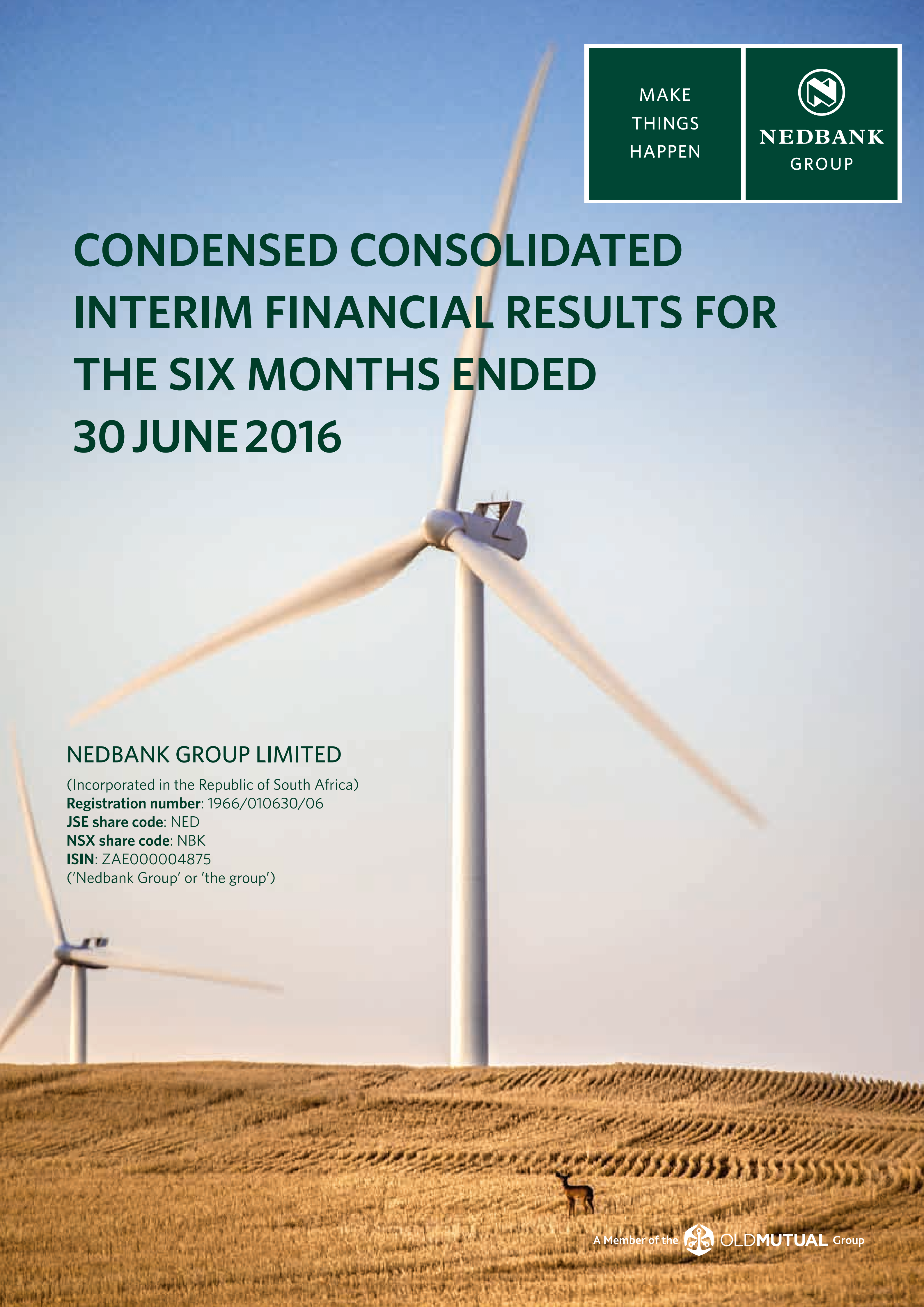

MAKE THINGS HAPPEN

NEDBANK GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

NEDBANK GROUP LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 1966/010630/06
JSE share code: NED
NSX share code: NBK
ISIN: ZAE000004875
('Nedbank Group' or 'the group')

A Member of the OLDMUTUAL Group

2016 INTERIM RESULTS

Headline earnings
▲ 2,0%
R5 427m

Headline earnings excl ETI
▲ 20,1%
R6 030m

Diluted HEPS
▲ 1,6%
1 119 cents

Interim dividend per share
▲ 6,1%
570 cents

Common-equity tier 1 ratio
▲ 11,6%
(Dec 2015: 11,3)

ROE (excl goodwill)
▼ 15,7%
(H1 2015: 17,3%)

ROE (excl goodwill and ETI)
▲ 18,4%

NAV per share
▲ 9,7%
15 826 cents

Credit loss ratio
▼ 67 bps
(H1 2015: 77 bps)

Portfolio coverage on performing book
▲ 0,71%
(H1 2015: 0,68)

NIR growth
▲ 8,7%
R 11 357m

VERY STRONG PERFORMANCE FROM NEDBANK GROUP'S MANAGED OPERATIONS IN SA IN A DIFFICULT MACRO ENVIRONMENT

'Nedbank Group's managed operations, excluding Ecobank Transnational Incorporated (ETI), produced a very strong performance for the first six months of the year. Headline earnings growth was underpinned by strong revenue generation and an improved credit loss ratio of 67 basis points, while strengthening our portfolio impairment coverage ratios.

Our focus on growing our transactional banking franchise continues to unlock benefits. The integration of our CIB Cluster last year resulted in an enhanced client offering, which increased cross-sell activities. Our RBB Cluster made good progress in gaining clients through its innovative digital and other offerings, resulting in an increase of 7,3% in main-banked clients and an increase in the ROE from 15,9% to 18,3%. Our Wealth Cluster grew earnings strongly, with good performances from Private Wealth, Asset Management and Insurance.

Strong growth from our managed operations in SA was offset by a weak performance in the Rest of Africa and, in particular, the impact of equity-accounting in Nedbank's first quarter (Q1) 2016 associate income for our share of ETI's loss in its fourth quarter (Q4) 2015, as we have already reported on in our Q1 2016 performance update in May. ETI continues to navigate a difficult operating environment and following its comprehensive review of processes and portfolios, which led to elevated impairment charges in Q4 2015, ETI has produced a much-improved performance in Q1 2016. We believe in the long-term growth potential of the Rest of Africa and remain supportive of ETI's management and board in their strategy to enhance the focus of the business on delivering a ROE ahead of its COE.

Our guidance for organic growth in diluted headline earnings per share for 2016 remains unchanged. We continue to expect positive growth in this metric, albeit that in the current economic environment this is expected to be lower than the growth we achieved in 2015 and below our medium-to-long-term target of the consumer price index plus GDP growth plus 5%.'

Mike Brown

Chief Executive

2016
INTERIM RESULTS COMMENTARY

BANKING AND ECONOMIC ENVIRONMENT

The global economic environment remains under pressure. Expectations earlier in the year of an economic recovery and interest rate normalisation in the US have softened. The UK's vote to leave the European Union (EU) has triggered increased volatility across markets and added further uncertainty to a fragile economic environment in the UK and Eurozone. These factors have led to the International Monetary Fund (IMF) downgrading its 2016 global real gross domestic product (GDP) growth forecast to 3,1% from 3,8% a year ago. Given continued economic pressures in developed economies and low economic growth in China, there remains downside risk for commodity-driven economies, although prices have stabilised since the beginning of the year. The IMF has also downgraded the GDP growth forecast for the sub-Saharan Africa region to 1,6%, from 5,1% in July 2015.

The SA economy deteriorated in 2016 off an already low 2015 base. The GDP contraction of 1,2% in the first quarter of 2016 was largely driven by the sharp declines in mining and agriculture output, as well as lower export levels despite the weak rand. Lower levels of consumer spending and private sector fixed investment in addition to rising inflation further contributed to the economic slowdown.

The reaffirmation of SA's sovereign risk ratings at an investment grade of Baa2 by Moody's Investor Service and BBB- by Standard & Poor's was a positive outcome of the work done by government, business and labour in the first six months of the year. Both rating agencies maintained a negative outlook, reflecting the potential adverse consequences of low GDP growth and signalling that SA ratings could be lowered if policy measures are not instituted to be more supportive of inclusive growth. Fitch's rating, although revised down to BBB- from BBB with a stable outlook, also remained above investment grade. These ratings acknowledge the fiscal consolidation achieved; the 2016/17 budget and medium-term plan to reduce government debt; the underlying strength of SA's institutions; as well as the structural and legislative reforms that the SA government, businesses and labour have been working on together to restore confidence in the country to encourage private sector investment and higher levels of inclusive growth in the economy. Evidence of delivery on these plans will be needed before December 2016 to prevent any downgrade at the next round of ratings reviews.

REVIEW OF RESULTS

Nedbank Group produced headline earnings of R5 427m[1], an increase of 2,0%[1] for the six months ended 30 June 2016 ('the period'). This earnings growth was underpinned by strong net interest income (NII) and non-interest revenue (NIR) growth, as well as impairments remaining below the midpoint of our through-the-cycle target range.

Headline earnings includes a loss in associate income of R446m[1] (June 2015: R426m profit) relating to our 21,8%[1] share of the Q4 2015 loss of USD199m and Q1 2016 profit of USD71m in ETI. Associate income from ETI is equity-accounted one quarter in arrear using ETI's publicly disclosed results. Excluding both the loss in associate income of R446m[1] and funding costs of R157m relating to ETI, headline earnings from Nedbank Group's managed operations grew strongly by 20,1% to R6 030m.

Diluted headline earnings per share (DHEPS) increased 1,6%[1] to 1 119 cents[1] (June 2015: 1 101 cents) and headline earnings per share (HEPS) grew by 0,6%[1] to 1 135 cents[1] (June 2015: 1 128 cents). Excluding ETI, DHEPS was up 19,7% and HEPS was up 18,7%.

