

NEDBANK GROUP

INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2010



MAKE THINGS HAPPEN

NEDBANK
GROUP

A Member of the  **OLD MUTUAL** Group

AGENDA

- 
- prospects
 - operational overviews
 - financial overview
 - highlights & strategy

Environmental factors

In March we said...

- Resilient SA banking system
- Strong capital & liquidity levels
- Continued infrastructure investment
- Lower interest rates & declining inflation
- Improved equity markets & strong rand
- SA emerging from recession
- Weak consumer demand is flowing to corporate market
- Consumer indebtedness remains high
- Changing global regulatory environment

What has changed?

- Slowing infrastructure investment
- March 2010 - 50 bps interest rate cut with further downside risk
- Wholesale advances growth slower than anticipated
- SA recovery slow & global recovery fragile
- EU sovereign debt crisis

... economy on mend, but risk is to downside

Highlights & challenges in H1 2010

Highlights

- Delivering core business growth in difficult market conditions
 - Headline earnings up 8,3% to R2 153 m
 - Net asset value per share increased 6,6%, from Dec 2009, to 9 397 cents
 - Strong core commission & fee income growth of 15,7%
- Strong capital base maintained (Core Tier 1: 9,9%)
- Improved group funding position – LT funding ratio improved - 18,1% to 23,9%
- Good progress made on integration & strategy implementation for acquisitions
- Improving impairments profile – albeit slower than anticipated
- Cost discipline – comparable expense growth of 7,5%
- Tax risks reduced

... first growth in headline earnings reported since June 2008

Highlights & challenges in H1 2010

Challenges

- Endowment impact - lower than anticipated interest rates of R110 m (pre-tax)
- Wholesale advances growth slower than anticipated
- Trading
 - Margins tightening
 - Poor Q2 activity
- Impairments
 - Nedbank Capital higher impairments of R148m for private equity
 - Retail impairments – difficult Q1, Q2 improved
 - Alignment of impairments – SAF in Imperial Bank charge R42 m
- Fair value adjustments
 - Negative impact from swing on FV for own sub-debt R195 m
 - Nedbank Corporate negative swing on swaps of R96 m

... reasonable performance despite challenges

Vision-led Values-driven – our strategic framework

Vision

**Building Africa's most admired bank...
...by our staff, clients, shareholders, regulators & communities**

'Deep Green' aspirations



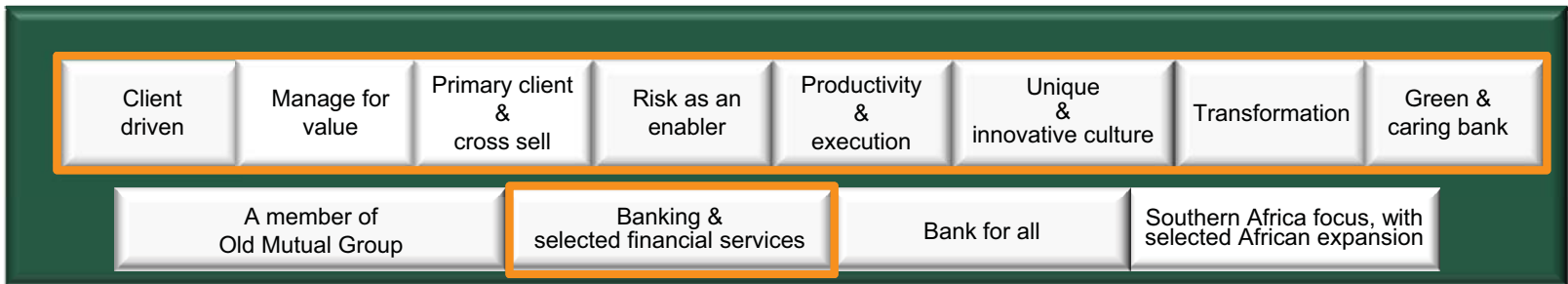
What makes us different & guides our long-term strategy?



Brand expression

MAKE THINGS HAPPEN

Strategic focus areas



Scope

Values



Strategic focus areas

Client driven	<ul style="list-style-type: none"> • Deliver value to our clients & increase share of wallet • Great place to bank
Manage for value	<ul style="list-style-type: none"> • Invest for longer term while optimising returns through portfolio tilt
Primary clients & cross-sell	<ul style="list-style-type: none"> • Targeting NIR : expense ratio > 85%
Risk as an enabler	<ul style="list-style-type: none"> • World class at managing risk
Productivity & execution	<ul style="list-style-type: none"> • Low-cost, efficient, client-centric operating model • Systems simplification & rationalisation
Unique & innovative culture	<ul style="list-style-type: none"> • Great place to work • Shifting values & behaviour
Transformation	<ul style="list-style-type: none"> • Lead in transformation
Green & caring bank	<ul style="list-style-type: none"> • Lead as green & caring bank

Rest of Africa – a long-term opportunity

Expand & grow in SADC

- Currently banks owned in 5 countries
- Existing niche competitive advantages
- Continue to seek opportunities to grow scale in SADC

Advisory boutiques

- Angola & Kenya representative offices opened
- Structured term trade & advisory

Pan-African banking network

- Ecobank Alliance coverage
- Support clients as expand into Africa
- Advisory & project finance opportunities

Selected investment opportunities

- Cautiously explore investments within disciplined risk return parameters

... SA remains our key focus

Building Africa's most admired bank

From

- Product...
- Recovery mindset...
- Fast follower...
- Conventional risk management...
- One of the Big 4 banks...
- Resource abundance mentality...
- “Cluster” thinking...
- Long decision making time frames...
- Primary banker status below peers...
- Culture journey...

