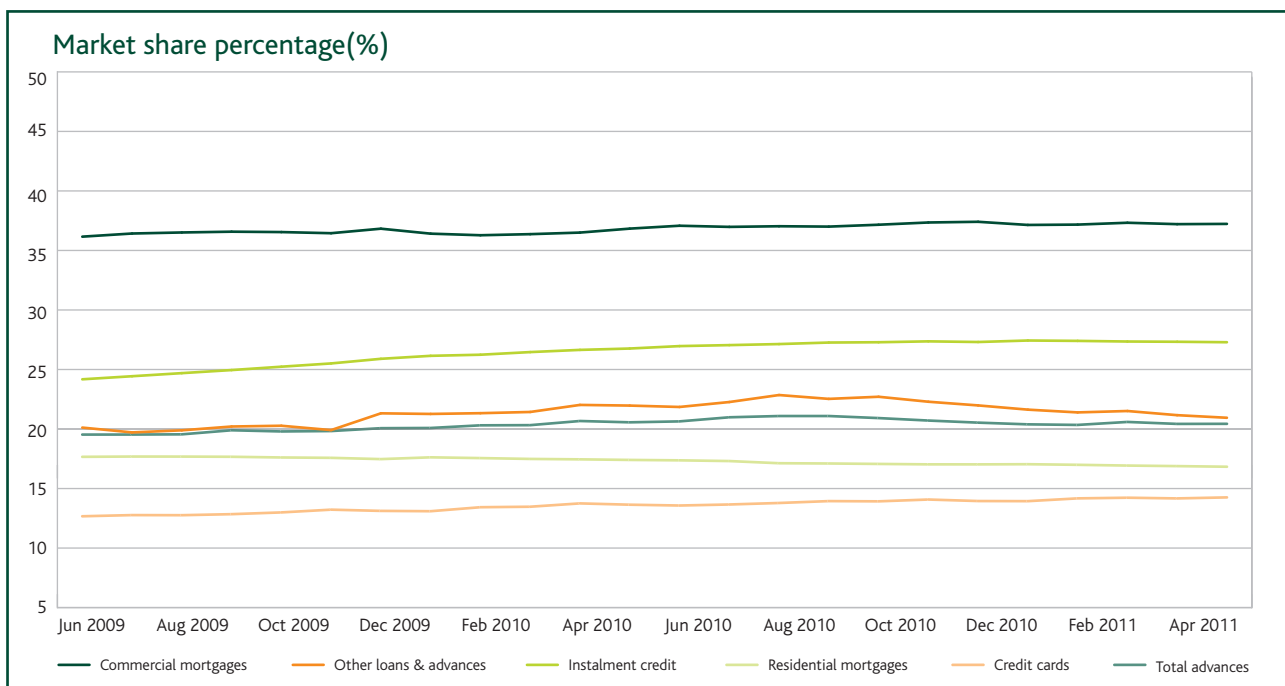
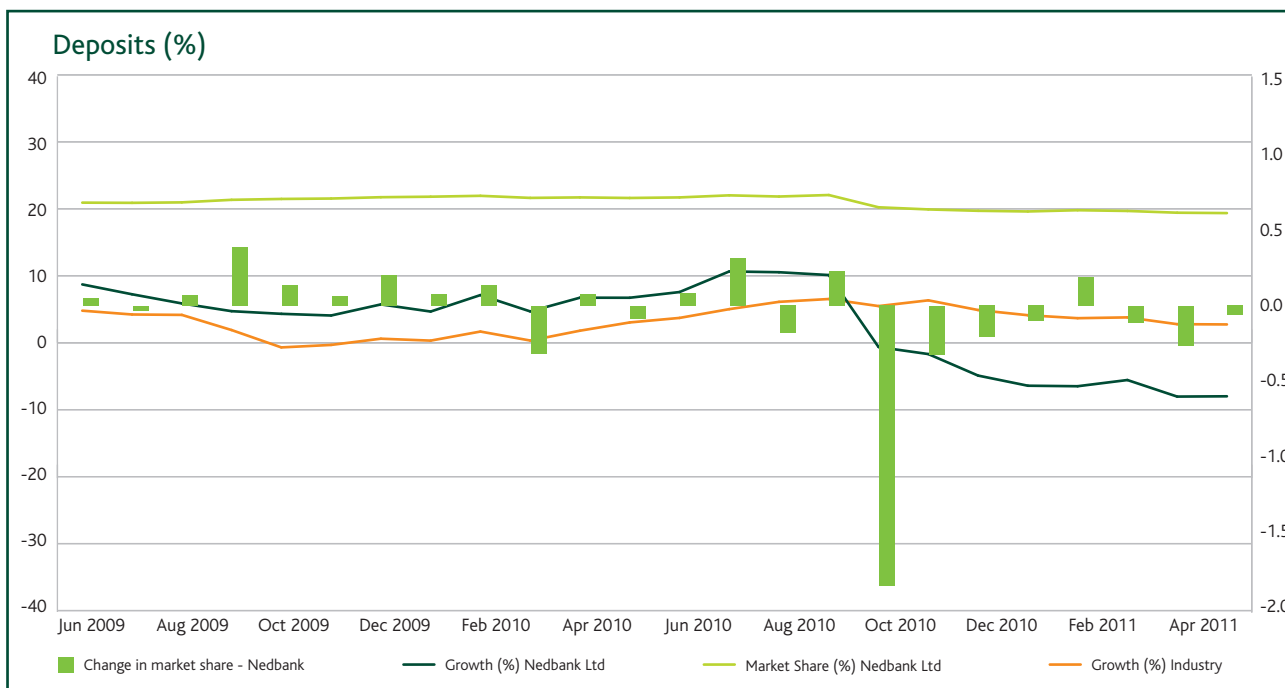
MARKET SHARE continued





