NEDBANK GROUP

Integrated Report

for the year ended 31 December 2024

see money differently

Integrated reporting

Overview of our integrated reporting suite, key aspects of our 2024 Integrated Report and the drafting thereof, as well as approval by the board.

An overview of Nedbank Group

Overview of the group; our businesses, market position, differentiators and business model; the needs and expectations of our stakeholders; and how our purpose, vision, values, and strategy position us for long-term value creation.

Our capitals

- Financial
- Intellectual
- Manufactured
- Human
- Natural
- Social and relationship

Ensuring value creation through good governance

Overview of the board's key activities, highlighting how good governance and strong leadership contribute to the creation and protection of value, while minimising the risk of value erosion.

Our guiding principles and considerations

- King IV™
- ESG
- Top 10 risks

Sustainable value creation through strategy

Overview of the context in which we operate, including our material matters, how we manage risks, the opportunities we seek to unlock, our strategic response, the trade-offs we make and key capital considerations to ensure ongoing value creation.

Our strategic value unlocks

- Digital leadership (DX)
- Market-leading client experiences (CX)
- Focusing on areas that create value (SPT)
- Growth vectors
- Creating positive impacts (purpose delivery)

Delivering, measuring, and rewarding value creation

Assessment of value creation, protection, and erosion for stakeholders in 2024 and how remuneration outcomes are aligned with our strategy, targets and performance.

Our stakeholders

- Employees
- Clients
- Shareholders
- Regulators
- Society

Supplementary information

Independent assurance, abbreviations, acronyms and reporting criteria.

Our reporting universe

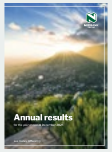
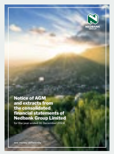
group.nedbank.co.za

Integrated Report

D Double materiality
LA Limited assurance over selected KPIs

The **2024 Nedbank Group Integrated Report** was produced in accordance with the Integrated Reporting Framework and King IV Report on Corporate Governance for South Africa (King IV)*. It provides a comprehensive, yet concise overview of how the group creates and protects value while minimising the risk of value erosion over the short, medium and long term. It primarily caters for the information needs of long-term investors, including our equity shareholders, bondholders, debt providers and prospective investors.

This report is also relevant to other stakeholders as it addresses material issues relating to value creation for them. It is supplemented by more detailed reporting in our various online publications, which include financial, risk management, sustainability, and environmental, social and governance (ESG) disclosures. These reports can be accessed on our website at **group.nedbank.co.za**.

	What is disclosed in these reports or online			Key regulatory and reporting frameworks
Financial reporting 	Information relating to the group's financial position and performance. It is primarily of interest to Nedbank's equity and debt investors, credit rating agencies, depositors, regulators, and various other stakeholders. The disclosed information can be used to assess the group's financial performance, strength and prospects, and includes important regulatory disclosures.	• **2024 Results Booklet and presentation** F • **2024 Nedbank Group Annual Financial Statements** A F		• International Financial Reporting Standards (IFRS) Accounting Standards • Companies Act, 71 of 2008 (Companies Act) • JSE Listings Requirements
Climate reporting 	Information relating to the group's climate-related activities, governance, strategy, policies, risk management, carbon footprint and emissions, as well as targets. It is primarily of interest to investors, non-governmental organisations (NGOs), ESG ratings agencies, as well as key stakeholders such as clients and invested members of society who associate with value-aligned and purpose-driven companies. The disclosed information can be used to assess Nedbank's progress in managing its positive and negative impacts in addressing climate change.	• **2024 Climate Report** LA IA D • Nedbank Energy Policy* • Nedbank Climate Change Position Statement* • Nedbank Nature Position Statement*		• Basel Committee on Banking Supervision (BCBS) • Global Reporting Initiative (GRI) Standards • JSE Sustainability and Environmental Disclosures • *Considered the IFRS Sustainability Disclosure Standards*
Societal reporting 	Information relating to how the group uses its financial expertise to do good by creating positive economic, societal and environmental impacts, including those aligned with the United Nations (UN) Sustainable Development Goals (SDGs). They are primarily of interest to investors, existing and prospective employees, regulators, NGOs, existing and prospective clients, ESG ratings agencies, and engaged members of society. The disclosed information demonstrates progress in how Nedbank is fulfilling its purpose.	Our **2024 Society Report** LA I includes the following content sections: • Sustainable development finance (SDF) • Human capital, diversity and inclusion • Social impact • Supplier relationships and procurement • Client responsibility • Financial inclusion • Transformation	The following information is available online: • Broad-based black economic empowerment (BBBEE) certificate** • GRI Standards disclosures** • SDF inclusion criteria**	• GRI Standards • King IV • UN Global Compact • Application of the Amended Financial Sector Code (FSC) and the BBBEE Act, 53 of 2003 *The JSE Sustainability Disclosures and the ISSB Sustainability-related Financial Disclosures were also considered.*
Governance reporting 	Information relating to board matters, ethics, financial crime, tax and remuneration, as well as regulatory risk disclosures. They are primarily of interest to debt and equity investors, credit and ESG rating agencies, clients, employees, regulators, suppliers and members of society. The information disclosed demonstrates how Nedbank performs business through sound risk and governance practices, upholding the highest standards of ethics, integrity, transparency and accountability. It also includes important regulatory disclosures.	Our **2024 Governance Report** L D includes the following content sections: • Governance • Ethics • Financial crime (including anti-money-laundering and cybercrime) • Remuneration Policy and Remuneration Implementation Report • Tax disclosures • Stakeholder engagement	**2024 Pillar 3 Risk and Capital Management Report** IA F The following information is available online: • Key policies* • Board and Group Executive Committee CVs and profiles*	• King IV • Companies Act • Banks Act, 94 of 1990 • South African Reserve Bank (SARB) regulations, directives and circulars • BCBS guidance • JSE Listings Requirements • JSE Debt and Specialist Securities Listings Requirements • Other applicable laws, regulations, and best-practice principles • GRI Standards
Shareholder information 	Notice of the group's annual general meeting (AGM) and form of proxy provide valuable information to shareholders who want to participate in the Nedbank Group 58th AGM.	• Notice of 58th annual general meeting • Form of proxy • Memorandum of incorporation** • Shareholding profile*		

* *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all its rights are reserved.*
** *Available separately at group.nedbank.co.za.*

Assurance provided: LA Limited assurance over selected KPIs A Audited IA Internal Audit

Materiality consideration: D Double F Financial I Impact

About our 2024 Integrated Report

Our 2024 Integrated Report reflects the outcome of integrated thinking and a reporting process governed by the board, led by the Group Executive Committee (Group Exco), assured through our Coordinated Assurance Model, and delivered through collaboration across the group.

1 Our purpose

Vision

Fulfilling our purpose

Values

Board, Group Exco, employees

2 Integrated thinking

Risks and impacts

Determining our material matters

Opportunities

Board, Group Exco

Short-, medium- and long-term outlook

Developing and evolving our strategy

Financial and non-financial targets

Board, Group Exco

Board and board committees

Overseeing and executing our strategy

Group Exco, Exco committees and employees

Board, Group Exco, employees

3 Integrated reporting process

Integrated Reporting Framework

Compiling our report

Various reporting standards and guidance

Board, Group Exco, Integrated Reporting Team

Coordinated Assurance Model

Validating the integrity of the report

Board and Group Exco reviews

Board, Group Exco, Group Internal Audit, External Auditors

Exco sign-off

Approving the Integrated Report

Board approval

Board, Group Exco

How we think about value

Value creation, preservation and erosion are the consequences of how we apply and leverage our capitals during strategy formulation and execution. This is evident in how we address these capitals over time, the trade-offs we make, our financial and non-financial performance and the outputs and outcomes, for all our stakeholders.

Integrated thinking allows us to create and preserve value as we fulfil our purpose (page 6).

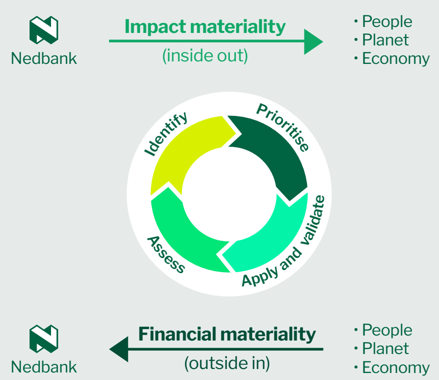
In our report, we use the icons below to denote value creation, preservation, and erosion:

- Value creation
- Value preservation
- Value erosion

Our materiality determination process

Identifying our material matters is a collective responsibility that involves input from our businesses; an assessment of the impacts, risks and opportunities in our operating environment through a double materiality lens; and feedback from our key stakeholder groupings. Our 6 material matters, as detailed on pages 38 to 47, seek to identify opportunities, risks and impacts and shape our strategic response. They also guide the evolution of our business model and our short- (1 year), medium- (2 to 3 years) and long-term (5 years +) targets.

Our Group Exco and the board continuously discuss these material matters during their meetings throughout the year and approve them as part of a formal strategy engagement in June.



- **Identify** matters that could create, preserve, or erode value for us and our stakeholders.
- **Prioritise** those matters with the greatest relevance.
- **Apply and validate** the material matters to inform our strategy, capitals and targets.
- **Assess** these matters continually to ensure our strategy remains relevant.

Process we followed to complete the 2024 report

The 2024 Integrated Report was prepared based on Group Exco and board discussions, minutes, decisions and approvals, and business plans, reflecting integrated thinking. It also adhered to internal and external reporting information requirements of the Integrated Reporting Framework and other reporting frameworks.

A cross-functional team, led by the Group Chief Financial Officer (CFO) and comprising businesses and subject matter experts across the group, produced the content of the Integrated Report and reporting suite. We made use of artificial intelligence (AI) tools to assist with the collation of information. Group Exco and boardmembers contributed and were involved in the various approval processes, which were supported by the oversight provided by independent assurance providers. The board approved the final report, while the Group Integrated Report Approval Committee, with delegated authority from the board, provided final sign-off for publication.

Reporting frameworks to which we adhere

Our integrated reporting is guided by the principles and requirements of the Integrated Reporting Framework, the International Financial Reporting Standards (IFRS) Accounting Standards and the King IV Report on Corporate Governance for South Africa (King IV). It aligns with the core option of the Global Reporting Initiative (GRI) Standards. As a South African bank and a company listed on the JSE, we align with the JSE Listings Requirements; the South African Companies Act, 71 of 2008; and the Banks Act, 94 of 1990. We have also considered the disclosure requirements of the International Sustainability Standards Board (ISSB) and the JSE's Sustainability and Climate Disclosure Guidance.

Ensuring the integrity of our report

The Nedbank Group Board ensures the integrity of the Integrated Report through our integrated reporting process, which includes various approvals by Group Exco and the board. This process relies on our Coordinated Assurance Model, overseen by the Group Audit Committee, which assesses and assures various aspects of our business operations and reporting. These assurances are provided by management and the board through rigorous internal reporting governed by the group's Enterprisewide Risk Management Framework (ERMF), Group Internal Audit and independent external sources and service providers.

About our 2024 Integrated Report continued

4 Our 2024 Integrated Report

Our reporting boundary and scope

This report focuses on key issues, risks, opportunities and outcomes that impact our ability to be a sustainable business that consistently creates, protects, and minimises the erosion of value for Nedbank and all key stakeholders.

Our reporting boundary covers risks, opportunities and outcomes arising from our

- Business model **(pages 10 to 13)**
- Material matters **(page 38)**
- Material risks and opportunities **(pages 48 to 51)**
- Strategy **(pages 52 to 66)**
- Trade-offs and capitals **(pages 67 and 68)**
- Stakeholders **(pages 78 to 88)**

Employees
Clients
Shareholders
Regulators
Society

Our financial reporting boundary (control and significant influence) aligns with our annual financial statements

Legal structure: Nedbank Limited | Foreign subsidiaries | Insurance entities

Nedbank Group

Operational structure*: CIB | RBB | Wealth | NAR

Covers the period from 1 January to 31 December 2024. It also includes material events up to the board approval date of 15 April 2025.

Our financial reporting boundary covers reporting on the primary activities and financial results of Nedbank Group, with its primary listing on the JSE. The group comprises Nedbank Limited (100% owned), the group's largest subsidiary, as well as various foreign and insurance entities. The group's operations comprise 4 business clusters and various support areas, operating largely in SA, with subsidiaries and representative offices on the rest of the African continent and in selected international markets.

Coordinated assurance

Our Coordinated Assurance Model integrates and aligns risk, audit and compliance functions and assurance activities. This enables an effective internal control environment across the group, with assurance focused on critical risk exposures, supporting the integrity of information used in internal decision-making and reporting to external stakeholders.

Our 2024 Annual Financial Statements were assured by our joint external auditors, Ernst & Young Inc (EY) and KPMG Inc (KPMG). Limited assurance on selected sustainability information was provided by EY, and Mosela Rating Agency provided limited assurance on our application of the Amended Financial Sector Code (FSC) and the group's broad-based black economic empowerment (BBBEE) status. We have indicated the level of assurance provided on **pages 69, 70, 89 and 90,** and included the independent assurance providers' Limited Assurance Report on selected key performance indicators on **page 99 and 100.**

* *From 1 July 2025, RBB and Wealth will be restructured into PPB and BCB as discussed on* ***page 67****.*

Approval by the board

The board acknowledges its responsibility of ensuring the integrity of this Integrated Report. In the board's opinion, this report addresses all the issues that are material to the group's ability to create value and fairly presents the integrated performance of Nedbank Group. The board is confident that the report was prepared in line with the Integrated Reporting Framework. This report was approved by the Board of Directors of Nedbank Group on 15 April 2025.

Daniel Mminele (Chairperson)	Hubert Brody (Lead Independent Director)
Jason Quinn (Chief Executive)	Brian Dames
Mike Davis (Chief Financial Officer)	Neo Dongwana
May Hermanus	Errol Kruger
Phumzile Langeni	Rob Leith
Linda Makalima	Mfundo Nkuhlu (Chief Operating Officer)
Terence Nombembe	Stanley Subramoney

Digital and ESG reporting

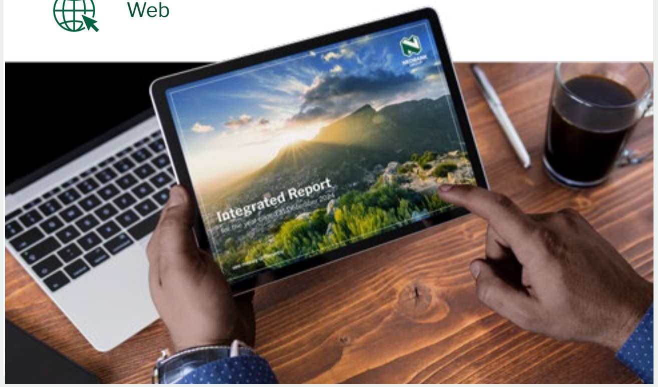
Our 2024 integrated reporting suite has been designed for an enhanced digital experience and ease of use as our stakeholders primarily engage with information through digital channels. The digital navigation capability in the report assists you to easily navigate between different sections or topics using the navigation icons at the top of the page or pop-ups wherever you hover with your cursor. We have also created links to videos that provide additional insights and bring our Integrated Report to life. The group's website, **group.nedbank.co.za**, which contains all the relevant reports and additional disclosures, was relaunched in the first quarter of 2025.

Digital navigation icons

Video
Read more
Web

ESG data

ESG This icon refers to environmental, social and governance (ESG) data contained in a comprehensive table, available at group.nedbank.co.za.



Forward-looking statements

This report contains certain forward-looking statements about Nedbank Group's financial position, results, strategy, operations, and businesses. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. There are several factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Consequently, all forward-looking statements have not been reviewed or reported on by the group's joint auditors.

Forward-looking statements made by Nedbank Group on 4 March 2025 at the time of releasing its 2024 results were informed by the group's business plans and economic forecasts in February 2025.

An overview of Nedbank Group

Overview of the group; our businesses, market position, differentiators and business model; the needs and expectations of our stakeholders; and how our purpose, vision, values, and strategy position us for long-term value creation.

Nedbank Group at a glance

Nedbank Group, with its ordinary shares listed on the JSE since 1969, is one of the largest financial services groups in Africa, offering wholesale and retail banking, as well as financial services such as insurance and asset management services and solutions to more than 7,6 million clients.

In South Africa (SA), Nedbank has a strong franchise that contributes 90% of the group's R1,4tn in assets and 79% of the group's R16,9bn headline earnings. The group also operates in 5 countries in the Southern African Development Community (SADC) through subsidiaries and banks in Lesotho, Mozambique, Namibia, Eswatini and Zimbabwe. In Central and West Africa, we have a financial investment in Ecobank Transnational Incorporated (ETI) and we have a representative office in Kenya. Outside Africa we have a presence in key global financial centres to provide international financial services for Africa-based multinational and high-net-worth clients in the Isle of Man, Jersey, and London, and we have a representative office in Dubai.

Headline earnings

R16,9bn

2024	16,9
2023	15,7
2022	14,1
2021	11,7
2020	5,4

The profits we make for shareholders

Return on equity

15,8%

2024	15,8
2023	15,1
2022	14,1
2021	12,5
2020	6,2

The return on the capital that our shareholders have invested

Common-equity tier 1 capital ratio

13,3%

2024	13,3
2023	13,5
2022	14,0
2021	12,8
2020	10,9

The strength of our balance sheet

Deposits

R1 175bn

2024	1 175
2023	1 088
2022	1 040
2021	968
2020	954

Gross banking advances

R944bn

2024	944
2023	885
2022	863
2021	807
2020	797

The credit we provide to clients

Assets under management

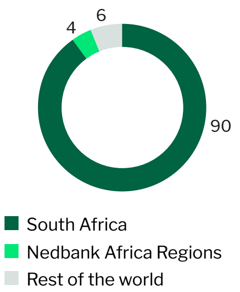
R474bn

2024	474
2023	448
2022	393
2021	424
2020	375

The investments we manage for clients

Assets by geographical area

(%)



Market capitalisation

R137bn

2024	137
2023	106
2022	109
2021	89
2020	65

The value of Nedbank Group as a company on the JSE

Permanent employees

25 613

2024	25 613
2023	25 477
2022	25 924
2021	26 861
2020	28 271

Our human capital

Our purpose, vision, values, targets and strategy

Our purpose

To use our financial expertise to do good for individuals, families, businesses and society.

The reason we exist

Our vision

To be the most admired financial services provider in Africa by our employees, clients, shareholders, regulators and society.

What we want our future to look like

Our brand promise

see money differently

How we want to affect our clients

Our values

Integrity | Respect | Accountability | People-centred | Client-driven

The principles that guide us

The Nedbank Sustainable Development Framework

Our approach to purpose fulfilment

We prioritised 9 Sustainable Development Goals (SDGs) where we believe we have the greatest ability to deliver a meaningful impact through our core business and sustainable development finance support to clients.

Our targets[1]

	Diluted headline earnings per share	Return on equity	Cost-to-income ratio	Net Promoter Score
2025 (medium-term targets set in 2023)	> CPI + GDP + 5% (CAGR to end-2025)	17% (COE + 2%)	52%	#1 bank
2025 guidance	> Mid-single digits (for FY 2025)	> 16%	Increase yoy	#1 bank
Medium term	> CPI + GDP + 3% (CAGR)	> 17%	54%	#1 bank
Long term (not dated, 5+ years)	> CPI + GDP + 5% (CAGR through the cycle)	> 18% (COE + 3%)	< 50%	#1 bank

[1] *These targets are not a profit forecast, have not been reviewed or reported on by the group's joint auditors and are based on the group's economic forecasts at the time. Guidance and targets exclude any potential impact from merger-and-acquisition-related corporate action.*

Our strategy

Strategic value drivers

- Growth
- Productivity
- Risk and Capital Management

Strategic value unlocks

- Digital leadership (DX)
- Market-leading client experiences (CX)
- Focusing on areas that create value (SPT)
- Growth vectors (new)
- Creating positive impacts (purpose delivery)

Underpinned by:

- A modern technology platform
- Our employees and differentiated corporate culture (EX)

Our differentiation

As a large universal bank and financial services provider, we differentiate ourselves on various aspects that are important for investors.

A strong, experienced, and diversified board and leadership team

- **64%** independent non-executive directors
- **64%** African, Indian and Coloured board representation
- **Highly engaged board** – completed our 11th annual ESG roadshow in 2024 (market-leading practice in SA)

Pages 21, 22 and 25

One of SA's most **experienced financial services management** teams

- **Highly regarded** by the investment community
- **183** years' combined experience
- **Seamless leadership succession** over many years

Page 37

A purpose-led business

Delivering positive societal and environmental impact that is supported by good governance, ESG leadership and proud credentials of doing business in a manner that contributes positively to society.

- **AAA** MSCI ESG rating – top 9% of global banks
- Track record of **leadership in climate-related matters**
- **R183bn** in purpose-led sustainable development finance exposures that are SDG-aligned
- **Level 1 BBBEE contributor** since 2018

Pages 62 to 64

Leadership positions in structured lending across key sectors such as mining, renewable energy, telecoms, infrastructure, commercial property, construction and commodities, as well as small business, vehicle finance and card acquiring.

Page 11

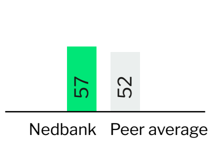
Strong franchises – a leading corporate and investment bank, strong commercial and small-business franchises, and a more competitive retail banking business.

Page 11

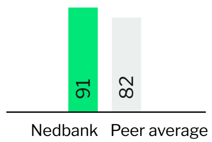
Well positioned to benefit from SA's economic recovery.

- Relatively **more exposure to SA**
- Relatively **more exposure to wholesale banking**

Wholesale advances*
(% of group)



SA advances*
(% of group)



** Includes Corporate and Investment Banking (CIB) and Commercial Banking | Universal banking peers include Absa, FirstRand and Standard Bank.*

A modern technology platform and market-leading digital capabilities.

Page 53

Top-tier client satisfaction ratings – **#1 rank in NPS**.

Page 58

Unique corporate culture and high levels of employee engagement and satisfaction.

Best-in-class and transparent reporting and disclosures.

Strong balance sheet to support growth and protect against downside risk (CET1 ratio: 13,3%; LCR 135%; NSFR 116%).

Page 73

Sound risk management track record – credit loss ratio at 87 bps, within the group's target range of 60 bps to 100 bps.

Page 73

Attractive valuation metrics[1]

- Price-to-book ratio: 1,2 times
- Dividend yield: > 7%
- Unlock value by progressing our return on equity (ROE) towards our long-term target of > 18%

Page 76

[1] *At 31 December 2024.*

2024 The Banker Magazine
Bank of the Year: South Africa

2024 Global Finance Magazine
Best Bank for Sustainable Finance (SA)

2024 Global Banking & Finance Review
Best Retail, Best SME and Best Investment Bank (SA)

2024 Forbes Best Employer ranking
#2 company in SA

2024 Digital Banker Africa Awards
Best Digital Bank (SA)

2024 Euromoney Awards
The World's Best Bank for Diversity and Inclusion

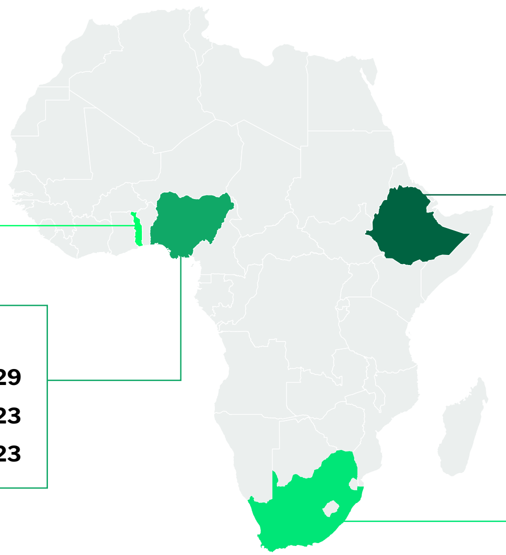
2024 EY Excellence in Integrated Reporting
#1 ranked in SA

Nedbank Group in context

The largest 100 banks in Africa collectively hold assets amounting to approximately **US$1,3tn**, backed by over **US$110bn** in capital, which represents about 1% of the global bank capital. These banks achieve high returns on capital and offer promising long-term growth opportunities, driven by rapid economic and population growth in their regions, increasing banking penetration, and the evolving sophistication of client needs.

In 2024, 5 South African banks were included in the top 10 in both Africa and sub-Saharan Africa, with Nedbank ranking within the top 5 as measured by both capital and assets.

Largest banks in sub-Saharan Africa (assets)
(US$bn)



Togo:	
Ecobank	27

Nigeria:	
Access Bank	29
Zenith Bank	23
United Bank for Africa	23

Ethiopia:	
CBE	24

South Africa:	
Standard Bank	166
FirstRand	121
Absa Group	101
Nedbank Group	**71**
Investec	34

The top 100 banks in Africa

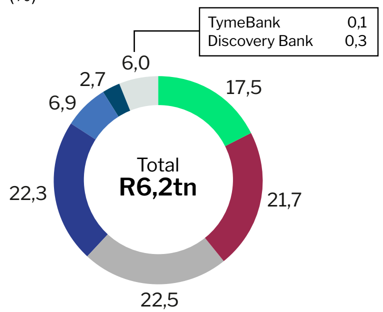
'Profitability generally continues to be buoyant, with an aggregate pre-tax profit of 18,2% for ranked institutions, 71 of these finishing 2024 in the black. However, local currency weaknesses have once again severely hit balance sheets in dollar terms; 52 institutions saw asset bases decrease during the year, with 41 seeing a fall in tier 1 capital. While the immediate impact of the war in Ukraine on Africa's key markets has faded, currency weakness and broader economic challenges have curtailed the performance of lenders in markets such as SA and Nigeria.'

– The Banker

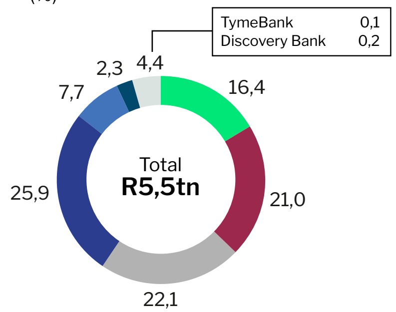
South African banking sector

The South African banking sector has total advances amounting to R5,5tn, which increased by 7% on 2023. Of this, Nedbank holds a **16,4%** share (2023: 16,5%), which represents the credit provided to clients. Additionally, we have a **17,5%** share (2023: 17,3%) of the R6,2tn South African deposit market – a key indicator of our franchise strength. With assets under management (AUM) of R474bn, Nedbank ranks as the 8th-largest unit trust manager in SA, holding a **7%** domestic market share and a **9%** international market share[1].

South African deposit market share
(%)



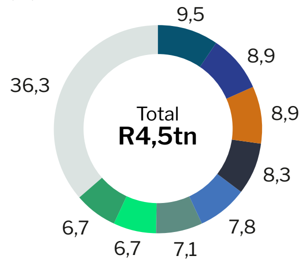
South African advances market share
(%)



Nedbank | Absa | FirstRand | Standard Bank | Investec | Capitec | Other

Source: South African Reserve Bank (SARB) BA900 returns at 31 December 2024.

AUM market share in SA
(%)



Boutique Collective Investments | Allan Gray | Ninety One | Stanlib | Sanlam | Coronation | Nedgroup | Old Mutual | Other

Source: Association for Savings and Investment SA (ASISA), Q4 2024.

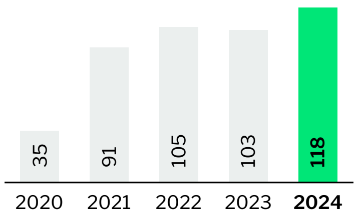
[1] *Market share of FSCA-approved foreign collective investment schemes (offshore assets).*

Nedbank Group in context continued

Financial performance of South African banks

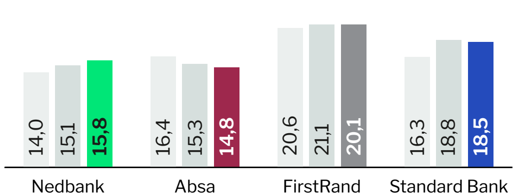
In 2024 headline earnings (HE) growth of the large universal South African banks was modest as strong performances in SA were offset by slower growth in their operations outside of SA. Credit growth, and as a result net interest income growth, slowed but impairment charges improved, declining from elevated 2023 levels. Non-interest revenue (NIR) growth was mixed and reflected bank-specific dynamics, while expenses were well managed. Balance sheets remained very strong. At a consolidated industry level, the aggregate pre-tax income of all the banks operating in SA increased by 14% to R118bn.

Profit before income tax – South African banks
(Rbn)

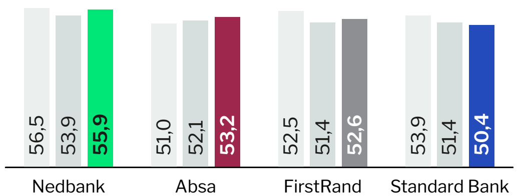


Source: SARB BA120 at 31 December 2024.

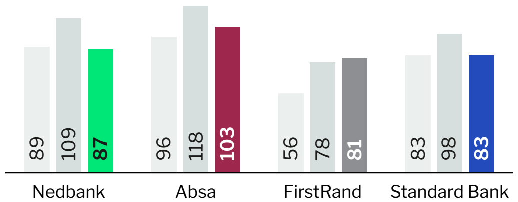
Return on equity[1]
(%)



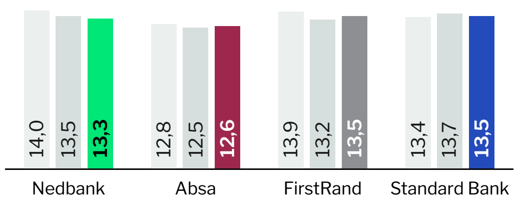
Cost-to-income ratio[2]
(%)



Credit loss ratio
(Bps)



Common-equity tier 1 ratio
(%)



2022 2023 **2024**

[1] *Nedbank reports ROE on an HE basis. Absa and FirstRand report ROE on a normalised basis.*

[2] *Nedbank and FirstRand include associate income in the calculation of the cost-to-income ratio, while Absa and Standard Bank exclude associate income. Nedbank's cost-to-income ratio, excluding associate income, is 56,9%.*

Sources: Nedbank, Absa, Standard Bank December 2024 annual results. FirstRand June 2024 annual results.

Our business model, structure, products and services

Availability and quality of our 6 capital inputs

Financial capital

Our capital base, together with diversified sources of deposits and funding from investors and clients, is used to support our clients. This includes extending credit, facilitating payments and transactions, and rewarding shareholders for the capital invested through dividends.

- **R1 175bn** deposits, of which > 30% are long term in nature
- **R944bn** gross banking loans and advances, with a credit loss ratio at 87 bps within our target range
- **R112bn** shareholders' equity, including R12bn above the top end of our common-equity tier 1 (CET1) target range

Intellectual capital

Our intangible assets – including our brand, reputational and franchise value, research and development capabilities, innovation capacity, knowledge and expertise, as well as strategic partnerships – that help us grow our business.

- **Leading digital capabilities**
- **A trusted brand,** with Nedbank ranked top 15 among South African companies
- **Market leadership and differentiation** across various products and segments

Human capital

Our employees, culture, collective knowledge, skills, and experience that enable innovative and competitive solutions for our clients and create value for us and our stakeholders.

- **25 613** permanent employees
- High levels of **employee satisfaction** (NPS at 18)
- **R22,6bn** salary and benefits paid
- **R1,0bn** training and skills development spend
- **A differentiated culture** that is client- and people-centred, innovative, competitive, service-focused and strong in compliance and governance

Manufactured capital

Our business structure and operational processes – including our property and equipment, digital assets, products, channels and information technology (IT) systems – provide the framework and mechanics of how we do business and create value.

- **Modern IT systems** (benchmarked independently)
- **R12bn technology platform investment** since 2013
- **Market-leading digital products, services and CVPs**
- **Physical presence of 623** outlets, **4 297** ATMs and **110 000 point-of-sale devices**

Social and relationship capital

Stakeholder relationships, including the communities in which we operate, are central to the environment in which we operate, and we recognise the role that we need to play in building a thriving society as well as a strong financial ecosystem.

- **7,6 million active clients**
- **R183bn** purpose-led sustainable development financing exposures aligned with the UN SDGs
- Responsible **ESG practices**
- **Good relationships** with our stakeholders

Natural capital

The direct use and impact we have on natural resources through our own operations, including energy, water and climate, as well as our influence through our business activities.

- **Market-leading energy policy** and Nature Position Statement
- A mature **social and environmental management system** that evaluates the impact of our lending to clients
- A strong track record and **market-leading capabilities in renewable energy** financing and funding and in our own operations
- **89% Green Star-rated** buildings

enable us to deliver on our strategy

Our material matters

- The economy
- Environmental limits and social floors
- Disruptive technologies
- Increased competition
- World of work
- Regulatory demands

Pages 38 to 47

Top 10 risks affecting the availability of our capitals

Financial capital: 1 Strategic execution; 2 Business; 3 Credit; 10 Capital

Intellectual capital: 1 Strategic execution; 2 Business; 3 Credit; 4 Cyberrisk; 5 Operational; 6 People; 8 Organisational resilience; 9 Reputational and conduct; 10 Capital

Human capital: 1 Strategic execution; 5 Operational; 6 People; 7 Climate; 8 Organisational resilience

Manufactured capital: 4 Cyberrisk; 5 Operational; 8 Organisational resilience

Social and relationship capital: 2 Business; 7 Climate; 9 Reputational and conduct

Natural capital: 5 Operational; 7 Climate; 8 Organisational resilience

Pages 48 to 51

Our business model, structure, products and services continued

through our organisational structure as well as differentiated products and services (outputs)

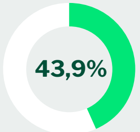
Cluster (up to 30 June 2025)	Contribution to group	Reorganised clusters (from 1 July 2025)	Areas of strength and differentiation

Cluster (up to 30 June 2025)

Nedbank Corporate and Investment Banking

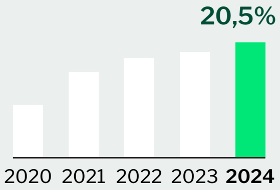
Corporates, institutions, governments and parastatals.

Headline earnings



R7 428m
2023: R6 799m

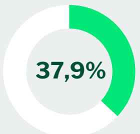
Return on equity



Nedbank Retail and Business Banking

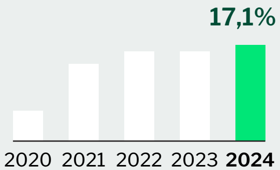
Individual clients and businesses.

Headline earnings



R6 413m
2023: R5 566

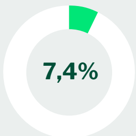
Return on equity



Nedbank Wealth

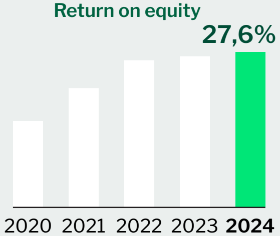
Individual, business and corporate clients.

Headline earnings



R1 257m
2023: R1 210m

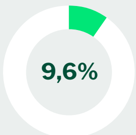
Return on equity



Nedbank Africa Regions

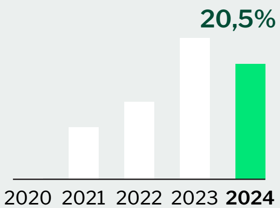
Individual clients, small and medium enterprises, and business and corporate clients.

Headline earnings



R1 619m
2023: R1 891m

Return on equity



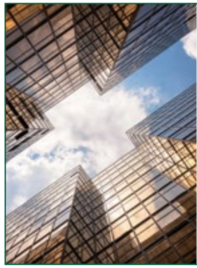
Reorganised clusters (from 1 July 2025)

Nedbank Corporate and Investment Banking

Full suite of wholesale banking solutions across advisory, lending, trading, equity investments, transactional services and asset management solutions.

Areas of strength and differentiation

- **Market leader** in structured lending across key sectors including commercial property, renewable energy, mining, telecommunications, infrastructure, construction, public sector and commodities.
- **Strong South African Markets franchise** with reach across rates, credit, foreign exchange, equities and commodities.
- **Top fund managers** contracted through the Nedgroup Investments Best of Breed™ investment approach.



Nedbank Business and Commercial Banking

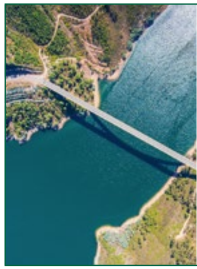
Full range of banking solutions, including transactional banking, card and payment solutions, lending solutions, deposit-taking services, risk management, investment products, fleet management and card-acquiring services.

- Cluster **focus on juristic clients** across SMEs, commercial businesses and mid-sized corporates.
- SA's **leading bank** for small business, winning multiple awards.
- **Well-positioned** and distinctive CVPs in Commercial Banking.
- **Market-leading** positions in card acquiring and fleet management.

Nedbank Personal and Private Banking

Full range of banking solutions, including transactional banking, card and payment solutions, lending solutions, deposit-taking services, insurance, risk management and investment products for individuals.

- Cluster **focus on individual clients** from youth, entry level, mass and middle market, affluent and high-net-worth individuals.
- **Market-leading** positions in vehicle finance.
- **Mobile-first retail strategy**, with product sales on digital channels above SA average.
- **#1 rank** among major banks on client satisfaction metrics.
- Sole issuer of American Express® in SA, enabling market-leading cashback to clients.
- A culture that is **purpose-led** and focuses on client service.



Nedbank Africa Regions

Full range of banking services, including transactional, lending, deposit-taking services and card products, as well as selected wealth management offerings. Bancassurance offering in selected markets.

Presence and positioned for growth in 5 SADC countries with ongoing technology investments to enhance CVPs and achieve scale.

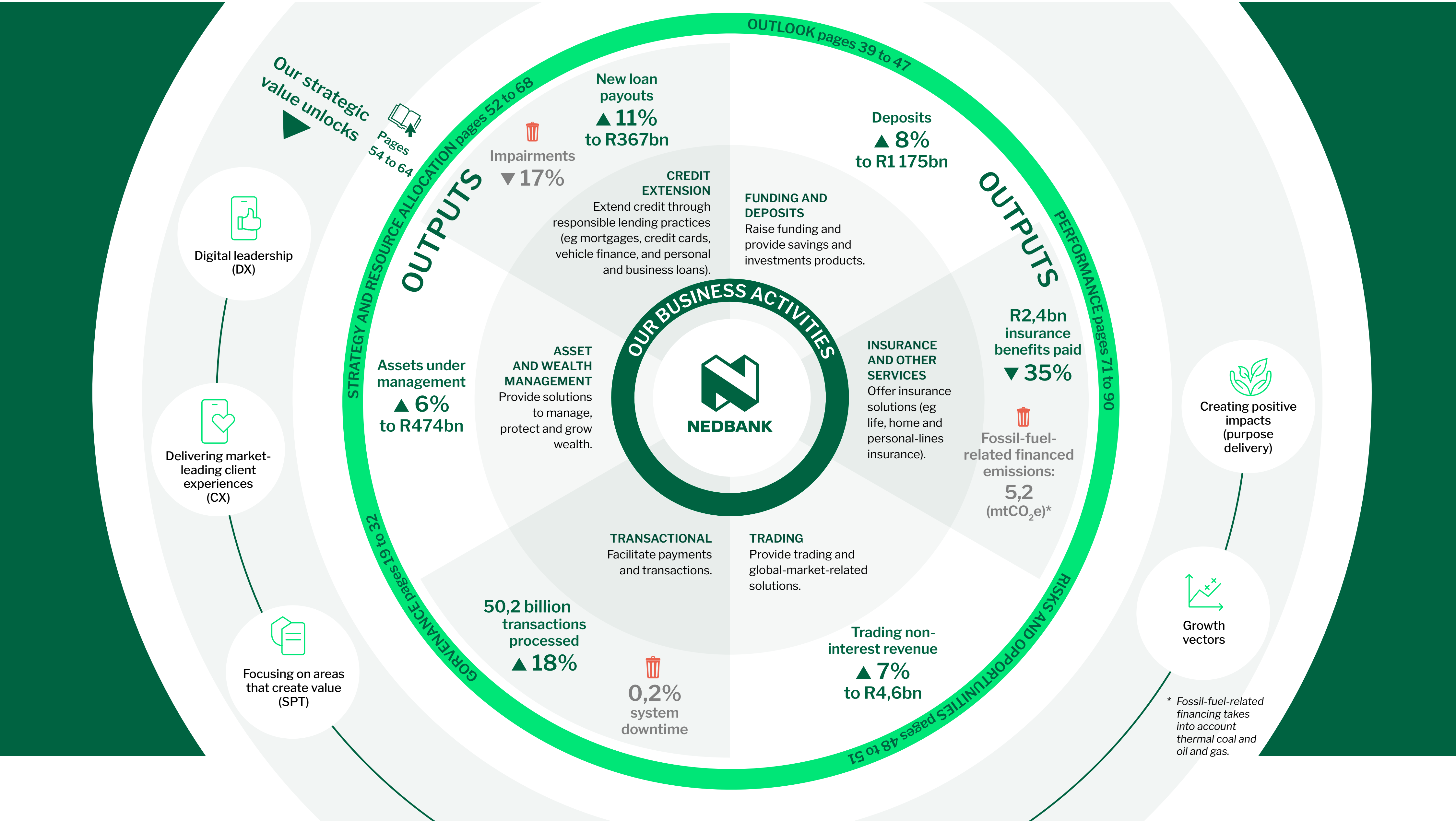
The group's frontline business clusters are supported by various shared-services functions related to compliance, finance, human resources, marketing and corporate affairs, risk, technology and strategy, including sustainability.

Read more about our organisational restructure on page 67.

Our business model, structure, products and services continued

by enabling business activities **that produce purpose-led products and services**

Our purpose: To use our financial expertise to do good for individuals, families, businesses and society.



* *Fossil-fuel-related financing takes into account thermal coal and oil and gas.*

Our business model, structure, products and services continued

and outcomes for us and our stakeholders.

Financial capital

- HE of **R16,9bn**, up by 8%
- ROE up to **15,8%** (2023: 15,1%)
- Impairments down by **17%** yoy
- Net asset value per share (NAV) up by **4%**
- CET1 at **13,3%**, above our 11% to 12% CET1 target range

- Full-year dividend up by **10%**
- Share price up by **30%** yoy
- CET1 at **13,3%**, well above the SARB minimum requirement

Intellectual capital

- IT modernisation programme **completed** (2023: 95%)
- Scarce skills **attracted and retained** in areas such as data analytics, IT, risk management and advisory solutions
- Nedbank brand value decreased by 5% to **R16,4bn**

- **Market-leading** expertise adding value in areas such digital, ESG and various product and industry segments
- **Highly regarded** board and leadership team

Human capital

- Employee attrition down to **8,0%** from 9,2%
- Employee Net Promoter Score (NPS) positive at **18** (2023: 20)

- Average **salary increase** for bargaining-unit employees at 7% – greater than management at 5%
- **24 130** employees enrolled in learning (29 hours per employee)
- Diversity metrics **improved**
- **33** employees regrettably retrenched
- **Seamless succession** well executed
- Diversity metrics **improved – 83%** of employees are black (2023: 82%)

Manufactured capital

- Digitally active retail clients up by 7% to **3,1 million**
- Branch and head office floor space decreased by a combined **49 000 m²**

- **Hybrid work practices** in place (used by 75% of employees)
- More than 200 retail and 400 **digital services** available
- Digital product sales at **64%** of total sales (2023: 55%)
- IT systems uptime at market-leading levels of **99,8%** (2023: 99,6%)

Social and relationship capital

- Main-banked retail clients increased by 5% to over **3,7 million**
- **20** primary client wins in CIB
- Received **R15m** in notable fines or administrative actions (2023: R17m)

- More than **3 500** new first-time job opportunities (YES Programme)
- **#1 ranked** large South African bank on NPS
- **R183bn** sustainable development finance (SDF) provided (2023: R145bn)
- **71 255** RBB client complaints, up by 0,5% yoy
- MSCI ESG rating of **AAA** (top 9% of global banks)
- Direct and indirect tax contributions of **R15,3bn** (2023: R13,2bn)
- **Level 1** BBBEE contributor status maintained

Natural capital

- Cumulatively raised **R17bn** in sustainable funding since 2019
- **Carbon-neutral** operations

  Own **operational Scope 1 and Scope 2 carbon emissions** down 20% to 70 $ktCO_2e$

- Sustainability and climate training to **> 20 000** employees
- Financed **4,8 GW** renewable energy to date (2023: 4,0 GW)
- Fossil-fuel-related financed carbon emissions: thermal coal **2,3 $mtCO_2e$** (2023: 5,5 $mtCO_2e$) and oil and gas **2,9 $mtCO_2e$** (2023: 2,9 $mtCO_2e$)
- **Reduced carbon footprint** towards net zero
- Climate **stress testing scenarios** completed

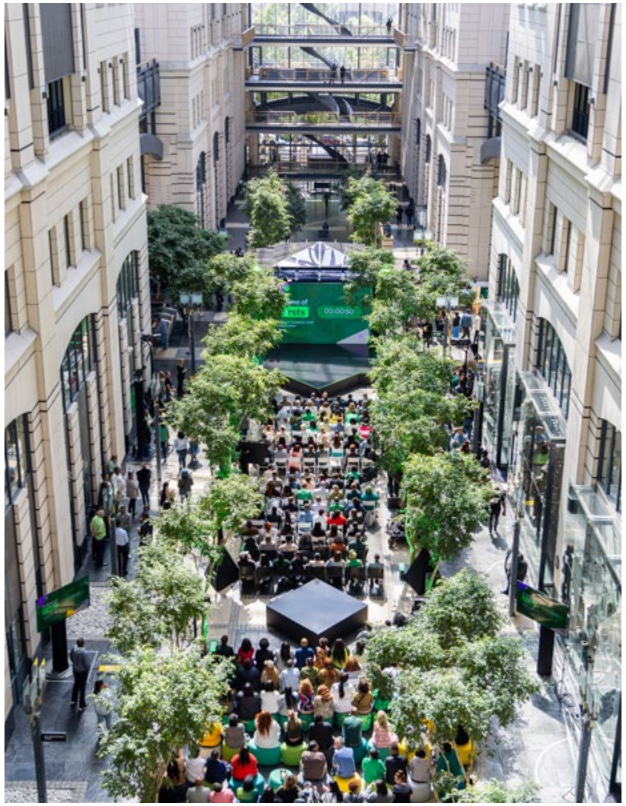
Value creation | Value preservation | Value erosion

Stakeholders: Employees | Clients | Shareholders | Regulators | Society

Value to Nedbank

Our stakeholders – their needs and expectations

As a bank and financial services provider, we are intrinsically linked to the environment in which we operate and the societies we serve. Our ability to create and protect value relies on our relationships, activities, and the contributions we make to our stakeholders. By meeting their needs, managing relevant risks and unlocking opportunities, we create and protect value for them and for Nedbank, while striving to minimise value erosion.



2020 | 2021 | 2022 | 2023 | 2024

Employees

Quality of relationship:

Falling short | Performing | Excelling

The quality of the relationship with our employees was assessed in 2024 by taking into account, among others, an employee NPS score of 18 (slightly down from 20 in 2023); ongoing investment in human capital development and training; a 5% average salary increase; a 12% increase in short-term incentives; mental-health and financial support to employees in the difficult environment; excellent progress on diversity, equity and inclusion (DEI) metrics; and a decrease in attrition to 8,0%; while 33 employees were regrettably retrenched.

Employee matters, needs and expectations

- A safe and healthy work environment, supported by flexible work practices.
- Fair remuneration, effective performance management, and recognition.
- Challenging work, with opportunities to make a difference.
- Career development and advancement opportunities.
- An empowering and enabling environment that embraces DEI.

Read how value was created for employees on page 80.

How do we engage with employees?

Engagement includes employee surveys, face-to-face management discussions during roadshows and virtual stand-ups, culture shift and well-being events, as well as employee forums and groups.

Relevant metrics

The key employee metrics we track include, but are not limited to, employee satisfaction levels, attrition rates, remuneration outcomes, training statistics and DEI profiles.

Page 89

Relevant material matters

- World of work
- Disruptive technologies
- Environmental limits
- The economy
- Regulatory demands

Capitals impacted

- Intellectual
- Human
- Social and relationship

Associated risks

- 1 Strategic execution
- 5 Operational
- 6 People

Key strategy

- Human Capital Strategy

Read more about our Human Capital Strategy on page 17 and in our 2024 Society Report available on our website.

2020 | 2021 | 2022 | 2023 | 2024

Clients

Quality of relationship:

Falling short | Performing | Excelling

The quality of the relationship with our clients was assessed in 2024 by taking into account high levels of client satisfaction (#1 rank among large South African banks on all clients surveyed), market-leading innovations that made a difference in our clients' lives, more competitively priced products, a continued strong increase in digital metrics, main-banked client gains, and client complaints that remained static.

Client matters, needs and expectations

- Innovative banking and financial solutions and services.
- Safe and convenient access (channel of choice), now primarily through digital channels.
- Excellence in client service.
- Value-for-money banking that is competitive and transparent in pricing.
- Responsible banking services and solutions, and a trusted financial partner.
- Access to finance and financial education and support.
- Support a Just Transition to a net-zero economy.

Read how value was created for clients on page 81.

How do we engage with clients?

Engagement includes digital feedback channels, face-to-face engagements with regular client testing, outbound calling, complaint channels, and external independent surveys on topics such as client satisfaction and bank fees.

Relevant metrics

Key client metrics we track include, but are not limited to, NPS scores, digital volume and value metrics, new loan payouts, deposit trends, client gains, cross-sell ratios, fee increases, complaints and SDF-related loans.

Page 89

Relevant material matters

- The economy
- Disruptive technologies
- Increased competition
- Environmental limits
- Regulatory demands

Capitals impacted

- Intellectual
- Manufactured
- Social and relationship
- Natural

Associated risks

- 2 Business
- 3 Credit
- 4 Cyberrisk
- 7 Climate

Key strategy

- Digital leadership (DX)
- Market-leading client experiences (CX)
- Strategic portfolio tilt
- Creating positive impacts

Read more about our strategy on pages 52 to 64.