To

client driven
competing to win
client focused innovation
managing a portfolio of risks
differentiated, flexible & nimble
judiciously manage resources
“Group” thinking
empowerment & execution excellence
significant number of primary clients
culture as a competitive advantage

... moving our thinking to support our vision



FINANCIAL OVERVIEW

RAISIBE MORATHI

Key financial highlights

For the six months ended	% change	Jun 2010	Jun 2009
Headline earnings (Rm)	8,3	2 153	1 988
Diluted HEPS (cents)	0,2	475	474
Diluted basic EPS (cents)	(22,4)	474	611
Core Tier 1 capital adequacy* (%)		9,9	8,6
Tier 1 capital adequacy* (%)		11,5	10,0
Total Basel II capital adequacy* (%)		14,8	13,2
ROE** (%)		10,7	11,6
ROE (excluding goodwill)** (%)		12,2	13,1
ROA **(%)		0,75	0,71
NAV per share (cents)	7,2	9 397	8 762
Tangible NAV per share (cents)	9,7	7 732	7 049
Dividend per share (cents)	1,0	212	210

11 * Including unappropriated profits
 ** Restated

Key financial highlights (continued)

For the six months ended	% change	Jun 2010	Jun 2009
Headline economic (loss) / profit (Rm)	>(100)	(352)	(24)
Pre-provisioning operating profit* (Rm)	(1,5)	5 974	6 065
Margin (%)		3,34	3,44
Credit loss ratio** (%)		1,46	1,60
NIR : expenses ratio (%)		78,2	75,5
Efficiency ratio (%)		55,3	52,5
Assets under management (AUM) (Rm)	17,6	97 356	82 762
Life assurance embedded value (EV) (Rm)	44,5	977	676
Life assurance value of new business (VNB) (Rm)	74,0	134	77

... solidly profitable in a challenging environment

Consolidated statement of comprehensive income

Rm – six months ended	% change	Jun 2010	Jun 2009
Net interest income	(1,3)	8 082	8 185
Impairments	(5,6)	(3 244)	(3 435)
Income from lending activities	1,9	4 838	4 750
Non-interest revenue	14,5	6 158	5 377
Total expenses	10,6	(7 872)	(7 121)
Indirect taxation	31,4	(230)	(175)
Associate income	>(100,0)	-	55
Headline profit before taxation	0,3	2 894	2 886
Direct taxation	(10,1)	(577)	(642)
Minorities & preference shares	35,9	(164)	(256)
Headline earnings	8,3	2 153	1 988
Basic earnings	(16,1)	2 150	2 564

Segmental performance

Rm – six months ended	% change	Headline earnings		RORAC %	
		Jun 2010	Jun 2009	Jun 2010	Jun 2009*
Nedbank Capital	(14,4)	578	675	23,7	30,2
Nedbank Corporate	(14,1)	623	725	17,6	22,6
Nedbank Business Banking	(17,9)	437	532	28,9	23,7
Nedbank Retail	(66,7)	(115)	(69)	(2,2)	(1,2)
Imperial Bank	>100,0	185	46	11,9	7,1
Nedbank Wealth	14,8	233	203	32,9	35,7
Operating units	(8,1)	1 941	2 112	12,9	14,6
Shared services	>100,0	214	92		
Central management	(>100,0)	(2)	(216)		
Total	8,3	2 153	1 988	10,7	11,6

* Restated

NII - margin analysis

% of daily average interest-earning banking assets	%	Annualised Rm
Year ended December 2009	3,39	16 306
2010 asset growth		226
Net endowment effect on capital & working capital	(0,04)	(204)
Endowment effect on credit provisions	0,01	54
Non-recurring prime/jibar repricing risk	0,06	282
Liability price movement	(0,14)	(690)
Current & savings accounts (“endowment”)	(0,12)	(576)
Funding cost of marginal deposits & lengthening funding profile	(0,02)	(114)
Asset price movement	0,05	272
Other	0,01	43
Annualised for the six months ended June 2010	3,34	16 289