MARKET SHARE continued





DEFINITIONS

ADVANCED INTERNAL RATING-BASED APPROACH (AIRB)

Advanced Internal Rating Based – subject to Supervisory approval a bank may use its internal developed credit risk measurement systems to calculate the capital requirements for credit risk.

ADVANCED MEASUREMENT APPROACH (AMA)

AMA allows a bank to calculate its regulatory capital charge (using internal models) based on internal risk variables and profiles. This is the only risk sensitive approach for operational risk allowed in Basel II.

ASSETS UNDER MANAGEMENT

Assets managed by Nedbank Group, which are beneficially owned by clients and are therefore not reported on the consolidated balance sheet. Advances that have either been fully or partially utilised by a borrower.

ATM

Automated teller machine. A cash machine or free-standing device dispensing cash, which may also provide other information or services to clients who have a card and a personal identification number, password or other personal identification.

BANKS

This asset class covers all exposures to counterparties treated as Banks.

BASEL CAPITAL ACCORD (BASEL II)

The new Basel Capital Accord (Basel II) of the Bank for International Settlements is an improved capital adequacy framework accomplished by closely aligning banks' capital requirements with improved modern risk management practices and sophisticated risk assessment capabilities. It further ensures the risk sensitivity of the minimum capital requirements by including supervisory reviews and market discipline through enhanced disclosure.

BASEL ASSET CLASSES (AS CATEGORISED IN THE BA 200 RETURN)

CORPORATE EXPOSURES

CORPORATE

Corporate exposures are defined as a debt obligation of a corporation, partnership, or proprietorship. Banks are permitted to distinguish separately exposures to Small and Medium-sized enterprises.

SPECIALISED LENDING – HIGH VOLATILITY COMMERCIAL REAL ESTATE (PROPERTY DEVELOPMENT)

High volatility commercial real estate (HVCRE) lending is the financing of commercial real estate that exhibits higher loss rate volatility compared to other types of Specialised Lending.

SPECIALISED LENDING – INCOME-PRODUCING REAL ESTATE

Income-producing real estate (IPRE) refers to a method of providing funding to real estate (such as, office buildings to let, retail space, multi-family residential buildings, industrial or warehouse space, and hotels) where the prospects for repayment and recovery on the exposure depend primarily on the cash flows generated by the asset. The primary source of these cash flows would generally be lease or rental payments or the sale of the asset.

