

NEDCOR



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Commentary

Notes

Changes in composition of group and in basis of accounting

BoE Limited (BoE) was acquired with effect from 1 July 2002 and the outstanding Nedcor Investment Bank Holdings Limited (NIB) minorities from 1 October 2002. In addition, in accordance with South African generally accepted accounting practice, Nedcor is required to adopt the complex accounting standard AC133 'Financial Instruments: Recognition and Measurement' with effect from 1 January 2003. This is a significant change in the basis of accounting for the banking industry. AC133 is a prospective statement, which means that historical figures are not adjusted to the new basis of accounting. Instead, adjustments to determine the new equity and asset and liability base are dealt with as opening transitional adjustments in retained earnings.

These structural and accounting policy changes mean that the statutory results for the six months ended 30 June 2002 and 2003 are not comparable, as the 2002 figures do not include BoE and those for 2003 are prepared on the AC133 basis of accounting.

In these circumstances, in order to assist in an assessment of Nedcor's performance over the past six months, information is presented to reflect the impact of AC133 on the current period's results. Furthermore, the commentary below seeks to provide insight into the relative operational performance of the two periods. Further operational information is provided on our website at www.nedcor.com.

Earnings for the period

Core earnings attributable to Nedcor shareholders for the six months ended 30 June 2003 were R1 530 million on an AC133 basis of accounting. These core earnings benefited from the application of AC133 to the extent of R326 million, meaning that core earnings attributable to Nedcor ordinary shareholders on a pre-AC133 basis were R1 204 million. In 2002 core earnings attributable to Nedcor ordinary shareholders were R1 560 million based on the previous accounting policies. After deducting net translation losses and once-off merger and reorganisation costs totalling R869 million (2002: R36 million), headline earnings in 2003 were R661 million on an AC133 basis (2002: R1 524 million on the previous accounting basis).

The above earnings represent core earnings per share of 565 cents (2002: 645 cents) and headline earnings of 244 cents (2002: 630 cents). Explanations for these changes in earnings are provided in the commentary below. The interim results are lower than were hoped for, as was alluded to in the recent trading update, but the group remains solidly profitable, with a substantial, well-provisioned balance sheet with assets of R316 billion.

Merger and reorganisation

The results for the six months to 30 June 2003 should be viewed in the context of the Nedcor Group being in the process of implementing one of the biggest and most complex banking mergers in South African history. The merger involves the integration of the operations of BoE, NIB and Cape of Good Hope Bank Limited (CoGHB) into Nedbank Limited, with some divisions of BoE going into Peoples Bank Limited. The legal consolidation of banking licences took place on 1 January 2003 and at the same time the business operations were reshaped into new business clusters.

Our focus over this reporting period has been on the group's merger and integration, and on speeding up the process to realise the synergies at the earliest date. We have started to see the early benefits from the merger, but they will be fully evidenced only in the years ahead. In the past six months we have focused on client retention, client service, cost containment and settling staff into their new roles in the merged group.

Economic conditions

The first half of 2003 continued to present a challenging operating climate, with slowing GDP growth, reducing inflation, high domestic interest rates and an uncertain international environment. The rand continued to strengthen, but was somewhat volatile during the period. Equity markets were weak, both globally and domestically, although some improvement has been evident since the end of the Iraqi war – which provides some hope to pressurised investment banking and wealth management activities. In this general economic environment underlying demand for credit nevertheless remained relatively healthy, encouraged by the June interest rate cut of 1,5% and the prospect of further rate cuts.

Nedcor's performance

As highlighted in the trading update of 15 May 2003, these current economic conditions, together with the fact that we were implementing a complex merger process, affected Nedcor's revenue during the period. A primary contributor to the results is a decline in total revenue due to pressure on interest margins as well as lower investment banking and wealth management revenues. In addition, the stronger average value of the rand, compared with the same period last year, diminished the rand value of international earnings.

The bad-debt charge improved, while expenses were well-contained. The gearing impact (with expenses growing and revenue declining) created a reduction in profit before taxation, which, after an increase in taxation, resulted in profit after taxation being lower on a comparable basis. A drop in associate income and an increase in minority shareholders' interests, due to the dividends payable on the new preference shares resulted in comparable core earnings attributable to ordinary shareholders being 29% lower.

• *Divisional overview*

We are pleased that several major divisions have performed well over the period. Corporate, Business Banking, Property and Asset Finance, Imperial Bank, Nedbank Retail and Treasury Trading all had sound performances. Investment banking and advisory earnings were disappointing, although they were coming off a high base (BoE and NIB having conducted several large deals during the same period last year). Since 30 June 2003 several large deals have been concluded, which resulted in an improvement in this area. Unfortunately, wealth management earnings were down due to the tough investment markets and the relative strength of the rand during the period. Peoples Bank results are lower than last year due to challenging market circumstances and an increase in its effective tax rate.

• *Advances and net interest income*

Advances grew by 5% over the comparable portfolio of advances at 30 June 2002, while net interest income grew at a lower rate. Overall the group's market share has increased marginally during the past year, and the fact that our market shares have held in most business areas is an important indicator of client support.

A key issue that has impacted earnings is the group's funding cost, which was negatively affected when the group took over BoE in the midst of its liquidity crisis. The group has normalised the BoE funding cost and repaid all of its liquidity support funding, but in the process has lengthened the term profile of the funding book and consequently experienced a slightly higher cost of funding for the group as a whole. With continued sound deposit flows currently being experienced, we are confident that Nedcor's overall funding cost will reduce over time and therefore also restore earnings growth.

• *Non-interest revenue*

Comparable commission and fee income declined by 3% (after adjusting for the loss of transactional income in BoE following the sale of the NBS mortgage book on 31 March 2002), due to some large fees earned in 2002 not being repeated in 2003. Exchange and securities dealing income increased by 2% on a comparable basis, while investment banking income was lower due to some large NIB and BoE deals in 2002 not being repeated in 2003. Wealth management income was negatively affected by the general decline in equity markets and investment flows, as well as the relative strength of the rand, which impacted the division's international earnings. The growth in bancassurance revenues, from a low base, continues to be a focus area.

• *Specific and portfolio impairments against loans and advances*

Credit quality, including unsecured microloans, has been satisfactory despite the environment of high interest rates, and the comparable income statement charge for advances impairments has declined. Prior to the adoption of the AC133 credit impairment methodology the 'legal certainty' provisioning methodology was applied in certain segments of Nedbank's business, entailing a deferred recognition of provisions but a corresponding increase in pressure to collect non-performing advances.

The adoption of the AC133 cash flow valuation methodology has resulted in the creation of R585 million in additional specific impairments due to an acceleration of the recognition of impairments, compared with the 'legal certainty' methodology. This timing acceleration represents approximately six months' impairments. In addition, specific impairments now include a discount factor to reduce advances to the present value of expected future cash flows. Impairment of advances calculated under the AC133 methodology now represent approximately 3,3% of total advances (excluding gross-up of derivatives), compared with 2,9% calculated under the previous provisioning methodology, and the book is considered to be conservatively adjusted for impairments.

The high level of non-performing loans, which include the legacy of some acquired businesses, continues to receive attention. Net non-performing loans, after impairments, represent 1,7% (31 December 2002: 1,8%) of total advances and the net impairment coverage is conservative at 152% (31 December 2002: 157%).

Nedcor has continued to adopt a cautious approach to microlending and does not have a large exposure to this market. The risk is shared with our alliance partners. Unsecured microloan exposures of R768 represent only 0,3% of total advances, while total impairments stand at 42% (31 December 2002: 34%).

• *Expenses*

After adjusting for the expense base of the NBS mortgage business sold by BoE on 31 March 2002 expenses increased by 7% on a comparable basis and by 10% including the once-off merger and

Commentary (continued)

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reorganisation costs of R134 million. Staff expenses, which comprise approximately 50% of total expenses, have shown only marginal growth due to the decline in total headcount numbers to 24 580 (2002: 25 700). Non-staff expenses have grown overall at a rate above inflation, but include items such as additional depreciation of R48 on new projects commissioned. Expenses include synergy benefits of R62 million, which are expected to grow in future periods.

Overall expense growth has been contained at 7% and the current cost-to-income ratio on an AC133 basis is 59,0% due to lower gross operating income. The ratio on a comparable basis is 63,5% (2002: 53,4%, but 58,5% if BoE figures are added). Stringent cost control measures are in place to reduce this ratio to former levels.

• **Exceptional capital items**

The market value of Nedcor's investment of 103 million shares in Dimension Data plc has been marked-to-market at its 30 June 2003 price of R2,70 per share (31 December 2002: R4,02 per share), resulting in an exceptional charge of R84 million. The charge of R209 million for the amortisation of goodwill relates primarily to the goodwill arising on the acquisition of BoE.

• **Taxation**

The comparable effective tax rate has increased to 25% (2002: 20%), as the significant benefit of assessed losses last year has declined and the tax net has widened to include more foreign taxable income.

• **Equity-accounted income and income attributable to minority shareholders**

Comparable attributable earnings of associates have declined by 25% due mainly to the negative impact of the strengthening rand on the translated earnings of foreign associates.

The preference dividends of R133 million payable in respect of the six months to 30 June 2003 on the non-cumulative, non-redeemable preference share capital of R2 billion raised in December 2002 are included in income attributable to minority shareholders.

• **Foreign exchange translation losses**

The strengthening of the rand has negatively affected Nedcor's results in three ways. Firstly, core earnings were reduced by R109 million due to the lower rand value of translated international earnings. Secondly, it impacted headline earnings through translation losses of R735 million (2002: R436 million) following the conversion of the balance sheets of integrated foreign operations into rands. Thirdly, it resulted in translation losses of R84 million (2002: R20 million) following the conversion of non-integrated foreign entities, which have been taken directly to reserves.

Shareholders' funds and capital adequacy

Total shareholders' funds have declined to R19 429 billion (31 December 2002: R20 122 million) on a pre-AC133 basis due to the further charges for writedowns of investments and translation losses as well as the payment of R839 million for the 2002 final dividend. After adjusting for the effects of AC133 total shareholders' funds are R18 099 billion at 30 June 2003.

Nedcor Group capital adequacy at 30 June 2003, calculated on a pre- and post-AC133 basis, is 10,5% and 10,1% respectively, and at a Nedbank Limited consolidated level 12,2% and 11,8% respectively.

Implementation of AC133

AC133 impacts on the recognition and measurement of financial instruments, including credit impairments against advances. To address the prospective nature of the statement the transitional adjustments to the carrying values of financial instruments at 1 January 2003 are recognised in opening retained income or equity.

AC133 is based on International Accounting Standard 39 (IAS 39), which is still under construction. Furthermore, interpretation and presentation issues with regard to the implementation of AC133 in South Africa continue to be debated by the accounting profession and business locally. The treatment adopted by Nedcor in these results accords with the current interpretation of recommended practice.

Impact on reserves at 1 January 2003

| | Current income statement | Distributable reserves | Non- distributable reserves | Total |
|--|--------------------------------|---------------------------|-----------------------------------|----------------|
| Credit impairment adjustments | | | | |
| - release of general provision | 1 717 | | | 1 717 |
| - additional specific impairments | (585) | (963) | | (1 548) |
| - creation of portfolio impairment | (1 132) | | | (1 132) |
| - transfer to general risk reserve | | (585) | 585 | |
| | | (1 548) | 585 | (963) |
| Taxation | | 464 | (175) | 289 |
| | | (1 084) | 410 | (674) |
| Attributable to minority shareholders | | 42 | | 42 |
| | | (1 042) | 410 | (632) |
| Fair-value adjustments | | | | |
| - revaluation of held-for-trading portfolios | | (449) | | (449) |
| - revaluation of available-for-sale portfolios | | | 28 | 28 |
| - non-qualifying foreign exchange hedges | | (451) | | (451) |
| | | (900) | 28 | (872) |
| Taxation | | 139 | (8) | 131 |
| | | (761) | 20 | (741) |
| Total impact at 1 January 2003 | | (1 803) | 430 | (1 373) |

The total impact of fair-value adjustments at 1 January 2003, while not expected to change materially, will only be finalised at 31 December 2003.

Impact on reserves for the period ended 30 June 2003

| | Current income statement | Distributable reserves | Non- distributable reserves | Total |
|--|--------------------------------|---------------------------|-----------------------------------|------------|
| Impact on core earnings | | | | |
| Credit impairment adjustments | | | | |
| - release of specific impairments | 128 | | | 128 |
| - additional portfolio impairments | (47) | | | (47) |
| | 81 | | | 81 |
| Taxation | (24) | | | (24) |
| | 57 | | | 57 |
| Attributable to minority shareholders | (1) | | | (1) |
| | 56 | | | 56 |
| Fair-value adjustments | | | | |
| Revaluation of held-for-trading portfolios | 363 | | | 363 |
| Taxation | (101) | | | (101) |
| | 262 | | (2) | 262 |
| Attributable to minority shareholders | 8 | | | 8 |
| | 270 | | (2) | 270 |
| Total impact on core earnings | 326 | | | 326 |
| Impact on headline earnings | | | | |
| - revaluation of available-for-sale portfolios | | | (2) | (2) |
| - impairment of Dimension Data plc | (84) | | | (84) |
| - non-qualifying foreign exchange hedges | (232) | | (232) | |
| Total impact on headline earnings | (316) | | (316) | |
| Total impact for the six months | 10 | (2) | 8 | |

Commentary (continued)

Notes

Credit impairment adjustments

- ***Specific advances impairments***

AC133 introduces a fundamental shift in the manner in which specific impairments are determined in that it requires the present value of future cash flows to be calculated for all advances that are considered to be impaired. The difference between the present value of those future cash flows and the net carrying value is recognised as an impairment. As the anticipated cash flows in respect of impaired advances were not previously discounted, this results in an increase in the specific impairment for doubtful advances.

- ***General provisions/portfolio impairments***

Prior to the implementation of AC133 a general provision for bad debts of 0,8% of total advances, equal to or in excess of the regulatory minimum provision, was carried to cover expected defaults inherent in the performing advances book. Under AC133 the credit risk premium included in interest rates charged is expected to offset future losses inherent in the portfolio of performing advances. Therefore a revised general provision (now called a portfolio impairment) is required only to the extent that the originally anticipated risk profile has deteriorated.

In determining the portfolio impairment against performing advances that are not considered to be individually impaired, expected default rates are applied to all future cash flows. Discounting these expected cash flows to present value results in a significant decrease in the required new portfolio impairment, as compared with the previous general provision. The previous general provision of R1,7 billion has therefore been released to create the new portfolio impairment of R1,1 billion.

The determination of the required portfolio impairment is dependent on accurate credit-risk-pricing models. Nedcor's current risk-pricing models are under constant refinement as the banking industry moves towards the implementation of the Basle II requirements in 2005. Nedcor has determined that it is appropriate, in current circumstances, to carry a portfolio impairment approximating 0,5% of performing advances.

The regulations to the Banks Act still require that minimum general- and specific-provision levels are held. This requirement is met by supplementing the new portfolio impairment with a general risk legal reserve created by reallocating distributable reserves to non-distributable reserves.

Fair-value adjustments

AC133 requires all financial instruments to be reclassified. Nedcor has accordingly reclassified the bulk of its financial assets and liabilities as 'originated loans' and 'non-trading liabilities', which continue to be carried at original or amortised cost. The remainder are dealt with as follows:

- ***Held-for-trading portfolios***

AC133 requires certain financial instruments to be measured at their fair value. This includes all derivatives and instruments held for trading purposes. In addition, in terms of the statement Nedcor has elected to designate certain financial instruments at fair value in order to reflect the match between such items and their hedge. The fair-value adjustments at 1 January 2003 required in respect of the above financial instruments are recognised as an adjustment to opening retained income and thereafter in the income statement.

- ***Embedded derivatives***

An embedded derivative arises when derivatives are a component of a financial instrument in such a way that the cash flows in respect of the instrument vary in a similar way to a standalone derivative. In certain circumstances embedded derivatives are accounted for separately at their fair value.

- ***Internal transactions***

Prior to AC133 common local and international banking practice was to recognise internal hedging derivatives. Risks were pooled, and managed centrally at a bankwide level. AC133 prescribes the accounting treatment for hedges and accordingly banks have been required to reconsider the accounting treatment of internal hedges. Nedcor has identified and eliminated all internal transactions, thereby reflecting external derivatives only.

- ***Available-for-sale portfolios***

Financial assets are classified as available-for-sale where the intention, origination and designation of the instrument do not fall within the ambit of the other asset classifications. Available-for-sale instruments are typically assets that are held for a longer period and in respect of which short-term fluctuations in value do not affect Nedcor's hold or sell decision. Nedcor has elected to recognise fair-value gains and losses on these instruments directly in equity. However, when available-for-sale equity instruments are determined to be impaired to the extent that the fair value declines below its original cost, as is the case with Nedcor's investment in Dimension Data plc, the resultant losses are recognised in the income statement.

• *Non-qualifying foreign exchange hedges*

Items that were hedged with forward exchange contracts have in certain cases in the past been recognised at the forward rate to reflect their hedged nature. In terms of AC133 all derivatives, including forward exchange contracts, are recognised at their fair value. Some structured transactions originating from NIB did not qualify as hedges under AC133 and the necessary adjustments at 1 January 2003 are recognised in opening retained income and thereafter in the income statement.

Merger and integration update

A presentation was given to analysts and the media and was issued on SENS on 23 July 2003. This is available on Nedcor's website at www.nedcor.com.

Nedcor's strategic intent in its merger with BoE was to lay the foundation for future earnings growth by consolidating market shares and leveraging off its technology platform. Nedcor also used the opportunity to consolidate its organisational and regulatory structure and rationalise its brands.

Management is pleased with the overall merger progress and confident of achieving the original financial targets that were set, ie R660 million in annual operational synergies in addition to the capital and funding efficiencies already achieved (in total R905 million before taxation). Planned synergy benefits of R190 million (on an annualised basis) have been implemented relative to a forecast of R90 million for the half-year to June 2003. This translates into actual merger savings for the half-year (a R62 million cost reduction and a R7 million increase in income).

Once-off merger costs are projected to exceed the initial target of R710 million by R158 million, mainly as a result of additional information technology spend and the complexity of migration initiatives. The achievement of synergy benefits can be accelerated by investing more by way of once-off merger costs, and this will be done in the second half of this year.

Progress to date indicates that the group is likely to meet the synergy targets, and in a number of areas it is achieving these synergies earlier than initially expected. The detailed plans for the key initiatives are being rigorously monitored and tracked, and are generally on target or ahead of initial targets.

Merger process and key features

As the merger is complex and detailed, the process is highly structured. Importantly, however, a key objective is to ensure continuity of service to clients. During the merger and restructuring (M&R) process Nedcor will continue to service its clients to the highest standards possible and to keep staff disruption to a minimum.

Key features of the merger planning process are the detailed tracking and measurement of all processes, including 111 merger initiatives, the adherence to sound governance standards and the auditing of all activities to ensure proper reporting.

The merger also follows a logical sequence, with divisions having been prioritised for conversion depending on the functions they perform, the complexity of the conversions, the potential to extract early synergies and dependencies on other divisions.

Milestones

The M&R activities that have been completed to a large extent are:

- the Legal Day One process on 1 January 2003 – where the banking licences of Nedbank, BoE, CoGHB, NIB and Peoples Bank were consolidated into two licences and the banks were formally merged – went according to plan;
- the first three business unit integrations, ie the treasuries of Nedbank, CoGHB, NIB and BoE, the transfer of retail clients within CoGHB and the integration of the Capital Markets Division were finalised;
- the group risk management processes have been consolidated; and
- the merger support infrastructure was put in place to ensure fair and proper human resource processes, adequate communication to staff and clients, the availability of financial information and smooth client migration processes.