Our stakeholders – their needs and expectations continued

2020 | 2021 | 2022 | 2023 | 2024

Shareholders

Quality of relationship:

Falling short | Performing | Excelling

The quality of the relationship with the investment community was assessed in 2024 by taking into account, among others, the benefits to shareholders as a result of an improved financial performance (including a higher ROE), a strong balance sheet, attractive dividend payments, a share price that significantly outperformed the SA Banks Index, independent reporting and financial communication awards, top-tier investor relations, and market-leading ESG ratings.

Shareholder matters, needs and expectations

- Share price appreciation and an attractive dividend stream.
- Sustainable growth in earnings and NAV, and financial returns with ROE exceeding COE.
- An attractive and sustainable growth strategy.
- A strong balance sheet to enable sustainable growth and protect against downside risk.
- A strong and experienced management and board, and seamless succession.
- Transparent reporting and disclosure.
- Sound ESG practices, measured through shareholder feedback, annual general meeting (AGM) outcomes and ESG ratings.

Read how value was created for shareholders on page 82.

How do we engage with shareholders?

Engagement includes regular virtual and face-to-face engagements, feedback via our investor relations channels, the group's AGM, and independent investor relations surveys and roadshows.

Relevant metrics

Key metrics we track include relative share price performance, financial and non-financial performance against market expectations and peers, AGM voting outcomes, changes in the shareholder register, and ESG ratings.

Page 90

Relevant material matters

- The economy
- Regulatory demands
- Increased competition
- Environmental limits
- Disruptive technologies
- World of work

Capitals impacted

- Financial
- Intellectual
- Social and relationship
- Natural

Associated risks

- All risks

2020 | 2021 | 2022 | 2023 | 2024

Regulators

Quality of relationship:

Falling short | Performing | Excelling

The quality of the relationship with our regulators was assessed in 2024 considering, among others, our contribution to new regulatory developments; alignment with regulatory requirements (with metrics and ratios well above the minimums); taxes paid; and remedial action where required, including fines and penalties paid, which continued to decline.

Regulator matters, needs and expectations

- Compliance with all legal and regulatory requirements (meeting minimum regulatory requirements).
- Being a responsible taxpayer in the countries where we do business.
- Active participation and contribution to industry and regulatory working groups.

Read how value was created for regulators on page 84.

How do we engage with regulators?

Engagement includes regular interactions, participation in conferences, collaboration with industry experts, and contributions to policymaking and regulatory developments.

Relevant metrics

Key metrics we track include key balance sheet metrics such as the CET1 ratio, taxes paid and fines or administrative sanctions incurred.

Page 90

Relevant material matters

- The economy
- Regulatory demands
- Disruptive technologies
- Environmental limits (new)

Capitals impacted

- Financial
- Intellectual
- Social and relationship

Associated risks

- 3 Credit
- 4 Cyberrisk
- 5 Operational
- 7 Climate
- 10 Capital

2020 | 2021 | 2022 | 2023 | 2024

Society

Quality of relationship:

Falling short | Performing | Excelling

During 2024 we maintained strong relationships with the communities that we serve, including key civil society organisations. The quality of our relationships is informed by, among others, our contributions to a thriving society and healthy environment.

Society matters, needs and expectations

- Providing access to expert financial advice, products and solutions that help create positive impacts for individuals, their families, their businesses, and their communities.
- Financing of sustainable development aligned with the SDGs, thereby promoting socioeconomic transformation through enabling economic inclusion, job creation and poverty alleviation.
- Partnering on common social and environmental issues.
- Using our resources to promote social and environmental issues and other common agendas to build a thriving society.
- Limiting our own impact on the environment.
- Advancing purpose-led transformation that transcends the requirements of broad-based black economic empowerment legislation.

Read how value was created for society on page 85.

How do we engage with society?

Engagement includes numerous digital channels and face-to-face engagements, either as part of industry body engagements or in response to direct requests.

Relevant metrics

Key metrics we track include, but are not limited to, ESG ratings; our own operational and financed carbon footprint; impacts linked to our SDF; sustainability and climate initiatives.

Page 90

Relevant material matters

- The economy
- Environmental limits
- World of work
- Disruptive technologies
- Regulatory demands

Capitals impacted

- Intellectual
- Human
- Social and relationship
- Natural

Associated risks

- 2 Business
- 7 Climate

Key strategy

- Creating positive impacts

Read more about our 'Creating positive 'impact' strategy on pages 62 to 64, and our 2024 Climate Report and 2024 Society Report, available at group.nedbank.co.za.

Ensuring value creation through good governance

Overview of the board's key activities, highlighting how good governance and strong leadership contribute to the creation and protection of value, while minimising the risk of value erosion.

Reflections from our Chairperson

> The 2024 national elections were a defining moment for SA, resulting in the formation of a government of national unity (GNU). This shift presents opportunities for the country's economic and political landscape. The GNU has created the opportunity for an environment that fosters greater policy certainty and better collaboration in policy implementation, which is essential for stronger and more inclusive economic growth and thus long-term sustainability.

Daniel Mminele, Chairperson

The overarching theme of the 2024 World Economic Forum Annual Meeting in Davos, '**Rebuilding Trust**', has proven ever more prescient as the year progressed. In our fractured global landscape, characterised by escalating geo-economic and geopolitical tensions, environmental crises, societal upheavals, and rapid technological advancements, the need for renewed trust and cooperation within and across countries and regions has never been more critical.

The ongoing conflicts in Russia/Ukraine and Israel/Gaza, coupled with escalating trade tensions, have significantly complicated the global operating environment. These disruptions have cascaded through global markets, affecting trade flows, supply chains, and investor confidence.

A complicated **global operating environment**

Consequently, financial institutions, including Nedbank, have needed to re-evaluate risk management strategies, refine investment approaches, and uphold financial stability in a landscape marked by unpredictability and volatility. Under these circumstances we have demonstrated resilience, adaptability and a steadfast commitment to sustainable growth and purpose-driven banking.

SA also faced its own economic headwinds, notwithstanding an overall more positive outlook. Weak GDP growth, high but declining interest rates and muted credit demand have shaped the financial sector's performance. Despite these macroeconomic pressures, Nedbank delivered improved financial results for 2024.

The formation of the GNU

The 2024 national elections were a defining moment for SA, resulting in the formation of a GNU. This shift presents opportunities for the country's economic and political landscape. The GNU has created the opportunity for an environment that fosters greater policy certainty and better collaboration in policy implementation, which is essential for stronger and more inclusive economic growth and thus long-term sustainability. In this context, the financial sector has a critical role to play in supporting infrastructure investment, economic inclusion and employment creation.

In the wake of the political challenges experienced in passing the 2025 national budget, any doubts around the durability of the GNU and its ability to act in the best interest of all South Africans will see confidence among domestic and international investors fade, represent a major setback, and put at significant risk policy certainty, structural reform progress, and implementation momentum, all vital to underpin sustainable economic growth and development.

The financial sector has a **critical role to play**

We remain committed to strengthening our collaboration with the government and private sector stakeholders to promote a financial ecosystem that encourages investment, fosters innovation and accelerates inclusive economic growth in support of national development priorities. Our focus on financing key infrastructure projects, including in energy, transport and water, is aligned with SA's economic growth and development objectives.

Nedbank will continue to provide support to SA's priorities for its 2025 G20 Presidency by way of seconding staff and providing other material support, facilitating dialogue through hosting roundtables, and through my chairmanship of the B20 Energy Mix and Just Transition Task Force.

Chief Executive transition and leadership integration

Leadership succession planning was a central focus for the Nedbank Board in 2024. Jason Quinn's appointment as Chief Executive followed an extensive and rigorous selection process, ensuring leadership continuity and strategic

Leadership succession a central focus

Reflections from our Chairperson continued

alignment. His seamless integration into the role has enhanced stability and confidence to our employees, clients and stakeholders. Under his leadership, we continue to execute our long-term strategic priorities, balancing growth ambitions with disciplined financial stewardship.

Over the past year, our board has also been strengthened with the appointments of Terence Nombembe and May Hermanus. Their expertise in governance; environmental, social, and governance (ESG); and financial oversight enhances our ability to navigate an increasingly complex operating and regulatory environment.

A refreshed strategy to position for growth

> 18%
long-term ROE target

In 2024 we embarked on a comprehensive **strategy refresh** to align with evolving market trends, client expectations and competitive dynamics. As part of this process, we identified new Transform outcomes that aim to unlock additional growth opportunities, including new initiatives that will make Nedbank compete more effectively in the medium-to-long term and as a result, assist the group to make sustainable progress towards our long-term ROE target of > 18%.

Key **Transform initiatives** include, among others, leveraging our investments in technology to drive revenue growth and productivity improvement, unlocking a large insurance cross-sell opportunity, portfolio diversification in areas such as East Africa by leveraging our strengths in CIB and the launch of a dedicated new offering to transform how mid-sized corporates access financial expertise and solutions through our commercial banking business. We also announced the realignment of our organisational structure, particularly within the Retail and Business Banking (RBB) and Nedbank Wealth Clusters. This transformation will lead to the creation of 2 dedicated business units in the form of Personal and Private Banking (PPB) and Business and Commercial Banking (BCB). These changes will enable us to sharpen our focus on client segments, enhance operational efficiency and client service, cross-sell better and unlock new growth avenues.

Technology, AI and risk management

Digital transformation continues to reshape the local and global banking landscape, and we remain at the forefront of this evolution. In 2024 we materially completed our Managed Evolution information technology (IT) transformation, ensuring that we have a modern, agile and resilient technology infrastructure. This achievement supports our strategic ambition of enhancing digital banking capabilities, improving client experience and driving operational efficiencies.

We continue to invest in artificial intelligence (AI) and data analytics to unlock new growth opportunities, enhance client insights, and improve risk management. However, as we expand our AI capabilities, we remain vigilant in addressing associated risks, including data privacy concerns and the increasing threat of cyberattacks. Our Group IT Committee and Group Risk and Capital Management Committee oversee these efforts, ensuring that we adopt AI responsibly while maintaining the highest security standards.

Sustainability agenda

Sustainability remains a core pillar of our strategy. In 2024 we cemented our position as **a leader in sustainable finance**,

increasing our exposure to renewable energy projects by 32% to nearly R40bn. Our total sustainable development finance portfolio now exceeds R183bn, supporting projects aligned with the United Nations Sustainable Development Goals.

Our long-standing commitment to responsible banking is reflected in our level 1 BBBEE status, which we have maintained for the past 7 years. We continue to prioritise financial inclusion, transformation and ESG leadership, ensuring that we drive meaningful impact beyond financial returns. Gender diversity remains a key priority in the board's succession plan and this year we introduced a target of 30% female board representation, which target will increase to 35% by 2030.

Looking forward

The effectiveness of our strategy and impact of our sustainable finance focus were recognised by our industry in 2024 when we were named **Bank of the Year South Africa** by *The Banker* magazine. Congratulations to every individual, team and leader across our group for this prestigious achievement.

As we enter 2025, Nedbank remains well positioned to navigate the continually evolving financial landscape. Our improved financial performance, disciplined risk management, and strategic agility provide a **solid foundation for sustainable growth**.

The road ahead will require not only adaptability and resilience but also a good dose of optimism. While macroeconomic and geopolitical uncertainties will undoubtedly persist, we are confident in our ability to manage risks effectively, capitalise on emerging opportunities and continue delivering value to all stakeholders. We reaffirm our commitment to responsible banking, sustainable finance and inclusive economic development.

A special note of gratitude to Mike Brown, who retired after the group's AGM in 2024. The foundations that were built under his leadership will continue to benefit Nedbank well into the future.

I extend my heartfelt appreciation to our boardmembers for their unwavering guidance, our executive leadership team for their commitment to execution excellence, and our employees for their dedication to delivering on Nedbank's purpose. To our clients and shareholders, thank you for your trust and support.

Together, we will continue to build a future where banking serves as a catalyst for economic growth and sustainable progress.

Daniel Mminele
Chairperson

Governance at Nedbank

The board strives to optimise value for Nedbank and all our stakeholders by fulfilling our purpose of using our financial expertise to do good. We do this by continuously executing and evolving our strategy to enhance our competitiveness and differentiation, ensuring the sustainability of our business model, monitoring the external environment to identify opportunities and assess key risks, and understanding the needs of all relevant stakeholders while evaluating the availability and quality of the group's capitals.

Our governance philosophy

Nedbank is committed to the highest standards of governance, ethics and integrity, which are essential for sustained value and protecting the interests of all our stakeholders. We believe that good governance is essential to promoting our values through accountability, effective risk and performance management, transparency, and ethical leadership.

We embrace world-class banking practices and robust institutional governance and risk frameworks to ensure our banking services are secure and stable. We regularly review these practices and frameworks to ensure that we act in the best interest of all our stakeholders, considering the ever-changing landscape in which we operate, including factors such as economic changes, geopolitics, cultural shifts in the workplace, digital trends such as artificial intelligence (AI) and data security, as well as climate change risks. We are also mindful that banks are expected to adapt to regulatory changes quickly, which means we must entrench good governance practices while remaining flexible in responding proactively to the fast-changing regulatory environment. However, governance at Nedbank goes beyond mere compliance with legislation and best practices.

The board's governance oversight is driven by a commitment to fulfilling their responsibilities and governance objectives through the application of the principles and practices outlined in King IV.

Our stakeholders

- Clients
- Employees
- Regulators
- Shareholders
- Society

Our material matters

- The economy
- Environmental limits
- Disruptive technologies
- Increased competition
- World of work
- Regulatory demands

Our capitals

- Financial
- Manufactured
- Natural
- Intellectual
- Human
- Social and relationship

Mindful governance and integrated thinking

- Processes
- Actions
- Strategy

We provide detailed disclosure on our governance objectives and the application of the King IV principles in our Governance Review, available at group.nedbank.co.za as part of our 2024 Governance Report.

Board focus areas in 2024

In line with the board priorities that we identified and communicated in our 2023 Integrated Report, as well as external developments in the operating environment, the key focus areas of the board in 2024 included:

1. **Managing board and executive succession**
2. **Overseeing risks in a volatile operating environment while unlocking new opportunities**
3. **Refreshing and evolving the group's strategy**
4. **Ensuring purpose delivery (ESG, climate change, and a Just Transition)**
5. **Overseeing ongoing reputational matters**

1 Managing board and executive succession

Succession planning is one of the board's most important responsibilities. Through the Group Directors' Affairs Committee (DAC), the board ensures that, as directors approach their tenure and retirement ages, board continuity is maintained through active succession planning that considers any changes to the skills needed on the board in line with the group's strategy. Additionally, DAC monitors the balance between executive, non-executive and independent directors as well as the diversity, skills, experience and tenure of boardmembers, as shown on pages 24 and 25.

In 2024 the group appointed a new Chief Executive (CE) (Jason Quinn) and 2 new boardmembers, while deliberating on Group Exco succession.

CE succession – Following a rigorous process, considering both internal and external candidates that were both racially and gender-diverse, Jason Quinn was announced as CE-designate in November 2023 after emerging as the most suitable candidate. Jason was subsequently elected as an executive director and assumed the role of CE on Mike Brown's retirement from the boards at the close of the group's AGM on 31 May 2024. The board oversaw the enablement of an effective CE transition process and handover plan while maintaining leadership stability. The handover to Jason was seamless and the Group Exco continued their duties without any impact.

Board changes – The board extended the tenure of Brian Dames (non-executive director), given the need for continuity on the Group Sustainability and Climate Resilience Committee while the search for additional directors with climate risk experience is underway. Terence Nombembe and May Hermanus (independent directors) were appointed to the board, adding valuable experience and expertise in the areas of the environment and climate change; accounting and auditing; risk management; macroeconomic and public policy; mining, energy, resources and infrastructure; governance and stakeholder management; and human resources. The focus on board succession continues in 2025 in light of retirements of a number of the boardmembers over the next 3 years as they reach their 9-year tenures. Stanley Subramoney was reclassified as a non-executive director on 24 September 2024, having served as an independent director for 9 years. The Prudential Authority (PA) granted approval for Stanley to serve as a non-independent non-executive chair of the Group Audit Committee (GAC) until 31 May 2025.

Executive leadership changes – DAC reviews the succession plans for Group Exco members and new appointments. Daleen du Toit, Group Chief Compliance Officer, reaches normal retirement age in H1 2025, and Nomonde Hlongwa has been appointed as Group Chief Compliance Officer-designate and will assume the role of Group Chief Compliance Officer and become a member of the Group Executive Committee on 16 April 2025. Concurrent with the strategic reorganisation of the group's Retail and Business Banking and Nedbank Wealth Clusters, Iolanda Ruggiero, Managing Executive: Nedbank Wealth, took early retirement on 31 March 2025.

2 Overseeing risks in a volatile operating environment, while unlocking new opportunities

Risk management remained a key focus in 2024 as we navigated through a highly volatile and uncertain external environment. At the same time, new opportunities that would be beneficial for Nedbank, our economy, our clients and other stakeholders were identified.

1 **Business risk** – The board and various board committees provided oversight of the impacts of volatile, challenging and changing global and local environments. This included the implications of sociopolitical developments, such as the conflicts in Ukraine and Middle East, and election outcomes across the globe and, in particular, the national elections in SA. The board also continued to monitor the impact of key economic drivers such as weak gross domestic product (GDP) growth, relatively high but declining interest rates and muted credit growth. Despite these challenges, the group delivered an improved financial performance in 2024 as discussed on pages 72 to 77. Opportunities were also identified, in particular potential benefits associated with the formation of the government of national unity (GNU), such as the financing of infrastructure programmes (energy, roads, ports and water) and higher levels of GDP growth. Opportunities in adjacent markets outside of SA where Nedbank can compete effectively and create value by leveraging its strengths were also explored.

2 **Credit risk** – The Group Credit Committee (GCC) maintained oversight of credit risk, particularly in respect of clients in the retail consumer segment who were stressed as a result of high interest rates, as well as the resolution of a few loans of CIB clients that went into business rescue in 2023. Although more pressure was evident in 2023, the group's credit loss ratio (CLR) continued to trend down on the back of focused management interventions in collections and origination. By the end of 2024 the CLR, at 87 bps, had returned to within its target range of 60 bps to 100 bps.

3 **Cyberrisk** – The Group IT Committee (GITCO) and Group Risk and Capital Management Committee (GRCMC) maintained oversight of the completion of the group's Managed Evolution technology programme, data privacy and data loss protection, and the group's growing focus on leveraging data and AI to unlock new growth opportunities, the increasing threat of cyberattacks, and the higher levels of digitisation across the business, as discussed on pages 53 to 57.

4 **People risk** – The Group Transformation, Social and Ethics Committee (GTSEC) and the Group Remuneration Committee (Group Remco) provided oversight of succession planning, risks relating to ongoing skills shortages, increased competition for scarce skills, employee well-being and the unprecedented levels of change, and hybrid work practices. Further opportunities to grow the group's African talent was top of mind.

5 **Strategic execution risk** – The board, GITCO, DAC and GTSEC provided oversight of the group's technology strategy, as well as delivery on strategic portfolio tilt (SPT) and operating model changes.

Our top 5 risks

	2024	2025 and beyond	
1	Business	Strategic execution	▲
2	Credit	Business	▼
3	Cyberrisk	Credit	▼
4	People	Cyberrisk	▼
5	Strategic execution	Operational	▲

Read more about our top 10 risks and opportunities on pages 48 to 51.

Board focus areas in 2024 continued

3 Refreshing and evolving the group's strategy

Evolving the group's strategy was a key agenda item for the board following the appointment of Jason Quinn as CE. The board deliberated on external developments and the group's material matters throughout the year, and debated and provided input into the strategy before approving the group's 3-year business plan in November 2024.

Strategic deliberations at board and Group Exco level centred around 'Perform' and 'Transform' outcomes for the group over the next few years. **Perform** outcomes focus on the group's existing strategy, managing the business within the changing operating context and accelerating execution in the short-to-medium term to ensure delivery on stakeholder expectations. The 2024 planning cycle provided an opportunity to refresh and evolve the group's strategy and, as a result, identified new **Transform** outcomes that aim to unlock transformational growth opportunities.

Transform outcomes include new initiatives that will make Nedbank compete more effectively in the medium-to-long term and, as a result, assist the group to make sustainable progress towards its long-term ROE target of **> 18%**. Key Transform initiatives include, among others, intelligent hyperautomation, data commercialisation, unlocking a large insurance opportunity, portfolio diversification in areas such as East Africa by leveraging our strengths in CIB and the launch of a dedicated new offering to transform how mid-sized corporates access financial expertise and solutions through our commercial banking business.

To sharpen execution of the Nedbank strategy, compete more effectively in the market, enhance cross-sell and unlock new growth opportunities, the board deliberated on the organisational restructure of the group's Retail and Business Banking (RBB) and Nedbank Wealth Clusters towards an organisational design more focused on client-centredness. This led to the creation of **Personal and Private Banking (PPB)**, an individual (non-juristic)-focused cluster that will provide a full suite of solutions to individual clients across the youth, entry-level, mass, middle, affluent and high-net-worth segments. The reorganisation will also see the creation of **Business and Commercial Banking (BCB)**, a juristic-focused cluster that will cover the spectrum of small-and-medium-enterprises (SME), commercial and mid-corporate clients.

Integrated thinking is evident in the trade-offs and capital allocation decisions that were made to manage risks, unlock new growth opportunities, and enable sustainable growth and value creation into the future. The board and Group Exco made various decisions to secure strategic resources for the future, involving the group's various capitals. This included capital, liquidity and funding plans, as well as technology (GITCO-approved), marketing, compliance, risk appetite (GRCMC-approved), and human capital plans. Key considerations included resource allocation to technology initiatives and ongoing digital innovations (R1,6bn to R1,9bn annual IT cash flow spend), building our capabilities in data and AI (intellectual capital) and investing in various new growth vectors, within the Transform outcomes.

Read more about our strategy on pages 52 to 66.

Read more about our capitals and trade-offs on pages 67 and 68.

4 Ensuring purpose delivery

We operate in an integrated, interdependent system alongside our stakeholders and therefore play a key role in promoting and driving sustainable economic development. For our business to thrive, we require a robust economy, a well-functioning society, and a healthy environment. Additionally, we acknowledge that ESG matters, including climate change, a Just Energy Transition, nature, good governance practices, and diversity, equity and inclusion are top priorities for investors. Our heightened focus on fulfilling our purpose guides our strategic direction and operational alignment in this regard.

The following governance- and risk-related initiatives were implemented:

- The Group Climate Resilience Committee was renamed the **Group Sustainability and Climate Resilience Committee** (GSCRC) in 2024, and its mandate expanded to reflect broader sustainability and ESG considerations, including oversight of environmental and social risks and opportunities beyond and in addition to climate risks and opportunities. Read more about how GSCRC ensured and protected value in 2024 on page 64.
- The **Group Transformation, Social and Ethics Committee** (GTSEC) provided oversight of and advice on the role of the bank in identifying sustainable development opportunities and on the use of its core business of lending and investing to address pressing social issues, thereby fulfilling its purpose. This includes monitoring progress in terms of the transformation agenda for the group, developing the group's human capital, and enhancing the culture of ethics and ethical leadership in the group (including ethical remuneration), human rights in business, and stakeholder engagement according to King IV. Read more about how the GTSEC ensured and protected value in 2024 on page 88.
- The group's **ESG Risk Management Framework** was approved in 2023 and embedded in 2024. The framework focuses on a broad range of ESG risks and factors faced by the group and its counterparties, as well as set the principles and key risk indicators for the implementation of sound ESG risk management practices across the group's activities.
- **Engaging on ESG matters** – in 2024 our Chairperson, Daniel Mminele, and Lead Independent Director and Chair of Group Remco and DAC, Hubert Brody, hosted the group's 11th annual ESG investor roadshow, which is acknowledged by many shareholders as best in class. The main focus of the 2024 discussions was succession planning, board changes and the appointment of the new CE, Jason Quinn. Other areas of discussion included potential changes in the group's strategy, remuneration (with no material issues raised), the role that Nedbank could play in supporting clients towards net-zero and becoming the first South African bank to publish 2030 carbon emission targets, support for further capital optimisation, oversight of IT and technology developments, a heightened focus and progress on DEI, and updates on reputational issues.

Read more about the progress we have made on ESG and sustainability matters and the targets we have set through our strategic value unlock of creating positive outcomes on pages 62 to 64.

Board focus areas in 2024 continued

AGM voting outcomes and important resolutions

All the resolutions at the 57th AGM (2024) were passed. Noteworthy resolutions include the following:

Key resolutions at the 57th AGM (2024)	2024 votes in favour
Advisory endorsement, on a non-binding basis, of the following:	
• Nedbank Group Remuneration Policy	90,6%
• Nedbank Group Remuneration Implementation Report	92,8%
Election of Jason Quinn to the Nedbank Group Board. Jason accordingly assumed the role of Group CE at the close of the AGM.	100%
Appointment of KPMG as external auditor alongside Ernst & Young as joint auditors.	99,9%

Key resolutions at the 58th AGM (2025)
Advisory endorsement, on a non-binding basis, of the group's Remuneration Policy and Implementation Report. Remuneration remains a focus and we continue to engage proactively with our shareholders to get their feedback.
Election of May Hermanus as a director of the Nedbank Group Board. **Re-elections** of Hubert Brody, Phumzile Langeni, Rob Leith and Stanley Subramoney as directors of the Nedbank Group Board.
Annual re-election of KPMG and Ernst & Young as joint auditors.

Independent ESG ratings of Nedbank

Our proactive ESG engagements allow the board to exercise constructive influence when appropriate, receive valuable feedback, and align with shareholders' interests. At the same time, we aim to maintain world-class transparency in our reporting through our comprehensive suite of reports, which has helped us retain our top-tier ESG ratings.

	2024/5 rating	
MSCI	AAA	**Top 9%** of global banks
Sustainalytics	14,4	**Top 8%** of 262 diversified banks
S&P Global	63	**Top 10%** of global banks
ISS ESG	C	**Top 10%** of global banks
FTSE Russell / FTSE4Good	4,0	**Top 26%** of global banks
CDP	B	**Top 3** bank domiciled in SA

5 Overseeing ongoing reputational matters

We remain committed to maintaining honest and trustworthy relationships with all our stakeholders, both internal and external. We uphold a strict zero-tolerance policy towards corruption and expect all our stakeholders, including our clients, service providers, and employees, to adhere to the highest standards of ethical conduct and integrity.

In this context, the long-standing reputational matters that were well covered in prior-year disclosures remained top of mind for the board in 2024:

Zondo Commission-related developments – Nedbank continues to cooperate with various enquiries and investigations. Nedbank confirms that it continues to defend review proceedings served on it by Transnet and the Special Investigating Unit (SIU) in respect of disputed swaps, as confirmed in Nedbank's SENS announcement on 26 July 2024. Considering internal and independent external reviews commissioned by Nedbank, the board and management remain satisfied that internal governance procedures were followed in respect of these swap transactions and that there is no evidence of any Nedbank staff dishonesty, corruption or collusion. The joint media statement by Transnet and the SIU of 26 July 2024, which states that Nedbank profited in excess of R2,7bn in respect of these swap transactions, is not a reasonable claim.

In December 2024 the Transnet Second Defined Benefit Fund (fund) served a summons on Nedbank. The fund claims that Nedbank is liable for R106,8m plus interest, an amount the fund was unable to recover from Regiments Group companies in previous litigation, in which Nedbank was not involved.

Nedbank will strongly defend the litigation against it, including pursuing any counterclaims against the parties and others.

For further information on this matter, please refer to page 233 of the Nedbank Group Limited Consolidated and Separate Financial Statements.

Competition Commission investigation rand-dollar exchange manipulation – In 2020, the Competition Commission cited 28 banks in a referral of a complaint to the Competition Tribunal on allegations of rand-dollar exchange manipulation. Nedbank and all implicated banks raised different technical arguments against the referral, which the Competition Tribunal dismissed. Nedbank subsequently lodged an appeal and review application with the Competition Appeal Court (CAC) against the dismissal (along with 15 other banks), which was successful and resulted in the CAC dismissing the Competition Commission's case against Nedbank. The Competition Commission has since applied to the Constitutional Court for leave to appeal the CAC's decision. The Competition Commission is not appealing the CAC's decision in respect of Nedbank Group. Nedbank maintains that there is no evidence against it or any of its traders participating in any of the chatrooms or being involved in any so-called 'single overarching conspiracy' to fix the rand-dollar currency pair in contravention of the Competition Act. Nedbank therefore intends to oppose the Competition Commission's leave to appeal to the Constitutional Court of South Africa and continues to defend itself against all these claims brought by the Competition Commission.

High-profile account closures – Nedbank has been involved in various legal processes that resulted in interim interdicts against the bank, requiring that we reopen and keep open clients' accounts that had been terminated because of reputational risk. These orders have since been overturned and Nedbank has proceeded to close the clients' accounts. Decisions to terminate banking relationships with clients are neither arbitrary nor discriminatory and are taken extremely seriously, as clients are the essence of our business. Such decisions are taken only after a rigorous assessment and an internal independent governance process considering all the relevant information and facts have been followed, including a comprehensive due-diligence process overseen by the board. Nedbank is bound by client confidentiality and therefore does not disclose client matters in our external disclosures.

Focus areas of the board in 2025

1. Delivery on the group's Transform strategy and progress towards long-term targets
2. Unlocking of growth opportunities and management of risk in a volatile environment
3. Board and leadership succession planning
4. Climate change and a Just Transition

Board focus areas in 2024 continued

Key board discussions and approvals in 2024

The board had various discussions aimed at creating and protecting value and minimising the risk of value erosion in 2024.

Jan/Feb

Held the annual board kick-off, which covered topics such as generative AI (GenAI), the adoption and use of the International Sustainability Standards Board (ISSB) standards, digital in banking, payments, and the clean technology evolution.

Discussed the results of the 2023 independent board and board committee evaluations.

Approved the revised market risk and credit valuation adjustment regulatory capital models, as well as the application submitted to the PA.

Mar/Apr

Undertook a deep dive into the commercialisation of data.

Approved the 2023 annual financial results and final ordinary dividend declaration.

Approved the 2023 Integrated Report and suite of ESG-related reports.

Approved the 2023 Pillar 3 Report.

Approved the group's 2024–2026 forecasts, updated after the 2023 year-end.

Considered and agreed on the directors to be put forward for re-election at the AGM.

Approved the annual remuneration review of the CE and Group Exco, as well as the Remuneration Policy.

Approved the Fundamental Review of the Trading Book: market risk and credit valuation models and application.

May/Jun

Held the group's 11th annual ESG roadshow with shareholders and provided feedback to the board.

Held the group's AGM (virtual and in-person options) in 2024.

Considered the feedback provided through the 2023 results and ESG roadshows.

Jul/Aug

Attended the annual strategy planning session.

Approved the group's 2025–2027 Strategic Planning Framework and deliberated on the group's material matters.

Approved the group's 2024 interim results.

Approved the 2024 Internal Capital Adequacy Assessment Process (ICAAP) Report and Internal Liquidity Adequacy Assessment Process (ILAAP) Report.

Approved the commercial terms of the Nedbank Group B preference shares.

Sep/Oct

Held annual meeting with the PA and FSCA to discuss the group's medium- and long-term strategies.

Nov/Dec

Considered the feedback provided through the 2024 interim results roadshows.

Approved the 2024 annual update of the Nedbank Group Recovery Plan.

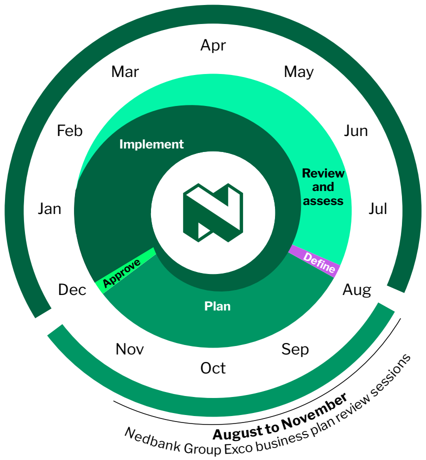
Received annual anti-money-laundering (AML), counter-financing-of-terrorism (CFT), counter-proliferation-financing (CPF) and sanctions training.

Interrogated and approved the Nedbank Group business plan for 2025–2027.

Signed the annual Board Ethics Statement.

Feedback was provided to the board on the handover process between the outgoing Group CE, Mike Brown, and the incoming Group CE, Jason Quinn. Other regular agenda items included detailed feedback from the chairs of board committees on key deliberations of those committees and comprehensive presentations by the CE on top-of-mind items, which included: a post-election update; financial performance updates and forecasts; discussions on the macroeconomic, sociopolitical and competitor environmental landscapes; value creation; strategy implementation; the status of key strategic actions, key risks and reputational matters; key people matters; progress on significant programmes underway in the organisation such as Managed Evolution, Target Operating Model (TOM) 2.0 and SPT 2.0; and presentations by the CFO on our financial results and forecasts at regular intervals.

Strategic and business planning



Director training during 2024

During 2024 the directors received comprehensive updates and training on various themes, including the following:

Cyber and technology, including GenAI, IT megatrends, technological disruption and the clean technology evolution.

ESG, including the ISSB standards, ESG data analysis, climate glidepaths and climate materiality assessments, directors' fiduciary duties in ESG oversight, people strategy governance, global remuneration trends and market compensation.

Banking and finance, including the future of banking, digital banking and payments; internal auditing; FRTB; and market risk and credit valuation adjustment models.

Risk management, including risk management and opportunities, and regulatory matters such as AML, CFT, CPF and sanctions; the Amended Financial Sector Code; International Internal Auditing Standards; and JSE Listings Requirements.

Our Board of Directors

E Election at 58th AGM   RE Re-election at 58th AGM

Independent non-executive director and Chairperson | Independent non-executive directors | Non-executive directors | Executive directors

Skills and experience per individual boardmember	Daniel Mminele [60] Chairperson: Nedbank Group and Nedbank Limited Years on board: 1	RE Hubert Brody [60] Lead Independent Director Chair: DAC, Group Remco Years on board: 7	Neo Dongwana [52] Years on board: 7	E May Hermanus [64] Years on board: < 1 (Appointed as director with effect from 15 July 2024)	Errol Kruger [67] Chair: GRCMC, GCC, LEAC Years on board: 8	RE Phumzile Langeni [50] Years on board: 3	RE Rob Leith [62] Chair: GITCO Years on board: 8	Linda Makalima [56] Chair: GTSEC Years on board: 7	Terence Nombembe [63] Years on board: 1	Brian Dames [59] Chair: GSCRC Years on board: 10	RE Stanley Subramoney [66] Chair: GAC Years on board: 9	Jason Quinn [50] Chief Executive Years on board: < 1 (Appointed as director effective from 22 May 2024)	Mike Davis [53] Chief Financial Officer Years on board: 4	Mfundo Nkhulu [58] Chief Operating Officer Years on board: 10	Total
Banking and finance ^ | **	✓	✓			✓	✓	✓	✓			✓	✓	✓	✓	10
Large corporates	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	13
Accounting and auditing * | **		✓	✓				✓		✓		✓	✓	✓		7
Innovation and digital expertise #							✓	✓		✓		✓	✓	✓	6
IT and cyberresilience ** | #		✓					✓			✓		✓	✓	✓	6
Human resources, marketing and strategy * | **	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13
Mining, resources and infrastructure				✓		✓				✓				✓	4
Emerging economies		✓	✓		✓					✓	✓	✓	✓	✓	8
Macroeconomic and public policy	✓			✓	✓	✓			✓		✓	✓	✓	✓	9
Governance and stakeholder management*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14
Environment and climate * | **	✓			✓						✓		✓	✓	✓	6

^ Banking and finance   ** Key ESG experience*   *** Key risk management experience*   *# Cyberrisk and technology*

Access detailed profiles of our boardmembers **here**.

Our Board of Directors continued

Skills, expertise and experience – a diversified board that adds value

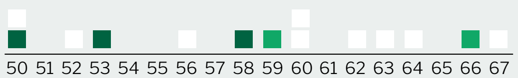
Banks and financial services companies need a diverse set of skills on their boards to govern effectively and act in the best interests of all stakeholders. By combining the appropriate mix of skills, expertise, and experience, the board collectively guides and drives strategy, thereby creating and protecting value.

The board, through DAC, determines the necessary composition of skills in response to shifts in the group's long-term strategy and a rapidly changing environment, while also considering upcoming retirements. The appointments of Daniel Mminele, Jason Quinn, Terence Nombembe and May Hermanus over the past 3 years have strengthened the board's skillset in the following areas: risk management; retail and investment banking; other financial services; accounting and auditing; large corporates; corporate governance and stakeholder management; environment and climate change; mining, energy, resources and infrastructure; and macroeconomic and public policy.

Appointments in the coming years are aimed at enhancing the board's skills, expertise and experience in various areas – such as accounting and auditing, risk management, retail banking, doing business in Africa, sustainability and climate, human resources and remuneration, innovation and digital, and IT and cyberresilience – and replacing those skills that will be lost according to the planned retirement dates of boardmembers.

Executive and non-executive directors: Age

(Years)



- Executive directors
- Independent non-executive directors
- Non-executive directors

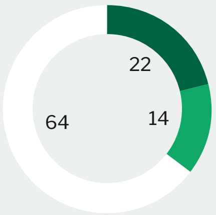
Independence – protecting stakeholder interests

The majority of Nedbank's boardmembers, 64%, are independent directors, in compliance with both King IV and global best-practice governance.

The size of the Nedbank Board, with its 14 members, is influenced by the demands of a large and complex banking and financial services industry. This size ensures adequate membership for its 9 board committees, 7 of which are statutory, while appropriate levels of independence are maintained. To facilitate succession, it is anticipated that the size of the board could increase temporarily to ensure seamless succession.

Executive and non-executive directors

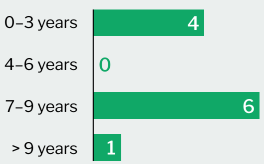
(%)



- Executive directors
- Non-executive directors
- Independent non-executive directors

Non-executive directors: Tenure

(Years)



Nedbank policy:

- Non-executive directors must retire at the first AGM that follows their reaching the age of 70 or after 9 years of being on the board as a non-executive, unless agreed otherwise by the board. They are given no fixed term of appointment, and all directors are subject to retirement by rotation in terms of the company's memorandum of incorporation (MOI).
- An executive director is required to retire from the board at the age of 60 (and 63 from 1 August 2025), unless otherwise agreed by the board. Executive directors are subject to 6-month notice periods. This excludes the CE, who is subject to a 12-month notice period. In terms of our MOI, one-third of all boardmembers retire at each AGM but may make themselves available for re-election. This is an established practice in SA to ensure accountability while maintaining board continuity.

Board representation at 31 March 2025.

Diversity – being relevant in a transforming society

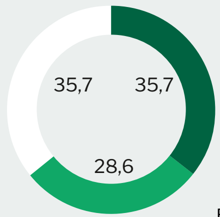
Board diversity is crucial for staying relevant and sustainable in a rapidly transforming society as it promotes diversity of thought in board decisions. As a result, companies that embrace gender, race and ethnic diversity tend to achieve more sustainable outcomes.

Nedbank is deeply committed to DEI, as well as the ongoing transformation of corporate SA. As such, we strive to ensure that the composition of the Nedbank Board is appropriately representative.

- Our board includes members from the 4 main racial groups in SA (African, White, Coloured and Indian), as well as from diverse ethnic and cultural backgrounds, including those speaking Sepedi, isiZulu, Afrikaans, isiXhosa, German and English.
- Black* boardmember representation at **64%** is above our target of 50% and ranks among the highest in the South African banking peer group.
- Gender diversity remains a key priority in the board's succession plan. We are continuously reviewing our targets and board succession planning to ensure we trend closer to internationally recommended practices and gender benchmarks set by ESG ratings agencies. In 2025, we introduced a target of **30%** female board representation. This target increases to **35%** by 2030. The introduction of a gender diversity target has no impact on the existing board race diversity targets (including a black female target of 25%) which align with the Amended Financial Sector Code. Our board currently comprises **29%** black female.

Board demographics

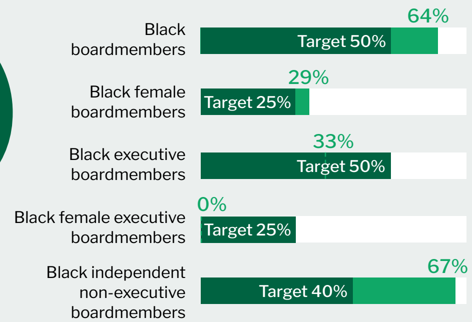
(%)



- White male
- Black female*
- Black male*

Promotion of diversity at board level

(%)



Nedbank policy:
Board membership that represents the demographics of SA.

** African, Coloured and Indian population.*

Board committees and interdependency – effective support structures for the board

The board committees assist the board in the discharge of its duties and responsibilities. There are 9 board committees (7 of which are statutory board committees).

Each board committee has formal written terms of reference that are reviewed annually and effectively delegated in respect of certain of the board's responsibilities. These terms of reference are available at **group.nedbank.co.za**. The board monitors these responsibilities to ensure effective coverage of and control over the group's operations.

Board committees report in detail on key discussions and activities at each Nedbank Group Board meeting, and the minutes of board committee meetings are also subsequently made available to all boardmembers. GAC receives regular feedback from GITCO regarding the monitoring of the adequacy and effectiveness of the group's IT controls as well as new or emerging IT risks associated with the bank's digital transformation journey, and receives feedback from GCC regarding its oversight of the adequacy and effectiveness of the credit-monitoring processes and systems. The chairpersons of GRCMC and Group Remco also meet separately to consider remuneration risks, and there is a formal process between Group Remco and GTSEC in respect of the consideration of the ethics of remuneration.

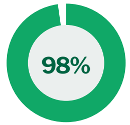
Nedbank Group and Nedbank Limited Board

Daniel Mminele
Chairperson

Nedbank Group
10 meetings
(of which 2 were ad hoc and/or short notice)

Nedbank Limited
6 meetings

Board meeting attendance



Total number of board and board committee meetings
64 (2023: 67)

Group Audit Committee (GAC)
Stanley Subramoney
Chair
6 meetings ✓

Group Information Technology Committee (GITCO)
Rob Leith
Chair
4 meetings

Group Transformation, Social and Ethics Committee (GTSEC)
Linda Makalima
Chair
3 meetings ✓

Group Credit Committee (GCC)
Errol Kruger
Chair
6 meetings ✓

Group Remuneration Committee (Group Remco)
Hubert Brody
Chair
5 meetings ✓

Group Sustainability and Climate Resilience Committee (GSCRC)
Brian Dames
Chair
6 meetings

Large-exposures Approval Committee (LEAC)
Errol Kruger
Chair
4 meetings ✓

Group Risk and Capital Management Committee (GRCMC)
Errol Kruger
Chair
6 meetings ✓

Group Directors' Affairs Committee (DAC)
Hubert Brody
Chair
4 meetings ✓

Details of the committees' considerations and focus areas for 2024 are covered in the following reports by the chair of each committee. We also provide the meeting attendance register showing the attendance at board and committee meetings.

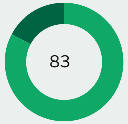
↔ Interdependencies of committees
✓ Statutory board committees

Board committees and interdependency continued

Group Audit Committee (GAC)

Stanley Subramoney, Chair
(steps down from 30 May 2025)
Hubert Brody
Neo Dongwana (Chair from 30 May 2025)
Errol Kruger
Phumzile Langeni
Terence Nombembe

Independent members (%)



% of committee members who are independent

Combined skills and experience of the committee members*

Mandate

- Assists the board in its evaluation of the integrity of our financial statements through evaluation of the adequacy and efficiency of our internal control systems, internal financial controls and accounting policies that are relied on for financial and corporate reporting processes.
- Is responsible for the appointment, compensation and oversight of the external auditors for the group, including managing interactions with GAC and assessing their independence and effectiveness.
- Facilitates and promotes communication between the board, executive management, the external auditors and the Chief Internal Auditor.
- Recommends the annual financial statements to the board for approval.

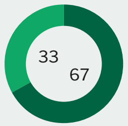
Training

During 2024, GAC members received training on the International Internal Auditing Standards as well as the JSE Listings Requirements with respect to price-sensitive information and were invited to training on the International Sustainability Standards Board (ISSB) and other board and board committee training sessions.

Capitals

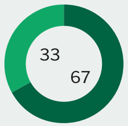
Financial
Intellectual
Social and relationship
Natural

Race (%)



Black
White

Gender (%)

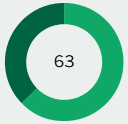


Male
Female

Group Credit Committee (GCC)

Errol Kruger, Chair
Jason Quinn
Mike Davis
Neo Dongwana
Rob Leith
Linda Makalima
Mfundo Nkuhlu
Stanley Subramoney

Independent members (%)



% of committee members who are independent

Combined skills and experience of the committee members*

Mandate

- Assists the board in fulfilling its credit risk oversight responsibilities, particularly with regard to the evaluation of credit mandates and governance, policies and credit risk.
- Confirms the adequacy of credit impairments.
- Acts as the designated committee appointed by the board to monitor, challenge and ultimately approve all material aspects of the group's credit rating and risk estimation systems and processes.

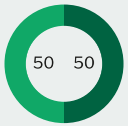
Training

During 2024, GCC members were invited to training sessions on payments (external perspective), digital banking (internal and external perspectives) and other board and board committee training sessions.

Capitals

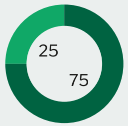
Financial
Social and relationship
Natural
Intellectual

Race (%)



Black
White

Gender (%)

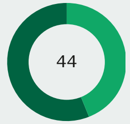


Male
Female

Large-exposures Approval Committee (LEAC)

Errol Kruger, Chair
Neo Dongwana
Rob Leith
Linda Makalima
Stanley Subramoney
Jason Quinn
Mike Davis
Dave Crewe-Brown (Chief Risk Officer)#
Johan Theron (Chief Credit Officer)#

Independent members (%)



% of committee members who are independent

 # The Chief Risk Officer and Chief Credit Officer are not boardmembers but are required to be members of LEAC in terms of Directive 5 of 2008, issued by the South African Reserve Bank Prudential Authority (SARB PA) in terms of section 73(1)(a) of the Banks Act, 94 of 1990.

Combined skills and experience of the committee members*

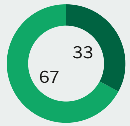
Mandate

- Appointed and authorised by the board in line with the requirements of Directive 5 of 2008, issued by the SARB PA and constituted in terms of section 73(1)(a) of the Banks Act, 94 of 1990, and its regulations.
- Responsible for approving large exposures as well as related-party transactions.

Capitals

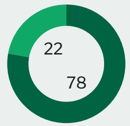
Financial
Social and relationship
Natural
Intellectual

Race (%)



Black
White

Gender (%)



Male
Female

Board committee representation at 31 March 2025.

** Skills and experience key: Banking, Banking and finance, Large corporates, Accounting and auditing, Innovation and digital expertise, IT and cyberresilience, Human resources, marketing and strategy, Mining, resources and infrastructure, Emerging economies, Macroeconomic and public policy, Governance and stakeholder management, Environment and climate*

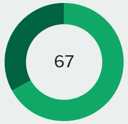
Please refer to the 2024 Governance Report for a list of all board training sessions provided in 2024.

Board committees and interdependency continued

Group Information Technology Committee (GITCO)

Rob Leith, Chair
Hubert Brody
Brian Dames

Independent members (%)



% of committee members who are independent

Combined skills and experience of the committee members*

Mandate

- Oversees the execution of the board's approved IT and digital strategy.
- Performs, reviews and monitors enterprise IT matters to ensure that appropriate frameworks, procedures, structures and governance are in place for the consolidation, monitoring, management and reporting of IT risks and exposures on a group basis (eg cyberthreats and other regulatory risks).
- Ensures alignment and implementation of a well-coordinated, efficient, effective and properly resourced IT strategy, which enables the organisation to remain highly competitive.
- Assumes ultimate accountability for the effectiveness of all governance functions pertaining to the group's technology capability, as required by the Banks Act and in support of GAC requirements.

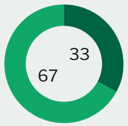
Training

During 2024, GITCO members received training on IT megatrends regarding technological disruption and were also invited to training sessions on clean technology evolution, generative AI by Microsoft, digital banking (internal and external perspective) and other board and board committee training sessions.

Capitals

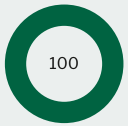
Intellectual
Manufactured
Social and relationship

Race (%)



Black
White

Gender (%)

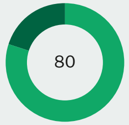


Male
Female

Group Remuneration Committee (Group Remco)

Hubert Brody, Chair
(steps down from 30 May 2025)
Neo Dongwana
Phumzile Langeni (Chair from 30 May 2025)
Stanley Subramoney
Rob Leith

Independent members (%)



% of committee members who are independent

Combined skills and experience of the committee members*

Mandate

Enables the board to achieve its responsibilities in relation to the group's Remuneration Policy, processes and procedures, and specifically enables the group to do the following:

- Meet the requirements of section 64C of the Banks Act.
- Operate remuneration structures that are aligned with best market practice.
- Conform with the latest thinking regarding good corporate governance on executive remuneration.
- Align the behaviour of executives with the strategic objectives of the group.
- Recommend CE and Group Exco remuneration to the board for approval.

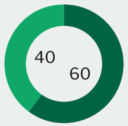
Training

During 2024, Group Remco members received training on global remuneration trends regarding market compensation, governance and regulatory matters, and people strategy impacting pay. There were also invited to other board and board committee training sessions.

Capitals

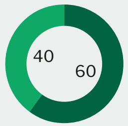
Financial
Social and relationship
Human
Intellectual

Race (%)



Black
White

Gender (%)

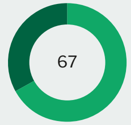


Male
Female

Group Risk and Capital Management Committee (GRCMC)

Errol Kruger, Chair
Jason Quinn
Brian Dames
Rob Leith
Linda Makalima
Terence Nombembe

Independent members (%)



% of committee members who are independent

Combined skills and experience of the committee members*

Mandate

- Ensures the identification, assessment, control, management, reporting and remediation of risks across a wide range of the organisation's ERMF.
- Sets and owns Nedbank's risk strategy and monitors conformance with risk management policies, procedures, regulatory and internal limits and exposures, as well as processes and practices. The monitoring of the group's Key Issues Control Log (KICL) is paramount to GRCMC's oversight role.

