

## Reviewed financial results for the six months ended 30 June 2004

### Overview

Nedbank Limited is a wholly owned subsidiary of Nedcor Limited, which is listed on the JSE Securities Exchange South Africa. These consolidated annual financial results are published to provide information to holders of Nedbank Limited's listed non-redeemable non-cumulative preference shares.

The consolidated financial statements are prepared in accordance with, and comply with, South African Statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act and Banks Act. The accounting policies adopted are in all material respects consistent with those applied at 31 December 2003, with the exception of the change in the basis of accounting for pension fund assets gross-up in terms of AC116 and certain restatements as noted in these financial results.

The consolidated financial results of Nedbank Limited comprise the net assets and results of Nedbank Limited, Peoples Bank Limited and Imperial Bank Limited.

Commentary relating to the consolidated Nedbank Limited financial results was included in the Nedcor Limited group results as presented to shareholders on 5 August 2004. Further information is provided on our website at [www.nedcor.com](http://www.nedcor.com).

### Reviewed results in auditors' opinion

These results have been reviewed by the company's auditors, KPMG Inc and Deloitte & Touche, and the review opinion is available for inspection at the company's registered office.

### Nedbank non-redeemable non-cumulative preference shares Declaration of dividend No 3

Notice is hereby given that preference dividend No 3 of 42,88934 cents per share has been declared for the period from 1 January 2004 to 30 June 2004, payable on Monday, 30 August 2004, to holders of the non-redeemable non-cumulative preference shares recorded in the books of the company at the close of business on Friday, 27 August 2004.

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

Last day to trade 'cum' dividend	Friday, 20 August 2004
Shares trade 'ex' dividend	Monday, 23 August 2004
Record date	Friday, 27 August 2004
Payment date	Monday, 30 August 2004

Share certificates may not be dematerialised or rematerialised between Monday, 23 August 2004, and Friday, 27 August 2004, 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 accounts, at their Central Securities Depository Participant or broker, credited on Monday, 30 August 2004.

For and on behalf of the board

<b>WAM Clewlow</b> (Chairman)	<b>TA Boardman</b> (Chief Executive)
4 August 2004	

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

**Transfer secretaries**  
Computershare Investor Services 2004 (Pty) Limited  
70 Marshall Street, Johannesburg, 2001  
PO Box 61051, Marshalltown, 2107

**Directors**  
WAM Clewlow (Chairman), Prof MM Katz (Vice-chairman), ML Ndlovu (Vice-chairman), TH Nyasulu (Vice-chairman), TA Boardman (Chief Executive), CJW Ball, MWT Brown, RG Cottrell, BE Davison, N Dennis (British), Prof B Figaji, MJ Levett, JB Magwaza, ME Mkwanazi, PF Nhleko, JVF Roberts (British), CML Savage, JH Sutcliffe (British)  
(Registration No 1951/000009/06) Share code: NBKP ISIN: ZAE000043667

**Company Secretary**  
GS Nienaber

**Sponsors**  
Merrill Lynch South Africa (Pty) Limited  
Nedbank Capital

Income statement	Reviewed 30 June 2004	Restated 30 June 2003	Audited 31 December 2003
<b>Rm</b>			
Interest income	11 951	14 359	28 609
Interest expense	8 771	11 485	22 600
Net interest income	3 180	2 874	6 009
Non-interest revenue	3 403	3 592	6 451
Foreign currency translation losses	(177)	(429)	(1 058)
Gross operating income	6 406	6 037	11 402
Impairment of advances	717	895	2 058
Income after impairment of advances	5 689	5 142	9 344
Operating expenses	4 873	4 693	9 749
Fees due to alliance partners	83	(41)	(31)
Recovery programme expenses	234		
Merger expenses	94	133	393
Profit/(Loss) from operations before exceptional items	405	357	(767)
Exceptional items	(78)	(100)	(863)
Amortisation and impairment of goodwill	(43)	(58)	(370)
Profit/(Loss) on sale of subsidiaries, investments and property and equipment	20	(42)	(254)
Net impairment of investments, property and equipment and capitalised development costs	(55)		(239)
Profit/(Loss) from operations	327	257	(1 630)
Attributable earnings of associates and joint ventures	58	69	119
Profit/(Loss) before taxation	385	326	(1 511)
Taxation	55	79	194
Taxation on exceptional items	(17)		(38)
Profit/(Loss) after taxation	347	247	(1 667)
Minority interest income attributable to ordinary shareholders	(67)	(65)	(125)
<b>Income/(Loss) attributable to shareholders</b>	<b>280</b>	<b>182</b>	<b>(1 792)</b>

