

2023 Annual Results

For the year ended 31 December 2023

5 March 2024

see money differently

NEDBANK GROUP

Overview

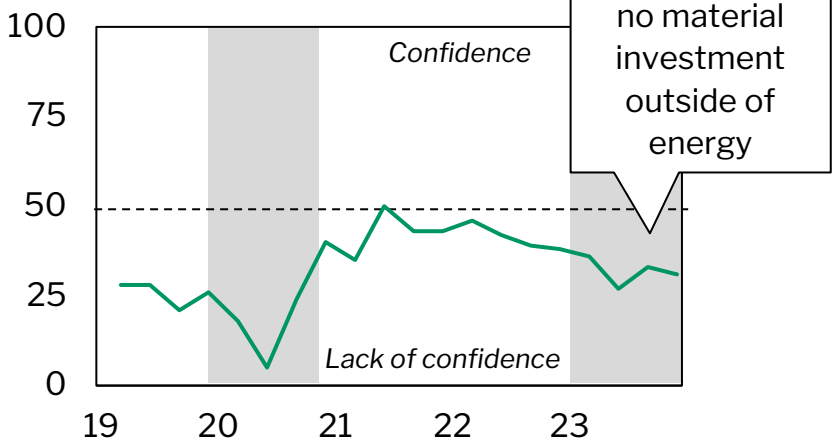
All 2023 targets met: DHEPS ✓ | Cost-to-income ✓ | ROE ✓ | NPS ✓

Strong foundations in place for **delivery of medium- & long-term targets** with a focus on continued ROE improvement

Environment	Strategy	Operations	Financial
Volatile & difficult operating environment	**Strategic delivery showing results**	**Good operational performance**	**Strong revenue growth & prudent expense management, partially offset by higher impairments**
▪ **Weak 2023 SA GDP** growth at ~0,5% ▪ Record **electricity shortages**, improved in H2 ▪ **125 bps yoy interest rate** increases, flat in H2 ▪ **Inflation high**, but trending down ▪ **Volatile markets** – geopolitical & social risks	▪ **Strong digital** growth ▪ **#1 in NPS** ▪ **Market share gains** in HL, term-loans & retail deposits ▪ **R2,2bn TOM 2.0** benefits ▪ **ESG leadership** in general & renewable energy in particular	▪ PPOP **+15%** ▪ JAWS **+4%** ▪ Cost-to-income **53,9%**	▪ Headline earnings **+11%** ▪ DHEPS **+14%** ▪ Revenue **+12%** ▪ Impairments **+30%** H1: +57% yoy | H2: +8% yoy ▪ ROE **15,1%** ▪ CET1 **13,5%** ▪ NAV per share **+8%** ▪ ECL coverage **3,62%** ▪ Full-year DPS **+15%**

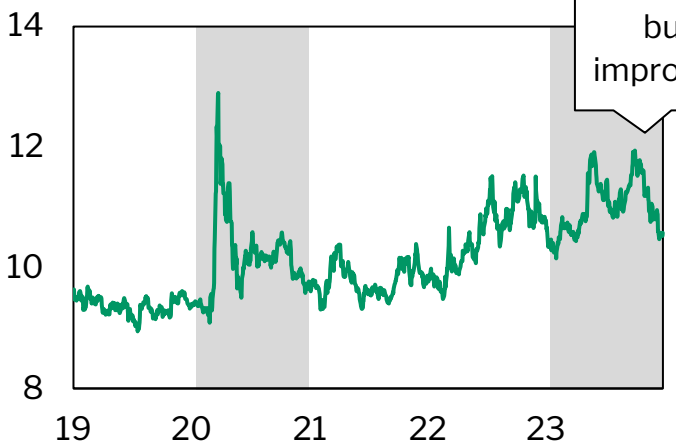
Operating environment – volatile & difficult environment

Business confidence index[1]



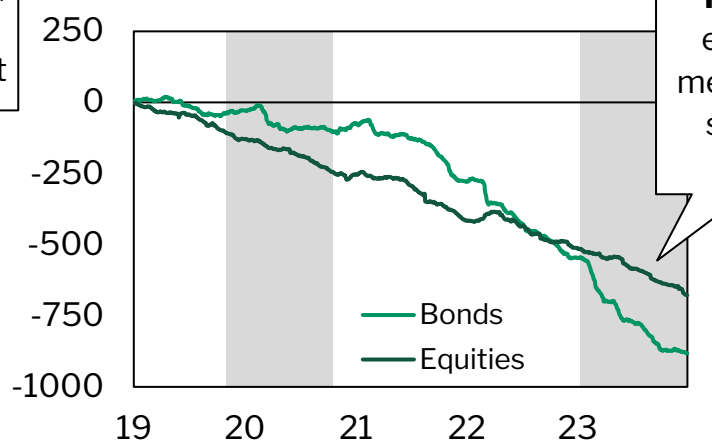
Remains weak, no material investment outside of energy

SA Government bond yields (%)



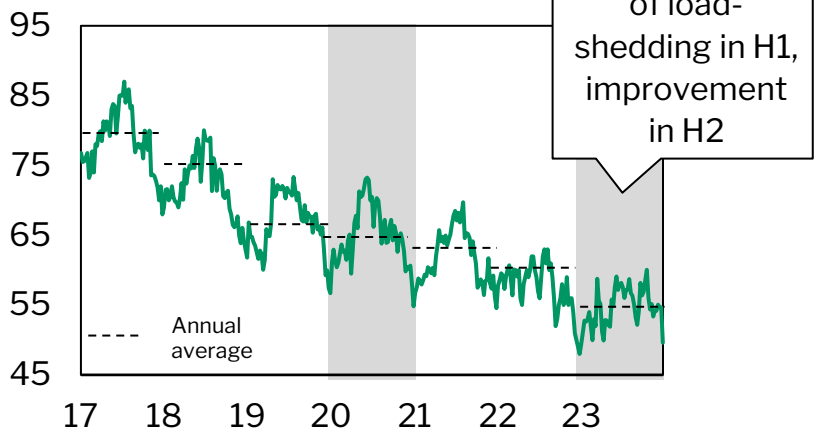
Volatile year, but Q4 improvement

Foreign bond & equity sales[3] (Rbn)



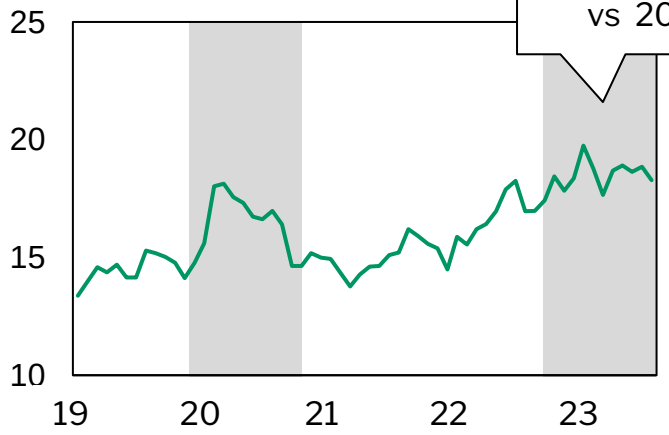
Risk off environ-ment & SA-specific risks

Eskom EAF [2] (%)



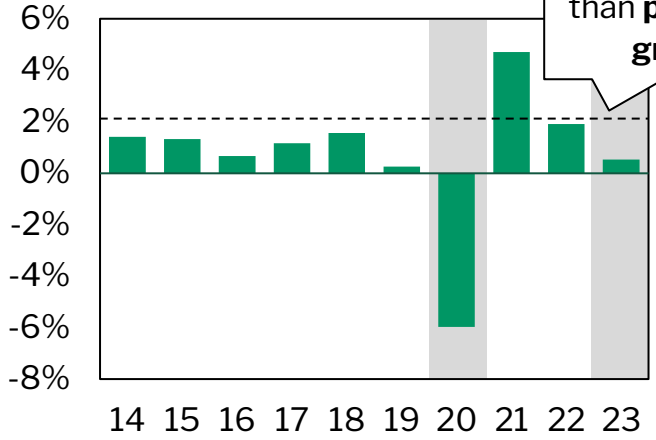
Record levels of load-shedding in H1, improvement in H2

Rand vs US$



Rand weaker vs 2022

SA GDP growth (Rtn)

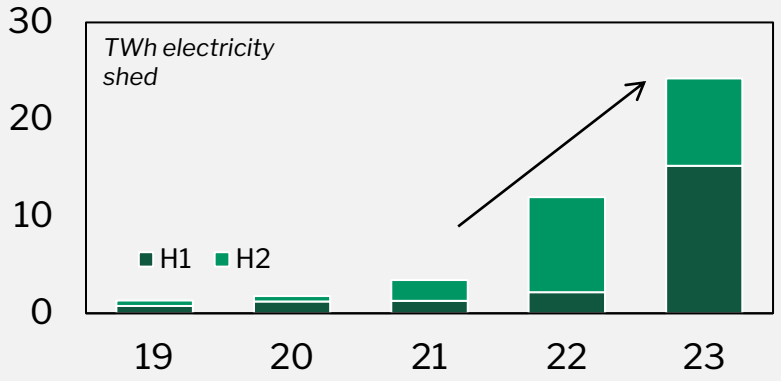


GDP growth less than **population growth**

[1] SA Bureau of Economic Research. | [2] Eskom electricity availability factor. | [3] Cumulative sales from 2019. | F: Forecast.

Operating environment – structural challenges to economic growth around energy supply, logistics & crime being addressed through Government-Business partnership

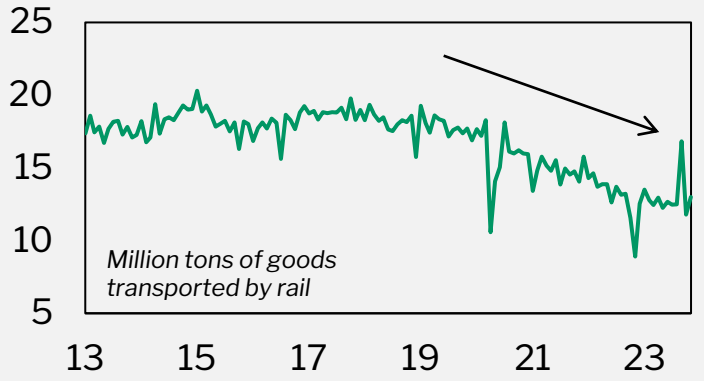
Energy/Electricity[1]



Estimated **GDP loss**[3] of **1% to 3%**

- **Private sector investments**[5] – more than 6 GW registered & under construction over the past 2 years
- **REIPPP** – mixed progress
- **Loadshedding possible to reduce**[7] to largely level 1 & 2 in the medium-term

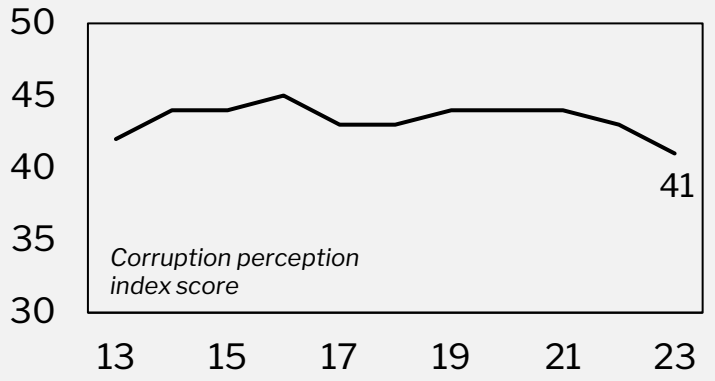
Logistics/Transport[2]



Estimated **GDP loss**[4] of **up to 5%**

- **National Logistics Crisis Committee** established
- **Freight Logistics Roadmap** published
- **Preferred operator for Durban port** announced
- Progress in clearing **port backlogs**

Crime/Corruption[6]



- **FATF greylisting** – some progress made, with key challenges in investigation & prosecution capability
- Limited success with **state-capture-related prosecutions**

Business & Government working together through the B4SA platform to accelerate progress on these issues to increase levels of economic growth

[1]Source: Eskom se Push & Nedbank GEU. | [2]Source: Statistics SA. | [3]Source: SARB (June 2023). | [4]Source: SA National Treasury (November 2023). | [5]Source: NERSA registrations. | [6]Source: Transparency International. Best in class: Denmark with a 90 score; worst: Somalia with a score of 11. | [7]NECOM.

Operating environment – large renewable energy opportunity to reduce impact of load-shedding & ensure a Just Transition

Renewable energy market potential up to 2030[1]
(GW)

	Private power generation	**Government** procurement projects
Solar	12,4 GW	4,0 GW
Wind	4,7 GW	9,6 GW
BESS	-	1,2 GW
Total	**17,1 GW**	**14,8 GW**

Financing

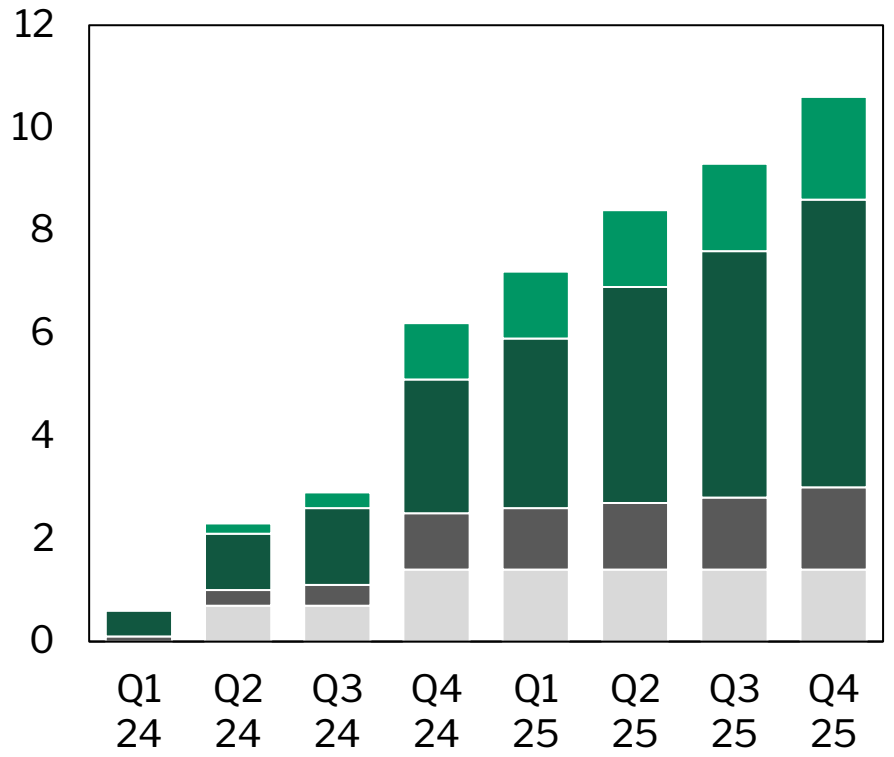
Nedbank CIB estimates by 2030
> R650bn[2]

JET IP estimates by 2027
R475bn[3]

Renewable investments to be supported by:

- **Grid expansion** accelerated through **build-own-operate-and-transfer** models
- More **energy storage** capacity than currently in pipeline
- **Gas-to-power** for peaking purposes

NECOM estimates to reduce load-shedding[4]
(targeted additional power to be added to the grid, GW)



2 GW new wind power

>5,5 GW new solar PV power

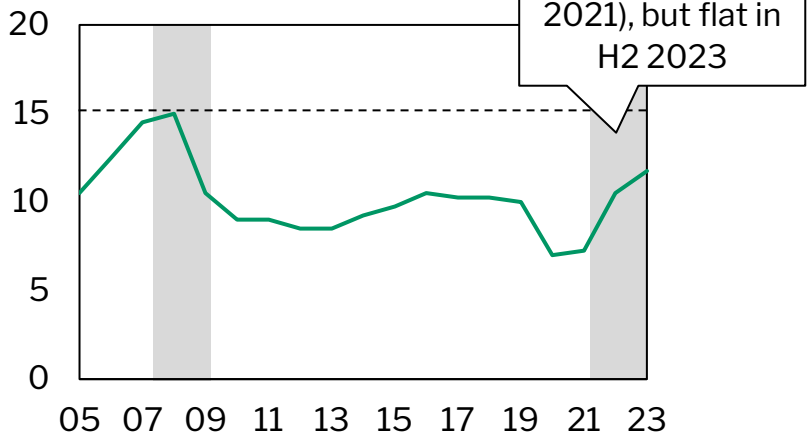
>1,5 GW other

>1 GW improved Eskom performance

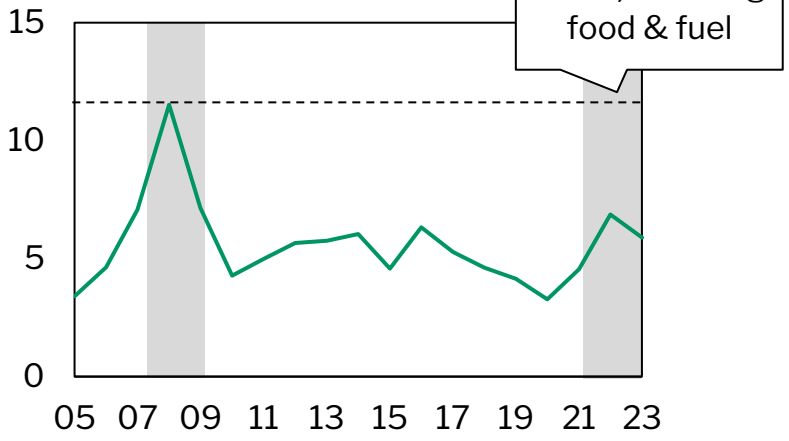
[1]Based on assessment of Eskom Renewable Energy Grid Survey projects likelihood of reaching closure by 2030. BESS = Battery energy storage system. | [2]Source: Nedbank CIB energy team estimates of new cumulative financing opportunities for the total SA market by 2030. | [3]Source: SA Just Energy Transition Investment Plan. | [4]Source: NECOM.