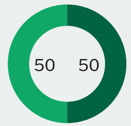
Training

During 2024, GRCMC members received training on the fundamental review of the trading book (FRTB) regarding market risk and credit valuation (CVA) model validations and were invited to other board and board committee training sessions.

Capitals

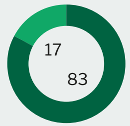
Financial
Intellectual
Human
Social and relationship
Natural

Race (%)



Black
White

Gender (%)



Male
Female

Board committee representation at 31 March 2025.

** Skills and experience key: Banking Banking and finance Large corporates Accounting and auditing Innovation and digital expertise IT and cyberresilience Human resources, marketing and strategy Mining, resources and infrastructure Emerging economies Macroeconomic and public policy Governance and stakeholder management Environment and climate*

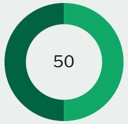
Please refer to the 2024 Governance Report for a list of all board training sessions provided in 2024.

Board committees and interdependency continued

Group Transformation, Social and Ethics Committee (GTSEC)

Linda Makalima, Chair
Jason Quinn
Phumzile Langeni
(steps down from 30 May 2025)
Stanley Subramoney
May Hermanus
(appointed from 30 May 2025)

Independent members (%)



% of committee members who are independent

Combined skills and experience of the committee members*

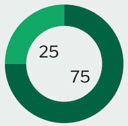
Mandate

- Advises on, oversees and monitors Nedbank Group's activities with regard to social and economic development, ethics, transformation, sustainability, corporate citizenship, the environment, health, public safety, stakeholder relationship, and labour and employment matters.
- Applies the recommended practices and regulations as outlined in King IV and the Companies Act, 71 of 2008, in executing its mandate.

Training
During 2024, GTSEC members received training on Amended Financial Sector Code Statement FS100 Ownership and were invited to other board and board committee training sessions.

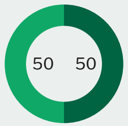
Capitals
Intellectual
Human
Social and relationship
Natural

Race (%)



Black
White

Gender (%)

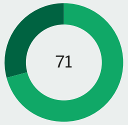


Male
Female

Group Directors' Affairs Committee (DAC)

Hubert Brody, Chair
Brian Dames
Errol Kruger
Rob Leith
Phumzile Langeni (appointed from 30 May 2025)
Neo Dongwana (appointed from 30 May 2025)
Linda Makalima
Daniel Mminele
Stanley Subramoney
(steps down from 30 May 2025)

Independent members (%)



% of committee members who are independent

Combined skills and experience of the committee members*

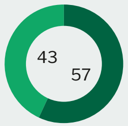
Mandate

- Monitors progress regarding the implementation and achievement of the board's corporate governance objectives and determines and evaluates the adequacy, efficiency and appropriateness of the corporate governance structures and practices of the group.
- Assists, evaluates and advises the board on issues of fundamental strategic importance to the group that are beyond the scope of the specific authorities mandated to the other board committees.
- Considers, monitors and reports to the board on reputational risk and compliance risk.
- Acts as the Nominations Committee for the board.

Training
During 2024, DAC members were invited to various board and board committee training sessions.

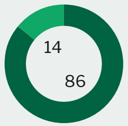
Capitals
Intellectual
Social and relationship
Natural

Race (%)



Black
White

Gender (%)

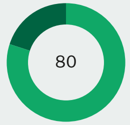


Male
Female

Group Sustainability and Climate Resilience Committee (GSCRC)

Brian Dames, Chair
Phumzile Langeni
Linda Makalima
Daniel Mminele
May Hermanus

Independent members (%)



% of committee members who are independent

Combined skills and experience of the committee members*

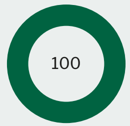
Mandate
Enables the board to achieve its responsibility in relation to the group's identification, assessment, control, management, reporting and remediation of all categories of climate-related risks and opportunities; and adherence to internal risk management policies, procedures, processes and practices.

With effect from 1 April 2024, the Group Climate Resilience Committee was renamed as the Group Sustainability and Climate Resilience Committee. Its mandate also expanded to reflect broader sustainability and ESG considerations, including oversight of environmental and social risks and opportunities beyond and in addition to climate risks and opportunities, referencing international standards including the IFRS S1 and S2 and the TNFD. In addition, GSCRC's mandate now includes the identification and regular monitoring of controversial matters as well as the accuracy of reporting and expanded roles and responsibilities to include the ESG Risk Management Framework, ensuring alignment with the group's work around purpose fulfilment.

Training
During 2024, GSCRC members received training on climate glidepaths; climate materiality assessment and high-level assessment results feedback; the fiduciary duties of directors in driving and overseeing ESG; the benefits and power of ESG data to unlock finance opportunities; and the risks and opportunities related to nature and finance. They were also invited to training on clean technology evolution and other board and board committee training sessions.

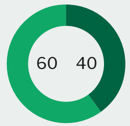
Capitals
Financial
Intellectual
Social and relationship
Natural

Race (%)



Black
White

Gender (%)



Male
Female

Board committee representation at 31 March 2025.

* *Skills and experience key: Banking; Banking and finance; Large corporates; Accounting and auditing; Innovation and digital expertise; IT and cyberresilience; Human resources, marketing and strategy; Mining, resources and infrastructure; Emerging economies; Macroeconomic and public policy; Governance and stakeholder management; Environment and climate*

Please refer to the 2024 Governance Report for a list of all board training sessions provided in 2024.

Other key areas of board responsibility and oversight

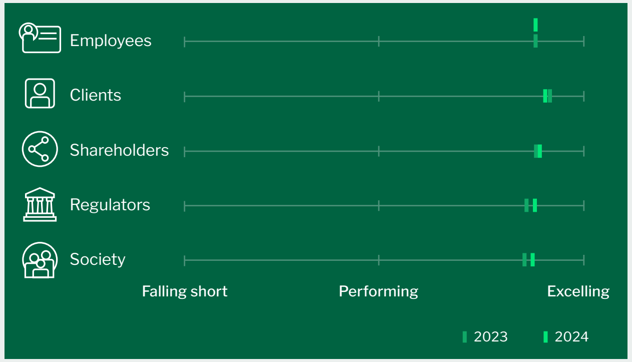
Relationship with our stakeholders

The board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of Nedbank over time.

The process of managing stakeholder relationships is decentralised and forms part of the operations of our various businesses. This means that interactions with stakeholders, both formal and informal, are conducted by the functions directly aligned with the stakeholder group on an ongoing basis. The group's relationship with its stakeholders is monitored continuously by the board, with specific oversight of employee and societal matters performed by GTSEC, reputational matters across all stakeholders by DAC, regulatory matters by GRCMC and GAC, and environmental matters by GSCRC.

In addition, directors engage directly with employees, clients, regulators, shareholders and other stakeholders as evident in the group's ESG roadshow with investors and prudential engagements with SARB.

The quality of Nedbank's stakeholder relationships remains high, evident in high levels of employee and client satisfaction, solid financial performance, share price outperformance and payment of higher dividends, effective working relationship with regulators, and our making a difference in the societies in which we operate.



Read more about value creation for stakeholders on pages 78 to 88.

Our values and culture

Good governance is supported by the example set by the board and management, as well as the values and behaviours embraced by all employees in the organisation.

The board regularly discusses the group's culture and values, including in 2024 the importance of fostering a culture of agility, inclusivity, human-centred leadership and high performance (encapsulated by the motto 'Play to win as one Nedbank') in order to attract, grow and retain top talent; increase Nedbank competitiveness in the market; and contribute to the group's strategic goals. The group's culture principles, The Nedbank Way, support achieving our strategic ambitions and describes our required culture and what shifts we need to make. It integrates with the Nedbank purpose, values, people promise, and leadership framework; serves as an employee value proposition (EVP); describes the workforce experience we strive to create; and is practical and actionable for all our employees. These 7 culture principles, highlighted below, are fully endorsed by the board and described in more detail as part of our Human Capital Strategy on page 65.

Put purpose into practice

Client obsession

Do the right thing and do things right

Play to win

Stronger together

Different is good

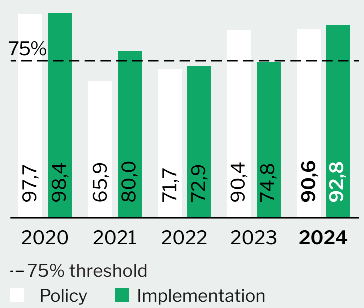
Learn to grow

Ensuring fair and responsible remuneration

The board, through Group Remco, is committed to ensuring that remuneration practices and outcomes are both fair and transparent, aiming to achieve positive results that meet the reasonable expectations of all stakeholders. Remuneration for executives and employees is tied to sustainable value creation ambitions and aligned with the group's strategy. These ambitions are based on well-defined financial and non-financial (including ESG) performance targets that are both challenging and in line with market benchmarks.

- In recognition of the income inequality in SA, there is continued focus on higher salary increases for lower-earning employees. In 2024 management received average salary increases of 5%, and bargaining-unit employees **7%.**
- The short-term incentive (STI) pool increased by **12%** in 2024, aligned with the group's financial performance as discussed on page 72. We have added a non-financial modifier to the STI build-up methodology to measure and incentivise progress against employments equity targets.
- In addition to including **ESG considerations** in individual executive performance goal commitment contracts (GCCs), 2024 was the fourth year in which the group included key environmental and social deliverables in the performance conditions of the group's long-term incentives.
- Following a market review, the malus and clawback triggers were updated to include a new trigger for conduct leading to reputational harm and refinements were made to existing triggers.
- We have continued the **practice of voluntary pay gap disclosures** which commenced in 2023.
- Our 11th annual board-led ESG roadshow highlighted that there was broad support for the Remuneration Policy changes that Group Remco implemented, and votes at our 57th AGM in **support of our Remuneration Policy and Implementation Report** were both above 90%.

Shareholder alignment
(Policy vs implementation)



Other key areas of board responsibility and oversight continued

Compliance

Nedbank is statutorily obligated under the Companies Act, 71 of 2008; Banks Act, 94 of 1990; King IV; and the JSE Listings Requirements to comply with regulation and proactively monitor and assess regulatory developments to determine their relevance and impact on the group.

Regulatory developments and the state of compliance are reported on and monitored by DAC, which is one of the board committees established in terms of the Banks Act. We regularly engage with more than **15** different regulators and, in 2024, a total of **200** regulatory developments were applicable to the group. Through a formalised regulatory affairs process, developments are analysed to determine their relevance and impact on the business, with a total of **6 251** Acts (new or amended), notices, directives, regulations, and consultation papers considered during the year. Though proactive engagements to assess and mitigate regulatory risk, the group ensures that it addresses any impact and effectively participates in regulatory consultation processes, either through industry associations or directly with government, regulators and policymakers. More information on key developments is shown on page 47.

Our policies are regularly updated

To support regulatory and legislative compliance and ethical behaviour, various group policies are reviewed by management and approved by the board regularly in line with the group's policy governance processes, including the following: the Code of Ethics and Conduct; Conflict of Interest Policy; Confidential Information and Information Barrier Policy; Ethics in Digital Technology and Artificial Intelligence Policy; FAIS Conflict of Interests Management Policy; Gifts, Entertainment and Hospitality Policy; Occupational Health and Safety Policy; Policy on Outside Interests and Conflict of Interests; and Privacy Policy.

The group's publicly available policies can be found here.

Ethics and human rights

At Nedbank, we are committed to conducting business responsibly and ethically, which includes upholding human rights through our operations and the activities of those we do business with.

As a purpose-led and values-driven organisation, our board and leadership are committed to building and maintaining an ethical culture, starting with setting the correct 'tone at the top'. As such, the Nedbank Board leads the group ethically, effectively, and responsibly within acceptable risk parameters.

To support the instillation of an ethical culture, the group has implemented several mechanisms, including:

- directors' disclosure of interests and 'fit and proper' questionnaires that are completed annually; and
- the Board Ethics Statement, which sets out the expectations and commitments undertaken by every boardmember and which all boardmembers must sign annually.

Nedbank Group Board Ethics Statement

'As the Nedbank Group Board of Directors, we are committed to the highest ethical standards and we conduct our business honestly, scrupulously and with integrity. We will provide ethical, effective and responsible leadership, and will act with independence and diligence in making decisions.

At the core of our Code of Ethics and Conduct is our purpose 'to use our financial expertise to do good for individuals, families, businesses and society and our values of integrity, accountability, respect, people-centredness, and being client-obsessed. We use these to guide and direct the way we do business. We know that business depends on trust, which is why we do all we can to earn it and strive to do nothing to impair it. We will set an example knowing that what we do, and refrain from doing, is as important as what we say. We are committed to nation-building and contributing to a more transformed SA, and we will go beyond mere compliance to promote authentic organisational transformation. We will respect the rights of our employees and support their well-being.'

Governance structures in place

Comprehensive governance structures affect the board's responsibilities in relation to ethics and human rights. Delegated to executive management, various tools and processes embed a culture that promotes ethics and human rights across the organisation. These include the annual Board Ethics Statement and ad hoc declarations; various ethics and human rights codes, policies, statements and frameworks; pledges; 'personal integrity management' checks (eg recruitment pre-screening, ongoing assessment in line with Financial Intelligence Centre Directive 8 requiring accountable institutions to assess the competence and integrity of employees, and screening employee information against targeted financial sanctions lists); biannual declarations by group, cluster and subsidiary executives on corporate governance and internal processes; ongoing client and supplier due diligence; employee and supplier training and awareness-raising activities; various internal and external (anonymous) channels for reporting unethical behaviour; and mechanisms to review and manage client and supplier relationships when necessary.

More details on our approach to human rights and ethics are disclosed in our 2024 Governance Report and 2024 Society Report, available at group.nedbank.co.za.

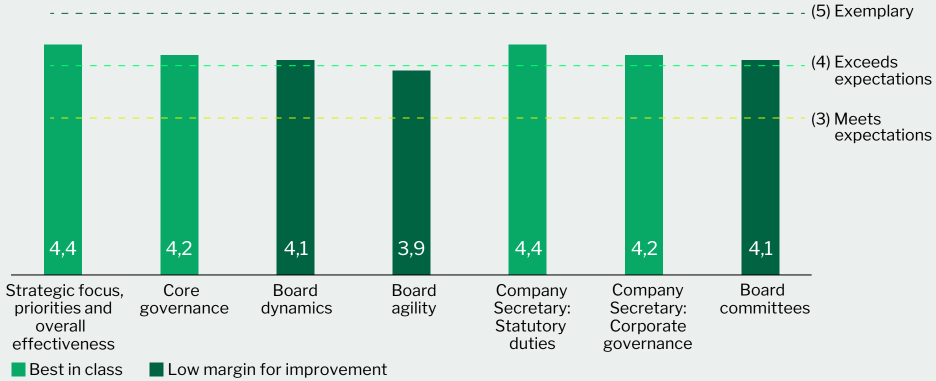
Other key areas of board responsibility and oversight continued

Board and committee evaluations

Evaluations of the Nedbank Group Board and board committees alternate annually between independent evaluations and internal evaluations. The 2023 independent evaluation was undertaken by The Board Practice, with the overall feedback being that Nedbank Group has a professional board that functions well.

The 2023 independent evaluation found that the Nedbank Group Board and board committees effectively discharged their duties, and the overall feedback was very positive with respect to the board's work. Board committees and the Company Secretary are critical support structures for the board.

Board performance
(Score out of 5)



No remedial measures were identified from the 2023 independent evaluation. The 2024 internal evaluation took the form of a self-assessment focused on unpacking themes from the 2023 independent evaluation. Overall boardmembers are **very satisfied** with the board's overall performance, with the board receiving an overall rating being 4,3/5. In particular, boardmembers were satisfied with the Chairperson's performance, the CE's performance, the performance of each board committee, the board's relationship with management, and the performance of the Company Secretary. Boardmembers were satisfied with the succession planning (for both the board and management) and the board's focus on strategic matters. Although no areas of concern were identified, in the spirit of continuous improvement, actions (that were largely housekeeping in nature) were identified to enhance board awareness of material matters, improve efficiencies of board and board committee packs and meetings, and explore opportunities for less formal engagements with management.

For more information on the results of the board and board committee evaluations, please refer to our Governance Review in the 2024 Governance Report, which is available at group.nedbank.co.za.

Board oversight – ensuring and protecting value

Group Directors' Affairs Committee (DAC)

'Our goal is to maintain the highest standards in corporate governance, board succession, compliance, reputational risk management, and strategic execution by leveraging the expertise of our highly skilled employees, and continuously enhancing our processes to stay ahead in a rapidly evolving operating environment. We are committed to excellence and innovation, ensuring that we not only meet expectations but exceed them.'

Hubert Brody, Chair

Ensuring and protecting value in 2024

- Managed the succession process for non-executive directors' positions and concluded the CE succession process.
- Ensured that the group was led ethically and compliantly, protecting its reputation and building stakeholder confidence.
- Assessed board governance in Nedbank subsidiaries.
- Oversaw compliance activities, including regulatory and advocacy endeavours, regulatory developments, engagements with regulators, and enhancements to the Reputational Risk Management Framework and Reputational Risk Policy.
- Oversaw the enhancement of compliance skills and the leveraging of technology to augment efficiencies and effectiveness.
- Approved the Compliance Risk Management Policy and Framework and Compliance Coverage Plan.
- Monitored AML, CFT and sanctions; exchange control; data privacy; and OHS compliance levels and remediation of the findings.
- Tracked market conduct compliance levels and ensured the fair treatment of clients.
- Advised on the management of material reputational risk matters, and the potential risks associated with strategy implementation.

Focus for 2025 and beyond

- Manage board succession.
- Monitor strategy execution.
- Oversee corporate governance structures and practices.
- Ensure an independent and adequately resourced compliance function.
- Track the completion of the Compliance Coverage Plan and compliance risk levels.
- Support the compliance function to be innovative and agile within the scope of legal and regulatory requirements.
- Maintain oversight of AML, CFT and sanctions compliance levels; the outcomes of inspections; and regulator interactions.
- Oversee exchange control and data privacy matters.
- Retain a focus on the fair treatment of clients.
- Monitor regulatory developments, including in AML, market conduct, ESG, crypto, open finance and AI.
- Oversee the management of reputational risk matters.

Stakeholders

Clients
Employees
Regulators
Shareholders

Top 10 risks

1 Strategic execution
2 Business
9 Reputational and market conduct

A comprehensive DAC Report is available online in our 2024 Governance Report on our group website at group.nedbank.co.za.

Sustainable value creation through strategy

Overview of the context in which we operate, including our material matters, how we manage risks, the opportunities we seek to unlock, our strategic response, the trade-offs we make and key capital considerations to ensure ongoing value creation.

Reflections from our Chief Executive

> After 10 months in the role as CE I can confidently say that I am very comfortable with the strong foundations that Nedbank has built, including a fortress balance sheet, an improving financial performance, a strong and vibrant culture that is service oriented, a focus on diversity, equity and inclusion, leading ESG credentials, a modernised technology platform, as well as various strong and leading businesses that provide an underpin for our growth prospects going forward.

Jason Quinn, Chief Executive

Jason discusses the group's operating environment, strategy and outlook at our 2024 results presentation.

2024 was a difficult operating environment for us and our clients. SA GDP growth of **0,6%** was below the 10-year average of only 0,8%. The first half of the year was particularly challenging given uncertainty ahead of SA's national elections. However, witnessing a peaceful and fair outcome of the elections and the swift formation of a government of national unity (GNU) brought cautious optimism to financial markets, resulting in lower bond yields, stronger equity markets and a stronger rand, while credit default swap spreads also improved.

As the year progressed, we saw some positive shifts with inflation declining further towards the low end of the SARB target range, the MPC cut interest rates by a cumulative 50 bps and business confidence improved. Despite these improvements, household credit growth slowed to only 3,0% by the end of the year and corporate industry credit growth, although up by 5,4%, remained volatile. The gradual improvement in the fourth quarter brought a cautious sense of optimism, especially with the rise in business confidence, but it became clear that the corporate credit growth does not yet reflect a significant boost in fixed-investment activity.

I'm therefore filled with pride at the resilience and progress we've demonstrated during the year. We achieved financial outcomes in 2024 that continued to improve, with headline earnings increasing by 8% to **R16,9bn**, and our ROE strengthening to **15,8%**. These figures highlight our steady progress towards our ROE targets. This achievement was driven by a combination of strong NIR growth, a lower impairment charge and sound expense management. I'm particularly pleased with the 11% growth in DHEPS that was assisted by our share buy-back in 2023.

▲ 30%
Nedbank share price

15,8%
ROE (LT target > 18%)

R16,9bn
Headline earnings

Shareholders have been rewarded by the stronger Nedbank share price, which increased by 30% in 2024, well ahead of the SA Banks Index increased by 17%, along with the total dividend declared, which increased by **10%**.

A smooth CE handover

The Chief Executive (CE) transition from Mike Brown to myself was seamless, well planned and well executed. I have an excellent working relationship with the board and leadership teams, which allowed us to get on with business smoothly and I have experienced a very warm welcome from Nedbank colleagues and clients.

After 10 months in the role as CE I can confidently say that I am very comfortable with the **strong foundations** that Nedbank has built. These include a fortress balance sheet, an improving financial performance, a strong and vibrant culture that is service-oriented, a focus on diversity, equity and inclusion, leading ESG credentials, a modernised technology platform, as well as various strong and leading businesses that provide an underpin for our growth prospects going forward.

Reflections from our Chief Executive continued

Operating environment

Our operating context, as reflected in our material matters **(page 38 to 47)**, highlights our expectations of stronger SA economic growth given more centrist policies on the back the GNU and expectations of significant infrastructure investment as SA addresses its structural constraints. As Nedbank, we are well positioned to benefit since 90% of our business is generated in SA and we have a leadership position in infrastructure, and renewable energy finance in particular.

Nedbank **well positioned** for an SA economic upturn

The impact of climate on our clients continues to accelerate, highlighting the importance of supporting our clients in their climate journeys. Our credentials, track record and actions speak for us as SA's green bank.

Disruptive new technologies bring with them both opportunities and challenges, and I believe we are well positioned to unlock the benefits on the back of our modernised technology stack.

We also continue to experience increased levels of competition, not only from new entrants but also from incumbents. I am confident that the strategies we have put in place not only ensure we defend our market share, but we plan to gain our fair share and become even more competitive.

The world of work is also evolving as we seek to create more meaningful connections with our colleagues as more employees come into the office more often, and we heighten our focus to retain, develop and attract scarce skills. This builds on our positive employee NPS score and surveys that reflect highly engaged colleagues.

Delivering and refreshing our strategy

The completion of key strategic programmes such as **Managed Evolution (ME)** and TOM 2.0, positioned the group well for a strategy refresh that the board, Group Exco and I were all 100% aligned behind. Under a Perform agenda we will continue to deliver on the strategies we have in place and manage the business within the changing operating context. Under a Transform agenda we aim to unlock new transformational growth opportunities that will make us compete more effectively in the medium-to-long term and as a result deliver sustainable growth to achieve an ROE of > 18% in the long term.

Perform

A key highlight of 2024 was the fundamental completion of our Managed Evolution IT transformation, which has delivered a refreshed modern technology platform. The benefits of ME are evident in ongoing strong growth in digital metrics, market-leading client satisfaction outcomes, solid main-banked client gains, higher levels of cross-sell and the realisation of benefits through our TOM and expense optimisation programmes.

The execution of our strategy progressed well with the following highlights:

- **Digital** metrics improved further, evident in strong digital volume, transaction and client growth, digital products sales now at 64% of new sales, and apps that rank highly and are differentiated on the services features offered.
- We again ranked top tier in **client satisfaction** metrics, supported by a strong service culture.

#1 NPS among large South African banks

- Our **TOM 2.0** programme concluded with R3,0bn of cumulative cost savings through headcount reduction, real estate floor space savings and back-office optimisation.
- I was pleased with the **market share** gains we achieved across home loans, vehicle finance, wholesale term loans and retail deposits. We deliberately lost market share in personal loans given quality of applications that still reflect a consumer that is under pressure.
- We gained retail **main-bank clients**, and our **cross-sell** ratio improved to 1,99, although the opportunity to improve remains material, supported by a focus on creating a culture that becomes more sales-oriented, and we continue to leverage investments in technology.
- In 2024 our **sustainable development finance** exposures increased by 26% to R183bn or 19% of total loans, supported by a 32% increase in renewable energy finance, with strong pipelines in place, cementing our leadership in sustainability matters.

These achievements led to our being named SA Bank of the Year by the prestigious magazine *The Banker*.

How Nedbank came to be named SA Bank of the Year

Transform

Our new Transform initiatives can be summarised into 5 broad categories: (i) unlock value from the technology investments we have made over the past 10 years; (ii) scale our retail business in order to reduce its CIR and increase its ROE; (iii) diversify our portfolio into new segments and markets; (iv) leverage our market-leading sector skills and expertise in CIB to support revenue growth; and (v) expand more deliberately into key SADC and East African countries.

A few initiatives to highlight include:

- We are unlocking value from our **technology investments**, including commercialising the rich data that

Reflections from our Chief Executive continued

we gather; harnessing the power of AI, GenAI, machine learning and robotics process automation; harmonising our IT systems in NAR; and payment modernisation to extract benefits, including cost optimisation (which we have not yet sized but could be a couple of billion rand), enhanced client experiences and faster revenue growth. We are currently investigating more than 50 advanced analytics and AI use cases spanning credit scoring, cross-sell and up-sell, fraud analytics, and digital marketing, to name a few.

- Under **portfolio diversification** we are planning to grow our presence in East Africa through a CIB-lead approach by leveraging our strengths to increase gross operating income in CIB from **15% to > 20%** and grow our presence in the mid-corp market following the launch of a new dedicated offering.
- We aim to grow and sell our **insurance** products into the Nedbank client base by improving client penetration from **19% to > 30%** in the medium term and thereby grow gross earned premiums by > 50% in the medium term.
- We have also embarked on an **organisational restructure** of our RBB and Nedbank Wealth Clusters, evolving into an organisational design more focused on client-centredness. The new group structure will see the creation of Personal and Private Banking (PPB), an individual- or non-juristic-focused cluster that will provide a full suite of solutions to individual clients across the youth, entry-level, mass- and middle-market, and affluent and high-net-worth segments. The reorganisation will also see the creation of Business and Commercial Banking (BCB), a juristic-focused cluster that will cover the spectrum of SME, commercial and mid-corp clients, while elevating the cluster to Group Exco level. This restructure will sharpen execution of our strategy, enable us to compete more effectively in the market, improve levels of cross-sell and unlock new growth opportunities. Pleasingly, initial feedback from our stakeholders has been very positive and supportive and we will look to implement this swiftly to minimise impact on our colleagues.

A more **client-centred structure**

- At the same time, we have announced that we are busy finalising a **strategic review of our financial investment in ETI**. Recent engagements with the investment community highlighted strong support should we decide and be able to sell our share.

Leadership changes

I welcome Nomonde Hlongwa as the Group Chief Compliance Officer, effective 15 April 2025, succeeding Daleen du Toit who is retiring. In line with our strategic reorganisation of the RBB and Nedbank Wealth Clusters, Iolanda Ruggiero, Managing Executive (ME): Nedbank Wealth, retired early on 31 March 2025. We thank Iolanda and Daleen for their contributions and look forward to working with Nomonde. As part of the reorganisation and the creation of the PPB and BCB Clusters, Ciko Thomas, currently ME: RBB, will lead the PPB Cluster and an announcement relating to the head of the BCB Cluster will be made in due course.

Looking ahead

From a macro perspective, we remain cautiously optimistic and expect the economic environment in SA to improve off a low 2024 base, although risks associated with global geopolitics and trade wars remain. SA's GDP is forecast to increase by 1,4% in 2025, inflation to remain well within the SARB target range of 3% to 6%, and the South African prime lending rate to decline by 50 bps in 2025, reaching 10,75%. Corporate lending should pick up while growth in household lending is expected to remain muted.

The recent tariffs imposed by the US create upside risk to SA inflation and downside risk to GDP growth should they stay in place.

Our improved financial performance in 2024 – together with the progress made in executing on our strategy, our new Transform agenda and better economic prospects – gives us confidence that we will continue to make progress to increase our ROE to > 16% in 2025, > 17% in the medium term and > 18% in the longer term.

> 18%
Long-term ROE

Appreciation

I would like to thank the Board, Group Exco and entire leadership team, including Mike Brown for helping me transition smoothly into this role. I also appreciate the commitment and support of all Nedbank colleagues this past year. Thank you to our 7,6 million clients for trusting us with your financial needs, and to the investment community, regulators, and other stakeholders for your support. As Nedbank, we will continue to play our role in society as we fulfil our purpose of using our financial expertise to do good.

Jason Quinn
Chief Executive

Final close-out meeting between Daniel, Mike and myself to conclude the Nedbank CE transition process in May 2024.

Our Group Executive Committee

The Nedbank Group Exco is a diverse and experienced management team that comprises the Chief Executive (CE), Chief Operating Officer (COO), Chief Financial Officer (CFO), 4 frontline managing executives and 6 shared-services executives.

Executive directors

Jason Quinn [50]
CE
Exco member since: 31 May 2024
1 years' service at Nedbank

Mfundo Nkuhlu [58]
COO
Exco member since: 1 December 2008
21 years' service at Nedbank

Mike Davis [53]
CFO
Exco member since: 1 January 2015
28 years' service at Nedbank

Frontline MEs

Anél Bosman [58]
Group Managing Executive: CIB
Exco member since: 1 April 2020
23 years' service at Nedbank

Ciko Thomas [56]
Group Managing Executive: PPB
Exco member since: 18 January 2010
14 years' service at Nedbank

Dr Terence Sibiya [55]
Group Managing Executive: NAR
Exco member since: 1 April 2020
13 years' service at Nedbank

Group Managing Executive: BCB – To be announced in due course

Shared-services Group Executives

Dave Crewe-Brown [57]
Chief Risk Officer
Exco member since: 1 April 2024
29 years' service at Nedbank

Deb Fuller [52]
Group Executive: Group HR
Exco member since: 25 June 2018
6 years' service at Nedbank

Daleen du Toit [60]
Chief Compliance Officer
Exco member since: 1 May 2022
10 years' service at Nedbank

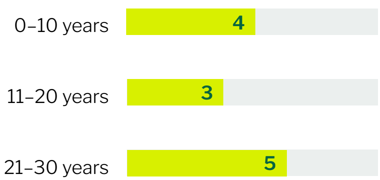
Nomonde Hlongwa [42]
Chief Compliance Officer-designate
Exco member since: 16 April 2025
< 1 year's service at Nedbank

Priya Naidoo [51]
Group Executive: Strategy
Exco member since: 1 January 2015
23 years' service at Nedbank

Khensani Nobanda [46]
Group Executive: Group Marketing and Corporate Affairs
Exco member since: 15 May 2018
7 years' service at Nedbank

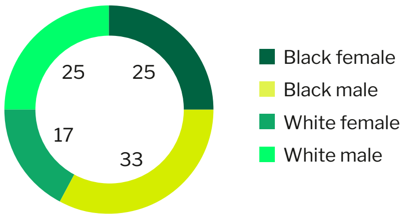
Ray Naicker [48]
Chief Information Officer
Exco member since: 1 July 2023
20 years' service at Nedbank

Group Exco tenure at Nedbank
(Number of Group Exco members)[1]



Years of combined service
184
years[1]

Group Exco demographics
(%)[1]

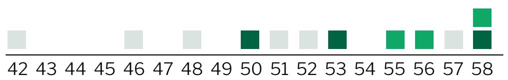


Gender demographics

Male **58%**

Female **42%**

Group Exco age
(Years)[1]



Average age
Average age:
48 years

Group Exco changes
Jason Quinn succeeded Mike Brown (CE) post his retirement at the conclusion of the group's AGM in May 2024. Daleen du Toit, the Group Chief Compliance Officer, reaches the group's normal retirement age in H1 2025 and Nomonde Hlongwa has been appointed as Group Chief Compliance Officer-designate, and assumes the role of Group Chief Compliance Officer and member of the Group Exco on 16 April 2025. Iolanda Ruggiero took early retirement on 31 March 2025.

Nedbank policy:
Group Exco members retire on reaching the age of 60. From 1 August 2025, the group's retirement age will be extended to 63.

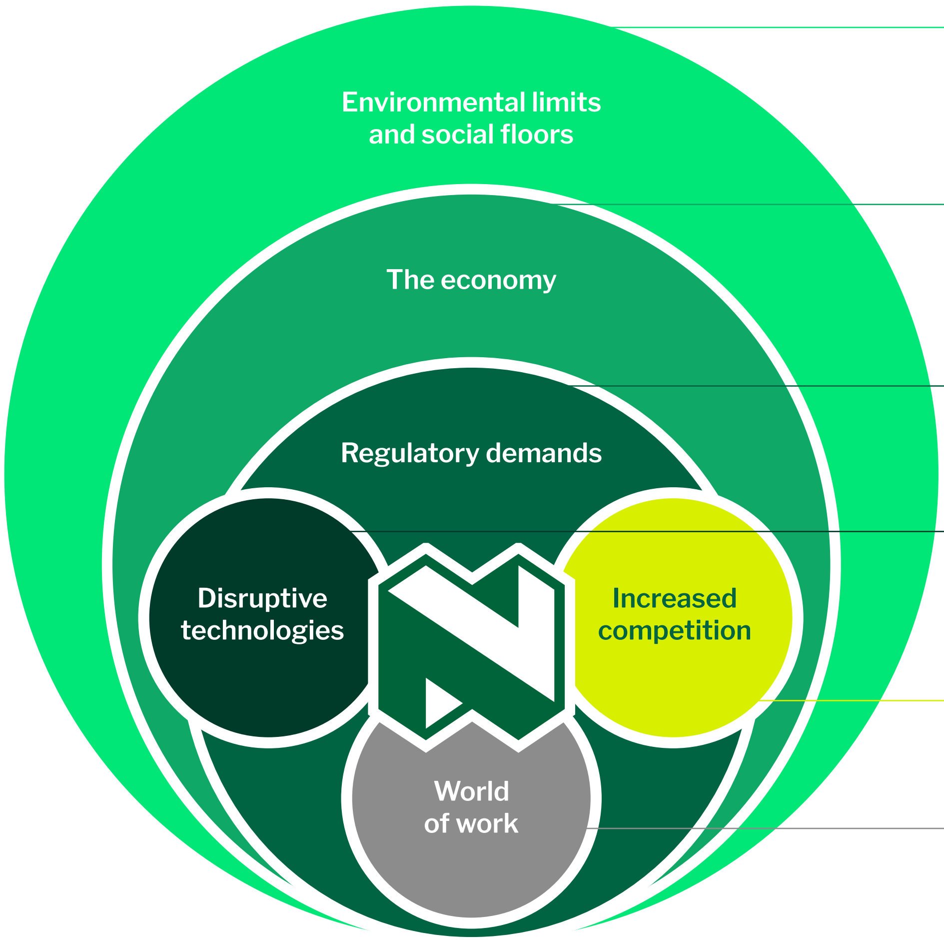
Access detailed profiles of our Group Exco **here**.

[1] *At 31 March 2025, excluding Iolanda Ruggiero who took early retirement on 31 March 2025, and Daleen du Toit who will retire in H1 2025. Daleen Du Toit is not included in all calculations. Includes Nomonde Hlongwa, who will become a Group Exco member on 16 April 2025.*

Our operating environment and material matters

Our material matters highlight the issues most likely to impact our ability to create sustained value for Nedbank and our stakeholders over the short, medium and long term. As the operating environment and the needs of our stakeholders change, we continuously refine these matters, which in turn helps us to evolve and refresh our strategy.

Our material matters



Our top 10 risks

Material matter	Top 10 risks
Environmental limits and social floors: Increasing impact of climate change, evident in droughts, extreme weather events and biodiversity impacts; the need for a Just Transition given the unique social and environmental conditions of SA and the African continent; related opportunities; and the risk of investing in stranded assets.	2 Business; 5 Operational; 7 Climate
The economy: Global and local economic dynamics; heightened volatility; geopolitical risks; and consumer and business confidence; and opportunities (such as GNU-driven infrastructure investment) and threats (such as economic shocks).	2 Business; 3 Credit; 5 Operational; 8 Organisational resilience; 9 Reputational and conduct; 10 Capital
Regulatory demands: Growing regulatory scrutiny and demands placed on financial services companies, including those relating to technology and cyberrisk; payments; ESG; consumer protection; financial crime; data and data privacy; as well as financial and banking regulation.	5 Operational; 6 People; 7 Climate; 9 Reputational and conduct; 10 Capital
Disruptive technologies: The impact and adoption of new technologies such as GenAI, leveraging data, as well as increased levels of digital adoption; behavioural changes of clients and employees; and rising threats and levels of cybercrime.	1 Strategic execution; 4 Cyberrisk; 6 People
Increasing competition: Competition from incumbents and new entrants, with a focus on retail transactional fees; the SME market; and heightened competition in corporate lending for good-quality assets.	2 Business; 3 Credit; 6 People
World of work: The influences of macroeconomic, social and political developments; digital transformation and fast-paced technological change; evolving hybrid work practices; heightened demand for scarce skills and the war for talent; as well as the requirements of employment equity legislation in SA.	1 Strategic execution; 6 People; 9 Reputational and conduct

Our approach to these material matters is guided by the principle of materiality, which is crucial for evaluating information that could impact the group's strategy, decisions, and trade-offs concerning the 6 capitals (as discussed on page 2); the evolution of our business model; and the development of short-, medium- and long-term targets (as discussed on page 6). We have expanded our process to encompass ESG-related material matters, with further details provided in our 2024 Society Report.

Our operating environment and material matters continued

Material matter 1

The economy

Banks and financial services companies play a crucial role in the economies where they operate by providing credit, safeguarding deposits, managing and optimising investments, and facilitating transactions. Clients, along with other stakeholders such as employees, suppliers, investors, and regulators, are also active participants. Consequently, challenging or supportive macroeconomic environments can significantly impact value creation and the prospects for both us and our stakeholders.

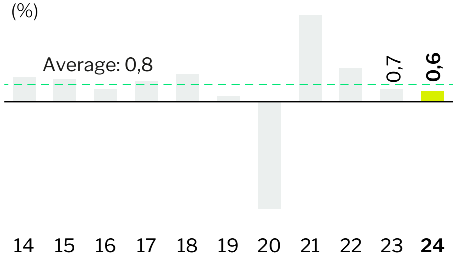
Global environment

The world economy faces significant uncertainties in the years ahead. Along with global geopolitical risk, the risk of a global trade war and its implications remain high amid more protectionist US trade policies, which pose downside risks to world growth and upside risks to global inflation. Despite these uncertainties, near-term growth prospects remain reasonable. The International Monetary Fund (IMF) expects the world economy to expand by a steady albeit subdued pace of around 3,3% in 2025.

SA macroeconomic environment

The South African economy has grown by only 0,8% on average over the past 10 years, but is set for an improvement over the next few years as described in our base case scenario on **page 40**. GDP growth of between 1% and 2% will be driven largely by increased consumer spend given higher levels of confidence, higher real disposable income and interest rate cuts. Business confidence improved to the highest levels in 5 years, and further structural reforms supported by the establishment of a GNU post the SA national elections in May 2024 are expected to foster better economic conditions.

SA GDP growth
(%)



Progress on structural reforms

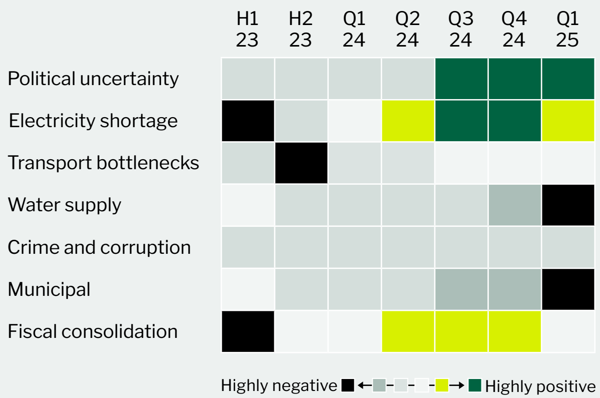
To enable much faster economic growth, we need to see more progress on structural reforms.

We take some comfort from the emergence of green shoots, which has been set out in the matrix. Political uncertainty and electricity shortages have stabilised as shown below in the top green blocks. Recent load-shedding events in Q1 2025 are a stark reminder that there is still a lot of work ahead, including system reforms and accelerating public-private partnerships. Transport and logistic bottlenecks have eased slightly, but there is still a long way to go.

Although the government is expected to press ahead with fiscal consolidation, the recent South African Budget, which was deferred following a proposed VAT increase, showed a concerning acceleration in government spending.

Other challenges such as water supply, crime and corruption and struggling municipalities, highlighted in grey and black blocks, will take longer to resolve.

Progress on South African structural reforms



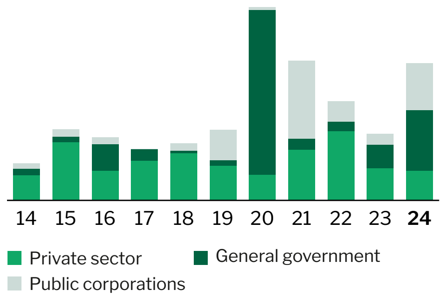
Infrastructure finance opportunities

Nedbank's Capital Expenditure Project Listing shows a sharp rise in investment plans. The value of new projects announced in 2024 rose to R446bn, more than double the R210bn published in 2023.

Fixed investment is expected to recover as business confidence improves amid easing structural constraints, firmer domestic demand, and steady global growth. The public sector is likely to lead the turnaround, while private sector capital outlays, apart from renewable energy, may take longer to emerge.

Towards the end of 2024, the government announced a **R943bn** infrastructure investment plan for the next 3 years, prioritising projects that are candidates for public-private partnerships. While we see this as optimistic in both size and time horizon, our teams have identified various financing opportunities across energy, water, transport and supporting infrastructure that could support stronger loan growth over the next few years.

Nedbank capital investment schedule
(Rbn, constant 2024 prices)



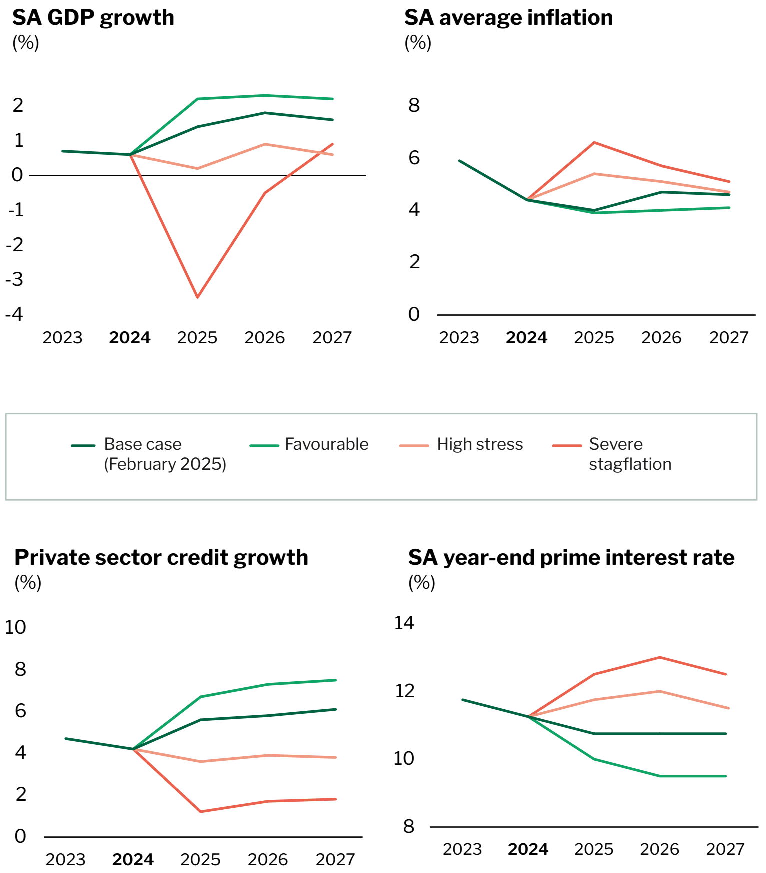
Our operating environment and material matters continued

Macroeconomic scenarios

Macroeconomic scenarios give us insight and help us adapt to a volatile and uncertain environment, evolve our strategy, manage potential risks, and identify opportunities for value creation. The following 4 scenarios illustrate our base case economic forecasts (the underlying assumptions we use in our 2025–2027 business plans and our guidance to investors), a better-than-expected potential outcome (favourable scenario) and 2 downside scenarios ('high stress' and 'severe stagflation').

Base case

Global growth continues at a steady, albeit moderate, pace, only slightly better than 2024 as disinflation intensifies and monetary policy easing accelerates. Geopolitical risks cap any potential upside. In SA the GNU holds, buying confidence and facilitating further modest gains in structural reforms, with infrastructure a key focus area. GDP growth gathers pace from 2025 given less severe load-shedding and smoother logistics, but growth remains below 2% for the next 3 years. Consumer spending recovers gradually given lower levels of inflation (now well within the SARB target range), falling interest rates (the prime interest rate declining to 10,75% in 2025 and remaining flat for the next 3 years), as well as a boost from the 2-pot system that sees some withdrawals from contractual retirement savings. Fixed investment picks up slowly in 2025 as demand recovers and structural constraints ease. As a result, credit growth improves to 5,6%. **Our base case highlights a better environment for us and our clients when compared with the past 10 years.**



These forecasts reflect the independent and public views of the Nedbank Group Economic Unit (NGEU).

Favourable

Geopolitical tensions continue to simmer, but pragmatism prevails. Global growth gathers pace into 2025 and beyond and commodity prices enter a mild upswing, inflation recedes faster than expected on the back of lower oil prices and productivity gains from new technology and improved supply chains, and monetary policy eases rapidly. In SA, the GNU continues to adopt centrist policies, and service delivery improves. As inflation remains low, interest rates decline further in 2025 and 2026 to below 10%. As a result, GDP growth exceeds 2%, supported by stronger global growth and gradual improvements in rail and port efficiencies. Credit growth accelerates further on the back of structural reforms and infrastructure investment, as well as a healthier consumer. **This favourable scenario suggests a better environment to operate in, and while still not ideal, it will be beneficial for banks.**

High stress

Geopolitical tensions intensify, with the United States (US), European Union (EU) and its allies set against China, Russia and their backers. On the back of a Trump US presidency and other developments, tariffs and trade barriers increase, along with a clampdown on migration in advanced countries. The world economy loses momentum and enters a mild downturn in 2025, followed by a weak recovery thereafter. Risk-off sentiment intensifies and emerging markets experience persistent capital outflows. In SA, political instability resurfaces as the GNU splinters on ideological and policy differences. A new coalition represents a shift from the centre to the left. SA GDP grows by a weak 0,2% and remains below 1% thereafter as domestic confidence withers given the return of load-shedding, an increase in unemployment, faltering wage growth, inflation that increases back to above 5% and interest rates that start rising again above 11,75%. Credit growth slows, hurt by stretched consumer finances, weak economic growth, higher interest rates and low levels of fixed investment. **This high-stress scenario takes us back to the difficult operating environment South African banks experienced over the past 10 years.**

Severe stagflation

External global shocks, primarily from more protectionist US trade policies, give rise to structurally elevated input costs and underlying price pressures create conditions conducive to the development of stagflation, countered by tighter monetary policy (interest rate hikes). Global investors turn risk-off, resulting in significant financial market volatility, encouraging a flight to safe-haven assets, and the rand weakens to close to above R24 to the US$ by 2026. In SA, acute structural constraints are exacerbated by inappropriate and fragile policies of the GNU, such as granting above-inflation wage increases in the public sector. This, along with the global trade war, leads to a significant rise in inflation to above 6,5% in 2025. In response, monetary policy is tightened, with interest rates increasing to above 12% and the South African economy entering a recession. Credit growth, as a result, slows to low single digits. **A severe stagflation scenario points to significant strain for banks, although internal stress testing under this scenario indicates that our capital levels will remain adequate.**

Our operating environment and material matters continued

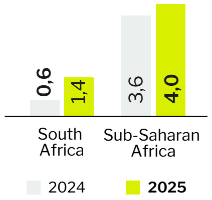
Prospects in sub-Saharan Africa (SSA)

Sub-Saharan economies fared better in 2024, although macroeconomic conditions remained tight. Stagnant commodity prices dampened growth in some economies. However, the strong US economy and recovering demand in Europe supported the economies that export to these regions. Dry weather in southern Africa hurt agriculture in Namibia, Zambia and Zimbabwe. The return of good rains points to firm rebounds in these economies. Elections were largely peaceful, with opposition parties winning power in Botswana and Ghana, while widespread violence in Mozambique added to the concerns about the security situation in the country's north.

The long-term prospects for sub-Saharan Africa show significant growth opportunities for banks, driven by several key factors:

Economic growth potential – SSA is forecast to become one of the fastest-growing regions, with an expected average GDP growth of 4,4% between 2024 and 2030.

GDP growth
(%)



Sources: IMF, NGEU forecasts for SA.

Rapid population growth – SSA population is expected to reach 2 billion by 2043 and account for more than 75% of the world's population growth in the next 80 years.

Infrastructure gap – Africa's infrastructure gap is estimated to be US$130bn–US$170bn, with a shortfall each year of US$68bn–US$107bn,which presents opportunities for financial services.

Capture trade flows – Intra-African trade flows are rising, driven by initiatives such as the African Continental Free Trade Area (AfCFTA). Global trade flows into Africa are won by banks with significant regional presence across the continent.

SDG investments – The financing need in education, energy, productivity-enhancing technology and innovation is estimated to be US$402bn in 2030.

Untapped markets – Many markets outside of SA have higher unbanked populations, which presents significant potential for growth in retail banking, mobile banking and other financial services.

Risks in the near term include the impacts of subdued commodity prices, which would contain export earnings, and trade policy uncertainty that may negatively impact the growth of African economies. [If not extended, preferential trade benefits under the Africa Growth and Opportunity Act (AGOA) will expire in September 2025.] In the medium term, even at GDP growth rates above 3%, growth remains too low to improve socioeconomic conditions, which could lead to social tension and security risks. In addition, rising external indebtedness may lead to more foreign debt defaults as we have seen over the past few years.