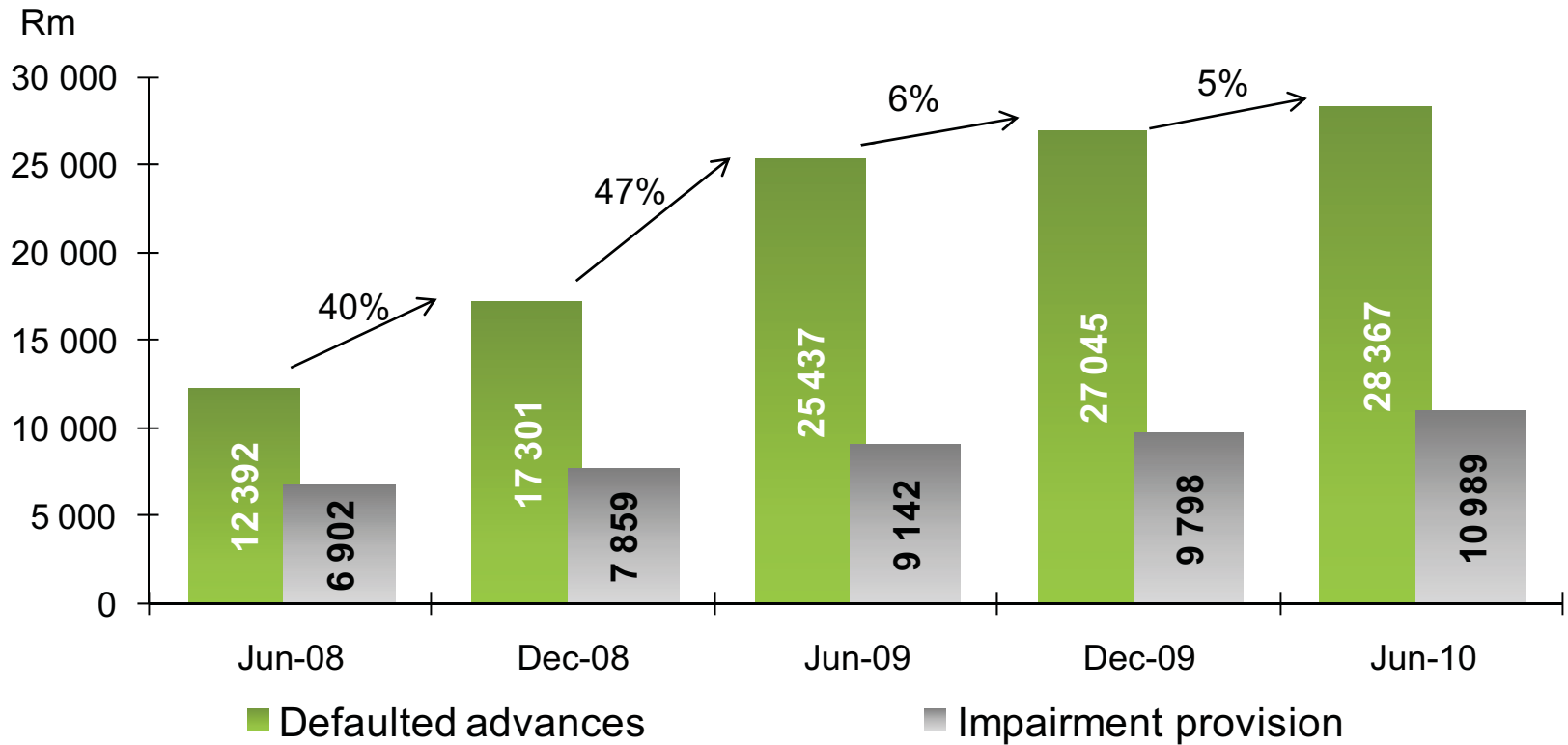
Note: this is a description of the movement in H1 margin & not a forecast of NII for 2010

Impairment charge

Rm	% of avg advances	Jun 2010	H2 2009	H1 2009	Dec 2009
Impairment charge		3 244	3 199	3 435	6 634
Credit loss ratio (%)		1,46	1,44	1,60	1,52
Nedbank Capital	9,3	0,80	0,12	0,60	0,36
Nedbank Corporate	31,3	0,23	0,23	0,25	0,24
Nedbank Business Banking	11,5	0,32	0,25	0,79	0,52
Nedbank Retail	32,5	3,00	3,51	3,29	3,40
Imperial Bank	11,7	2,48	1,52	2,54	2,01
Nedbank Wealth	3,7	0,24	0,33	0,62	0,47

Defaulted advances

Defaulted % of Total Advances	2,99%	3,91%	5,77%	5,88%	6,01%
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Non-interest revenue

Rm – six months ended	% change excl. JVs*	% change	Jun 2010	Jun 2009
Commission & fees	15,7	21,9	4 656	3 821
Trading income		(3,9)	892	928
Private equity income		>100,0	71	(27)
Insurance income	12,5	66,4	381	229
FV adjustment on bonds/swaps		>(100,0)	(131)	103
Credit spread			(110)	85
Basis & other net IFRS adjustments			(21)	18
Securities dealing & other inv. income		>(100,0)	(28)	66
Rental income		3,7	28	27
Sundry income	15,1	25,7	289	230
Tando			100	113
Other			189	117
Total NIR	7,8	14,5	6 158	5 377

Expenses

Rm – six months ended	% change excl. JVs*	% change	Jun 2010	Jun 2009
Staff costs	9,1	12,3	4 251	3 785
Computer processing	6,7	8,4	1 043	962
Communication & travel	1,4	3,2	318	308
Accommodation	12,2	15,0	689	599
Marketing & PR	21,4	23,0	492	400
Fees & insurance	5,7	7,5	719	669
Other	(16,5)	(9,5)	360	398
Total expenses	7,5	10,5	7 872	7 121

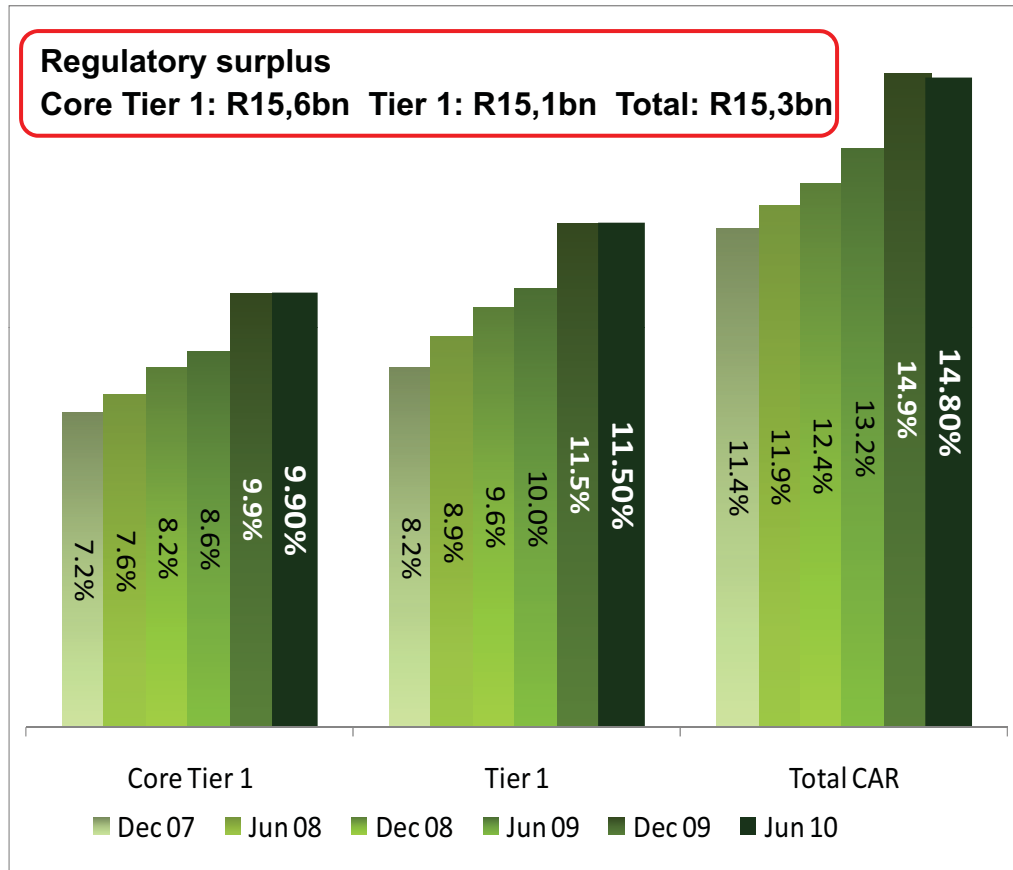
19 * Excluding BoE & Nedlife previously accounted for as associates