Other integration successes over the past year included:

- rationalisation of the asset management business, with Quaystone set up as an empowerment asset manager;
- restructuring of the wealth management and private banking businesses and the creation of a joint venture with Old Mutual to focus on private clients;
- the conclusion of agreements to realise over R1 billion from non-core assets, mainly the sale of Canal Walk (still conditional); and
- the integration of all ATM and point-of-sale operations into a single operation.

Commentary (continued)

Notes

Financial effect

The table below illustrates the estimated value to be added through the merger process relative to the baseline set in 2002 (please note that these are not income statement effects but estimates of value added in 2002 rand terms):

| | Merger value added (R'm annualised run rate pre tax) | | | | | | | | Steady state (4) |
|--------------------------|---|-------------|------------|------------|------------|------------|------------|------------|------------------|
| | 2002 | | 2003 | | 2004 | | 2005 | | |
| | Plan | Actual | Plan | Fore-cast | Plan | Fore-cast | Plan | Fore-cast | |
| Operational synergies | | | 90 | 293 | 400 | 563 | 660 | 638 | 660 |
| Funding efficiency (1) | 30 | 30 | 125 | 125 | 125 | 125 | 125 | 125 | 125 |
| Capital efficiency (2) | 30 | 30 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |
| Once-off costs (3) | (100) | (91) | (225) | (436) | (175) | (341) | (210) | | |
| Total value added | (40) | (31) | 110 | 102 | 470 | 467 | 695 | 883 | 905 |

Note 1 Funding efficiency arises from the fact that, at the time of the merger, BoE was paying, on aggregate, approximately 25 basis points for liabilities above Nedbank's funding rate. This funding premium has been eliminated subsequent to the merger.

Note 2 R4 billion of the acquisition price was financed with debt at an after-tax cost of 9,5%, relative to BoE's earnings yield at the time of the acquisition of 12,5%. The acquired earnings therefore exceeded the cost of the capital deployed.

Note 3 Once-off costs are being incurred quicker than anticipated because the merger is being implemented ahead of schedule. There are no once-off merger costs anticipated for 2005.

Note 4 'Steady state' implies recurring annual synergies.

Financial services charter

Nedcor is working with the Banking Council and the rest of the industry to develop an empowerment charter for the banking sector. We support these initiatives and believe that, if implemented correctly, they will be of great benefit to our country.

Prior to this process Nedcor had undertaken a major empowerment transaction with the establishment of Peoples Bank and has subsequently undertaken a number of other empowerment initiatives. Some of the key initiatives are:

- Quaystone Asset Management
- Tirelo Corporate Finance
- Laetoli Business Solutions

Strategy

Nedcor's strategy is to focus on banking and related financial services in southern Africa, where we see strong growth opportunities, and the merger with BoE was in line with this strategy. We have a strong market presence in corporate and business banking. Historically, we have had a weaker presence in the retail market. Our joint ventures with best-of-breed retailers such as Pick 'n Pay and the JD Group, as well as our focus on increasing bancassurance revenues, are designed to expand our presence in this market.

Our strategy in Africa is to focus on banking and trade finance in the Southern African Development Community region in particular, while our international platform helps to service our clients' needs abroad.

We believe technology is a strong factor in banking and we shall continue to strive to be a low-cost producer. Our international outsourcing initiative is built on our technology platform and serves to lower technology costs while utilising excess capacity.

Prospects

Nedcor started its three-year integration process in the second half of 2002, and the past six months have been challenging for the group. A merger of this size is complex and demanding and requires constant tracking and monitoring to ensure its success. The group is currently on track with these plans and in some areas ahead of schedule.

We are heartened by this progress and shall continue, where possible, to accelerate the integration in order to realise the targeted merger synergies at the earliest possible date.

We have confidence in our ability to gain the targeted operational synergies of R660 million each year. These operational synergies, together with the capital and funding efficiencies already achieved, will total R905 million (in 2002 rand terms), before taxation, in benefits for the group each year from 2006 onwards.

Our current priorities are to realise these synergies, bed down the merger, lower our funding cost, continue to deliver good service to our clients and provide a sound environment for our staff. Together with our strong, well-provisioned balance sheet and the expectation that synergy benefits should escalate from 2004 onwards, we look forward to seeing a return to satisfactory earnings growth as the three-year integration progresses.

Dividend

Notice is hereby given that an interim dividend of 205 cents per ordinary share has been declared in respect of the six months ended 30 June 2003.

Trading in the STRATE environment requires settlement within five business days. In accordance with the settlement procedures of STRATE, Nedcor has determined the last day for trading to participate in the final dividend to be Friday, 29 August 2003. The shares will commence trading ex dividend on Monday, 1 September 2003, and the record date will be Friday, 5 September 2003. Payment will be made on Monday, 8 September 2003.

Share certificates may not be dematerialised or rematerialised between Monday, 1 September 2003, and Friday, 5 September 2003, both days inclusive.

For and on behalf of the board

CF Liebenberg
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28 July 2003

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Chief Executive

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Company Secretary: GS Nienaber

Reg No: 1966/010630/06 Share code: NED ISIN code: ZAE000004875

Commentary (continued)

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Our strategy in Africa is to focus on banking and trade finance in the Southern African Development Community region in particular, while our international platform helps to service our clients' needs abroad.

We believe technology is a strong factor in banking and we shall continue to strive to be a low-cost producer. Our international outsourcing initiative is built on our technology platform and serves to lower technology costs while utilising excess capacity.

Prospects

Nedcor started its three-year integration process in the second half of 2002, and the past six months have been challenging for the group. A merger of this size is complex and demanding and requires constant tracking and monitoring to ensure its success. The group is currently on track with these plans and in some areas ahead of schedule.

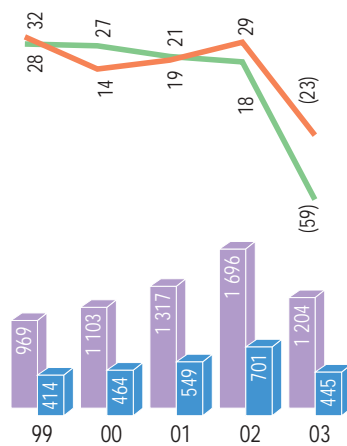
We are heartened by this progress and shall continue, where possible, to accelerate the integration in order to realise the targeted merger synergies at the earliest possible date.

We have confidence in our ability to gain the targeted operational synergies of R660 million each year. These operational synergies, together with the capital and funding efficiencies already achieved, will total R905 million (in 2002 rand terms), before taxation, in benefits for the group each year from 2006 onwards.

Financial highlights

Core (excluding translation (losses)/gains and exceptional items)

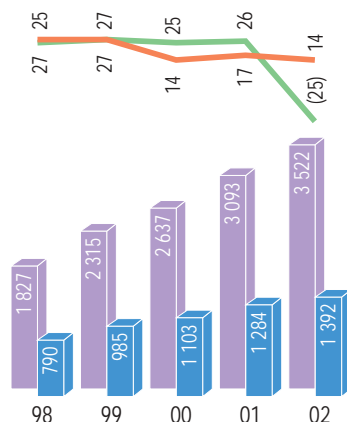
Core earnings (Rm) – June*



■ Core earnings (Rm)
■ Core EPS (cents)
— Growth in headline EPS (%)
— Growth in core EPS (%)

* Pre AC133 (2003), including BoE (2002)

Core earnings (Rm) – December+



■ Core earnings (Rm)
■ Core EPS (cents)
— Growth in headline EPS (%)
— Growth in core EPS (%)

+ Including BoE (2002)

| | Pro forma unaudited | | | | |
|--|---------------------|-------------------|------------------------------|------------------------------|------------------------------|
| | % change | | Six months ended | | |
| | Jun 03/ Jun 02 | Jun 03/ Dec 02 | 30 Jun 2003 Pro forma* | 30 Jun 2002 Pro forma* | 31 Dec 2002 Pro forma* |
| Core earnings reconciliation | | | | | |
| Headline earnings | | | 619 | 1 746 | 1 081 |
| Less: Adjustments | | | (585) | 50 | (745) |
| Translation gains | | | (451) | (350) | (575) |
| Taxation on merger and reorganisation costs | | | – | – | 23 |
| Exceptional general provision | | | – | 400 | – |
| Merger and reorganisation costs | | | (134) | – | (193) |
| Core earnings | (29) | (34) | 1 204 | 1 696 | 1 826 |
| Selected returns | | | | | |
| Core earnings per share (cents) | (37) | (38) | 445 | 701 | 722 |
| Return on shareholders' funds (%) | | | 14,6 | 20,5 | 20,4 |
| Return on total assets (%) | | | 1,06 | 1,80 | 1,49 |
| Non-interest revenue to total income (%) | | | 53,9 | 55,8 | 55,2 |
| Efficiency ratio (%) | | | 63,5 | 58,5 | 56,9 |
| Net interest income to interest earning assets (%) | | | 2,68 | 3,45 | 2,84 |
| Doubtful-debts provision to total advances (%) | | | 2,9 | 2,3 | 3,1 |
| Balance sheet | | | | | |
| Total shareholders' funds (Rm) | 1 | (3) | 19 429 | 19 216 | 20 122 |
| Deposit, current and other accounts (Rm) | 31 | (1) | 234 099 | 178 224 | 235 449 |
| Advances and other accounts (Rm) | 5 | 3 | 206 862 | 196 701 | 201 539 |
| Total assets | 6 | (1) | 270 523 | 256 148 | 273 784 |
| Capital ratio (%) | | | 10,5 | 11,2 | 11,0 |
| Capital ratio – tier 1 (%) | | | 6,8 | 9,0 | 7,0 |
| Share statistics | | | | | |
| Number of shares in issue (m) | | | 274,7 | 246,9 | 270,6 |
| Weighted average number of shares (m) | | | 270,8 | 241,9 | 253,0 |
| Earnings per share after exceptional items (cents) | | | 95 | 196 | 105 |
| Dividends per share (cents) | 6 | (34) | 205 | 205 | 310 |
| Dividend cover (times) | | | 2,2 | 3,4 | 2,3 |
| Net asset value per share at book value** (cents) | | | 5 865 | 7 403 | 6 300 |
| Share price (cents) | | | 8 950 | 11 700 | 11 110 |
| Core price earnings ratio (historical) | | | 7,9 | 8,1 | 7,8 |
| Market capitalisation (Rbn) | | | 24,6 | 28,9 | 30,1 |

* Excludes the effect of AC133

+ Including BoE and NIB transactions for the first 6 months

^ Net of Dec'02 year to date pro forma less June '02 pro forma



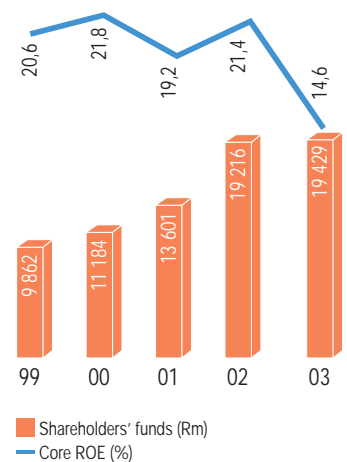
| | Six months ended | | 12 months ended | |
|--|---------------------------------------|---------------------------------------|-------------------------------------|---|
| | 30 Jun 2003 Unaudited Actual | 30 Jun 2002 Unaudited Actual | 31 Dec 2002 Audited Actual | 31 Dec 2002 Unaudited Pro forma* |
| Core earnings reconciliation | | | | |
| Headline earnings | 661 | 1 524 | 2 585 | 2 827 |
| Less: Adjustments | (869) | (36) | (781) | (695) |
| Translation gains | (735) | (436) | (1 011) | (926) |
| Taxation on merger and reorganisation costs | - | - | 23 | - |
| Exceptional general provision | - | 400 | 400 | 400 |
| Merger and reorganisation costs | (134) | - | (193) | (169) |
| Core earnings | 1 530 | 1 560 | 3 366 | 3 522 |
| Selected returns | | | | |
| Core earnings per share (cents) | 565 | 645 | 1 330 | 1 392 |
| Return on shareholders' funds (%) | 18,5 | 21,4 | 21,9 | 21,0 |
| Return on total assets (%) | 1,20 | 1,73 | 1,57 | 1,60 |
| Non-interest revenue to total income (%) | 54,9 | 48,5 | 52,4 | 55,4 |
| Efficiency ratio (%) | 59,0 | 53,4 | 55,4 | 57,7 |
| Net interest income to interest earning assets (%) | 2,59 | 3,05 | 2,88 | 3,06 |
| Doubtful-debts provision to total advances (%) | 2,8 | 3,0 | 3,1 | 3,1 |
| Balance sheet | | | | |
| Total shareholders' funds (Rm) | 18 099 | 16 593 | 20 122 | 20 122 |
| Deposit, current and other accounts (Rm) | 280 904 | 178 224 | 235 449 | 235 449 |
| Advances and other accounts (Rm) | 246 161 | 153 413 | 201 539 | 201 539 |
| Total assets | 315 702 | 200 701 | 273 784 | 273 784 |
| Capital ratio (%) | 10,0 | 11,2 | 11,0 | 11,0 |
| Capital ratio – tier 1 (%) | 6,3 | 9,0 | 7,0 | 7,0 |
| Share statistics | | | | |
| Number of shares in issue (m) | 274,7 | 246,9 | 270,6 | 270,6 |
| Weighted average number of shares (m) | 270,8 | 241,9 | 253,0 | 253,0 |
| Earnings per share after exceptional items (cents) | 130 | 306 | 389 | 292 |
| Dividends per share (cents) | 205 | 205 | 515 | 515 |
| Dividend cover (times) | 2,8 | 3,1 | 2,6 | 2,7 |
| Net asset value per share at book value** (cents) | 5 398 | 6 105 | 6 300 | 6 300 |
| Share price (cents) | 8 950 | 11 700 | 11 110 | 11 110 |
| Core price earnings ratio (historical) | 7,2 | 8,5 | 8,4 | 8,0 |
| Market capitalisation (Rbn) | 24,6 | 28,9 | 30,1 | 30,1 |

* Excludes the effect of AC133

+ Including BoE and NiB transactions for the first 6 months

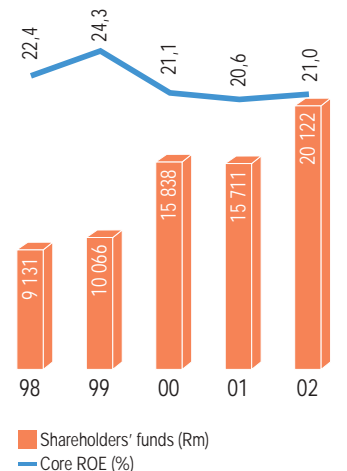
^ Net of Dec'02 year to date pro forma less June '02 pro forma

Shareholders' funds – June*



* Pre AC133 (2003), including BoE (2002)

Shareholders' funds – December+

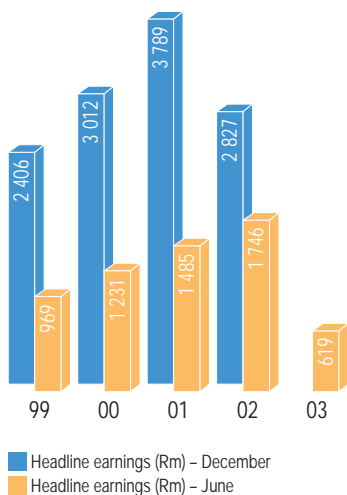


+ Including BoE (2002)

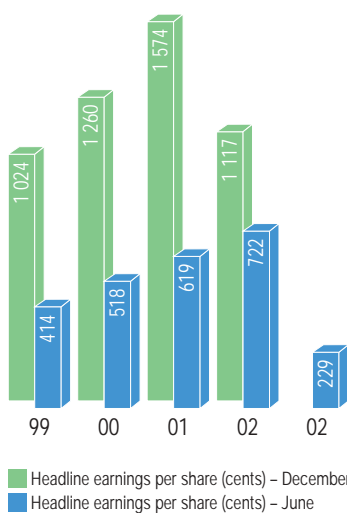
Financial highlights

Headline

Headline earnings (Rm)



Headline earnings per share (cents)



| | Pro forma unaudited | | | | |
|---|---------------------|-------------------|------------------------------|------------------------------|------------------------------|
| | % change | | Six months ended | | |
| | Jun 03/ Jun 02 | Jun 03/ Dec 02 | 30 Jun 2003 Pro forma* | 30 Jun 2002 Pro forma* | 31 Dec 2002 Pro forma* |
| Headline earnings reconciliation | | | | | |
| Income attributable to shareholders | | | 258 | 475 | 266 |
| Less: Non-headline earnings items | | | (361) | (1 271) | (815) |
| Exceptional capital items | | | (361) | (1 569) | (867) |
| Taxation on exceptional items | | | - | 298 | 52 |
| Headline earnings | (65) | (43) | 619 | 1 746 | 1 081 |
| Selected returns | | | | | |
| Headline earnings per share (cents) | (68) | (46) | 229 | 722 | 427 |
| Return on shareholders' funds (%) | | | 8,7 | 21,1 | 12,7 |
| Return on total assets (%) | | | 0,63 | 1,85 | 0,93 |
| Non-interest revenue to total income (%) | | | 50,8 | 56,3 | 51,6 |
| Efficiency ratio (%) *** | | | 69,7 | 57,8 | 64,2 |
| Net interest income to interest earning assets (%) | | | 2,68 | 3,45 | 2,84 |
| Doubtful-debts provisions to total advances | | | 2,9 | 2,3 | 3,1 |
| Balance sheet | | | | | |
| Total shareholders' funds (Rm) | 1 | (3) | 19 429 | 19 216 | 20 122 |
| Deposit, current and other accounts (Rm) | 31 | (1) | 234 099 | 178 224 | 235 449 |
| Advances and other accounts (Rm) | 5 | 3 | 206 862 | 196 701 | 201 539 |
| Total assets | 6 | (1) | 270 523 | 256 148 | 273 784 |
| Capital ratio (%) | | | 10,5 | 11,2 | 11,0 |
| Capital ratio - tier 1 (%) | | | 6,8 | 9,0 | 7,0 |
| Share statistics | | | | | |
| Number of shares in issue (m) | | | 274,7 | 246,9 | 270,6 |
| Weighted average number of shares (m) | | | 270,8 | 241,9 | 253,0 |
| Earnings per share after exceptional items (cents) | | | 95 | 196 | 105 |
| Fully diluted weighted average number of shares (m) | | | 271,0 | 242,9 | 254,5 |
| Diluted headline earnings per share (cents) | | | 228 | 719 | 425 |
| Dividends per share (cents) | | | 205 | 205 | 310 |
| Dividend cover (times) | | | 1,1 | 3,5 | 1,4 |
| Net asset value per share at book value** (cents) | | | 5 865 | 7 403 | 6 300 |
| Share price (cents) | | | 8 950 | 11 700 | 11 110 |
| Price earnings ratio (historical) | | | 14,4 | 7,0 | 9,7 |
| Market capitalisation (Rbn) | | | 24,6 | 28,9 | 30,1 |