SPECIALISED LENDING – OBJECT FINANCE

Object finance (OF) refers to a method of funding the acquisition of physical assets (eg ships, aircraft, satellites, railcars, fleets) where the repayment of the exposure is dependent on the cash flows generated by the specific assets that have been financed and pledged.

SPECIALISED LENDING – COMMODITIES FINANCE

Commodities finance (CF) refers to structured short-term lending to finance reserves, inventories, or receivables of exchange-traded commodities (eg crude oil, metals or crops), where the exposure will be repaid from the proceeds of the sale of the commodity.

SPECIALISED LENDING – PROJECT FINANCE

Project finance (PF) is a method of funding in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the exposure. This type of financing is usually for large, complex and expensive installations, for example power plants, chemical processing plants, mines, etc.

SME CORPORATE

This asset class covers all exposures to Small and Medium Enterprises that are classified as Corporate, based on criteria prescribed by the Regulator.

PURCHASED RECEIVABLES – CORPORATE

This asset class covers all receivables classified as corporate exposures, which are purchased for inclusion in asset-backed securitisation structures, but banks may also use this approach, with the approval of national supervisors, for appropriate on-balance sheet exposures that share the same features.

PUBLIC SECTOR ENTITIES

This asset class covers all exposures to Enterprises that are wholly or majority owned by the Central Government, eg Eskom, Transnet, etc.

LOCAL GOVERNMENTS AND MUNICIPALITIES

This asset class covers all exposures to Enterprises that are wholly or majority owned by the Central Government, eg Eskom, Transnet, etc.

SOVEREIGN (INCLUDING CENTRAL GOVERNMENT AND CENTRAL BANK)

This asset class covers all exposures to counterparties treated as Central Government.

SECURITIES FIRMS

This asset class covers all exposures to enterprises regulated by a recognised authority, and which trades in securities.

RETAIL EXPOSURES

RETAIL MORTGAGES (INCLUDING HOME EQUITY LINE OF CREDIT)

This asset class covers all mortgage advances or credit lines to individuals, which are fully secured by a mortgage over residential property.

RETAIL REVOLVING CREDIT

Exposures to individuals, that is revolving, unsecured, and uncommitted (both contractually and in practice). In this context, revolving exposures are defined as those where customers' outstanding balances are permitted to fluctuate, based on their decisions to borrow and repay, up to a limit established by the bank.

RETAIL – OTHER

This asset class covers all non-revolving exposures (excluding mortgage advances) to individuals.

SME RETAIL

This asset class covers all exposures to Small and Medium Enterprises that are classified as Corporate, based on criteria prescribed by the Regulator.

PURCHASED RECEIVABLES – RETAIL

This asset class covers all receivables classified as retail exposures, which are purchased for inclusion in asset-backed securitisation structures, but banks may also use this approach, with the approval of national supervisors, for appropriate on-balance sheet exposures that share the same features.

BEE TRANSACTION

Nedbank Group's BEE transaction, which focused primarily on the issuing of shares to BEE partners for the purposes of BBBEE, equating to approximately 9,3% (43 618 748 shares) of total share capital and equating to black ownership of 11,5% of the value of Nedbank Group's South African businesses in 2005. Nedbank Namibia's BEE transaction, which focused primarily on the issuing of shares to BEE partners and affinity groups for the purposes of BEE in Namibia, equating to approximately 0,14% (665 680 shares) of total share capital of Nedbank Group Limited and equating to black ownership of 11,13% of the value of NedNamibia Holdings Limited, Nedbank Group's Namibian business in 2006.

BORROWING GROUP

A group of clients and their underlying loans and advances according to the per person definition of the 'Regulations Related to Banks'.

CAPITAL ADEQUACY RATIO

The capital adequacy of South African banks is measured in terms of the South African Banks Act requirements. The ratio is calculated by dividing the Tier 1, secondary (Tier 2) and tertiary (Tier 3) capital by the risk-weighted assets.

