

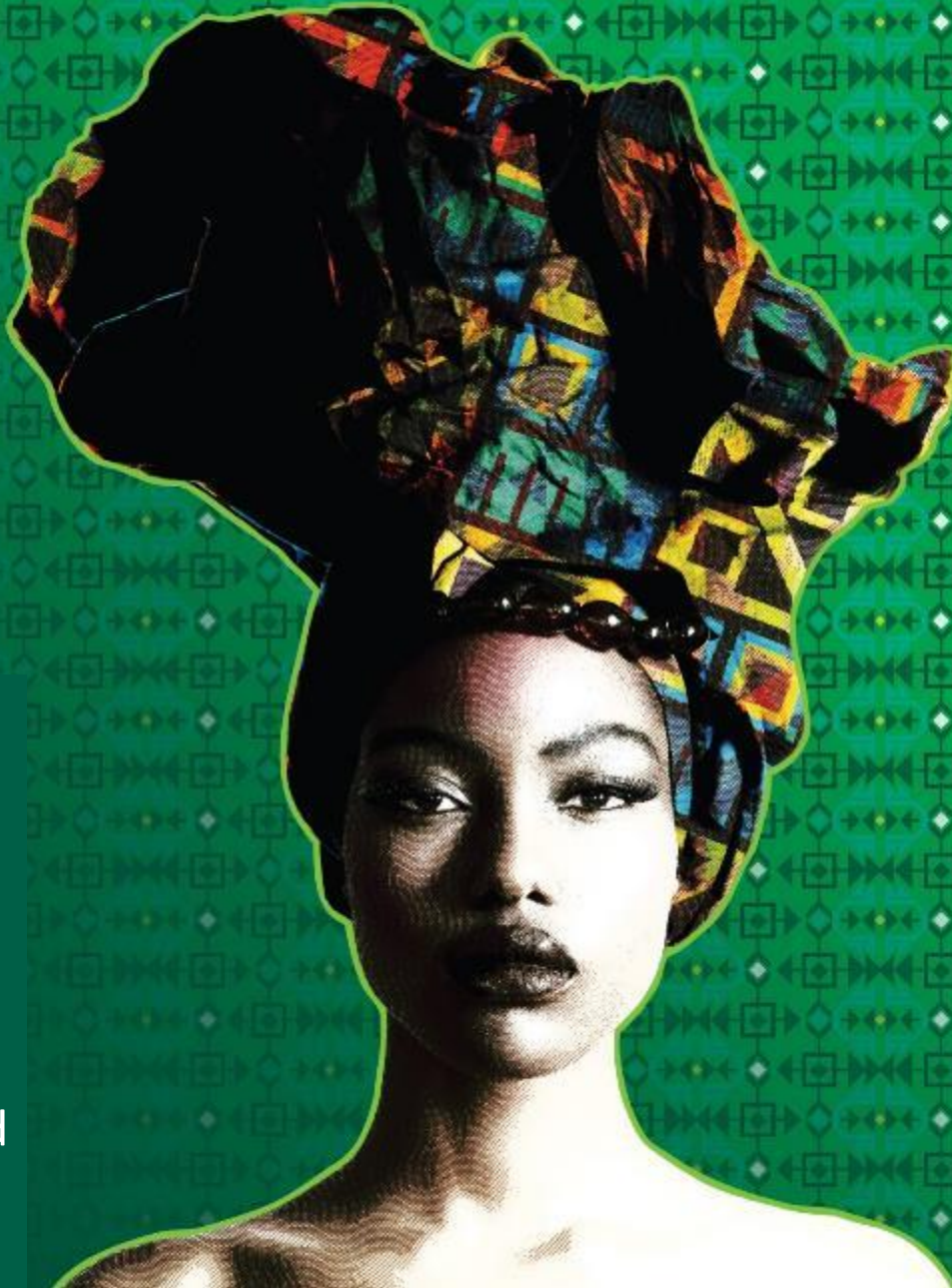


NEDBANK
GROUP

Nedbank Group

November 2017

Strong franchises, clear opportunities for improved financial metrics & attractive valuation





Nedbank Group – an overview

Old Mutual (SA)

54%

shareholding in
Nedbank Group

Market
capitalisation
R104bn

Access to the largest
banking network in Africa

39

Countries

(21.2% share in ETI)

Total retail clients

7.8m

Large corporate clients

> 600

Assets

R966bn

+7.6%
(5 year CAGR)

SA's most
Transformed
bank¹

Deposits

R763bn

+7.3%
(5 year CAGR)

Advances



91% SA

Intl **6%** **3%** ROA

Assets under
management

R295bn

+10.8%
(5 year CAGR)

Advances



Retail
38%

62%
Wholesale

Employees

32 349

Total ATMs

4 060

Total outlets

716

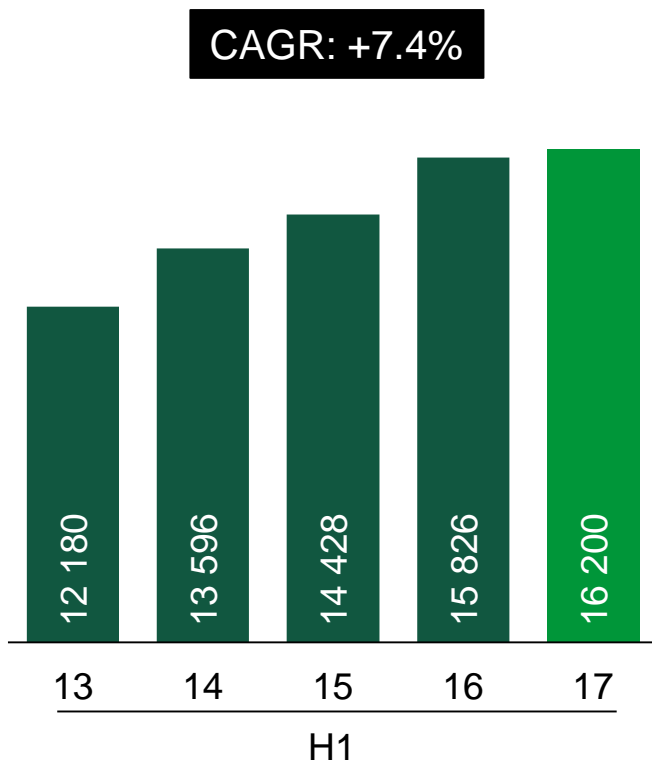
Note: As at 30 June 2017, unless otherwise specified | ¹ Independent Top Empowered Companies Awards 2017 based on 2007 FSC scorecard (Empowerdex, Intellidex & Business Report)



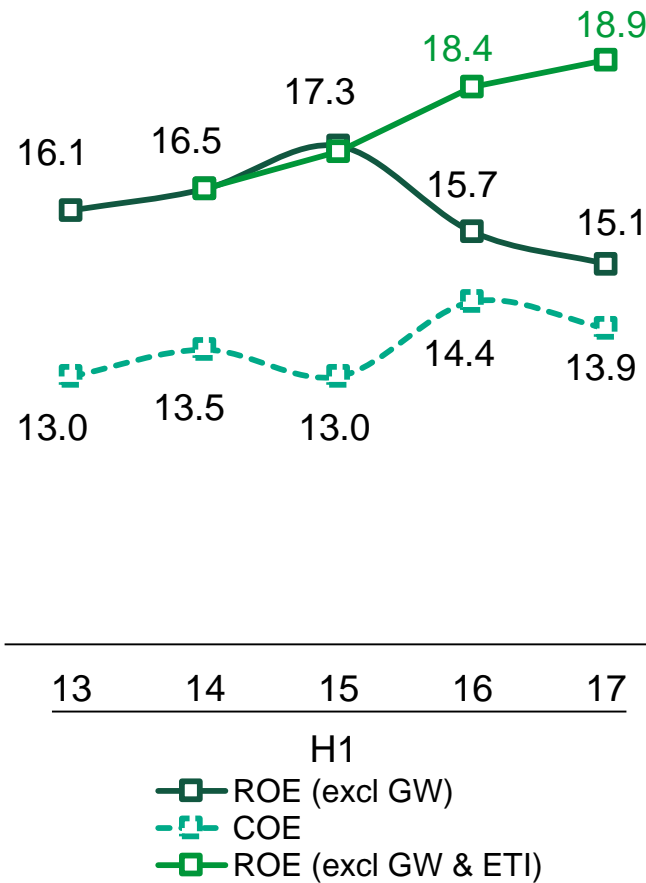
Nedbank Group – track record of delivering value to shareholders

NAV + Dividend growth (19% CAGR) > Nominal GDP (7% average)

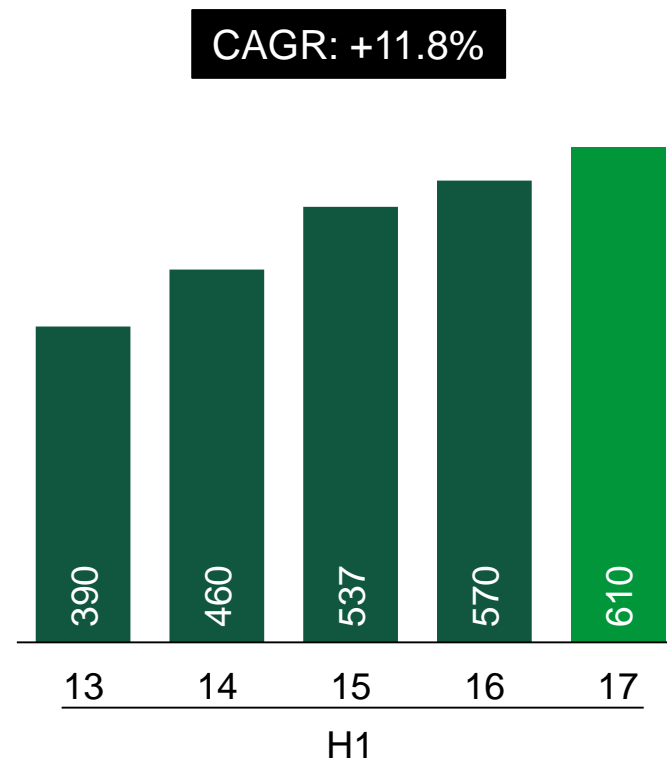
NAV per share¹ (cents)



ROE & cost of equity (%)



Dividend per share (cents)



¹ NAV per share excluding ETI: CAGR +8.8%



Nedbank Group – a strong domestic foundation with attractive growth prospects both in SA & in rest of Africa

Short-term political uncertainties & muted SA economic outlook

Competitive franchises

- **CIB** – strong franchise with growth opportunities
- **RBB** – increase ROE as we lower efficiency ratio to $\leq 58\%$
- **Wealth** – high ROE business, not impacted by managed separation
- **Rest of Africa** – growth opportunity

Exciting growth drivers

- Delivering **innovative market-leading client experiences**
- **Growing our transactional banking franchise** faster than the market
- **Being operationally excellent** in all we do
- **Managing scarce resources** to optimise economic outcomes
- Providing our clients access to the **best financial services network in Africa**

Clear path to meet medium-to-long-term targets

- Reduce efficiency ratio to 50 - 53%
- Increase ROE (excl gw) to COE + 5%
- Strong balance sheet & capital generative

Attractive valuation – price: earnings, price : book & dividend yield



The environment over the next 3 years

Macro-economic outlook¹ (%)

	2017	2018	2019	2020
GDP SA	0.8%	1.2%	1.9%	2.3%
GDP SSA	2.6%	3.5%	3.6%	3.7%
Inflation (CPI)	5.3%	4.8%	5.6%	5.6%
Industry credit growth	4.6%	6.3%	7.8%	10.0%
Average Prime rate	10.4%	9.7%	9.6%	10.2%

Anticipated developments

- Political events impact short term confidence
- Credit growth to improve off a low base
- Interest rates reduce in 2018 before increasing in 2019 & 2020
- Local currency downgrade not currently anticipated in our base case, but risk remains
- Accelerated adoption of mobile & digital technology
- Progressive regulatory change – Basel III in place, but other regulatory requirements continue

¹ Assuming no local currency downgrade | All Nedbank economic unit forecasts, except GDP SSA as per IMF



Rationale of the Nedbank – Old Mutual strategic relationship

- **Benefits of a strategic shareholder** (Confirmation of strategic minority stake. Improved free-float/ liquidity)
- **Nedbank manufactures & distributes simple bancassurance products & works alongside Old Mutual as preferred product provider on complex risk products** – arms-length agreements in best interests of clients
- **Nedbank transactional banker to Old Mutual** (Nedbank's largest transactional client)
- **Synergies, costs savings & joint procurement**
 - **R1bn joint synergy target** by 2017 remains on track (c30% of which accrue to Nedbank)
 - Continue to **assess opportunities to create value** where there is commercial rationale to do so
- **Continuity of confidence in Nedbank for multiple stakeholders**



Old Mutual Managed Separation

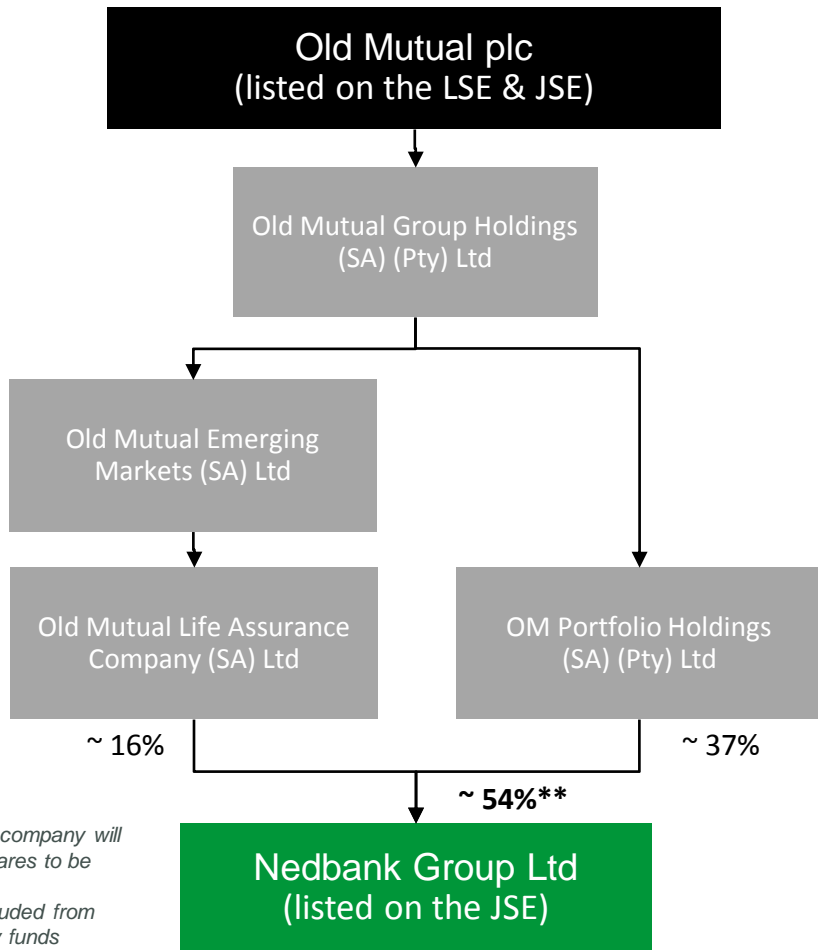
- **Listing of a new South African holding company – ‘Old Mutual Limited’ (OML)**
 - At the earliest opportunity in 2018, following OM plc’s 2017 full-year results announcement
 - Subsequent distribution of a significant proportion of the shareholding in Nedbank from OML
 - OML will retain a 19.9% strategic minority shareholding in Nedbank to underpin the ongoing commercial relationship & residual OM plc
- **Timing**
 - Managed Separation materially complete by the end of 2018
 - Allow OML shareholder base to season (EM holders) – managing flowback/ overhang
- **Business as usual for Nedbank**
 - No impact on strategy, day-to-day management or operations, nor on staff or clients
 - Technology, brand & businesses have not been integrated
 - Engagements have been at arm’s length – overseen by independent board structures
 - No impact on ongoing Old Mutual collaboration



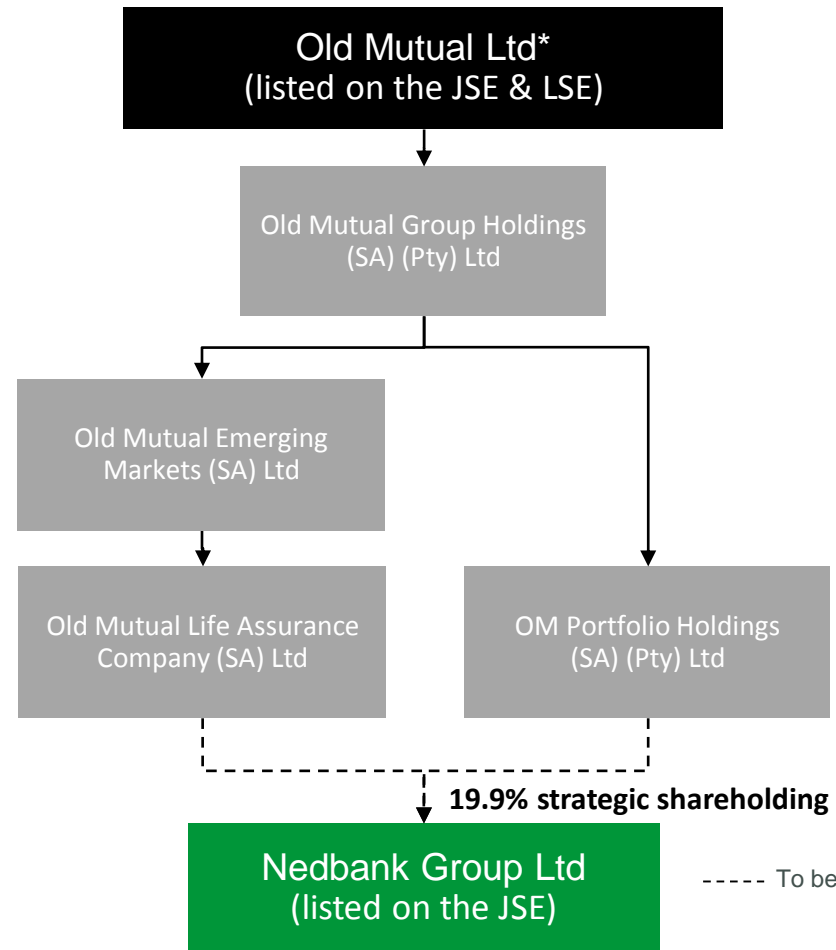
Old Mutual Managed Separation

Distribution of Nedbank shares to shareholders of new SA holding company in an orderly manner, at an appropriate time

Current shareholding structure



Envisaged shareholding structure



* Shareholders of this company will receive Nedbank shares to be distributed

** Additional < 1% included from managing third party funds

----- To be finalised

Nedbank Group – a strong, diversified & growing financial services provider



Corporate & Investment Banking

Banking solutions to corporates, institutions & parastatals with turnover of >R750m per annum.

Retail & Business Banking

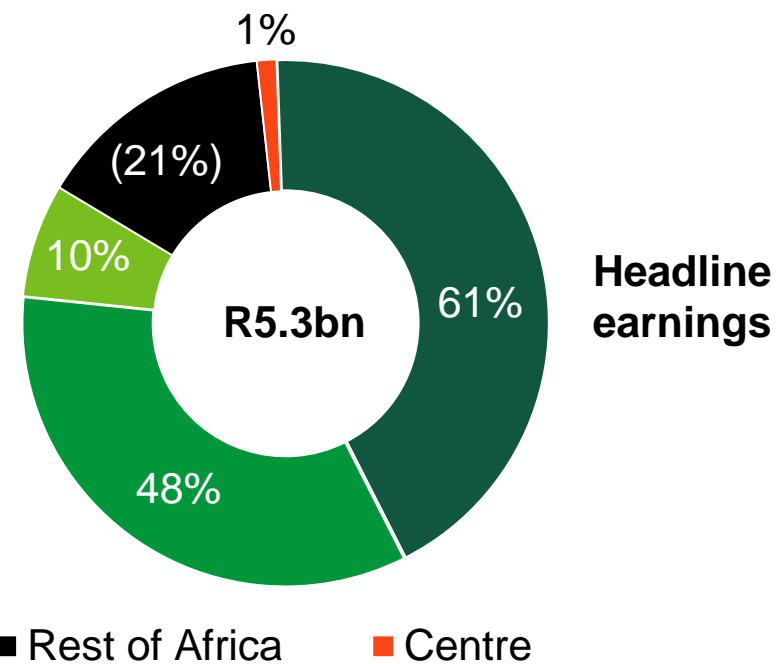
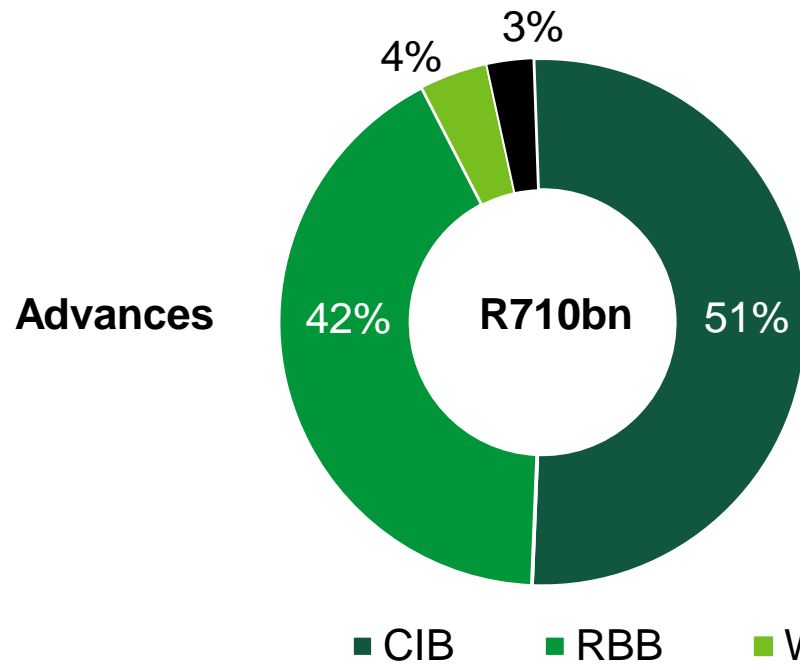
Banking solutions to individual retail clients, as well as businesses with a turnover of <R750m per annum.

Wealth

Integrated insurance, asset & wealth management solutions for a wide spectrum of clients, including entry-level to high-net-worth individuals, corporates & businesses

Rest of Africa

Banking solutions to retail, small & medium enterprises (SMEs), business & corporate clients across the 6 countries we operate in.