* Excludes the effect of AC133

+ Including BoE and NIB transactions for the first 6 months

^ Net of Dec'02 year to date pro forma less June '02 pro forma

*** Excludes exceptional translation (losses)/gains



| | Six months ended | | 12 months ended | |
|---|---------------------------------------|---------------------------------------|-------------------------------------|---|
| | 30 Jun 2003 Unaudited Actual | 30 Jun 2002 Unaudited Actual | 31 Dec 2002 Audited Actual | 31 Dec 2002 Unaudited Pro forma* |
| Headline earnings reconciliation | | | | |
| Income attributable to shareholders | 352 | 738 | 984 | 740 |
| Less: Non-headline earnings items | (309) | (786) | (1 601) | (2 087) |
| Exceptional capital items | (309) | (926) | (1 793) | (2 437) |
| Taxation on exceptional items | - | 140 | 192 | 350 |
| Headline earnings | 661 | 1 524 | 2 585 | 2 827 |
| Selected returns | | | | |
| Headline earnings per share (cents) | 244 | 630 | 1 022 | 1 117 |
| Return on shareholders' funds (%) | 9,3 | 20,9 | 17,2 | 17,1 |
| Return on total assets (%) | 0,60 | 1,70 | 1,24 | 1,30 |
| Non-interest revenue to total income (%) | 50,1 | 48,5 | 50,2 | 54,0 |
| Efficiency ratio (%) *** | 67,2 | 53,4 | 59,5 | 60,8 |
| Net interest income to interest earning assets (%) | 2,59 | 3,05 | 2,88 | 3,06 |
| Doubtful-debts provisions to total advances | 2,8 | 3,0 | 3,1 | 3,1 |
| Balance sheet | | | | |
| Total shareholders' funds (Rm) | 18 099 | 16 593 | 20 122 | 20 122 |
| Deposit, current and other accounts (Rm) | 280 904 | 178 224 | 235 449 | 235 449 |
| Advances and other accounts (Rm) | 246 161 | 153 413 | 201 539 | 201 539 |
| Total assets | 315 702 | 200 701 | 273 784 | 273 784 |
| Capital ratio (%) | 10,0 | 11,2 | 11,0 | 11,0 |
| Capital ratio – tier 1 (%) | 6,3 | 9,0 | 7,0 | 7,0 |
| Share statistics | | | | |
| Number of shares in issue (m) | 274,7 | 246,9 | 270,6 | 270,6 |
| Weighted average number of shares (m) | 270,8 | 241,9 | 253,0 | 253,0 |
| Earnings per share after exceptional items (cents) | 130 | 306 | 389 | 292 |
| Fully diluted weighted average number of shares (m) | 271,0 | 242,9 | 254,5 | 254,5 |
| Diluted headline earnings per share (cents) | 244 | 627 | 1 016 | 1 111 |
| Dividends per share (cents) | 205 | 205 | 515 | 515 |
| Dividend cover (times) | 1,2 | 3,2 | 2,0 | 2,2 |
| Net asset value per share at book value** (cents) | 5 398 | 6 105 | 6 300 | 6 300 |
| Share price (cents) | 8 950 | 11 700 | 11 100 | 11 100 |
| Price earnings ratio (historical) | 14,1 | 7,4 | 10,9 | 9,9 |
| Market capitalisation (Rbn) | 24,6 | 28,9 | 30,1 | 30,1 |

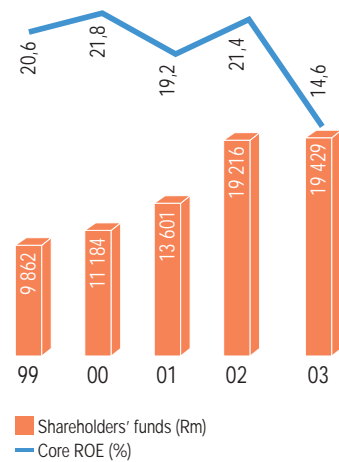
* Excludes the effect of AC133

+ Including BoE and NiB transactions for the first 6 months

^ Net of Dec'02 year to date pro forma less June '02 pro forma

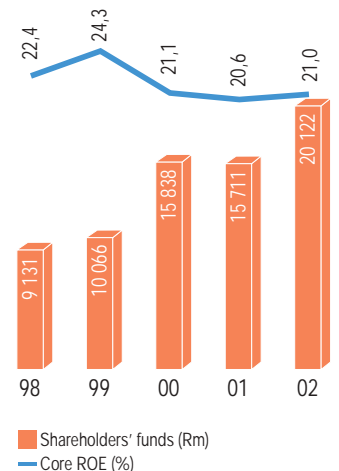
*** Excludes exceptional translation (losses)/gains

Shareholders' funds – June*



* Pre AC133 (2003), including BoE (2002)

Shareholders' funds – December+



+ Including BoE (2002)

Income statement

Notes

| | % change Pro forma | Unaudited at 30 Jun 2003 pre AC133 Rm | Unaudited at 30 Jun 2002 incl BoE Rm | Unaudited at 30 Jun 2003 Actual Rm | Unaudited at 30 Jun 2002 Actual Rm | Audited at 31 Dec 2002 Actual Rm | Audited at 31 Dec 2002 incl BoE Rm |
|---|--------------------------|---|--|--|--|--|--|
| Rand income statement | | | | | | | |
| Interest income | 24 | 14 669 | 11 854 | 14 669 | 9 575 | 23 822 | 26 594 |
| Interest expense | 32 | 11 357 | 8 617 | 11 180 | 6 718 | 17 522 | 19 907 |
| Net interest income | 2 | 3 312 | 3 237 | 3 489 | 2 857 | 6 300 | 6 687 |
| Non-interest revenue | (5) | 3 876 | 4 081 | 4 239 | 2 690 | 6 929 | 8 322 |
| Foreign exchange translation (losses)/gains | | (451) | (350) | (735) | (436) | (1 011) | (926) |
| Total income | (3) | 6 737 | 6 968 | 6 993 | 5 111 | 12 218 | 14 083 |
| Impairment of advances Specific and general provisions raised | (14) | 795 | 921 | 891 | 560 | 1 778 | 2 147 |
| Exceptional general provision (reversed)/raised | | | (400) | | (400) | (400) | (400) |
| Income after specific and general provisions | (8) | 5 942 | 6 447 | 6 102 | 4 951 | 10 840 | 12 336 |
| Operating expenses | 7 | 4 562 | 4 282 | 4 562 | 2 962 | 7 334 | 8 655 |
| Merger and reorganisation expenses | | 134 | | 134 | | 193 | 169 |
| Profit from operations before exceptional capital items | (42) | 1 246 | 2 165 | 1 406 | 1 989 | 3 313 | 3 512 |
| Exceptional capital items | | (361) | (1 569) | (309) | (926) | (1 793) | (2 437) |
| Net capital loss on investment in Dimension Data | | (136) | (830) | (84) | (830) | (1 080) | (1 080) |
| Amortisation and impairment of goodwill | | (209) | (211) | (209) | (96) | (501) | (617) |
| Loss on sale of investments and operations | | (16) | (524) | (16) | | (58) | (588) |
| Merger and reorganisation costs | | | | | | (35) | (35) |
| Impairment of investments and of property and equipment | | | (4) | | | (119) | (117) |
| Profit from operations | | 885 | 596 | 1 097 | 1 063 | 1 520 | 1 075 |
| Attributable earnings of associates | (25) | 70 | 93 | 70 | 92 | 162 | 162 |
| Profit before taxation | | 955 | 689 | 1 167 | 1 155 | 1 682 | 1 237 |
| Taxation | 9 | 467 | 430 | 592 | 404 | 580 | 606 |
| Taxation: Merger and reorganisation costs | | | | | | (23) | |
| Taxation: Exceptional capital items | | | (298) | | (140) | (192) | (350) |
| Profit after taxation | | 488 | 557 | 575 | 891 | 1 317 | 981 |
| Minority interest attributable to ordinary shareholders | 18 | 97 | 82 | 90 | 153 | 333 | 241 |
| Minority interest attributable to preference shareholders | | 133 | | | | | |
| Net profit for the year | (46) | 258 | 475 | 352 | 738 | 984 | 740 |

Notes

| Dollar income statement | % change | Unaudited at 30 Jun 2003 pre AC1333 US\$m | Unaudited at 30 Jun 2002 incl BoE US\$m | Unaudited at 30 Jun 2003 Actual US\$m | Unaudited at 30 Jun 2002 Actual US\$m | Audited at 31 Dec 2002 Actual US\$m | Audited at 31 Dec 2002 incl BoE US\$m |
|---|----------|---|---|---|---|---|---|
| Interest income | 68 | 1 948 | 1 158 | 1 948 | 936 | 2 770 | 3 092 |
| Interest expense | 79 | 1 508 | 842 | 1 485 | 656 | 2 037 | 2 315 |
| Net interest income | 39 | 440 | 316 | 463 | 280 | 733 | 777 |
| Non-interest revenue | 29 | 515 | 399 | 563 | 263 | 806 | 968 |
| Foreign exchange translation (losses)/gains | | (60) | (34) | (98) | (43) | (118) | (108) |
| Total income | 31 | 895 | 681 | 928 | 500 | 1 421 | 1 637 |
| Impairment of advances | | | | 118 | | | |
| Specific and general provisions raised | 18 | 106 | 90 | | 55 | 207 | 250 |
| Exceptional general provision (reversed)/raised | | | (39) | | (39) | (47) | (47) |
| Income after specific and general provisions | 25 | 789 | 630 | 810 | 484 | 1 261 | 1 434 |
| Operating expenses | 45 | 606 | 418 | 606 | 289 | 853 | 1 006 |
| Merger and reorganisation expenses | | 18 | | 18 | | 22 | 20 |
| Profit from operations before exceptional capital items | (22) | 165 | 212 | 186 | 195 | 386 | 408 |
| Exceptional capital items | | (48) | (153) | (41) | (90) | (209) | (284) |
| Net capital loss on investment in Dimension Data | | (18) | (81) | (11) | (81) | (126) | (126) |
| Amortisation and impairment of goodwill | | (28) | (21) | (28) | (9) | (58) | (72) |
| Loss on sale of investments and operations | | (2) | (51) | (2) | | (7) | (68) |
| Merger and reorganisation costs | | | | | | (4) | (4) |
| Impairment of investments and of property and equipment | | | | | | (14) | (14) |
| Profit from operations | | 117 | 59 | 145 | 105 | 177 | 124 |
| Attributable earnings of associates | - | 9 | 9 | 9 | 9 | 19 | 19 |
| Profit before taxation | | 126 | 68 | 154 | 114 | 196 | 143 |
| Taxation | 48 | 62 | 42 | 79 | 39 | 67 | 70 |
| Taxation: Merger and reorganisation costs | | | | | | (3) | |
| Taxation: Exceptional capital items | | | (29) | | (14) | (22) | (41) |
| Profit after taxation | | 64 | 55 | 75 | 89 | 154 | 114 |
| Minority interest attributable to ordinary shareholders | 63 | 13 | 8 | 12 | 15 | 39 | 28 |
| Minority interest attributable to preference shareholders | - | 18 | | 18 | | | |
| Net profit for the year | (30) | 33 | 47 | 45 | 74 | 115 | 86 |
| Exchange rate at spot | | 7,530 | 10,235 | 7,530 | 10,235 | 8,600 | 8,600 |

Balance sheet

Notes

| Rand balance sheet | % change Actual | Unaudited at 30 Jun 2003 Rm | Unaudited at 30 Jun 2002 Rm | % change | Audited at 31 Dec 2002 Rm | Audited at 31 Dec 2001 Rm |
|---|-----------------------|--------------------------------------|--------------------------------------|-------------|------------------------------------|------------------------------------|
| Assets | | | | | | |
| Cash and short-term funds | (38) | 9 401 | 15 221 | 51 | 16 607 | 10 978 |
| Other short-term securities | >100 | 19 542 | 9 210 | 32 | 14 987 | 11 372 |
| Government and public sector securities | 46 | 16 669 | 11 448 | 16 | 14 647 | 12 627 |
| Advances and other debtors | 60 | 246 162 | 153 413 | 33 | 201 539 | 151 055 |
| Deferred taxation asset | | 702 | 282 | | 690 | 84 |
| Current taxation prepaid | | 399 | 200 | | 421 | 190 |
| Insurance assets | | 7 004 | | | 7 891 | |
| Investments | | | | | | |
| Investments in associate companies | | 1 424 | 1 746 | | 1 504 | 1 901 |
| Other investments | | 5 088 | 3 310 | | 5 429 | 3 920 |
| Property and equipment | 38 | 2 783 | 2 012 | 39 | 2 854 | 2 046 |
| Intangible assets: | | | | | | |
| Computer software and capitalised development costs | 19 | 1 578 | 1 331 | 31 | 1 638 | 1 247 |
| Goodwill | >100 | 4 129 | 1 458 | >100 | 4 457 | 1 272 |
| Customers' indebtedness for acceptances | | 822 | 1 070 | | 1 120 | 973 |
| Total assets | 57 | 315 703 | 200 701 | 39 | 273 784 | 197 665 |
| Shareholders' equity and liabilities | | | | | | |
| Ordinary share capital | | 271 | 243 | | 271 | 242 |
| Ordinary share premium | | 4 625 | 1 904 | | 4 536 | 1 326 |
| Non-distributable reserves | | 484 | 634 | | 216 | 703 |
| Distributable reserves | | 9 447 | 12 292 | | 12 023 | 12 559 |
| Ordinary shareholders' equity | (12) | 14 827 | 15 073 | 15 | 17 046 | 14 830 |
| Minority shareholders' interest | | | | | | |
| Attributable to ordinary shareholders | | 1 157 | 1 520 | | 1 089 | 881 |
| Attributable to preference shareholders | | 2 115 | | | 1 987 | |
| Total shareholders' equity and minority interest | 9 | 18 099 | 16 593 | 28 | 20 122 | 15 711 |
| Deposit, current accounts and other creditors | 58 | 280 904 | 178 224 | 34 | 235 449 | 175 591 |
| Deferred taxation liabilities | | 1 249 | 1 577 | | 1 451 | 1 451 |
| Current taxation liabilities | | 178 | 137 | | 183 | 110 |
| Insurance funds | | 7 004 | | | 7 891 | |
| Long-term debt instruments | | 7 447 | 3 100 | | 7 568 | 3 829 |
| Liabilities under acceptances | | 822 | 1 070 | | 1 120 | 973 |
| Total shareholders' equity and liabilities | 57 | 315 703 | 200 701 | 39 | 273 784 | 197 665 |
| Guarantees on behalf of customers excluded from assets | | 10 703 | 10 161 | | 11 966 | 11 036 |
| AC133 categorisation of balance sheet | | | | | | |
| Rand balance sheet | | | | | Unaudited at 30 June 2003 | |
| | | | | | Assets | Liabilities |
| | | | | | Rm | Rm |
| Marked to market | | | | | 88 551 | 52 136 |
| Held for trading (I/S) | | | | | 85 898 | 52 136 |
| Available for sale (equity) | | | | | 2 653 | |
| Amortised cost | | | | | 227 152 | 245 468 |
| Originated loan | | | | | 215 259 | |
| Held to maturity | | | | | 1 280 | |
| Non-trading liabilities | | | | | | 244 041 |
| Other | | | | | 10 613 | 1 427 |
| Shareholders funds | | | | | | 18 099 |
| Total | | | | | 315 703 | 315 703 |
| AC133 reconciliation of total assets | | | | | | |
| Rand balance sheet | | | | | | Unaudited |
| | | | | | | 30 June 2003 |
| | | | | | | Rm |
| Total assets excluding the effect of AC133 | | | | | | 270 523 |
| AC133 adjustments: | | | | | | 45 180 |
| Deduct: impairments to advances | | | | | | (882) |
| Add: bonds and securities gross up | | | | | | 5 563 |
| Add: Advances gross up | | | | | | 2 871 |
| Add: derivatives gross up | | | | | | 37 036 |
| Add: fair value adjustments | | | | | | 592 |
| Total assets including the effects of AC133 | | | | | | 315 703 |

Notes

| Dollar balance sheet | % change | Unaudited at 30 Jun 2003 Rm | Unaudited at 30 Jun 2002 Rm | % change | Audited at 31 Dec 2002 Rm | Audited at 31 Dec 2001 Rm |
|---|-------------|--------------------------------------|--------------------------------------|-------------|------------------------------------|------------------------------------|
| Assets | | | | | | |
| Cash and short-term funds | (16) | 1 248 | 1 487 | >100 | 1 931 | 892 |
| Other short-term securities | >100 | 2 595 | 900 | 89 | 1 743 | 924 |
| Government and public sector securities | 98 | 2 214 | 1 119 | 66 | 1 703 | 1 026 |
| Advances and other debtors | >100 | 32 692 | 14 988 | 91 | 23 435 | 12 276 |
| Deferred taxation asset | | 93 | 28 | | 80 | 7 |
| Current taxation prepaid | | 53 | 20 | | 49 | 15 |
| Insurance assets | | 930 | | | 918 | |
| Investments | | | | | | |
| Investments in associate companies | | 189 | 171 | | 175 | 154 |
| Other investments | | 676 | 323 | | 631 | 319 |
| Property and equipment | 88 | 370 | 197 | 100 | 332 | 166 |
| Intangible assets: | | | | | | |
| Computer software and capitalised development costs | 62 | 210 | 130 | 88 | 190 | 101 |
| Goodwill | >100 | 548 | 142 | >100 | 518 | 103 |
| Customers' indebtedness for acceptances | | 109 | 105 | | 130 | 79 |
| Total assets | >100 | 41 927 | 19 609 | 98 | 31 835 | 16 064 |
| Shareholders' equity and liabilities | | | | | | |
| Ordinary share capital | | 36 | 24 | | 32 | 20 |
| Ordinary share premium | | 614 | 186 | | 527 | 108 |
| Non-distributable reserves | | 64 | 62 | | 25 | 57 |
| Distributable reserves | | 1 255 | 1 281 | | 1 398 | 1 021 |
| Ordinary shareholders' equity | 34 | 1 969 | 1 453 | 375 | 1 982 | 1 205 |
| Minority shareholders' interest | | | | | | |
| Attributable to ordinary shareholders | | 154 | 149 | | 127 | 72 |
| Attributable to preference shareholders | | 281 | | 77 | 231 | |
| Total shareholders' equity and minority interest | 48 | 2 404 | 1 602 | 83 | 2 340 | 1 277 |
| Deposit, current accounts and other creditors | >100 | 37 305 | 17 413 | 92 | 27 378 | 14 270 |
| Deferred taxation liabilities | | 166 | 154 | | 169 | 118 |
| Current taxation liabilities | | 24 | 13 | | 21 | 9 |
| Insurance funds | | 930 | | | 918 | |
| Long-term debt instruments | | 989 | 303 | | 880 | 311 |
| Liabilities under acceptances | | 109 | 105 | | 130 | 79 |
| Total shareholders' equity and liabilities | | 41 927 | 19 609 | 98 | 31 835 | 16 064 |
| Guarantees on behalf of customers excluded from assets | | 1 046 | 993 | | 836 | 897 |
| Exchange rate at spot | | 7,530 | 10,235 | | 8,600 | 12,305 |
| AC133 categorisation of balance sheet | | | | | | |
| Dollar balance sheet | | | Unaudited at 30 June 2003 | | | |
| | | | Assets | | Liabilities | |
| | | | Rm | | Rm | |
| Marked to market | | | 11 759 | | 6 924 | |
| Held for trading (I/S) | | | 11 407 | | 6 924 | |
| Available for sale (equity) | | | 352 | | | |
| Amortised cost | | | 30 167 | | 32 598 | |
| Originated loan | | | 28 587 | | | |
| Held to maturity | | | 170 | | | |
| Non-trading liabilities | | | | | 32 408 | |
| Other | | | 1 409 | | 190 | |
| Total shareholders' equity and minority interest | | | | | 2 404 | |
| Total | | | 41 926 | | 41 926 | |
| AC133 reconciliation of total assets | | | | | | |
| Dollar balance sheet | | | | | Unaudited | |
| | | | | | 30 June 2003 | |
| | | | | | Rm | |
| Total assets excluding the effect of AC133 | | | | | 35 926 | |
| AC133 adjustments: | | | | | 6 000 | |
| Deduct: impairments to advances | | | | | (117) | |
| Add: bonds and securities gross up | | | | | 738 | |
| Add: Advances gross up | | | | | 382 | |
| Add: derivatives gross up | | | | | 4 918 | |
| Add: fair value adjustments | | | | | 79 | |
| Total assets including the effects of AC133 | | | | | 41 926 | |