Operating environment – consumers have been under increasing pressure

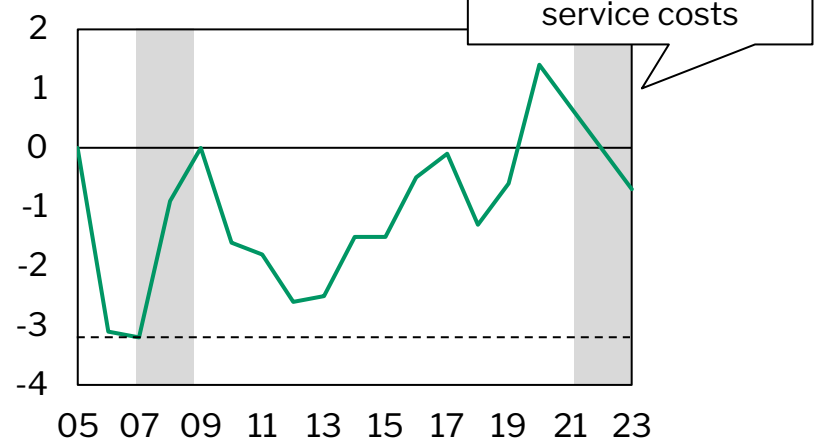
Prime interest rate
(year-end, %)



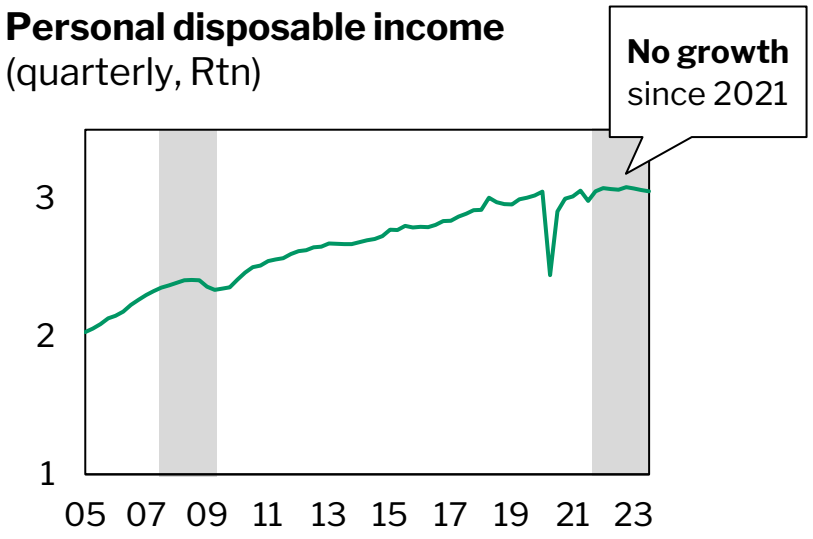
Inflation
(annual average, %)



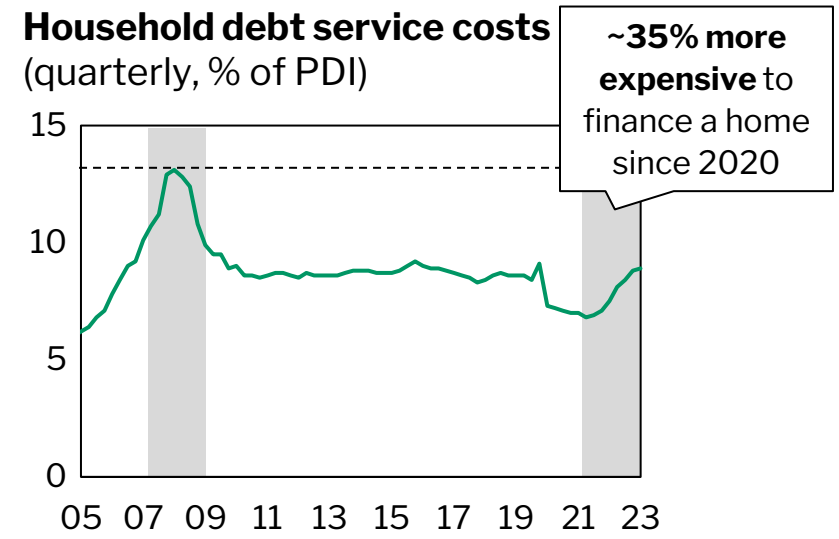
Household savings rate
(annual, % of PDI)



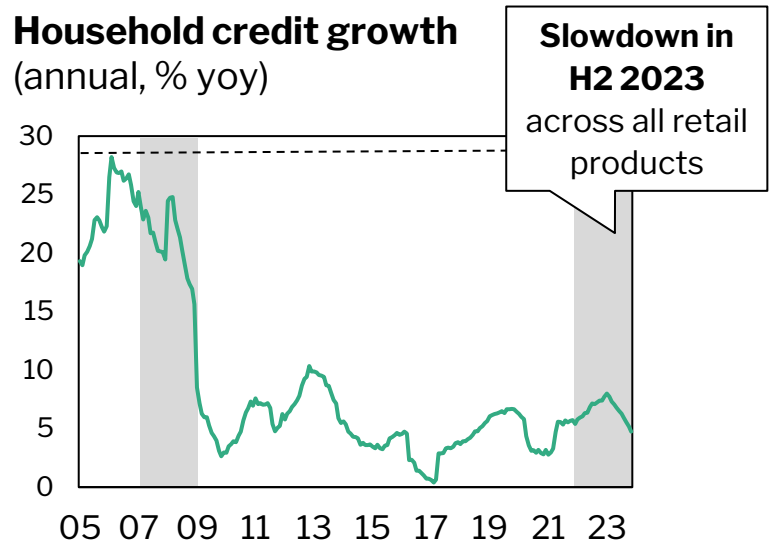
Personal disposable income
(quarterly, Rtn)



Household debt service costs
(quarterly, % of PDI)



Household credit growth
(annual, % yoy)



Operating environment – forecasts highlight an improvement in key macroeconomic indicators at a time when geopolitical risk has increased

	Actual				Forecast: Feb 2023			Forecast: Feb 2024			
	19	20	21	22	23	24	25	23	24	25	26
SA GDP growth	0,1%	(6,4%)	4,7%	1,9%	0,7%	1,5%	1,6%	0,6%	1,0%	1,5%	1,6%
Prime interest rate (year-end)	10,0%	7,0%	7,25%	10,5%	11,0%	10,25%	10,25%	11,75%	11,0%	10,5%	10,5%
Inflation (average CPI)	4,1%	3,3%	4,6%	6,9%	5,5%	4,8%	4,8%	5,9%	5,0%	4,6%	4,5%
Industry credit growth	5,3%	1,2%	4,4%	9,2%	5,0%	5,9%	6,4%	4,7%	5,2%	5,7%	6,2%
Rand/US$ (year-end)	14,0	14,6	15,9	17,0	16,8	16,7	17,3	18,3	18,2	18,3	18,4
SA fiscal deficit % of GDP[1]	(3,6%)	(5,1%)	(9,9%)	(4,6%)	(4,2%)	(4,0%)	(3,2%)	(4,9%)	(4,8%)	(4,4%)	(4,2%)
SA govt debt % of GDP[1]	52%	56%	70%	69%	72%	73%	74%	75%	76%	77%	77%

Source: Nedbank Group Economic Unit. | [1] Year ending March.

Strategy



Nedbank Group strategy

Our purpose

To use our financial expertise to do good for individuals, families, businesses & society

Strategic value drivers

Growth	Productivity	Risk and Capital Management

Strategic value unlocks

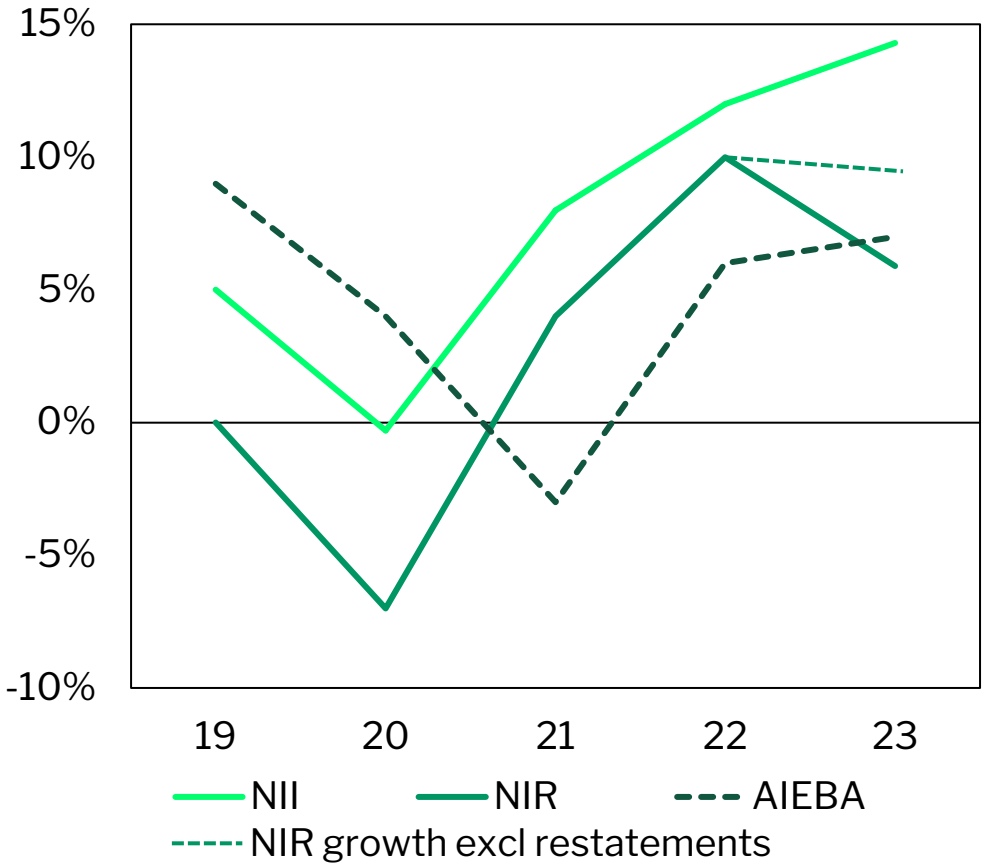
Digital leadership (DX)	Market-leading client experiences (CX)	Focusing on areas that create value (SPT)	Efficient execution (TOM)	Creating positive impacts (Purpose delivery)

World-class technology platform

Our employees & differentiated corporate culture (EX)

Growth – strong revenue & client growth

Nedbank revenue[1] & average interest-earning banking asset growth (%)



Strong client-driven growth

- New CIB primary client wins: **20**
- Retail main-banked clients: **+9%** to 3,5m
- NAR clients: **+4%** to 349k
- App volumes: **+18%** yoy & **> 300%** since 2019
- Retail cross-sell ratio: up to **1,96** (2019: 1,71)

Impact of financial markets

- AUM: **+14%** to **R448bn**
- Markets revenue: **+7%**

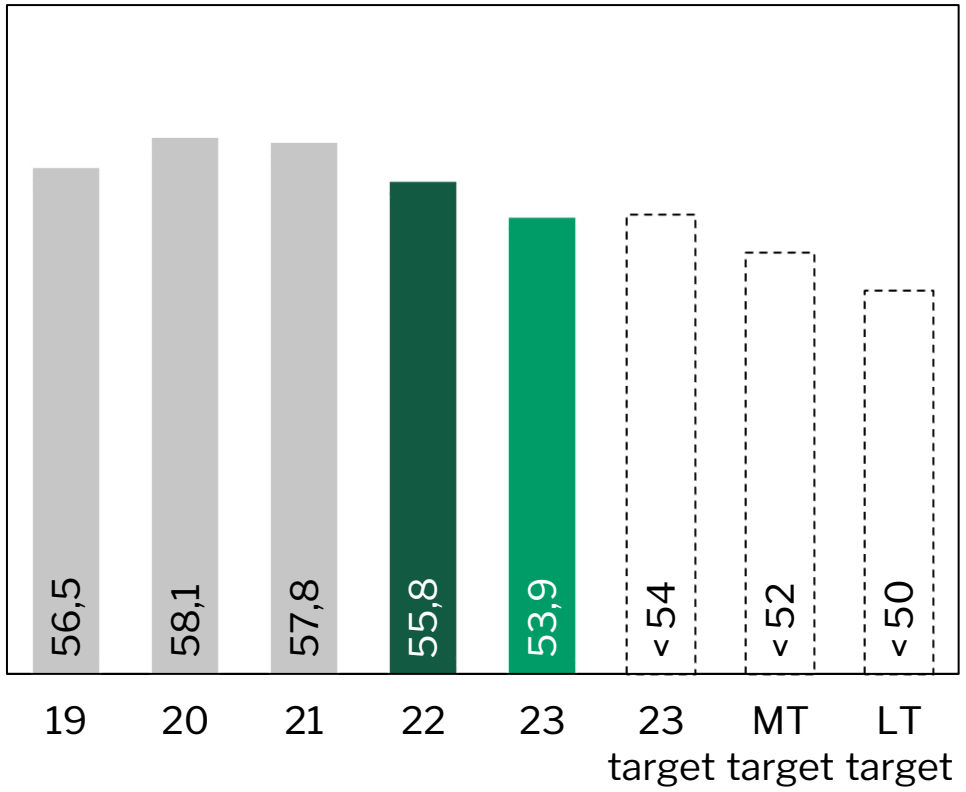
Active interest rate risk management – positioning an appropriately sized residual endowment position as an offset against anticipated changes in impairments over the cycle. R1,4bn (pre-tax) sensitivity for every 1% change. (Average prime: 21: 7,0%, 22: 8,8%, 23: 11,4%, 24F: 11,5%)

[1] *2022 NIR restated for IFRS 17 & card-processing costs. F= forecast.*

Productivity – structural cost optimisation initiatives support a reduction in the group's cost-to-income ratio

Nedbank cost-to-income ratio [1]

(%)



Structural cost optimisation benefits

- Managed Evolution IT build **95%** complete, having delivered a world-class IT platform & leading client experience outcomes, enabling TOM 2.0 savings of **R2,2bn** to date
- Intangible software assets peaked at R9bn in 2020 with 2023 at **R7,9bn** & IT cash flow spend peaked in 2017 at R2,3bn with 2023 at **R1,3bn**
- Significantly increased levels of **digital usage**, eg **digital volumes +12%** yoy (with lower acquisition & operating costs)
- Headcount down by **2%** yoy & down by **13%** since 2019, largely through natural attrition
- Flexible work practices & real estate optimisation (branch & CRE) enabling ongoing cost savings

PPOP growth +15% to R30bn

[1] *2022 restated for net monetary loss reclassification, card-processing costs & IFRS 17. Prior years have not been restated.*

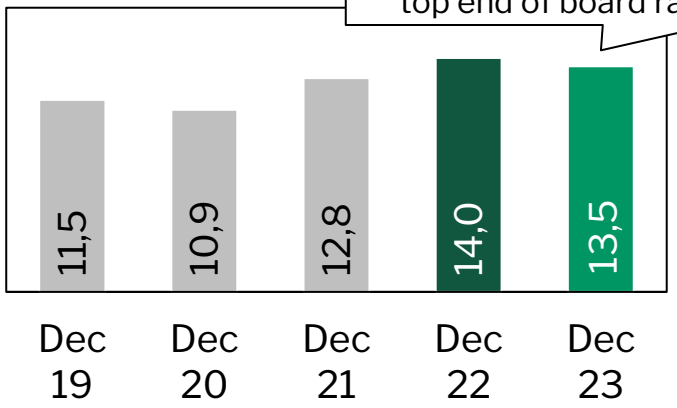
Risk & capital management – a fortress balance sheet remains in place after the R5bn capital optimisation initiative

Strategic value drivers: Growth | Productivity | **Risk & capital management**

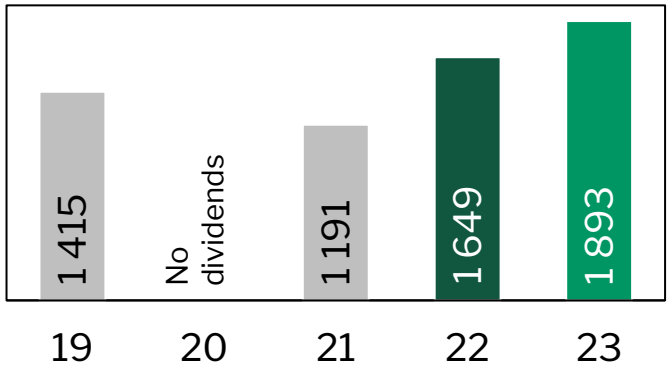
Capital

CET1 ratio (%)

R12bn average surplus capital & CET1 well-above top end of board range

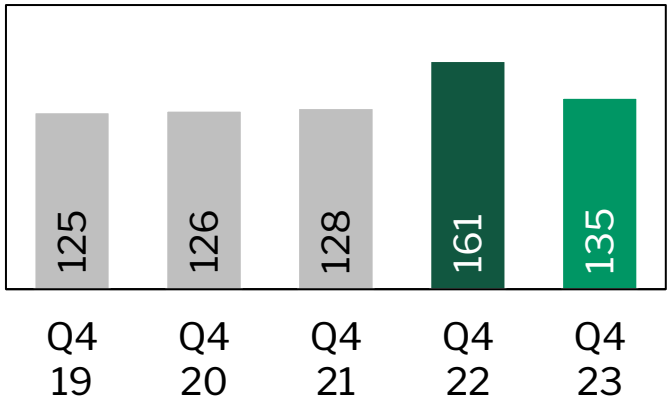


Dividends (cents/share)

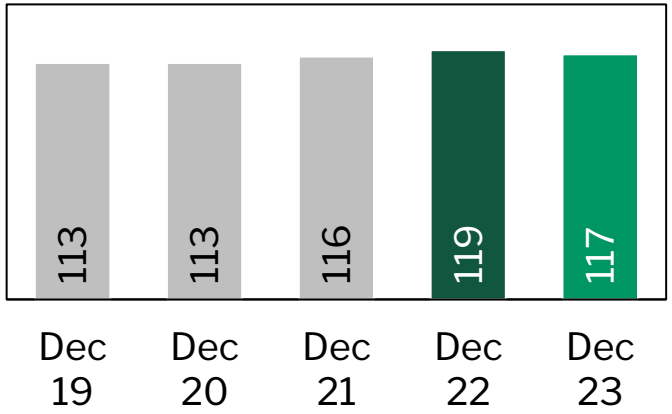


Liquidity

LCR (%)

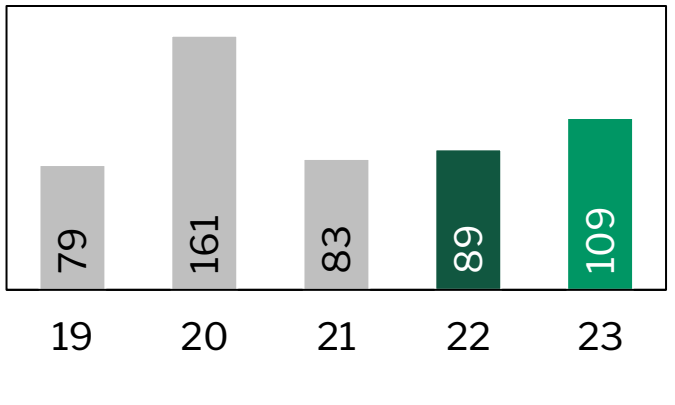


NSFR (%)

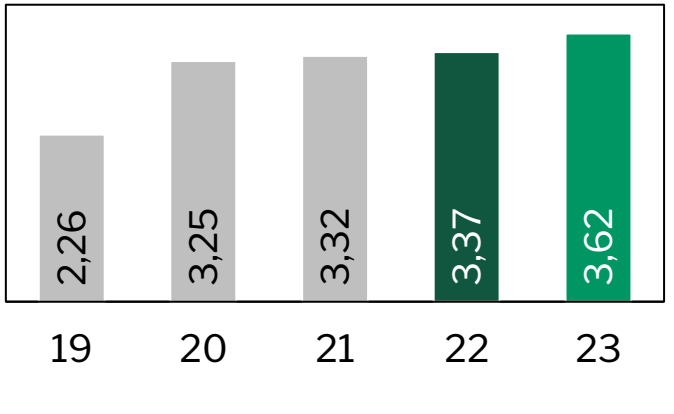


Credit

CLR (bps)



Total ECL coverage (%)



A world-class technology platform for ongoing competitive advantage – Managed Evolution (ME) IT build 95% complete – on time, on scope, on budget

Core banking systems

88% complete

Foundational components

99% complete

Product lifecycle management

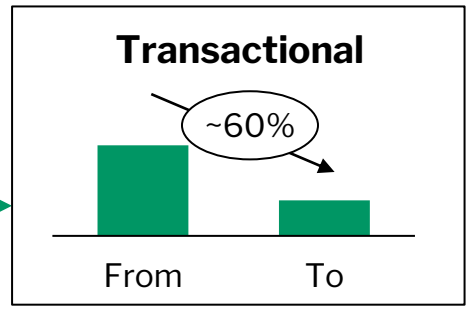
- Pricing & billing
- Product catalogues

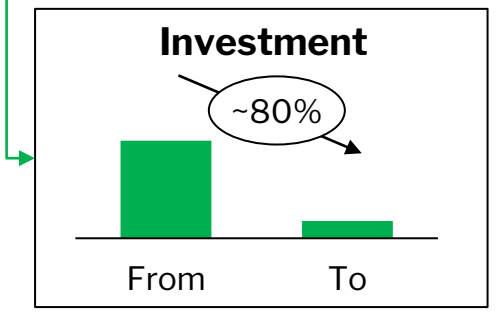
Core product systems

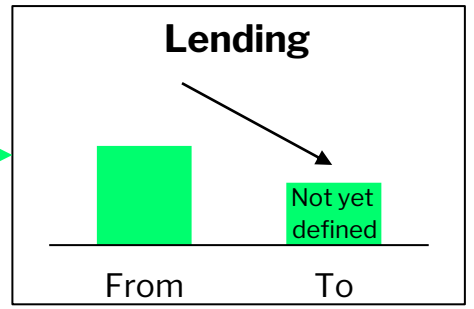
Deposit products

- **Transactional**
- **Investment**
- **Lending** products

# of products[1]







Foundational components

- Enterprise content & master data management
- Client systems
- Enterprise security
- Enterprise data
- Modular architecture

