

Interim financial results

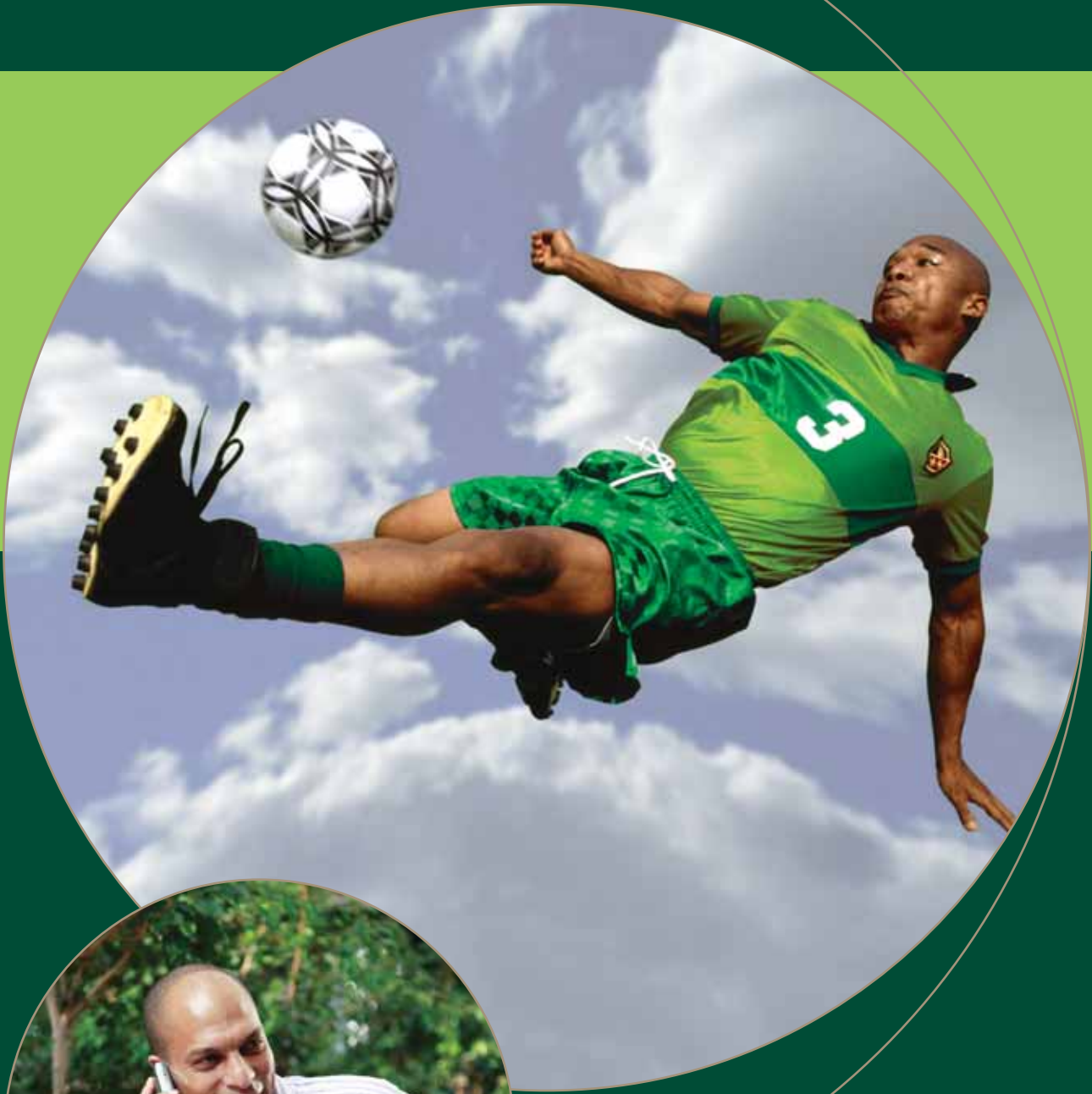
for the six months
ended 30 June 2008



MAKE THINGS HAPPEN

NEDBANK
GROUP

A Member of the  OLD MUTUAL Group





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CML Savage
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JH Sutcliffe (*British*)

'In the context of a tougher economic environment the group's wholesale businesses continued to perform well, but earnings in the retail businesses decreased as a result of higher impairment charges.

In February this year we cautioned that the deteriorating macroeconomic outlook was likely to make 2008 significantly more challenging for the South African economy and the banking sector. Underlying growth in assets and net interest income has remained solid, but impairment levels, arising mainly from the retail portfolios, have now risen above the group's through-the-cycle expectations.

To manage the business through the current high interest rate cycle Nedbank Group has, for some time, been strengthening collection and risk processes, controlling cost growth and improving capital ratios. At the same time we continue to focus on and invest in areas with medium- to long-term growth potential and capitalise on the opportunities created by more volatile market conditions.'

Tom Boardman • Chief Executive





NEDBANK GROUP

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Group structure





Interim financial results

for the six months ended 30 June 2008

HIGHLIGHTS

- Diluted headline earnings per share up 6,8%
- Diluted earnings per share up 29,6%
- Efficiency ratio improved from 55,2% to 51,5%
- ROE (excluding goodwill) decreased from 24,7% to 21,3%
- Net asset value per share increased 18,1% to 8 155 cents
- Interim dividend per share maintained at 310 cents

Banking environment

The South African economic environment continued to deteriorate during the first half of 2008. Supply-side inflationary pressures led to further interest rate increases in April and June, adding to the credit stress levels of consumers. The resultant slowdown in economic growth is reflected in lower retail sales, vehicle sales and house prices. Credit provisioning levels have increased in Nedbank Retail and Imperial Bank.

The group's wholesale banking bias has provided support within the current environment. Corporate advances growth remained resilient, boosted by the downstream activity from increasing fixed investment.

In June 2008 the Competition Commission released a summary of its findings on the inquiry into bank charges in South Africa. Nedbank generally supports the recommendations that have been made by the Banking Enquiry Panel.

Financial performance

Diluted headline earnings per share increased by 6,8% from 673 cents to 719 cents. Diluted basic earnings per share grew by 29,6% from 678 cents to 879 cents.⁽¹⁾

The group's return on average ordinary shareholders' equity (ROE), excluding goodwill, decreased to below the group's medium- to long-term target, declining from 24,7% to 21,3% for the period. This decline resulted from a reduction in gearing as the group increased its core Tier 1 capital adequacy to position the bank in the current environment, and from a lower return on assets caused mainly by higher retail impairment levels and lower private-equity-related earnings. ROE declined from 21,2% to 18,7%.⁽¹⁾

Headline earnings increased by 6,1% from R2 775 million to R2 943 million for the period to June 2008. Basic earnings grew by 28,6% to R3 597 million (June 2007: R2 798 million).⁽¹⁾

The group's wholesale businesses increased headline earnings, benefiting from favourable trading conditions and good client volumes. However, the group's financial performance was negatively impacted by retail impairment levels rising above the group's through-the-cycle expectations. In addition, market movements in the equity and property markets have negatively impacted private equity valuations. Basic earnings benefited from an after-tax profit of R637 million on the disposal of the group's shares in Visa.

Following the introduction of black economic empowerment (BEE) and management shareholders in Bond Choice, the group reduced its investment in the mortgage originator from 62% to 25,5%. Consequently, Bond Choice is no longer classified as a subsidiary of the group with effect from 1 January 2008.

Net interest income (NII)

NII grew 21,2% to R7 960 million (June 2007: R6 568 million). This increase was driven mainly by the 22,9% growth in average interest-earning banking assets.⁽¹⁾

The net interest margin declined to 3,83% for the period from 3,90% for the period to June 2007 and 3,94% for the year to December 2007. This reduction in margin was in line with expectations as deposit margins were impacted by strong competition for funding. Furthermore, the cost of the bank's funding increased as the proportion of assets funded through wholesale versus retail deposits continued to increase and as the group lengthened the maturity profile of liabilities.⁽¹⁾

Margins on advances declined during the period. This was due to asset mix changes with the growth of lower-risk, lower-margin assets, particularly within the personal loans portfolio. The pressure on home loan margins has begun to slow and wholesale margins on new assets are improving. This pressure on deposit and asset spreads was partially offset by the endowment benefits of higher interest rates.

Impairment charge on loans and advances

The impairment charge to the income statement increased by 86,4% to R1 894 million (June 2007: R1 016 million), resulting in the credit loss ratio increasing from 0,62% in June 2007 to 0,96%. While the credit loss ratios in both Nedbank Corporate and Nedbank Capital remained within through-the-cycle levels, Nedbank Retail and Imperial Bank's credit loss ratios deteriorated further as a result of the rise in interest rates and the increased levels of consumer indebtedness, and are now above expected through-the-cycle ranges.⁽¹⁾

Credit loss ratio (%)	June 2008	June 2007
Nedbank Capital	0,12	(0,09)
Nedbank Corporate	0,15	0,11
Nedbank Retail	2,00	1,35
Imperial Bank	1,75	1,18
Nedbank Group	0,96	0,62

Commentary • continued

Non-interest revenue (NIR)

NIR increased by 4,5% to R4 954 million for the period (June 2007: R4 742 million). Excluding Bond Choice's commission and sundry income in 2007, NIR grew by 10,6% on a like-for-like basis. ⁽¹⁾

The sale of Bond Choice reduced commission and fee income by R261 million. Commission and fee income (excluding Bond Choice) grew by 12,4%. In transactional banking cheque processing fees continued to decline as clients shifted to more secure electronic banking systems. Cash handling fees and transactional-banking volumes grew strongly due to an increase in client numbers as a result of the group's investment in delivery channels from 2006 onwards.

The group's retail Bancassurance and Wealth Division performed well, with headline earnings increasing by 20,5% from R161 million to R194 million in June 2008.

Trading income for the period increased 56,1% to R813 million, benefiting from good client flows as a result of increased volatility in the currency and interest rate markets, and improved equity trading.

Private equity income declined sharply, reflecting the reduced prices in equity and property markets.

NIR from private equity (Rm)	June 2008	June 2007
Nedbank Capital private equity	93	346
Nedbank Corporate property private equity	(40)	147
Total NIR from private equity	53	493

Expenses

Despite high inflation and the increased distribution footprint, expenses continued to be tightly controlled, increasing by 6,6% to R6 651 million (June 2007: R6 238 million). On a like-for-like basis, excluding Bond Choice, expenses increased by 10,1%.

- Staff expenses grew by 4,5%, benefiting from the sale of Bond Choice and an adjustment of R129 million accounting for the growth in the existing pension fund asset and a change in the pension fund rules in terms of International Accounting Standard (IAS) 19.
- Marketing costs increased by 8,4% following the group's successful investment in soccer through the sponsorship of the Nedbank Cup to increase Nedbank brand awareness.
- Information technology costs grew by 14,0%, largely attributable to investment in systems development for business-, compliance- and risk-related projects as well as higher ATM network costs.

The efficiency ratio improved from 55,2% for the first half of 2007 (excluding Bond Choice 54,7%) to 51,5% for the same period in 2008. ⁽¹⁾

The 'jaws' ratio improved to 7,6%, from 3,6% in June 2007, as a result of revenue growth of 14,2% exceeding expense growth of 6,6%. ⁽¹⁾

Associate income

Associate income decreased from R179 million in June 2007 to R84 million. This was primarily as a result of Nedbank Group's R65 million share of the profit on the sale of JSE Limited shares by the BoE Private Clients joint venture in the prior period as well as the sale of the group's interests in Whirlprops and Kimberley Clark during 2007. ⁽¹⁾

Non-trading and capital items

Income after taxation from non-trading and capital items increased from R23 million in June 2007 to R654 million for the period. ⁽¹⁾

The main sources of this income accounted for as a non-headline item were as follows:

- The profit on the sale of Visa shares from the Visa initial public offering in March 2008 and the subsequent disposal of the group's remaining Visa shares in June 2008 resulting in a profit of R637 million after tax.
- In Bond Choice the sale of 26,5% to Kapela Investment Holdings and 10% to an employee trust realising R60,9 million. The sale resulted in a capital profit of R14,5 million after tax.



Balance sheet

Capital

Nedbank Group continues to be well-capitalised, with a Tier 1 capital adequacy ratio of 8,7% (December 2007: 8,0% pro forma Basel II) and a total capital adequacy ratio of 11,7% (December 2007: 11,2% pro forma Basel II). These ratios are now in the upper half of the group's target ranges. The core Tier 1 capital adequacy ratio was 7,4% (December 2007: 6,9% pro forma Basel II).

Advances

Advances increased by 18,3% (annualised) to R408 billion, with strong asset growth across all business units. Details of advances growth by division are as follows:

Rm	June 2008	December 2007	Annualised increase (%)
Nedbank Corporate	167 304	153 718	17,8
Nedbank Capital	55 943	51 233	18,5
Nedbank Retail	143 474	133 492	15,0
Imperial Bank	41 109	35 320	33,0
Other	241	193	50,0
Total	408 071	373 956	18,3

Deposits

Overall deposits increased by 26,1% (annualised) from R385 billion in December 2007 to R435 billion in June 2008, with higher interest rates increasing demand for savings and investment products.⁽¹⁾

Despite strong growth in retail funding, deposit growth was still largely concentrated in the wholesale market. Management has remained focused on optimising the funding mix and profile of the group through utilising alternate funding sources, making a focused effort on the retail and business banking deposit bases, and pricing competitively for term deposits. The group's liquidity position and funding franchise remain strong.

Cluster performance

Nedbank Corporate

Headline earnings increased by 11,8% from R1 344 million for June 2007 to R1 503 million for the period (excluding Bond Choice and Lion Match 15,2%).

The return on risk-adjusted capital (RORAC) increased to 29,5% from 27,7% for June 2007.

The core banking activities of Nedbank Corporate generated headline earnings growth of 30,6%, from R1 153 million to R1 506 million, with all the businesses performing well and reflecting the inherent strength of Nedbank's wholesale banking franchise. Headline earnings grew by 32,7% to R731 million in Business Banking, 44,4% to R286 million in Corporate Banking, 30,3% to R423 million in Property Finance lending activities and 28,2% to R50 million in Nedbank Africa.

After four years of strong levels of profitability, the property private equity investment portfolio felt the impact of the decline in property values.

The credit loss ratio increased from 0,11% to 0,15%. While Corporate Banking and Property Finance remain at low levels of impairment, there has been a small increase in gross levels of impairment in Business Banking.

NIR from core banking activities was up 24,0% and was positively impacted by fair-value gains of R113 million (June 2007: R33 million) that arose largely as a result of the profile of the book and the higher interest rate environment. Within NIR commission and fee income increased by 9,0%, and growth continues to be negatively affected by clients' transition from cheque processing to electronic transactions.

Expenses decreased by 6,8%, with the division benefiting from not having the expenses of Bond Choice and Lion Match in the June 2008 period. Core expenses (excluding Bond Choice and Lion Match) increased by 10,8% due largely to an increase in staff expenses as a result of headcount growth, mainly in client-facing positions, during 2007. Headcount is actively managed to control costs and, at the same time, to retain key staff.

With sound client relationships and a strong pipeline in place, the core banking activities are well-positioned for the second half of 2008, although the downturn in the economy is starting to impact clients, especially in Business Banking, and impairments are consequently expected to increase from a low base.

We anticipate that property investments will continue to feel the impact of higher yields in the short term but, based on the quality of the investment portfolio, we see upside in the medium to longer term.

Nedbank Capital

Headline earnings grew by 20,0% to R600 million, while RORAC decreased from 36,7% to 35,3%.

Trading income increased by 53,4% to R703 million off a low base in 2007. The growth originated from robust client flows due to increased volatility in interest rate and foreign exchange markets, offset to an extent by disappointing performances in Debt Capital Markets and equity trading in the securities business.

Commentary • continued

Investment Banking experienced good deal flow and the current environment has provided positive asset-repricing opportunities.

NIR from private equity decreased 73,0% to R93 million as a result of the effect on valuations of a sharply declining equity market. While this has not been positive for the existing private equity book, the lower equity market has provided good investment opportunities to build the private equity portfolio, and R166 million was invested during the period.

As part of Nedbank Capital's strategy to maintain and build its presence in Africa, regional representative offices in West, East and North Africa are on track to being opened, subject to regulatory approval. In addition, the group is growing the London base. These growth initiatives have contributed to total expenses increasing by 15,2% from R585 million to R675 million.

The attraction and retention of skilled people remain challenging as the pool of skilled professional staff in South Africa continues to decrease. Internationalising the business has assisted in retention of some key staff via secondment to offshore offices.

Nedbank Capital remains committed to its integrated investment-banking strategy and its collaborative culture, which acts as a hedge against tougher conditions as there are multiple points of deal origination and a complete range of banking services can be offered to clients.

The worsening economic environment is expected to have a negative impact on the expansion of client businesses, notably on deal flow in the merger and acquisition market. However, this is balanced by the diminishing influence of offshore private equity houses and the shrinking of access to cheaper debt markets. In addition, international competitors are expected to be less active due to the subprime contagion effect on their balance sheet lending businesses, which creates the opportunity for domestic banks with strong liquidity franchises to reprice assets as well as to gain business in arguably a less competitive environment.

Nedbank Retail

Nedbank Retail's headline earnings declined by 18,6% to R728 million and RORAC decreased from 21,9% to 15,9%.

Nedbank Retail achieved NII growth of 17,1%, which was primarily driven by good advances growth in the Home Loan, Card and Vehicle and Asset Finance Divisions. NIR increased 13,9% with solid performances in Bancassurance and Wealth and card acquiring, and growth of 11,2% in primary clients.

Total revenue growth of 15,8% exceeded expense growth of 12,2%. The credit loss ratio increased significantly by 65 basis points to 2,00%, which had a negative impact on financial performance.

Excluding the profit on the sale of JSE Limited shares in 2007 by BoE Private Clients, income from associates grew by 28,8%.

High inflation, record levels of personal indebtedness and increases in interest rates have put the South African consumer under severe pressure. The erosion of consumers' ability to repay debt has led to the continued deterioration of the retail lending environment. This has placed significant pressure on retail banking, which is expected to continue for the remainder of 2008 and into 2009, and has impacted negatively on advances and deposit growth as well as impairments.

During the past 18 months Nedbank Retail has executed specific strategies appropriate to the current economic environment. These include focusing on pricing, risk control and collections as well as on the quality of new business. Headcount in the collections areas has increased significantly and ongoing system improvements have been undertaken. Appropriate risk management will remain a top priority for management.

During the period Nedbank Retail's incurred but not reported (IBNR) impairment charge changed by the following items, in addition to normal impairments calculated using historical data:

- Impairment provisions raised historically for general data issues amounting to R60 million have been released as they are no longer required following improvements in the quality of data.
- A R30 million release of impairment provisions raised in 2007 for the potential impact of the introduction of the National Credit Act (NCA) on the personal loans book, which has in fact improved over the last 12 months.
- Nedbank Retail continues to hold R140 million of impairment provisions, over and above the system-calculated IBNR, to reflect the effects of the deteriorating economic environment, which, although incurred, are not yet evident.
- The provision raised in 2007 for the move of the default definition from 60 days to 30 days has been increased by R27 million to R139 million.

The integration of Old Mutual Bank into Nedbank has been completed on schedule and the project has delivered all its major objectives and synergy targets.

Nedbank Retail's strategic focus in the second half of the year continues to be as follows:

- Entrenching the strategy of focusing on areas that yield a high economic profit.
- Managing risk and impairments through the economic cycle.
- Expense control, with headcount remaining constant.
- Growing its client base with a specific emphasis on primary clients.
- Transformation.
- Driving the delivery of worldclass service.



Imperial Bank

Headline earnings decreased by 15,6% to R189 million, mainly due to an increase in both impairments and the effective taxation rate. ROE declined from 24,3% to 15,5%. Nedbank Group's share of these earnings was R88 million (June 2007: R107 million), down 17,8%.

Imperial Bank grew loans and advances 33,0% from R35,3 billion to R41,1 billion, following the successful implementation of the National Credit Act requirements. NII increased 18,8% from R682 million to R810 million, reflecting a margin squeeze mainly due to the increased cost of funding. Expenses remained well-controlled, increasing by only 3,5% and resulting in the efficiency ratio improving from 32,0% to 26,8%.

Despite the tougher trading environment and tightening of credit criteria, new-business volumes remained at similar levels to the prior year. Motor Finance benefited from increased financing in the used-car market, while Property Finance had a satisfactory six months although demand for residential development finance is declining as anticipated. Supplier Asset Finance performed in line with expectations, while growth in Medical Finance has been adversely affected by higher interest rates and the level of uncertainty within the economy.

The impairment charge increased from R177 million to R341 million and the credit loss ratio deteriorated from 1,18% to 1,75%. The main contributor to the impairment charge was the Motor Finance Division, which was adversely impacted by increased interest rates and lower values being realised in the used-car market that resulted in the credit loss ratio increasing from 1,93% to 2,65%. The Property, Medical and Supplier Asset Finance Divisions continued to experience acceptable impairment charge levels in line with expectations.

The increase in the effective tax rate from 25,0% to 33,5% is mainly due to the group having fully utilised the benefits of an historic loss. As disclosed, a deferred taxation asset had not been raised historically for this loss.

Imperial Bank anticipates that conditions will remain challenging in the second half of the year, as performance will continue to be impacted by the high interest rate environment.

Nedbank Group and Imperial Holdings Limited have reconfirmed their commitment to Imperial Bank and are currently finalising a revised shareholders' agreement that will formalise the terms of the relationship beyond 2010.

Capital management

The group remains well-capitalised under Basel II. The group Tier 1 capital adequacy ratio and total capital adequacy ratio strengthened to 8,7% and 11,7% respectively. The group's core Tier 1 capital adequacy ratio was 7,4%.

The group's objective is to maintain an efficient capital structure and to ensure that economic capital is held in excess of the requirement for target debt ratings. Capital is not held to support acquisitions.

Surplus capital is held to ensure that an appropriate buffer is maintained after extensive systemic and stress scenario testing is performed to determine the group's optimal capital requirements, which includes the following considerations:

- Organic business growth requirements.
- Needs of stakeholders.
- Target capital adequacy ratios.
- Projected business plans.

During the first six months of 2008 management focused on increasing the group's capital adequacy ratios to ensure that the group's strong capital position is maintained in the tougher economic environment.

In May 2008 Nedbank Limited privately placed an inaugural hybrid Tier 1 issue of R900 million in the domestic market. This was followed with a further R287 million issue, bringing the total issue to R1 187 million by 30 June 2008.

Depending on market conditions, the group plans to issue further hybrid Tier 1 capital instruments and Tier 2 capital. There are no maturities of existing Tier 2 capital in 2008, 2009 or 2010.

Amendments to section 38 of the Companies Act were promulgated at the beginning of this year and the group received shareholder approval at the Nedbank Group annual general meeting in May no longer to be legally required to offer the scrip dividend alternative. Accordingly, the group has decided to offer a cash-only dividend and to increase the dividend cover slightly, within the guidance range of 2,25 to 2,75 times, to maintain the 2007 dividend level.

Prospects

Performance in the second half of 2008 is likely to be influenced by the following:

- Continued slowing of economic growth in South Africa.
- Slowing growth in retail advances.
- Corporate Banking advances growth remaining more resilient.
- Business Banking starting to show signs of slowing advances growth.

Commentary • continued

- An endowment benefit in the margin resulting from the rise in interest rates, offset by margin compression in certain categories of advances and continued reliance on wholesale funding.
- Retail credit loss ratios stabilising, unless market conditions deteriorate further, and worsening credit loss ratios in the Business Banking area.
- Wholesale credit loss ratios remaining below through-the-cycle levels and retail credit loss ratios remaining above through-the-cycle levels.
- Continued focus on cost control.
- Ongoing capital management activities.

The group anticipates this to impact on the group's financial performance in 2008 as follows:

- Advances growth for 2008 to be in the mid-teens.
- Margin compression for the full year on the 2007 margin of between 10 to 15 basis points.
- Credit loss ratios in the wholesale areas to increase from current levels, but to remain below through-the-cycle expectations.
- Retail credit loss ratios to stabilise, unless market conditions deteriorate further.
- NIR growth for the year to be in upper single digits (early double digits, excluding Bond Choice).
- Expense growth for the year to be in upper single digits (early double digits, excluding Bond Choice) and to remain below revenue growth.
- Capital adequacy ratios to improve further.

The group currently expects to show positive earnings growth for the full year. However, in 2008 it is unlikely that the group will meet all its medium- to long-term financial targets. The group forecasts for the year currently indicate the following:

- Growth in diluted headline earnings per share (HEPS) lower than the target of at least average CPIX plus GDP growth plus 5%.
- ROE (excluding goodwill) of less than 10% above the group's monthly weighted average cost of ordinary shareholders' equity.
- The group's credit loss ratio will exceed the upper limit of the target range of 0,85%.
- Solid revenue growth and ongoing disciplined cost management with an efficiency ratio being maintained well below the 55% target.
- The group's capital adequacy ratio will improve further and remain in the top half of our target ranges.
- The group will remain capitalised to a 99,9% confidence interval on an economic-capital basis to a target debt rating of A- with a 10% buffer.
- The group's dividend cover will remain within its range of between 2,25 and 2,75 times.

