

'The growth trend of the second half of 2010 continued into the first half of 2011. During the past six months Nedbank Group has made good progress with its key strategic focus areas of repositioning Nedbank Retail, growing non-interest revenue and implementing a portfolio tilt strategy. This has resulted in the group delivering strong earnings growth while further strengthening portfolio impairments.

'Given our focus on growing the transaction franchise, it is pleasing to see that, since June 2010, we gained 94 000 net new retail primary clients. We increased the number of branches and other outlets by 116 and ATMs by 420, while transactional pricing is now at levels similar to 2005. We continue to see record transaction volume growth in electronic banking and increased net new primary client gains in the wholesale banking areas.

'The group remains focused on a client-centred strategy and is well positioned to deliver growth in earnings for 2011 in excess of our medium- to long-term financial target.'

Mike Brown
Chief Executive

Nedbank opened Africa's first wind-powered branch in the Western Cape Town of Du Noon.

Economic environment

Global demand has slowed in 2011 as industrial production and consumer spending in China and other large emerging markets moderated due to tighter monetary conditions. In many developed markets the fragile recovery faltered as surging oil prices and reduced fiscal and monetary stimulus negatively impacted consumer confidence and spending. In addition, concerns remain about the scale and increasing cost of sovereign debt in many parts of Europe.

Locally, real GDP grew at an annualised rate of 4,8% in the first quarter of 2011. Conditions softened in the second quarter, with the mining and manufacturing sectors in particular having been impacted by the loss of momentum in global markets and the strong rand. Capacity utilisation and confidence levels remain low, resulting in limited demand for corporate credit.

In the retail sector household loan growth was mostly from continued demand for unsecured loans and instalment sales. Mortgage advances growth remained depressed as buyers continue to be cautious in line with the flat outlook for house prices, high levels of consumer debt and increased living costs.

Given the weak global environment, domestic growth is largely dependent on further fixed-investment spending and an ongoing improvement in consumption levels.

Review of results¹

Nedbank Group produced strong earnings growth for the six months ended 30 June 2011 ('the period') in line with the guidance provided in the trading statements released in July this year.

Headline earnings increased by 28,8% to R2 772 million and profit from operations before taxation and non-trading and capital items was up 36,1%. Diluted headline earnings per share (HEPS) increased by 26,3% from 475 cents to 600 cents. Diluted basic earnings per share increased by 26,2% from 474 cents to 598 cents.

Earnings growth was driven by ongoing strong non-interest revenue (NIR) growth, improving margins and lower retail impairments. This growth was achieved while continuing to invest for the future and strengthening portfolio impairments.

Return on assets increased from 0,75% to 0,92% for the period. This increase, together with a decline in gearing to 13,3 times, resulted in the group's return on average ordinary shareholders' equity (ROE), excluding goodwill, increasing from 12,2% to 13,7%. ROE increased from 10,7% to 12,2% for the period.

The balance sheet remained well-capitalised, with the core Tier 1 capital adequacy ratio increasing to 10,7% (December 2010: 10,1%), while the group's Tier 2 capital position was reduced when the R1,5 billion Ned 5 bond was repaid in April 2011 and not replaced. The group's liquidity buffers were increased by R9,0 billion and the long-term funding profile continued to lengthen to 27,0%, all this in its proactive preparation for Basel III.

Net asset value per share grew by 6,1% (annualised) from 9 831 cents in December 2010 to 10 128 cents in June 2011.

Cluster performance¹

Total operating cluster headline earnings increased strongly by 43,0% from R2 015 million to R2 881 million.

Nedbank Retail increased earnings from R133 million in 2010 to R826 million and, importantly, improved ROE from 1,7% to 9,9%. The repositioning of Nedbank Retail is being driven through a client-centred strategy of growing the primary-client base while leveraging the strong product lines. This has generated high levels of NIR growth and a significantly improving credit loss ratio, notwithstanding the continued strengthening of portfolio impairments.

Nedbank Capital's earnings reduced by 5,9% on the comparative period, with fee income down from lower market activity, and the credit loss ratio showed a slight deterioration from the prior period's elevated level. Nedbank Capital reported an increase of 4,3% in its NIR from trading. There has been some margin compression in foreign exchange flow businesses, and the market provided limited trading opportunities.

Nedbank Corporate achieved strong earnings growth of 24,0%, driven by improved margins, fair-value adjustments and improved income from its property private-equity portfolio.

