

UBS Financial Services Conference
The Corporate Banking Revival

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17 October 2007

GROW



MAKE THINGS HAPPEN

NEDBANK
GROUP

A Member of the  **OLD MUTUAL** Group

- Current banking environment
- Nedbank Corporate overview
- Business Banking
- Corporate Banking
- Primary banker status
- Property Finance
- Africa
- Questions

Retail/wholesale split

Chart 2: Absa earnings (H107)

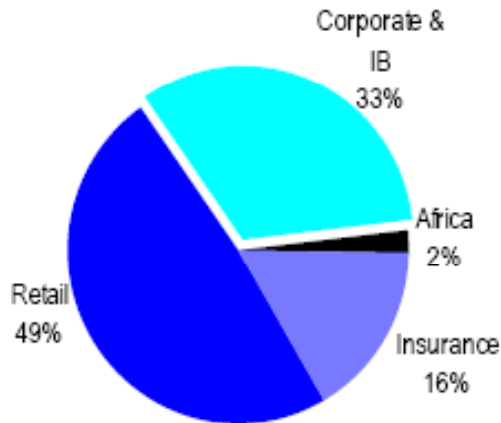


Chart 3: FirstRand earnings (FY07, year ending June)

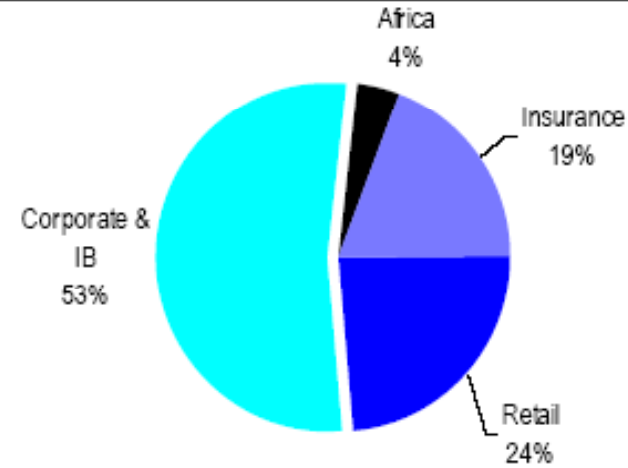


Chart 4: Nedbank earnings (H107)

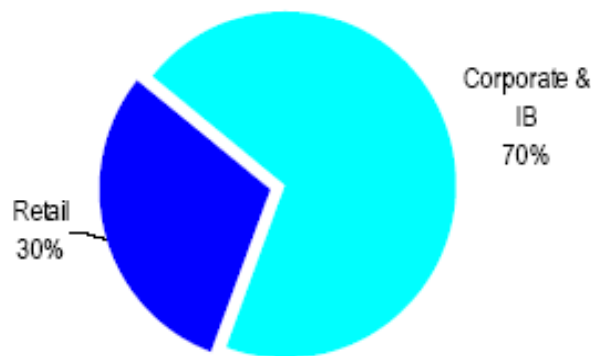
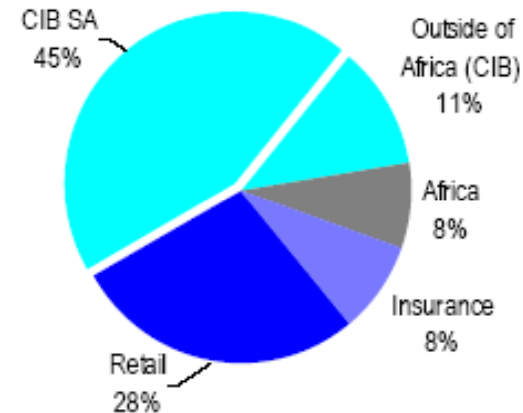


Chart 5: Standard Bank earnings (H107)