The group still expects to achieve its medium- to long-term financial targets over time.

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

Board changes

As previously reported Cedric Savage retired as an independent non-executive director (14 May 2008) and Barry Davison resigned as an independent non-executive director (2 August 2008).

Accounting policies

Nedbank Group Limited is a company domiciled in South Africa. The consolidated interim financial results of the company at and for the half year ended 30 June 2008 comprised the company and its subsidiaries (together referred to as the 'group') and the group's interests in associates and jointly controlled entities.

Nedbank Group's principal accounting policies have been applied consistently over the current and prior financial years.

Nedbank Group's consolidated interim financial results have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and the presentation and disclosure requirements of IAS 34: Interim Financial Reporting.

In the preparation of these financial results the group has applied key assumptions concerning the future and other indeterminate sources in recording various assets and liabilities. These assumptions were applied consistently to both the company and group financial statements for the six months ended 30 June 2008. These assumptions are subject to ongoing review and possible amendments.

The selected explanatory notes, provided in accordance with IAS 34, are marked with ⁽¹⁾.

Reviewed results – auditors' opinion

KPMG Inc and Deloitte & Touche, Nedbank Group's independent auditors, have reviewed the consolidated interim financial results contained in this interim report and have expressed an unmodified conclusion on the consolidated interim financial results. The review report is available for inspection at Nedbank Group's registered office.

Forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition and results of operations of Nedbank Group and its group companies, which by their nature involve risk and uncertainty because they relate to events and depend on circumstances that may 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; and competitive and regulatory factors.

Interim dividend declaration

Notice is hereby given that an interim dividend of 310 cents per ordinary share has been declared, payable to shareholders for the six months ended 30 June 2008. 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, 5 September 2008
Shares commence trading (ex dividend)	Monday, 8 September 2008
Record date (date shareholders recorded in books)	Friday, 12 September 2008
Payment date	Monday, 15 September 2008

Shares may not be dematerialised or rematerialised between Monday, 8 September 2008, and Friday, 12 September 2008, both days inclusive.

On Monday, 15 September 2008, 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, 15 September 2008, will be posted on that date.

Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 15 September 2008.

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	TA Boardman
<i>Chairman</i>	<i>Chief Executive</i>

6 August 2008

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Directors:

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* Executive ** Senior independent non-executive director

Company Secretary: GS Nienaber

Reg No: 1966/010630/06

JSE share code: NED

NSX share code: NBK

ISIN: ZAE000004875

Sponsors: Merrill Lynch South Africa (Pty) Limited
Nedbank Capital

Sponsor in Namibia: Old Mutual Investment Services (Namibia) (Pty) Limited

This announcement is available on the group's website – www.nedbankgroup.co.za – together with the following additional information:

- Detailed financial information in HTML and PDF formats.
- Financial results presentation to analysts.
- Link to a webcast of the presentation to analysts.

For further information kindly contact Nedbank Group Investor Relations by email at nedbankgroupir@nedbank.co.za.

Financial highlights

at

		% Change	30 June 2008	30 June 2007	31 December 2007
Statistics					
Number of shares listed	m		466,6	456,4	459,3
Number of shares in issue excluding shares held by group entities	m		406,2	399,6	401,9
Weighted average number of shares	m		403,6	396,7	398,7
Diluted weighted average number of shares	m		409,1	412,6	414,4
Headline earnings per share	cents	4,1	729	700	1 485
Diluted headline earnings per share	cents	6,8	719	673	1 429
Basic earnings per share	cents	26,4	891	705	1 511
Diluted basic earnings per share	cents	29,6	879	678	1 454
Ordinary dividends declared per share	cents		310	310	660
– Interim			310	310	310
– Final					350
Dividend paid per share	cents		350	284	594
Dividend cover	times		2,35	2,26	2,25
Net asset value per share	cents	18,1	8 155	6 903	7 513
Tangible net asset value per share	cents	20,4	6 817	5 661	6 207
Closing share price	cents	(30,2)	9 211	13 200	13 600
Price-earnings ratio	historical		6	10	9
Market capitalisation	Rbn	(28,6)	43,0	60,2	62,5
Number of employees			26 982	25 992	26 522
Key ratios (%)					
Return on ordinary shareholders' equity (ROE)			18,7	21,2	21,4
ROE excluding goodwill			21,3	24,7	24,8
Return on total assets (ROA)			1,14	1,26	1,30
Net interest income to average interest-earning banking assets			3,83	3,90	3,94
Non-interest revenue to total income			38,4	41,9	42,5
Credit loss ratio*			0,96	0,62	0,62
Efficiency ratio			51,5	55,2	54,9
Efficiency ratio (excluding BEE transaction expenses)			50,7	54,4	54,3
Effective taxation rate			23,8	25,3	26,3
Group capital adequacy ratios: Basel I					
Tier 1				8,3	8,3
Total				12,4	12,2
Group capital adequacy ratios: Basel II					
Tier 1			8,7		8,0
Total			11,7		11,2
Balance sheet statistics (Rm)					
Total equity attributable to equity holders of the parent		20,1	33 127	27 585	30 193
Total equity			38 098	32 474	35 125
Amounts owed to depositors			435 209	356 640	384 541
Loans and advances*		20,4	408 071	338 907	373 956
Gross*			414 973	344 436	380 034
Impairment of loans and advances			(6 902)	(5 529)	(6 078)
Total assets		19,1	549 007	460 832	488 856
Assets under management			87 981	93 855	85 438
Total assets administered by the group		14,8	636 988	554 687	574 294

* June 2007 reclassified.



Consolidated income statement

for the period ended

Rm	Note	% Change	30 June 2008	30 June 2007	31 December 2007
Interest and similar income		39,6	26 633	19 075	42 001
Interest expense and similar charges		49,3	18 673	12 507	27 855
Net interest income	1	21,2	7 960	6 568	14 146
Impairments charge on loans and advances	2	86,4	1 894	1 016	2 164
Income from lending activities		9,3	6 066	5 552	11 982
Non-interest revenue	3	4,5	4 954	4 742	10 446
Operating income		7,1	11 020	10 294	22 428
Total expenses	4	6,6	6 651	6 238	13 489
Operating expenses		6,3	6 543	6 157	13 341
BEE transaction expenses		33,3	108	81	148
Indirect taxation		43,6	191	133	305
Profit from operations before non-trading and capital items		6,5	4 178	3 923	8 634
Non-trading and capital items			764	21	111
Profit on sale of subsidiaries, investments and property and equipment			764	23	118
Net impairment of investments, property and equipment and capitalised development costs				(2)	(7)
Profit from operations		25,3	4 942	3 944	8 745
Share of profits of associates and joint ventures	10	(53,1)	84	179	239
Profit before direct taxation		21,9	5 026	4 123	8 984
Total direct taxation	5	8,5	1 124	1 036	2 343
Direct taxation			1 014	1 038	2 336
Taxation on non-trading and capital items			110	(2)	7
Profit for the period		26,4	3 902	3 087	6 641
Attributable to:					
Profit attributable to equity holders of the parent			3 597	2 798	6 025
Profit attributable to minority interest – ordinary shareholders	6		136	160	344
– preference shareholders	7		169	129	272
Profit for the period			3 902	3 087	6 641
Earnings reconciliation					
Profit attributable to equity holders of the parent		28,6	3 597	2 798	6 025
Less: Non-headline earnings items			654	23	104
Non-trading and capital items			764	21	111
Taxation on non-trading and capital items			(110)	2	(7)
Headline earnings		6,1	2 943	2 775	5 921

Consolidated balance sheet

at

Rm	Note	30 June 2008	30 June 2007	31 December 2007
Assets				
Cash and cash equivalents		11 550	14 563	10 344
Other short-term securities*		29 335	26 229	25 793
Derivative financial instruments		16 759	9 446	9 047
Government and other securities		36 524	25 310	29 637
Loans and advances*	8	408 071	338 907	373 956
Other assets*		12 848	15 011	9 313
Clients' indebtedness for acceptances		3 130	2 666	2 251
Current taxation receivable		28	851	59
Investment securities	9	8 994	8 308	8 318
Non-current assets held for sale		32	559	31
Investments in associate companies and joint ventures	10	1 012	1 106	978
Deferred taxation asset		96	56	25
Investment property		180	167	171
Property and equipment		3 925	3 460	3 929
Long-term employee benefit assets		1 597	1 494	1 393
Computer software and capitalised development costs	11.1	1 497	1 260	1 349
Mandatory reserve deposits with central bank		9 489	7 736	8 364
Goodwill	11.2	3 940	3 703	3 898
Total assets		549 007	460 832	488 856
Equity and liabilities				
Ordinary share capital		406	400	402
Ordinary share premium		11 204	10 406	10 721
Reserves		21 517	16 779	19 070
Total equity attributable to equity holders of the parent		33 127	27 585	30 193
Minority shareholders' equity attributable to				
– ordinary shareholders	6	1 550	1 458	1 511
– preference shareholders	7	3 421	3 431	3 421
Total equity		38 098	32 474	35 125
Derivative financial instruments		17 211	11 636	11 432
Amounts owed to depositors	13	435 209	356 640	384 541
Other liabilities		32 604	36 606	34 225
Liabilities under acceptances		3 130	2 666	2 251
Current taxation liabilities		295	303	337
Other liabilities held for sale			467	
Deferred taxation liabilities		1 820	1 998	1 616
Long-term employee benefit liabilities		1 265	1 231	1 157
Investment contract liabilities		6 425	5 783	5 846
Long-term debt instruments	14	12 950	11 028	12 326
Total liabilities		510 909	428 358	453 731
Total equity and liabilities		549 007	460 832	488 856
Guarantees on behalf of clients		20 475	18 533	20 579

* Collateral balances of R5 570 million previously included in other assets have been reclassified to other short-term securities (R2 003 million) and loans and advances (R3 567 million) in June 2007.



Condensed consolidated cash flow statement

for the period ended

Rm	30 June 2008	30 June 2007	31 December 2007
Cash generated by operations	6 570	5 630	12 453
Change in funds for operating activities	(1 951)	(1 592)	(10 691)
Net cash generated from operating activities before taxation	4 619	4 038	1 762
Taxation paid	(1 198)	(1 390)	(2 419)
Cash flows from/(utilised in) operating activities	3 421	2 648	(657)
Cash flows utilised in investing activities	(592)	(1 572)	(2 063)
Cash flows (utilised in)/from financing activities	(498)	1 917	2 122
Net increase/(decrease) in cash and cash equivalents	2 331	2 993	(598)
Cash and cash equivalents at the beginning of the period*	18 708	19 306	19 306
Cash and cash equivalents at the end of the period*	21 039	22 299	18 708

* Including mandatory reserve deposits with central bank.

Group statement of changes in total shareholders' equity

for the period ended

Rm	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Reserves not available for distribution	Foreign currency translation reserve	Property revaluation reserve
Balance at 31 December 2006	394 685 482	395	9 727	93	281	485
Shares issued for options exercised under Employee Incentive Schemes	2 292 492	2	331			
Shares issued in terms of capitalisation award	3 121 149	3	419			
Shares issued in terms of BEE transaction	70 172		10			
Share issue expenses			1			
Preference shares issued by subsidiary						
Shares repurchased by subsidiary						
Shares acquired by group entities	(5 171)		(1)			
Shares acquired by BEE trusts	(547 300)		(81)			
Preference share dividend paid						
Ordinary minority shareholders' share of preference dividend paid						
Dividends paid to ordinary shareholders						
Total income and expenses for the year		–	–	20	50	(9)
Profit for the period						
Net (expenses)/income recognised directly in equity		–	–	20	50	(9)
Transfer (to)/from reserves						
Release of reserve previously not available***				152		(9)
Foreign currency translation reserve movements				(132)		
Available-for-sale reserve movements					50	
Share-based payments reserve movements						
Other movements						
Balance at 30 June 2007	399 616 824	400	10 406	113	331	476
Shares issued for options exercised under Employee Incentive Schemes	1 200 829	1	168			
Shares issued in terms of capitalisation award	1 708 877	2	227			
Shares issued in terms of BEE transaction			6			
Share issue expenses			(2)			
Shares acquired by BEE trusts	(585 131)	(1)	(84)			
Preference share dividend paid						
Preference share cumulative dividend paid						
Ordinary minority shareholders' share of preference dividend paid						
Dividends paid to ordinary shareholders						
Total income and expenses for the year		–	–	–	(75)	372
Profit for the period						
Net (expenses)/income recognised directly in equity		–	–	–	(75)	372
Transfer (to)/from reserves						
Release of reserve previously not available***				87	(22)	(5)
Foreign currency translation reserve movements				(87)		
Available-for-sale reserve movements					(53)	
Revaluation of property						374
Acquisition of subsidiary						3
Buy-out of minority						
Sale of subsidiary						
Share-based payments reserve movements						
Other movements						
Balance at 31 December 2007	401 941 399	402	10 721	113	256	848
Shares issued for options exercised under Employee Incentive Schemes	858 953	1	100			
Shares issued in terms of capitalisation award	4 039 422	4	383			
Shares issued in terms of BEE transaction	2 395 830	2	510			
Shares acquired by BEE trusts	(3 052 127)	(3)	(510)			
Preference share dividend paid						
Ordinary minority shareholders' share of preference dividend paid						
Dividends paid to ordinary shareholders						
Total income and expenses for the year		–	–	(106)	272	(5)
Profit for the period						
Net (expenses)/income recognised directly in equity		–	–	(106)	272	(5)
Transfer (to)/from reserves						
Release of reserve previously not available***				(52)		(9)
Foreign currency translation reserve movements				(54)		
Available-for-sale reserve movements					272	
Revaluation of property						4
Sale of subsidiary						
Share-based payments reserve movements						
Other movements						
Balance at 30 June 2008	406 183 477	406	11 204	7	528	843

* 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.

*** Relates to differences between the market price and the exercise price of the options granted to employees that were exercised during the current year.



Share-based payment reserve	Other non-distributable reserves*	Available-for-sale reserve	Other distributable reserves**	Total equity attributable to equity holders of the parent	Minority shareholders' equity attributable to ordinary shareholders	Minority shareholders' equity attributable to preference shareholders	Total shareholders' equity
636	358	175	12 966	25 116	1 202	3 070	29 388
				333			333
				422			422
				10			10
				1		(3)	(2)
				-		364	364
				-	150		150
				(1)			(1)
				(81)			(81)
				-		(135)	(135)
				-	(6)	6	-
			(1 142)	(1 142)	(28)		(1 170)
111	(22)	56	2 721	2 927	140	129	3 196
			2 798	2 798	160	129	3 087
111	(22)	56	(77)	129	(20)	-	109
(55)	(23)	7	(72)	-			-
				(132)			(132)
		49		50	(23)		27
				49			49
166				166			166
	1		(5)	(4)	3		(1)
747	336	231	14 545	27 585	1 458	3 431	32 474
				169			169
				229			229
				6			6
				(2)		-	(2)
				(85)			(85)
				-		(150)	(150)
				-		(10)	(10)
				-	(7)	7	-
			(1 260)	(1 260)	(13)		(1 273)
127	129	(97)	3 095	3 551	73	143	3 767
			3 227	3 227	184	143	3 554
127	129	(97)	(132)	324	(111)	-	213
(36)	126	(10)	(140)	-			-
				(87)			(87)
				(53)	(18)		(71)
		(87)		(87)			(87)
				374			374
				3			3
				-	(21)		(21)
				-	(81)		(81)
163				163			163
	3		8	11	9		20
874	465	134	16 380	30 193	1 511	3 421	35 125
				101			101
				387			387
				512			512
				(513)			(513)
				-		(176)	(176)
				-	(7)	7	-
			(1 440)	(1 440)	(73)		(1 513)
48	(284)	(24)	3 986	3 887	119	169	4 175
			3 597	3 597	136	169	3 902
48	(284)	(24)	389	290	(17)	-	273
(34)	(284)		379	-			-
				(54)			(54)
				272	13		285
		(24)		(24)			(24)
				4			4
				-	(29)		(29)
82				82			82
			10	10	(1)		9
922	181	110	18 926	33 127	1 550	3 421	38 098

Reconciliation of shares in issue and share premium for the period ended

Ordinary share capital and premium

	30 June 2008				31 December 2007			
	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	466,6	14 444	467	13 977	459,3	13 668	459	13 209
Less treasury shares held	60,4	2 834	61	2 773	57,4	2 545	57	2 488
Bought back – capital management								
Executed H2 2005	1,0	100	1	99	1,0	100	1	99
Executed H1 2006	5,5	616	6	610	5,5	616	6	610
Executed H2 2006	8,2	897	8	889	8,2	897	8	889
	14,7	1 613	15	1 598	14,7	1 613	15	1 598
BEE transaction shares	43,1	938	43	895	42,4	929	42	887
Employee restricted shares	2,3	280	3	277				
Other shares held by group entities	0,3	3		3	0,3	3		3
Net shares reported	406,2	11 610	406	11 204	401,9	11 123	402	10 721

Share buybacks and treasury shares

	Price R	Shares m	Value Rm
BEE transaction shares		43,1	938
Other shares held by group entities		2,6	283
Bought back – capital management	109,04	14,7	1 613
Executed H2 2005	97,19	1,0	100
Executed H1 2006	111,65	5,5	616
Executed H2 2006	109,15	8,2	897
Total		60,4	2 834



Earnings per share and weighted average shares

Earnings per share	Basic	Basic diluted	Headline	Headline diluted
June 2008				
Earnings for the period	3 597	3 597	2 943	2 943
Weighted average number of ordinary shares	403 621 069	409 114 221	403 621 069	409 114 221
Earnings per share (cents)	891	879	729	719
June 2007				
Earnings for the period	2 798	2 798	2 775	2 775
Weighted average number of ordinary shares	396 717 563	412 615 117	396 717 563	412 615 117
Earnings per share (cents)	705	678	700	673
December 2007				
Earnings for the period	6 025	6 025	5 921	5 921
Weighted average number of ordinary shares	398 746 512	414 405 412	398 746 512	414 405 412
Earnings per share (cents)	1 511	1 454	1 485	1 429

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 R113,68 (the SBP charge to come represents the value of services to be received by Nedbank group in exchange for these potential shares).

	June 2008		June 2007	December 2007
	Potential shares	Weighted average dilutive shares	Weighted average dilutive shares	Weighted average dilutive shares
Traditional schemes	23 515	3 045	6 313	5 837
Nedcor share incentive trust (1994)	4 270	1 321	3 167	2 627
Nedbank group options scheme (2005)	18 624	1 504	2 783	2 796
Matched shares scheme	621	220	363	414
BEE schemes – South Africa	30 984	2 443	9 462	9 812
Black Business Partners	7 891		2 710	2 631
Non-executive directors	575	81	228	225
Retail	5 724	1 338	1 778	2 051
Corporate	10 231		3 110	3 243
Black Executives	1 072	222	340	377
Black Management	5 491	802	1 296	1 285
BEE schemes – Namibia	448	5	123	10
Black Business Partners	200		78	
Affinity Groups	74		39	
Education	99			
Black Management	75	5	6	10
Total	54 947	5 493	15 898	15 659

Nedbank Group: categories of financial instruments

as at 30 June 2008

Rm	Total	At fair value through profit or loss	
		Held for trading	Designated
Assets			
Cash and cash equivalents	11 550		
Other short-term securities	29 335	13 143	7 955
Derivative financial instruments	16 759	16 759	
Government and other securities	36 524	5 848	6 271
Loans and advances	408 071	24 277	24 740
Other assets	12 848	3 801	235
Clients' indebtedness for acceptances	3 130		
Current taxation receivable	28		
Investment securities	8 994		8 703
Non-current assets held for sale	32		
Investment in associate companies and joint ventures	1 012		
Deferred taxation asset	96		
Investment property	180		
Property and equipment	3 925		
Post-employment assets	1 597		
Computer software and capitalised development costs	1 497		
Mandatory reserve deposits with central bank	9 489		
Goodwill	3 940		
Total assets	549 007	63 828	47 904
Total equity and liabilities			
Ordinary share capital	406		
Ordinary share premium	11 204		
Reserves	21 517		
Total equity attributable to equity holders	33 127	–	–
Minority shareholders' equity attributable to ordinary shareholders	1 550		
Minority shareholders' equity attributable to preference shareholders	3 421		
Total equity	38 098	–	–
Derivative financial instruments	17 211	17 211	
Amounts owed to depositors	435 209	23 350	77 830
Other liabilities	32 604	24 784	29
Liabilities under acceptances	3 130		
Current taxation liabilities	295		
Non-current liabilities held for sale	–		
Deferred taxation liabilities	1 820		
Post-employment liability	1 265		
Investment contract liabilities	6 425		6 425
Long-term debt instruments	12 950		7 602
Total liabilities	510 909	65 345	91 886
Total equity and liabilities	549 007	65 345	91 886

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
		11 550		
6 839	1 398			3 130
447	18 895	5 063		28
		359 054		32
		8 812		1 012
291				96
				180
				3 925
				1 597
				1 497
		9 489		3 940
7 577	20 293	393 968	–	15 437
				406
				11 204
				21 517
–	–	–		33 127
				1 550
				3 421
–	–	–		38 098
			334 029	
			7 791	
				3 130
				295
				1 820
				1 265
			5 348	
–	–	–	347 168	6 510
–	–	–	347 168	44 608

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

as at 30 June 2007

Rm	Total	At fair value through profit or loss	
		Held for trading	Designated
Assets			
Cash and cash equivalents	14 563		
Other short-term securities	26 229	12 927	6 534
Derivative financial instruments	9 446	9 446	
Government and other securities	25 310	5 222	11 673
Loans and advances	338 907	22 929	24 638
Other assets	15 011	4 505	237
Clients' indebtedness for acceptances	2 666		
Current taxation receivable	851		
Investment securities	8 308		7 904
Non-current assets held for sale	559		
Investment in associate companies and joint ventures	1 106		
Deferred taxation asset	56		
Investment property	167		
Property and equipment	3 460		
Post-employment assets	1 494		
Computer software and capitalised development costs	1 260		
Mandatory reserve deposits with central bank	7 736		
Goodwill	3 703		
Total assets	460 832	55 029	50 986
Total equity and liabilities			
Ordinary share capital	400		
Ordinary share premium	10 406		
Reserves	16 779		
Total equity attributable to equity holders	27 585	–	–
Minority shareholders' equity attributable to ordinary shareholders	1 458		
Minority shareholders' equity attributable to preference shareholders	3 431		
Total equity	32 474	–	–
Derivative financial instruments	11 636	11 636	
Amounts owed to depositors	356 640	15 371	24 806
Other liabilities	36 606	27 910	
Liabilities under acceptances	2 666		
Current taxation liabilities	303		
Non-current liabilities held for sale	467		
Deferred taxation liabilities	1 998		
Post-employment liability	1 231		
Investment contract liabilities	5 783		5 783
Long-term debt instruments	11 028		6 642
Total liabilities	428 358	54 917	37 231
Total equity and liabilities	460 832	54 917	37 231

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
		14 563		
6 768				
196	2 398	5 821		
		291 340		
		10 269		2 666
				851
404				559
				1 106
				56
				167
				3 460
				1 494
				1 260
		7 736		3 703
7 368	2 398	329 729	–	15 322
				400
				10 406
				16 779
–	–	–		27 585
				1 458
				3 431
–	–	–		32 474
			316 463	
			8 696	
				2 666
				303
				467
				1 998
				1 231
			4 386	
–	–	–	329 545	6 665
–	–	–	329 545	39 139

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

as at 31 December 2007

Rm	Total	At fair value through profit or loss	
		Held for trading	Designated
Assets			
Cash and cash equivalents	10 344		
Other short-term securities	25 793	14 574	4 243
Derivative financial instruments	9 047	9 047	
Government and other securities	29 637	5 087	12 245
Loans and advances	373 956	26 005	22 930
Other assets	9 313	3 715	243
Clients' indebtedness for acceptances	2 251		
Current taxation receivable	59		
Investment securities	8 318		8 004
Non-current assets held for sale	31		
Investment in associate companies and joint ventures	978		
Deferred taxation asset	25		
Investment property	171		
Property and equipment	3 929		
Post-employment assets	1 393		
Computer software and capitalised development costs	1 349		
Mandatory reserve deposits with central bank	8 364		
Goodwill	3 898		
Total assets	488 856	58 428	47 665
Total equity and liabilities			
Ordinary share capital	402		
Ordinary share premium	10 721		
Reserves	19 070		
Total equity attributable to equity holders	30 193	–	–
Minority shareholders' equity attributable to ordinary shareholders	1 511		
Minority shareholders' equity attributable to preference shareholders	3 421		
Total equity	35 125	–	–
Derivative financial instruments	11 432	11 432	
Amounts owed to depositors	384 541	16 147	54 447
Other liabilities	34 225	26 610	
Liabilities under acceptances	2 251		
Current taxation liabilities	337		
Non-current liabilities held for sale	–		
Deferred taxation liabilities	1 616		
Post-employment liability	1 157		
Investment contract liabilities	5 846		5 846
Long-term debt instruments	12 326		7 725
Total liabilities	453 731	54 189	68 018
Total equity and liabilities	488 856	54 189	68 018

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
		10 344		
5 984	992			
241	6 219	5 845		
		325 021		
		5 355		2 251
				59
314				31
				978
				25
				171
				3 929
				1 393
				1 349
		8 364		3 898
6 539	7 211	354 929	–	14 084
				402
				10 721
				19 070
–	–	–	–	30 193
				1 511
				3 421
–	–	–	–	35 125
			313 947	
			7 615	
				2 251
				337
				1 616
				1 157
			4 601	
–	–	–	326 163	5 361
–	–	–	326 163	40 486

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.