GROUP CAPITAL ADEQUACY RATIO

Group capital adequacy is the ratio of group net qualifying capital and reserve funds to total group risk-weighted assets as calculated per the South African Banks Act requirements.

PRIMARY (TIER 1) CAPITAL

Primary capital consists of issued ordinary share capital and perpetual preference share capital, qualifying perpetual callable hybrid capital, retained earnings and reserves, less regulatory deductions.

DEFINITIONS continued

CORE TIER 1 CAPITAL

Core Tier 1 capital is Primary Capital less any amount on non-core Tier 1 capital, being perpetual preference share capital and qualifying perpetual callable hybrid capital.

SECONDARY (TIER 2) CAPITAL

Secondary capital is made up of subordinated dated debt and certain types of perpetual callable debt, excess amount in respect of eligible provisions, 50% of any revaluation surplus less regulatory deductions.

TERTIARY (TIER 3) CAPITAL

Tertiary capital consists of capital obtained by way of unsecured subordinated loans, subject to such conditions as may be prescribed.

CASH FLOW

FINANCING ACTIVITIES

Activities that result in changes to the capital structure of the group.

INVESTMENT ACTIVITIES

Activities relating to the acquisition, holding and disposal of property and equipment and long-term investments.

OPERATING ACTIVITIES

Activities that are not financing or investing activities and arise from the operations conducted by the group.

CREDIT LOSS RATIO

Credit loss ratio is the impairments charge as a percentage of average advances.

CREDIT PROVISIONING

LDG

This is an estimate of the amount of the exposure at default that will not be recovered. It also includes other economic costs such as legal costs.

PD

Quantification of the likelihood of a borrower being unable to repay during a specific time horizon, usually 12 months.

RESTRUCTURES

Distressed restructured credit exposures include any loan, advance or facility in respect of which the bank has granted a concession to the obligor owing to a deterioration in its financial condition, that is, owing to a financial distress situation of the relevant obligor.

DEBT COUNSELLING

Debt counselling is a process of assisting consumers that are experiencing debt-related problems through:

- Budget advice;
- Restructuring their payments;
- Negotiating with credit providers on their behalf; and
- Monitoring their payments while
- Providing after-care services.

Debt counselling is done by a debt counsellor. This is someone who is registered with the National Credit Regulator (NCR) and who assists consumers who are experiencing debt-related problems and are having difficulty making their current monthly payments by providing them with budget advice, support and mediation with credit providers.

PORTFOLIO PROVISION

The standard portfolio represents all the loans and advances that have not been impaired. These loans and advances have not yet individually evidenced a loss event, but loans and advances exist within the standard portfolio that may have impairment without the bank yet being aware of it. The provisions against these are portfolio provisions.

SPECIFIC PROVISION

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cashflows (excluding credit losses that have not been incurred) discounted at the original effective interest rate (ie the effective interest rate computed at initial recognition) of the financial asset.

EMERGENCE PERIOD

The period of time that will elapse between the occurrence of an impairment event and objective evidence of the impairment becoming evident. For each standard portfolio an emergence period is estimated as well as the probability of the loss trigger and the loss given events occurring. These estimates are applied to the total exposures of the standard portfolio to calculate the portfolio impairment.

DEFAULTED ADVANCE

Any advance or group of advances that has triggered relevant definition of default criteria for that portfolio which is in line with the amended BA regulations relating to banks. For retail portfolios it is transaction centric and therefore a default would be specific to an account (specific advance). For wholesale portfolios it is client or borrower centric meaning that in the event of any transaction within a borrowing group default, then all transactions within the borrowing group would be defaulted.

DEFINITION OF DEFAULT

At a minimum, a default is deemed to have occurred where a material obligation is overdue for more than 90 days or an obligor exceed an advised limit for more than 90 days.