Sources: IMF, Fitch Solutions, United Nations World Population Prospects, African Development Bank, World Bank.

Opportunities

- **SA economic upside** – An improved macroeconomic environment in SA (under both 'base case' and 'favourable' scenarios) plays to Nedbank's strengths (financial and intellectual capital), particularly those noted on **page 11**, and will have a positive impact on our prospects since we generate 90% of our earnings in SA (financial capital).
- **Infrastructure finance** – By leveraging our industry expertise (intellectual capital) in CIB and leadership positions in areas such as renewable energy (natural capital) and infrastructure, we seek to unlock a significant multi-year advances growth opportunity.
- **Healthier consumer** – An improvement in consumer finances will be beneficial to our personal and private banking businesses, which have become more competitive (intellectual and manufactured capital) over the past few years as we continue to leverage our digital capabilities, deliver market-leading client experiences (social capital) and target market share gains (SPT).
- **Growth on the African continent** – By leveraging our assets, skills and expertise in SA (human, intellectual and manufactured capital) we will expand, strengthen and transform our presence in SADC and East Africa, where economic growth is expected to be higher than SA.

Focusing on areas that create value (SPT)   Growth vectors

Key risks

'High-stress' and 'severe stagflation' scenarios will have a negative impact on banks' earnings. Risks include slower advances growth and lower transactional volumes, both negatively impacting revenues; higher levels of impairments; and inflation-driven pressure on expenses. Managing liquidity, credit and capital risk becomes a key focus area, although all our balance sheet metrics (financial capital) are in a very strong position to weather these risks.

2 Business   3 Credit   10 Capital

Our operating environment and material matters continued

Material matter 2

Environmental limits and social floors

Failing to meet human development needs while overshooting ecological limits is a critical risk that materially threatens our way of life. Human behaviour and natural systems are complex and interdependent, which exacerbates the challenge. Addressing this problem means a fundamental shift in the way we seek to meet minimum social standards (social floors) for all within the limits of what is ecologically possible and aligning that with new ways for governments and businesses to manage these emerging risks while responsibly investing in their economies.

Navigating a polycrisis

The human condition and the health of our planet are inextricably linked. Our collective resilience, well-being and ability to navigate crises are fully connected to the food we eat, the water we drink, the air we breathe and, crucially, our relationship with the earth.

Human activity has impacted almost every part of our planet, with less than 25% of land unaffected, and is projected to drop below 10% by 2050 without significant action. Up to 75% of freshwater and more than 50% of marine areas are used for food production. Wild mammal biomass has decreased by 82% since the Stone Age, with an estimated 38%–46% biodiversity loss by 2050. A million species face extinction without urgent action, and climate change is accelerating, with record-breaking events increasing in frequency and severity, the 1,5-degree temperature limit having been breached in 2024 and devastating fires and floods seen across the globe (United Nations Environment Programme, 2024).

Territorial conflicts, migration, and resource pressures frequently result in significant spillover effects. This phenomenon is notably observed in the triple planetary crisis involving pollution, biodiversity loss, and climate change.

The **2025 World Economic Forum (WEF) Global Risk Report** underscores the urgent need for comprehensive collaborative action to minimise and mitigate the negative impacts of environmental risks. It recommends accelerating efforts to mitigate climate change by reducing greenhouse gas emissions and investing in renewable energy. It also highlights the importance of enhancing biodiversity conservation through robust strategies to protect and restore ecosystems. Promoting sustainable practices across industries and communities is essential for long-term environmental health, and building resilience in communities and ecosystems is crucial for withstanding environmental shocks and stresses.

Delivering on this starts with actively managing these emerging business risks in a manner that considers the Just Transition as well as future generations in decision-making.

All stakeholders can make strategic interventions to protect the environment and societal well-being and we therefore focus on environmental limits as a material matter.

WEF top 10 risks for the next 10 years

1 Extreme weather events ● (Environmental)
2 Biodiversity loss and ecosystem collapse ● (Environmental)
3 Critical change to earth systems ● (Environmental)
4 Natural resource shortages ● (Environmental)
5 Misinformation and disinformation ● (Technological)
6 Adverse outcomes of AI technologies ● (Technological)
7 Inequality ● (Societal)
8 Societal polarisation ● (Societal)
9 Cyber-espionage and warfare ● (Technological)
10 Pollution ● (Environmental)

● Environmental
● Societal
● Technological

Source: WEF Global Risk Report.

Impact on our strategy

Our business is generated on the African continent, which makes us and our clients particularly vulnerable to the negative impacts of climate change. In the long term, we are committed to all our lending and investments contributing to a net-zero economy by 2050 as well as exiting exposure to all fossil fuels (natural capital) by 2045. In the medium term, we are developing glidepaths for our material climate-sensitive sectors to guide our financial investments towards an orderly transition to a low-carbon economy, being cognisant of the social impacts of these financial decisions.
As part of our 2024 reporting, we have published the financed emissions of a growing number of high-impact sectors, with commercial property finance being the subject of latest disclosures as well as annual progress aligned with our fossil fuel glidepaths. These glidepaths include a commitment to reduce financed thermal coal emissions by 47% and financed oil and gas emissions by 26% by 2030, acknowledging that getting to the reductions will not be a straight-line progression and may fluctuate yoy as shown on page 63. Our Climate Change and Nature Position Statements as well as our Energy Policy (intellectual capital) are available on our website and set the foundational principles of how we are moving our business to net zero by 2050, collaborating closely with our clients to enable this decarbonisation journey.

Our operating environment and material matters continued

Sustainable development finance (SDF)

SDF is crucial to building a more resilient future. The United Nations Sustainable Development Goals (UN SDGs) are forward-looking and represent what is needed for a more just, equal, and prosperous society. They serve as a strategic guide and provide a lens through which we can identify innovative and commercial opportunities.

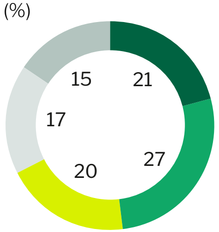
Despite asymmetrical access to finance and high borrowing costs, according to a Cambridge University report, African states will need to spend about **US$2,5tn** by 2030 to meet their climate commitments. The UN estimates the funding gap is closer to **US$4tn** when considering all SDGs. This investment need, along with the potential to create over 85 million jobs as estimated by the World Business Council for Sustainable Development, makes financing opportunities aligned with the SDGs a compelling business case.

Sustainable finance opportunity sizing exercises help steer our strategy, guide our resourcing requirements, and inform our level of ambition regarding SDF. These opportunities to create positive social and environmental impacts are vast.

The finance opportunity for Africa

(US$)	2024	2025	2026	2027	2028	2029	2030	Total
Agriculture, nature and water	43	43	45	45	46	47	48	**317**
Industry and energy systems	46	50	53	57	62	67	74	**409**
Social and healthcare	37	37	39	41	44	47	49	**294**
Sustainable buildings and affordable housing	29	31	34	37	40	43	46	**258**
Transport infrastructure and mobility	27	27	29	32	36	39	42	**232**

The finance opportunity for Africa
(%)



Sources: Bank sustainability reports, McKinsey Transition Finance Model, IEA, CPI, World Bank, expert input.

Opportunities

- **Provide SDF access** – Providing access to SDF at scale will addresses the transition to a low-carbon economy and tackle inequality, poverty, and unemployment.
- **Grow SDF faster** – Providing SDF supports the achievement of the SDGs and our own strategic growth aspirations, with SDG-aligned financing expected to grow significantly faster than traditional advances, particularly in renewable energy, agriculture, and financing for small, micro and medium enterprises.
- **Engage clients** – Actively engaging clients to understand their decarbonisation journeys and developing innovative solutions to prepare them for the future.
- **Attract stakeholders** – Attracting like-minded talent (human capital), clients (social capital), investors (financial capital), and stakeholders who want to partner with a purpose-led company that leads in sustainability matters.

Creating positive impacts (purpose delivery) | Human Capital Strategy

Key risks

As an African bank we face several key environmental risks that can significantly impact our operations and financial stability. Also, the current political realities across the globe could slow support for the transition to net zero and this exacerbates the environmental risks faced by the region:

- **Climate change** – Extreme weather events such as floods, droughts, and cyclones are becoming more frequent and severe. These events can lead to physical damage to assets, disrupt business operations, and increase credit risk as borrowers may struggle to repay loans.
- **Water scarcity** – Many African countries face significant water scarcity issues. This can affect industries reliant on water, such as agriculture and manufacturing, leading to financial losses and increased credit risk for banks.
- **Deforestation and biodiversity loss** – The loss of forests and biodiversity can impact sectors like agriculture, tourism, and fisheries, which are crucial for many African economies. This can lead to reduced economic activity and increased financial risk for banks.
- **Pollution** – Air, water, and soil pollution can have severe health and economic impacts. Banks may face increased credit risk from businesses affected by pollution-related regulations or health crises.
- **Transition risks** – As the world moves towards a low-carbon economy, banks may face risks related to the transition. This includes changes in regulations, market preferences, and technologies that could affect the value of assets.

7 Climate risk

Our operating environment and material matters continued

Material matter 3

Disruptive technologies

New and disruptive technologies, along with digital adoption, have collectively become a material issue for financial services companies. This includes modernising legacy systems, offering enhanced mobile and digital solutions to address changing client expectations and behaviours (social capital), leveraging new technologies (manufactured capital) such as cloud-computing and AI, focusing on extracting value from rich sources of data, and protecting against cybersecurity risks.

Legacy systems – Many financial services companies across the globe still rely on outdated legacy systems that hinder innovation and client service. Modernising IT infrastructure is crucial for banks to remain competitive, improve operational efficiency, and offer innovative services as Nedbank has done over the past 10 years. Upgrading legacy systems and digitising processes improve employees' productivity and ensure greater job satisfaction by providing them with modern tools and technologies.

> 70%
of software used by Fortune 5 000 companies was developed 20 or more years ago.
– Dell

Mobile banking – The rise of mobile banking continues to transform how clients interact with their banks, making services more accessible and convenient.

Client-centred innovations – Enhancing client experience through personalised services and seamless digital interactions has become a top priority for banks, as they aim to improve the overall client experience, which leads to increased loyalty and retention.

Cloud computing – Embracing cloud technologies allows banks to scale operations efficiently and enhance agility in responding to market changes.

Data-driven decision-making – Advanced data analytics enable banks to make informed decisions, personalise client experiences, optimise processes and identify new business opportunities.

Other – Technologies such as blockchain or distributed-ledger technology and quantum computing are at early stages of development in SA, but remain top of mind given their potential for use in financial services.

Artificial intelligence (AI) – AI is driving change in financial services by enabling the automation of increasingly complex processes, improving client experiences, and enhancing risk management. AI technologies such as machine learning, natural language processing, and predictive analytics are being used to automate routine tasks, reducing costs and increasing efficiency. AI can also help improve client experiences by providing personalised services, such as through chatbots and virtual assistants, which can respond to queries in real time. In risk management, AI can be used to detect and prevent fraud, assess credit risk, and monitor transactions for suspicious activity. While AI and automation can streamline operations, they also require employees to upskill and adapt to new roles, emphasising the need for continuous learning and development. AI-powered tooling and solutions are also augmenting human skills and capabilities for further efficiencies and client experience enhancements. However, it has also introduced far greater risks, especially with regard to fraud, as video and voice generation and mimicking have improved.

Cybersecurity – With the rise of digital banking, cybersecurity threats continue to increase. Financial institutions are prime targets for cybercriminals due to the sensitive nature of the data they hold and the substantial amounts of money they handle. In response, banks are implementing robust measures to protect sensitive client data as well as financial and transactional systems, while complying with regulatory requirements. While clients continue to be concerned about the safety of their personal and financial data, robust cybersecurity measures build trust and confidence in digital banking services.

Financial services companies are **300** times more likely to be targeted by a cyberattack when compared to other companies.
– Boston Consulting Group

Opportunities

- **Leverage our technology investments** – We have modernised our legacy systems through our Managed Evolution programme, and our new modern technology platform (intellectual and manufactured capital), discussed on page 53, puts us in a strong position to be more agile, more competitive and more efficient while enabling us to leverage new emerging technologies such as GenAI and shift our focus to commercialising data for the benefit of us and our clients.
- **Enhance client experiences** – Client experiences (social capital) will continue to be enhanced through personalised and seamless digital interactions across various channels, enabled by digital processes and greater levels of digital adoption.
- **Grow** – Faster revenue growth (financial capital) can be supported by client gains, enhanced cross-sell capabilities, the sale of value-added services, enhanced digital marketing and the offering of beyond-banking client propositions to name a few, all enabled by technology.
- **Enhance productivity** – Enhanced productivity and improved operational efficiencies can be driven by automation, AI and digital processes.

Digital leadership (DX) | Client experiences (CX) | Growth vectors

Key risks

- **Cyberrisk** – Cybersecurity and data privacy remain major concerns, with cyberrisk consistently ranked as one of our top 3 risks. The rise of GenAI deepens this risk, as fraudsters can create increasingly sophisticated cyberattacks more easily, requiring banks to be proactive and stay at the forefront of cyberrisk developments.
- **Skills** – The skills needed to drive technological changes are in high demand, particularly in SA given the impact of emigration, heightened competition, and general skills shortages for these kinds of jobs.

1 Strategic execution | 4 Cyberrisk | 5 Operational | 8 Organisational resilience

Our operating environment and material matters continued

Material matter 4

Increased competition

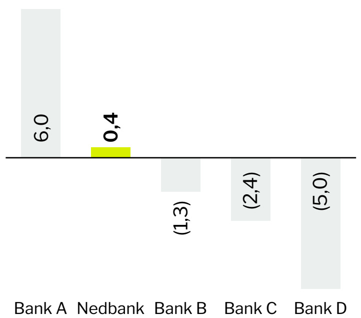
Competition in the South African banking sector continues to intensify given the presence of strong incumbents and the growing threat posed by new entrants. Large banks are competing fiercely for deposits and high-quality assets, which has resulted in margin pressure, while new entrants in the retail banking market are ensuring that bank fee increases remain well below inflation. Competition in the SME market continues to rise. Responding appropriately to these threats helps reduce the risk of value erosion while building our competitiveness in areas targeted for growth. These are all beneficial for clients.

Competition among incumbent banks

Universal banks in SA typically have strong capital and liquidity positions that, in a slow-growth economy, increase competition for good-quality assets and deposits, and related transactional business.

- The South African **wholesale banking** market has experienced intensified competition for good-quality assets as demand for credit remained muted up to now due to low levels of business confidence and a delay in committing to long-term capital expenditure projects. However, prospects for infrastructure-related finance, as shown on page 39, are very positive and may alleviate some pressure over the next few years.
- **Small-and-medium-enterprise (SME) banking** has emerged as the next battleground, driven by enhanced digital capabilities at incumbent banks and the entry of non-traditional competitors. Key investor concerns include the potential impact of Capitec replicating its retail market successes in the SME market.
- In **retail banking**, asset pricing has become more competitive in secured lending products such as home loans and vehicle finance. Banks also continue to price competitively to retain market share in term and notice deposits. Cross-subsidisation to cross-sell transactional products and competitive loyalty and rewards programmes remain key tactics to deepen share of wallet and increase client primacy. Over the past 4 years Nedbank has grown its share of transactions at a time when the market shares of most universal banks have declined.

Debit order transactions on Nedbank POS devices
(Change in % share, 2021–2024)

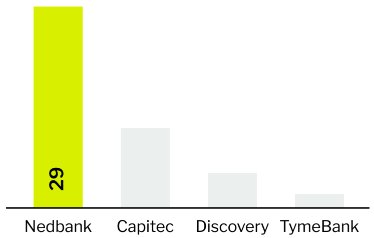


Ongoing threat of new entrants

In recent years, new entrants like Discovery Bank and TymeBank have added to the competitive pressures in South African retail banking. Insurers such as Old Mutual and telecommunication providers like MTN and Vodacom have also ventured into attractive banking profit pools, focusing primarily on transactional services, insurance and deposits. The impact so far has been mixed:

- The **number of clients** gained by new entrants remains impressive, but incumbent retail banks, in general, have not seen any significant client losses. This implies that clients have become more multibanked, and that a large part of the growth has come from previously low-revenue-generating unbanked or underbanked consumers.
- While no comparable disclosures are available for main-banked clients, debit-card-related **transactional volumes** on our more than 110 000 point-of-sale (POS) devices, show that Capitec and Nedbank, along with the smaller banks, including new entrants, have grown their share of transactions over the past year when compared with other large incumbent retail banks.
- From a **balance sheet** perspective there have been no material lending or deposit market share gains for new entrants. New entrants plan to expand into more sophisticated lending products over time, which will come with additional operational complexity, credit risk and capital requirements.
- The most significant impact of new entrants has been evident in general **bank fee** increases having been kept well below inflation.

Retail deposit growth in 2024
(Rbn, SARB BA900)



Opportunities

- **Remain highly competitive** – In a fast-changing competitive landscape we need to remain flexible, agile and responsive, enabled by our modern technology platform (page 53), ongoing enhancements to our operating model (page 67), investing in key skills and evolving our corporate culture (page 66), particularly to sell better.
- **Client primacy** – We have increased our ambition to grow market share, deepen share of wallet, and differentiate Nedbank in a competitive market through digital leadership (page 7), market-leading client experiences (page 58), strategic portfolio tilt (page 60) and creating positive impacts as a purpose-led bank (page 62). Our reorganisation into an individual- and juristic-focused business will support client primacy.
- **Growth focus** – We plan to unlock new revenue streams through growth vectors (page 59) such as the commercialisation of data, portfolio diversification and a large insurance cross-sell opportunity (page 60).

Digital leadership | Client experiences (CX)

Key risks

A loss of deposit and transactional banking market share, persistent margin pressure and excessive pressure on bank fees could strain revenue growth ambitions should we not respond appropriately through our strategy.

1 Strategic execution | 2 Business

Our operating environment and material matters continued

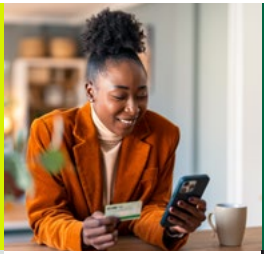
Material matter 5

World of work

The world of work is continually shaped by macroeconomic, social and political developments; digital transformation and rapid technological change; and heightened demand for scarce skills and the war for talent. Additionally, in SA, employment equity legislation plays a significant role. These factors present both opportunities and threats that could impact sustainable value creation.

Key influences on the world of work

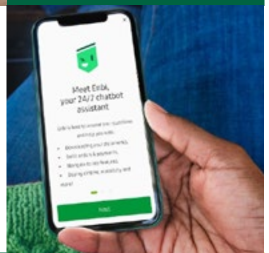
Large **social imbalances**, income inequality, poverty and high youth unemployment in SA.

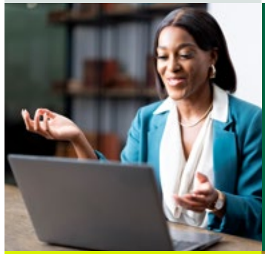


Heightened demand for scarce skills and war for talent.

Disparity in **race and gender representation** of the workforce in SA.

Economic consequences of a difficult economic environment.





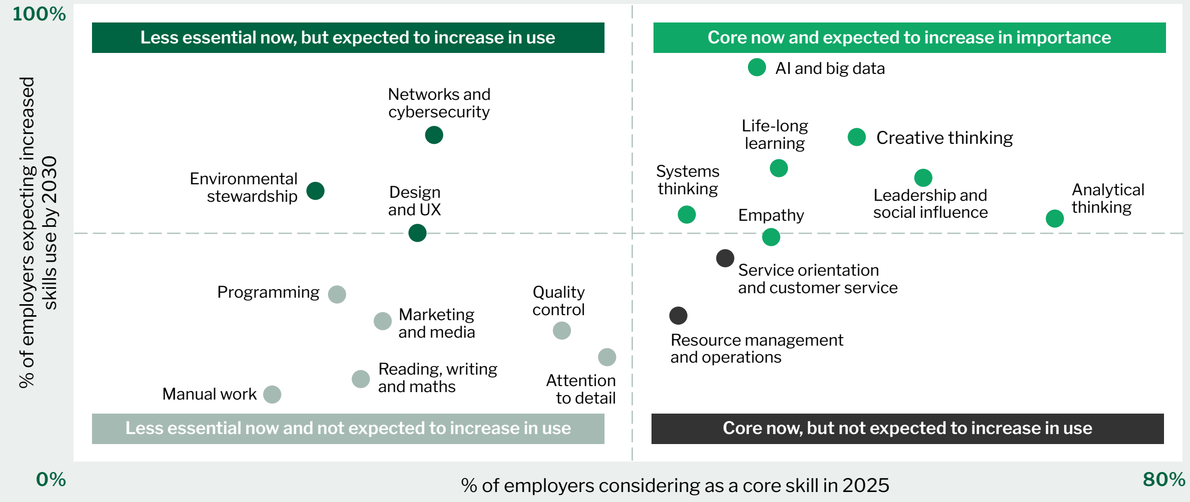
An **underperforming education system in SA** that limits the supply of future skills.

The adoption of **AI** and focus on **big data**.

Amended **EE legislation** requiring businesses to meet FSC targets within 5 years to continue doing business with government entities.

Digital transformation impacting client and workforce behaviours, while organisations push the boundaries for efficiencies and innovative offerings.

Core skills required by 2030



Sources: WEF, Future of Jobs Survey 2024.

Opportunities

- **Talent** – Attract and retain the best talent through enhanced employee value propositions (EVPs), flexible work practices, meaningful work that is purpose-led, and unlocking opportunities for career growth and development, to name a few (human and intellectual capital).
- **Culture** – Embed The Nedbank Way (our culture principles) as described on page 66 to accelerate strategic delivery, differentiate Nedbank in the market, and become more agile, client-centred and competitive.

Digital leadership | Human Capital Strategy | Create positive impacts

Key risks

- **Scarce skills** – The demand for scarce skills accelerates as technological change rapidly transforms skills requirements, emigration continues to pose a risk, and the war for talent intensifies.
- **Cost pressure** – The cost of attracting and retaining key talent increases.
- **Employee well-being** – The pace of change in the workplace, coupled with social and economic distress in our society, impacts employees' emotional and financial well-being as well as their safety. This poses a risk to employee engagement and productivity.

5 Operational | 6 People

Our operating environment and material matters continued

Material matter 6

Regulatory demands

Regulatory requirements are continually evolving in response to ever-changing and competitive global and local environments, including those pertaining to payments, consumer protection, financial crime, ESG (including climate change), technology, cybersecurity and banking regulation. This evolution places additional demands on, but also creates opportunities for, financial institutions, requiring them to adapt strategically through operational changes as well as enhanced compliance and risk management practices.

Regulatory scrutiny, through supervision, investigations, and enforcements, reinforces compliance within stipulated timelines. This necessitates that financial institutions proactively identify and assess regulatory developments for impact or commentary. The following key developments are closely monitored as they may impact Nedbank and our stakeholders in the coming years:

Digital transformation

Technological change continues to drive an increase in automation and the use of AI, as businesses seek faster, more efficient and less resource-intense processes. These developments attract attention from various regulators and influence regulatory frameworks, which has led to (i) the South African government declaring cybersecurity as a 'central national priority' and it is expected to finalise the National Data and Cloud Policy, which will increase attention on data security, cyberrisk and cybersecurity, and, (ii) publication , among other regulatory developments, of the National AI Policy Framework, which will steer the regulatory framework for AI in SA going forward.

Payments

There is an ever-growing amount of regulatory change and industry initiatives in payments, which aims to increase financial inclusion, competition, security and payment best practices. Increasing regulatory control, rapid technology advancement and competitive business environments dictate that financial institutions need to be more agile and scalable to meet both regulatory and the modern client's requirements, which focus on speed, ease of use and accuracy. This has been the impetus behind the contemplated publication of a new national payments system (NPS) bill to ensure, through revised requirements, the safety, efficiency, integrity, transparency and accessibility of the NPS and thereby strengthen consumer protection and elevate their experience.

Consumer protection

The Financial Sector Conduct Authority (FSCA) continues to focus on developing regulatory frameworks for open finance and on other digital innovation with emphasis on consent, financial inclusion, and consumer education and protection. Considerable efforts have been made to develop a comprehensive consumer protection regulatory framework that includes conduct risk reporting to ensure good client outcomes such as the Conduct of Financial Institutions Bill, which encompasses regulatory requirements to manage consumer protection across the financial services industry. These necessitated extensive industry consultations in 2024 and they will continue in 2025 to ensure the requirements, once finalised, will be fit for purpose across all sectors.

Financial crime

SA is now deemed to have largely addressed 20 of the 22 action items in its Action Plan in relation to the deficiencies that were identified in the 2021 Mutual Evaluation Report issued by FATF, leaving 2 items to be addressed in the next reporting period that runs from March to June 2025. This would enable SA to be considered for delisting from the FATF greylist in October 2025. Financial institutions continue to ensure compliance with legislation through new or enhanced existing controls. In addition, regulators have ramped up enforcement efforts, imposing penalties to deter financial crimes. These measures reflect SA's ongoing commitment to improve its financial crime regulatory framework and ensure compliance with international standards.

ESG

- **ESG reporting** – An increase in reporting obligations is placing pressure on regulatory reporting processes, data and infrastructure. Financial institutions are expected to report on social and environmental risks through effective, consistent, and comparable sustainability- and climate-related disclosures to demonstrate accountability in addressing social and environmental challenges.
- **Diversity, equity and inclusion** – A growing number of laws and requirements are being enacted to support greater DEI in the workplace. In addition to amendments to existing transformation laws, such as the Employment Equity Act, 55 of 1998, regulatory scrutiny and demands from the FSCA have increased.
- **Environment/Climate** – Key legislative developments include the release of a consumer risk report by the FSCA that clarifies its role in sustainable finance and the need for consumer education and protection; the publication of guidance on climate-related disclosures and risk practices by the PA; and promulgation of the Climate Change Act, 22 of 2024.
- **Remuneration** – The Companies Amendment Act, 16 of 2024, saw the inclusion of a new requirement dealing with the governance and disclosure of a company's remuneration policy and directors' remuneration implementation report. These amendments (still to take effect) seek to ensure transparency and fairness within the company and to the wider public.

Prudential regulatory developments

Key regulatory changes from a banking perspective over the next few years include the following:

- **Basel III reforms** – In 2024 the PA published the 3rd draft of the proposed directives with amendments to the regulations relating to banks, addressing key matters related to the Basel III post-crisis reforms; revisions to the standardised and internal ratings-based approaches for credit risk; the new standardised approach for operational risk; refinements to the definition of the leverage ratio exposure measure; and revised output floors that limit regulatory capital benefits that a bank, using internal models, can derive relative to the standardised approaches. We closely monitor international developments regarding approaches and implementation guidelines and remain committed to adhering to the roadmap and methodology provided by the PA.
- **Flac instruments** – SARB introduced a new tranche of loss-absorbing, non-regulatory, bail-inable debt instruments that will enable the Resolution Authority to execute statutory bail-in during a resolution scenario to recapitalise the failing institution. It is anticipated that the issuance of Flac instruments will incur additional costs, as these instruments are envisaged to replace maturing senior unsecured debt instruments over the phase-in period. The new standards will come into effect on 1 January 2026 and will be phased in according to the transitional arrangements starting in 2028.
- **Countercyclical capital buffer** – In December 2024, the PA published Directive 6/2024, which mandates the implementation of a positive cycle-neutral (PCN) countercyclical capital buffer (CcyB) set at 1% of risk-weighted exposures. This directive will come into effect on 1 January 2026, resulting in an increase in the regulatory minimum capital requirements and consequently impacting the group's surplus capital position.

Managing risk strategically, while unlocking opportunities

In a difficult and volatile environment, our overall internal control environment continues to support high levels of safety and soundness and remains positive, including the state corporate governance, risk management, internal controls, conduct and culture, and regulatory and balance sheet profiles. We are well positioned to navigate these challenges and maintain our commitment to financial stability.

An inherent element of banking is risk-taking

The landscape of risk is rapidly changing and safely managing risk in such an unprecedented climate involves minimising the elevated downside risk and unlocking potential upside opportunities that arise. To enable us to keep pace with these changes and ensure our approach to safety and soundness remains relevant, our risk management approach will be agile and foster a culture of continuous learning and adapting.

In line with global leading practice, 6 key risk management objectives underpin our risk strategy:

Threat (downside)

Volatility (uncertainty)

Opportunity (strategic upside)

Organisational resilience (sustainability)

Velocity (agility)

Predictor (advanced analytics)

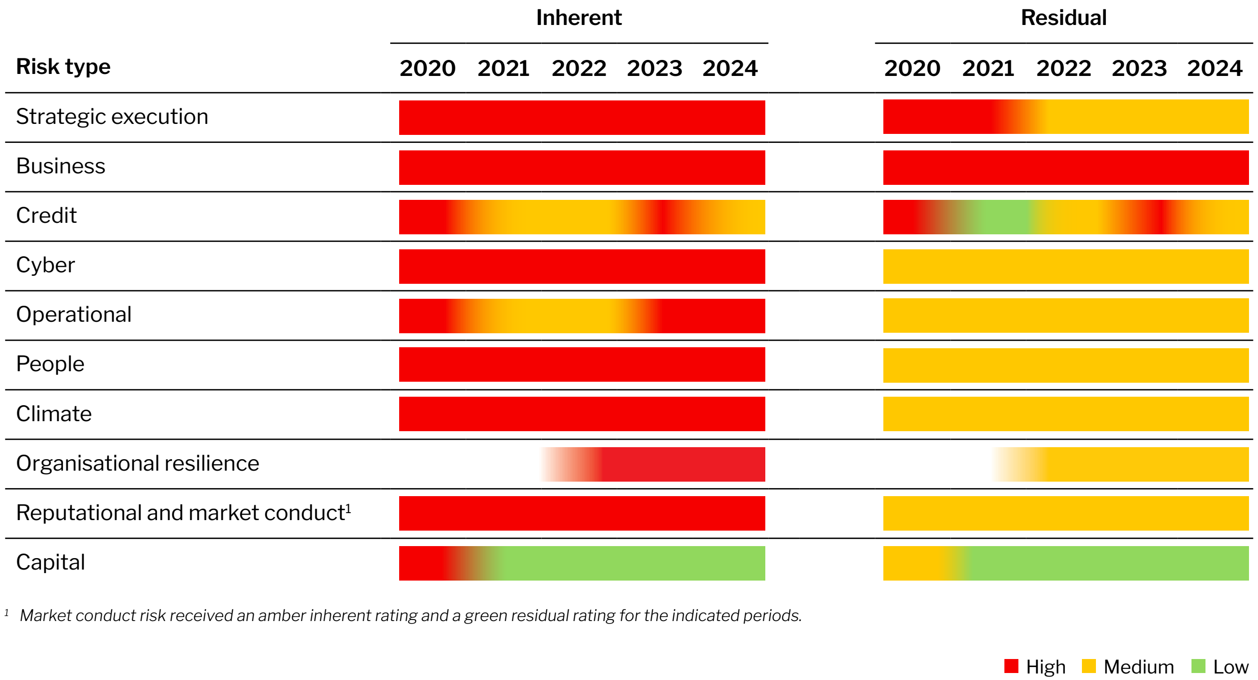
New emerged or emerging risks

The landscape of newly emerged and emerging risks for banks is multifaceted and ever-evolving. We remain committed to identifying, assessing, and mitigating these risks through comprehensive risk management practices. By staying vigilant and proactive, we aim to safeguard our financial stability and ensure sustainable growth for our stakeholders. The identification and management of new emerged and emerging risks are crucial to the resilience and success of Nedbank while ensuring value creation.

Inherent vs residual risk

The overall status, outcomes and effectiveness of our risk management have remained favourable and stress-tested in 2024. In our risk management approach, we look at our risks from an inherent and residual perspective. Inherent risk is the 'gross risk' and a gauge of the temperature before we take any actions.

It considers the external environment and internal risk factors, and it allows subjective judgement. Residual risk is the 'net risk' and outcomes that remain once risk management activities (mitigation and controls) have been implemented. Our residual risk outcomes, as seen below, were favourable even though our external business environment was challenging and complex.



[1] *Market conduct risk received an amber inherent rating and a green residual rating for the indicated periods.*

Managing risk strategically, while unlocking opportunities continued

Our top 10 risks, identified for 2025 and beyond, inform our risk management response and unlock potential opportunities.

1 Strategic execution

2020					2025
11	3	2	5	5	1

Expectations are high to deliver on the group's dual 'Perform' and 'Transform' strategic agendas and improve the group's ROE towards our long-term strategic target of > 18%. This includes landing new digital capabilities, optimising our operations and unlocking growth in key areas of opportunity to maximise value creation.

Strategic execution risk is also significantly impacted by broader external factors, including macroeconomic and geopolitical developments, technological change, evolving client expectations and competitive pressures.

Our response

- Maintain strong emphasis on the effectiveness of our key strategic execution enablers, including robust programme management and sound governance.
- Ensure that strategic execution takes place in a sustainable manner that preserves and enhances organisational value.

Opportunities

- Actively leverage existing areas of strategic leadership, expertise and strength.
- Develop strong foundational, organisational and technology capabilities with built-in risk guardrails to support growth and sustainable value creation in a dynamic operating environment.

Link to our capitals

Financial, Intellectual, Manufactured, Human

Link to strategy

Digital leadership, Growth vectors, Creating positive impacts, Human Capital Strategy

3 Credit

2020					2025
4	2	3	2	2	3

Credit risk management remains a core competency of a bank.

The impacts of declining interest rates, lower inflation and an improving political environment as a result of the establishment of the GNU, along with the resolution of a very small number of problematic loans in CIB, resulted in the group's credit loss ratio (CLR) improving to 87 bps, now within the group's through-the-cycle risk appetite target range of 60 bps to 100 bps.

However, consumer finances remain strained and pockets of stress are evident in areas such as vehicle finance.

Our response

- Keep focused management interventions, including effective collections strategies and improved loan origination, top of mind.
- Resolve material risks relating to clients in distress or on internal watchlists.
- Enhance oversight, monitoring and reporting on the credit life cycle.

Opportunities

- Refresh our concentration risk approach to support participation in the large renewable energy finance opportunity.
- Profitably grow the unsecured lending portfolios and other key retail products such as home loans.

Link to our capitals

Financial, Intellectual, Natural

Link to strategy

SPT, Creating positive impacts

2 Business (including country and geopolitical)

2020					2025
1	1	1	1	1	2

Emerging risk factors continue to evolve rapidly, adding further uncertainties to both local and global markets. This is elevated by rapid technological advances (such as the use of AI), heightened geopolitical tensions as well as the outcomes of global elections, particularly developments in SA and the US.

The South African economy is forecast to grow faster than in prior periods. However, risks such as reform reversals, unsustainable public debt, challenging external environments, high electricity prices and a weaker rand persist.

Our response

- Developed the Nedbank AI Risk Management Standard to ensure safe and sound AI adoption within the group.
- Updated our risk appetite framework to ensure it remains fit for purpose as we navigate through a dynamic external environment.

Opportunities

- We identified financing opportunities in infrastructure and renewable energy while planning for an improvement in key macroeconomic outcomes such as lower interest rates.
- Some countries on the African continent offer opportunities for higher growth and returns, and we plan to leverage our skills, expertise and strengths to unlock value in selected markets such as East Africa.

Link to our capitals

Financial, Intellectual, Social and relationship, Natural

Link to strategy

SPT, Growth vectors, Creating positive impacts

4 Cyberrisk

2020					2025
7	5	4	3	3	4

Cyberrisk requires ongoing focus considering its relevance to our digital strategy and the increase in the threat landscape with emerging technologies such as AI and quantum computing, as well as an increase in digital footprint, making us and clients vulnerable to potential cyberattacks. This is further exacerbated by heightened geopolitical and regulatory risk.

Our cyberrisk management remains mature, and we continue our cyberresilience journey.

Our response

- Maintain our #1 Bitsight rating among South African banks and top cyberresilience benchmark average maturity score.
- Through our cyberresilience programme address key focus areas with annual reviews performed to assess the changing threat landscape and emerging risks.
- Continuously monitor cyberrisk metrics related to key controls.

Opportunities

- A proactive, intelligence-driven approach to cybersecurity requires continuous adaptation and investment in technology and human resources to manage and mitigate cyberrisks effectively.

Link to our capitals

Financial, Intellectual, Manufactured, Human

Link to strategy

Digital leadership

Managing risk strategically, while unlocking opportunities continued

5 Operational

2020					2025
2	6	6	7	7	5

Operational risk remains a focus across Nedbank. Necessary actions are driven by various committees across the group to manage the operational risk impact on people, processes and technology, and from external sources such as legal risks and third-party and associated concentration risks.

The optimal synergy of people, process, and technology results in a resilient, high-performing business with increased productivity, enhanced collaboration, greater agility, better decision-making, and increased satisfaction among both employees and clients.

Our response

- Enhanced Operational Risk Management Framework to support our digital strategy and respond to evolving regulations through integration and digitisation.
- Developed the integrated Third-party Risk Management Framework to enhance control over key third parties, etc.
- Enhanced oversight of the payments landscape and risk profile, including risks related to transaction processing and execution.
- Advanced risk management and oversight of business processes.

Opportunities

- Unlock opportunities linked to our digital strategy to enhance operational risk management across the group.

Link to our capitals

Intellectual, Manufactured, Human, Social and relationship

Link to strategy

Digital leadership

7 Climate

2020					2025
12	10	8	8	8	7

Severe weather events, driven by climate change, are increasing in both frequency and intensity. This year 2024 was the hottest year on record globally and the first year that the average global temperature surpassed the threshold of 1,5 °C, despite countries pledging to prevent this breach via the 2015 Paris Agreement.

As pressure mounts to speed up the transition to a low-carbon economy, the associated transition risks impacting our clients and own operations need to be carefully managed. Nature risk, which is closely linked with climate change, is an emerging risk indirectly impacting financial institutions.

Our response

- Ensure our ESG and Climate Risk Management Frameworks are robust and relevant in managing ESG risks based on leading practice.
- Integrate climate-related risk into traditional financial risks across the group.
- Report on sustainability and climate risk aligned with regulatory guidance from SARB and international disclosure requirements.
- Conduct climate-related stress testing and scenario analysis.

Opportunities

- Provide finance solutions aligned with the UN SDGs.
- Deliver on glidepath interim emission targets.

Link to our capitals

Financial, Natural, Social and relationship

Link to strategy

Creating positive impacts

6 People

2020					2025
2	6	5	4	4	6

People risk remains elevated in the context of an increasingly dynamic human capital landscape. The main drivers of this risk include competition for and shortage of in-demand skills, the impact of internal operating model changes, external socioeconomic challenges on our workforce, and the need to promote demographic representation and inclusion.

The challenge is likely to be intensified by the concurrent developments in technology, digitisation and ESG in the financial services sector.

Our Human Capital Strategy provides targeted talent solutions designed to address the risk and secure our access to skills and capabilities needed for today and the future.

Our response

- Leverage our EVP as a talent magnet.
- Invest in talent practices that promote career growth and advancement.
- Build critical enterprisewide capabilities ahead of demand.
- Leverage our integrated reward and benefits offering to attract and retain talent.
- Continuously enhance our culture and human-centred leadership for a differentiated employee experience.

Opportunities

- Adopting AI-powered HR technology solutions and advanced people data analytics that unlock the full potential of talent management.

Link to our capitals

Human, Intellectual, Financial

Link to strategy

Digital, Human Capital Strategy

8 Organisational resilience

2020					2025
x	x	x	6	6	8

Organisational resilience is overarching and has the aim of ensuring that we remain relevant and competitive through products and service offerings that are aligned with the ever-changing demands and needs of clients. It includes operational resilience to ensure the continuous delivery of these products and services through disruption.

Strategic resilience of our business model is vitally important in the context of the dynamic and unpredictable environment in which we operate. This involves fostering a proactive organisational culture of innovation, agility and risk-managed change.

Our response

- Enhance collaboration between various disciplines to integrate and streamline operational resilience efforts.
- Manage emerging risks.
- Apply sound strategic planning to increase our ability to adapt and respond to change.
- Our approach to strategic resilience risk is built around ensuring business model viability (short-term performance) and ongoing assessment of our business model sustainability (long-term performance).

Opportunities

- Continuously embed a culture of proactiveness to anticipate and prepare for disruptions.

Link to our capitals

Intellectual, Manufactured, Social and relationship, Human

Link to strategy

Client experiences, Growth vectors

Managing risk strategically, while unlocking opportunities continued

9 Reputational and market conduct

2020					2025
9	9	9	9	9	9

Our reputational risk is predominantly influenced by adverse media and shaped by public perceptions.

We maintain a zero-tolerance approach to corruption and hold all stakeholders, including clients, service providers, and employees, to the highest standards of ethical conduct and integrity.

Our market conduct risk control environment remained stable, with ongoing oversight of open issues being performed and no material concerns relating to internal control environments having arisen.

Our response

- Continue managing reputational risk through our proactive Reputational Risk Management Strategy, with this underpinned by comprehensive governance and oversight.
- Perform benchmarking according to international trends and developments for reputational and market conduct risk management.
- Continuously analyse and monitor potential impacts of the unprecedented level of change on conduct and culture.

Opportunities

- Enhance proactive reputational risk management tools, with further use of data and technology driven solutions.
- Establish predictive market conduct risk appetite metrics to proactively manage conduct risk across the group.

Link to our capitals

Intellectual
Social and relationship

Link to strategy

Client experiences
Digital leadership

10 Capital

2020					2025
5	4	10	10	10	10

We have a fortress balance sheet in place, supported by strong capital and liquidity ratios as shown on page 73.

Resilience has become a defining characteristic of sustainability and success for banks, both locally and globally.

Our response

- Review the group's dividend cover and payout ratio.
- Focus on risk-weighted assets (RWA) optimisation and forecasting quality.
- Continuously refine our capital plan and execution of its objectives.

Opportunities

- Leverage our strong balance sheet position to pursue growth opportunities.
- Optimise the capital stack across common equity tier 1 and total capital positions.

Link to our capitals

Financial
Intellectual

Link to strategy

SPT
Create positive impacts
Growth vectors

Board oversight – ensuring and protecting value

Group Risk and Capital Management Committee (GRCMC)

'The GRCMC is dedicated to upholding high standards of risk management and governance. By fostering a culture of transparency and accountability, the committee has not only safeguarded the group's assets but has also preserved shareholder value. We remain committed in ensuring that Nedbank remains resilient and poised for sustainable growth.'

Errol Kruger, Chair

Ensuring and protecting value in 2024

- Monitored market conditions and the dynamic political climate before and after national elections in SA and many other countries to ensure Nedbank remained agile and responsive to shifts in the external environment.
- Monitored the effectiveness of the Enterprisewide Risk Management Framework (ERMF) in ensuring it fostered a strong risk-aware culture and Nedbank's resilience.
- Assessed the robustness and effectiveness of our internal control environment and the 3 lines of defence to ensure alignment with regulatory standards and best practices to strengthen Nedbank's ability to create and preserve value.
- Monitored emerging and digital risks to bolster Nedbank's resilience while navigating the ever-evolving operating landscape and safeguarding our digital infrastructure.

Focus for 2025 and beyond

- Foster a proactive and forward-looking risk management approach to safely integrate emerging technologies in Nedbank by mitigating any potential risks while optimising benefits to drive efficiency and build on strategic goals.
- Continue to manage and mitigate risks that may arise from failed data risk management processes and procedures, thereby ensuring protection of Nedbank client and proprietary data and maintaining trust.
- Review and approve the 2025 ICAAP and ILAAP and update the 2026–2028 risk management plan, including the risk appetite plan, and recommend them to the board for approval.

Stakeholders

Clients
Employees
Regulators
Shareholders

Top 10 risks

1 Strategic execution
2 Business
3 Credit
4 Cyberrisk
5 Operational
6 People
7 Climate
8 Organisational resilience
9 Reputational and market conduct
10 Capital

A comprehensive GRCMC Report is available online in our 2024 Governance Report on our group website at group.nedbank.co.za.

Our strategy

Our strategy provides a clear framework that outlines where we need to focus as a purpose-led organisation and what actions we need to take to achieve our short-, medium- and long-term targets. This approach ensures we create value for our shareholders and other stakeholders.

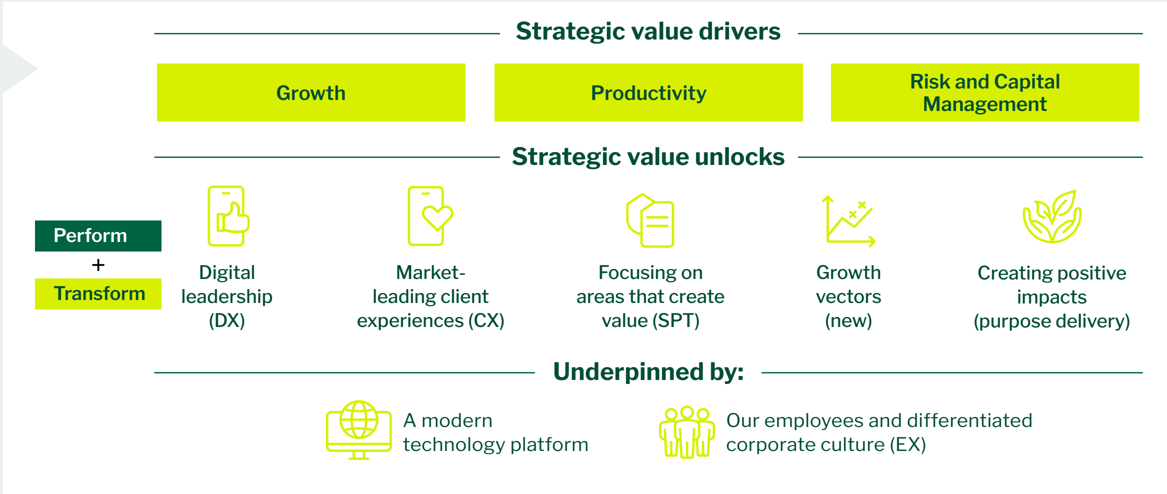
Strategic value drivers

Through our strategy, we aim to grow revenues faster than expenses, increase levels of productivity and maintain strong risk and capital management metrics.

Growth – To grow faster, we will focus on gaining profitable market share in key lending categories, increase our share of main-banked clients and related transactional deposits, and deliver market-leading client experiences to attract new clients and deepen our share of wallet among existing clients. We also look to unlock new growth opportunities, including the cross-sell of insurance products and portfolio diversification into East Africa and other new market segments, and leverage our modern technology platform for commercial value.

Productivity – To boost productivity we are building on existing efforts to optimise our structure and operating model, as well as leveraging technologies such as AI and intelligent hyperautomation.

Risk and capital management – Our world-class risk management capabilities ensure we balance risk and reward appropriately. Our CLR will be managed within our through-the-cycle (TTC) target range, while capital levels will remain strong, supporting future growth.



Perform and Transform agendas

Our 2024 planning cycle provided an opportunity to refresh and evolve our strategy, with the board and Group Exco deliberating on Perform and Transform outcomes for the group over the next few years.

- **Perform** outcomes focus on our existing strategy, managing the business within the changing operating context and accelerating execution in the short-to-medium term to ensure delivery on stakeholder expectations.
- **Transform** outcomes focus on unlocking transformational growth opportunities in the medium-to-long term in support of our financial targets. The various Transform initiatives can be summarised into 5 broad categories: (i) unlock value from the technology investments we have made over the past 10 years, while we invest in data and AI capabilities; (ii) scale our retail business in order to reduce its cost-to-income (CIR) and increase its ROE; (iii) diversify our portfolio into new segments and markets; (iv) leverage our market-leading sector skills and expertise in CIB to support revenue growth; and (v) expand more deliberately into key SADC and East African countries. At the same time, we are busy finalising a strategic review of our financial investment in ETI.

Strategic value unlocks

Our strategy, enabled by the modern technology platform we have put in place and our employees as our most valuable asset, is delivered through 5 strategic value unlocks: digital leadership and digital experiences (DX); market-leading client experiences (CX); focusing on areas that create value (SPT); growth vectors [new: replacing the target operating model (TOM) programme which has been completed]; and creating positive impacts. The progress we have made and outlook for these strategic value unlocks will be discussed in more detail in the next few pages.

Short-, medium- and long-term targets*

The more-difficult-than-expected macroeconomic environment and, in particular, muted industrywide loan growth have made it more challenging to achieve the original 2025 medium-term targets we set at the start of 2023. We will continue to focus on creating value for shareholders by delivering on our revised short-, medium- and long-term targets to improve our financial performance in 2024.

- **Short term** – In 2025 we aim to grow diluted headline earnings per share (DHEPS) by more than mid-single digits and achieve an ROE of greater than 16%, although our CIR is expected to increase slightly, partly due to the full-year impact of Eqstra in June 2024.
- **Medium and long term** – In the medium term, we will continue to progress our ROE to > 17% while our CIR declines to around 54% as revenue growth picks up. In the long term we remain focused on increasing our ROE further to > 18% (around COE + 3%) and improve our CIR to below 50%.

These targets are supported by various strategic and stakeholder-related key performance indicators (KPIs) and targets as shown on pages 69 and 70 and 89 and 90 respectively.

* *The guidance provided and targets set exclude the impact of any potential merger-and-acquisition-related corporate action.*

Our strategy continued

Modern technology platform

Through our technology strategy, we have built a modern financial services technology platform (manufactured and intellectual capital) that enables the delivery of innovative digital solutions through faster product development cycles. As a result, we have become more digitally oriented, client-focused, competitive and agile, with benefits evident in enhanced activity as well as an improvement in client satisfaction metrics and productivity. Looking forward, we will leverage the foundations that we have put in place to commercialise our technology investment and unlock new benefits.

Managed Evolution IT build completed

A key highlight of 2024 was the material completion of our Managed Evolution (ME) IT build, fundamentally within scope, time and budget. The final deliverables were the refactoring and modernisation of core banking systems that were completed at the end of 2024 and the digitisation of the secured lending digital client onboarding and servicing journeys in home loans and vehicle finance that were completed in Q1 2025.