Return on equity drivers

for the period ended

Rm	June 2008	June 2007	December 2007	
Net interest income	7 960	6 568	14 146	Net interest income/average interest-earning banking assets
Impairment of loans and advances	(1 894)	(1 016)	(2 164)	Impairments/average interest-earning banking assets
Non-interest revenue	4 954	4 742	10 446	Non-interest revenue/average interest-earning banking assets
Income from normal operations	11 020	10 294	22 428	
Total operating expenses	(6 651)	(6 238)	(13 489)	Total expenses/average interest-earning banking assets
Share of profits of associates and joint ventures	84	179	239	Associate income/average interest-earning banking assets
Net profit before taxation	4 453	4 235	9 178	
Indirect taxation	(191)	(133)	(305)	
Direct taxation	(1 014)	(1 038)	(2 336)	1 – effective taxation rate
Net profit after taxation	3 248	3 064	6 537	
Minority interest	(305)	(289)	(616)	Income attributable to minorities
Headline earnings	2 943	2 775	5 921	Headline earnings
Daily average interest-earning banking assets*	417 843	340 022	358 824	
Daily average total assets*	457 050	381 755	399 049	Interest-earning banking assets/simple average total assets
Simple average total assets	518 932	442 872	456 884	Return on total assets
Simple average shareholders' funds	31 660	26 351	27 655	Gearing
				Return on ordinary shareholders' equity

* Average calculated on a 365/366-day basis.

+ Annualised.



June 2008*	June 2007*	December 2007
<p>3,83% less 0,91% → 5,30% add 2,38%</p> <p>Impairments/ NII 23,8%</p>	<p>3,90% less 0,60% → 6,11% add 2,81%</p> <p>Impairments/ NII 15,4%</p>	<p>3,94% less 0,60% → 6,25% add 2,91%</p> <p>Impairments/ NII 15,2%</p>
<p>less 3,20%</p> <p>add 0,04%</p> <p>Efficiency ratio 51,5%</p>	<p>less 3,70%</p> <p>add 0,11%</p> <p>Efficiency ratio 55,2%</p>	<p>less 3,76%</p> <p>add 0,07%</p> <p>Efficiency ratio 54,9%</p>
<p>2,14%</p> <p>multiply</p> <p>0,73</p> <p>multiply</p> <p>0,91</p> <p>1,42%</p>	<p>2,52%</p> <p>multiply</p> <p>0,72</p> <p>multiply</p> <p>0,91</p> <p>1,65%</p>	<p>2,56%</p> <p>multiply</p> <p>0,71</p> <p>multiply</p> <p>0,91</p> <p>1,65%</p>
<p>multiply 80,5%</p> <p>=</p> <p>1,14%</p> <p>multiply 16,39</p> <p>=</p> <p>18,7%</p>	<p>multiply 76,8%</p> <p>=</p> <p>1,26%</p> <p>multiply 16,81</p> <p>=</p> <p>21,2%</p>	<p>multiply 78,5%</p> <p>=</p> <p>1,30%</p> <p>multiply 16,52</p> <p>=</p> <p>21,4%</p>

Operational segmental reporting

for the period ended

	Nedbank Group			Nedbank Corporate			Nedbank Capital		
	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
Balance sheet (Rbn)									
Assets									
Cash and cash equivalents	21	22	19	2	2	1	5	9	5
Other short-term securities	29	26	26	1	1	1	16	18	17
Derivative financial instruments	17	9	9				17	9	9
Government and other securities	37	25	30	3	1	1	13	21	22
Advances and other accounts	408	339	374	167	143	154	56	42	51
Other assets	37	40	31	5	6	5	9	12	6
Intergroup assets				50	30	47	57	38	34
Total assets	549	461	489	228	183	209	173	149	144
Equity and liabilities									
Amounts owed to depositors	435	357	385	213	169	194	125	103	101
Other liabilities	46	48	46	5	4	5	28	32	29
Derivative financial instruments	17	12	11				17	11	11
Intergroup liabilities									
Long-term debt instruments	13	11	12						
Allocated capital	38	33	35	10	10	10	3	3	3
Total equity and liabilities	549	461	489	228	183	209	173	149	144
Income statement (Rm)									
Net interest income	7 960	6 568	14 146	2 874	2 449	5 175	443	242	545
Impairment charge on loans and advances	1 894	1 016	2 164	119	75	158	35	(21)	25
Income from lending activities	6 066	5 552	11 982	2 755	2 374	5 017	408	263	520
Non-interest revenue	4 954	4 742	10 446	1 199	1 565	3 198	941	915	2 135
Operating income	11 020	10 294	22 428	3 954	3 939	8 215	1 349	1 178	2 655
Total expenses	6 651	6 238	13 489	1 917	2 057	4 478	675	586	1 284
Operating expenses	6 543	6 157	13 341	1 900	2 042	4 446	660	572	1 253
BEE transaction expenses	108	81	148	17	15	32	15	14	31
Indirect taxation	191	133	305	22	14	29	11	12	21
Profit/(Loss) from operations	4 178	3 923	8 634	2 015	1 868	3 708	663	580	1 350
Share of profits of associates and joint ventures	84	179	239	8	53	54		1	1
Profit/(Loss) before direct taxation	4 262	4 102	8 873	2 023	1 921	3 762	663	581	1 351
Direct taxation	1 014	1 038	2 336	499	546	1 062	63	81	177
Profit/(Loss) after taxation	3 247	3 064	6 537	1 524	1 375	2 700	600	500	1 174
Minority interest income attributable to – ordinary shareholders	136	160	344	21	31	68			
– preference shareholders	168	129	272						
Headline earnings	2 943	2 775	5 921	1 503	1 344	2 632	600	500	1 174
Selected Ratios*									
Average interest-earning banking assets (Rbn)	418	340	359	218	175	183	92	75	81
Return on average assets (%)	1.1	1.3	1.3	1.4	1.5	1.4	0.8	0.8	0.9
Return on risk-adjusted capital (%)	18.7	21.2	21.4	29.5	27.7	26.4	35.3	36.7	40.7
Interest margin (%)	3.83	3.90	3.94	2.65	2.82	2.82	0.97	0.65	0.68
Non-interest revenue to gross income (%)	38.4	41.9	42.5	29.4	39.0	38.2	68.0	79.1	79.6
Credit loss ratio (%)	0.96	0.62	0.62	0.15	0.11	0.11	0.12	(0.09)	0.05
Efficiency ratio (%)	51.5	55.2	54.9	47.1	51.2	53.5	48.8	50.6	47.9
Efficiency ratio (excluding BEE) (%)	50.7	54.4	54.3	46.7	50.9	53.1	47.7	49.4	46.7
Effective taxation rate (%)	23.8	25.3	26.3	24.7	28.4	28.2	9.5	14.0	13.2
Number of employees	26 982	25 992	26 522	6 296	6 044	6 143	667	621	625

+ These ratios were calculated on simple average amounts.

* These ratios (unless otherwise stated) were calculated using amounts to Rm to provide more accurate information.



Nedbank Retail			Imperial Bank			Shared Services			Central Management			Eliminations		
30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
2	1	2	1	1	1		1	1	11	8	9			
8	7	7		1	1				4	(1)				
143	123	133	41	32	35				21	3	7			
14	11	12	1		1	6	6	6	2	(1)	1			
									1	5	1			
										6	2	(107)	(74)	(83)
167	142	154	43	34	38	6	7	7	39	20	20	(107)	(74)	(83)
96	83	87	1	1	2					1	1			
9	8	9		1		3	3	3	1					
51	43	48	38	29	32	2	3	3	16	1		(107)	(74)	(83)
2		2	1	1	1				10	(1)	9			
9	8	8	3	2	3	1	1	1	12	10	10			
										9	10			
167	142	154	43	34	38	6	7	7	39	20	20	(107)	(74)	(83)
3 705	3 164	6 745	810	682	1 491	(115)	(94)	(250)	243	125	440			
1 414	787	1 572	341	177	412		(3)	(4)	(15)	1	1			
2 291	2 377	5 173	469	505	1 079	(115)	(91)	(246)	258	124	439	-	-	-
2 635	2 313	4 851	74	36	128	174	156	408	(33)	(113)	(27)	(36)	(130)	(247)
4 926	4 690	10 024	543	541	1 207	59	65	162	225	11	412	(36)	(130)	(247)
3 876	3 455	7 367	237	229	489	41	59	115	(59)	(18)	3	(36)	(130)	(247)
3 842	3 434	7 325	237	229	489	18	28	67	(78)	(18)	8	(36)	(130)	(247)
34	21	42				23	31	48	19		(5)			
87	68	135	22	12	34	47	25	87	2	2	(1)			
963	1 167	2 522	284	300	684	(29)	(19)	(40)	282	27	410	-	-	-
76	124	184								1				
1 039	1 291	2 706	284	300	684	(29)	(19)	(40)	282	28	410	-	-	-
290	380	794	95	75	205	(56)	(60)	(25)	123	16	123			
749	911	1 912	189	225	479	27	41	(15)	159	12	287	-	-	-
21	17	36	94	112	239				162	1	1			
			7	6	13					123	259			
728	894	1 876	88	107	227	27	41	(15)	(3)	(111)	27	-	-	-
148	122	129	39	30	33				17	7	7	(96)	(69)	(74)
0.9	1.4	1.3	0.9	1.4	1.4									
15.9	21.9	22.1	15.5	24.3	23.9									
5.05	5.24	5.23	4.18	4.52	4.59									
41.6	42.2	41.8	8.4	5.0	7.9									
2.00	1.35	1.26	1.75	1.18	1.28									
61.1	63.1	63.5	26.8	32.0	30.2									
60.6	62.7	63.2	26.8	32.0	30.2									
27.8	29.4	29.4	33.5	25.0	30.0									
15 949	15 084	15 356	1 073	942	1 008	2 959	3 280	3 369	38	21	21			

Nedbank Corporate segmental report

for the period ended

June 2008	Corporate banking	Business banking
Headline earnings (Rm)	286	731
Return on risk-adjusted capital (%)	32,1	34,8
Return on average assets (%)	0,42	1,87
Credit loss ratio (%)	0,01	0,34
Efficiency ratio (%)	54,47	46,55
Total assets (Rm)	149 483	80 821
Average total assets (Rm)	138 542	78 411
Total advances (Rm)	55 056	55 289
Average total advances (Rm)	51 669	53 283
Total deposits (Rm)	131 387	69 989
Average total deposits (Rm)	123 430	69 733
Allocated capital (Rm)	1 789	4 224

* Includes Bond Choice, Lion Match, Centralised Credit, Risk and Finance, Shared Services, Transactional Banking and eliminations.

June 2007

Headline earnings (Rm)	198	551
Return on risk-adjusted capital (%)	24,9	31,2
Return on average assets (%)	0,35	1,60
Credit loss ratio (%)	0,04	0,35
Efficiency ratio (%)	58,68	51,64
Total assets (Rm)	111 261	73 858
Average total assets (Rm)	114 471	69 505
Total advances (Rm)	46 745	48 848
Average total advances (Rm)	46 531	45 026
Total deposits (Rm)	95 387	64 991
Average total deposits (Rm)	92 750	61 513
Allocated capital (Rm)	1 609	3 572

* Includes Bond Choice, Lion Match, Centralised Credit, Risk and Finance, Shared Services, Transactional Banking and eliminations.



Property finance	Africa	Other *	Total
417	50	19	1 503
24,0	18,3		29,5
1,47	1,07		1,37
0,02	0,71		0,15
31,35	69,34		47,07
61 356	9 917	(73 246)	228 331
57 219	9 435	(62 500)	221 107
50 723	5 500	736	167 304
47 909	5 365	1 782	160 008
72	8 346	3 540	213 334
91	8 148	4 736	206 138
3 500	548	192	10 253
<hr/>			
475	39	81	1 344
33,6	17,0		27,7
2,04	1,13		1,52
(0,15)	0,50		0,11
25,57	69,72		51,24
50 064	7 199	(59 162)	183 220
47 057	6 932	(60 098)	177 867
40 642	4 747	1 635	142 617
38 718	4 612	2 543	137 430
156	6 167	2 300	169 001
225	5 962	3 418	163 868
2 853	462	1 291	9 787

Nedbank Retail segmental report

for the period ended

	% change	Headline earnings		RORAC	
		2008 Rm	2007 Rm	2008 %	2007 %
Home loans	<-100%	(5)	162	(0,4)	14,9
Bancassurance & wealth	20,5	194	161	49,4	39,7
Private Bank	2,4	43	42	27,3	20,8
Small business services	55,9	223	143	60,1	43,6
Card	(52,4)	78	164	9,8	26,5
Personal loans	44,9	142	98	20,5	14,1
VAF & TIP	(12,9)	(27)	(31)	(4,8)	(4,7)
Vehicle asset finance	(4,3)	(73)	(70)	(21,3)	(21,5)
Transactional and investment products	17,9	46	39	9,4	11,7
Other	(48,4)	80	155		
Total	(18,6)	728	894	15,9	21,9



Efficiency ratio			Net average advances			Average deposits			Credit loss ratio	
2008	2007		2008	2007		2008	2007		2008	2007
%	%	% change	Rbn	Rbn	% change	Rbn	Rbn		%	%
51,1	44,4	22,5	85,4	69,7					0,90	0,48
64,0	66,7	17,1	14,4	12,3	23,2	17,5	14,2		0,41	0,16
68,2	71,3	3,2	9,8	9,5	17,8	8,6	7,3		0,50	0,23
43,9	52,6	32,4	9,0	6,8	23,8	12,5	10,1		1,96	1,56
60,1	61,8	19,3	6,8	5,7	12,5	0,9	0,8		10,57	5,74
43,4	43,8	13,7	5,8	5,1					9,06	11,30
87,7	91,4	21,3	7,4	6,1	10,8	50,3	45,4		6,41	3,80
71,5	116,0	26,5	6,2	4,9					4,19	3,27
87,8	89,0		1,2	1,2	10,8	50,3	45,4		16,64	11,47
61,1	63,1	20,4	138,6	115,2	15,4	89,8	77,8		2,00	1,35

Nedbank Retail – bancassurance

for the period ended 30 June

Rm	% change	2008	2007
New business premiums			
Credit, Single Life and Simple Investment Products (Nedlife)	3,9	258,3	248,7
Short-term Insurance (Nedic and NGIB)	31,3	613,4	467,0
Advise-based Products (NFP)	(1,6)	2 385,3	2 424,0
Life	14,9	774,3	674,0
Non-life	(3,1)	1 562,4	1 613,0
Nedbank preference shares	(64,5)	48,6	137,0
Total	3,7	3 257,0	3 139,7
% OMSA via NFP	(15,5)	49%	58%
Advise-based Products (NFP) APE	4,0	368,0	353,7
Group	0,8	264,4	262,4
Non-group	13,5	103,6	91,3
Credit, Single Life and Simple Investment Products (Nedlife) APE	21,1	218	180



Operational statistics

for the period ended

Nedbank Retail

Classification of clients

	Number of clients	Number of internet banking clients	Number of branches	Banking outlets	Private bank suites	Mobile sales
June 2008	4 004 786	370 713	435	59	17	96
December 2007	3 944 776	339 149	468	50	16	91

	Number of personal loan kiosks	Number of personal loan branches	POS devices enabled for cash back	Number of ATMs	Number of SSTs	Number of employees	Assets under management R bn
June 2008	200	26	1 736	1 652	356	15 949	88
December 2007	200	26	1 454	1 636	375	15 356	85

Nedbank Corporate

Classification of clients

	Number of clients	Number of electronic banking clients	Number of ATMs Africa	Number of locations/branches	Number of employees
June 2008					
Corporate Banking (Turnover > R400 million)	525	2 703		5	283
Business Banking (Turnover > R5 million)	23 896	17 175		73	2 284
Property Finance	5 306			7	472
Africa	167 870	12 286	58	45	1 586
Other					1 671
Total	197 597	32 164	58	130	6 296
December 2007					
Corporate Banking (Turnover > R400 million)	523	1 625		5	268
Business Banking (Turnover > R5 million)	22 842	16 825		72	2 301
Property Finance	5 542			7	855
Africa	159 611	10 082	58	45	1 582
Other					1 137
Total	188 518	28 532	58	129	6 143

Imperial Bank

Classification of clients

	Number of clients	Number of branches	Number of employees
June 2008	306 863	15	1 073
December 2007	279 521	15	1 008

Geographical segmental reporting

for the period ended

Balance sheet (Rbn)	South Africa*		
	30 June 2008	30 June 2007	31 December 2007
Assets			
Cash and cash equivalents	18	18	17
Other short-term securities	20	18	17
Government and other securities	35	24	29
Derivative financial instruments	17	9	9
Loans and advances	385	322	354
Other assets	34	36	28
Intergroup assets	(3)	(7)	(1)
Total assets	506	420	453
Total equity	33	28	30
Derivative financial instruments	17	12	11
Amounts owed to depositors	409	327	363
Other liabilities	45	48	46
Intergroup liabilities	(11)	(6)	(9)
Long-term debt instruments	13	11	12
Total liabilities	506	420	453
Income statement (Rm)			
Net interest income	7 491	6 195	13 336
Impairment charge on loans and advances	1 858	995	2 087
Income from lending activities	5 633	5 200	11 249
Non-interest revenue	4 591	4 427	9 775
Operating income	10 224	9 627	21 024
Operating expenses	6 012	5 714	12 393
BEE transaction expenses	107	80	145
Indirect taxation	183	130	298
Profit from operations	3 922	3 703	8 188
Share of profits of associates and joint ventures	83	179	238
Profit before direct taxation	4 005	3 882	8 426
Direct taxation	972	992	2 247
Profit after taxation	3 033	2 890	6 179
Minority interest income attributable to – ordinary shareholders	95	130	284
– preference shareholders	169	129	272
Headline earnings	2 769	2 631	5 623

* Includes all group eliminations.



	30 June 2008	Rest of Africa 30 June 2007	31 December 2007	30 June 2008	Rest of world 30 June 2007	31 December 2007
	2	1	1	1	3	1
	1	1	1	8	7	8
				2	1	1
	7	5	7	16	12	13
	1	1	1	3	3	2
				2	7	1
	11	8	10	32	33	26
	1	1	1	4	4	4
	8	6	7	18	24	15
	2	1	2	9	5	7
	11	8	10	32	33	26
	254	194	441	215	179	369
	19	14	17	17	7	60
	235	180	424	198	172	309
	144	108	245	219	207	426
	379	288	669	417	379	735
	251	192	458	280	251	490
	1	1	3			
	5	1	3	3	2	4
	122	94	205	134	126	241
	1		1			
	123	94	206	134	126	241
	32	28	57	10	18	32
	91	66	149	124	108	209
	21	16	33	20	14	27
	70	50	116	104	94	182

Notes to the income statement

for the period ended

1. Average banking balance sheet and related interest

Rm	30 June 2008		Margin
	Average balance	Received	statement interest
	Assets	Received	%
Average prime rate			14,75
Advances and clients' indebtedness for acceptances			
Homeloans (including PIPs)	129 408	8 274	12,9
Commercial mortgages	61 746	4 062	13,2
Lease and instalment debtors	54 172	3 898	14,5
Credit card balances	7 442	648	17,5
Bills and acceptances*	3 657	37	2,0
Overdrafts	14 709	1 044	14,3
Term loans and other**	103 770	6 459	12,5
Impairment of loans and advances	(6 679)		
Government and public sector securities	30 026	1 521	10,2
Short-term funds and trading securities	19 592	690	7,1
Interest-earning banking assets	417 843	26 633	12,8
Net inter-divisional assets – trading book	4 827		
Revaluation of FVTPL-designated assets	(1 112)		
Derivative financial instruments	249		
Insurance assets	6 116		
Cash and bank notes	1 881		
Other assets	5 559		
Associates and investments	3 218		
Property and equipment	4 067		
Intangible assets	5 364		
Mandatory reserve deposit with central bank	9 038		
Total assets	457 050	26 633	11,7
	Liabilities	Paid	%
Deposit and loan accounts	238 561	12 105	10,2
Current and savings accounts	58 986	997	3,4
Negotiable certificates of deposit	60 039	3 252	10,9
Other interest-bearing liabilities***	36 137	1 616	9,0
Long-term debt instruments	13 100	703	10,8
Interest-bearing banking liabilities	406 823	18 673	9,2
Other liabilities	9 762		
Revaluation of FVTPL-designated liabilities	(1 112)		
Derivative financial instruments	459		
Investment contract liabilities	6 116		
Ordinary shareholders' equity	30 048		
Minority shareholders' equity	4 954		
Total shareholders' equity and liabilities	457 050	18 673	8,2
Interest margin on average interest-earning banking assets	417 843	7 960	3,83

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.



	30 June 2007			31 December 2007		
	Average balance	Margin statement interest		Average balance	Margin statement interest	
	Assets	Received	%	Assets	Received	%
			12,56			13,10
	105 721	5 709	10,9	112 132	12 798	11,4
	47 654	2 730	11,6	51 900	6 230	12,0
	44 708	2 756	12,4	47 101	6 130	13,0
	6 022	432	14,5	6 502	1 003	15,4
	3 220	53	3,3	3 244	99	3,1
	13 287	816	12,4	13 416	1 727	12,9
	86 798	5 052	11,7	89 830	10 613	11,8
	(5 404)			(5 722)		
	19 339	858	8,9	20 455	1 926	9,4
	18 677	669	7,2	19 966	1 475	7,4
	340 022	19 075	11,3	358 824	42 001	11,7
	8 884			6 765		
	469			(21)		
	324			282		
	5 533			5 670		
	1 619			1 662		
	6 551			6 628		
	2 725			3 063		
	3 543			3 562		
	4 693			4 861		
	7 392			7 753		
	381 755	19 075	10,1	399 049	42 001	10,5
	Liabilities	Paid	%	Liabilities	Paid	%
	188 336	7 616	8,2	197 326	17 161	8,7
	54 117	760	2,8	55 966	1 708	3,1
	51 603	2 357	9,2	54 729	5 177	9,5
	31 299	1 224	7,9	33 740	2 746	8,1
	10 185	550	10,9	10 244	1 063	10,4
	335 540	12 507	7,5	352 005	27 855	7,9
	9 417			9 313		
	469			(21)		
	1 254			1 084		
	5 531			5 669		
	24 961			26 233		
	4 583			4 766		
	381 755	12 507	6,6	399 049	27 855	7,0
	340 022	6 568	3,90	358 824	14 146	3,94

Notes to the income statement

for the period ended

2. Impairments and defaulted advances

Rm	Nedbank Corporate 2008	Nedbank Capital 2008
Opening balance	1 837	384
Specific impairment	820	362
IBNR	1 017	22
Income statement impairment charge	119	35
Specific impairment	32	25
IBNR	87	10
Bad debts recovered	36	
Amounts written off/other transfers	(17)	(1)
Total impairments	1 975	418
Specific impairments	871	386
IBNR	1 104	32
Analysis of impairments		
Specific impairments	871	386
Specific impairment on defaulted advances	677	28
Specific impairment for discounted cash flow losses	187	
Total specific impairment on defaulted advances	864	28
Specific impairment on non-defaulted loans (includes discounted cash flow losses)	7	358
Incurring but not reported (IBNR)	1 104	32
Total impairments	1 975	418
Total advances	169 280	56 361
Total average advances	162 418	53 989
Defaulted advances and related security and impairments		
Mortgage advances	913	
Lease and instalment debtors	559	
Credit card balances	2	
Personal loans	23	
Properties in possession	24	
Other loans and advances	296	169
Total defaulted advances	1 817	169
Less: security and expected recoveries	953	141
Net uncovered position after discounting	864	28
Specific impairments	864	28
Specific impairments on defaulted advances	677	28
Specific impairments for discounted cash flow losses	187	
Value at risk/(excess impairment raised)	–	–
Ratios		
Impairments to total advances (%)	1,17	0,74
Credit loss ratio(%)	0,15	0,13
Properties in possession to total advances (%)	0,01	
Defaulted advances to total advances (%)	1,07	0,30
Properties in possession (PIPs)		
Balance at beginning of period	30	
Disposal/write-downs/revaluations	(10)	
PIPs acquired during the period	4	
Balance at end of period	24	–
Unsold	20	
Sold awaiting transfer	4	



	Nedbank Retail 2008	Imperial Bank 2008	Central management 2008	30 June 2008	30 June 2007	31 December 2007
	2 933	903	21	6 078	5 184	5 184
	2 383	752	24	4 341	3 787	3 787
	550	151	(3)	1 737	1 397	1 397
	1 414	341	(15)	1 894	1 016	2 164
	1 441	294	(15)	1 777	919	1 843
	(27)	47		117	97	321
	105	5		146	144	418
	(937)	(261)		(1 216)	(815)	(1 688)
	3 515	988	6	6 902	5 529	6 078
	2 990	790	9	5 046	4 045	4 341
	525	198	(3)	1 856	1 484	1 737
	2 990	790	9	5 045		4 341
	1 994	790	-	3 489		2 869
	678			865		833
	2 672	790	-	4 354		3 702
	318		9	692		639
	525	198	(3)	1 856		1 737
	3 515	988	6	6 902		6 078
	146 988	42 097	247	414 973	344 436	380 034
	141 707	39 160	231	397 505	329 092	346 892
	5 536	145		6 594		4 637
	509	812		1 880		1 446
	535			537		408
	1 067			1 090		1 040
	551			575		308
	537	117		1 119		1 249
	8 735	1 074	-	11 795		9 088
	6 063	284		7 441		5 386
	2 672	790	-	4 354		3 702
	2 672	790	-	4 354		3 702
	1 994	790		3 489		2 869
	678			865		833
	-	-	-	-		-
	2,39	2,35		1,66	1,61	1,60
	2,01	1,75		0,96	0,62	0,62
	0,37			0,14	0,04	0,08
	5,94	2,55		2,84		2,39
	278			308	131	131
	(65)			(75)	(53)	(107)
	338			342	72	284
	551	-	-	575	150	308
	419			439	82	199
	132			136	68	109

Notes to the income statement

for the period ended

2. Impairments and defaulted advances (continued)

	Mortgage advances	Lease and instalment debtors
Product analysis		
Defaulted advances	6 594	1 880
Security and expected recoveries	5 341	427
Net uncovered position after discounting	1 253	1 453
Specific impairments	1 253	1 453
Specific impairment on defaulted advances	890	1 366
Specific impairment for discounted cash flow losses	363	87
Value at risk/(excess impairment raised)	–	–
Product analysis		
Defaulted advances	4 637	1 446
Security and expected recoveries	3 777	353
Net uncovered position after discounting	860	1 093
Specific impairments	860	1 093
Specific impairment on defaulted advances	568	1 043
Specific impairment for discounted cash flow losses	292	50
Value at risk/(excess impairment raised)	–	–
31 December 2007 disclosure:		
Impaired advances – based on Basel I principles		
Defaulted advances – based on Basel II principles		
Effect for change in methodology		

Defaulted advance

Any advance or group of advances that has triggered the relevant definition of default criteria for that portfolio, which is in line with the amended BA Regulations. 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 should any transaction within a borrowing group default, then all transactions within the borrowing group would default.