Consolidated statement of financial position

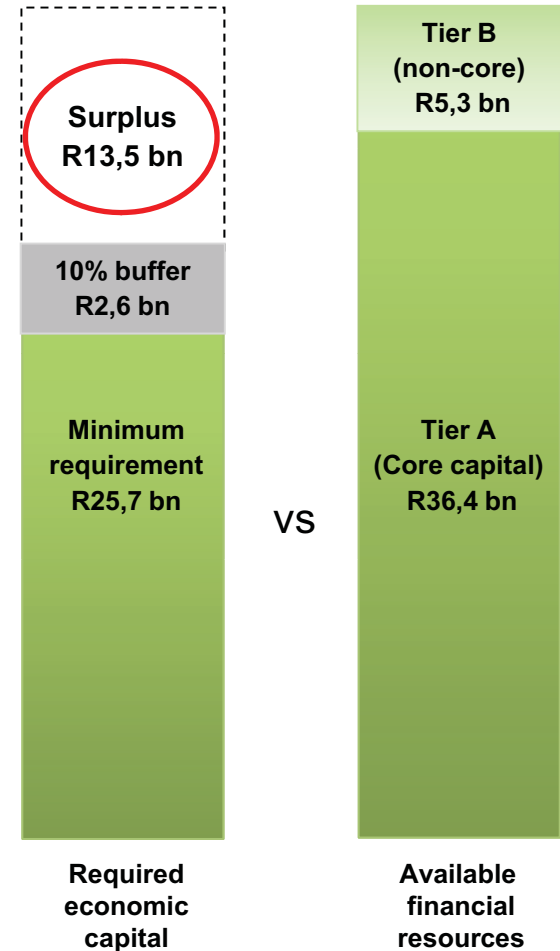
Rm	Annualised % change	Jun 2010	Dec 2009
Cash & securities	21,6	80 715	72 908
Advances	4,9	461 303	450 301
Investments	3,4	12 151	11 949
Property & equipment		5 203	4 967
Derivatives	1,0	12 776	12 710
Intangible assets		7 422	7 415
Other		11 277	10 453
Total assets	7,1	590 847	570 703
Ordinary shareholders' equity	11,4	41 893	39 649
Minorities & preference shareholders		3 679	5 335
Deposits	4,8	480 418	469 355
Derivatives	(11,3)	10 903	11 551
Long-term debt instruments	65,4	26 594	20 084
Other		27 360	24 729
Total equity & liabilities	7,1	590 847	570 703

Capital adequacy ratios

Regulatory capital adequacy ratios



ICAAP



... improving RWA & maintained strong capital ratios

Advances

Rm	Annualised % change	Jun 2010	Dec 2009
Home loans	1,4	150 289	149 229
Commercial mortgages	7,8	79 315	76 364
Properties in possession	(25,0)	777	887
Term loans	15,5	73 566	68 321
Credit cards	7,8	7 617	7 334
Overnight loans	(3,6)	12 197	12 420
Overdrafts	6,8	11 468	11 093
Other loans to clients	2,3	45 896	45 382
Leases & instalment sales	6,6	66 212	64 128
Preference shares & debentures	(3,2)	16 365	16 633
Trade & other bills	(68,6)	186	282
Reverse repurchase agreements	9,5	8 404	8 026
Impairment of advances	24,5	(10 989)	(9 798)
	4,9	461 303	450 301

Deposits

Rm	Annualised % change	Jun 2010	Dec 2009
Current accounts	(0,9)	44 346	44 539
Savings accounts	(0,4)	15 263	15 294
Term deposits & Other	6,2	292 619	283 829
Call & Term deposits	(19,5)	161 213	178 424
Fixed & Other deposits	30,7	121 464	105 405
Floating rate notes (FRNs)		9 942	-
Foreign currency liabilities	45,7	8 619	7 027
NCDs	3,8	105 658	103 731
Deposit repurchase agreements	(13,8)	13 913	14 935
	4,8	480 418	469 355

- Advances to deposit ratio stable at 96%
- Long term funding ratio improved from 18,1% to 23,9%

Financial drivers – 2010 Year

NII

- Advances growth mid-single digits
- Margin compression 15 – 20 bps
(no further interest rate changes assumed)