Our focus beyond ME

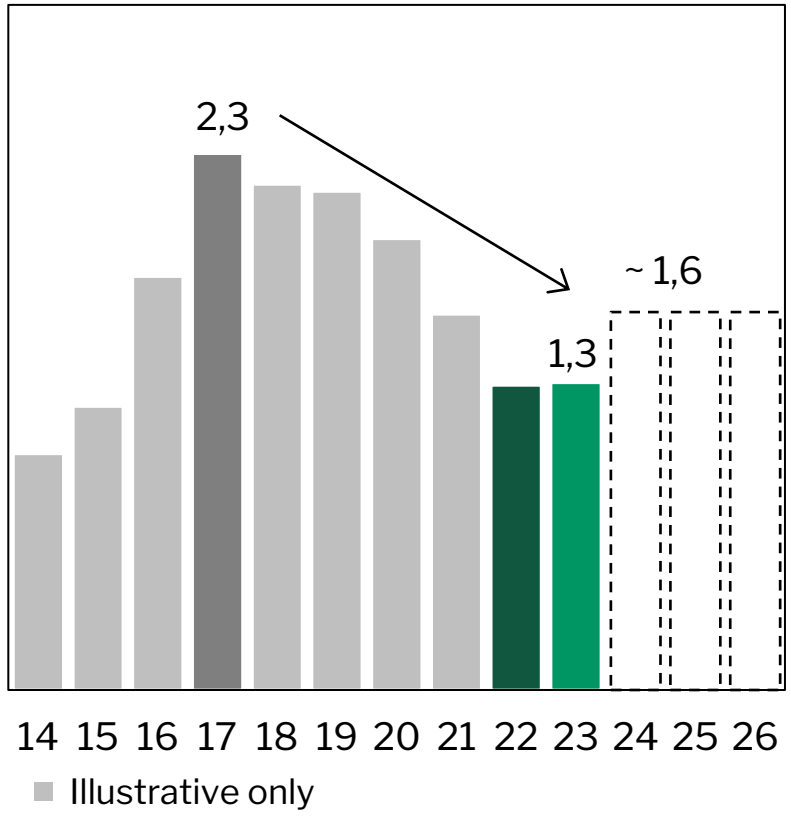
- **Product rationalisation & migration** – 2,1 million MiGoals Accounts opened to date (including 1,4 million migrations)
- **Product digitisation** – 8/10 client journeys completed with home loans & VAF digital onboarding & sales to be completed in H2 2024
- **Converging for scale** – leverage ME digital IT stack in NAR & mobile app convergence with target completion by end 2026
- **Payment modernisation**
- **Process automation**
- **AI & Data** – 300 Microsoft Copilot licences in use & > 50 use cases being considered
- **Cloud computing & storage**[2] – almost double usage over the next 3 years

[1] *Current estimated product rationalisation. Target state lending products & juristic deposit product definitions remain work in progress.* | [2] *2022: ~24% & 2023: ~45%.*

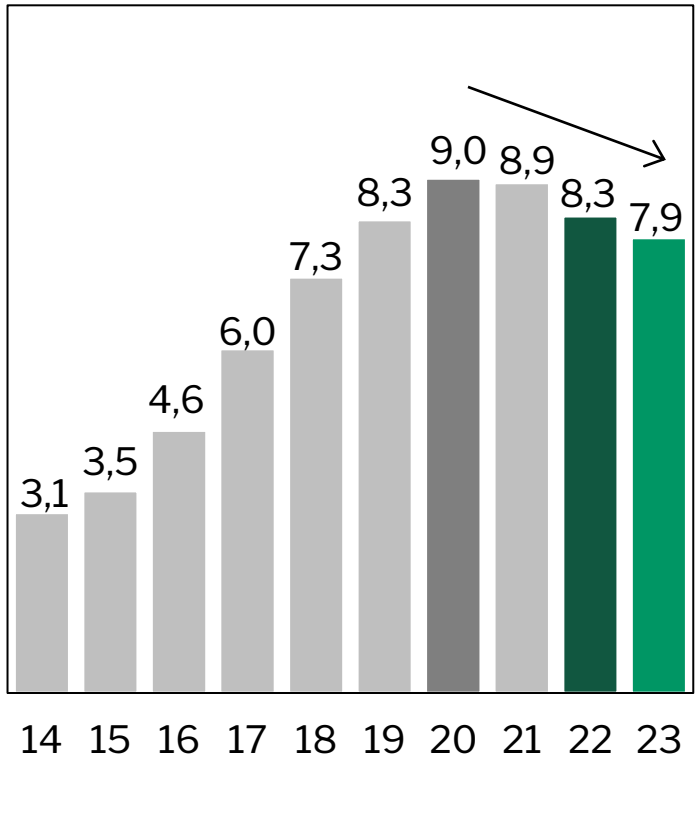
Project initiated | In progress | Completed

Managed Evolution IT build programme – cash flow spend peaked in 2017 & intangible software assets peaked in 2020 at R9bn, while increasing benefits are being realised according to plan

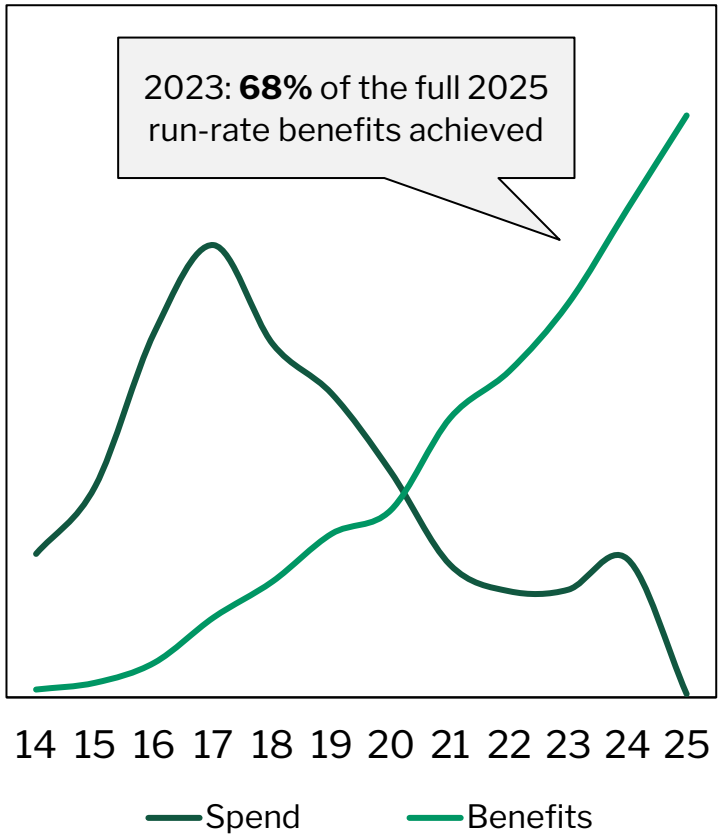
IT software development spend
(Rbn annual cash flow)



Intangible software assets on the balance sheet (Rbn)



Investment vs benefit realisation to date (%)



Benefits from our world-class technology platform & enhanced digital innovation

Strategic value unlocks

Benefits for our **clients**

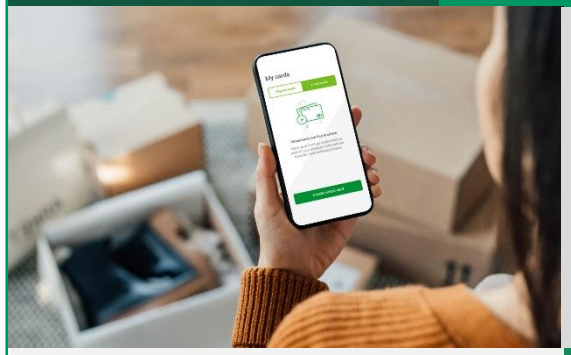
Digital onboarding

Seamless FICA-compliant onboarding of individual & juristic clients

Digital servicing

> 200
Individual services on Eclipse & Money App

> 400
Juristic services on Nedbank Business Hub

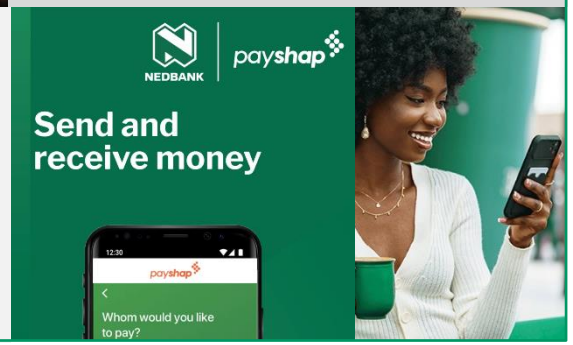


Digital product sales

% of new sales
▲ **55%**
(2019: 12%)

Great client experiences

NPS
▲ **#1 bank**
(2019: #3)



Benefits for **Nedbank**

Revenue growth

Retail cross-sell
▲ **1,96**
(2019: 1,71)

VAS revenue
▲ **197%**
(vs 2019)

Beyond Banking

Avo clients
▲ **2,5m**
(up by 26% yoy)

APIs
▲ **64**
(up by 14% yoy)

Operational efficiencies

Floor space
▼ **33%**

Headcount
▼ **13%**

(since 2019)



Target operating model benefits

R4,2bn
(cumulative 1.0 & 2.0 to date)

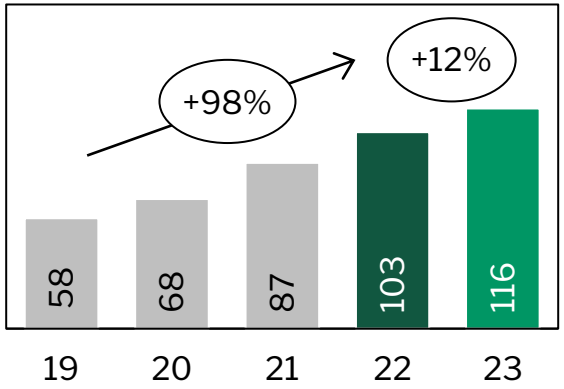
Nedbank brand value

up by 15% to
▲ **R17bn**
(rank from #9 to #8 in SA)

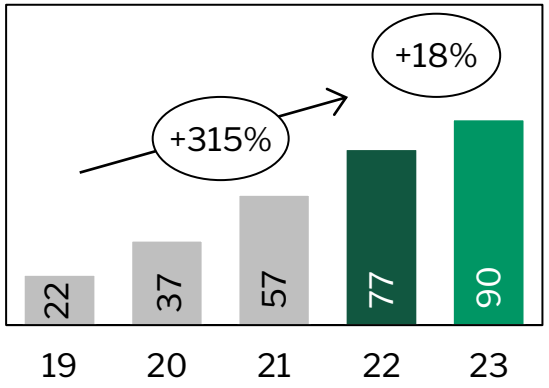
Digital uptake & usage continues to grow strongly – independent benchmarking ranks Nedbank's digital capabilities highly

Strategic value unlocks

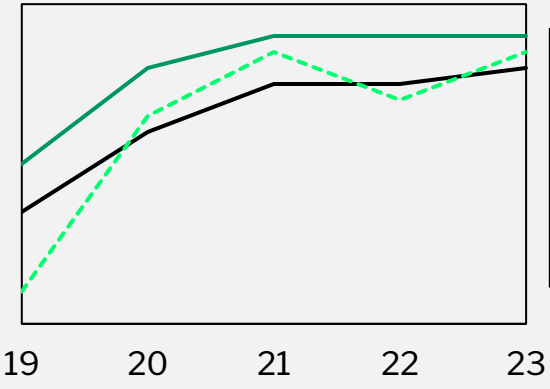
Digital transaction volumes
(# m)



App transaction volumes
(# m)

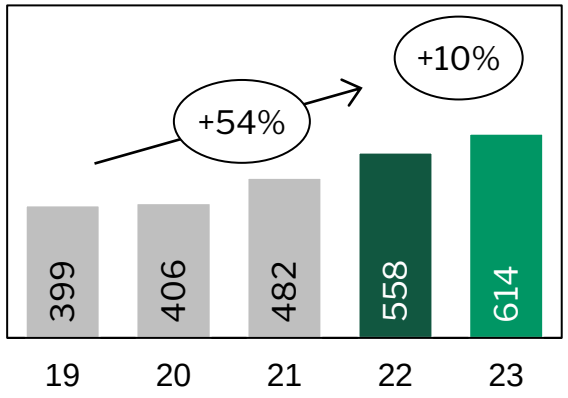


Capability
Servicing features offered (%)

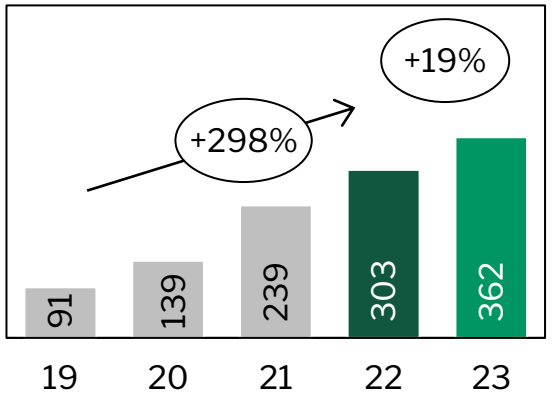


'Nedbank consistently above market on capability & features offered to its customers in mobile'

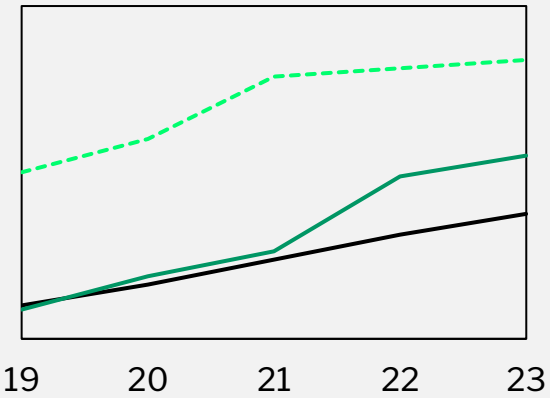
Digital transaction values
(Rbn)



App transaction values
(Rbn)



Digital sales contribution
(%)



'Digital sales penetration grew strongly from 2019 with **Nedbank extending its advantage over local peers'**

Change since 2019 | 2022 vs 2023

Nedbank — SA average — Mobile leaders average —

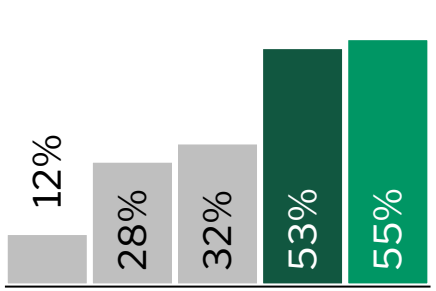
Source: 2023 Finalta Survey (McKinsey & Company).

Consumer Banking – our digital transformation is enabling enhanced CVPs, strong growth & outcomes in digital metrics & market-leading client experiences

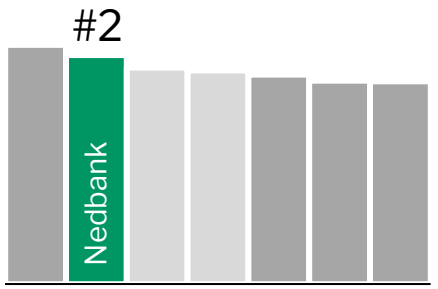
Strategic value unlocks

Improved CVPs

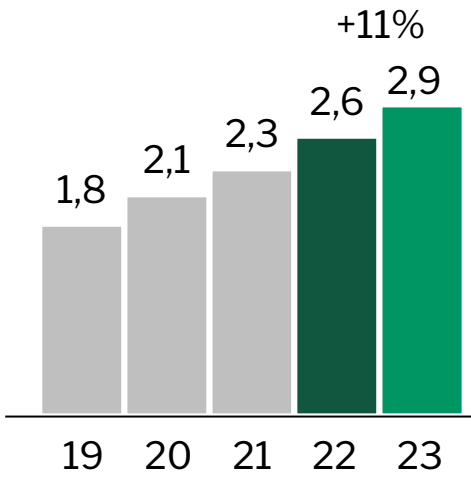
- ✓ **Digital onboarding & servicing**
- ✓ **MiGoals** – R99 account incl GB
- ✓ **Greenbacks 2.0** – relaunch in Q1 2024
- ✓ **#2 ranking in mobile banking** (SITEisfaction ®)
- ✓ **386 Imagine branches** (71% converted)



Digital sales (% of total sales)

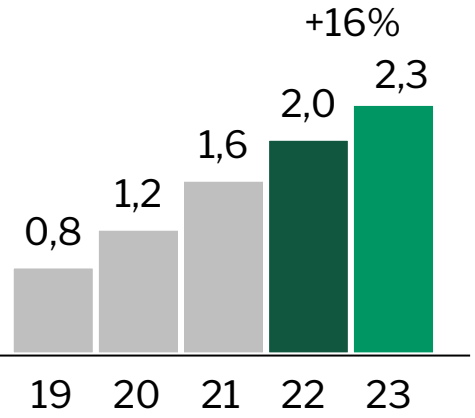


SITEisfaction® scores[1] (Best SA digital bank)



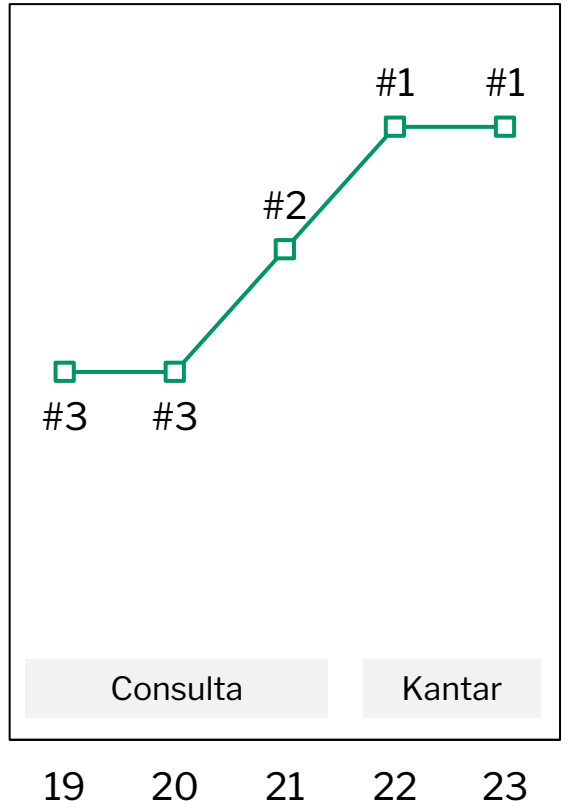
Retail digitally active clients

Big 5 retail banks | New digital entrant



Retail active Money app users

NPS – client satisfaction
(ranking out of top SA 5 banks)

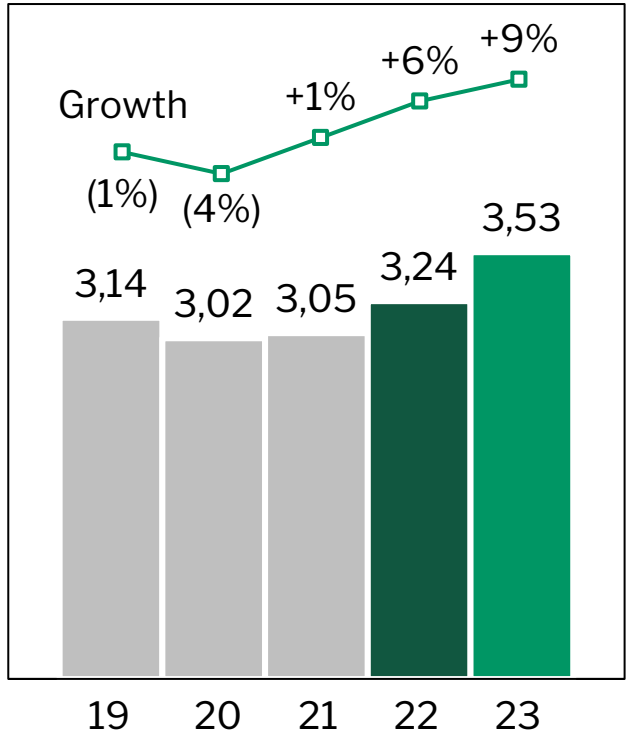


[1] 2023 SITEisfaction® Report (Human8).