Return on average ordinary shareholders' equity (ROE), excluding goodwill, of 15,7% (June 2015: 17,3%) and ROE of 14,6% (June 2015: 16,0%), reflect a lower return on assets (ROA) of 1,19% (June 2015: 1,28%) resulting from the above loss in equity-accounted earnings from ETI. Excluding the loss in ETI, ROA was 1,32%. Our economic profit decreased to R408m (June 2015: R1 328m), largely as a function of the impact of ETI and the group's cost of equity (COE) increasing to 14,4% (monthly average for the period) from 13,0%. This follows the increase in the SA long-bond yield earlier in the year. In more recent months the SA long-bond rate and our COE have decreased from their peak in December 2015.

Our Basel III common-equity tier 1 (CET1) ratio improved to 11,6% (December 2015: 11,3%) and remained within our Basel III 2019 internal target range, reflecting a well-capitalised balance sheet. Our liquidity coverage ratio (LCR) of 93,1% for the second quarter of 2016 (December 2015: 88,5%) is above the regulatory requirements of 70% for 2016 and incorporates an appropriately sized buffer for volatility in this ratio. The group's portfolio of high-quality liquid assets (HQLA) and other sources of quick liquidity amounted to R167,7bn (December 2015: R160,7bn).

DELIVERING SUSTAINABLY TO ALL OUR STAKEHOLDERS

Nedbank Group is committed to creating long-term value for all our stakeholders, as embodied in our vision to be Africa's most admired bank by our staff, clients, shareholders, regulators and communities:

For clients –

providing innovative offerings and improving client access by rolling out an additional 93 Intelligent Depositor ATMs and 8 060 new point-of-sale devices, and converting a further 75 branches to smaller and more digitally focused branches of the future since June 2015. Retail main-banked clients increased 7,3% and digitally enabled clients by 26% with digitally active clients increasing by 29% and driving up the value of Nedbank App Suite™ transactions by 58,0% to R10,5bn. IT system stability was maintained at exceptionally high levels, with no major severity incidents. In June 2016 we processed 1,4bn transactions, our highest ever in a single month in the first half of the year. We advanced R74,8bn (June 2015: R88,5bn) of new loans to clients. Assets under management grew by 9,8%[1] to R256,3bn[1] (June 2015: R233,5bn) as Nedgroup Investments continued to deliver excellent investment performance, remaining among the top three in the quarterly PlexCrown Unit Trust Survey over seven years, including maintaining our top position in the offshore category and achieving second place in the domestic category. In addition, Nedbank Private Wealth ranked third overall in the 2016 SA's Top Private Banks and Wealth Managers Survey and achieved first place in the entrepreneur category.

For staff –

creating 1 176 new permanent-employment opportunities, mainly in our regulatory change programme support areas and in the Rest of Africa; investing R127m in training, with more than 3 739 staff participating in learning interventions; and supporting 61 external bursars across 15 universities and 413 learners across our learnership programmes during the period. Nedbank's leading position as a top empowerment company in the financial services sector and a leader of transformational change in SA was recognised at the 15th annual Oliver Empowerment Awards where we were honoured as Legend of Empowerment and Transformation.

REGULATORS

For regulators –

maintaining full compliance with Basel III phase-in requirements, achieving an improved CET1 ratio of 11,6%, an average long-term funding ratio of 30,9% and an average LCR ratio of 93,1% in the second quarter; making cash taxation contributions of R4,6bn relating to direct, indirect, pay-as-you-earn and other taxation; maintaining transparent relationships and working closely with all regulators to ensure efficient delivery of the various regulatory programmes and achieving anti-money-laundering remediation of high-risk clients by the planned due dates.

For shareholders –

growing net asset value per share by 9,7%[1] to 15 826 cents[1] (June 2015: 14 428 cents); delivering EP of R408m; and increasing the interim dividend by 6,1%. Engaging constructively with shareholders during our third annual governance roadshow, resulting in all resolutions being passed with more than 90% votes of approval at our 49th annual general meeting. Ensuring transparent, relevant and timeous reporting, and disclosure to shareholders as acknowledged by Nedbank's ranking in the top quartile of JSE-listed companies by Nkonki and Chartered Secretaries.

SHAREHOLDERS

For communities –

supporting local businesses and the SA economy, purchasing 76% of our procurement spend locally and winning the Best Supplier and Enterprise Development Project Award in recognition of our support of local small and medium enterprises (SMEs). Advancing R27,6bn in new loans to retail clients, contributing R564m to socioeconomic development since 2011 and investing R100m over three years with our black business partners, Wiphold, Brimstone and Izingwe, in initiatives aligned with the Financial Sector Code and National Development Plan, seeking to create sustainable, self-funding opportunities. Our Fair Share 2030 strategy enabled more than R1bn of new lending to support student accommodation and embedded energy in the commercial and farming sectors. This is in addition to our investment in sustainable development such as renewable-energy lending and support for green buildings. We have committed R35bn towards renewable-energy deals, of which R11,4bn has been disbursed to date. Our pipeline for the funding of green buildings continues to grow with more than R5bn committed over the next two years. We have maintained our level 2 broad-based black economic empowerment (BBBEE) contributor status for the seventh consecutive year.

CLUSTER FINANCIAL PERFORMANCE

Our Corporate Investment Banking (CIB), Retail and Business Banking (RBB) and Wealth Clusters generated headline earnings growth of 16,6%[1] to R5 989m[1] (June 2015: R5 136m) and delivered an ROE of 20,8%. Rest of Africa's headline earnings was impacted by our 21,8%[1] share of the Q4 2015 losses in ETI.

		Headline earnings (Rm)		ROE (%)	
	% change	**Jun 2016**	Jun 2015	**Jun 2016**	Jun 2015
CIB	20,9	**3 004**	2 485	**21,3**	22,9
RBB	11,2	**2 371**	2 132	**18,3**	15,9
Wealth	18,3	**614**	519	**35,9**	38,9
Rest of Africa	> (100,0)	**(550)**	344	**(15,2)**	15,3
Business clusters	(0,7)	**5 439**	5 480	**16,8**	19,7
Centre	92,4	**(12)**	(157)		
Total	2,0	**5 427**	5 323	**14,6**	16,0

Nedbank CIB's integrated franchise achieved excellent headline earnings growth of 20,9%[1], driven by good cross-sell and client flows, particularly in the global markets business. This was reflected in robust revenue growth as well as in an improvement in impairments.

Nedbank RBB generated strong earnings growth and an ongoing ROE improvement to 18,3%, now well in excess of the group's COE of 14,4%. This was underpinned by strong NII and NIR growth and a strong performance in credit risk management and collections while increasing portfolio provisions.

Nedbank Wealth produced good earnings growth at an attractive ROE. These results were underpinned by strong balance sheet growth and continued low levels of impairments in Wealth Management. Despite market volatility, assets under management increased 9,8%[1]. Higher sales of single-premium investment products supported Insurance earnings growth.

Rest of Africa's earnings were largely impacted by our 21,8%[1] share of the Q4 2015 losses in ETI that amounted to R676m, reflected as a loss in associate income. Our subsidiaries in the Southern African Development Community (SADC) grew headline earnings by 32,5% to R53m (June 2015: R40m) off a low base, mostly from lower head office costs and improved impairments, offset by lower transactional volumes and continued investment in staff, systems, distribution channels and regulatory compliance.

The decrease in losses in the Centre was largely due to a portfolio impairment reversal of R150m[1] and changes in internal capital allocation.

FINANCIAL PERFORMANCE

Net interest income

Strong NII growth of 11,6%[1] to R13 028m[1] (June 2015: R11 675m) was underpinned by growth in average interest-earning banking assets of 10,9% and slight net interest margin (NIM) expansion to 3,37% (June 2015: 3,36%). In December the NIM was 3,30%.

The NIM improved 21 basis points (bps) from the combined benefit of endowment income of 15 bps, as average interest rates increased by 107 bps during the period, and improved asset pricing of 6 bps. This was partially offset by margin compression of 21 bps, comprised of an advances mix change of 13 bps as lower-margin wholesale advances continued to grow faster than higher-margin retail advances; and a further compression of 8 bps due to Basel III compliance costs related to higher funding costs for transitioning to net stable funding ratio (NSFR) requirements and holding higher levels of low-yielding HQLA for increasing LCR requirements.

Impairments charge on loans and advances

Impairments declined 4,2%[1] to R2 211m[1] (June 2015: R2 307m) and the credit loss ratio (CLR) improved to 0,67% (June 2015: 0,77%) due to a lower specific impairments charge of 0,64% (June 2015: 0,73%) while the portfolio impairments charge for the period remained similar at 0,03% (June 2015: 0,04%).

The CLR includes the release of R150m[1] from central provisions raised in the second half of 2015. Excluding this release, the CLR was 0,72%. The improvement in CIB's impairments was driven by a combination of oil and commodity prices stabilising at higher levels, as well as the successful settlement or restructuring of certain counters during the period. RBB's CLR remained below the lower end of its target range due to reduced impairments in Personal Loans and in Business Banking. Postwriteoff recoveries increased to R564m (June 2015: R520m), of which R196m (June 2015: R196m) was attributable to Personal Loans.

