

## REVIEWED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

### OVERVIEW

Nedbank Limited ("Nedbank") is a wholly owned subsidiary of Nedbank Group Limited ("Nedbank Group"), 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 results, as presented to shareholders on 2 August 2010. Further information is provided on the website [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).

### BOARD CHANGES DURING THE PERIOD

As previously reported, Bob Head and Jabu Moleketi resigned from the board with effect from 19 February 2010 and 1 March 2010 respectively. Following the retirement of Tom Boardman from the group with effect from 28 February 2010, he has continued to serve on the boards of Nedbank Group and Nedbank in a non-executive capacity with effect from 1 March 2010. He has not been classified as an independent director, as he has served as an executive of the group.

### EXECUTIVE MANAGEMENT APPOINTMENTS

The group announced the appointment of John Bestier as Group Executive of Strategic Planning with effect from 1 January 2010, and Ciko Thomas as Group Executive of Marketing, Communications and Corporate Affairs with effect from 18 January 2010. Both positions are Group Executive Committee appointments and report to the Chief Operating Officer, Graham Dempster.

### 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 2010 comprise 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 applied consistently over the current and prior financial years.

Nedbank's condensed consolidated interim financial results have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and

the presentation and disclosure requirements of International Accounting Standard (IAS) 34: Interim Financial Reporting, the Companies Act of South Africa, as well as the AC 500 standards as issued by the Accounting Practices Board or its successor.

In the preparation of these condensed consolidated interim financial results the group has applied key assumptions concerning the future and other indeterminate sources in recording various assets and liabilities. These assumptions were applied consistently to the group financial results for the six months ended 30 June 2010. These assumptions are subject to ongoing review and possible amendments.

### EVENTS AFTER THE REPORTING PERIOD

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

### REVIEWED RESULTS – AUDITORS' REPORT

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 opinion 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 2010, 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 15

Notice is hereby given that preference dividend no 15 of 38,0549 cents per share has been declared for the period from 1 January 2010 to 30 June 2010, payable on Monday, 30 August 2010, to shareholders of the non-redeemable non-cumulative preference shares recorded in the books of the company at the close of business on Friday, 27 August 2010.

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:

Last day to trade cum dividend Friday, 20 August 2010  
Shares trade ex dividend Monday, 23 August 2010  
Record date Friday, 27 August 2010  
Payment date Monday, 30 August 2010

Share certificates may not be dematerialised or rematerialised between Monday, 23 August 2010, and Friday, 27 August 2010, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the 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, 30 August 2010.

For and on behalf of the board

Reuel J Khoza  
Chairman

Michael WT Brown  
Chief Executive Officer

2 August 2010

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 Officer), CJW Ball\*\*, 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), JVF Roberts (British), GT Serobe, MI Wyman (British).  
\* Executive \*\* Senior independent non-executive director

Company Secretary: GS Nienaber

Nedbank Limited Reg No: 1951/000009/06  
Incorporated in the Republic of South Africa