As part of the programme, we reduced the number of core banking systems from 250 to fewer than 60, which reduced complexity and accelerated the time to bring new innovations to market; enabled real-time processing of the majority of transactions (previously batch processing); and ensured outstanding levels of systems stability, evident in 99,8% uptime in 2024, the highest level in 5 years.

The benefits of ME are evident in ongoing strong growth in digital metrics **(page 54)**; enhanced client experiences **(page 58)**; solid main-banked client gains and higher levels of cross-sell **(page 60)**; as well as the realisation of benefits through our TOM and expense optimisation programmes **(page 59)**.

Core to bank systems
250 → < 60

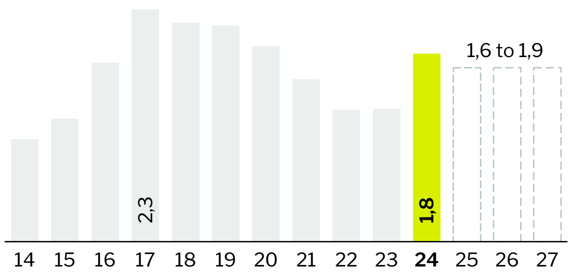
Total ME programme spend
R11,7bn

Processing
Batch → 24/7 real time

As noted in prior Integrated Reports, our ME programme was benchmarked against a globally recognised peer group of 14 local and international banks by 2 global consulting firms. Their findings concluded that Nedbank's technology strategy delivered ongoing value and that the group was one of a few enterprises in the peer group that achieved revenue uplift from its IT transformation programme. While cost optimisation was initially slower when compared with that of other leading global peers, the benefits have since increased given Nedbank's approach of using natural headcount attrition to optimise costs.

The final cost of the ME programme over the 10-year period was R11,7bn and 76% of the initial business case benefits have been realised so far. Intangible software assets on our balance sheet at the end of 2024 were **R8,4bn**, down from a peak in 2020 of R9,0bn. The decline corresponds with lower levels of IT cash flow spend, which peaked at R2,3bn in 2017 and is anticipated to remain around **R1,6bn** to **R1,9bn** into the future (2024: R1,8bn) as we continue to invest to remain competitive and unlock benefits from new technology developments.

IT software development spend
(Rbn annual cash flow)



Illustrative only

Cloud migration

In line with global learnings, our cloud strategy is evolving with a focus on commercial viability and strategic intent, moving from purely 'compute' and 'storage' migration (2024: 51%) to a more deliberate focus on modernising applications onto platform-as-a-service, or the adoption of software-as-a-service offerings, where it makes commercial sense. These technology placement decisions, across private or public cloud, are guided by strategic and commercial principles that ensure an appropriate balance between scalability, client experience and cost efficiency, through targeted migrations and timely retirements of legacy platforms.

Looking forward

As the ME programme comes to an end, our focus now shifts to extracting commercial value from this technology investment. This is discussed in more detail as part of our digital leadership (DX) strategic value unlock on page 56.

Case in point

Benefits from our ME technology investment

Digital client onboarding

Our simplified digital client-onboarding and service platforms enable clients to **open FICA-compliant accounts remotely** through our employee-assisted and self-service digital channels. These platforms provide a seamless omnichannel experience and include our apps, Online Banking, kiosks, contact centres and in-branch channels.

Digital product sales

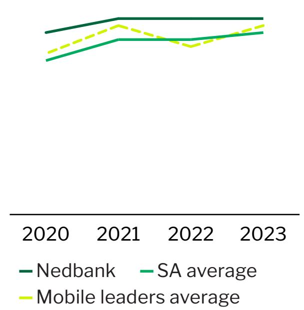
Our **top 10 retail products** are now available digitally, including home loans, vehicle finance, personal loans, transactional, overdrafts, credit cards, investments, forex, stockbroking and insurance products.

Digital servicing

Various services that were traditionally available only at a branch or through human interaction were digitised and automated. Today, **more than 200 retail client services** **and over 400 juristic services** are available on our apps and via electronic platforms, which enables our clients to benefit from self-service options.

Independent benchmarking by McKinsey shows that Nedbank consistently ranks above local peers and above the average of global leaders on servicing features offered to clients via our mobile channels.

Service features offered
(%)



Our strategy continued

▲ **12%** digital transactional volumes

70% digitally active main-banked clients (MT target: > 80%)

64% digital product sales (MT target: 75%)

▲ **14%** active Money app users (MT target: > 4 million)

65% Nedbank Business Hub adoption rate

Transform initiatives KPIs being developed for future disclosure

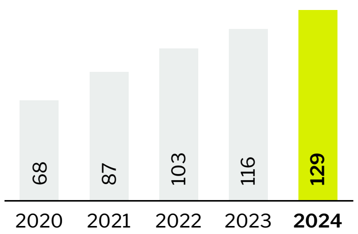
Digital leadership (DX)

By leveraging and commercialising our technology foundations (manufactured and intellectual capital) we will continue to enhance digital experiences (DX) for our clients (social capital) and employees (human capital). Companies that successfully meet the digital challenge by providing client-focused and market-leading digital solutions are also more likely to see an increase in client satisfaction (CX) and a strong shift towards digital adoption by their clients and, as a result, gain share of client revenue, improve client retention and improve productivity.

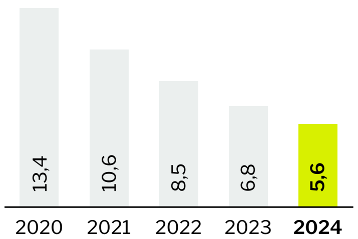
Digital transactions

Digital transaction volumes continue to increase, up by **12%** yoy and 90% since 2020, as we see client behaviour shifting away from manual and in-branch transactions. Digital transaction values were also up by **12%** and 69% since 2020. Going forward, we expect these trends to continue as manual in-branch and ATM transactions decline as more clients make use of digital channels.

Digital transaction volumes
(Million)



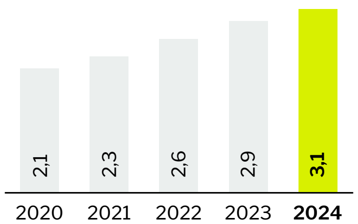
Branch teller volumes
(Million)

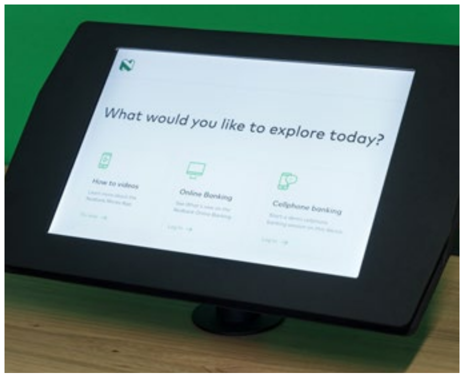


Digitally active clients

The number of digitally active retail clients in SA increased by 7% yoy (almost 50% since 2020) to **3,1 million**, representing **70%** of retail main-banked clients (2023: 69%), while we make ongoing progress towards our target of > 80%. Digitally active clients across the NAR business increased from 64% to 72% of its total active client base.

Digitally active retail main-banked clients
(Million)





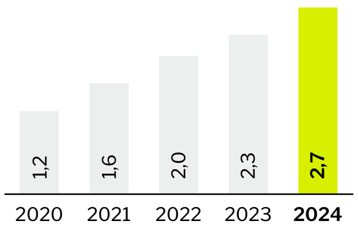
Apps and digital platforms

Our apps have evolved to being one of the primary channels that clients use to transact. Active Nedbank Money app clients increased by 14% to **2,7 million** in 2024, while transaction volumes increased by 16% (up by > 184% since 2020) and transaction values increased by 21% (up by > 210% since 2020). The Nedbank Money app (Africa), which offers convenience, a wide range of functionality and great user experiences for our NAR clients, reported a 21% increase in app users.

The adoption rate of the Nedbank Business Hub (NBH) for activities across all juristic segments increased to **65%** in December, from 48% at the start of the year. With the introduction of a new mobile app and the migration of our domestic transaction platform onto the NBH in 2025, we believe this trend will continue.

A key strategic focus in the period ahead is the redesign of our apps, through our Digi 2.0 programme, to create leading next-generation hyper-personalised contextual experiences.

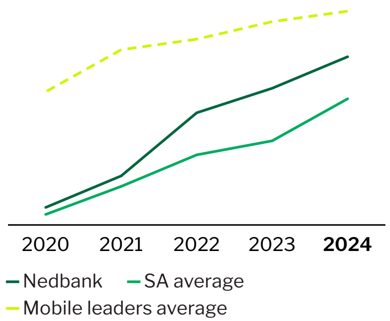
Active Money app users
(Million)



Digital product sales

Digital product sales in our retail business increased to **64%** of all sales (2023: 55%), showing the remarkable digital transformation over the past few years, from 28% in 2020. We retained our advantage over local banks but more needs to be done to get closer to global mobile leaders and our target of more than **75%** in the medium-to-long term. The digitisation of our home loans and vehicle finance client journeys, extending our insurance quoting, fulfilment, and claims functionality on digital channels, as well as the use of AI and digital marketing, will contribute to higher levels of digital sales in the years to come.

Digital sales contribution
(%)



Source: 2024 Finalta Survey (McKinsey).

Our strategy continued

Digital product simplification

The new MiGoals transactional products released off our new core banking systems now have more than 2,4 million active clients. The launch of these MiGoals products is part of the optimisation process of our transactional product range (60% reduction), which will be followed by the release of similar transactional products for private clients, high-net-worth clients and businesses, including the relaunch of an optimised set of investment (80% reduction) and lending products.

Planned reduction in number of products

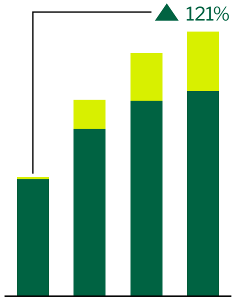
Transactional	Investment	Lending
▼ 60%	▼ 80%	To be determined

Digital when you want it; human when you need it

Our approach of 'Digital when you want it; human when you need it' not only offers our clients cutting-edge, fast, safe and convenient digital banking but also a human touch for clients who have more complex needs.

At the end of 2024, 92% of our points of presence had been converted to the Imagine branch design, which is more digitally oriented, and we plan to have converted all our points of presence by December 2025. In-branch, clients are presented with 3 distinct service zones offering self-service options, employee-assisted services, and expert advice. Our continued focus on sales productivity and our Everyone Sells Strategy has resulted in in-branch sales productivity improving by more than 100% since 2021, with servicing employees now contributing 27% of overall sales from zero 5 years ago.

Branch employee sales
(Sales/role/day)



As we continue to digitise our interface with wholesale banking clients, we remain aware of the need for the 'human touch' in certain interactions and service our clients in the most efficient, effective, and empathetic way. Our 'digital first with human support' approach means that relationship managers can guide clients through complex deals and services to ensure that their financial needs are being met, while clients can also use digital self-service tools to find what they need on their own.

Cybersecurity

Cyberrisk remains a top risk globally, with increased cyberattacks when compared with those in 2023 in both volumes and sophistication. To mitigate cyberrisk, we are continuously investing in cybersecurity measures as part of a comprehensive defence-in-depth approach. Additionally, we conduct regular training programmes for employees and clients to enhance awareness of cyberthreats and promote safe online practices. We maintained our advanced-level Bitsight Security Rating, which positions us within the top tier of the South African banking sector and exceeds the board-approved target. The rating evaluates an organisation's cybersecurity posture and risk using data-driven analytics.

Board oversight – ensuring and protecting value

Group Information Technology Committee (GITCO)

'Our commitment to robust IT governance has enabled us to navigate complexities and drive value creation, ensuring long-term success. Through diligent governance and strategic oversight, we have harnessed technology to enhance operational efficiency and support sustainable growth, ensuring our technology initiatives are aligned with our strategic goals.'

Rob Leith, Chair

Ensuring and protecting value in 2024

- Ensured the adequacy, effectiveness and efficiency of information systems from a risk and strategic-alignment perspective.
- Monitored the availability, stability and security of systems, as well as IT-related risks, including operational, digital, cyber and strategic-execution risks.
- Oversaw the progress of large IT programmes, particularly the conclusion of Nedbank's IT transformation and modernisation programme, Managed Evolution. Specific focus areas included project management disciplines, skills resourcing and workforce well-being.
- Reviewed and recommended to the board for approval the group's technology and data strategy up to 2027, with its increased focus on commercialising the modernised technology stack to increase competitiveness and sustainable value creation.

Focus for 2025 and beyond

- Monitor systems' availability and stability.
- Ensure that IT-related risks remain well managed.
- Oversee and monitor the progress on delivering the approved technology strategy, building on existing assets in support of the group's operating model and investment case.
- Monitor maturation of Nedbank's data infrastructure, governance and capabilities including responsible AI embedment.
- Monitor the commercialisation and consumption of technology and data initiatives, including increased focus on client sentiment.
- Monitor the optimisation and automation of processes across Nedbank.

Stakeholders

Clients
Employees
Regulators
Shareholders

Top 10 risks

1 Strategic execution
4 Cyberrisk
5 Operational
9 Reputational and market conduct

A comprehensive GITCO Report is available online in our 2024 Governance Report on our group website at group.nedbank.co.za.

Our strategy continued

Beyond banking

We continue to explore new sources of revenue and cross-sell opportunities while concentrating on client acquisition and retention as traditional revenue streams for banks come under pressure from heightened competition. Our Beyond Banking Strategy aims to integrate with selected ecosystems through digital engagement platforms to help businesses and consumers access solutions, goods, and services.

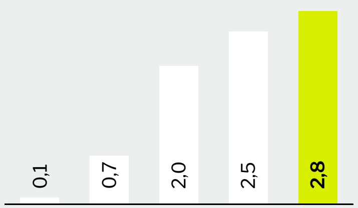
Avo super app

Avo SuperShop, which has been in the market for 4 years, has approximately **2,75 million** registered clients (up by 9% yoy) and continues to scale, with total gross merchandise value (GMV) increasing by 21% yoy across Avo ecosystems.

- **Avo Home** grew GMV by 26% yoy, providing discounts on Apple and Samsung devices as well as travel. Market-competitive products offering 0% interest loans akin to buy-now-pay-later arrangements and Avo Care (free screen repair and extended warranty on devices) were also introduced in 2024.
- **Avo Auto**, a virtual vehicle mall with approximately 1 000 MFC-accredited dealers and over 30 000 vehicles available on the platform, grew GMV by 30% yoy. Two new businesses were introduced in 2024: Assisted Sales (helps customers in distress to sell their vehicles) and Auto Care (enables clients to use credit available to finance tyres), which grew the Auto ecosystem beyond financial services.
- **Avo's renewables** ecosystem (Avo Solar and Avo Water) aligns with the UN SDGs and our SDF ambitions. **Avo Solar Residential** introduced lower-priced packages and grew GMV by 42% yoy and continues to be the largest partner for our clients' solar financing solution, despite the slowdown in market due to the absence of load-shedding. In 2024 **Avo Solar C&I** was the preferred partner for sourcing and rooftop implementations for all Nedbank branches and for our wholesale businesses. **Avo Water** for residential customers was launched successfully in 2024, offering customised water solution products to the public on the Avo Home section of the Avo website as well as at a dedicated Avo Water website.

Avo SuperShop launched in Namibia in H2 2023 and showed good progress, with 25 merchants and over 3 300 products on offer. Progress is expected to continue as more merchants are added to the platform.

Registered Avo clients
(Million)



Application programme interfaces (APIs)

After having been the first bank in Africa to launch an API platform (API_Marketplace), we made ongoing progress in scaling the platform and driving our embedded finance strategy. Our payments product set has expanded to include CashOut, Direct EFT and PayShap APIs, processing over R2,8bn collectively.

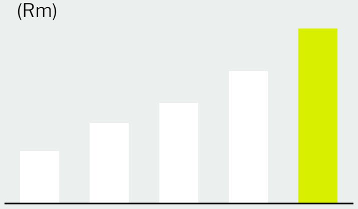
Third parties on API_Marketplace increased by 16%

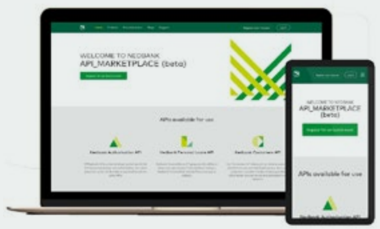
The number of subscriptions active on API_Marketplace continued to grow, with 16% growth yoy. In 2024 we extended our API product offering to Common Monetary Area (CMA) countries (Namibia, Lesotho and Eswatini), having enabled EFT payments and wallet APIs.

Value-added services

Revenue from value-added services grew by **32%** yoy (> 230% since 2020) and volumes were up by **17%** (> 120% since 2020) across prepaid data, voucher, and electricity purchases, as well as LOTTO, sending of money to cellphones, and instant payments. New additions for 2024 include the ability for clients to renew their vehicle licence discs seamlessly through our digital channels as well as the ability to pay any outstanding traffic fines.

Value-added services revenue
(Rm)





Transform: Extracting value from our technology investments

Having completed ME, our focus now shifts to extracting further commercial value from our technology investments, with the emphasis now on converging for scale, including harmonisation of our NAR systems, leveraging data and AI, optimising processes end-to-end, and modernising payments.

Harmonisation

Consolidating systems across the group, including our subsidiaries such as NAR, is underway as we seek to leverage the capabilities that we have put in place in SA for our NAR business to unlock the same benefits we achieved locally as highlighted on **pages 53 and 54**.

Data commercialisation

We have invested significantly in our data capabilities, leveraging data and AI through appointing a strong analytics team, including a Chief Data and Analytics Officer, to spearhead our strategy in this space and drive commercial outcomes. Various solutions based on data science techniques to make intelligent decisions have already been delivered, including next-best-action strategies to drive higher levels of cross-sell. We are currently investigating more than 50 use cases spanning credit scoring, cross-sell and up-sell, fraud analytics, and digital marketing, to name a few.

We have **invested significantly** in our data capabilities, leveraging data and AI

Our strategy continued

Nedbank Intelligent Hyperautomation (NIHA)

Our NIHA vision seeks to harness the power of AI, GenAI, machine learning and robotic process automation to extract benefits, including optimising cost, enhancing client experiences, increasing revenue growth and streamlining work processes. We invested significantly in our AI capabilities and have already delivered numerous AI solutions that have generated benefits.

- Following a successful **M365 Copilot** early-access programme in partnership with Microsoft, we have now rolled out more licences across the bank. Several use cases have already been implemented, resulting in productivity gains and quality improvements to business correspondence, research, and the maintenance and application of policies. Pilot users have noticed an average time saving of 42 minutes a day, with the top time-saving activities relating to creating and summarising documents, emails and chats.
- In addition, we have implemented GitHub Copilot, an **AI-powered coding** assistant that helps more than 980 developers by providing code suggestions and autocompletions within their integrated development environments, resulting in faster, more efficient and more accessible software development while helping developers of all skill levels write higher-quality code and focus on problem-solving.

Examples of data and AI use cases

Copilot, a new GenAI tool for MS365 productivity apps

Advanced credit scoring models

Early-warning systems, eg defaults on loan payments

Client profitability enhancements

Cross- or upsell lead creation

Preapproved **lending offers**

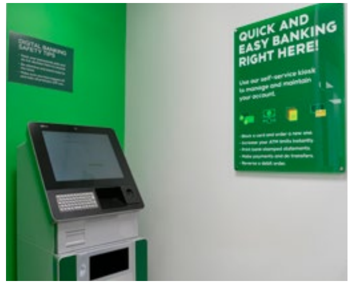
Optimised cash operations based on the predicted need

Fraud detection and prevention

The modernisation of our technology systems is accompanied by investment in complementary and critical new capabilities and skills in digital, emerging technologies, data science and predictive analytics, specialised finance and emerging risk types, including cyberrisks. This is underpinned by the creation of a competitive culture that emphasises the importance of human-centred interactions to enhance the client experience and client service, ensuring digital convenience when wanted and human contact when needed.

Payment modernisation

The modernisation of our payments domain is progressing well. Our participation in industry initiatives and our own payments efforts have enabled us to create a fully interoperable enterprise payment service hub. We were the first South African bank to build a centralised payment services hub, fully componentised and cloud-enabled, with a centralised payment execution structure. This approach assists with continuously driving increased straight-through processing, optimising fraud and cybersecurity capabilities and seamlessly unlocking digital experiences on various digital properties. The focus going forward is using AI and GenAI in digitising payment offerings and leveraging the data-rich insights to create agentic and seamless client experiences.



Case in point

Leading in an evolving payments landscape

We offer our clients, both individuals and juristics, access to modernised payments, meeting their current and evolving needs. For individuals, these payments include account-to-account, instant, card, e-commerce, virtual, and tokenised payments such as through Apple Pay and Send money. For juristics, our payments offering includes card payments (both physical and virtual), account-to-account payments, POS offerings, integrated payments, the processing of DebiCheck and cross-border payments.

The **payments landscape** continues to undergo a transformative shift driven by changing client behaviours, technological advancements and the rise of digital economies. We embrace these changes and invest in innovative solutions designed to enhance the client experience through seamless, secure, cost-effective and intuitive payment offerings. In 2024 our focus was to implement new offerings that serve the evolving needs of clients, enhance existing offerings, scale digital payments and shape future plans to maintain our leadership position.

The **payments regulatory environment** is also undergoing significant changes, with regulators aiming to modernise the payment ecosystem to achieve financial inclusion and greater competition, among other objectives. We actively participate in industry associations and other forums, contributing to the realisation of successful outcomes for SA, consumers and the financial sector. Our participation in industry modernisation initiatives and our own payments efforts have enabled us to create a fully interoperable enterprise payment service hub that will optimise cost to serve, increase innovation cadence, respond to open-finance opportunities, and unlock competitive advantages by enabling contextual and embedded payments in real time.

Our '**digital first with human support**' approach in payments supports ongoing strong growth in digital and mobile payments as shown on page 54, led by digital wallet payments, instant payments, Send money and e-commerce. Clients increasingly prefer the convenience of paying through mobile wallets with contactless payments, including Apple Pay and Samsung Pay, which payments grew **98%** yoy. Payments originated on our digital channels continue to grow strongly on our Nedbank Money app and Nedbank Business Hub. E-commerce payments in our acquiring business grew **35%**, with us holding a formidable position through strategic partnerships and differentiated solutions. Cash in circulation in SA remained stable yoy in 2024, but still remains the dominant form of payment, especially in the informal economy. According to BankservAfrica, displacing just 10% of cash transactions would yield approximately R450bn worth of new digital payment flows, which also brings about benefits associated with increased digital engagement via banking apps, thereby creating more cross-sell opportunities. We therefore continue with our digitisation strategies and cash optimisation across Nedbank.

Our strategy continued

Market-leading client experiences (CX)

#1 NPS among large South African banks surveying all clients

81% CIB client satisfaction score

99,8% IT systems availability (target: > 99,1%)

4,3 Money app iOS and Android ratings

▲ 0,5% RBB client complaints 71 255

▼ 5% Nedbank brand value R16,4bn

In a highly competitive financial services market, the ability to deliver exceptional client experiences (CX) is a crucial differentiator, supported by a strong competitive brand (intellectual capital). Our aspiration is to be Africa's #1 digital financial services provider by retaining the #1 position among South African banks in client satisfaction, thereby enhancing our social capital.

Net Promoter Score

Nedbank ranked **#1** on NPS, with a score of 68 in the 2024 Kantar NPS survey, based on survey feedback provided by a random sample of all retail clients who bank with the large South African retail banks. This compares with a #3 rank in 2019 (NPS score of 47) in the Consulta survey, which was similarly based on a sample of all clients. In 2022 the Kantar NPS survey replaced the Consulta survey, although at that stage it was based on main-banked clients only. In 2024, on a main-banked basis, Nedbank achieved a score of 70 LA1, tying with the second-highest ranking.

Nedbank NPS

All clients	Main-banked clients
68	70 LA1

In 2024 our Small Business Services and Private Clients business segments recorded their highest levels of NPS in more than 8 years.

In NAR, Nedbank was the market leader in client experience (NPS) in Mozambique and the leader in brand sentiment scores in Eswatini, Lesotho and Mozambique.

Our client satisfaction score in CIB was **81%** in 2024, above the global benchmark of 80%.

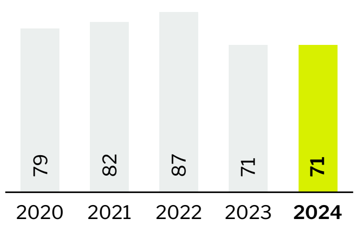
IT systems availability

In a 24/7 digital world, the availability of banking products, platforms and systems is critical to ensuring high levels of client satisfaction. Our IT systems availability uptime score improved to **99,8%** LA1 in 2024 (up from 99,6% in 2023), above our target of > 99,1%.

Client complaints

In 2024 the total number of client complaints declined slightly yoy to **77 504** (2023: 77 682), with RBB the largest contributor at **71 255** given its large client base. Pleasingly, 51% of cases were resolved within 5 days. On the back of the launch of lower-priced products such as MiGoals, complaints around pricing declined by 11%.

RBB client complaints
(000)



App ratings

Our apps remain highly rated on the iOS and Android app stores, with lifetime store client ratings for the Nedbank Money app, Nedbank Private Wealth app and Nedbank Money app (Africa) **4,3**; 4,6; and 4,2 (out of 5) respectively. Through our Digi 2.0 programme, we will be creating enhanced experiences for clients, making our apps even easier to use, more personalised, more supportive of greater levels of straight-through processing, and more integrated across digital and employee channels. To do this we are leveraging next-gen data and AI-infused capabilities, as well as modernised payments and app architectures.

Nedbank brand value

In 2024 the value of the Nedbank brand, as measured by Brand Finance, declined by 5% to **R16,4bn** and its rank dropped to #14 among South African companies. This decline was more reflective of 2023 data points and we were therefore pleased that the Nedbank brand value in the 2025 Brand Finance report increased by 24% to over **R20bn** and Nedbank's rank improved to #8. By leveraging data to enable the deployment of marketing technology (martech) we aim to unlock new commercial opportunities, improve brand preference and deliver marketing campaigns that are relevant to our clients at an individual level.

Case in point

Revolutionising product sales through martech

In 2024 we introduced new martech that will greatly improve how we market to our clients, enhance our interactions, ensure marketing efforts are more efficient, and help us grow revenues.

This technology helps us deliver more personalised and relevant banking experiences to our clients. Instead of sending out mass messages and campaigns, which have low response rates, we can now share content that is specifically tailored to each client's unique preference and behaviour. When clients log in to our digital banking channels, they will see offers and information that resonate with them, and they can choose when and how to interact with our marketing initiatives.

In 2024 we successfully launched 28 conceptual marketing campaigns across various business units, which resulted in cost savings and net new sales. A few examples are the following:

- Nedbank Group Investments reached out to clients who did not have long-term investment options. Our campaign, run entirely on the new platform, saved significant costs (no distribution costs) versus a traditional campaign that would cost up to R25 000. By educating 6 000 clients, we onboarded 38 new investment clients and gained investments of R2,8m in less than a month.
- We also used our data to better identify our audience. In a credit card usage campaign, we reported a 22% increase in client engagement, meaning we were more successful in reaching the right people at the right time. This not only improved the client experience but also saved us 20% in costs.

In 2025 we plan to run 100 campaigns of a similar nature and, by doing so, we will continue to learn how to manage costs better and increase revenues.

LA1 External limited assurance on selected sustainability information – refer to **pages 99 and 100** for the independent assurance practitioner's Limited Assurance Report on selected key performance indicators.

Our strategy continued

R3,0m	R4,0bn	15%	Launched a new
TOM 2.0 benefits (programme completed)	gross earned premiums (MT target: > 50% growth)	CIB gross operating income from Africa, excluding SA (MT target: > 20%)	mid-corp offering

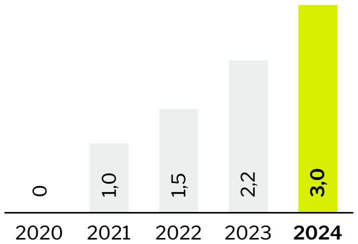
Growth vectors

We identified various new initiatives that will, over time, help us to get to our long-term ROE target. These 'growth vectors' cover 5 broad categories: unlocking value from the technology investments we have made over the past 10 years, while we invest in data and AI capabilities; delivering initiatives that will assist in scaling our retail business in order to reduce its CIR and increase its ROE; diversifying our portfolio into new segments and markets; leveraging our market-leading sector skills and expertise in CIB; and expanding more deliberately into key SADC and East African countries.

TOM 2.0

Our Target Operating Model (TOM) 2.0 programme reached cumulative cost benefits of R3,0bn in 2024 and, although now closed, our focus on productivity gains and expense optimisation will continue. TOM 2.0 optimised the shape of our infrastructure (branches and corporate real estate), shifted our RBB organisational structure to become more client-centred, and optimised our shared-services functions across the group as a direct result of the digital benefits from ME. Key outcomes included reducing our branch floor space to 118 000 m² in 2024 (cumulatively by almost 72 000 m² from 2020 levels) and, through our strategy of consolidating and standardising our own buildings, saving more than 208 000 m² since our optimisation initiative started in 2016.

Cumulative TOM 2.0 benefits
(Rm)



Growth vectors

As part of our annual strategy review in 2024 we identified various opportunities that will deliver incremental benefits in the medium-to-long term. These Transform initiatives, or 'growth vectors', leverage our strong foundations and areas of expertise, help us become more competitive, and unlock new revenue and cost optimisation opportunities, enabling us to make progress towards our long-term ROE of > 18%.

Key Transform initiatives

Unlock value from **technology investments**	**Scale our retail business**	**Portfolio diversification**	Leverage our sector **skills and expertise in CIB**	A more deliberate **expansion into key African countries**

Leverage **artificial intelligence**	**Gain market share** (in key lending and deposit-taking categories)	Deliver new **mid-corp offering**
Commercialise **data**	Grow and enhance **insurance cross-sell**	Grow our **presence in SADC and East Africa**
Modernise **payments**	Enhance **productivity**	Build out our **transactional banking franchises**
Harmonise IT systems in NAR	Leverage data-driven marketing **martech**	Evolve our **purpose and SDF ambitions**

Unlocking **value from our technology investments** (leveraging AI, commercialising data, modernising payments and harmonising our IT systems in NAR) is discussed in more detail on page 56, while **gaining market share** and unlocking a large **insurance growth and cross-sell opportunity** to help scale our retail business are discussed on page 60.

Through **portfolio diversification**, we seek to unlock new growth opportunities. We highlight 2 key initiatives as examples:

- **Growing our presence in East Africa** through a CIB-led approach by deepening our sector-led coverage of priority countries and investing in product capabilities. This is supported by leveraging our market-leading expertise and capabilities as highlighted on page 7. As a result, we seek to grow the contribution of business (gross operating income) generated on the rest of the African continent within CIB from around **15% to > 20%** over the medium term. In addition, we will explore inorganic growth opportunities that play to our strengths and can contribute to our strategic intent to grow scale in NAR.
- **Mid-corp**, our new dedicated mid-corporate service model that was launched during H1 2024, has been extremely well received. Positive progress has been made in appointing key talent into the mid-corporate model. Senior roles across coverage and credit underwriting are already contributing towards favourable client experiences. Pivotal to the success of this initiative is the ability of the leveraged-finance team to deliver tailor-made, highly differentiated solutions to our clients and, during 2024, we provided lending of R10bn to commercial clients.

A key catalyst for accelerating the retail and commercial-related growth vectors is the reorganisation of RBB and Nedbank Wealth to create 2 new client-focused clusters: Personal and Private Banking (PPB) and Business and Commercial Banking (BCB), which are discussed in more detail on page 67.

Our strategy continued

▲ 5% 3,7 million retail main-banked clients (MT target: > 4 million)

1,99 retail cross-sell ratio (target: MT > 2,5%)

20 primary client wins in CIB (target: > 25 per annum)

▲ 0,4% core lending market share 19,2%

▲ 0,4% retail deposit market share 16,8%

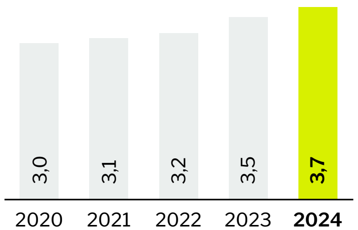
Focusing on areas that create value (SPT)

We aim to create value by strategically focusing on and achieving profitable market share growth. This involves integrated client-centred strategies, leveraging origination points to enhance cross-selling, and prioritising transactional banking relationships and main-banked client gains.

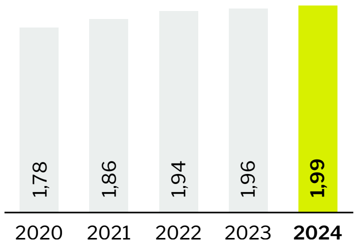
Main-banked client gains and cross-sell

- In 2024 main-banked clients in retail grew by 5% to **3,7 million** (23% growth since 2020), indicating solid progress towards our target of > 4 million in the medium term. The increase was supported by growth across all client segments, including youth, by 2% (1% since 2020); entry-level clients by 9% (29% since 2020); middle-market clients by 1% (27% since 2020); and private clients by 5% (41% since 2020). Small-business clients increased by 4% (12% since 2020) in a highly competitive market.
- Corporate and Investment Banking gained **20** new primary clients in the period.
- Cross-sell in retail improved to **1,99** (compared with 1,96 in 2023 and 1,78 in 2020), given significant growth in the Greenbacks programme, notice investment products and funeral plans. The opportunity to cross-sell insurance products across the group remains significant and is included as part of the group's growth vectors on page 59. Our focus remains on improving our cross-sell ratio to > 2,5 products per client, supported by technology initiatives and enhancing our sales culture.
- In Nedbank Africa Regions the number of clients increased by 14% to **396 733** LA1, of which around 166 000 are main-banked clients.

Main-banked retail clients
(Million)



Cross-sell ratio
(Number of products/client)



LA1 External limited assurance on selected sustainability information – refer to pages 99 and 100 for the independent assurance practitioner's Limited Assurance Report on selected key performance indicators.

Case in point

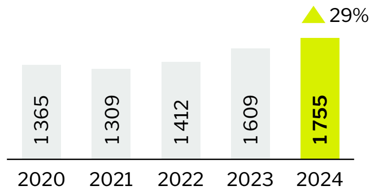
Insurance growth and cross-sell

Insurance remains a large **Transform** opportunity for the group as we seek to grow and cross-sell our insurance products (both traditional bancassurance and new solutions such as the MyCover suite) into the 7,6 million Nedbank client base. Over the past few years we have built strong capabilities and expanded our insurance product suite to 17 products. We seek to improve client penetration from around 19% to > 30% and thereby grow gross earned premiums (GEP) by more than 50% in the medium term. The strategic reorganisation of our insurance business into the new PBB Cluster will help with cross-sell, embed insurance more closely into client journeys and align incentives.

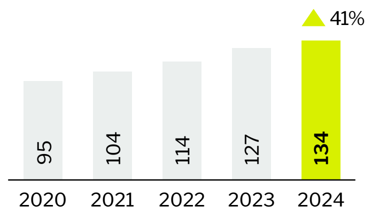
GEP growth
> 50%

Main-banked clients
(000, % growth 2020 to 2024)

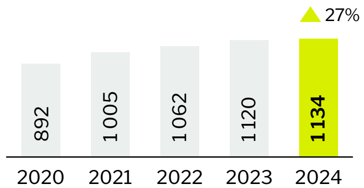
Entry level



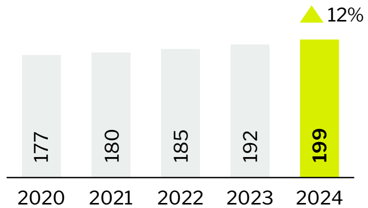
Private clients



Middle



Small-business services



Our strategy continued

Lending and deposit-taking market shares

Progress in achieving our desired portfolio tilts in 2024 was mixed, although total core lending market share increased by 0,4% to 19,2% and retail deposits, a key indicator of franchise strength, also increased by 0,4% to 16,8% as reported in the December 2024 SARB BA900 returns.

- **Market share gains** – We gained market share in wholesale term loans (+0,2%) and in retail products such as home loans (+0,3%) and vehicle finance (+0,8%), where we are the market leader. Retail deposits now achieved 5 quarters of gains after 5 years of losses.
- **Market share losses** – Given ongoing risks in the environment and quality of applications that did not align with our risk appetite, we deliberately lost market share in personal loans (-0,9%). After gaining significant share in retail overdrafts over the past 5 years (+5%), we consolidated our position and market share also declined by 0,9%. In credit card we disappointingly lost share (-0,8%) and this is receiving significant focus.

Looking forward, under our Transform agenda, we seek to grow market share in key areas. Our ambition over the long term is to scale retail lending market share in products such as home loans, card and personal loans to > 16%. We will leverage our strengths in CIB to expand into East Africa and grow our deposit market share further, with a focus on transactional deposits as we expand our transactional banking franchises across retail, commercial and corporate.

BA900 market share	Dec 2023 (%)	Dec 2024 (%)	yoy change
Total core loans	18,8	**19,2**	▲
Wholesale term loans	16,0	**16,2**	▲
Commercial mortgages	36,0	**35,9**	►
Home loans	14,7	**14,7**	▲
Retail vehicle finance	35,1	**35,9**	▲
Retail overdraft	15,1	**14,4**	▼
Personal loans	11,0	**10,1**	▼
Credit card	10,0	**9,2**	▼
Retail deposits	16,4	**16,8**	▲
Commercial deposits	15,8	**15,4**	▼

Achieving sustainable and profitable market share gains is not linear as one needs to navigate external macroeconomic conditions and market influences such as competitive practices at peers (discussed on page 45). Each of our products also has its own individual flight path towards market share gains linked to factors of internal readiness, such as credit policies; digital capabilities; marketing focus; product profitability; and client affordability, behaviours and needs.

Board oversight – ensuring and protecting value

Group Credit Committee (GCC)

'Credit risk management and governance remained excellent, amid a challenging yet slowly improving macroeconomic environment characterised by decreasing interest rates, easing inflation and a stabilising political environment, particularly with the establishment of the GNU. The GCC provided independent oversight and guidance, ensuring a sound, good-quality credit portfolio, which remained adequately impaired.'

Errol Kruger, Chair

Ensuring and protecting value in 2024

- Approved the adequacy of impairments (biannually) to ensure that the expected credit loss (ECL) held against gross loans and advances (GLAA) was appropriate.
- Approved the adequacy of credit risk-weighted assets (RWA) to ensure that the capital held is appropriate.
- Monitored originations and collection initiatives in Retail as well as large counter resolutions in the wholesale portfolio, which resulted in an improved credit loss ratio (CLR) outcome in 2024
- Ensured the application of effective credit risk mitigation strategies, including early identification of distressed portfolios and proactive management of watch list clients.

Focus for 2025 and beyond

- Oversee ongoing credit risk management across all portfolios to optimise the outcome of the cost of credit and credit RWA.
- Monitor the progress made on the implementation of Basel III Reforms on the credit portfolio.
- Monitor developments emanating from SARB's proposed amendments to Directive 7/2015 relating to the treatment and classification of distressed restructures on the credit portfolio.
- Monitor the effectiveness of originations and pricing models in the Retail credit risk environment.

Stakeholders

Clients, Employees, Regulators, Shareholders

Top 10 risks

2 Business, 3 Credit, 7 Climate

A comprehensive GCC Report is available online in our 2024 Governance Report on our group website at group.nedbank.co.za.

Our strategy continued

Creating positive impacts (purpose delivery)

▲ 32%
R40bn renewable energy finance (exposures)

19%
SDF as % of total loans (2025 ambition: 20%)

3,3 $mtCO_2e$
thermal coal GHG emissions financed (2030 target: ▼47%)

5,1 $mtCO_2e$
oil and gas GHG emissions financed (2030 target: ▼26%)

71 $ktCO_2e$
own operational GHG emissions (2025 target: ▼40% from 2019 levels)

10%
own operational renewable energy sourced (2030 target: 100%)

Level 1
BBBEE status for 7 years (target: retain level 1)

For our business to thrive, it is essential to have a robust economy, a well-functioning society, and a healthy environment. We also acknowledge that sustainability issues such as climate change, inequality, and social justice significantly influence this system and establish the parameters within which we operate. Through capital allocation decisions, we can play a significant role in supporting positive societal, environmental and economic outcomes.

The necessity for banks to comprehend, adapt to, and support the climate and broader sustainability agenda remains a significant trend shaping the financial sector. The rapid pace of change, driven by the urgent climate reality, stakeholder demands, evolving regulations, and increasing disclosure requirements, has led to many banks struggling to keep up. This requires comprehensive changes and responses – from strategy and compliance to product innovation. We are fully committed to our sustainability journey, investing in institutional capability and capacity building to ensure coordinated progress across the group.

Achieving our purpose of using our financial expertise to do good is best accomplished by supporting our clients' SDF needs. We intentionally direct our lending portfolio towards initiatives that generate beneficial impacts and align with the UN SDGs, while minimising harm involves reducing our carbon footprint through both our financing activities and internal operations. The SDGs serve as forward-looking strategic levers, while ESG metrics provide a retrospective measure, collectively keeping us aligned with our purpose.

Purpose Programme of Work

In 2023 we launched our groupwide Purpose Programme of Work (PPOW), endorsed by the board and Group Exco, to enhance our purpose fulfilment. The intent of PPOW is to (i) effectively coordinate, streamline and institutionalise the fulfilment of the bank's purpose across the enterprise; (ii) meet regulatory requirements; and (iii) secure a leading, differentiated position for Nedbank through unlocking purpose-led commercial opportunities and new areas of growth.

PPOW integrates sustainability and climate considerations across 8 workstreams: planning, strategy, risk and compliance, reporting, people, governance, data, and processes. These efforts aim to accelerate ESG data and systems, embed decisions in credit and lending, and enhance capabilities for financed emissions as part of Nedbank's transition plan.

Key outcomes in 2024 resulted in the following:

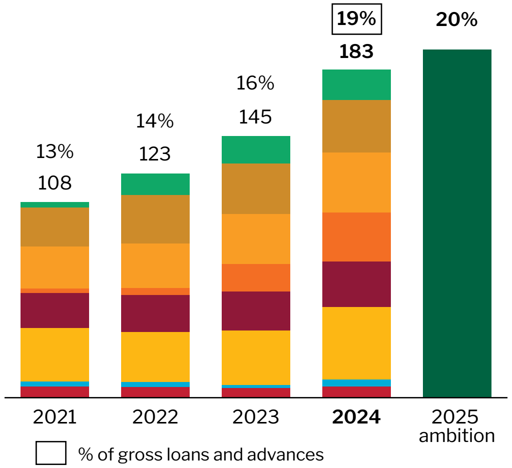
- The inclusion of specific requirements into our business plans, including KPIs for purpose enablement, training commitments for employees on climate and nature issues, financial targets for delivery of SDF, and strengthening of governance structures across our businesses.
- The advancing of the metrics and targets section of our net-zero transition plan that prioritises financed emissions calculations and a timeline for disclosures of our emission-intense sectors.
- Membership of PCAF and ANCA to continue learning and alignment with industry best practices.
- Completion of phase 1 of a Nature Risk Materiality Assessment to understand nature-related financial risks within the portfolio, following the release of Nedbank's Nature Position Statement.
- Engagement with over 350 clients, primarily in climate-sensitive sectors.
- Development of a high-level ISSB IFRS Adoption Roadmap to align with the new reporting standards.
- Enhancement our climate approach to incorporate nature.

Sustainable development finance

Our approach to SDF involves increasing our investment and lending to both juristic entities and individuals to achieve positive social and environmental outcomes in various sectors. This is carried out through core business with a focus on sustainable finance, financing the transition and financial inclusion. While acknowledging the importance of all 17 SDGs, we have prioritised 9 of them where we can make a significant impact through innovation in our banking products, as well as our lending and investment practices.

As of 31 December 2024, we had R183bn of exposures that support SDF, representing 19% of our gross loans and advances (2023: R145bn, 16%). Our ambition, set in 2022, was to increase this to 20% by the end of 2025, after which we will be looking to set a new target to 2030, as we expect these exposures to grow at least 1,5 times faster than traditional loans. Growth is likely to be driven by SDG 7 (renewable energy), SDG 12 (agriculture), SDG 8 (SMME lending) and SDG 6 (water).

Sustainable development finance
(Rbn)



R33bn for green certified buildings and affordable home loans

R4bn financing for clean water and sanitation

R29bn support for farmers and the agriculture sector

R40bn total renewable energy exposures

R17bn sustainable finance across multiple SDGs

R25bn lending exposure to small businesses and their owners

More detailed disclosures are available in our 2024 Society Report at group. nedbank.co.za.

Our strategy continued

Reducing our carbon impact

Our journey to net zero continues to evolve. After previously disclosing our fossil fuel and power generation glidepaths that guide our transition to supporting a low-carbon economy, along with financed emissions disclosures for residential home loans, vehicle finance and power generation, in our 2024 year-end reporting we are expanding our disclosures to include commercial property and mining. We also continue to reduce our own operational carbon footprint and increase sourcing of renewable energy for our own operations.

Our journey to net zero

2020 **Climate change resolutions** passed with 100% votes of approval at our 53rd AGM.

2024 Disclose net-zero-aligned **glidepath for upstream fossil fuels and power generation.**

2025
- Disclosed financed emissions for **home loans, vehicle finance, commercial property and mining.**
- **No provision** of project financing for **new thermal coal mines**.
- Reduce Nedbank's **own operations' carbon emission by > 40%** (from 2019 levels).
- **Generate > 30% of Nedbank's own energy needs** from renewable sources.

2030
- **Thermal coal** financing to be < 0,5% of gross loans and advances; and financed emissions to **decline by 47%** from the 2022 baseline.
- **Oil and gas** financed emissions to decline by **26%** from 2022 levels.

2035 **No new finance** for oil production.

2045 **Zero exposure** to fossil-fuel-related activities.

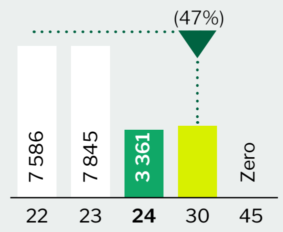
2050 **100% of lending and investing** supporting a net-zero carbon economy.

Financed emissions IA

In line with our commitment to have zero fossil fuel exposure by 2045 (based on science-based targets), in 2024 we finalised our first sectoral glidepaths that inform our exit from the thermal coal, oil and gas sectors over time, using the widely adopted International Energy Agency (IEA) Net Zero (NZE) 2050 pathway as a basis for our first targeted commitment to 2030 (31 December 2029). This will result in targeted reductions, from 2022 to 2030, of **47%** for thermal coal (2024: **57%** decline from base) and **26%** for oil and gas (2024: **15%** decline from base). As a result of our significant renewable energy power generation book, the carbon intensity of the energy book is already below the 2030 NZE target of **165 gCO_2e/kWh**, and we have therefore adopted the 2030 IEA target as a cap, with the beyond-2030 cap to be assessed closer to the time (2024: 127 gCO_2e/kWh). This year, in addition to fossil fuel, home loans and vehicle finance base lines, we included commercial property and mining, which in total represents approximately **65%** of Nedbank's loans and advances, including high GHG intensive sectors.

Thermal coal glidepaths

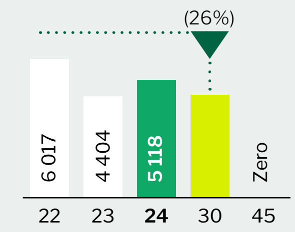
($ktCO_2e$ financed)



The line with 47% represents the reduction target in absolute financed emissions from thermal coal by 2030, compared to 2022 levels.

Upstream oil and gas glidepaths

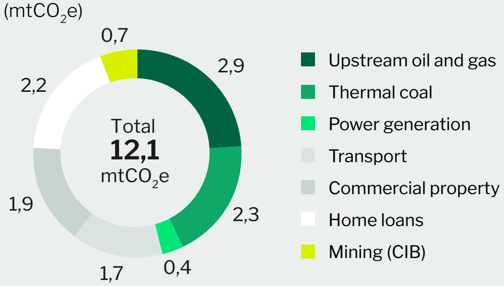
($ktCO_2e$ financed)



The line with 26% represents the reduction target in absolute financed emissions from thermal coal by 2030, compared to 2022 levels.

GHG financed emissions

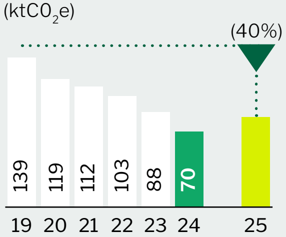
($mtCO_2e$)



Finance emissions presented for portfolios where base line assessments have been completed.

Own operational GHG emissions

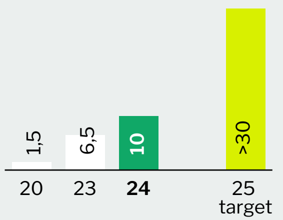
($ktCO_2e$)



The line with 40% represents the reduction target in absolute scope 1 and scope 2 emissions from own operation by 2025, compared with 2019 levels.

Own operational renewable energy sourced

(% of total electricity)



Our own operational emissions

Our own scope 1, 2 and 3 GHG emissions were **119 $ktCO_2e$**, with a reduction target of scope 1 and 2 (own operations) of more than **40%** by 2025 (from the 2019 base) achieved a year earlier in 2024 at **71 $ktCO_2e$**. In 2024, **10%** of our energy use was from renewable energy sources (6% in 2023), and we aim to increase this to more than **30%** by the end of 2025.

We are likely to achieve 20% of renewable energy by 2025. The current constraints are that we currently can only wheel to our Eskom supplied campuses.

LA1 External limited assurance on selected sustainability information – refer to pages 99 and 100 for the independent assurance practitioner's Limited Assurance Report on selected key performance indicators.

IA Our financed emissions metrics, calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard, have been assured through an internal audit review of the internal controls and related processes.

More detailed disclosures are available in our 2024 Climate Report at group.nedbank.co.za.

Our strategy continued

Other ESG highlights

In 2024 external stakeholders again acknowledged our efforts in sustainability and ESG matters, with the following as key highlights over and above the progress we have made on climate and sustainability:

- Maintained our **level 1 BBBEE** status for 7 years.
- Offered more than **3 500** first-time job opportunities for unemployed youth through the YES Programme (> 13 500 since inception).