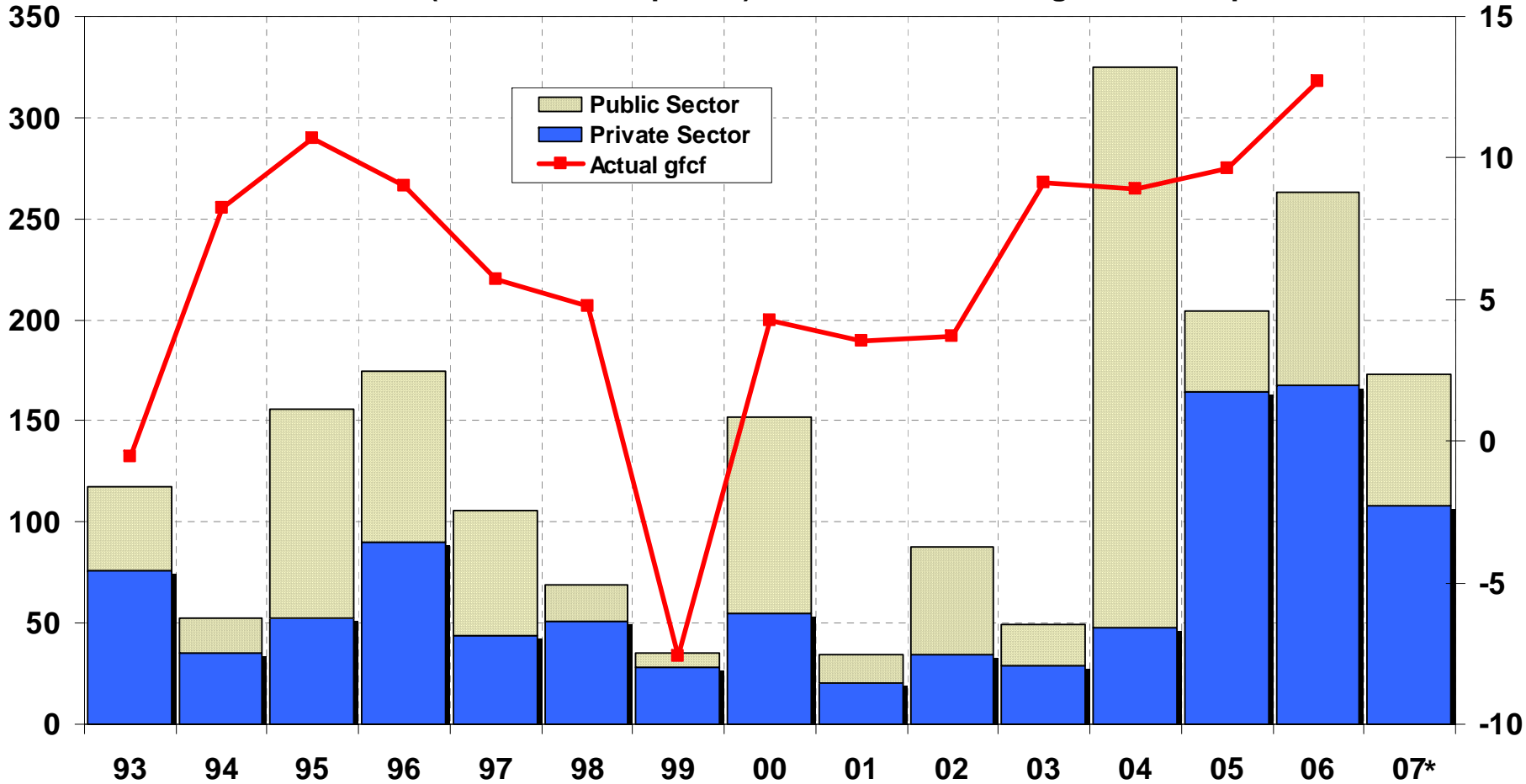


Source: UBS estimates, Note: Central items allocated pro rata to divisions, Standard Bank – assume 30% of Personal & Business Banking is corporate (SMEs), included in CIB (Corporate & Investment Banking), Nedbank – include Imperial within CIB.

