



Reviewed financial results

for the year ended 31 December 2004

NEDBANK

Overview

Nedbank Limited is a wholly owned subsidiary of Nedcor Limited, which is listed on the JSE Securities Exchange South Africa. These consolidated annual financial results are published to provide information to holders of Nedbank Limited's listed non-redeemable non-cumulative preference shares.

The consolidated financial results of Nedbank Limited comprise the net assets and results of Nedbank Limited, Peoples Bank Limited and Imperial Bank Limited.

Commentary relating to the consolidated Nedbank Limited financial results was included in the Nedcor Limited group results as presented to shareholders on 22 February 2005. Further information is provided on our website www.nedcor.com.

Accounting policies

The consolidated financial statements are prepared in accordance with, and comply with, South African Statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act and Banks Act. The accounting policies adopted are in all material respects consistent with those applied for the year ended 31 December 2003. Certain restatements for 2003 are reflected in these financial statements, being the reclassification of transaction taxes from taxation to operating expenses and the gross up of assets and liabilities relating to certain pension fund assets and liabilities amounting to R529 million. The disclosures within 2003 segmental reports have been restated to take into account the changes for the improved profitability measurements during 2004.

These improvements include, an improved activity-justified transfer pricing process between divisions to allocate costs on a more accurate basis, an improved risk-weighted capital allocation and charging methodology and liquid assets and cash reserving costs are no longer held at the centre, but are charged to divisions. These processes have resulted in more accurate and meaningful segmental analysis.

Preliminary results – auditors' opinion

These results have been reviewed by the company's auditors, KPMG Inc and Deloitte, and the review opinion is available for inspection at the company's registered office.

Income statement

for the year ended 31 December

Rm	Reviewed 2004	Audited* 2003
Interest income	22 807	28 609
Interest expense	16 112	22 600
Net interest income	6 695	6 009
Non-interest revenue	7 679	6 451
Foreign currency translation losses	(391)	(1 058)
Gross operating income	13 983	11 402
Impairment of advances	1 556	2 058
Income after impairment of advances	12 427	9 344
Total expenses	11 192	10 152
Operating expenses	10 497	9 755
Fees due to alliance partners	70	4
Recovery programme expenses	379	
Merger expenses	246	393
Profit/(Loss) from operations before non-trading and capital items	1 235	(808)
Non-trading and capital items	(344)	(863)
Amortisation and impairment of goodwill	(111)	(370)
Loss on sale of subsidiaries, investments and property and equipment	(120)	(254)
Net impairment of investments, property and equipment, computer software and capitalised development costs	(113)	(239)
Profit/(Loss) from operations	891	(1 671)
Attributable earnings of associates and joint ventures	121	119
Profit/(Loss) before taxation	1 012	(1 552)
Taxation	292	153
Taxation on non-trading and capital items	(37)	(38)
Profit/(Loss) after taxation	757	(1 667)
Minority interest income attributable to ordinary shareholders	(129)	(125)
Income/(Loss) attributable to shareholders	628	(1 792)

* Restated

Headline earnings reconciliation

for the year ended 31 December

Rm	Reviewed 2004	Audited 2003
Profit/(Loss) attributable to ordinary shareholders	628	(1 792)
Less: Non-headline-earnings items	(307)	(825)
Non-trading and capital items	(344)	(863)
Taxation on non-trading and capital items	37	38
Headline earnings	935	(967)
Headline earnings (excluding foreign currency translation losses)	1 326	91

Cash flow statement

for the year ended 31 December

Rm	Reviewed 2004	Audited 2003
Cash and short-term funds at beginning of year	11 716	9 699
Cash flows from operating activities	4 814	3 912
Net increase in operating funds	(8 383)	(7 439)
Taxation paid	(603)	(336)
Cash flows from investment activities	1 148	(3 715)
Cash flows from financing activities	890	9 595
Cash and short-term funds at end of year	9 582	11 716

Nedbank non-redeemable non-cumulative preference shares Declaration of dividend no 4

Notice is hereby given that preference dividend no 4 of 41,94672 cents per share has been declared for the period from 1 July 2004 to 31 December 2004 payable on Tuesday, 22 March 2005 to shareholders of the non-redeemable non-cumulative preference shares recorded in the books of the company at the close of business on Friday, 18 March 2005.

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

Last day to trade 'cum' dividend Friday, 11 March 2005
Shares trade 'ex' dividend Monday, 14 March 2005
Record date Friday, 18 March 2005
Payment date Tuesday, 22 March 2005

Share certificates may not be dematerialised or rematerialised between Monday, 14 March 2005, and Friday, 18 March 2005, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Shareholders who have dematerialised their share certificates will have accounts, at their CSDP or broker, credited on Tuesday, 22 March 2005.

For and on behalf of the board

WAM Clewlow (Chairman)
22 February 2005

TA Boardman (Chief Executive)

Balance sheet

at 31 December

Rm	Reviewed 2004	Audited* 2003
Assets		
Cash and short-term funds	9 582	11 716
Other short-term securities	13 426	8 802
Government and other securities	26 035	21 451
Derivative instruments	24 170	25 788
Advances**	230 730	220 608
Sundry debtors	6 292	4 448
Deferred-taxation asset	1 154	3 072
Current taxation prepaid	177	250
Investments in associate companies and joint ventures	461	1 471
Other investments	2 618	3 244
Property and equipment	2 622	2 596
Computer software and capitalised development costs	1 375	1 654
Goodwill	493	416
Customers' indebtedness for acceptances	1 509	835
Total assets	320 644	306 351
Shareholders' equity and liabilities		
Ordinary share capital	27	27
Ordinary share premium	13 945	10 054
Reserves	2 540	2 357
Ordinary shareholders' equity	16 512	12 438
Preference share capital and premium	2 770	2 802
Shareholders' equity	19 282	15 240
Minority shareholders' equity attributable to		
– preference shareholders	245	122
– ordinary shareholders	600	686
Total shareholders' equity and minority shareholders' equity	20 127	16 048
Derivative instruments	26 253	25 897
Deposits, current accounts and other liabilities***	258 624	239 406
Sundry creditors	5 594	11 376
Deferred taxation liabilities	936	2 654
Current taxation liabilities	119	49
Long-term debt instruments	7 482	10 086
Liabilities under acceptances	1 509	835
Total liabilities	300 517	290 303
Total shareholders' equity and liabilities	320 644	306 351
Guarantees on behalf of customers excluded from assets	10 770	12 319