Nedbank YES Youth attending the Induction Event in July 2023, Nedbank Sandton.

- Continued to improve our **DEI metrics**, as demonstrated by increased numbers of black and female employees, as well as increasing middle and senior African management representation by > 4%.
- Through our township branches that have dedicated spaces for community financial education, we hosted **> 400** workshops equating to more than 1 000 hours of training interventions covering financial education, as well as business guidance.
- We supported approximately **318 000** small businesses (2023: 305 000) with solutions, advice, and financial and business support, contributing to their growth and development.
- Entry-level main-banked clients increased by 9% to **1,8 million** as we support financial inclusion.
- Effective management of our facilities has resulted in a decrease in resource consumption during 2024, while the number of employees working from the office continued to increase. Water consumption was **150 465 kℓ** LA1 reflecting a 5% decrease (159 105 kℓ in 2023) and there has been an 40% decrease in tonnes of waste sent to landfill to **92 tonnes** LA1 (154 tonnes in 2023). There was a 6% decrease in waste recycled to **403 tonnes** LA1 (427 tonnes in 2023).

Independent ESG ratings

We are proud to have maintained our top-tier ESG ratings.

Read more about our ESG ratings on page 22.

LA1 External limited assurance on selected sustainability information – refer to pages 99 and 100 for the independent assurance practitioner's Limited Assurance Report on selected key performance indicators.

Board oversight – ensuring and protecting value

Group Sustainability and Climate Resilience Committee (GSCRC)

'Nedbank's clients are impacted by the inescapable impacts of climate change. As our clients adapt to these changes, our commitment to supporting them on this journey is guided by our approach to protecting nature and mitigating social and environmental risks.'

Brian Dames, Chair

Ensuring and protecting value in 2024

- Supported the development of an ISSB IFRS S1 and S2 standards adoption roadmap to begin aligning our sustainability and climate reporting with these standards.
- Oversaw the adoption of the Nature Position Statement and the Nature-related Financial Disclosures as the basis of reporting.
- Oversaw the adoption of fossil fuel (upstream coal, oil and gas) and power generation glidepaths.
- Added a prohibition of lending towards activities that may negatively impact biodiversity resources in protected areas or critical habitat or conservation areas.
- Oversaw the central coordination of sustainability; environmental, social and governance (ESG); and climate-related functions, led by the Group Executive: Group Strategy.
- Oversaw the Purpose Programme of Work as the approved construct to institutionalise purpose fulfilment across the organisation.

Focus for 2025 and beyond

- Enhance reporting against the requirements of IFRS S1 and S2 and the Taskforce on Nature-related Financial Disclosures.
- Integrate the metrics and targets of the bank's Transition Plan across business.
- Prioritise and scale sectoral glidepath developments for high-emissions portfolios.
- Monitor sustainability, climate and ESG risk.
- Monitor the enablement of sustainable development finance through our purpose.
- Focus on the alignment and execution of the ESG Tech Steerco initiatives with the broader programme of work.
- Oversee client engagements to assist with their transition journeys.

Stakeholders

Clients, Employees, Regulators, Society, Shareholders

Top 10 risks

1 Strategic execution, 2 Business, 3 Credit, 7 Climate, 10 Capital

A comprehensive GSCRC Report is available online in our 2024 Governance Report on our group website at group.nedbank.co.za.

Our strategy continued

Our Human Capital Strategy

Our Human Capital Strategy serves as a crucial enabler of our overarching strategy, recognising employees as our most valuable asset and our culture as a significant differentiator. Our primary focus remains on achieving 4 strategic outcomes.

Future-fit operating model and workforce composition

Digital transformation that is supported by a changed operating model, organisational design and workforce composition with the aim to drive efficiency, agility and competitiveness.

Human-centred leadership that role-models and enables The Nedbank Way

A culture shift that enables the evolving Nedbank operating model, leveraging human-centred leadership and inspiring our workforce.

Access to an appropriately skilled and diverse workforce

A highly skilled, diverse and transformed workforce, representative of society, which is key to remaining competitive. We continue to focus on reskilling our workforce for a new reality and creating a sense of belonging for all.

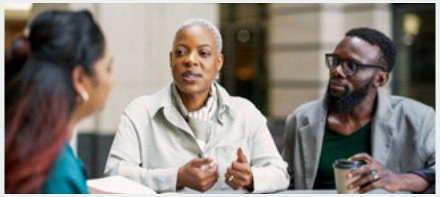
A thriving workforce

Sustained performance of our workforce, which can be achieved only through a focus on their holistic well-being and a range of competitive benefits that offers greater choice.

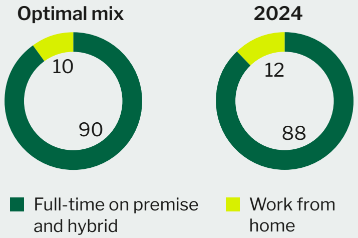
Key human capital allocations and developments in 2024

Our **workforce composition** continued to be reshaped from a hierarchical pyramid structure to a more diamond shape, influenced by growth in specialist skills roles and fewer administrative-based roles.

We **adapted our work model** to facilitate agility and efficiency, but at the same time bring more people back to the office to deepen collaboration.



Targeted workforce distribution model
(%)

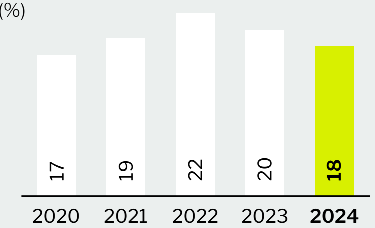


We continued to make significant progress in our **leadership and culture transformation** journey, ensuring that we meet the evolving needs of our workforce, clients, market and operating context.

We continued building on **The Nedbank Way**, (our culture principles) through our CultureShift sessions hosted by Nedbankers and expert speakers to drive specific mindsets and behavioural shifts we require. The CultureShift sessions in 2024 focused on 3 culture principles: learn to grow, play to win, and stronger together.

Our Pulse survey results remain favourably strong. We achieved the highest response rate to date, 90%, in our September 2024 Pulse survey, which demonstrates that employees find the surveys worthwhile and shows the high levels of willingness from our employees to share their feedback.

Employee 'Great place to work' NPS
(%)

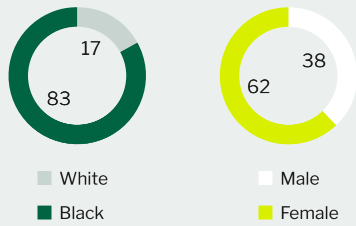


Transformation initiatives such as LGBTQ+ and our women's and disability forums added value through various channels and activities.

We spent R1,0bn on **learning and development and continue to invest in talent hotspots** such as software engineering, data and quant analysis, as well as risk management.

We continue to make **progress on our diversity profile**, with an increasing focus on **African talent**.

Employee diversity
(%)



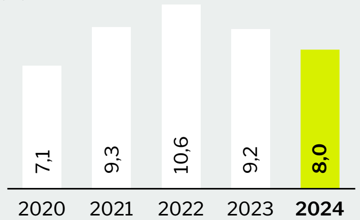
High-demand skill hotspots
Wealth managers | Software engineers | Data engineers | Quant analysts | Digital marketers | Systems analysts | Credit managers | Compliance officers | Risk managers | Business intelligence analysts | Digital and design experts | Process engineers

We continue to offer **attractive salaries and benefits**, with an average salary increase of 6,0% in 2024.

A total of 2 313 employees participated in on-site comprehensive **health screenings** (2023: 1 611), which is significantly higher than the 2,6% sector average. Approximately 98,5% of participating employees indicated that the offering improved their well-being.

Over 6 200 employees attended **financial education awareness** workshops: 1 042 on-site sessions and 987 1-on-1 financial conversations

Employee attrition
(%)



Read more about how we created and protected value for our employees on page 80, as well our Human Capital Review in our 2024 Society Report available at group.nedbank.co.za.

Our strategy continued

The Nedbank Way

The Nedbank Way articulates the culture we aim to cultivate in order to realise our strategic objectives. It aligns with our purpose, values, People Promise, and leadership framework, serving as an employee value proposition. It delineates the workforce experience we aspire to create and provides practical, actionable guidance for all our employees. Our 7 culture principles are the following:

Put purpose into practice

Our purpose connects and unites us, focuses our efforts, and defines our role in society. It balances short-term profit with long-term value and highlights our commitment to a green economy and a sustainable African future.

A total of **> 18 300** employees completed our Climate 101 e-learning module and **> 22 000** completed our Sustainability 101 training programme.

Different is good

We drive diversity, equity, and inclusion in our engagement, solutions, and care. Nedbankers feel a sense of belonging, showing up authentically and respecting each other. DEI is part of our DNA, not just policy. We support the marginalised and stand for what is right, creating a safe environment for all voices.

The progress we are making in shifting our **African talent** representation, as discussed on **page 80**, is testament to this culture principle.

Do the right thing and do things right

We value trust, ethics, and integrity. We hold ourselves to high standards, ensuring our actions reflect our intent to be money experts who do good. We protect trust and do the right thing for everyone.

A key initiative in 2024 was providing ethics and human rights training to **11 838** employees (2023: 1 601).

Client obsession

We deliver value and build relationships with clients. This is how we achieve success. Our clients are our priority; without them, we don't exist. We create value, care, connect, or build strong relationships with them. We keep our promises and delight clients every time.

The **strategic reorganisation** announced in Q1 2025 will support an organisational design more focused on client centredness (**page 67**).

Stronger together

Despite our different roles and locations, we are all Nedbankers. Teamwork is powerful. Collaboration is essential, bridging silos across teams and countries, making us stronger together.

The restructuring of RBB and Nedbank Wealth, discussed on **page 67**, is a clear example of how silos are being broken down to **better serve our clients and collaborate**.

Play to win

We set ambitious goals, take calculated risks, and learn from mistakes. We value speed and agility, resilience, and human-centred leadership. Success is balanced with people's well-being, ensuring commercial success and sustainability.

At our annual leadership event, 300 of our top leaders provided input that emerged as our new **Transform** initiatives and growth vectors (**page 59**) that will assist Nedbank to win and become more competitive.

Learn to grow

We embrace change and the future's potential. To stay ahead, we must continuously learn, adapt, and evolve both individually and as an organisation. We challenge the status quo with a solution-focused mindset, valuing curiosity, creativity, and critical thinking. This growth mindset keeps us relevant and effective as Nedbank.

We spent **R1,0bn** on learning and development of our employees, and continue to invest in talent hotspots such as software engineering, data and quant analysis, as well as risk management.

Strategic capital decisions and trade-offs

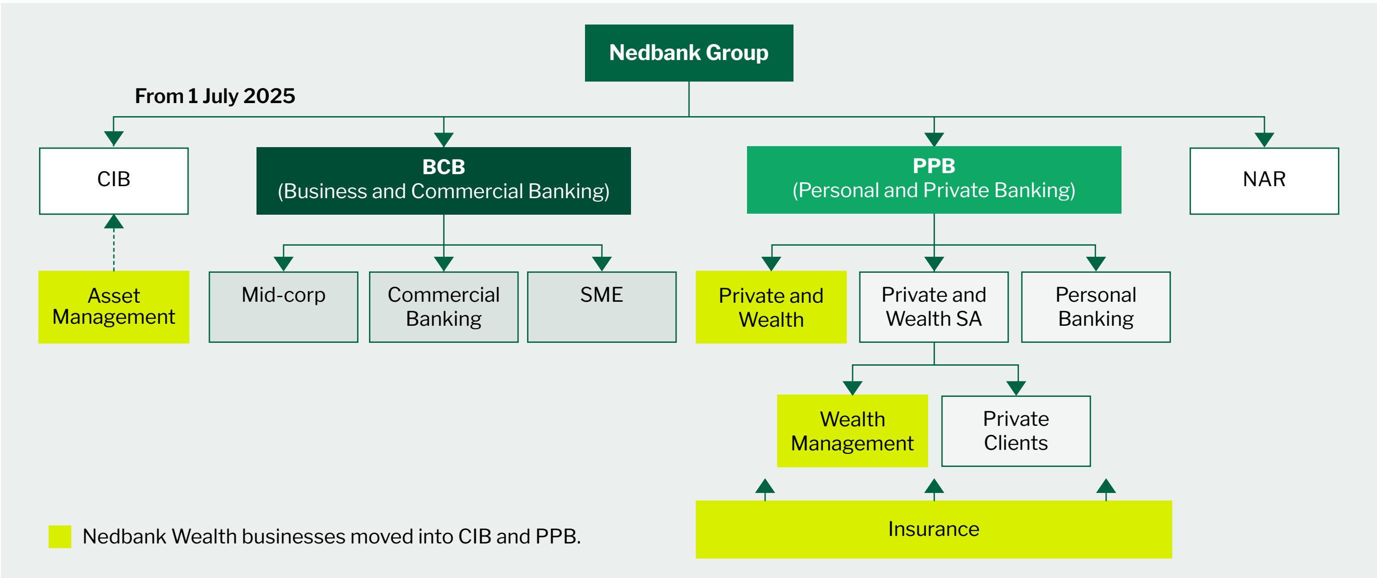
The Nedbank Board and Group Exco continue to demonstrate integrated thinking as they make strategic decisions regarding the group's capitals and, as a result, strategic trade-offs. In their deliberations they assess the availability and quality of the group's capitals, as well as the potential impact on various stakeholders and value creation, preservation and erosion outcomes over the short, medium and long term. The following examples highlight some recent decisions and actions:

Strategic reorganisation to unlock benefits

To sharpen execution of our strategy, compete more effectively in the market, improve levels of cross-sell and unlock new growth opportunities, we have embarked on an **organisational restructure** of our Retail and Business Banking (RBB) and Nedbank Wealth Clusters towards an organisational design (manufactured capital) more focused on client-centredness. This led to the creation of Personal and Private Banking (PPB), an individual- or non-juristic-focused cluster that will provide a full suite of solutions to individual clients across the youth, entry-level, mass, middle, affluent and high-net-worth segments. The reorganisation will also see the creation of Business and Commercial Banking (BCB), a juristic-focused cluster that will cover the spectrum of small-and-medium-enterprise (SME), commercial and mid-corporate clients, to unlock accelerated growth through new compelling value propositions while elevating the cluster to Group Exco level.

As part of the reorganisation, Nedbank Insurance and Nedbank Wealth Management will be incorporated into PPB as we seek to unlock cross- and upsell opportunities into the existing Nedbank client base, create scale, and leverage capability synergies between Wealth Management and Private Clients to strengthen our value proposition in the market.

Our Asset Management business will move into CIB and focus on building out its product offerings while improving new business origination.



We anticipate substantial benefits for all our stakeholders:

Employees (human capital) will be more empowered as we break down structural barriers to collaboration, create increased focus and align incentives across the organisation.

For **clients** (social and relationship capital), the reorganisation represents a transformative leap forward in how they will experience Nedbank. By unifying our personal and juristic business segments into distinct, focused clusters, we will be able to offer more seamless and integrated banking experiences. Clients will benefit from holistic financial solutions, enhanced client service, more tailored business solutions from BCB, greater access to financial expertise in PPB, and increased investment and innovation in product offerings enabled by efficiencies and accelerated growth.

Our **shareholders** can expect improving financial performance from Nedbank over time, underpinned by delivering focused growth strategies, including the unlock of cross-sell opportunities and increased productivity. Streamlining our operations and creating increased segment focus would contribute to our achieving a long-term ROE of > 18%.

In Q2 2025 we will refine and implement effective structures and finalise leadership and changes will become effective from 1 July 2025, with PPB and BCB also reported as the new clusters as part of the group's 2025 interim results.

Capital outcomes

Manufactured capital ▲ **Financial capital** ▲ **Human capital** ▲ **Social and relationship capital** ▲

Strategic capital decisions and trade-offs continued

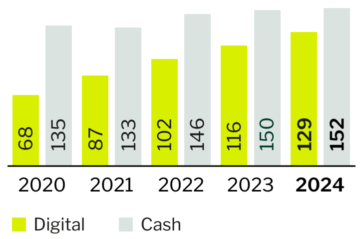
Trade-off between cash and digital payments

With the ongoing increase in digital use of financial solutions (manufactured capital), there is a shift emerging from clients using cash (as evident in ATM volumes), which is expensive and risky, towards cheaper and more efficient digital payments (manufactured and intellectual capital).

Automation, innovation and client adoption of digital solutions have also resulted in enhanced client experiences (social and relationship capital) as highlighted on page 58. To accelerate the shift from cash to digital, we have reduced pricing (page 81) and identified payment modernisation as a key strategic imperative, discussed in more detail on page 57.

Digital transactional and ATM withdrawal volumes

(Million)



Capital outcomes in 2024

- **Manufactured capital** (cash handling and ATMs) ▼
- **Manufactured capital** (digital solutions) ▲
- **Intellectual capital** (IT skills) ▲
- **Social and relationship capital** (client experiences) ▲
- **Financial capital** (efficiencies) ▲

Active capital management

In a volatile and difficult environment, we consider it appropriate to maintain a CET1 ratio above our 11% to 12% target range, as evident in R12bn of excess capital (financial capital) at the end of 2024.

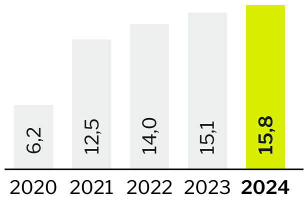
As economic growth picks up, as discussed on page 40, we aim to allocate more capital to provide loans to our clients (social capital), particularly in the context of a large infrastructure financing opportunity and our SPT growth objectives (page 61). We see this taking preference over other capital actions as it will ensure sustainable earnings growth and support an increase in ROE in the future.

We will also continue to explore complementary bolt-on acquisitions, should they arise (intellectual and manufactured capital); pay dividends at the top end of our dividend payout ratio (57%), subject to board approval; and consider buying back shares at appropriate levels, which would support per-share metrics and ROE.

On 1 January 2026 the Basel III PCN CcyB of 1% becomes effective, meaning our minimum regulatory CET1 ratio increases from 8,5% to 9,5%. This will reduce our surplus capital but not impact our ratios or capital position.

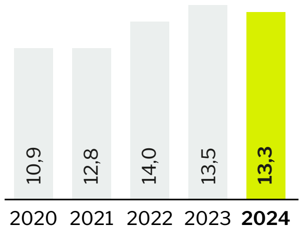
Return on equity

(%)



CET1 capital adequacy ratio

(%)



Capital outcomes in 2024

- **Financial capital** (capital and profit retention, dividends and share buybacks) ▲ ▼
- **Social and relationship capital** (client support) ▲
- **Intellectual capital** (acquisitions) ▲
- **Manufactured capital** (acquisitions) ▲

Using our financial expertise to do good

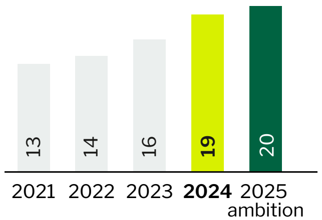
We acknowledge that in many cases the immediate financial returns on fossil-fuel-related lending are higher than those earned on renewable energy lending. However, given the societal and environmental impacts related to this lending, we are choosing to focus on growing our renewable energy book multiples faster than other portfolios. Tilting our lending and financing activities to align with our purpose and the SDGs, as well as reducing our financed and own operational carbon emissions, can make a tangible difference to the environment and society.

Do more of ...

'Creating positive impacts' strategy (page 62) focuses on providing SDF (2024: R183bn) to our clients (social capital) that support the SDGs (social, natural and societal capitals). In 2024 SDG-related finance increased to 19% of total gross loans and advances, up from 13% in 2021 and well on the way to the 20% ambition we have set. Our track record, capabilities, expertise and experience (intellectual capital) have positioned us as the market leader in SA.

SDG-aligned exposures

(% of gross loans and advances)

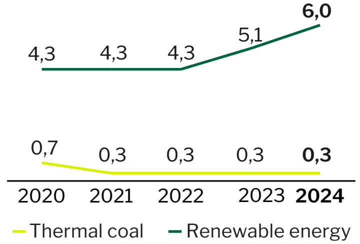


Do less harm ...

At the same time, we are assisting our clients to reduce their own carbon footprint and, as a result, the negative impact on the environment (natural capital). In 2024 we became the first South African bank to publish thermal coal and oil and gas carbon emission reduction glidepaths (reduction targets to 2030) and we plan to publish glidepaths for other carbon-intensive portfolios in the future. Careful consideration is given to the social implications of these, as we support a Just Transition in the South African context (social capital).

Trade-off between coal and renewable energy finance

(Limits, % of gross loans and advances)



Capital outcomes in 2024

- **Financial capital** ▲
- **Social and relationship capital** (client and societal support) ▲
- **Natural capital** (environmental benefit) ▲

Key performance indicators: Strategy

Strategic value unlocks	Value drivers	Link to remuneration	yoy change	2024	2023	2022	2021	2020	Outlook 2025	Outlook Medium term	Outlook Long term	Assurance
Digital leadership (DX)												
Percentage of digitally active retail clients (% of total active retail clients)	Growth/Productivity	GCC	▲	**44**	41	39	35	30	Increase	> 70	Increase	[MO] [LA1]
Digitally active clients (million)	Growth	GCC	▲	**3,1**	2,9	2,6	2,3	2,1	Increase	Increase	Increase	[MO]
Digital sales (% of total sales)	Growth	GCC	▲	**64**	55	53	32	28	Increase	Increase	> 75	[MO] [LA1]
Nedbank Business Hub adoption rate (%)	Growth	GCC	▲	**65**	48	ND	ND	ND	Increase	Increase	increase	[MO]
Avo super app – registered clients (million)	Growth	GCC	▲	**2,8**	2,5	2,0	0,7	0,2	Increase	Increase	Increase	[MO]
Managed Evolution completion (%)	Growth/Productivity	GCC	▲	**Materially complete**	95	91	85	78	Completed			[MO]
Data commercialisation and AI	Growth/Productivity	GCC and CPT		**Over 50 use cases**					KPIs to be determined			[MO]
IT software development spend (Rbn)	Growth	GCC	▲	**1,8**	1,3	1,3	1,6	1,9	1,6–1,9 pa	1,6–1,9 pa		[FS]
Use of cloud computing (%)	Productivity	GCC	▲	**51**	45	24	ND	ND	Increase	Double from 2023 levels	Increase	[MO]
Market-leading client experiences (CX)												
Brand value in SA (rank)	Growth	GCC	▼	**14**	8	9	4	4	8	Improve ranking	Improve ranking	[IN – brand finance]
Consumer NPS ranking all clients (rank)	Growth	GCC and CPT	▶	**#1**	n/a	n/a	#2	#2	#1 SA bank	#1 SA bank	#1 SA bank	[IN – Kantar; 2021–2020: Consulta]
Consumer NPS ranking main-banked clients (rank)	Growth	GCC and CPT	▼	**#2**	#1	#1	n/a	n/a	#1 SA bank	#1 SA bank	#1 SA bank	[IN – Kantar]
CIB client satisfaction score (%)	Growth	GCC	▶	**81**	ND	ND	ND	ND	Above the global benchmark of 80%	Maintain top rating	Maintain top rating	[MO]
Nedbank Money app average rating (out of 5)	Growth	GCC	—	**4,3**	4,3	4,1	4,4	4,4	Maintain top rating	Maintain top rating	Maintain top rating	[IN – iOS and Android app stores]
Systems availability uptime score (%)[1]	Productivity	GCC	▲	**99,8**	99,6	99,3	99,3	99,6	> 99,1	> 99,1	> 99,1	[LA1]

[1] *The 2023 Integrated Report key performance indicators disclosed the systems availability uptime score (%) as 99,5 whereas it should have been 99,6.*

Assurance indicators

LA External limited assurance on selected sustainability information [LA1] and the application of the Amended FSC and the group's BBBEE status [LA2]. Related opinions are available at group.nedbank.co.za.

MO Management and board oversight through rigorous internal reporting governed by the group's ERMF.

IN Information sourced from external sources, eg independent surveys.

OV Independent oversight by regulatory bodies, including SARB, FSCA and National Financial Ombud Scheme.

FS Financial information extracted from the 2024 Nedbank Group Limited Audited Annual Financial Statements.

Key performance indicators: Strategy continued

Strategic value unlocks	Value drivers	Link to remuneration	yoy change	2024	2023	2022	2021	2020	Outlook 2025	Outlook Medium term	Outlook Long term	Assurance
Focusing on areas that create value (SPT)												
Main-banked clients (million)	Growth	GCC and CPT	▲	**3,7**	3,5	3,2	3,1	2,9	Increase	> 4	> 4	[MO] [LA1]
Retail cross-sell for new sales (times)	Growth	GCC	▲	**1,99**	1,96	1,94	1,86	1,78	Increase	> 2,5	> 3,0	[MO]
Primary client wins (number)	Growth	GCC and CPT	—	**20**	20	25	35	37	> 20	> 20	> 20	[MO] [LA1]
Wholesale term loans market share (%)	Growth	GCC and CPT	▲	**16,2**	15,5	16,4	16,8	18,1	Increase	> 18	> 18	[IN - SARB BA900]
Home loans market share (%)	Growth	GCC and CPT	▲	**14,7**	14,4	14,1	14,2	14,4	Increase	> 15,5	> 16	[IN – SARB BA900]
Personal loans market share (%)	Growth	GCC and CPT	▼	**10,1**	11,0	11,6	12,2	11,2	Increase	> 11	> 16	[IN – SARB BA900]
Credit card market share (%)	Growth	GCC and CPT	▼	**9,2**	10,0	11,2	11,9	12,6	Increase	> 10	> 16	[IN – SARB BA900]
Household transactional deposit market share (%)	Growth	GCC and CPT	▼	**13,3**	13,4	13,8	13,5	15,0	Increase	> 15	> 16	[IN – SARB BA900]
CET1 (%)	Risk and capital management	GCC	▼	**13,3**	13,5	14,0	12,8	10,9	Above board target	Above board target	11–12	[FS]
CLR (bps)	Risk and capital management	GCC	▼	**87**	109	89	83	161	Around midpoint of 60–100	Around midpoint of 60–100	60–100	[FS]
Growth vectors												
TOM 2.0 benefits (Rbn)	Productivity	GCC	▲	**3,0**	2,2	1,5	0,98	Launched in 2021	Completed			[MO]
Cost-to-income ratio (%)	Productivity	GCC	▲	**55,9**	53,9	56,5	57,7	58,1	Increase	54	< 50	[MO] [FS]
Insurance gross earned premium (Rbn)	Growth	GCC	▲	**4,0**	3,8	3,6	3,6	3,4	Increase	Up by > 50%	Increase	[FS]
Insurance client penetration (%)	Growth	GCC		**19**	ND	ND	ND	ND	Increase	> 30%	Increase	[FS]
CIB Africa gross operating income (%)	Growth	GCC		**15**	ND	ND	ND	ND	Increase	> 20%	Increase	[FS]
Creating positive impacts (purpose and ESG)												
Sustainable development financing (Rbn)	Growth	GCC and CPT	▲	**183**	145	123	108	Not disclosed	20% of gross loans	Increase beyond 20%	New ambition to be set in 2025	[MO] [FS] [LA1]
Sustainable development financing (% of GLAA)			▲	**19**	17	14	13	Not disclosed				[MO] [FS]
Renewable energy lending (Rbn) – exposure	Growth	GCC and CPT	▲	**40**	30	27,3	29,6	32,3	Increase	Increase strongly	Increase strongly	[MO] [FS]
Renewable energy lending (Rbn) – limits	Growth	GCC and CPT	▲	**57**	46	37,2	36,5	37,2	R30bn pipeline	R30bn pipeline	Increase strongly	[MO] [FS]
Thermal coal funding (% of total GLAA) – limits	Risk and capital management	GCC	▼	**0,2**	0,3	0,3	0,3	0,7	< 0,5	< 0,5	< 0,5	[MO] [FS] [LA1]
Thermal coal financed emissions ($mtCO_2e$)	Risk and capital management	GCC and CPT	▼	**2,3**	5,5	8,0	ND	ND			Reduce by 47% by 2030	[MO]
Oil and gas financed emissions ($mtCO_2e$)	Risk and capital management	GCC and CPT	▼	**2,9**	2,9	3,1	ND	ND			Reduce by 26% by 2030	[MO]
Own operational carbon emissions (tCO_2e)	Risk and capital management	GCC and CPT	▼	**105 340**	113 339	128 149	123 847	137 540	Reduce by 30% from 2019 levels	Decline	Decline	[LA1]
BBBEE contributor status (level)	Growth	GCC and CPT	—	**1**	1	1	1	1	Level 1 – subject to any FSC amendments			[MO] [OV]

Assurance indicators

- **LA** External limited assurance on selected sustainability information [LA1] and the application of the Amended FSC and the group's BBBEE status [LA2]. Related opinions are available at group.nedbank.co.za.
- **MO** Management and board oversight through rigorous internal reporting governed by the group's ERMF.
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- **FS** Financial information extracted from the 2024 Nedbank Group Limited Audited Annual Financial Statements.

Delivering, measuring and rewarding value creation

Assessment of value creation, protection, and erosion for stakeholders in 2024 and how remuneration outcomes are aligned with our strategy, targets and performance.

Reflections from our Chief Financial Officer

> The operating environment in 2024 was difficult and volatile, although we did see some improvement in the second half of the year. It was the particularly slow GDP growth and muted demand for credit that impacted our numbers most. According to SARB BA900 data this phenomenon was sectorwide.

Mike Davis, Chief Financial Officer

Mike discussed the group's financial performance at our 2024 results presentation.

Negative environmental impacts offset by good strategic delivery

Operating environment	H1	H2		H1	H2	Strategic delivery	2024
Global geopolitical environment	▲	▲	SA household credit growth	▼	▼	Technology/Digital (DX)	▲
SA political and social environment	▲	▶	SA corporate confidence/credit growth	▶	▲	Cross-sell, main-banked client gains/market share (SPT)	▲▼
SA economic activity	▼	▶	Currency (rand)	▲	▼	Client experiences	▶
SA inflation	▼	▼	Competition	▲	▲	Efficient execution/productivity	▶
SA interest rates	▶	▼	Regulation	▶	▶	Creating positive impacts	▲

A peaceful and fair election outcome and the prompt formation of a GNU resulted in cautious optimism in financial markets. As the environment gradually improved into Q4, inflation declined, interest rates decreased, and business confidence increased.

We've made good strides in implementing and executing our strategy, as discussed on pages 52 to 66, and this supported our financial performance. We unlocked revenue and cost benefits from our modern technology platform and gained market share in term loans, home loans, vehicle finance, and retail deposits, while increasing main-banked clients, improving cross-sell, and growing SDF faster than average loans and advances.

As a result, we delivered an improved financial performance in 2024 as diluted HEPS increased by 11% and our ROE strengthened to **15,8%**. HE growth of **8%** was supported by strong double-digit NIR growth, lower impairments and targeted expense management.

Reflections from our Chief Financial Officer continued

Value creation for shareholders

The key drivers of value creation for our shareholders showed positive momentum in 2024.

- The Nedbank share price increased by **30%**, ahead of the 17% increase of the SA Banks Index.
- Our ROE strengthened to **15,8%**, now sustainably above our estimated cost of equity of 15,0%.
- NAV per share increased by **4%**, absorbing R1,8bn foreign currency translation reserve losses.
- The total dividend per share for the year increased by **10%**, following earnings growth and strong capital and liquidity positions.

As we progress towards our medium- and long-term targets, discussed in more detail on page 52, we expect our price-to-book ratio to improve further (December 2014: 1,2 times).

Share price ▲ 30%

Dividend per share ▲ 10%

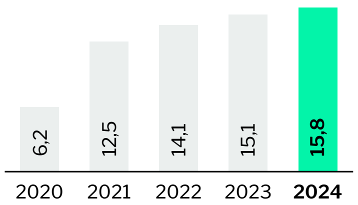
Fortress balance sheet

We retained a fortress balance sheet, evidenced in our strong capital, liquidity and coverage ratios.

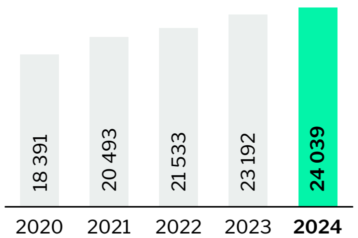
- **Capital** – CET1 and tier 1 capital ratios of 13,3% and 15,1% were well above the SARB minimum requirements and the group's board-approved target ranges.
- **Liquidity** – The average liquidity coverage ratio (LCR) of 135% for Q4 2024 and the net stable funding ratio (NSFR) of 116% were both well above the 100% regulatory minimum.
- **Coverage** – Our total expected credit loss (ECL) coverage ended the year at 3,32%, highlighting prudent levels of provisioning.

Read more about how we think about managing our capital on page 68.

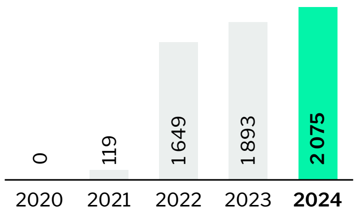
Return on equity (%)
Return on shareholders' capital



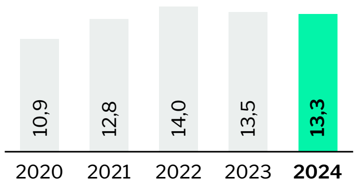
NAV per share (Cents)
Book value of Nedbank Group



Dividend per share (Cents)
Dividends paid to shareholders



CET1 ratio (%)
Indication of the strength of our balance sheet based on our own capital



An improved financial performance

The 8% increase in headline earnings (HE) to R16,9bn was supported by strong non-interest income and revenue (NIR) growth, lower impairments and targeted expense management, partially offset by slow balance sheet and resulting net interest income (NII) growth.

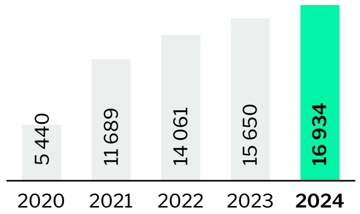
Headline earnings ▲ 8%

NIR ▲ 10%

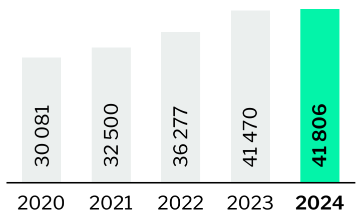
Impairments ▼ 17%

- NII increased by **1%** as growth in average interest-earning banking assets (AIEBA) of 5% was offset by a 16 bps reduction in the net interest margin (NIM) to 405 bps.
- NIR increased by **10%**, underpinned by strong growth in commission and fees, solid growth across trading income and insurance income, as well as the 7-month benefit from the Eqstra acquisition that was not in the 2023 base.
- Associate income decreased by **11%**, reflecting in part the impact of the non-repeat of the unwind of an ETI provision in 2023.
- The impairment charge decreased by **17%**, with the group's CLR decreasing to 87 bps, primarily as a result of an improving macroeconomic environment, credit policy interventions and diligent management actions around collections and origination efforts in RBB and the resolution of large single-name counters in the wholesale portfolio.
- Expenses increased by **8%**, reflecting the impacts of higher salary-related costs, higher short-term incentive charges, increased communication and travel costs, ongoing investment in technology and digital solutions, as well as the acquisition of Eqstra.

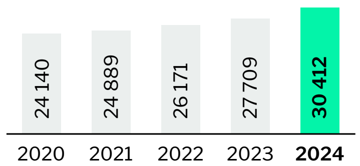
Headline earnings (Rm)
Profits we generate



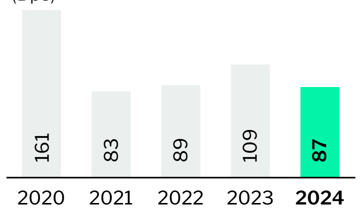
NII (Rm)
Difference between interest paid to depositors and interest received from borrowers



NIR (Rm)
Revenue from providing banking services, trading, insurance, etc



CLR (Bps)
Bad debt charge on the loans we provided



Reflections from our Chief Financial Officer continued

Statement of comprehensive income

Rm	Change %	2024	2023
Net interest income	1	**41 806**	41 470
Non-interest income and revenue	10	**30 412**	27 709
Share of gains of associate companies	(11)	**1 290**	1 443
Total income	4	**73 508**	70 622
Impairments charge on financial instruments	(16)	**(7 997)**	(9 605)
Net income	7	**65 511**	61 017
Total operating expenses	8	**(41 074)**	(38 059)
Indirect taxation	(4)	**(1 084)**	(1 129)
Headline profit before direct taxation	7	**23 353**	21 829
Direct taxation	7	**(4 781)**	(4 484)
Non-controlling interest	(3)	**(1 638)**	(1 695)
Headline earnings	8	**16 934**	15 650
Diluted headline earnings per share (cents)	11	**3 538**	3 199
Dividend declared per share (cents)	8	**1 104**	1 893
Dividend cover (times)		**1,75**	1,75

2025 outlook (at 4 March 2025)*

Net interest income

Key drivers: NII increased by 1%, supported by 5% growth in AIEBA to R1 033bn but offset by a 16 bps reduction in NIM to 4,05%. The increase in AIEBA was underpinned by 5% growth in average RBB banking loans and advances and 3% growth in average CIB banking loans and advances. The NIM decrease was driven primarily by a negative endowment mix impact due to net capital and current account/savings account (CASA) balances growing slower than AIEBA (-8 bps), asset pricing pressure (-6 bps) due to competition for good-quality assets and liability pricing pressure (-5 bps).

NII is expected to grow by around mid-single digits, driven by stronger advances growth, particularly in CIB. The group's NIM is expected to decline as a result of asset mix changes (wholesale assets growing faster than retail assets), competitive pricing for good-quality assets and the impact of lower interest rates (endowment, although less than originally expected given a shallower interest rate cycle).

Non-interest revenue

Key drivers: NIR increased by 10%, underpinned by strong growth in commission and fees (+10%), solid growth across trading income and fair value (+11%) and insurance income (+9%), as well as the 7-month benefit from the Eqstra acquisition (R863m) that was not in the 2023 base. The increase in commission and fees was supported by arranging fees in key growth sectors in CIB, higher maintenance fees, and continued strong growth in value-added-services (VAS) volumes and growth in card issuing and card acquiring volumes, offset by slower transactional activity across most key lines in our retail business, notably in cash, as clients increasingly opt for cashless alternatives.

NIR is expected to grow at upper single digits, driven by higher levels of cross-sell, main-banked client gains, ongoing deal flow in CIB and the residual impact of the Eqstra acquisition.

Associate income

Key drivers: Associate income decreased by 11% to R1 290m and includes associate income of R1 139m relating to our 21% shareholding in ETI for the period. The decline reflects in part the base effect of the reversal in H1 2023 of the R175m estimate provided by Nedbank Group for our share of the impact of the Ghanaian sovereign debt restructure programme.

Associate income is expected to increase on the 2024 base (excluding any potential merger-and-acquisition-related activity).

Impairments charge on loans and advances

Key drivers: The 17% decrease in the impairment charge was primarily the result of an improving macroeconomic environment, the resolution of large counters in the wholesale portfolio, credit policy intervention and diligent management actions around collections and origination efforts in RBB. The group's CLR declined from 109 bps to 87 bps and moved back to within the TTC target range of 60 bps to 100 bps.

CLR for the full year is expected to be around the midpoint of the group's target range.

Total operating expenses

Key drivers: Expenses increased by 8%, reflecting the impacts of higher salary-related costs (+9%), higher short-term incentive charges (+12%), increased communication and travel costs (+44%), ongoing investment in technology and digital solutions (+6%) and the acquisition of Eqstra (R683m).

Expenses are expected to grow at mid-to-upper single digits given the residual impact of the Eqstra acquisition, while we maintain our focus on managing costs in a more difficult environment.

Dividends

Key drivers: The HEPS increase of 10%, along with balance sheet metrics that all remained very strong, supported the declaration of 2 dividends (interim and final) for the year that in total were 10% higher, at a payout ratio of 57%.

Dividend payments, subject to board approval, are expected to be at the top end of our payout ratio of 57%.

** The guidance provided and targets set exclude the impact of any potential merger-and-acquisition-related corporate action.*

Reflections from our Chief Financial Officer continued

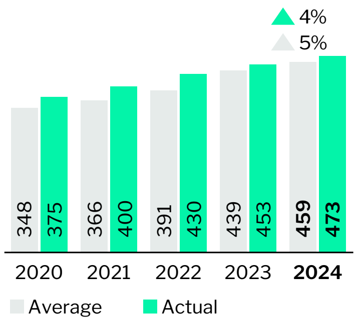
Financial position

Rm	Change %	2024	2023
Cash and securities	9	**353 636**	324 380
Loans and advances	8	**962 184**	891 619
Other assets	8	**102 717**	95 409
Total assets	8	**1 418 537**	1 311 408
Total equity attributable to ordinary equity holders	4	**112 264**	107 749
Non-controlling interest	21	**13 822**	11 462
Amounts owed to depositors	8	**1 174 691**	1 087 645
Provisions and other liabilities	20	**67 979**	56 775
Long-term debt instruments	4	**49 781**	47 777
	8	**1 418 537**	1 311 408
Assets under management	6	**473 675**	448 467
Key ratios (%)			
Return on equity		**15,8**	15,1
Return on assets		**1,24**	1,21
NIM		**4,05**	4,21
CLR		**0,87**	1,09
Cost-to-income ratio		**55,9**	53,9
CET 1 ratio		**13,3**	13,5

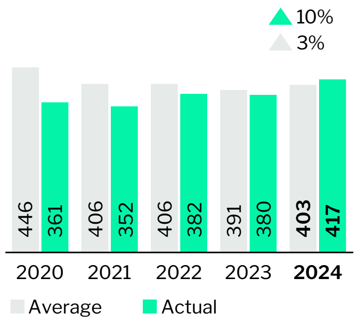
We hosted 50 CAs and quantitative analysts for vacation work.

	2025 outlook (at 7 March 2025)
Banking loans and advances **Key drivers:** Gross banking loans and advances increased by 7% due to strong growth in CIB (+10%), particularly in Q4 2024, and moderate growth in RBB (+4%) as consumer finances remain strained.	**Banking loans and advances growth of mid-to-upper single digits**, with stronger growth from CIB and moderate growth in retail.
Amounts owed to depositors **Key drivers:** Deposits increased by 8% to R1,2tn, driven by clients placing cash into higher-interest-rate, longer-term products, leveraging our competitive offerings.	**Deposit growth ahead of loan growth.**
Liquidity and funding We remain well funded, with a strong liquidity position, underpinned by a significant quantum of long-term funding through client term and fixed deposits, money market instruments and instruments issued in the capital markets; an appropriately sized surplus liquid asset buffer designed to absorb seasonal, cyclical and systemic volatility; a strong loan-to-deposit ratio; and low reliance on interbank and foreign currency funding.	
CET1 ratio **Key drivers:** The change in the CET 1 ratio reflects the payment of dividends, changes in share-based payment reserves and increased risk-weighted assets (RWAs) due to credit, equity, operational and other risks.	**CET1 capital ratio to remain above the top end of the board-approved target range of 11% to 12%.**

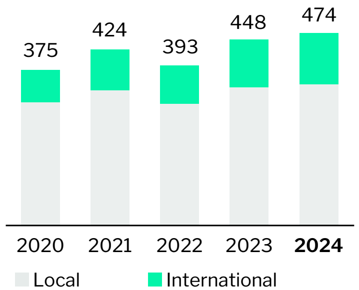
RBB gross banking advances
(Rbn)



CIB gross banking advances
(Rbn)



Assets under management
(Rbn)



Reflections from our Chief Financial Officer continued

Pathway to our medium- and long-term ROEs

To achieve an ROE of > 17% in the medium term and > 18% in the long term, it is expected that revenue growth improves on the back of a more supportive macroeconomic environment as discussed on page 40, and strategy execution enables stronger NII and NIR growth. We need to continue to manage expenses wisely, balancing investment in the business with further optimisation opportunities. Along with stronger revenue growth this will deliver a lower cost-to-income (CIR) ratio over time. Our CLR will need to be around or even below the middle of our target range.

1. Stronger NII growth, supported by good advances growth, will be achieved as we unlock renewable energy and other infrastructure opportunities in CIB, and deliver on our SPT 2.0 objectives (page 61) across key deposit and advances categories. NIM is expected to decline slightly, primarily because of a change in the assets mix, while endowment income will be less negatively impacted as interest rates decline to only 10,75%, less than expected.

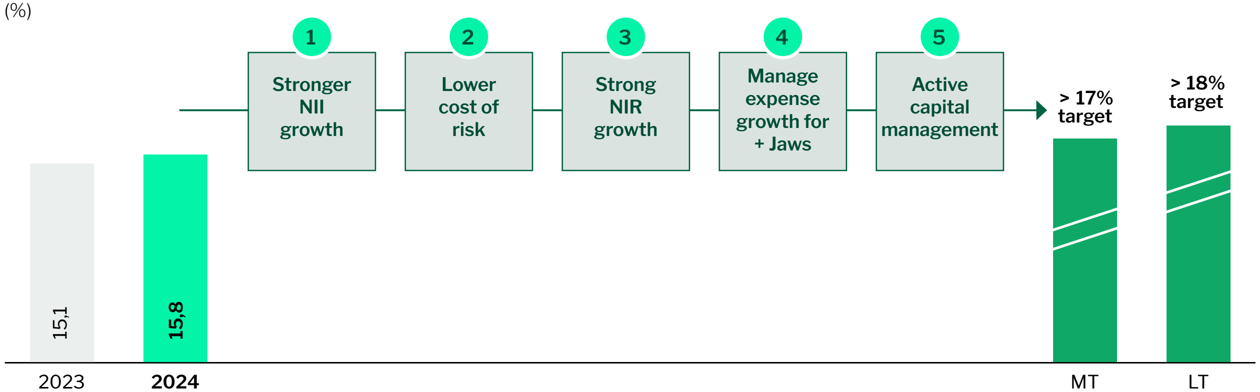
2. CLR is expected to improve to around the midpoint of our TTC target range of 60 bps to 100 bps, and even lower should wholesale and secured lending grow faster (lower cost of risk) than higher-risk products.

3. Strong NIR growth is expected to be driven by ongoing main-banked client gains, higher levels of cross-sell, good deal flow linked to advances growth in CIB, the unlock of the large insurance income opportunity across our retail client base, and other initiatives as discussed as part of the growth vectors on page 59.

4. Further expense optimisation will be realised as we leverage our technology investment (page 56), with our CIR declining into the medium and long term to 54% and 50%, respectively.

5. An active and flexible approach to capital management, as discussed on page 68 (trade-offs), will support growth and dividend payouts at the top end of the group's payout ratio (57%), subject to board approval, and further capital optimisation will be considered, if and when appropriate. In the longer term we expect our CET1 to get back into the 11% to 12% range.

Pathway to higher ROEs
(%)



Case in point

Capital allocation decisions

To achieve our targets (page 6) and ultimately create value for shareholders, we continuously make decisions around our capitals.

Financial capital – We will continue to optimise returns (ROE) by ensuring sustainable earnings growth over the short, medium and long term, while retaining an active and flexible capital management approach. In the short term we prefer to operate at CET1 levels above our target range and allocate capital to growth initiatives that support our clients' needs. Growing transactional deposits and client primacy will receive heightened focus.

Human capital – We will continue to make key trade-offs between ongoing productivity as well as investing into skills for the future, incentivising and rewarding our employees (R22,6bn in 2024), and employee development (R1bn annual skills development spend) to name a few.

Intellectual capital – We will continue to invest in the Nedbank brand and marketing initiatives but also expect to extract benefits from our martech strategy. Portfolio diversification into new markets and segments will require initial investment, resulting in new revenue sources over time.

Manufactured capital – As we continue to optimise our real estate portfolio and physical assets, we are maintaining consistent investment into new technologies and our digital capabilities, supported by an annual IT cash flow spend of R1,6bn to R1,9bn.

Social and relationship capital – We will maintain a focus on building relationships with our clients and all other stakeholders.

Natural capital – Our focus on doing good through SDF and fulfilling our purpose will accelerate while we progress in lowering the carbon emissions of our own operations and our financing activities.

Reflections from our Chief Financial Officer continued

Audit firm rotation

Following a comprehensive tender process, KPMG was appointed in Q4 2023 as joint external auditors of Nedbank Group for the financial year ending 31 December 2024, together with Ernest & Young. As 2024 was the first year of the new joint audit of KPMG and Ernst & Young, additional time was spent to onboard KPMG effectively and to consider the audit work split within the group. GAC recommended to shareholders the appointment of Ernst & Young and KPMG for the 2025 financial year.

CE and CFO internal financial control responsibility

Nedbank continues to maintain a strong risk culture and has implemented adequate and effective internal financial controls to confirm the integrity and reliability of the bank and group financial statements. These controls safeguard, verify and maintain accountability of our assets; are based on established policies and procedures; and are implemented by trained and skilled employees, whose duties are duly segregated. As a result, Jason Quinn (CE) and I (Mike Davis) as CFO have made the appropriate attestation required by the JSE.

Appreciation

I would like to extend my sincere appreciation to my fellow boardmembers and the Group Exco for their steadfast support and guidance throughout another demanding year. I especially thank the dedicated finance, risk, balance sheet management, and strategy teams across the group for completing our 2024 reporting and maintaining our high standards of professionalism, as evidenced by the numerous reporting awards Nedbank received in 2024 and being announced CFO of the year in SA.

Additionally, I am grateful to all our shareholders, and the broader investment community, both locally and internationally, for their continued investment and interest in Nedbank Group. I look forward to further engagements in 2025.

Mike Davis
Chief Financial Officer

Access our current and historic disclosures **here**.

Board oversight – ensuring and protecting value

Group Audit Committee (GAC)

'GAC continued to focus on enhancing the integrity of financial and corporate reporting through formal audit committee meetings, the internal financial control environment, the integrated reporting process, and regular engagements with the Nedbank management team, the Chief Internal Auditor and external auditors. GAC also oversaw the successful transition and onboarding of the newly appointed audit firm, KPMG Inc.'