Announced value of total capital projects

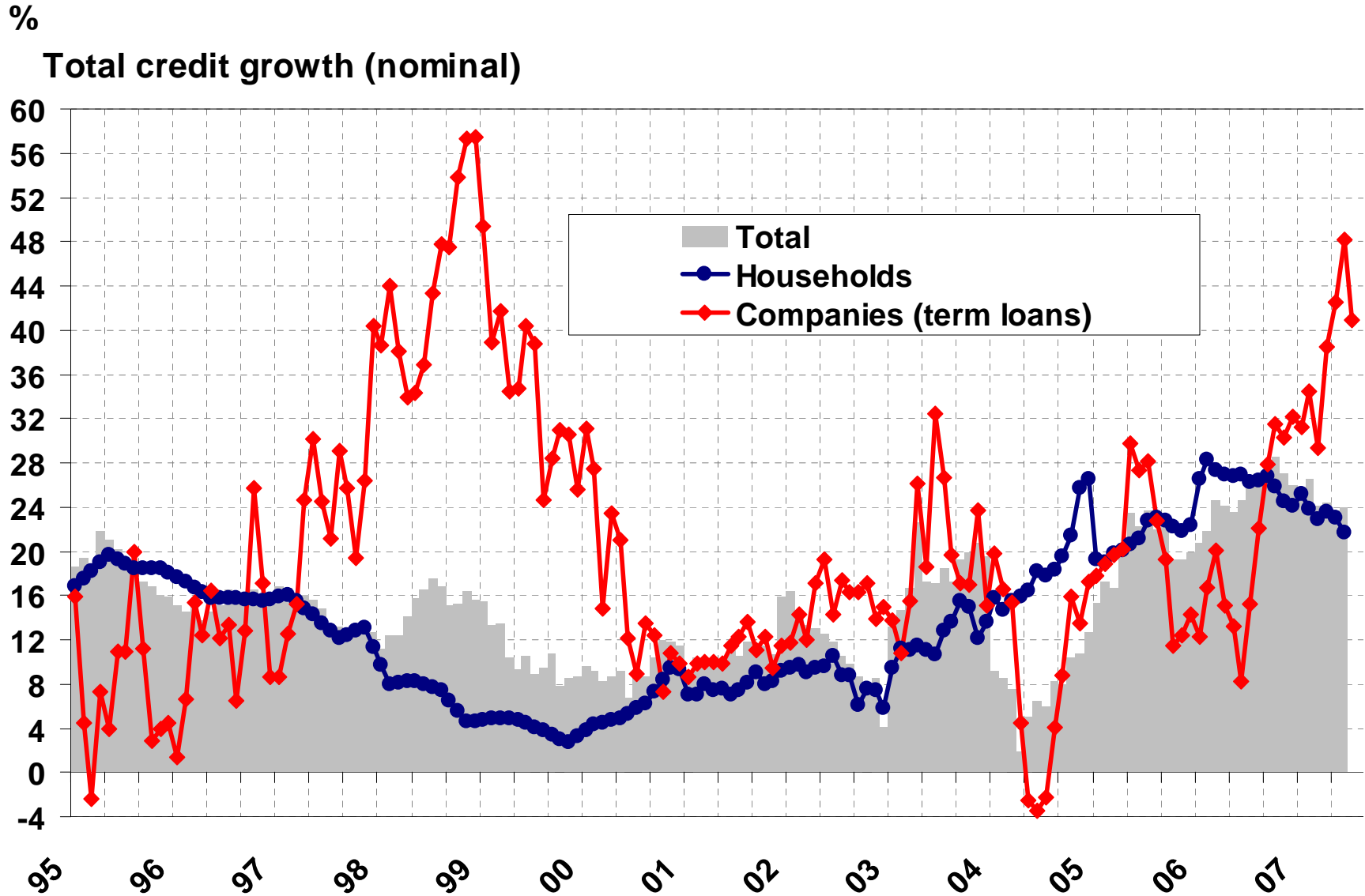
Nedbank schedule: R billion (constant 2005 prices)

Actual growth in capital formation %



* The 2007 figure is an estimate as the Rand value of projects for the first half of 2007 was annualised for comparison purposes

Company credit growth exceeds household credit growth



Nedbank Capital

- Investment Banking
- Specialised Finance
- Treasury
- Equity Capital Markets
- Debt Capital Markets
- Global Markets
- Nedcor Securities
- London office

Nedbank

Corporate

- Business Banking
- Corporate Banking
- Property Finance
- Africa

Nedbank Retail

- Banking Services
- Card
- Bancassurance & Wealth
- Home Loans
- Personal Loans
- VAF & TIP

