

AUDITED SUMMARISED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010



OVERVIEW

Nedbank Limited ('Nedbank') is a wholly owned subsidiary of Nedbank Group Limited, which is listed on JSE Limited. These summarised consolidated annual financial results are published to provide information to holders of Nedbank's listed non-redeemable non-cumulative preference shares.

Commentary relating to the Nedbank summarised consolidated annual financial results is included in the Nedbank Group Limited group results, as presented to shareholders on 28 February 2011. Further information is provided on the website www.nedbankgroup.co.za.

BOARD CHANGES DURING THE YEAR

Bob Head and Jabu Moleketi resigned from the board with effect from 19 February 2010 and 1 March 2010 respectively. Tom Boardman was appointed a non-executive director with effect from 1 March 2010. Joel Netshitenzhe was appointed an independent non-executive director with effect from 5 August 2010.

ACCOUNTING POLICIES

Nedbank is a company domiciled in South Africa. The summarised consolidated financial results at and for the year ended 31 December 2010 comprise the company and its subsidiaries (the 'group') and the group's interests in associates and jointly controlled entities.

Nedbank's principal accounting policies have been prepared in terms of International Financial Reporting Standards (IFRS) and have been applied consistently over the current and prior financial years.

Nedbank's summarised consolidated financial results have been prepared in accordance with the recognition and measurement criteria of IFRS, interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the presentation and disclosure requirements of International Accounting Standard (IAS) 34: Interim Financial Reporting, as well as the AC 500 standards as issued by the Accounting Practices Board.

In the preparation of these summarised consolidated financial results the group has applied key assumptions concerning the future and other inherent uncertainties in recording various assets and liabilities. These assumptions were applied consistently to both the company and the group financial

results for the year ended 31 December 2010. These assumptions are subject to ongoing review and possible amendments.

EVENTS AFTER THE REPORTING PERIOD

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

AUDITED RESULTS – AUDITORS' OPINION

KPMG Inc and Deloitte & Touche, Nedbank's independent auditors, have audited the consolidated annual financial statements of Nedbank from which the summarised consolidated financial results have been derived, and have expressed an unmodified audit opinion on the consolidated annual financial statements. The summarised consolidated financial results comprise the consolidated statement of financial position at 31 December 2010, consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cashflows for the year then ended, and selected explanatory notes. The audit report is available for inspection at Nedbank's registered office.

NEDBANK NON-REDEEMABLE NON-CUMULATIVE PREFERENCE SHARES – DECLARATION OF DIVIDEND NO 16

Notice is hereby given that preference dividend no 16 of 36,20548 cents per share has been declared for the period from 1 July 2010 to 31 December 2010, payable on Monday, 28 March 2011, to shareholders of the non-redeemable non-cumulative preference shares recorded in the books of the company at the close of business on Friday, 25 March 2011.

In accordance with the provisions of STRATE, the electronic settlement and custody system used by JSE Limited, the relevant dates for the payment of the dividend are as follows:

Last day to trade cum dividend	Thursday, 17 March 2011
Shares trade ex dividend	Friday, 18 March 2011
Record date	Friday, 25 March 2011
Payment date	Monday, 28 March 2011

Share certificates may not be dematerialised or rematerialised between Friday, 18 March 2011, and Friday, 25 March 2011, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Shareholders who have dematerialised their share certificates will have their accounts, at their participant or broker, credited on Monday, 28 March 2011.

For and on behalf of the board

RJ Khoza **MWT Brown**
Chairman *Chief Executive Officer*
 28 February 2011

Registered office: Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, 2196. PO Box 1144, Johannesburg, 2000.

Transfer secretaries: Computershare Investor Services (Pty) Limited
 70 Marshall Street, Johannesburg, 2001; PO Box 61051, Marshalltown, 2107.

Directors: Dr RJ Khoza (*Chairman*), MWT Brown* (*Chief Executive Officer*), CJW Ball**, TA Boardman, TCP Chikane, GW Dempster* (*Chief Operating Officer*), MA Enus-Brey, Prof B de L Figaji, DI Hope (*New Zealand*), A de VC Knott-Craig, WE Lucas-Bull, NP Mnxasana, RK Morathi* (*Chief Financial Officer*), JK Netshitenzhe, JVF Roberts (*British*), GT Serobe, MI Wyman (*British*).

* Executive

** Senior independent non-executive director

Company Secretary: GS Nienaber

Sponsors: Investec Bank Limited, Nedbank Capital

Nedbank Limited: Registration number 1951/000009/06
 Incorporated in the Republic of South Africa

JSE share code: NBKP

ISIN: ZAE000043667

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

Rm	2010	2009
Interest and similar income	43 421	49 332
Interest expense and similar charges	27 556	33 795
Net interest income	15 865	15 537
Impairments charge on loans and advances	6 360	6 659
Income from lending activities	9 505	8 878
Non-interest revenue	10 741	10 338
Operating income	20 246	19 216
Total operating expenses	14 983	13 792
– Operating expenses	14 838	13 674
– Black economic empowerment (BEE) transaction expenses	145	118
Indirect taxation	387	402
Profit from operations before non-trading and capital items	4 876	5 022
Non-trading and capital items	(103)	(32)
– Net loss on sale of subsidiaries, investments, and property and equipment	(17)	(22)
– Net impairment of investments, property and equipment, and capitalised development costs	(86)	(10)
Profit from operations	4 773	4 990
Share of losses of associates and joint ventures		(1)
Profit before direct taxation	4 773	4 989
Total direct taxation	983	960
– Direct taxation	985	959
– Taxation on non-trading and capital items	(2)	1
Profit for the year	3 790	4 029
Other comprehensive income net of taxation	118	264
– Exchange differences on translating foreign operations	(15)	32
– Fair-value adjustments on available-for-sale assets	(31)	146
– Gains on property revaluations	164	86
Total comprehensive income for the year	3 908	4 293
Profit attributable to:		
Equity holders of the parent	3 737	3 790
Non-controlling interest – ordinary shareholders	53	224
Non-controlling interest – preference shareholders		15
Profit for the year	3 790	4 029
Total comprehensive income attributable to:		
Equity holders of the parent	3 855	4 054
Non-controlling interest – ordinary shareholders	53	224
Non-controlling interest – preference shareholders		15
Total comprehensive income for the year	3 908	4 293