Stanley Subramoney, Chair

Ensuring and protecting value in 2024

- Monitored the transition and onboarding of the newly appointed audit firm, KPMG Inc, as well as the finalisation of the 2023 year-end with the previous joint auditors Deloitte & Touche.
- Considered the control deficiencies identified via the group's 3 lines of defence (first line via cluster finance and risk functions, second line via Group Finance and Group Risk and third line via GIA) and the appropriateness of management's response, including remediation, reliance on compensating controls and additional review procedures.
- Reviewed the findings and recommendations of the external auditors, confirming that there were no material unresolved findings.
- Ensured that the appointment and independence of the external auditors complied with the Companies Act and all other regulatory and legal requirements. This included receiving from the external auditors all decision letters and explanations issued by the Independent Regulatory Board for Auditors (IRBA) or any other regulator, and any summaries relating to monitoring procedures or deficiencies (if applicable) issued by the external auditors to confirm their and designated individual partners' suitability for appointment.

Focus for 2025 and beyond

- Ensure that the group's financial systems, processes and controls operate effectively, are commensurate with the group's complexity, and respond to changes in the environment and industry.
- Continue to monitor the implementation of the JSE Listings Requirements, including the effectiveness of internal financial controls.
- Monitor the financial reporting system upgrade during the 2025–2027 implementation plan.
- Ensure, through the Chairperson's College of Audit Committee Chairs, that there is meaningful engagement between the GAC chair and the chair of subsidiary audit committees.

Stakeholders

Regulators
Shareholders

Top 10 risks

2 Business | 3 Credit | 5 Operational | 6 People | 10 Capital

A comprehensive DAC Report is available online in our 2024 Governance Report on our website at group.nedbank.co.za.

Value for stakeholders

Banks are essential in facilitating economic activity and supporting sustainable growth and development by directing capital where it is needed. The success of a bank depends on its ability to deliver value to society and its stakeholders. Therefore, it is important for banks to understand their role in society and how they can contribute to societal improvement.

Nedbank Group

A strong and profitable business enables continued investment in our employees and operations, which in turn creates value for our clients, shareholders, and society at large.

Employees

Our employees are our greatest asset and key to making Nedbank a great place to bank and work. Motivated and skilled employees, together with efficient, innovative, and value-creating solutions, services, and operations, offer value to our clients. Employees, as part of society, contribute materially to the communities where they live and work.

Value is created and preserved through:

- employment opportunities in the countries in which we operate;
- rewarding employees for the value they add;
- encouraging our employees to embrace technological changes, further their careers, and improve our services and products; and
- contributing to the transformation towards a more inclusive society through DEI.

Clients

Our clients are our largest source of deposits, which enables us to fund lending activities. Gaining more clients and deepening existing relationships result in greater revenue growth, while responsible banking practices and world-class risk management mitigate value erosion.

Value is created and preserved through:

- safeguarding deposits, investments, and wealth while growing returns;
- providing credit in a responsible manner that enables wealth creation, sustainable development and job creation aligned with the SDGs and the drive to transition to a net-zero economy;
- facilitating transactions that are the backbone of economic value exchange;
- enabling financial inclusion by offering unbanked clients access to affordable products;
- providing financial education and advice; and
- developing innovative solutions that meet our clients' specific needs.

Shareholders

The financial capital we source from our equity and debt investors and our retained earnings enable business continuity and growth, including strategic investments.

Value is created and preserved through:

- increasing NAV, returns, dividends and share price;
- maintaining a strong balance sheet to support growth and protect against downside risk;
- investing in and growing our client franchises and employees sustainably;
- following good ESG practices that ensure a sustainable business for the long term; and
- operating within our risk appetite.

Government

The tax we pay and investments in government and public sector bonds are imperative for the economic and social development of the countries in which we operate.

Value is created and preserved through:

- contributing meaningfully to government budgets through our own corporate taxes and employees paying personal taxes;
- investing in government and public sector bonds as required by prudential regulation, thereby partially supporting the funding needs of government; and
- participating in public-private partnerships to leverage the strengths of corporate SA to address SA's Just Transition, including investment needed in energy and infrastructure.

Regulators

Regulation reduces systemic risk and promotes the healthy functioning of an economy in which all stakeholders prosper. Good governance and compliance support client and investor confidence in Nedbank. We have a responsibility to comply fully with the regulations of the countries in which we operate.

Value is created and preserved through:

- embracing responsible banking practices and regulatory compliance, which enable a safe and stable banking system and a thriving society.

Society

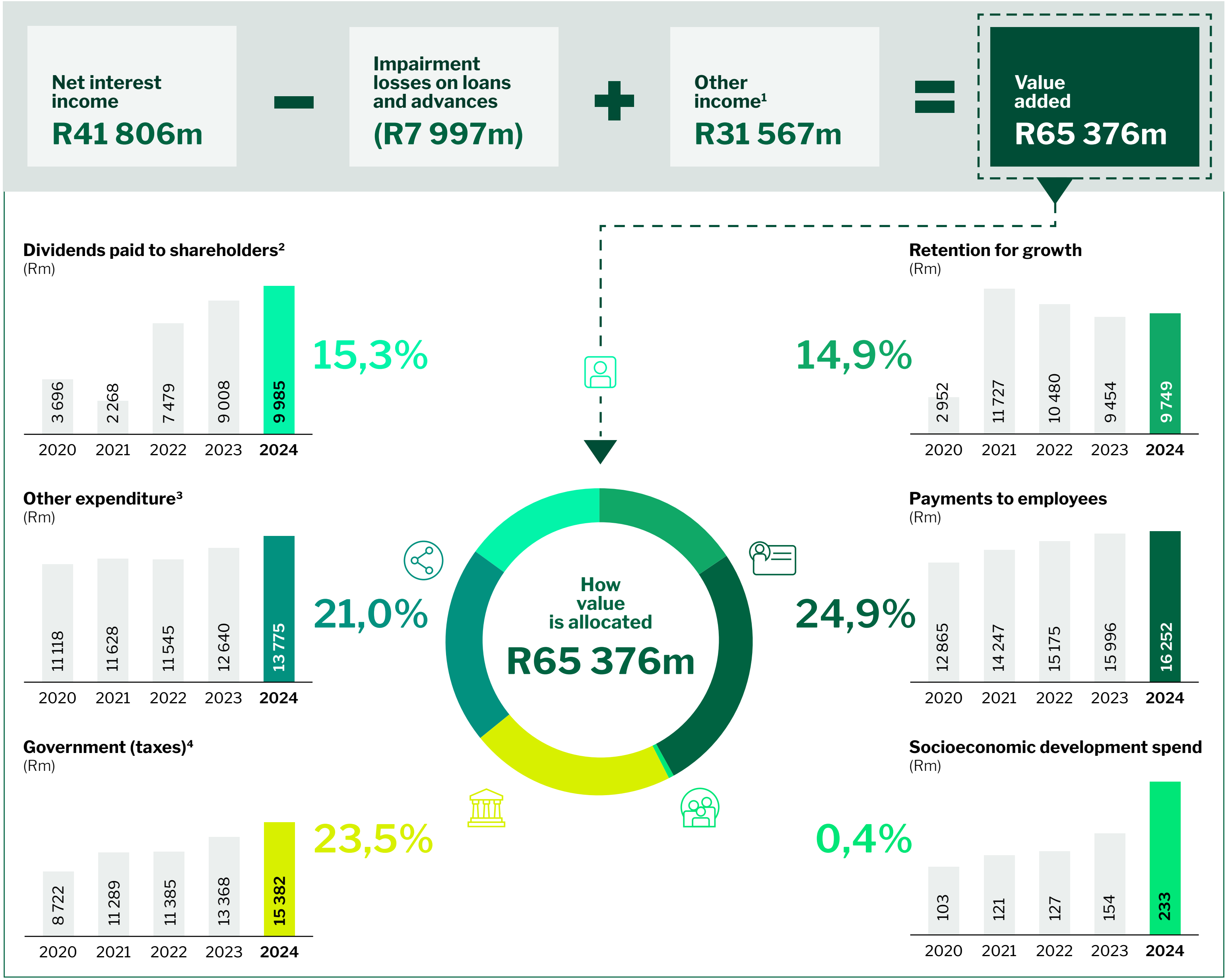
We embrace our role in society as an active contributor to building a thriving society and can do this only with engaged communities that have the same values.

Value is created and preserved through:

- transforming economies, the environment and society positively through our lending and investment activities that are aligned with the SDGs;
- playing a meaningful role in the broader society as a procurer and consumer of goods and services; and
- making a difference through our partnerships, and corporate social investment activities.

Value for stakeholders continued

Our solid financial performance in 2024 enabled us to create value for employees (remuneration), clients (investments in the Nedbank franchise to support their needs), shareholders (dividends), regulators (tax paid) and society (socioeconomic spend) as well as retain profits to support future growth (value for Nedbank).



[1] *Includes non-interest income and revenue, impairments charge on non-financial instruments and sundry gains or losses items, and share of profits of associate companies.*
[2] *Value is allocated to shareholders in respect of cash dividends (excluding the underlying value of capitalisation shares awarded) and income attributable to non-controlling shareholders.*
[3] *Includes expenses relating to computer processing, communication and travel, occupation and accommodation, marketing and public relations, as well as fees and insurances.*
[4] *Includes direct and indirect tax, payroll tax, dividends withholding tax, and other taxes.*

Value for stakeholders continued

Employees – investing in our employees

Key performance indicators

18 'Great place to work' NPS	**R22,6bn** employee salaries and benefits paid	**83%** AIC representation	**R1,0bn** skills development spend	**8,0%** employee attrition	**33** employees retrenched

Value creation, preservation and erosion in 2024

Value creation | Value preservation | Value erosion

- (Value creation) Employee engagement levels remained high, with employees' participation rate at **90%** in our 2024 Workforce Insights Pulse survey. Our 'Great place to work' NPS remained positive at **18** (2023 NPS: 20). In 2024 we introduced a new employee engagement measure to deepen our understanding of how Nedbankers experience their work. The inaugural 2024 score of **79%** was positive, with only a 1% increase required to be considered highly engaged.

  Highest scores from our employee survey:
  - Service excellence for our clients.
  - I am immersed in my work.
  - I am enthusiastic about the work I do.
  - At work, I am treated with respect
  - We value diverse backgrounds, talents and perspectives.
  - I would recommend Nedbank as a great place to bank.
- (Value creation) We paid employee salaries and benefits of **R22,6bn** (2023: R21,1bn) and concluded annual salary increases with our bargaining-unit employees of 7%, higher than the non-bargaining-unit employee increases of 5%. In 2025 bargaining-unit increases have been concluded at 6%, the minimum annual pay will increase by 7% and non-bargaining-unit increases have been concluded at 5%.

- (Value creation) Our hybrid work model saw **88%** of our employees come to work in the office on a permanent or regular basis as we seek to enhance collaboration, embed our culture principles to foster meaningful connection and drive higher levels of performance.
- (Value creation) Our focus on DEI remains top of mind and a key imperative to ensure that we remain relevant in a transforming society. We have a diverse talent complement, with **83%** of total employees being black (African, Coloured or Indian), this improving from 82% in 2023, supported by strong improvements in the representation of African talent at both senior- and middle-management levels by 4%, to 30% and 42% respectively. Total female employee representation remained at **62%**.
- (Value creation) Skills development spend in 2024 was **R1,0bn** (2023: R1,2bn) as we continue to optimise our leadership and skills development initiatives for enhanced impact and efficiency. This is evident in our BBEEE skills development points increased from 19,9 to 20,3.
- (Value preservation) We supported our employees in managing their mental, physical, and financial well-being, including health-screening days (Bank on Your Well-being) across all campus sites attended by more than 2 300 employees.
- (Value preservation) Our employee attrition rate declined to **8,0%** in 2024 (2023: 9,2%), now firmly below the industry benchmark of 11%.
- (Value erosion) During the year **33** employees were regrettably retrenched due to necessary operational changes, a more than 50% decline on 2023. We continue to focus on timeous reskilling and upskilling of impacted employees to transition them to future internal or external roles.

Find out more about a career at Nedbank **here**.

Case in point

The Nedbank Future Me programme

In 2024 we introduced the Future Me programme, designed to empower employees to make informed career choices in a changing world. The initiative encourages employees to develop in their current roles or prepare for new ones, including starting a side hustle. Future Me offers virtual workshops, learning journeys, toolkits and access to resources and support for both employees and line managers.

The programme empowers line managers to facilitate development conversations, provide guidance and support employees' growth. Beyond career guidance, the entrepreneurial component of the programme provides guidance on starting, declaring, managing, and growing side hustles, emphasising practical skills and guidelines delivered by internal subject matter experts and an accredited business incubator.

Our Human Capital Strategy aims to deliver a high-performing and future-ready workforce. Future Me supports this by helping employees take ownership of their personal development and aligning with The Nedbank Way culture to promote personal purpose (Put Purpose into Practice) and professional growth (Learn To Grow) within and beyond the organisation. Our approach to proactive reskilling, upskilling and redeployment led to a significant decrease in retrenchments in 2024 (33 compared with 75 in 2023). The number of employees who entered the Organisational Redeployment Pool (ORP) due to structural changes dropped sharply to 144, from 605 in 2023.

Value for stakeholders continued

Clients – delivering market-leading client experiences

Key performance indicators

Top-tier NPS rank among South African banks	**Below-inflation** bank fee increases	**R367bn** new loan payouts to clients	**R474bn** assets under management	**R1,2tn** deposits safeguarded	▲ **0,5%** client complaints

Value creation, preservation and erosion in 2024

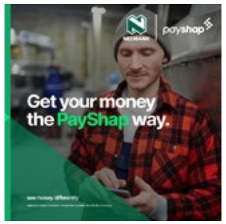
Value creation | Value preservation | Value erosion

- (Value creation) Client satisfaction levels remained at market-leading levels, evident in the following metrics:
  - Nedbank's NPS ranked **#1** among the large South African banks in 2024 (Kantar survey) when surveying all clients. NPS on main-banked clients was joint second highest.
  - Small Business Services and Private Clients business segments recorded their highest levels of NPS in more than 8 years.
  - In NAR, Nedbank was the market leader in client experience (NPS) in Mozambique and the leader in brand sentiment scores in Eswatini, Lesotho and Mozambique.
  - Our client satisfaction score in CIB was **81%** in 2024, above the global benchmark of 80%.
- (Value creation) Our clients' access to banking improved as they continue to shift to digital channels. Digitally active retail users increased by 7% to 3,1 million (up by 48% since 2020).
- (Value creation) We supported clients by advancing **R367bn** (2023: R332bn) in new loans to enable them to finance their homes, vehicles and education, as well as grow their businesses in support of the UN SDGs.
- (Value preservation) Nedgroup Investments saw an increase in client AUM of 6% to **R474bn**. The business is ranked the third-largest offshore manager for the seventh year in a row, is the eighth-largest South African manager according to Q4 2024 ASISA stats and won the Best Flexible Allocation Fund Award at the Morningstar Awards.
- (Value preservation) We safeguarded **R1,2tn** in deposits at competitive rates, reflected in our market share gains in retail deposits. During the year we implemented deposit insurance, which covers **> R100bn** of client deposits.
- (Value preservation) Average bank fee increases were kept below inflation and the launch of our MiGoals product suite assisted Nedbank's favourable ranking among peers in key categories. PayShap usage has grown rapidly, with over 27 million PayShap payments having been made and received by Nedbank clients by the end of 2024, up from 2,5 million in 2023. At the start of 2025 we reduced PayShap fees for payments to ShapIDs to only **R1** and zero if the value of the transactions is below R100.
- (Value erosion) We received 71 255 retail client complaints in 2024 (2023: 70 860), which represent only 1,0% of our total active retail client base.

Case in point

Leading the way in payments

At Nedbank, we recognise that real-time digital payments are what clients increasingly demand. We also recognise the enormous potential of digitising small payments instead of using cash (which has become very expensive to manage) for client security and convenience, and for the benefits of added data that could support value-adding solutions. Our pricing strategy therefore follows suit in being among the market leaders in our pricing on PayShap. For example, our MiGoals Account has a monthly maintenance fee of only R7 and payments to a ShapID are only R1 per transaction (and zero if the value is below R100).



Case in point

Powering 300 000 homes with clean energy

Multi billion-rand finance for Envusa Energy will enable the delivery of 520 MW of wind and solar power, which is enough to supply > 300 000 homes and reduce carbon emissions by 1,5 million tonnes annually (clean energy for Anglo American's operations).

Securing water access in Limpopo

R4,5bn loan will support a project to transfer 75 million cubic metres of water from the Crocodile River to the Lephalale area in Limpopo. The project will support local communities as well as Eskom and Exxaro by ensuring sufficient water supply for people and businesses. This will create jobs and boost the local economy.

Advising on an innovative BBBEE transaction

By increasing Coronation Fund Managers' black ownership to 51% we have helped the company to better attract and retain black employees by further aligning its interests with those of its shareholders. We have also enhanced Coronation's competitiveness and sustainability, while it simultaneously benefits and uplifts a broad base of beneficiaries.

City of Cape Town infrastructure investment

A R3,5bn term funding facility will contribute to the creation of > 130 000 construction-related jobs, upgrading of essential services, and ensuring that 75% of the planned R12bn for 2024/25 benefits lower-income households.

Value for stakeholders continued

Shareholders – delivering consistently to our shareholders

Key performance indicators

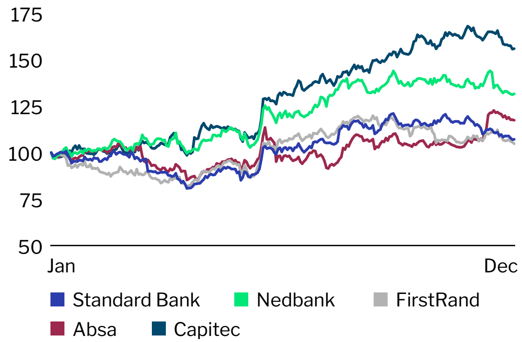
1,2 times price to book ratio	▲ **39%** total shareholder return	**7,3%** dividend yield	▲ **10%** full-year dividend 2 075 cents	▲ **4%** NAV per share R24 039	**AAA** MSCI ESG rating

Value creation, preservation and erosion in 2024

Value creation | Value preservation | Value erosion

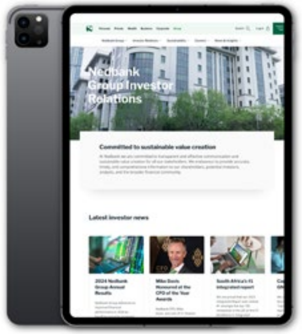
- Key financial drivers of shareholder value creation improved in 2024. DHEPS increased by **11%** and ROE strengthened to **15,8%** above the group's cost of equity of 15,0%, while NAV per share increased by **4%**. Looking forward, we seek to continue to improve the group's ROE towards our medium- and long-term targets of greater than 17% and 18% respectively, underpinned by new Transform initiatives.
- The group's dividend yield at **7,3%** remains attractive, supported by a 10% increase in dividend per share in 2024.
- To enable the group to grow and protect against downside risk, we continue to report strong capital and liquidity positions. Looking forward, we have created flexibility in managing our capital base.
- The Nedbank Group share increased by **30%** in 2024, outperforming the SA Banks Index, which increased by 17%. Including dividends, Nedbank delivered an attractive total shareholder return of 39%.
- In acknowledgement of Nedbank's leadership and ongoing progress on ESG-related disclosures, our ESG ratings remain towards the top end of global banks as shown on page 22.
- The leadership transition from Mike Brown to Jason Quinn was seamlessly executed.
- We ensured world-class transparent, relevant and timeous reporting as evidenced in various reporting awards and ongoing positive shareholder feedback. In 2024 Nedbank's investor relations activities were rated **#2** among South African large cap companies in the Extel (institutional investor) Developed Europe and Emerging EMEA Executive Team survey, following a top 2 rank in the Krutham (Intellidex) Top Investor Relations 2022 and 2023 surveys.
- All resolutions at our 57th AGM were passed, including those for remuneration at above **90%**.

Relative 2024 share price performance
(100 at 1 January 2024)



Nedbank Group website

On our newly launched website (**group.nedbank.co.za**) you can find all the information you need as a debt or equity investor, including current and historic disclosures, and the latest news and contact information. Click on the picture to navigate there.



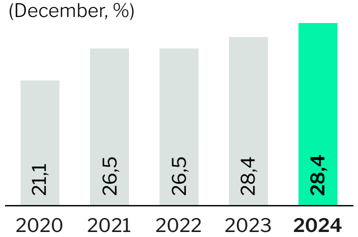
Our top 10 shareholders

Our shareholding profile reflects a large and diversified group of long-term-oriented shareholders, a strong foreign shareholder base and an ongoing increase in index-classified shareholdings.

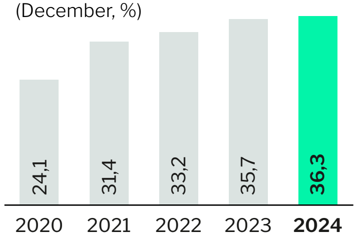
Major shareholders/managers		% holding 2024	% holding 2023
Public Investment Corporation (SA)	▶	**14,8**	14,8
Allan Gray (SA)	▼	**8,0**	9,4
Coronation Fund Managers (SA)	▲	**5,2**	4,9
BlackRock Incorporated (international)	▲	**4,7**	4,5
Nedbank Group treasury shares	▼	**4,3**	4,8
The Vanguard Group (international)	▲	**3,9**	3,8
Old Mutual Life Assurance Company (SA)	▲	**3,9**	3,8
Ninety One SA (SA)	▲	**3,7**	3,4
Sanlam Investment Management (SA)	▲	**3,3**	3,1
Lazard Asset Management (international)	▲	**2,9**	2,7

Source: JP Morgan Cazenove and Vaco Ownership.

Index-classified shareholding
(December, %)



Foreign shareholding
(December, %)



Value for stakeholders continued

Shareholders – delivering consistently to our shareholders continued

Engaging with the investment community

We provide information on our financial performance, strategy, and progress on ESG matters to shareholders through detailed disclosures and an active investor relations programme. Our management regularly meets with the investment community, while our board, through the Chairperson and Lead Independent Director, engages on board matters and ESG-related topics. The following were key areas of discussion during our engagements in 2024:

GNU upside potential

The peaceful and fair SA election outcome and swift formation of a GNU was well received by financial markets as evident in lower bond yields, stronger equity markets, a stronger rand and improved spreads on credit default swaps. Higher levels of GDP growth are attainable should the GNU accelerate structural reform and achieve meaningful fiscal consolidation. In this context, Nedbank is well positioned (90% of our business from SA) to benefit relatively more from an improving SA macroeconomic environment than peers and the expected large infrastructure finance opportunity given our leadership and experience in this area. The presentation of our CFO, Mike Davis, on the topic 'Capitalising on the GNU opportunity' was voted best presentation among listed banks at the 27th UBS Financial Services conference. Download this presentation by clicking on the picture.

Strategic change

A key question from investors, following the appointment of a new CE, was whether the group will change its strategy. While many investors endorsed the Nedbank strategy, we noted that the group will, as part of our annual strategic review and business planning process, evolve the strategy. This resulted in the identification of various exciting Transform initiatives as discussed on page 59. These initiatives seek to unlock further value from our technology investments, address scale issues in the retail bank, leverage our strengths in CIB, diversify the group's portfolio and expand more deliberately into SADC and East Africa, while we are finalising a strategic review of our 21% investment in ETI.

Technology strategy

Technology and digital strategies of various banks and their outcomes are top of mind for investors. In this context, our ME technology build has been regarded as very successful, delivering multiple benefits as we discuss on **pages 53 to 57**. Our Chief Information Officer, Ray Naicker, shared his thoughts on this and the future as part of the group's Transform prospects (**page 59**) in the presentation.

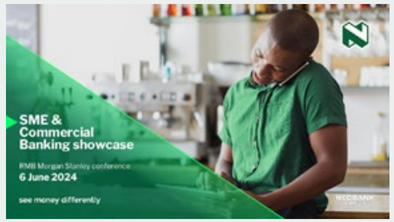
CE succession

In anticipation of Jason Quinn joining Nedbank as the new CE, many investors sought clarity on the process that the board followed. This was extensively covered in discussions and as part of our 11th ESG roadshow, followed by overwhelming shareholder support of Jason's appointment at the group's 2024 AGM (100% votes of approval). Download our ESG roadshow presentation by clicking on the picture.

ROE targets

The group's ROE improvement over the past few years has been well received and supported Nedbank's relative share price outperformance. To ensure further value creation, investors continuously seek to understand how higher ROEs will be obtained, particularly since historic ROE targets were seen as a stretch. At the start of 2025 we reset our medium- and long-term targets (**page 6**) given the negative impact of a more difficult-than-expected macroeconomic environment and slower-than-expected loan growth in particular. The path to higher ROEs (equity story) is discussed in more detail on **page 76**.

Competition in the SME market



The expansion of new entrants in the SME market has heightened conversations about incumbent banks' positioning and strategies to counter this risk. Nedbank has built strong commercial and SME franchises over time, and our planned reorganisation, which elevates these businesses to Group Exco level, will enable us to become even more client-focused and competitive. Download our presentation from the RMB Morgan Stanley Banks Showcase by clicking on picture.

Value for stakeholders continued

Regulators – ensuring sustainable banking with our regulators

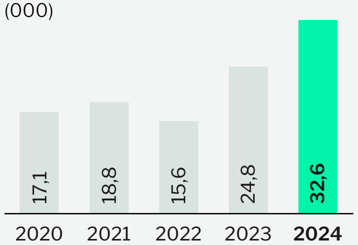
13,3% CET1 ratio	**135%** LCR ratio	**116%** NSFR ratio	**R15bn** direct, indirect and employee taxes	**Level 1** BBBEE contributor status	**R15m** fines, administrative sanctions and penalties

Value creation, preservation and erosion in 2024

Value creation | Value preservation | Value erosion

- (Value creation) During the year we paid **R15bn** in direct, indirect and employee taxes to support the governments and societies where we operate, this representing an increase of 14% on 2023 (SARS). In the 2024 PwC Global Tax Transparency and Tax Sustainability Report, Nedbank ranked #2 out of 872 companies across all the countries and industries included in the review, and #1 out of 229 global companies in the financial sector.
- (Value preservation) We continue to collaborate closely with the government, regulators, and the Banking Association South Africa to ensure the safety and soundness of the South African banking system. Additionally, we remain well informed about international developments in this regard, ensuring that our practices align with global standards and best practices:
  - **Basel III reforms** – With implementation starting mid-2025, the impact on the capital holdings of the group is currently estimated to emerge through 2026 to 2027 with the phase-in of capital floor requirements. We are working through the various committees and subcommittees to optimise not only capital holdings, but also product offerings to absorb the impact of these Basel III reforms. Nedbank is well positioned to absorb these changes through current capital buffers. Nedbank closely monitors international developments regarding approaches and implementation roadmaps. However, the bank remains committed to adhering to the roadmap and methodology provided by the PA.
  - **Positive cycle-neutral countercyclical capital buffer (PCN CcyB)** – The PA increased the CcyB rate from 0% to 1%, effective from 1 January 2026, which will increase the regulatory minimum capital requirement and consequently impact the group's surplus capital position, if implemented.
  - **Deposit insurance** – The Corporation for Deposit Insurance (CODI) was successfully implemented on 1 April 2024. The annual cost of CODI for Nedbank is around **R230m** for covered deposit balances of over R100bn. The covered deposit balance is the amount covered by CODI for a qualifying depositor and a qualifying deposit product, which is currently proposed at a maximum of R100 000.
- (Value preservation) We hold investments of over **R198bn** in government and public sector bonds as part of our high-quality-liquid-assets (HQLA) requirements. All government bonds held in the trading book are held at fair value and all government bonds held in the banking book for LCR purposes are hedged, with interest rate swaps through Nedbank's macro fair-value hedge accounting solution. From an LCR perspective, all HQLA are measured at their fair value.
- (Value preservation) We retained a strong capital position, with a group tier 1 capital ratio of **15,1%** and a CET1 ratio of 13,3%, well above the SARB regulatory minimum and above our board-approved targets of more than 12% and 11% to 12% respectively. Our forecast capital ratios are projected to operate well above the regulatory minimum and above our board-approved targets (SARB).
- (Value preservation) We continue to maintain a strong liquidity position, with Nedbank Group achieving an LCR of 135% in Q4 2024 (above the minimum regulatory LCR requirement of 100%). The structural liquidity position of Nedbank remains resilient, with Nedbank Group attaining an NSFR of **116%**, exceeding the minimum regulatory requirement of 100%.
- (Value preservation) In 2024 there was an increase in suspicious transactions reported to the Financial Intelligence Centre. This increase can be attributed mainly to the growth in digital fraud, specifically transactional fraud such as scams in line with industry increases, and an increase in automated transaction monitoring alerts as we refined our rules.

Suspicious transactions reported to the FIC
(000)



- (Value preservation) We retained our **level 1 BBBEE** contributor status for the seventh year in a row (FSC).
- (Value erosion) We received fines, administrative sanctions or penalties to the value of **R15m** (2023: R17m), mainly relating to a vendor-related VAT administration issue.

Case in point

2024 SARB climate risk stress test

SARB and PA have underscored the critical importance of managing climate change, which poses physical and transition risks that could impact the safety and soundness of banks and insurers, with broader implications for financial stability. Consequently, it is essential for banks and insurers to take proactive measures to address climate-related risks.

To ensure the resilience of the financial sector participants are mandated to integrate climate risks into their governance and risk management frameworks. In line with its mandate to preserve financial stability, SARB's Financial Stability Department conducted a climate risk stress test throughout 2024 to evaluate the resilience of systemically important financial institutions to climate risk. As Nedbank, we actively participated in this industrywide stress test, demonstrating our commitment to assessing the financial stability and resilience of SA's banking sector. By evolving our internal climate risk scenario analysis and stress-testing processes, we align with global best practices, such as utilising scenarios developed by the Network for Greening the Financial System, ensuring robust risk management and contributing to a sustainable financial future.

Additionally, we incorporated the guidance from SARB PA Guidance Notes 1 and 2 of 2024 (GR1-2024 and GR2-2024, on climate-related governance and risk practices for insurers and banks) into our risk management practices, integrating climate-related factors into our risk management framework. This proactive approach ensures risk mitigation, enhanced resilience, reputational management, and the unlocking of strategic market opportunities, thereby enhancing shareholder value while promoting responsible capital allocation.

Value for stakeholders continued

Society – delivering impactful and purpose-led value

Key performance indicators

R233m socioeconomic spend	**R183bn** sustainable development finance provided	**10%** green power from own operations	**563** CIB SEMS deals reviewed	**89%** of our own premises have Green Star ratings	▼ **15%** in carbon emissions per employee

Value creation, preservation and erosion in 2024

As a purpose-driven organisation that leverages our financial expertise to do good and impact society positively, our purpose guides our business strategy, behaviours, and short- and long-term actions. We are committed to reducing systemic risks to the environment and the people we serve while delivering significant and long-term societal value.

We use the **Nedbank Sustainable Development Framework** to focus our sustainable development efforts and identify business opportunities, risks, and cost savings. These opportunities and savings are significant, estimated to have global value of trillions of dollars every year.

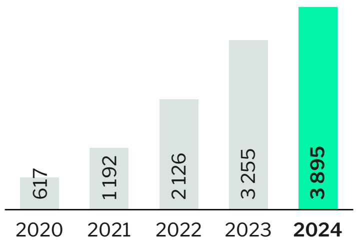
We prioritise 9 of the 17 SDGs, focusing on areas where we can make a meaningful impact through innovation in our banking products, lending, and investment practices. Our purpose fulfilment strategy is essential to our strategic value driver, creating positive impacts, driven through core business focus on: SDF, sustainable finance, financing the transition, and financial inclusion. These focus areas are enabled or supported by our approach to human capital, client responsibility, human rights, sustainable procurement, corporate social investment (CSI) and commitment to transformation, and guide our focus on creating positive impact.

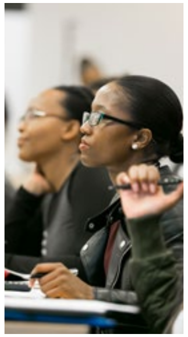
Sustainable development finance

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- We offer **student loans** that cover more than just tuition fees, taking a comprehensive approach that includes other educational expenses such as textbooks, accommodation, and transport. Our loans are designed to support students throughout their studies, regardless of their financial needs. In 2024 our exposures to student loans workstream increased to **R206m** and we provided over **R64m** (2023: R61m) disbursements in student loans to help **670 students** (2023: 1 099 students).
- Recognising the pivotal role of **accommodation** in a student's success, we have taken a leading role in funding student housing and addressing the lingering accommodation shortage that has historically left 80% of students without on-campus housing. Our current student housing exposure is **R5,7bn**, and we have created almost **47 000 beds** since 2015, with just over **300** new beds created this year to further enhance SA's educational landscape.

Students financed
(Cumulative number of students)





SDG 6: Ensure availability and sustainable management of water and sanitation for all

- We are committed to playing a pivotal role in fostering effective water partnerships and investments, which are crucial for sustainable socioeconomic development. In 2024 our exposure to **water projects** increased substantially from R1,1bn in 2023 to **R3,7bn**, primarily due to our support to the Trans-Caledon Tunnel Authority for its Mokolo–Crocodile River Water Augmentation Project concerning water supply from the Crocodile River.

- We aimed to reduce **water usage** in our own offices by 40% by the end of 2025, based on 2019 levels. This target equates to a 152 900 kℓ or 8,0 kℓ per full-time employee, whichever is met first. In 2024 the total water consumption of our campus sites declined by 5% to **150 465 kℓ**, resulting in achieving our absolute consumption target, a year ahead of target.

- Since 2020 the **WWF Nedbank Green Trust** has invested **R20m** in 9 projects to protect and manage freshwater habitats. One significant project is the WWF Water Risk Filter, which helps companies assess and respond to water risks. Over 2 000 companies have used this free online tool, leading to comprehensive water risk assessments for major retailers. Another initiative is the smart nappies project that addresses water pollution by promoting reusable nappies in rural areas around Matatiele. This initiative aims to reduce disposable nappy waste and save costs for families, with early successes in engaging over 200 households and setting up local distribution systems.
- Since 2018, as a result of our support of the WWF Water Balance Programme, we are **operationally water-neutral.**

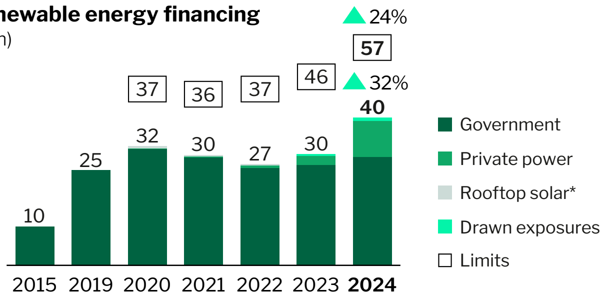
Value for stakeholders continued

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Our commitment to achieve net-zero carbon emissions by 2050, supported by our Energy Policy, guides us to maintain our strong support for the energy transition and the increasing integration of renewable energy.

- At the end of 2024 the group's total renewable energy exposures across the government procurement programmes and private power generation increased to almost R40bn (up by 32%), with limits increasing by 24% to R57bn, highlighting strong deal pipelines that we have in place. In addition to the closure of 12 private sector renewable energy deals, our market-leading renewable energy team was appointed joint mandated lead arranger for 7 out of the 8 projects awarded under Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) Round 7, and 7 out of the 8 projects awarded under Battery Energy Storage Systems (BESS) Round 2. Nedbank received approvals to support 63 projects with a debt total of about R200bn.
- We offer flexible renewable energy financing options for business clients, focusing on private power generation for medium enterprises. These installations typically produce up to 1 MW of power and cost between R3m and R4m. The funding supports clean energy sources and energy-efficient initiatives, including smart grids and energy storage. In 2024 we completed transactions to the value of R705m (2023: R486m). We are also addressing energy security concerns for retail businesses, including providing R25m per year for solar financing to a shopping centre that supports its transition to 100% renewable energy. The project highlights Nedbank's dedication to sustainability and energy security, offering significant cost savings for our clients.
- In our own operations green power from independent power producers to reduce our own carbon emissions increased to around 10% (2023: 6,5%).

Renewable energy financing
(Rbn)



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- In 2024 our **small-business** bankers supported **318 000** business clients, assisting with their transactional, payment, investment, and financing needs. Our specialised services extend to sectors such as medical, franchising, and agriculture. We facilitated **R5,4bn** in asset payouts for small-business development during the year.

- We made significant advancements in enhancing offerings for small businesses. Key initiatives include the launch of the new Nedbank Android POS device, simplified digital onboarding, and same-day settlements for our clients. Additionally, the adoption of the retail digital platform with access to **small-business loans on the Money app** has streamlined lending processes. The focus remains on supporting small-business clients through affordable and easy-to-use banking services, underpinned by digital innovation and proactive credit experiences such as our preapproved overdrafts, directly supporting local enterprises and instant small-business loans.
- Nedbank is playing a pivotal role in transforming SA's small-business ecosystem. Through strategic interventions and comprehensive support mechanisms, the enterprise supplier development portfolio has provided more than **R169m in grant funding**, benefiting over 5 400 businesses. Key partnerships with organisations like AWIEF, RLabs, and Fix Forward have supported businesses with training, mentorship, and incubation programmes, contributing to job creation, innovation, and economic transformation.
- During the year we also welcomed our fifth intake of more than **3 500 YES participants** as we continue to make an impact on South African youth and their families and communities. With this intake included, over 13 500 previously unemployed youth have been afforded the opportunity of employment through participating in Nedbank's YES Programme and 700 of them have been employed permanently within Nedbank and the remainder with our YES Programme partners.

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

- We contribute towards the achievement of SDG 9 through funding of infrastructure, including mass transit, roads, rail corridors, water treatment plants, and information and communication technologies to support growth in SA and across the continent. We have exposures of **R27bn** to infrastructure-related projects spanning roads, rail, ports and telecommunications infrastructure.
- A key success in 2024 was the conclusion of a **R3,5bn** facility for the City of Cape Town to partially fund the city's infrastructure investment programme. This transaction underscores Nedbank's commitment to supporting SA's economic growth through public sector funding and infrastructure development. The facility is part of the city's broader 10-year infrastructure project, estimated at R120bn.

- We also made significant progress in Africa by leveraging sector expertise, including securing Nedbank's first sustainable finance transaction in Côte d'Ivoire. This **€217,5m** loan aims to finance various social infrastructure projects, including food security programmes, pedestrian bridges, urban trading markets, sporting and education infrastructure, road maintenance, and airport infrastructure. The initiative aligns with Nedbank's investment philosophy that social infrastructure is essential for economic growth and inclusive social cohesion.

Value for stakeholders continued

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

We finance green and sustainable buildings to improve occupants' quality of life, reduce carbon emissions, and enhance waste management and water stewardship. We evaluate properties based on their attainment of green certifications like EDGE and Green Star, and sustainable features such as solar PV, wind or hydropower solutions, rainwater harvesting, and advanced water systems, including black- and greywater recycling.

- Our commitment to sustainability is reflected in our financial exposure, with **R16bn** invested in green-certified properties and **R37bn** in properties with sustainable features, termed 'green aspects'. Through these investments, we are not just financing buildings; we are actively fostering a future where living spaces are in harmony with the planet.
- We leveraged our leading position in the property finance sector for asset growth and innovation, driving sustainability in the sector. The Mall of Africa achieved EDGE certification, making it the largest retail asset globally to earn this prestigious recognition, promoting sustainable urban living and resource efficiency.

- To address the housing challenge in democratic SA, we approved **R3,2bn** in funding in 2024 for affordable housing development for lower-income households. The value of affordable home loans exposures for lower-income households was almost R17bn.
- We also continuously pursue Green Star ratings for our own premises, and at the end of 2024, 89% of our space was Green Star-rated.

SDG 12: Ensure sustainable consumption and production patterns

- Sustainable production practices have become increasingly important as companies recognise the need to address their environmental impact. Companies are doing this by implementing circular economy initiatives, which aim to keep resources in use for as long as possible through recycling and reusing. This shift in mindset requires a comprehensive understanding of the entire supply chain and identifying areas where waste can be minimised.
- Our sustainable agriculture funding solutions aim to address the challenges farmers face due to climate change. These challenges include reduced rainfall and increased temperatures, which make it difficult for farmers to produce food sustainably. The sustainable agriculture solutions help farmers to improve their farming practices, such as water conservation and storage, improved soil health, advanced irrigation techniques, and shade-netting to minimise evaporation. The solutions are offered either directly or via financing cooperatives.

SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems

The financial sector plays a crucial role in addressing nature's loss and protecting biodiversity. There is a direct link between nature impact (both positive and negative) and our business activities through those of our clients. Nedbank is committed to confronting environmental threats by addressing the drivers of biodiversity loss, climate change, pollution, desertification, and deforestation. Our efforts build on our work towards a net-zero economy and investments in strengthening biodiversity and nature.

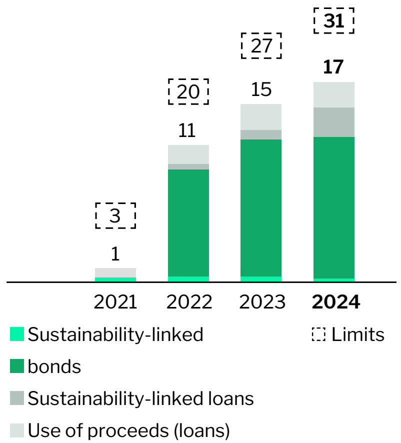
- In 2024 we published our **Nature Position Statement**, a first for the South African banking sector. This statement builds on the Climate Position Statement, acknowledging the interconnectedness of nature and climate. It outlines the bank's approach and science-aligned guiding principles regarding how the bank is impacted by and impacts nature through financing activities. The statement commits the bank to a path aligned with global best practices, forming the basis for related strategies and the foundation for setting policy and nature commitments and targets.
- In 2024 we completed Phase 1 of our Nature Risk Materiality Assessment, aligned with the Taskforce on Nature-related Financial Disclosures LEAP framework. This phase identified material nature-related impacts and dependencies within the credit portfolio, revealing high dependency on ecosystem services. Phase 2 in 2025 will focus on specific risks and opportunities within prioritised sectors and clients, aiming to develop a robust nature-positive strategy and risk management plan.

Sustainable finance: Across multiple SDGs

We are dedicated to and have been leading in sustainable finance, ensuring that the solutions and services that we provide not only meet today's needs, but also address tomorrow's challenges. Our approach integrates sustainability criteria directly into our debt-financing activities, strengthening our position as a market leader in ESG and sustainable finance.

In 2024 we have continued to grow our sustainable finance exposure and have made impacts across green, social and sustainable categories. A notable achievement was the successful conclusion of a R2bn Sustainability Tier II bond, which made us the first South African bank to address both social and environmental issues in 1 issuance. By combining 3 important yet different categories – affordable housing, water infrastructure, and climate-smart agriculture – with clear impacts, this structure is innovative and addresses real needs.

Sustainable finance
(Exposures, Rbn)



Value for stakeholders continued

Responsible finance

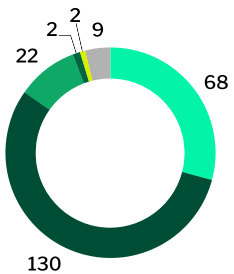
We actively manage ESG and climate risks using the Nedbank Social and Environmental Management System (SEMS). In 2024 a total of **563** deals (2023: 579) were assessed in CIB (excluding Property Finance) and **1 583** (2023: 1 805) deals were assessed in Property Finance. During 2024 in our RBB operations **1 434** (2023: 1 674) clients were assessed in high-impact industries. In addition, **13** deals to the value of **US$845m** (2023: 10 deals to the value of US$911m) were assessed under the Equator Principles.

More detailed disclosures are available in our 2024 Climate Report and 2024 Society Report at group.nedbank.co.za.

Corporate social investment

Through the Nedbank Foundation we support interventions that have a positive, transformational and systemic impact on the South African economy, centred around green-economy activities in areas such as renewable energy, water, waste and recycling, as well as agriculture. In 2024 the total value of CSI support and investment delivered across our group was R233m (2023: R154m).

Corporate social investment
(Rm)



Responsible investment

In 2024 Nedgroup Investments published its fifth annual **Responsible Investment Report**. This report is a valuable resource for clients and stakeholders to get an update on the latest trends in sustainability and responsible investment, covering key topics such as water, the environmental impact of data warehouses and AI, and the importance of transformation and climate action in South African fund management. Corporate engagement is a central feature of investment stewardship, and the report highlights key ESG engagements that have been undertaken on behalf of client assets during the year. Read this report and others here.

We have been a **signatory to the UN Principles for Responsible Investment** since June 2022 and reported a yoy improvement in 6 of the 7 assessment pillars in the 2023 assessments published in 2024, being policy, governance and strategy; active equity; active fixed income; active listed real estate; passive equity; and passive fixed income. The outcome for the 7th pillar, confidence-building measures, remained unchanged.

Board oversight – ensuring and protecting value

Group Transformation, Social and Ethics Committee (GTSEC)

'At Nedbank, we are guided by our purpose, which remains relevant and deeply ingrained in our initiatives. Our commitment to societal well-being is demonstrated through our focus on ethics, employee well-being, diversity, transformation and financial inclusion. We continue to invest in the green economy for a sustainable future.'

Linda Makalima, Chair

Ensuring and protecting value in 2024

- Oversaw all measurements of the Amended FSC and retained our level 1 BBBEE contributor status for the 7th consecutive year.
- Monitored employment equity, transformation and talent practices, including the retention of underrepresented (specifically African) talent at middle- and senior-management levels.
- Guided progress towards the fulfilment of our purpose in line with our Sustainable Development Framework.
- Monitored the state of ethics in the organisation, including 'ethics in remuneration' that ensure fair remuneration outcomes.
- Oversaw the well-being of employees.
- Oversaw the continued embedding of The Nedbank Way (a framework that captures our culture in 7 core principles) and launched a focus on allyship.

Focus for 2025 and beyond

- Contribute towards retaining a competitive BBBEE contributor status, including dealing with any impacts from the pending Amended FSC industry review process.
- Oversee progress in respect of employment equity, diversity, and inclusion outcomes.
- Monitor skills development and the YES Programme.
- Guide Nedbank's transformation and talent progression.
- Monitor people risk and the well-being of employees.
- Oversee the development, enhancement and implementation of our ethics and human rights management plans, metrics and assessments.
- Monitor the evolution of Nedbank's culture.

Stakeholders

Clients | Employees | Regulators | Society | Shareholders

Top 10 risks

1 Strategic execution
5 Operational | 6 People | 7 Climate
9 Reputational and market conduct

A comprehensive (GTSEC) Report is available online in our 2024 Governance Report on our group website at group.nedbank.co.za.

Key performance indicators: Stakeholders

Strategic value unlocks	Value drivers	Link to remuneration	yoy change	2024	2023	2022	2021	2020	Outlook	Assurance
Employees										
Salaries and benefits (Rbn)	Remuneration and benefits to employees		▲	**22,6**	21,1	19,9	18	16,8	Maintain competitive remuneration	[MO] [FS]
Annual salary increase – bargaining-unit employees (%)	Salary increases for bargaining-unit employees		▲	**7,0**	6,0	5,2	4,0	6,3	Above the increase for management	[MO]
Training and skills development spend (Rbn)	Investment in employee development		▼	**1,0**	1,2	0,9	1,1	0,9	Continue to invest in employees	[LA2]
Staff attrition rate (%)	Ability to retain and rotate skills	GCC	▼	**8,0**	9,2	10,6	9,3	7,1	Maintain	[MO] [LA1]
'Great place to work' NPS	Employee engagement drives higher levels of productivity	GCC and CPT	▼	**18**	20	22	19	17	Maintain above 20	[IN – Compass survey]
Diversity, equity and inclusion (employment equity) – black employees (%)	The transformation of the Nedbank employee profile being broadly in line with demographics in society	GCC and CPT	▲	**83,2**	82,1	80,8	79,9	78,9	Continue driving diversity, equity and inclusion	[LA2]
Diversity, equity and inclusion (employment equity) – female employees (%)	Progressing gender diversity	GCC and CPT	—	**61,5**	61,7	61,8	61,4	61,2		[LA2]
Clients										
Loan payouts (Rbn)	New loan payouts to clients		▲	**367**	332	341	228	210	Continue extending credit	[MO]
Average annual price increase	Value-for-money banking		—	**Below inflation**	Below inflation	Below inflation	At inflation	At inflation	Below inflationary increases	[MO]
Unit trust market share in SA (rank)	Investment performance for clients	GCC	▼	**8th**	6th	6th	4th	4th	Top 5 in the industry	[MO]
Investment performance in asset management business	Investment performance for clients	GCC	▲	**3 category winners**	2 category winners	2 category winners	None	1 category winner	Rating among top 3	[IN – Raging Bull Awards]
Nedbank Money app average rating (out of 5)	Delivering market-leading client experiences	GCC	—	**4,3**	4,3	4,1	4,4	4,4	Maintain top rating	[IN – iOS and Android app stores]
Consumer NPS ranking all clients (rank)	Overall satisfaction with our products and services	GCC and CPT	—	**#1**	n/a	n/a	#2	#2	#1 SA bank	[IN – Kantar; 2021–2020: Consulta]
Consumer NPS ranking main-banked clients (rank)	Overall satisfaction with our products and services	GCC and CPT	▼	**#2**	#1	#1	n/a	n/a	#1 SA bank	[IN – Kantar]
RBB client complaints received (000)	Quality of service experience through effective complaints handling	GCC	▼	**71,3**	70,9	87,2	82,3	79,1	Committed to providing world-class service	[MO]
Banking Ombudsman cases in favour of Nedbank[1] (%)		GCC	▲	**79**	69	73	71	66		[LA1] [IN – National Financial Ombud Scheme]

[1] *From 1 March 2024, the Banking Ombudsman was amalgamated as part of the new National Financial Ombud Scheme.*

Assurance indicators

- **LA** External limited assurance on selected sustainability information [LA1] and the application of the Amended FSC and the group's BBBEE status [LA2]. Related opinions are available at group.nedbank.co.za.
- **MO** Management and board oversight through rigorous internal reporting governed by the group's ERMF.
- **IN** Information sourced from external sources, eg independent surveys.
- **OV** Independent oversight by regulatory bodies, including SARB, FSCA and National Financial Ombud Scheme.
- **FS** Financial information extracted from the 2024 Nedbank Group Limited Audited Annual Financial Statements.