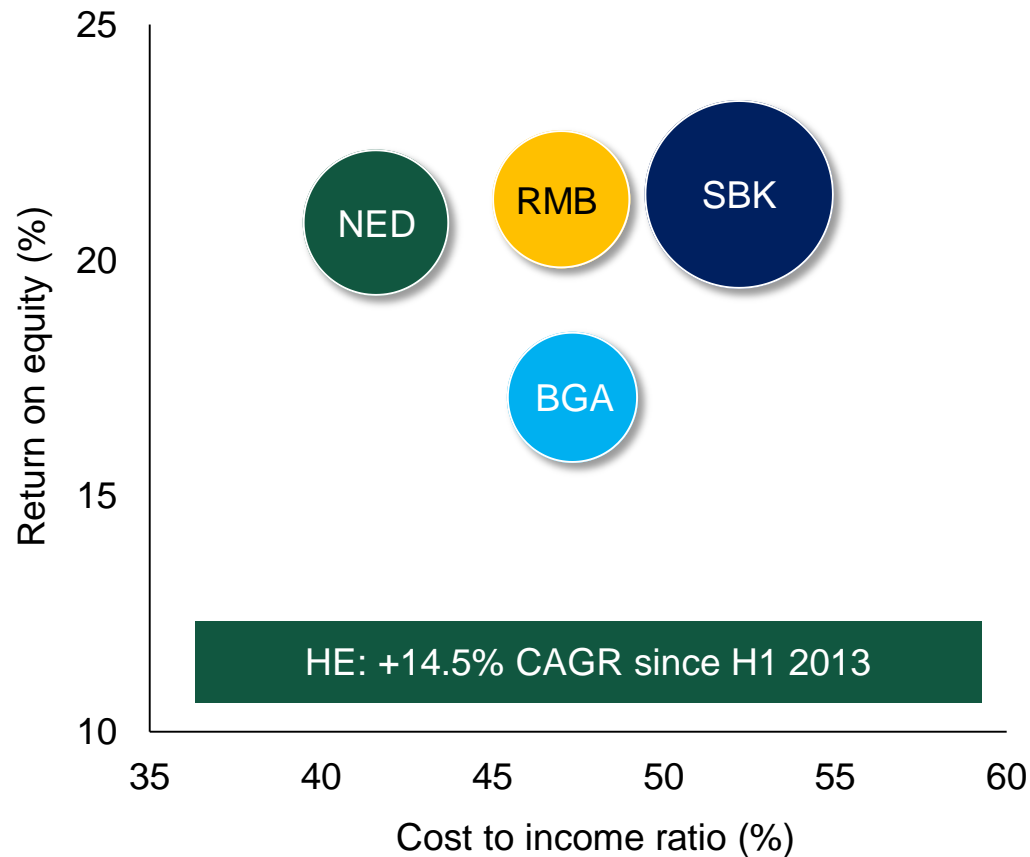


* All figures as at 30 June 2017 (interim results for 6 months). Headline earnings for FY 2016: R11.5bn



Nedbank CIB – a core strength & leadership in key markets

ROE, efficiency ratio & headline earnings (H1 '17)



Size of bubbles reflect headline earnings (Rm) of CIB peers based on latest interim results

Key strengths & differentiators

- **Strong franchise providing good returns** (ROE >20%)
- **Market leadership** in commercial-property & renewable-energy financing
- **Leading industry expertise** in mining & resources, infrastructure, oil & gas, telecoms & energy.
- **Solid advances pipeline** (growth opportunity when business confidence improves)
- **CIB integration** providing significant client penetration & cross sell opportunities; & attractive to attract & retain high quality intellectual capital
- **Efficient franchise** (best efficiency ratio) & **high quality portfolio** (low CLR)

Partner network



Deutsche Bank



中國銀行
BANK OF CHINA



The Pan African Bank

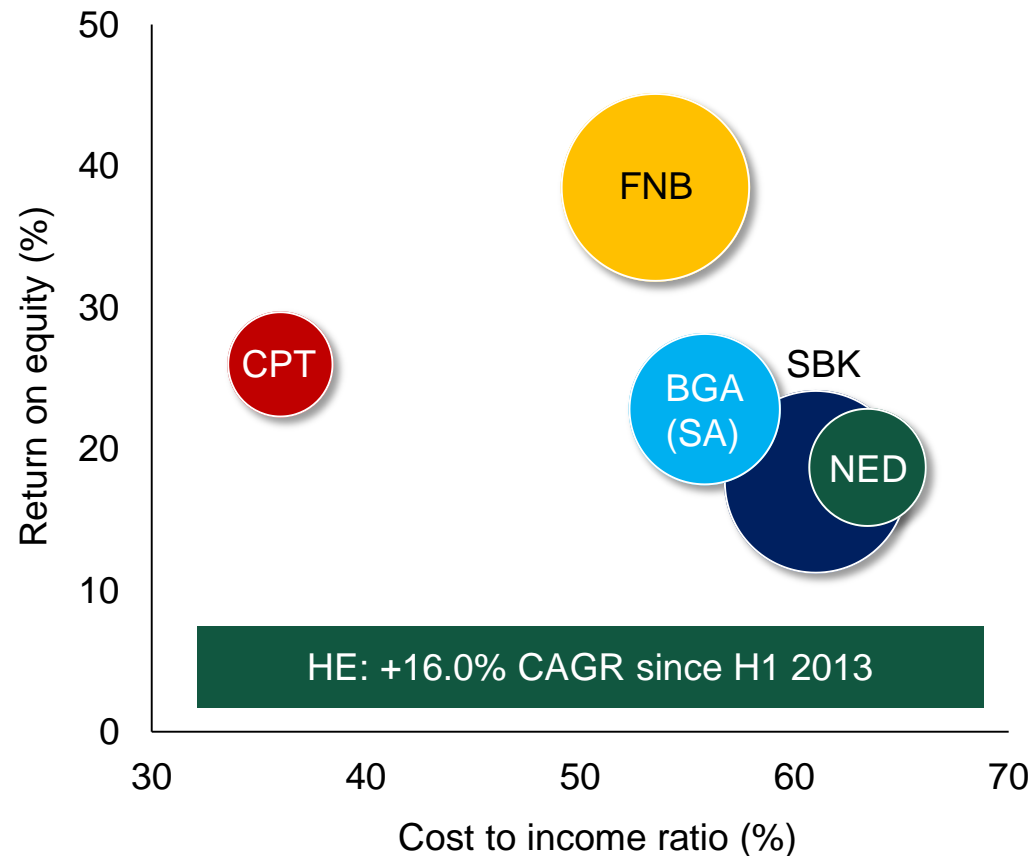


Ser único muda tudo.



Nedbank RBB – ROE expansion underpinned by quality book & gaining share of SA retail profit pool

ROE, efficiency ratio & headline earnings (H1 '17)



Size of bubbles reflect headline earnings (Rm) of RBB peers based on latest interim results

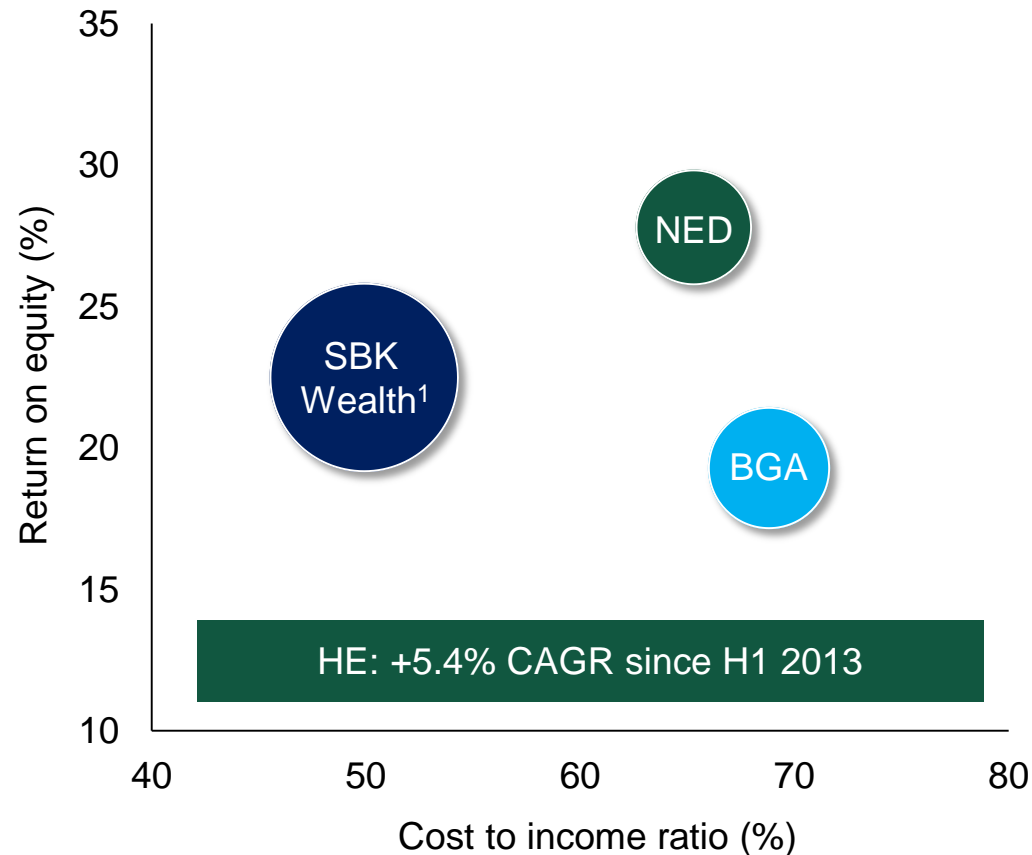
Key strengths & differentiators

- Investment delivering benefits as **earnings grow & ROE continues to increase**
- **Strengths** in deposit taking (19% market share), vehicle finance (31%), business banking (21%), card acquiring (>20%)
- **Market share gains** in areas of strength
- Track record of solid **client & NIR growth**
- Historic selective origination & quality portfolio continue enabling **relative CLR outperformance**
- **Digitisation & back-office optimisation** to drive **transactional client growth & efficiency ratio to <58%**



Nedbank Wealth – high quality, high ROE business with growth potential

ROE, efficiency ratio & headline earnings (H1 '17)



Key strengths & differentiators

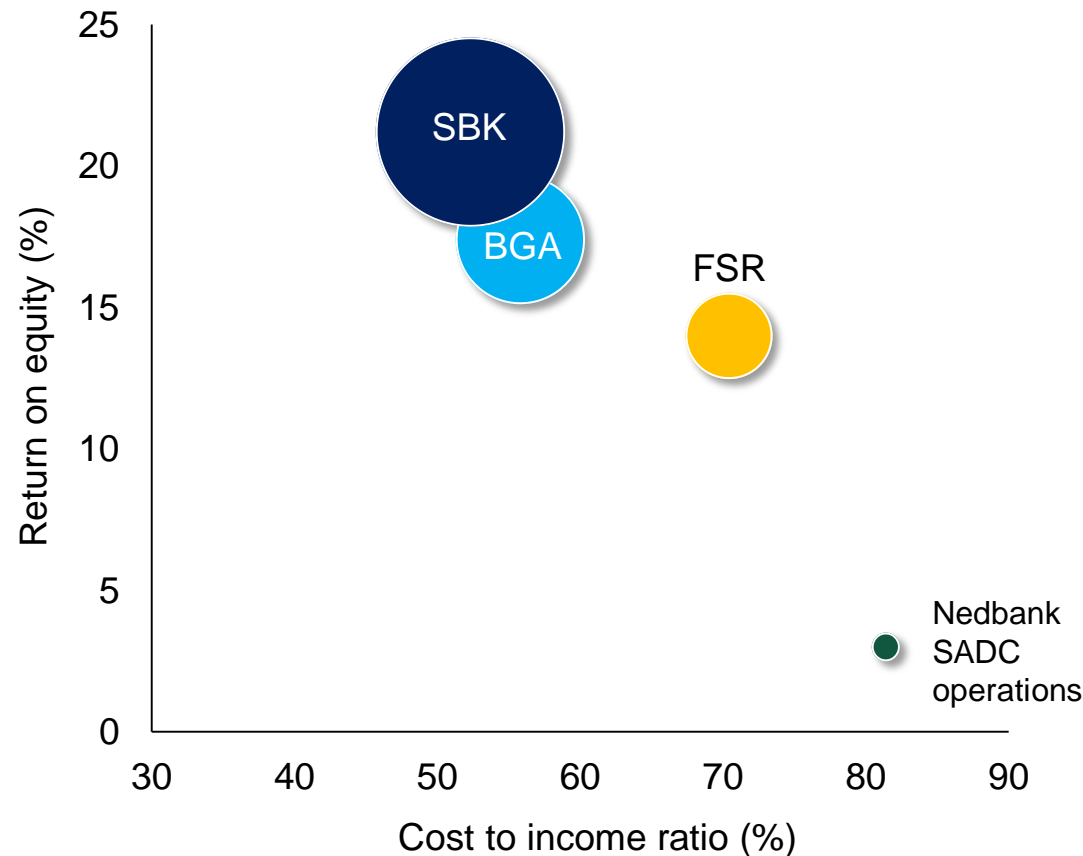
- **Integrated local & international high-net-worth franchise**
 - Rich heritage & strong client base
 - Market-leading digital innovations
- **Best of Breed™ Asset Management model**
 - Top 3 SA manager for 9th consecutive year & top offshore manager for 3rd year
 - R295bn AUM – 5th largest Unit Trust Manager in SA
- **Growing insurance business**
 - Wider penetration of Nedbank client base
 - New product innovation

Size of bubbles reflect headline earnings (Rm) of Wealth peers based on latest interim results | ¹ SBK Wealth based on latest disclosure, excluding Liberty (ROE not disclosed) | Like-for-like comparison to peers difficult given different product & geographic contributions.



Rest of Africa – investing to create scale & unlock future growth

ROE, efficiency ratio & headline earnings (H1 '17)



Key strengths & differentiators

- **SADC** (own operations)
 - Investment into technology & digital to generate scale (Flexcube core banking & mobile in 4 countries)
 - Strong franchises in Namibia & Mozambique
- **Central & West Africa** (ETI alliance)
 - The Ecobank–Nedbank Alliance: footprint across 39 countries, the largest in Africa
 - Increase dealflow by leveraging ETI’s local presence & knowledge and Nedbank’s structuring expertise & balance sheet
 - Transactional banking to 84 Nedbank wholesale clients

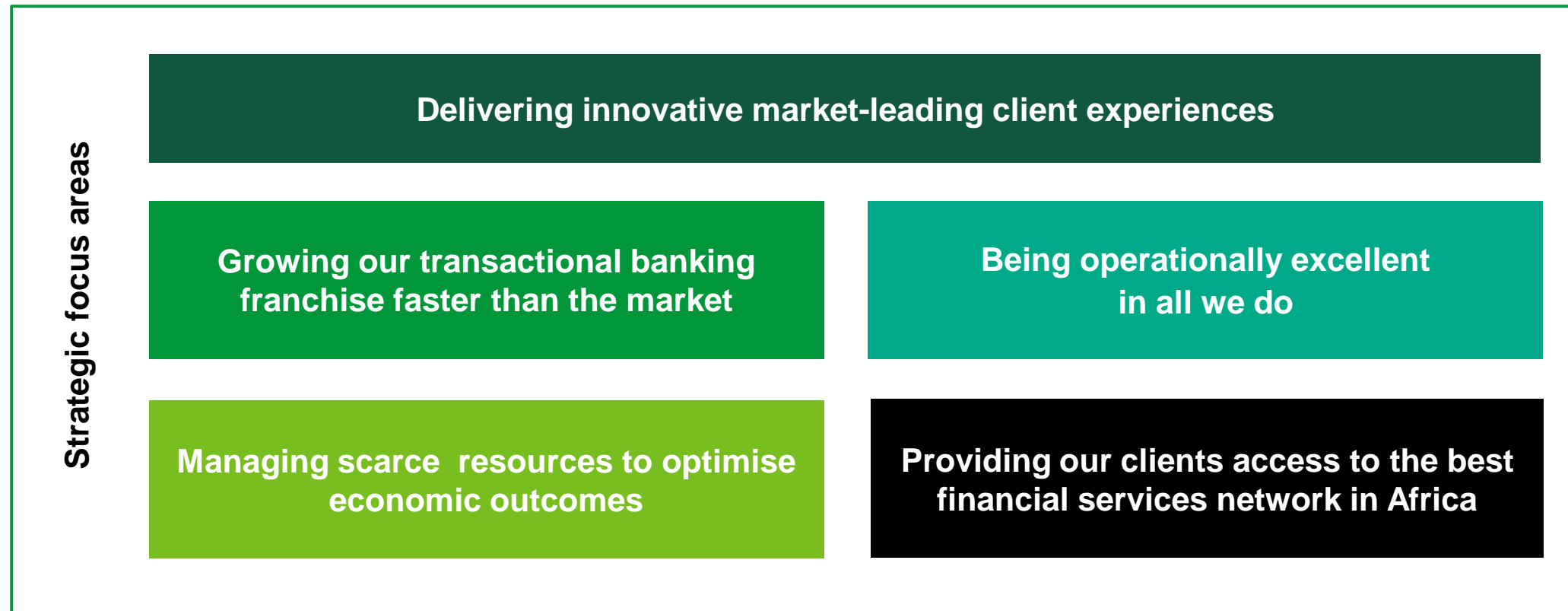
Size of bubbles reflect headline earnings (Rm) of RoA peers based on latest interim results | Nedbank HE growth as in prior slides not comparable given changes in internal cost allocation



Our purpose, vision & strategic focus areas for creating value & driving growth

Purpose: To use our financial expertise to do good for individuals, families, businesses and society

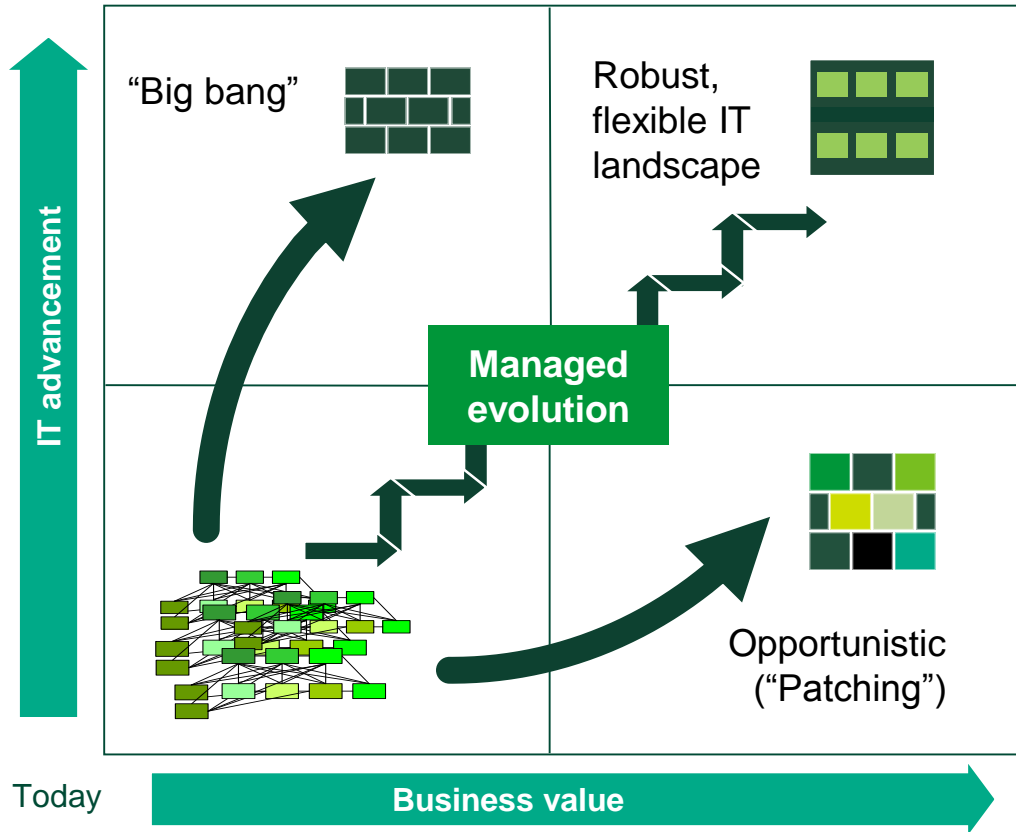
Vision: To be the most admired financial services provider in Africa by our staff, clients, shareholders, regulators and communities



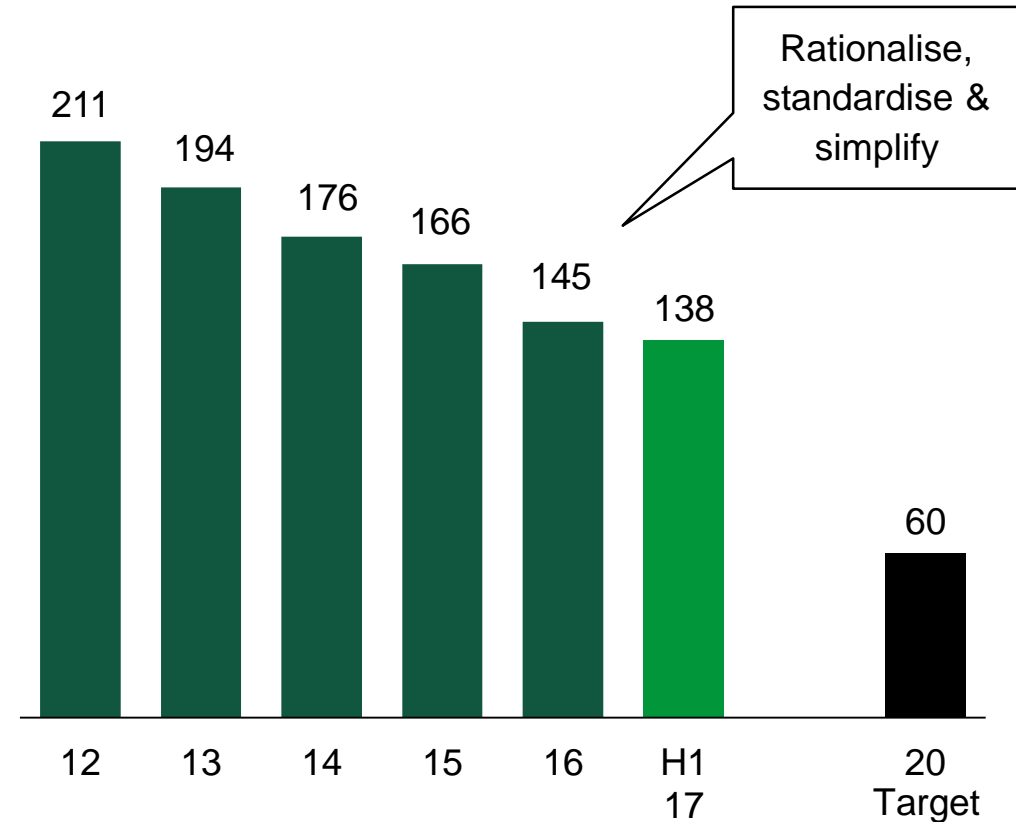
Delivering innovative market-leading client experiences – underpinned by managed evolution IT approach & complemented with a Digital Fast Lane capability



Managed evolution approach



Core systems (#)



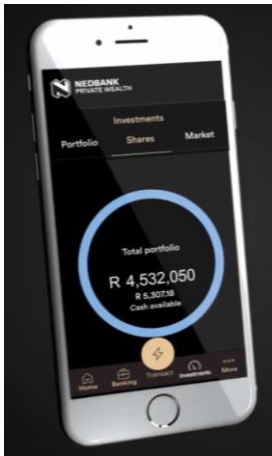
Digitising from within while ensuring we remain at the forefront of cyber resilience



Delivering innovative market-leading client experiences – enhancing client access through digital offerings

Nedbank Private Wealth App

Rated one of the best
HNW Apps globally



Best in class client experience & full financial suite of digital services

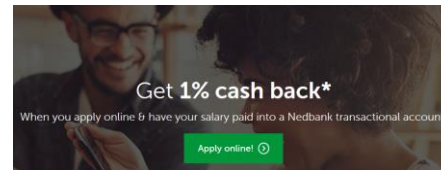
- Independently rated a top SA High-net-worth banking App & 6th best globally¹
- Launch of new Nedbank Retail Money App & Rest of Africa Banking Apps

Homeloans online process

Unique in market

Home Loan Application

You'll need about  3 minutes



End to end online HL process – leading industry turnaround time

- Quick online answer in ~3 minutes & bond quote in ~3 hours
- 11% of all applications
- Unique 1% cash back up to R15,000