Statement of changes in ordinary shareholders' equity

Notes

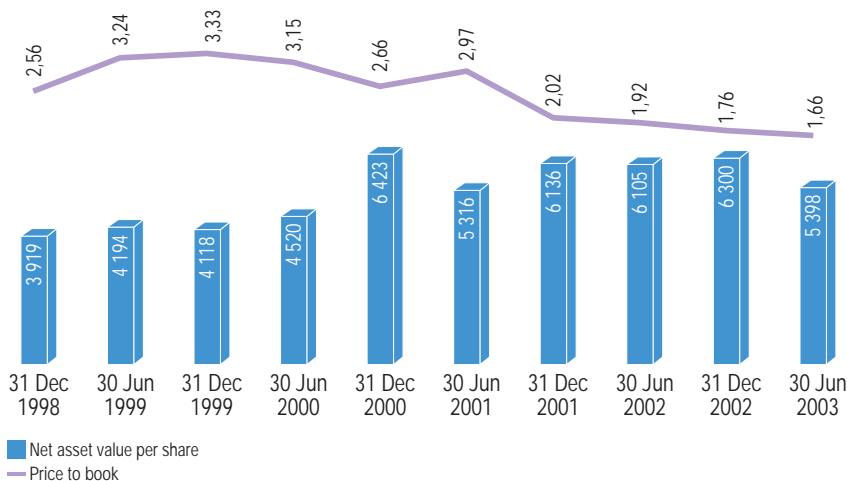
| | Unaudited at 30 Jun 2003 Rm | Unaudited at 30 Jun 2002 Rm | Audited at 31 Dec 2002 Rm | Audited at 31 Dec 2001 Rm |
|---|--------------------------------------|--------------------------------------|------------------------------------|---|
| Ordinary share capital | 271 | 243 | 271 | 242 |
| Balance at beginning of period | 271 | 242 | 242 | 240 |
| Shares issued during period | 3 | 2 | 27 | 2 |
| Sale of treasury shares by subsidiary | | | 3 | |
| Shares acquired by subsidiary | (3) | (1) | (1) | |
| Ordinary share premium | 4 625 | 1 904 | 4 536 | 1 326 |
| Balance at beginning of period | 4 536 | 1 326 | 1 326 | 934 |
| Shares issued during period | 370 | 726 | 2 924 | 448 |
| Share issue expenses | | | (9) | (9) |
| Sale of treasury shares by subsidiary | | | 453 | |
| Shares acquired by subsidiary | (281) | (148) | (158) | (47) |
| Non-distributable reserves (NDR) | 484 | 634 | 216 | 703 |
| Reserves not available for distribution | 31 | 122 | 97 | 166 |
| Balance at beginning of period | 97 | 166 | 166 | 264 |
| Transfer from distributable reserves | 290 | 262 | 263 | 74 |
| Release of reserves previously not available | (356) | (306) | (332) | (172) |
| Foreign currency translation reserve | (112) | 363 | (28) | 383 |
| Balance at beginning of period | (28) | 383 | 383 | 120 |
| Foreign currency translation differences for current period | (84) | (20) | (411) | 263 |
| AC133 available for sale reserve | 18 | | | |
| AC133 transitional adjustment | 20 | | | |
| Current period movement | (2) | | | |
| General risk reserve | 410 | | | |
| Transfer from distributable reserves | 410 | | | |
| Other | 137 | 149 | 147 | 154 |
| Balance at beginning of period | 147 | 154 | 154 | 132 |
| Transfer (to)/ from distributable reserves | | | (17) | 40 |
| Other | (10) | (5) | 10 | (18) |
| Distributable reserves | 9 447 | 12 292 | 12 023 | 12 559 |
| Balance at beginning of period | 10 630 | 12 559 | 12 559 | 13 711 |
| Balance at beginning of period as previously stated | 12 023 | 12 577 | 12 577 | 13 724 |
| Change in accounting policy | | (18) | (18) | (13) |
| AC133 transitional adjustment | (1 393) | | | |
| Net profit for the period | 352 | 738 | 984 | 13 |
| Transfers (to)/from NDR | (700) | (262) | (246) | (114) |
| Reserves not available for distributions | (290) | (262) | (263) | (74) |
| General risk reserve | (410) | | | |
| Other | | | 17 | (40) |
| Dividends paid to shareholders | (839) | (748) | (1 282) | (1 035) |
| Other movements | 4 | 5 | 8 | (16) |
| Total shareholders' equity | 14 827 | 15 073 | 17 046 | 14 830 |
| AC133 reserve adjustments | | | | Unaudited at 30 June 2003 Rm |
| Distributable reserves | | | | |
| Impairment of advances | | | | (963) |
| Fair value adjustments | | | | (900) |
| Taxation | | | | 428 |
| Minority interest | | | | 42 |
| AC133 transitional adjustment | | | | (1 393) |
| Transfer to general risk reserve | | | | (410) |
| Total adjustment to distributable reserves | | | | (1 803) |
| NDR – Available for sale reserve | | | | |
| Fair value adjustments | | | | 28 |
| Taxation | | | | (8) |
| Total adjustments to non-distributable reserves opening balance | | | | 20 |

Cash flow statement

Notes

| | Unaudited at 30 Jun 2003 Rm | Unaudited at 30 Jun 2002 Rm | Audited at 31 Dec 2002 Rm | Audited at 31 Dec 2001 Rm |
|--|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Cash flows from operating activities | 1 505 | 1 548 | 3 746 | 5 420 |
| Cash received from clients | 17 745 | 11 528 | 29 326 | 23 270 |
| Cash paid to clients, employees and suppliers | (15 472) | (9 297) | (24 471) | (16 929) |
| Dividends received | 71 | 65 | 173 | 114 |
| Dividends paid | (839) | (748) | (1 282) | (1 035) |
| Net (increase)/decrease in operating funds | (9 659) | 3 389 | 802 | (6 492) |
| Taxation paid | (307) | (311) | (765) | (396) |
| Net cash utilised in investing activities | 1 287 | (237) | (6 456) | (3 065) |
| Net cash provided by financing activities | (32) | (146) | 8 302 | 2 651 |
| Net proceeds of ordinary share issue | 89 | 583 | 3 240 | 403 |
| Net proceeds of preference shares issued | | | 1 987 | |
| Net (decrease)/increase in subordinated debt | (121) | (729) | 3 075 | 2 248 |
| Net (decrease)/increase in cash and short-term funds | (7 206) | 4 243 | 5 629 | (1 882) |
| Cash and short-term funds at beginning of period | 16 607 | 10 978 | 10 978 | 12 860 |
| Cash and short-term funds at end of period | 9 401 | 15 221 | 16 607 | 10 978 |

Net asset value per share – June*



* Pre AC133 (2003), including BoE (2002)

Segmental analysis

Notes

| | % change | 30 June 2003 Pre AC133 | | 30 June 2002 Including BoE | |
|---|----------|---------------------------|------------|-------------------------------|------|
| | | Rm | % | Rm | % |
| Nedbank Corporate | (20) | 1 396 | 116 | 1 745 | 103 |
| Banking Business | 19 | 903 | 75 | 758 | 75 |
| – Corporate Banking | (8) | 358 | 30 | 388 | 23 |
| – Business Banking | 61 | 339 | 28 | 210 | 12 |
| – Property Finance | 6 | 142 | 12 | 134 | 8 |
| – Imperial Bank | 146 | 64 | 5 | 26 | 2 |
| Investment Bank | (54) | 124 | 10 | 272 | 16 |
| – Capital markets | (53) | 109 | 9 | 234 | 14 |
| – Corporate Finance | (74) | 9 | 1 | 35 | 2 |
| – ENF | 100 | 6 | | 3 | |
| Treasury | (55) | 291 | 24 | 643 | 38 |
| International | 8 | 78 | 6 | 72 | 4 |
| – Africa | 2 | 61 | 5 | 60 | 3 |
| – Asia & Europe | 42 | 17 | 2 | 12 | 1 |
| Peoples Bank | (41) | 82 | 7 | 139 | 8 |
| Retail and Wealth Management | 23 | 284 | 24 | 231 | 14 |
| – Retail Banking | 98 | 218 | 18 | 110 | 6 |
| – Wealth Management | (54) | 45 | 4 | 97 | 6 |
| – Gerrard Private Bank | (13) | 21 | 2 | 24 | 1 |
| T & O Investments | 56 | (7) | (1) | (16) | (1) |
| BoE Funding | (2) | (266) | (22) | (261) | (15) |
| Shared services, funding and group operations | 101 | (285) | (24) | (142) | (8) |
| Core earnings | (29) | 1 204 | 100 | 1 696 | 100 |
| Adjusted for Non-Core items | | (585) | | 50 | |
| Headline earnings | (65) | 619 | | 1 746 | |
| By geography | | | | | |
| South Africa | (20) | 944 | 78 | 1 179 | 70 |
| Rest of Africa | (30) | 67 | 6 | 96 | 6 |
| Rest of the world | (54) | 193 | 16 | 421 | 25 |
| Core earnings | (29) | 1 204 | 100 | 1 696 | 100 |

Notes

| | 30 June 2003 Actual | | 30 June 2002 Actual | | 31 Dec 2002 | |
|---|------------------------|------------|------------------------|------------|--------------|------------|
| | Rm | % | Rm | % | Rm | % |
| Nedbank Corporate | 1 801 | 118 | 1 391 | 89 | 2 786 | 83 |
| Banking Business | 950 | 62 | 684 | 44 | 1 297 | 39 |
| – Corporate Banking | 346 | 23 | 388 | 25 | 745 | 22 |
| – Business Banking | 384 | 25 | 195 | 13 | 182 | 5 |
| – Property Finance | 158 | 10 | 74 | 5 | 298 | 9 |
| – Imperial Bank | 62 | 4 | 26 | 2 | 72 | 2 |
| Investment Bank | (71) | (5) | 177 | 11 | 407 | 12 |
| – Capital markets | (86) | (6) | 168 | 11 | 363 | 11 |
| – Corporate Finance | 9 | 1 | 6 | | 36 | 1 |
| – ENF | 6 | | 3 | | 8 | |
| Treasury | 826 | 54 | 458 | 29 | 943 | 28 |
| International | 96 | 6 | 72 | 5 | 139 | 4 |
| – Africa | 61 | 4 | 60 | 4 | 125 | 4 |
| – Asia & Europe | 35 | 2 | 12 | 1 | 14 | |
| Peoples Bank | 80 | 5 | 118 | 8 | 272 | 8 |
| Retail and Wealth Management | 259 | 17 | 228 | 15 | 597 | 18 |
| Retail Banking | 197 | 13 | 183 | 12 | 423 | 13 |
| Wealth Management | 41 | 3 | 21 | 1 | 118 | 4 |
| Gerrard Private Bank | 21 | 1 | 24 | 2 | 56 | 2 |
| T & O Investments | (7) | | (16) | (1) | (32) | (1) |
| BoE Funding | (266) | (17) | | | (254) | (8) |
| Shared services, funding and group operations | (337) | (22) | (161) | (10) | (3) | |
| Core earnings | 1 530 | 100 | 1 560 | 100 | 3 366 | 100 |
| Adjusted for Non-Core items | (869) | | (36) | | (781) | |
| Headline earnings | 661 | | 1 524 | | 2 585 | |
| By geography | | | | | | |
| South Africa | 1 252 | 82 | 1 286 | 82 | 2 830 | 84 |
| Rest of Africa | 67 | 4 | 90 | 6 | 272 | 8 |
| Rest of the world | 211 | 14 | 184 | 12 | 264 | 8 |
| Core earnings | 1 530 | 100 | 1 560 | 100 | 3 366 | 100 |

The segmental analysis is primarily based on management operating reports and ignores boundaries of the legal entities. Comparative figures are restated, where necessary, to afford a proper comparison. Capital is allocated to segments based on the related risk-weighted assets in terms of the Banks Act classifications and weightings. The aspects of capital allocation and transfer pricing of support costs between segments are under regular review.

Notes

| for the period ended 31 December 2002 | | | | | |
|--|--------------------------|----------------------------|--|-----------------|----------------------------|
| Category | Nedcor statutory 2002 Rm | BoE results (12 months) Rm | BoE acquisition entries and funding Rm | NiB minority Rm | Nedcor (incl. BoE) 2002 Rm |
| Balance sheet | | | | | |
| Average assets* | 207 709 | 62 368 | 5 651 | | 259 895 |
| Average interest-earning assets* | 194 755 | 48 368 | 5 651 | | 234 596 |
| Average shareholders' funds* | 13 094 | 5 899 | | | 19 753 |
| Income statement | | | | | |
| Net interest income | 5 882 | 1 541 | (735) | | 6 688 |
| Non-interest revenue | 5 833 | 2 489 | | | 8 322 |
| Gross operating income | 11 715 | 4 030 | (735) | – | 15 010 |
| Specific and general provisions | 1 719 | 428 | | | 2 147 |
| Net operating income | 9 996 | 3 602 | (735) | – | 12 863 |
| Expenses | 6 138 | 2 517 | | | 8 655 |
| Net profit before tax | 3 858 | 1 085 | (735) | – | 4 208 |
| Taxation | 570 | 257 | (220) | | 607 |
| Net profit after tax | 3 288 | 828 | (515) | – | 3 601 |
| Associate income | 147 | 15 | | | 162 |
| Minorities attributable to ordinary shareholders | 333 | | | (92) | 241 |
| Core earnings | 3 102 | 843 | (515) | 92 | 3 522 |
| | % | | | | % |
| Selected ratios | | | | | |
| ROE (return on equity)* | 22,49 | | | | 19,05 |
| ROA (return on assets)* | 1,79 | | | | 1,45 |
| Interest margin* | 3,16 | | | | 2,85 |
| Bad debts to net interest income | 19,59 | | | | 32,11 |
| Non-interest revenue to gross income | 48,48 | | | | 55,45 |
| Expenses to gross income | 53,41 | | | | 57,66 |
| Effective tax rate | 19,94 | | | | 14,41 |
| Employees (excluding temporary staff) | 18 554 | 6 535 | | | 25 089 |

* Based on 365 day averages

Currency balance sheet

Notes

| | Rand Rm | UK£ Rm | US\$ Rm | Other Rm | Total Rm |
|--|------------|-----------|------------|-------------|-------------|
| 30 June 2003 | | | | | |
| Total assets | 277 860 | 10 658 | 19 769 | 7 416 | 315 703 |
| Cash and short-term funds | 5 571 | 1 250 | 2 220 | 360 | 9 401 |
| Other short-term securities | 16 031 | 2 045 | 354 | 1 112 | 19 542 |
| Government and public sector securities | 13 570 | 43 | 1 442 | 1 614 | 16 669 |
| Advances and other accounts | 231 010 | 5 234 | 14 011 | 4 012 | 254 267 |
| Associate and other investments | 2 681 | 1 984 | 1 645 | 202 | 6 512 |
| Property and equipment and intangible assets | 8 250 | 101 | 43 | 96 | 8 496 |
| Customer indebtedness for acceptances | 747 | 1 | 54 | 20 | 822 |
| Total liabilities | 268 392 | 8 023 | 15 509 | 5 680 | 297 604 |
| Subordinated debt instruments | 7 009 | | 438 | | 7 447 |
| Deposit, current and other accounts | 260 636 | 8 022 | 15 017 | 5 660 | 289 335 |
| Liabilities under acceptances | 747 | 1 | 54 | 20 | 822 |
| Net assets | 9 468 | 2 635 | 4 260 | 1 736 | 18 099 |
| Total shareholders' funds | 9 878 | 2 922 | 4 930 | 369 | 18 099 |
| | 410 | 287 | 670 | (1 367) | – |
| 31 December 2002 | | | | | |
| Total assets | 229 215 | 10 801 | 25 919 | 7 848 | 273 783 |
| Cash and short-term funds | 9 372 | 1 037 | 5 681 | 517 | 16 607 |
| Other short-term securities | 11 306 | 2 296 | 427 | 958 | 14 987 |
| Government and public sector securities | 9 644 | 42 | 3 210 | 1 751 | 14 647 |
| Advances and other accounts | 178 768 | 4 943 | 14 761 | 4 178 | 202 650 |
| Associate and other investments | 10 389 | 2 389 | 1 719 | 326 | 14 823 |
| Property and equipment and intangible assets | 8 699 | 89 | 49 | 112 | 8 949 |
| Customer indebtedness for acceptances | 1 037 | 5 | 72 | 6 | 1 120 |
| Total liabilities | 221 649 | 8 151 | 18 027 | 5 834 | 253 661 |
| Subordinated debt instruments | 7 067 | | 501 | | 7 568 |
| Deposit, current and other accounts | 213 545 | 8 146 | 17 454 | 5 828 | 244 973 |
| Liabilities under acceptances | 1 037 | 5 | 72 | 6 | 1 120 |
| Net assets | 7 566 | 2 650 | 7 892 | 2 014 | 20 122 |
| Total shareholders' funds | 14 932 | 2 775 | 2 064 | 351 | 20 122 |
| | 7 366 | 125 | (5 828) | (1 663) | – |

Average Balance Sheet and related interest

as at 30 June

Notes

| Proforma | 2003 | | | 2002 | | |
|--|-----------------------------|--------------|----------------|-----------------------------|--------------|----------------|
| | Average balance sheet | % | Interest Rm | Average balance sheet | % | Interest Rm |
| Assets | | | | | | |
| Short-term funds and securities | 32 885 | 6,49 | 1 059 | 35 189 | 6,03 | 1 053 |
| Government stock | 10 039 | 9,78 | 487 | 10 621 | 9,59 | 505 |
| Advance and other accounts | | | | | | |
| Mortgage loans | 59 008 | 15,46 | 4 523 | 55 058 | 13,72 | 3 747 |
| Lease and instalment debtors | 22 941 | 15,39 | 1 751 | 18 956 | 12,83 | 1 206 |
| Bills and acceptances | 4 096 | 10,31 | 210 | 3 671 | 10,21 | 186 |
| Overdrafts | 18 740 | 18,37 | 1 707 | 16 106 | 16,22 | 1 295 |
| Term loans and other* | 88 288 | 10,86 | 4 755 | 93 963 | 10,02 | 4 668 |
| Interest-earning assets | 235 997 | 12,38 | 14 492 | 233 564 | 10,93 | 12 659 |
| Other non-interest earning assets | | | | | | |
| Cash, investments and fixed assets | 24 441 | | | 25 197 | | |
| Total assets | 260 438 | 11,22 | 14 492 | 258 761 | 9,87 | 12 659 |
| Liabilities | | | | | | |
| Deposit and loan accounts | 133 011 | 11,21 | 7 396 | 127 649 | 8,93 | 5 650 |
| Current and savings accounts | 35 404 | 5,77 | 1 013 | 31 325 | 4,12 | 640 |
| Negotiable certificates of deposit | 33 697 | 12,42 | 2 076 | 23 611 | 10,30 | 1 206 |
| Other liabilities** | 31 434 | 1,55 | 242 | 46 850 | 6,23 | 1 447 |
| Long-term debt instruments | 7 189 | 12,71 | 453 | 7 850 | 12,32 | 480 |
| Interest-bearing liabilities | 240 735 | 9,37 | 11 180 | 237 285 | 8,01 | 9 422 |
| Share capital and reserves | 17 700 | | | 21 476 | | |
| Preference Share Capital | 2 003 | | | | | |
| Total liabilities | 260 438 | 8,66 | 11 180 | 258 761 | 7,34 | 9 422 |
| Margin on average assets | | 2,56 | | | 2,52 | |
| Net interest to interest-earning assets | | | | | | |
| – on average balances | 235 997 | 2,83 | 3 312 | 233 564 | 2,79 | 3 237 |
| – on year-on-year simple average *** | 249 262 | 2,68 | 3 312 | 213 219 | 3,06 | 3 237 |

Where possible averages are calculated on daily balances.