Credit loss ratio (%)	% banking advances	**Jun 2016**	Jun 2015	Dec 2015	Through-the-cycle target ranges
CIB	**49,0**	**0,31**	0,38	0,40	0,15 – 0,45
RBB	**43,8**	**1,23**	1,22	1,14	1,30 – 1,80
Wealth	**4,5**	**0,16**	0,18	0,15	0,20 – 0,40
Rest of Africa	**2,5**	**0,76**	0,86	1,25	0,75 – 1,00
Group		**0,67**	0,77	0,77	0,60 – 1,00

Total defaulted advances increased to R18 437m (June 2015: R16 695m), representing 2,6% of advances (June 2015: 2,5%). The increase was largely as a result of certain wholesale counters within the stressed sectors of the economy and the seasonal effects in Home Loans, MFC and Card. The South African Reserve Bank (SARB) directive 7/2015, which was implemented in the second half of 2015 and requires that distressed restructures be classified as defaulted advances for a minimum period of six months after being restructured, contributed to the increase in defaulted advances. Excluding the effect of directive 7/2015, defaulted advances were R15 397m.

The total coverage ratio decreased to 62,6% (June 2015: 65,9%), driven by a lower specific coverage of 36,2% (June 2015: 39,6%) largely as a result of the impact of directive 7/2015 and partial writeoffs in CIB as well as the abovementioned improvement in impairments. CIB-specific coverage is determined on a deal-by-deal basis. Wholesale advances are generally secured with collateral and we hold deep security pools against our commercial property finance portfolio, resulting in relatively lower-loss expectations in the event of default and, accordingly, lower specific impairments and coverage levels.

The portfolio coverage ratio increased to 0,71% (June 2015: 0,68%). Additional overlays in Retail increased to R701m (June 2015: R441m) and central portfolio provisions were R350m (June 2015: R350m) to take account of risks, including in commodities and in the rest of Africa, that have been incurred but have not yet emerged. In December 2015 our overlays were at R699m in RBB and the central provisions were R500m.

Non-interest revenue

NIR grew 8,7%[1] to R11 357m[1] (June 2015: R10 450m), primarily driven by:

- Commission and fee income growth of 9,1% to R8 185m (June 2015: R7 499m), supported by quality-client gains, an increased focus on cross-sell leading to good main-banked client conversion, together with below-inflation annual fee increases in RBB in January 2016.
- Insurance income increasing 12,9% to R921m (June 2015: R816m), led by good growth in single-premium income, partly offset by higher weather-related claims.
- Trading income growth of 5,0% to R1 771m (June 2015: R1 686m) off a high 2015 base, following increased market volatility and improved cross-sell in CIB.
- Private-equity income increasing to R432m (June 2015: R250m), largely from property private equity gains, the majority of which were realised.

Expenses

Expenses continue to be managed within expectations and increased 8,8%[1] to R13 686m[1] (June 2015: R12 578m), mainly as a result of –

- Staff-related costs increasing 7,5%, consisting of –
  - 8,8% growth in remuneration and other staff costs, driven by a 6,3% average annual salary increase and additional staff hires, mainly for regulatory change programmes; and
  - a 1,7% combined increase in short-term and long-term incentives, aligned with the group's performance.
- Computer processing costs up 18,8% to R1 985m, including amortisation costs increasing 11,1% to R400m following the capitalisation of equipment for distribution and reformatting of branches and an increase in IT project costs.
- Fees and insurance costs being 11,2% higher at R1 381m following increased volumes of revenue-generating activities such as cash handling and card issuing and acquiring.
- Occupation and accommodation costs growing 8,1% to R1 098m relating to regional consolidation and ongoing investment in distribution.

The group's growth in operating income of 11,9%[1] exceeded growth in expenses. However, including the loss from ETI in associate income, the Jaws ratio was -2,6%[1] (June 2015: 1,3%). Excluding ETI, the Jaws ratio was 1,6%. The efficiency ratio increased to 57,1%[1] (June 2015: 55,8%) and, excluding ETI, this metric improved to 55,6% (June 2015: 56,4%).

Associate income

Associate income declined to a negative R431m[1] (June 2015: R436m profit). This mainly comprised the equity-accounting of our 21,8%[1] share of ETI's Q4 2015 loss of R676m and Q1 2016 profit of R230m, in line with our policy of accounting for ETI earnings a quarter in arrear. The total headline earnings impact of ETI in the period was a negative R603m, including the R157m impact of funding costs, offset by endowment on average allocated capital.

STATEMENT OF FINANCIAL POSITION

Capital

The group remains strongly capitalised and operates well within our Basel III 2019 capital adequacy targets. The CET1 ratio improved to 11,6%, from the 11,3% reported at the 2015 year-end, largely due to lower credit risk-weighted assets (RWA). This resulted from improved credit parameters across certain wholesale portfolios and RWA optimisation initiatives within certain retail portfolios.

Our tier 1 and total capital ratios further reflect the effects of the issuance of a new-style (Basel III-compliant) additional tier 1 capital instrument of R1,5bn in May 2016, in line with the group's capital plan.

Basel III (%)[2]	Jun 2016	Dec 2015	Jun 2015	Internal target range	Regulatory minimum[2]
CET1 ratio	**11,6**	11,3%	11,4%	10,5% – 12,5%	6,875
Tier 1 ratio	**12,5**	12,0%	12,1%	11,5% – 13,0%	8,375
Total capital ratio	**14,5**	14,1%	14,5%	14,0% – 15,0%	10,375

(Ratios calculated include unappropriated profits.)

[2] The Basel III regulatory requirements are being phased in between 2013 and 2019, and exclude any idiosyncratic or systematically important bank minimum requirements.

Funding and liquidity

Nedbank Group maintained a strong funding profile and liquidity position, underpinned by a significant quantum of long-term funding, a large surplus liquid-asset buffer, a strong loan-to-deposit ratio that was consistently below 100% and a low reliance on interbank and foreign-currency funding.

At June 2016 the group's quarterly average LCR of 93,1% (December 2015: 88,5%) exceeded the minimum regulatory requirement of 70%, as a buffer of a minimum of 10,0% is maintained to ensure daily compliance given the volatility of flows. The group will continue to position proactively for the phase-in period as the LCR requirement increases by 10% per annum to 100% by 1 January 2019.

Nedbank Group Limited LCR	Jun 2016	Dec 2015	Jun 2015
High-quality liquid assets (Rm)	**127 114**	117 997	109 060
Net cash outflows (Rm)	**136 469**	133 272	143 029
Liquidity coverage ratio (%)[3]	**93,1**	88,5	76,3
Regulatory minimum (%)	**70,0**	60,0	60,0

[3] Average for the quarter.

Further details on the LCR are available in the table section of the Securities Exchange News Service (SENS) announcement.

Nedbank's portfolio of LCR compliant HQLA increased to R127,1bn (December 2015: quarterly average R118,0bn). Together with our portfolio of quick-liquidity sources, the total available quick liquidity amounted to R167,7bn (December 2015: R160,7bn), representing 17,8% of total assets.

We also maintained a strong, well-diversified funding profile. Our three-month average long-term funding ratio of 30,9% for the second quarter of 2016 (December 2015: quarterly average of 28,7%) represents a slightly more conservative funding profile than the last reported industry average. The strong funding profile was supported by growth in Nedbank Retail Savings Bonds of R2,0bn to R16,4bn and Nedbank having successfully issued R8,8bn in senior unsecured debt in the first half of 2016.

Following the finalisation of the NSFR calibration in October 2014, the SARB released a directive on 18 November 2015 increasing the available stable funding factor applicable to wholesale deposits in the 0-to-6-month bucket from 0% to 35% to better reflect the stability of these deposits in the SA context. This directive positions all SA banks favourably to achieve NSFR compliance from the effective date of 1 January 2018.

Loans and advances

Loans and advances increased by 6,9%[1] to R693,3bn[1] (June 2015: R648,8bn), largely underpinned by growth in banking advances of 8,6%.

Loans and advances by cluster are as follows:

Rm	% change	Jun 2016	Jun 2015
CIB	8,4	**359 041**	331 069
Banking activities	11,2	**325 258**	292 457
Trading activities	(12,5)	**33 783**	38 612
RBB	3,5	**284 617**	275 079
Wealth	11,3	**29 677**	26 652
Rest of Africa	14,8	**18 199**	15 849
Centre	> 100,0	**1 798**	195
Group	6,9	**693 332**	648 844

Advances growth in CIB was mostly from term loans increasing 12,5% and commercial-mortgage advances growing 9,7%. This was led by the drawdown on existing deals in investment banking and commercial property finance. The decline in trading advances relates to a decrease in USD-denominated loans during the period.

Growth in RBB's advances was led by the increase of 7,2% in MFC and of 3,8% in Personal Loans, while Card grew 2,8%. Home Loans increased by 2,1%, with growth in new-asset payouts partially offset by the rolloff of the backbook. Since December 2015 total loans and advances have grown by an annualised 3,5%.

Deposits

Deposits grew 7,4%[1] to R741,7bn[1] (June 2015: R690,5bn), underpinned by deposit growth in RBB of 12,2% to R256,7bn. The loan-to-deposit ratio improved to 93,5% (December 2015: 93,9%).

Increasing household and commercial liabilities remains a priority for the group. Our strategy of growing our transactional banking franchise continued to gain traction, as reflected in our household deposit market share increasing to 18,7% in May 2016, from 18,4% in December 2015, supported by market share gains in current accounts to 19,0% in May 2016 (June 2015: 18,0%). Our current accounts increased 8,4% and savings accounts by 19,4%, and cash management deposits grew 6,2%. Since December 2015 total deposits grew by an annualised 4,4%.