Impaired advance (old definition in line with previous regulation to 31/12/2007 included for comparative purposes – Basel I)

Any group of advances (per person definition) where any one of the transactions is more than 90 days in arrears/excess (including retail portfolios).

In order to monitor trends from the old DI regulatory reporting to the new Basel II regulatory reporting one should compare 'Impaired Advances (old DI regulations)' with 'Defaulted Advances', but with one adjustment for retail portfolios. The 'Impaired Advances (old DI regulations)' for retail portfolios need to be adjusted from client centric to transaction centric. This has caused the previous reporting periods' impaired advances to decrease because transactions within a borrowing group that have not yet exceeded the 90 days arrears/excess trigger were excluded from the aggregation of the adjusted impaired advances number.

Defaulted advances and related security and impairments by asset class

Segmental analysis by Basel II assets class

Rm	Nedbank Corporate 2008	Nedbank Capital 2008
Regulated		
Advanced internal rating-based approach (AIRB)	1 649	109
Corporate	13	28
Retail other	39	
Retail mortgages	16	
Retail revolving credit		
SME corporate	470	
SME retail	897	
Sovereign		81
Specialised lending – High volatility commercial real estate	35	
Specialised lending – Income-producing real estate	179	
Standardised approach	–	–
Corporate		
Retail exposure		
Other		
Other regulated entities	144	
Properties in possession	24	
Non-regulated		60
Total defaulted advances	1 817	169
Less: security and expected recoveries	953	141
Net uncovered position after discounting	864	28
Specific impairments	864	28
Specific impairments on defaulted advances	677	28
Specific impairments for discounted cash flow losses	187	
Value at risk/(excess impairment raised)	–	–



Credit card balances	Personal loans	Other loans and advances	30 June 2008
537	1 090	1 694	11 795
41	563	1 069	7 441
496	527	625	4 354
496	527	625	4 354
430	205	598	3 489
66	322	27	865
–	–	–	–
Credit card balances	Personal loans	Other loans and advances	31 December 2007
408	1 040	1 557	9 088
41	515	700	5 386
367	525	857	3 702
367	525	857	3 702
302	135	821	2 869
65	390	36	833
–	–	–	–
			10 652
			9 088
			1 564

Nedbank Retail 2008	Imperial Bank 2008	Central management 2008	30 June 2008
8 005	–	–	9 763
			41
1 866			1 905
5 357			5 373
533			533
			470
249			1 146
			81
			35
			179
–	1 074	–	1 074
	124		124
	833		833
	117		117
			144
551			575
179			239
8 735	1 074	–	11 795
6 063	284		7 441
2 672	790	–	4 354
2 672	790		4 354
1 994	790	–	3 489
678			865
–	–	–	–

Notes to the income statement

for the period ended

2. Impairments and defaulted advances (continued)

Balance sheet exposure per Basel II asset class

Rm	Nedbank Corporate	Nedbank Capital
Regulated		
Advanced Internal Rating-Based approach (AIRB)	206 258	74 556
Banks	778	24 439
Corporate	107 603	14 661
Local governments and municipalities	1 095	245
Public sector entities	5 788	3 151
Retail other	4 290	
Retail mortgages	5 188	
Retail revolving credit		
Security firms	124	1 367
Securitisation exposure		268
SME corporate	22 484	600
SME retail	18 898	
Sovereign		27 760
Specialised lending – High volatility commercial real estate	7 656	
Specialised lending – Income-producing real estate	32 190	17
Specialised lending – Object finance		463
Specialised lending – Project finance	164	1 585
Standardised approach	–	–
Banks		
Corporate		
Retail other		
Retail mortgages		
Securitisation exposure		
SME corporate		
SME retail		
Other		
Other regulated entities	9 103	3 793
Properties in possession	24	
Non-regulated	841	25 089
On balance sheet exposure (Basel II)	216 226	103 438
Less assets included in Basel II asset classes		
Cash on call and deposits with monetary institutions		
Government stock and other dated securities		
Short-term securities		
Foreign inter-branch assets		
Other asset classes net of fair value adjustments		
Set-off of accounts within IFRS total gross advances		
Total gross advances		

1. Mainly included in "Banks" asset class within Nedbank Capital cluster

2. Mainly included in "Sovereign and Public sector entity" assets classes within Nedbank Capital cluster

3. The set-off mainly relates to the "Corporate" asset class within Nedbank Corporate cluster for cash management accounts



	Nedbank Retail	Imperial Bank	Central management	Total
	135 801	–	13	416 628
				25 217
	5		13	122 282
				1 340
				8 939
	17 378			21 668
	108 017			113 205
	6 946			6 946
				1 491
				268
				23 084
	3 455			22 353
				27 760
				7 656
				32 207
				463
				1 749
	–	42 097	–	42 097
		53		53
		441		441
		21 992		21 992
		2 182		2 182
		300		300
		10 735		10 735
		2 911		2 911
		3 483		3 483
	5 710			18 606
	551			575
	4 997		249	31 176
	147 059	42 097	262	509 082
				(43 508)
				(3 915)
				(26 095)
				(6 543)
				(3 219)
				(3 736)
				(50 601)
				414 973

Notes to the income statement

for the period ended

2. Impairments and defaulted advances (continued)

Advanced Internal Rating-Based approach (AIRB) Basel II exposures

Rm	AIRB on balance sheet exposure	Total credit extended*
Nedbank Corporate	206 258	295 999
Banks	778	3 986
Corporate	107 603	166 025
Local governments and municipalities	1 095	1 608
Public sector entities	5 788	11 998
Retail other	4 290	5 315
Retail mortgages	5 188	6 831
Security firms	124	306
SME corporate	22 484	30 063
SME retail	18 898	25 669
Specialised lending – High volatility commercial real estate	7 656	9 475
Specialised lending – Income-producing real estate	32 190	34 559
Specialised lending – Project finance	164	164
Nedbank Capital	74 556	99 939
Banks	24 439	36 720
Corporate	14 661	17 791
Local governments and municipalities	245	559
Public sector entities	3 151	3 214
Retail other		2
Retail mortgages		–
Security firms	1 367	1 823
Securitisation exposure	268	9 322
SME corporate	600	647
SME retail	–	35
Sovereign	27 760	27 761
Specialised lending – Income-producing real estate	17	17
Specialised lending – Object finance	463	463
Specialised lending – Project finance	1 585	1 585
Nedbank Retail	135 801	175 929
Corporate	5	70
Retail other	17 378	22 178
Retail mortgages	108 017	122 212
Retail revolving credit	6 946	26 760
SME retail	3 455	4 709
Central management	13	13
Total	416 628	571 880

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

Downturn expected loss

IFRS impairment on loans and advances (AIRB approach)

Excess of expected loss over eligible provisions



Exposure at default (EAD)	Downturn expected loss – performing	Downturn expected loss – non-performing
222 736	1 336	690
986	4	
96 566	344	1
1 589		
9 290	1	
5 464	101	
6 848	67	
259		
29 578	261	140
25 913	257	479
9 715	136	2
36 354	165	68
174		
100 122	151	28
39 358	7	
18 514	131	28
590		
2 792		
7		
1		
587		
7 849	1	
454	1	
50	1	
27 762	1	
18		
480	8	
1 660	1	
151 505	2 467	2 269
38	1	
22 775	789	1 158
112 948	1 175	599
10 615	397	375
5 129	105	137
15	15	
474 378	3 969	2 987
		6 956
		5 328
		1 628

Notes to the income statement

for the period ended

3.1 Non-interest revenue

Rm	Nedbank Group			Nedbank Corporate		
	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
Commission and fees income	3 692	3 546	7 528	949	1 229	2 543
Administration fees	121	90	195	26	27	56
Cash-handling fees	209	175	378	161	129	281
Insurance commission	260	241	523	9	12	22
Exchange commission	171	119	294	102	89	186
Fees	452	481	1 056	135	151	295
Guarantees	49	41	83	45	39	77
Other card income	884	829	1 695	20	17	36
Service charges	931	835	1 709	211	203	410
Bond originator income	–	261	578	–	355	750
Other commission	615	474	1 017	240	207	430
Securities dealing and fair value adjustments	17	404	841	(44)	189	327
Securities dealing	(55)	514	836	(157)	156	303
Fair value adjustments	72	(110)	5	113	33	24
Trading income	813	521	1 334	85	43	121
Foreign exchange	441	360	733	85	43	121
Debt securities	254	202	342	–	–	–
Equities	115	(41)	233	–	–	–
Commodities	3	–	26	–	–	–
Other	–	–	–	–	–	–
Rental income	29	25	51	9	7	15
Investment income	162	43	159	121	7	22
Long-term assets sales	–	–	28	–	–	8
Dividends received	162	43	131	121	7	14
Sundry income	241	203	533	79	90	170
Non-banking subsidiaries	111	129	271	–	46	46
Other sundry income	130	74	262	79	45	124
Total non-interest revenue	4 954	4 742	10 446	1 199	1 565	3 198

3.2 Private equity income included in NIR

Rm	Nedbank Group			Nedbank Corporate		
	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
Securities dealing	(95)	463	809	(158)	144	299
Investment income – dividends received	148	30	106	118	3	8
Total private equity NIR	53	493	915	(40)	147	307
Realised	192	(106)	409	110	(204)	78
Unrealised	(139)	599	506	(150)	351	229
Total private equity NIR	53	493	915	(40)	147	307



Nedbank Capital			Nedbank Retail			Imperial Bank			Shared Services			Central Management and Eliminations		
30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
108	119	338	2 595	2 258	4 772	39	26	39	12	20	33	(11)	(106)	(197)
			68	67	146	26			6	3	7	(5)	(7)	(14)
			48	46	97									
			251	229	501									
			68	28	104				1	2	4			
106	110	334	213	207	417		2	14		10	10	(2)	1	(14)
2		2	2	2	4									
			864	812	1 659									
			720	632	1 299									
	9	2	361	235	545	13	24	25	5	5	12	(4)	(94)	(172)
													(6)	3
84	331	500	1	22	3	24	2	-	(6)	-	45	(42)	(140)	(34)
104	320	518	1	22	3		2		1			(4)	14	12
(20)	11	(18)				24			(7)		45	(38)	(154)	(46)
703	458	1 172	25	20	41	-	-	-	-	-	-	-	-	-
331	297	571	25	20	41									
254	202	342												
115	(41)	233												
3	26													
37	27	108	1	1	1	-	-	-	19	17	34	4	5	1
			-	-	2				-	4	4	4	5	23
37	27	2								4	4	4	5	18
		106			2							4	5	5
9	(20)	17	13	12	32	11	7	89	149	115	292	(20)	(1)	(67)
9	(20)	17	13	12	32	11	7	89	111	84	225	(20)	(1)	(67)
									38	31	67			
941	915	2 135	2 635	2 313	4 851	74	35	128	174	156	408	(69)	(242)	(274)

Nedbank Capital

30 Jun 2008	30 Jun 2007	31 Dec 2007
63	319	510
30	27	98
93	346	608
82	98	331
11	248	277
93	346	608

Notes to the income statement

for the period ended

4 Expenses

Rm	Nedbank Group			Nedbank Corporate		
	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
Staff costs	3 474	3 323	7 079	926	801	1 731
Salaries and wages	3 488	3 294	6 942			
Long-term employee benefits	(103)	(37)	20			
Share-based payment expenses – employees	89	66	117			
Computer processing	896	786	1 673	81	79	170
Depreciation for computer equipment	163	136	288			
Amortisation of computer software	203	221	431			
Operating lease charges for computer equipment	67	66	126			
Other computer processing expenses	463	363	828			
Communication and travel	306	264	559	97	44	94
Occupation and accommodation	552	492	1 068	106	84	182
Depreciation for owner-occupied land and buildings	39	39	67			
Operating lease charges for land and buildings	226	217	457			
Other occupation and accommodation expenses	287	236	544			
Marketing and public relations	414	382	887	41	43	116
Fees and insurances	565	651	1 498	158	316	734
Office equipment and consumables	165	131	296	47	20	44
Depreciation for furniture and other equipment	101	87	186			
Operating lease charges for furniture and other equipment	15	9	20			
Other office equipment and consumables	49	35	90			
Other sundries	171	134	284	17	39	55
Fees to alliance partners – Old Mutual Bank	–	(6)	(3)			
Activity-justified transfer-pricing	–	–	–	427	616	1 320
Operating expenses	6 543	6 157	13 341	1 900	2 042	4 446
BEE transaction expenses	108	81	148	17	15	32
BEE share-based payments costs	98	78	147			
Fees	10	3	1			
Total operating expenses	6 651	6 238	13 489	1 917	2 057	4 478
Efficiency ratio (%)	51,5	55,2	54,9	47,1	51,2	53,5



Nedbank Capital			Nedbank Retail			Imperial Bank			Shared Services			Central Management and Eliminations		
30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
318	300	641	1 594	1 489	3 136	144	141	294	585	617	1 289	(93)	(25)	(12)
41	42	75	203	164	346	17	6	30	553	495	1 064	1		(12)
36	28	66	140	116	237	13	15	33	37	77	164	(17)	(16)	(35)
21	15	32	426	352	790	11	22	24	(13)	19	22	1		18
15	13	28	205	228	499	7	22	49	158	88	219	(12)	(12)	(24)
38	34	96	222	200	397	10	9	18	123	169	391	14	(77)	(138)
3	4	8	89	77	165	7	2	11	20	28	72	(1)		(4)
25	11	25	80	68 (6)	155 (3)	28	12	30	21	6	37	-	(2)	(18)
163	125	282	883	746	1 603				(1 466)	(1 471)	(3 191)	(7)	(16)	(14)
660	572	1 253	3 842	3 434	7 325	237	229	489	18	28	67	(114)	(148)	(239)
15	14	31	34	21	42				23	31	48	19		(5)
675	586	1 284	3 876	3 455	7 367	237	229	489	41	59	115	(95)	(148)	(244)
48,8	50,6	47,9	61,1	63,1	63,5	26,8	32,0	30,2						

Notes to the income statement

for the period ended

5 Taxation charge

Rm	30 June 2008	30 June 2007	31 December 2007
South African normal taxation			
Current	863	283	1 883
Deferred	63	619	229
Secondary taxation on companies (STC)	48	43	121
Foreign taxation	70	88	106
Current and deferred taxation on income	1 044	1 033	2 339
Prior-year overprovision – current	(6)	13	(24)
Prior-year underprovision – deferred	(24)	(8)	21
Total taxation on income	1 014	1 038	2 336
Taxation on non-trading and capital items	110	(2)	7
Total	1 124	1 036	2 343
Effective taxation rate excluding non-trading and capital items (%)	23,8	25,3	26,3
	%	%	%
Taxation rate reconciliation			
Standard rate of South African normal taxation	28	29	29
Non-taxable dividend income	(5)	(3)	(4)
Differences between foreign taxation rates and South African taxation rate	(1)	(1)	(1)
Non-taxable investment income	(1)	(1)	(1)
Risk provision			1
Structured deals			(1)
STC	1	1	1
Other	2		2
Total taxation on income as percentage of profit before taxation	24	25	26

6 Minority interest

Rm	30 June 2008		30 June 2007		31 December 2007	
	Balance sheet	Income statement	Balance sheet	Income statement	Balance sheet	Income statement
Imperial Bank	1 238	94	1 050	112	1 188	239
Nedbank (Swaziland)	50	6	42	6	48	12
Nedbank (Namibia) (100% subsidiary from Jul 07)			27	2		3
Nedbank (Malawi)	2		2		1	
Fairbairn Private Bank (Jersey)	215	20	198	14	196	27
Taquanta (sold)			26			
MBCA Bank (Zimbabwe)	1	14	2	7	2	19
The Lion Match Company (sold)			34	2		2
Bond Choice (Now associate)			41	14	29	33
BoE Private Clients	44	1	35	3	42	9
Other		1	1		5	
	1 550	136	1 458	160	1 511	344



7 Preference shares

Dividends declared	Number of shares	Cents per share	Amount (Rm)
2008			
Nedbank – Final declared for 2007 – paid March 2008	312 781 032	51,55479	161
Imperial – Final declared for 2007 – paid March 2008	3 000 000	481,17808	14
			175
Nedbank – Final declared for 2008 – payable Sept 2008	312 781 032	55,02049	172
Imperial – Final declared for 2008 – payable Sept 2008	3 000 000	515,31507	15
			187
2007			
Nedbank – Final declared for 2006 – paid March 2007	277 298 896	44,13699	122
Imperial – Final declared for 2006 – paid March 2007	3 000 000	430,93151	13
Nedbank – Interim declared for 2007 – paid Sept 2007	312 781 032	46,72603	146
Imperial – Interim declared for 2007 – paid Sept 2007	3 000 000	435,82192	13
			294

Dividends paid	Days	Rate	Amount (Rm)
2008			
Nedbank			
1 Jul 2007 – 31 Dec 2007	184		161,3
1 Jul 2007 – 19 Aug 2007	50	9,750%	41,8
20 Aug 2007 – 14 Oct 2007	56	10,125%	48,6
15 Oct 2007 – 9 Dec 2007	56	10,500%	50,4
10 Dec 2007 – 31 Dec 2007	22	10,875%	20,5
1 Jan 2008 – 30 Jun 2008	182		172,1
1 Jan 2008 – 13 Apr 2008	104	10,875%	96,7
14 Apr 2008 – 16 June 2008	64	11,250%	61,5
17 Jun 2008 – 30 Jun 2008	14	11,625%	13,9
Imperial			
1 Jul 2007 – 31 Dec 2007	184		14,4
1 Jul 2007 – 19 Aug 2007	50	9,100%	3,8
20 Aug 2007 – 14 Oct 2007	56	9,450%	4,3
15 Oct 2007 – 9 Dec 2007	56	9,800%	4,5
10 Dec 2007 – 31 Dec 2007	22	10,150%	1,8
1 Jan 2008 – 30 Jun 2008	182		15,5
1 Jan 2008 – 13 Apr 2008	104	10,150%	8,7
14 Apr 2008 – 16 June 2008	64	10,500%	5,2
17 Jun 2008 – 30 Jun 2008	14	10,850%	1,6
Total paid			175,7
Less: Ordinary minority shareholders' share of dividend paid			7,2
			168,5
2007			
1 Jul 2006 - 31 Dec 2006	184		122,4
1 Jul 2006 - 3 Aug 2006	34	8,250%	21,3
4 Aug 2006 - 15 Oct 2006	73	8,630%	47,8
16 Oct 2006 - 10 Dec 2006	56	9,000%	38,3
11 Dec 2006 - 31 Dec 2006	21	9,375%	15,0
1 Jan 2007 - 30 Jun 2007	181		145,9
1 Jan 2007 - 10 Jun 2007	161	9,375%	126,9
11 Jun 2007 - 30 Jun 2007	20	9,750%	19,0
Imperial			
22 Jun 2006 - 31 Dec 2006	193		12,9
22 Jun 2006 - 3 Aug 2006	43	7,700%	2,7
4 Aug 2006 - 15 Oct 2006	73	8,050%	4,8
16 Oct 2006 - 10 Dec 2006	56	8,400%	3,9
11 Dec 2006 - 31 Dec 2006	21	8,750%	1,5
1 Jan 2007 - 30 Jun 2007	181		13,1
1 Jan 2007 - 10 Jun 2007	161	8,750%	11,6
11 Jun 2007 - 30 Jun 2007	20	9,100%	1,5
Total paid			294,3
Less: Cumulative dividend paid			9,5
Ordinary minority shareholders' share of dividend paid			12,9
			271,9

Notes to the balance sheet

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8 Loans and advances

Segmental breakdown

Rm	Nedbank Group			Nedbank Corporate		
	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
Homeloans	134 535	112 113	123 980	16 208	13 410	14 796
Commercial mortgages	65 076	52 645	60 045	57 850	45 985	53 225
Properties in possession	575	150	308	24	10	30
Credit cards	7 486	6 573	7 109	77	58	53
Overdrafts	13 781	14 574	12 514	11 327	12 259	10 252
Term loans	45 789	37 713	39 835	33 540	27 741	29 022
Personal loans	6 830	6 462	6 912	304	360	343
Other term loans	38 959	31 251	32 923	33 236	27 381	28 679
Overnight loans	18 355	15 769	18 336	18 318	15 767	18 331
Other loans to clients	52 208	41 056	47 786	9 226	8 442	8 073
Foreign client lending	14 182	13 835	13 734	2 121	2 593	2 084
Remittances in transit	153	208	196	141	163	140
Other loans*	37 873	27 013	33 856	6 964	5 686	5 849
Leases and instalment debtors	57 237	47 822	52 568	17 544	15 855	16 869
Preference shares and debentures	12 112	8 317	9 377	4 637	4 178	4 346
Factoring accounts	529	596	494	529	596	494
Deposits placed under reverse repurchase agreements	5 172	5 505	5 839			
Trade, other bills and bankers' acceptances	2 118	1 603	1 843		57	64
Loans and advances before impairments	414 973	344 436	380 034	169 280	144 358	155 555
Impairment of advances	(6 902)	(5 529)	(6 078)	(1 975)	(1 740)	(1 837)
Total loans and advances	408 071	338 907	373 956	167 305	142 618	153 718
Comprises:						
– Loans and advances to clients	396 252	328 984	361 688	169 137	144 212	155 226
– Loans and advances to banks	18 721	15 452	18 366	143	146	329
Loans and advances before impairments	414 973	344 436	380 034	169 280	144 358	155 555

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



Nedbank Capital			Nedbank Retail			Imperial Bank			Shared Services			Central Management and Eliminations		
30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
			113 794	96 377	105 788	4 663	2 456	3 549				(130)	(130)	(153)
			975	797	857	6 399	5 975	6 089				(148)	(112)	(126)
			551	140	278									
			7 409	6 515	7 056									
3	89	44	2 439	2 180	2 204					15	3	12	31	11
3 033	1 523	2 059	8 376	8 048	8 369	840	401	385	-	-	-	-	-	-
			6 526	6 102	6 569									
3 033	1 523	2 059	1 850	1 946	1 800	840	401	385						
36	2	4	1		1									
39 720	29 430	36 837	2 690	2 810	2 338	10	12	11	82	104	143	480	258	384
12 060	11 242	11 649	1		1									
(2)	(3)		36	54	28				(22)	(6)	28			
27 662	18 191	25 188	2 653	2 756	2 309	10	12	11	104	110	115	480	258	384
224	235	230	10 630	8 637	9 453	28 888	23 144	26 064	2			(51)	(49)	(48)
6 059	3 920	4 828	119	100	78	1 297	119	125						
5 172	5 505	5 839												
2 114	1 543	1 776	4	3	3									
56 361	42 247	51 617	146 988	125 607	136 425	42 097	32 107	36 223	84	119	146	163	(2)	68
(418)	(350)	(384)	(3 515)	(2 668)	(2 933)	(988)	(748)	(903)	(2)	(2)	(2)	(4)	(21)	(19)
55 943	41 897	51 233	143 473	122 939	133 492	41 109	31 359	35 320	82	117	144	159	(23)	49
40 135	29 421	35 621	144 614	123 121	134 412	42 097	32 107	36 223	106	125	118	163	(2)	68
16 226	12 826	15 996	2 374	2 486	2 013				(22)	(6)	28			
56 361	42 247	51 617	146 988	125 607	136 425	42 097	32 107	36 223	84	119	146	163	(2)	68

Notes to the balance sheet

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9 Investment securities

Rm	30 June 2008	30 June 2007	31 December 2007
Listed investments	498	986	598
Eland Platinum Holdings Limited		45	
Enaleni Pharmaceuticals	1	2	2
Mastercard Incorporated		101	
Private equity portfolio	426	679	482
Other*	71	159	114
Unlisted investments	2 071	1 539	1 874
Endowment Policies	161	355	245
Dr Holsboer Investment Portfolio	229	234	240
Morning Tide Investments 168 (Pty) Limited	153	47	94
Strate Limited	19	20	16
Private equity portfolio	1 072	564	916
Other*	437	319	363
Total listed and unlisted investments	2 569	2 525	2 472
Listed policyholder investments at market value	5 535	5 012	5 178
Equity other than property	415	483	419
Government, public and private sector stock	185	196	196
Unit trusts	4 935	4 333	4 563
Unlisted policyholder investments at directors' valuation	936	831	703
Equity other than property	3	7	7
NCDs, money market and other short-term funds	933	824	696
Policyholder liabilities	(46)	(60)	(35)
Total policyholder investments	6 425	5 783	5 846
Total investment securities	8 994	8 308	8 318
Summary of total private equity investments			
Property investments	383	501	428
Listed investments	309	481	338
Unlisted investments	74	20	90
Other investments	1 115	742	970
Listed investments	117	198	144
Unlisted investments	998	544	826
	1 498	1 243	1 398
Shareholder loans included in advances	1 503	669	1 345

* Less than R10 million per investment.