### Headline earnings reconciliation

Profit/(Loss) attributable to ordinary shareholders	280	182	(1 792)
Less: Non-headline-earnings items	(61)	(100)	(825)
Exceptional items	(78)	(100)	(863)
Taxation on exceptional items	17		38
<b>Headline earnings</b>	<b>341</b>	<b>282</b>	<b>(967)</b>

### Balance sheet

Rm	Reviewed 30 June 2004	Restated 30 June 2003	Audited 31 December 2003
<b>Assets</b>			
Cash and short-term funds	11 314	8 364	11 716
Other short-term securities	7 457	13 270	8 802
Government and other securities	22 210	15 276	21 451
Derivative instruments	18 719	36 820	25 788
Advances	215 984	217 833	220 608
Sundry debtors	8 266	7 061	4 448
Deferred taxation asset	1 243	1 044	3 072
Current taxation prepaid	163	390	250
Investments in associate companies and joint ventures	1 256	1 421	1 471
Other investments	3 765	3 628	3 244
Property and equipment	2 441	2 119	2 596
Computer software and capitalised development costs	1 510	2 025	1 654
Goodwill	450	394	416
Customers' indebtedness for acceptances	1 009	822	835
<b>Total assets</b>	<b>295 787</b>	<b>310 467</b>	<b>306 351</b>
<b>Shareholders' equity and liabilities</b>			
Ordinary share capital	27	27	27
Ordinary share premium	12 647	7 887	10 054
Non-distributable reserves	614	618	138
Distributable reserves	2 252	4 415	2 219
Ordinary shareholders' equity	15 540	12 947	12 438
Preference share capital and premium	2 770	1 982	2 802
Shareholders' equity	18 310	14 929	15 240
Minority shareholders' equity			
Attributable to preference shareholders	122		122
Attributable to ordinary shareholders	753	408	686
Total shareholders' equity and minority shareholders' equity	19 185	15 337	16 048
Derivative instruments	18 172	37 670	25 897
Deposits, current accounts and other liabilities	242 642	243 872	239 406
Sundry creditors	6 375	4 668	11 376
Deferred taxation liabilities	792	272	2 654
Current taxation liabilities	115	63	49
Long-term debt instruments	7 497	7 763	10 086
Liabilities under acceptances	1 009	822	835
<b>Total liabilities</b>	<b>276 602</b>	<b>295 130</b>	<b>290 303</b>
<b>Total shareholders' equity and liabilities</b>	<b>295 787</b>	<b>310 467</b>	<b>306 351</b>
<b>Guarantees on behalf of customers excluded from assets</b>	<b>10 320</b>	<b>10 626</b>	<b>12 319</b>

### AC133: Balance sheet classification

as at 30 June 2004	Reviewed	
	Assets Rm	Liabilities Rm
<b>Fair value</b>	<b>51 754</b>	<b>27 137</b>
Held for trading	51 146	27 137
Available for sale	608	
<b>Amortised cost</b>	<b>244 033</b>	<b>249 465</b>
Originated loans and receivables	236 370	
Held to maturity	1 350	
Non-trading liabilities		248 052
Other assets and liabilities	6 313	1 413
Total shareholders' equity and minority shareholders' equity		19 185
	295 787	295 787

### Cash flow statement

for the period ended	Reviewed 30 June 2004	Restated 30 June 2003	Audited 31 December 2003
<b>Rm</b>			
Cash and short-term funds at beginning of period	11 716	9 699	9 699
Cash flows from operating activities	2 354	2 004	3 569
Net increase in operating funds	(2 111)	(4 953)	(7 096)
Taxation paid	(188)	(280)	(336)
Cash flows from investment activities	(285)	(3 073)	(3 715)
Cash flows from financing activities	(172)	4 967	9 595
<b>Cash and short-term funds at end of period</b>	<b>11 314</b>	<b>8 364</b>	<b>11 716</b>

### Income statement (restated)

for the period ended 30 June 2003	As previously reported	AC133 restatements	Restated
<b>Rm</b>			
Interest income	14 524		14 524
Interest expense	11 437		11 437
Net interest income	3 087		3 087
Non-interest revenue	3 617	(25)	3 592
Foreign exchange translation losses	(429)		(429)
Gross operating income	6 275	(25)	6 250
Impairment of advances	895		895
Income after impairment of advances	5 380	(25)	5 355
Operating expenses	4 469		4 469
Fees due to alliance partners	(41)		(41)
Merger expenses	133		133
Profit from operations before exceptional items	819	(25)	794
Exceptional items	(100)		(100)
Profit from operations	719	(25)	694
Attributable earnings of associates and joint ventures	69		69
Profit before taxation	788	(25)	763
Taxation	433	2	435
Profit after taxation	355	(27)	328
Minority interest attributable to ordinary shareholders	(79)	(4)	(83)
<b>Income attributable to shareholders</b>	<b>276</b>	<b>(31)</b>	<b>245</b>
Less: Non-headline-earnings items			
Exceptional items	(100)		(100)
<b>Headline earnings</b>	<b>376</b>	<b>(31)</b>	<b>345</b>