Nedbank Business Banking's earnings were up 3,9%, reflecting the difficult conditions being experienced in the small to medium-sized business sector. In spite of this the cluster achieved an improvement in margins, above-inflation growth in fees and commission, primary-client acquisitions and deepened cross-sell.

Nedbank Wealth achieved good earnings growth of 16,6%, with strong contributions from insurance and asset management together with an improvement in the international wealth management businesses. Apart from strong growth in advice-based sales of financial planning, local Wealth Management had a disappointing performance in the first half of the year as a result of subdued activity and higher impairments.

Further segmental information is available on the group's website at www.nedbankgroup.co.za.

Financial performance

Net interest income (NII)

NII grew by 7,4% to R8 683 million (June 2010: R8 082 million). The net interest margin increased to 3,43% from 3,34% in the June 2010 period and 3,35% in the year to December 2010, while average interest-earning banking assets increased by 5,9% (annualised) (June 2010 growth: 2,8%).¹

The pleasing trend of widening margins can be ascribed to:

- the benefits from pricing assets to reflect risk (including both credit and liquidity risks) and funding costs more appropriately;
- ongoing improvement in the asset mix in line with the group's portfolio tilt strategy;
- a relative benefit this period from interest rates remaining stable, given that advances reprice quicker than deposits; and
- the cost of term liquidity continuing to decline.

This more than offset the effects of:

- the negative endowment from average rates being 123 basis points lower than in the 2010 period;
- the cost of lengthening the bank's funding profile; and
- the costs associated with carrying higher levels of lower-yielding liquid assets.

Impairments charge on loans and advances

Impairment levels improved as a result of a better credit environment and affordability levels together with enhanced collection capabilities and reduced levels of defaulted advances.

Credit loss ratio analysis (%)	H1 2011	Q1 2011	H2 2010	H1 2010
Specific impairments	1,10	1,12	1,19	1,46
Portfolio impairments	0,11	0,03	0,08	0,00
Total credit loss ratio	1,21	1,15	1,27	1,46

The credit loss ratio on the banking book improved to 1,21% for the period (June 2010: 1,46%). The credit loss ratio relating to specific impairments improved from 1,46% to 1,10%, reflecting the ongoing improvement in asset quality. Due to the current uncertain economic environment and as a result of increased emergence periods, the group has increased the level of portfolio impairments, as well as included R100 million in the centre to provide for unknown events that may have already occurred, but which will only be evident in the future.¹

The primary reduction in the impairments charge came from Nedbank Retail's secured-lending portfolios, due to the momentum gained from the improved credit environment and various risk management mitigation initiatives. This contributed to the credit loss ratio in Retail improving significantly from 2,93% in the period to June 2010 to 2,24%, which is now marginally outside the upper end of the cluster's through-the-cycle target range of 1,50% to 2,20%.¹

The advances portfolios in Nedbank Capital, Nedbank Corporate, Nedbank Business Banking and Nedbank Wealth remain of high quality. Credit loss ratios in these clusters, with the exception of Nedbank Capital and Nedbank Wealth, remain within the respective clusters' through-the-cycle levels.

Credit loss ratio (%)	H1 2011	H2 2010	H1 2010	Year to December 2010
Nedbank Capital	0,86	1,72	0,80	1,27
Nedbank Corporate	0,34	0,10	0,31	0,20
Nedbank Business Banking	0,40	0,48	0,32	0,40
Nedbank Retail	2,24	2,42	2,93	2,67
Nedbank Wealth	0,41	0,05	0,24	0,15
Group	1,21	1,27	1,46	1,36

Defaulted advances declined by 11,5% (annualised) to R25 241 million (2010: R26 765 million). This reflects writeoffs as well as the improved collections processes and credit environment, together with ongoing restructuring initiatives that have resulted in over 10 700 families (clients of Nedbank) being kept in their homes since July 2009.

NIR

NIR increased 15,9% to R7 139 million (June 2010: R6 158 million) and 12,5% before fair-value adjustments. Negative fair-value adjustments on own subordinated debt amounted to R46 million (June 2010: R110 million).¹

In line with the group's focus on growing the transactional franchise, core fee and commission income grew strongly by 14,1%. Ongoing primary-client acquisitions, product and systems innovation, record electronic-banking volume growth, cross-sell initiatives and the ability to leverage the group's strong wholesale client relationships to attract retail clients all contributed to this growth.

