


Nedbank
Group

Interim results 2008



MAKE THINGS HAPPEN

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A Member of the  OLD MUTUAL Group

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Agenda

- Highlights
- Financial results
- Operational review
- Prospects

Financial performance

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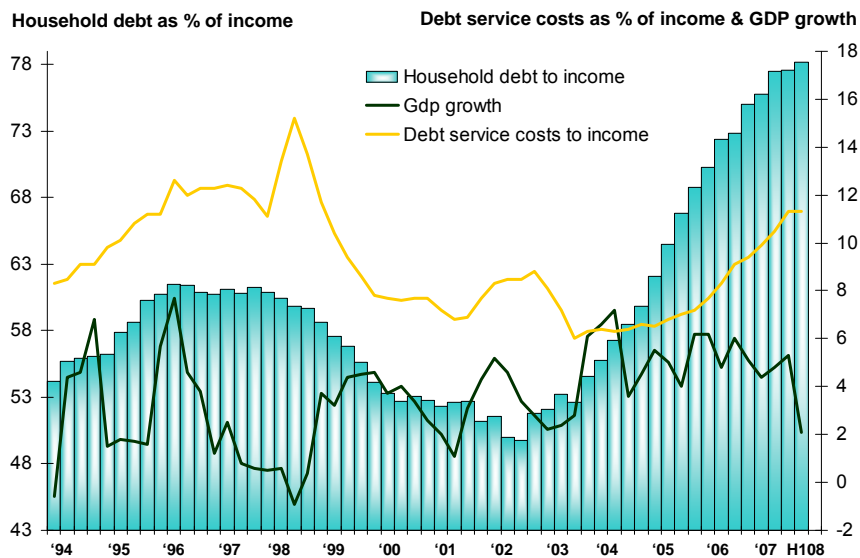
Headline earnings	↑	R2 943 m
Diluted HEPS growth	↑	6,8%
Diluted basic EPS growth	↑	29,6%
Efficiency ratio	↑	51,5%
Credit loss ratio	↓	0,96%
ROE (excl goodwill)	↓	21,3%
NAV per share*	↑	17,2%

*Annualised on December

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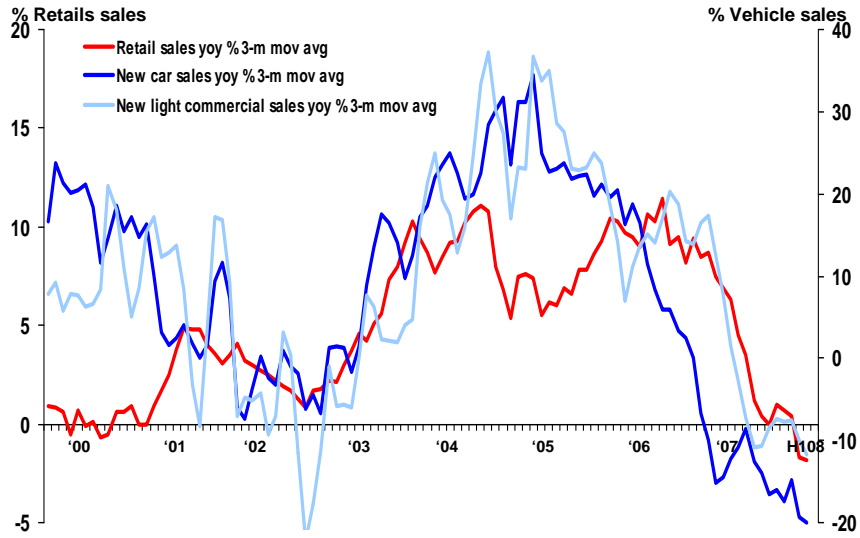
High household debt burden

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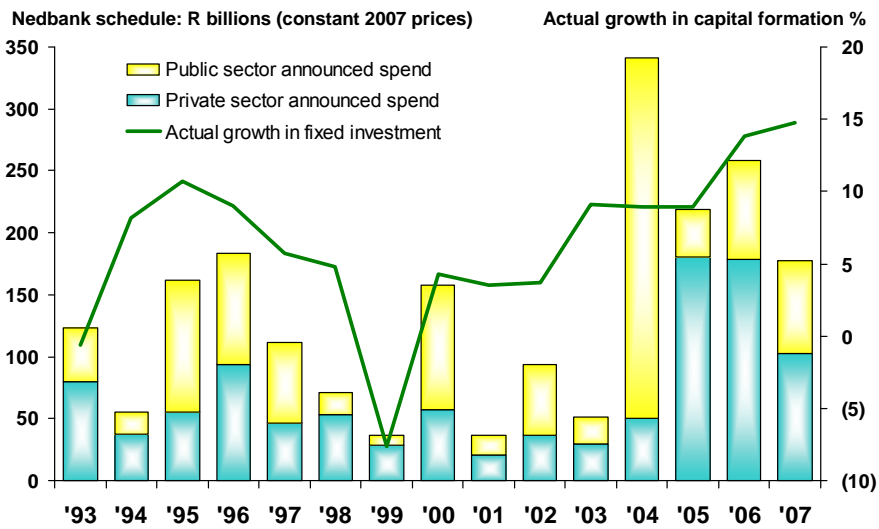
Consumer spending has slowed



5

Capital investment remains an underpin

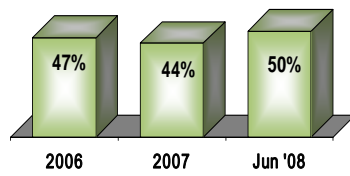
Announced value of capital projects



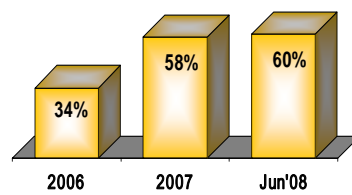
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Employee profile (DTI BEE codes)

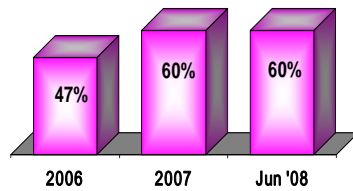
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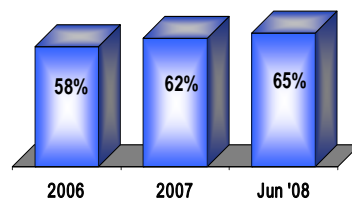
Black board members



Black management



Female management



Total black staff

Managing through a tough environment

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Macro banking
environment in SA



Consumers under pressure
Slowing advances growth
Rising impairment levels

Focus on

- Strengthening collection & risk processes
- Increasing capital ratios
- Controlling cost growth
- Investing in areas with growth potential
- Capitalising on opportunities that volatile markets create

... sustainability, transformation & culture differentiation

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Financial results
Mike Brown