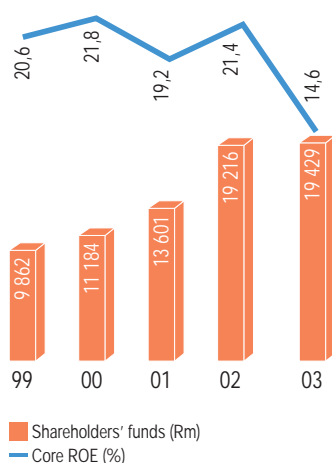
* Includes: term loans, preference shares, factoring debtors, other lending-related instruments, customers' indebtedness for acceptances and general provision

** Includes: foreign currency liabilities, liabilities under acceptances, creditors and other accounts.

*** Based on opening and closing balance June 2002 and 2003. There is a high drop in the margin as the December 2001 opening balance excludes BoE.

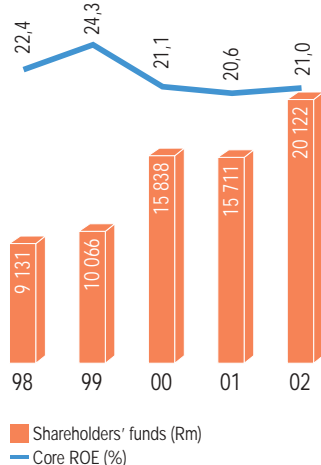
ROE

Shareholders' funds – June*



* Pre AC133 (2003), including BoE (2002)

Shareholders' funds – December+



+ Including BoE (2002)

Core (excluding translation (losses)/gains and exceptional items)

| June | 2003 Rm | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm |
|--|---------------|---------------|---------------|---------------|--------------|
| Ordinary shareholders' equity | 14 827 | 15 073 | 12 952 | 10 833 | 9 862 |
| Minority shareholders' interest | 3 272 | 1 520 | 649 | 351 | |
| Total ordinary shareholders' equity and minority interest | 18 099 | 16 593 | 13 601 | 11 184 | 9 862 |
| Average ordinary shareholders' equity and minority interest | 19 110 | 16 161 | 14 719 | 10 625 | 9 497 |
| Core earnings | 1 530 | 1 560 | 1 317 | 1 103 | 969 |
| Minority income | 223 | 153 | 82 | 46 | |
| Return | 1 753 | 1 713 | 1 399 | 1 149 | 969 |
| ROE (%) | 18,5 | 21,4 | 19,2 | 21,8 | 20,6 |

| December | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm | 1998 Rm |
|--|---------------|---------------|---------------|---------------|--------------|
| Ordinary shareholders' equity | 19 033 | 14 830 | 15 414 | 9 761 | 9 131 |
| Minority shareholders' interest | 1 089 | 881 | 424 | 305 | |
| Total ordinary shareholders' equity and minority interest | 20 122 | 15 711 | 15 838 | 10 066 | 9 131 |
| Average ordinary shareholders' equity and minority interest | 16 923 | 15 775 | 12 952 | 9 599 | 8 172 |
| Core earnings | 3 366 | 3 093 | 2 637 | 2 315 | 1 827 |
| Minority income | 333 | 164 | 98 | 21 | |
| Return | 3 699 | 3 257 | 2 735 | 2 336 | 1 827 |
| ROE (%) | 21,9 | 20,6 | 21,1 | 24,3 | 22,4 |

Headline (including translation (losses)/gains and exceptional items)

| June | 2003 Rm | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm |
|--|---------------|---------------|---------------|---------------|--------------|
| Ordinary shareholders' equity | 14 827 | 15 073 | 12 952 | 10 833 | 9 862 |
| Minority shareholders' interest | 3 272 | 1 520 | 649 | 351 | |
| Total ordinary shareholders' equity and minority interest | 18 099 | 16 593 | 13 601 | 11 184 | 9 862 |
| Average ordinary shareholders' equity and minority interest | 19 110 | 16 161 | 14 719 | 10 625 | 9 497 |
| Headline earnings | 661 | 1 524 | 1 485 | 1 231 | 969 |
| Minority income | 223 | 153 | 82 | 46 | |
| Return | 884 | 1 677 | 1 567 | 1 277 | 969 |
| ROE (%) | 9,3 | 20,9 | 21,5 | 24,2 | 20,6 |

| December | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm | 1998 Rm |
|--|---------------|---------------|---------------|---------------|--------------|
| Ordinary shareholders' equity | 19 033 | 14 830 | 15 414 | 9 761 | 9 131 |
| Minority shareholders' interest | 1 089 | 881 | 424 | 305 | |
| Total ordinary shareholders' equity and minority interest | 20 122 | 15 711 | 15 838 | 10 066 | 9 131 |
| Average ordinary shareholders' equity and minority interest | 16 923 | 15 775 | 12 952 | 9 599 | 8 172 |
| Headline earnings | 2 585 | 3 789 | 3 012 | 2 406 | 1 900 |
| Minority income | 333 | 164 | 98 | 21 | |
| Return | 2 918 | 3 953 | 3 110 | 2 427 | 1 900 |
| ROE (%) | 17,2 | 25,1 | 24,0 | 25,3 | 23,3 |

ROA

Core (excluding translation (losses)/gains and exceptional items)

| June | 2003 Rm | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm |
|-----------------|------------|------------|------------|------------|------------|
| Total assets | 315 703 | 200 701 | 173 012 | 131 914 | 126 817 |
| Average assets | 294 744 | 199 209 | 165 638 | 130 880 | 122 174 |
| Core earnings | 1 530 | 1 560 | 1 317 | 1 103 | 969 |
| Minority income | 223 | 153 | 82 | 46 | |
| Return | 1 753 | 1 713 | 1 399 | 1 149 | 969 |
| ROA (%) | 1,20 | 1,73 | 1,70 | 1,77 | 1,60 |

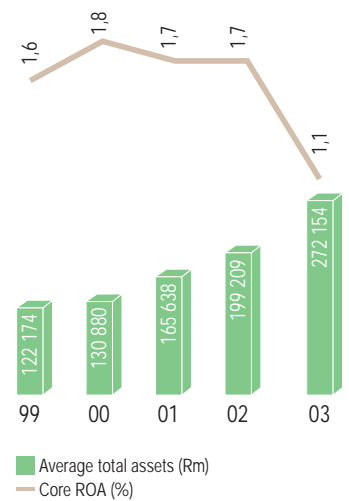
| December | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm | 1998 Rm |
|-----------------|------------|------------|------------|------------|------------|
| Total assets | 273 784 | 197 665 | 158 259 | 129 844 | 117 527 |
| Average assets | 235 725 | 177 975 | 144 053 | 123 686 | 109 190 |
| Core earnings | 3 366 | 3 093 | 2 637 | 2 315 | 1 827 |
| Minority income | 333 | 164 | 98 | 21 | |
| Return | 3 699 | 3 257 | 2 735 | 2 336 | 1 827 |
| ROA (%) | 1,57 | 1,83 | 1,90 | 1,89 | 1,67 |

Headline (including translation (losses)/gains and exceptional items)

| June | 2003 Rm | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm |
|-------------------|------------|------------|------------|------------|------------|
| Total assets | 315 703 | 200 701 | 173 012 | 131 914 | 126 817 |
| Average assets | 294 744 | 199 209 | 165 638 | 130 880 | 122 174 |
| Headline earnings | 661 | 1 524 | 1 485 | 1 231 | 969 |
| Minority income | 223 | 153 | 82 | 46 | |
| Return | 884 | 1 677 | 1 567 | 1 277 | 969 |
| ROA (%) | 0,60 | 1,70 | 1,91 | 1,97 | 1,60 |

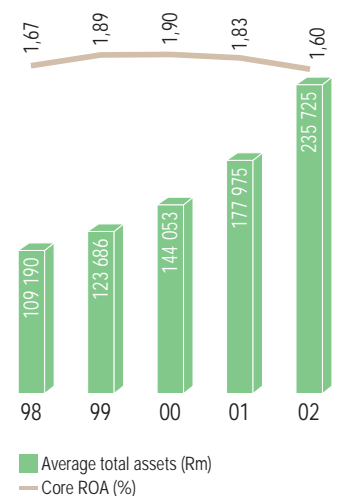
| December | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm | 1998 Rm |
|-------------------|------------|------------|------------|------------|------------|
| Total assets | 273 784 | 197 665 | 158 259 | 129 844 | 117 527 |
| Average assets | 235 725 | 177 975 | 144 053 | 123 686 | 109 190 |
| Headline earnings | 2 585 | 3 789 | 3 012 | 2 406 | 1 900 |
| Minority income | 333 | 164 | 98 | 21 | |
| Return | 2 918 | 3 953 | 3 110 | 2 427 | 1 900 |
| ROA (%) | 1,24 | 2,22 | 2,16 | 1,96 | 1,74 |

Return on assets – June*



* Pre AC133 (2003), including BoE (2002)

Return on assets – December†



† Including BoE (2002)

Net interest income

Notes

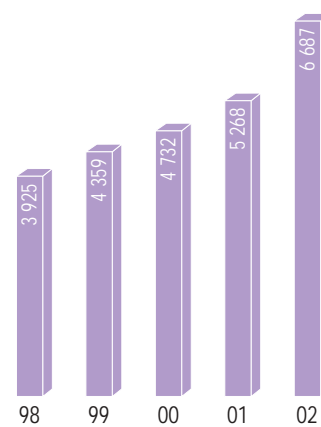
| | Pre AC133 2003 Rm | Incl BoE 2002 Rm | 2003 Rm | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm |
|---------------------|-------------------------|------------------------|------------|------------|------------|------------|------------|
| June | | | | | | | |
| Interest received | 14 846 | 12 038 | 14 669 | 9 707 | 8 690 | 7 389 | 8 682 |
| Interest paid | (11 357) | (8 617) | (11 180) | (6 718) | (6 006) | (5 009) | (6 352) |
| Interest reserved | (177) | (184) | - | (132) | (80) | (99) | (151) |
| Net interest income | 3 312 | 3 237 | 3 489 | 2 857 | 2 604 | 2 281 | 2 179 |
| | | | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm | 1998 Rm |
| December | | | | | | | |
| Interest received | | | 24 080 | 17 359 | 15 480 | 16 490 | 16 651 |
| Interest paid | | | (17 522) | (11 918) | (10 504) | (11 901) | (12 567) |
| Interest reserved | | | (258) | (173) | (244) | (230) | (159) |
| Net interest income | | | 6 300 | 5 268 | 4 732 | 4 359 | 3 925 |

Net interest income (Rm)
- June*



* Pre AC133 (2003), Including BoE (2002)

Net interest income (Rm)
- December†



† Including BoE (2002)

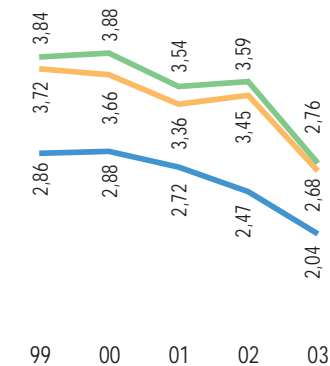
Net interest margin

Notes

| June | Pre AC133 | Incl BoE | 2003 | 2002 | 2001 | 2000 | 1999 |
|--|-----------|----------|---------|---------|---------|---------|---------|
| | 2003 | 2002 | | | | | |
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Average interest earning assets | 249 262 | 189 061 | 271 854 | 189 061 | 156 288 | 125 762 | 118 246 |
| Net interest income | 3 312 | 3 237 | 3 489 | 2 857 | 2 604 | 2 281 | 2 179 |
| Associate income | 100 | 133 | 100 | 131 | 143 | 140 | 73 |
| Income | 70 | 93 | 70 | 92 | 100 | 98 | 51 |
| Tax gross-up | 30 | 40 | 30 | 39 | 43 | 42 | 22 |
| Margin grossed up for associate income | 3 412 | 3 370 | 3 589 | 2 988 | 2 747 | 2 421 | 2 252 |
| Net interest income | 3 312 | 3 237 | 3 489 | 2 857 | 2 604 | 2 281 | 2 179 |
| Bad debt charge/impairment | (795) | (921) | (891) | (560) | (494) | (484) | (501) |
| Margin after bad debts | 2 517 | 2 316 | 2 598 | 2 297 | 2 110 | 1 797 | 1 678 |

| December | 2002 | 2001 | 2000 | 1999 | 1998 |
|--|---------|---------|---------|---------|---------|
| | Rm | Rm | Rm | Rm | Rm |
| Average interest earning assets | 218 645 | 167 265 | 136 502 | 119 787 | 105 997 |
| Net interest income | 6 300 | 5 268 | 4 732 | 4 359 | 3 925 |
| Associate income | 231 | 259 | 356 | 186 | 84 |
| Income | 162 | 181 | 249 | 130 | 59 |
| Tax gross-up | 69 | 78 | 107 | 56 | 25 |
| Margin grossed up for associate income | 6 531 | 5 527 | 5 088 | 4 545 | 4 009 |
| Net interest income | 6 300 | 5 268 | 4 732 | 4 359 | 3 925 |
| Bad debt charge | (1 778) | (1 058) | (910) | (869) | (698) |
| Margin after bad debts | 4 522 | 4 210 | 3 822 | 3 490 | 3 227 |

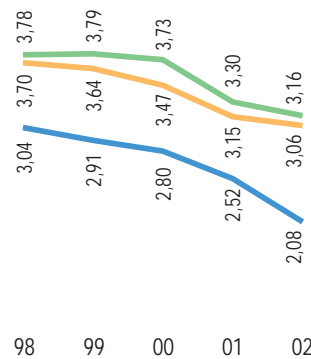
Net interest margin – June*



— Net interest margin (%)
 — Interest margin after bad debts (%)
 — Margin grossed up for associate income (%)

* Pre AC133 (2003), including BoE (2002)

Net interest margin – December*



— Net interest margin (%)
 — Interest margin after bad debts (%)
 — Margin grossed up for associate income (%)

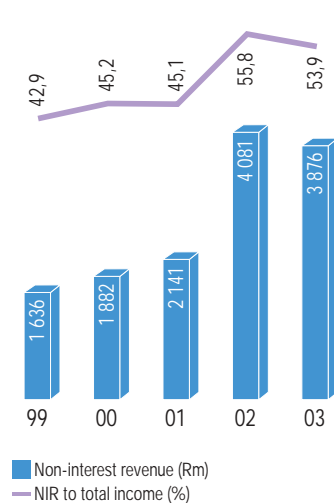
* Including BoE (2002)

Non-interest revenue

Notes

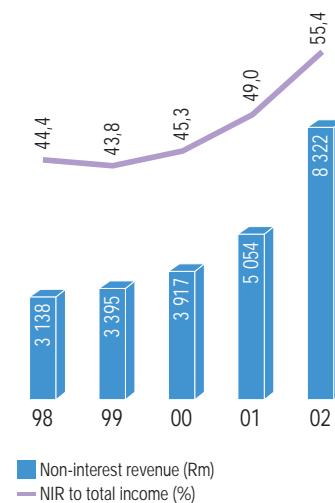
| | % change | Pre AC133 30 Jun 2003 Rm | Incl BoE 30 Jun 2002 Rm | Unaudited at 30 Jun 2003 Rm | Unaudited at 30 Jun 2002 Rm | % change | Audited at 31 Dec 2002 Rm | Audited at 31 Dec 2001 Rm |
|---|-------------|-----------------------------------|----------------------------------|--------------------------------------|--------------------------------------|-------------|------------------------------------|------------------------------------|
| Commission and fees | (3) | 2 591 | 2 669 | 2 590 | 1 761 | 45 | 4 655 | 3 211 |
| Securities and exchange trading | 2 | 864 | 844 | 864 | 661 | 7 | 1 199 | 1 125 |
| Investment banking income | | 203 | 83 | 203 | 32 | 43 | 317 | 222 |
| Other income | (61) | 147 | 377 | 510 | 171 | 53 | 585 | 382 |
| Dividends from investments | (35) | 71 | 109 | 71 | 65 | 52 | 173 | 114 |
| Non-interest revenue (core) | (5) | 3 876 | 4 082 | 4 238 | 2 690 | 37 | 6 929 | 5 054 |
| Translation (losses)/gains | | (451) | (350) | (735) | (435) | | (1 011) | 1 096 |
| Total non-interest revenue (statutory) | (8) | 3 425 | 3 732 | 3 503 | 2 255 | (4) | 5 918 | 6 150 |

Non-interest revenue to total
income – June*



* Pre AC133 (2003), including BoE (2002)

Non-interest revenue to total
income – December*



+ Including BoE (2002)

Expenses and taxation

Notes

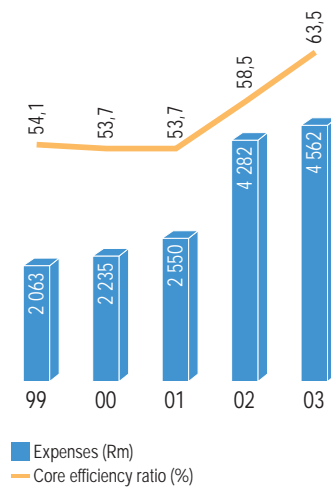
| | | Pre AC133 30 Jun 2003 Rm | Incl BoE 30 Jun 2002 Rm | Unaudited at 30 Jun 2003 Rm | Unaudited at 30 Jun 2002 Rm | % change | Audited at 31 Dec 2002 Rm | Audited at 31 Dec 2001 Rm |
|---|----|-----------------------------------|----------------------------------|--------------------------------------|--------------------------------------|-------------|------------------------------------|------------------------------------|
| Expenses | | | | | | | | |
| Staff | 1 | 2 364 | 2 348 | 2 364 | 1 619 | 32 | 3 854 | 2 928 |
| Other | 14 | 2 198 | 1 934 | 2 198 | 1 343 | 40 | 3 480 | 2 488 |
| Core expenses | 7 | 4 562 | 4 282 | 4 562 | 2 962 | 35 | 7 334 | 5 416 |
| Merger and reorganisation costs | | 134 | – | 134 | – | | 193 | – |
| Statutory expenses | 10 | 4 696 | 4 282 | 4 696 | 2 962 | 39 | 7 527 | 5 416 |
| Core expense to total income ratio (%)* | | 63,5 | 58,5 | 59,0 | 53,4 | | 55,4 | 52,5 |
| Statutory expense to total income ratio (%)# | | 69,7 | 57,8 | 67,2 | 53,4 | | 59,5 | 49,3 |
| Taxation | | | | | | | | |
| Normal | 8 | 286 | 266 | 411 | 250 | (58) | 216 | 509 |
| STC | 34 | 43 | 32 | 43 | 34 | (37) | 38 | 60 |
| Transaction taxes | 5 | 138 | 132 | 138 | 120 | 61 | 326 | 203 |
| Total | 9 | 467 | 430 | 592 | 404 | (25) | 580 | 772 |
| Effective tax rate (%) | | 37,5 | 19,5 | 42,1 | 20,0 | | 17,3 | 17,1 |