JSE share code: NBKP ISIN: ZAE000043667

Sponsors: Investec Bank Limited and Nedbank Capital.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended	Reviewed 30 Jun 2010	Reviewed 30 Jun 2009	Audited 31 Dec 2009
<b>Rm</b>			
Interest and similar income	21 815	24 316	49 332
Interest expense and similar charges	14 071	16 527	33 795
<b>Net interest income</b>	<b>7 744</b>	<b>7 789</b>	<b>15 537</b>
Impairments charge on loans and advances	3 230	3 426	6 659
<b>Income from lending activities</b>	<b>4 514</b>	<b>4 363</b>	<b>8 878</b>
Non-interest revenue	5 025	4 812	10 338
<b>Operating income</b>	<b>9 539</b>	<b>9 175</b>	<b>19 216</b>
Total operating expenses	7 077	6 587	13 792
– Operating expenses	7 018	6 523	13 674
– Black economic empowerment (BEE) transaction expenses	59	64	118
Indirect taxation	205	165	402
<b>Profit from operations before non-trading and capital items</b>	<b>2 257</b>	<b>2 423</b>	<b>5 022</b>
Non-trading and capital items	(11)	15	(32)
– Net (loss)/profit on sale of subsidiaries, investments, and property and equipment	(11)	17	(22)
– Net impairment of investments, property and equipment, and capitalised development costs	(2)	(2)	(10)
<b>Profit from operations</b>	<b>2 246</b>	<b>2 438</b>	<b>4 990</b>
Share of losses of associates and joint ventures	(1)	(1)	(1)
<b>Profit before direct taxation</b>	<b>2 246</b>	<b>2 437</b>	<b>4 989</b>
Total direct taxation	458	541	960
– Direct taxation	461	540	959
– Taxation on non-trading and capital items	(3)	1	1
<b>Profit for the period</b>	<b>1 788</b>	<b>1 896</b>	<b>4 029</b>
Other comprehensive (loss)/income net of taxation	(39)	7	264
– Exchange differences on translating foreign operations	(41)	(2)	32
– Fair-value adjustments on available-for-sale assets	2	9	146
– Gains on property revaluations	(1)	(2)	86
<b>Total comprehensive income for the period</b>	<b>1 749</b>	<b>1 903</b>	<b>4 293</b>
<b>Profit attributable to:</b>			
Equity holders of the parent	1 754	1 832	3 790
Non-controlling interest – ordinary shareholders	34	56	224
– preference shareholders	8	8	15
<b>Profit for the period</b>	<b>1 788</b>	<b>1 896</b>	<b>4 029</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent	1 715	1 839	4 054
Non-controlling interest – ordinary shareholders	34	56	224
– preference shareholders	8	8	15
<b>Total comprehensive income for the period</b>	<b>1 749</b>	<b>1 903</b>	<b>4 293</b>

### HEADLINE EARNINGS RECONCILIATION

for the period ended	Reviewed 30 Jun 2010	Reviewed 30 Jun 2009	Audited 31 Dec 2009
<b>Rm</b>			
Profit attributable to equity holders of the parent	1 754	1 832	3 790
Less: Non-trading and capital items	(11)	15	(32)
– Net (loss)/profit on sale of subsidiaries, investments, and property and equipment	(11)	17	(22)
– Net impairment of investments, property and equipment, and capitalised development costs	(2)	(2)	(10)
<b>Headline earnings</b>	<b>1 762</b>	<b>1 818</b>	<b>3 823</b>

### CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

for the period ended	Reviewed 30 Jun 2010	Reviewed 30 Jun 2009	Audited 31 Dec 2009
<b>Rm</b>			
Cash generated by operations	6 447	6 811	13 703
Change in funds for operating activities	(8 601)	(4 024)	(14 018)
Net cash (utilised by)/from operating activities before taxation	(2 154)	2 787	(315)
Taxation paid	(508)	(931)	(1 977)
Cashflows (utilised by)/from operating activities	(2 662)	1 856	(2 292)
Cashflows utilised by investing activities	(2 137)	(643)	(1 734)
Cashflows from/(utilised by) financing activities	5 510	(700)	3 587
Net increase/(decrease) in cash and cash equivalents	711	513	(439)
Cash and cash equivalents at the beginning of the period*	17 260	17 699	17 699
<b>Cash and cash equivalents at the end of the period*</b>	<b>17 971</b>	<b>18 212</b>	<b>17 260</b>