Key financial indicators

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Six months ended	% change	Jun 2008	Jun 2007
Headline earnings (Rm)	6,1	2 943	2 775
Diluted HEPS (cents)	6,8	719	673
Diluted basic EPS (cents)	29,6	879	678
ROE (%)		18,7	21,2
ROE (excluding goodwill) (%)		21,3	24,7
ROA (%)		1,14	1,26
Margin (%)		3,83	3,90
Credit loss ratio (%)		0,96	0,62
Efficiency ratio (%)		51,5	55,2
Tangible NAV per share (cents)	20,4	6 817	5 661
Basel II capital adequacy (%)		11,7	N/A
Interim dividend per share (cents)		310	310

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Income statement

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Rm – six months ended	% ch	Jun 2008	Jun 2007
Net interest income	21,2	7 960	6 568
Impairments charge	86,4	(1 894)	(1 016)
Income from lending activities	9,3	6 066	5 552
Non-interest revenue	4,5	4 954	4 742
Total expenses	6,6	(6 651)	(6 238)
Indirect taxation	43,6	(191)	(133)
Associate income	(53,1)	84	179
Headline profit before taxation	3,9	4 262	4 102
Direct taxation	(2,3)	(1 014)	(1 038)
Minorities & preference shares	5,5	(305)	(289)
Headline earnings	6,1	2 943	2 775
Basic earnings	28,6	3 597	2 798

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Segmental performance

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Rm – six months ended	% ch	Headline earnings		RORAC %	
		Jun 2008	Jun 2007	Jun 2008	Jun 2007
Nedbank Capital	20,0	600	500	35,3	36,7
Nedbank Corporate	11,8	1 503	1 344	29,5	27,7
Nedbank Retail	(18,6)	728	894	15,9	21,9
Imperial Bank	(17,8)	88	107	15,5	24,3
Operating units	2,6	2 919	2 845	24,4	26,5
Shared services		27	41		
Central management		(3)	(111)		
Total	6,1	2 943	2 775	18,7	21,2

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NII - margin analysis

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% of daily average interest-earning banking assets	%	Rm
December 2007	3,94	14 146
H1 2008 asset growth		2 327
Net endowment effect	0,08	358
Liability price movement:	0,00	38
Current & savings accounts	0,18	770
Increased cost of funds	(0,18)	(732)
Asset price movement:	(0,19)	(861)
Personal loans margins (move to lower risk assets)	(0,04)	(182)
Home loans margin	(0,06)	(243)
Short term securities held in international markets	(0,04)	(177)
Other	(0,05)	(259)
June 2008 (annualised)	3,83	16 008

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Note: this is a description of the movement in H1 margin & not a forecast of NII for 2008

Impairment charge

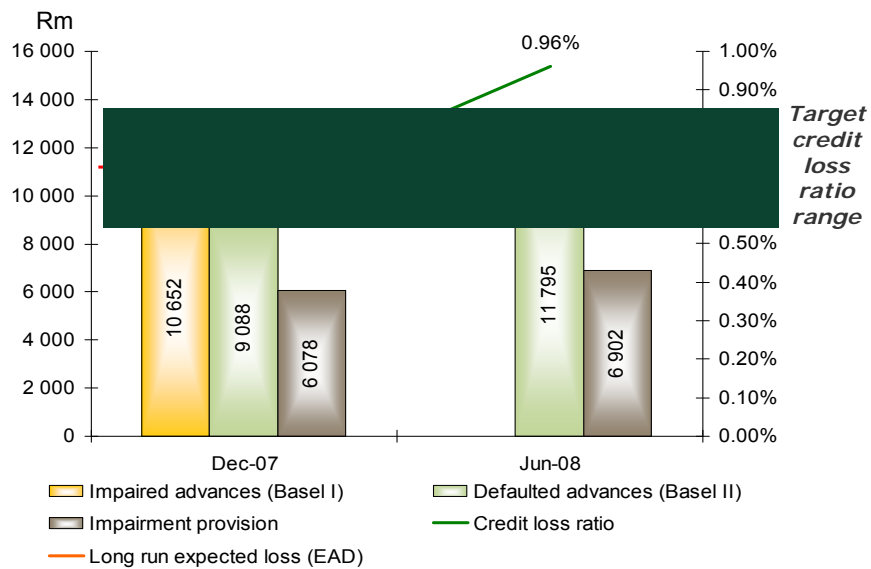
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Rm – six months ended	% of average advances	Jun 2008	Jun 2007
Impairment charge		1 894	1 016
As % of NII (%)		23,8	15,5
As % of average advances (%)	100,0	0,96	0,62
Nedbank Capital	14,5	0,12	(0,09)
Nedbank Corporate	40,4	0,15	0,11
Nedbank Retail	35,4	2,00	1,35
Imperial Bank	9,7	1,75	1,18

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Impairment vs. defaulted advances

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Non-interest revenue

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Rm – six months ended	% change	Jun 08	Jun 07 excl BC	Bond Choice	Jun 07
Commission & fees	12,4	3 692	3 285	261	3 546
Trading income	56,1	813	521		521
Private equity income	(89,2)	53	493		493
Other inv income & FV adj	>100	126	(46)		(46)
Rental income	16,0	29	25		25
Sundry income	18,7	241	203		203
Non-banking subsidiaries	(14,0)	111	129		129
Other	75,6	130	74		74
Total NIR	10,6	4 954	4 481	261	4 742

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Expenses

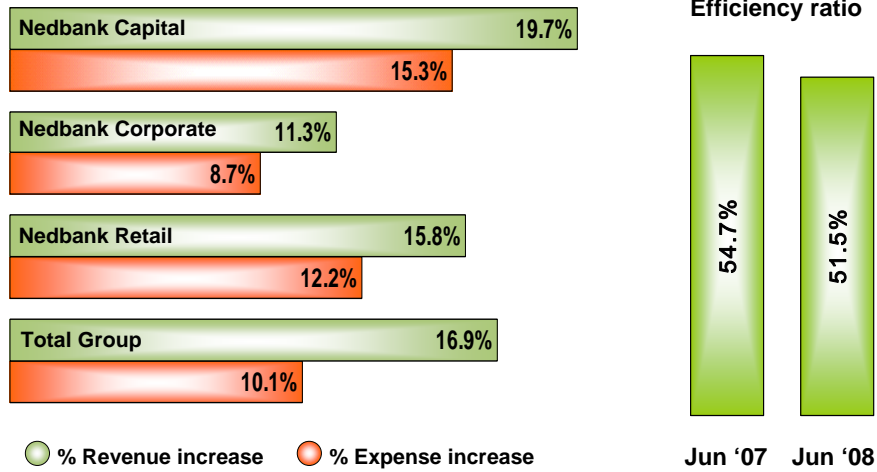
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Rm – six months ended	% change	Jun 08	Jun 07 excl BC	Bond Choice	Jun 07
Staff costs	5,3	3 474	3 299	24	3 323
Computer processing	14,4	896	783	3	786
Communication & travel	19,5	306	256	8	264
Accommodation	13,1	552	488	4	492
Marketing & PR	10,7	414	374	8	382
Fees & insurance	12,3	565	503	148	651
Other	31,8	336	255	4	259
Operating expenses	9,8	6 543	5 958	199	6 157
BEE	33,3	108	81		81
Total expenses	10,1	6 651	6 039	199	6 238