Insurance income grew 30,2% as a result of the growth in personal loans and motor finance, new-product revenues and cross-sell as well as an improved underwriting performance.

Trading income increased by 3,3% to R921 million (June 2010: R892 million).

NIR from the private-equity portfolios increased by 93,0%, primarily as a result of Nedbank Corporate's property private-equity earnings improving.

NIR from private equity (Rm)	June 2011	June 2010
Nedbank Capital	85	86
Nedbank Corporate Property Finance	52	(15)
Total NIR from private equity	137	71

Expenses¹

Expenses grew by 12,3% to R8 838 million (June 2010: R7 872 million), including significant investment in growing the franchise. Increases in distribution, cash fees and an increase in variable compensation also contributed to the growth in expenses.

With the strong growth in NIR the group's NIR-to-expenses ratio improved from 78,2% to 80,8%. However, the muted growth in NIR led to the efficiency ratio deteriorating from 55,3% to 55,9%.

Taxation¹

The taxation charge (excluding taxation on non-trading and capital items) increased from R577 million for the period to June 2010 to R1 013 million, with the effective tax rate at a more normalised level of 25,7%. This was mainly due to:

- the 36,1% growth in income before taxation;
- dividend income as a proportion of total income being lower than in the comparative period in 2010;
- the reversal of certain tax risk provisions in 2010; and
- secondary tax on companies savings in the first six months of 2010 due to the takeup of the scrip alternative offered in that period.

Statement of financial position

Capital

The group's capital adequacy ratios remain well above its internal target ranges in preparation for Basel III, and showed further strengthening since December 2010. This resulted mainly from a R451 million increase in equity from the vesting of shares under the staff incentive schemes and black economic empowerment (BEE) structures, organic earnings and further risk-weighted asset (RWA) optimisation, which included a R4 billion reduction in market risk RWA with the adoption of the Internal Model Approach approved by the South African Reserve Bank (SARB) with effect from 1 January 2011.

In view of the predominate focus of Basel III on core Tier 1 capital and the group's high total capital ratio of 15,2% Nedbank Limited's Tier 2 bond (Ned 5) amounting to R1,5 billion was repaid in April 2011 and not replaced.

Basel II capital adequacy ratios	June 2011	December 2010	Internal target range	Regulatory minimum
Core Tier 1 ratio	10,7%	10,1%	7,5% to 9,0%	5,25%
Tier 1 ratio	12,4%	11,7%	8,5% to 10,0%	7,00%
Total capital ratio	15,2%	15,0%	11,5% to 13,0%	9,75%

Ratios calculated including unappropriated profits.

Further details will be available in the group's 30 June 2011 Pillar 3 Report to be published in September 2011 on the group's website at www.nedbankgroup.co.za.

Capital allocation to businesses

Enhancements relating to the internal capital allocation to business clusters were implemented for 2011. The major change related to home loans, with more use of loan-to-value (LTV) bands to measure estimated loss given default in order better to reflect the risk inherent in that portfolio, which resulted in the home loan capitalisation rate increasing from 3,2% to 5,1%. Clusters' individual capital allocation will naturally change due to any RWA optimisation and changes in the risk profile of their different portfolios. Other than the improvements from RWA optimisation, these enhancements had no impact on the group's overall capital levels and ROE.

Funding and liquidity

Nedbank Group's liquidity position remains sound. The group continues to focus on diversifying its funding base, maintaining its strong retail deposit market share, growing its commercial deposit base, lengthening its funding profile and growing appropriate liquidity buffers, which have been increased by R9 billion during this period.

Nedbank Group increased its long-term funding ratio from 22,6% in December 2010 to 27,0% in June 2011 from increased capital market issuances under its domestic medium-term note programme (R3,7 billion issued during this period), from the launch of a retail savings bond and also from the increased duration in the money market book.

The group's liquidity position is further supported by a strong loan-to-deposit ratio of 95,5% and a low reliance on interbank and foreign currency funding.

Basel III and Solvency II developments

The majority of the Basel III proposals were finalised in December 2010, although some significant aspects remain to be completed in 2011. In South Africa the details of exactly how Basel III will be adopted will be determined by SARB, and this is anticipated to be clarified in 2012.