NZone digital branch

Leading in digital outlets



Nedbank's first digital branch – self-service

- Launched at Gautrain Station (Oct '17)
- Technology available: Intelligent Depositor, Video Banking, Quick Chat Banking, Self Service Kiosk, Virtual Reality, Grab & Learn Wall, Facial Recognition etc

¹ Rated 6th from 34 apps globally in the Mobile Apps for Wealth Management 2017 survey



Delivering innovative market-leading client experiences – value for clients through unique CVPs

Market Edge™

Unique in market



Leveraging Big Data for client benefit

- Best Analytics product in Africa award '15
- EFMA Accenture Best Global Big Data & Analytics Product '15
- MIT best practice case study '16

Loyalty & rewards

Unique in market



Cash redemption capability

- Since launching, less than 3 years ago, 32% of Greenback members have a Shop Card
- Launching new, differentiated loyalty & rewards programme in 2018

Solar rural branches

Unique in market



Energy efficient e-banking services

- Rural community – access to cashless banking, personal loans & digital-payment solutions through Masterpass.
- Community upliftment – mobile service provider owned by the community



Delivering innovative market-leading client experiences – improved decision making & operational efficiencies

Executive EySight™

Cross sell & client servicing benefits



Real-time client & management information insight

- Insight into client cross/ up-sell opportunities
- Insight into client & business profitability

Robotics & Artificial Intelligence

First implementations delivering benefits



Process efficiencies, reduced errors & risk

- 50 software robots implemented to date – errors reduced by up to 96%
- Up to 300 software robots to be implemented in 2018

Core systems

Implementations to date



World-class, efficient core systems

- Flexcube core banking rolled out in 4 African subsidiaries
- SAP ERP implemented (Finance, procurement & HR)
- CIB trading & derivative systems implemented

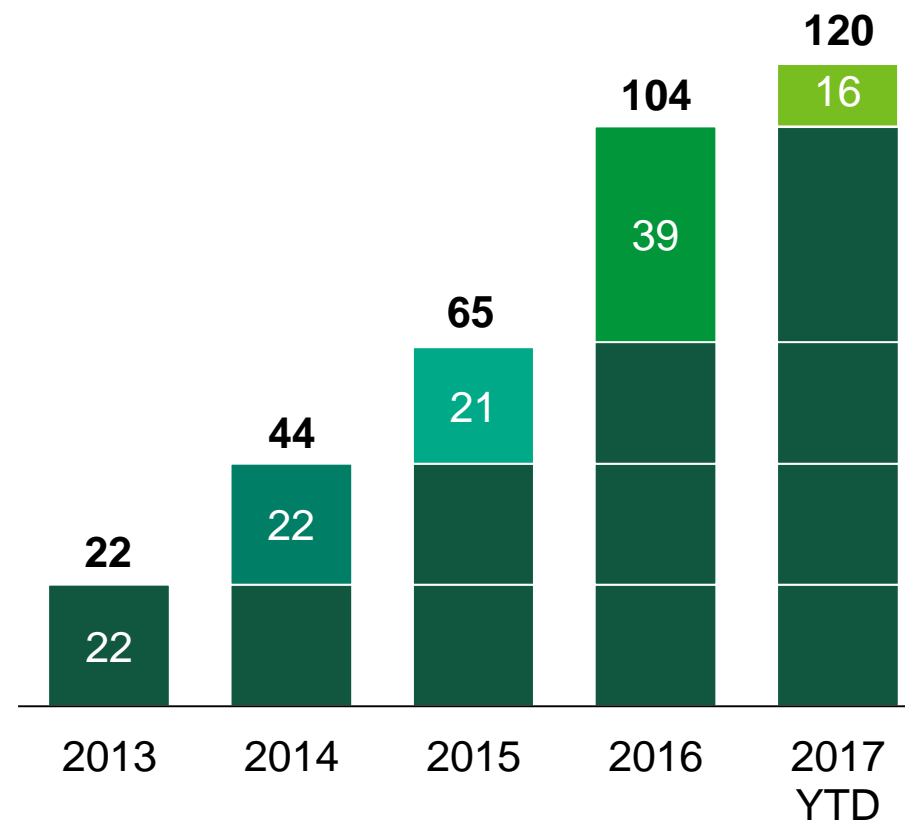


Growing our transactional banking franchise faster than the market – ongoing new primary client wins in CIB

Primary transactional account wins



Net primary client gains (#)

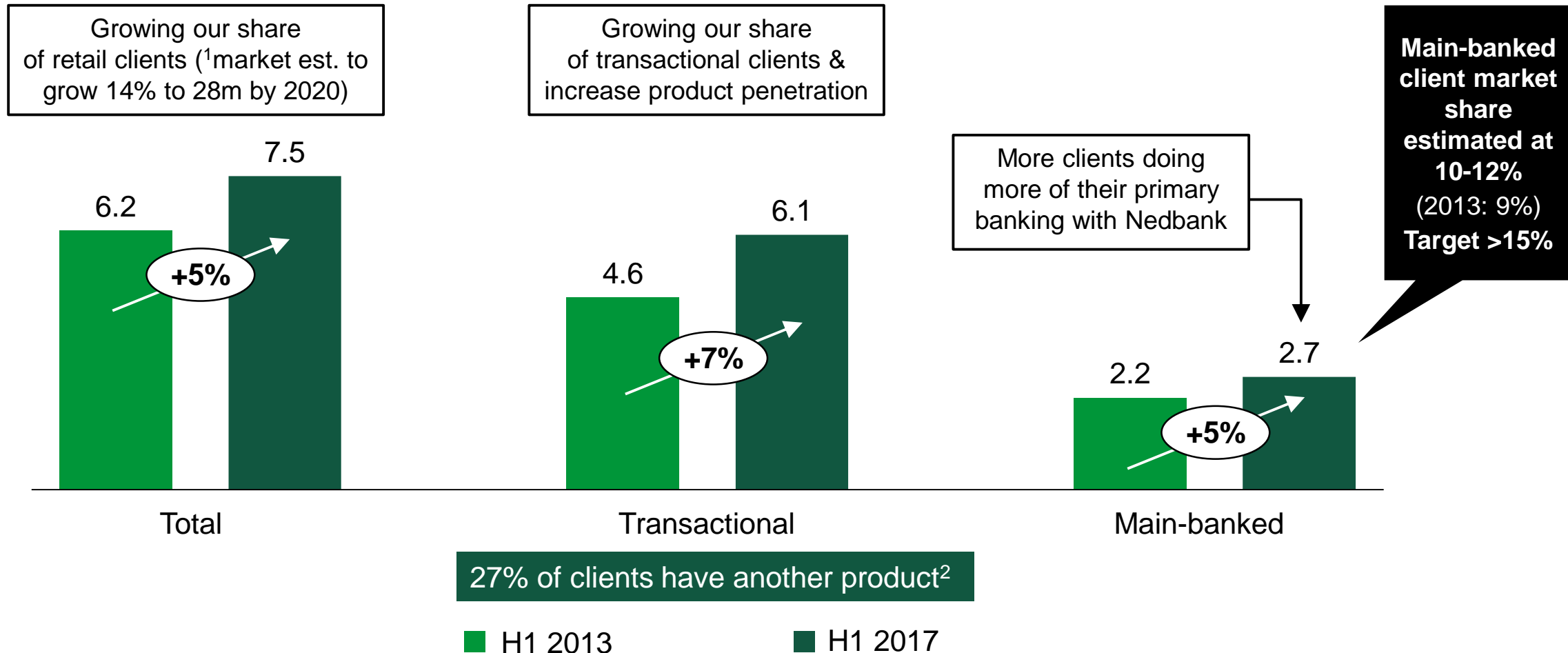


*2017 YTD as at end Sep 2017

Growing our transactional banking franchise faster than the market – growing client base with opportunities for greater cross-sell & deeper share of wallet in RBB



Retail clients (m, CAGR %)

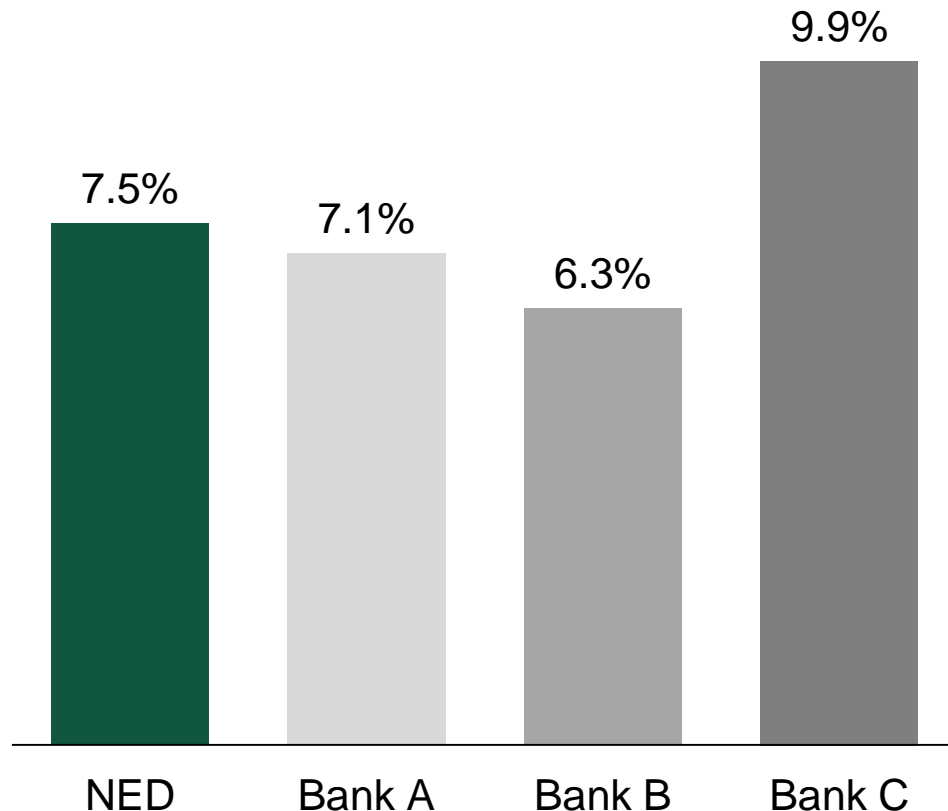


¹ Number of SA banked consumers estimated to grow from 24.6m (2015) to 28m by 2020 (clients are multi-banked). Source: AMPS | ² Excluding bancassurance products, including bancassurance: 44%



Being operationally excellent in all we do – significant investment in the franchise, while extracting efficiencies

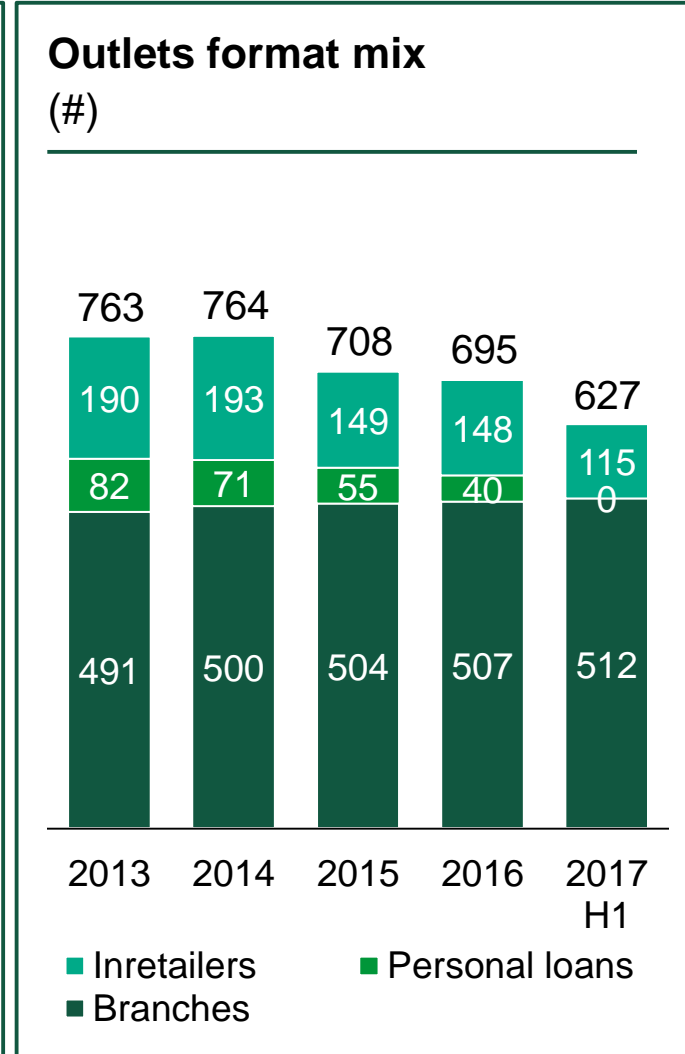
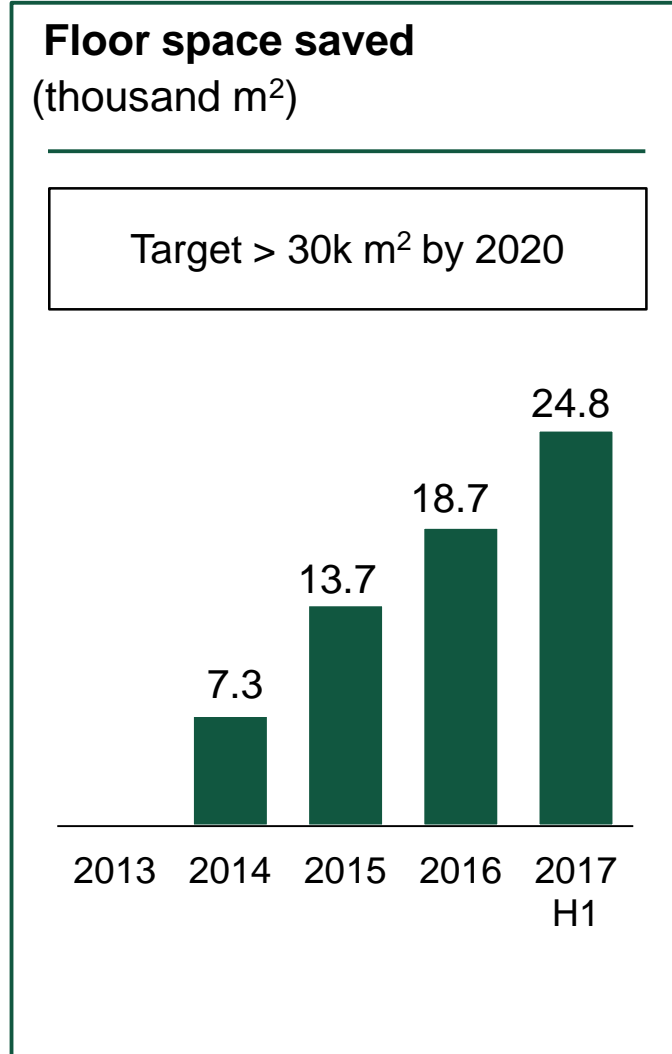
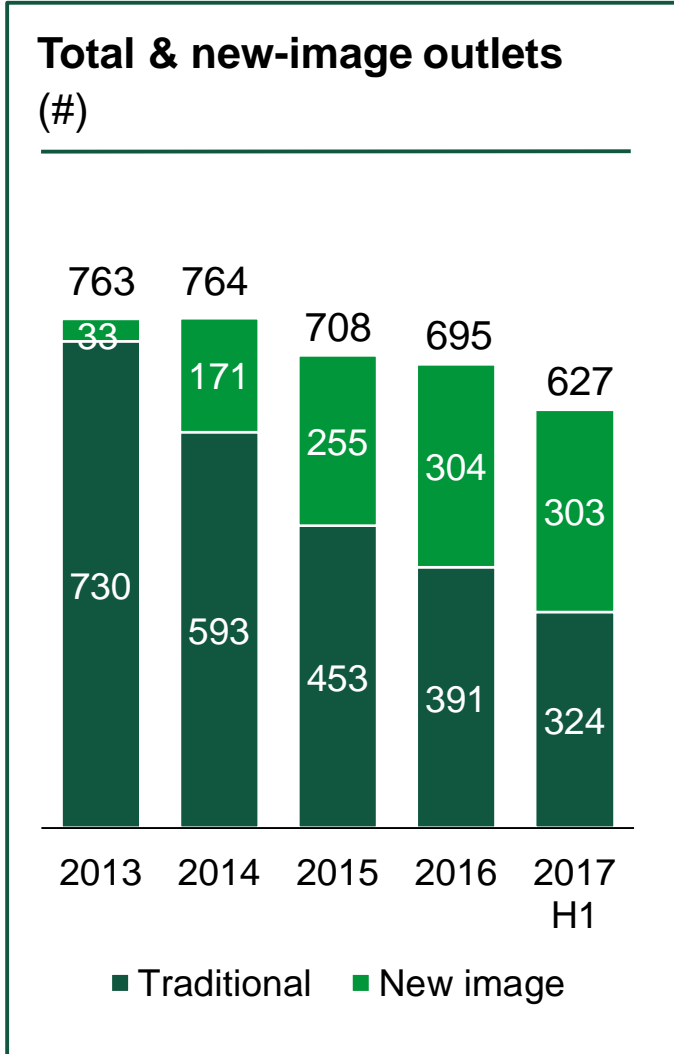
Expense growth H1 2013 – H1 2017 (CAGR %)



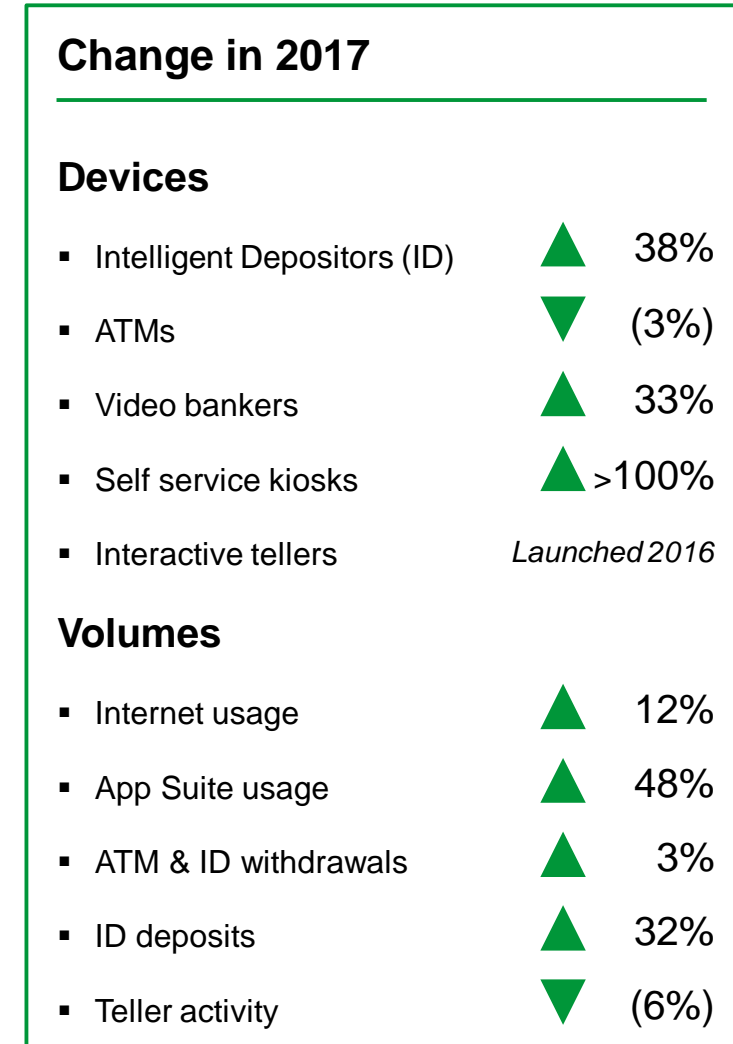
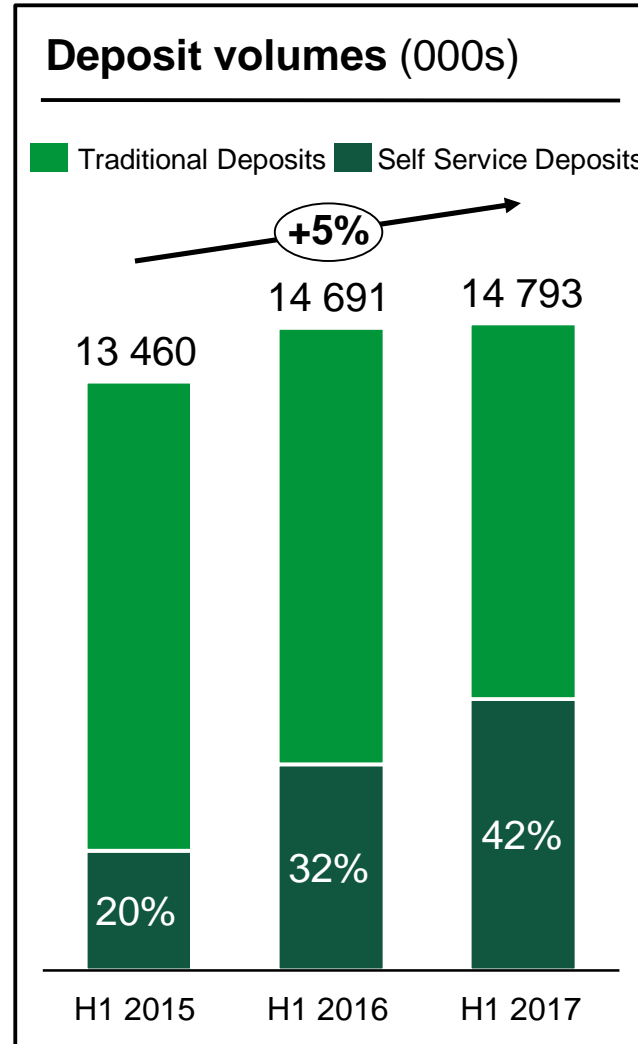
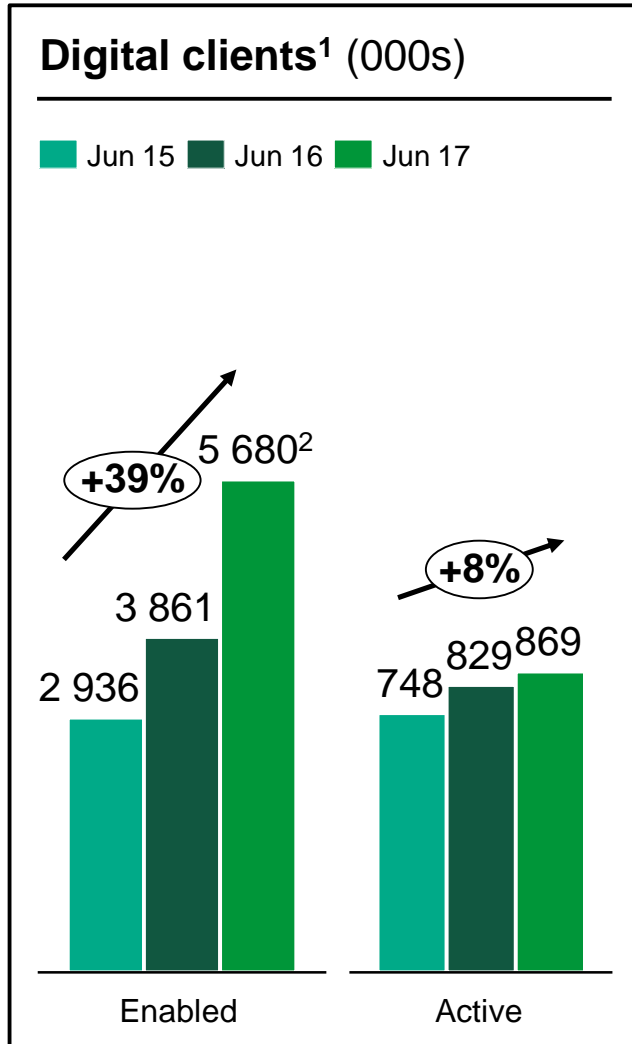
Nedbank investments (H1 2013 – H1 2017)