Notes to the balance sheet

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10 Investments in associate companies and joint ventures

Name of company and nature of business	Percentage holding		Acquisition date
	30 Jun 2008	31 Dec 2007	
Unlisted			
Joint Ventures			
BoE (Pty) Limited	50	50	Jan 03
Nedgroup Life Assurance Company Limited	50	50	Jan 03
Associates			
Access Africa Property Group (Pty) Limited***		40	Jan 06
Acturis Limited+	53	53	Mar 01
African Spirit Trading 306 (Pty) Limited	33	33	Oct 06
Bara Mall (Pty) Limited	35		Mar 05
Bond Choice (Pty) Limited++	26		Jun 02
Capricorn Business and Technology Park (Pty) Limited	41	41	Nov 98
Clidet No 683 (Pty) Limited	49	49	Aug 06
Consep Developments (Pty) Limited	25		Dec 07
Eagle Creek Investments 265 (Pty) Limited***		25	Aug 07
Emergent Property Holdings (Pty) Limited (Summer Sun Trading)	43	43	Jul 07
Falcon Forest Trading 85 (Pty) Limited	30	30	Mar 05
Firefly Investments 74 (Pty) Limited	35	35	Oct 06
Friedshelf 113 (Pty) Limited	20	20	Aug 02
G & C Shelf 31 (Pty) Limited	40	40	May 04
Kimberly Clark SA Holdings (Pty) Limited**			Aug 04
Lyric Rose (Pty) Limited	49	49	Oct 00
Masingita Property Investment Holdings (Pty) Limited	35	35	Aug 05
Moorivier Mall (Pty) Limited	30	30	Nov 06
Nedglen Property Developments (Pty) Limited	35	35	Nov 04
Newmarket Property Developments JV	40	40	Aug 06
Odyssey Developments (Pty) Limited	49	49	Nov 07
Off The Shelf Investment Forty One (Pty) Limited	33	33	Dec 00
Oukraal Developments (Pty) Limited	30		Jan 08
Sandton Square Portion 8 (Pty) Limited	25	25	Nov 02
TBA Genomineerdes (Pty) Limited	30	30	Jan 03
The Waterbuck Trust	40	40	Oct 07
Visigro Investments (Pty) Limited	30	30	Jun 06
Whirlprops 33 (Pty) Limited	49	49	Sep 06
XDV (Pty) Limited	25	25	Nov 06
Other			

* Represents amounts less than R1 million.

** Disposed of in 2007.

*** Disposed of in 2008.

+ Investment in preference shares which do not carry voting rights, therefore accounted for as an associate.

++ No longer a subsidiary; shareholding changed from 62,0% to 25,5% as from January 2008.



Year-end	Date to which equity income accounted for	Equity-accounted earnings		Carrying amount		Market value/Directors' valuation		Net indebtedness of loans to/(from) associates	
		30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
		76	184	210	230	210	230	-	-
Dec	Jun 08	41	133	148	182	148	182		
Dec	Jun 08	35	51	62	48	62	48		
		8	55	802	748	802	748	595	505
Feb					9		9		6
Sep				9	9	9	9		
Dec				20	20	20	20	20	20
Dec				5		5		3	
Dec	Jun 08	4		4		4			
Sep				18	17	18	17	13	13
Feb				211	211	211	211	166	166
Feb				19		19		14	
Feb					20		20		11
Feb				85	72	85	72	66	66
Feb				9	8	9	8	2	2
Feb				29	13	29	13	4	2
Jun				8	10	8	10		
Feb				*	46	*	46	(6)	(99)
Dec	Jun 07		14						
Feb				12	12	12	12	2	2
Feb				27	27	27	27	30	28
Feb				*	29	*	29	32	29
Jun				7	6	7	6		
Feb				22	*	22	*	22	*
Jun				110	110	110	110	110	110
Feb				8	8	8	8	7	7
Jun				9		9		9	
Apr				19	20	19	20	7	8
Jun				10	7	10	7	3	3
Feb				9	8	9	8	11	8
Feb				81	48	81	48	2	2
Feb	Jun 08	3	40	*	*	*	*		
Jun				25	10	25	10	11	10
	Jun 08	1	1	46	28	46	28	67	111
		84	239	1 012	978	1 012	978	595	505

Notes to the balance sheet

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11 Intangible assets

11.1 Computer software and capitalised development costs

Rm	Amortisation periods	30 June 2008	30 June 2007	31 December 2007
Computer software	2-5 years	936	906	923
Customer product systems		452	541	501
Infrastructure and supporting systems		306	261	271
Risk management systems		173	76	140
Channel systems		4	25	9
Customer information systems		1	3	2
Capitalised development costs	none	561	354	426
Customer product systems		227	99	194
Infrastructure and supporting systems		248	153	112
Risk management systems		86	102	120
		1 497	1 260	1 349
Computer software				
Opening balance		923	945	945
Additions		29	40	110
Commissioned during period		181	143	308
Disposals			(1)	(4)
Foreign exchange and other moves		6		(5)
Amortisation charge for the period		(203)	(221)	(431)
Closing balance		936	906	923
Capitalised development costs				
Opening balance		426	321	321
Additions		315	176	414
Commissioned during period		(181)	(143)	(308)
Foreign exchange and other moves		1		
Impairments				(1)
Closing balance		561	354	426



11.2 Goodwill

Rm	30 June 2008	30 June 2007	31 December 2007
Carrying amount at beginning of period	3 898	3 695	3 695
Arising on business combinations			225
Realised through disposals			(21)
Foreign currency translation	42	8	(1)
Carrying amount at end of period	3 940	3 703	3 898

Rm	Percentage holding	30 June 2008			31 December 2007		
		Cost	Accumulated amortisation and impairments	Carrying amount	Cost	Accumulated amortisation and impairments	Carrying amount
Major subsidiaries							
Fairbairn Private Bank/ Fairbairn Trust Company	70	491	138	353	449	138	311
Peoples Mortgage Limited	100	198	198	–	198	198	–
Imperial Bank Limited	50	285	25	260	285	25	260
Nedbank Limited	100	3 565	739	2 826	3 565	739	2 826
Nedcor Investment Bank	100	375	375	–	375	375	–
Nedbank Namibia Limited	100	134	2	132	134	2	132
Old Mutual Bank		206		206	206		206
Capital One		82		82	82		82
American Express		81		81	81		81
		5 417	1 477	3 940	5 375	1 477	3 898

12 Intangible assets – ratios

Rm	30 June 2008	30 June 2007	31 December 2007
Total assets	549 007	460 832	488 856
Total equity attributable to equity holders of the parent	33 127	27 585	30 193
Intangible assets	5 437	4 963	5 247
Capitalised software (refer note 11.1)	1 497	1 260	1 349
Goodwill (refer note 11.2)	3 940	3 703	3 898
Intangible assets/Total assets (%)	0,99	1,08	1,07
Intangible assets/Total equity attributable to equity holders of the parent (%)	16,4	18,0	17,4

Notes to the balance sheet

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13 Amounts owed to depositors

Segmental breakdown Rm	Nedbank Group			Nedbank Corporate		
	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
Current accounts	45 847	42 444	45 920	20 492	18 835	20 983
Savings accounts	15 042	14 080	13 925	596	574	567
Other deposits and loan accounts	287 014	225 989	251 424	186 491	145 260	167 411
Call and term deposits	183 471	139 813	153 684	141 218	108 773	122 338
Fixed deposits	27 437	24 365	24 378	2 891	2 163	2 356
Cash management deposits	41 883	33 268	41 910	41 048	33 303	41 876
Other deposits	34 223	28 543	31 452	1 334	1 021	841
Foreign client liabilities	7 543	11 234	8 230	5 167	3 952	4 976
Negotiable certificates of deposit	60 993	55 070	56 166	588	380	421
Deposits received under repurchase agreements	18 770	7 823	8 876			
Total amounts owed to depositors	435 209	356 640	384 541	213 334	169 001	194 358



Nedbank Capital			Nedbank Retail			Imperial Bank			Shared Services			Central Management and Eliminations		
30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	30 Jun 2007	31 Dec 2007
103	45	74	25 161	23 630	24 794				2	3	3	89	(69)	66
			14 415	13 459	13 300							31	47	58
43 653	33 877	33 128	55 728	45 361	49 162	1 483	1 466	1 547	9	25	25	(350)		151
10 684	6 940	3 875	31 509	24 004	27 293	233	228	239	8	8	8	(181)	(140)	(69)
1 963	1 872	909	22 273	20 020	20 794	12	20	21				298	290	298
169			666	(35)	31									3
30 837	25 065	28 344	1 280	1 372	1 044	1 238	1 218	1 287	1	17	17	(467)	(150)	(81)
2 157	7 082	3 053	219	200	201									
60 674	54 771	55 914										(269)	(81)	(169)
18 495	7 577	8 616							275	246	260			
125 082	103 352	100 785	95 523	82 650	87 457	1 483	1 466	1 547	286	274	288	(499)	(103)	106

Notes to the balance sheet

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14 Long-term debt instruments

Rm	Nominal value	Instrument terms	30 Jun 2008	30 Jun 2007	31 Dec 2007
Subordinated Debt			10 203	10 895	10 787
Rand-denominated (Rm)			10 201	10 894	10 785
Callable bonds repayable on 4 December 2008 (IPB1)	515	13,5% per annum*	519	537	528
Callable bonds repayable on 30 December 2010 (IPB2)	500	8,38% per annum*	441	493	472
Callable notes repayable on 9 July 2012 (NED 02)*** +	4,000	13,15% per annum*		4 251	
Callable notes repayable on 24 April 2016 (NED 05)***	1,500	7,85% per annum*	1 337	1 425	1 406
Callable notes repayable on 20 September 2018 (NED06)****	1,800	9,84% per annum*	1 668	1 856	1 844
Callable notes repayable on 8 February 2017 (NED07)***	650	9,03% per annum*	598	650	641
Callable notes repayable on 8 February 2019 (NED08)****	1,700	8,90% per annum*	1 520	1 682	1 667
Callable notes repayable on 6 July 2022 (NED 09)*****	2,000	JIBAR +0,47% per annum**	2 055		2 050
Callable notes repayable on 15 August 2017 (NED10)***	500	JIBAR + 0,45% per annum**	508		507
Callable notes repayable on 17 September 2020 (NED11)*****	1,000	10,54% per annum*	942		1 048
Callable notes repayable on 14 December 2017 (NED12A)***	500	JIBAR + 0,70% per annum**	503		503
Callable notes repayable on 14 December 2017 (NED12B)***	120	10,38% per annum*	110		119
Namibian dollar-denominated (NAM\$m)			2	1	2
Long-term debenture repayable on 15 September 2030	40	17% per annum until 15 September 2000 - thereafter zero coupon	2	1	2
Hybrid subordinated debt			1 180		
Rand-denominated					
Callable notes repayable on 20 November 2018 (NEDH1A)*****	487	15,05% per annum*	467		
Callable notes repayable on 20 November 2018 (NEDH1B)*****	700	JIBAR + 4,75% per annum**	713		
Securitized liabilities			1 420	-	1 409
Rand-denominated					
Callable notes repayable on 18 November 2039 (GRN1A1)#	291	JIBAR + 0,25% per annum**	295		293
Callable notes repayable on 18 November 2039 (GR1A2A)#	1,000	JIBAR + 0,60% per annum**	999		991
Callable notes repayable on 18 November 2039 (GRN1B)#	74	JIBAR + 0,85% per annum**	75		75
Callable notes repayable on 18 November 2039 (GRN1C)#	50	JIBAR + 1,1% per annum**	51		50
Other			147	133	130
Rand-denominated					
Unsecured debentures repayable on 30 November 2029	200	Zero coupon	5	4	5
US dollar-denominated (US\$m)					
Guaranty loan repayable on 31 August 2009	18	1,5 bps below 6-month Libor on nominal value	142	129	125
Total long-term debt instruments in issue			12 950	11 028	12 326



During the year 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.
- *** Callable by the issuer, Nedbank Limited, after five years from date of issue, being 9 July 2002, 24 April 2006, 8 February 2007, 15 August 2007, 14 December 2007 and 14 December 2007 (ie 9 July 2007, 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 2,75%, 1,70%, 1,95%, 1,45%, 1,70% and 1,70% respectively.
- **** 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.
- ***** 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%
- ***** 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%.
- ***** Callable by the issuer, Nedbank Limited, after ten and a half years from the date of issue, being 20 May 2008 (ie 20 Nov 2018), at which time the interest converts to a floating three-month JIBAR rate, plus 712,5 bps in perpetuity unless called.
- + The debt instrument was redeemed on its call date 9 July 2007.
- # Callable by the issuer, Greenhouse Funding (Pty) Limited, 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 a three-month JIBAR rate, plus a spread of 0,40%, 0,80%, 1,10% and 1,35% respectively.

Tier 3 capital

Included in fixed deposits on page 60b is a R300 million subordinated-debt instrument, issued on 20 September 2005 and callable on 20 September 2008, of which R300 million qualified as Tier 3 capital.

At 31 December 2007 R300 million was included in deposits that qualified as Tier 3 capital.

Notes to the balance sheet

at

15 BEE: Estimated future dilutive shares and IFRS 2 charge

These are purely illustrative scenarios for the period 2008 – 2017 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 is illustrated by assuming other growth rates. These examples are not based on any share price growth expectations.

	Actual 2005	Actual 2006	Actual 2007
15.1 Estimated future dilutive shares as at end of each year ('000)			
Dilutive shares at 10% share price growth:			
SA BEE transaction	1 408	8 144	9 812
Black Business Partners	764	2 992	2 631
Non-executive directors	21	116	225
Retail	12	685	2 051
Corporate	581	3 164	3 243
Black Executives	11	209	377
Black Management	19	978	1 285
Namibia BEE transaction	–	–	10
Black Business Partners			
Affinity Groups			
Education			
Discretionary			
LTIP			
Black Management			10
	1 408	8 144	9 822
Dilutive shares at share price growth of:			
SA BEE transaction			
5%	1 408	8 144	9 812
15%	1 408	8 144	9 812
20%	1 408	8 144	9 812
30%	1 408	8 144	9 812
Namibia BEE transaction			
5%			10
15%			10
20%			10
30%			10



Actual/illustrative forecast 2008	Illustrative forecast 2009	Illustrative forecast 2010	Illustrative forecast 2011	Illustrative forecast 2012	Illustrative forecast 2013	Illustrative forecast 2014	Illustrative forecast 2015	Illustrative forecast 2016	Illustrative forecast 2017
3 113	2 097	2 994	1 322	1 517	1 695	1 445	1 058	752	369
115	166	186	31	127	229	336			
1 483									
266	761	1 171							
277	267	344	427	372	365	390	380	284	231
972	903	1 293	864	1 018	1 101	719	678	468	138
38	41	46	61	71	50	40	36	–	–
10	12	13	15	17	19	22	24		
19	18	17	16	15	14	13	12		
1		4	13	21	12				
8	11	12	17	18	5	5			
3 151	2 138	3 040	1 383	1 588	1 745	1 485	1 094	752	369
2 830	1 276	1 575	1 016	1 051	969	817	733	520	217
3 384	3 218	5 065	2 831	3 479	3 772	3 570	1 302	922	479
3 785	4 366	6 937	4 217	5 083	5 357	5 121	1 488	1 049	559
4 592	6 380	10 149	6 408	7 427	7 538	7 129	1 743	1 219	661
37	39	45	60	70	49	38	35		
39	42	48	62	72	51	41	37		
40	43	49	63	73	52	42	38		
42	45	51	64	74	53	43	40		

Notes to the balance sheet

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
IFRS 2 BEE charge at 10% share price growth:				
SA BEE transaction	371,2	116,5	146,5	159,1
Black Business Partners	214,6		19,0	20,5
Non-executive directors	0,6	2,0	12,0	8,0
Retail*	1,1	38,0	30,2	36,6
Corporate	14,3	50,7	56,3	57,5
Black Executives	2,4	6,7	7,0	9,0
Black Management	10,6	19,1	22,0	27,5
Broad-based	127,6			
Namibia BEE transaction	–	21,7	–	1,1
Black Business Partners		9,0		
Affinity Groups		3,3		
Education		4,4		
Discretionary				0,1
LTIP				0,1
Black Management				0,9
Broad-based		5,0		
	371,2	138,2	146,5	160,2

* Increase in retail scheme expense in 2008 due to catch-up of estimated number of free shares.

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

	June 2008			
	5%	10%	15%	20%
SA BEE transaction	1 217,9	1 230,3	1 237,9	1 248,7
Pegged cost for instruments allocated to date	1 034,8	1 034,8	1 034,8	1 034,8
Future costs dependent on share price growth	183,1	195,5	203,1	213,9
Namibia BEE transaction	30,5	29,8	28,4	27,7
Pegged cost for instruments allocated to date	25,1	25,1	25,1	25,1
Future costs dependent on share price growth	5,4	4,7	3,3	2,6
	1 248,4	1 260,1	1 266,3	1 276,3



2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
155,0	105,0	81,0	38,0	26,0	17,0	10,0	5,0	–	1 240,7
									233,6
6,0									28,6
43,0									179,8
55,0	55,0	33,0							321,8
12,0	11,0	13,0	12,0	9,0	8,0	5,0	2,0		97,1
39,0	39,0	35,0	26,0	17,0	9,0	5,0	3,0		252,2
									127,6
1,7	1,8	1,3	0,7	0,3	0,3	0,3	0,3	0,3	29,8
									9,0
									3,3
									4,4
0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3	2,8
0,4	0,5	0,4	0,1						1,5
1,0	1,0	0,6	0,3						3,8
									5,0
156,7	106,8	82,3	38,7	26,3	17,3	10,3	5,3	0,3	1 270,5

	December 2007				
30%	5%	10%	15%	20%	30%
1 271,8	1 500,4	1 341,2	1 549,6	1 576,1	1 633,4
1 034,8	1 140,5	1 140,5	1 140,5	1 140,5	1 140,5
237,0	359,8	200,7	409,1	435,6	492,9
26,9	33,7	32,3	30,9	30,0	29,3
25,1	25,1	25,1	25,1	25,1	25,1
1,8	8,6	7,2	5,8	4,9	4,2
1 298,7	1 534,1	1 373,5	1 580,5	1 606,1	1 662,7

Nedbank Group – Share-based payments

Analysis of BEE Schemes – Illustrative roll of shares – based on a 10% increase in share price: 30 June 2008

Illustrative vesting outside of group		Actual 2005	Actual 2006	Actual 2007	Actual 2008	Illustrative forecast 2009	Illustrative forecast 2010	Illustrative forecast 2011
	Inception							
Opening balance		–	1 471 700	1 559 493	1 713 617	1 761 601	9 553 771	10 839 081
SA BEE transaction		1 471 700	47 977	154 124	47 984	7 792 170	1 260 441	14 406 984
BBP								
NED								789 130
Retail – For sale			19 965	65 280	46 266	5 170 659		
Retail – Free shares						1 767 390		
Corporate Non-Aka								10 160 049
Corporate Aka								1 676 901
Community								
Black Executives						161 040	224 907	312 332
Black Management			28 012	88 844	1 718	693 081	1 035 534	1 468 572
Broad-based		1 471 700						
Evergreen								
Namibia BEE transaction		–	39 816	–	–	–	24 869	65 744
BBP								
AG								
Education								
Discretionary								
LTIP								40 875
Black Management							24 869	24 869
Broad-based			39 816					
		1 471 700	1 559 493	1 713 617	1 761 601	9 553 771	10 839 081	25 311 809
Treasury shares ie in Trusts considered to be inside group								
Opening balance		–	39 796 430	40 374 079	40 219 955	40 171 971	32 379 801	31 094 492
Inception		41 268 130	665 442					
SA BEE transaction	41 268 130	(1 471 700)	(47 977)	(154 124)	(47 984)	(7 792 170)	(1 260 441)	(14 406 984)
BBP	7 891 300							
NED	789 130							(789 130)
Retail – For sale	5 302 170		(19 965)	(65 280)	(46 266)	(5 170 659)		
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							
Black Executives	2 093 521					(161 040)	(224 907)	(312 332)
Black Management	7 661 076		(28 012)	(88 844)	(1 718)	(693 081)	(1 035 534)	(1 468 572)
Broad-based	1 471 700	(1 471 700)						
Evergreen	923 342							
Namibia BEE transaction	665 442	–	(39 816)	–	–	–	(24 869)	(65 743)
BBP	199 929							
AG	74 048							
Education	98 730							
Discretionary	81 452							
LTIP	81 749							(40 875)
Black Management	89 718						(24 869)	(24 869)
Broad-based	39 816		(39 816)					
		39 796 430	40 374 079	40 219 955	40 171 971	32 379 801	31 094 492	16 621 765
Actual cap shares			815 960	2 150 413	2 854 694	2 854 694	2 854 694	2 854 694
		39 796 430	41 190 039	42 370 368	43 026 665	35 234 495	33 949 186	19 476 459