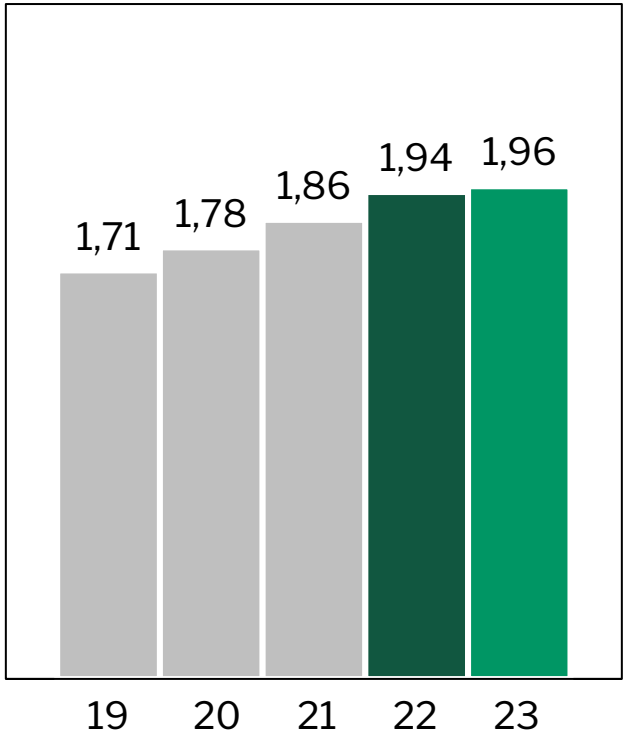
Consumer banking – strong main-banked client gains & higher cross-sell, driving NIR growth, but deposits market share lagging

Strategic value unlocks

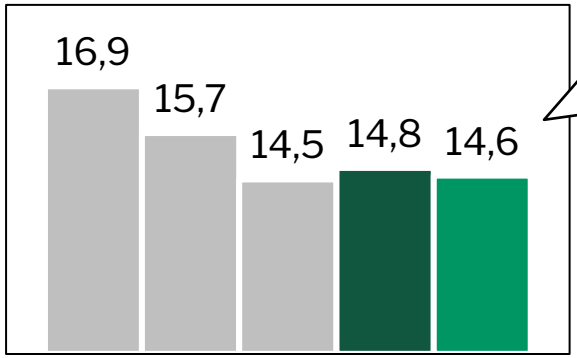
Main-banked clients
(million & growth %)



Cross-sell ratio (number of products/clients)

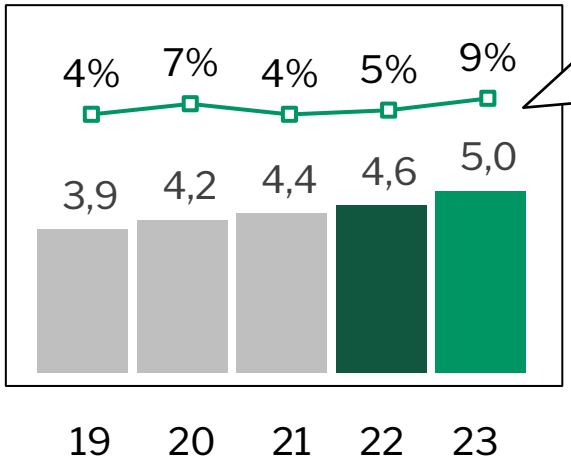


Household deposits
(BA900 market share, Dec %)



Stabilised historic decline; focus now on growth

Consumer transactional NIR
(Rbn & growth %)



Correlation with main-banked client growth in 2023

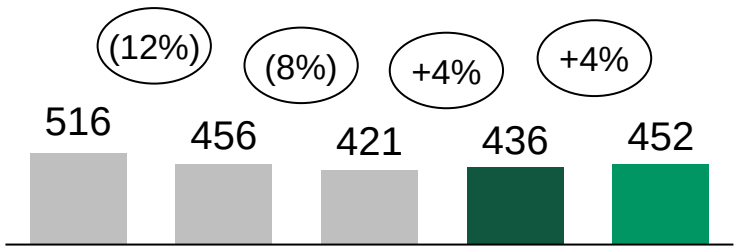
Main-banked growth is evident across most segments

Strategic value unlocks

Main-banked clients[1], # 000

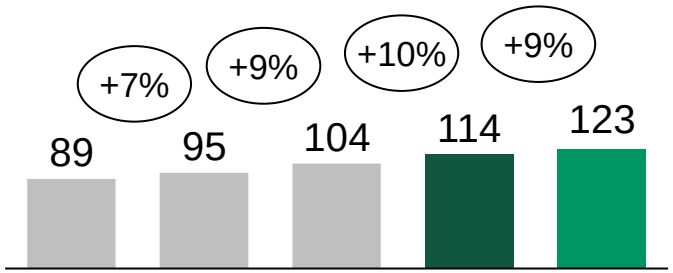
Kids & youth



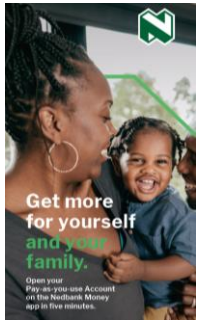


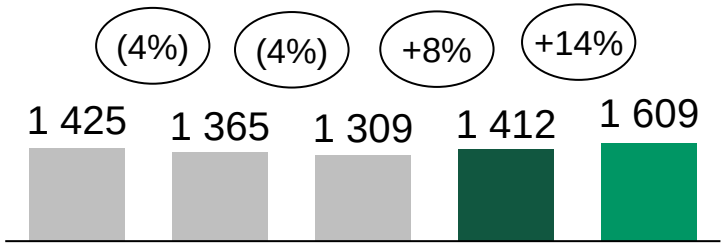
Private Clients





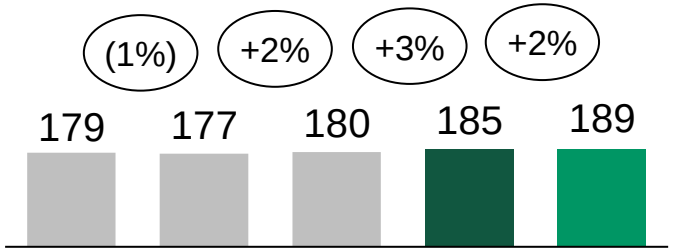
Entry level



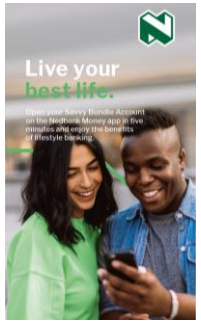


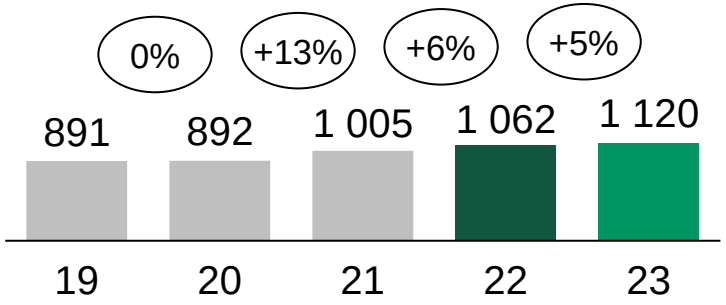
Small Business Services



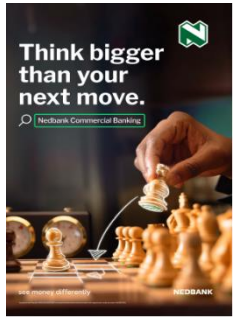


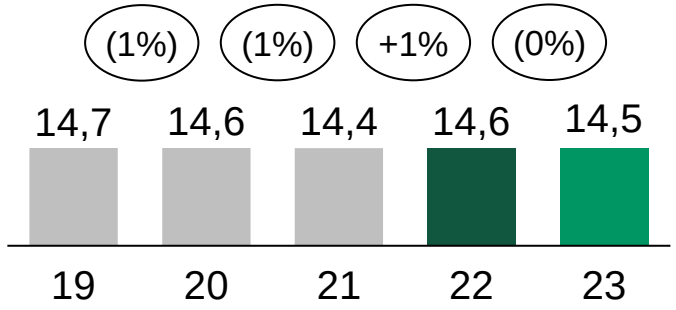
Middle





Commercial Banking[2]





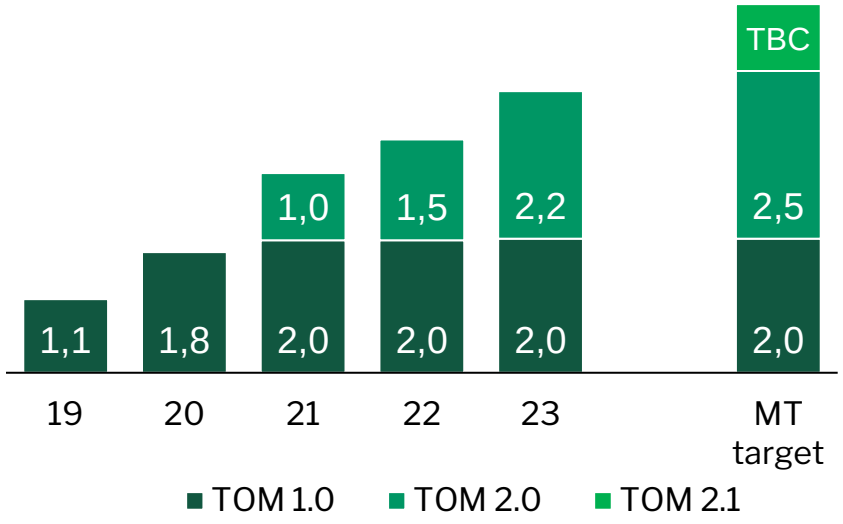
[1] Definition of main-banked: Clients who achieved a minimum deposit or a number of quality transactions on average per month over 3 months. Consumer: Non-individuals; RRB: Non-residents & Embassy Banking not shown. | [2] Client groups with gross operating income contributions in excess of R500 pm.

Operating model changes & efficient execution – supporting a lower cost-to-income ratio

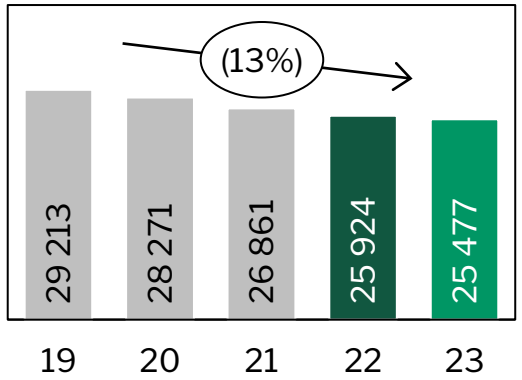
Strategic value unlocks

Cumulative target operating model benefits (Rbn)

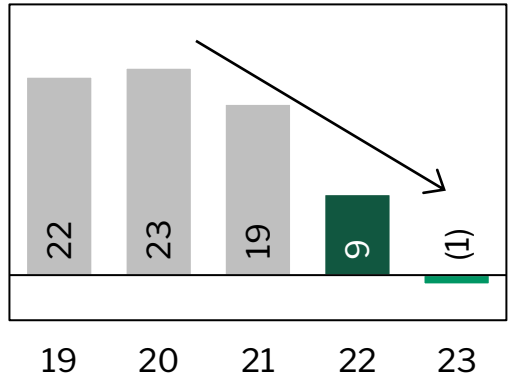
- **TOM 2.0 target of R2,5bn to be achieved in 2024** (initially 2023) given:
  - delayed or reconsidered some initiatives impacting revenues
  - a delay in some cost initiatives
- **TOM 2.1 opportunities** across data, Gen AI, payments & process optimisation. Benefits to be disclosed during H1 2024 results



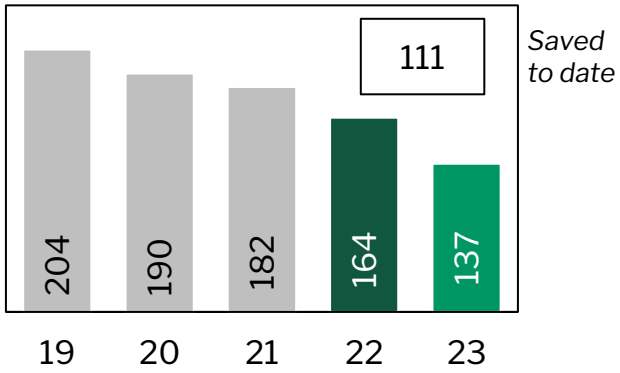
Permanent employees (#)



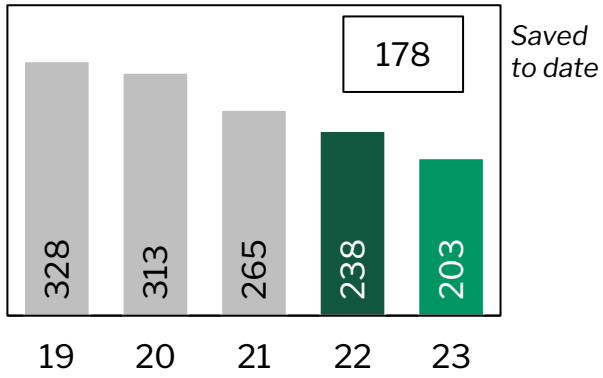
Annual IT amortisation charge (% growth)



Branch floor space ('000 m²)[1]



Corporate real estate floor space ('000 m²)



[1] *Total branch floor space saved since 2014 equates to 111k sqm, 48% of the 2014 floor space.*

Change since 2019

Traction in gaining profitable market share in key areas, while remaining selective in a difficult environment (Strategic Portfolio Tilt 2.0)

Strategic value unlocks

BA900 market share (%)	**Dec 22**	**Dec 23**	Yoy change
Total core loans	17,9	17,9	▶
Wholesale term loans	15,5	16,4	▲
Home loans	14,1	14,4	▲
Commercial property	36,8	36,0	–
Vehicle finance	35,4	35,5	–
Personal loans	11,9	11,0	▼
Retail deposits	16,0	16,4	▲
Commercial deposits	17,6	17,1	▼

- **Yoy market share gains** in term loans, retail home loans, retail overdrafts & key deposits categories as management actions start yielding results
- **Unlocking growth opportunities** – infrastructure & SDG-related financing, particularly in wholesale term lending
- **Selective credit origination** in areas where we have strong market positions – commercial property & vehicle finance
- **Prudent credit granting** in a more difficult macroeconomic environment – unsecured lending
- **Deposits** – retail deposits growth above industry levels & market share gains in notice deposits

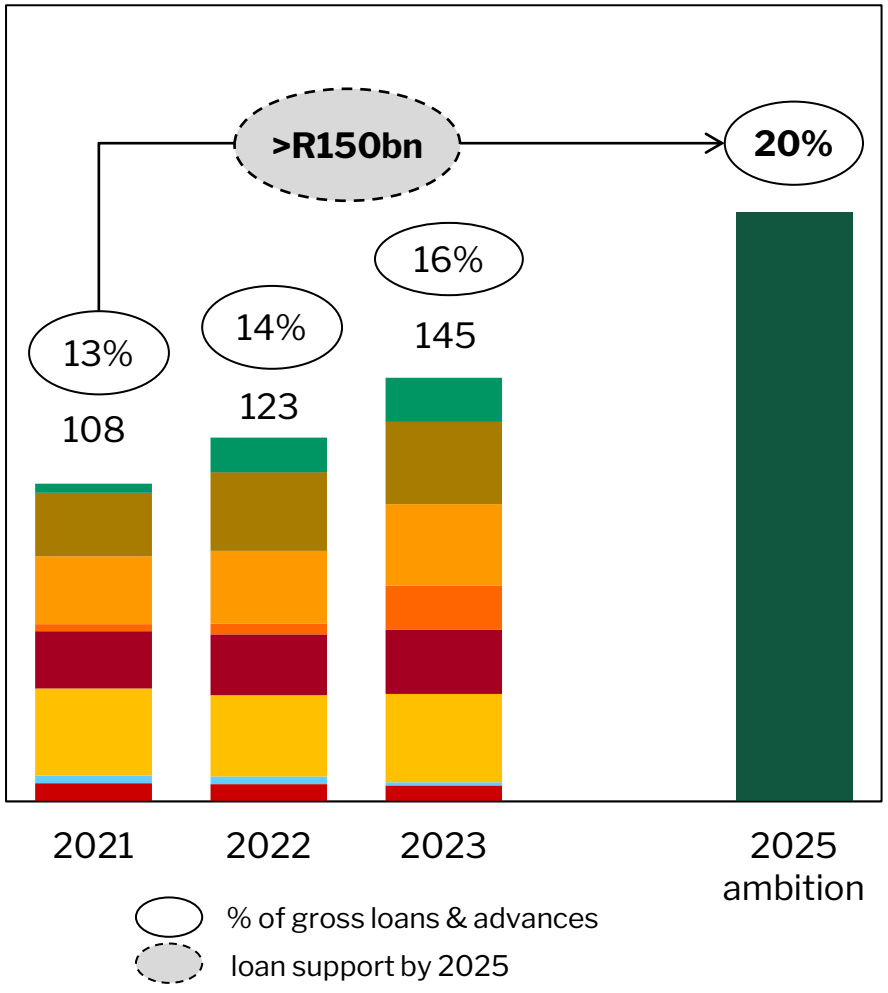
Total core loans include retail & corporate loans, excluding loans to SA, foreign currency loans, resale agreements & preference shares. | Retail deposits, a common lens used in the industry, is the sum of BA900 lines 26, 27, 28 & 35. Nedbank's household deposit (line 27) decreased to 14,6% (December 2022: 14,8%), while Nedbank's household non-transactional deposit (line 27) increased to 17,3% (December 2022: 17,1%).

Creating positive impacts – R145bn of exposures at the end of December 2023 that support sustainable development financing (SDF)

Strategic value unlocks

Sustainable development finance[1,2]

(Rbn)



R15bn sustainable finance across multiple SDGs for CIB clients (R27bn limits)

R28bn support for farmers & the agriculture sector

R3bn for affordable home loans, supporting **>5 000** home purchases

R22bn lending exposure to small businesses & their owners

R30bn total renewable energy exposures (R46bn limits), supporting new generation capacity of almost **4GW**

R1,2bn financing for clean water & sanitation

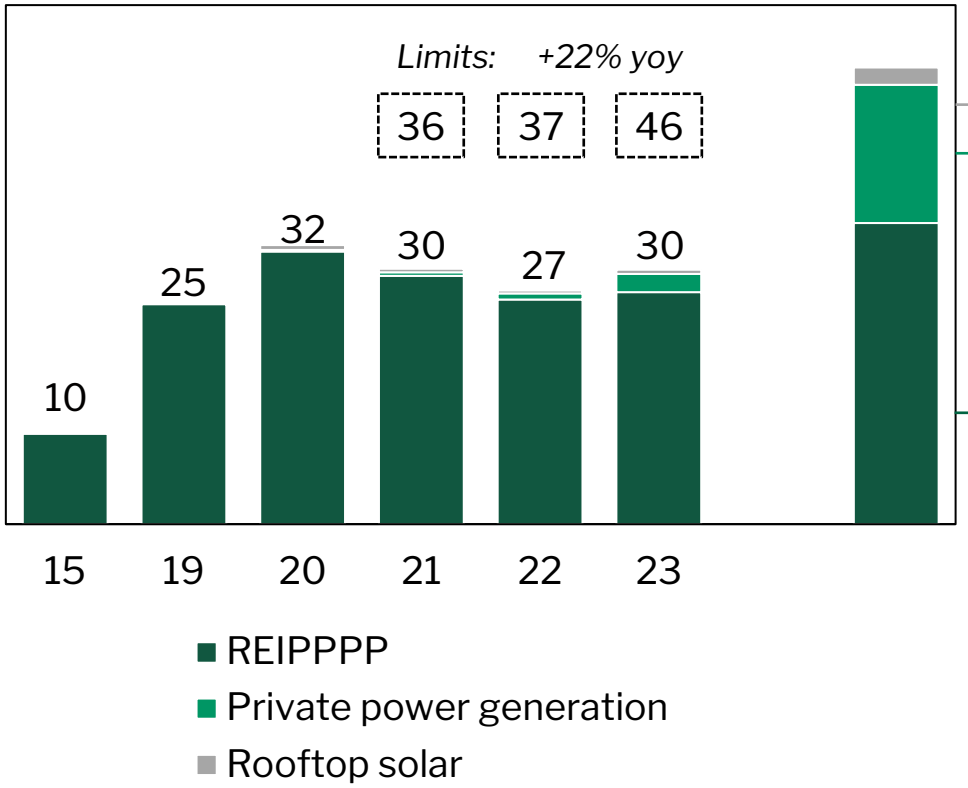
>11 000 student loans & **>43 000** student beds financed since 2015

[1] By the end of 2025, it is our ambition to have increased our SDF exposures to around 20% of the group's total gross loans & advances, achieved by support for more than R150bn in new SDF that is aligned with the SDGs (from our 2021 base). [2] R15bn for the financing of buildings that include green interventions such as green energy, water & waste efficiencies has not yet been included as we consider its eligibility.

