NEDBANK GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

NEDBANK

see money differently

Strong performance in a difficult environment

Nedbank Group delivered a strong performance in the first half of 2018, assisted by our share of associate income from ETI as it returned to profitability, while our managed operations delivered positive, but slower, earnings growth in line with our expectations. Headline earnings of R6,7bn increased 27,0% and ROE (excluding goodwill) improved to 18,4%. Slow revenue growth and a gradual increase in impairments were offset by good cost management. We maintained a strong balance sheet, as evident in our IFRS 9 fully phased-in CET1 ratio of 12,4% and the interim dividend per share increasing by 13,9%. Total assets exceeded R1 trillion for the first time.

Nedbank continues to make good progress in delivering market-leading client value propositions and digital innovations. This focus has enabled us to increase our total client base to over eight million for the first time, grow revenues and unlock operating efficiencies. In the second half of 2018 we look forward to the launch of more exciting innovations for clients. Our strategic enablers, including ongoing technology investments, our people, our culture and our brand, are creating a more client-focused, agile, competitive and digital Nedbank.

Given the strong growth in diluted headline earnings per share in the first half of 2018, together with expectations of a slowly improving economic outlook and ongoing delivery on our strategy, our guidance for growth in diluted headline earnings per share for 2018 remains unchanged, being in line with our medium-to-long-term target of greater than or equal to GDP plus CPI plus 5%.

Mike Brown
Chief Executive

Headline earnings
▲ **27,0%**
R6 696m
(excl ETI ▲ 2,0%)
R6 562m

Revenue growth
▲ **3,8%**

CLR
▲ **53 bps**
(June 2017: 47 bps)

Expense growth
▲ **2,7%**

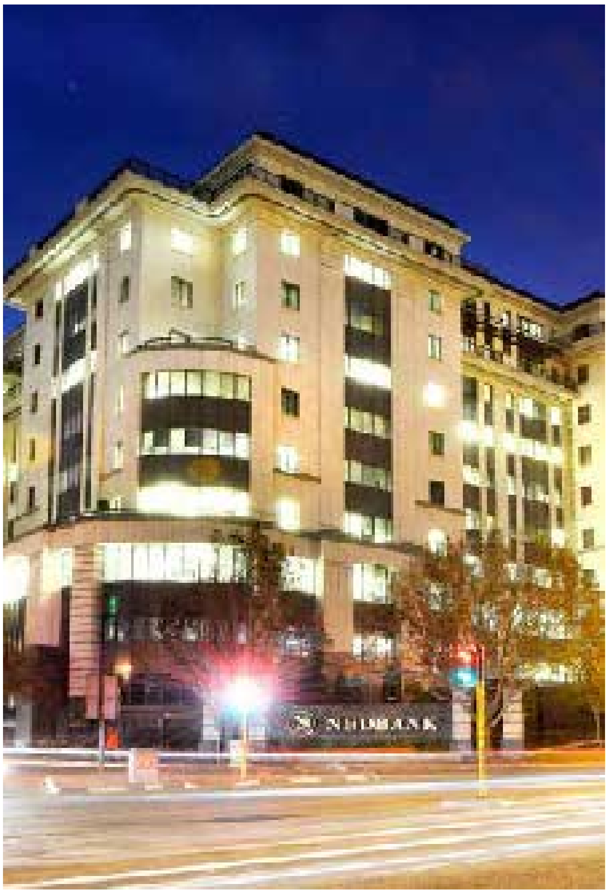
DHEPS
▲ **26,3%**
1 361 cents

Interim dividend per share
▲ **13,9%**
695 cents

ROE
(excl goodwill)
▲ **18,4%**
(excl ETI ▼ 18,3%)

CET1 ratio
▲ **12,4%**
(June 2017: 12,3%)

2018 interim results commentary



BANKING AND ECONOMIC ENVIRONMENT

Global economic conditions remained relatively robust in the first half of 2018, despite persistent geopolitical tensions and escalating trade disputes. Much of the momentum came from strong growth in the US, boosted by rising business and consumer confidence on the back of rapid job creation and substantial tax relief. Activity elsewhere in the developed world also expanded, albeit at a slightly softer pace. The recovery in emerging and developing economies also continued, with growth in India accelerating and China proving resilient. This, coupled with firmer commodity prices, supported the recovery in most commodity-producing countries, including sub-Saharan Africa. However, the escalating trade war between the world's largest economies and the faster-than-expected normalisation of US monetary policy started to hurt capital flows to emerging markets during the second quarter, impacting the hardest on those countries with political and structural vulnerabilities.

The SA economy started 2018 on a weaker note, despite the generally constructive business sentiment around changes in the country's political leadership. These changes include, inter alia, actions taken to restore government's finances to a more sustainable path, commitments to address policy uncertainty, initiatives to investigate and root out corruption, and reform of financially troubled and operationally crippled state-owned enterprises (SOEs). Real GDP declined by 2,2% qoq in the first quarter, but the decline was partly exaggerated by the high base established towards the end of 2017, which included the upward revision of 2017 GDP from 0,9% (expected) to 1,3% (actual). The weakness was widespread, with sharpest declines recorded in agriculture, mining, manufacturing and domestic trade. GDP growth on Q1 2017 was up 0,8%. Consumer spending expanded further, but at a much slower pace off the high base in 2017. Although disposable income growth slowed, consumer confidence improved in the first quarter, interest rates eased further in March and the gradual recovery in household credit demand continued. Household debt levels edged up slightly to 71,7% of disposable income, but remain around levels last recorded early in 2006.

Inflation increased from low levels as the hikes in VAT, excise duties and fuel tax rates came into effect in April, but remained contained and well within the SARB inflation target range. The rand rallied in early 2018 on the back of optimistic political, fiscal and ratings expectations. Moody's left both SA's foreign and local currency debt ratings unchanged at one notch above subinvestment grade, but changed the country's ratings outlook from negative to stable. The other major global rating agencies also left the country's sovereign-debt ratings unchanged at just below investment grade. Given these developments, SARB's Monetary Policy Committee cut the repo rate by 25 basis points in March. However, underlying economic conditions deteriorated over the second quarter. Fading global risk appetite for emerging markets resulted in renewed rand weakness and volatility, while slow progress in returning key SOEs to operational efficiency and growing political pressure to address inequality in land ownership, mining rights and access to healthcare have fuelled increasing policy uncertainty among investors and companies. Consequently, corporate demand for credit weakened further in the first half of the year as the slump in fixed-investment activity persisted.

REVIEW OF RESULTS

Nedbank produced a strong performance in a domestic macroeconomic environment that remained challenging and volatile. HE increased 27,0% to R6 696m, boosted by associate income from ETI's returning to profitability, while our managed operations delivered positive, but slower, earnings growth from a high base. This translated into an increase in DHEPS and HEPS of 26,3% to 1 361 cents and 1 387 cents respectively, in line with the 23% to 28% range set out in the trading statement released on 26 July 2018. As in previous periods, we highlight our results both including and excluding ETI (referred to as managed operations) to provide a better understanding of the operational performance of the business given the historic volatility in ETI's results and the impact of a challenging SA operating environment. We will revert to only group-level reporting in 2019. Our managed operations produced HE growth of 2,0% to R6 562m, with slow revenue growth and slightly higher impairments offset by good cost management.

ROE (excluding goodwill) and ROE improved to 18,4% and 17,2% respectively. ROE (excluding goodwill) in managed operations was 18,3% and ROE was 17,1%. These ratios benefited from the reduction in equity following the day one transitional adjustments in respect of IFRS 9 and IFRS 15 of R3,2bn. On a like for like basis excluding IFRS adjustments, ROE (excluding goodwill) was 17,8% and in managed operations was 17,7%. Total assets for the group exceeded the R1 trillion mark for the first time. ROA increased 27 bps to 1,37% and return on RWA increased from 2,07% to 2,48%.

