



Hard Thinking. Flawless Execution. Tangible Results.

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INVESTMENT BANK



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Interim results presentation

For the six months ended 30 June 2002

24 July 2002

Agenda



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- **Financial highlights**
- **Operating highlights**
- **Prospects**
- **Questions**



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Financial highlights



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	30 June 2002	30 June 2001	% change
Headline earnings (Rm)	444	376	18
Headline EPS (cents)	27,0	23,4	16
Capital adequacy – group (%)	11,6	12,0	(3)
Expense-to-income ratio (%)	31,8	32,1	1
Return on average equity (%)	25,8	24,5	5
International earnings (Rm)	91	78	17

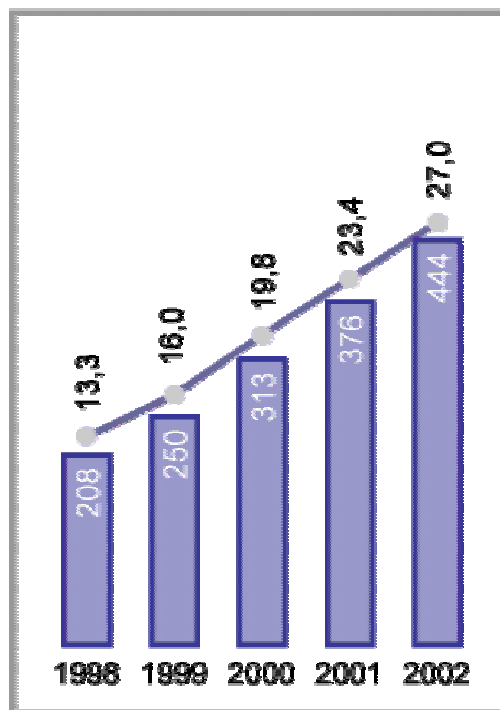
Headline earnings



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Headline earnings

**Five-year compound
annual headline
earnings growth 21%**



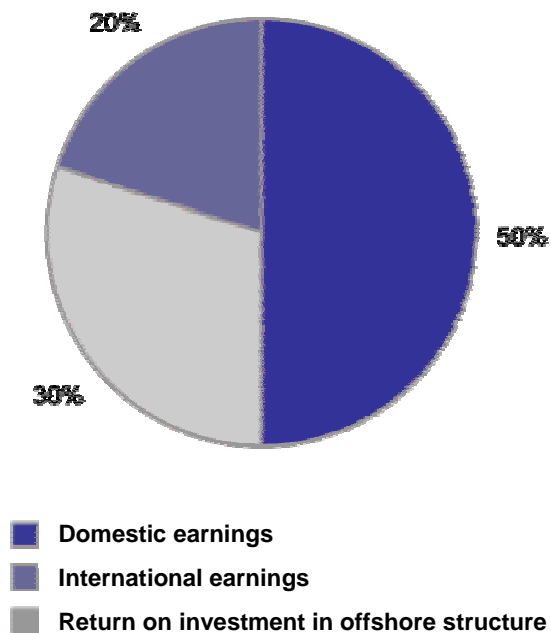
- Headline earnings (Rm)
- Headline earnings per share

Segmental analysis

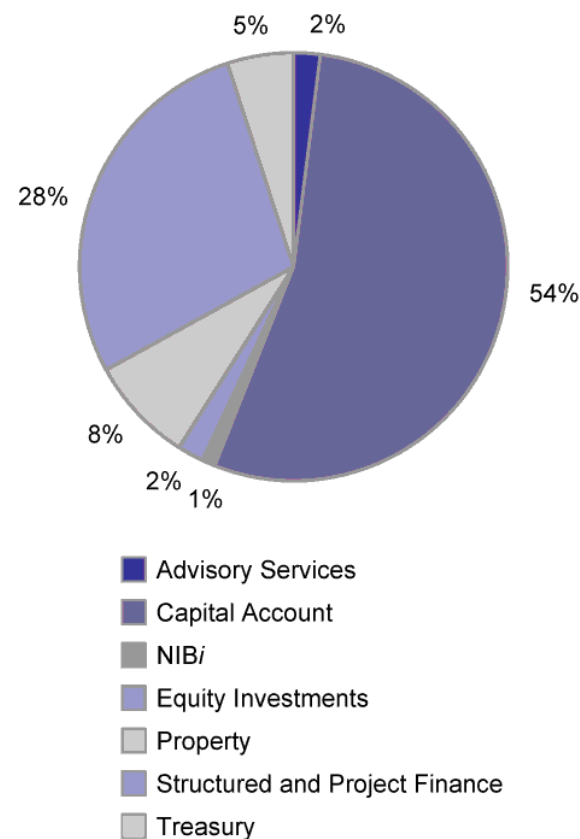


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Segmental analysis 2002 earnings split by geographic region