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Income growth ahead of expenses

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19 *Note: excluding Bond Choice*

Basic earnings

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Rm – six months ended	% ch	Jun 2008	Jun 2007
Headline earnings	6,1%	2 943	2 775
VISA surplus on sale		637	-
Bond Choice surplus on sale		15	-
Other		2	23
Basic earnings	28,6%	3 597	2 798
Diluted basic EPS (cents)	29,6%	879	678

... capital items contributed to increase in CAR

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Balance sheet

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Rm	Annualised % change	Jun 2008	Dec 2007
Cash & securities	34,6	86 898	74 138
Advances	18,4	408 071	373 956
Investments		10 006	9 296
Property & equipment		3 925	3 929
Computer software		1 497	1 349
Goodwill		3 940	3 898
Derivatives	>100	16 759	9 047
Other		17 911	13 243
Total assets	24,7	549 007	488 856
Ordinary shareholders' equity	19,5	33 127	30 193
Minorities & preference shareholders		4 971	4 932
Deposits	26,6	435 209	384 541
Derivatives	>100	17 211	11 432
Long-term debt instruments		12 950	12 326
Other		45 539	45 432
Total equity & liabilities	24,7	549 007	488 856

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Advances

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Rm	Annualised % change	Jun 2008	Dec 2007
Home loans	17,1	134 535	123 980
Commercial mortgages	16,9	65 076	60 045
Properties in possession	>100	575	308
Term loans	30,1	45 789	39 835
Credit cards	10,7	7 486	7 109
Overnight loans	0,2	18 355	18 336
Overdrafts	20,4	13 781	12 514
Other loans to clients	18,6	52 737	48 280
Leases & instalment sales	17,9	57 237	52 568
Preference shares & debentures	58,7	12 112	9 377
Trade & other bills	30,0	2 118	1 843
Reverse repurchase agreements	(23,0)	5 172	5 839
Impairment of advances	27,3	(6 902)	(6 078)
	18,4	408 071	373 956

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Deposits

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Rm	Annualised % change	Jun 2008	Dec 2007
Current accounts	(0,3)	45 847	45 920
Savings accounts	16,1	15 042	13 925
Other deposits	28,5	287 014	251 424
Foreign currency liabilities	(16,8)	7 543	8 230
NCDs	17,3	60 993	56 166
Deposit repurchase agreements	224,2	18 770	8 876
	26,5	435 209	384 541
Nedbank Retail	18,5	95 523	87 457
Other clusters	28,8	339 686	297 084

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Funding & liquidity highlights

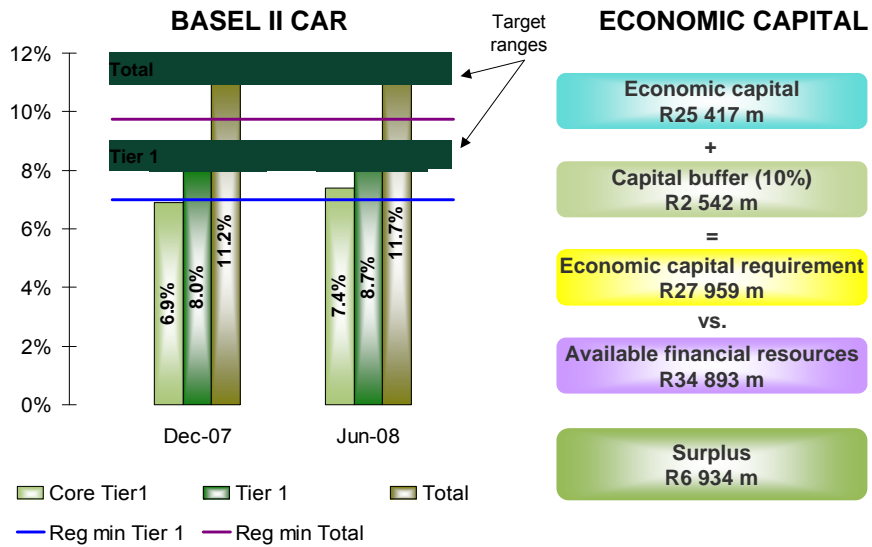
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- Liquidity sound
- Appropriate governance, management & frameworks in place
- Increase in wholesale deposits
- Further diversification through capital & foreign markets
- International market turbulence - not materially impacting SA
- Source of quick liquidity including marketable securities R66,4 billion
- Strong & established retail, business banking & corporate deposit franchises
- Good funding mix maintained

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Group capital adequacy

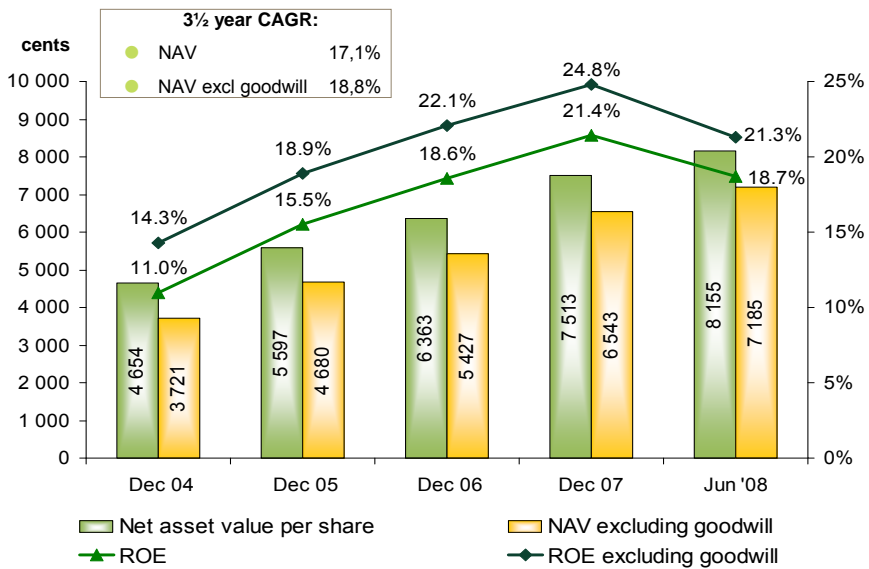
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NAV & ROE

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Group targets

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Medium to long-term targets	H1 2008	
ROE (excl goodwill) 10% above monthly weighted average cost of ordinary shareholders' equity (COE).	21,3%	✗
Efficiency ratio: < 55%	51,5%	✓
Growth in diluted HEPS: at least CPIX + GDP growth + 5%	6,8%	✗
Impairment charge: between 0,55% & 0,85% of avg advances	0,96%	✗
Basel II tier 1 CAR: 8,0% – 9,0% Basel II total CAR: 11,0% – 12,0%	8,7% 11,7%	✓
Economic capital - capitalised to a 99,9% confidence interval on economic capital basis (target debt rating A- + 10% buffer)	✓	✓
Dividend cover policy of 2,25 to 2,75 times	2,35	✓