Our IFRS 9 fully phased-in CET1 and tier 1 capital ratios of 12,4% and 13,2% respectively, average LCR for the second quarter of 106,9% and an NSFR of 116,4% are all Basel III-compliant and are a reflection of a strong balance sheet. On the back of strong earnings growth and a strong capital position an interim dividend of 695 cents was declared, an increase of 13,9%.

DELIVERING SUSTAINABLY TO ALL OUR STAKEHOLDERS

Nedbank continues to play an important role in society and in the economy, and we remain committed to delivering on our purpose of using our financial expertise to do good and contributing to the societies in which we operate by delivering value to our staff, clients, shareholders, regulators and society.

For staff

We had 31 592 staffmembers in our employ, invested R270m in training and paid salaries and benefits of R8,1bn. Our bargaining unit staff received annual salary increases of 7,0%, ahead of inflation, and the blended average staff salaries increased by 5,8%. As part of our People 2020 groupwide programme aimed at transforming and aligning our culture and talent with our strategic objectives, we refreshed our executive management programmes to be more digitally focused, with more than 70 senior leaders having participated in immersive learning experiences (the Executive Business Transformation programme), with exposure to Silicon Cape, Silicon Savannah (Kenya) and Silicon Valley. We implemented New Ways of Work (NWoW) practices to transform Nedbank into a more agile organisation, holistically rethinking the way we work, communicate and manage talent on our journey to creating a high-performing culture. More than 500 staffmembers are working according to this new approach and we aim to increase this number to over 4 000 by June 2019. Transformation remains a key imperative to ensure Nedbank remains relevant in a transforming society and we have continued to focus on this across all levels at Nedbank, from our board of directors to all our staffmembers. Currently black representation at board is 59%, at executive is 46% and for our total staff at more than 78%. Altogether 62% of our staff are female. In recognition of our progress, Nedbank was recently announced as the overall winner at the SA Board for People Practices Employment Equity, Diversity and Transformation Awards.

For clients

We increased our total retail client numbers across the group to 8,0 million, with RBB main-banked clients growing 2,5% to 2,8 million, supported by a 9,3% increase in main-banked clients in the middle market. May 2018 BA900 market share data showed Nedbank either maintaining or increasing its share of lending in home loans, vehicle finance, personal loans, credit cards and core corporate loans. Similar trends were evident in household deposits. Our clients' access to banking improved through our network of 1 034 Intelligent Depositor devices and we increased the total number of digitally focused branches to 346 or 57% of all outlets. Digitally active and enabled clients grew as we launched new market-leading digital innovations, with the new Nedbank Money app™ having been downloaded one million times since its launch in November 2017. We supported our clients by advancing R82bn (June 17: R76bn) of new loans in the first half of 2018 to enable them to finance their homes, vehicles, education and to grow their businesses. We safeguarded R801bn of deposits at competitive rates. Our Net Promoter Score is second-highest among full-service banks in SA. Nedbank's brand value increased 16% yoy and is now ranked the ninth most valuable brand in SA (from 10th in 2017) as measured by Brand Finance. In recognition of the market-leading innovations and CVPs launched, Nedbank recently won the *International Banker* award for Best Innovation in Retail Banking SA 2018 as well as the *Banker Africa*s award for Best Corporate Bank in SA. Nedgroup Investments maintained its top-three ranking in offshore management companies in SA in the recent PlexCrown Unit Trust Survey. The business is ranked the fourth-largest unit trust manager and third-largest offshore unit trust manager in SA. Nedbank Private Wealth won first place for philanthropic advice in SA in the annual Euromoney Private Banking and Wealth Management Survey for the fourth consecutive year. Internationally, Nedbank Private Wealth won the award for Best UK Private Bank. In July 2018 Nedbank was selected by SARB and the curator to provide banking services to VBS Mutual Bank's individual-client depositors who held guaranteed deposits of less than R100 000, following VBS Mutual Bank being placed under curatorship. The guaranteed VBS deposit book transferred to Nedbank comprised more than 17 000 clients and more than R250m in deposits, and we look forward to serving them as Nedbank clients. Nedbank made use of robotic process automation (RPA) to open these accounts in a short timeframe and added additional resources (extended banking hours and mobile units) to cater for the demand on the ground, specifically in Thohoyandou and Makhado.

For shareholders

Nedbank's net asset value per share increased 4,7% to 16 957cents (up 8,8% excluding the impact of IFRS day-one adjustments), our share price performed 7% above the FINI15 index since the start of 2018 and the interim dividend was up 13,9%. We expanded our investor activities ahead of the Old Mutual managed separation and engaged constructively with the investment community in over 180 meetings in the past six months. At our 51st annual general meeting all resolutions were passed, with more than 90% of votes in favour. Following constructive engagements with shareholders and enhancements to our remuneration practices, we were pleased that our remuneration policy and disclosures received more than 99% votes in favour. We continued to ensure transparent, relevant and timeous reporting and disclosure to shareholders, and were acknowledged by the Investment Analyst Society as the leader in corporate reporting in the banking sector and the *Nedbank Group Integrated Report* continued to be ranked in the top tier of JSE-listed companies. Nedbank's valuation metrics remain attractive, with price/earnings and price-to-book ratios of 8,9 times and 1,5 times respectively, and a dividend yield of 5,0% at 30 June 2018.

For regulators

We maintained Basel III requirements ahead of full compliance timelines, including a strong capital position, achieving a CET1 ratio of 12,4% (after the fully phased-in day-one impact of IFRS 9 and the impact of IFRS 15), an average LCR of 106,9% in the second quarter of 2018 and an NSFR of 116,4% at June 2018. We have invested over R100bn in government and public sector bonds as part of our HQLA requirements and, in doing so, remain committed to making a meaningful contribution to the countries in which we operate, thereby appropriately supporting the funding needs of governments. Cash taxation contributions of R5,7bn were made relating to direct, indirect, pay-as-you-earn and other taxation. We continued to work closely with all our regulators to ensure efficient delivery of the various regulatory programmes, and implemented IFRS 9 and IFRS 15 on 1 January 2018, with a fully phased-in impact of 25 bps on our CET1 ratio at 1 January 2018, inclusive of the 15 bps arising from our share of ETI's own transitional IFRS 9 impact.

For society

We understand that our long-term sustainability and success are contingent on the degree to which we deliver value to society. We have defined our purpose as 'using our financial expertise to do good for individuals, families, businesses and society'. It follows then that it is through the considered development and delivery of products and services that satisfy societal needs that we can play our part to enable a thriving society, create long-term value, maintain trust and ensure the success of our brand. This is particularly important in the current context of SA as well as the broader African continent.