- ATMs +686 (+22%)
- Intelligent depositors +720
- New format branches +303
- Annual IT cashflow spend: R1.0bn to R1.7bn
- Foundation projects – Service Oriented Architecture, Customer Relationship Mgmt, Digital Experience Mgmt etc
- Digital innovations, Flexcube core banking system for ROA, SAP ERP etc
- Regulatory requirements
- Rest of Africa investment & Banco Único consolidation

Being operationally excellent in all we do – focus on optimising our footprint through digital enhancements & reduced floor space



Being operationally excellent in all we do – shifting to digital products & processes



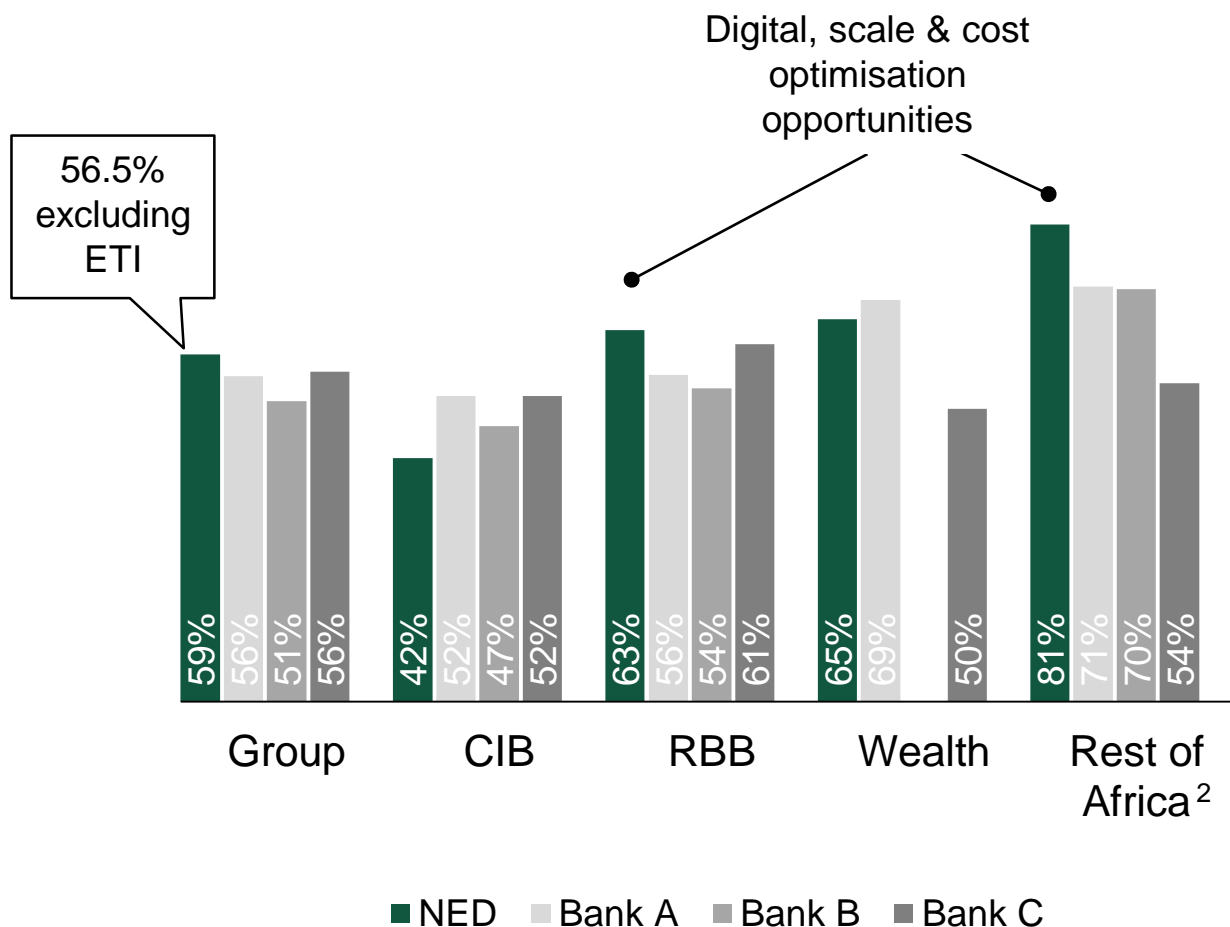
¹ Digitally enabled & active clients have been restated to include all digital channels & to allow for only last 90 days of recent activity.

² Growth largely as a result of the Digital Activation programme run in Q4 2016.



Expenses – opportunities to improve efficiency ratios in RBB & ROA as we progress towards our target of 50-53%

Efficiency ratio vs peers¹ (%)



Performance targets linked to LTIs

Strategic targets set for 31 Dec 2019:

- R1bn pre-tax Target Operating Model synergies
- 15% Retail transactional market share³ (currently estimated at 10-12%)
- 16.5% Commercial transactional deposit market share⁴ (currently 14.4%)

Key cluster C:I ambitions

- Maintain CIB at ~40%
- Improve RBB from 63% to ≤58%
- Improve Wealth from 65% (to TBC)
- Improve RoA from 81% (to TBC)

1: Group efficiency ratio including Associate income/ loss | 2: Nedbank Rest of Africa excludes impact of ETI loss | 3: Based on 2015 AMPS survey & Nedbank estimate of transactions through our acquiring network | 4: BA 900 (June 2017)

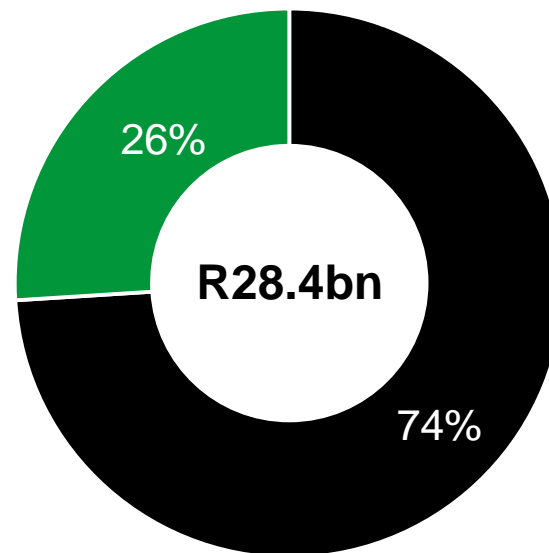


Expenses – cost optimisation in the variable & fixed expense base

Variable expenses – can be delayed or reduced

- ~10% **staff attrition** per annum
- **STI**: Linked to headline earnings & economic profit
- **LTI**: Linked to ROE, FINI 15 & strategic corporate performance targets
- **Discretionary spend**: Marketing & communication, consulting fees, travel expenses etc
- **Revenue related fees**

Flexibility of expense base (%)



■ Fixed ■ Variable

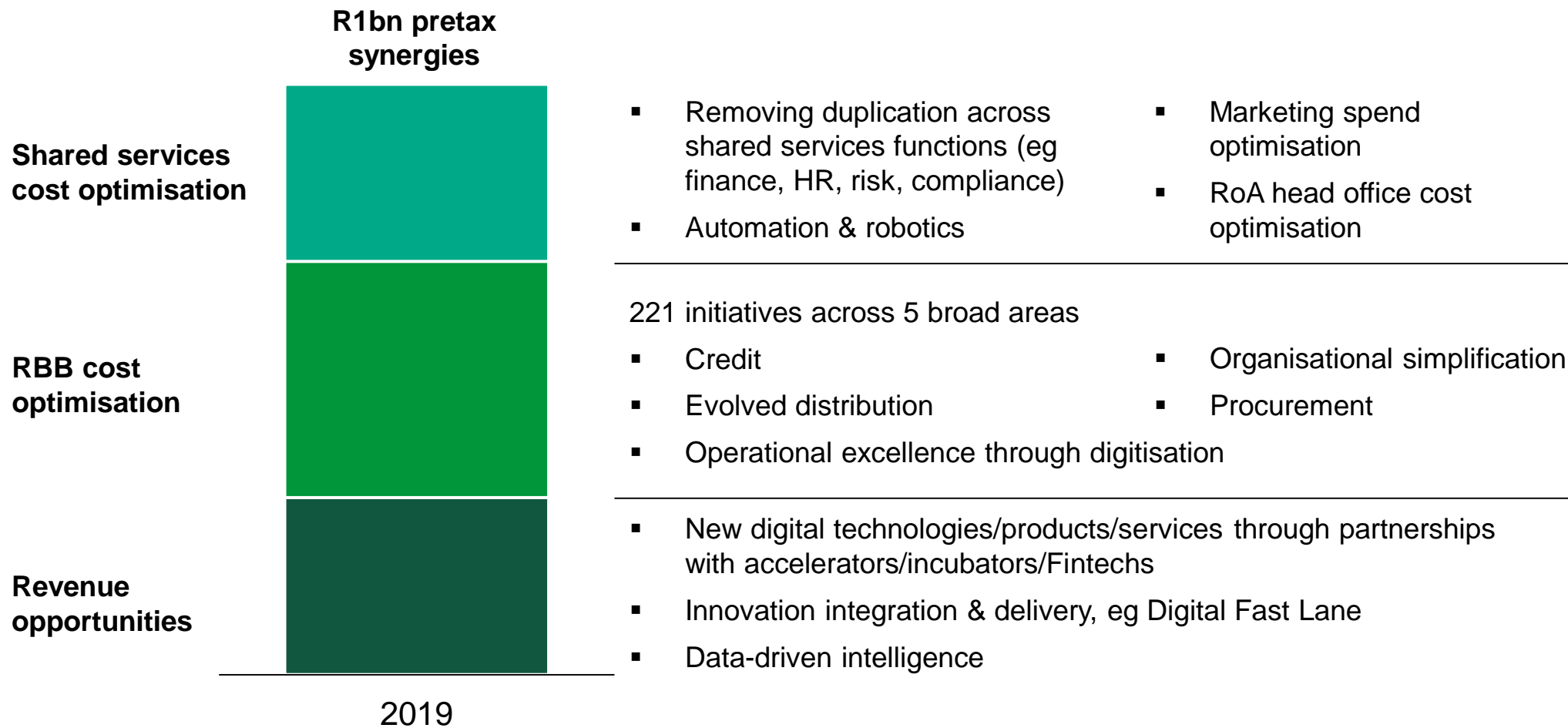
Fixed & variable expenses – structural optimisation planned

- **Target operating model**
synergies of R1bn pre-tax by 2019
- **Digitisation & integrated channels** – lower cost to serve & revenue benefits
- **Managed Evolution** IT core system replacement
- **Robotics & artificial intelligence**
- **Shared services model**, including procurement, property strategy



Expenses – RBB a key contributor to the R1bn pre-tax Target Operating Model synergies

Target operating model



Managing scarce resources to optimise economic outcomes – selective market share growth for sustained economic profit delivery



BA 900 market share (%)

Advances	Share ¹	Trends	Deposits	Share ¹	Trends
Home loans	14.5	▶	Household	19.0	▲
Vehicle finance	27.6	▲	Term	21.2	▲
Personal loans	10.9	▶	Commercial	17.1	▲
Card	14.2	▲	Wholesale	20.7	▼
Commercial property	40.1	▶	Asset managers	21.5	▼
Core commercial ²	22.1	▼	Foreign	13.6	▲

¹ BA900 – June 2017 (Compared to June 2016)

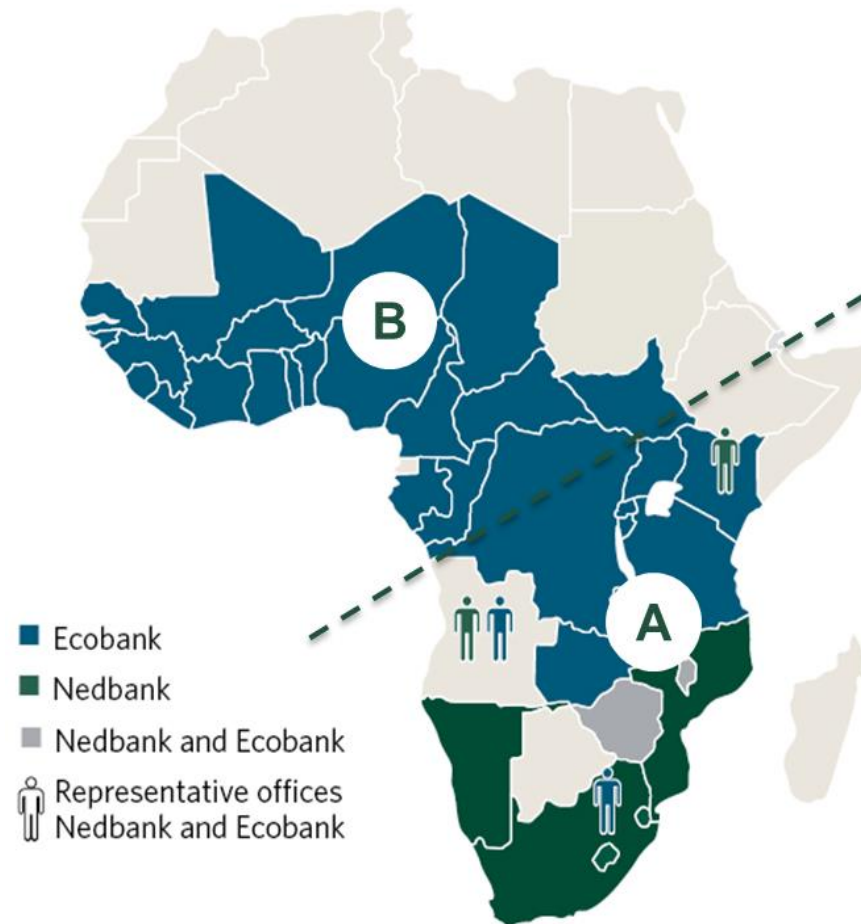
² Core corporate loans comprise commercial mortgages, corporate overdrafts, corporate credit cards, corporate instalment credit, foreign sector loans, public sector loans, preference shares, factoring accounts & other corporate loans (other loans and advances excluding household personal loans).

Providing our clients access to the best financial services network in Africa – two pronged strategy



Seamless banking experience across 39 countries

Central & West Africa
– alliance approach to access new markets (c20% strategic investment in ETI)



SADC & East Africa – own, manage & control banks (6 countries & 2 representative offices)

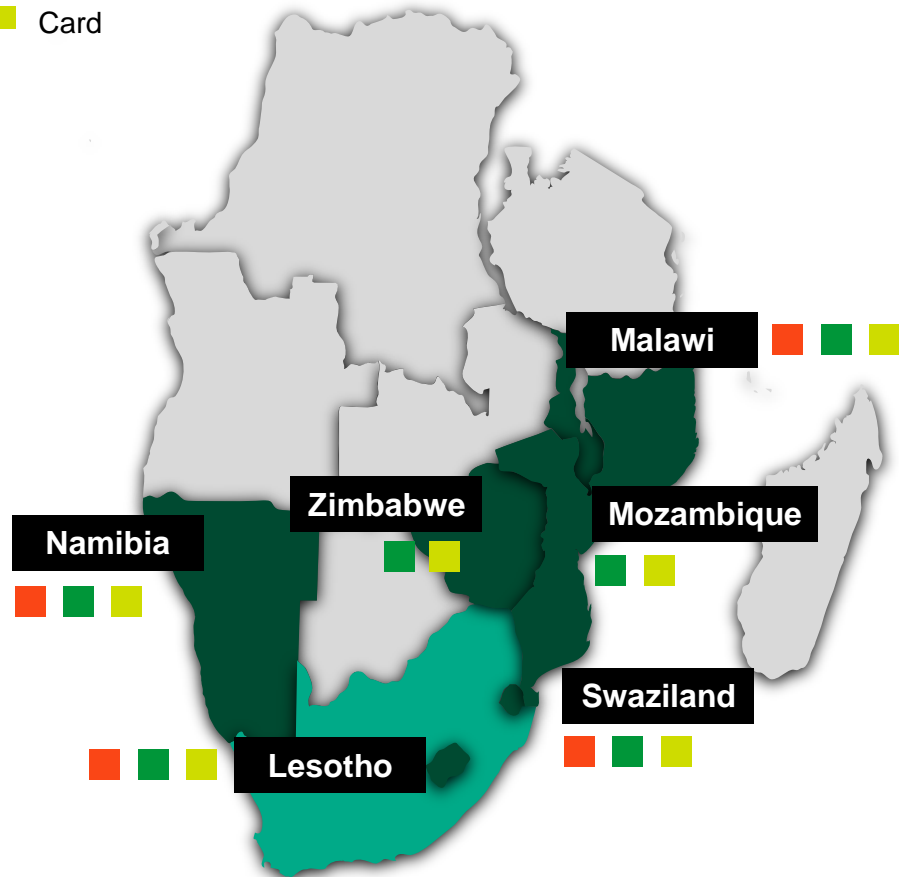
Providing our clients access to the best financial services network in Africa – investing & building scale in SADC



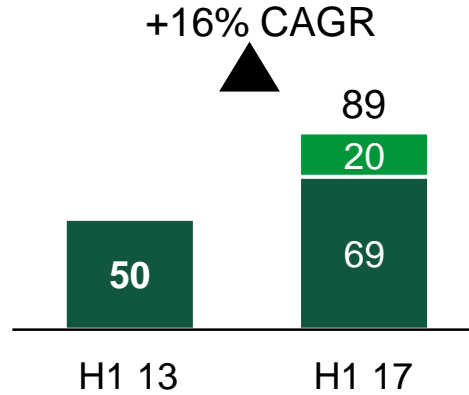
Core system & product rollout

Rolled out to date

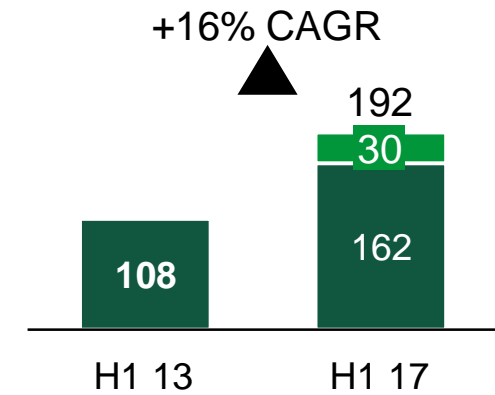
- Flexcube/Core banking system
- Mobile
- Card



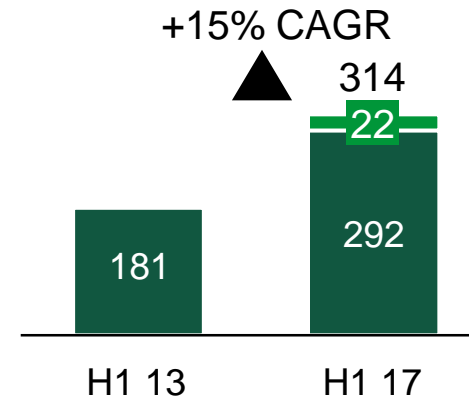
Branches (#)



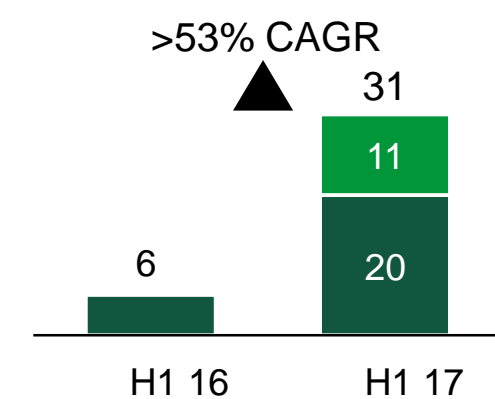
ATMs (#)



Clients (# 000)



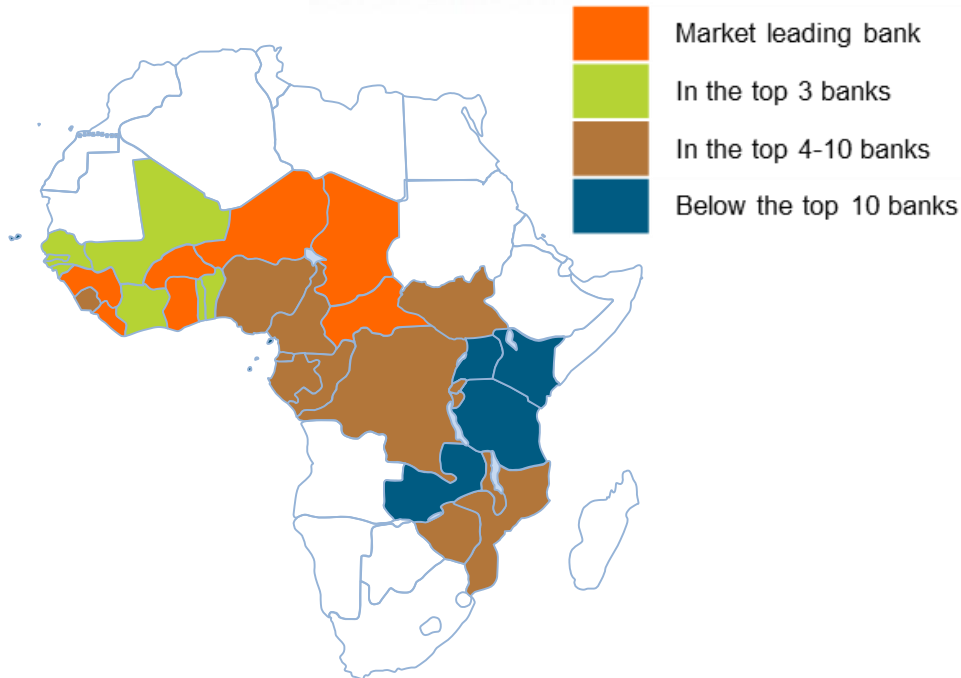
Digital activation (# 000)



Note: Banco Único operates on its own new core banking system.