DEFERRED TAXATION ASSETS

Deferred taxation assets are the amounts of income taxation recoverable in future periods in respect of:

- deductible temporary differences arising due to differences between the taxation and accounting treatment of transactions; and
- the carry forward of unused taxation losses.

DEFERRED TAXATION LIABILITIES

Deferred taxation liabilities are the amounts of income taxation payable in future periods due to differences between the taxation and accounting treatment of transactions.

DIRECT TAXATION

Direct taxation includes normal taxation on income, capital gains taxation (CGT) and secondary taxation on companies (STC).

DIVIDEND/DISTRIBUTION COVER

Headline earnings per share divided by the dividend/distribution declared per share.

DIVIDEND/DISTRIBUTION DECLARED PER SHARE

Dividend/distribution declared per share is the actual interim dividend paid/capitalisation award issued and the final dividend declared/capitalisation award declared for the period under consideration, expressed in cents.

DIVIDEND/DISTRIBUTION PAID/CAPITALISED PER SHARE

Dividend/distribution paid/capitalised per share is the actual final dividend paid/capitalisation award issued for the prior year and the interim dividend paid/capitalisation award issued for the year under consideration, expressed in cents.

DIVIDEND YIELD

Dividend/capitalisation award declared per ordinary share as a percentage of the closing share price of ordinary shares.

DOWNTURN EXPECTED LOSS

A stress-tested value for expected loss under down turn economic conditions that could have unfavourable effects on a bank's credit exposures.

DTI CODES

The Codes of Good Practice as promulgated on 9 February 2007 under Section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), establishes the rules, targets and stipulations for the measurement of Broad-Based Black Economic Empowerment within South Africa based on three scorecard classifications for organisations: Emerging Micro Enterprise (EME), Qualifying Small Enterprise (QSE), or Generic Enterprise. Nedbank is scored as a Generic Enterprise under the published codes.

EARNINGS PER SHARE (EPS)

BASIC EARNINGS BASIS

Income attributable to equity holders for the period divided by the weighted average number of ordinary shares in issue (net of shares held by group entities) during the period.

HEADLINE EARNINGS BASIS

Headline earnings divided by the weighted average number of shares in issue (net of shares held by group entities) during the period.

DEFINITIONS continued

FULLY DILUTED BASIS

The relevant earnings figure is adjusted for the assumed adjustments to income that would have been earned on the issue of shares issued from dilutive instruments. The resultant earnings are divided by the weighted average number of ordinary shares and other dilutive instruments (ie potential ordinary shares) outstanding at the period-end, assuming they had been in issue for the period.

EARNINGS YIELD

Headline earnings per share as a percentage of the closing price of ordinary shares.

ECONOMIC CAPITAL (ECAP)

Economic capital is the quantification of risk and an internal assessment of the amount of capital required to protect the group against economic losses with a desired level of confidence (solvency standard or default probability) over a one-year time horizon. In other words, it is the magnitude of economic losses the group could withstand while still remaining solvent.

ECONOMIC PROFIT OR LOSS

Headline earnings after adjusting for cost of capital.

EFFECTIVE TAXATION RATE

The taxation charge in the income statement, excluding taxation relating to non-trading and capital items, as a percentage of profit before taxation.

EFFICIENCY RATIO (COST-TO-INCOME RATIO)

Total expenses as a percentage of income from normal operations (net interest income plus non-interest revenue).

EXPOSURE AT DEFAULT (EAD)

EAD is an estimation of the extent to which a bank may be exposed to a counterparty in the event of, and at the time of, that counterparty's default.

EXPECTED LOSS (EL)

EL is the expected value of portfolio losses due to default over a specified time horizon.

FOREIGN EXCHANGE TRANSLATION GAINS/LOSSES

The results and assets/liabilities of all foreign entities controlled by the group that have a rand-functional currency are translated at the closing exchange rate and the differences arising are recognised in the income statement as foreign exchange translation gains/losses.

HEADLINE EARNINGS

Headline earnings is not a measure of maintainable earnings. For purposes of the definition and calculation, the guidance given on headline earnings, as issued by the South African Institute of Chartered Accountants in circular 03/09 of August 2009, has been used. Headline earnings consist of the earnings attributable to ordinary shareholders excluding non-trading and capital items.