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Financial drivers - 2008

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NII	<ul style="list-style-type: none"> • Advances growth mid teens / matching liability growth • Margin 10 to 15 bps compression on 2007
Impairments	<ul style="list-style-type: none"> • Wholesale slightly up but below through the cycle • Retail stable on June 2008 (unless economy worsens)
NIR	<ul style="list-style-type: none"> • Upper single digit growth for year • Early double digit growth excluding Bond Choice
Expenses	<ul style="list-style-type: none"> • Growth to be held to below income growth (single digit) • Early double digit growth excluding Bond Choice
Capital	<ul style="list-style-type: none"> • Targeting to improve CAR to top of target ranges

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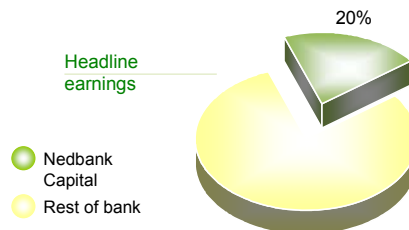
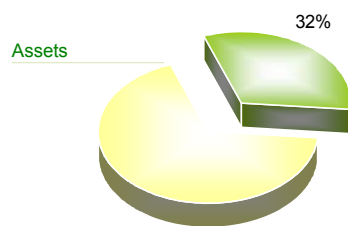
... tough environment continues

Nedbank Capital

Brian Kennedy

Nedbank Capital - financial highlights

Six months ended – Rm	% change	Jun 2008	Jun 2007
Headline earnings	20,0	600	500
Efficiency ratio		48,8%	50,6%
Credit loss ratio		0,12%	(0,09%)
Allocated economic capital	24,6	3 422	2 747
RORAC		35,3%	36,7%



Nedbank Capital – revenue split

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Rm	% change	Jun 2008	Jun 2007
Net interest income	83	443	242
Impairments	>100	35	(21)
Income from lending activities	55	408	263
Non-interest revenue	3	941	915
Trading	53	703	458
Advisory & other	31	145	111
Private equity	(73)	93	346
Realised		82	98
Unrealised		11	248
Operating income	15	1 349	1 178

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Current environment

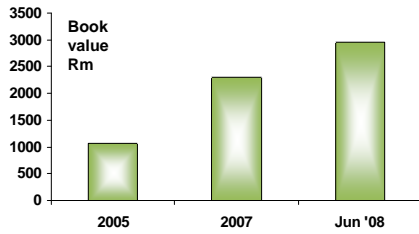
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- Depressed M&A environment
- Re-intermediation of bank's balance sheets
- Foreign private equity interest continues in <\$1bn market (locally funded with emphasis on management & strategy)
- Volatile trading environment
- Uncertain economic environment - causing deals to take longer
- Partially insulated from global investment banking trends

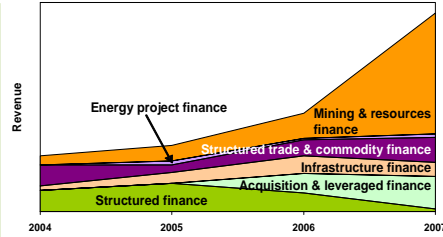
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Growth strategies

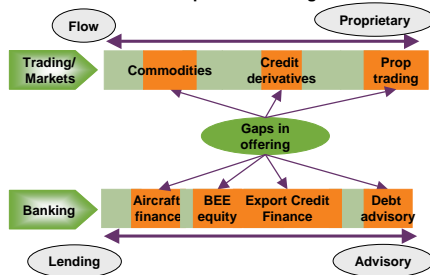
Creating scale by growing the investment portfolio



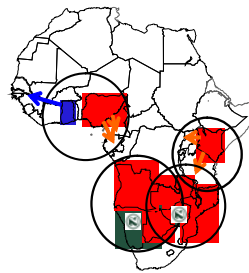
Choosing the sectors early



Enhanced product offering



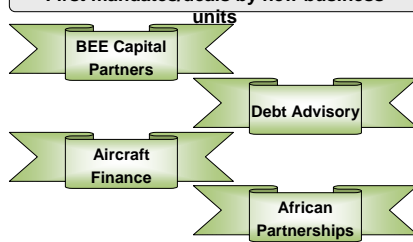
Growing our boutique geographical presence selectively



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Nedbank Capital – Success of new initiatives

First mandates/deals by new business units



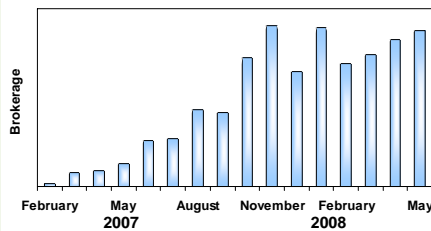
London office gaining traction

- Credit derivative capability underway
- AIM nomad initiative secured first mandate
- Several senior staff have been seconded

Co-investment with selected partners

Alternative Investments unit set up with co-investment in complementary third party funds

CFD business still growing strongly



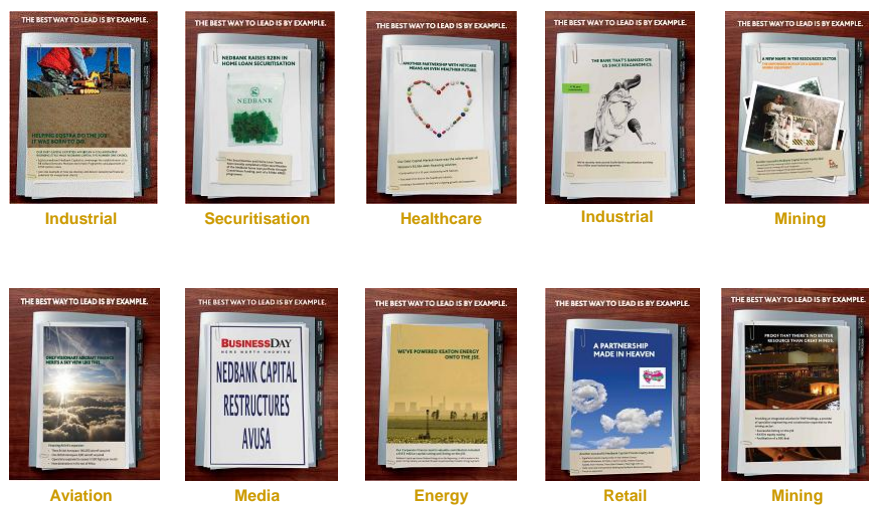
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Nedbank Capital – Progress on new initiatives