In addition to the R82bn in new loans advanced to clients in the first half of 2018, evidence of how we have delivered on our purpose over time includes:

- A focus on sustainable-development finance that was evident in more than R460m of new lending to support student accommodation, R3,2bn lent to construct green buildings, R19,8bn dispersed for renewable-energy deals and R348m to affordable-housing developments. In addition, in line with SDG 6 – provision of clean water and sanitation – the first half of 2018 has seen increased investment alongside our clients, including bond support and debt capital management for selected water authorities as well as water-focused private-equity acquisitions. In the rest of Africa we integrated the market-leading Ecobank money transfer product into the Nedbank Money app™, enabling the cheapest, most efficient money transfers to more than 33 countries across Africa.
- Drought interventions – the 2018 Nedbank Cup final was held in Cape Town. As part of the legacy of the tournament we pledged a further R2m to remove water-sapping alien invasive trees around the water catchment areas that feed the six big dams supplying the city. This latest financial commitment is aimed at enabling the release of one billion litres (one million kilolitres) of water annually. This investment bolsters the R47m already invested in 23 national water and conservation projects through the WWF Nedbank Green Trust over the past five years. Through education and reduced consumption in our own buildings, by implementing initiatives such as recycling air-conditioning water and piloting air-flush toilets, we contributed to the City of Cape Town's avoiding the day-zero water crisis.
- Having maintained our level 2 BBBEE contributor status for nine years, now measured under the Amended Financial Sector Code (FSC), gazetted in terms of section 9(1) of the BBBEE Act, 53 of 2003, effective on 1 December 2017. We invested more than R55m in socioeconomic development, with more than 50% allocated to education, while 75% of our procurement spend was used to support local SA business. Although Nedbank has achieved industry leadership according to the old FSC, we recognise that the Amended FSC, which comprises stricter weighting and targets, will lead to an industry rebasing, possibly impacting relative competitor positioning in this regard. Leading transformation remains a strategic priority for Nedbank, as this will enable us to remain relevant and support the national agenda by playing a key role in contributing to the country's economic growth, and in so doing being conscious that the manner in which such contributions are made must promote access to economic opportunities and financial inclusion to improve the overall standard of living and uplift the moral quotient of the country.
- Continuing to participate in the CEO Initiative, working with government, business and labour towards a more inclusive SA society. We have been part of the leadership team in the credit ratings workstream, have committed R20m to the R1,5bn SME Fund and will become a participant in the Youth Employment Service, in which we, as corporate SA, aim to provide internship opportunities for more than one million South Africans. For Nedbank this is estimated to translate into a cost of over R150m per annum (on a run rate basis from 2019), supporting more than 3 000 youth.

CLUSTER FINANCIAL PERFORMANCE

Nedbank's managed operations generated HE growth of 2,0% to R6 562m and delivered an ROE (excluding goodwill) of 18,3%.

	Change (%)	HE (Rm)		ROE (excluding goodwill) (%)	
		Jun 2018	Jun 2017	Jun 2018	Jun 2017
CIB	2,6	**3 296**	3 211	**20,1**	20,8
RBB	1,5	**2 581**	2 544	**18,6**	18,7
Wealth	0,0	**519**	519	**25,4**	27,8
RoA subsidiaries	58,6	**111**	70	**4,0**	3,0
Centre	(38,2)	**55**	89		
Nedbank managed operations	2,0	**6 562**	6 433	**18,3**	18,9
ETI	> 100	**134**	(1 162)		
Group	27,0	**6 696**	5 271	**18,4**	15,1

CIB maintained an attractive ROE of above 20% and produced a solid result, supported by a high-quality advances book and a low CLR. This was achieved notwithstanding a challenging environment for growing revenues. Advances growth was impacted as clients remained cautious in initiating new projects, and early repayments were high, while trading activity was strong but slowed in the second quarter of 2018. Credit quality remained excellent through proactive risk management as we continued to monitor and manage exposures to stressed sectors of the economy, such as construction and cement, as well as certain SOEs.

RBB delivered a solid ROE and an increase in HE ahead of our expectations, notwithstanding the impact of impairment overlay releases in the previous year and IFRS changes in the current year. NII growth was underpinned by solid growth in advances and strong growth in deposits, offset by a lower NIM due mainly to the impact of margin compression on term deposits. Credit losses remained muted, reflecting a high-quality portfolio. Excluding the impact of IFRS 9 and 15, transactional NIR growth was strong. Lower expense growth reflects the initial impact of optimising processes and operations, including headcount reductions as well as some impacts from IFRS changes.

Nedbank Wealth maintained a strong ROE above 25% and HE remained steady, despite prevailing economic and market conditions as well as subdued investor sentiment. The results were attributable to reasonable performances in Asset Management, Insurance and Wealth Management International, offset by a decline in earnings in Wealth Management locally.

RoA's HE increased strongly off a low base as our share of associate income from our investment in ETI returned to profitability. Our SADC subsidiaries also grew HE off a low base as benefits emerge from the recent investments we have made in the franchises as a platform to create scale.

In the Centre there were no central provision releases and fair-value gains were lower than in 2017 as, on the back of IFRS 9 changes, we had implemented a central macro fair-value hedge accounting solution that will result in lower accounting volatility on our hedged portfolios in future. This was offset by a postretirement medical aid (PRMA) credit amounting to R180m after tax.

FINANCIAL PERFORMANCE

Growth in key lines of the statement of comprehensive income was impacted by the implementation of IFRS 9 and IFRS 15 accounting changes effective 1 January 2018 as the previous year comparatives were not restated. The table below has been presented to enable a like-for-like comparison and provides for the following accounting changes. Under IFRS 9 (a) suspended interest on the non-recoverable portion of the specific defaulted book is no longer recognised as NII, with full impairments previously being raised; (b) higher levels of portfolio provisions are raised on new loans compared with IAS 39; and (c) initiation fees previously recognised as NIR are now amortised to NII through the effective-interest-rate method. Under IFRS 15 costs of our rewards program were previously recognised as an expense and are now recognised as a reduction in NIR.

Estimated impact of IFRS accounting changes	Jun 2017 (Rm)	Jun2018 (Rm)	Reported change (%)	IFRS changes (Rm)	Jun 2018 adjusted (Rm)	Like-for-like change (%)
NII	13 548	**14 006**	3,4	51	**14 057**	3,8
Impairments	1 594	**1 815**	13,9	91	**1 906**	19,6
NIR	11 730	**12 236**	4,3	271	**12 507**	6,6
Expenses	14 369	**14 756**	2,7	124	**14 880**	3,6
HE	5 271	**6 696**	27,0	77	**6 773**	28,5

Net interest income

NII increased 3,4% to R14 006m, ahead of AIEBA growth of 0,8%. AIEBA growth adjusted for IFRS opening balance changes was 1,2%.

NIM expansion of 9 bps to 3,67% was driven largely by an improved asset mix of 5 bps and asset pricing of 4 bps. The 25 bps interest rate decreases in July 2017 and March 2018 more than offset the volume-related increases in capital and transactional deposits and resulted in a negative endowment of 2 bps. IFRS changes had a net nil impact on NIM, as a negative 4 bps impact of IFRS 9: Suspended interest was offset by a positive impact of IFRS 9: Initiation fee. HQLA optimisation added 2 bps to NIM.

Impairments charge on loans and advances

Impairments increased 13,9% to R1 815m. The CLR increased 6 bps to 0,53%, driven by increases in defaults in the CIB portfolio and the implementation of IFRS 9, which increases the coverage on new business, mostly in retail portfolios, and includes impairments on off-balance-sheet exposures. This was partially offset by the change in treatment of suspended interest under IFRS 9, which structurally lowers the CLR of both home loans and personal loans, and lowers the corresponding interest margin. The low CLR continues to reflect selective advances growth and the high quality of the portfolio across all our businesses.

Impairments in CIB increased from the previous year, but remained below the TTC target. This was the result of successful resolutions and settlements that enabled the reversal of historic impairment provisions, offset by growth in defaulted advances, given increased stress in some industries. Impairments are individually determined in CIB and 88% of specific impairments are concentrated in approximately 10 counters. RBB impairments decreased by 1,7% to R1,7bn as a result of an improvement in collections, as well as the structural change in the treatment of suspended interest under IFRS 9, which reduced both impairments and NII by R181m. Adjusting for this impact, RBB impairments would have increased 8,9%. In addition, the CLR benefited from the improvement in macroeconomic assumptions relative to those used in December 2017.

Continued proactive collection and resolution strategies within CIB and RBB contributed to group writeoffs increasing 4,9% to R2 387m and postwriteoff recoveries increasing 8,8% to R629m. The group's central provision remains unchanged from year end at R150m.