Creating positive impacts – building on our leadership in renewable energy

Strategic value unlocks

Renewable energy financing
(drawn exposures, limits, Rbn)



Nedbank supported 3,5 GW
in REIPPPP rounds 1 to 4
(out of a total 6,3 GW added)

Additional **0,5 GW**
supported in 2023
(projects closed)

Renewable energy financing opportunities to date

>R2bn

RBB renewable finance

- Strong growth in Commercial Banking & Retail. MFC solar finance in place with HL solar CVP & Avo Solar launched in H2

R16bn

CIB mandated on 1,9 GW private generation

of new commercial private generation (from < 1 GW in 2022)

- 3 projects closed in 2023 (168 MW)
- 15 projects anticipated to close in 2024 (1,9 GW)

*CIB book growth of **R18bn** expected for 2024*

R7bn

CIB mandated 0,8 GW of Government projects[1]

- 6 projects closed in 2023 (0,3 GW)
- 5 projects expected to close in 2024 (0,5 GW)

Progress on government projects	Awarded	Closed in 2023	Closing in 2024	Terminated
RMIPPPP	4 (0,5GW)	2 (0,15GW)	1 (0,15GW)	1 (0,2GW)
REIPPPP R5	4 (0,3GW)	2 (0,15GW)	-	2 (0,15GW)
REIPPPP R6	2 (0,3GW)	-	2 (0,3GW)	-

[1] *0,3GW closed in 2023, 0,5GW in the pipeline & 0,4GW terminated (Out of the 1,15GW that was in the pipeline at the end of H1 2023).*

Creating positive impacts – ESG highlights

Strategic value unlocks

Nedbank ESG ratings

MSCI	AAA	**Top 5%** of global banks
S&P Global	60	**Top 9%** of all global banks
SUSTAINALYTICS	17,1	**Top 10%** of diversified banks
ISS ESG	C	**Top 10%** of all global banks
FTSE Russell FTSE4Good	3,9	**Top 26%** of global banks

Commitments & achievements

2030 financed emission targets for thermal-coal, oil & gas, and power generation (1st SA bank)

Net-zero operational water use (since 2018)



Zero exposure to fossil-fuel-related activities by **2045**

82% AIC representation (from 78% in 2019)

Level 1 BBBEE status for the past 6 years

Cash taxation payments[1] of R13,2bn up by 15% yoy





2 835 unemployed youth (YES) recruited (almost 10 000 since 2019)

Employee experience (EX) **NPS 2nd highest** since inception (employee survey)

World-class reporting #1 integrated report (EY & CGISA Top 40) #1 tax report (PWC)

[1] *Tax payments relating to direct, indirect & employee taxes, as well as other taxation.*

Creating positive impacts – progress on our journey to net zero

Strategic value unlocks

Our journey to net zero

2020
Climate change resolutions passed with 100% votes of approval at our 53rd AGM

2021
Adopted & disclosed our market-leading **Energy Policy** & inaugural **TCFD Report**

2024
Disclose net-zero-aligned **glidepath for upstream fossil fuels & power generation**

2025
No provision of project financing for **new thermal-coal mines**

Reduce Nedbank's **own operations' carbon emissions by >40**% (from 2019 levels)

Generate >30% of Nedbank's own energy needs from renewable sources

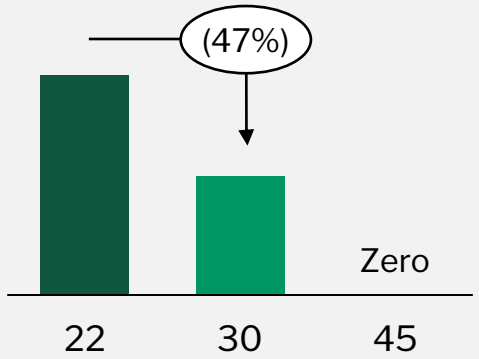
2030
Thermal-coal funding to be <0,5% of gross loans & advances

2035
No new finance for oil production

2045
Zero exposure to fossil-fuel-related activities

2050
100% of lending & investing supporting a net-zero carbon economy

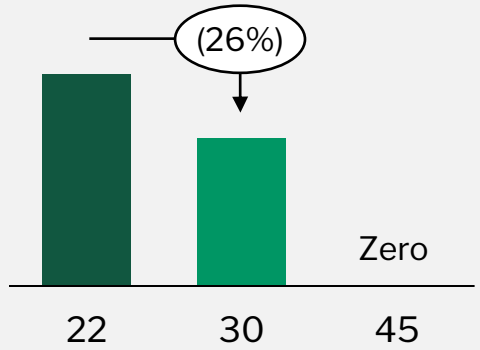
Thermal-coal glidepaths ($ktCO_2e$ financed)



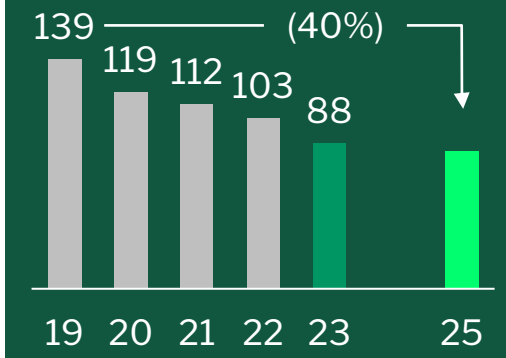
Power generation

Adopted a **cap** aligning to NZE target of **188 gCO_2e/kWh**

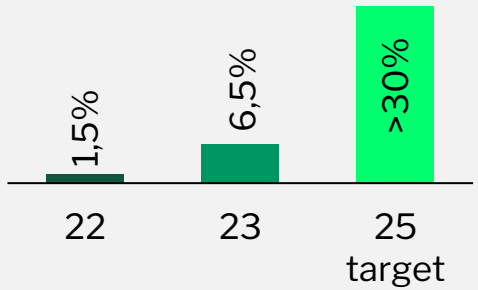
Oil & gas glidepaths ($ktCO_2e$ financed)



Own operational GHG emissions ($ktCO_2e$)



Own operational renewable energy sourced (% of total electricity)







Financial overview

Key drivers – the impact of a difficult operating environment in 2023 was offset by good strategic delivery



Operating environment

SA GDP growth	✗	Global conflicts	✗	
SA inflation	✗ ✓	Global & local markets	✗	
SA prime interest rate	✓ ✗	Currency impacts	✗	
Business confidence	✗	Regulation	–	
Electricity constraints	✗	Competition	✗	

Strategic delivery

Technology/ Digital	✓
Efficient execution	✓
Market share gains	–
Cross-sell & main-banked client gains	✓
Creating positive impacts	✓

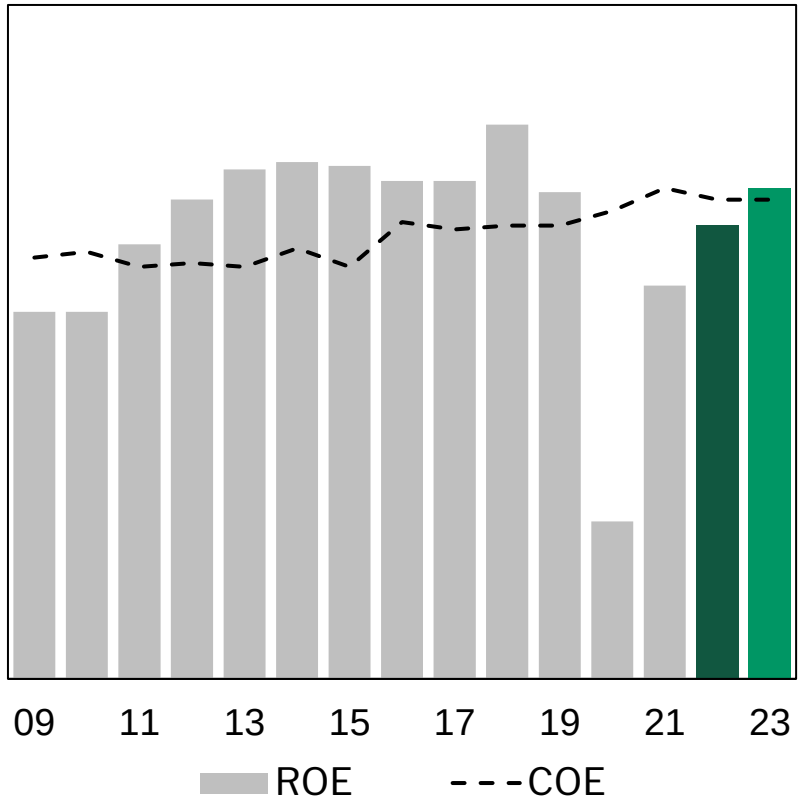
Financial outcomes

Revenues **+12%** ▲	ROE **15,1%** ✓
Headline earnings **+11%** ▲	Diluted HEPS **+14%** ▲
Dividends per share **+15%** ▲	CET1 ratio **13,5%** ✓

✓ Positive ✗ Negative – No material impact in 2023

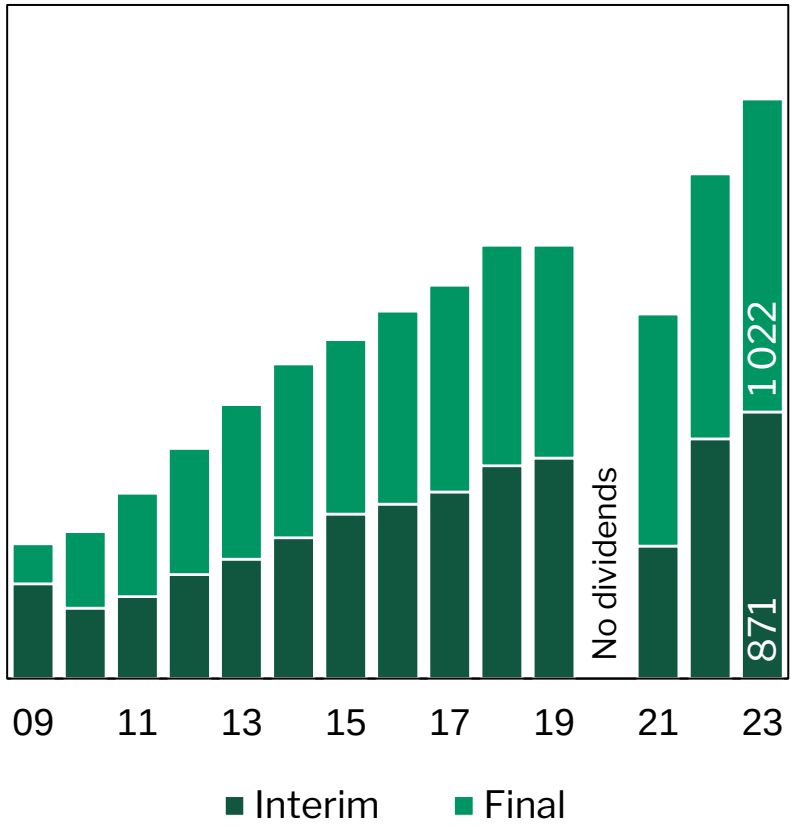
Shareholder value creation – ROE improvement to above COE & dividends declared at the top of our payout ratio, while maintaining good NAV growth, even after the R5bn capital optimisation initiative

ROE & cost of equity (%)



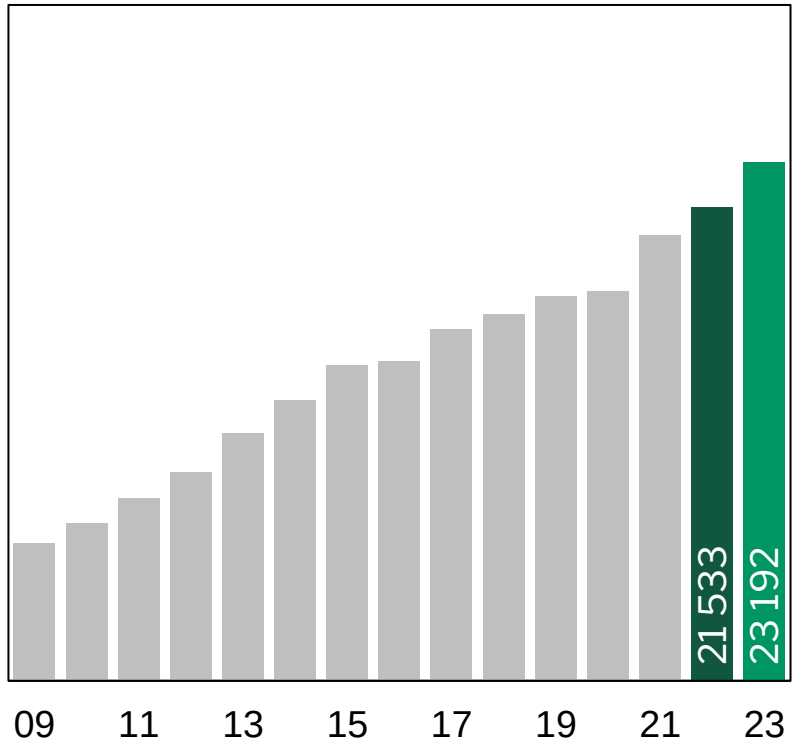
ROE above COE

Dividend per share (cents)



Dividend at 57% payout ratio

NAV per share (cents)



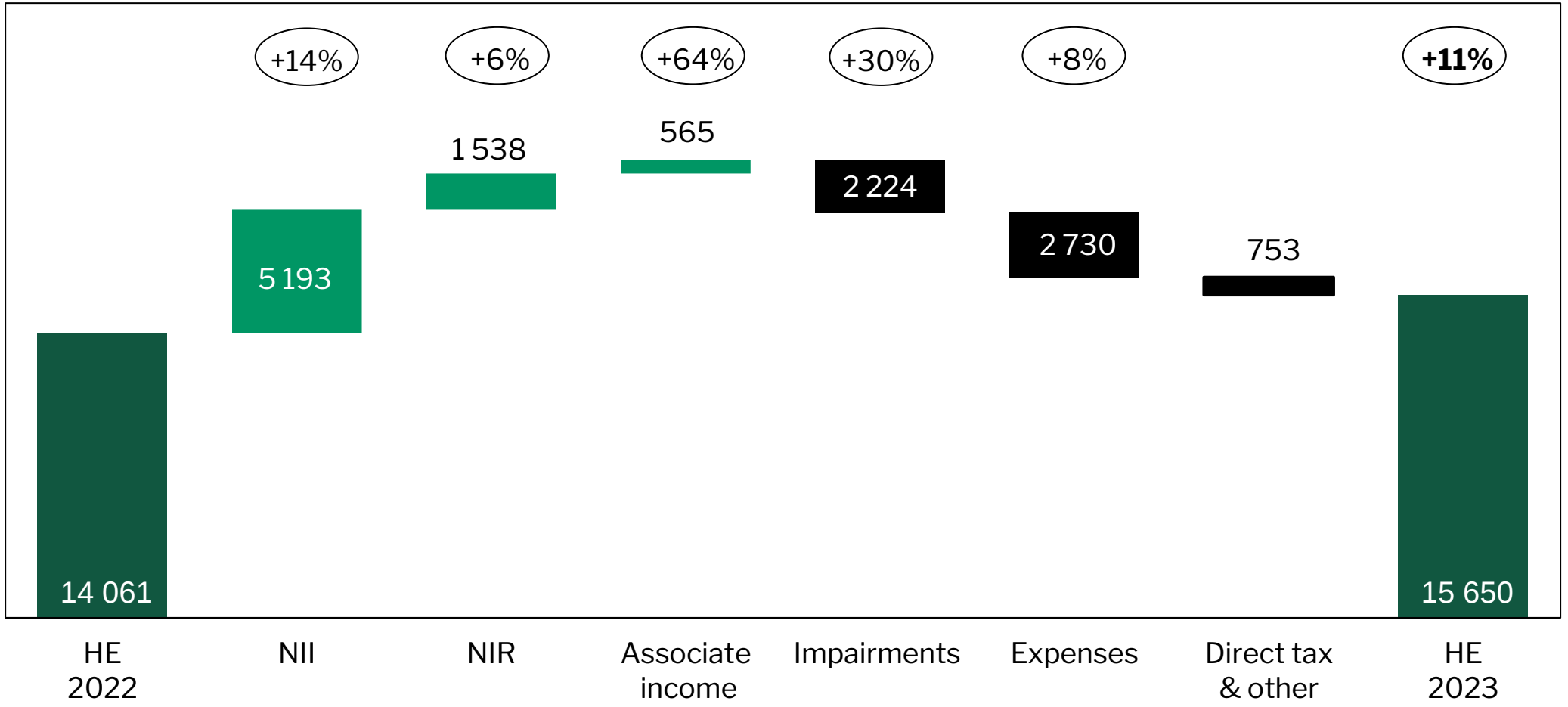
NAV/share +8% yoy

Profitability metrics improved yoy, underpinned by robust capital, liquidity & provisioning

		yoy	2023	2022	2021	2020	2019
Profitability	Headline earnings (Rbn)	+11%	15,7	14,1			
	Preprovisioning operating profit (Rbn)	+15%	29,7	25,8			
	Total comprehensive income (Rbn)	+30%	17,3	13,4			
	DHEPS (cents)	+14%	3 199	2 809	2 362	1 113	2 565
	Basic EPS (cents)	+10%	3 239	2 934			
	ROE (%)		15,1	14,1	12,5	6,2	15,0
Advances & deposits	Gross banking advances (Rbn)	+3%	885	863			
	Deposits (Rbn)	+5%	1 088	1 040			
Asset quality	NIM (%)		421	393	373	336	352
	Credit loss ratio (bps)		109	89	83	161	79
	Total coverage (%)		3,62	3,37	3,32	3,25	2,26
Liquidity	Liquidity coverage ratio (%)		135	161			
	NSFR (%)		117	119			
Capital	CET1 (%)		13,5	14,0	12,8	10,9	11,5
	Risk-weighted assets (Rbn)	+7%	695	648			

Headline earnings up by 11% – driven by strong revenue growth & prudent expense management, partially offset by higher impairments

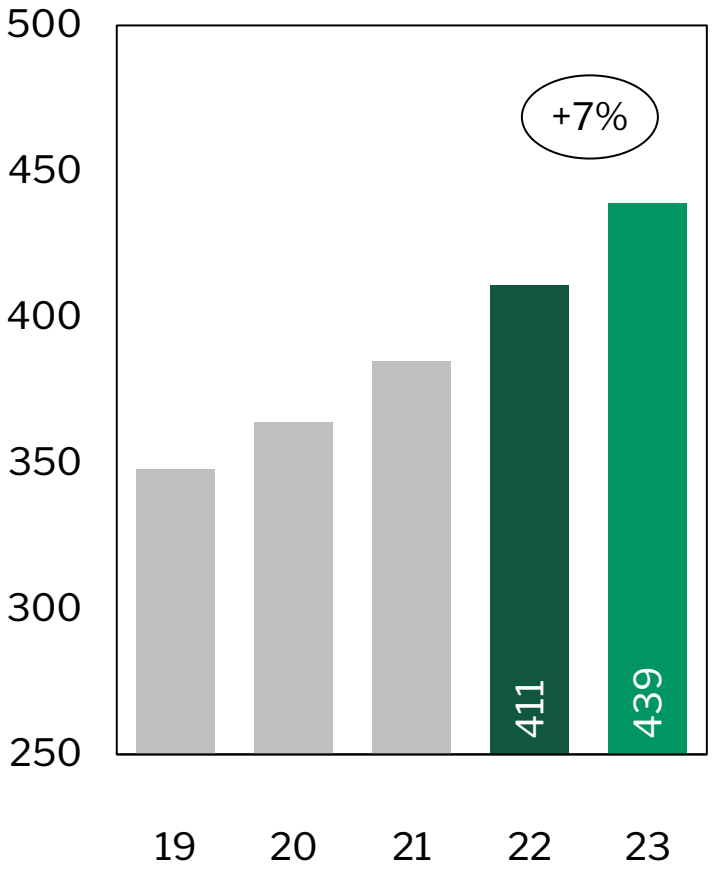
Headline earnings (Rm)