Nedbank Corporate positioning



Business Banking

Corporate Banking

Property Finance

Nedbank Africa

Market proposition

Partnering with you to grow your business

Expertise to deliver world class service & solutions

Benefits of a big bank with personal touch of a small bank

Regional network in Sub-Saharan Africa

Target market

R5m – R400m

R400m +

Industrial & commercial lending & development

Full spectrum banking services in African countries

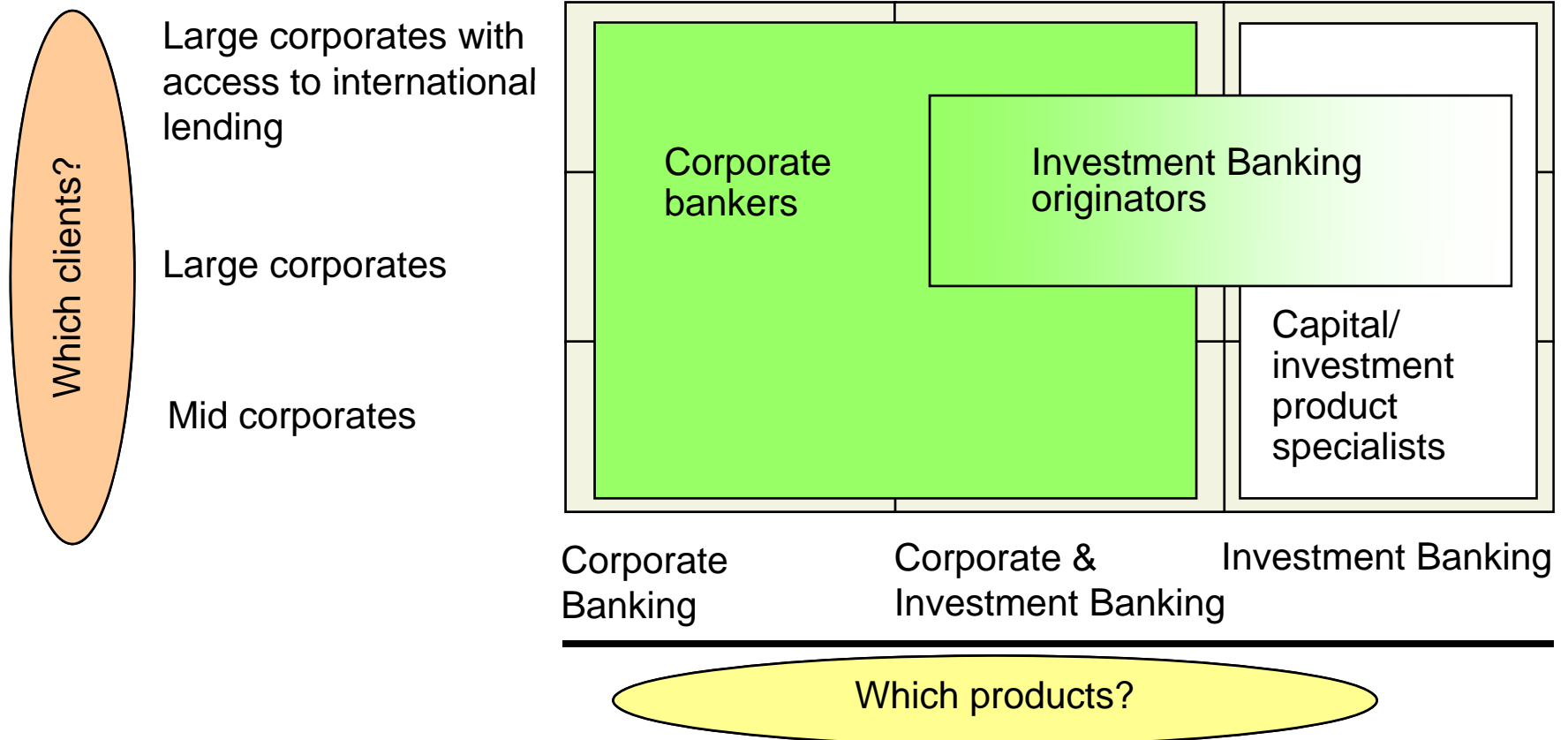
Transactional proposition




Unique yet user friendly transactional banking & product solutions

Public Sector / Community

Dedicated to facilitate the upliftment of SA with visionary solutions

Coverage model



-  Relationship management
-  Execution, support in origination
-  Large investment banking deals

... client-centric approach, sourcing specialists

Key differentiators

Decentralised client-centric, empowered model

- High-performance culture - accountability for delivery

Customer focused structures

- Dedicated relationship managers
- “Integrated” credit & service teams

Country-wide mid- market focus

- Business Banking has strong position in medium-sized corporate market, with extensive regional presence & industry specialisation

Very strong corporate relationships

- Strong client relationships
- Innovative solutions

Key differentiators *(continued)*

Property Finance reputation

- Property Finance strong reputation – market leader
- Cross sell opportunities

Coverage model

- Integrated strategic account planning
- Leverage expertise in Nedbank Capital.