CLR (%)	Banking advances (%)	Jun 2018	Jun 2017	Dec 2017	TTC target ranges
CIB	**46,7**	**0,01**	(0,03)	0,06	0,15–0,45
RBB	**46,1**	**1,06**	1,14	1,06	1,30–1,80
Wealth	**4,1**	**0,15**	0,09	0,09	0,20–0,40
RoA	**3,1**	**1,09**	0,80	1,02	0,65–1,00
Group	**100,0**	**0,53**	0,47	0,49	0,60–1,00

Total defaulted advances increased 12,9% to R22,8bn, representing 3,1% of advances, as the weakened economic environment placed additional stress on specific wholesale counters, including the construction and cement industries, while performing defaults in RBB increased.

The decrease in specific coverage from 37,2% to 35,2% was due primarily to the change in the defaulted portfolio mix, with an increase in CIB defaults. In CIB impairments are considered on a client-by-client basis based on specific security we hold and are adequately provided for. RBB's specific coverage increased to 41,8%, driven by higher coverage on performing defaulted loans after the IFRS 9 implementation. Nedbank considers the coverage ratios appropriate given the higher proportion of wholesale lending, compared with the mix of its peers, high recovery rates and the collateralised nature of the commercial-mortgages portfolio, with low loan-to-value ratios.

Portfolio coverage increased from 0,70% at December 2017 (IAS 39 basis) to 0,93% after IFRS 9 day one and 0,91% at June 2018.

Non-interest revenue

NIR growth of 4,3% to R12 236m reflects the negative impact of IFRS 9 and 15, as well as weaker business and consumer confidence levels in the second quarter of 2018. Excluding the impact of the IFRS accounting changes, NIR increased by 6,6% on a like-for-like basis from the ongoing progress in delivering on our transactional banking strategy.

- Commission and fee income grew 3,2% to R8 709m.
  RBB reported good underlying transactional NIR growth of 8,1% (excluding the impact of IFRS9), supported by good main-banked client growth in the middle market, professional and small-business client segments.
  CIB delivered solid growth, despite the closure of almost all of the round 4 renewable-energy deals being delayed to the second half of 2018.
- Insurance income increased 7,0% to R830m, supported by a lower-claims experience in homeowner's cover after the catastrophic weather events experienced the previous year, as well as the benefit of lower business strain relating to the funeral book. This growth was slightly offset by higher lapses and lower reserve releases.
- Trading income increased 4,5% to R2 096m, with strong growth in equities and slower growth in debt trading, as activity levels among wholesale clients remained muted, particularly in the second quarter of the year.
- Private-equity income, including investment realisations in the Commercial Property Finance portfolio and higher dividends received, increased 38,3% off a low base to R282m.

Expenses

Expense growth of 2,7% to R14 756m was well below the inflation rate and below the guidance we provided for the full 2018 year (being growth of mid-single digits), demonstrating disciplined and careful management of discretionary expenses in an environment of slow revenue growth as well as benefits from IFRS. Excluding the pretax PRMA benefit of R250m, expenses increased by 4,4% and excluding IFRS changes expenses grew by 3,6%. The underlying movements included:

- Staff-related costs increasing at 3,5%, following:
  - an average annual salary increase of 5,8% and a 1 053 reduction in staff numbers since June 2017;
  - a 10,0% increase in short-term incentives in line with the group's financial performance; and
  - a settlement with our staff with regard to PRMA obligations and benefits, resulting in a provisional R250m credit in respect of actuarially estimated liabilities previously raised.
- Computer-processing costs increasing 4,5% to R2 218m, driven by increases in software amortisation and incremental software licence costs, offset by reduced network-related costs as a result of efficiency savings.
- Other cost lines being well managed, with increases below inflation, and reflecting the benefits from implementing our new target operating model, as well as efficiencies from the adoption of automation and robotics as well as procurement savings.

The group's growth in expenses of 2,7% was below total revenue growth (including associate income) of 9,2%, resulting in a positive jaws ratio of 6,5% and an efficiency ratio of 55,8%, compared with 59,3% in the first half of 2017. The jaws ratio in managed operations was positive at 1,0%.

Earnings from associates

The R207m associate income was largely attributable to R247m from ETI's profit in the fourth quarter of 2017 and the first quarter of 2018, in line with our policy of accounting for ETI earnings a quarter in arrear. The total effect of ETI on the group's HE was a profit of R134m, including the R113m impact of funding costs.

Accounting for associate income, together with Nedbank's share of ETI's other comprehensive income and movements in Nedbank's foreign currency translation reserves and our share of ETI's own IFRS 9 transitional adjustment, resulted in the carrying value of the group's strategic investment in ETI decreasing from R3,3bn at 31 December 2017 to R2,9bn at 30 June 2018. ETI's listed share price increased by 17,6% during the first half of 2018, which resulted in the market value of the group's investment in ETI increasing to R4,6bn at 30 June 2017, using the official Central Bank of Nigeria rate (305 Naira:US $) and R4,0bn based on the NAFEX rate (361 Naira:US $, which we use for sensitivity analysis purposes). While risks remain, it is expected that the actions taken to improve ETI's financial position and governance, along with an improving macroeconomic environment, will continue to drive an improved financial performance in 2018. ETI's results for the six months to 30 June 2018, released on 19 July 2018, highlighted the continuing trend of strong earnings growth as attributable profit increased to US $58m for Q2 2018, with Nedbank's estimated share though associate income being R162m (reported in Q3 2018 a quarter in arrear).

In line with IFRS requirements the R1bn impairment provision recognised at 31 December 2016 was reviewed at 30 June 2018 and management determined that there were no indicators of further impairment. We observed an improvement in ETI's recent financial performance, but it is not yet considered to be a sufficient indicator of sustainable performance to release the impairment provision or part thereof. Our position will be reassessed at 31 December 2018. Should ETI continue the recent trend of delivering increased earnings during the second half of 2018, there could be sufficient observable indicators at year-end for the R1bn impairment provision to be decreased or no longer required.

A R40m associate loss was incurred due to operational losses in an associate, which is the cash-processing supplier to the four large banks.

STATEMENT OF FINANCIAL POSITION

Capital

The group remains well capitalised at levels significantly above the minimum regulatory requirements. The CET1 ratio of 12,4% is reflective of organic capital generation, offset by 5% growth in RWA during the period and after accounting for the full impact of the implementation of IFRS 9 and IFRS 15 on 1 January 2018. The group CET 1 capital ratio was also positively impacted following a weakening of the rand against the US dollar during the period.

The total tier 1 and total CARs decreased as a result of a further grandfathering of old-style preference shares (R531m) in January 2018 in line with the Basel III transitional arrangements. The total CAR was positively impacted by the issuance of further tier 2 capital of R2,0bn during March 2018.

Basel III (%)	Jun 2018	Dec 2017	Jun 2017	Internal target range	Regulatory minimum[1]
CET1 ratio	**12,4**	12,6	12,3	10,5–12,5	7,375
Tier 1 ratio	**13,2**	13,4	13,2	> 12,0	8,875
Total capital ratio	**15,6**	15,5	15,7	> 14,0	11,125

(Ratios calculated with full IFRS 9 phase-in and include unappropriated profits.)

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

Funding and liquidity

Optimising our funding profile and maintaining a strong liquidity position remain a priority for the group.

The group's three-month average long-term funding ratio was 28,4% for the Q2 2018, supported by growth in Nedbank Retail Savings Bonds of R3,5bn to R28,3bn and the successful capital market issuances of R2,4bn senior unsecured debt and R2,0bn tier 2 capital.