■ Banco Único ■ Other Subsidiaries

Providing our clients access to the best financial services network in Africa – ETI an important strategic investment



- Distinct market leader in 7 countries
- #2 or #3 position in another 7 countries

Strategic rationale

Benefits from strategic relationship

- Nedbank wholesale client access to key markets & 84 transactional banking with ETI
- Commercial relationship – opportunity for cross-border transactions & building a deal pipeline in Africa

Unlock financial return on investment

- ETI target ROE > COE | Price : book > 1
- Audited H1 '17 results reflect recovery underway
- Progress on transactional banking initiatives, operational efficiencies & risk management
- Strengthened governance & shareholder representation
- Share price up 65% YTD as sentiment improves

c20% shareholding underpins strategic relationship, without attracting undue regulatory costs



ETI strategic investment – turning the tide

- **Challenging but improving environment**

- Economic conditions in West Africa recovering & foreign currency liquidity in Nigeria improving

- **ETI board-led strategic turnaround underway**

- \$400m convertible bond approved by shareholders & fully subscribed
- Funding of resolution vehicle for legacy assets in Nigeria & restructuring of the profile of maturing debt obligations
- Strategic turnaround: Competitor dynamics & regulatory shifts | Digitisation to drive client experience & operational efficiencies | Enhanced risk & compliance culture

- **Nedbank a supportive & engaged shareholder**

- Good progress in strengthening governance & shareholder representation on the ETI board
- Brian Kennedy (CIB) joins Mfundo Nkuhlu (nominated Chair: Risk Committee) on ETI board¹

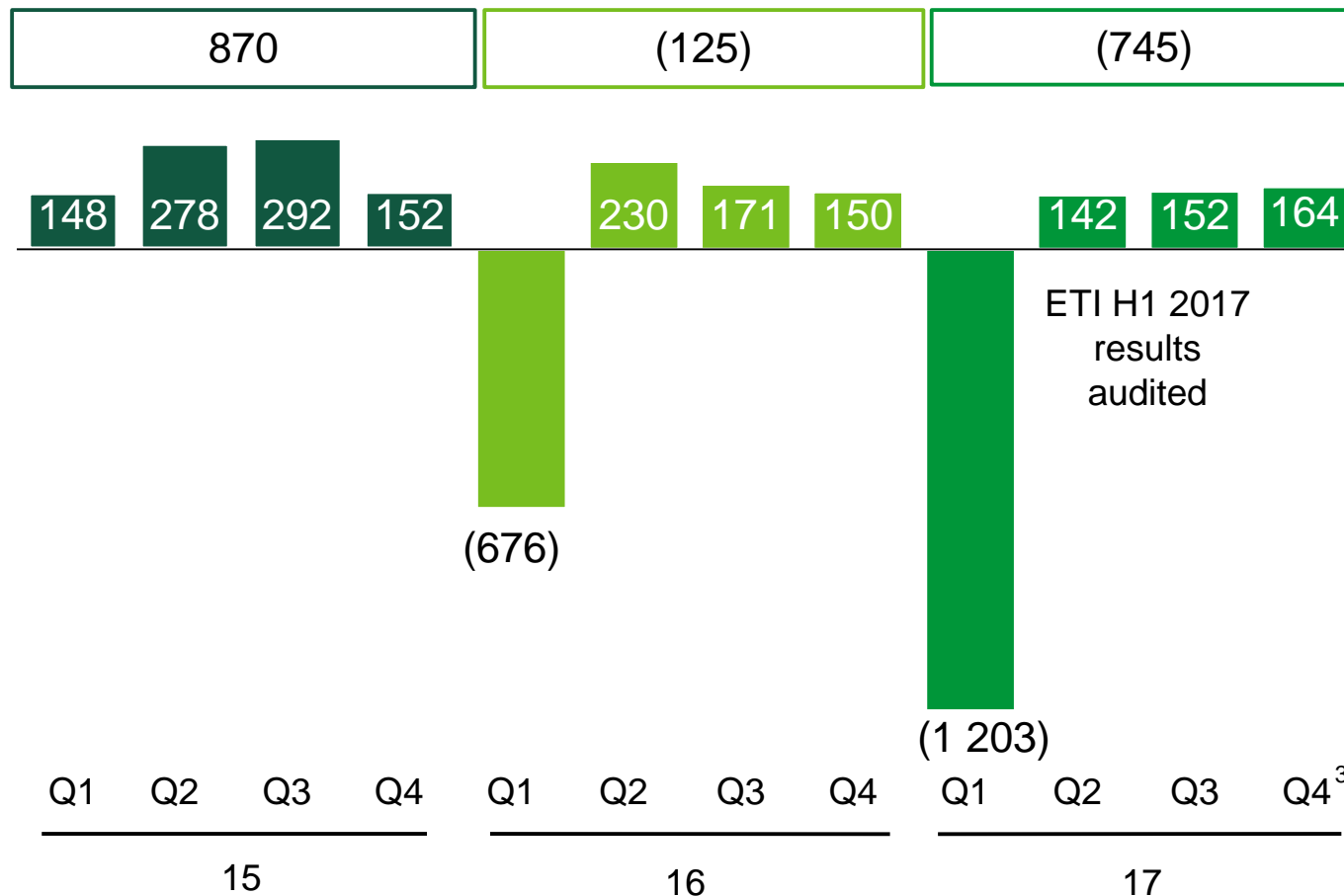
For the full year, Rest of Africa is expected to show a significant improvement in H2 2017 compared to H1 2017 (reducing the effect of the Q4 2016 ETI associate loss)

¹ Subject to regulatory approval



Associate income – ETI performance reflective of tough but improving environment, particularly in Nigeria

Associate income from ETI¹ (Rm)



ETI medium-to-long term guidance²

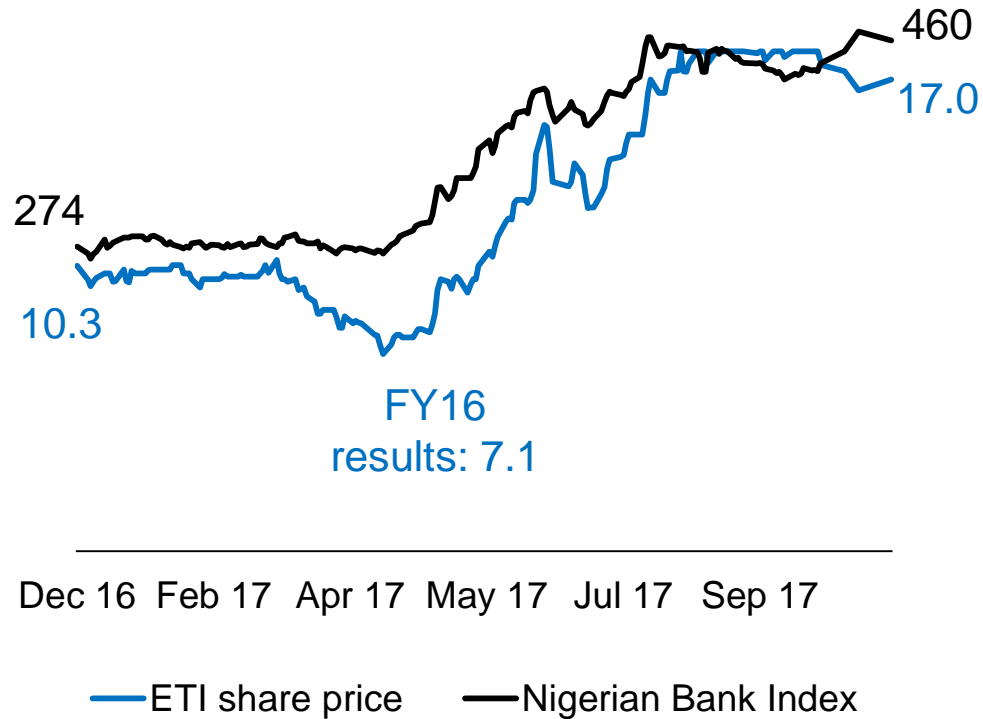
- ROTE target: COE + 5% (H1 2017: 15.3%)
- Efficiency ratio: 50-55% (H1 2017: 60.6%)

¹ ETI accounted for one quarter in arrear | ² Source: ETI disclosures. ETI estimate their COE at ~17% | ³ Estimate based on ETI Q3 2017 & average Q4 2017 Rand / US\$ of 13.58

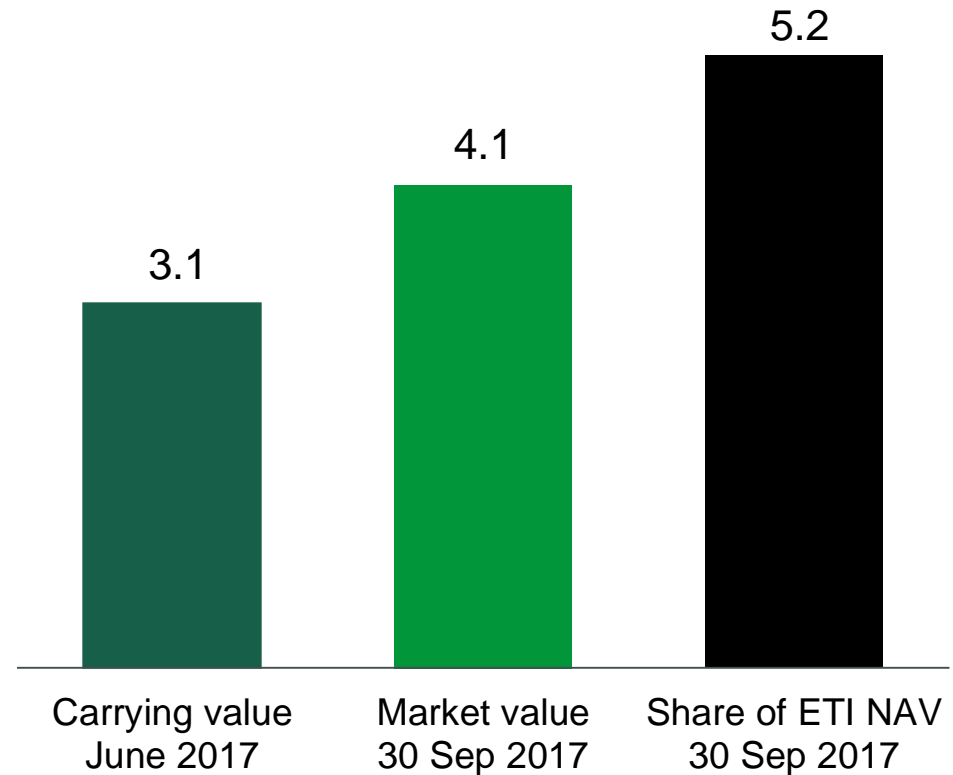


ETI – Nigerian market showing signs of recovery & ETI successfully secured \$400m of convertible funding. While short-term outlook remains uncertain, the longer-term potential remains

ETI share price vs Nigerian bank index



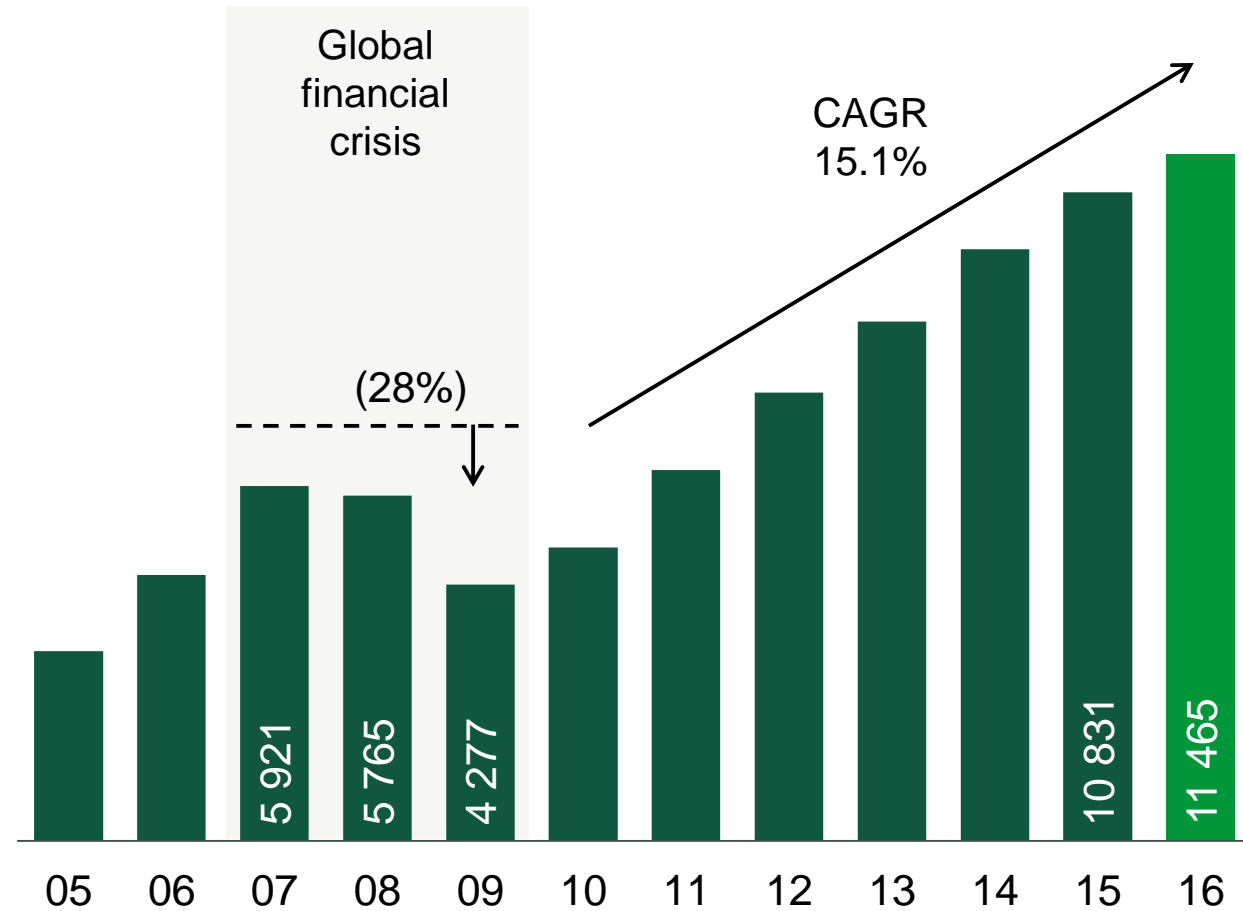
Carrying value & market value (Rbn)



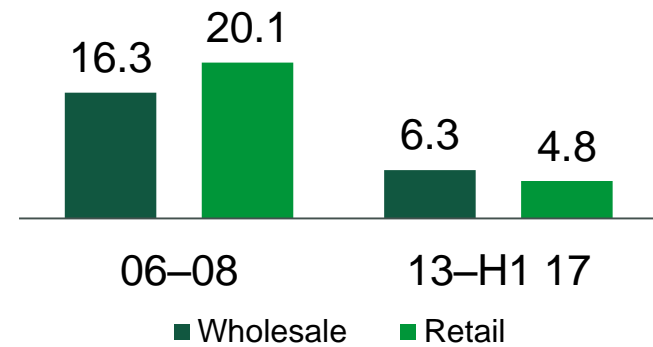


A strong base to weather a challenging environment

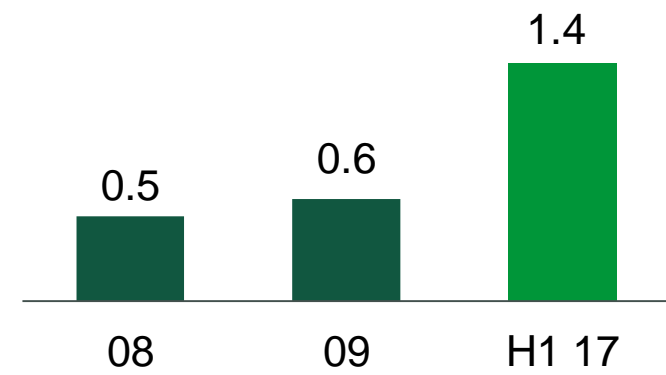
Headline earnings (Rm)



Loan growth (CAGR %)



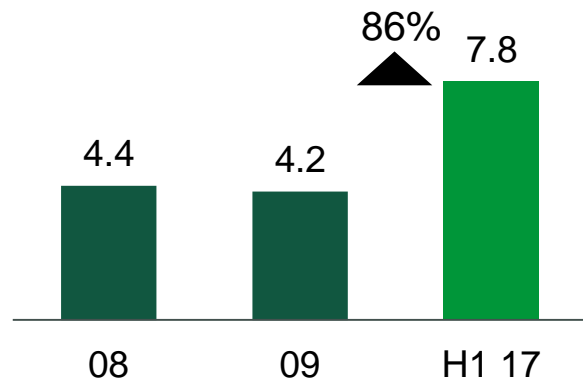
Endowment benefit for 1% change in interest rates (12-months) (Rbn)



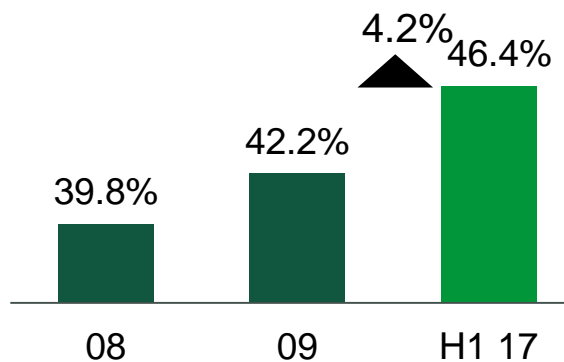


A strong base to weather a challenging environment

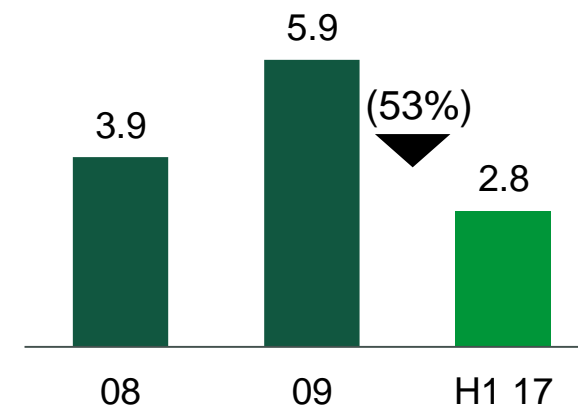
Number of clients (m)



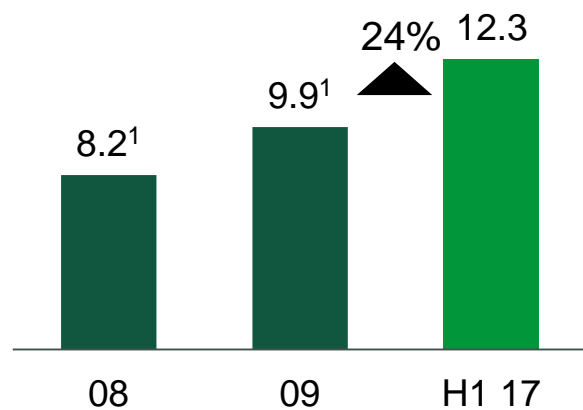
NIR income contribution (%)



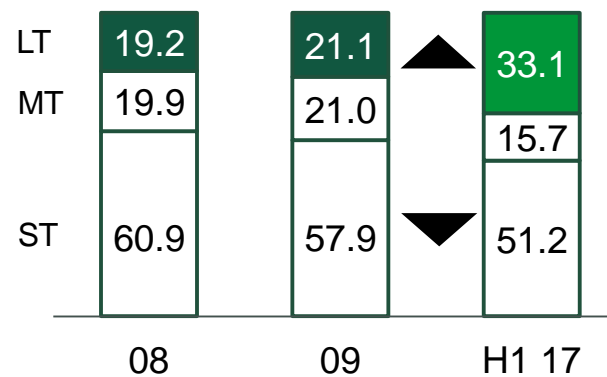
Defaulted advances (%)



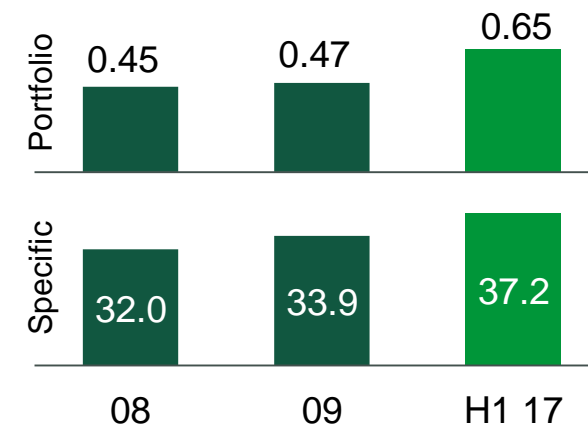
CET1 ratio (%)



Funding tenor (%)



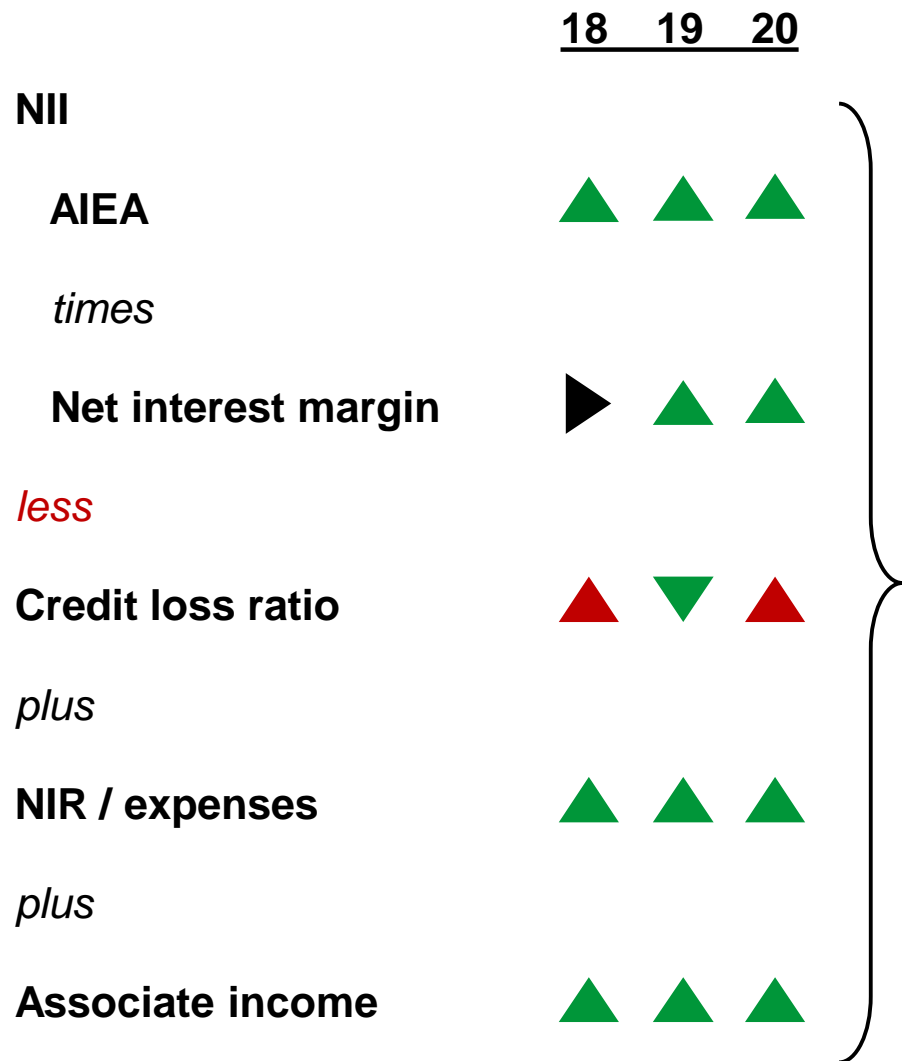
Coverage (%)



1 Core equity tier 1.



The key drivers¹ to meet our key medium to long-term targets



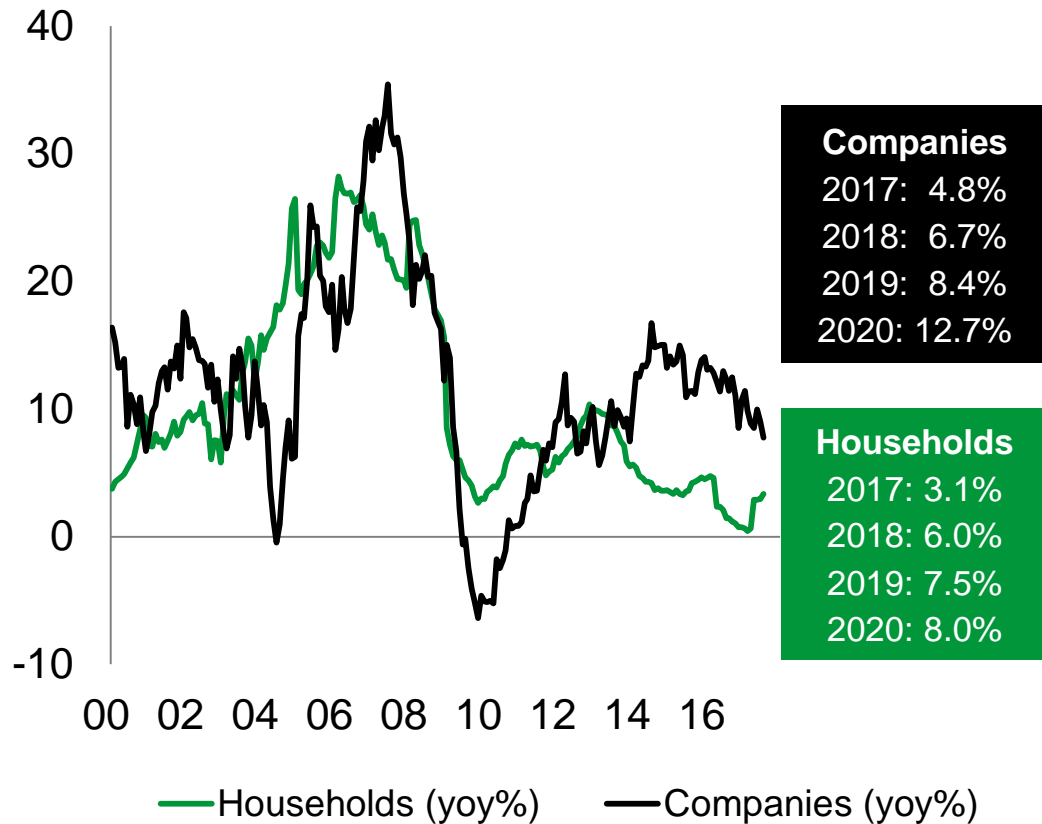
Metric	June 2017	MLT target	Future trajectory
ROE (excl goodwill)	15.1%	5% above COE	▲
Diluted HEPS growth	(3.7%) +5,9% excl ETI	≥ CPI + GDP +5%	▲
Efficiency Ratio	59.3%	50 – 53%	▼
CET 1 ratio	12.3%	10.5 – 12.5%	▶
Dividend cover	1.80x	1.75 – 2.25 times	Remain in range

¹ Indicators are not financial forecasts, but indicative trends based on current economic forecasts | The financial information on which the drivers are based have not been reviewed and reported on by Nedbank's external auditors



Net interest income – driven by improving advances growth, endowment, asset pricing & funding costs

Industry credit growth (%)



Net interest margin drivers

	2017	2018	2019	2020
Endowment	▲	▼	▲	▲
Asset mix	▲	◄	◄	◄
Asset pricing	▼	▲	▲	◄
Liability mix	◄	◄	◄	◄
Liability pricing	◄	▼	▼	▼
Basel 3 funding	◄	▲	◄	◄
Total	▲	◄	▲	▲
Local currency downgrade funding impact ¹	▼	▼	◄	◄

¹ Local currency sovereign credit rating downgrade is not currently the base case for Nedbank Group forecasts. Grey arrows indicate small relative changes year on year. All based on current economic outlook.