Segmental analysis 2002 earnings split by operating unit

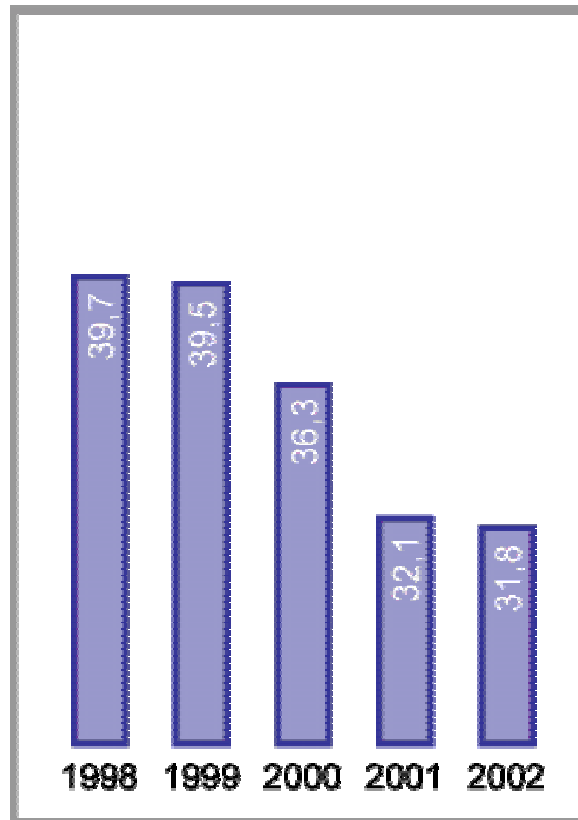


Expense-to-income ratio



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Expense-to-income ratio



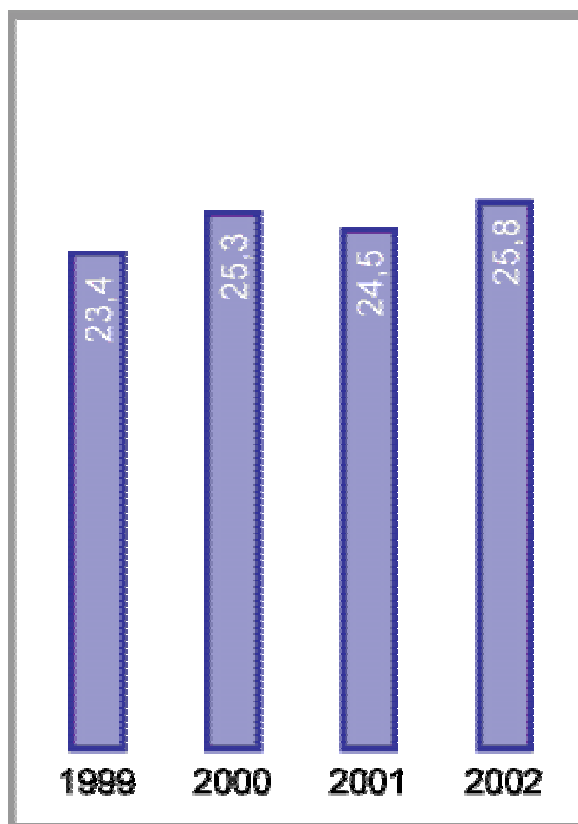
Return on equity



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Return on equity (ROE)

**Four-year average
Return on equity
24,8%**



Operating highlights



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Operating highlights



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– **Advisory**

- Fee income and operating expenditure flat year on year
- New mandates & projects include:
 - Johnnic, Ellerine, Allied Technologies, M&R, Namibian Breweries, African Legend, Pande Gas, Swisscard, The Rand Enquiry, The World Summit, The Cricket World Cup
- Intensive involvement in Nedcor/BoE transaction & the Nedcor bond issue
- Application of more prudent debtors provisioning policy

- **Prospects**

- M&A activity expected to continue to be low
- Continued pursuit of new opportunities & initiatives

Operating highlights



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– **Capital Account**

- Approximately 45% of Capital deployed offshore in support of NIB's offshore operations
- Foreign capital structure yields R133m (2001: R120m) in volatile exchange rate environment
- Restructure existing offshore asset

– **Strategic Alliances**

- Increased contribution from strategic alliances
- FTNIBI assets under management of R21 bn

Operating highlights



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- **Equity investments**
 - Refocused and restructured investment portfolios
 - Reclassification of trading assets
 - Two deals concluded at the half year

- **Prospects**
 - Opportunities through a combination of mezzanine finance and equity
 - Several new investments being considered for implementation

Operating highlights



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- **NIB*i***
 - R11bn of assets under management
 - Launch of three new products
 - Focus on enhancing offshore distribution
 - Appointed as product providers to Gerrards plc

- **Prospects**
 - Well positioned for upturn in investment markets

Operating highlights



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- **Property**
 - Significant headline earnings growth
 - Lower provisioning requirements
 - Widening margins
 - Increased operating efficiencies
 - R1,4bn of new disbursements in stringent market conditions
 - Disposal of retail loan book of R382 m
 - Average PIP portfolio lower than in prior period

- **Prospects**
 - Committed to maintaining quality of loan book
 - Administrative capacity to handle greater volumes

Operating highlights



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– **Structured & Project Finance**

- Impressive headline earnings growth resulting from:
 - New debt origination products leading to increased demand
 - Increased activity in project finance in SA
- New mandates include:
 - Komatipoort-Maputo railway, Zambian railway, Nacala corridor project in Mozambique

– **Prospects**

- Increased activity in project finance market
- Attractive pipeline of projects in International Structured Finance

Operating highlights



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- **Treasury**
 - Challenging environment
 - Abnormal Government bond yield curve negatively impacted on trading profits
 - Total assets under management of R10 billion

- **Prospects**
 - Expanding product suite
 - Cash out-performance management initiatives ongoing
 - Considering an empowerment strategy for Quants business



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Prospects



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- Continued market nervousness
- Robust business model leading to sustained growth
 - Operating efficiencies
 - Offshore strategy in place
 - Sound capital management strategy
 - Good deal flow pipeline
- Offer to minority shareholders
 - Deutsche Securities appointed as independent adviser
 - Offer details anticipated to be announced shortly



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