



# NEDBANK

A Member of the OLD MUTUAL Group

## REVIEWED CONDENSED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

### OVERVIEW

Nedbank Limited ('Nedbank') is a wholly owned subsidiary of Nedbank Group Limited, which is listed on JSE Limited. These condensed consolidated interim financial results are published to provide information to holders of Nedbank's listed non-redeemable non-cumulative preference shares.

Commentary relating to the Nedbank condensed consolidated interim financial results is included in the Nedbank Group Limited group results, as presented to shareholders on 1 August 2011. Further information is provided on the website at [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).

### BOARD AND EXECUTIVE CHANGES DURING THE PERIOD

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

Malcolm Wyman was appointed as the 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 POLICIES

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

Nedbank'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'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 group 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 financial results have been prepared under the supervision of RK Morathi, the Group Chief Financial Officer.

### EVENTS AFTER THE REPORTING PERIOD

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

### REVIEWED RESULTS – AUDITORS' REVIEW OPINION

KPMG Inc and Deloitte & Touche, Nedbank's independent auditors, have reviewed the condensed consolidated interim financial results of Nedbank 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 interim 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 statement of cashflows for the six months then ended and selected explanatory notes. The review report is available for inspection at Nedbank's registered office.

### NEDBANK NON-REDEEMABLE NON-CUMULATIVE PREFERENCE SHARES – DECLARATION OF DIVIDEND NO 17

Notice is hereby given that preference dividend no 17 of 33,47260 cents per share has been declared for the period from 1 January 2011 to 30 June 2011, payable on Monday, 29 August 2011, to shareholders of the non-redeemable non-cumulative preference shares recorded in the books of the company at the close of business on Friday, 26 August 2011.

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

Event	Date
Last day to trade cum dividend	Friday, 19 August 2011
Shares commence trading ex dividend	Monday, 22 August 2011
Record date	Friday, 26 August 2011
Payment date	Monday, 29 August 2011

Share certificates may not be dematerialised or rematerialised between Monday, 22 August 2011, and Friday, 26 August 2011, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates dividend cheques will be posted to shareholders. Shareholders who have dematerialised their share certificates will have their accounts, at their participant or broker, credited on Monday, 29 August 2011.

For and on behalf of the board

**Dr RJ Khoza** Chairman  
**MWT Brown** Chief Executive  
1 August 2011

**Registered office**  
Nedbank Sandton, 135 Rivonia Road, Sandown, 2196.  
PO Box 1144, Johannesburg, 2000.

**Transfer secretaries**  
Computershare Investor Services (Pty) Limited  
70 Marshall Street, Johannesburg, 2001.  
PO Box 61051, Marshalltown, 2107.

**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 Ntshetshenze,  
JVF Roberts (British), GT Serobe,  
MI Wyman\*\* (British).  
\* Executive \*\* Senior independent non-executive

**Company Secretary**  
GS Nienaber

**Sponsors**  
Investec Bank Limited and Nedbank Capital.

**Nedbank Limited**  
Registration number 1951/000009/06  
Incorporated in the Republic of South Africa

**JSE share code:** NBKP  
**ISIN:** ZAE00043667

### 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	20 218	21 815	43 421
Interest expense and similar charges	11 868	14 071	27 556
<b>Net interest income</b>	<b>8 350</b>	<b>7 744</b>	<b>15 865</b>
Impairments charge on loans and advances	2 784	3 230	6 360
<b>Income from lending activities</b>	<b>5 566</b>	<b>4 514</b>	<b>9 505</b>
Non-interest revenue	5 810	5 025	10 741
<b>Operating income</b>	<b>11 376</b>	<b>9 539</b>	<b>20 246</b>
Total operating expenses	7 981	7 077	14 983
– Operating expenses	7 933	7 018	14 838
– Black economic empowerment (BEE) transaction expenses	48	59	145
Indirect taxation	216	205	387
<b>Profit from operations before non-trading and capital items</b>	<b>3 179</b>	<b>2 257</b>	<b>4 876</b>
Non-trading and capital items	(32)	(11)	(103)
– Net loss on sale of subsidiaries, investments, and property and equipment		(11)	(17)
– Net impairment of investments, property and equipment, and capitalised development costs	(32)		(86)
<b>Profit from operations before direct taxation</b>	<b>3 147</b>	<b>2 246</b>	<b>4 773</b>
Total direct taxation	763	458	983
– Direct taxation	763	461	985
– Taxation on non-trading and capital items		(3)	(2)
<b>Profit for the period</b>	<b>2 384</b>	<b>1 788</b>	<b>3 790</b>
Other comprehensive income/(loss) net of taxation	61	(39)	118
– Exchange differences on translating foreign operations	10		(15)
– Fair-value adjustments on available-for-sale assets	51	(41)	(31)
– Gains on property revaluations		2	164
<b>Total comprehensive income for the period</b>	<b>2 445</b>	<b>1 749</b>	<b>3 908</b>
<b>Profit attributable to:</b>			
Equity holders of the parent	2 373	1 754	3 737
Non-controlling interest – ordinary shareholders	11	34	53
<b>Profit for the period</b>	<b>2 384</b>	<b>1 788</b>	<b>3 790</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent	2 433	1 715	3 855
Non-controlling interest – ordinary shareholders	12	34	53
<b>Total comprehensive income for the period</b>	<b>2 445</b>	<b>1 749</b>	<b>3 908</b>