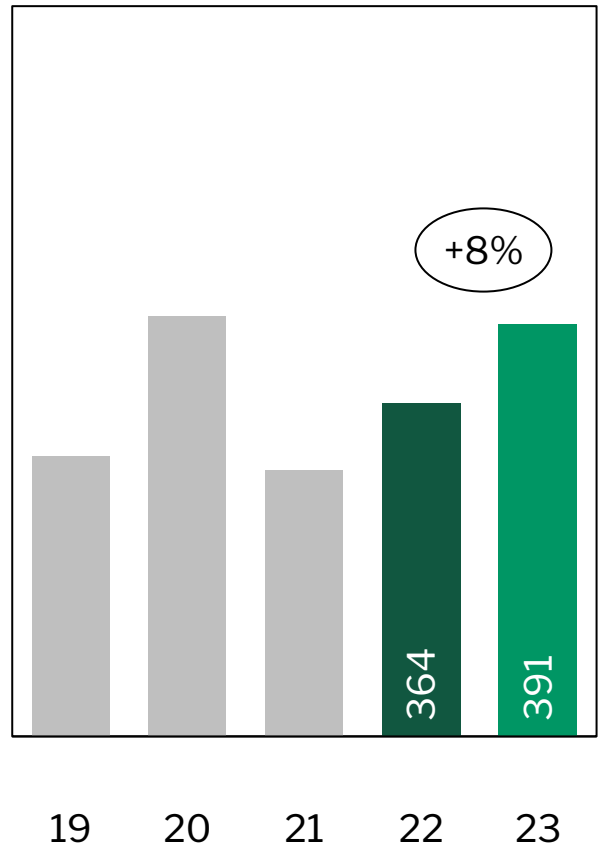
[1]*Other' includes indirect tax and minority & preference shareholders.*

Average gross banking advances up by 7% – solid growth in RBB & CIB

RBB average banking advances
(Rbn)



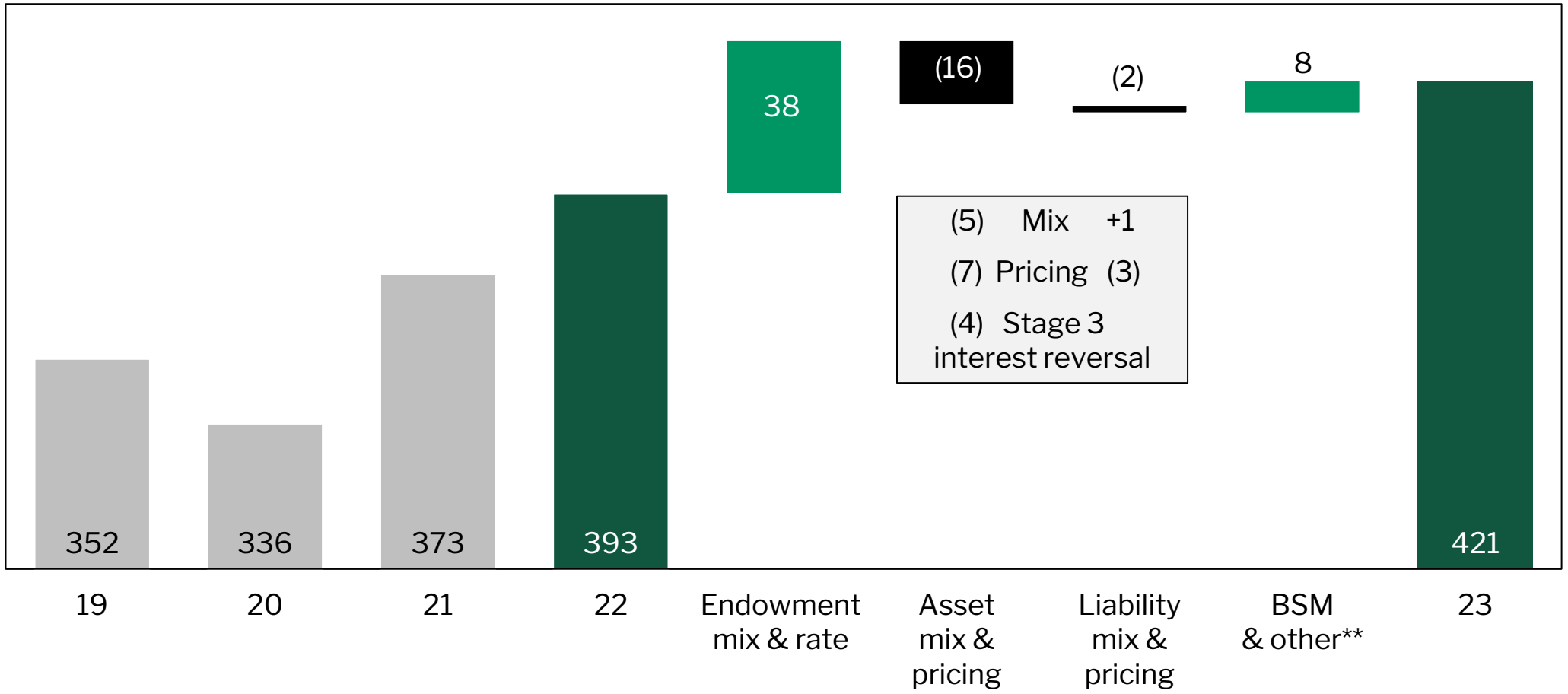
CIB average banking advances
(Rbn)



- **RBB**
  - Solid growth in our relationship businesses
  - Gradual HL market share gains, but slowing demand
  - Selective growth by leveraging our strong position in MFC
  - More cautious in unsecured lending given elevated risk
- **CIB**
  - Term lending businesses grew 4%
  - Growth across multiple sectors, with continued momentum into 2024
  - Moderate growth in commercial property, supported by increased corporate activity

NII up by 14% – driven by AIEBA growth of 7% & NIM expansion of 28 bps, primarily from endowment (higher interest rates)

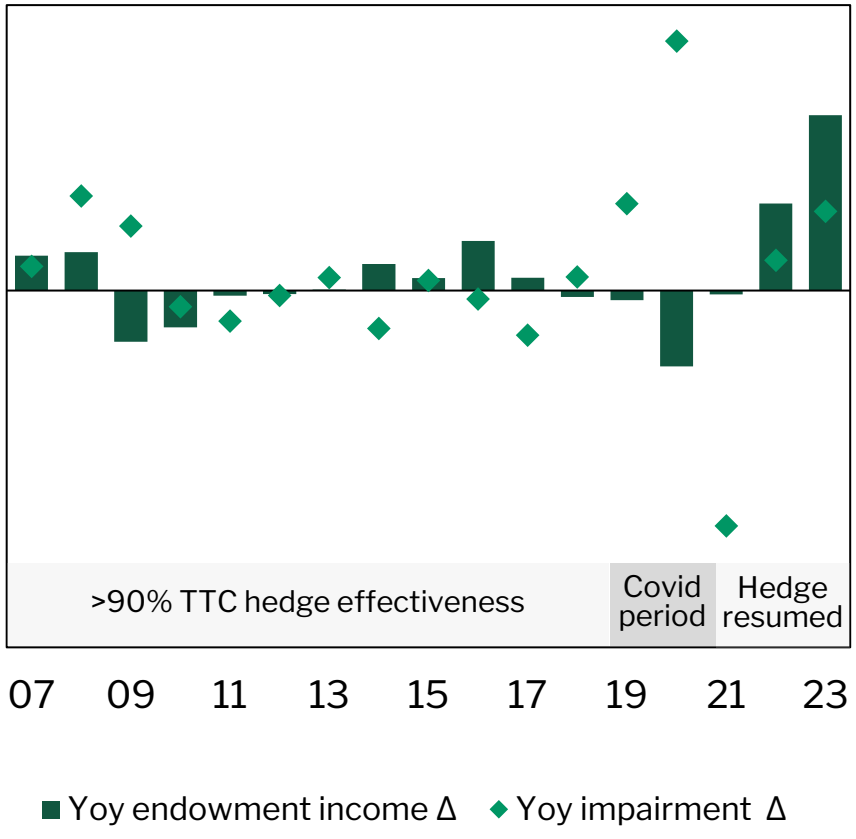
Net interest margin* (bps)



*Surplus cash in the SARB quota account, on which Nedbank earns repo, reclassified as AIEBA (R8,2bn reclassified, impacting NIM negatively by -3 bps).
**Balance sheet management & other includes positive HQLA rate & mix impact, positive basis risk impact & higher yields in NAR.

Endowment income – active interest rate risk management, positioning an appropriately sized residual endowment position as an offset against anticipated changes in impairments over time

Change in endowment income vs impairments (Rbn)



Directional drivers

	H1 23	H2 23	H1 24	H2 24	2025
Average SA interest rates	**11,1%**	**11,75%**	**11,75%**	**11,3%**	**10,6%**
	11,4%		**11,5%**		
Endowment (yoy change)	▲	▲	▲	▼	▼
CLR (yoy change)	▲	▼	▼	▼	▼
	121 bps	96 bps	CLR within 60 to 100 bps range		

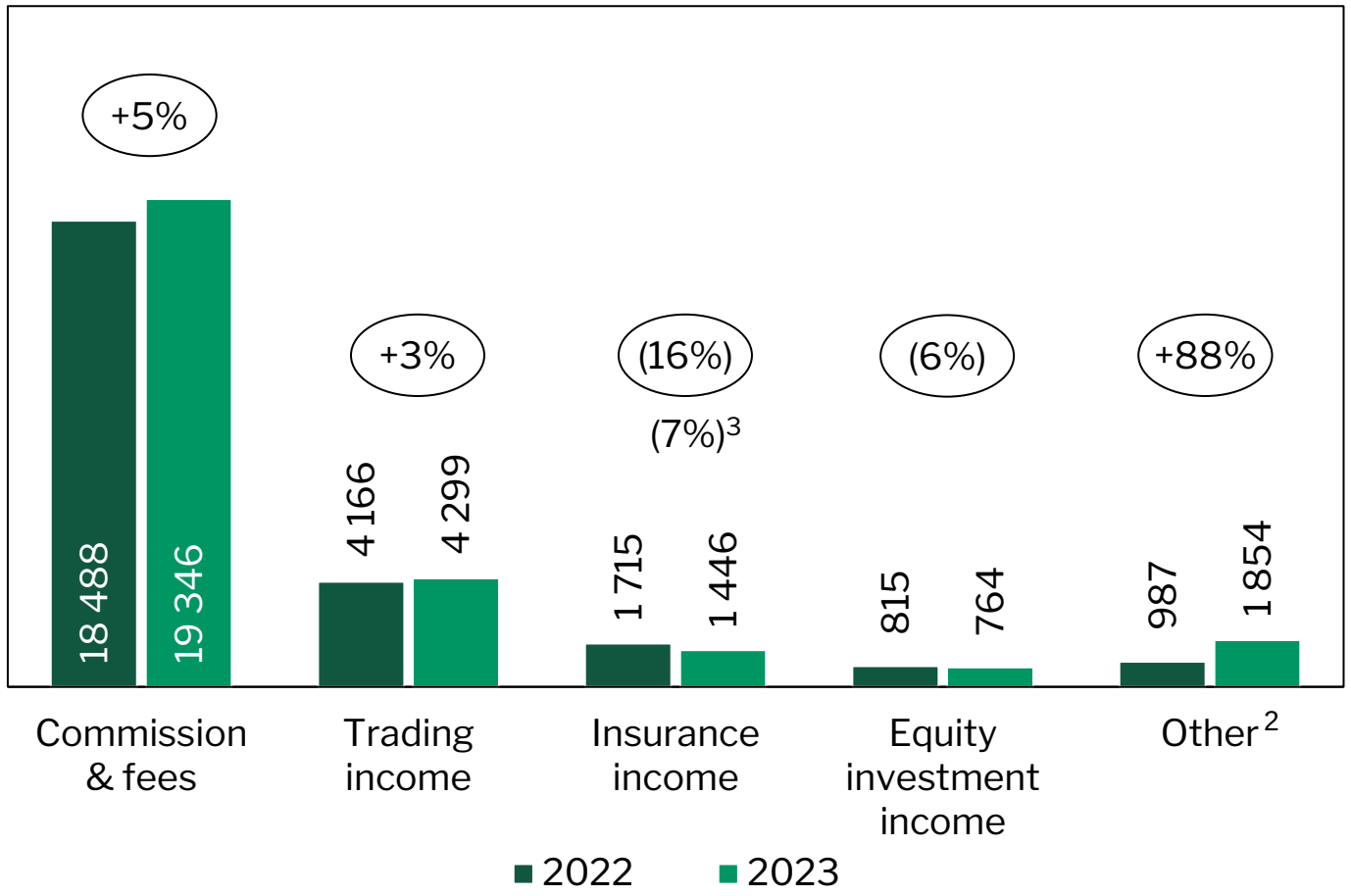
10 bps CLR = **R0,9bn** pre-tax

10 bps NIM = **R1,0bn** pre tax

NII sensitivity for 1% change in interest rates: R1,4bn

NIR up by 6% – supported by solid growth in commission & fees, as well as FX devaluation. Excluding restatements, NIR growth was up by 9%

Non-interest revenue & income[1] (Rm)

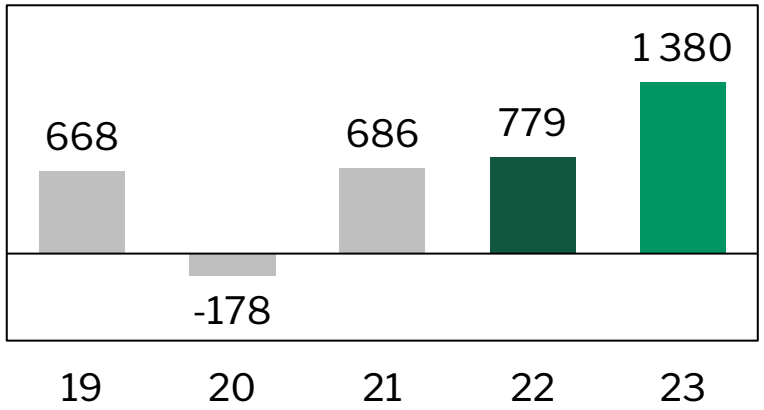


- **Commission & fees** – solid growth driven by cross-sell, main-banked client gains & value-added services
- **Trading** – positive outcomes in debt securities & commodities
- **Insurance** – impacted by lower traditional bancassurance volumes, new business strain & non-repeat of reserve releases, offset by improved non-life claims experience & positive shareholder returns
- **Equity investment income** – closely matched a high 2022 base
- **Other** – benefit from FX devaluation of ZWL & ZAR vs US$ given hard currency US$ exposure in Zimbabwe, partially offset by a higher net monetary loss

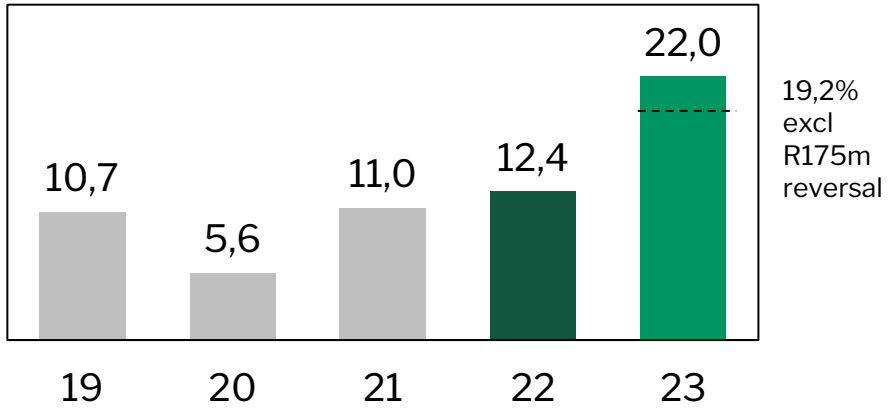
[1] 2022 restatements relate to net monetary loss from the face of the IS to NIR, card-selling costs & IFRS 17. Prior years not restated. | [2] Represents fair-value adjustments, sundry income & investment income. | [3] Excluding reclassifications, insurance declined by 7%.

ETI associate investment – positive momentum in financial performance & release of the R175m Ghana sovereign bond provision that Nedbank recognised in 2022

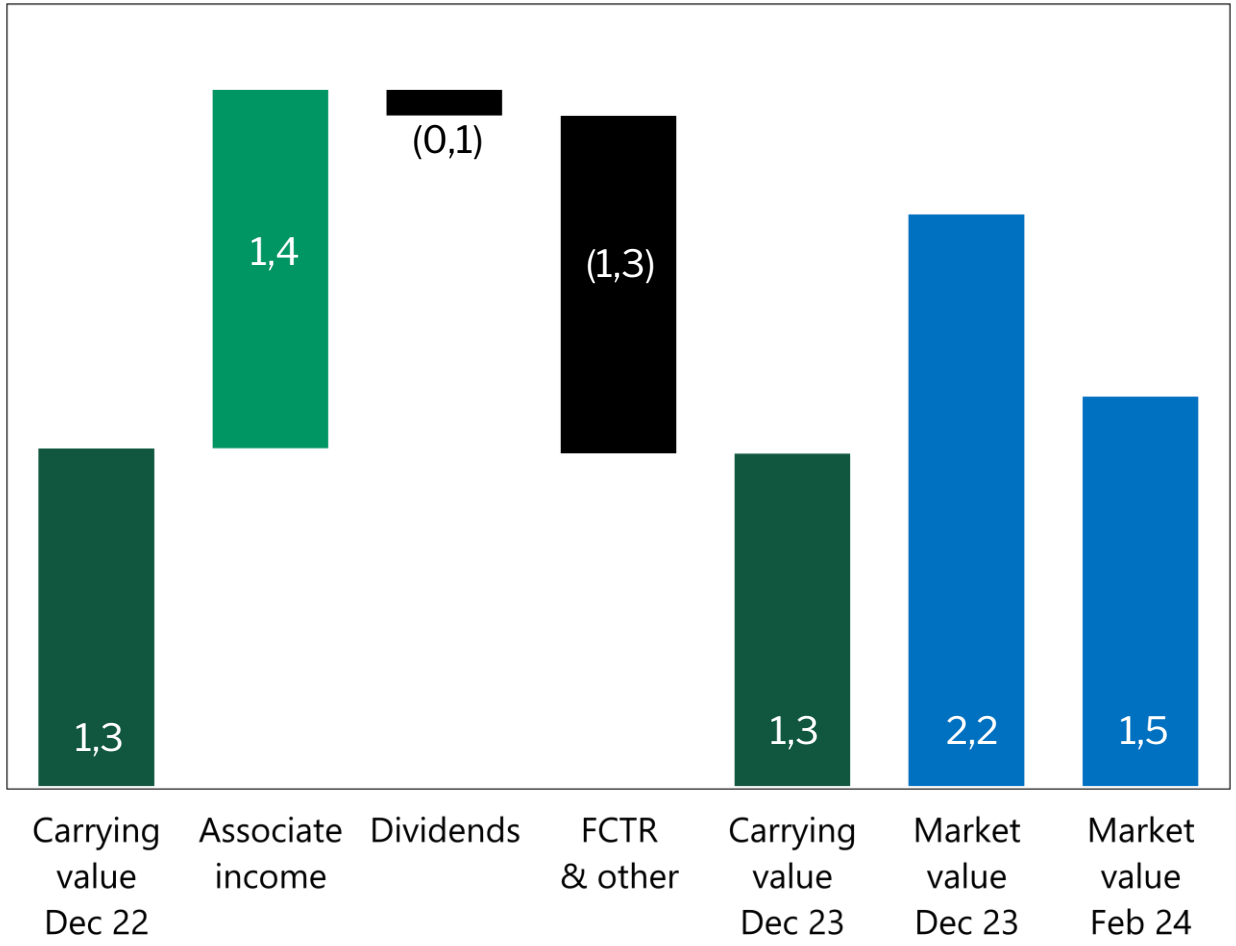
Associate income[1]
(Rm)



Return on ETI investment[2]
(%)



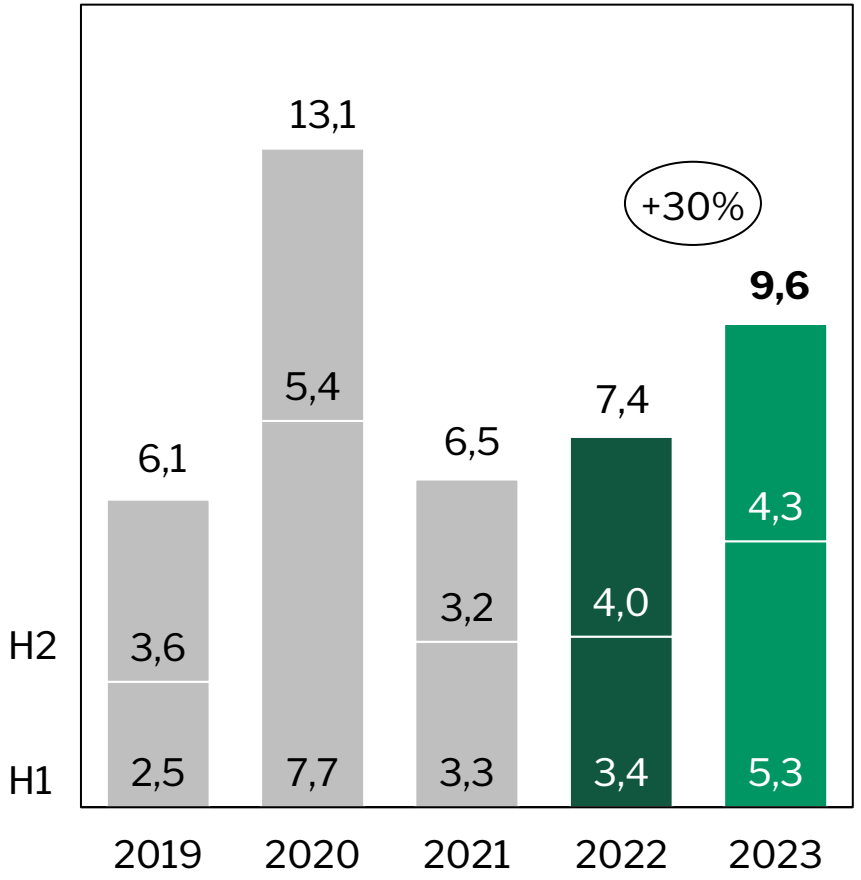
ETI carrying value vs market value
(Rbn)



Note: ETI accounted for a quarter in arrear. | [1]Associate income includes the reversal of the R175m estimated impact of the Ghana sovereign domestic bond provision accounted for in the prior financial year. | [2]Return on original investment of R6,3bn (based on associate income). For 2020, ROI was calculated using IFRS associate income, which excludes goodwill impairment by ETI. | Market value at February 2024 reflects the impact of naira devaluation since December 2023.