Impairments

- Improving gradually, remaining above target

NIR

- Early to mid-double digit growth

Expenses

- Early double digit growth

Capital

- Maintaining strong capital ratios

... economic environment remains fragile



NEDBANK CAPITAL

BRIAN KENNEDY

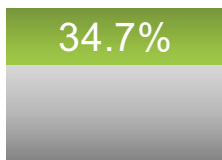
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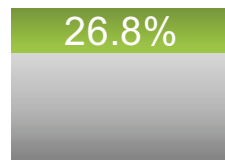
Nedbank Capital - financial highlights

Six months ended – Rm	% change	Jun 2010	Jun 2009
Headline earnings	(14,4)	578	675
NIR : expenses ratio (%)		139,4	136,4
Efficiency ratio (%)		46,4	44,3
Banking credit loss ratio (%)		0,80	0,60
Average banking advances	7,0	41 208	38 517
Average advances	8,8	57 748	53 087
Average deposits	16,6	178 393	153 050
Economic profit	(38,8)	232	379
Allocated economic capital	9,2	4 926	4 512
RORAC (%)		23,7	30,2

Total assets



Headline earnings



- Nedbank Capital
- Rest of group

Nedbank Capital – revenue split

Rm	% change	Jun 2010	Jun 2009
Net interest income	(15,1)	566	667
Impairments	41,9	166	117
Income from lending activities	(27,3)	400	550
Non-interest revenue	2,1	1 038	1 017
Trading	(4,9)	789	830
Advisory & other	(7,3)	163	177
Private equity	>100,0	86	10
Realised		94	7
Unrealised		(8)	3
Operating income	(8,2)	1 438	1 567

Nedbank Capital - H1 2010 highlights

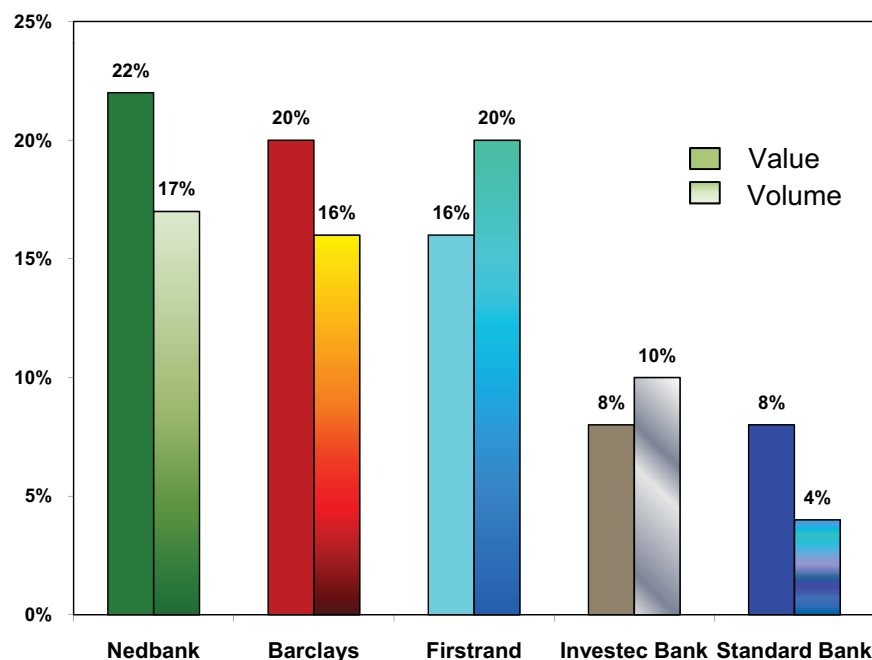
- RBS alliance signed 1 April 2010 – cash equities
- 2 carbon deals completed with a good pipeline
- First to launch product - equally weighted Top 40 ETF (Exchange Traded Fund)

M&A rankings – 5 year cumulative

2005-2009 League Tables			
House	Value (Rbn)	House	Volume
RMB	443	Investec	236
Deutsche	317	Nedbank Capital	142
Goldman Sachs	262	Java Capital	133
Standard Bank	210	RMB	120
Nedbank Capital	193	Standard Bank	98
Morgan Stanley	172	Deloitte	46
JP Morgan	154	PWC	46
Investec	139	Deutsche	42
UBS	139	ABSA	41
ABSA	120	JP Morgan	28
Rothschild	117	Morgan Stanley	24