For Nedbank Group the impact of the new capital requirements is expected to be manageable, given existing strong capital ratios and the high quality of core Tier 1 equity. On a Basel III pro forma basis at 30 June 2011 the group is in a position to absorb the expected Basel III capital implications, with all capital ratios remaining well above the top end of current internal target

ranges and expected regulatory minima. These ratios should improve further by the end of 2013 from projected earnings, while continued capital and RWA optimisation and the group's portfolio tilt strategy should have a further favourable effect on the capital ratios.

Once Basel III has been finalised by SARB Nedbank Group will revise its internal target capital ratios.

The main challenge of Basel III is in respect of the two proposed liquidity ratios, the liquidity coverage ratio (LCR) for implementation in 2015 and the net stable funding ratio (NSFR) for implementation in 2018. The group, together with the industry, remains focused on how best to comply with the LCR ahead of 2015. The impact of NSFR compliance by South African and most banking industries worldwide would be punitive if implemented as is. The structural constraints within the SA financial markets add to the local challenge of NSFR compliance; however, this is being proactively addressed by National Treasury in conjunction with the financial services industry. The group anticipates that, following the observation period that will commence in 2012, the Basel Committee will amend the NSFR requirement, and a pragmatic approach on this issue will be applied prior to the finalisation in 2018.

Solvency Assessment and Management (SAM) is the Financial Services Board's new economic risk-based solvency regime for SA insurers that closely follows international regulatory trends, in particular Solvency II. SAM affects the Nedbank Wealth Cluster and is set for 2014 implementation.

Loans and advances

Group loans and advances decreased by 1,4% (annualised) to R472 billion (December 2010: R475 billion).¹ Since June 2010 loans and advances increased by 2,3%.¹

Banking advances in Nedbank Capital declined 2,2% (annualised) and Nedbank Corporate's banking advances decreased by 3,9% (annualised). This reflects gross new advances being offset by the effect of slow utilisation of credit facilities, early unscheduled repayments and delays in both public and private sector investment programmes. The pipelines in the wholesale banking areas remain strong and growth is expected to increase in the second half.

Nedbank Business Banking advances increased by 35,7% (annualised) and Nedbank Retail advances decreased by 7,9% (annualised) due to migrations from Nedbank Retail of R8,2 billion of former Imperial Bank Supplier Asset Finance and Professional advances and R1,0 billion from Small Business Services under Retail Relationship Banking. Adjusting for these two movements, Business Banking advances decreased by 0,8% (annualised) and Retail advances grew by 2,1% (annualised). Strategic rebalancing of the asset portfolio in Nedbank Retail, on a like-for-like basis, resulted in a decrease in home loans of 2,7% (annualised) and an increase in motor finance of 7,5% (annualised). Unsecured lending continued to grow with personal loans and card receivables increasing by 26,5% (annualised) and 13,6% (annualised) respectively.

Deposits

Deposits increased by 1,5% (annualised) to R494 billion (2010: R490 billion). This resulted in the ratio of advances to deposits remaining strong at 95,5% (2010: 96,9%).¹

Lower-interest-bearing current and savings accounts have shown less growth than higher-interest-bearing term and fixed deposits. Although favourable for the group's funding strategy of lengthening the term deposit book, the group remains focused on optimising the mix of deposits.

In March this year Nedbank launched its retail savings bond to support a lengthening in the bank's funding profile. This offering was well received by clients and attracted in excess of R2 billion of competitively priced new term funds.

Outlook

Domestic economic growth of 3,5% is currently anticipated for the full year. Increases in international food and fuel prices are expected to push inflation to the upper limit of the target band of 3% to 6% in the final quarter of 2011. The group expects interest rates to remain at current levels for the balance of 2011, with increases currently expected from the first quarter of 2012. Asset growth is expected to remain at conservative levels due to slow employment growth, relatively high levels of debt compared with historic levels, increases in electricity and fuel costs, and concerns about the possibility of interest rate hikes in 2012.

The growth in the SA economy will be dependent on global economic and financial developments, further fixed and infrastructure investment and ongoing improvement in consumption levels. Economic activity is expected to be subdued for the balance of 2011. However, corporate credit demand is expected to improve slightly as the recovery in capital expenditure builds momentum and demand for funding increases. The operating environment for small and medium-sized businesses remains challenging.

Government infrastructure spending will be relatively insensitive to the economic cycle, with substantial amounts set aside to accelerate social and economic infrastructure as announced in this year's National Budget. The flow of this investment should improve as the year progresses, but is only expected to accelerate in 2012.