The group's June 2018 quarterly average LCR of 106,9% exceeded the minimum regulatory requirement of 90% in 2018 and the group maintains appropriate operational buffers designed to absorb seasonal and cyclical volatility in the LCR.

Nedbank Group LCR	Jun 2018	Dec 2017	Jun 2017
HQLA (Rm)	**148 675**	138 180	144 568
Net cash outflows (Rm)	**139 043**	118 956	138 260
Liquidity coverage ratio (%)[2]	**106,9**	116,2	104,6
Regulatory minimum (%)	**90,0**	80,0	80,0

[2] *Average for the quarter.*

Further details on the LCR are available in the Additional information section of the condensed consolidated interim financial results.

Nedbank's portfolio of LCR-compliant HQLA increased by 7,6% to a June 2018 quarterly average of R148,7bn. The LCR increased yoy as a result of a marginal increase in HQLA, while net cash outflows remained fairly constant. The HQLA portfolio, taken together with our portfolio of other sources of quick liquidity, resulted in total available sources of quick liquidity of R203,8bn, representing 20,0% of total assets.

Nedbank exceeded the minimum NSFR regulatory requirement of 100% effective from 1 January 2018 and reported a June 2018 ratio of 116,4%. The key focus in terms of the NSFR is to achieve continued compliance in the context of balance sheet optimisation.

Loans and advances

Loans and advances increased by 0,4% yoy to R712,7bn, driven by solid growth in RBB, but offset by a decline in trading advances and short-dated lending in CIB as well as the IFRS day-one impact of R3,2bn. Excluding the IFRS impact, advances grew 0,8%.

Loans and advances by cluster are as follows:

Rm	Change (%)	Jun 2018	Jun 2017
CIB	(5,0)	**345 783**	363 873
Banking activities	(0,9)	**322 492**	325 266
Trading activities	(39,7)	**23 291**	38 607
RBB	6,3	**315 516**	296 945
Wealth	5,5	**31 089**	29 464
RoA	8,5	**22 123**	20 382
Centre[3]	(> 100%)	**(1 843)**	(800)
Group	0,4	**712 668**	709 864

[3] *Intercompany eliminations.*

RBB loans and advances grew 6,3% to R315,5bn, supported by growth across all asset classes in line with risk appetite and prudent origination strategies. Business Banking grew advances 9,1%, largely due to an increase in new-loan payouts, coupled with an increase in client drawdowns of existing facilities. MFC (vehicle finance) increased advances by 9,2% as new-business volumes remained robust despite a muted new-vehicle sales market. Unsecured Lending grew advances 6,2% and we remain comfortable with the quality and overall performance of the unsecured-lending portfolio based on the conservative rules we apply to consolidation, restructuring and term strategies. Card advances decreased 1,3%, reflecting gross advance growth of 5,3%, offset by an increase in impairments due to IFRS day-one changes. Home loan advances grew at below-inflation levels as growth in the overall residential mortgage market remains muted and Nedbank maintained market share.

CIB loans and advances decreased 5,0% yoy to R345,8bn. The banking book declined slightly due to a combination of ongoing early repayments, managed selldowns, which allowed for the diversification of risk, and a decrease in the preference share book due to less appetite for preference share deals. This was offset by increased demand for new term loans, as well as commercial-mortgage loans and advances increasing 4,0% to R132,2bn. The CPF portfolio contains good-quality collateralised assets with low loan-to-value ratios, underpinned by a large secure asset pool and a strong client base, and is managed by a highly experienced property finance team. Trading advances declined by 39,7% and includes the result of the choice to settle more expensive foreign funding, which reduced interbank foreign placements.

Deposits

Deposits grew 5,0% yoy to R801,2bn, with total funding-related liabilities increasing 4,4% to R854,8bn, while the loan-to-deposit ratio improved to 89,0%.

Through the active management of the RBB franchise, deposits grew 8,8% yoy to R303,8bn, resulting in household deposits market share remaining at 19,0%. This was supported by Nedbank's strong market share in household CASA deposits of 18,0%. Nedbank Wealth and RoA grew deposits by 4,3% and 11,7% respectively in line with the objective of growing Basel III-friendly deposits.

During the 12 months to June 2018 Nedbank has successfully reduced its use of more expensive foreign currency funding in the general rand funding pool through growth in negotiable certificates of deposit, structured deposits, fixed deposits and current and savings accounts. This strategy not only contributed to the positive management of the long-term funding profile, but also reduced foreign currency funding reliance.

The positive tilt towards more Basel III-friendly RBB deposits and the reduction in foreign currency funding through deliberate growth in negotiable certificates of deposit, structured deposits and other deposits have contributed positively to ensuring cost-effective regulatory compliance while maintaining a strong balance sheet position.

Group strategic focus

During the first six months to 30 June 2018 we continued to focus on delivering on our five strategic focus areas that underpin sustainable earnings growth and improving returns. We made good progress in delivering market-leading CVPs and digital innovations. This focus enabled Nedbank to increase its total client base to over eight million for the first time, grow revenues and unlock operating efficiencies. Our strategic enablers, including technology investments (with our Managed Evolution IT strategy and Digital Fast Lane as key components), our people, our culture and our brand, are delivered through our target operating model and by embracing New Ways of Work (NWoW). This is enabling us to create a more client-focused, agile, competitive and digital Nedbank.

- **Delivering innovative market-leading client experiences.** The new Nedbank Money app™, which makes banking more convenient for our retail clients, has been downloaded one million times, with more than 400 000 clients having used it since November 2017. UNLOCKED.ME, our first lifestyle marketplace proposition aimed at the youth, was launched earlier this year. More features and functionality on this ecommerce platform will be released soon to enable clients to unlock even more benefits. We also launched our new Stokvel Account that offers members of stokvels up to 10% discount at our retail partners, burial benefits of R10 000 a member for only R15 a month, zero transaction fees and great interest rates. In Nedbank Wealth we piloted geyser telemetry, an innovative smart home solution that reduces electricity consumption and may prevent resultant damage. Current plans include extending the pilot to more than 500 clients. As far as our integrated channels are concerned, we have converted 57% of our outlets to new-image digital branches to date, and our investment in distribution channels over the next three years (until 2020) will result in 82% of our retail clients being exposed to the new-image branch format and self-service offerings. The introduction of chatbots and robo-advisors will continue to enhance client experience through our contact centre and web-servicing capabilities. Nedbank Insurance was the first-to-market insurer in SA to have chatbot functionality, and we have

made significant strides in remaining ahead through delivering live-agent service functionality and funeral quoting capabilities. Nedgroup Investments won The Financial Times *Banker Magazine* Technology Project award in the Artificial Intelligence and Robotics category for our robo-advice solution. We are continuing with our NZone (digital self-service branch at the Sandton Gautrain station) and solar-powered branch (in deep-rural areas such as Upper Mncwasa in the Eastern Cape) pilots before extending the rollout of these innovative concepts in the future.
The foundations put in place through Managed Evolution (our core systems and technology platform transformation), digital enhancements and NWoW are delivering ongoing incremental digital benefits and enhanced client service.
In H2 2018 Nedbank will bring further exciting digital innovations to market to enhance client experiences and drive efficiencies. Some of these innovations include a refreshed internet banking experience in line with our mobile banking apps; the ability to sell an unsecured loan bundled with a transactional account; simplified client onboarding with convenient, FICA-compliant account opening; a new and exciting loyalty and rewards solution; and the further rollout of chatbots, robo-advisors and software robots (robotic process automation). We are also launching MobiMoney, which allows clients to receive and send money, buy airtime and electricity from a cellphone and withdraw money at a Nedbank ATM – all without a formal bank account.