Source : Ernst & Young

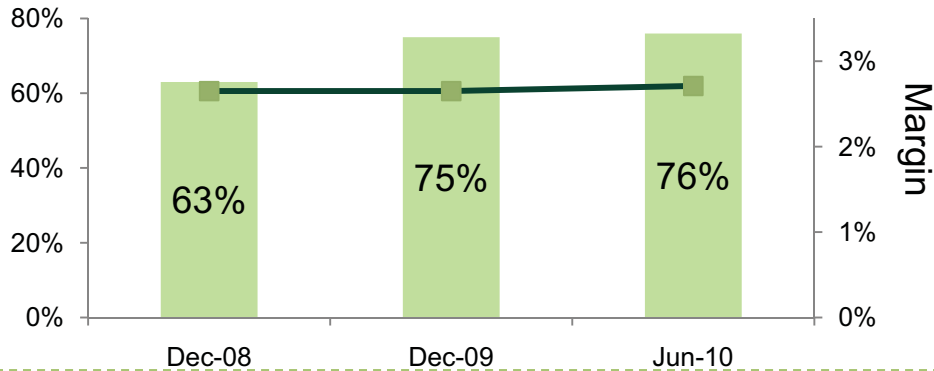
H1 2010 bond issuance market share



Source : Bloomberg

Divisional Review

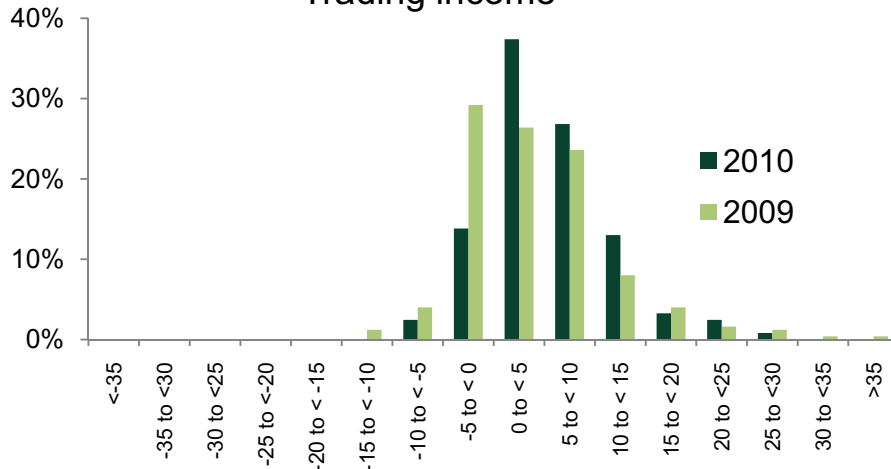
% Investment grade lend in portfolio vs margin



Investment Banking

- Lending book de-risked
- Low asset growth
- Margin maintained

Trading income



Global Markets

- Improved equity trading
- Limited interest rate & forex volatility

... benign markets presenting fewer trading opportunities

Nedbank Capital – prospects

- Good credit quality book generating NII
 - Stable earnings platform
- Focus on reduced volatility & disciplined risk management
 - H1 asset creation & market opportunities lower than expected
 - H2 outlook unclear
- Full spectrum of profitable investment banking products & services
 - Good portfolio diversification
- Strong focus on stable & diversified funding sources
- Reinforce integrated investment banking model
 - To trap more group NIR
- Continue to focus on talent & leadership development

... tough though less volatile markets predicted



NEDBANK CORPORATE

MFUNDO NKUHLU

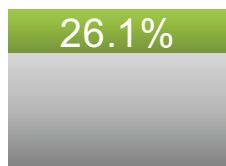
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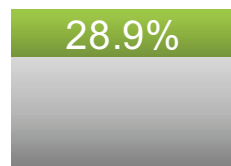
Nedbank Corporate – financial highlights

Six months ended – Rm	% change	Jun 2010	Jun 2009
Headline earnings	(14,1)	623	725
NIR : expenses ratio (%)		60,9	62,2
Margin (%)		2,00	2,15
Efficiency ratio (%)		54,2	46,4
Credit loss ratio (%)		0,23	0,25
Average advances	2,1	139 008	136 083
Average deposits	(12,5)	118 833	135 787
Economic profit	(58,9)	123	299
Allocated economic capital	10,1	7 129	6 477
RORAC (%)		17,6	22,6

Total assets



Headline earnings



- Nedbank Corporate
- Rest of group

Nedbank Corporate – H1 2010 highlights

Strategies

- Grew primary banker status – core NIR growth 31,8%
- Selective asset growth in line with strategy

Clients

- Client migration onto new electronic banking platform progressing well
- Deep client relationships & highly rated service quality

Risks

- Robust risk management disciplines
- Effective early warning systems
- Good quality credit portfolios

People

- Continued improvement in corporate culture
- Further investment in skills & leadership development

Nedbank Corporate – segmental analysis

Rm	Headline earnings			RORAC	Average advances	
	Jun 2010	Jun 2009	% change	% Jun 2010	Jun 2010	% change
Corporate Banking	335	410	(18,3)	22,9	68 013	(3,1)
Property Finance	201	242	(16,9)	13,0	63 057	6,1
Africa	48	57	(15,8)	10,2	7 372	21,3
Other	39	16	>100	77,1	566	53,4
Nedbank Corporate	623	725	(14,1)	17,6	139 008	2,1

Nedbank Corporate – prospects

- Grow primary clients & share of wallet through cross- sell & product bundling solutions
- Invest in transactional banking solutions & capabilities
- Leverage strong wholesale franchise to grow NIR & deposits
- Ongoing improvements in client service
- Maintain sound risk management disciplines
- Build on positive culture
- Continue investing in skills & leadership development

... deliver sustainable economic profit



NEDBANK BUSINESS BANKING & NEDBANK RETAIL

INGRID JOHNSON

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Nedbank Business Banking, Retail & Imperial Bank

Six months ended - Rm	Headline earnings			RORAC	Average advances	
	Jun 2010	Jun 2009	% change	% Jun 2009	Jun 2010	% change
Business Banking	437	532	(17,9)	28,9	50 404	(7,0)
Retail	(115)	(69)	(66,7)	(2,2)	139 893	2,7
Imperial Bank	185	46	302,2	11,9*	50 853	12,9

- Businesses transitioning
 - Leadership teams strengthened
 - Comprehensive review of Retail strategy
 - Integration well advanced without loss in business momentum
- Good underlying trends in a still fragile, yet recovering economic climate



NEDBANK BUSINESS BANKING

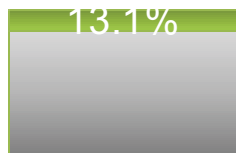
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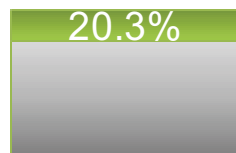
Nedbank Business Banking – financial summary