Recent BEE track record

- Leading position in BEE deals

Risk management

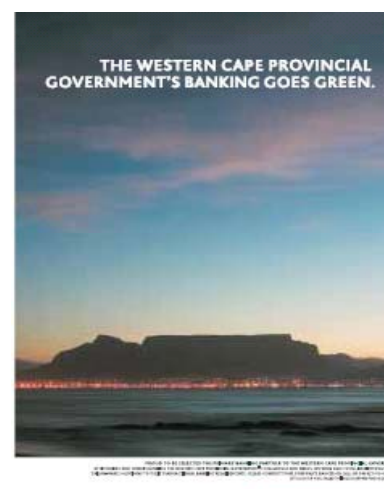
- High quality book
- Low levels of impairments
- Risk adjusted measurement of all businesses

Business Banking strategic road map



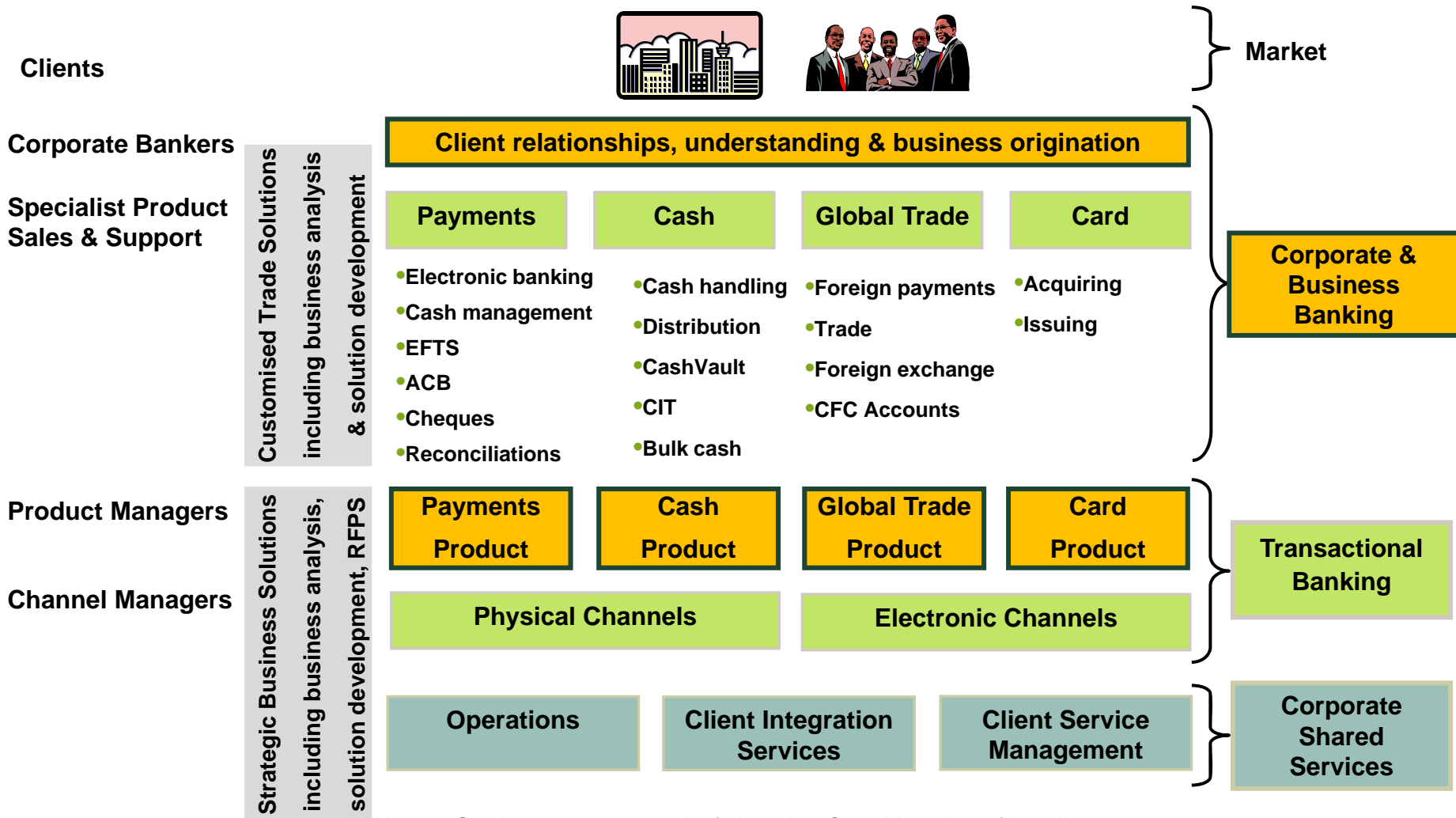
Challenges	Opportunities
<ul style="list-style-type: none"> ● Changing perception of Nedbank - electronic banking solutions ● Increasing NIR momentum ● Quality asset growth - credit environment ● Regulatory & compliance pressures ● Growing share - market that is cautious to change banks 	<ul style="list-style-type: none"> ● Decentralised, client-centric, empowered structure ● New innovative products ● Refining roles & accountability & client engagement processes ● Increasing focus on knowledge management for key industries ● Tailored value propositions to different industry segments ● Differentiated pricing ● Leveraging client bases across greater group ● Attraction & retention of highly skilled staff ● Growth segment of banking market