Key performance indicators: Stakeholders continued

Strategic value unlocks	Value drivers	Link to remuneration	yoy change	2024	2023	2022	2021	2020	Outlook	Assurance
Shareholders										
Share price performance (%)	Share price appreciation		▲	**30**	11	21	35	–40	Performance above peers	[IN – JSE]
Full-year dividend per share (cents)	Dividends for shareholders		▲	**2 075**	1 893	1 649	1 191	n/a	Grow strongly	[MO] [FS]
Full-year dividend per share cover (times)	Dividends for shareholders		—	**1,75**	1,75	1,75	2,02	n/a	At the low end of board range	[MO] [FS]
Price-to-book ratio	Valuation indicator of the Nedbank share		▲	**1,2**	0,9	1,0	0,9	0,7	#2 SA bank	[IN – JSE]
Net asset value per share (cents)	Growth in book value of Nedbank (new)		▲	**24 039**	23 192	21 533	20 493	18 391	Increase	[FS]
MSCI ESG rating	ESG rating of most influential ratings agency	GCC	—	**AAA**	AAA	AAA	AA	AA	Maintain ESG leader rating	[IN – MSCI]
Regulators										
CET1 ratio – Basel III (%)	Strength of capital position	GCC	▼	**13,3**	13,5	14	12,8	10,9	Above board range of 11–12	[MO] [OV]
LCR ratio – Basel III (%)	Strength of liquidity position	GCC	—	**135**	135	161	128	126	> SARB minimum of 100	[MO] [OV]
NSFR ratio – Basel III (%)	Strength of stable funding	GCC	▼	**116**	117	119	116,1	112,8		[MO] [OV]
Notable regulatory fines or penalties paid (Rm)	Indicator of adherence to regulatory requirements	GCC	▼	**15**	17	25	< 6	< 7	Zero, although the risk of fines has increased	[MO] [OV]
Taxes – direct, indirect and employees (Rbn)	Contribution to the fiscus	GCC	▲	**15,3**	13,2	11,5	11,2	8,7	Responsible taxpayer	[OV]
Society										
Number of entry-level banking (ELB) main-banked clients (000)	Financial inclusion	GCC	▲	**1 755**	1 609	1 412	1 309	1 365	> 1,8 million in medium term	[MO]
Number of SME clients (000)	Financial inclusion	GCC	▲	**318**	312	305	299	297	Increase	[MO]
Total socioeconomic spend (Rm)	Contribution to society		▲	**233**	154	127	121	103	Spend > R100m	[MO] [LA2]
Green Star-rated office space occupied in SA (%)	The impact of our business on the environment and society	GCC	▲	**89**	85	87	87	ND	The majority of Nedbank office space is Green star-rated	[MO]
Green power from own operations (%)	The impact of our business on the environment and society	GCC and CPT	▲	**10,0**	6,5	1,5	0	0	> 30% of energy sourced in medium term	[MO]
Carbon footprint offset to neutral (tCO_2e)[1]	The impact of our business on the environment and society	GCC	—	**119 519**	122 643	128 149	132 847	137 540	Maintain carbon-neutrality	[MO]
CIB SEMS deals reviewed (number of deals)[2]	The impact of our business on the environment and society		▼	**563**	579	610	703	764	Enhance SEMS integration	[MO] [LA1]
Equator Principle deals that had their first drawdown within the financial year (number of deals)	The impact of our business on the environment and society		▲	**13**	10	4	1	2	Enhance Equator Principles integration	[MO] [LA1]
CIB finance assessed under the Equator Principles (US$m)			▼	**868**	911	168	60	45	Enhance Equator Principles integration	[MO]
Carbon footprint per full-time employee (tCO_2e)	The impact of our business on the environment	GCC	▼	**3,8**	4,4	4,7	4,7	4,7	Continue reducing our impact through reduction targets	[MO]

[1] *Our carbon footprint offset to neutral from 2024 includes the scope 3 emissions from our supply chain in addition to the 105 340 tCO_2e of emissions from our own operations , refer to page 70. For more information on our methodology please refer to page 98 of our 2024 Climate Report. External limited assurance obtained over 105 340 tCO_2e LA1 of emissions from our own operations, 137 tCO_2e LA1 of emissions from cloud computing, 8233 tCO_2e LA1 from cash on transit, and 50 tCO_2e LA1 from courier with 3 254 tCO_2e of offsite hosting and 2 505 tCO_2e from the distributed workforce has not been included in the scope of the external limited assurance.*

[2] *All CIB credit risk reviews and new applications included the screening of high-risk clients and EP-relevant deals via the Social and Environmental Management System (SEMS).*

LA1 External limited assurance on selected sustainability information – refer to **pages 99 and 100** for the independent assurance practitioner's Limited Assurance Report on selected key performance indicators.

Assurance indicators

- **LA** External limited assurance on selected sustainability information [LA1] and the application of the Amended FSC and the group's BBBEE status [LA2]. Related opinions are available at group.nedbank.co.za.
- **MO** Management and board oversight through rigorous internal reporting governed by the group's ERMF.
- **IN** Information sourced from external sources, eg independent surveys.
- **OV** Independent oversight by regulatory bodies, including SARB, FSCA and National Financial Ombud Scheme.
- **FS** Financial information extracted from the 2024 Nedbank Group Limited Audited Annual Financial Statements.

Rewarding for value creation

Business performance

The group delivered an improved financial performance as HE increased by **8%** to **R16,9bn** and the ROE strengthened to **15,8%**. HE growth was underpinned by good NIR growth, a lower impairment charge and targeted expense management, offsetting muted NII growth given slower loan growth and margin pressure. DHEPS increased by **11%**, benefiting from the share buy-back executed in 2023. For shareholders the full-year dividends per share were up by **10%** and the share price was up by **30%** yoy.

	Headline earnings R16,9bn	Return on equity 15,8%	Cost-to-income ratio 55,9%
2024	16,9	15,8	55,9
2023	15,7	15,1	53,9
2022	14,1	14,1	55,8
2021	11,7	12,5	57,8
2020	5,4	6,2	58,1

Non-financial performance

Managed Evolution
IT build fundamentally completed

64%
of products sold digitally

14%
increase in Money app users to 2,7 million

#1
ranked bank on NPS (based on all clients surveyed)

R40bn
renewable energy finance (up by 32% yoy)

R183bn
SDF exposures (19% of gross loans and advances)

82,6%
black (AIC) employees, up from 81,5% in 2023

Remuneration outcomes

Guaranteed package increases, effective from April 2025

Non-bargaining unit	Bargaining unit	Minimum annual GP
▲ 5,0% (2024: 5,3%)	▲ 6,3% (2024: 7,0%)	▲ 6,7% to R240 000 (2024: R225 000)

Vesting % of 2022 LTI awards, vested in March 2025

Group Exco	Cluster exco	Other participation
60,5% (2024: 124,8%)	71,0% (2024: 115,3%)	80,3% (2024: 117,1%)

STI pool awards, effective from March 2025

▲ **11,6%** to R3 394m

Non-executive director fees, effective from July 2025

▲ **5,6%** overall increase recommended for shareholder approval

Key changes to our remuneration policy

- Following a market review, the **minimum shareholding requirements were increased**: chief executive (CE) (from 2,0 to 3,0 x GP); executive directors (EDs) and prescribed officers (POs) (from 1,5 to 2,0 x GP).
- A non-financial modifier was added to the short-term incentive (STI) build-up methodology to **measure and incentivise progress against employment equity targets**.
- Following a market review, the **malus and clawback triggers were updated** to include a new trigger for conduct leading to reputational harm and made refinements to existing triggers to include errors in non-financial reporting.
- The **normal retirement age was increased** from 60 to 63 years, effective from 1 August 2025.

Rewarding for value creation continued

Pay fairness

Pay fairness arguably starts with ensuring a decent living wage at the lower employee levels. Nedbank's minimum annual GP is R240 000, effective from April 2025 (2024: R225 000; a 6,7% increase). This minimum GP is significantly above the legislated minimum wage in SA of R28,79 per hour, which translates to just above R60 000 per annum. This was supplemented by an STI of 8,2% of the guaranteed remuneration bill of qualifying employees in the bargaining unit (2024: 8%).

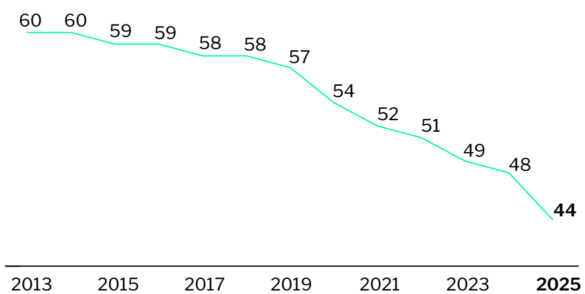
Employees have a right to freedom of association and joining unions representing their interests. There are also collective-bargaining arrangements in our subsidiaries in Lesotho, Namibia, Eswatini and Zimbabwe. Care is taken to ensure that salary increase settlements are appropriate within the context of local market and economic conditions. We continue to remunerate our employees in the bargaining unit appropriately relative to the industry.

Executive level GP increases are set by reference to, among other things, the increases of the broader workforce, which is represented by Sasbo, the finance union in SA. In 2025, employees at Group Exco level and NBU employees will receive increases in their total GP averaging 5%, compared with 6,3% for the bargaining unit.

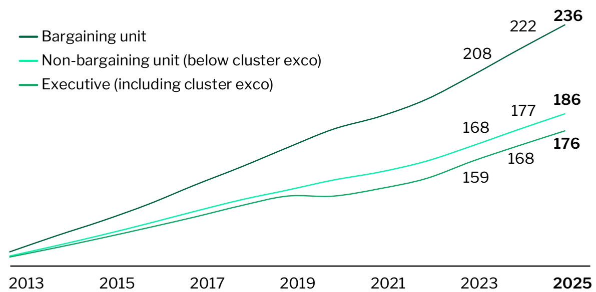
The ratio between the CE's GP and the bank minimum GP, measured from 2013 to 2025, has steadily declined.

As shown in the graph indexed at 100 from 2013 to 2025, the GPs at bargaining unit level have more than doubled (136%), while at non-bargaining and exco level the average GPs have increased by 86% and 76% respectively. This is a result of a deliberate long-term approach to narrow vertical pay gaps and has the added effect of increasing the STI awards of the bargaining-unit members as variable pay is determined as a percentage of GP.

CE GP to bank minimum
(Ratio)



GP increases
(Indexed at 100)



Remuneration outcomes aligned to our KPIs and targets

Group performance against the short- and medium-targets, drives the short-term incentive (STI) pool build-up and LTI vesting outcomes.

Board-approved targets cascade into goal commitment contracts (GCCs)

Board-approved target	Drives STI pool build-up	Drives LTI vesting outcome	Included in the GCCs
Headline earnings (HE) and economic profit	✓		✓
Diluted headline earnings per share (DHEPS) growth	✓	✓	✓
Return on equity	✓	✓	✓
Cost-to-income ratio		✓	✓
Environmental, social and strategic (including non-financial goal commitments)		✓	✓

Individual STI awards are informed by individual GCC performance.

Financial targets refer to page 6 for further information

Strategic KPIs refer to pages 69 and 70

- Digital leadership (DX)
- Market-leading client experiences (CX)
- Focusing on areas that create value (SPT)
- Growth vectors
- Creating positive impacts

Stakeholder KPIs refer to pages 89 and 90

- Clients
- Employees
- Regulators
- Shareholders
- Society

Rewarding for value creation continued

LTI Performance conditions, weightings, vesting ratios and targets

2025 awards: Performance conditions and weightings

Vesting of Group Exco and cluster exco awards remain 100% business-performance based – the same as the 2024 and 2023 awards. Vesting below cluster exco level is 50% CPT-based and 50% subject to a minimum acceptable individual performance requirement – the same as 2024 and 2023 awards.

CPTs	Group and cluster exco % weighting	All other participants % weighting
ROE vs COE	30	15
DHEPS growth	30	15
Efficiency ratio	20	10
Environmental and social	10	5
Strategic	10	5
Total	**100**	**50**
% of award linked to group business performance and continued employment	100	50
% of award linked to individual performance and continued employment	0	50[1]
Total	**100**	**100**

[1] *Vesting of this portion is subject to a minimum acceptable individual performance standard and ongoing employment over the vesting period.*

2025 awards: Vesting ratios and targets

CPTs	Minimum vesting 0%	Target vesting 100%	Maximum vesting 200%
ROE vs COE 2027	RoE ≤ 15,5%	RoE = 17,0%	RoE ≥ 19%
DHEPS CAGR growth	≤ CPI + GDP%	= CPI + GDP + 3%	≥ CPI + GDP + 7%
Cost-to-income ratio 2027	≥ 55%	= 54%	≤ 52%

Straight-line vesting applies between the points in the above table.

CPTs	Minimum vesting 0%	Target vesting 100%	Maximum vesting 150%
Environmental, social, and strategic	Rating = 0	Rating = 3 (Considerable progress)	Rating = 5 (Substantial progress)

Vesting will be interpolated both above and below target in the above table.

2025 awards: Environmental and social CPTs

Environmental	• Achieve appropriate progress on our Energy Policy commitments: Renewable-energy finance (SDG 7) and Energy Policy-related timelines and targets, including fossil-fuel related glidepaths were communicated in 2024 with the sizing of the home loans and vehicle portfolio carbon intensities (baselines) disclosed. The carbon intensities of the next portfolios and associated glidepaths to be communicated as and when appropriate.
	• Our own carbon footprint to decline by 40% by the end of 2025 and renewable green energy for our own operations to contribute more than 30% of energy sourced by 2025 and both to be progressed further by 2027 (subject to grid connectivity).
	• Meet SDF ambitions: It is our ambition to have increased SDF exposures to around 20% of the group's total gross loans and advances (2024: 19%) by the end of 2025, that is aligned to the SDGs. Our plans currently suggest we will reach > R250bn of exposures by 2027, and we are considering setting a 2030 target.
Social	• Maintain a positive employee NPS.
	• Maintain a strong client NPS over the period.
	• Maintain competitive BBBEE status (inclusive of diversity). Retain level one status based on the current amended Financial Sector Code (FSC) targets. This is still a pending status given the industry review process underway and that amended FSC rules are yet to be finalised, which may result in us targeting a different status.

2025 awards: Strategic CPTs

Nedbank Africa Regions	• Achieve improved coverage and returns.
Digital transformation	• Unlock value from intelligent hyperautomation and data commercialisation by strengthening capabilities in data and analytics (scaling commercial value from analytics, GenAI, Digital 2.0 and transforming digital customer engagement).
SPT	• Achieve selected market share gains in secured and unsecured lending, within the appropriate risk appetite.
	• Achieve market share gains in household transactional and non-transactional, retail deposits and commercial transactional deposits.
	• Make gains in main-banked clients.

Rewarding for value creation continued

Value creation | Value preservation | Value erosion

Board oversight – ensuring and protecting value

Group Remuneration Committee (Group Remco)

'Group Remco is satisfied that, for the reporting period it has fulfilled the requirements of its charter, that the objectives of the Remuneration Policy have been met, and that there has been no material deviation from the Remuneration Policy.'

Hubert Brody, Chair

Ensuring and protecting value in 2024

- Group Remco and the board approved the terms of the incoming and outgoing Chief Executive, in line with the group's Remuneration Policy.
- The minimum shareholding requirements were increased for executive directors (EDs) and prescribed officers (POs).
- The malus and clawback triggers were updated to include a new trigger and made refinements to existing triggers.
- The normal retirement age was increased from 60 to 63 years.
- A non-financial modifier was added to the short-term incentive (STI) build-up methodology to measure and incentivise progress against employment equity targets.
- The long-term incentive (LTI) vesting percentage on environmental, social and strategic corporate performance targets (CPTs) was increased for target vesting and maximum vesting at a stretch level.
- The LTI financial CPTs have been retained to ensure alignment to our board-approved medium-term targets.

Focus for 2025 and beyond

- Maintaining continued dialogue with shareholders to ensure the relevance and appropriateness of the Remuneration Policy.
- Ensuring that the Remuneration Policy and outcomes support our strategic objectives and that these are appropriate to the changing environment.
- Complying with amended Companies Act requirements on remuneration, once finalised.
- Ensuring remuneration outcomes are fair and responsible.
- Staying abreast of evolving remuneration best practices.
- Reviewing the competitiveness of the group's LTI pool, the LTI CPTs, weightings and vesting ranges.

Stakeholders

Employees | Regulators | Society | Shareholders

Top 10 risks

1 Strategic execution | 2 Business | 5 Operational | 6 People | 7 Climate

A comprehensive Group Remco Report is available online in our 2024 Governance Report on our group website at group.nedbank.co.za.

Jason Quinn Chief Executive (7 months)
Mike Brown former Chief Executive (5 months)

Financial performance

- Achieved HE and DHEPS growth of 8% and 11% respectively.
- Strengthened the group's ROE to 15,8%.
- Total dividend increased by 10%.
- Maintained fortress balance sheet, evident in strong capital, liquidity and balance sheet provisioning metrics.
- Experienced a cost-to-income ratio increase to 55,9%.

Strategy

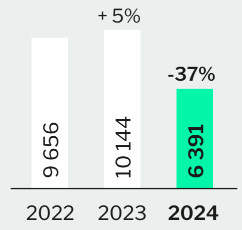
- Completed Managed Evolution technology programme.
- Completed TOM 2.0 programme, realising cumulative expense benefits of R3bn.
- Increased retail main-banked clients by 5% to 3,7m in RBB, NAR clients by 14% and won 20 primary transactional accounts in CIB.
- Achieved ongoing strong digital growth and digital sales of 64%.
- Realised market share gains in retail deposits, home loans, vehicle finance and wholesale term loans.
- Identified new transform opportunities to support sustainable growth and returns into the future as part of our strategy refresh.
- Ensured that Nedbank ranked #1 South African bank on NPS among the large South African banks when surveying all clients and second highest NPS among main-banked clients.
- Experienced market share loss in commercial deposits, credit cards and overdrafts, as well as deliberate loss in personal loans.

ESG delivery

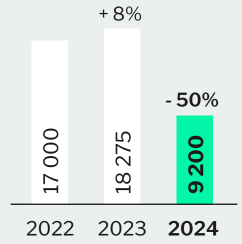
- Continued to drive Nedbank's overall leadership in climate change-related matters and increased SDF to R183bn.
- Maintained leadership position in renewable energy finance.
- Achieved improvements in ACI employees to 83% and 4% increase of Africans in senior- and middle-management positions.
- MSCI ESG rating for Nedbank at AAA (top 9% of global banks).
- Maintained high levels of employee satisfaction with Nedbank as a 'Great place to work' employee NPS at 18.
- Maintained level 1 BBBEE in transformation for the seventh year in a row.
- Worked with government, the banking industry, business and labour through participation and leadership in key industry bodies.
- Ensured sound cybersecurity.
- Managed ongoing reputational issues well.
- Ensured seamless CE leadership transition process.

Mike Brown remuneration outcomes

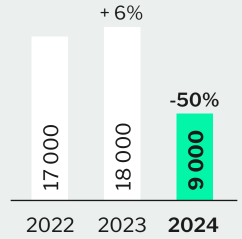
Guaranteed remuneration (R000)



Total STI (R000)



Total LTI at face value (R000)



Rewarding for value creation continued

Value creation | Value preservation | Value erosion

Mfundo Nkuhlu Chief Operating Officer

Financial performance

- (Value creation) Achieved HE and DHEPS growth of 8% and 11% respectively.
- (Value creation) Strengthened the group's ROE to 15,8%.
- (Value creation) Managed expenses well across all shared services clusters.
- (Value erosion) Experienced a decline of 17% in associate income from ETI, mainly due to accounting for the non-repeat of a prior year reversal.

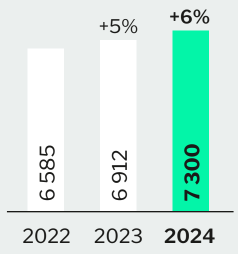
Strategy

- (Value creation) Completed Managed Evolution IT system transformation materially on time, scope and budget.
- (Value creation) Completed TOM 2.0 programme, realising cumulative expense benefits of R3bn, which resulted in an optimised shape of our infrastructure.
- (Value creation) Identified exciting new transformation opportunities to support sustainable growth and returns into the future.
- (Value creation) Invested significantly in our artificial intelligence (AI) and data capabilities.
- (Value creation) Managed the COO function well and continued to deliver improvements in operational excellence and collaboration.
- (Value erosion) Experienced a decline of 5% in the Nedbank brand value.

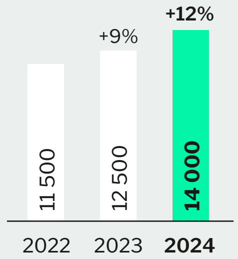
ESG delivery

- (Value creation) Drove improvements in diversity metrics, including in representation of African talent at both senior- and middle-management levels.
- (Value creation) Facilitated the approval of a more competitive retirement age of 63.
- (Value creation) Continued efforts to accelerate purpose fulfilment effectively and ensured Nedbank became first South African bank to publish a Nature Position Statement.
- (Value preservation) Managed key role succession planning well, including succession of the Group Chief Compliance Officer.
- (Value preservation) Maintained high levels of employee satisfaction (NPS at 18), while employee attrition rate decreased to 8,0%.
- (Value preservation) Maintained level 1 BBBEE in transformation for the seventh year in a row.
- (Value preservation) Ensured sound cybersecurity.
- (Value preservation) Worked with government, the banking industry, business and labour through participation and leadership in key industry bodies.

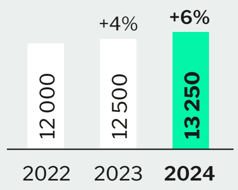
Guaranteed remuneration
(R000)



Total STI
(R000)



Total LTI at face value
(R000)



Mike Davis Chief Financial Officer

Financial performance

- (Value creation) Achieved HE and DHEPS growth of 8% and 11% respectively.
- (Value creation) Strengthened the group's ROE to 15,8%.
- (Value creation) Supported a total dividend increase of 10%.
- (Value creation) Managed expenses well across shared services clusters.
- (Value preservation) Maintained fortress balance sheet, evident in strong capital, liquidity and balance sheet provisioning metrics.

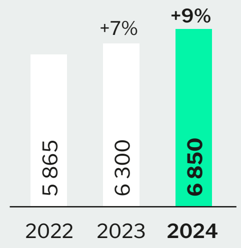
Strategy

- (Value creation) Achieved top-tier investor relations rankings and maintained strong relationships and communication with the investor community.
- (Value creation) Ensured cost savings through heightened focus on automation, creating efficiencies and headcount and office space optimisation.
- (Value creation) Delivered liquidity risk and capital management strategies optimally.
- (Value creation) Continued to drive an optimal capital structure through the raising of AT1 and tier 2 at competitive pricing.
- (Value preservation) Optimised liquidity risk management strategies, including high quality liquid asset holdings and alternate funding raised.
- (Value preservation) Performed analysis and quantification of the impact relating to the management of Nedbank endowment hedging programme.
- (Value preservation) Managed taxation risk well.

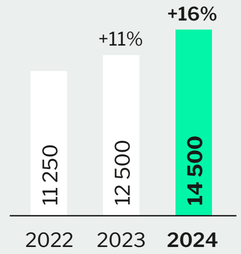
ESG delivery

- (Value creation) Recognised for leadership in renewable energy finance.
- (Value creation) Improved Nedbank Green Star ratings for Nedbank's own premises, with 89% of our space being Green Star-rated.
- (Value creation) Ensured that water and electricity consumption, and recycling volumes tracked ahead of target.
- (Value preservation) Oversaw smooth governance process and brought KPMG onto the audit.
- (Value preservation) Received multiple prestigious industry awards in recognition of Nedbank's high standards of financial reporting, including being voted SA CFO of the Year, as well as the Compliance and Governance; as well as receiving Strategy and Execution awards.
- (Value preservation) Ensured MSCI ESG rating for Nedbank remained at AAA (top 9% of global banks).
- (Value preservation) Maintained robust and efficient tax compliance and incurred no penalties or interest charges.
- (Value preservation) Obtained good AGM outcomes with all resolutions passed.
- (Value preservation) Ensured steady progress on the achievement of procurement aspirations.

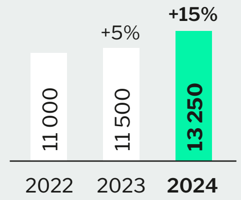
Guaranteed remuneration
(R000)



Total STI
(R000)



Total LTI at face value
(R000)



Rewarding for value creation continued

Value creation | Value preservation | Value erosion

Anél Bosman Group Managing Executive: Nedbank Corporate and Investment Banking

Financial performance

- Increased HE in CIB by 9% and delivered an ROE of 20,5%.
- Increased NIR by 11%, driven by deal closures and strong growth in Markets.
- Managed credit risk well with CLR at 14 bps, below its TTC target range of 15–45 bps.
- Maintained disciplined expense and capital management.
- Experienced a 5% decrease in NII due to margin compression and slow average loans and advances growth, although actual loans and advances growth was satisfactory.

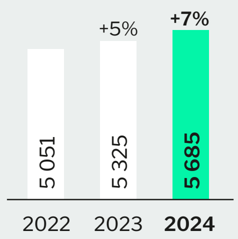
Strategy

- Gained 20 primary clients and increases in large transactions.
- Increased renewable energy exposures and won significant renewable energy mandates.
- Increased adoption rate by clients of the Nedbank Business Hub from 30% to 51%.
- Maintained high client satisfaction at 81%, above the global benchmark of 80%.
- Maintained market-leading position in Property Finance in SA.
- Managed reputational and credit risk well with a focus resolution of various clients who went into business rescue in prior years.
- Delivered a strong performance against regulatory compliance, risk management and internal audit requirements.

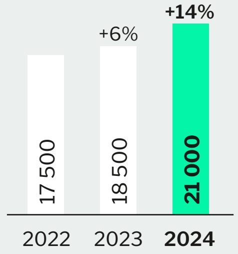
ESG delivery

- Grew sustainable development finance to more than R110bn, which is 27% of CIB gross banking loans and advances.
- Facilitated sustainable finance credit facilities for clients to the value of R17bn.
- Recorded R38,5bn in renewable energy finance drawn exposures.
- Concluded R4,5bn term loan facility to the Trans-Caledon Tunnel Authority for its Mokolo-Crocodile River Water Augmentation Project.
- Published our fossil fuels and power generation glidepath methodology and disclosed fossil fuel carbon accounting.
- Led the EDGE certification of the Mall of Africa, making it the largest retail asset worldwide to achieve this prestigious certification.
- Received multiple prestigious industry awards in recognition of CIB's expertise and purpose-led approach.
- Maintained a strong governance and control environment.

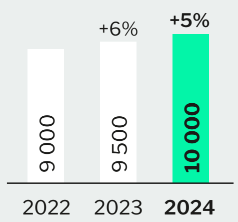
Guaranteed remuneration
(R000)



Total STI
(R000)



Total LTI at face value
(R000)



Ciko Thomas Group Managing Executive: Nedbank Retail and Business Banking

Financial performance

- Increased HE by 15% and improved ROE to 17,1%.
- Managed credit risk well, with impairments down by 15% and a CLR decrease to 158 bps, within the cluster's TTC of 130–180 bps.
- Experienced expenses growth above revenue growth, resulting in an increase in cost-to-income ratio.

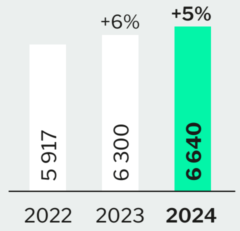
Strategy

- Increased retail main-banked clients by 5% to 3,7m and the cross-sell ratio to 1,99.
- Delivered strong digital growth (Money app clients up by 14% to 2,7m and digitally active retail clients up 7% to 3,1m).
- Realised market share gains in retail deposits and selected retail advances categories, such as vehicle finance and home loans.
- Contributed significantly to the group's R3bn of cumulative TOM 2.0 benefits through strategic initiatives such as Project Imagine and Project Phoenix, resulting in improved efficiencies.
- Executed the acquisition of Eqstra to strengthen our positioning in the fleet management market.
- Maintained average bank fee increases below inflation, and with the launch of our MiGoals product suite, received Nedbank's favourable ranking amongst peers.
- Ranked #1 South African bank on NPS among the large South African banks when surveying all clients and second highest NPS among main-banked clients.
- Experienced a loss of market share in commercial deposits and credit card lending.

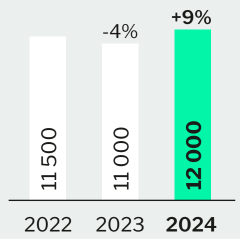
ESG delivery

- Increased support to more than 300 000 SMEs with loan exposures of R25bn.
- Positively impacted more than 30 townships and created supplier procurement opportunities for more than 400 black-youth-owned service providers.
- Rehabilitated 1,7m clients since 2023, assisted 110K clients to keep their cars and homes and assisted 20,9K clients to sell their assets through our Assisted Sales programmes.
- Increased support to employees through various financial education and mental health awareness programmes attended by 12K employees.

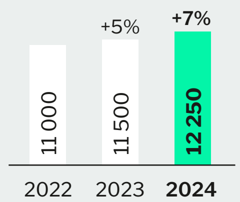
Guaranteed remuneration
(R000)



Total STI
(R000)



Total LTI at face value
(R000)



Rewarding for value creation continued

Value creation · Value preservation · Value erosion

Dr Terence Sibiya **Group Managing Executive: Nedbank Africa Regions**

Financial performance

Experienced a 14% decrease in NAR HE and a decline in ROE to 20,5%.

Experienced SADC operations HE down by 12% to R582m, excluding the base effect of Zimbabwe FX gains, HE was up by 60%.

Experienced ETI HE down by 16%, mainly due to accounting for the non-repeat of the prior year reversal for Ghana, with an ROI of 18,2%.

Strategy

Accelerated digitisation and digital usage uptake, including an increase in digitally active clients from 64% to 72% of its total active client base and a 21% increase in app users.

Increased the total number of clients by 14% to 396 733.

Achieved a market leader position in client experience (NPS) in Mozambique and leading brand sentiment scores in 3 markets.

Made good progress on implementing the value unlock agenda in ETI.

Tangible positive progress in NAR Control Environment (risk, governance, compliance)

Implemented cardless and card-based cash deposits on our Intelligent Depositor ATMs, including full cash recycling across 4 countries.

Successfully enabled the new functional currency in Zimbabwe [Zimbabwe Gold (ZiG)], with minimal impact on clients.

Made good progress in NAR technology harmonisation system convergence.

ESG delivery

Successfully succeeded Mfundo Nkuhlu as ETI Nedbank's Board representative.

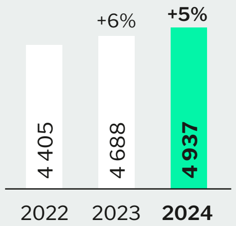
Maintained a good relationship with all internal and external stakeholders, including regulators.

Ensured effectiveness in governance and compliance, although some improvement is required in the control environment.

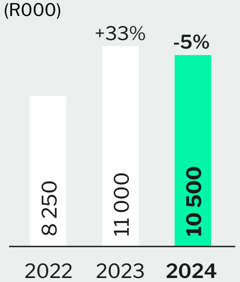
Provided support through a community empowerment programme that focused on sustainable agriculture education in Eswatini.

Continued empowering women through a comprehensive technical and capacity building programme in Zimbabwe [targeting 100 women-owned businesses and contributing US$20 000].

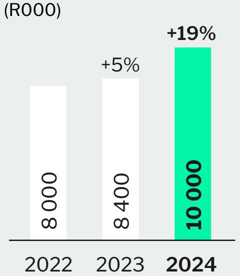
Guaranteed remuneration
(R000)



Total STI
(R000)



Total LTI at face value
(R000)



Iolanda Ruggiero **Group Managing Executive: Nedbank Wealth**

Financial performance

Increased HE by 4% and ROE to 27,6%.

Increased NIR by 12% and managed risk well with CLR at -2 bps, below the cluster's TTC target range of 20–40 bps.

Increased assets under management by 6% yoy to R474bn, facilitated by strong market conditions in H2 2025.

Saw NII decrease by 1% due to lower average deposits and loans and advances.

Strategy

Enhanced channels and client acquisition strategies resulting in 44% growth in gross earned premiums for MyCover suite of insurance products.

Introduced personalised insurance offers on Money app, which resulted in a 40% increase in insurance digital sales.

Grew the digitally active client base by over 50%.

Continued investment in product, channel and service enablement.

Successfully executed the decision to exit the corporate e-gaming sector internationally.

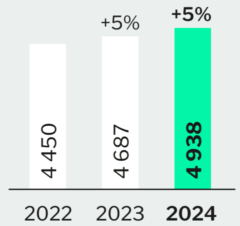
Nedgroup Investments remains the third-largest offshore manager for the eighth year in a row and is the eighth-largest South African manager (Q4 2024 ASISA stats).

ESG delivery

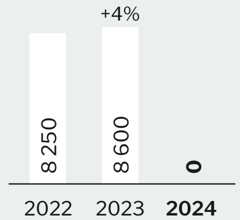
Asset management business published its fourth Responsible Investment Report and its inaugural Climate Change Position Statement.

Made good progress and concluded various risk and compliance initiatives that are aligned with a changing environment.

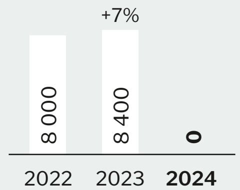
Guaranteed remuneration
(R000)



Total STI
(R000)



Total LTI at face value
(R000)



Supplementary information

Independent assurance, abbreviations, acronyms and reporting criteria.

Independent assurance practitioner's Limited Assurance Report on selected sustainability performance information reported Nedbank Group Limited's Integrated Report

for the year ended 31 December 2024

To the directors of Nedbank Group Limited

We have undertaken a limited assurance engagement on selected sustainability performance information (the "subject matter"), as described below, and presented in the Nedbank Group Limited ("Nedbank") Integrated Report for the year ended 31 December 2024 (the "Integrated Report"). This engagement was conducted by a multidisciplinary team with experience in assurance, sustainability performance and carbon emissions.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained (and subject to the inherent limitations outlined elsewhere in this report), nothing has come to our attention that causes us to believe that the selected sustainability performance information as set out in the Subject Matter paragraph below, for the year ended 31 December 2024, is not prepared, in all material respects, in accordance with management's measurement and reporting criteria.

Subject matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected sustainability performance information identified and selected by Nedbank's management as requiring independent external assurance:

No	Selected sustainability performance information	Unit of Measurement	Reporting Boundary	Location disclosed in the Integrated Report (page number)	Location of description of Nedbank's Criteria in the Integrated Report (page number)
	Environmental Key Performance Indicators				
1	Number of Equator Principle Deals that had their first draw down within the financial year	Number	CIB (Investment Banking and Client Coverage)	90	102
2	All CIB credit risk reviews and new applications included the screening of high risk clients and EP relevant deals via the Social and Environmental Management System (SEMS)	Number	Nedbank CIB (Investment Banking and Client Coverage)	90	102
3	Total Carbon Footprint (tCO_2e)	tCO_2e	Scope 1: Nedbank Limited (South African operations) and all campus buildings. Scope 2: Campus buildings; non-Campus buildings and non-South African bank offices and/or outlets. Scope 3: 1. Nedbank Ltd (South African operations) limited to paper, travel claims, staff commuting, car hire and flights; and 2. Impact of our service providers' carbon footprint for cloud computing, cash-in-transit, and courier service providers	70 and 90	102
4	Thermal coal funding – Limit	Percentage	Nedbank Group	102	102
5	Thermal coal funding – Drawn Exposure	Percentage	Nedbank Group	102	102
6	Upstream oil funding – Limit	Percentage	Nedbank Group	102	102
7	Upstream oil funding – Drawn Exposure	Percentage	Nedbank Group	102	102
8	Upstream gas funding – Limit	Percentage	Nedbank Group	102	102
9	Upstream gas funding – Drawn Exposure	Percentage	Nedbank Group	102	102
10	Non-renewable power funding – Limit	Percentage	Nedbank Group	102	102
11	Non-renewable power funding – Drawn Exposure	Percentage	Nedbank Group	102	102
12	Renewable energy funding – Limit	Percentage	Nedbank Group	102	102
13	Renewable energy funding – Drawn Exposure	Percentage	Nedbank Group	102	102
14	Total water consumed	Kilolitres	Nedbank Campus buildings	64	102
15	Waste sent to landfill	Tonnes	Nedbank Campus buildings	64	102
16	Waste recycled	Tonnes	Nedbank Campus buildings	64	102
	Economic: Clients and Banking Key Performance Indictors				
17	Net promoter score (NPS)	Number	Client promotion of Nedbank for Retail and Business Banking, Wealth and CIB	58	102
18	Number of main-banked clients	Number	Retail	70	102
19	Primary client wins	Number	CIB	70	102
20	Percentage of digitally active retail clients	Percentage	Retail and Business Banking	69	102
21	Digital sales (% of total sales)	Percentage	Retail and Business Banking	69	102
22	Nedbank Africa Regions number of clients	Number	Nedbank Africa Regions	60	102
23	Banking Ombudsman cases in favour of Nedbank	Number	Nedbank Group	89	102
	IT key performance indicators				
24	System availability uptime score	Percentage	Nedbank Group	69	102
	Human resources key performance indicators				
25	Staff attrition rate	Percentage	South African Nedbank staff turnover percentage	89	102
	Sustainable Development Finance				
26	Sustainable Development Finance	Monetary value (ZAR)	CIB Retail & Business Banking Nedbank Africa Regions	70	102

Independent assurance practitioner's Limited Assurance Report on selected sustainability performance information reported Nedbank Group Limited's Integrated Report continued

The selected sustainability performance information prepared and presented in accordance with management's criteria are marked with the symbol LA ("Limited Assurance") to indicate that we have provided limited assurance over the selected sustainability performance information.

Other than as described in the preceding paragraphs, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Integrated Report, and accordingly, we do not express a conclusion on this information.

Nedbank's responsibilities

The Directors of Nedbank are responsible for the selection, preparation, and presentation of the selected sustainability performance information in accordance with management's measurement and reporting criteria as set out in in the table above. These responsibilities include the identification of stakeholders and stakeholder requirements, key issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control and maintaining adequate records and making estimates that are relevant to the preparation of the Integrated Report and any references or statements of compliance with reporting frameworks applied, such that it is free from material misstatement, whether due to fraud or error.

The Directors of Nedbank are responsible for, in relation to application of the reporting standards used in the preparation of the Integrated Report, this report being prepared in accordance with the reporting principles as per those standards.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability performance information and for ensuring that those criteria are publicly available to the Integrated Reports users.

Inherent limitations

Where Nedbank's reporting of the selected sustainability performance information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

The scope of work was limited to the selected sustainability performance information disclosed in the Integrated Report and did not include coverage of data sets or information unrelated to the selected information, nor did it include information reported outside of Nedbank's Integrated Report, information relating to prior periods or comparisons against historical data.

Our assurance report does not extend to any disclosures or assertions relating to management's future performance plans, forward-looking statements or strategies disclosed in the Integrated Report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion on the selected sustainability performance information as set out in the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of the greenhouse gas emissions, in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. Those Standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected sustainability performance information is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Summary of work performed

Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of Nedbank's use of its measurement and reporting criteria as the basis of preparation for the selected sustainability performance information, assessing the risks of material misstatement of the selected sustainability performance information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability performance information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement. A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the sustainability performance information subject matter and related information and applying analytical and other appropriate procedures.

For the selected sustainability performance information, we:

- Performed analytical procedures to evaluate the reasonability of the reported performance results;
- Obtained explanations from management in response to our analytical procedures and assessing the reasonability in the context of our understanding of the business;
- Performed tests of detail on the selected performance information, on a selective basis, as part of assessing whether (i) the data has been appropriately measured, recorded, collated, and reported; and (ii) activities set out by management are appropriately evidenced and reported;
- Confirmation with internal or external parties;
- Performed procedures to:
  - » Evaluate the competence, capabilities, and objectivity of external service providers acting as management's experts;
  - » Obtain an understanding of the work of the management expert;
  - » Evaluate the appropriateness of the management expert's work as evidence, including assessing the data provided by Nedbank as an input to the expert's work; and
- We also performed such other procedures as we considered necessary in the circumstances.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Other Matters

No assurance procedures were performed on the prior years Integrated Report. The information relating to prior reporting periods has not been subject to our assurance procedures.

Restriction of Liability

Our report, including our conclusions, has been prepared solely for the Board of Directors of Nedbank in accordance with the agreement between us and for no other purpose. We permit this report to be published in Nedbank's Integrated Report to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the selected sustainability performance information.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Nedbank for our work or for our report and the conclusion contained therein. We agree to publication of our assurance report within Nedbank's Integrated Report provided it is clearly understood by recipients or readers of the Report and that we accept no duty of care to them whatsoever in respect of our independent assurance report.

Maintenance and integrity of Nedbank website is the responsibility of Nedbank management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the selected sustainability performance information as reported, or our independent assurance report that may occur subsequent to the initial date of publication of the Report on Nedbank's website.

Ernst & Young Inc.

Ernst & Young Inc.
Associate Partner – Mohsin Yahya Nana
Registered Auditor
Chartered Accountant (SA)

15 April 2025

102 Rivonia Road, Sandton Johannesburg
South Africa

Abbreviations and acronyms

ACI African, Coloured and Indian

AGM annual general meeting

AI artificial intelligence

AIEBA average interest-earning banking assets

AIRB Advanced Internal Ratings-based

AML anti-money-laundering

API application programme interface

AUM assets under management

BBBEE broad-based black economic empowerment

BEE black economic empowerment

bn billion

bps basis point(s)

CAGR compound annual growth rate

CET1 common equity tier 1

CIB Corporate and Investment Banking

CLR credit loss ratio

COE cost of equity

CPI consumer price index

CPT corporate performance targets

CRMF Climate Risk Management Framework

CSI corporate social investment

CVP client value proposition

DHEPS diluted headline earnings per share

ED executive director

EE employment equity

ELB entry-level banking

ESG environmental, social and governance

ETI Ecobank Transnational Incorporated

FATF Financial Action Task Force

FIC Financial Intelligence Centre

FSC Financial Sector Code

FSCA Financial Sector Conduct Authority

FVOCI Fair value through other comprehensive income

FVTPL Fair value through profit or loss

GDP gross domestic product

GLAA gross loans and advances

group Nedbank Group Limited

GVA gross value added

HE headline earnings

HEPS headline earnings per share

HQLA high-quality liquid asset(s)

IAS International Accounting Standard(s)

ICAAP Internal Capital Adequacy Assessment Process

ICT information and communication technology

IFRS International Financial Reporting Standard(s)

ILAAP Internal Liquidity Adequacy Assessment Process

JSE JSE Limited

LCR liquidity coverage ratio

LTI long-term incentive

m million

MAFR mandatory audit firm rotation

ME Managed Evolution

MFC Motor Finance Corporation (vehicle finance lending division of Nedbank)

MW megawatt

NAR Nedbank Africa Regions

NII net interest income

NIM net interest margin

NIR non-interest revenue

NPS Net Promoter Score

NSFR net stable funding ratio

PA Prudential Authority

PAYU Pay-as-you-use

PO prescribed officer

R rand

RBB Retail and Business Banking

Rbn South African rands expressed in billions

REIPPPP Renewable Energy Independent Power Producer Procurement Programme

Rm South African rands expressed in millions

RMIPPPP The Risk Mitigation Independent Power Producer Procurement Programme

ROA return on total assets

ROE return on equity

RRB Retail and Relationship Banking

RWA risk-weighted assets

SA South Africa

SA-csi The South African Customer Satisfaction Index

SADC Southern African Development Community

SAICA South African Institute of Chartered Accountants

SARB South African Reserve Bank

SDF sustainable development finance

SDGs Sustainable Development Goals

SEMS Social and Environmental Management System

SME small and medium enterprises

SMME small, medium and macroenterprises

SPT strategic portfolio tilt

SSA sub-Sahara Africa

STI short-term incentive

TCFD Task Force on Climate-related Financial Disclosures

TOM Target Operating Model

TTC through the cycle

UK United Kingdom

US United States

YES Youth Employment Service

yoy year on year

ZAR South African rand (currency code)

Reporting criteria

Banking ombud cases in favour of Nedbank	The number of cases found in favour of Nedbank compared to the total number of cases submitted to the banking ombud/National Financial Ombud Scheme and were assessed as being within the banking ombud/National Financial Ombud Scheme jurisdiction.
Digital sales (% of total sales)	Sales concluded through digital channels expressed as a percentage of new sales.
Gross loans and advances (GLAA)	The carrying value of banking book loans and advances before impairment allowance. GLAA excludes trading book loans and advances.
Nedbank Africa Regions number of clients	The total number of clients within the subsidiaries forming part of the Nedbank Africa Regions Cluster.
Net Promoter Score (NPS)	The percentage of promoters less the percentage of detractors.
Non-renewable power funding	The ratio of non-renewable power funding, as defined in our Energy Policy, compared to Nedbank Group's total gross loans and advances.
Number of Equator Principle Deals that had their first drawdown within the financial year	Number of Equator Principle deals within Nedbank CIB's Investment Banking and Coverage business units that had their first drawdown within the financial year.
Number of main-banked clients	Number of clients who achieved a minimum deposit or a number of quality transactions on average per month over 3 months.
Percentage of digitally active retail clients	The number of retail clients who has used a digital channel over the past 90 days compared to the number of total retail clients.
Primary client wins	Clients within the Corporate and Investment Banking Cluster who moved their primary banking to Nedbank during the year under review.
Renewable energy funding	The ratio of renewable energy funding, as defined in our Energy Policy, compared to Nedbank Group's total gross loans and advances.
SEMS deals reviewed	All Nedbank Corporate and Investment Banking Investment Banking and Coverage business units credit risk reviews and applications included in the screening of high-risk clients and Equator Principles-relevant deals via the Social and Environmental Management System.
Staff attrition rate	The number of permanent employees leaving the employment of Nedbank compared to the total number of permanent employees.
Sustainable development finance	Funding provided which meets the criteria specified in the Nedbank Sustainable Development Financing Inclusion Criteria as published on **group.nedbank.co.za.**
System availability uptime score	Total number of hours that systems were available compared to the total number of hours during which systems could have been available.
Thermal coal funding	The ratio of thermal coal funding, as defined in our Energy Policy, compared to Nedbank Group's total gross loans and advances.
Total carbon footprint	Total of the scope 1, 2 and 3 emissions: Scope 1 emissions arising from campus buildings and Nedbank Limited's South African operations. Scope 2 emissions arising from campus buildings, non-campus buildings and non-South African bank offices and outlets. Scope 3 emissions arising from Nedbank Limited's South African operations includes paper, travel claims, employee commuting, car hire and flights. In addition, scope 3 upstream emissions include cloud computing, digital platforms, courier, cash in transit and distributed workforce.
Total water consumed	The total water consumed, measured in kilolitres, at Nedbank campus buildings, excluding water consumed by third-party tenants at our campus sites.
Upstream oil and gas funding	The ratio of upstream oil and gas funding, as defined in our Energy Policy, compared to Nedbank Group's total gross loans and advances.
Waste recycled	The total waste, measured in tonnes, from Nedbank campus buildings sent for recycling.
Waste sent to landfill	The total waste, measured in tonnes, from Nedbank campus buildings sent to landfill.

Additional climate-related disclosures

				% of GLAA		
Rm	**December 2024**	**December 2023**	**ytd change**	**December 2024**	**December 2023**	
Thermal coal funding						
Limit	**2 153**	2 296	(143)	**0,2**	0,3	LA1
Drawn exposure	**920**	1 233	(313)	**0,1**	0,1	LA1
Upstream oil funding						
Limit	**18 881**	18 902	(21)	**2,0**	2,1	LA1
Drawn exposure	**12 244**	12 479	(235)	**1,3**	1,4	LA1
Upstream gas funding						
Limit	**6 575**	4 632	1 943	**0,7**	0,5	LA1
Drawn exposure	**2 233**	1 525	708	**0,2**	0,2	LA1
Non-renewable power funding						
Limit	**7 132**	8 093	1 943	**0,8**	0,9	LA1
Drawn exposure	**3 258**	4 049	708	**0,3**	0,5	LA1
Renewable energy funding						
Limit	**56 749**	45 557	11 192	**6,0**	5,1	LA1
Drawn exposure	**39 513**	29 853	9 660	**4,2**	3,4	LA1

LA1 External limited assurance on selected sustainability information – refer to pages 99 and 100 for the independent assurance practitioner's Limited Assurance Report on selected key performance indicators.

Company details

Nedbank Group Limited

Incorporated in the Republic of SA
Registration number 1966/010630/06

Registered office

Nedbank Group Limited, Nedbank 135 Rivonia Campus,
135 Rivonia Road, Sandown, Sandton, 2196
PO Box 1144, Johannesburg, 2000

Transfer secretaries in SA

JSE Investor Services Proprietary Limited,
1 Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196
(from 13 March 2023)

PO Box 4844, Marshalltown, 2000, SA

Namibia

Transfer Secretaries Proprietary Limited
4 Robert Mugabe Avenue, Windhoek, Namibia
PO Box 2401, Windhoek, Namibia

Instrument codes

Nedbank Group ordinary shares

JSE share code:	NED
NSX share code:	NBK
A2X share code:	NED
ISIN:	ZAE000004875
JSE alpha code:	NEDI
ADR code:	NDBKY
ADR CUSIP:	63975K104

For more information contact

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Company Secretary:	J Katzin
Sponsors in SA:	Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Sponsor in Namibia

Old Mutual Investment Services (Namibia) (Proprietary) Limited

Disclaimer

Nedbank Group has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this document, including all information that may be defined as 'forward-looking statements' within the meaning of US securities legislation.

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

Forward-looking statements are not statements of fact, but statements by the management of Nedbank Group based on its current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance.

No assurance can be given that forward-looking statements will be correct and undue reliance should not be placed on these statements.

The risks and uncertainties inherent in the forward-looking statements contained in this document include changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of both current and future litigation.

Nedbank Group does not undertake to update any forward-looking statements contained in this document and does not assume responsibility for any loss or damage arising as a result of the reliance by any party on these statements, including loss of earnings, profits, or consequential loss or damage.

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