Six months ended – Rm	% change	Jun 2010	Jun 2009
Headline earnings	(17,9)	437	532
NIR : expenses ratio (%)		57,8	54,3
Margin (%)		3,02	3,67
Efficiency ratio (%)		60,6	51,5
Credit loss ratio (%)		0,32	0,79
Average advances	(7,0)	50 404	54 227
Average deposits	0,7	75 632	75 120
Economic profit	(4,7)	223	234
Allocated economic capital	(32,8)	3 044	4 533
RORAC (%)		28,9	23,7%

Total assets



Headline earnings



- Nedbank Business Banking
- Rest of group

Nedbank Business Banking – H1 2010 highlights

Risks

- Impairments well managed, CLR below target range (0,55% - 0,75%)
- Deeply embedded risk management culture
 - Early identification of problem advances enhance rehabilitations
 - Robust client-centric collateral recovery process
 - Pro-active impairment methodologies well ahead of downturn

Clients

- Increased client interaction & sales force effectiveness
- Continued enhancements to transactional banking offering
- Significant improvement in client satisfaction metrics

People

- High performance culture increasingly embedded
- Positive levels of staff satisfaction
- Talent management integrated with scarce skills learnerships

Strategies

- Build enduring deep primary banked client relationships
- Client service teams have levers to deliver proactively
- Managing for value principles embraced by front line
- Capital optimisation processes largely complete

Nedbank Business Banking – prospects for H2 2010

- Resilient business generating consistently strong economic profits
- H2 2010 earnings will remain under pressure
 - Lower earnings from continued interest rate endowment effects
 - Muted client advances growth
 - Downside risk to impairments off a low base
- Enhancing client value propositions in conjunction with Retail & Imperial Bank
- Ongoing innovation in deposits & transactional banking products
- Continued focus on top line revenue growth
- Effective risk management & front line client service teams are differentiators
 - Accountable & empowered for effective decision-making & fast turnaround times
 - Integrated investment in people, systems & processes

.... pro-active & responsive to client needs as economy recovers

The background features a vibrant green field of crops, possibly corn, with a white line graphic that forms a circle and extends upwards to two small circles. On the left side, there are several white, flowing, abstract lines that resemble roots or stylized hair.

IMPERIAL BANK

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Imperial Bank update

- Imperial Bank 100% owned with effect from 5 February 2010
- Section 54 application in process to merge businesses
- Accountabilities for integration clearly established by cluster
 - MFC business momentum maintained – strong new business volumes & improving impairments
 - Property & SAF – impairments aligned for common clients & portfolio deterioration
- Majority of people now placed
- Business benefits in evidence
 - MFC strategy & processes highly efficient & value adding for Nedbank
 - Purchase eliminated inefficient capital & funding arrangements
 - Ability to rationalise duplicate infrastructure & systems (post S54 approval)
 - Cross-sell to Imperial Bank's clients, including Nedbank Wealth

.... integration on track with focus on leveraging core strengths



NEDBANK RETAIL

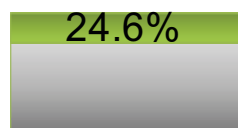
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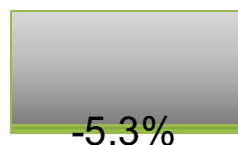
Nedbank Retail – financial summary

Six months ended – Rm	% change	Jun 2010	Jun 2009
Headline earnings (loss)	(66,7)	(115)	(69)
NIR : expenses (%)		69,0	66,1
Margin (%)		4,8	5,2
Efficiency ratio (%)		65,3	61,3
Credit loss ratio (%)		3,00	3,29
Average advances	2,7	139 892	136 213
Average deposits	1,4	83 940	82 764
Economic (loss)		(859)	(808)
Allocated economic capital	(5,8)	10 603	11 257
RORAC (%)		(2,2)	(1,2)

Total assets



Headline earnings



■ Nedbank Retail
 ■ Rest of group

Nedbank Retail – impairment analysis

- Defaulted advances stabilising – R17,3 bn relative to R17,5 bn* in Dec 2009
- H1 2010 specific impairments of R2,45 bn – R320 m lower than H1 2009
 - Continued worsening of home loans book profile in >6 months defaulted bucket (R380 m) offset by
 - Stabilising of overall defaulted home loans during H1 2010 at 12,4% relative to an increase from 8% in '08 to 12% in H1 2009 (R555 m)
 - Improved book profile for Card (R130 m)
- Responses to impairment challenges, particularly Home Loans
 - Improvements in security realisations - differentiated sale processes
 - Focus on collections - specifically in client-centric areas
 - LTV differentiation by client risk rating & underlying security (weighted average LTV 85% on new business)
 - Managing for value – emphasis on primary clients, with risk-based pricing to address sensitivity to future changes in cost of capital, liquidity & credit loss data

Nedbank Retail – segmental analysis

Six months ended	Headline earnings		RORAC	Average advances		Credit loss ratio	
	Rm Jun 2010	Rm Jun 2009	% Jun 2010	Rbn Jun 2010	% change	% Jun 2010	% Jun 2009
Secured lending	(466)	(501)	(11,8)	98,0	(0,6)	2,21	2,56
Home Loans	(421)	(443)	(29,1)	90,5	(1,5)	2,04	2,42
Vehicle & Asset Finance	(45)	(58)	(8,7)	7,5	12,9	4,23	4,40
Card	206	125	19,2	7,0	6,6	5,44	9,51
Personal loans	161	152	14,9	9,3	43,6	8,98	9,76
Other*	(16)	155	(0,7)	25,6	4,0	3,07	2,59
Nedbank Retail	(115)	(69)	(2,2)	139,9	2,7	3,00	3,29

* Other includes SBS, Private Bank, Personal Banking, risk, shared services & divisional management

Nedbank Retail – H1 2010 highlights

Risks

- Slow resolution of defaulted advances
 - Continued consumer indebtedness & further job losses
- Debt counselling levels stabilising
 - Nedbank well placed to resolve despite industry challenges
- Credit loss ratio remains outside desired risk appetite