The retail banking sector should continue to improve modestly as a result of transactional volume growth, with lending activity remaining much the same as in this reporting period.

Prospects

For the full year the group currently expects:

- interest margins to remain at similar levels to those of the first half;
- banking advances to grow in the lower to mid-single digits;
- impairments to continue improving, with the credit loss ratio reducing but remaining above the upper end of the group's target range of 0,60% to 1,00%;
- NIR (excluding fair-value adjustments) to grow at double digits; and
- expenses to grow in early double digits, but to remain less than NIR growth.

The balance sheet remains liquid, strongly capitalised and in a good position to take advantage of growth opportunities as they arise.

The group has had a positive start to the year and remains in a good position to deliver growth in 2011 earnings in excess of its medium- to long-term financial target.

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

Board and executive changes during the period

As previously advised, senior independent non-executive director Chris Ball retired as a director of Nedbank Group and Nedbank Limited with effect from 6 May 2011, after reaching the mandatory retirement age for directors. The group would like to thank Chris for his significant contribution to the board since his appointment in 2002.

Malcolm Wyman was appointed as senior independent non-executive director and also succeeded Chris as Chairman of the Group Audit Committee.

Two appointments to the Group Executive Committee were made during the period. Abe Thebyane joined as Group Executive of Human Resources with effect from 1 February 2011 and Thulani Sibeko was appointed as Group Executive of Marketing, Communications and Corporate Affairs with effect from 1 May 2011.

Selby Baqwa retired as Chief Governance and Compliance Officer at the end of July 2011 and was requested to take up a position as an acting judge in Pretoria. We thank him for his contribution to the Group Executive Committee and wish him well. We are making good progress with appointing a replacement and an announcement in this regard will be made in due course.

Accounting policies¹

Nedbank Group Limited is a company domiciled in South Africa. The condensed consolidated interim financial results of the group at and for the six months ended 30 June 2011 comprise the company and its subsidiaries (the 'group') and the group's interests in associates and jointly controlled entities.

Nedbank Group's principal accounting policies have been prepared in terms of the International Financial Reporting Standards (IFRS) and have been applied consistently over the current and

prior financial years. Nedbank Group's condensed consolidated interim financial results have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting and AC 500 standards as issued by the Accounting Practices Board.

In the preparation of these condensed consolidated interim financial results the group has applied key assumptions concerning the future and other inherent uncertainties in recording various assets and liabilities. The assumptions applied in the financial results for the six months ended 30 June 2011 were consistent with those applied during the 2010 financial year. These assumptions are subject to ongoing review and possible amendments. The results for the condensed segmental reporting for the period ended 30 June 2010 have been restated for the integration of Imperial Bank Limited with various operating segments. These restatements have no effect on the group results and ratios, and only changes segment cluster results and ratios. The financial results have been prepared under the supervision of RK Morathi, the Group Chief Financial Officer.

Events after the reporting period¹

There are no material events after the reporting period to report on.

Reviewed results – auditors' review report

KPMG Inc and Deloitte & Touche, Nedbank Group's independent auditors, have reviewed the condensed consolidated interim financial results of Nedbank Group Limited and have expressed an unmodified review conclusion on the condensed consolidated interim financial results. The auditors' review was conducted in accordance with International Standards on Review Engagements (ISRE 2410): Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The condensed consolidated financial results comprise the consolidated statement of financial position at 30 June 2011, consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated cashflow statement for the six months then ended and selected explanatory notes. The selected explanatory notes are marked with ¹. The report is available for inspection at Nedbank Group's registered office.

Forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition and results of operations of Nedbank Group and its group companies that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global, national and regional economic conditions; levels of securities markets; interest rates; credit or other risks of lending and investment activities; as well as competitive and regulatory factors. By consequence, all forward-looking statements have not been reviewed or reported on by the group's auditors.

Interim dividend declaration

Notice is hereby given that an interim dividend of 265 cents per ordinary share has been declared, payable to shareholders for the six months ended 30 June 2011. In accordance with the provisions of STRATE, the electronic settlement and custody system used by JSE Limited, the relevant dates for the dividend are as follows:

Event	Date
Last day to trade (cum dividend)	Friday, 2 September 2011
Shares commence trading (ex dividend) on	Monday, 5 September 2011
Record date (date shareholders recorded on books)	Friday, 9 September 2011
Payment date	Monday, 12 September 2011

Share certificates may not be dematerialised or rematerialised between Monday, 5 September 2011, and Friday, 9 September 2011, both days inclusive.