IFRS

International Financial Reporting Standards, as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. Nedbank Group's consolidated financial results are prepared in accordance with IFRS.

IMPAIRMENT CHARGE TO AVERAGE ADVANCES

Impairment charge on loans and advances for the year divided by average advances. Also known as the credit loss ratio or impairment ratio.

IMPAIRMENT OF LOANS AND ADVANCES

Impairment of loans and advances arises where there is objective evidence that the group will not be able to collect an amount due. The impairment is the difference between the carrying amount and the estimated recoverable amount.

INDIRECT TAXATION

Value Added Taxation (VAT) and other taxes, levies and duties paid to Government, excluding direct taxation.

'JAWS' RATIO

The difference between the rate of growth in total income from normal operations and the rate of total expense growth.

JIBAR

Johannesburg Interbank Agreement Rate, which is the rate that South African banks charge each other for wholesale money.

KING II (THE CODE)

The King Report on Corporate Governance 2002, which sets out principles of good corporate governance for South African companies and organisations.

KING III

The revised King Code and report on Governance for South Africa 2009, which sets out revised principles of good corporate governance for South African companies.

LIBOR

London Interbank Offered Rate, which is the rate that banks participating in the London money market offer each other for short-term deposits.

MARKET CAPITALISATION

The group's closing share price multiplied by the number of shares in issue including shares held by group entities.

NET ASSET VALUE PER SHARE

Total equity attributable to equity holders of the parent divided by the number of shares in issue, excluding shares held by group entities.

NET INTEREST INCOME TO AVERAGE INTEREST-EARNING ASSETS (NET INTEREST MARGIN)

Net interest income expressed as a percentage of average net interest-earning banking assets. Net interest-earning banking assets are used, as these closely resemble the quantum of assets earning income that is included in net margin.

NON-INTEREST REVENUE TO TOTAL EXPENSES

Non-interest revenue as a percentage of total expenses from normal operations.

NON-INTEREST REVENUE TO TOTAL INCOME

Non-interest revenue as a percentage of total income from normal operations.

NON-TRADING AND CAPITAL ITEMS

These comprise the following:

- surpluses and losses on disposal of long-term investments, subsidiaries, joint ventures and associates;
- impairment of goodwill arising on acquisition of subsidiaries, joint ventures and associates;
- surpluses and losses on the sale or termination of an operation;
- capital cost of fundamental reorganisation or restructuring having a material effect on the nature and focus of the operations of the reporting entities;
- impairment of investments, property and equipment, computer software and capitalised development costs; and
- other items of a capital nature.

OFF-BALANCE-SHEET ASSETS

Assets managed on behalf of third parties on a fully discretionary basis.

PRICE/EARNINGS RATIO

The closing price of ordinary shares divided by headline earnings (for the previous 12 months) per share.

PROPERTIES IN POSSESSION (PIPS)

Properties acquired through payment defaults on loans secured by properties.

RETURN ON ORDINARY SHAREHOLDERS' EQUITY (ROE)

Headline earnings expressed as a percentage of average equity attributable to equity holders of the parent.

RETURN ON ORDINARY SHAREHOLDERS' EQUITY (ROE) EXCLUDING GOODWILL

Headline earnings expressed as a percentage of average equity attributable to equity holders of the parent less goodwill.

RETURN ON TOTAL ASSETS (ROA)

Headline earnings expressed as a percentage of average total assets.

RISK-WEIGHTED ASSETS (RWA)

Risk-weighted assets are determined by applying risk weights to balance sheet assets and off-balance-sheet financial instruments according to the relative credit risk of the counterparty. The risk weighting for each balance sheet asset and off-balance-sheet financial instrument is regulated by the South African Banks Act or by regulations in the respective countries of the other banking licences.