Impairment charge up by 30% – primarily driven by the macroeconomic pressures on consumers, but pleasingly H2 2023 materially down on H1 2023 as a result of management intervention

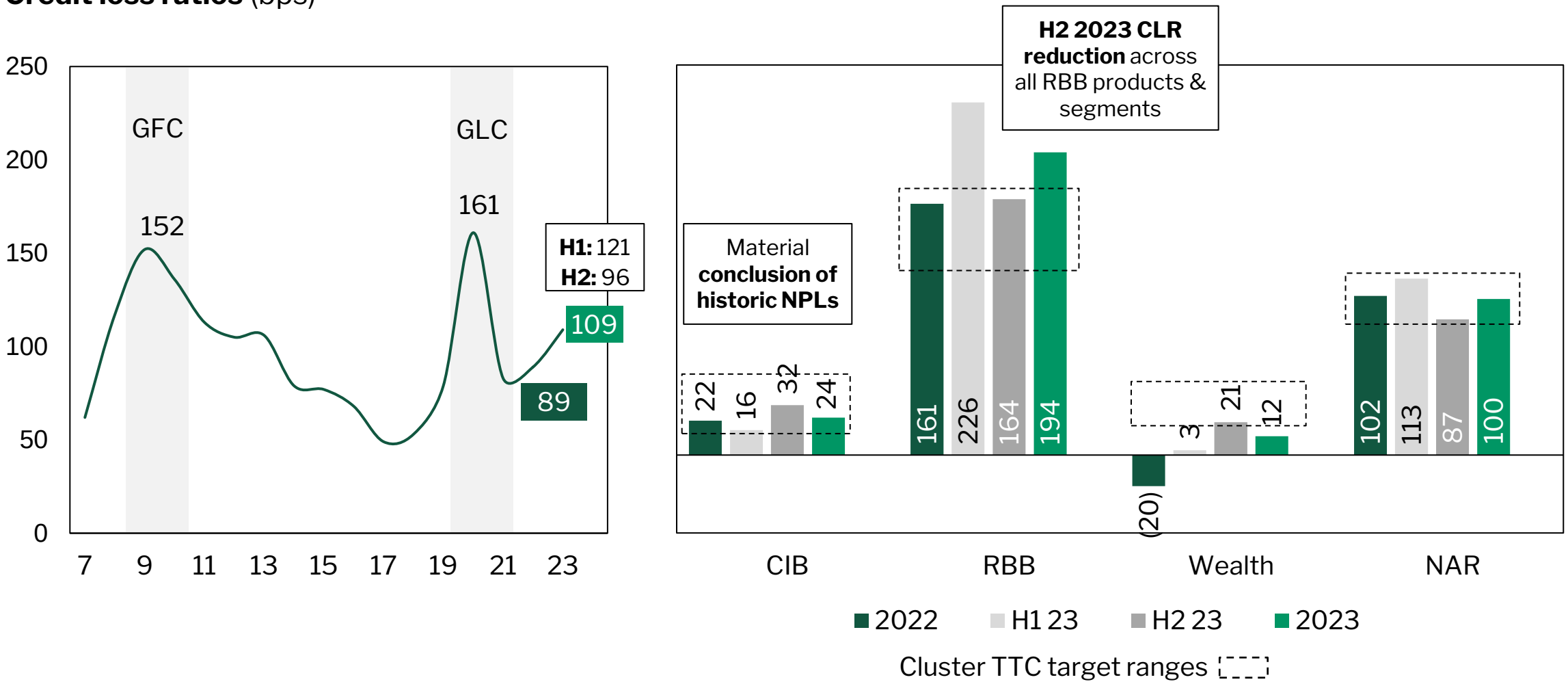
Impairment charge (Rbn)



- **RBB impairments +29% yoy**
  - Consumer pressure from steep increases in SA prime rate, high levels of inflation & load-shedding, albeit easing in H2 2023. H1 2023 impairments up by 60% vs H2 2023 up by 3%
  - Management interventions delivering benefits, including better collections & loan origination, with impairments down in H2 2023 across all RBB products/ segments
- **CIB impairments +17**% yoy – higher H2 2023 reflecting the conclusion of material stage 3 loans
- **Good outcomes in Wealth & NAR**
- **Central provision** reduced to R150m (2022: R300m) & total overlays reduced to R1,1bn (2022: R1,4bn) as risks were incorporated in IFRS models

Group credit loss ratio at 109 bps – increase from 89 bps in 2022, but down from the 121 bps reported in H1 2023

Credit loss ratios (bps)



Commercial property finance – a high-quality, well-diversified & highly collateralised portfolio

High-quality, well-diversified & highly collateralised portfolio

Portfolio LTVs remain low at < 52%
Adequate collateral – significantly reduces the risk of potential losses

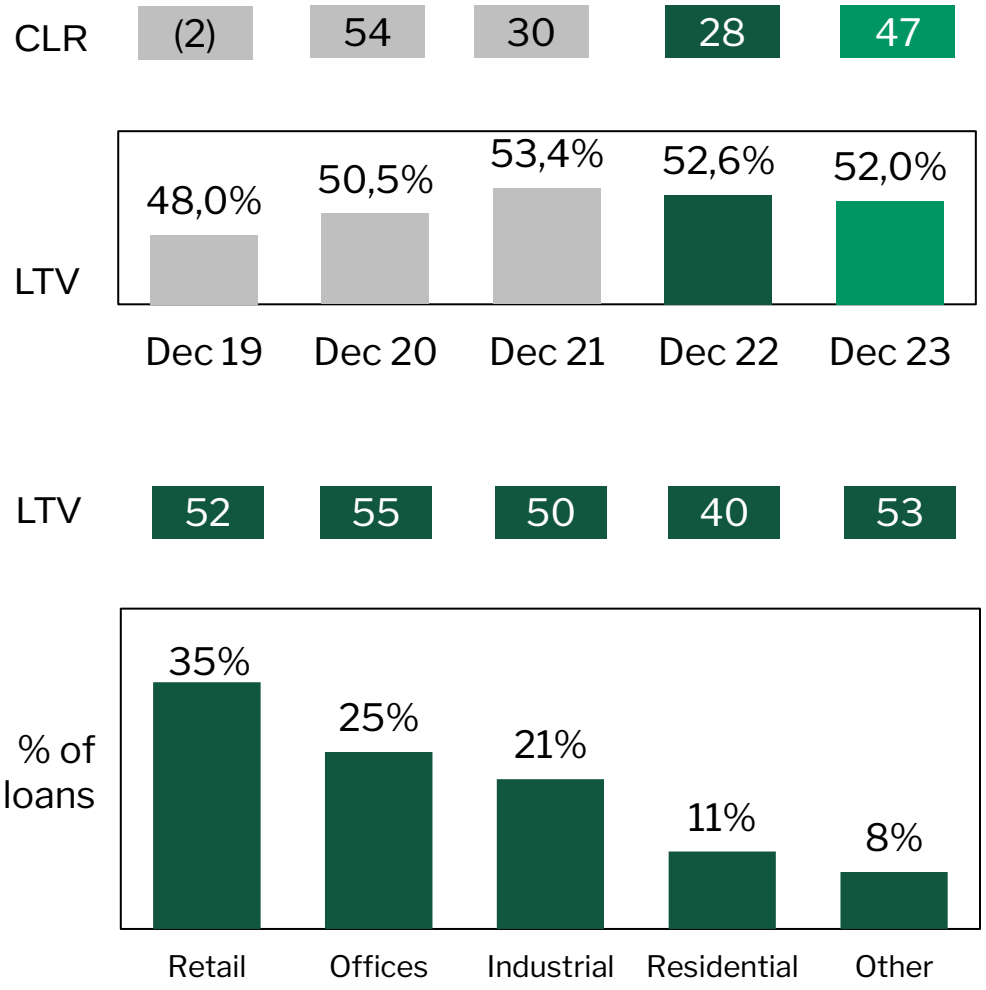
CLR at 47 bps
(Dec 22: 28 bps) driven by large single-name exposure rather than general portfolio stress

Large stage 3 exposure in business rescue largely resolved

Low levels of arrears on performing book
0 to 90 days: R8m (Dec 22: R6m)



Credit loss ratio (bps) & **loan-to-value ratio** (%)



Commercial Property Finance – sector trends

Office vacancies [1]

- Office vacancies maintain downward trajectory:
  - Q2 2022: 16,7% (peak)
  - Q4 2022: 16,1%
  - Q4 2023: 15,2%
- Continue to see negative rental reversions to protect vacancies

Retail vacancies[1]

- Retail vacancies have largely remained flat:
  - Q1 2021: 7,1% (peak)
  - Q4 2022: 5,0%
  - Q3 2023: 5,1%

Sector trends

- Valuations appear to have stabilised:
  - Valuations in the listed sector up by ~1%
  - Property Finance valuations up by ~2% across the portfolio
- Trading of assets:
  - Improved sentiment & confidence returning to the sector
  - Assets trading at book values
- Increase in corporate action – reflects more positive sentiment & opportunities being seen in the sector. This is expected to continue in 2024.

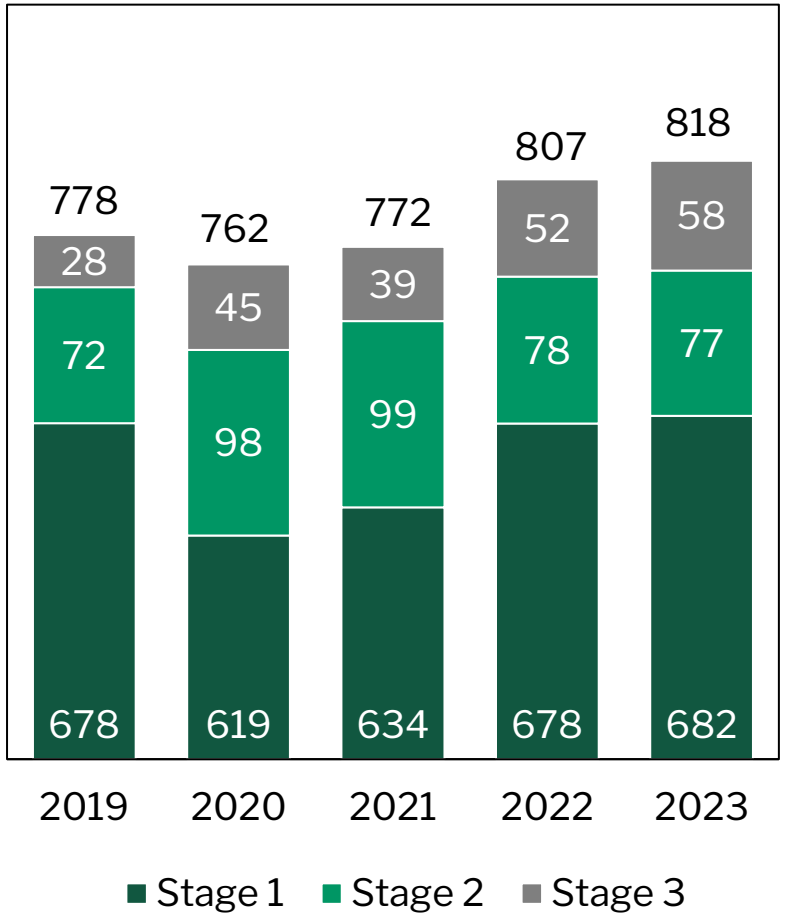
Listed sector

- Listed property sector the best-performing asset class in 2023: up by 10,7%
- Average LTV for the listed sector at 36%: well below typical covenant level of 50%
- Average listed sector ICR at 2,9x: well above typical covenant level of 2x
- Sustainability remains a key theme for the sector – particularly for listed funds

[1] *SAPOA reports*

GLAA stage movements & coverage – overall coverage at multi-year highs given an increase in stage 3 loans, although set to reduce in coming reporting periods

GLAA (Rbn)



Coverage (%)

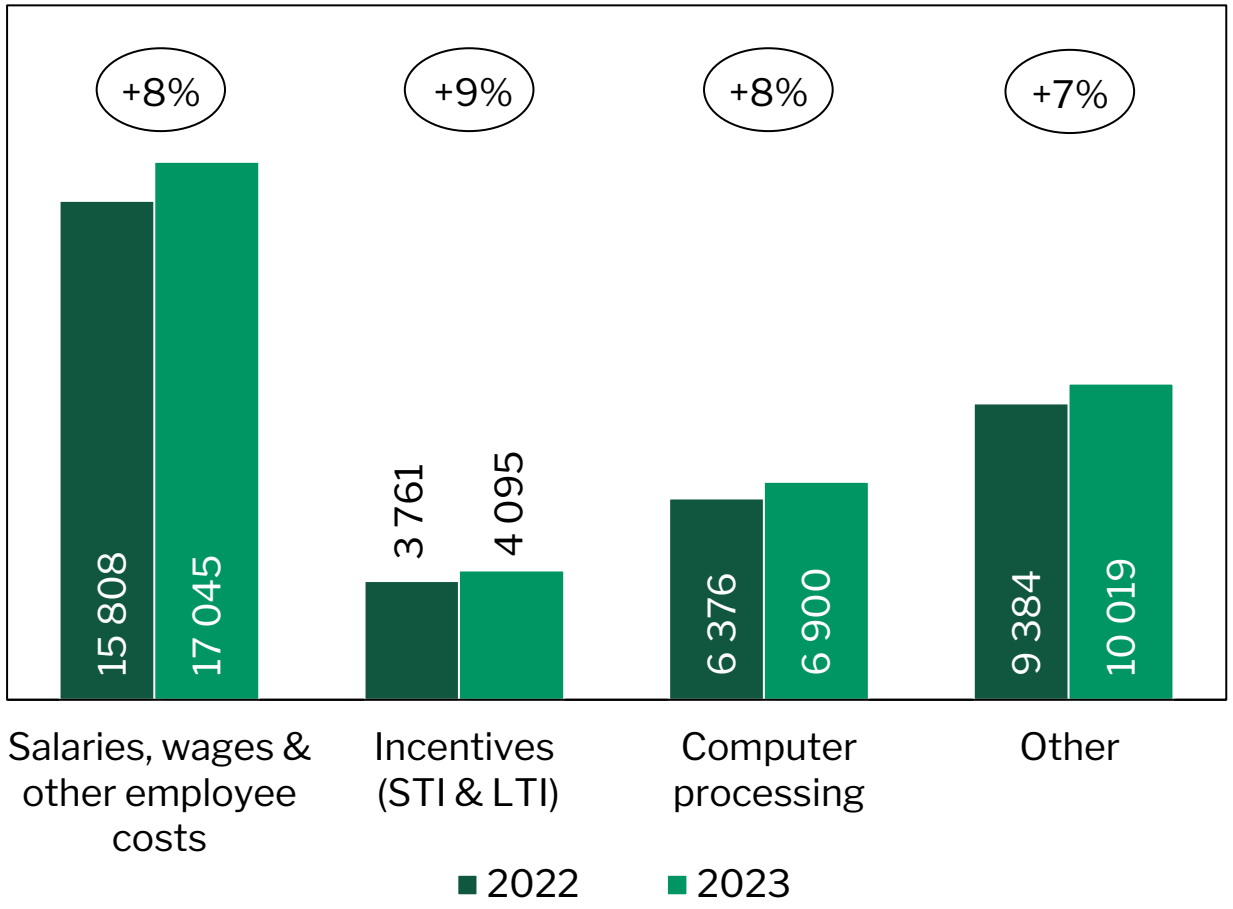
	2019	2022	2023
	2,26	3,37	3,62
	37,9	34,3	34,2
	5,3	7,0	6,8
Performing coverage (stage 1 &2)	0,94	1,26	1,28
	0,48	0,60	0,66

- **Stage 1 loans**
  - Coverage well above pre-Covid levels
- **Stage 2 loans**
  - Levels more stable, with coverage still well above pre-Covid levels
- **Stage 3 loans**
  - Expected stage 3 loan decline in 2024, resulting in NPL ratio below 2,5%
  - RBB stage 3 loans: VAF & Card peaked, PL to reduce in 2024 & HL to remain elevated
  - Coverage reflects Nedbank's highly collateralised book

[1] *Total balance sheet ECL includes FVOCI & off-balance sheet ECL, whereas ECL coverage excludes FVOCI & off-balance sheet ECL.*