** Inception figures have changed due to reallocation between the Retail scheme and Black Management.



Illustrative forecast 2012	Illustrative forecast 2013	Illustrative forecast 2014	Illustrative forecast 2015	Illustrative forecast 2016	Illustrative forecast 2017	Illustrative forecast 2018	Total	Illustrative cap shares	Illustrative call option	Illustrative shares
25 311 809	26 734 207	28 123 014	29 219 047	37 871 744	38 715 847	39 397 229	-			
1 351 138	1 384 084	1 091 160	8 652 697	471 397	681 381	-	38 813 237	9 269 641	(13 423 170)	34 659 707
			7 891 300				7 891 300	5 962 398	(5 947 106)	7 906 592
							789 130	237 424	(561 744)	464 810
							5 302 170			5 302 170
							1 767 390			1 767 390
							10 160 049	2 453 455	(5 750 891)	6 862 613
							1 676 901	616 364	(1 163 429)	1 129 836
205 338	215 205	165 416	328 063	254 729	226 491		2 093 521			2 093 521
1 145 800	1 168 879	925 744	433 334	216 668	454 890		7 661 076			7 661 076
							1 471 700			1 471 700
71 260	4 723	4 873	-	372 707	-	81 452	665 444	327 220	(412 593)	580 072
				199 929			199 929	119 714	(173 426)	146 217
				74 048			74 048	29 499	(44 200)	59 347
				98 730			98 730	39 332	(58 933)	79 129
						81 452	81 452	138 675	(136 034)	84 093
40 875							81 750			81 750
30 385	4 723	4 873					89 719			89 719
							39 816			39 816
26 734 207	28 123 014	29 219 047	37 871 744	38 715 847	39 397 229	39 478 681	39 478 681	9 596 861	(13 835 763)	35 239 779
16 621 765	15 199 367	13 810 560	12 714 527	4 061 830	3 217 727	2 536 345				
(1 351 138)	(1 384 084)	(1 091 160)	(8 652 697)	(471 397)	(681 381)	-	2 454 893			
			(7 891 300)							
							1 531 551			
(205 338)	(215 205)	(165 416)	(328 063)	(254 729)	(226 491)					
(1 145 800)	(1 168 879)	(925 744)	(433 334)	(216 668)	(454 890)					
							923 342			
(71 260)	(4 723)	(4 873)	-	(372 707)	-	(81 452)	-			
				(199 929)						
				(74 048)						
				(98 730)						
(40 875)						(81 452)				
(30 385)	(4 723)	(4 873)								
15 199 367	13 810 560	12 714 527	4 061 830	3 217 727	2 536 345	2 454 893	2 454 893			
2 854 694	2 854 694	2 854 694	2 854 694	2 854 694	2 854 694	2 854 694	2 854 694			
18 054 061	16 665 254	15 569 221	6 916 524	6 072 421	5 391 039	5 309 587	5 309 587			

Nedbank Group – Share-based payments

Illustrative roll of shares – SA BEE transaction

	Inception	2005	2006	2007	2008	2009	2010
Issued outside group	–	1 471 700	1 519 677	1 673 801	1 721 785	9 513 955	10 774 396
Treasury shares	41 268 130	39 796 430	39 748 453	39 594 329	39 546 345	31 754 175	30 493 734
Original BEE allocation	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130	41 268 130
Cap shares	–	116 659	747 199	1 024 777	1 219 917	1 341 908	1 476 099
– BBP		96 214	289 466	442 266	541 199	595 319	654 851
– NED			28 021	35 439	52 557	57 813	63 594
– Corporate		20 445	429 712	547 072	626 160	688 776	757 654
	41 268 130	41 384 789	42 015 329	42 292 907	42 488 047	42 610 038	42 744 229
Call option shares	–	–	–	–	–	–	–
– BBP							
– NED							
– Corporate							
Shares expected at end	41 268 130	41 384 789	42 015 329	42 292 907	42 488 047	42 610 038	42 744 229
Weighted dilutive shares		1 406 976	8 143 756	9 811 687	2 581 241	2 098 013	2 993 003

Illustrative roll of shares – Namibia BEE transaction

	Inception	2005	2006	2007	2008	2009	2010
Issued outside group	–	–	39 816	39 816	39 816	39 816	64 685
Treasury shares	665 442	–	625 626	625 626	625 626	625 626	600 757
Original BEE allocation	665 442	–	665 442	665 442	665 442	665 442	665 442
Cap shares	–	–	16 479	18 697	30 218	31 160	32 147
– BBP			9 605	10 067	10 550	11 057	11 588
– AG			2 002	2 514	2 635	2 761	2 894
– Education			2 669	3 352	3 513	3 682	3 858
– Discretionary			2 202	2 765	13 521	13 660	13 806
	665 442	–	681 921	684 139	695 660	696 602	697 589
Call option shares	–	–	–	–	–	–	–
– BBP							
– AG							
– Education							
– Discretionary							
Shares expected at end	665 442	–	681 921	684 139	695 660	696 602	697 589
Weighted dilutive shares				10 065	38 006	40 212	46 477



2011	2012	2013	2014	2015	2016	2017	2018	Total
25 181 380	26 532 518	27 916 602	29 007 762	37 660 459	38 131 855	38 813 237	38 813 237	38 813 237
16 086 750	14 735 612	13 351 528	12 260 368	3 607 671	3 136 275	2 454 893	2 454 893	2 454 893
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
720 337	792 370	871 607	958 768	-	-	-	-	9 269 641
720 337	792 370	871 607	958 768					5 962 398
								237 424
								3 069 819
41 988 467	42 060 500	42 139 737	42 226 898	41 268 130	41 268 130	41 268 130	41 268 130	50 537 771
(7 476 064)	-	-	-	(5 947 106)	-	-	-	(13 423 170)
				(5 947 106)				(5 947 106)
(561 744)								(561 744)
(6 914 320)								(6 914 320)
34 512 403	42 060 500	42 139 737	42 226 898	35 321 024	41 268 130	41 268 130	41 268 130	37 114 601
1 321 976	1 517 845	1 694 992	1 444 205	1 057 580	751 282	369 593	-	
2011	2012	2013	2014	2015	2016	2017	2018	Total
130 429	201 689	206 412	211 285	211 285	583 992	583 992	665 442	665 442
535 013	463 753	459 030	454 157	454 157	81 450	81 450	-	-
665 442	665 442	665 442	665 442	665 442	665 442	665 442	665 442	665 442
33 181	34 264	35 400	36 591	37 838	10 623	10 623	-	327 220
12 145	12 728	13 340	13 981	14 653				119 714
3 033	3 179	3 331	3 491	3 659				29 499
4 044	4 238	4 442	4 655	4 879				39 332
13 959	14 119	14 287	14 463	14 648	10 623	10 623		138 675
698 623	699 706	700 842	702 033	703 280	676 065	676 065	665 442	992 662
-	-	-	-	-	(325 178)	-	(87 415)	(412 593)
					(173 426)			(173 426)
					(44 200)			(44 200)
					(58 933)			(58 933)
					(48 619)		(87 415)	(136 034)
698 623	699 706	700 842	702 033	703 280	350 887	676 065	578 027	580 070
61 239	70 383	50 069	39 086	35 950	-	-	-	

Nedbank Group – BEE deal assumptions

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

Changes in assumptions Timing of initial grant*	Forecast June 2008 August 2005	June 2007 August 2005
Share price	'R87,90 for initial grants R92,11 at June 2008 + 10% pa for future allocations.'	'R87,90 for initial grants R133,50 at Dec 2006 + 10% pa 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 share price on grant date and not R74,75. Corporate and Non-executive Directors scheme issue price based on R74,75 for all anticipated grants.	Instrument values based on share price on grant date and not R74,75. Corporate and Non-executive Directors scheme issue price based on R74,75 for all anticipated grants.
Dividend yield	Forecast dividend yields.	Forecast 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.

* Affects share price and other factors ie dividend yield and volatility, spreading of allocations, etc.

Balance sheet – banking/trading categorisation

at

Rm	30 June 2008			Total
	Banking	Trading	Elims	
Assets				
Cash and cash equivalents	11 113	437		11 550
Other short-term securities	16 474	16 581	(3 720)	29 335
Derivative financial instruments	281	16 772	(294)	16 759
Government and other securities	30 767	5 757		36 524
Loans and advances	383 824	24 247		408 071
Other assets	5 479	7 369		12 848
Customers' indebtedness for acceptances	3 130			3 130
Current taxation receivable	28			28
Investment securities	8 467	527		8 994
Non-current assets held for sale	32			32
Investments in associate companies and joint ventures	1 012			1 012
Deferred taxation asset	83	13		96
Property and equipment	4 093	12		4 105
Post-employment assets	1 597			1 597
Mandatory reserve deposits with central banks	9 489			9 489
Intangible assets	5 436	1		5 437
Inter-divisional assets		1 574	(1 574)	–
Total assets	481 305	73 290	(5 588)	549 007
Total equity and liabilities				
Allocated capital	30 898	2 229		33 127
Minority shareholders' equity attributable to:				
– ordinary shareholders	1 550			1 550
– preference shareholders	3 421			3 421
Total equity	35 869	2 229		38 098
Derivative financial instruments	618	16 887	(294)	17 211
Amounts owed to depositors	411 666	27 263	(3 720)	435 209
Other liabilities	5 675	26 929		32 604
Non-current liabilities held for sale				–
Liabilities under acceptances	3 130			3 130
Current taxation liabilities	311	(16)		295
Deferred taxation liabilities	1 821	(1)		1 820
Post-employment liability	1 265			1 265
Investment contract liabilities	6 425			6 425
Long-term debt instruments	12 950			12 950
Inter-divisional liabilities	1 575		(1 574)	–
Total liabilities	445 436	71 061	(5 588)	510 909
Total equity and liabilities	481 305	73 290	(5 588)	549 007



	30 June 2007			31 December 2007				
	Banking	Trading	Elims	Total	Banking	Trading	Elims	Total
	11 695	2 868		14 563	10 712	(368)		10 344
	13 503	14 396	(1 670)	26 229	11 509	15 946	(1 662)	25 793
	322	9 573	(449)	9 446	166	9 192	(311)	9 047
	20 259	5 819	(768)	25 310	24 646	5 693	(702)	29 637
	316 014	22 893		338 907	347 979	25 977		373 956
	5 124	9 887		15 011	5 167	4 146		9 313
	2 666			2 666	2 251			2 251
	851			851	59			59
	8 062	246		8 308	7 926	392		8 318
	26	533		559	31			31
	1 106			1 106	978			978
	68	(12)		56	44	(19)		25
	3 616	11		3 627	4 085	15		4 100
	1 494			1 494	1 393			1 393
	7 736			7 736	8 364			8 364
	4 961	2		4 963	5 246	1		5 247
	3 184		(3 184)	–	1 044		(1 044)	–
	400 686	66 217	(6 071)	460 832	431 600	60 975	(3 719)	488 856
	25 281	2 304		27 585	27 654	2 539		30 193
	1 432	26		1 458	1 511			1 511
	3 431			3 431	3 421			3 421
	30 144	2 330		32 474	32 586	2 539		35 125
	912	11 173	(449)	11 636	804	10 939	(311)	11 432
	341 168	17 142	(1 670)	356 640	368 491	17 712	(1 662)	384 541
	5 466	31 908	(768)	36 606	6 175	28 752	(702)	34 225
		467		467				–
	2 666			2 666	2 251			2 251
	301	2		303	345	(8)		337
	1 987	11		1 998	1 619	(3)		1 616
	1 231			1 231	1 157			1 157
	5 783			5 783	5 846			5 846
	11 028			11 028	12 326			12 326
		3 184	(3 184)	–		1 044	(1 044)	–
	370 542	63 887	(6 071)	428 358	399 014	58 436	(3 719)	453 731
	400 686	66 217	(6 071)	460 832	431 600	60 975	(3 719)	488 856

Assets under management

at

Rm	30 June 2008	30 June 2007	31 December 2007
Fair value of funds under management – by type			
Unit trusts	39 788	37 303	40 070
Third party	3 287	25 600	2 832
Private clients	44 906	30 952	42 536
	87 981	93 855	85 438
Fair value of funds under management – by geography			
South Africa	70 896	79 009	70 675
Rest of World	17 085	14 846	14 763
	87 981	93 855	85 438

Rm	30 June 2008			Total
	Unit trusts	Third party	Private clients	
Reconciliation of movement in funds under management – by type				
Opening balance at 31 December 2007	40 070	2 832	42 536	85 438
Inflows	7 445	432	5 153	13 030
Outflows	(7 671)	(313)	(4 289)	(12 273)
Mark-to-market value adjustment	(980)	(51)	732	(299)
Foreign currency translation differences	924	387	774	2 085
Closing balance – June 2008	39 788	3 287	44 906	87 981

Rm	30 June 2008		Total
	South Africa	Rest of the world	
Reconciliation of movement in funds under management – by geography			
Opening balance at 31 December 2007	70 675	14 763	85 438
Inflows	11 023	2 007	13 030
Outflows	(10 818)	(1 455)	(12 273)
Mark-to-market value adjustment	16	(315)	(299)
Foreign currency translation differences	–	2 085	2 085
Closing balance – June 2008	70 896	17 085	87 981

Rbn	2008	2007
Segmentals		
Nedbank Retail	88	79
Nedbank Capital	0	14
	88	93



Group capital position – Basel II

Regulatory capital (Rm)	Tier 1	Tier 2	Tier 3	Total	RW assets
December 2007	26 611	10 510	300	37 421	334 876
Group capital adequacy (%)	8,0	3,1	0,1	11,2	
Growth – risk-weighted assets					15 905
Ordinary share capital and premium	487			487	
Profit for the period	3 597			3 597	
Ordinary dividend paid	(1 440)			(1 440)	
Other distributable reserves	389			389	
Non-distributable reserve	(390)			(390)	
Minority interest: ordinary shareholders	39			39	
Hybrid Debt Capital Instruments	1 187			1 187	
Impairments	(110)			(110)	
Goodwill	(42)			(42)	
Excess of expected loss over eligible provisions (50%)	40			40	
First loss credit enhancement i.r.o. securitisation scheme (50%)	(32)			(32)	
Insurance entities – surplus capital and investment (50%)	(70)			(70)	
Other regulatory differences	219			219	
Long-term debt instruments		3		3	
Revaluation reserves (50%)		(2)		(2)	
Insurance entities – surplus capital and investment (50%)		(70)		(70)	
Excess of expected loss over eligible provisions (50%)		40		40	
First loss credit enhancement i.r.o. securitisation scheme (50%)		(32)		(32)	
General allowance for credit impairment		(158)		(158)	
Other regulatory differences		(4)		(4)	
June 2008	30 485	10 287	300	41 072	350 781
Group capital adequacy (%)	8,7	2,9	0,1	11,7	

Cost of capital

Cost of capital is the weighted average of the cost of the various equity components: ordinary and preference shares (WACC).

	Weighting Jun 2008	Jun 2008	Jun 2007	Dec 2007
Cost of ordinary shares (after tax) – Capital Asset Pricing Model*	88	14,81	13,43	13,92
Cost of preference shares – Preference shares 75% Nedbank prime interest rate plus STC – Hybrid Debt Capital (Average 4% below cost of ordinary shares)	9 3	12,79 10,81	10,20	10,81
		14,51	13,10	13,61

* Capital asset pricing model	Risk-free rate – R157	Beta	Equity risk premium	After-tax cost of ordinary shares
30 June 2005	8,25%	1,00	5,44%	13,69%
31 December 2005	7,46%	1,00	5,13%	12,59%
30 June 2006	8,65%	1,00	5,13%	13,78%
31 December 2006	7,73%	1,02	5,30%	13,14%
30 June 2007	8,03%	1,02	5,30%	13,43%
31 December 2007	8,40%	1,00	5,52%	13,92%
30 June 2008	9,38%+	1,00	5,43%	14,81%

+ Using 31 July risk-free rate

Capital adequacy Basel II

at

Rm	30 June 2008		31 December 2007
	Risk-weighted assets Rm	Annualised growth rates %	Risk-weighted asset Rm
Credit risk	278 227	8,45	267 010
Equity risk	14 895	(26,35)	17 140
Market risk	7 529	125,78	4 632
Operational risk	33 731	37,23	28 462
Other	16 399	14,06	17 632
Total risk-weighted assets	350 781	9,55	334 876
Minimum required capital and reserve funds	34 201		32 650
Qualifying capital and reserves	41 072		37 421
Net surplus over minimum regulatory capital requirements	6 871		4 771

Rm	30 June 2008		31 December 2007	
	Capital Rm	%	Capital Rm	%
Tier 1 capital (primary)	30 485	8,7	26 611	8,0
Core Tier 1 Capital	25 877	7,4	23 190	7,0
Ordinary share capital and reserves	33 127		30 193	
Minority interest: ordinary shareholders	1 550		1 511	
Impairments	(118)		(8)	
Goodwill	(3 940)		(3 898)	
Unappropriated profits	(852)		(852)	
Excess of expected loss over eligible provisions (50%)	(814)		(854)	
First loss credit enhancement i.r.o. securitisation scheme (50%)	(32)			
Other regulatory differences and non-qualifying reserves	(3 044)		(2 902)	
Non-core Tier 1 Capital	4 608	1,3	3 421	1,0
Minority interest: preference shareholders	3 421		3 421	
Subordinated Hybrid Debt Instruments	1 187		–	
Tier 2 capital (secondary)	10 287	2,9	10 510	3,1
Long-term debt instruments	10 876		10 873	
Excess of expected loss over eligible provisions (50%)	(814)		(854)	
General allowance for credit impairment	192		350	
Other regulatory differences	33		141	
Tier 3 capital (tertiary)	300	0,1	300	0,1
	41 072	11,7	37 421	11,2

Capital adequacy analysis by bank

(solo supervision)	Country CARs	30 Jun 2008		31 Dec 2007	
		Risk-weighted assets Rm	Capital %	Risk-weighted assets Rm	Capital %
Nedbank Ltd	9,75%	297 860	11,8	274 773	11,2
Imperial Bank Ltd	9,75%	34 486	10,9	33 909	10,6
Nedbank (Namibia) Ltd	10,00%	3 134	14,3	3 147	11,9
Fairbairn Private Bank (IOM) Ltd	10,00%	3 041	15,3	2 919	12,8
Fairbairn Private Bank Ltd	10,00%	2 192	12,3	1 504	14,7
Nedbank (Swaziland) Ltd	8,00%	967	15,6	582	19,3
Nedbank (Lesotho) Ltd	8,00%	625	19,2	453	21,2
Nedbank (Malawi) Ltd	8,00%	124	15,5	97	12,8

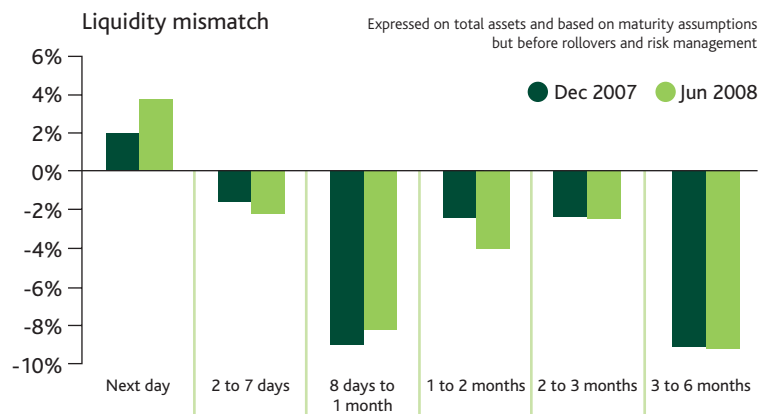


Funding and liquidity risk management

for the period ended 30 June

Liquidity risk management

- Liquidity risk measures Nedbank's ability to efficiently meet its current and future cashflow requirements.
- Liquidity management is a vital risk function in all entities across all jurisdictions and currencies, and is a key focus of the Nedbank Group.



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

- A bank's role in financial intermediation is the transformation of short-term deposits into longer-term loans. This makes Nedbank inherently susceptible to liquidity mismatches that are managed through a combination of strategic initiatives.
- The recent international market turbulence that continues to affect many financial markets around the world, has sharply focused attention on the crucial role liquidity plays in assuring the effective functioning of the banking sector and related markets.

The impact of these events on Nedbank has not been material – primarily because these events have not impacted the domestic funding market. Nedbank has an immaterial foreign-funding requirement, a small international footprint and a relatively small conduit business that has no foreign balance sheet components. Nedbank has and continues to have no direct exposure to the US sub-prime market.

Although the impact of recent global liquidity developments has not been significant for the Nedbank Group, the appropriate risk management resources and forums continue to monitor these developments closely to identify any early signs of contagion within the South African markets in order to manage such risk appropriately.

Liquidity risk governance structures and processes

- Ultimate responsibility for liquidity risk management rests with the board of directors, which has approved an appropriate liquidity risk management framework for the management of the group's funding requirements and liquidity mismatches. This framework includes, inter alia, appropriately constituted non-executive and executive risk committees, a funding strategy forum, a centralised funding desk and divisional pricing/interest rate committees. It also includes appropriately defined charters for these forums as well as supporting policies and limits defining risk appetite.
- The group's daily liquidity requirements are managed by an experienced centralised funding team in Group Treasury.
- Strategic liquidity initiatives are motivated to and approved by Group ALCO before execution.
- Group ALCO monitors all liquidity strategies to ensure compliance with the Liquidity Risk Management Framework and their successful implementation.
- Nedbank has established a number of liquidity contingency triggers, which are monitored regularly to facilitate early warning. This process is supported by an appropriate liquidity risk contingency plan and framework to ensure an immediate response and process should the need arise.
- The Group ALCO and Executive Risk Committee separately identified deposits that are deemed to be potential funds at risk. These funds are adequately covered by sources of quick liquidity.
- Liquidity risk reporting, including appropriately designed dashboards, provides the Group ALCO and Executive Risk Committee, as well as the board of directors and board's Group Risk and Capital Management Committee, with appropriate, liquidity risk information. This includes measures of compliance with approved policies and limits.

Funding and liquidity risk management

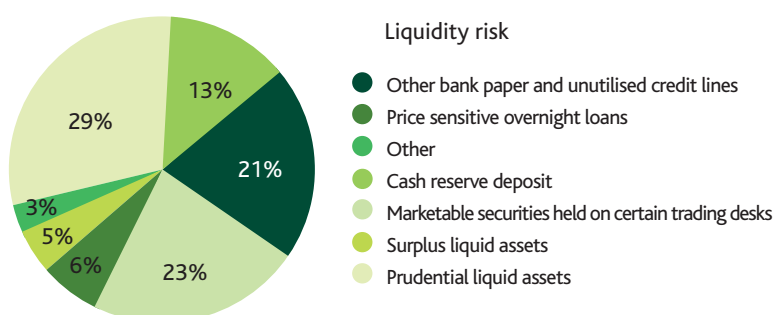
for the period ended 30 June (continued)

- Behavioural modelling and stress analyses to identify business as usual as well as potential stress cashflow requirements are carried out regularly and are evolving as markets develop.

Liquidity risk strategies

- Portfolios of marketable and highly liquid assets that can be liquidated to meet unforeseen or unexpected funding requirements are held in the group in terms of the Liquidity Risk Management Framework (refer pie chart below).
- Maintenance of sufficient sources of quick liquidity to meet potential funds at risk.

Sources of quick liquidity totalled R66,4 billion at the half year including prudential liquidity requirements of R27,6 billion.



- Net daily funding requirements are forecast by estimating daily rollovers and withdrawals, managing pipeline deal flow and actively managing daily settlements.
- The centralised funding desk maintains regular interaction with all of the group's large depositors to understand and manage their cashflow requirements.
- Close liaison is maintained with the retail banking, business banking and corporate banking deposit-raising activities, through separate direct dealing desks within this team, ensuring that stable sources of funds are maximised and priced correctly and client rollovers and flows are better understood.
- Funding mismatches are managed by currency and a focus is placed on managing short-term funding maturities, daily settlements and collateral management processes.
- Liabilities are appropriately diversified, including by product, market and maturity.
- Funding is sourced from a large variety of depositors representing a cross-section of South African public and private economic sectors, industries, commercial enterprises and individuals with a wide range of maturities and using a large number of investment and transactional banking products, concentration risk within the deposit base is appropriately diversified.
- Group ALCO and Executive Risk Committee is always looking to identify diversified sources of funding and will continue to make use of the capital markets and foreign banks to diversify funding sources as was done towards the end of last year and during the first half of this year.
- Scenario analysis is used in the management of the bank's liquidity risk, including plausible stress scenarios.
- The management of liquidity risk and particularly cash flows is strongly focused on the short to medium term to ensure that risk management is quick to respond to the immediate cashflow requirements under different stress scenarios.