* Excluding translation (losses)/gains

Excluding exceptional translation (losses)/gains

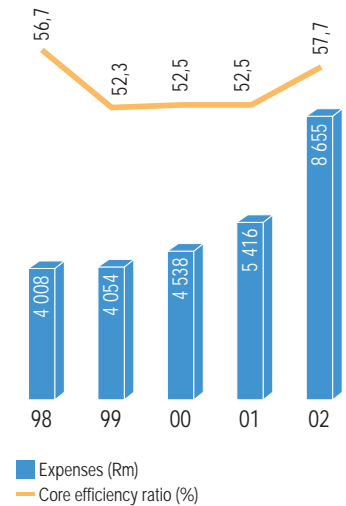
Notes

Expenses – June*



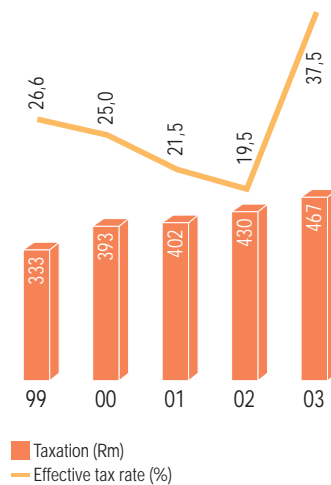
* Pre AC133 (2003), including BoE (2002)

Expenses – December+



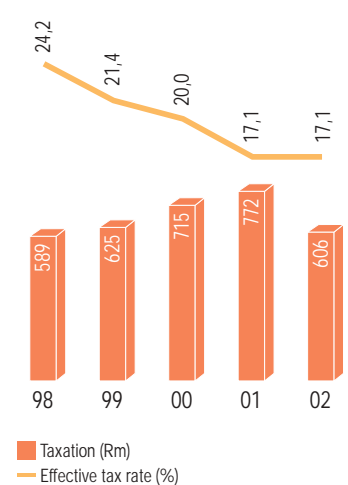
+ Including BoE (2002)

Taxation – June*



* Pre AC133 (2003) including BoE (2002)

Taxation – December+



+ Including BoE 2002

Analysis of advances, deposits and investments

Notes

| | % change | Unaudited at 30 Jun 2003 Rm | Unaudited at 30 Jun 2002 Rm | % change | Audited at 31 Dec 2002 Rm | Audited at 31 Dec 2001 Rm |
|--|-------------|--------------------------------------|--------------------------------------|-------------|------------------------------------|------------------------------------|
| Advances | | | | | | |
| Homeloans | 30 | 57 208 | 44 170 | 34 | 53 771 | 40 248 |
| Properties in possession | 14 | 1 074 | 939 | 10 | 1 068 | 974 |
| Other loans and overdrafts (including foreign loans) | 91 | 152 132 | 79 463 | 33 | 114 304 | 85 878 |
| Leases and instalment debtors | 28 | 25 375 | 19 758 | 39 | 24 131 | 17 396 |
| Prefs, debentures and other investments | 7 | 5 337 | 4 986 | 13 | 5 154 | 4 574 |
| Trade and other bills and acceptances | (2) | 3 527 | 3 581 | 28 | 3 499 | 2 736 |
| Remittances in transit | >100 | 78 | 4 | (47) | 41 | 77 |
| Sundry debtors and other accounts | 50 | 8 526 | 5 203 | 57 | 6 124 | 4 326 |
| Provision for bad debts | 51 | (7 095) | (4 691) | 27 | (6 553) | (5 154) |
| Advances and other accounts | 60 | 246 162 | 153 413 | 34 | 201 539 | 151 055 |
| Deposits | | | | | | |
| Current accounts | 21 | 28 225 | 23 398 | 31 | 27 307 | 20 824 |
| Savings accounts | 43 | 9 817 | 6 866 | 41 | 10 046 | 7 118 |
| Other deposits and loan accounts | 66 | 182 157 | 109 867 | 49 | 142 566 | 95 480 |
| Foreign currency liabilities | (7) | 13 552 | 14 648 | (42) | 15 734 | 27 068 |
| Negotiable certificates of deposit | >100 | 38 595 | 15 724 | 51 | 23 134 | 15 361 |
| Liabilities in respect of repurchase agreements | >100 | 3 478 | 1 066 | >100 | 7 987 | 1 822 |
| Sundry creditors and other accounts | (24) | 5 080 | 6 655 | 10 | 8 675 | 7 918 |
| Deposit, current and other accounts | 58 | 280 904 | 178 224 | 34 | 235 449 | 175 591 |
| Associates and other investments | | | | | | |
| Book value | 29 | 6 512 | 5 056 | 19 | 6 933 | 5 821 |
| Associate investments | (18) | 1 424 | 1 746 | (21) | 1 504 | 1 901 |
| Other investments | 54 | 5 088 | 3 310 | 38 | 5 429 | 3 920 |
| Market/Directors' valuation | 29 | 6 769 | 5 233 | 17 | 6 963 | 5 951 |
| Associate investments | (10) | 1 617 | 1 796 | (23) | 1 478 | 1 912 |
| Other investments | 50 | 5 152 | 3 437 | 36 | 5 485 | 4 039 |
| Valuation surplus | 45 | 257 | 177 | >(100) | 30 | 130 |

Managed funds

Notes

| | | | Unit Trusts Rm | Third party Rm | Other financial services Rm | Total Rm |
|---|-----------------------|-------------------------|-------------------------|------------------------|--------------------------------------|-------------|
| June 2003 | | | | | | |
| Reconciliation of movement in funds under management – by type | | | | | | |
| Opening balance | | | 18 583 | 80 574 | 25 186 | 124 343 |
| Acquisitions | | | | 4 507 | 238 | 4 745 |
| Disposals | | | (1 877) | (19 718) | | (21 595) |
| Inflows | | | 1 004 | 659 | 3 881 | 5 544 |
| Outflows | | | (3 994) | (8 629) | (112) | (12 735) |
| Mark-to-market value adjustment | | | 204 | (334) | | (130) |
| Foreign currency translation differences | | | (763) | (2 702) | (2 488) | (5 953) |
| Closing balance | | | 13 157 | 54 357 | 26 705 | 94 219 |
| | South Africa Rm | Rest of Africa Rm | United Kingdom Rm | United States Rm | Rest of World Rm | Total Rm |
| Reconciliation of movement in funds under management – by geography | | | | | | |
| Opening balance | 61 860 | 348 | 43 187 | 4 281 | 14 667 | 124 343 |
| Acquisitions | 4 745 | | | | | 4 745 |
| Disposals | (21 595) | | | | | (21 595) |
| Inflows | 2 383 | 8 | 2 180 | | 1 510 | 6 081 |
| Outflows | (9 636) | (113) | (2 489) | (116) | (916) | (13 270) |
| Mark-to-market value adjustment | 383 | 52 | 45 | | (610) | (130) |
| Foreign currency translation differences | | (37) | (4 240) | (442) | (1 236) | (5 955) |
| Closing balance | 38 140 | 258 | 38 683 | 3 723 | 13 415 | 94 219 |
| | South Africa Rm | Rest of Africa Rm | United Kingdom Rm | United States Rm | Rest of World Rm | Total Rm |
| Jun 2002 (incl BoE) | | | | | | |
| Reconciliation of movement in funds under management – by type | | | | | | |
| Opening balance | | | 20 968 | 71 930 | 31 160 | 124 058 |
| Acquisitions | | | | | | |
| Disposals | | | | | | |
| Inflows | | | 781 | 3 251 | 2 419 | 6 451 |
| Outflows | | | (1 321) | (2 091) | (3 637) | (7 049) |
| Mark-to-market value adjustment | | | (6) | 7 | | 1 |
| Foreign currency translation differences | | | (1 582) | (305) | (1 154) | (3 041) |
| Closing balance | | | 18 840 | 72 792 | 28 788 | 120 420 |
| | South Africa Rm | Rest of Africa Rm | United Kingdom Rm | United States Rm | Rest of World Rm | Total Rm |
| Reconciliation of movement in funds under management – by geography | | | | | | |
| Opening balance | 50 440 | 556 | 43 740 | 168 | 29 154 | 124 058 |
| Acquisitions | | | | | | 0 |
| Disposals | | | | | | 0 |
| Inflows | 3 571 | | 7 660 | 3 917 | 1 095 | 16 243 |
| Outflows | (5 711) | (27) | (54) | (46) | (11 003) | (16 841) |
| Mark-to-market value adjustment | (47) | | | | 48 | 1 |
| Foreign currency translation differences | 58 | (57) | (62) | (17) | (2 963) | (3 041) |
| Closing balance | 48 311 | 472 | 51 284 | 4 022 | 16 331 | 120 420 |

Notes

| Dec 2002 | Unit Trusts Rm | Third party financial Rm | Other services Rm | Total Rm |
|--|-------------------|--------------------------------|-------------------------|----------------|
| Reconciliation of movement in funds under management – by type | | | | |
| Opening balance | 12 696 | 13 979 | 12 249 | 38 924 |
| Acquisitions | 11 472 | 72 416 | 16 285 | 100 173 |
| Disposals | | (690) | (48) | (738) |
| Inflows | 2 264 | 15 081 | 9 473 | 26 818 |
| Outflows | (3 751) | (9 801) | (9 447) | (22 999) |
| Mark-to-market value adjustment | (1 219) | (2 092) | (1 007) | (4 318) |
| Foreign currency translation differences | (2 879) | (8 319) | (2 319) | (13 517) |
| Closing balance | 18 583 | 80 574 | 25 186 | 124 343 |

| | South Africa Rm | Rest of Africa Rm | United Kingdom Rm | United States Rm | Rest of World Rm | Total Rm |
|---|-----------------------|-------------------------|-------------------------|------------------------|------------------------|----------------|
| Reconciliation of movement in funds under management – by geography | | | | | | |
| Opening balance | 13 819 | 556 | 605 | 168 | 23 776 | 38 924 |
| Acquisitions | 47 124 | | 45 959 | | 7 090 | 100 173 |
| Disposals | (637) | | (101) | | | (738) |
| Inflows | 14 734 | | 6 299 | 4 225 | 1 560 | 26 818 |
| Outflows | (11 346) | (46) | (943) | (77) | (10 587) | (22 999) |
| Mark-to-market value adjustment | (1 833) | (47) | (1 349) | | (1 089) | (4 318) |
| Foreign currency translation differences | (1) | (115) | (7 283) | (35) | (6 083) | (13 517) |
| Closing balance | 61 860 | 348 | 43 187 | 4 281 | 14 667 | 124 343 |

| Analysis by type and geography | June 2003 Rm | June* 2002 Rm | Dec 2002 Rm |
|---|--------------------|---------------------|-------------------|
| Fair value of funds under management – by type | | | |
| Unit trusts | | 13 157 | 18 840 |
| Third party | | 32 455 | 49 455 |
| Private clients | | 21 902 | 23 338 |
| Other financial services | | 26 705 | 25 186 |
| | 94 219 | 120 420 | 124 343 |
| Fair value of funds under management – by geography | | | |
| South Africa | 38 140 | 48 312 | 61 860 |
| Rest of Africa | 256 | 472 | 348 |
| United Kingdom | 38 683 | 51 284 | 43 187 |
| United States | 3 723 | 4 022 | 4 281 |
| Rest of World | 13 417 | 16 330 | 14 667 |
| | 94 219 | 120 420 | 124 343 |

* Including BoE

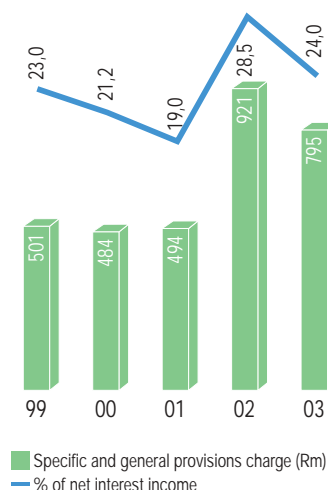
Specific and general provision

Notes

| | % change | Unaudited at 30 Jun 2003 Rm | Unaudited at 30 Jun 2002 Rm | % change | Audited at 31 Dec 2002 Rm | Audited at 31 Dec 2001 Rm |
|---------------------------------------|-------------|--------------------------------------|--------------------------------------|-------------|------------------------------------|------------------------------------|
| Opening balance | | 6 553 | 5 154 | | 5 154 | 4 082 |
| Income statement charge | | 891 | 560 | | 1 778 | 1 058 |
| – General | | (519) | 22 | | (77) | 283 |
| – Specific | | 1 410 | 538 | | 1 855 | 775 |
| Income statement exceptional item | | | (400) | | (400) | 400 |
| Interest reserve | | | 132 | | 258 | 173 |
| Bad debts recovered | | 47 | 16 | | 76 | 270 |
| AC133 transitional adjustment | | 963 | | | | |
| Bad debts written off/other transfers | | (1 359) | (771) | | (1 980) | (1 539) |
| Acquisition of subsidiaries | | | | | 1 667 | 710 |
| Total provisions for bad debts | 32 | 7 095 | 4 691 | 27 | 6 553 | 5 154 |
| General provisions | 36 | 1 164 | 1 280 | 4 | 1 717 | 1 653 |
| Specific provisions | 31 | 5 931 | 3 411 | 38 | 4 836 | 3 501 |
| Total provisions for bad debts | 32 | 7 095 | 4 691 | 27 | 6 553 | 5 154 |
| Total advances | 6 | 216 220* | 158 104 | 33 | 208 092 | 156 209 |
| Ratio of provisions to advances (%) | | 3,3 | 3,0 | | 3,1 | 3,3 |

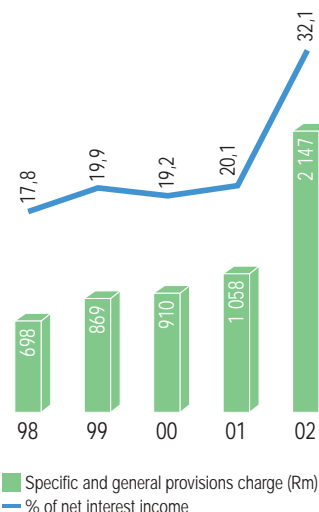
* Excluding AC133 gross-up of derivatives of R37 036 million

Specific and general provisions charge – June*



* Pre AC133 (2003), including BoE (2002)

Specific and general provisions charge – December*



+ Including BoE (2002)

Non-performing loans

Non-performing advances – June 2003

| Nedcor Group | 30 Jun 2003 | | 30 Jun 2002 | | 31 Dec 2002 | |
|---------------------------------|-------------|-------|-------------|-------|-------------|-------|
| | Rm | % adv | Rm | % adv | Rm | % adv |
| Non-performing advances (gross) | 8 268 | 3,8 | 7 014 | 4,4 | 8 001 | 3,8 |
| Expected recoveries | 3 591 | 1,7 | 3 603 | 2,2 | 3 836 | 1,8 |
| Expected losses (net) | 4 677 | 2,1 | 3 411 | 2,2 | 4 165 | 2,0 |
| Provisions (coverage) | 7 095 | 3,3 | 4 691 | 3,0 | 6 553 | 3,1 |
| Adequacy of provisions | | | | | | |
| Gross coverage (%) | 86 | | 67 | | 82 | |
| Net coverage (%) | 152 | | 138 | | 157 | |

Provision for bad and doubtful advances

| | Jun 2003 | Jun 2002 | Dec 2002 |
|---|----------|----------|----------|
| Analysis of provisions | | | |
| Specific provision for bad and doubtful advances | 5 931 | 3 411 | 4 836 |
| General provision | 1 164 | 1 280 | 1 717 |
| Provision for the year | 7 095 | 4 691 | 6 553 |
| Total provision | 7 095 | 4 691 | 6 553 |
| Specific provision in respect of non-performing advances | 4 677 | 3 411 | 4 165 |
| Specific and general provisions in respect of performing advances | 2 418 | 1 280 | 2 388 |

Analysis of non-performing advances

| | Jun 2003 Rm | Jun 2002 Rm | Dec 2002 Rm |
|---|----------------|----------------|----------------|
| Mortgage advances | 3 346 | 2 199 | 2 803 |
| Installment sales and leasing | 929 | 1 056 | 877 |
| Other loans and advances (including credit cards) | 2 919 | 2 820 | 3 253 |
| Gross non-performing loans | 7 194 | 6 075 | 6 933 |
| Total PIPs | 1 074 | 939 | 1 068 |
| Gross non-performing advances | 8 268 | 7 014 | 8 001 |
| Net value-at-risk covered by: | | | |
| Specific provisions | 4 677 | 3 411 | 4 165 |
| Expected recoveries | 3 591 | 3 603 | 3 836 |
| | 8 268 | 7 014 | 8 001 |

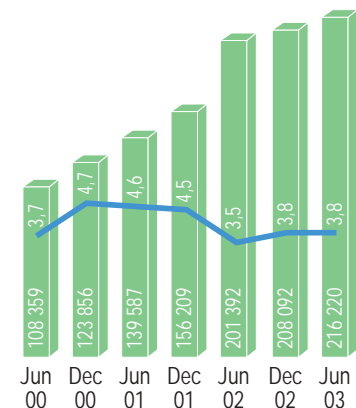
Analysis of non-performing advances and provisions for doubtful debts

| | Jun 2003 Rm | % of gross advances | Jun 2002 Rm | % of gross advances | Dec 2002 Rm | % of gross advances |
|--------------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------------|
| Gross advances | 216 220* | | 158 104 | | 208 092 | |
| Non-performing advances | 8 268 | 3,82 | 7 014 | 4,44 | 8 001 | 3,84 |
| Non-performing loans | 7 194 | 3,33 | 6 075 | 3,84 | 6 933 | 3,33 |
| Properties in possession | 1 074 | 0,50 | 939 | 0,59 | 1 068 | 0,51 |
| Total doubtful-debt provisions | 7 095 | 3,28 | 4 691 | 2,97 | 6 553 | 3,15 |
| Specific | 5 931 | 2,74 | 3 411 | 2,16 | 4 836 | 2,32 |
| Portfolio/general | 1 164 | 0,54 | 1 280 | 0,81 | 1 717 | 0,83 |

* Excluding AC133 gross-up of derivatives of R37 036 million

Notes

Gross NPLs as a % of total loans and advances*



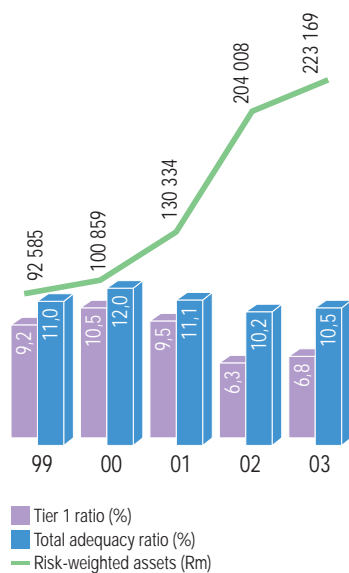
■ Total advances (Rm)** excluding AC133 gross-up of derivatives