- **Growing our transactional banking franchise faster than the market.** Nedbank's SA retail franchise grew its total client base 1,6% to 7,7 million, with 6,1 million clients having a transactional account and 2,8 million main-banked clients supporting retail transactional NIR growth of 8,1% (excluding IFRS adjustments). Our main-banked client numbers have grown yoy by 2,5%, driven largely by growth in the middle-market, professional and small-business-client segments. The 2017 Consulta Survey estimated Nedbank's share of main-banked clients at 12,7%, up from the 10,1% recorded through the 2015 All Media and Products Study Survey (using a similar methodology), as we aim to reach a share of more than 15% by 2020. Our SADC businesses grew their client base by 6% to 334 000, supporting NIR growth of 12%. Our integrated model in CIB enabled deeper client penetration and increased cross-sell, resulting in 15 primary-bank client wins in the past six months.
- **Being operationally excellent in all we do.** Cost discipline is an imperative in a weak economic environment resulting in slower revenue growth. We have ongoing initiatives to optimise our cost base. These include the reduction of our core systems from 251 to 125 since the inception of the Managed Evolution programme, with us being well on our way to reaching a target end state of less than 60 core systems by 2020, and the reduction of floor space in RBB by more than 30 000 m² by 2020, of which 28 828 m² has been achieved to date. Good progress was also made with our target operating model initiatives, with cumulative savings to June 2018 of R512m, with the aim of generating R1,2bn pretax benefits for Nedbank by 2020 as disclosed in an element of our long-term incentive scheme. Most cost initiatives have been identified in RBB, and we delivered savings of R337m to June 2018, which includes RBB's target operating model savings. Over the past 18 months we reduced headcount by 1 154 (mainly through natural attrition), optimised our staffed points of presence by closing eight branches (while maintaining our coverage of the bankable population at 84%). We achieved efficiencies through our increased footprint of Intelligent Depositor devices, with the recycling of cash at these devices now at 58% of all cash, from 20% in 2015. During H1 2018, new client-servicing functions that were previously only available in branches or staffed channels were released on the Nedbank Money app™ taking the total servicing functions available to 42. The new Nedbank Online banking site was also launched during this period, with 31 client-servicing functions released. An additional two releases are planned, which will increase the total app and web service functions to 60. We implemented 51 software robots to date (robotic process automation) to enhance efficiencies and reduce processing errors in administrative-intense processes. These exclude the temporary software robots used to onboard the more than 17 000 VBS clients. Through our newly adopted agile IT development approach and NWoW we have reduced the time and cost of bringing new innovations to market.
- **Managing scarce resources to optimise economic outcomes.** We maintained our focus on growing activities that generate higher levels of EP, such as growing transactional deposits and increasing transactional banking revenues, with commission and fees in RBB (excluding the impact of IFRS accounting changes) and CIB up 6,5% and 6,6% respectively. Our selective origination of personal loans, home loans and commercial-property finance has proactively limited downside credit risk in this challenging operating climate, enabling a CLR of 0,53%, below the bottom end of our TTC target range. At the same time our balance sheet metrics remain strong and we continue to deliver attractive dividend growth. Nedbank is continually looking for opportunities to grow and create value for shareholders and in June 2018 has been selected as one of four short-listed bidders for Mercantile Bank to proceed to the second phase of the process. Any final bid will be evaluated against strict strategic, financial and cultural criteria.
- **Providing our clients with access to the best financial services network in Africa.**
  - In Central and West Africa, where we have adopted a partnership approach, ETI remains an important strategic investment for Nedbank, providing our clients with access to a pan-African transactional banking network across 39 countries and Nedbank with access to dealflow in Central and West Africa. We have made good progress in working with ETI's board and other institutional shareholders. ETI reported six consecutive quarters of profit and is making good progress on its transactional banking and digital strategy and optimising its cost base. We remain supportive of ETI's endeavours to deliver an ROE in excess of its COE over time. While risk remains, economic conditions in Nigeria and other economies in West Africa are improving, and ETI should continue to provide a strong underpin to Nedbank Group's earnings growth in 2018. We have also increased our levels of collaboration, with more than 90 of our wholesale clients being banked by ETI and progress being made in partnering with ETI to expand our wealth franchise, collaborating on the pan-African remittances product and increasing treasury and trading activities.
  - In SADC, where we own, manage and control six banks, we continue to build scale and optimise costs. Our core banking system, Flexcube, has now been implemented in all subsidiaries (excluding Banco Único). We continued to launch a number of new digital products and reported a 146% increase in banking app transactions and a 6% increase in client numbers. During the period Merchant Bank of Central Africa (MBCA) in Zimbabwe was rebranded to Nedbank Zimbabwe.

Old Mutual plc managed separation

Nedbank Group shareholders are referred to the announcements published on 11 March 2016, 28 June 2016, 1 November 2017 and 20 April 2018 relating to Old Mutual plc's managed separation strategy, which entails, among other things, the creation of a new South African holding company, Old Mutual Limited ('OML').

The admission of, and commencement of unconditional dealings in, the ordinary shares of OML on the JSE as a primary listing and also on the London Stock Exchange, the Namibian Stock Exchange, the Zimbabwe Stock Exchange and the Malawi Stock Exchange took place on 26 June 2018.

Listing of OML is the precursor to the third and final step of the managed separation and entails the reduction in OML's shareholding in Nedbank Group through the distribution of Nedbank Group ordinary shares to OML's shareholders. This will result in OML, immediately after the implementation of distribution or unbundling, holding a 19,9% strategic minority shareholding in Nedbank Group. It is anticipated that the Nedbank unbundling will take place approximately six months from the date of the OML listing as mentioned above, and will allow suitable time for the transition of the OML shareholder register to an investor base with an SA and emerging-market focus and mandate. After the unbundling Nedbank Group is likely to see an increase in the number of its shares held by emerging-market-mandated index funds, which will adjust according to the improved Nedbank free float (from about 45% before unbundling to about 80% after unbundling) and a normalisation of SA institutional shareholding (some of which are currently underweight on a straight-market-capitalisation basis given some Nedbank Group holding through the OML shareholding).

Nedbank Group continues to operate on a business-as-usual basis and the managed separation will have no impact on our strategy, our day-to-day management or operations, our staff or our clients. Our engagements with Old Mutual have been at arm's length and are overseen by independent board structures. Old Mutual operates predominantly in the investment, savings and insurance industry, which has little overlap with banking, even though we compete in the areas of wealth and asset management and personal loans. Our technology systems, brands and businesses have not been integrated.

As noted before, our collaboration to unlock synergies will continue to be underpinned by OML's strategic shareholding in Nedbank Group. We are committed to working with OML to deliver ongoing synergistic benefits at arm's length.

Economic and regulatory outlook

The International Monetary Fund expects global economic growth to accelerate to 3,9% in 2018 from 3,7% in 2017, with advanced countries forecast to grow by 2,5% and emerging and developing economies by 4,9%. Growth in sub-Saharan Africa is expected to accelerate to 3,3% in 2018 from 2,9% in 2017.

Given SA's poor economic performance in early 2018, Nedbank Group's current forecast for GDP growth in 2018 is 1,0%, down from 1,3% in 2017. GDP growth thereafter is forecast to increase to 1,8% and 2,2% in 2019 and 2020 respectively. Although inflation is forecast to remain within SARB's inflation target range, it is likely to drift higher during the rest of the year and into 2019. The upward pressure on inflation is expected to emanate from higher food, fuel and electricity prices, as well as a moderately weaker rand. The rand is forecast to be volatile as global risk appetite softens on growing concerns over world growth prospects in light of rising protectionism and the normalisation of monetary policy in most developed countries. As a result, domestic interest rates are forecast to remain unchanged for the remainder of the year, but the risk to the interest rate outlook has shifted to the upside.