On Monday, 12 September 2011, the dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic funds transfer is either not available or not elected by the shareholder, cheques dated Monday, 12 September 2011, will be posted on that date.

Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 12 September 2011.

The above dates and times are subject to change. Any changes will be published on the Securities Exchange News Service (SENS) and in the press.

For and on behalf of the board

Dr RJ Khoza Chairman
MWT Brown Chief Executive

1 August 2011

Registered office

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Directors

Dr RJ Khoza (Chairman), MWT Brown* (Chief Executive),
TA Boardman, TCP Chikane, GW Dempster* (Chief Operating Officer),
MA Enus-Brey, Prof B de L Figaji, DI Hope (New Zealand),
A de VC Knott-Craig, WE Lucas-Bull, NP Mnxasana,
RK Morathi* (Chief Financial Officer), JK Netshitenzhe,
JVF Roberts* (British), GT Serobe, MI Wyman** (British).

* Executive
** Senior independent non-executive

REVIEWED CONDENSED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2011

These results and additional information are available at www.nedbankgroup.co.za.

- ROE (excluding goodwill) 13,7% and ROE 12,2%
- Capital adequacy further strengthened (core Tier 1: 10,7%)
- Interim dividend per share up 25,0% to 265 cents

HEADLINE EARNINGS
R2 772m
▲ 28,8%

DILUTED HEADLINE EARNINGS PER SHARE
600 cents
▲ 26,3%

STRONG NIR GROWTH
R7 139m
▲ 15,9%

Financial highlights

at	Reviewed 30 June 2011	Reviewed 30 June 2010	Audited 31 December 2010
Statistics			
Number of shares listed	m	507,4	512,6
Number of shares in issue, excluding shares held by group entities	m	454,4	445,8
Weighted average number of shares	m	451,2	440,7
Diluted weighted average number of shares	m	462,2	453,7
Headline earnings per share	cents	614	489
Diluted headline earnings per share	cents	600	475
Ordinary dividends declared per share	cents	265	212
– Interim	cents	265	212
– Final	cents		268
Ordinary dividends paid per share	cents	268	230
Dividend cover	times	2,32	2,31
Net asset value per share	cents	10 128	9 397
Tangible net asset value per share	cents	8 477	7 732
Closing share price	cents	14 650	12 000
Price/earnings ratio	historical	12	12
Market capitalisation	Rbn	74,3	61,5
Number of employees		28 210	26 924
Key ratios (%)			
Return on ordinary shareholders' equity (ROE)		12,2	10,7
ROE, excluding goodwill		13,7	12,2
Return on total assets (ROA)		0,92	0,75
Net interest income to average interest-earning banking assets		3,43	3,34
Non-interest revenue to total income		45,1	43,2
Credit loss ratio – banking advances		1,21	1,46
Non-interest revenue to total operating expenses		80,8	78,2
Efficiency ratio		55,9	55,3
Effective taxation rate		25,7	19,9
Group capital adequacy ratios: Basel II (including unappropriated profits)			
– Core Tier I		10,7	9,9
– Tier 1		12,4	11,5
– Total		15,2	14,8
Statement of financial position statistics (Rm)			
Total equity attributable to equity holders of the parent		46 022	41 893
Total equity		49 728	45 572
Amounts owed to depositors		493 974	480 418
Loans and advances		471 918	461 303
– Gross		483 385	471 392
– Impairment of loans and advances		(11 467)	(10 089)
Total assets administered by the group		715 570	680 285
– Total assets		609 875	590 847
– Assets under management		105 695	89 438
Life assurance embedded value		1 122	977
Life assurance value of new business		152	134