Group strategic focus

Good progress continued to be made in our current five key strategic focus areas, positioning us well in the tough macroeconomic environment:

- *Client-centred innovation:* We are in the process of delivering a new digital platform with a user-centred design approach that focuses on creating a leading digital client experience. We launched the competitive Nedbank Pay-as-you-use Account and MyPocket, a savings pocket linked to transactional accounts and providing immediate access to cash. We also deployed LOTTO Plus on nedbank.co.za and implemented standalone prepaids for airtime, SMS bundles, data bundles and prepaid electricity. A cash advance solution, Nedbank GAP Access™, was launched, allowing merchants to grow their business off the back of their transactional flows. In addition, Nedbank Card and Payments is rolling out mobile payment solutions to consumers in partnership with MasterCard®, using the innovative MasterPass™ mobile payments platform. In 2016 we issued our contactless cards, which incorporate tap-and-go card acceptances and transaction banking. Digitally enabled retail clients increased 26% and digitally active clients increased 29%, which drove up the value of Nedbank App Suite™ transactions by 58% to R10,5bn. Client satisfaction levels of our banking app increased to 81,3%. The app is now ranked second in the market in the annual South African Customer Satisfaction Index for 2015, which is compiled by Consulta. To date we have converted 272 outlets to branches of the future, representing 39% of the total and plan to have 56% of all outlets converted by 2017. These outlets are smaller and more effective than traditional branches.
- *Growing our transactional banking franchise:* Nedbank's retail franchise attracted 7,3% additional main-banked clients, increasing to a total of 2,7m and translating into 9,4% retail transactional NIR growth. Altogether 71,6% of the retail main-banked client base have more than two other products (up from 70,9% in the prior year). Our transactional banking progress was reflected in market share gains in household and transactional deposits to 18,7% and 21,9% respectively. Our brand value and client relationships strengthened further, as reflected in the Nedbank Brand Tracker results, the Consulta annual retail reputational Net Promotor Score (NPS), which improved to 21%, and our South African Customer Satisfaction Index score, which increased to 74%. We continued to maintain high levels of full-service recovery and remain ranked first among the banks in respect of the hellopeter.com index.
- *Optimise and invest:* Cost discipline remains an imperative, with ongoing initiatives such as our strategy to decrease the number of core systems from 250 to 60, of which 84 have been decommissioned to date and a further six are targeted for 2016; the elimination of duplicative processes; the reduction in the cost to serve and acquire clients; as well as the reduction of our branch space by 25 000 m², of which 15 965 m² has already been saved. We relocated and consolidated offices, with approximately 6 000 employees relocated on completion of the Newtown and Lakeview Campuses in Johannesburg. This saved 10 000 m² of space, reducing our office vacancy ratio to worldclass levels of below 4%. Efficiencies continued to be generated from the integration within RBB and CIB. We remain on track for delivery by the Old Mutual Group of the full target of R1bn of pretax run rate synergies in 2017, of which approximately 30% should accrue to Nedbank .
- *Strategic portfolio tilt:* We maintained our focus on growing activities that generate EP, such as transactional deposits with current and savings accounts up 11,6%, transactional banking activity with commission and fees up 9,1%, and earnings growth of 20,9% in CIB and 18,3% in Nedbank Wealth. Our selective origination of personal loans, home loans and commercial property finance has proactively limited downside risk in this challenging operating climate, enabling a CLR of 67 bps, below the midpoint of our through-the-cycle range. At the same time our balance sheet metrics remain strong and we continue to deliver dividend growth.
- *Pan-African banking network:* The macroeconomic environment in the rest of Africa remains challenging due to slowing economic growth, foreign exchange and liquidity shortages, and increasing regulatory pressure across a number of jurisdictions.
  - In Central and West Africa, since the establishment of our alliance with Ecobank, 183 accounts have been opened in 24 countries for 76 of our wholesale clients that bank with Ecobank. We work closely with Ecobank on joint pipeline deals in the power and infrastructure sectors, and opportunities in trade and commodity finance. At 30 June 2016 the carrying value of our long-term strategic investment in ETI was R6,0bn[1] and the market value based on ETI's share price, albeit in largely illiquid markets, was R4,3bn. A value-in-use test was performed to assess the carrying value for impairment. The value in use, while having decreased from December 2015, still exceeds the carrying value, and as a result there was no requirement to impair our investment. We will continue to assess the indicators of impairment in future reporting periods. In the event of an impairment this would fall outside of headline earnings and have an immaterial impact on regulatory capital.
  - In SADC and East Africa we successfully implemented our Flexcube core banking system in Namibia and Swaziland, and we continued to launch new products and grow our distribution footprint. Our shareholding in Banco Único will be increased by 11% to 50% plus one share during the second half of 2016 to progress the transaction consummated in 2014. This will cost approximately R112m.

Despite these macroeconomic challenges, we believe in the long-term growth potential of Africa and we remain confident of our strategy and investments in the rest of Africa. We continue to support ETI as our partner in Central and West Africa. ETI is a strategic investment for the group, providing our clients with a pan-African transactional banking network across 39 countries. Our expectation is that ETI will generate an ROE in excess of its COE in the medium-to-long-term and our 21,8%[1] shareholding continues to offer our shareholders the opportunity to participate in this growth over time.

Old Mutual plc managed separation

A further update on the managed separation was provided on 28 June 2016, with Old Mutual plc (OM) stating that, following the creation of a new SA holding company, it intends to distribute, in an orderly manner, a significant proportion of the group's shareholding in Nedbank to the shareholders on the register of the new SA holding company at that time, leaving Old Mutual Emerging Markets (OMEM) as the principal business in the group. Through its ownership of Old Mutual Life Assurance Company South Africa the new SA group will retain an appropriate strategic minority stake in Nedbank, with the exact level still to be determined together with Nedbank based on OMEM's commercial relationship with Nedbank and influenced by the implications of the incoming Twin Peaks regulation. The boards of directors and management teams of OM and Nedbank continue to work closely together on the managed separation. Shareholders are referred to the OM and Nedbank Group SENS announcements released on 28 June 2016 for further details on the managed separation.

Economic outlook

The local economy is expected to remain under pressure for the remainder of 2016. Rising domestic inflation and the increase in interest rates earlier this year are expected to contain consumer spending. The global economy is also likely to remain generally unsupportive of growth, complicated further by the UK's vote to leave the EU and growing tensions in some key emerging economies. Given the sharper-than-expected decline in SA's GDP in the first quarter, stronger and more consistent growth is needed over the next three quarters to produce a favourable outcome for 2016. The SA economy is currently expected to contract by 0,1% in 2016 with risk remaining to the downside.

Interest rates are currently anticipated to increase by a further 25 bps, compared with earlier projections of a further 50 bps increase, resulting in a cumulative 100 bps increase for 2016. This is largely due to expectations that global uncertainties following the 'Brexit' vote will lead to a delay in the normalisation of US monetary policy, that core inflation in SA will breach 6% only in the fourth quarter of 2016, that SA's investment grade ratings in the June reviews will be maintained, and that the rand will be steadier, boosted by the global search for yield.

Corporate credit demand will continue to be affected by softer global demand, weak commodity prices, rising domestic production costs and limited infrastructure, offsetting the competitive benefit of a weaker rand. Restructuring is anticipated to continue as a result, with lower capital expenditure and retrenchments taking place in the private sector.

Consequently, household credit demand will remain weak, impacted by the weak job market, softer income growth and increasing levels of consumer indebtedness due to rising cost pressures from food inflation and higher fuel prices contributing to rising debt service costs.

Consumption expenditure by general government will be boosted by election-related spending in the short term and public sector investment in infrastructure and development projects in the medium term.

Prospects

Our guidance on financial performance for the full year is now as follows:

- Average advances to grow at mid-to-upper single digits.
- NIM to be slightly above the 2015 level of 3,30%.
- CLR to be below the midpoint of our target range of 60 bps to 100 bps.
- NIR (excluding fair-value adjustments) to grow above mid-single digits.
- Expenses to increase by mid-to-upper single digits.

Our financial guidance for organic growth in diluted HEPS in 2016 and our medium-to-long-term targets remain unchanged. We expect growth in diluted HEPS in 2016 to be positive, but lower than the growth achieved in 2015 and below our medium-to-long-term target of consumer price index plus GDP growth plus 5%.

The outlook for our medium-to-long-term targets in 2016 is as follows:

Metric	Jun 2016 performance	2016 full-year outlook	Medium-to-long-term targets
ROE (excluding goodwill)	**15,7%**	Below target	5% above cost of ordinary shareholders' equity[4]
Growth in DHEPS	**1,6%[1]**	Positive but below 2015 growth and target	≥ consumer price index + GDP growth + 5%
CLR	**0,67%**	Below midpoint of target range	Between 0,6% and 1,0% of average banking advances
NIR-to-expenses ratio	**83,0%[1]**	Below target	> 85%
Efficiency ratio (including associate income)	**57,1%[1]**	Above target	50,0% to 53,0%
CET1 capital adequacy ratio (Basel III)	**11,6%**	Within target range	10,5% to 12,5%
Economic capital		Internal Capital Adequacy Assessment Process (ICAAP): A debt rating (including 10% capital buffer)	
Dividend cover	**1,99 times**	Within target range	1,75 to 2,25 times

[4] *The COE is 14,4%, calculated on a monthly average for the period.*

Shareholders are advised that these forecasts are based on organic earnings and our latest macroeconomic outlook, and have not been reviewed or reported on by the group's auditors.

Board and group executive changes

Following his retirement from Old Mutual plc, Paul Hanratty stepped down as a non-executive director of Nedbank Group and Nedbank on 12 March 2016. Errol Kruger was appointed as an independent non-executive director of Nedbank Group and Nedbank with effect from 1 August 2016.

Ciko Thomas, who has been a part of the RBB leadership team and the Group Executive Committee for the past six years, was appointed as Managing Executive of Nedbank RBB with effect from 1 April 2016 following the early retirement of Philip Wessels, as was previously announced on 1 March 2016.

Accounting policies[1]

Nedbank Group Ltd is a company domiciled in SA. The reviewed condensed consolidated interim financial results of the group at and for the period ended 30 June 2016 comprise the company and its subsidiaries (the 'group') and the group's interests in associates and joint arrangements.