Clients

- Total retail client base exceeds 5 m
- Differentiated physical distribution strategy with >800 outlets
- Mobile - important innovation & complimentary to Mzansi offering
- Refining client segmentation
 - Eliminate overlap & enhance client banking experiences

People

- Pleasing staff satisfaction metrics
- Strong product sales & service focus
- Managing staff complement

Nedbank Retail – strategic review

“Delivering a choice of distinctive client-centred banking experiences that build many deep, enduring relationships with Nedbank”

Harness strengths

- Leverage small business, business banking & corporate client relationships
- Product monolines – aligned with building deep client relationships
- People & Nedbank Group culture

Primary clients

- Understand diverse client needs to define a range of relevant banking experiences
- Invest in youth & entry-level market - distinctive low cost offering
- Differentiated Small Business Services offering
- One high net worth offering through Nedbank Wealth

Manage for value

- Align risk appetite metrics with desired earnings & return profile
- World class risk management practices
- Using scarce resources judiciously to generate shareholder value

Nedbank Retail – H2 2010 focus & prospects

- Detailed strategy implementation plans - appropriate timelines & sequencing
- H2 2010 earnings will reflect
 - Impact of slower rehabilitation of defaulted advances
 - Continued growth in unsecured products
 - Momentum in NIR
- Key focus areas going forward
 - Grow primary clients (distribution, acquisition, cross-sell, less attrition)
 - Effective risk management
 - Focus on quality, profitable credit granting & effective collections
 - Setting risk appetite metrics in line with strategic intent
 - Selective term advances at better margins - enhance depth & number of primary clients
 - Enhance client banking experience by aligning technology, products, people & processes

... reposition to be client-centred & sustainably profitable



NEDBANK WEALTH

DAVE MACREADY

MAKE THINGS HAPPEN

NEDBANK
GROUP

Nedbank Wealth – financial highlights

Six months ended - Rm	% change	June 2010	June 2009	June 2009 pro forma*
Headline earnings	14,8	233	203	228
Efficiency ratio (%)		65,0	64,8	62,8
Credit loss ratio (%)		0,24	0,62	
Margin (%)		1,78	2,00	
NIR : expenses ratio (%)		127,0	106,9	120,9
Assets under management (AUM)	17,6	97 356	82 762	
Life assurance embedded value	44,5	977	676	
Life assurance value of new business	74,0	134	77	
RORAC (%)		32,9	35,7	40,0
Economic profit	3,9	133	128	152

- Pro forma earnings up 2,4% - Insurance earnings up 36,2%
- UK low interest rates negatively impact Fairbairn Private Bank NII
- Life APE up 56,7%; short-term gross written premiums up 8,1%; advice-based sales up 21,5%
- JV's post acquisition exceeded expectation

Nedbank Wealth – good progress against strategy

Division	Vision	Strategy
Insurance	Fastest growing bancassurer	<ul style="list-style-type: none">● Build new life & short term products post JV restrictions● Cross-sell into Nedbank & Imperial Bank
Asset Management	Most respected asset manager	<ul style="list-style-type: none">● Consolidate four asset management operations into one (Best of Breed, solutions & active management)
Wealth Management	Single wealth management business	<ul style="list-style-type: none">● Aligned high net worth strategy● Single advice & client value proposition (BoE, FPB & NFP)● Develop segment strategies

Nedbank Wealth – other highlights

Insurance

- Launch of new short-term insurance products
 - Warranty (March 2010)
 - Tyre & Rim (May 2010)
- Credit life into MFC (June 2010)
- Progress on development of underwritten life product (Nov 2010)
- Year on year on-book policy count increased by 32,0%

Asset management

- Morningstar Best Large Fund House Award
- Continued strong domestic net inflows
- Greater spread of flows across funds

Wealth management

- FPB awarded 'Best International Bank' & 'Best International Wealth Manager' - offshore financial services industry

Nedbank Wealth – prospects

Insurance

- Continued expansion of product
- Soft launch of underwritten life with 'Wellness'
- Simple bancassurance into SADC region
- Focus on Business Bank & Corporate
- Increased penetration into Retail & ex-Imperial

Asset Management

- Continued endowment from good performance
- New international proposition
- Increased focus on Wealth Management cross sell (FPB | BoE)

Wealth Management

- Single high net worth proposition for Nedbank Group
- Focus on core Nedbank strengths – Business Banking & Corporate
- Alignment of client value proposition, advice framework & investment solutions
- Renewed focus on cross sell & up sell
- Normalisation of UK interest rates



PROSPECTS

MIKE BROWN

Focus & outlook for balance of 2010

- Manage defaults & impairments
- Focus resource allocation into areas strong in economic profit
- Continue focus on growing transactional NIR
- Complete integration of Imperial Bank
- Reposition Nedbank Retail around a client-centric approach
- Maintain focus on efficiency, but invest where appropriate for growth
- Maintain strong capital & liquidity positions

... solidly profitable in challenging environment

Building Africa's most admired bank

GOOD AT...

- Balance sheet management
- Advances & deposits
- Wholesale banking
- Transformation & corporate culture
- Sustainability

TO BE GREAT...

- Actively manage portfolio towards high economic profit areas
- Grow primary banking across the spectrum
- Reposition Nedbank Retail onto a sustainable growth path
- Improve client service & products

THANK YOU

The background features a vibrant green field of leaves. A white line graph with circular markers curves across the middle of the image. On the left side, there are several white, flowing, abstract lines that resemble roots or stylized hair.

MAKE THINGS HAPPEN

NEDBANK
GROUP

Disclaimer

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