\* Including mandatory reserve deposits with central banks.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at	Reviewed 30 Jun 2010	Reviewed 30 Jun 2009	Audited 31 Dec 2009
<b>Rm</b>			
<b>ASSETS</b>			
Cash and cash equivalents	6 764	7 328	6 823
Other short-term securities	16 079	14 104	14 408
Derivative financial instruments	13 036	18 625	12 871
Government and other securities	40 233	35 398	35 754
Loans and advances	458 330	428 376	444 403
Other assets	3 761	3 938	3 917
Clients' indebtedness for acceptances	1 781	1 847	2 025
Current taxation receivable	315	553	580
Investment securities	2 927	2 708	3 012
Non-current assets held for sale			12
Investments in associate companies and joint ventures	899	908	922
Deferred taxation asset	138	64	36
Investment property	96	104	102
Property and equipment	5 002	4 264	4 754
Long-term employee benefit assets	1 859	1 725	1 783
Mandatory reserve deposits with central banks	11 207	10 884	10 437
Intangible assets	3 206	3 043	3 151
<b>Total assets</b>	<b>565 633</b>	<b>533 869</b>	<b>544 990</b>
<b>EQUITY AND LIABILITIES</b>			
Ordinary share capital	27	27	27
Ordinary share premium	14 422	14 422	14 422
Reserves	18 513	17 531	18 174
<b>Total equity attributable to equity holders of the parent</b>	<b>32 962</b>	<b>31 980</b>	<b>32 623</b>
Preference share capital and premium	3 562	3 122	3 483
Non-controlling interest attributable to			
– ordinary shareholders	78	1 633	1 796
– preference shareholders		300	91
<b>Total equity</b>	<b>36 602</b>	<b>37 035</b>	<b>37 993</b>
Derivative financial instruments	10 704	15 486	10 799
Amounts owed to depositors	480 573	456 571	465 899
Provisions and other liabilities	6 432	5 375	5 218
Liabilities under acceptances	1 781	1 847	2 025
Current taxation liabilities	104	118	162
Deferred taxation liabilities	1 513	1 792	1 514
Long-term employee benefit liabilities	1 332	1 260	1 298
Long-term debt instruments	26 592	14 385	20 082
<b>Total liabilities</b>	<b>529 031</b>	<b>496 834</b>	<b>506 997</b>
<b>Total equity and liabilities</b>	<b>565 633</b>	<b>533 869</b>	<b>544 990</b>
Guarantees on behalf of clients	28 432	25 941	27 827

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Rm	Total equity attributable to equity holders of the parent	Preference share capital and premium	Non-controlling interest attributable to ordinary shareholders	Non-controlling interest attributable to preference shareholders	Total equity
Balance at 31 December 2008	31 376	3 122	1 644	300	36 442
Ordinary non-controlling shareholders' share of preference dividends paid			(9)	9	–
Dividends to ordinary shareholders	(669)		(5)		(674)
Dividends to preference shareholders	(333)			(17)	(350)
Total comprehensive income for the period	1 839		56	8	1 903
Net expense recognised directly in equity	(233)		(53)		(286)
– Share-based payment reserve movement	(233)				(233)
– Buyout of non-controlling interests			(53)		(53)
Balance at 30 June 2009	31 980	3 122	1 633	300	37 035
Issues of shares net of expenses		361			361
Ordinary non-controlling shareholders' share of preference dividends paid			(6)	6	–
Dividends to ordinary shareholders	(1 401)				(1 401)
Dividends to preference shareholders	(2)			(13)	(15)
Total comprehensive income for the period	2 215		168	7	2 390
Net (expense)/income recognised directly in equity	(169)		1	(209)	(377)
– Share-based payment reserve movement	(166)				(166)
– Regulatory risk reserve provision	(3)				(3)
– Buyout of non-controlling interests			1		1
– Preference shares held by group entities				(209)	(209)
Balance at 31 December 2009	32 623	3 483	1 796	91	37 993
Issues of shares net of expenses		92			92
Preference share cumulative dividend paid		(13)			(13)
Dividends to ordinary shareholders	(856)		(7)		(863)
Total comprehensive income for the period	1 715		34		1 749
Net expense recognised directly in equity	(520)		(1 745)	(91)	(2 356)
– Share-based payment reserve movement	(410)				(410)
– Regulatory risk reserve provision	(2)				(2)
– Buyout of non-controlling interests	(108)		(1 745)	(91)	(1 944)
Balance at 30 June 2010	32 962	3 562	78	–	36 602

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



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