The condensed consolidated interim financial results contained in the SENS announcement have been extracted from the reviewed condensed consolidated interim financial statements, which have been prepared in accordance with the provisions of the JSE Ltd Listings Requirements for interim reports. The condensed consolidated interim financial statements comprise the condensed consolidated statement of financial position at 30 June 2016, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cashflows for the period then ended and selected explanatory notes, which are indicated by the following symbol[1].

The JSE Ltd Listings Requirements require interim reports to be prepared in accordance with and containing the information required by International Financial Reporting Standards, international accounting standard 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of SA. The accounting policies applied in the preparation of the reviewed condensed consolidated interim financial statements are in terms of the International Financial Reporting Standards and are consistent with the accounting policies that were applied in the preparation of the previous consolidated financial statements.

The condensed consolidated interim financial results have been prepared under the supervision of Raisibe Morathi CA(SA), the Chief Financial Officer. The directors take full responsibility for the preparation of the condensed consolidated interim financial results and for correctly extracting the financial information from those underlying reviewed condensed consolidated interim financial statements for inclusion in the 2016 interim results booklet and SENS announcement.

Events after the reporting period[1]

Following our reporting date on 30 June 2016, the Nigerian naira continued to depreciate against the dollar and the market value of the group's investment in ETI based on its quoted share price in a thinly traded market has decreased further. These events are not indicative of conditions that existed at our reporting date on 30 June 2016. The group will continue to monitor developments and their possible impact on the value in use of our ETI investment and any possible impairment to our carrying value in the second half of 2016.

Reviewed condensed consolidated interim financial statements – independent auditors' conclusion

The condensed consolidated interim financial statements for the period ended 30 June 2016 have been reviewed by KPMG Inc and Deloitte & Touche, who expressed an unmodified review conclusion thereon.

A copy of the auditors' review report on the condensed consolidated interim financial statements is available for inspection at the company's registered office, together with the condensed consolidated interim financial statements identified in the auditors' review report.

The auditors' review report does not necessarily report on all of the information contained in the condensed consolidated financial results. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditors' engagement, they should obtain a copy of the auditors' review report, together with the accompanying financial statements from Nedbank Group Ltd's registered office.

Forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition and results of operations of Nedbank Group and its group companies that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include global, national and regional economic conditions; levels of securities markets; interest rates; credit or other risks of lending and investment activities; as well as competitive and regulatory factors. By consequence, all forward-looking statements have not been reviewed or reported on by the group's auditors.

Interim dividend declaration

Notice is hereby given that a gross interim dividend of 570 cents per ordinary share has been declared, payable to shareholders for the six months ended 30 June 2016. The dividend has been declared out of income reserves.

The dividend will be subject to a dividend withholding tax rate of 15% (applicable in SA) or 85,50 cents per ordinary share, resulting in a net dividend of 484,50 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

Nedbank Group Ltd's tax reference number is 9375/082/71/7 and the number of ordinary shares in issue at the date of declaration is 495 865 721.

In accordance with the provisions of Strate, the electronic settlement and custody system used by JSE Ltd, the relevant dates for the dividend are as follows:

Event	Date
Last day to trade (cum dividend)	Tuesday, 6 September 2016
Shares commence trading (ex dividend)	Wednesday, 7 September 2016
Record date (date shareholders recorded in books)	Friday, 9 September 2016
Payment date	Monday, 12 September 2016

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 September 2016, and Friday, 9 September 2016, both days inclusive.

On Monday, 12 September 2016, the dividend will be electronically transferred to the bank accounts of shareholders. Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 12 September 2016.

The above dates are subject to change. Any changes will be published on SENS and in the press.

For and on behalf of the board

Vassi Naidoo
Chairman

Mike Brown
Chief Executive

1 August 2016

	Change %		30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Statistics					
Number of shares listed	0,3	m	**495,9**	494,4	494,4
Number of shares in issue, excluding shares held by group entities	0,5	m	**478,3**	476,0	476,6
Weighted-average number of shares	1,2	m	**478,0**	472,1	474,2
Diluted weighted-average number of shares	0,3	m	**485,0**	483,5	483,1
Preprovisioning operating profit	1,5	Rm	**9 593**	9 450	19 170
Economic profit[2]	(69,3)	Rm	**408**	1 328	2 525
Headline earnings per share	0,6	cents	**1 135**	1 128	2 284
Diluted headline earnings per share	1,6	cents	**1 119**	1 101	2 242
Ordinary dividends declared per share	6,1	cents	**570**	537	1 107
Interim	6,1	cents	**570**	537	537
Final		cents			570
Ordinary dividends paid per share	0,4	cents	**570**	568	1 105
Dividend cover		times	**1,99**	2,10	2,06
Net asset value per share	9,7	cents	**15 826**	14 428	15 685
Tangible net asset value per share	10,1	cents	**13 853**	12 587	13 794
Closing share price	(22,9)	cents	**18 640**	24 180	18 861
Price/earnings ratio		historical	**8,2**	10,6	8,3
Market capitalisation	(22,7)	Rbn	**92,4**	119,5	93,2
Number of employees (permanent staff)[2]	3,8		**31 915**	30 739	31 312
Number of employees (permanent and temporary staff)[2]	2,8		**32 522**	31 405	31 689
Key ratios (%)					
Return on ordinary shareholders' equity[2]			**14,6**	16,0	15,7
ROE, excluding goodwill[2]			**15,7**	17,3	17,0
Return on tangible equity[2]			**16,8**	18,3	18,1
Return on total assets[2]			**1,19**	1,28	1,25
Return on average risk-weighted assets[2]			**2,12**	2,35	2,30
Net interest income to average interest-earning banking assets[2]			**3,37**	3,36	3,30
Credit loss ratio – banking advances[2]			**0,67**	0,77	0,77
Gross operating income growth rate less expense growth rate (Jaws ratio)			**(2,6)**	1,3	0,6
Non-interest revenue to total operating expenses			**83,0**	83,1	83,3
Non-interest revenue to total income			**46,6**	47,2	47,7
Efficiency ratio (including share of profits of associate companies and joint arrangements)			**57,1**	55,8	56,1
Effective taxation rate			**25,8**	24,8	24,0
Group capital adequacy ratios (including unappropriated profits):[2]					
– Common-equity tier 1			**11,6**	11,4	11,3
– Tier 1			**12,5**	12,1	12,0
– Total			**14,5**	14,5	14,1
Statement of financial position statistics (Rm)					
Total equity attributable to equity holders of the parent	10,2		**75 697**	68 679	74 754
Total equity	11,5		**80 886**	72 574	78 751
Amounts owed to depositors	7,4		**741 712**	690 495	725 851
Loans and advances	6,9		**693 332**	648 844	681 632
Gross	6,8		**704 871**	659 848	693 043
Impairment of loans and advances	4,9		**(11 539)**	(11 004)	(11 411)
Total assets administered by the group	9,1		**1 200 513**	1 100 105	1 183 021
Total assets	9,0		**944 188**	866 624	925 726
Assets under management	9,8		**256 325**	233 481	257 295
Life insurance embedded value[2]	29,9		**3 110**	2 395	2 657
Life insurance value of new business[2]	33,3		**172**	129	247
Foreign currency conversion rates					
UK£ at period end	2,7	R	**19,66**	19,15	23,16
UK£ average rate	18,2	R	**21,56**	18,24	19,74
US$ at period end	20,7	R	**14,65**	12,14	15,62
US$ average rate	27,2	R	**15,19**	11,94	12,94
NGN:US$ at period end	41,7	NGN	**282,07**	199,00	199,56
NGN:US$ average rate	8,3	NGN	**213,03**	196,65	197,87

[2] *These metrics have not been reviewed by the group's auditors.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended

	Change %	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Interest and similar income	16,5	**33 212**	28 513	60 289
Interest expense and similar charges	19,9	**20 184**	16 838	36 404
Net interest income	11,6	**13 028**	11 675	23 885
Impairments charge on loans and advances	(4,2)	**2 211**	2 307	4 789
Income from lending activities	15,5	**10 817**	9 368	19 096
Non-interest revenue	8,7	**11 357**	10 450	21 748
Operating income	11,9	**22 174**	19 818	40 844
Total operating expenses	8,8	**13 686**	12 578	26 110
Indirect taxation	42,1	**466**	328	783
Profit from operations before non-trading and capital items	16,1	**8 022**	6 912	13 951
Non-trading and capital items	(20,0)	**4**	5	(141)
Net profit/(loss) on sale of investment securities and property and equipment		**38**	5	(23)
Net impairment of investment securities and intangible assets		**(34)**		(118)
Profit from operations	16,0	**8 026**	6 917	13 810
Share of (losses)/profits of associate companies and joint arrangements	< (100)	**(431)**	436	871
Profit before direct taxation	3,3	**7 595**	7 353	14 681
Total direct taxation	6,8	**1 944**	1 820	3 519
Direct taxation		**1 955**	1 820	3 550
Taxation on non-headline earnings items		**(11)**		(31)
Profit for the period	2,1	**5 651**	5 533	11 162
Other comprehensive (losses)/income net of taxation	> 100	**(1 956)**	(800)	2 149
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations		**(1 221)**	440	3 203
Share of other comprehensive losses of investments accounted for using the equity method		**(745)**	(1 509)	(1 572)
Fair-value adjustments on available-for-sale assets		**(38)**		(4)
Items that may not subsequently be reclassified to profit or loss				
Gains on property revaluations		**3**	1	167
Remeasurements on long-term employee benefit assets		**58**	90	298
Share of other comprehensive (losses)/income of investments accounted for using the equity method		**(13)**	178	57
Total comprehensive income for the period	(21,9)	**3 695**	4 733	13 311
Profit attributable to:				
– Equity holders of the parent	2,1	**5 442**	5 328	10 721
– Non-controlling interest – ordinary shareholders	18,5	**32**	27	70
– Non-controlling interest – preference shareholders	(0,6)	**177**	178	371
Profit for the period	2,1	**5 651**	5 533	11 162
Total comprehensive income attributable to:				
– Equity holders of the parent	(22,9)	**3 500**	4 537	12 820
– Non-controlling interest – ordinary shareholders		**18**	18	120
– Non-controlling interest – preference shareholders	(0,6)	**177**	178	371
Total comprehensive income for the period	(21,9)	**3 695**	4 733	13 311
Basic earnings per share (cents)	0,8	**1 138**	1 129	2 261
Diluted earnings per share (cents)	1,8	**1 122**	1 102	2 219