### 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	2 373	1 754	3 737
Less: Non-trading and capital items	(32)	(11)	(103)
– Net loss on sale of subsidiaries, investments, and property and equipment		(11)	(17)
– Net impairment of investments, property and equipment, and capitalised development costs	(32)		(86)
<b>Headline earnings</b>	<b>2 405</b>	<b>1 762</b>	<b>3 838</b>

### CONDENSED 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	7 076	6 447	13 329
Change in funds for operating activities	(2 864)	(8 601)	(11 705)
Net cash from/(utilised by) operating activities before taxation	4 212	(2 154)	1 624
Taxation paid	(747)	(508)	(1 592)
Cashflows from/(utilised by) operating activities	3 465	(2 662)	32
Cashflows utilised by investing activities	(1 340)	(2 137)	(3 508)
Cashflows from financing activities	1 369	5 510	4 753
Net increase in cash and cash equivalents	3 494	711	1 277
Cash and cash equivalents at the beginning of the period*	18 537	17 260	17 260
Cash and cash equivalents at the end of the period*	22 031	17 971	18 537

\* Including mandatory reserve deposits with central banks.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at	Reviewed 30 June 2011	Reviewed 30 June 2010	Audited 31 December 2010
Rm			
<b>ASSETS</b>			
Cash and cash equivalents	10 436	6 764	7 469
Other short-term securities	25 003	16 079	21 955
Derivative financial instruments	8 309	13 036	14 077
Government and other securities	35 903	40 233	31 667
Loans and advances	466 074	458 330	469 527
Other assets	3 928	3 761	3 613
Clients' indebtedness for acceptances	2 721	1 781	1 920
Current taxation receivable	590	315	440
Investment securities	3 299	2 927	2 999
Non-current assets held for sale	8		5
Investments in associate companies and joint ventures	1 126	899	933
Deferred taxation asset	40	138	48
Investment property	81	96	82
Property and equipment	5 620	5 002	5 394
Long-term employee benefit assets	2 022	1 859	1 965
Mandatory reserve deposits with central banks	11 595	11 207	11 068
Intangible assets	3 365	3 206	3 328
<b>Total assets</b>	<b>580 120</b>	<b>565 633</b>	<b>576 490</b>
<b>EQUITY AND LIABILITIES</b>			
Ordinary share capital	27	27	27
Ordinary share premium	14 422	14 422	14 422
Reserves	21 981	18 513	20 281
<b>Total equity attributable to equity holders of the parent</b>	<b>36 430</b>	<b>32 962</b>	<b>34 730</b>
Preference share capital and premium	3 560	3 562	3 560
Non-controlling interest attributable to ordinary shareholders	102	78	110
<b>Total equity</b>	<b>40 092</b>	<b>36 602</b>	<b>38 400</b>
Derivative financial instruments	8 800	10 704	11 930
Amounts owed to depositors	491 011	480 573	489 118
Provisions and other liabilities	6 372	6 432	6 179
Liabilities under acceptances	2 721	1 781	1 920
Current taxation liabilities	50	104	76
Deferred taxation liabilities	1 434	1 513	1 358
Long-term employee benefit liabilities	1 452	1 332	1 408
Long-term debt instruments	28 188	26 592	26 101
<b>Total liabilities</b>	<b>540 028</b>	<b>529 031</b>	<b>538 090</b>
<b>Total equity and liabilities</b>	<b>580 120</b>	<b>565 633</b>	<b>576 490</b>
Guarantees on behalf of clients	29 470	28 432	29 185

### CONDENSED 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 Shared Services	34 645	34 264	33 920	1 236	1 076	2 338	274	235	592
Central Management	7 252	6 599	6 791	74	151	244	(20)	195	255
Eliminations	40 981	40 740	37 322	48	92	(5)	(89)	(57)	(230)
	(110 040)	(125 176)	(127 997)	(20)	(39)	(81)			
Total per Nedbank Group	609 875	590 847	608 718	13 030	10 996	23 635	2 772	2 153	4 900
Fellow-subsubsidiary adjustments	(29 755)	(70 710)	(61 586)	(1 654)	(1 457)	(3 389)	(367)	(391)	(1 062)
<b>Total</b>	<b>580 120</b>	<b>520 137</b>	<b>547 132</b>	<b>11 376</b>	<b>9 539</b>	<b>20 246</b>	<b>2 405</b>	<b>1 762</b>	<b>3 838</b>

\* 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.

### CONDENSED 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 per Nedbank Group	13 030	10 996	23 635	2 772	2 153	4 900
Fellow-subsubsidiary adjustments	(1 654)	(1 457)	(3 389)	(367)	(391)	(1 062)
<b>Total</b>	<b>11 376</b>	<b>9 539</b>	<b>20 246</b>	<b>2 405</b>	<b>1 762</b>	<b>3 838</b>

THESE RESULTS AND ADDITIONAL INFORMATION ARE AVAILABLE AT [WWW.NEDBANKGROUP.CO.ZA](http://WWW.NEDBANKGROUP.CO.ZA).



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