Expenses up by 8% – reflecting good expense management

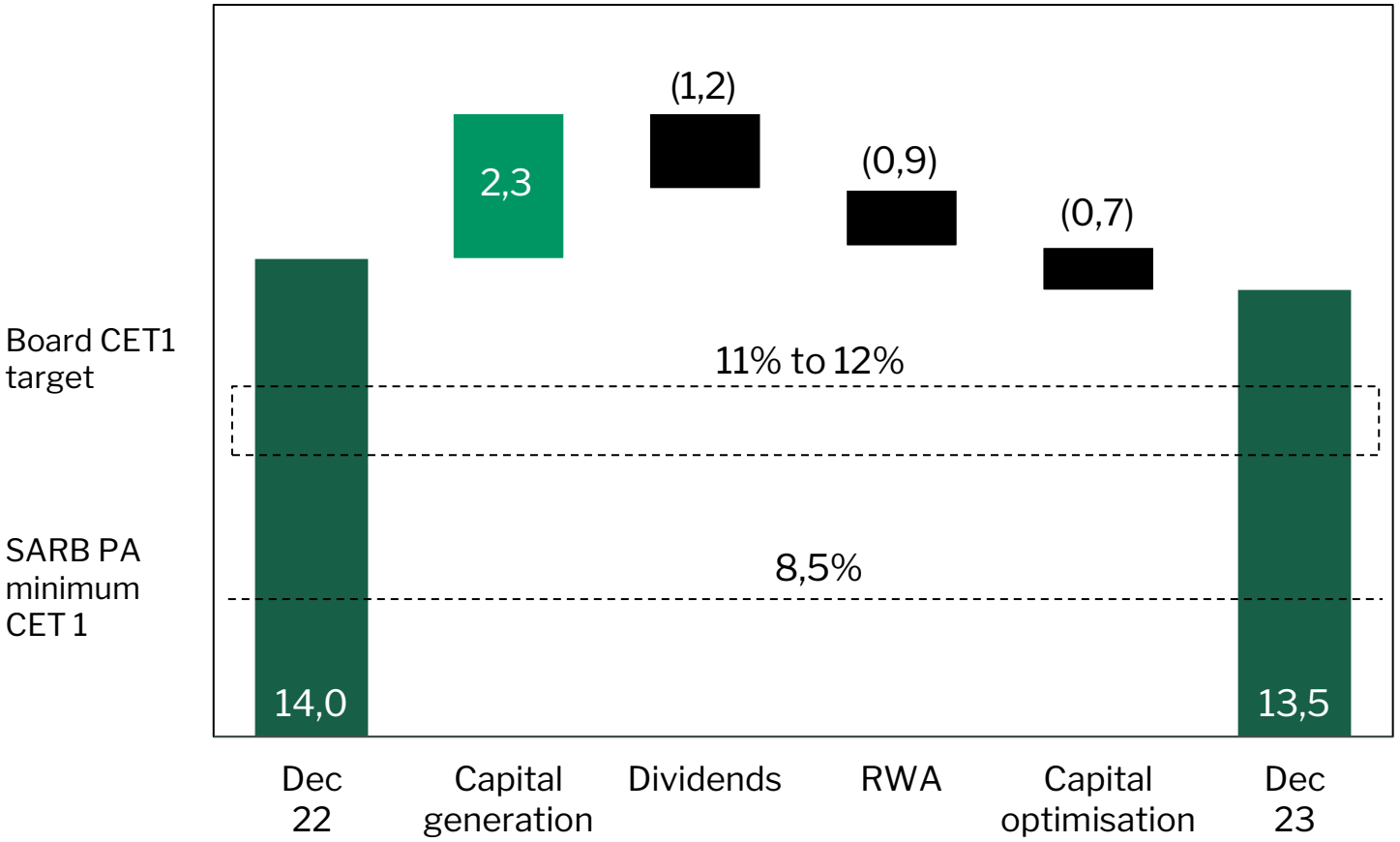
Expenses (Rm)



- **Employee-related costs**
  - Salaries & wages: higher annual average salary increases (+6,3%), additional costs to retain talent, partially offset by 2% yoy decline in permanent headcount
  - Variable-pay incentives aligned with profitability metrics & vesting probabilities (STI +5%, LTI +23%)
- **Computer processing** – driven by FX devaluation & higher digital volumes, partially offset by a decline in amortisation of intangible assets
- **Other costs**
  - Discretionary spend at more normalised levels, incl marketing (+3%) & travel (+7%)
  - Accommodation +8% driven by higher generator running-costs relating to load-shedding (up >100% to R107m)
  - Fees & insurances +15% from card-issuing & acceptance costs, linked to strong revenue growth

Capital – CET1 ratio at 13,5% remains very strong, positioning us well for growth & sustainable dividend payments, while protecting against unexpected downside risk

CET1 ratio (%)



Completed R5bn capital optimisation initiative, with the following outcomes (full-year basis):

- CET1 reduction: 0,7%
- ROE accretion: ~0,5%
- HEPS growth accretion: ~4%

Maintain CET1 ratio above our 11%-12% target range – considered appropriate in a difficult & volatile environment

Retain capital for growth – infrastructure opportunities & SPT 2.0 growth objectives

Complementary bolt-on M&A, should they arise

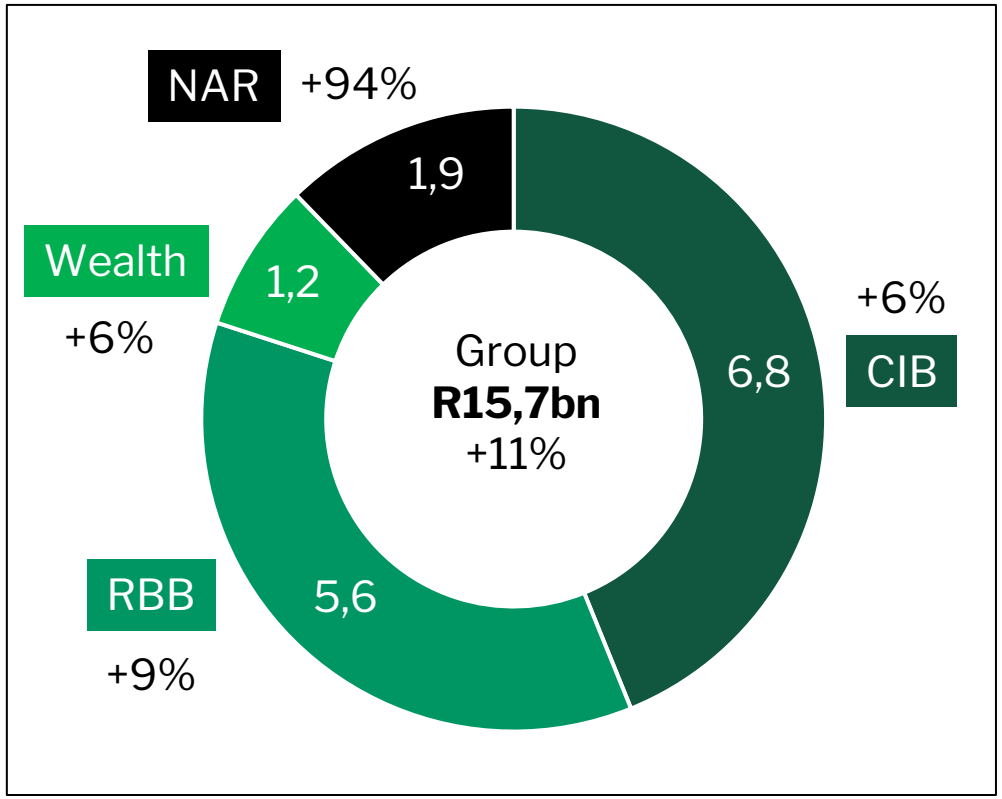
Pay dividends at top-end of payout ratio, subject to board approval

Further capital optimisation, if appropriate

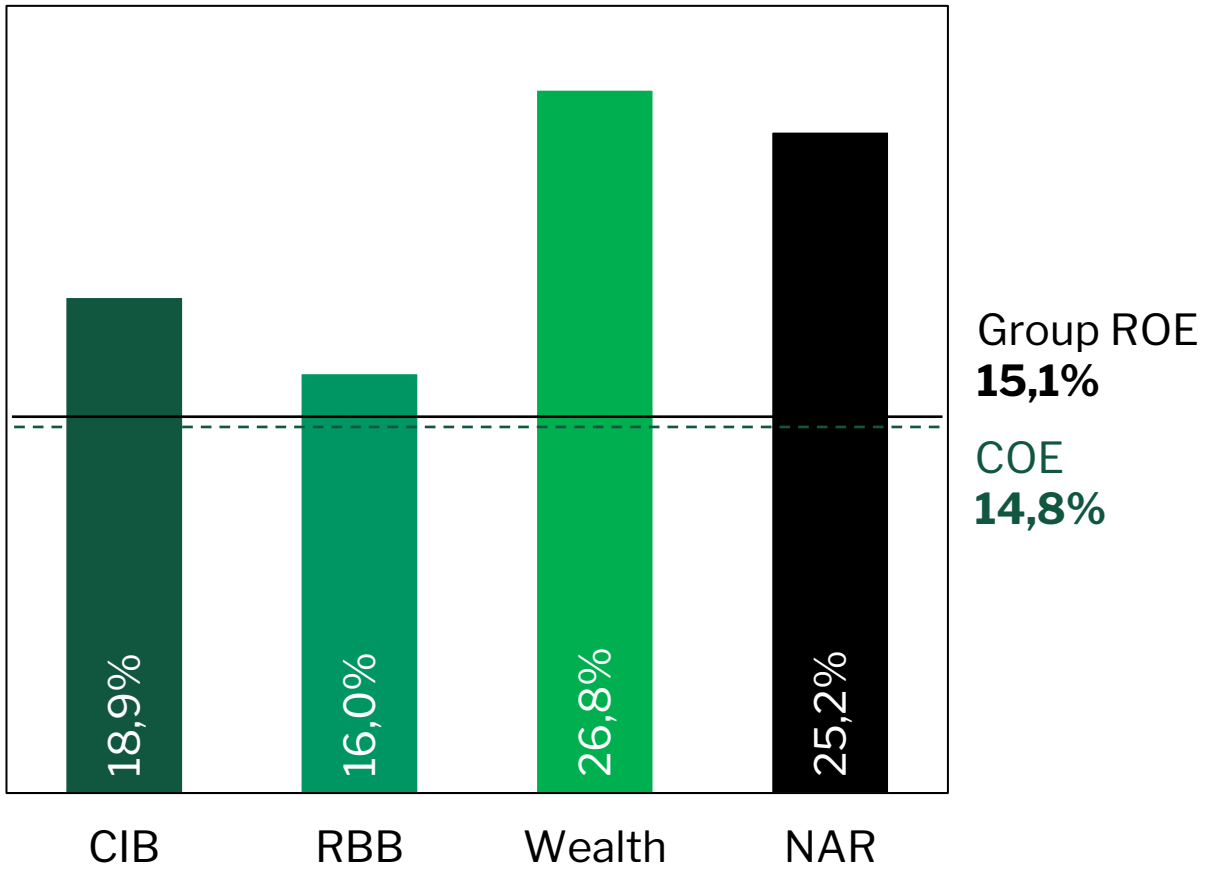
Possible **Basel III PCN counter-cyclical buffer** in 2026

Cluster financial overview – all business clusters reported positive HE growth & all ROEs were above the group's COE

Headline earnings
(Rbn, growth %)



Return on equity
(%)





Outlook

Short-term guidance (2024) – progress towards our medium-term targets in a macroeconomic environment that remains difficult & volatile

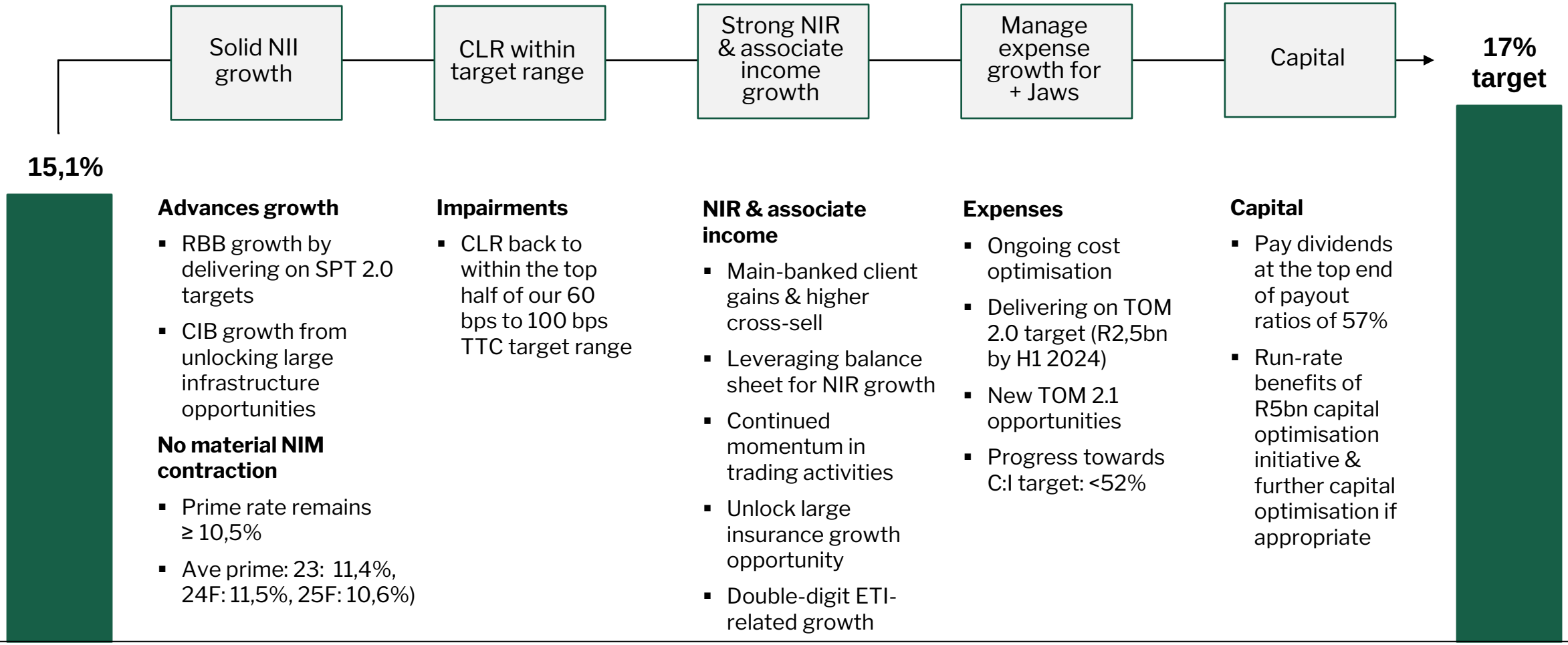
	2023 performance	2024 guidance[1]	Key drivers/risks in 2024
NII growth	+14%	Above mid-single digits	▪ Advances growth from renewables & SPT 2.0 gains, with H1 growth slow, before picking up in H2 ▪ NIM peaked in 2023, but endowment benefit remains elevated given average interest rates
CLR	109 bps	Back within the top half of the 60 bps to 100 bps TTC range	▪ Ongoing reduction in RBB's CLR & resolution of material risk relating to CIB NPLs completed in 2023 ▪ Seasonality likely resulting in H1 CLR > H2 CLR
NIR growth	+6%	Above mid-single digits	▪ Main-banked client gains, cross-sell & deal closures ▪ Trading & insurance income off a lower 2023 base (outcomes market-dependent), but high base in fair-value & Zimbabwe FX gains
Expense growth	+8%	Mid-to-upper single digits	▪ Average annual salary increases of around 6% ▪ Ongoing cost optimisation focus – TOM 2.0 & 2.1 ▪ DIS (~R230m), Twin Peaks run rate, YES ramp up
Associate income	+64%	Slightly lower than 2023	▪ Ongoing associate income growth, but base impact from Nedbank's R175m Ghana sovereign bond provision reversal in 2023
Capital (CET1 ratio)	13,5%	Above TTC target range (11% to 12%)	▪ Remains above the top end of board target range
Dividend	57% payout	Top end of payout ratio	▪ Dividend cover range 1,75x to 2,25x or payout ratio of 57% to 44%

[1]This guidance is not a profit forecast, has not been reviewed or reported on by the group's joint auditors & is based on the group's economic forecasts at the time.

Our medium- & long-term targets support shareholder value creation

	Diluted headline earnings per share	ROE	Cost-to-income ratio	Net Promoter Score
Short term	**By end 2023**			
	> 2 565 cents (2019 levels)	15% (2019 levels)	< 54%	#1 bank (from #3 in 2019)
	3 199 cents ✓	15,1% ✓	53,9% ✓	#1 bank ✓
Medium term	**By end 2025**			
	> CPI + GDP + 5% (CAGR to end-2025)	17% (around COE + 2%)	< 52%	#1 bank
Long term	**Not dated**			
	> CPI + GDP + 5% (CAGR through the cycle)	> 18% (around COE + 3%)	< 50%	#1 bank

Medium-term targets – path towards ROE of 17%



Advances growth

- RBB growth by delivering on SPT 2.0 targets
- CIB growth from unlocking large infrastructure opportunities

No material NIM contraction

- Prime rate remains ≥ 10,5%
- Ave prime: 23: 11,4%, 24F: 11,5%, 25F: 10,6%)

Impairments

- CLR back to within the top half of our 60 bps to 100 bps TTC target range

NIR & associate income

- Main-banked client gains & higher cross-sell
- Leveraging balance sheet for NIR growth
- Continued momentum in trading activities
- Unlock large insurance growth opportunity
- Double-digit ETI-related growth

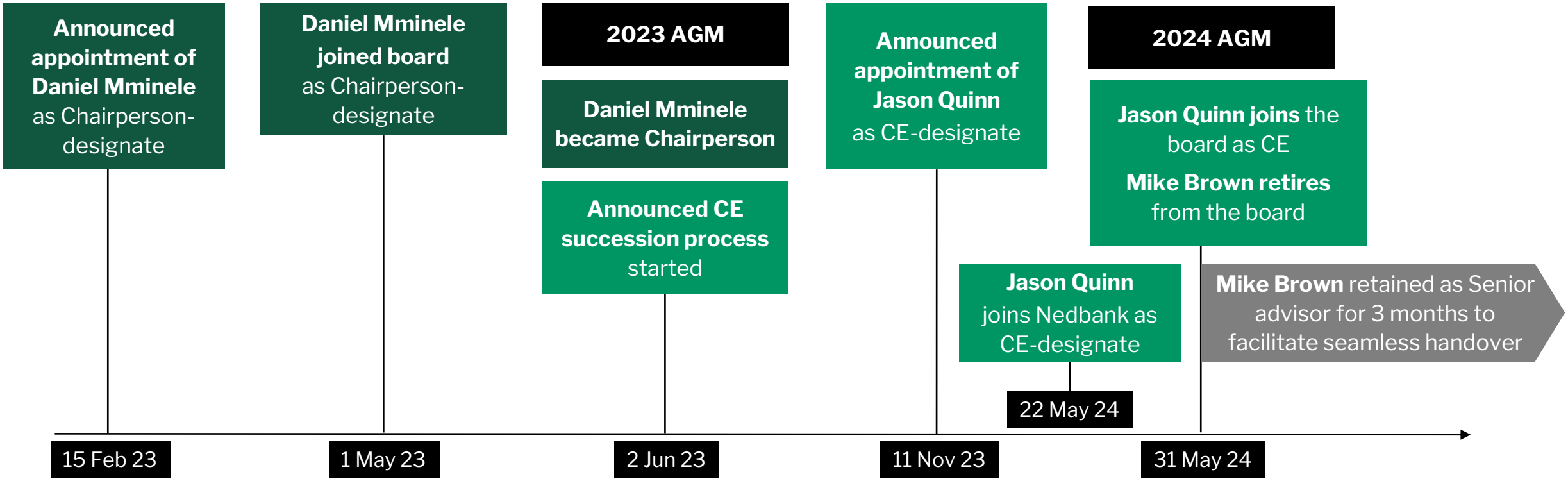
Expenses

- Ongoing cost optimisation
- Delivering on TOM 2.0 target (R2,5bn by H1 2024)
- New TOM 2.1 opportunities
- Progress towards C:I target: <52%

Capital

- Pay dividends at the top end of payout ratios of 57%
- Run-rate benefits of R5bn capital optimisation initiative & further capital optimisation if appropriate

Chief Executive succession – a seamless, well-managed process



Conclusion – slightly improving macroeconomic environment, strong foundations & underlying business momentum position Nedbank well to deliver on 2025 targets & create shareholder value

Macroeconomic environment improving

- Key SA **economic indicators are forecast to improve** in 2024
- Initiatives around energy supply to **reduce load-shedding to levels 1 or 2** by 2025
- But **geopolitical & sociopolitical risks** remain (eg global conflict, international & local elections)

Strong foundations in place

- **Experienced board & leadership** team
- **Strategy** that is unlocking growth & enhancing productivity
- **Track record** of delivery
- **World-class technology platform** & leading digital capabilities
- **Fortress balance sheet** & excess levels of capital
- **Great people** & culture
- **Purpose-driven bank** – leading in sustainability & ESG matters

Momentum in the business

- Attractive **lending pipelines**
- **Digital growth** trends continuing
- **Main-banked client gains** & higher levels of cross-sell
- **Market share gains** in key product areas
- Ongoing **cost optimisation**
- **Impairments trending down** (CLR peaked in H1 2023, RBB management actions & ~R11bn of stage 3 reductions in CIB expected in 2024)

Medium- & long-term targets aligned to shareholder value creation

- **Achieved all our 2023 targets** in a more difficult environment
  - DHEPS ✓
  - Cost-to-income ✓
  - ROE ✓
  - NPS ✓
- But we **aspire to increase our ROE further** to improve our price-to-book ratio from 0,9x

  DHEPS growth: CAGR GDP + CPI + 5%

  Cost-to-income: <52%

  ROE: >17%

  NPS: #1 bank

Disclaimer

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