— % NPL of total advances

* Pre AC133 (2003) including BoE (2002)

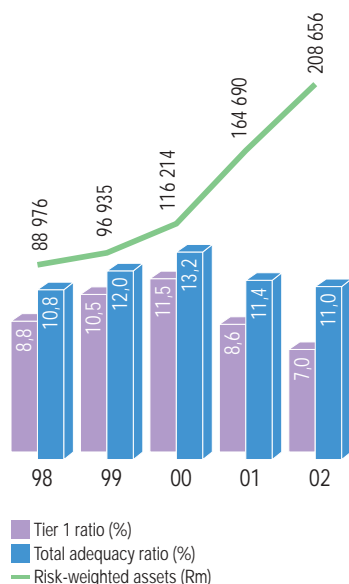
Capital adequacy

Capital adequacy – June*



* Pre AC133 (2003), including BoE (2002)

Capital adequacy – December

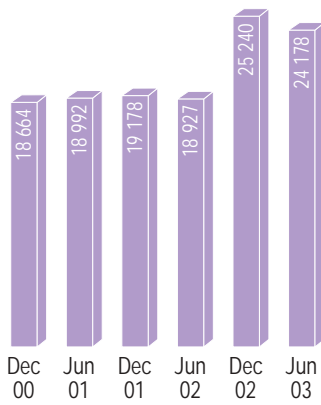


| | Average assets | | Percentage weighting | Weighted assets | |
|--|----------------|----------------|----------------------|----------------------|----------------|
| | 2003 Rm | 2002 Rm | | 2003 Rm | 2001 Rm |
| Money, interbank deposits and claims on central government | 32 967 | 50 245 | | | |
| Land Bank and other public sector bodies | 620 | 1 422 | 10 | 62 | 142 |
| Trade transactions with recourse to other banks | 22 864 | 18 741 | 20 | 4 573 | 3 748 |
| Residential mortgage loans | 38 461 | 31 118 | 50 | 19 231 | 15 559 |
| All other banking assets | 160 180 | 121 079 | 100 | 160 179 | 121 079 |
| Notional trading assets* | 9 755 | | 100 | 9 755 | |
| All other non-banking assets | 7 455 | 9 754 | 100 | 7 455 | 9 754 |
| Total on-balance-sheet items | 272 302 | 232 359 | | 201 255 | 150 282 |
| Counterparty risk | 15 953 | 16 652 | 0 – 100 | 5 587 | 3 087 |
| Off-balance-sheet items | 309 599 | 383 627 | 0 – 100 | 15 653 | 11 076 |
| Large exposure | 32 | 144 | 1 000 | 317 | 1 436 |
| Total average assets | 597 886 | 632 782 | | 222 812 | 165 881 |
| Capital available | | | | | |
| Primary capital (tier 1) | | | | | |
| Share capital | | | | 379 | 536 |
| Primary reserves | | | | 13 746 | 15 033 |
| | | | | 14 125 | 15 569 |
| Secondary capital (tier 2) | | | | | |
| Long-term subordinated debt and other | | | | 7 141 | 3 036 |
| General provisions and other | | | | 1 223 | 903 |
| | | | | 8 364 | 3 939 |
| Total capital available | | | | 22 489 | 19 508 |
| Required capital | | | | 22 281 | 16 588 |
| Surplus capital | | | | 208 | 2 920 |
| Total capital to risk-weighted assets (%) | | | | | |
| Primary capital | | | | 6,3 | 9,0 |
| Secondary capital | | | | 3,8 | 2,2 |
| | | | | 10,1 | 11,2 |
| Capital adequacy analysis by bank | | | | | |
| | Nedbank | Peoples Bank | Imperial Bank | Gerrard Private Bank | |
| Primary capital | 6,5 | 25,4 | 7,1 | 14,6 | |
| Secondary capital | 4,2 | 0,7 | 4,1 | 1,2 | |
| | 10,7 | 26,1 | 11,2 | 15,8 | |

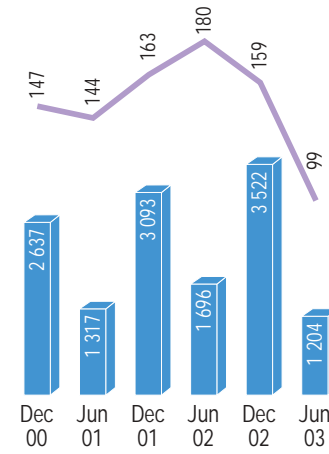
* figures in respect of previous year related only to the banking book

Employees: Complement and productivity

Staff complement
(number of staff)



Earnings per employee*

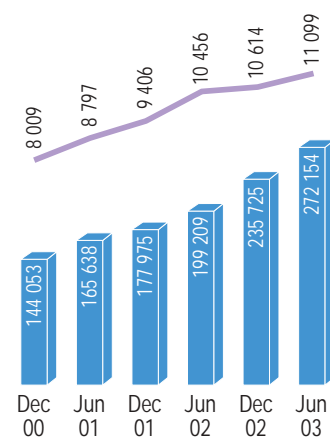


■ Headline earnings (Rm)
— Headline earnings average employees (Rm)

* Pre AC133 (2003), including BoE (2002)

Notes

Assets per employee (Rm)*



■ Average assets (Rm)
— Average assets/average employee (Rm)

* Pre AC133 (2003), including BoE (2002)

Six-year financial review – June

Core (excluding translation (losses)/gains and exceptional items)

Notes

| Translation gains and exceptional items | CAGR | | | | | | |
|--|------------|----------------|---------|---------|---------|---------|---------|
| | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | |
| Exceptional capital items | 345 | 926 | 3 515 | 1 | (193) | – | |
| Taxation on exceptional capital items | | (140) | – | – | (83) | – | |
| Income statement effect: headline earnings | 345 | 786 | 3 515 | 1 | (276) | – | |
| Foreign exchange translation losses/(gains) | 451 | 436 | (168) | (128) | – | (27) | |
| Exceptional general risk provision (reversed)/raised | | (400) | – | – | – | – | |
| Merger and reorganisation expenses | 134 | – | – | – | – | – | |
| Income statement effect: core earnings | 930 | 822 | 3 347 | (127) | (276) | (27) | |
| Key balance sheet items | | | | | | | |
| Share capital (Rm) | | 271 | 243 | 241 | 240 | 235 | 231 |
| Shareholders' funds (Rm) | 18 | 18 099 | 16 593 | 13 601 | 11 184 | 9 862 | 8 006 |
| Deposit, current and other accounts (Rm) | 24 | 280 904 | 178 224 | 157 141 | 119 170 | 115 537 | 95 877 |
| Total assets (Rm) | 25 | 315 703 | 200 701 | 173 012 | 131 914 | 126 817 | 105 436 |
| Cash and short-term funds (Rm) | 9 | 9 401 | 15 221 | 14 699 | 4 084 | 2 963 | 5 973 |
| Advances and other accounts (Rm) | 23 | 246 162 | 153 413 | 135 079 | 105 276 | 100 057 | 86 874 |
| Acceptances (Rm) | | 822 | 1 070 | 736 | 838 | 846 | 1 198 |
| Specific provisions for bad and doubtful debts (Rm) | | 5 931 | 3 436 | 3 428 | 1 611 | 1 802 | 1 309 |
| General provision (Rm) | | 1 164 | 1 255 | 1 080 | 899 | 651 | 469 |
| Specific and general provision (Rm) | | 7 095 | 4 691 | 4 508 | 2 510 | 2 453 | 1 778 |
| Key income statement items | | | | | | | |
| Total income (Rm) | 16 | 6 992 | 5 111 | 4 913 | 4 291 | 3 815 | 3 371 |
| Specific and general risk provisions (Rm) | 19 | 891 | 560 | 494 | 484 | 501 | 378 |
| Net income before exceptional items (Rm) | 7 | 1 407 | 1 989 | 1 869 | 1 572 | 1 251 | 1 026 |
| Core earnings (Rm) | 16 | 1 530 | 1 560 | 1 317 | 1 103 | 969 | 732 |
| Income attributable to shareholders (Rm) | (14) | 352 | 740 | (2 030) | 1 230 | 969 | 759 |

Notes

| June | CAGR§ | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|--|-------|--------|--------|--------|--------|---------------------|--------|
| Share statistics | | | | | | | |
| Weighted average number of fully paid shares in issue (millions) | | 271 | 242 | 240 | 238 | 234 | 230 |
| Core earnings per share (cents) | 12 | 565 | 645 | 549 | 464 | 414 | 318 |
| Earnings per share (cents) | (17) | 130 | 306 | (846) | 517 | 414 | 330 |
| Dividends per share (cents) | | 205 | 205 | 190 | 160 | 128 | 103 |
| Dividend cover (times) | | 2,8 | 3,1 | 2,9 | 2,9 | 3,2 | 3,1 |
| Net asset value per share at | | | | | | | |
| book value (cents) | 9 | 5 398 | 6 105 | 5 316 | 4 520 | 4 194 | 3 469 |
| Share price (cents) | (7) | 8 950 | 11 700 | 15 800 | 14 240 | 13 600 | 12 700 |
| Market capitalisation (Rbn) | (3) | 24,6 | 28,9 | 38,5 | 34,1 | 32,0 | 29,3 |
| Selected returns and ratios | | | | | | | |
| Return on average shareholders' funds (%) | | 18,5 | 21,4 | 19,2 | 21,8 | 20,6 | 19,4 |
| Return on average total assets (%) | | 1,20 | 1,73 | 1,70 | 1,77 | 1,60 | 1,43 |
| Return on risk weighted – assets | | 1,58 | 1,89 | 2,04 | 2,21 | 2,11 | 1,87 |
| Net interest income to interest earning | | | | | | | |
| assets** (%) | | 2,59 | 3,05 | 3,36 | 3,66 | 3,72 | 3,69 |
| Non-interest revenue to total income (%) | | 54,9 | 48,5 | 45,1 | 45,2 | 42,9 | 45,2 |
| Efficiency ratio (%) | | 59,0 | 53,4 | 53,7 | 53,7 | 54,1 | 58,8 |
| Capital adequacy | | | | | | | |
| Primary capital to risk – weighted assets (%) | | 6,3 | 9,0 | 9,5 | 10,5 | 9,2 | 7,6 |
| Total capital to risk – weighted assets (%) | | 10,1 | 11,2 | 11,1 | 12,0 | 11,0 | 11,0 |
| Employees | | 24 178 | 18 927 | 18 992 | 17 833 | 17 217 [^] | 18 909 |
| Rand/US\$ exchange rate | | 7 530 | 10,235 | 8,070 | 6,840 | 6,020 | 5,950 |

[^] Has been restated to include all employees based on contractual obligations

* Excluding the effect of AC 133

+ Including BoE and NIB transactions for the first 6 months

** Based on year-on-year simple averages

§ Compound annual growth rate since 1997 (5 years)

Income statement: Five-year review

Notes

| June | Pre AC133 2003 Rm | Incl BoE 2002 Rm | 2003 Rm | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm |
|--|-------------------------|------------------------|------------|------------|------------|------------|------------|
| Interest income | 14 669 | 11 854 | 14 669 | 9 575 | 8 610 | 7 290 | 8 531 |
| Interest expense | 11 357 | 8 617 | 11 180 | 6 718 | 6 006 | 5 009 | 6 352 |
| Net interest income | 3 312 | 3 237 | 3 489 | 2 857 | 2 604 | 2 281 | 2 179 |
| Non-interest revenue | 3 876 | 4 081 | 4 238 | 2 690 | 2 141 | 1 882 | 1 636 |
| Foreign exchange translation (losses)/gains | (451) | (350) | (735) | (436) | 168 | 128 | |
| Total income | 6 737 | 6 968 | 6 992 | 5 111 | 4 913 | 4 291 | 3 815 |
| Impairment of advances | | | 891 | | | | |
| Specific and general provisions | 795 | 921 | | 560 | 494 | 484 | 501 |
| Exceptional general provision (reversed)/raised | | (400) | | (400) | | | |
| Income after specific and general provisions | 5 942 | 6 447 | 6 101 | 4 951 | 4 419 | 3 807 | 3 314 |
| Operating expenses | 4 561 | 4 282 | 4 561 | 2 962 | 2 550 | 2 235 | 2 063 |
| Merger and reorganisation expenses | 134 | | 134 | | | | |
| Profit from operations before exceptional capital items | 1 247 | 2 165 | 1 406 | 1 989 | 1 869 | 1 572 | 1 251 |
| Exceptional capital items | (361) | (1 569) | (309) | (926) | (3 515) | (1) | (83) |
| Net capital loss on investment in Dimension Data | (136) | (830) | (84) | (830) | (3 467) | | |
| Amortisation and impairment of goodwill | (209) | (211) | (209) | (96) | (48) | (81) | 193 |
| Loss on sale of investments and operations | (17) | (524) | (17) | | | | |
| Impairment of investments and of property and equipment | | (4) | | | | 80 | |
| Special general provision supplement | | | | | | | (276) |
| Profit from operations | 886 | 596 | 1 097 | 1 063 | (1 646) | 1 571 | 1 168 |
| Attributable earnings of associates | 70 | 93 | 70 | 92 | 100 | 98 | 51 |
| Profit before taxation | 956 | 689 | 1 167 | 1 155 | (1 546) | 1 669 | 1 219 |
| Taxation | 467 | 430 | 592 | 404 | 402 | 393 | 333 |
| Taxation: Exceptional capital items | | (298) | | (140) | - | - | (83) |
| Profit after taxation | 489 | 557 | 575 | 891 | (1 948) | 1 276 | 969 |
| Minority interest attributable to ordinary shareholders | 97 | 82 | 90 | 153 | 82 | 46 | |
| Minority interest attributable to preference shareholders | 133 | | 133 | | | | |
| Net profit for the year | 259 | 475 | 352 | 738 | (2 030) | 1 230 | 969 |
| Headline earnings | 619 | 1 746 | 661 | 1 524 | 1 485 | 1 231 | 969 |
| Core earnings | 1 204 | 1 696 | 1 530 | 1 560 | 1 317 | 1 103 | 969 |

Notes

| December | Incl BoE 2002 Rm | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm | 1998 Rm |
|--|------------------------|------------|------------|------------|------------|------------|
| Interest income | 26 594 | 23 822 | 17 186 | 15 236 | 16 260 | 16 492 |
| Interest expense | 19 907 | 17 522 | 11 918 | 10 504 | 11 901 | 12 567 |
| Net interest income | 6 687 | 6 300 | 5 268 | 4 732 | 4 359 | 3 925 |
| Non-interest revenue | 8 322 | 6 929 | 5 054 | 3 917 | 3 395 | 3 138 |
| Foreign exchange translation (losses)/gains | (926) | (1 011) | 1 096 | 375 | 91 | 73 |
| Total income | 14 083 | 12 218 | 11 418 | 9 024 | 7 845 | 7 136 |
| Specific and general provisions | 2 147 | 1 778 | 1 058 | 910 | 869 | 698 |
| Exceptional general provision reversed | (400) | (400) | 400 | | | |
| Income after specific and general provisions | 12 336 | 10 840 | 9 960 | 8 114 | 6 976 | 6 438 |
| Operating expenses | 8 655 | 7 334 | 5 416 | 4 538 | 4 054 | 4 008 |
| Merger and reorganisation expenses | 169 | 193 | | | | |
| Profit from operations before exceptional capital items | 3 512 | 3 313 | 4 544 | 3 576 | 2 922 | 2 430 |
| Exceptional capital items | (2 437) | (1 793) | (3 605) | 3 277 | (217) | - |
| Net capital loss on investment in Dimension Data | (1 080) | (1 080) | (3 298) | 3 663 | | |
| Amortisation and impairment of goodwill | (617) | (501) | (273) | (280) | (225) | |
| Loss on sale of investments and operations | (588) | (58) | | | 717 | |
| Merger and reorganisation costs | (35) | (35) | | | | |
| Impairment of investments and of property and equipment | (117) | (119) | (34) | (106) | | |
| Special general provision supplement | | | | | (709) | |
| Profit from operations | 1 075 | 1 520 | 939 | 6 853 | 2 705 | 2 430 |
| Attributable earnings of associates | 162 | 162 | 181 | 249 | 130 | 59 |
| Profit before taxation | 1 237 | 1 682 | 1 120 | 7 102 | 2 835 | 2 489 |
| Taxation | 606 | 580 | 772 | 715 | 625 | 589 |
| Taxation: Merger and reorganisation expenses | | (23) | | | | |
| Taxation: Exceptional capital items | (350) | (192) | 171 | (77) | (217) | |
| Profit after taxation | 981 | 1 317 | 177 | 6 464 | 2 427 | 1 900 |
| Income attributable to minority shareholders | 241 | 333 | 164 | 109 | 21 | |
| Net profit for the year | 740 | 984 | 13 | 6 355 | 2 406 | 1 900 |
| Headline earnings | 2 827 | 2 585 | 3 789 | 3 012 | 2 406 | 1 900 |
| Core earnings | 3 522 | 3 366 | 3 093 | 2 637 | 2 315 | 1 827 |

Balance sheet: Five-year review

Notes

| June | 2003 Rm | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm |
|---|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | |
| Cash and short-term funds | 9 401 | 15 221 | 14 699 | 4 084 | 2 963 |
| Other short-term securities | 19 542 | 9 210 | 7 034 | 7 907 | 12 716 |
| Government and public sector securities | 16 669 | 11 448 | 7 022 | 7 669 | 6 086 |
| Advances and other accounts | 247 263 | 153 895 | 135 079 | 105 276 | 100 057 |
| Insurance assets | 7 004 | | | | |
| Associate and other investments | 6 512 | 5 056 | 5 215 | 4 238 | 2 094 |
| Property and equipment | 2 783 | 2 012 | 1 948 | 1 902 | 2 055 |
| Intangible assets | 5 707 | 2 789 | 1 279 | | |
| Customers' indebtedness for acceptances | 822 | 1 070 | 736 | 838 | 846 |
| Total assets | 315 703 | 200 701 | 173 012 | 131 914 | 126 817 |
| Shareholders' equity and liabilities | | | | | |
| Ordinary share capital | 271 | 243 | 241 | 240 | 235 |
| Reserves | 14 556 | 14 830 | 12 711 | 10 593 | 9 627 |
| Ordinary shareholders' equity | 14 827 | 15 073 | 12 952 | 10 833 | 9 862 |
| Minority shareholders' interest | | | | | |
| Attributable to ordinary shareholders | 1 157 | 1 520 | 649 | 351 | |
| Attributable to preference shareholders | 2 115 | | | | |
| Total shareholders' equity and minority interest | 18 099 | 16 593 | 13 601 | 11 184 | 9 862 |
| Deposit, current accounts and other creditors | 282 331 | 179 938 | 157 141 | 119 170 | 115 537 |
| Insurance funds | 7 004 | | | | |
| Long-term debt instruments | 7 447 | 3 100 | 1 534 | 722 | 572 |
| Liabilities under acceptances | 822 | 1 070 | 736 | 838 | 846 |
| Total shareholders' equity and liabilities | 315 703 | 200 701 | 173 012 | 131 914 | 126 817 |
| Guarantees on behalf of customers excluded from assets | 10 703 | 10 161 | 8 683 | 5 577 | 5 675 |