Summarised dti Codes and FSC scorecards

at 30 June 2008

Ownership	Voting rights		Economic interest			Employee schemes/ Broad-based schemes, etc	Net equity value	Total score	Weighting
	Black people	Black women	Black people	Black women	Designated groups				
BBBEE Codes	17,87%	4,63%	17,45%	5,11%	2,50%	0,00%	17,45%	13,24	20
FSC			18,40%	5,11%			18,40%	13,00	12 +4

Management control	Board	Black Executive directors	Senior top management	Top other management	Bonus: independent directors	Total score	Weighting
BBBEE Codes	50,00%	0,00%	33,33%	25,00%	42,86%	7,75	10
FSC	61,54%	0,00%	30,00%			8,00	8

Employment equity	Senior management	Middle management	Junior management	Disabled as % of total	Total score	Weighting
BBBEE Codes	19,94%	43,90%	71,78%	0,43%	9,95	15
FSC	22,75%	37,35%	51,15%		14,00	15

Skills development	Skills spend %	Disabled skills spend %	Category B, C and D black learners	Total score	Weighting
BBBEE Codes	1,74%	0,01%	0,61%	4,09	15
FSC	1,74%		0,61%	3,81	5

Preferential procurement	% Spend	% Spend on QSEs and EMEs	% Spend – black-owned	% Black women-owned	Total score	Weighting
BBBEE Codes	53,44%	12,57%	8,09%	0,15%	17,83	20
FSC	53,80%				15,00	15

Enterprise development	% Contributions – non-recoverable	% Contributions – recoverable	Total score	Weighting
BBBEE Codes	3,75%	9,27%	15,00	15
FSC				

Social economic development/CSI	% Contributions	Total score	Weighting
BBBEE Codes	0,53%	2,65	5
FSC	0,50%	2,99	3

Access to financial services	Products (active accounts)	Services (branches)	Low-income housing (R million)	Black SME financing (R million)	Agriculture financing (R million)	Consumer education	Total score	Weighting
FSC 2008 target	391 307	8	R8 800	R1 000	R225	0,20%		
Nedbank 2008	524 712	8	R7 657	R2 136	R257	0,02%	15,48	18

Empowerment financing	Empowerment financing (R million)	Transformational infrastructure (R million)	Low-income housing (R million)	Black SME financing (R million)	Agriculture financing (R million)	BEE financing (R million)	Total score	Weighting
FSC 2008 target	R5 739	R2 000	R2 460	R1 000	R225	R4 555		
Nedbank 2008	R10 200	R1 721	R6 086	R2 136	R257	R24,029	22,00	22

Total BEE score	Not verified as at 30 June 2008						70,51	100
Total FSC score	Not verified as at 30 June 2008						94,28	98

Credit ratings

Fitch ratings

	Nedbank Group July 2008	Nedbank July 2008
Individual	B/C	B/C
Support	2	2
Foreign currency		
Short-term	F3	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)

Individual and support

B = A strong bank with strong profitability, balance sheet integrity, franchise, management, operating environment or prospects.

C = An adequate bank which, however, possesses one or more troublesome aspects.

2 = A bank for which there is a high probability of external support, and the potential provider of support is highly rated in its own right.

Foreign and local currency (capped by sovereign risk limits of BBB+ for foreign long-term, F2 for foreign short-term and A for local long-term)

F2 = Good credit quality. The capacity for timely payment of financial commitments is satisfactory.

F3 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

BBB = Good credit quality. Indicates that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate.

The modifiers '+' or '-' denote relative status within major categories.

National

F1 = Indicates the strongest capacity for timely payment of financial commitments relative to other issuers or issues in the same country.

AA = Denotes a very strong credit risk relative to other issuers or issues in the same country.

The modifiers '+' or '-' denote relative status within major rating categories.

Moody's Investors Service

	Nedbank September 2007
Bank financial strength rating	C
Outlook – Financial strength rating	Stable
Global local currency – long-term deposits	Aa3
Global local currency – short-term deposits	Prime-1
Foreign currency – long-term bank deposits	Baa1
Foreign currency – short-term bank deposits	Prime-2
Outlook – foreign current deposit rating	Positive
National scale rating – long-term deposits	Aa1.za
National scale rating short-term deposits	Prime-1.za

Bank financial strength rating

C = Banks rated C possess good intrinsic financial strength. Typically, they will be institutions with valuable and defensible business franchises. These banks will demonstrate either acceptable financial fundamentals within a stable operating environment, or better than average financial fundamentals within an unstable operating environment.

Long-term (capped by sovereign rating)

Aa = Obligations rated Aa are subject to very low credit risk and considered high quality grade.

Baa = Obligations rated Baa are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics.

Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category.

Short-term

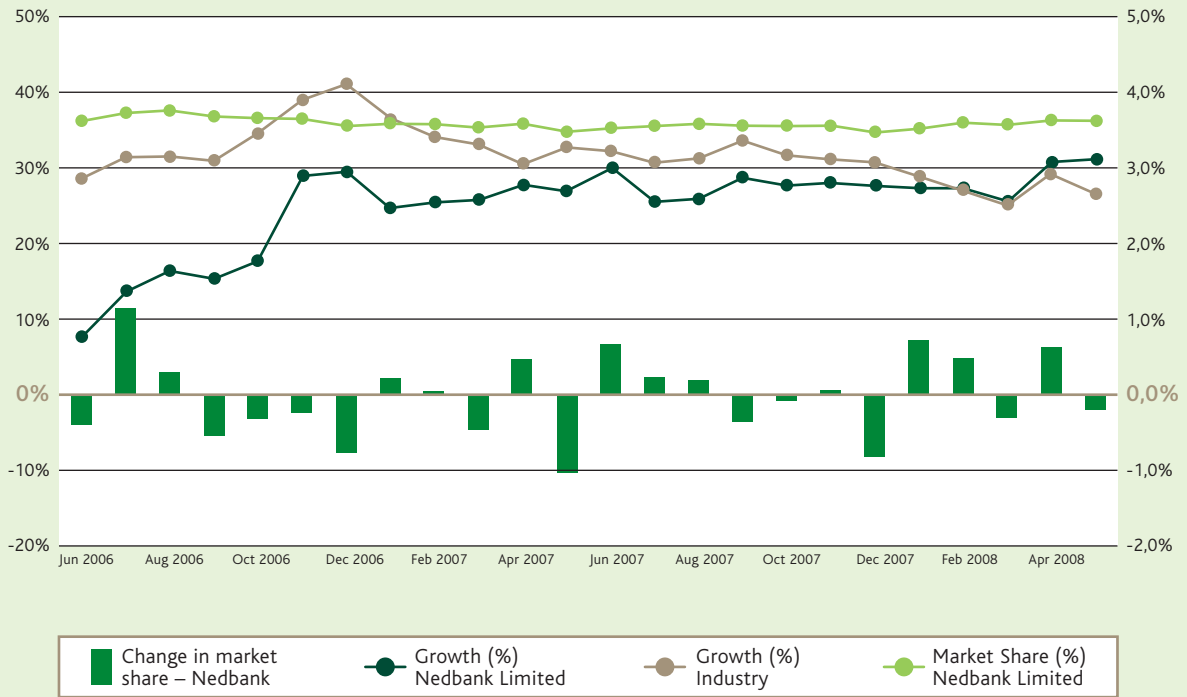
P-1 = Issuers rated Prime-1 have a superior ability to repay short-term debt obligations.

P-2 = Issuers rated Prime-2 have a strong ability to repay short-term debt obligations.

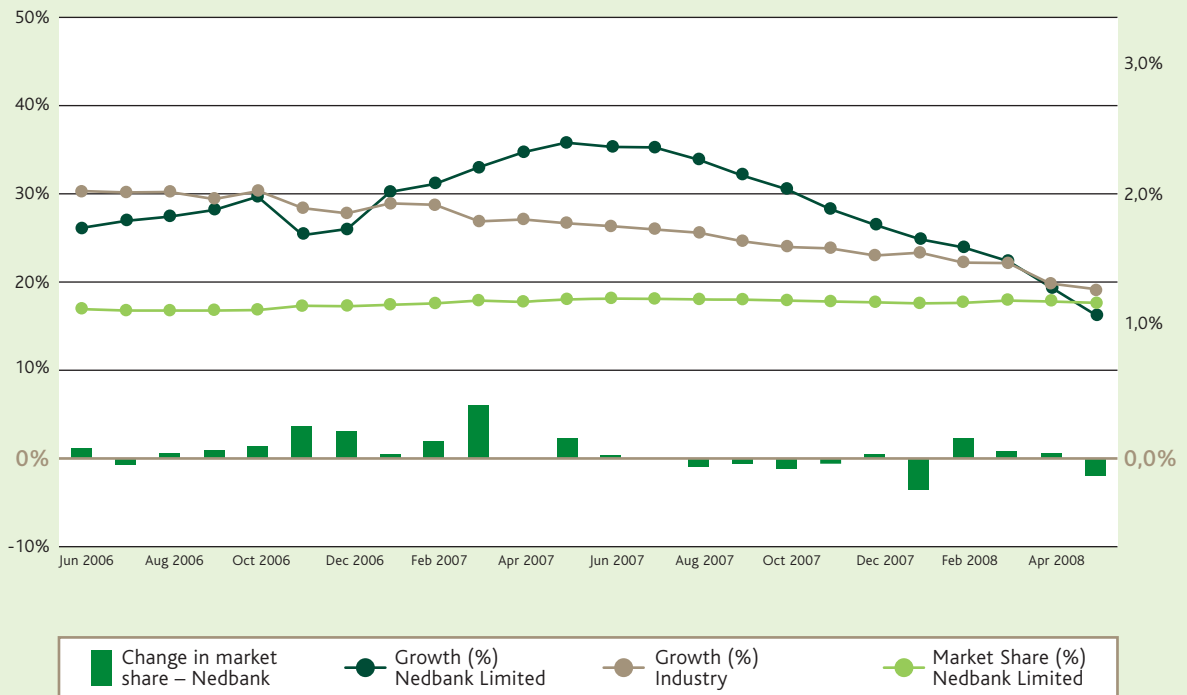


Market share

Commercial Mortgages



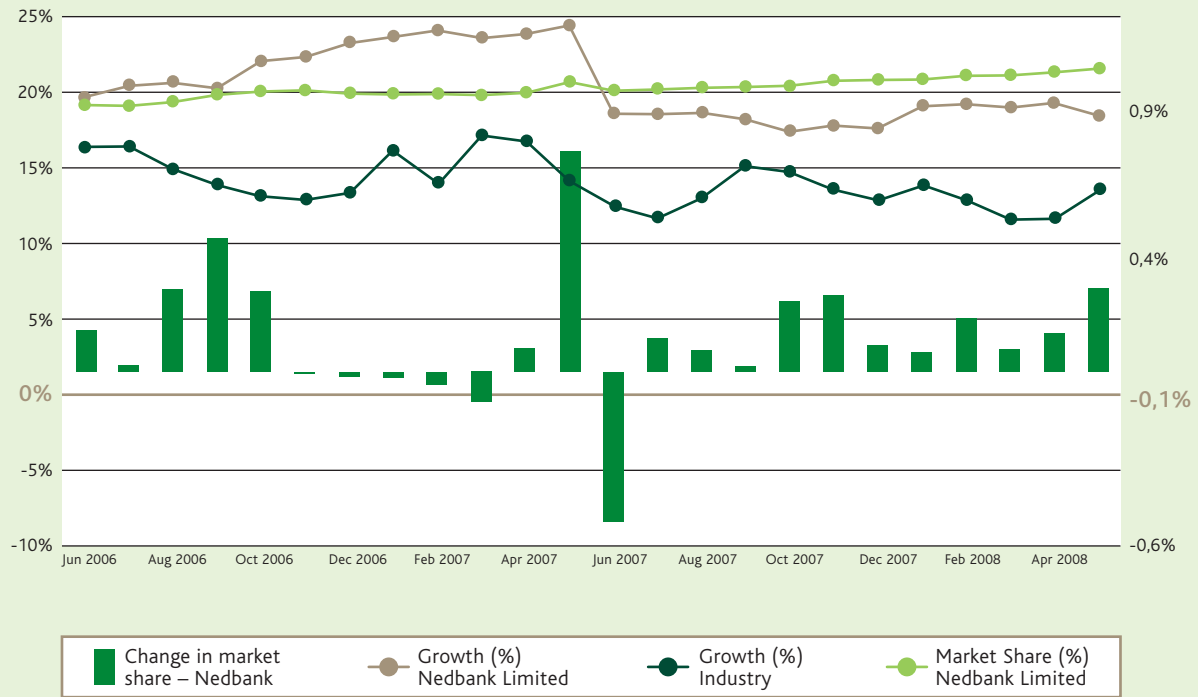
Residential Mortgages



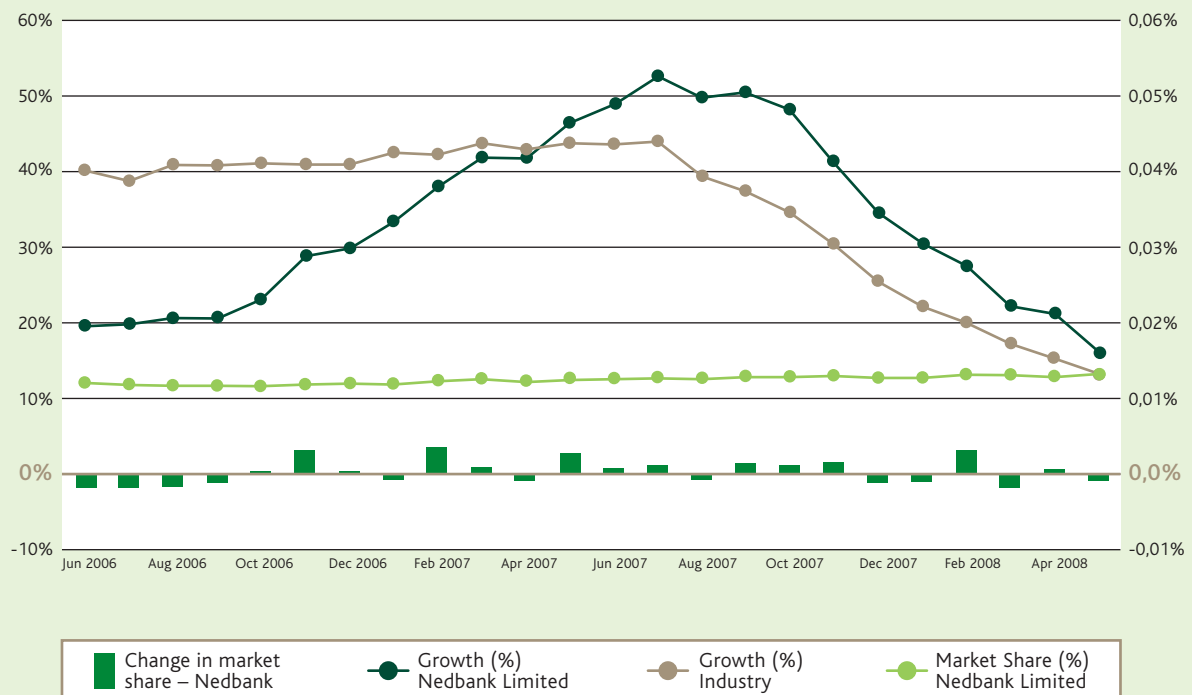
Market share

(continued)

Instalment Credit

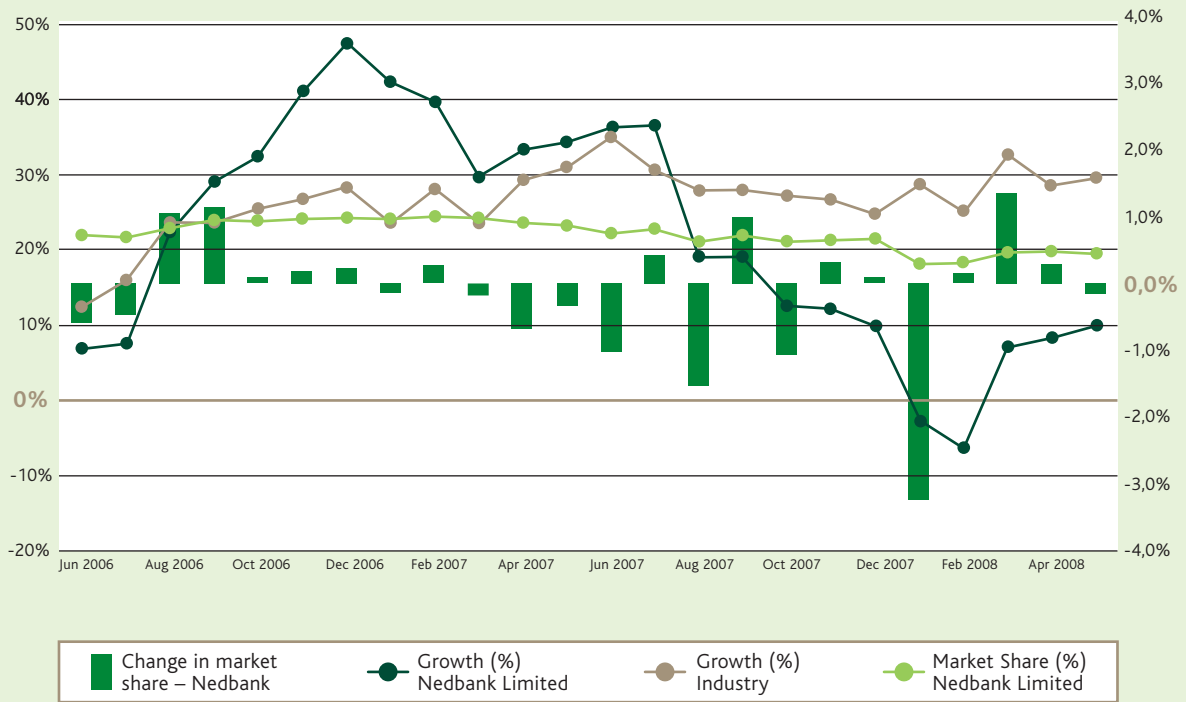


Credit Cards

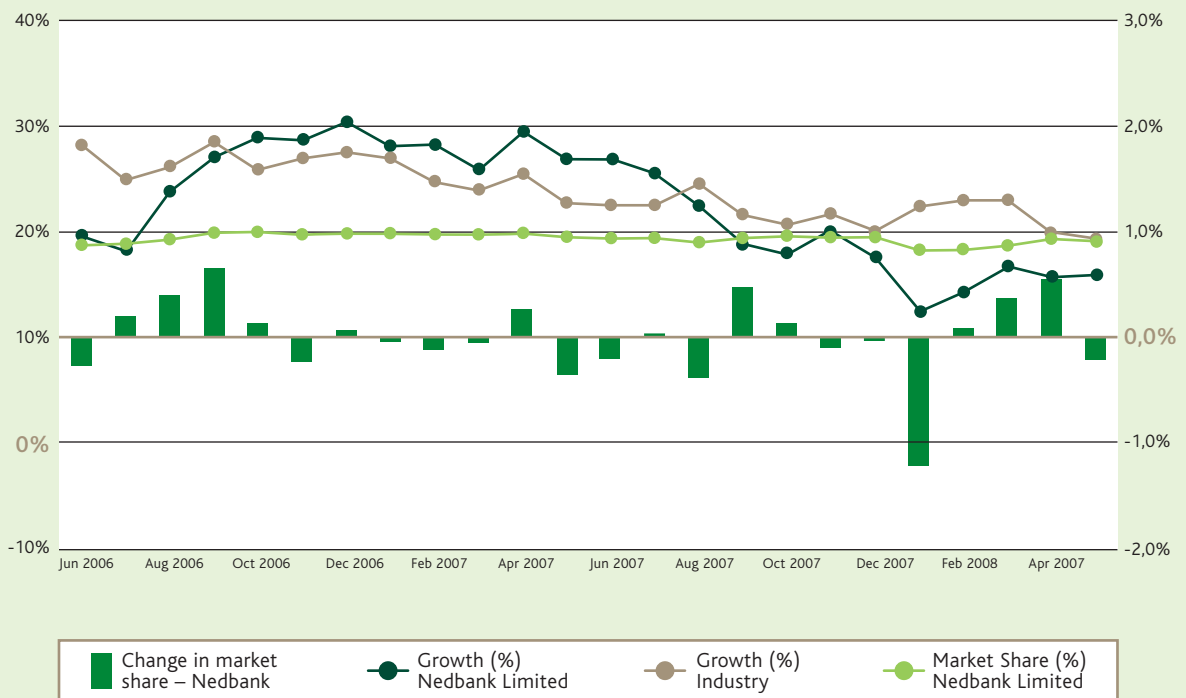




Other Loans and Advances



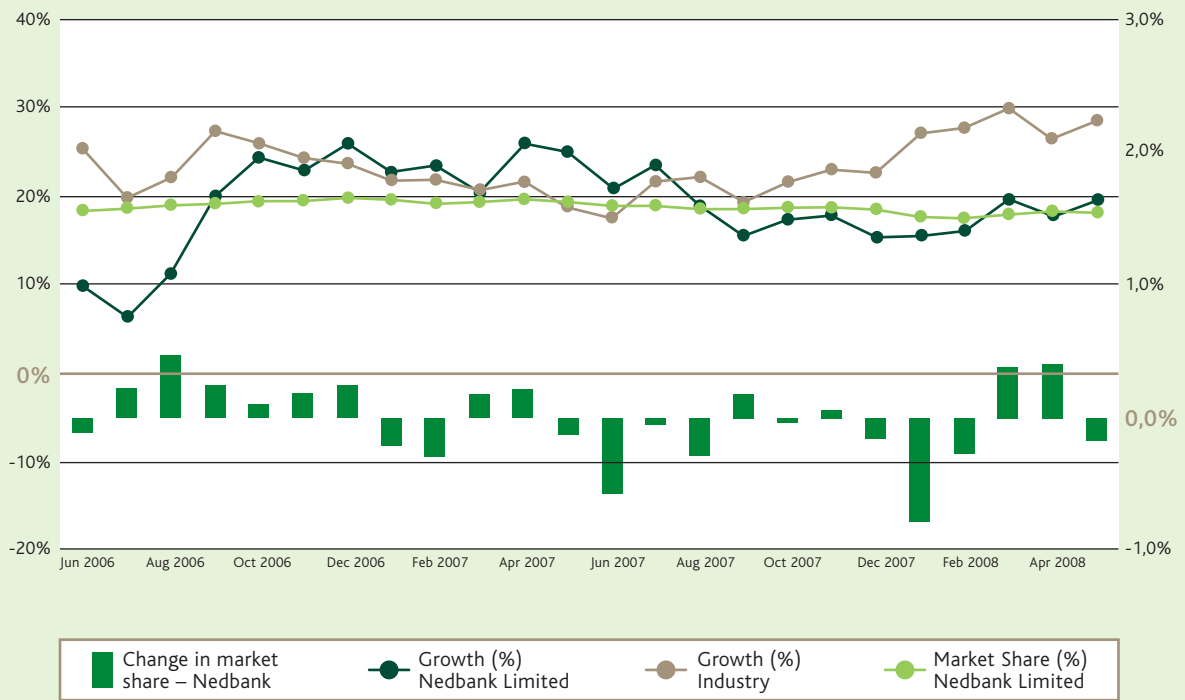
Total Advances



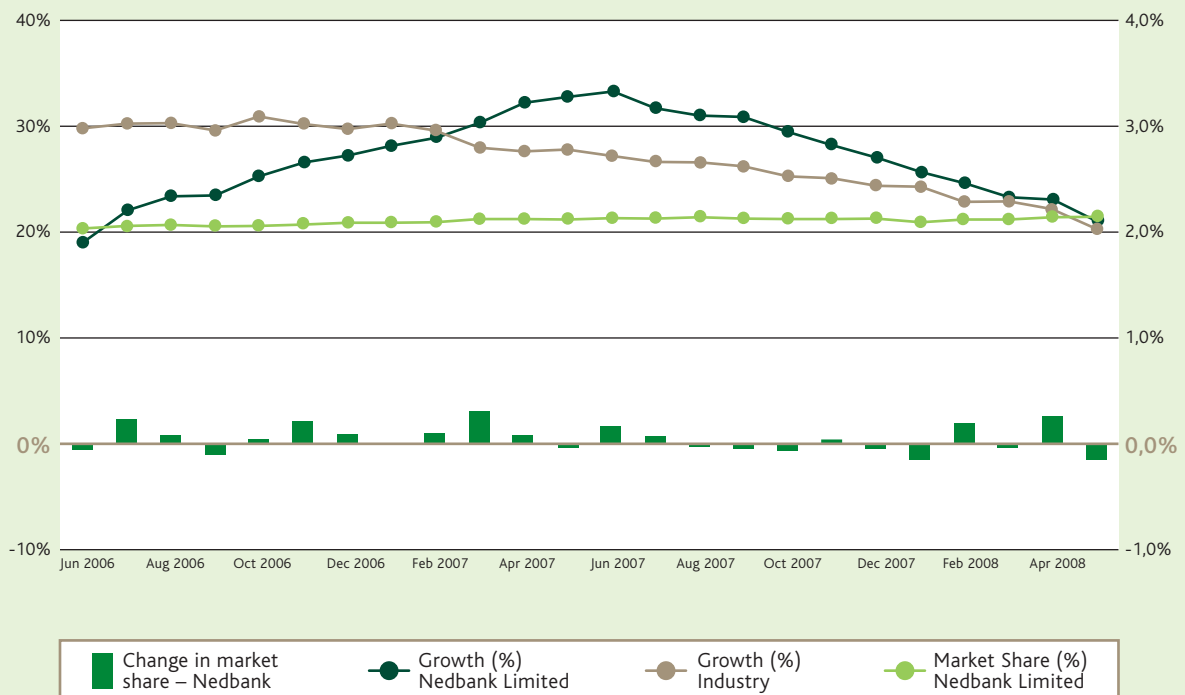
Market share

(continued)