Corporate Banking segment positioning

	Loans & Advances	Transactional Banking	Liabilities
Organic Business	<ul style="list-style-type: none"> • Strong position • Growth in relation to quality & value • Opportunity to leverage off Old Mutual balance sheet • Disintermediation in senior debt market 	<ul style="list-style-type: none"> • Low teens market share • Product innovation & new client acquisition • Product commoditisation • Improve & expand coverage model • Potential off a low base 	<ul style="list-style-type: none"> ■ Key contributor to bank-wide funding ■ Generates significant proportion of divisional NII ■ Element of volatility due to nature of funders
Public Sector	<ul style="list-style-type: none"> • Increasing success in penetrating this sector • e.g. eThekweni & SAA, Transnet & Denel • Thin margins – low regulatory capital • DBSA a major player 	<ul style="list-style-type: none"> • Small market share – Western Cape Provincial Government • Aided by retail distribution expansion 	

	Loans & Advances	Transactional Banking
BEE	<ul style="list-style-type: none"> • Nursery for tomorrow's organic business • BEE funding gap • Leverage Nedbank BEE scheme • Risk profile increases with BEE transactions 	<ul style="list-style-type: none"> • BEE deals offer opportunities to lock in transactional banking • Leverage Nedbank BEE scheme
Offshore	<ul style="list-style-type: none"> • Service SA linked clients 	<ul style="list-style-type: none"> • Service SA linked clients