HEADLINE EARNINGS RECONCILIATION

for the year ended 31 December

Rm	2010		2009	
	Gross	Net of taxation	Gross	Net of taxation
Profit attributable to equity holders of the parent	3 737	3 737	3 790	3 790
Less: Non-trading and capital items	(103)	(101)	(32)	(33)
– Net loss on sale of subsidiaries, investments, and property and equipment	(17)	(15)	(22)	(23)
– Net impairment of investments, property and equipment, and capitalised development costs	(86)	(86)	(10)	(10)
Headline earnings	3 838	3 838	3 823	3 823

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

for the year ended 31 December

Rm	2010	2009
Cash generated by operations	13 329	13 703
Change in funds for operating activities	(11 705)	(14 018)
Net cash from/(utilised by) operating activities before taxation	1 624	(315)
Taxation paid	(1 592)	(1 977)
Cashflows from/(utilised by) operating activities	32	(2 292)
Cashflows utilised by investing activities	(3 508)	(1 734)
Cashflows from financing activities	4 753	3 587
Net increase/(decrease) in cash and cash equivalents	1 277	(439)
Cash and cash equivalents at the beginning of the year *	17 260	17 699
Cash and cash equivalents at the end of the year *	18 537	17 260

* Including mandatory reserve deposits with central banks.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December

Rm	2010	2009
ASSETS		
Cash and cash equivalents	7 469	6 823
Other short-term securities	21 955	14 408
Derivative financial instruments	14 077	12 871
Government and other securities	31 667	35 754
Loans and advances	469 527	444 403
Other assets	3 613	3 917
Clients' indebtedness for acceptances	1 920	2 025
Current taxation receivable	440	580
Investment securities	2 999	3 012
Non-current assets held for sale	5	12
Investments in associate companies and joint ventures	933	922
Deferred taxation asset	48	36
Investment property	82	102
Property and equipment	5 394	4 754
Long-term employee benefit assets	1 965	1 783
Mandatory reserve deposits with central banks	11 068	10 437
Intangible assets	3 328	3 151
Total assets	576 490	544 990
EQUITY AND LIABILITIES		
Ordinary share capital	27	27
Ordinary share premium	14 422	14 422
Reserves	20 281	18 174
Total equity attributable to equity holders of the parent	34 730	32 623
Preference share capital and premium	3 560	3 483
Non-controlling interest attributable to:		
– Ordinary shareholders	110	1 796
– Preference shareholders		91
Total equity	38 400	37 993
Derivative financial instruments	11 930	10 799
Amounts owed to depositors	489 118	465 899
Provisions and other liabilities	6 179	5 218
Liabilities under acceptances	1 920	2 025
Current taxation liabilities	76	162
Deferred taxation liabilities	1 358	1 514
Long-term employee benefit liabilities	1 408	1 298
Long-term debt instruments	26 101	20 082
Total liabilities	538 090	506 997
Total equity and liabilities	576 490	544 990
Guarantees on behalf of clients	29 185	27 827

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Rm

	Total equity attributable to equity holders of the parent	Preference share capital and premium	Non-controlling interest attributable to ordinary shareholders	Non-controlling interest attributable to preference shareholders	Total equity
Balance at 31 December 2008	31 376	3 122	1 644	300	36 442
Issues of shares net of expenses		361			361
Ordinary non-controlling shareholders' share of preference dividend			(15)	15	–
Dividend to ordinary shareholders	(2 070)		(5)		(2 075)
Dividend to preference shareholders	(335)			(30)	(365)
Total comprehensive income for the year	4 054		224	15	4 293
Net expense recognised directly in equity	(402)	–	(52)	(209)	(663)
– Share-based payment reserve movement	(399)				(399)
– Regulatory risk reserve provision	(3)				(3)
– Buyout of non-controlling interests			(52)		(52)
– Preference shares held by group entities				(209)	(209)
Balance at 31 December 2009	32 623	3 483	1 796	91	37 993
Issues of shares net of expenses		91			91
Preference share cumulative dividend		(14)			(14)
Preference share dividend	(270)				(270)
Dividend to ordinary shareholders	(996)		(7)		(1 003)
Dilution of shareholding in subsidiary	(13)		13		–
Total comprehensive income for the year	3 855	53	–	–	3 908
Net expense recognised directly in equity	(469)	–	(1 745)	(91)	(2 305)
– Share-based payment reserve movement	(358)				(358)
– Regulatory risk reserve provision	(2)				(2)
– Buyout of non-controlling interests	(108)		(1 745)	(91)	(1 944)
– Other movements	(1)				(1)
Balance at 31 December 2010	34 730	3 560	110	–	38 400

THESE RESULTS AND ADDITIONAL INFORMATION ARE AVAILABLE AT WWW.NEDBANKGROUP.CO.ZA.



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