### Statement of changes in shareholders' equity

	Ordinary share- holders' equity Rm	Preference share- holders' equity Rm	Minority attributable to preference share- holders Rm	Minority attributable to ordinary share- holders Rm	Total Rm
<b>Balance at 31 December 2002 as previously reported</b>	<b>10 119</b>	<b>1 987</b>		<b>364</b>	<b>12 470</b>
Impairment of advances	(1 700)				(1 700)
Fair-value adjustment	(970)				(970)
Taxation	795				795
Minority interest	1				1
<b>Restated balance at 31 December 2002</b>	<b>8 245</b>	<b>1 987</b>		<b>364</b>	<b>10 596</b>
Net profit for the period	182			65	247
Dividends to shareholders	(629)				(629)
Issue of shares	5 210	(5)			5 205
Foreign currency translation reserves and other movements	(61)			(21)	(82)
<b>Restated balance at 30 June 2003</b>	<b>12 947</b>	<b>1 982</b>		<b>408</b>	<b>15 337</b>
Net loss for the period	(1 974)			60	(1 914)
Dividends to ordinary shareholders	(538)				(538)
Dividends to preference shareholders	(133)				(133)
Issue of shares	2 167		820		2 987
Foreign currency translation reserves and other movements	(31)			122	309
<b>Balance at 31 December 2003</b>	<b>12 438</b>	<b>2 802</b>	<b>122</b>	<b>686</b>	<b>16 048</b>
<b>Net profit for the period</b>	<b>280</b>			<b>67</b>	<b>347</b>
<b>Dividends to ordinary shareholders</b>	<b>(35)</b>				<b>(67)</b>
<b>Dividends to preference shareholders</b>	<b>(110)</b>				<b>(110)</b>
<b>Issue of shares</b>	<b>2 593</b>				<b>2 593</b>
<b>Available for sale reserve movement</b>	<b>416</b>				<b>416</b>
<b>Foreign currency translation reserves and other movements</b>	<b>(42)</b>				<b>(42)</b>
<b>Balance at 30 June 2004</b>	<b>15 540</b>	<b>2 770</b>	<b>122</b>	<b>753</b>	<b>19 185</b>

### Segmental analysis

	2004 Reviewed Average assets Rbn	2003 Restated Average assets Rbn	2004 Reviewed Operating income Rm	2003 Restated Operating income Rm	2004 Reviewed Headline earnings Rm	2003 Restated Headline earnings Rm
as at 30 June						
Nedbank Corporate	124	112	3 224	3 303	1 149	1 365
Nedbank Capital	58	61	1 087	1 370	448	697
Imperial Bank	14	10	393	307	52	67
Retail and Wealth Management	77	75	3 616	3 720	270	437
Shared Services	30	28	50	(108)	(432)	(396)
Capital Management and Central Funding	25	29	(1 005)	(1 078)	(664)	(722)
Preference share dividend					(110)	
Foreign currency translation losses	(58)	(56)	(376)	(884)	(213)	(735)
Total per Nedcor Group	270	259	6 989	6 630	500	713
Fellow-subsiary adjustments	(4)	(5)	(583)	(593)	(159)	(431)
<b>Total per Nedbank Group</b>	<b>266</b>	<b>254</b>	<b>6 406</b>	<b>6 037</b>	<b>341</b>	<b>282</b>

### By geography

South Africa	2004 Reviewed Operating income Rm	2003 Restated Operating income Rm	2004 Reviewed Headline earnings Rm	2003 Restated Headline earnings Rm
Business operations	6 217	5 897	249	432
Recovery programme expenses			500	432
Preference share dividend			(110)	
Rest of Africa	225	85	101	68
Rest of world	547	648	150	213
Business operations	547	648	173	213
Recovery programme expenses			(23)	
Total per Nedcor Group	6 989	6 630	500	713
Fellow-subsiary adjustments	(583)	(593)	(159)	(431)
<b>Total per Nedbank Group</b>	<b>6 406</b>	<b>6 037</b>	<b>341</b>	<b>282</b>

Segmental results have been restated to align with current management structures and reporting methodologies.

	Change in basis of accounting relating to AC105/AC102 option	Reclassification of transaction taxes	Change in depreciation rate from 7 to 5 years	Restated
Peoples Bank put option				
Change in basis of accounting relating to AC105/AC102 option	(165)			14 359
Reclassification of transaction taxes				11 485
Change in depreciation rate from 7 to 5 years				2 874
				3 592
				(429)
				6 037
				895
				5 142
		176	48	4 693
				(41)
				133
				357