Net interest margin – impact of sovereign-credit-ratings downgrades on funding costs not material

Funding sources	Funding base mix	Foreign currency downgrade (what we expected ¹)	Foreign currency downgrade (what actually happened ²)	Local currency downgrade (what we expect ³)
		Mild stress	Mild stress	High stress
Households	20%	Limited impact – closed domestic market	Limited impact – closed domestic market	Limited impact – closed domestic market
Commercial	25%	Limited impact – closed domestic market	Limited impact – closed domestic market	Cost of new term funding: + 5 bps
Wholesale	40%	Reprice marginally	Cost of new term funding: + 5–8 bps	Cost of new term funding: + 10 bps
Capital markets	8%	Reprice on new issuances	Down 25–35 bps (having overshoot events of Nenegate)	Cost of new capital markets funding: + 25 bps
Foreign – asset matched	6%	Matched to US\$ lending – no material impact	Matched to US\$ lending – no material impact	Matched to US\$ lending – no material impact
Foreign – general funding pool	1%	Reprice on contractual repricing date	Cost of new foreign funding: + 15–25 bps (1 year)	Cost of new foreign funding: + 25–50 bps (1 year)
Volume-weighted total	100%		circa 0 bps	circa +5 bps

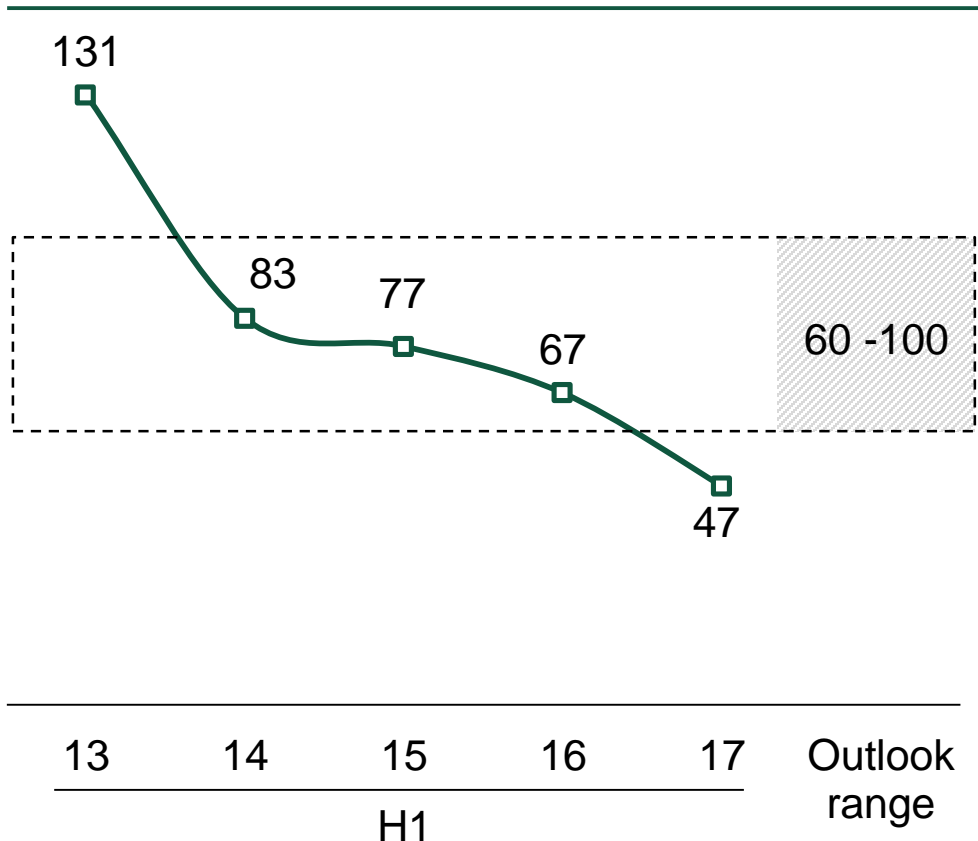
Total funding (deposits + long-term debt) at 30 June 2017: R819bn.

¹ From Dec 2016 year-end presentation | ² Post sovereign-credit-ratings downgrades in April 2017 (S&P & Fitch to subinvestment grade) | Volume-weighted increase would have been an additional +4 bps if capital markets increased by + 25 bps | ³ Downgrade to subinvestment grade by Moody's and S&P (impact over & above initial foreign currency downgrade). Overall impact remains immaterial at + 5 bps for scenarios.

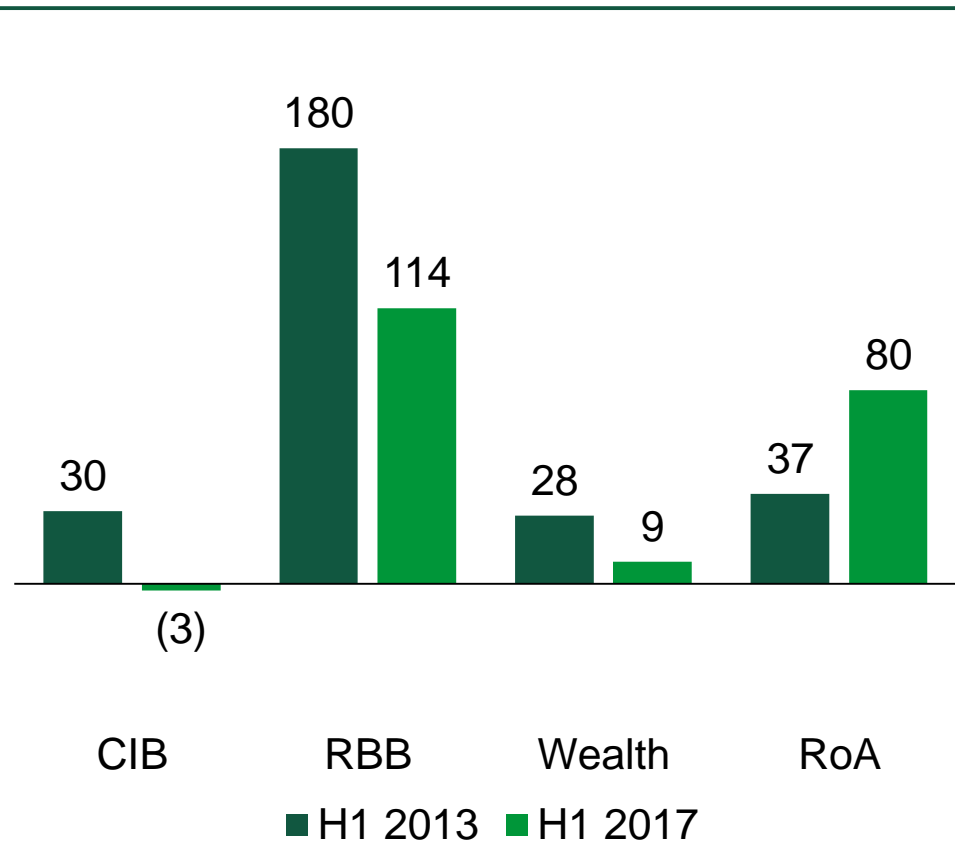


Credit loss ratio – underpinned by a quality portfolio across all clusters

Group CLR¹ (bps)



Cluster CLR (bps)



¹ Nedbank through-the-cycle target range: 60–100 bps. Future outlook includes IFRS 9 increases, while Day One (1 Jan 2018) impact on CET1 is expected to be immaterial

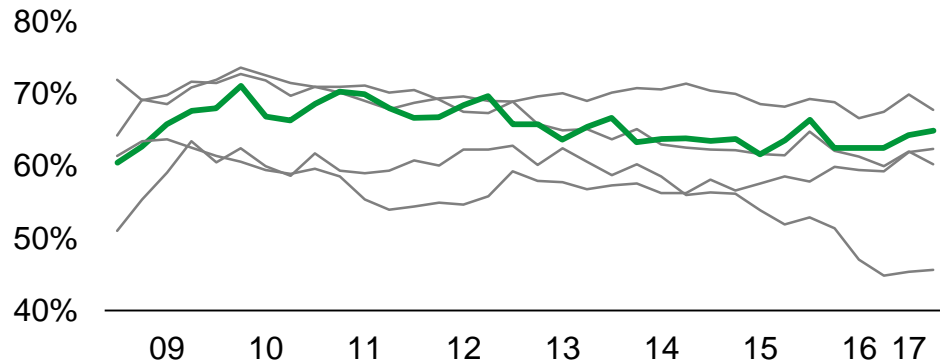
Banking advances



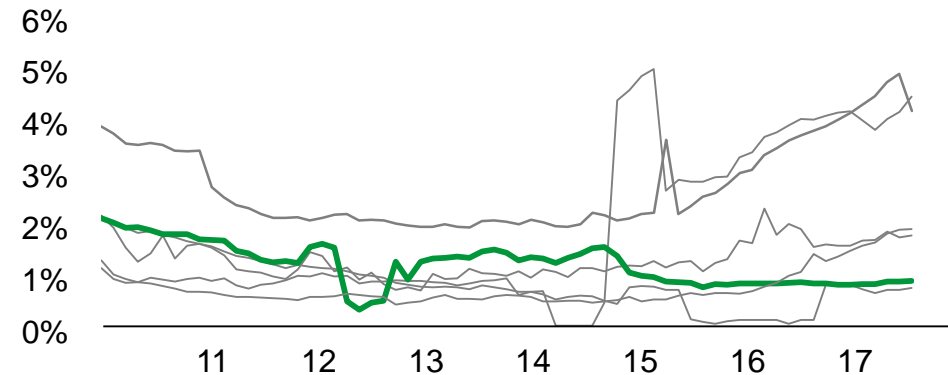


CLR – good asset quality & low risk retail book

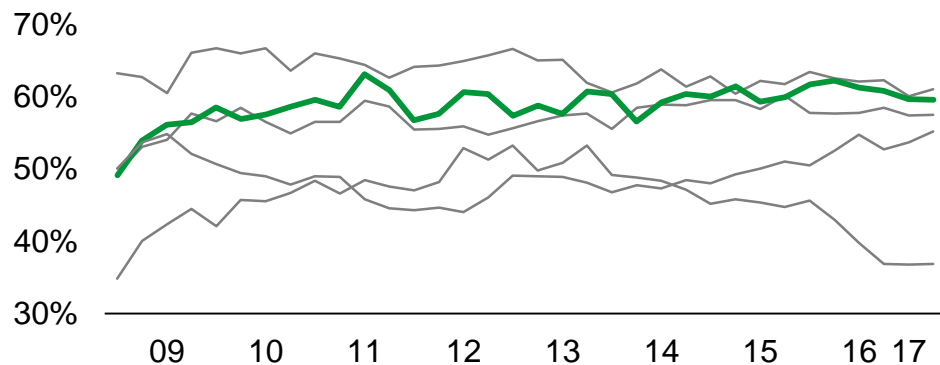
HL new business – low-risk clients proportion¹ (%)



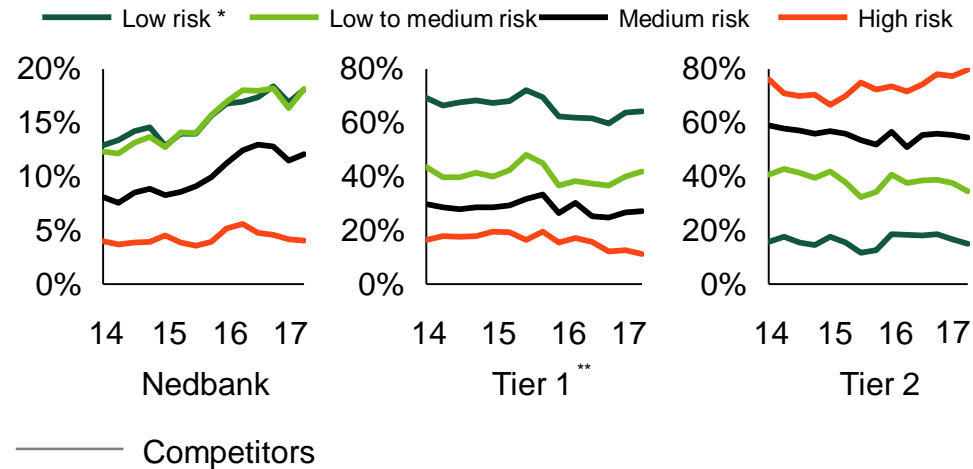
Vehicle finance 3- months+ arrears benchmarking³



HL new business – low-risk properties proportion² (%)



PL market share of new business by risk band⁴ (%)



¹ Source: Experian Delphi Score.

² Source: Lightstone Risk Quality Grade.

* Low risk (Bureau score >= 658); low-medium risk (Bureau score 644-657); medium risk (Bureau score 626-643); high risk (Bureau score <= 625).

** Tier 1 refers to big 4 banks, excluding Nedbank, while Tier 2 refers to remaining material providers of unsecured personal loans.

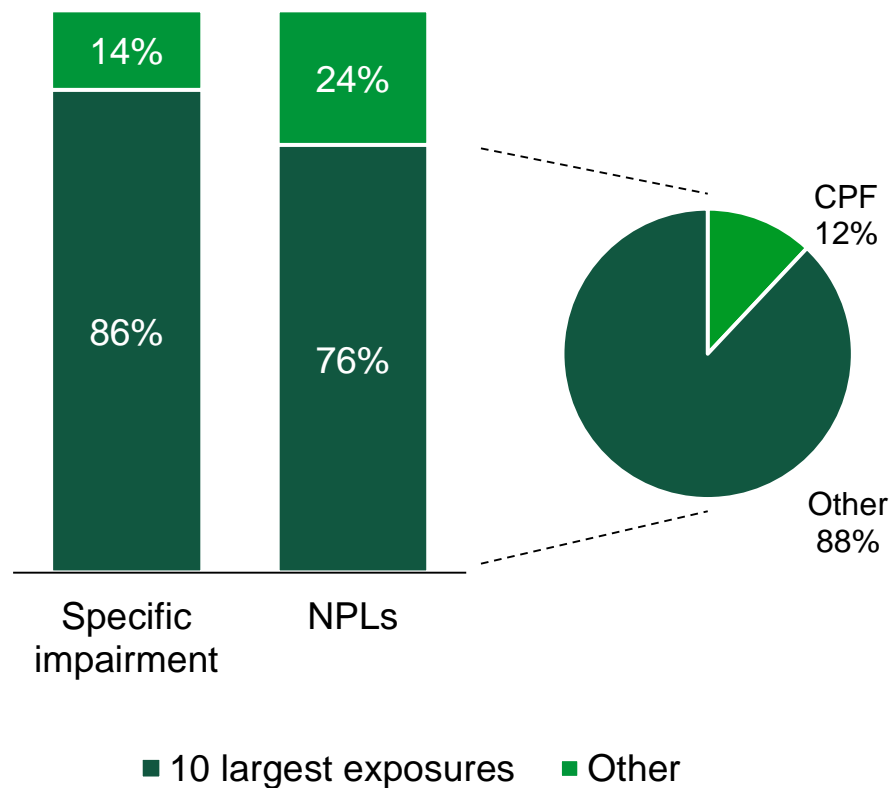
³ Source: TransUnion.

⁴ Source: Experian.

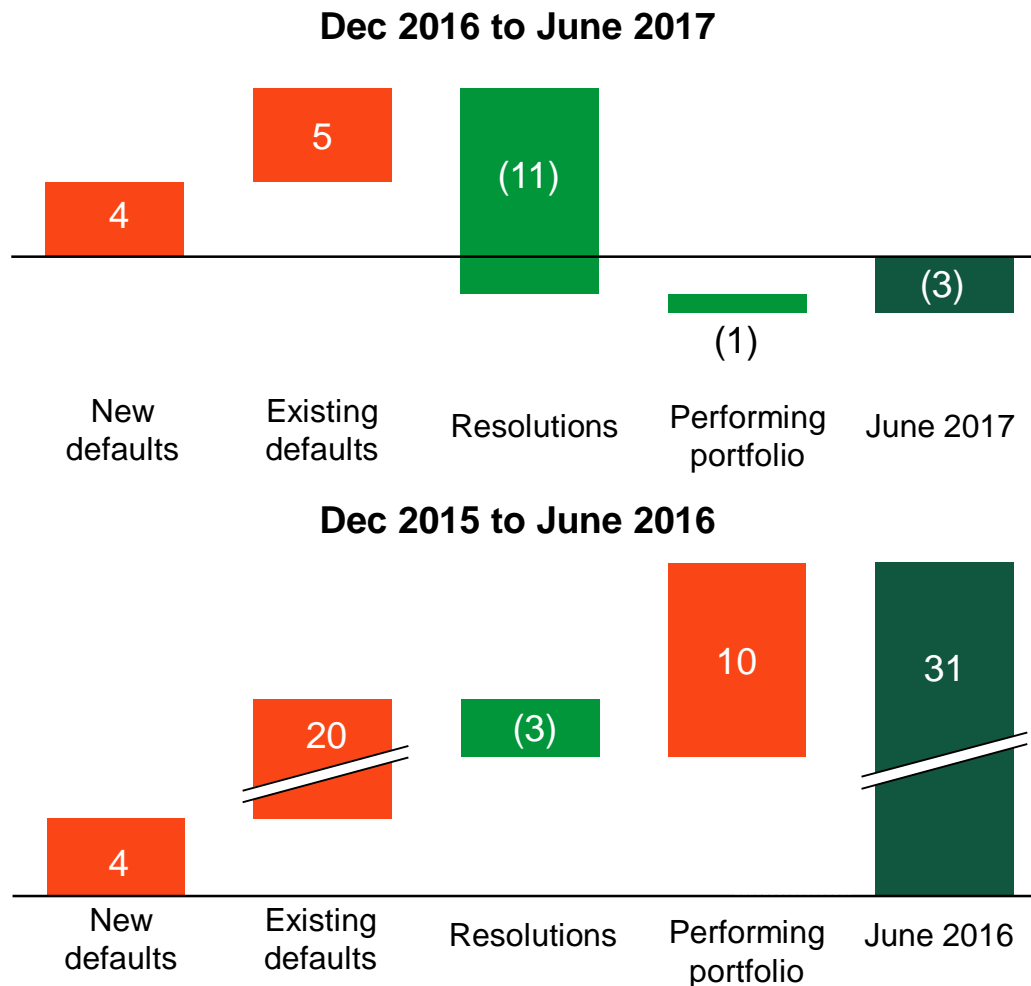


CLR – CIB CLR improvement underpinned by resolution of stressed counters & resultant provision reversals

Top 10 client contribution (%)



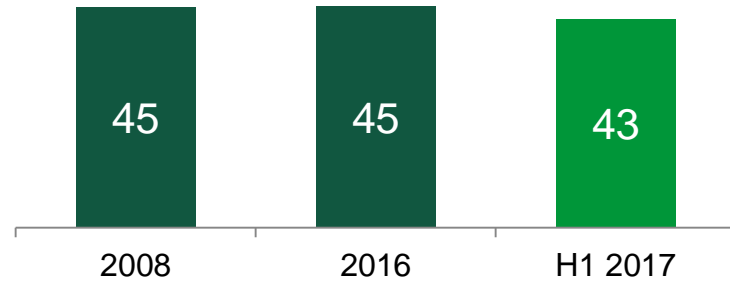
CLR driven by large recoveries & underpinned by quality book (bps)





CLR – quality commercial property book

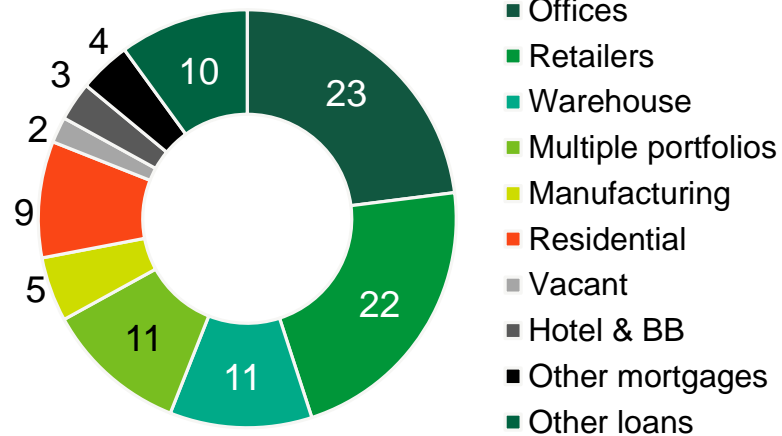
Low average loan-to-value (LTV) (%)