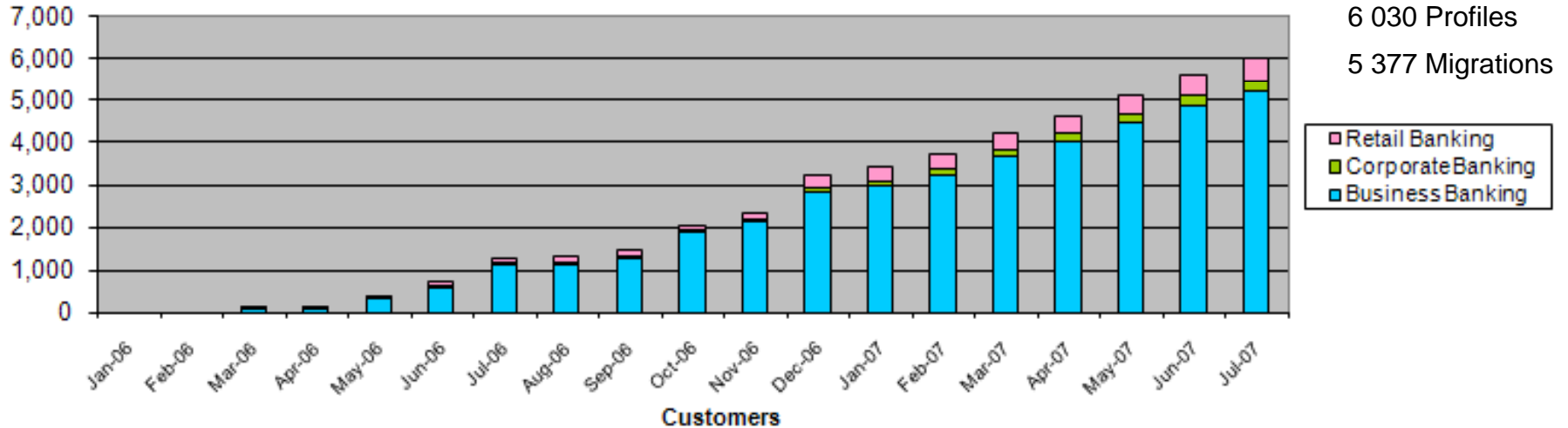
Primary banker status drive



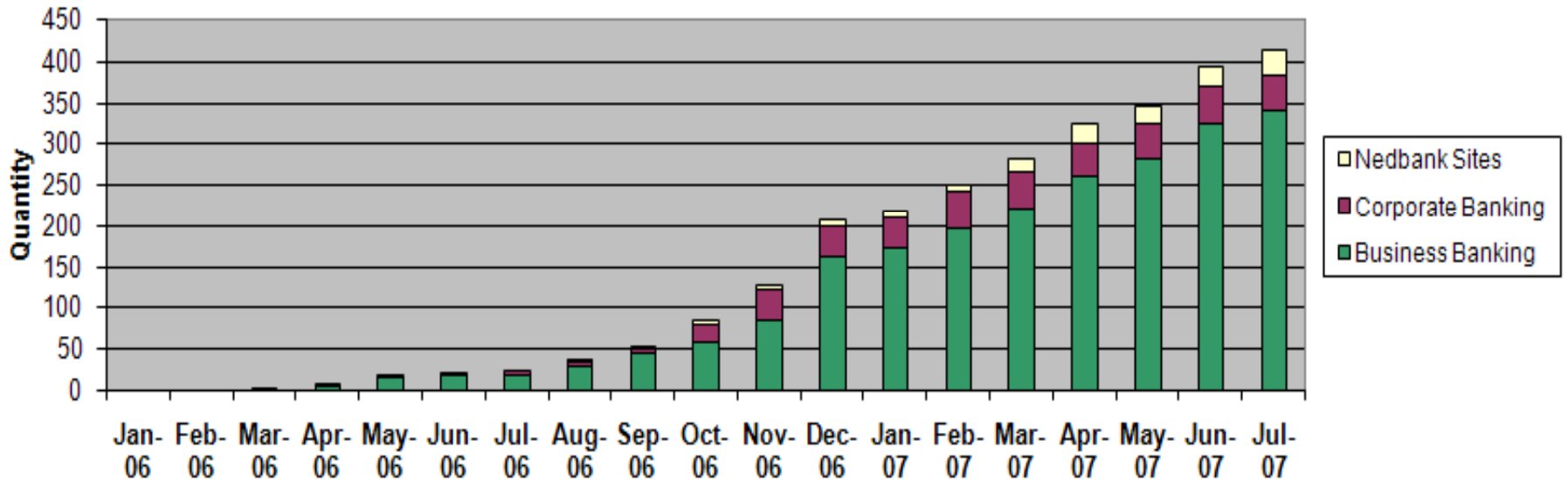
Notes: Card product structurally falls within Card Monoline of Retail
 Customised Trade & Strategic Business Solutions structurally fall within Transactional Banking, although have multiple direct interfaces into all areas