Total Assets

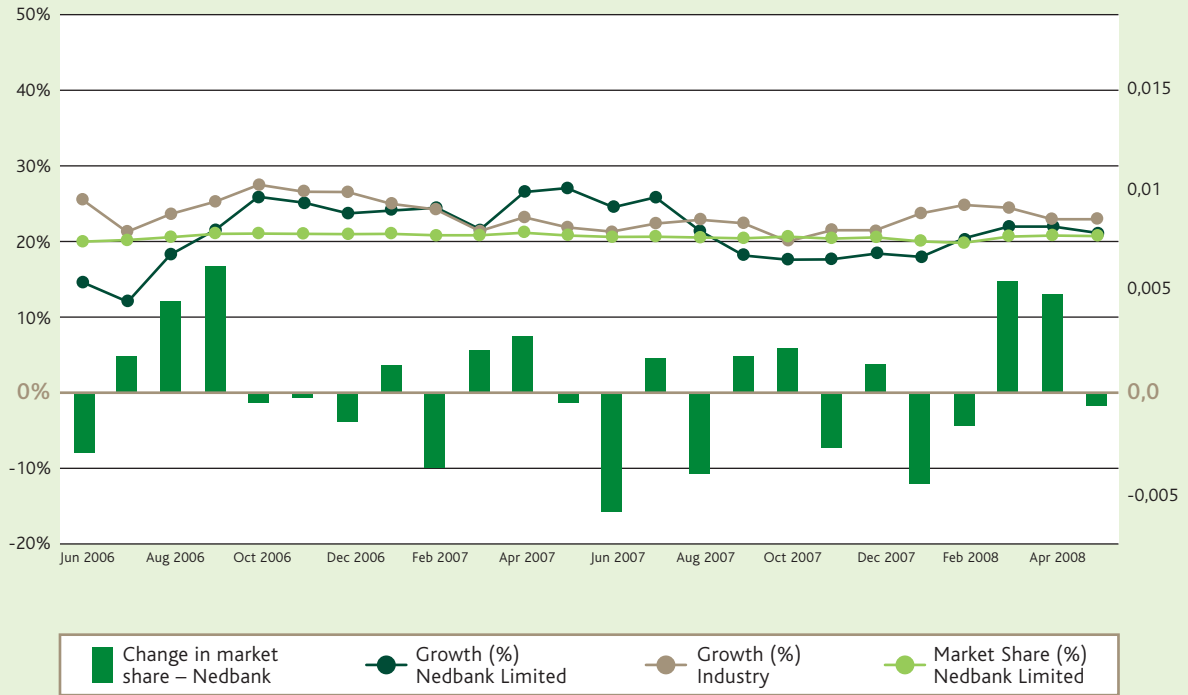


Total Mortgage Advances

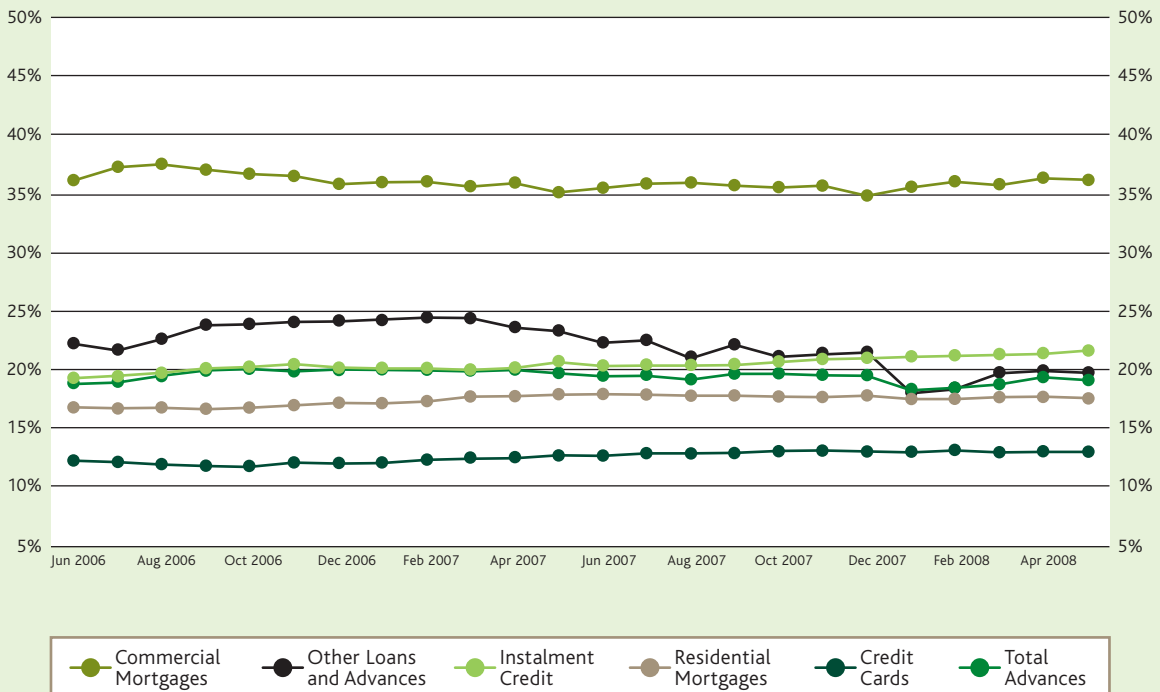




Deposits



Market Share Percentages



Nedbank Group employee incentive schemes

at

	Jun 2008	Dec 2007
Movements		
Options outstanding at beginning of period	21 174 877	20 384 608
Granted	2 613 742	6 557 583
Exercised	698 909	3 503 475
Expired	773 903	173 313
Surrendered	170 424	2 090 526
Options outstanding at end of the period	22 145 383	21 174 877
Analysis		
Performance-based options – 1994 Scheme	1 079 917 ^p	1 311 740 ^p
Non-performance-based options – 1994 Scheme	2 507 607	2 960 131
Performance-based options – 2005 Scheme	6 010 741 ^p	6 227 766 ^p
Non-performance-based options – 2005 Scheme	11 936 672	10 078 478
Performance-based options – matched shares 2005 Scheme	305 223	298 381
Non-performance-based options – matched shares 2005 Scheme	305 223	298 381
	22 145 383	21 174 877
Summary: by scheme		
Nedcor share incentive trust (1994)	3 349 842	3 971 572
Options granted in respect of the rights offer (1994 scheme)	217 681	271 409
Ex-NIB share incentive scheme – now part of Necor share incentive trust (1994 scheme)	20 001	28 890
Nedbank Group options scheme (2005)	17 947 413	16 306 244
Nedbank group matched share scheme (2005)	610 446	596 762
Options outstanding at end of the period	22 145 383	21 174 877

Nedcor share incentive trust (1994)

The following options granted had not been exercised at 30 June 2008

Option expiry date	Number of shares	Issue price R	Option expiry date	Number of shares	Issue price R
			b/f	1 670 352	
10-Aug-10	213 200	55,75	11-May-10	163 550	60,01
10-Aug-10	56 000 ^p	55,75	11-May-10	12 500 ^p	61,40
1-Oct-08	7 500	60,01	1-Oct-09	15 765 ^p	69,20
30-Oct-08	650	60,01	1-Oct-09	50 650	69,20
1-Jan-09	1 500	60,01	29-Aug-09	12 000	74,40
11-May-10	370 918	60,01	20-Apr-11	362 800	74,40
1-Jan-09	31 500	60,01	25-Feb-09	54 750	102,19
31-Jul-09	4 500 ^p	60,01	15-Oct-08	58 550	102,65
11-May-10	984 584 ^p	60,01	2-Jul-08	948 925	123,60
	1 670 352		Total	3 349 842	

Options granted in respect of the rights offer (1994 scheme)

Option expiry date	Number of shares	Issue price R
1-Jul-08	8 333	45,00
2-Jul-08	154 112	45,00
15-Oct-08	3 813	45,00
25-Feb-09	23 752	45,00
1-Oct-09	21 103	45,00
1-Oct-09	6 568 ^p	45,00
Total	217 681	

^p Performance-based options



Ex-NIB share incentive scheme – now part of Nedcor share incentive trust (1994 scheme)

The following options granted had not been exercised at 30 June 2008

Option expiry date	Number of shares	Issue price R
1-Jul-08	20 001	111,00
Total	20 001	

Nedbank Group incentive scheme (2005)

The following options/restricted shares granted had not been exercised at 30 June 2008

Option expiry date	Number of shares	Issue price R
1-Jul-08	6 000	76,79
31-Mar-09	1 000	76,79
18-Apr-09	1 000	76,79
30-Apr-09	15 000	76,79
30-Sep-08	500	76,79
31-Jan-09	10 500	76,79
28-Feb-09	2 000	76,79
30-Jun-10	4 003 815	76,79
28-Feb-09	9 400	84,68
8-Aug-10	426 600	84,68
10-Aug-11	379 800	107,03
1-Jul-08	25 000	110,98
30-Apr-09	17 000	110,98
31-Jan-09	12 700	110,98
28-Feb-09	8 000	110,98
28-Feb-11	4 700 598	110,98
31-Jan-09	4 000 ^p	134,30
10-Aug-12	706 200 ^p	134,30
28-Feb-12	2 500 ^p	144,30
28-Feb-12	5 298 041 ^p	144,30
1-Apr-11	2 317 759*	0,00
Total	17 947 413	

Nedbank group matched share scheme (2005)

The obligation to deliver the following matched shares, subject to time and performance criteria, exists at 30 June 2008

Option expiry date	Number of shares
1-Apr-09	142 989
31-Mar-10	171 474
1-Apr-11	295 983
Total	610 446

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

Shareholders' analysis

Register date: 27 June 2008
 Authorised share capital: 600 000 000 shares
 Issued share capital: 466 572 280 shares

Major shareholders/managers	Number of shares	Jun 2008 % holding	Jun 2007 % holding	Dec 2007 % holding
Old Mutual Group	254 409 333	54,52	51,61	53,20
Old Mutual Life Assurance Company Limited and associates (SA)	249 308 460	53,43	51,00	52,81
Old Mutual Investment Group (SA)	5 100 873	1,09	0,61	0,39
Nedbank Group treasury shares held	60 357 324	12,92	12,44	12,48
BEE trusts:				
Eyethu scheme - Nedbank South Africa	44 765 849	9,59	9,02	9,09
Omufima scheme - Nedbank Namibia	625 246	0,13	0,14	0,14
Nedbank group capital management	14 715 049	3,15	3,22	3,20
NES (Pty) Ltd	251 180	0,05	0,06	0,05
Public Investment Corporation (SA)	25 123 096	5,38	4,01	5,31
Lazard Asset Management (US)	15 861 710	3,40	–	1,29
Sanlam Investment Management (SA)	9 119 824	1,95	1,61	2,74
STANLIB Asset Management (SA)	6 376 884	1,37	2,59	2,65
RMB Asset Management (SA)	5 156 654	1,11	0,04	0,47
Prudential Portfolio Managers (SA)	4 980 588	1,07	0,98	0,99
Major beneficial shareholders				
Old Mutual Life Assurance Company (South Africa) Limited and associates (SA)	249 308 460	53,43	51,00	52,81
Public Investment Corporation (SA)	35 057 482	7,51	4,88	7,08
Geographical distribution of shareholders				
Domestic				
South Africa	407 251 649	87,28	87,87	88,37
Namibia	2 092 712	0,45	0,62	0,40
Swaziland			0,14	
Unclassified	3 782 551	0,81	0,72	0,78
Foreign				
United States	38 011 651	8,15	7,97	7,09
United Kingdom & Ireland	4 668 332	1,00	0,66	0,82
Europe	5 784 999	1,24	1,32	1,51
Other countries	4 980 386	1,07	0,70	1,03
	466 572 280	100,01	100,00	100,00



Nedbank Limited Consolidated income statement

for the period ended

Rm	30 June 2008	30 June 2007	31 December 2007
Interest and similar income	25 477	18 319	40 185
Interest expense and similar charges	17 942	11 961	26 631
Net interest income	7 535	6 358	13 554
Impairments charge on loans and advances	1 865	1 009	2 115
Income from lending activities	5 670	5 349	11 439
Non-interest revenue	4 541	4 679	9 725
Operating income	10 211	10 028	21 164
Total expenses	6 191	5 943	12 768
Operating expenses*	6 087	5 873	12 633
BEE transaction expenses	104	70	135
Indirect taxation	182	129	298
Profit from operations before non-trading and capital items	3 838	3 956	8 098
Non-trading and capital items	766	19	25
Profit on sale of subsidiaries, investments and property and equipment	766	21	27
Net impairment of investments, property and equipment and capitalised development costs		(2)	(2)
Profit from operations	4 604	3 975	8 123
Share of profits of associates and joint ventures	7	55	54
Profit before direct taxation	4 611	4 030	8 177
Total direct taxation	1 068	1 054	2 185
Direct taxation*	958	1 056	2 185
Taxation on non-trading and capital items	110	(2)	
Profit for the period	3 543	2 976	5 992
Attributable to:			
Profit attributable to equity holders of the parent	3 434	2 830	5 681
Profit attributable to minority interest – ordinary shareholders	102	139	298
– preference shareholders	7	7	13
Profit for the period	3 543	2 976	5 992
Earnings reconciliation			
Profit attributable to equity holders of the parent	3 434	2 830	5 681
Less: Non-headline earnings items	656	21	25
Non-trading and capital items	766	19	25
Taxation on non-trading and capital items	(110)	2	
Headline earnings	2 778	2 809	5 656

* June and December 2007 restated, due to the adoption of IFRIC 11: IFRS 2 – Group and Treasury Share Transactions.

Nedbank Limited Consolidated balance sheet

at

Rm	30 June 2008	30 June 2007	31 December 2007
Assets			
Cash and cash equivalents	10 122	14 046	9 545
Other short-term securities	16 517	14 175	11 775
Derivative financial instruments	18 082	9 189	9 924
Government and other securities	36 188	25 107	29 271
Loans and advances	408 325	346 299	373 185
Other assets	6 547	5 021	4 920
Clients' indebtedness for acceptances	3 121	2 651	2 236
Current taxation receivable	2	832	29
Investment securities	2 667	2 850	2 739
Non-current assets held for sale		25	
Investments in associate companies and joint ventures	788	839	735
Deferred taxation asset	78	85	65
Investment property	75	66	75
Property and equipment	3 757	3 411	3 757
Long-term employee benefit assets	1 528	1 409	1 305
Computer software and capitalised development costs	1 473	1 235	1 323
Mandatory reserve deposits with central bank	9 477	7 729	8 351
Goodwill	1 390	1 369	1 392
Total assets	520 137	436 338	460 627
Equity and liabilities			
Ordinary share capital	27	27	27
Ordinary share premium	14 422	14 422	14 422
Reserves*	15 691	12 232	13 954
Total equity attributable to equity holders of the parent	30 140	26 681	28 403
Preference share capital and premium	3 122	3 131	3 122
Minority shareholders' equity attributable to ordinary shareholders	1 307	1 230	1 307
Minority shareholders' equity attributable to preference shareholders	300	300	300
Total equity	34 869	31 342	33 132
Derivative financial instruments	16 952	10 089	10 336
Amounts owed to depositors	438 728	368 233	389 290
Other liabilities*	10 388	9 588	10 419
Liabilities under acceptances	3 121	2 651	2 236
Current taxation liabilities	210	249	275
Deferred taxation liabilities	1 670	1 933	1 470
Long-term employee benefit liabilities	1 251	1 225	1 145
Long-term debt instruments	12 948	11 028	12 324
Total liabilities	485 268	404 996	427 495
Total equity and liabilities	520 137	436 338	460 627
Guarantees on behalf of clients	20 287	18 524	20 564

* June and December 2007 restated, due to the adoption of IFRIC 11: IFRS 2 – Group and Treasury Share Transactions.



Nedbank Limited Capital adequacy Basel II (Solo supervision)

at

Rm	30 June 2008		31 December 2007
	Risk-weighted assets Rm	Annualised growth rates %	Risk-weighted assets Rm
Credit risk	225 330	2,9	222 126
Equity risk	27 786	180,9	14 630
Market risk	4 555	62,9	3 470
Operational risk	28 854	29,8	25 131
Other	11 335	41,0	9 416
Total risk-weighted assets	297 860	16,9	274 773
Minimum required capital and reserve funds	29 041		26 790
Qualifying capital and reserves	35 037		30 806
Net surplus over minimum regulatory capital requirements	5 996		4 016

Rm	30 June 2008		31 December 2007	
	Capital Rm	%	Capital Rm	%
Tier 1 capital (primary)	25 457	8,6	21 188	7,7
Core Tier 1 capital	21 148	7,1	18 066	6,6
Ordinary share capital and reserves	27 519		24 949	
Impairments	(3 095)		(3 498)	
Goodwill	(1 126)		(1 126)	
Unappropriated profits	(419)		(604)	
Excess of expected loss over eligible provisions (50%)	(814)		(793)	
Other regulatory differences and non-qualifying reserves	(917)		(862)	
Non-core Tier 1 capital	4 309	1,5	3 122	1,1
Preference share capital and reserves	3 122		3 122	
Subordinated Hybrid Debt Instruments	1 187		–	
Tier 2 capital (secondary)	9 280	3,1	9 318	3,4
Long-term debt instruments	9 811		9 815	
Excess of expected loss over eligible provisions (50%)	(814)		(793)	
Fifty percent of first loss credit enhancement provided in respect of a securitisation scheme	(13)		–	
Revaluation reserves (50%)	296		296	
Tier 3 capital (tertiary)	300	0,1	300	0,1
	35 037	11,8	30 806	11,2

Definitions

ADVANCED INTERNAL RATING BASED APPROACH

AIRB approach – subject to supervisory approval, allows a bank to use its own criteria to calculate its capital requirements for credit risk.

ASSETS UNDER MANAGEMENT

Assets managed by Nedbank Group, which are beneficially owned by clients and are therefore not reported on the consolidated balance sheet. The service provided in respect of these assets is discretionary portfolio management on behalf of clients.

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.

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.

BEE

Black economic empowerment, as defined in the Financial Sector Charter. It means the economic empowerment of all black people (Africans, coloureds and Indians who are South African citizens), including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies.

BEE TRANSACTION

Nedbank Group's BEE transaction, which focused primarily on the issuing of shares to BEE partners for the purposes of BEE, equating to approximately 9,33% (41 268 130 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 0,15% (665 442 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 the 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 which is Basel II aligned. The ratio is calculated by dividing the primary (Tier 1), secondary (Tier 2) and tertiary (Tier 3) capital by the risk-weighted assets. The minimum South African total capital adequacy ratio for banks is currently 9,75% of risk-weighted assets. Non-South African banks within the group have similar requirements.

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 regulations relating to banks.

Primary (Tier 1) capital

Primary capital consists of core capital consisting of issued ordinary share capital retained earnings and reserves and non-core capital consisting of perpetual preference share capital and subordinated Hybrid Debt Instruments.

Secondary (Tier 2) capital

Secondary capital is made up of subordinated debt, portfolio impairments and 50% of any revaluation reserves.

Tertiary (Tier 3) capital

Tertiary capital means

- accrued current-period uncapped net profits derived from trading activities; and
- 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.



CORPORATE EXPOSURES

Banks

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

Basel asset classes

(as categorised in the BA 200 return)

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 entities.

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.

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.

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.

Securities firms

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

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.

Sovereign (incl central government and central bank)

This asset class covers all exposures to counterparties treated as central government.

Specialised lending – Commodities finance

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

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, multifamily 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 (e.g. ships, aircraft, satellites, railcars, and 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 – 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.

CREDIT LOSS RATIO

Credit Loss Ratio is the impairments charge as a percentage of average advances.

DEFAULTED ADVANCE

Any advance or group of advances that has triggered the relevant definition of default criteria for that portfolio, which is in line with the amended BA Regulations. 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 should any transaction within a borrowing group default, then all transactions within the borrowing group would default.

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.

Definitions

continued

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.

DEFINITION OF DEFAULT

At a minimum, a default is deemed to have occurred where a specific impairment is raised against a credit exposure due to a significant perceived decline in the credit quality, or a material obligation is overdue for more than 90 days or an obligor exceeds an advised limit for more than 90 days.

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, where a bank measures its capital adequacy under scenarios that could have unfavourable effects on a bank's credit exposures.

dti

Department of Trade and Industry Codes (dti) Codes of Good Practice: For Broad-Based Black Economic Empowerment (BBBEE) to work properly consistency, visibility and clearer direction is needed. The dti Codes released in February 2007 endeavours to give direction for an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country's economy, as well as significant decreases in income inequalities.

With the introduction of the dti Codes under the Broad-Based Black Economic Empowerment Act, organisations now have a means of tracking their own Black Economic Empowerment (BEE) performance against an agreed set of parameters comparable to all organisations that form an integral part of the South African economy. Thus the BEE process will include elements of human resource development, employment equity, enterprise development, preferential procurement, as well as investment, ownership and control of enterprises and economic assets.

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.

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.

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 operating expenses (excluding indirect taxation) as a percentage of income from normal operations (net interest income plus non-interest revenue).

EXPECTED LOSS (EL)

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



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.

FINANCIAL SECTOR CHARTER (FSC)

A transformation charter, as contemplated in the broad-based BEE legislation, that was voluntarily developed by the financial sector and constitutes a framework and establishes the principles on which BEE will be implemented in the financial sector.

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 07/02 of December 2002, 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.

IMPAIRED ADVANCE (NEW DEFINITION IN LINE WITH THE REVISED CREDIT RISK REGULATIONS)

Any advance with a specific impairment raised against it.

IMPAIRED ADVANCE (OLD DEFINITION IN LINE WITH PREVIOUS REGULATION TO 31/12/2007 INCLUDED FOR COMPARATIVE PURPOSES – BASEL I)

Any group of advances (per person definition) where any one of the transactions is more than 90 days in arrears/excess (including retail portfolios).

In order to monitor trends from the old DI regulatory reporting to the new Basel 2 regulatory reporting one should compare 'Impaired Advances (old DI regulations)' with 'Defaulted Advances', but with one adjustment for retail portfolios. The 'Impaired Advances (old DI regulations)' for retail portfolios need to be adjusted from client centric to transaction centric. This has caused the previous reporting periods' impaired advances to decrease because transactions within a borrowing group that have not yet exceeded the 90 days arrears/excess trigger were excluded from the aggregation of the adjusted impaired advances number.

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 in terms of IFRS 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.

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.

Definitions

continued

NON-INTEREST REVENUE TO TOTAL INCOME

Income from normal operations, excluding net interest, 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.

ON - BALANCE SHEET EXPOSURE

Advances that have either been fully or partially utilised by a borrower.

PRICE/EARNINGS RATIO

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

PROPERTIES IN POSSESSION (PIPs)

Fixed properties acquired through payment defaults on loans secured by properties.

RETAIL EXPOSURES

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.

Retail mortgages (incl 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 – Other

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

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.

Securitisation exposures

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

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.

RETURN ON ORDINARY SHAREHOLDERS' EQUITY (ROE)

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

RETURN ON RISK-ADJUSTED CAPITAL (RORAC)

Headline earnings expressed as a percentage of economic capital.

RETURN ON TOTAL ASSETS (ROA)

Headline earnings expressed as a percentage of average total assets.

RISK-WEIGHTED ASSETS

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.

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.

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.

STANDARD(ISED) APPROACH

The standard approach (foundation approach) for calculating capital requirements for a bank's credit risk and is prescribed by the Bank's regulator 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 CREDIT EXTENDED

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

TOTAL COLLATERAL

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

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.

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
PO Box 1144, Johannesburg, 2000

Transfer secretaries:

South Africa

Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001
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:

ZAE000004875

ADR code:

NDBKY

ADR CUSIP:

63975K104

Nedbank Limited non-redeemable, non-cumulative preference shares

JSE share code:

NBKP

ISIN:

ZAE000043667

Imperial Bank Limited non-redeemable, non-cumulative preference shares

JSE share code:

IBLP

ISIN:

ZAE000081675

Nedbank Limited subordinated debt

Listed on the Bond Exchange of South Africa

NED4

ISIN:

ZAG000026279

NED5

ZAG000029810

NED6

ZAG000033358

NED7

ZAG000036831

NED8

ZAG000036849

NED9

ZAG000041120

NED10

ZAG000043191

NED11

ZAG000044272

NED12A

ZAG000047937

NED12B

ZAG000047945

NEDH1A

ZAG000053703

NEDH1B

ZAG000053711

Imperial Bank Limited subordinated debt

Listed on the Bond Exchange of South Africa

IPB1

ZAG000019571

IPB2

ZAG000029422

Imperial Bank Securitisation issue

Listed on the Bond Exchange of South Africa

OCT1A1

ZAG000040361

OCT1A2

ZAG000040379

OCT1A3

ZAG000040387

OCT1A4

ZAG000040395

OCT1B1

ZAG000040403

OCT1C1

ZAG000040411

OCT1D1

ZAG000040429

OCT1E1

ZAG000040437

Nedbank Limited Securitisation issue

Listed on the Bond Exchange of South Africa

GR1A2A

ZAG000047218

GRN1A1

ZAG000047192

GRN1B

ZAG000047234

GRN1C

ZAG000047176

GRN1D

ZAG000047184

These results and additional information are available on

www.nedbankgroup.co.za

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