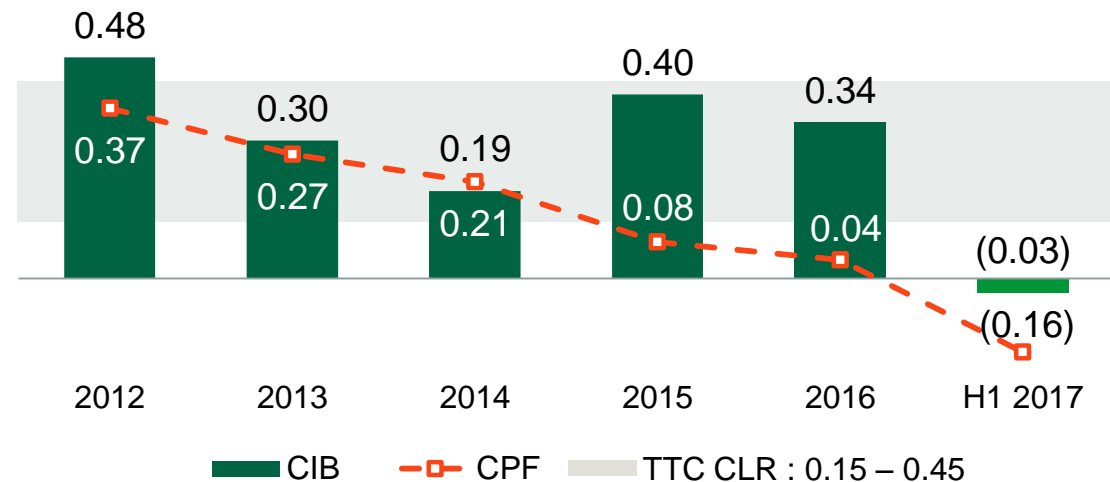
Key drivers

- Strong client base supported by an experienced team
- Lending access to existing collateral pools
- LTVs consistently < 50%
- Vacant land < 3% & Residential < 10% of portfolio
- Retail centre development at least 70% pre-let

Diversified book by property type (%)



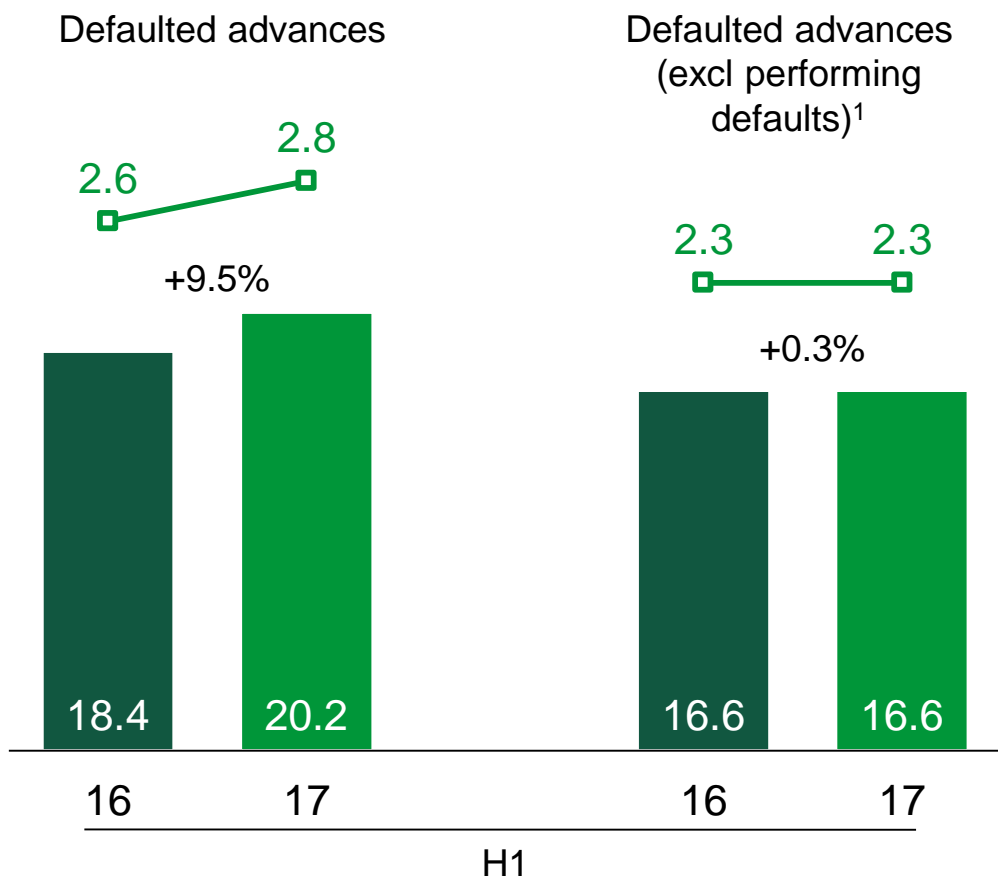
CLR (%)





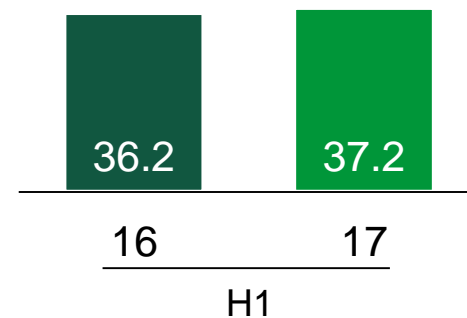
Defaulted advances – maintained prudent levels of coverage & overlays

Defaulted advances (Rbn, %)

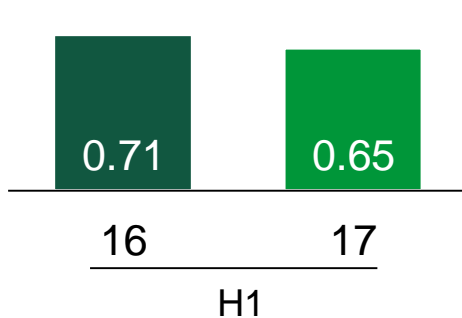


■ Defaulted advances □ Defaulted advances as % of book

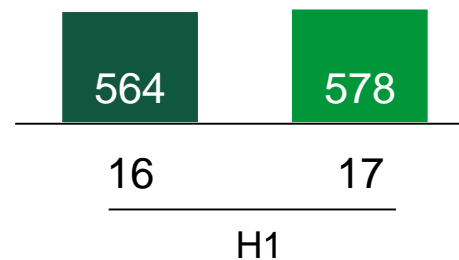
Specific coverage (%)



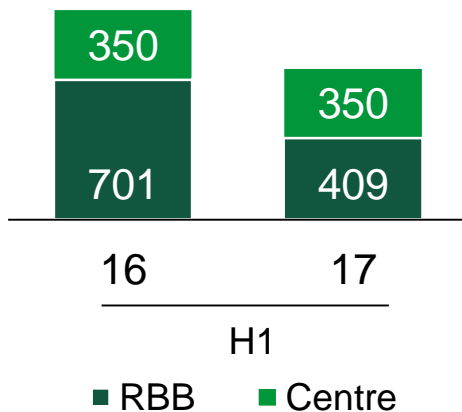
Portfolio coverage (%)



Postwriteoff recoveries (Rm)



Overlays & central provision (Rm)

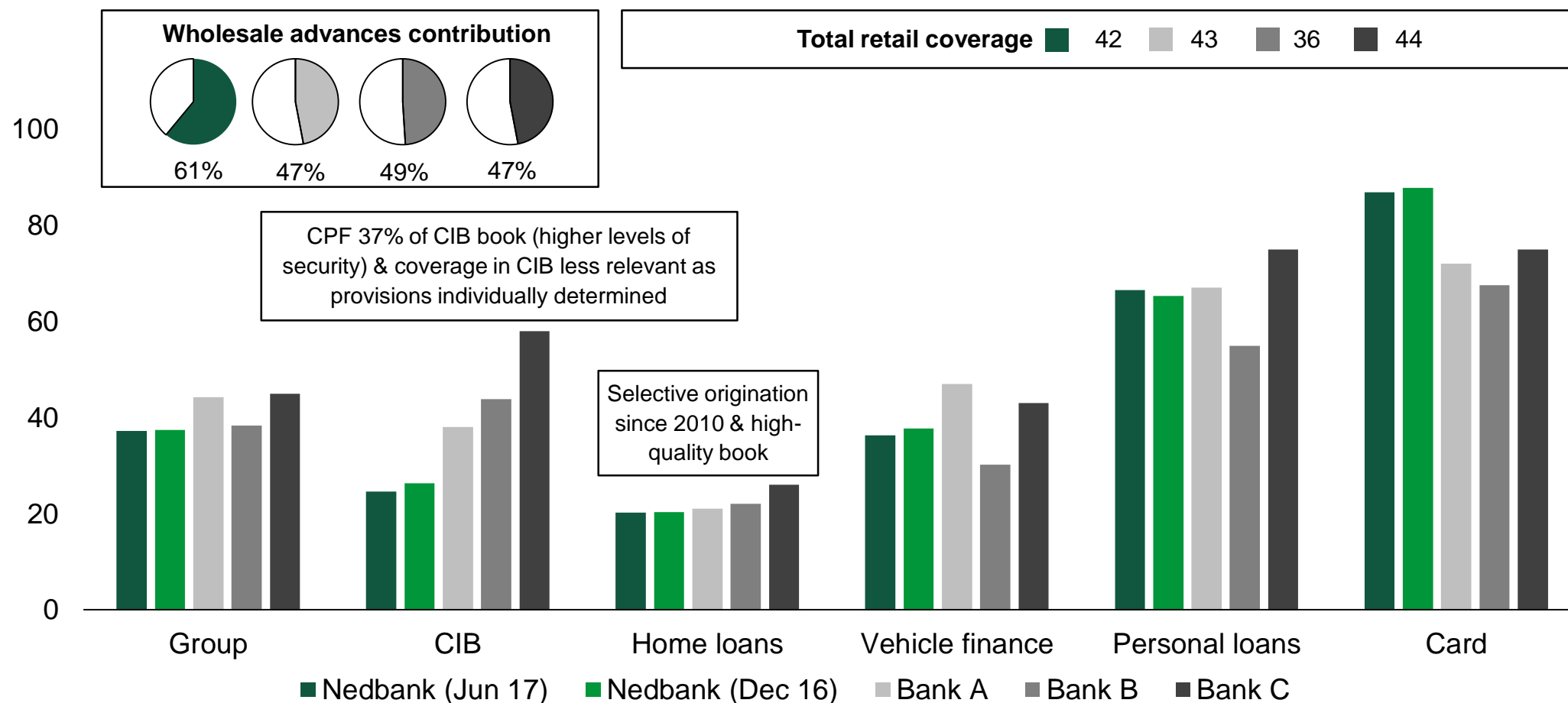


¹ Defaulted advances, excluding performing defaults, is defined as Retail advances held in default due to regulatory requirements but are otherwise performing.



Specific coverage – reflecting wholesale & retail asset mix profile

Big 4 banks' specific coverage ratios¹ (%)

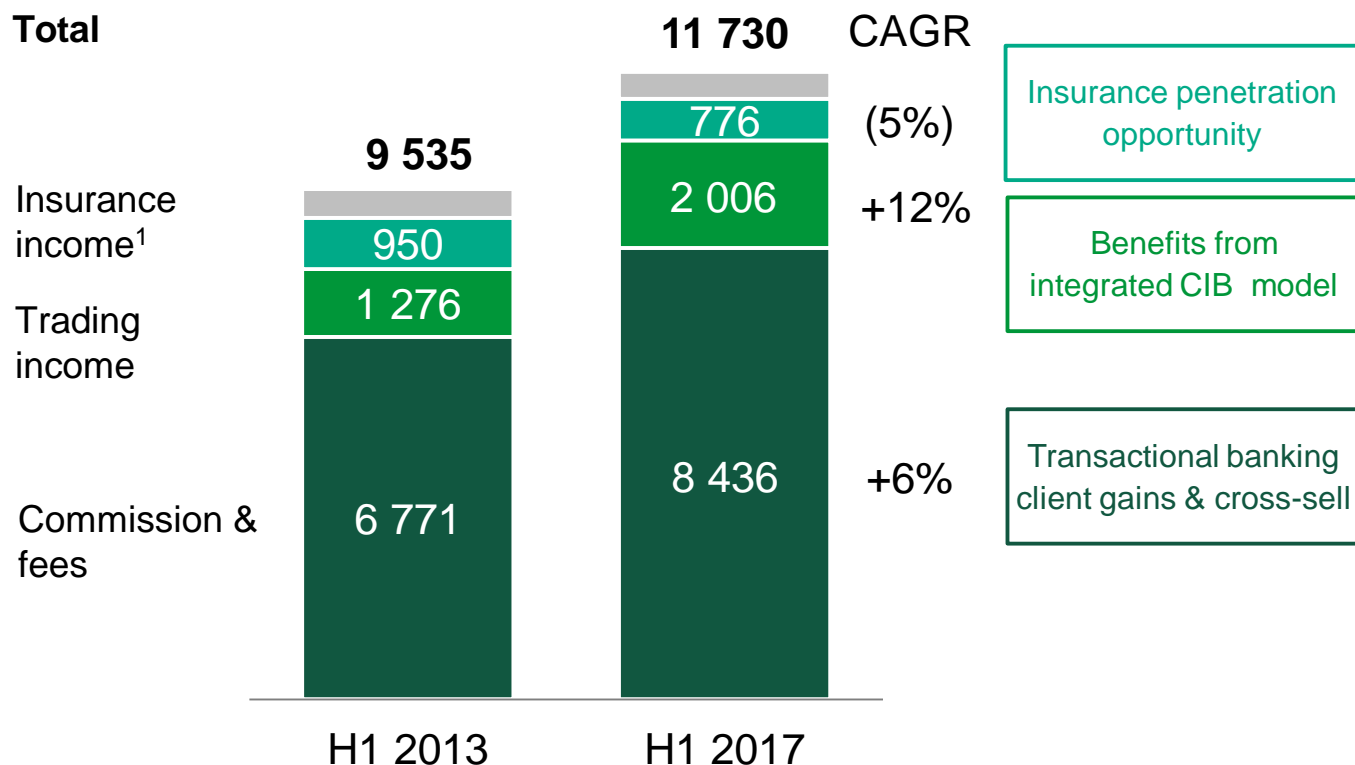


¹ Peer information from last reported financials (Dec 2016 & June 2017).

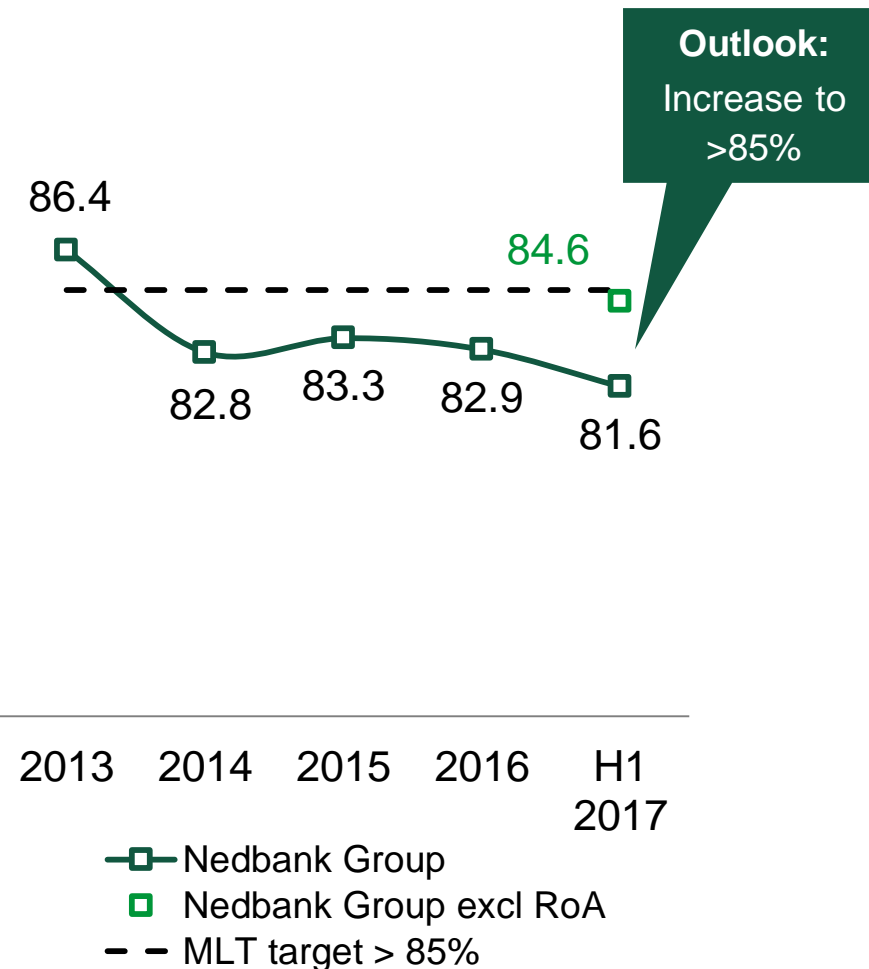


NIR – solid commission & fee income growth & strong trading performance

NIR & key growth drivers (Rm)



NIR-to-expenses ratio (%)

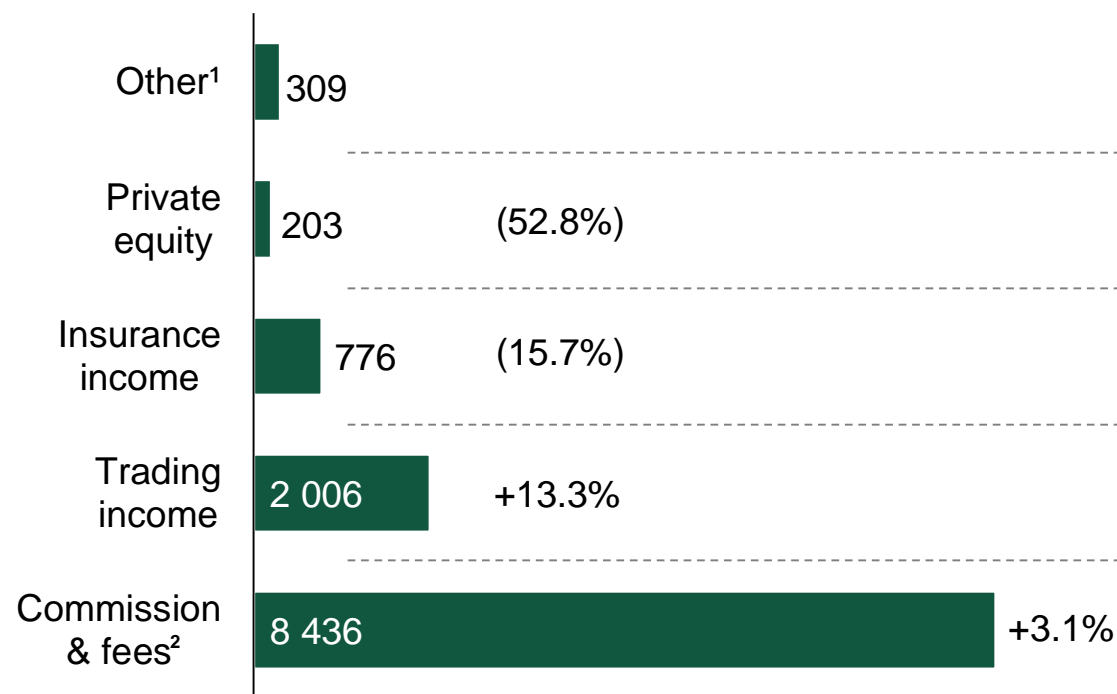


¹ Downward insurance move from 2013 include the following: repricing of credit life, lower personal loans volumes & favourable claims in the base



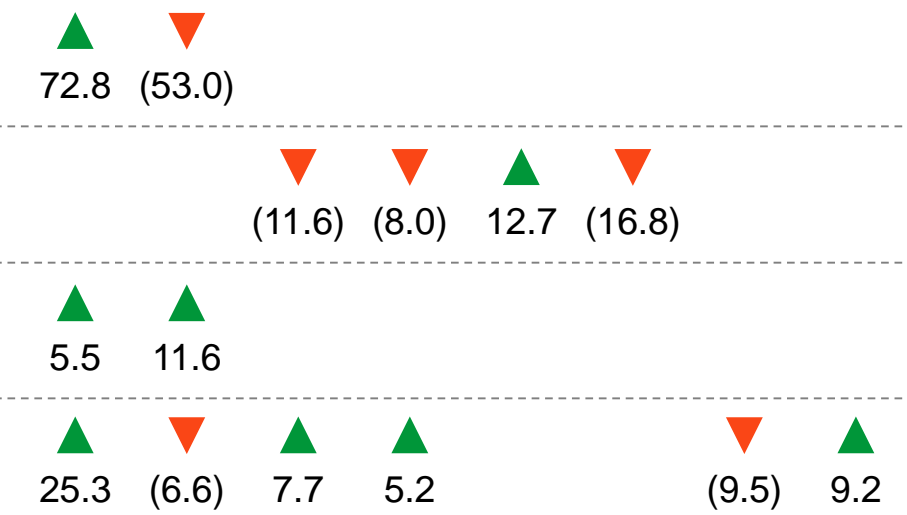
NIR up 3.3% in H1 2017 – resilient performance in a challenging environment

Non-interest revenue (Rm)



NIR growth per cluster (%)

CIB		RBB		Wealth		RoA	
H1 16	H1 17	H1 16	H1 17	H1 16	H1 17	H1 16	H1 17
14.1	(3.9)	7.4	5.6	9.1	(7.9)	(12.9)	30.9



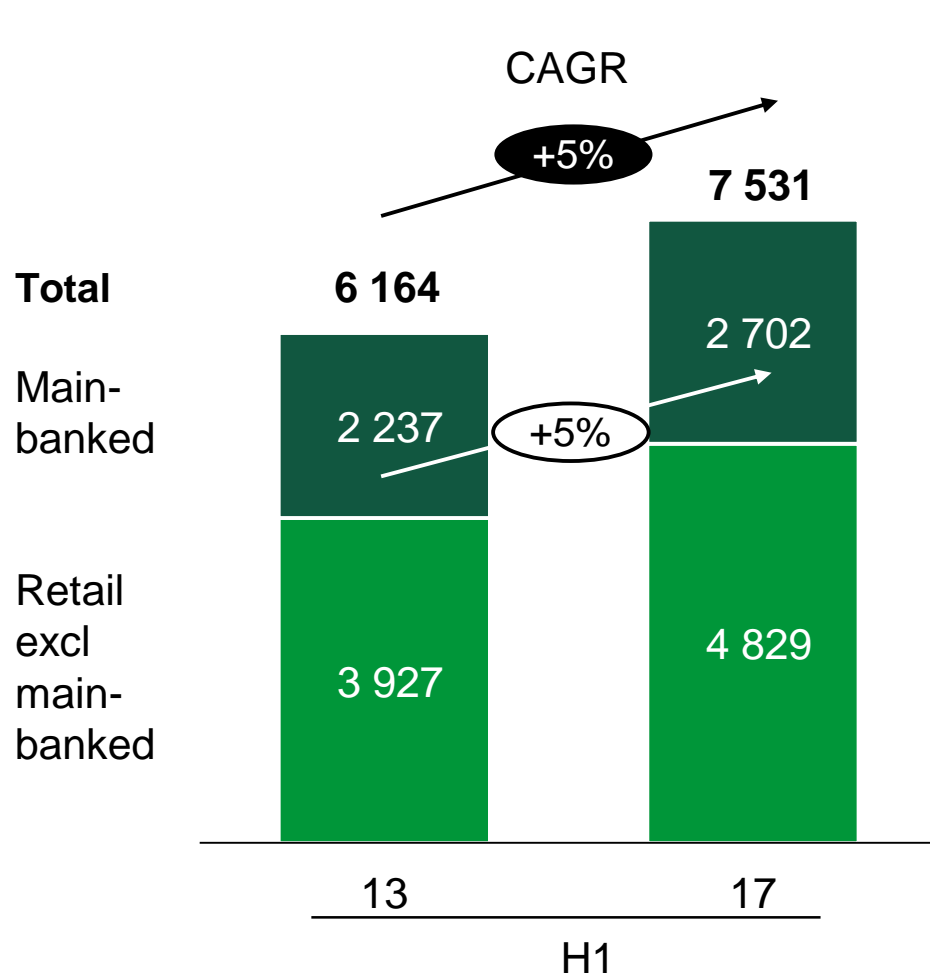
¹ Represents sundry income, investment income & fair-value adjustments. | ² C&F 72% of NIR.