HEADLINE EARNINGS RECONCILIATION

for the period ended

	Change %	30 Jun 2016 (Reviewed) Rm Gross	30 Jun 2016 (Reviewed) Rm Net of taxation	30 Jun 2015 (Reviewed) Rm Gross	30 Jun 2015 (Reviewed) Rm Net of taxation	31 Dec 2015 (Audited) Rm Gross	31 Dec 2015 (Audited) Rm Net of taxation
Profit attributable to equity holders of the parent	2,1		**5 442**		5 328		10 721
Less: Non-headline earnings items		**4**	**15**	5	5	(141)	(110)
Net profit/(loss) on sale of investment securities and property and equipment		**38**	**49**	5	5	(23)	(24)
Net impairment of investment securities and intangible assets		**(34)**	**(34)**			(118)	(86)
Headline earnings	2,0		**5 427**		5 323		10 831

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at

	Change %	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Assets				
Cash and cash equivalents	(23,1)	**22 232**	28 892	22 840
Other short-term securities	24,1	**82 033**	66 083	75 614
Derivative financial instruments	34,5	**19 819**	14 732	30 488
Government and other securities	38,1	**51 996**	37 649	43 060
Loans and advances	6,9	**693 332**	648 844	681 632
Other assets	80,2	**11 505**	6 386	8 984
Current taxation assets	> 100	**1 253**	451	1 032
Investment securities	(31,9)	**13 254**	19 449	13 155
Non-current assets held for sale	(76,9)	**3**	13	2
Investments in private-equity associates, associate companies and joint arrangements	11,5	**7 968**	7 146	9 579
Deferred taxation assets	10,1	**338**	307	227
Investment property	(89,7)	**31**	300	32
Property and equipment	18,4	**8 908**	7 526	8 784
Long-term employee benefit assets	12,6	**5 317**	4 721	5 055
Mandatory reserve deposits with central banks	9,1	**16 759**	15 358	16 232
Intangible assets	7,7	**9 440**	8 767	9 010
Total assets	9,0	**944 188**	866 624	925 726
Equity and liabilities				
Ordinary share capital	0,4	**478**	476	477
Ordinary share premium	3,4	**18 062**	17 467	17 569
Reserves	12,7	**57 157**	50 736	56 708
Total equity attributable to equity holders of the parent	10,2	**75 697**	68 679	74 754
Non-controlling interest attributable to:				
– Ordinary shareholders	32,6	**443**	334	436
– Preference shareholders	(9,5)	**3 222**	3 561	3 561
– Additional tier 1 capital instruments		**1 524**		
Total equity	11,5	**80 886**	72 574	78 751
Derivative financial instruments	30,4	**19 587**	15 016	33 628
Amounts owed to depositors	7,4	**741 712**	690 495	725 851
Provisions and other liabilities	22,9	**28 208**	22 954	23 240
Current taxation liabilities	44,5	**370**	256	412
Deferred taxation liabilities	> 100	**1 646**	800	1 182
Long-term employee benefit liabilities	3,9	**3 177**	3 059	3 074
Investment contract liabilities	8,6	**13 245**	12 196	10 988
Insurance contract liabilities	(12,2)	**3 552**	4 044	3 618
Long-term debt instruments	14,5	**51 805**	45 230	44 982
Total liabilities	8,7	**863 302**	794 050	846 975
Total equity and liabilities	9,0	**944 188**	866 624	925 726

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total equity attributable to equity holders of the parent Rm	Non-controlling interest attributable to ordinary shareholders Rm	Non-controlling interest attributable to preference shareholders Rm	Non-controlling interest attributable to additional tier 1 capital instruments Rm	Total equity Rm
Audited balance at 31 December 2014	67 024	326	3 561		70 911
Dividend to shareholders	(2 775)	(10)			(2 785)
Preference share dividend			(178)		(178)
Issues of shares net of expenses	1 022				1 022
Shares delisted in terms of BEE transaction	(336)				(336)
Shares (acquired)/no longer held by group entities and BEE trusts	(561)				(561)
Total comprehensive income for the period	4 537	18	178		4 733
Share-based payment reserve movement	(218)				(218)
Regulatory risk reserve provision	(15)				(15)
Other movements	1				1
Reviewed balance at 30 June 2015	68 679	334	3 561	–	72 574
Dividend to shareholders	(2 620)				(2 620)
Preference share dividend			(193)		(193)
Issues of shares net of expenses	1				1
Shares (acquired)/no longer held by group entities and BEE trusts	98				98
Total comprehensive income for the period	8 283	102	193		8 578
Share-based payment reserve movement	300				300
Regulatory risk reserve provision	15				15
Other movements	(2)				(2)
Audited balance at 31 December 2015	**74 754**	**436**	**3 561**	**–**	**78 751**
Additional tier 1 capital instruments issued				**1 524**	**1 524**
Dividend to shareholders	**(2 806)**	**(11)**			**(2 817)**
Preference share dividend			**(177)**		**(177)**
Issues of shares net of expenses	**276**				**276**
Shares (acquired)/no longer held by group entities and BEE trusts	**218**		**(339)**		**(121)**
Total comprehensive income for the period	**3 500**	**18**	**177**		**3 695**
Share-based payment reserve movement	**(245)**				**(245)**
Reviewed balance at 30 June 2016	**75 697**	**443**	**3 222**	**1 524**	**80 886**

[1] *The group issued a new style (Basel III compliant) additional tier 1 capital instrument of R1,5bn in May 2016 at JIBAR + 7%. In line with the bank regulations, subject to regulatory approval, the instruments are callable only at the option of the issuer on 21 May 2021 and any interest payment date thereafter.*

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

for the period ended

	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Cash generated by operations	**12 271**	10 930	22 455
Change in funds for operating activities	**(15 902)**	(64)	(13 602)
Net cash (utilised by)/from operating activities before taxation	**(3 631)**	10 866	8 853
Taxation paid	**(2 692)**	(2 200)	(4 400)
Cashflows (utilised by)/from operating activities	**(6 323)**	8 666	4 453
Cashflows (utilised by)/from investing activities	**(288)**	647	2 867
Cashflows from financing activities	**5 859**	6 764	3 802
Effects of exchange rate changes on opening cash and cash equivalents (excluding foreign borrowings)	**671**	(77)	(300)
Net (decrease)/increase in cash and cash equivalents	**(81)**	16 000	10 822
Cash and cash equivalents at the beginning of the period[3]	**39 072**	28 250	28 250
Cash and cash equivalents at the end of the period[3]	**38 991**	44 250	39 072

[3] *Including mandatory reserve deposits with central banks.*

CONDENSED SEGMENTAL REPORTING

for the period ended

Rm	Total assets			Total liabilities			Operating income/(losses)			Headline earnings/(losses)		
	30 Jun 2016 (Reviewed)	30 Jun 2015 (Reviewed)	31 Dec 2015 (Audited)	**30 Jun 2016 (Reviewed)**	30 Jun 2015 (Reviewed)	31 Dec 2015 (Audited)	**30 Jun 2016 (Reviewed)**	30 Jun 2015 (Reviewed)	31 Dec 2015 (Audited)	**30 Jun 2016 (Reviewed)**	30 Jun 2015 (Reviewed)	31 Dec 2015 (Audited)
Nedbank Corporate and Investment Banking	**476 225**	422 890	470 567	**447 896**	401 042	447 471	**6 688**	5 793	12 101	**3 004**	2 485	5 208
Nedbank Retail and Business Banking	**296 492**	282 988	292 560	**270 452**	255 945	265 636	**12 477**	11 369	23 715	**2 371**	2 132	4 460
Nedbank Wealth	**62 668**	61 458	61 322	**59 223**	58 767	58 588	**2 247**	1 997	4 320	**614**	519	1 134
Rest of Africa	**32 734**	29 250	32 941	**25 447**	24 722	26 142	**713**	668	1 358	**(550)**	344	691
Centre	**76 069**	70 038	68 336	**60 284**	53 574	49 138	**49**	(9)	(650)	**(12)**	(157)	(662)
Total	**944 188**	866 624	925 726	**863 302**	794 050	846 975	**22 174**	19 818	40 844	**5 427**	5 323	10 831

During 2015 the Nedbank Corporate and Nedbank Capital clusters were merged to form the Nedbank Corporate and Investment Banking Cluster. Similarly, the Nedbank Retail and Nedbank Business Banking clusters were merged to form the Nedbank Retail and Business Banking Cluster.
The comparative segment information previously presented for Nedbank Corporate, Nedbank Capital, Nedbank Retail and Nedbank Business Banking has been represented based on the new merged clusters. This had the consequential effect that certain intergroup assets and liabilities and the related eliminations between Nedbank Retail and Business Banking and the Centre have been restated.

CONTINGENT LIABILITIES AND COMMITMENTS

at

Contingent liabilities and undrawn facilities

	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Guarantees on behalf of clients	**38 768**	25 557	27 300
Letters of credit and discounting transactions	**2 907**	3 287	4 463
Irrevocable unutilised facilities and other	**96 041**	109 631	103 519
	137 716	138 475	135 282

The group, in the normal course of business, enters into transactions that expose it to tax, legal and business risks. Provisions are made for known liabilities that are expected to materialise. Possible obligations and known liabilities where no reliable estimate can be made or it is considered improbable that an outflow would result, are reported as contingent liabilities. This is in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

There are a number of legal or potential claims against Nedbank Group Ltd and its subsidiary companies, the outcome of which cannot be foreseen at present.