DEFINITIONS continued

SARB REGULATIONS RELATED TO BANKS AND THE BA RETURNS

The regulations relating to banks were amended with effect 01/01/2008, based on the revised Basel Capital Accord (Basel II). The new Basel Capital Accord of the Bank of International Settlements is an improved capital adequacy framework accomplished by closely aligning banks' capital requirements with improved modern risk management practices and sophisticated risk assessment capabilities. It further ensures the risk sensitivity of the minimum capital requirements by including supervisory reviews and market discipline through enhanced disclosure. The new Banks Act regulatory returns (BA).

SEGMENTAL REPORTING

OPERATIONAL SEGMENT

A distinguishable component of the group, based on the market on which each business area focuses, which is subject to risks and returns that are different from those of other operating segments.

GEOGRAPHICAL SEGMENT

A distinguishable component of the group that is engaged in providing services within a particular economic environment and is subject to risks and returns that are different from those of components operating in other economic environments.

SECURITISATION EXPOSURES

This asset class covers all exposures to tradable, interest-bearing commercial paper, which is secured by an underlying asset, eg mortgage loans.

SHARE-BASED PAYMENTS

Transfers of a company's equity instruments by its shareholders to parties that have supplied goods or services to the company (including employees).

SHARES HELD BY GROUP ENTITIES (TREASURY SHARES)

Ordinary shares in Nedbank Group Limited acquired/held by group companies, including ordinary shares held in share trusts as part of the BEE transaction.

SST

Self-service terminal, similar to an ATM, but designed for non-cash transactions.

THE STANDARDISED APPROACH (TSA)

A standard approach (foundation approach) to calculate capital requirements for banks, prescribed by the Supervisor, used in lieu of the AIRB approach.

TANGIBLE NET ASSET VALUE PER SHARE

Total equity attributable to equity holders of the parent less goodwill, computer software and capitalised development costs, divided by the number of shares in issue, excluding shares held by group entities.

TOTAL COLLATERAL

Total monetary value of all collateral held by a bank as security for an advance(s), limited to exposure.

TOTAL CREDIT EXTENDED

Total of all advances extended by a bank, including unutilised facilities and other off-balance sheet exposures.

TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Ordinary share capital, share premium and reserves.

WEIGHTED AVERAGE NUMBER OF SHARES

The number of shares in issue increased by shares issued during the period, weighted on a time basis for the period during which they participated in the income of the group, less shares held by group entities, weighted on a time basis for the period during which the entities held these shares.

These definitions should be read in conjunction with the group's accounting policies, which also clarify certain terms used.

DISCLAIMER

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

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

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

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

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

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

SHARE AND BOND INFORMATION

COMPANY DETAILS

NEDBANK GROUP LIMITED

Incorporated in the Republic of South Africa

Registration number: 1966/010630/06

Registered address:

Nedbank Sandton, 135 Rivonia Road, Sandown, 2196, Johannesburg

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Transfer secretaries:

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PO Box 61051, Marshalltown, 2107

Namibia:

Transfer Secretaries (Pty) Limited

Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia

PO Box 2401, Windhoek, Namibia

INSTRUMENT CODES

NEDBANK GROUP ORDINARY SHARES

JSE share code:

NED

NSX share code:

NBK

ISIN code:

ZAE000004875

ADR code:

NDBKY

ADR CUSIP:

63975K104

NEDBANK LIMITED NON-REDEEMABLE, NON-CUMULATIVE PREFERENCE SHARES

JSE share code:

NBKP

ISIN code:

ZAE000043667

ABOUT THIS REPORT

This report is printed on Sappi Triple Green – a paper grade manufactured according to three environmental pillars: a minimum of 60% of the pulp used in the production of this paper is sugar cane fibre, which is the material remaining after raw sugar has been extracted from sugar cane; the bleaching process is elemental chlorine-free; and the remaining pulp used in the production process comprises wood fibre which is obtained from sustainable and internationally certified afforestation, using independently audited chains of custody.

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MAKE THINGS HAPPEN 

NEDBANK
GROUP

these results and additional information are available on

www.nedbankgroup.co.za

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