Transactional banking

Netbank Business customers



Cash devices in circulation



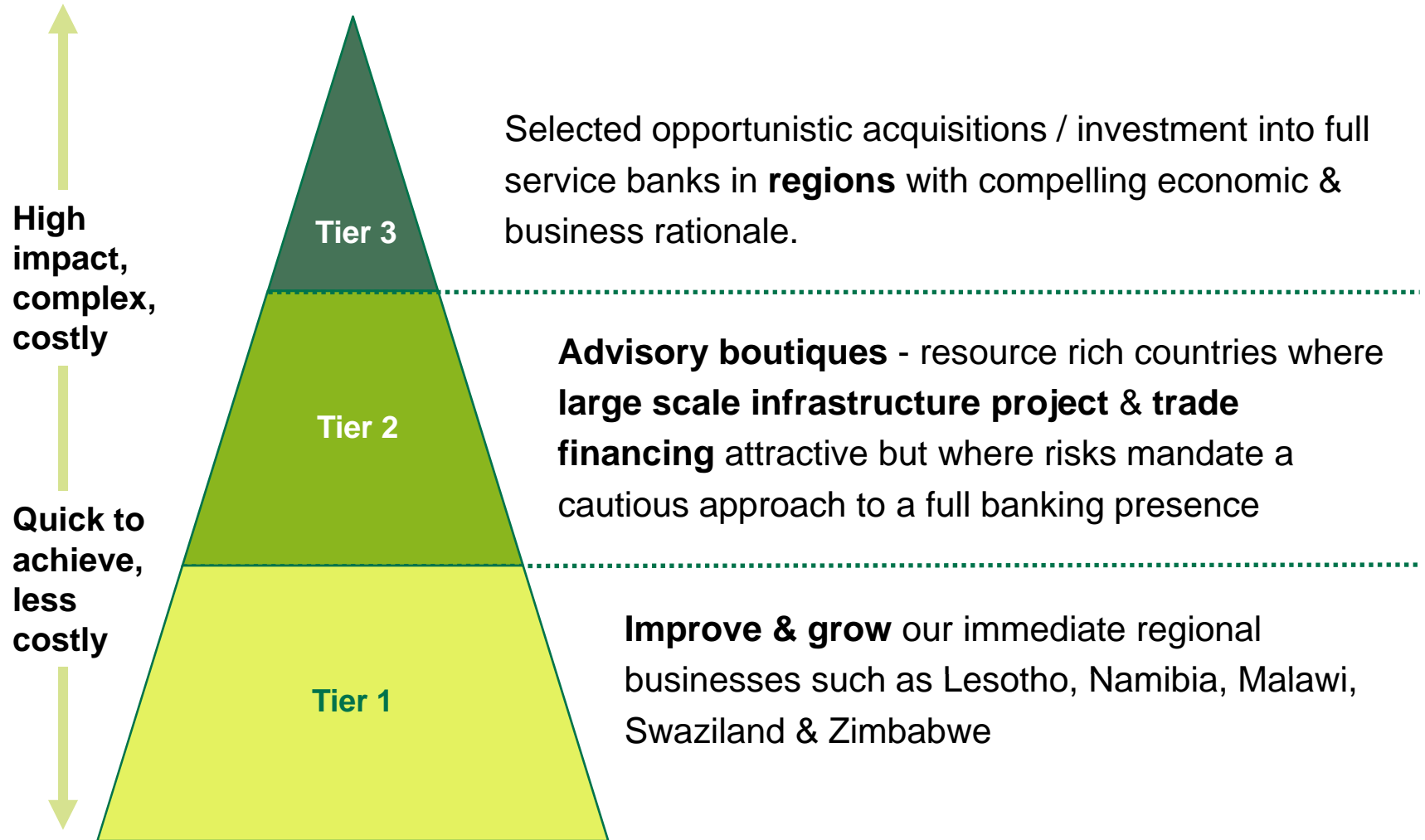
- Consolidate listed property leadership position
- Entrench leadership with large unlisted investors
- Mid-market expansion
- Rebuild the Property Partners equity business
- Cross sell other products into client base

- Historic property private equity investment gains stronger than anticipated

Gains in NIR (Rm)	6 months to June 2007	6 months to Dec 2006	6 months to June 2006
Revaluations & profits	144	112	102
Dividends	3	65	8
Total	147	177	110

- Challenging to exceed overall 2006 levels
- Unlisted investments still present opportunities

Nedbank Africa – 3-tiered strategy



- We have the:
 - Right leadership & teams in place
 - Business models in place
 - Clearly defined areas of focus
- Ongoing improvement of staff morale & client service

- Growing primary client base through:
 - Innovative products & services
 - Client value management
 - Transactional Banking
- Build on Public Sector successes
- Protect market position in commercial property finance
- Continue growth drive in Business Banking
- Prospects for Corporate Banking increasingly positive

*... momentum built
with good earnings growth over the medium term*



**WHAT IF ELECTRONIC BANKING COULD
OFFER YOU EASE OF USE, FLEXIBILITY
AND THE BENCHMARK IN SECURITY?
NETBANK BUSINESS.**

Thank you