	Structure	Geography	Innovation																		
	Risk & African operations unit established	Nigerian, Angolan & Kenyan - regulatory approval stage	Developing exchange traded funds																		
	Reorganised advisory & lending businesses	In process of establishing UK office for equities	Prime broking & algorithmic trading platform being set up																		
	Reorganised derivatives & equities business	Toronto office for mining in feasibility stage	Enhanced fixed income proprietary trading																		
Investment Advisers	<table border="1"> <tr><td>1</td><td>Citigroup Global Markets</td><td>10,200</td></tr> <tr><td>2</td><td>Nedbank Capital</td><td>8,113</td></tr> <tr><td>3</td><td>Rand Merchant Bank</td><td>5,666</td></tr> </table>	1	Citigroup Global Markets	10,200	2	Nedbank Capital	8,113	3	Rand Merchant Bank	5,666		<table border="1"> <tr><td>1</td><td>ABSA Capital</td><td>26</td></tr> <tr><td>2</td><td>Rand Merchant Bank</td><td>10</td></tr> <tr><td>4</td><td>Nedbank Capital</td><td>6</td></tr> </table>	1	ABSA Capital	26	2	Rand Merchant Bank	10	4	Nedbank Capital	6
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Sponsors	<table border="1"> <tr><td>1</td><td>Nedbank Capital</td><td>7,113</td></tr> <tr><td>2</td><td>Rand Merchant Bank</td><td>6,079</td></tr> <tr><td>3</td><td>Deutsche Securities</td><td>4,494</td></tr> </table>	1	Nedbank Capital	7,113	2	Rand Merchant Bank	6,079	3	Deutsche Securities	4,494		<table border="1"> <tr><td>1</td><td>Java Capital</td><td>23</td></tr> <tr><td>2</td><td>Investec Bank</td><td>8</td></tr> <tr><td>4</td><td>Nedbank Capital</td><td>6</td></tr> </table>	1	Java Capital	23	2	Investec Bank	8	4	Nedbank Capital	6
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4	Nedbank Capital	6																			

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...major deals in 2008 across sectors



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Strategic

- **Basel II & economic capital embedded** in business
- **Bottom-up risk appetite** project – incl income volatility

Models

- **Country risk framework** for group
- **LBO Model**
- **Economic capital** forecasting for 3-year planning cycle

Market Risk

- Best practice **market risk framework & Riskwatch**
- Monthly **Trading risk committee**

Credit

- New **head of credit**
- Continued improvement of **information**

Operational

- **Enterprise-wide risk committee** – redesign & practical implementation

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- Accessing available pool of skills remains a primary focus
- Better credit margins achieved
- Satisfactory progress in volatile & difficult markets
- Market opportunity to build private equity
- Primary trading businesses on track
- Reducing earnings volatility & good pipeline of deals
- Market uncertainty lengthening deal process
- Re-intermediation & opportunity to build local market share

Well positioned - but market volatility could impact earnings growth

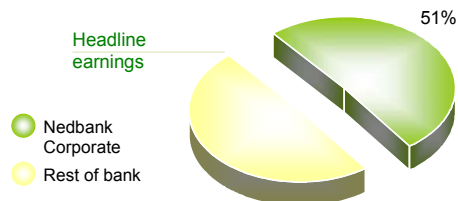
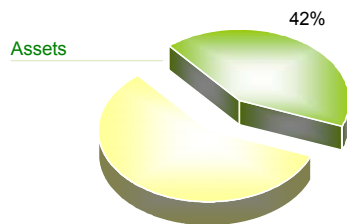
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Nedbank Corporate

Graham Dempster

Nedbank Corporate - financial highlights

Six months ended – Rm	% change	Jun 2008	Jun 2007
Headline earnings	11,8	1 503	1 344
Margin		2,65%	2,82%
Efficiency ratio		47,1%	51,2%
Credit loss ratio		0,15%	0,11%
Average advances	16,4	160 008	137 430
Allocated economic capital	4,8	10 253	9 787
RORAC		29,5%	27,7%

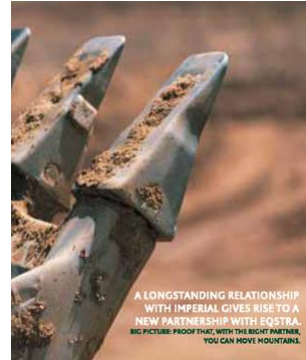


● Nedbank Corporate
● Rest of bank

Highlights – H1 2008

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- Strong core banking performance
 - Headline earnings up 30,6% to R1 506 m
 - RORAC 30,7%
 - Jaws 8,7%
- Good advances growth
- Primary client gains
- Property market challenging
- Tight risk management
- Good progress
 - Transformation
 - Corporate culture
 - Leadership development



A LONGSTANDING RELATIONSHIP
WITH IMPERIAL GIVES RISE TO A
NEW PARTNERSHIP WITH EQSTRAL.
BEC FUTURE PROOF FINE WITH THE RIGHT PARTNERS.
YOU CAN MOVE MOUNTAINS.

**GLOBAL
FINANCE**

**GLOBAL FINANCE NAMES THE WORLD'S
BEST SUB-CUSTODIAN BANKS 2008**

Africa

Nedbank

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Nedbank Corporate - segmental analysis

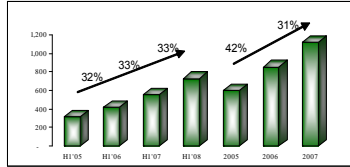
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Rm	Headline earnings			RORAC	Average advances	
	Jun 2008	Jun 2007	% change	Jun 08 %	Jun 2008	% change
Business Banking	731	551	33	35	53 283	18
Corporate Banking	286	198	44	32	51 669	11
Property Finance	417	475	(12)	24	47 909	24
Africa	50	39	28	18	5 365	16
	1 484	1 263	18	30	158 226	17
Other	19	81	(77)	21	1 782	(30)
Nedbank Corporate	1 503	1 344	12	30	160 008	16

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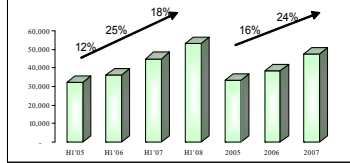
Business Banking

Headline Earnings (R m)



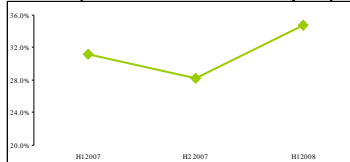
- Advances 18% & liability 13% growth good but slowing
- Good transaction volume growth
- Client value management focus

Average Advances (R m)



- Active risk management
 - good recoveries
 - increasing trend of defaults
- Launched comprehensive offering to enterprise development, agriculture & tourism sectors

RORAC (Based on Economic Capital)

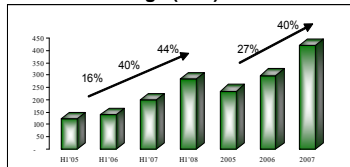


- Headline earnings growth of 33% to R731m & RORAC of 35%

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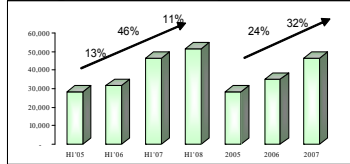
Corporate Banking

Headline Earnings (R m)



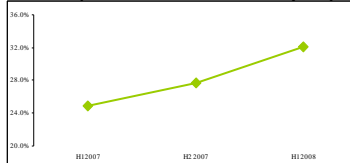
- Advances - emphasis on duration & margin management
 - growing term advances whilst enhancing returns on short-term advances
 - term up 20%, short-term flat