Consumer spending is likely to remain firm, supporting moderate growth in household credit demand. Faster growth appears unlikely given that household finances are likely to be hurt by slower wage growth and higher living costs. Corporate credit demand will remain subdued, but should improve modestly off a low base. Continued global growth and rising commodity prices could eventually translate into cyclical recoveries in SA's major export-orientated industries. Some revival is also expected in renewable-energy projects, but persistent policy uncertainty, particularly around property expropriation without compensation, the Mining Charter and the challenging domestic operating environment, will probably delay a more broad-based recovery in fixed investment.

Government spending should be kept in check by the need to reduce the budget deficit and contain the rise in government debt to avoid a further sovereign-ratings downgrade. Progress with tackling strategic, structural and financial problems at many state-owned enterprises – and Eskom in particular – is essential to lift economic growth.

Overall economic conditions in SA should improve off a low base over the next three years. Despite the many challenges faced by the SA economy, the SA banking system remains sound, liquid and well capitalised.

Prospects

On the back of the group's strong performance in H1 2018 and developments in the environment, we have updated our guidance on financial performance currently expected for the full year 2018 as follows:

- Average interest-earning banking assets to grow below nominal GDP (previously: in line with nominal GDP).
- NIM to be slightly above the 2017 level of 3,62% (unchanged).
- CLR to increase, but remain below the bottom of our target range of 60 to 100 bps (under IFRS 9) (previously: increase into the bottom half of our target range).
- NIR to grow above mid-single digits (unchanged).
- Associate income to be positive (ETI associate income reported quarterly in arrear) (unchanged).
- Expenses to increase below mid-single digits (previously: increase by mid-single digits).

Given the strong financial performance in the first half of 2018, together with expectations of a slowly improving economic outlook and ongoing delivery on our strategy, our guidance for growth in DHEPS for 2018 remains unchanged, being in line with our medium-to-long-term target of greater than or equal to GDP plus CPI plus 5%.

The outlook for our medium-to-long-term targets in 2018 is as follows, and we remind investors that we have set ourselves specific 2020 targets of ROE (excluding goodwill) of greater than or equal to 18% and cost to income of lower than or equal to 53% as a pathway to ongoing and sustainable improvements in the key metrics that support shareholder value creation.

Metric	Jun 2018 performance	Full-year 2018 outlook	Medium-to-long-term target
ROE (excluding goodwill)	**18,4%**	Remains below target	5% above COE[4] (≥ 18% by 2020)
Growth in DHEPS	**26,3%**	≥ consumer price index + GDP growth + 5%	≥ consumer price index + GDP growth + 5%
CLR	**0,53%**	Increases, but remains below our target range (under IFRS 9)	Between 0,6% and 1,0% of average banking advances
NIR-to-expense ratio	**82,9%**	Remains below target	> 85%
Efficiency ratio (including associate income)	**55,8%**	Remains above target	50–53% (≤ 53% by 2020)
CET1 capital adequacy ratio (Basel III)	**12,4%**	Within or above target	10,5–12,5%
Dividend cover	**2,00 times**	Within target range	1,75–2,25 times

[4] *The COE is currently forecast at 13,5% in 2018.*

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 leadership changes during the period

Having served on the Nedbank Group board for nine years, Nomavuso Mnxasana resigned as an independent non-executive director with effect from the close of Nedbank Group's annual general meeting on 10 May 2018. With managed separation progressing according to plan, Peter Moyo was appointed as a non-executive director and Bruce Hemphill resigned from the Nedbank Group board on 11 June 2018.

Khensani Nobanda was appointed as Group Executive for Group Marketing and Corporate Affairs on 15 May 2018, and Deborah Fuller was appointed as Group Executive for Human Resources on 25 June 2018 following the retirement of Abe Thebyane on 31 March 2018.

Basis of preparation*

Nedbank Group Limited is a company domiciled in SA. The unaudited condensed consolidated interim financial results of the group at and for the period ended 30 June 2018 comprise the company and its subsidiaries (the 'group') and the group's interests in associates and joint arrangements.

The condensed consolidated interim financial statements comprise the condensed consolidated statement of financial position at 30 June 2018, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cashflows for the six months ended 30 June 2018 and selected explanatory notes, which are indicated by the symbol*. The condensed consolidated interim financial statements have been prepared under the supervision of Raisibe Morathi CA(SA), the Chief Financial Officer.

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act (Act No 71 of 2008) of SA. The accounting policies applied in the preparation of these condensed consolidated interim financial statements are in terms of IFRS and are consistent with those used for the previous annual financial statements, except for changes arising from the adoption of IFRS 9 and IFRS 15, as set out in the notes to the condensed consolidated interim financial statements.

The directors of the group take full responsibility for the preparation of this report. The condensed consolidated interim financial results have not been audited or independently reviewed by the group's external auditors. The group's 2017 annual financial information has been correctly extracted from the underlying audited consolidated annual financial statements.

Events after the reporting period*

There are no material events after the reporting period to report on.

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 political and economic conditions; levels of securities markets; interest rates; credit or other risks of lending and investment activities; as well as competitive, regulatory and legal 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 an interim dividend of 695 cents per ordinary share has been declared, payable to shareholders for the six months ended 30 June 2018. The dividend has been declared out of income reserves.

The dividend will be subject to a dividend withholding tax rate of 20% (applicable in SA) or 139 cents per ordinary share, resulting in a net dividend of 556 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's tax reference number is 9375/082/71/7 and the number of ordinary shares in issue at the date of declaration is 500 239 303.

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

Event	Date
Last day to trade (cum dividend)	Tuesday, 4 September 2018
Shares commence trading (ex dividend)	Wednesday, 5 September 2018
Record date (date shareholders recorded in books)	Friday, 7 September 2018
Payment date	Monday, 10 September 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 September 2018, and Friday, 7 September 2018, both days inclusive.

On Monday, 10 September 2018, 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, 10 September 2018.

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

7 August 2018

Registered office

Nedbank Group Limited, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196.

PO Box 1144, Johannesburg, 2000.

Transfer secretaries in SA

Shareholders are reminded that, with effect from 1 June 2018, Nedbank Group's transfer secretaries in SA has changed from Computershare to Link Market Services.

Link Market Services South Africa Proprietary Limited, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, SA.

PO Box 4844, Marshalltown, 2000, SA.

Transfer secretaries in Namibia

Transfer Secretaries (Proprietary) Limited, Robert Mugabe Avenue No 4, Windhoek, Namibia.

PO Box 2401, Windhoek, Namibia.

Directors

V Naidoo (Chairman), MWT Brown** (Chief Executive), HR Brody, BA Dames, NP Dongwana, ID Gladman (British), EM Kruger, RAG Leith, PM Makwana, L Manzini, Dr MA Matooane, RK Morathi** (Chief Financial Officer), MP Moyo, JK Netshitenzhe, MC Nkuhlu** (Chief Operating Officer), S Subramoney, MI Wyman*** (British).