Notes

| December | 2002 Rm | 2001 Rm | 2000 Rm | 1999 Rm | 1998 Rm |
|---|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | |
| Cash and short-term funds | 16 607 | 10 978 | 12 860 | 7 549 | 5 250 |
| Other short-term securities | 14 987 | 11 372 | 6 873 | 7 315 | 7 154 |
| Government and public sector securities | 14 647 | 12 627 | 6 886 | 6 230 | 4 023 |
| Advances and other accounts | 202 650 | 151 329 | 119 774 | 103 783 | 96 483 |
| Insurance assets | 7 891 | | | | |
| Associate and other investments | 6 933 | 5 821 | 8 518 | 2 293 | 1 826 |
| Property and equipment | 2 854 | 2 046 | 1 793 | 1 630 | 1 878 |
| Intangible assets | 6 095 | 2 519 | 696 | 170 | |
| Customers' indebtedness for acceptances | 1 120 | 973 | 859 | 874 | 913 |
| Total assets | 273 784 | 197 665 | 158 259 | 129 844 | 117 527 |
| Shareholders' equity and liabilities | | | | | |
| Share capital | 271 | 242 | 240 | 237 | 233 |
| Reserves | 16 775 | 14 588 | 15 174 | 9 524 | 8 898 |
| Ordinary shareholders' equity | 17 046 | 14 830 | 15 414 | 9 761 | 9 131 |
| Minority shareholders' interest | | | | | |
| Attributable to ordinary shareholders | 1 089 | | | | |
| Attributable to preference shares | 1 987 | 881 | 424 | 305 | |
| Total shareholders' equity and minority interest | 20 122 | 15 711 | 15 838 | 10 066 | 9 131 |
| Deposit, current accounts and other accounts | 237 083 | 177 152 | 140 831 | 118 225 | 106 900 |
| Insurance funds | 7 891 | | | | |
| Long-term debt instruments | 7 568 | 3 829 | 731 | 679 | 583 |
| Liabilities under acceptances | 1 120 | 973 | 859 | 874 | 913 |
| Total shareholders' equity and liabilities | 273 784 | 197 665 | 158 259 | 129 844 | 117 527 |
| Guarantees on behalf of customers excluded from assets | 11 966 | 11 036 | 8 727 | 5 844 | 5 826 |

Ratings Fitch IBCA

Notes

| | Nedcor Bank Dec 2002 | Absa Bank Mar 2002 | FirstRand Bank Sep 2001 | Standard Bank Dec 2001 |
|--------------------------|-------------------------------------|--------------------------|-------------------------------|------------------------------|
| Individual | B/C | B/C | B/C | B/C |
| Support | 2 | 2 | 2 | 2 |
| Foreign currency | | | | |
| Short-term | F3 | F3 | F3 | F3 |
| Long-term | BBB- | BBB- | BBB- | BBB- |
| Long-term rating outlook | Stable | Stable | Stable | Stable |
| Local currency | | | | |
| Long-term senior | BBB+ | Not available | BBB+ | BBB+ |
| National | | | | |
| Short-term | F1 + (zaf) | F1 + (zaf) | F1 + (zaf) | F1 + (zaf) |
| Long-term | AA (zaf) | AA (zaf) | AA (zaf) | AA (zaf) |

Individual and support

B A strong bank. There are no major concerns regarding the bank.

C An adequate bank which, however, possesses one or more troublesome aspects B/C is a gradation used by Fitch IBCA

2 A bank for which, in Fitch IBCA's opinion, state support would be forthcoming even in the absence of a legal guarantee.

Foreign and local currency (capped by sovereign limits)

F3 Indicates an adequate capacity for timely payment of financial commitments relative to other issuers or issues in the same country.

BBB Denotes an adequate credit risk relative to other issuers or issues in the same country.

National

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

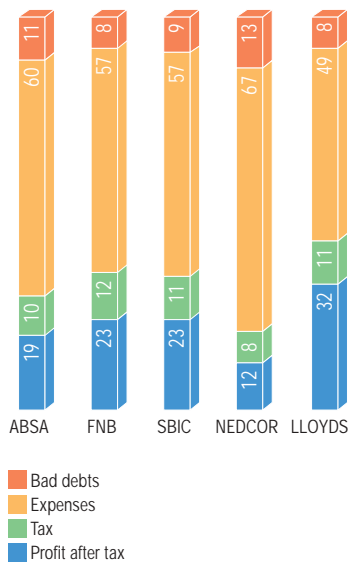
AA Denotes a very strong credit risk relative to other issuers or issues in the same country.

Income statement: Comparison

| | 31 Mar 2003 Absa % | 31 Dec 2002 FNB % | 31 Dec 2002 Stanbic % | 30 Jun 2003 Nedcor % | 31 Dec 2001 Lloyds % |
|-------------------|-----------------------------|----------------------------|--------------------------------|---|-------------------------------|
| Total income | 100 | 100 | 100 | 100 | 100 |
| Bad debts | (11) | (8) | (9) | (13) | (8) |
| Expenses | (60) | (57) | (57) | (67) | (49) |
| Profit before tax | 29 | 35 | 34 | 20 | 43 |
| Tax | (10) | (12) | (11) | (8) | (11) |
| Profit after tax | 19 | 23 | 23 | 12 | 32 |

Notes

% income statement:
Comparison



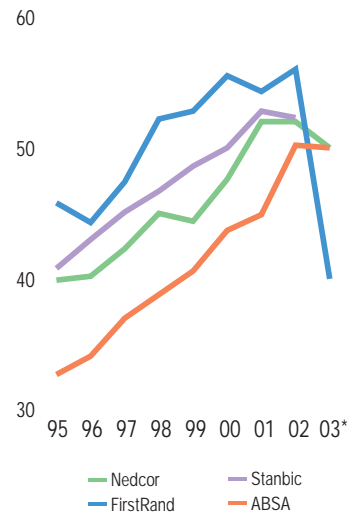
% income statement: Big four banks

Notes

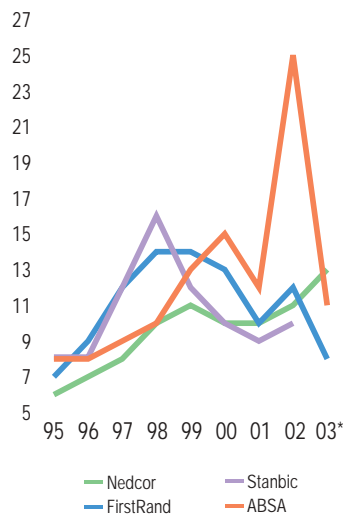
NII to total income



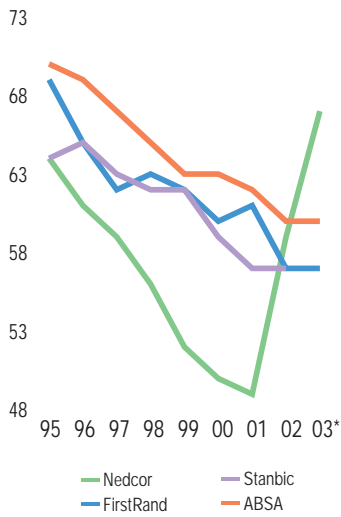
NIR to total income



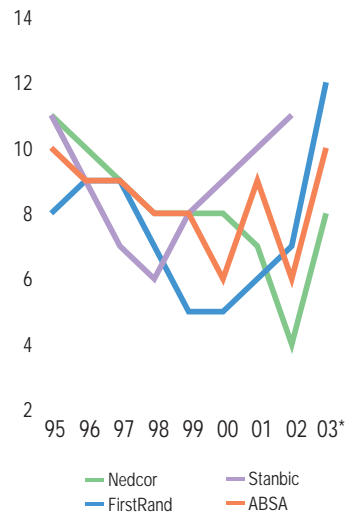
Bad debts to total income



Expenses to total income

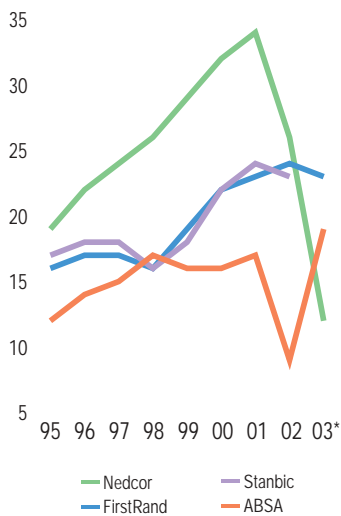


Tax charge to total income



Notes

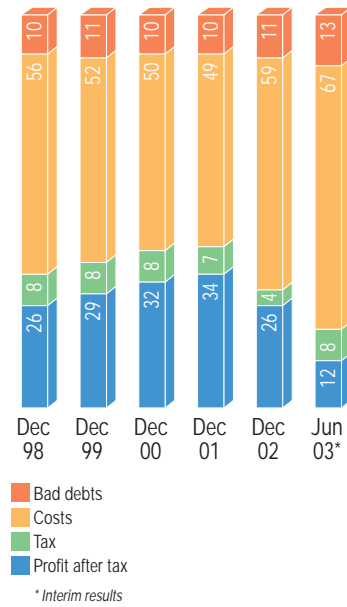
Profit after tax to total income



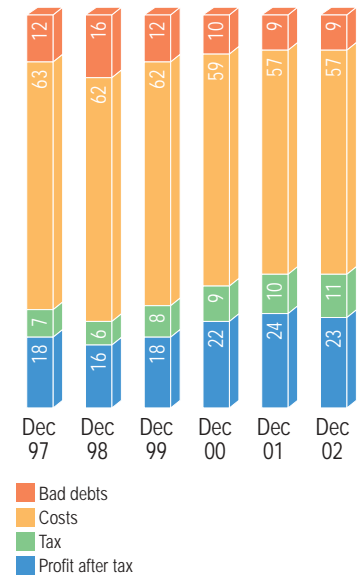
% income statement by bank

Notes

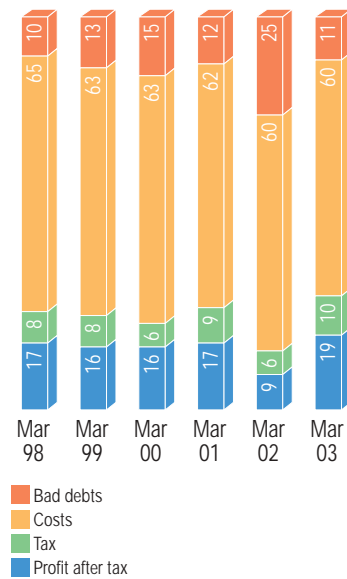
Nedcor % income statement



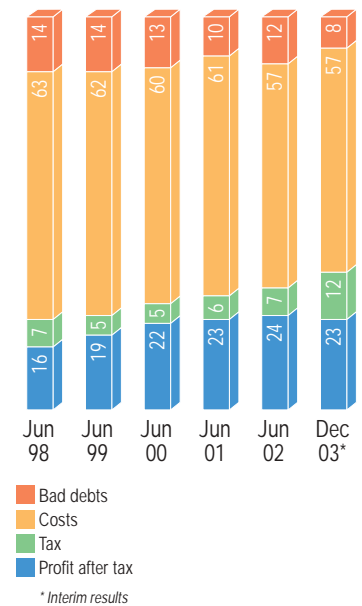
Stanbic % income statement



ABSA % income statement

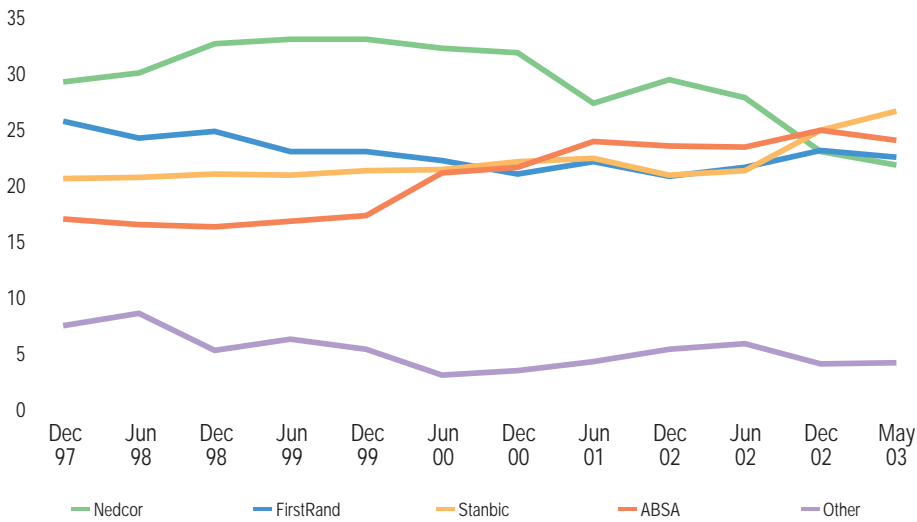


FirstRand % income statement



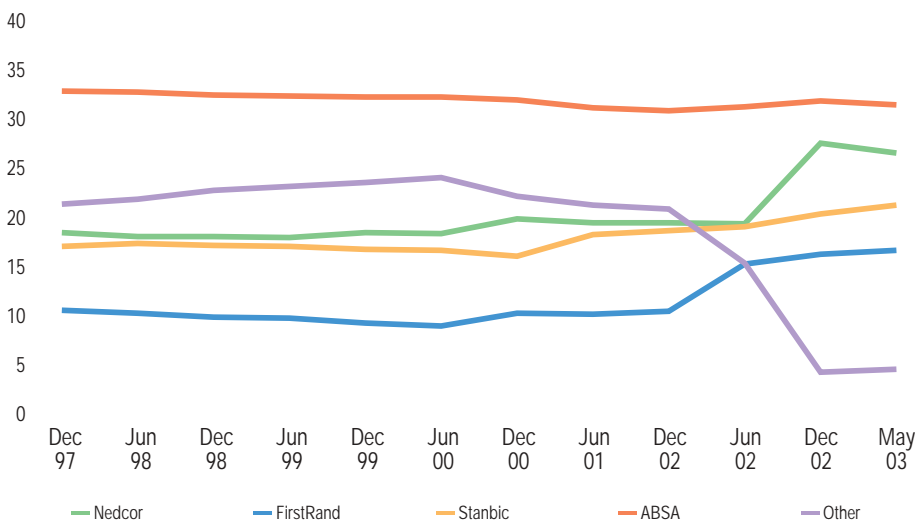
Market share analysis – six years

Credit cards (%)



Notes

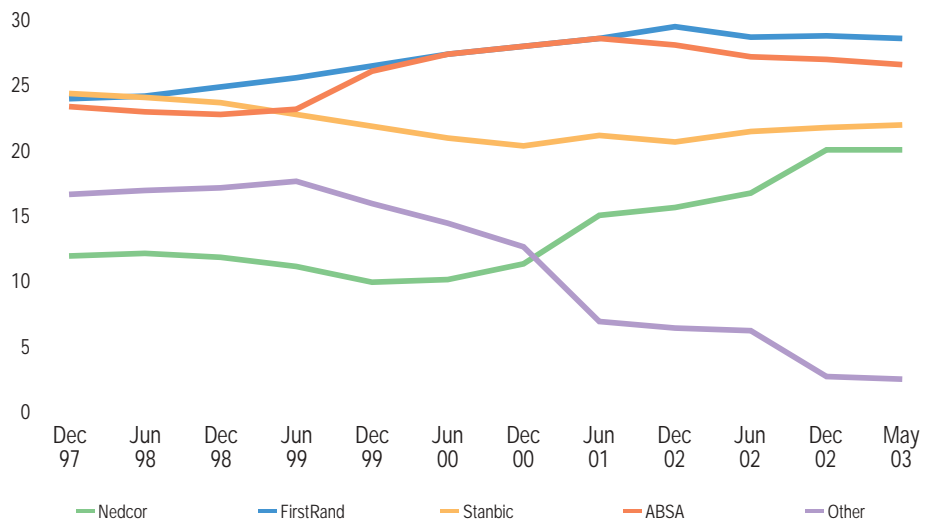
Homeloans (%)



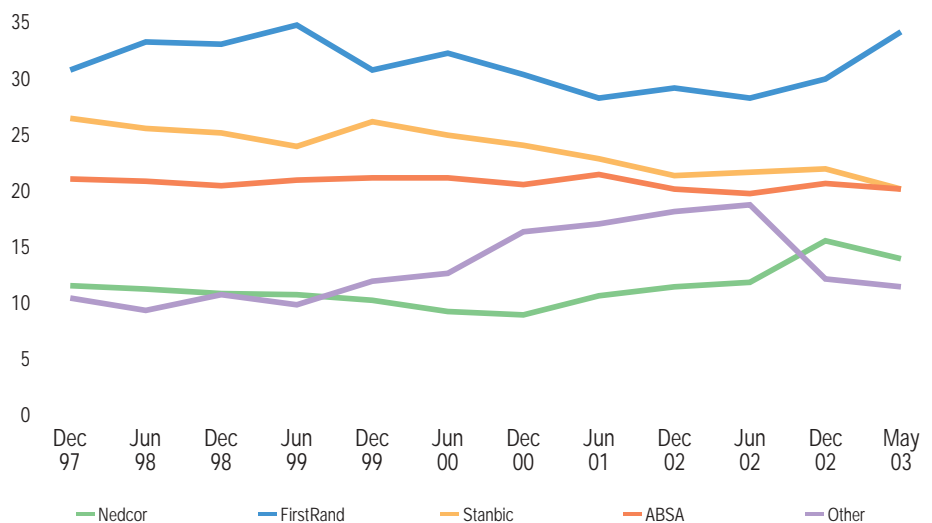
Market share analysis – six years

Notes

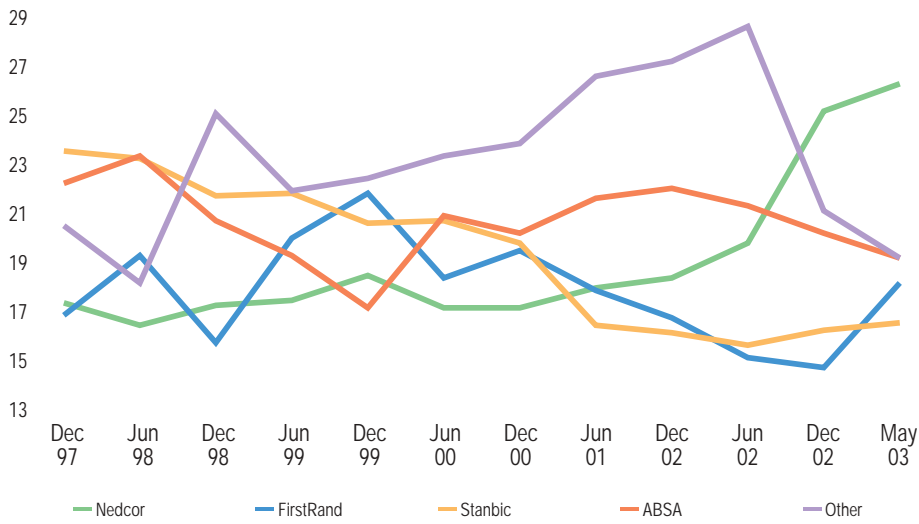
Instalment sales (%)



Leases (%)



Overdrafts (%)



Notes

Total assets (%)