Average Advances (R m)



- Strong liability growth at 33%
- Core banking NIR up 28%
- Good progress in public sector deal flow
- Strong headline earnings growth of 44% to R286m & RORAC of 32%

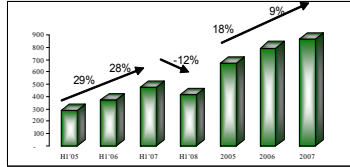
RORAC (Based on Economic Capital)



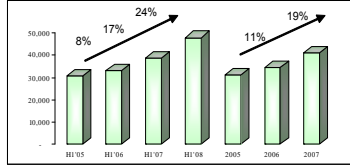
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Property Finance

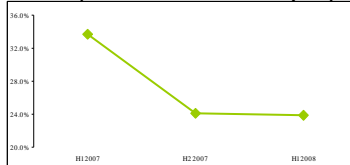
Headline Earnings (R m)



Average Advances (R m)



RORAC (Based on Economic Capital)



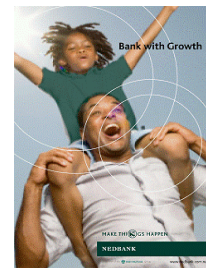
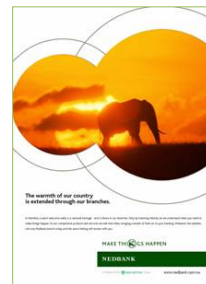
- Advances up 24%
 - driven by high quality, large deals
 - market leadership maintained
- Successful affordable housing negotiations held - local government
- High staff morale maintained
- Investment activity positioned for gains in future years

	% ch	HE (Rm)
Property Lending	30	423
Property Investments	<(100)	(6)
Total	(12)	417

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Africa

- All subsidiaries showed growth
 - Headline earnings growth of 28%
- Progressing with the NAMPOST financial services joint venture
- Focussed on expanding into selected SADC countries



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Nedbank Corporate – future focus

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- Ongoing prudent risk management
- Tighter expense management
- Embed 'managing for value' concepts
- Continue building on our transformation initiatives
- Driving quality growth through
 - Business Banking leadership
 - Increasing primary banker market share
 - Public sector client growth
 - Profitable expansion into rest of Africa



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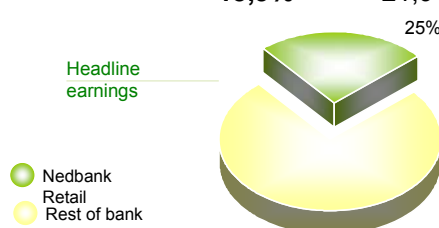
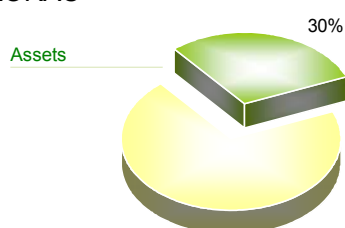
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Nedbank Retail
Rob Shuter

Nedbank Retail – financial highlights

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Six months ended - Rm	% change	Jun 2008	Jun 2007
Headline earnings	(18,6)	728	894
Margin		5,05%	5,24%
Efficiency ratio		61,1%	63,1%
Credit loss ratio		2,00%	1,35%
Average advances	20,4	138 632	115 144
Allocated economic capital	12,2	9 234	8 231
RORAC		15,9%	21,9%



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Nedbank Retail – Income statement

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Rm – six months ended	% ch	Jun 2008	Jun 2007
Net interest income	17,1	3 705	3 164
Impairments charge	79,7	(1 414)	(787)
Income from lending activities	(3,6)	2 291	2 377
Non-interest revenue	13,9	2 635	2 313
Total expenses	12,2	(3 876)	(3 455)
Indirect taxation	27,9	(87)	(68)
Associate income	(38,7)	76	124
Direct taxation	(23,7)	(290)	(380)
Net profit after tax	(17,8)	749	911
Minorities & preference shares	23,5	21	17
Headline earnings	(18,6)	728	894

... revenue & expenses well managed – impairments challenging

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Nedbank Retail – a tough H1

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- Much tougher operating environment
- Impairments exceeding through the cycle expectations
- Industry volumes dropping off sharply
- Early focus on risk & collections paying off
- Old Mutual Bank integration completed successfully
- Staff cultural alignment improving
- Distribution plan progressing well
- Ask Once 2 launched



...tackling current conditions & rolling out longer term strategy

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Nedbank Retail – divisional highlights

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Rm	Headline earnings		RORAC %	Efficiency ratio %	Average advances		Credit loss ratio %
	Jun 2008	%ch	Jun 2008	Jun 2008	Jun 2008	%ch	Jun 2008
Small Business Services	223	55,9	60,1 ▲	43,9 ▼	9,0	32	1,96 ▲
Bancassurance & Wealth	194	20,5	49,4 ▲	64,0 ▼	14,4	17	0,41 ▲
Personal Loans	142	44,9	20,5 ▲	43,4 ▼	5,8	14	9,06 ▼
Card	78	(52,4)	9,8 ▼	60,1 ▼	6,8	19	10,57 ▲
Private Bank	43	2,4	27,3 ▲	68,2 ▼	9,8	3	0,50 ▲
Home Loans	(5)	<(100)	(0,4) ▼	51,1 ▲	85,4	23	0,90 ▲
VAF & TIP	(27)	(12,9)	(4,8) ▼	87,7 ▼	7,4	21	6,41 ▲
Vehicle Asset Finance	(73)	(4,3)	(21,3) ▲	71,5 ▼	6,2	27	4,19 ▲
Transactional & Inv products	46	17,9	9,4 ▼	87,8 ▼	1,2	-	16,64 ▲
Other	80						
Total	728	(18,6)	15,9 ▼	61,1 ▼	138,6	20	2,00 ▲

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Small Business Services

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Rm	Headline earnings		RORAC %	Efficiency ratio %	Average advances		Credit loss ratio %
	Jun 2008	%ch	Jun 2008	Jun 2008	Jun 2008	%ch	Jun 2008
Small Business Services	223	55,9	60,1 ▲	43,9 ▼	9,0	32	1,96 ▲

- Transactional volume gains
- Strong sales & relationship focus
- Sales force expanded
- Impairments well controlled
- Some customer stress being experienced

FREE

SMALL BUSINESS SEMINARS

2-17 JUNE 2008

MAKE THINGS HAPPEN

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... focussed strategy & modest market share creating opportunity

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Bancassurance & Wealth

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Rm	Headline earnings		RORAC %	Efficiency ratio %	Average advances		Credit loss ratio %
	Jun 2008	%ch	Jun 2008	Jun 2008	Jun 2008	%ch	Jun 2008
Bancassurance & Wealth	194	20,5	49,4 ▲	64,0 ▼	14,4	17	0,41 ▲