Commitments
Capital expenditure approved by directors

	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Contracted	**818**	1 600	1 317
Not yet contracted	**1 850**	1 238	2 222
	2 668	2 838	3 539

Funds to meet capital expenditure commitments will be provided from group resources. In addition, capital expenditure is incurred in the normal course of business throughout the year.

INVESTMENTS IN PRIVATE-EQUITY ASSOCIATES, ASSOCIATE COMPANIES AND JOINT ARRANGEMENTS

at

	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Listed associates[1]	**6 014**	5 596	7 808
Unlisted associates	**1 588**	1 220	1 320
Unlisted joint arrangements	**366**	330	451
	7 968	7 146	9 579

[1] *The group's investment in Ecobank Transnational Incorporated (ETI) is recorded under listed associates.*

Listed associates: ETI			
Carrying value	**6 014**	5 596	7 808
Fair value of investment	**4 350**	6 434	6 916

Key assumptions concerning the future and key sources of estimation

The market value of the group's investment in ETI based on its quoted share price (a thinly-traded share) is below its carrying value, and this decline is significant and prolonged, which represents evidence of an impairment indicator at 30 June 2016. Where an impairment indicator exists, an impairment test compares the higher of its fair value less costs of disposal (fair value) or its value in use (VIU) and the carrying value of the investment. In respect of ETI, the VIU calculation is higher than the fair value calculation. If the VIU amount is lower than the carrying value, the carrying value needs to be impaired to the VIU amount, with any resulting impairment loss reported within non-trading and capital items. There would be no impact on the group's regulatory capital unless any impairment exceeds R3,3bn. ETI's VIU calculation at 30 June 2016 exceeds the carrying value and no impairment loss has therefore been recognised. The VIU calculation will be revisited at 31 December 2016, taking into account publically available information and any changes to key assumptions.

On 27 July 2016 the market value of the group's investment in ETI based on its quoted share price was R3,2bn. Management is not aware of any adjusting events after the reporting period, and continues to monitor developments and the possible impact on the VIU calculation for the second half of 2016.

FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is an assumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

The existence of published price quotations in an active market is the most reliable evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volumes and frequencies to provide pricing information on an ongoing basis. These quoted prices would generally be classified as level 1 in terms of the fair-value hierarchy.

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the group establishes fair value by using a valuation technique. These valuation techniques include reference to the current fair value of another instrument that is substantially the same in nature, reference to the value of the assets of underlying business, earnings multiples, discounted-cashflow analysis and various option pricing models. Valuation techniques applied by the group would generally be classified as level 2 or level 3 in terms of the fair-value hierarchy. The determination of whether an instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the instrument. Inputs typically used in valuation techniques include discount rates, appropriate swap rates, volatility, servicing costs, equity prices, commodity prices, counterparty credit risk, and the group's own credit on financial liabilities.

The group has an established control framework for the measurement of fair value, which includes formalised review protocols for the independent review and validation of fair values separate from the business unit entering into the transaction. The valuation methodologies, techniques and inputs applied to the fair-value measurement of the financial instruments have been applied in a manner consistent with that of the previous financial year.

FAIR-VALUE HIERARCHY

The financial instruments recognised at fair value have been categorised into the three input levels of the International Financial Reporting Standards (IFRS) fair-value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: Valuation techniques based on (directly or indirectly) market-observable inputs. Various factors influence the availability of observable inputs. These factors may vary from product to product and change over time. Factors include the depth of activity in the relevant market, the type of product, whether the product is new and not widely traded in the market, the maturity of market modelling and the nature of the transaction (bespoke or generic).

Level 3: Valuation techniques based on significant inputs that are not observable. To the extent that a valuation is based on inputs that are not market-observable the determination of the fair value can be more subjective, depending on the significance of the unobservable inputs to the overall valuation. Unobservable inputs are determined on the basis of the best information available and may include reference to similar instruments, similar maturities, appropriate proxies or other analytical techniques.

All fair values disclosed below are recurring in nature.

Financial assets

	Total financial assets			Total financial assets recognised at amortised cost			Total financial assets classified as level 1			Total financial assets classified as level 2			Total financial assets classified as level 3		
	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm	**30 Jun 2016 (Reviewed) Rm**	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm	**30 Jun 2016 (Reviewed) Rm**	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm	**30 Jun 2016 (Reviewed) Rm**	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm	**30 Jun 2016 (Reviewed) Rm**	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Cash and cash equivalents	**38 991**	44 250	39 072	**38 991**	44 250	39 072									
Other short-term securities	**82 033**	66 083	75 614	**35 754**	32 166	32 862	**754**	713	667	**45 525**	33 204	42 085			
Derivative financial instruments	**19 819**	14 732	30 488				**450**	26	99	**19 350**	14 706	30 371	**19**		18
Government and other securities	**51 996**	37 649	43 060	**20 369**	15 826[1]	18 807	**21 193**	10 266[1]	11 438	**10 434**	11 557	12 815			
Loans and advances	**693 332**	648 844	681 632	**594 339**	548 138	582 454	**42**	63	60	**98 918**	100 610	99 085	**33**	33	33
Other assets	**11 505**	6 386	8 984	**6 016**	4 635	4 832	**5 489**	1 751	4 152						
Investments in private-equity associates, associate companies and joint arrangements	**1 440**	1 026	1 162										**1 440**	1 026	1 162
Investment securities	**13 254**	19 449	13 155				**54**	52	448	**12 540**	18 597	12 016	**660**	800	691
	912 370	838 419	893 167	**695 469**	645 015	678 027	**27 982**	12 871	16 864	**186 767**	178 674	196 372	**2 152**	1 859	1 904

Financial liabilities

	Total financial liabilities			Total financial liabilities recognised at amortised cost			Total financial liabilities classified as level 1			Total financial liabilities classified as level 2			Total financial liabilities classified as level 3		
	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm	**30 Jun 2016 (Reviewed) Rm**	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm	**30 Jun 2016 (Reviewed) Rm**	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm	**30 Jun 2016 (Reviewed) Rm**	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm	**30 Jun 2016 (Reviewed) Rm**	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Derivative financial instruments	**19 587**	15 016	33 628				**197**	41	126	**19 262**	14 950	33 416	**128**	25	86
Amounts owed to depositors	**741 712**	690 495	725 851	**572 439**	553 876	555 508				**169 273**	136 619	170 343			
Provisions and other liabilities	**28 208**	21 656	21 942	**10 237**	8 200[2]	7 988	**17 748**	13 107	13 724	**223**	349	230			
Investment contract liabilities	**13 245**	12 196	10 988							**13 245**	12 196[3]	10 988			
Long-term debt instruments	**51 805**	45 230	44 982	**51 372**	43 776	44 581	**168**		156	**265**	1 454	245			
	854 557	784 593	837 391	**634 048**	605 852	608 077	**18 113**	13 148	14 006	**202 268**	165 568	215 222	**128**	25	86

[1] *As reported at 31 December 2015, R1 030m previously reported as loans and receivables at 30 June 2015, have been reclassified to the available-for-sale category.*
[2] *As reported at 31 December 2015, R1 298m previously reported as financial liabilities at amortised cost at 30 June 2015, have been reclassified as non-financial liabilities.*
[3] *As reported at 31 December 2015, R4 044m previously reported as financial liabilities designated at fair value at 30 June 2015, have been reclassified as non-financial liabilities.*

Level 3 reconciliation

30 June 2016 (Reviewed)	Opening balance at 1 January Rm	Gains/ (Losses) in profit for the year Rm	Gains/(Losses) in other comprehensive income for the year Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 30 Jun Rm
Financial assets						
Derivative financial instruments	**18**	**1**				**19**
Loans and advances	**33**					**33**
Investment securities	**691**	**(36)**	**25**	**(20)**		**660**
Investments in private-equity associates, associate companies and joint arrangements	**1 162**	**188**	**144**	**(54)**		**1 440**
	1 904	**153**	**169**	**(74)**	**-**	**2 152**
Financial liabilities						
Derivative financial instruments	**86**	**42**				**128**
	86	**42**	**-**	**-**	**-**	**128**

30 June 2015 (Reviewed)	Opening balance at 1 January Rm	Gains/ (Losses) in profit for the year Rm	Gains/(Losses) in other comprehensive income for the year Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 30 Jun Rm
Financial assets						
Loans and advances	33					33
Investment securities	800	4		1	(5)	800
Investments in private-equity associates, associate companies and joint arrangements	898	41		87		1 026
	1 731	45	-	88	(5)	1 859
Financial liabilities						
Derivative financial instruments	20	5				25
	20	5	-	-	-	25

31 December 2015 (Audited)	Opening balance at 1 January Rm	Gains/ (Losses) in profit for the year Rm	Gains/(Losses) in other comprehensive income for the year Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 31 Dec Rm
Financial assets						
Derivative financial instruments		18				18
Loans and advances	33					33
Investment securities	800	(36)		2	(75)	691
Investments in private-equity associates, associate companies and joint arrangements	898	89		312	(137)	1 162
	1 731	71	-	314	(212)	1 904
Financial liabilities						
Derivative financial instruments	20	66				86
	20	66	-	-	-	86

Effect of changes in significant unobservable assumptions on reasonable possible alternatives

The fair-value measurement of financial instruments are, in certain circumstances, measured using valuation techniques that include assumptions that are not market-observable. Where these scenarios apply, the group performs stress testing on the fair value of the relevant instruments. In performing the stress testing, appropriate levels for the unobservable-input parameters are chosen so that they are consistent with prevailing market evidence and in line with the group's approach to valuation control. The following information is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable-input parameters and which are classified as level 3 in the fair-value hierarchy. However, the disclosure is neither predictive nor indicative of future movements in fair value.