Growth > 5% ▲ Decline (> 5%) ▼

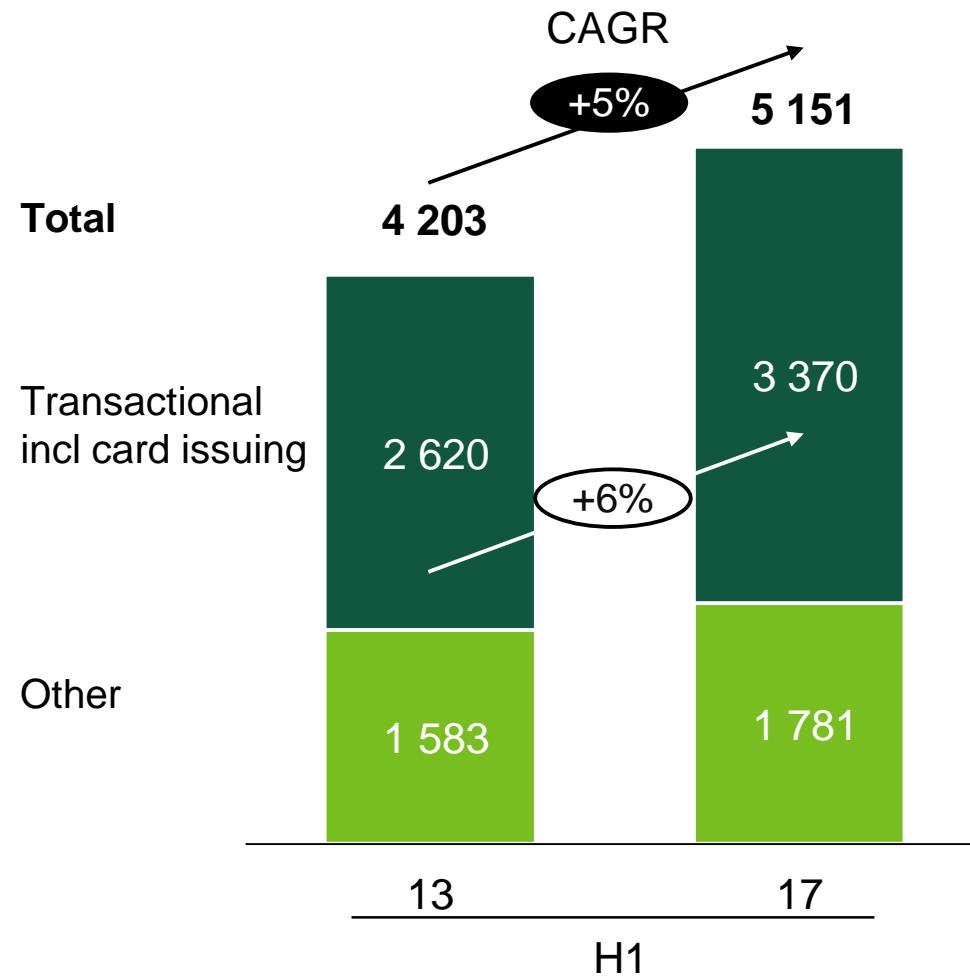


NIR – Retail NIR growth underpinned by ongoing client gains & deepening share of wallet

Total retail client base (000s)



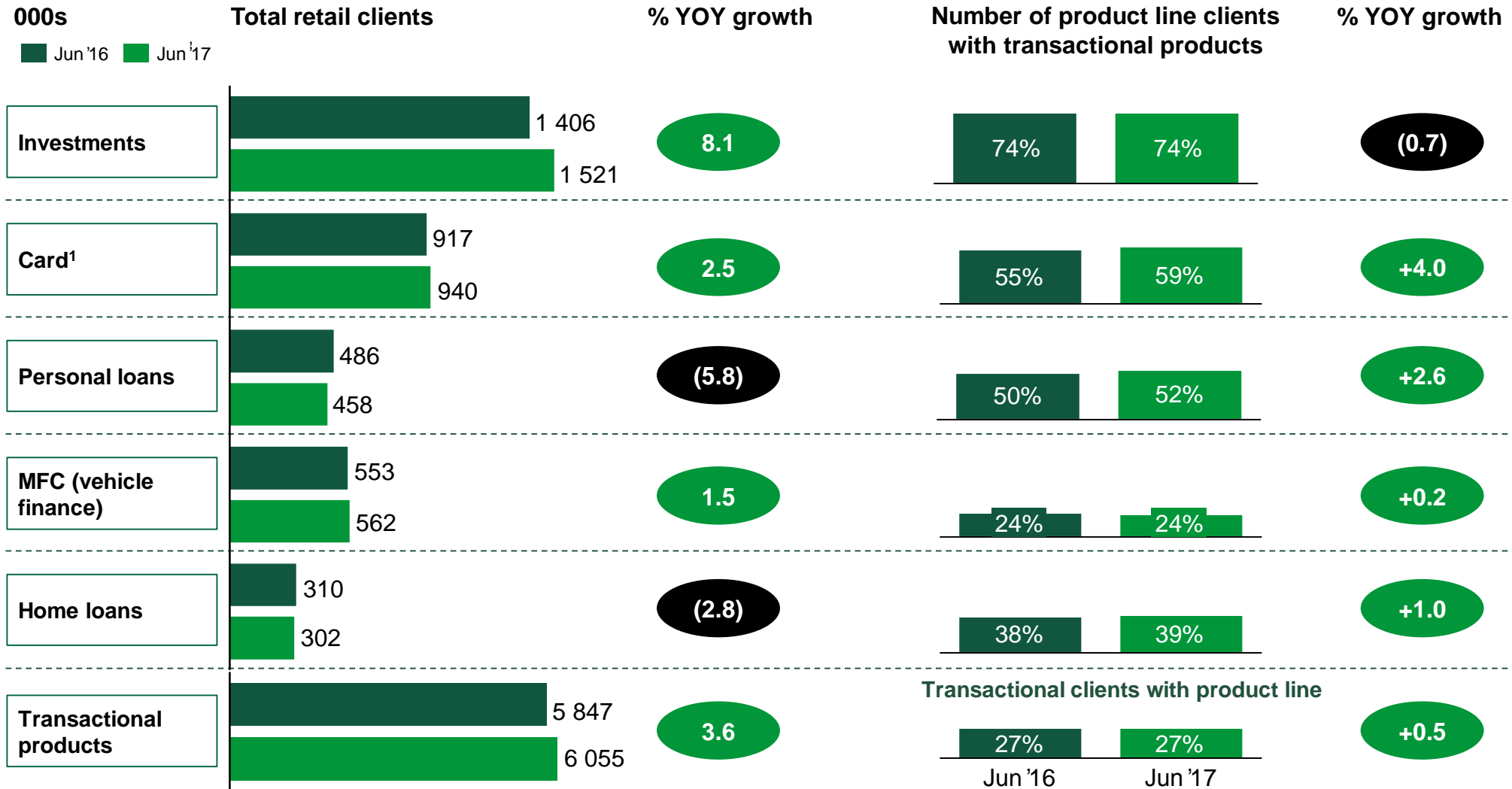
Retail NIR¹ (Rm)



1: Includes R38m impact from zero fee increases & some fee reductions in 2014 | Excluding this, transactional & card growth would have been 7%



Retail transactional product cross-sell

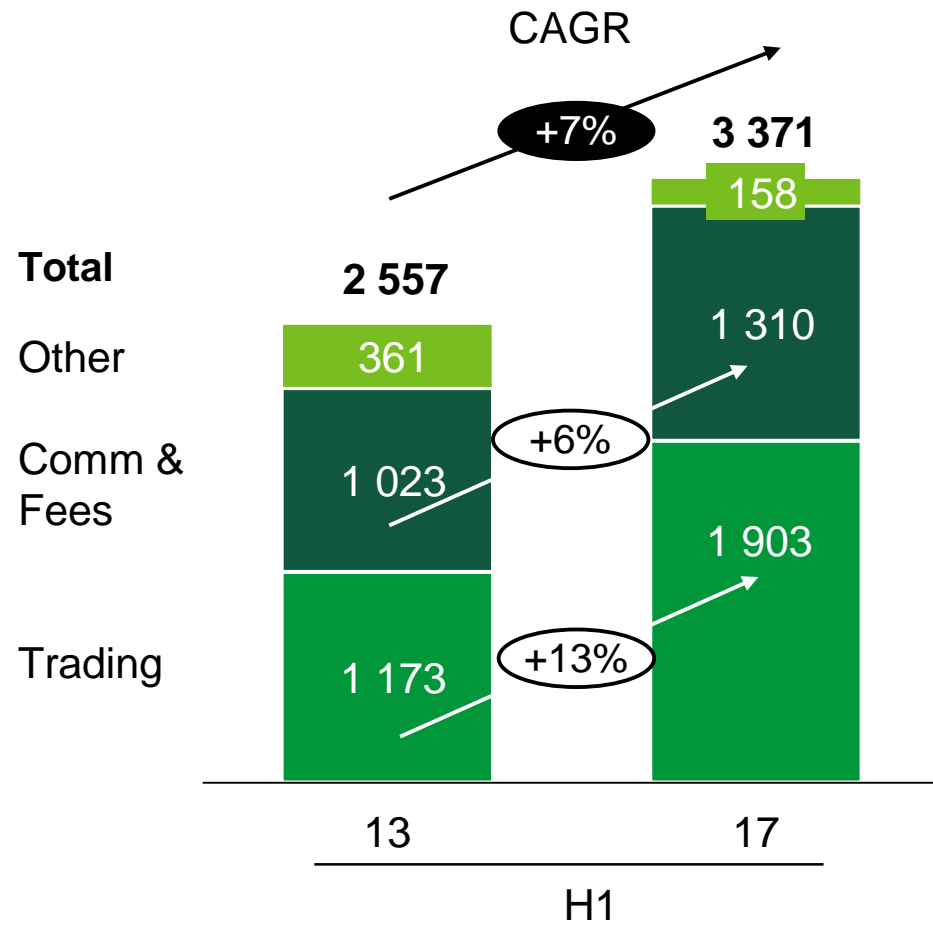


¹ Prior-year card client numbers restated to align with a definition change implemented in 2016.

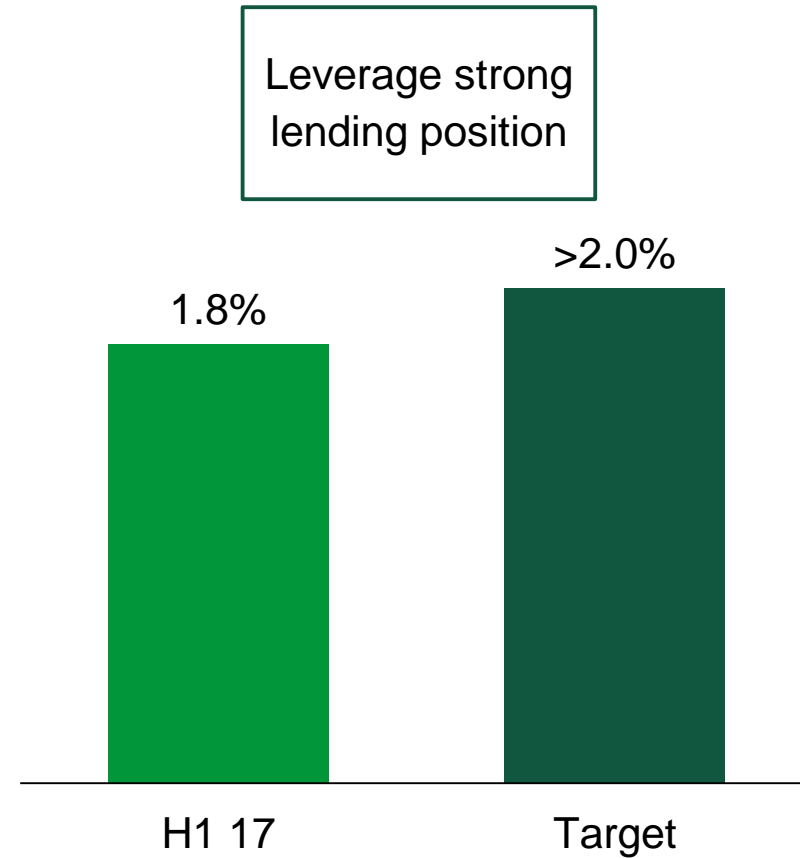


NIR – CIB integrated model continues to drive revenue growth

CIB NIR (Rm)



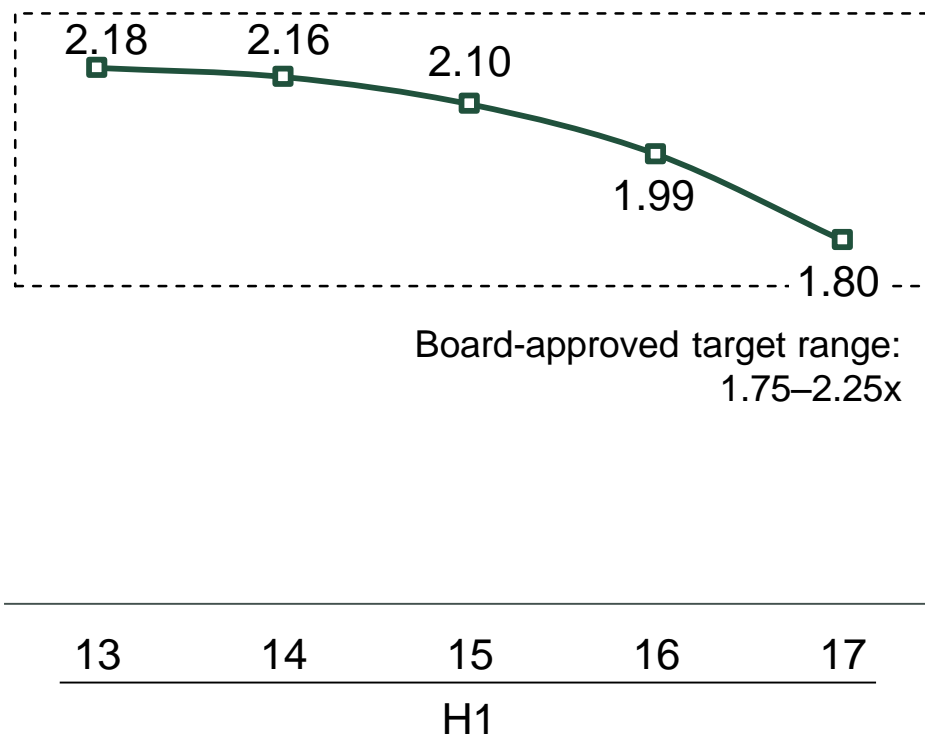
CIB NIR-to-average advances ratio



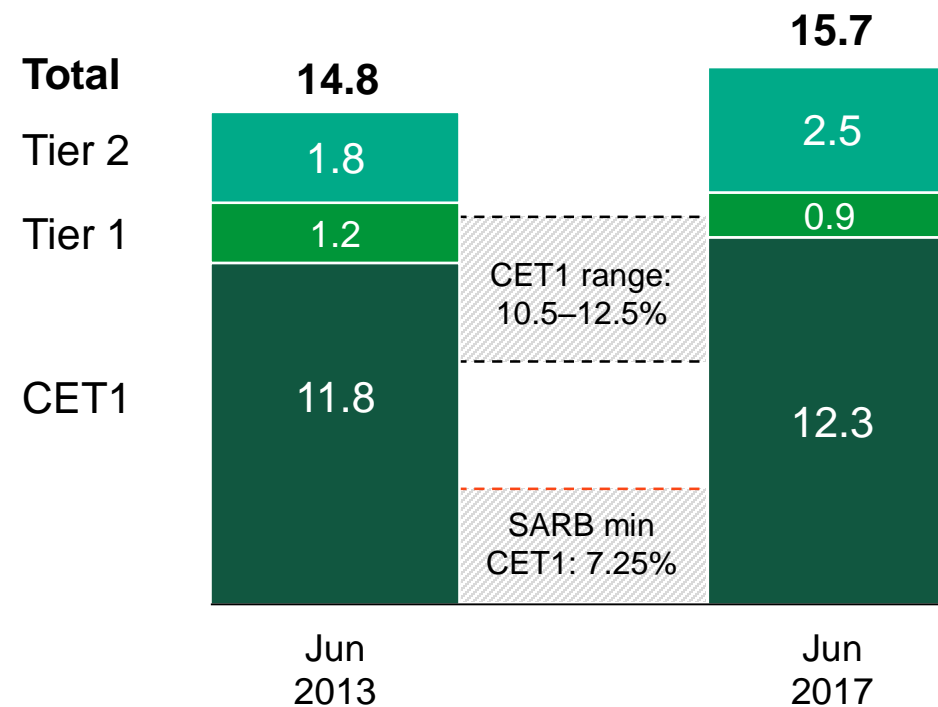


Dividend – strong capital generation underpins dividend cover within target range

Dividend cover (x times)



Basel III capital ratios (%)



¹ Source: I-Net

Note: Capital adequacy ratios are underpinned by ongoing organic profit generation & RWA optimisation opportunities. IFRS 9 is not anticipated to have a significant impact on capital adequacy.



2017 guidance

NII

- Average interest-earning banking asset¹ growth below nominal GDP growth
- NIM to be slightly above the rebased 2016 level of 3.54%

CLR

- Increase from June 2017 level of 47 bps towards the bottom end of our target range of 60–100 bps

NIR

- Mid-single-digit growth (excluding fair-value adjustments)

Associate income²

- Full-year associate loss lower than H1 2017 loss

Expenses

- Mid-single-digit growth

**Growth in DHEPS for full-year 2017 to be positive,
but less than or equal to growth in nominal GDP**

¹ To align with industry practice from November 2016 average balances of R6bn in the CLB liquid-asset portfolio were included in our trading book and removed from average interest-earning banking assets used as the denominator in the NIM calculation. A like-for-like H1 2016 AIEBA base would have been R745bn.

² Based on ETI 9M 2017 results.

Note: 2017 guidance based on current economic forecasts.



Good governance & a good corporate citizen – underpinning our strategic journey

Executive leadership

- Highly rated management team
- Depth of bench strength & succession planning

Board of directors

- 61% independent directors
- 61% black directors (FSC definition)
- 28% female directors
- Broad & diverse skills & experience
- Applying King IV principles



Thomson Reuters Diversity & Inclusion Index – Nedbank the only African company in the top 20 most diverse & inclusive organisations



Dow Jones World Sustainability Index – one of only 27 banks on the index & included for the eleventh year



Africa's first carbon neutral financial organisation – carbon neutral since 2010



WWF Nedbank Green Trust Partnership – invested R211m since inception in support of over 200 environmental projects throughout South Africa.



JSE's Top 100 Most Empowered Companies – Nedbank overall winner (Codes of good practice)

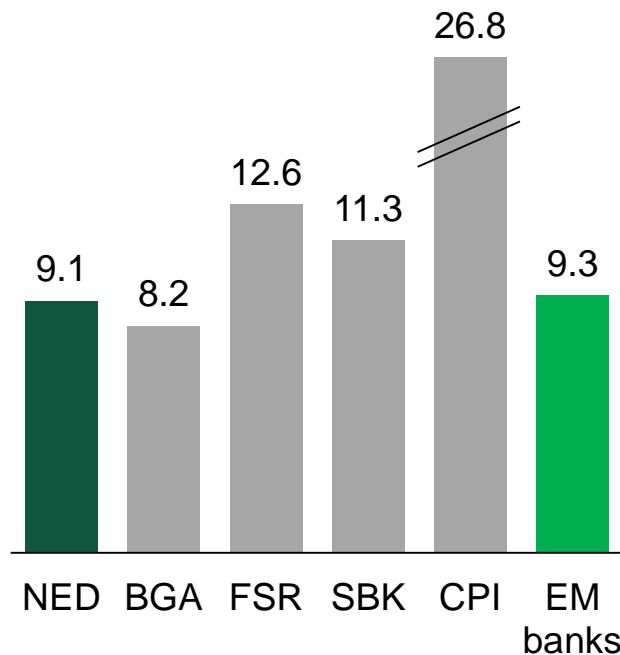


Top 10 integrated reporting awards – fourth overall & best in financial services

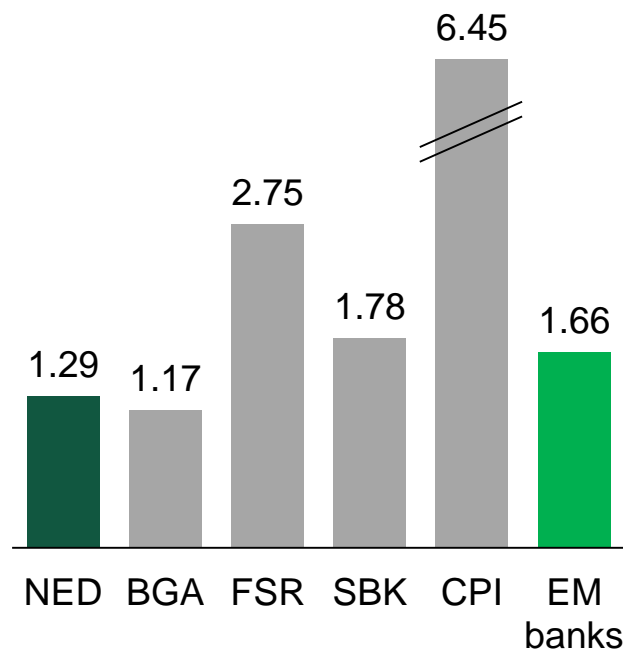


Nedbank Group – attractive valuation

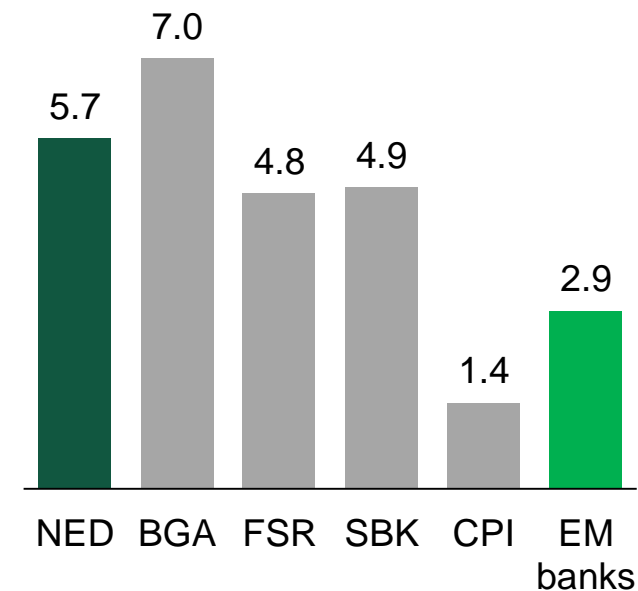
Price : earnings^{2,3} (x)



Price : book^{2,3} (x)



Dividend yield^{2,3} (%)



'16-19 forecast DHEPS growth¹ (CAGR %)



Source: ¹ I-Net consensus as at 25 Oct 2017 | ² Bloomberg as at 25 Oct 2017 | ³ EM banks include Brazil, Russia, Turkey & SA (Data from JP Morgan)



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Disclaimer

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Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'.

Forward-looking statements are not statements of fact, but statements by the management of Nedbank Group based on its current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance.

No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

The risks and uncertainties inherent in the forward-looking statements contained in this document include, but are not limited to: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of both current and future litigation.

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