Consolidated statement of comprehensive income

for the period ended	Reviewed 30 June 2011	Reviewed 30 June 2010	Audited 31 December 2010
Rm			
Interest and similar income	21 030	22 173	44 377
Interest expense and similar charges	12 347	14 091	27 769
Net interest income	8 683	8 082	16 608
Impairments charge on loans and advances	2 792	3 244	6 188
Income from lending activities	5 891	4 838	10 420
Non-interest revenue	7 139	6 158	13 215
Operating income	13 030	10 996	23 635
Total operating expenses	8 838	7 872	16 598
– Operating expenses	8 788	7 812	16 450
– BEE transaction expenses	50	60	148
Indirect taxation	252	230	447
Profit from operations before non-trading and capital items	3 940	2 894	6 590
Non-trading and capital items	(16)	(6)	(91)
– Net profit/(loss) on sale of subsidiaries, investments, and property and equipment	16	(6)	(4)
– Net impairment of investments, property and equipment, and capitalised development costs	(32)		(87)
Profit from operations	3 924	2 888	6 499
Share of profits of associates and joint ventures			1
Profit before direct taxation	3 924	2 888	6 500
Total direct taxation	1 005	574	1 364
– Direct taxation	1 013	577	1 366
– Taxation on non-trading and capital items	(8)	(3)	(2)
Profit for the period	2 919	2 314	5 136
Other comprehensive income/(loss) net of taxation	79	(111)	(77)
– Exchange differences on translating foreign operations	87	(99)	(246)
– Fair-value adjustments on available-for-sale assets	(8)	(14)	(3)
– Gains on property revaluations		2	172
Total comprehensive income for the period	2 998	2 203	5 059
Profit attributable to:			
Equity holders of the parent	2 764	2 150	4 811
Non-controlling interest – ordinary shareholders	12	33	59
Non-controlling interest – preference shareholders	143	131	266
Profit for the period	2 919	2 314	5 136
Total comprehensive income attributable to:			
Equity holders of the parent	2 842	2 036	4 734
Non-controlling interest – ordinary shareholders	13	36	59
Non-controlling interest – preference shareholders	143	131	266
Total comprehensive income for the period	2 998	2 203	5 059
Basic earnings per share (cents)	613	488	1 084
Diluted earnings per share (cents)	598	474	1 050

Headline earnings reconciliation

for the period ended	Reviewed 30 June 2011	Reviewed 30 June 2010	Audited 31 December 2010
Rm			
Profit attributable to equity holders of the parent	2 764	2 150	4 811
Less: Non-trading and capital items	(16)	(6)	(91)
– Net profit/(loss) on sale of subsidiaries, investments, and property and equipment	16	(6)	(4)
– Net impairment of investments, property and equipment, and capitalised development costs	(32)		(87)
Headline earnings	2 772	2 153	4 900

Consolidated statement of financial position

at	Reviewed 30 June 2011	Reviewed 30 June 2010	Audited 31 December 2010
Rm			
ASSETS			
Cash and cash equivalents	11 743	8 063	8 650
Other short-term securities	29 125	21 080	27 044
Derivative financial instruments	8 284	12 776	13 882
Government and other securities	36 056	40 294	31 824
Loans and advances	471 918	461 303	475 273
Other assets	7 900	6 536	10 014
Clients' indebtedness for acceptances	2 754	1 818	1 953
Current taxation receivable	618	359	483
Investment securities	12 808	11 249	11 918
Non-current assets held for sale	8		5
Investments in associate companies and joint ventures	1 128	902	936
Deferred taxation asset	229	416	284
Investment property	202	211	199
Property and equipment	5 835	5 203	5 612
Long-term employee benefit assets	2 111	1 937	2 052
Mandatory reserve deposits with central banks	11 654	11 278	11 095
Intangible assets	7 502	7 422	7 494
Total assets	609 875	590 847	608 718
EQUITY AND LIABILITIES			
Ordinary share capital	454	446	449
Ordinary share premium	15 968	15 050	15 522
Reserves	29 600	26 397	28 130
Total equity attributable to equity holders of the parent	46 022	41 893	44 101
Non-controlling interest attributable to:			
– ordinary shareholders	146	117	153
– preference shareholders	3 560	3 562	3 560
Total equity	49 728	45 572	47 814
Derivative financial instruments	8 894	10 903	12 052
Amounts owed to depositors	493 974	480 418	490 440
Provisions and other liabilities	13 691	13 901	18 245
Liabilities under acceptances	2 754	1 818	1 953
Current taxation liabilities	121	212	191
Deferred taxation liabilities	1 858	1 936	1 804
Long-term employee benefit liabilities	1 458	1 338	1 414
Investment contract liabilities	7 666	6 920	7 309
Insurance contract liabilities	1 541	1 235	1 392
Long-term debt instruments	28 190	26 594	26 104
Total liabilities	560 147	545 275	560 904
Total equity and liabilities	609 875	590 847	608 718
Guarantees on behalf of clients	29 934	28 432	29 614