30 June 2016 (Reviewed)	Valuation technique	Significant unobservable input	Variance in fair value %	Value per statement of financial position Rm	Favourable change in fair value Rm	Unfavourable change in fair value Rm
Financial assets						
Derivative financial instruments	**Discounted-cashflow model, Black-Scholes model and multiple valuation techniques**	**Discount rates, risk-free rates, volatilities, credit spreads and valuation multiples**	**Between (12) and 10**	**19**	**2**	**(2)**
Loans and advances	**Discounted cashflows**	**Credit spreads and discount rates**	**Between (12) and 10**	**33**	**3**	**(4)**
Investment securities	**Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields**	**Valuation multiples, correlations, volatilities and credit spreads**	**Between (12) and 10**	**660**	**64**	**(81)**
Investments in private-equity associates, associate companies and joint arrangements	**Discounted cashflows, earnings multiples**	**Valuation multiples**	**Between (7) and 7**	**1 440**	**117**	**(132)**
Total financial assets classified as level 3				**2 152**	**186**	**(219)**
Financial liabilities						
Derivative financial instruments	**Discounted cashflows, earnings multiples**	**Growth rates, cost of equity and price to book**	**Between (10) and 10**	**(128)**	**21**	**(28)**

30 June 2015 (Reviewed)	Valuation technique	Significant unobservable input	Variance in fair value %	Value per statement of financial position Rm	Favourable change in fair value Rm	Unfavourable change in fair value Rm
Financial assets						
Loans and advances	Discounted-cashflow model	Credit spreads	Between (14) and 14	33	3	(4)
Investment securities	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (25) and 25	800	72	(91)
Investments in private-equity associates, associate companies and joint arrangements	Discounted cashflows, earnings multiples	Valuation multiples	Between (11) and 11	1 026	85	(97)
Total financial assets classified as level 3				1 859	160	(192)
Financial liabilities						
Derivative financial instruments	Discounted cashflows, earnings multiples	Growth rates, cost of equity and price to book	Between (10) and 10	(25)	20	(27)

31 December 2015 (Audited)	Valuation technique	Significant unobservable input	Variance in fair value %	Value per statement of financial position Rm	Favourable change in fair value Rm	Unfavourable change in fair value Rm
Financial assets						
Derivative financial instruments	Discounted-cashflow model, Black-Scholes model and multiple valuation techniques	Discount rates, risk-free rates, volatilities, credit spreads and valuation multiples	Between (13) and 10	18	2	(2)
Loans and advances	Discounted cashflows	Credit spreads and discount rates	Between (13) and 10	33	3	(4)
Investment securities	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (13) and 10	691	62	(77)
Investments in private-equity associates, associate companies and joint arrangements	Discounted cashflows, earnings multiples	Valuation multiples	Between (7) and 8	1 162	97	(109)
Total financial assets classified as level 3				1 904	164	(192)
Financial liabilities						
Derivative financial instruments	Discounted cashflows, earnings multiples	Growth rates, cost of equity and price to book	Between (10) and 10	(86)	37	(33)

Unrealised gains or losses

The unrealised gains or losses arising on instruments classified as level 3 include the following:

	30 Jun 2016 (Reviewed) Rm	30 Jun 2015 (Reviewed) Rm	31 Dec 2015 (Audited) Rm
Private-equity gains	**153**	44	71

Summary of principal valuation techniques – level 2 instruments

The following table sets out the group's principal valuation techniques used in determining the fair value of financial assets and financial liabilities classified as level 2 in the fair-value hierarchy:

Assets	Valuation technique	Key inputs
Other short-term securities	Discounted-cashflow model	Discount rates
Derivative financial instruments	Discounted-cashflow model	Discount rates
	Black-Scholes model	Risk-free rate and volatilities
	Multiple valuation techniques	Valuation multiples
Government and other securities	Discounted-cashflow model	Discount rates
Loans and advances	Discounted-cashflow model	Interest rate curves
Investment securities	Discounted-cashflow model	Money market rates and interest rates
	Adjusted net asset value	Underlying price of market-traded instruments
	Dividend yield method	Dividend growth rates
Liabilities		
Derivative financial instruments	Discounted-cashflow model	Discount rates
	Black-Scholes model	Risk-free rate and volatilities
	Multiple valuation techniques	Valuation multiples
Amounts owed to depositors	Discounted-cashflow model	Discount rates
Provisions and other liabilities	Discounted-cashflow model	Discount rates
Investment contract liabilities	Adjusted net asset value	Underlying price of market-traded instruments
Long-term debt instruments	Discounted-cashflow model	Discount rates

ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE FOR WHICH FAIR VALUE IS DISCLOSED

Certain financial instruments of the group are not carried at fair value, including those categorised as held to maturity, loans and receivables, and financial liabilities at amortised cost. The calculation of the fair value of these financial instruments incorporates the group's best estimate of the value at which these financial assets could be exchanged, or financial liabilities could be transferred, between market participants at the measurement date. The group's estimate of what fair value is does not necessarily represent the amount for which the group would be able to sell the asset or transfer the respective financial liability in an involuntary liquidation or distressed sale.

The fair values of these respective financial instruments at the reporting date, as detailed below, are estimated only for the purpose of IFRS disclosure:

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
30 June 2016 (Reviewed)					
Financial assets	650 462	638 246	19 850	35 707	582 689
Other short-term securities	35 754	35 707		35 707	
Government and other securities	20 369	19 850	19 850		
Loans and advances	594 339	582 689			582 689
Financial liabilities	51 372	51 077	25 774	25 303	–
Long-term debt instruments	51 372	51 077	25 774	25 303	

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
30 June 2015 (Reviewed)					
Financial assets	596 130	595 388	15 616	32 127	547 645
Other short-term securities	32 166	32 127		32 127	
Government and other securities	15 826	15 616	15 616		
Loans and advances	548 138	547 645			547 645
Financial liabilities	43 776	43 191	18 566	24 625	–
Long-term debt instruments	43 776	43 191	18 566	24 625	

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
31 December 2015 (Audited)					
Financial assets	634 123	628 792	17 415	32 709	578 668
Other short-term securities	32 862	32 709		32 709	
Government and other securities	18 807	17 415	17 415		
Loans and advances	582 454	578 668			578 668
Financial liabilities	44 581	42 933	24 269	18 664	–
Long-term debt instruments	44 581	42 933	24 269	18 664	

There has been no significant changes in the methodology used to estimate the fair value of the above instruments.

Rm	Total unweighted value[4] (Average)	Total weighted value[5] (Average)
High-quality liquid assets (HQLA)		
Total HQLA		127 114
Cash outflows		
Retail deposits and deposits from small-business clients	170 821	16 908
– Stable deposits	3 468	173
– Less stable deposits	167 353	16 735
Unsecured wholesale funding	244 303	126 664
– Operational deposits (all counterparties) and deposits in institutional networks of cooperative banks	124 859	35 897
– Non-operational deposits (all counterparties)	118 264	89 587
– Unsecured debt	1 180	1 180
Secured wholesale funding	24 817	59
Additional requirements	98 023	18 719
– Outflows related to derivative exposures and other collateral requirements	2 309	2 309
– Outflows related to loss of funding on debt products	1 295	1 295
– Credit and liquidity facilities	94 419	15 115
Other contractual funding obligations	910	910
Other contingent funding obligations	116 806	5 691
Total cash outflows	655 680	168 951
Cash inflows		
Secured lending (eg reverse repurchase agreements)	18 171	1 428
Inflows from fully performing exposures	45 266	29 558
Other cash inflows	5 372	5 346
Total cash inflows	68 809	36 332

	Total adjusted value[6]
Total HQLA	**127 114**
Total net cash outflows	**136 469**
Liquidity coverage ratio (%)	**93,1%**

[4] *Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).*
[5] *Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).*
[6] *Note that total cash outflows less total cash inflows may not be equal to total net cash outflows to the extent that regulatory caps have been applied to cash inflows as specified by the regulations.*

The figures above reflect the simple average of the month-end values at 30 April 2016, 31 May 2016 and 30 June 2016 based on regulatory submissions to the South African Reserve Bank.

This section on the liquidity coverage ratio has not been reviewed the group's auditors.

COMPANY DETAILS

NEDBANK GROUP LIMITED

Incorporated in the Republic of SA
Registration number 1966/010630/06

Registered address

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Namibia

Transfer Secretaries (Pty) Ltd
Robert Mugabe Avenue No 4
Windhoek, Namibia
PO Box 2401, Windhoek, Namibia

INSTRUMENT CODES

Nedbank Group ordinary shares

Company Secretary:	TSB Jali
Reg no:	1966/010630/06
JSE share code	NED
NSX share code	NBK
ISIN	ZAE000004875
Sponsors in SA:	Merrill Lynch SA (Pty) Ltd Nedbank CIB
Sponsor in Namibia:	Old Mutual Investment Services (Namibia) (Pty) Ltd

DIRECTORS V Naidoo (Chairman), MWT Brown* (Chief Executive), DKT Adomakoh (Ghanaian), TA Boardman, BA Dames, ID Gladman (British), JB Hemphill, EM Kruger, PM Makwana, Dr MA Matooane, NP Mnxasana, RK Morathi* (Chief Financial Officer), JK Netshitenzhe, MC Nkuhlu* (Chief Operating Officer), S Subramoney, MI Wyman** (British)
Company Secretary: TSB Jali

** Executive   ** Lead independent director*

This announcement is available on the group's website at **nedbankgroup.co.za**, together with the following additional information:

- Detailed financial information in PDF.
- Financial results presentation to analysts.
- Link to a webcast of the presentation to analysts.

For further information please contact Nedbank Group Investor Relations at **nedbankgroupir@nedbank.co.za**.