* Restated

** Included in advances are loans to fellow subsidiaries amounting to R16,5 billion.

*** Included in deposits, current accounts and other liabilities are deposits from fellow subsidiaries amounting to R18,5 billion.

AC133: Balance sheet classification

at 31 December

Rm	2004 Reviewed		2003 Audited*	
	Assets	Liabilities	Assets	Liabilities
Fair value	69 792	51 420	70 966	33 290
Held for trading	69 164	51 420	70 939	33 290
Available for sale	628		27	
Amortised cost	245 031	248 042	227 397	254 310
Originated loans and receivables	237 958		226 074	
Held to maturity	7 073		1 323	
Non-trading liabilities		248 042		254 310
Other assets and liabilities	5 821	1 055	7 988	2 703
Total shareholders' equity and minority shareholders' equity		20 127		16 048
	320 644	320 644	306 351	306 351

* Restated

Registered office:

Nedcor Sandton, 135 Rivonia Road, Sandown, 2196
PO Box 1144, Johannesburg, 2000

Transfer secretaries:

Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Directors:

WAM Clewlow (Chairman), Prof MM Katz (Vice-chairman), ML Ndlovu* (Vice-chairman), TA Boardman* (Chief Executive), CJW Ball, MWT Brown*, RG Cottrell, BE Davison, N Dennis (British), Prof B Figaji, RM Head (British), JB Magwaza, ME Mkwana, PF Nhleko, JVF Roberts (British), CML Savage, JH Sutcliffe (British)
* Executive

Reg No:

1951/000009/06
Incorporated in the Republic of South Africa

Share code:

NBKP ISIN: ZAE000043667

Company Secretary:

GS Nienaber

Sponsors:

Investec Bank Limited
Nedbank Capital

Statement of changes in shareholders' equity

Rm	Ordinary share-holders' equity	Preference share-holders' equity	Minority		Total
			attributable to preference share-holders	attributable to ordinary share holders	
Balance at 31 December 2002					
as previously reported	10 119	1 987		364	12 470
Impairment of advances	(1 700)				(1 700)
Fair-value adjustment	(970)				(970)
Taxation	795				795
Minority interest	1				1
Restated balance at 31 December 2002	8 245	1 987		364	10 596
Net loss for the period	(1 792)			125	(1 667)
Dividends to ordinary shareholders	(1 167)				(1 167)
Dividends to preference shareholders	(133)				(133)
Issue of shares (net of expenses)	7 377	815			8 192
Foreign currency translation reserves and other movements	(92)		122	197	227
Balance at 31 December 2003	12 438	2 802	122	686	16 048
Net profit for the period	628			129	757
Dividends to ordinary shareholders	(135)			(10)	(145)
Dividends to preference shareholders	(229)	(32)			(261)
Issue of shares (net of expenses)	3 891				3 891
Available-for-sale reserve movement	446				446
Capital contribution to holding company	(437)				(437)
Foreign currency translation reserves and other movements	(90)		123	(205)	(172)
Balance at 31 December 2004	16 512	2 770	245	600	20 127

Segmental analysis

at 31 December

	2004	2003	2004	2003	2004	2003
	Average assets	Average assets	Reviewed gross operating income	Audited gross operating income	Reviewed headline earnings	Audited* headline earnings
	Rbn	Rbn	Rm	Rm	Rm	Rm
Nedbank Corporate	118	108	6 229	5 715	2 112	1 841
Nedbank Capital	61	68	2 440	2 305	878	837
Imperial Bank	15	10	836	786	83	116
Nedbank Retail	76	73	7 662	7 145	641	455
Shared Services	10	11	196	(139)	(751)	(1 116)
Capital Management and Central Funding	39	41	(1 583)	(2 125)	(1 516)	(2 078)
Eliminations	(20)	(20)	(388)	(342)		
Total per Nedcor Group	299	291	15 392	13 345	1 447	55
Fellow-subsidiary adjustments	(15)	(8)	(1 409)	(1 943)	(512)	(1 022)
Total per Nedbank Group	284	283	13 983	11 402	935	(967)

* Restated

Geographical segmental

for the year ended 31 December

Rm	2004 Reviewed operating income	2003 Audited operating income	2004 Reviewed headline earnings	2003 Audited headline earnings
South Africa	14 236	11 961	1 216	(422)
Business operations	14 236	11 961	2 242	1 447
Merger and recovery programme expenses			(425)	(320)
Foreign currency translation losses			(372)	(1 416)
Minority interest income attributable to preference shareholders			(229)	(133)
Rest of Africa	347	307	49	198
Rest of world	809	1 077	182	279
Business operations	809	1 077	196	279
Merger and recovery programme expenses			(14)	
Total per Nedcor Group	15 392	13 345	1 447	55
Fellow-subsidiary adjustments	(1 409)	(1 943)	(512)	(1 022)
Total per Nedbank Group	13 983	11 402	935	(967)

Segmental results have been restated to align with current management structures and reporting methodologies.



These results and additional information are available on our website: www.nedcor.com