Consolidated statement of cashflows

for the period ended	Reviewed 30 June 2011	Reviewed 30 June 2010	Audited 31 December 2010
Rm			
Cash generated by operations	7 903	7 218	15 288
Change in funds for operating activities	(2 082)	(9 708)	(12 891)
Net cash from/(utilised by) operating activities before taxation	5 821	(2 490)	2 397
Taxation paid	(855)	(735)	(2 093)
Cashflows from/(utilised by) operating activities	4 966	(3 225)	304
Cashflows utilised by investing activities	(2 147)	(2 453)	(4 438)
Cashflows from financing activities	833	6 644	5 504
Net increase in cash and cash equivalents	3 652	966	1 370
Cash and cash equivalents at the beginning of the period*	19 745	18 375	18 375
Cash and cash equivalents at the end of the period*	23 397	19 341	19 745

* Including mandatory reserve deposits with central banks.

Consolidated segmental reporting

for the period ended	Total assets			Operating income			Headline earnings		
	Reviewed 30 June 2011	Reviewed* 30 June 2010	Audited 31 December 2010	Reviewed 30 June 2011	Reviewed* 30 June 2010	Audited 31 December 2010	Reviewed 30 June 2011	Reviewed* 30 June 2010	Audited 31 December 2010
Rm									
Nedbank Capital	196 752	204 944	215 189	1 368	1 441	2 930	546	580	1 202
Nedbank Corporate	168 791	163 026	170 274	2 355	2 044	4 565	779	628	1 496
Total Nedbank Retail and Nedbank Business Banking	271 494	266 450	273 219	7 969	6 231	13 644	1 282	572	1 585
– Nedbank Retail	185 754	189 313	193 394	6 010	4 477	10 082	826	133	760
– Nedbank Business Banking	85 740	77 137	79 825	1 959	1 754	3 562	456	439	825
Nedbank Wealth	34 645	34 264	33 920	1 236	1 076	2 338	274	235	592
Shared Services	7 252	6 599	6 791	74	151	244	(20)	195	255
Central Management	40 981	40 740	37 322	48	92	(5)	(89)	(57)	(230)
Eliminations	(110 040)	(125 176)	(127 997)	(20)	(39)	(81)			
Total	609 875	590 847	608 718	13 030	10 996	23 635	2 772	2 153	4 900

* The comparative results for the condensed segmental reporting for the period ended 30 June 2010 have been restated as a result of the integration of Imperial Bank Limited with various operating segments. The restatement has no effect on the group results and ratios, and only changes segment results and ratios.

Consolidated geographical segmental reporting

for the period ended	Operating income			Headline earnings		
	Reviewed 30 June 2011	Reviewed 30 June 2010	Audited 31 December 2010	Reviewed 30 June 2011	Reviewed 30 June 2010	Audited 31 December 2010
Rm						
South Africa	12 095	10 117	21 578	2 519	1 917	4 162
– Business operations	12 095	10 117	21 578	2 706	2 103	4 574
– BEE transaction expenses				(44)	(55)	(146)
– Profit attributable to non-controlling interest – preference shareholders				(143)	(131)	(266)
Rest of Africa	503	481	1 034	95	98	232
Rest of world – business operations	432	398	1 023	158	138	506
Total	13 030	10 996	23 635	2 772	2 153	4 900

Directors
Dr RJ Khoza (Chairman), MWT Brown* (Chief Executive),
TA Boardman, TCP Chikane, GW Dempster* (Chief Operating Officer), MA Enus-Brey,
Prof B de L Figaji, DI Hope (New Zealand), A de VC Knott-Craig,
WE Lucas-Bull, NP Mxasana, RK Morathi* (Chief Financial Officer),
JK Netshitenzhe, JVF Roberts (British), GT Serobe, MI Wyman** (British).
* Executive ** Senior independent non-executive

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

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

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

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Company Secretary
GS Nienaber

Reg No: 1966/010630/06

JSE share code: NED

Sponsors in South Africa
Merrill Lynch South Africa (Pty) Limited and Nedbank Capital.

ISIN: ZAE000004875

NSX share code: NBK

Merrill Lynch
A subsidiary of Bank of America Corporation

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