Bancassurance

- Credit life volumes under pressure
- Trend to money market affecting margins
- Retail investment flows moderate
- Good progress in short-term insurance

Wealth

- Strong performance from BoE & Fairbairn
- High net worth client proposition being integrated
- Businesses well positioned

... business continues to broaden its strategy & grow

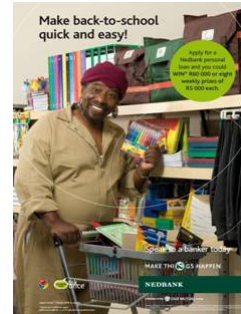
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Personal Loans

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GROUP

Rm	Headline earnings		RORAC %	Efficiency ratio %	Average advances		Credit loss ratio %
	Jun 2008	%ch	Jun 2008	Jun 2008	Jun 2008	%ch	Jun 2008
Personal Loans	142	44,9	20,5 ▲	43,4 ▼	5,8	14	9,06 ▼

- Manage for value program completed
- Business in good shape
- Credit loss ratio improving
- Credit decisioning & pricing continues to improve
- Well positioned to compete in tougher markets



... stabilised & well positioned after tough H2 2007

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Card

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Rm	Headline earnings		RORAC %	Efficiency ratio %	Average advances		Credit loss ratio %
	Jun 2008	%ch	Jun 2008	Jun 2008	Jun 2008	%ch	Jun 2008
Card	78	(52,4)	9,8 ▼	60,1 ▼	6,8	19	10,57 ▲

- Headwinds identified came to bear
 - Stress in consumer portfolio
 - Lower volumes
 - Acquiring margin compression
- Collections improving since Q1 2008
- Cash advance strategy progressing well
- Good growth in Corporate issuing & acquiring



... large acquiring business positions Nedbank well in future

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Nedbank Private Bank

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Rm	Headline earnings		RORAC %	Efficiency ratio %	Average advances		Credit loss ratio %
	Jun 2008	%ch	Jun 2008	Jun 2008	Jun 2008	%ch	Jun 2008
Private Bank	43	2,4	27,3 ▲	68,2 ▼	9,8	3	0,50 ▲

- Integration of Personal Banking completed successfully
- Results restated for client moves
- Renewed focus on primary clients
- Relaunch of Private Banking service offering delayed to H2

**ARE YOU
READY FOR
FIRST CLASS
PRIVATE
BANKING?**

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... client re-segmentation improving critical mass

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Home Loans

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Rm	Headline earnings		RORAC %	Efficiency ratio %	Average advances		Credit loss ratio %
	Jun 2008	%ch	Jun 2008	Jun 2008	Jun 2008	%ch	Jun 2008
Home Loans	(5)	<(100)	(0,4) ▼	51,1 ▲	85,4	23	0,90 ▲

- Significant increase in arrear accounts
- Fraud created pressure in collections environment
- Recent management changes
- Sales to slow further as credit & LTV tightened
- Refocus to economic profit strategy

How would you like to watch
R50 000 become R250 000?

Apply for a Nedbank home loan and you could win R50 000!†
Paid into a home loan account, this could save you over R250 000 in interest!



Apply before 31 May, speak to a banker now!

MAKE THE GOOD HAPPEN

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... very tough first half

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VAF & TIP

Rm	Headline earnings		RORAC %	Efficiency ratio %	Average advances		Credit loss ratio %
	Jun 2008	%ch	Jun 2008	Jun 2008	Jun 2008	%ch	Jun 2008
VAF & TIP	(27)	(12,9)	(4,8) ▼	87,7 ▼	7,4	21	6,41 ▲

Vehicle & Asset Finance

- Significant increase in arrears & security values under pressure
- Some operational issues to tackle
- Approval rates reducing to 22%
- Margin improving
- Refocus to economic profit strategy

Transactional & Investment Products

- Solid y.o.y. primary client growth 11% (109k clients)
- Retail deposits very competitive but maintaining market share
- Overdraft growth slow
- Spike in frauds & operational losses affecting credit loss ratio

... VAF challenging but good progress in primary clients

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Nedbank channel environment

- Branch Network performing well:
 - Sales holding up y.o.y.
 - assets -6%, transactional accounts +48%, liabilities +15%
 - Costs well managed at <10% y.o.y.
 - Ask Once queue promise launched
- Nedbank Contact Centre continues to improve
- Nedbank in Retailer channel progressing
 - 37 000 products sold (+88% y.o.y.), 31 outlets operational
- ATM transaction volumes +17%, 32 bombings (2007 H1: 6)
- OMB successfully integrated, 97,4% clients happy at Nedbank



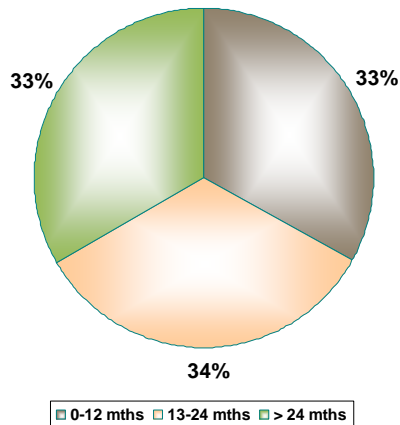
*... continued improvement
in cost-effective distribution & client service*

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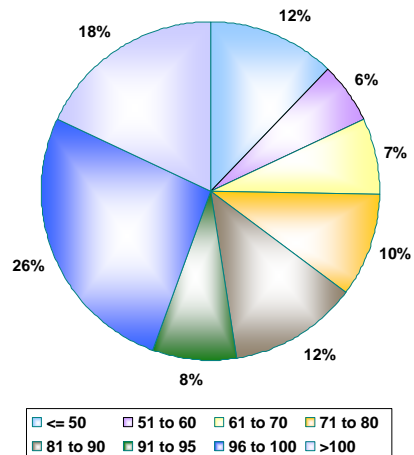
Retail home loan book metrics

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Home loan age distribution



Home loan BTV distribution
(Based on original value)



... Reasonable distribution by age and BTV

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Nedbank Retail – credit

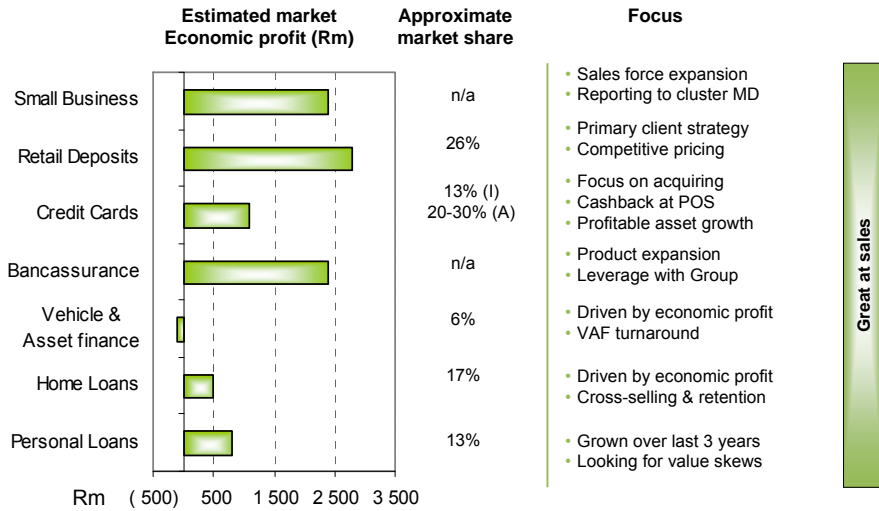
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- Effect of higher interest rates now being felt
- Unsecured showing early signs of improvement
- Home loans & VAF under pressure
- SBS & NPB in early stages of consumer stress
- What could make it worse:
 - Falling security prices
 - Further interest rate increases
 - Unemployment
- R140m above IAS for delayed interest rate effect

... tough times set to continue into 2009

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Nedbank Retail – focus on economic profit



... significant opportunities for growth in high EP markets

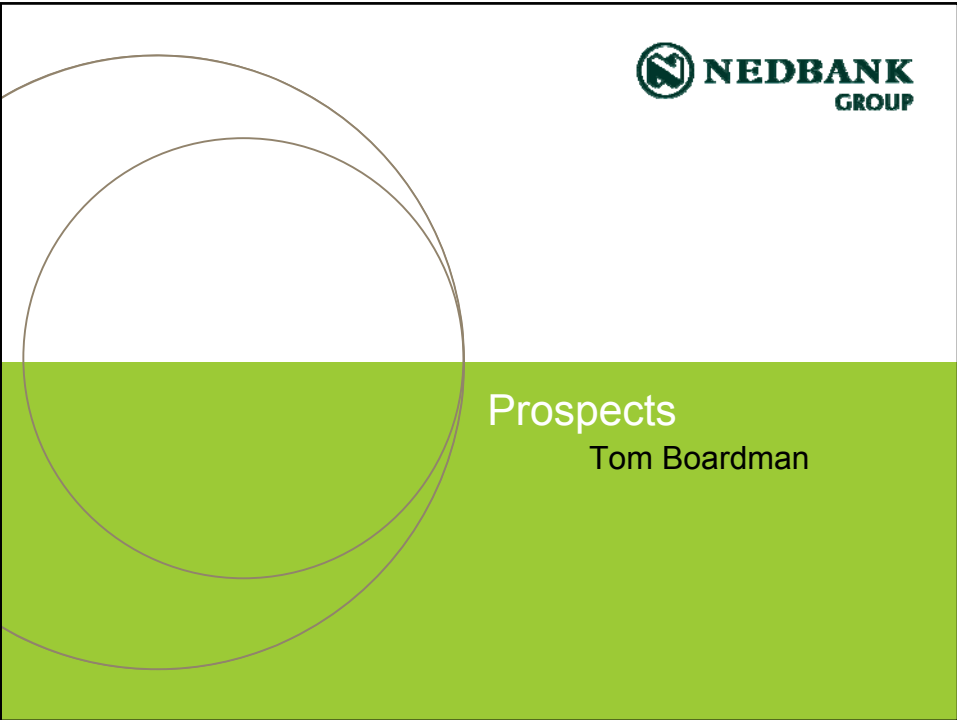
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Nedbank Retail – focus & prospects

- Environment still challenging
 - Credit cycle
 - Industry volumes
 - Fee & margin pressure
- Turnaround process created strong discipline
- Continued focus on expense control
- Ongoing strategies to grow net primary clients
- Strong focus on value & quality rather than quantity & growth
- Refocus to economic profit strategy

... vigilant risk & expense focus whilst continuing to build for long term

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Prospects

Tom Boardman

Strong platform to withstand environment

Differentiators

Culture
&
Transformation

- Disciplined expense management
- Managing credit cycle
- Strong capital
- Continue to focus on growth areas
- Alignment of reward systems with stakeholder value creation

... doing the basics well

- Not making short term decisions at expense of longer term growth
- Building group's relevance in
 - Transactional banking
 - Public sector
 - Business Banking
 - Mass market
 - Social & community participation
- Continue to position the group as a sustainable bank

... building a sustainable business



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Booklet slides

Culture as a competitive advantage

Barrett survey results - top 10 rated by staff

2006	2007	2008
Cost-consciousness	Client-driven	Accountability
Accountability	Accountability	Client-driven
Client-driven	Client satisfaction	Client satisfaction
Client satisfaction	Cost-consciousness	Community involvement
Results orientation	Community involvement	Achievement
Performance driven	Performance driven	Cost-consciousness
Profit	Profit	Teamwork
Bureaucracy (L)	Achievement	Performance-driven
Teamwork	Being the best	Being the best
Community involvement	Results orientation	Delivery

Continue to align corporate & individual values

Taxation

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Rm – six months ended	Jun 2008	%	Jun 2007	%
Total tax	1 014	24,6	1 038	25.4
Tax – business operations	1 020	24,7	997	24,3
– rate change	(40)	(0,9)	-	-
– risk provisions	(14)	(0,3)	4	0,1
Tax – structured deals	-	-	(6)	(0,1)
STC	48	1,1	43	1,1

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Economic capital

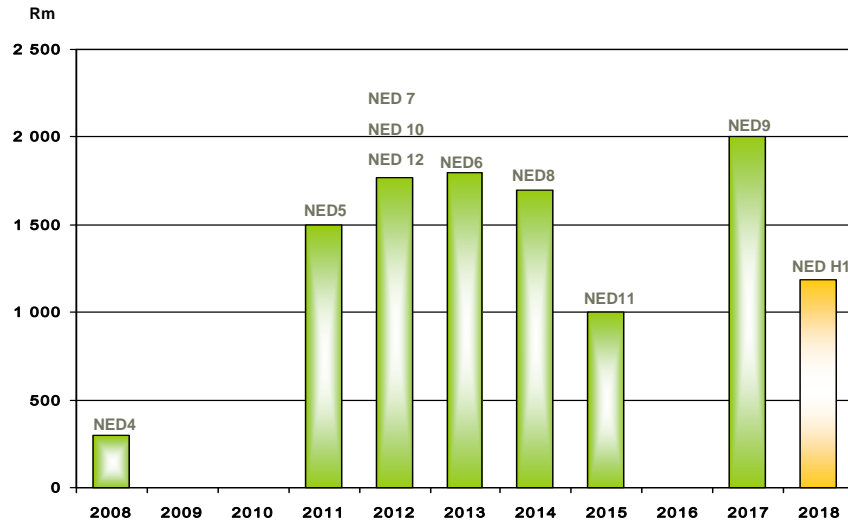
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Risk category - Rm	Jun 2008	Dec 2007
Credit	16 136	16 335
Market	2 927	2 472
Trading	360	353
ALM	33	31
Property	956	919
Investment (including Forex)	1 578	1 169
Operational	1 385	1 099
Business	4 202	3 885
Other assets	767	730
Economic capital	25 417	24 521

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Subordinated debt and hybrid maturity profile

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

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