*** Executive *** Lead independent director*

Company Secretary:	TSB Jali
Reg number:	1966/010630/06
JSE share code:	NED
NSX share code:	NBK
ISIN:	ZAE000004875
Sponsors in SA:	Merrill Lynch SA Proprietary Limited Nedbank CIB
Sponsor in Namibia:	Old Mutual Investment Services (Namibia) (Proprietary) Limited

Nedbank Group Limited: JSE alpha code: NEDI

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

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

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

Financial highlights
at

	Change (%)		30 June 2018 (Unaudited)	30 June 2017 (Reviewed)	31 December 2017 (Audited)
Statistics					
Number of shares listed		m	**500,2**	498,1	498,1
Number of shares in issue, excluding shares held by group entities		m	**484,2**	481,5	481,6
Weighted-average number of shares		m	**482,7**	479,9	480,8
Diluted weighted-average number of shares		m	**492,0**	488,9	490,0
Preprovisioning operating profit	20,2	Rm	**10 873**	9 047	19 358
Economic profit[1]	>100	Rm	**1 709**	393	1 695
Headline earnings per share	26,3	cents	**1 387**	1 098	2 452
Diluted headline earnings per share	26,3	cents	**1 361**	1 078	2 406
Ordinary dividends declared per share	13,9	cents	**695**	610	1 285
Interim	13,9	cents	**695**	610	610
Final		cents			675
Ordinary dividends paid per share	7,1	cents	**675**	630	1 240
Dividend cover	11,1	times	**2,00**	1,80	1,91
Net asset value per share	4,7	cents	**16 956**	16 200	16 990
Tangible net asset value per share	3,1	cents	**14 440**	14 007	14 626
Closing share price	19,5	cents	**24 958**	20 879	25 610
Price/earnings ratio		historical	**8,9**	9,4	10,4
Price-to-book ratio		historical	**1,5**	1,3	1,5
Market capitalisation	20,0	Rbn	**124,8**	104,0	127,6
Number of employees (permanent staff)[1]	(3,3)		**31 272**	32 349	31 531
Number of employees (permanent and temporary staff)[1]	(3,2)		**31 592**	32 645	31 887
Key ratios (%)					
Return on ordinary shareholders' equity (ROE)[1]			**17,2**	14,0	15,3
ROE, excluding goodwill[1]			**18,4**	15,1	16,4
Return on tangible equity[1]			**20,2**	16,2	17,8
Return on total assets (ROA)[1]			**1,37**	1,10	1,22
Return on average risk-weighted assets[1]			**2,48**	2,07	2,28
Net interest income to average interest-earning banking assets[1]			**3,67**	3,58	3,62
Credit loss ratio – banking advances[1]			**0,53**	0,47	0,49
Gross operating income growth rate less expense growth rate (jaws ratio)			**6,5**	(3,9)	(3,0)
Non-interest revenue to total operating expenses			**82,9**	81,6	80,7
Non-interest revenue to total income			**46,6**	46,4	46,6
Efficiency ratio			**55,8**	59,3	58,6
Effective taxation rate			**25,1**	28,0	25,5
Group capital adequacy ratios (including unappropriated profits):[1]					
– Common-equity tier 1			**12,4**	12,3	12,6
– Tier 1			**13,2**	13,2	13,4
– Total			**15,6**	15,7	15,5
Statement of financial position statistics (Rm)					
Total equity attributable to equity holders of the parent	5,3		**82 101**	78 004	81 823
Total equity	5,1		**88 962**	84 659	88 539
Amounts owed to depositors	5,0		**801 165**	762 712	771 584
Loans and advances	0,4		**712 668**	709 864	710 329
Gross	0,7		**726 934**	721 910	722 330
Impairment of loans and advances	(18,4)		**(14 266)**	(12 046)	(12 001)
Total assets administered by the group	5,7		**1 333 188**	1 261 153	1 295 627
Total assets	5,5		**1 019 015**	965 830	983 314
Assets under management	6,4		**314 173**	295 323	312 313
Life insurance embedded value[1]	(4,3)		**2 684**	2 805	2 745
Life insurance value of new business[1]	16,9		**173**	148	349

[1] *These metrics have not been audited by the group's auditors.*

Prepared under the supervision of the Nedbank Group CFO, Raisibe Morathi CA(SA).
Nedbank Group Limited Reg No 1966/010630/06.

Condensed consolidated statement of comprehensive income
for the period ended

	Change (%)	30 June 2018 (Unaudited) Rm	30 June 2017 (Reviewed) Rm	31 December 2017 (Audited) Rm
Interest and similar income	0,9	**37 716**	37 364	75 299
Interest expense and similar charges	(0,4)	**23 710**	23 816	47 675
Net interest income	3,4	**14 006**	13 548	27 624
Impairments charge on loans and advances	13,9	**1 815**	1 594	3 304
Income from lending activities	2,0	**12 191**	11 954	24 320
Non-interest revenue	4,3	**12 236**	11 730	24 063
Operating income	3,1	**24 427**	23 684	48 383
Total operating expenses	2,7	**14 756**	14 369	29 812
Indirect taxation	0,4	**476**	474	1 001
Profit from operations before non-trading and capital items	4,0	**9 195**	8 841	17 570
Non-trading and capital items	(74,2)	**(54)**	(31)	(224)
Profit from operations	3,8	**9 141**	8 810	17 346
Share of income/(losses) of associate companies	>100	**207**	(1 053)	(838)
Profit before direct taxation	20,5	**9 348**	7 757	16 508
Total direct taxation	7,7	**2 346**	2 178	4 209
Direct taxation		**2 362**	2 182	4 267
Taxation on non-trading and capital items		**(16)**	(4)	(58)
Profit for the period	25,5	**7 002**	5 579	12 299
Other comprehensive (losses)/income (OCI) net of taxation	(62,7)	**(135)**	(83)	31
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations		**846**	(566)	(1 046)
Share of OCI of investments accounted for using the equity method		**(194)**	64	169
Fair-value adjustments on available-for-sale assets			1	22
Debt investments at fair value through OCI (FVOCI) – net change in fair value		**(138)**		
Items that may not subsequently be reclassified to profit or loss				
(Losses)/Gains on property revaluations		**(2)**	3	190
Remeasurements on long-term employee benefit assets		**(631)**	138	387
Share of OCI of investments accounted for using the equity method		**(16)**	277	309
Total comprehensive income for the period	24,9	**6 867**	5 496	12 330
Profit attributable to:				
– Ordinary shareholders	27,0	**6 658**	5 244	11 621
– Holders of preference shares	(9,7)	**158**	175	338
– Non-controlling interest – holders of additional tier 1 capital instruments	2,4	**126**	123	252
– Non-controlling interest – ordinary shareholders	62,2	**60**	37	88
Profit for the period	25,5	**7 002**	5 579	12 299
Total comprehensive income attributable to:				
– Ordinary shareholders	25,2	**6 423**	5 131	11 625
– Holders of preference shares	(9,7)	**158**	175	338
– Non-controlling interest – holders of additional tier 1 capital instruments	2,4	**126**	123	252
– Non-controlling interest – ordinary shareholders	>100	**160**	67	115
Total comprehensive income for the period	24,9	**6 867**	5 496	12 330
Basic earnings per share (cents)	26,2	**1 379**	1 093	2 417
Diluted earnings per share (cents)	26,1	**1 353**	1 073	2 372

Condensed consolidated statement of financial position

at

	Change (%)	30 June 2018 (Unaudited) Rm	30 June 2017 (Reviewed) Rm	31 December 2017 (Audited) Rm
Assets				
Cash and cash equivalents	(41,9)	**11 222**	19 314	16 900
Other short-term securities	3,8	**94 226**	90 741	92 775
Derivative financial instruments	49,8	**28 058**	18 727	29 904
Government and other securities	55,6	**76 730**	49 306	49 241
Loans and advances	0,4	**712 668**	709 864	710 329
Other assets	>100	**23 441**	10 691	14 589
Current taxation assets	>100	**922**	159	211
Investment securities[1]	11,9	**20 837**	18 622	19 803
Non-current assets held for sale	(35,5)	**382**	592	388
Investments in associate companies[1]	(6,6)	**3 103**	3 323	3 553
Deferred taxation assets	>100	**341**	145	189
Investment property			21	
Property and equipment	(0,2)	**8 630**	8 644	8 902
Long-term employee benefit assets	(16,0)	**4 675**	5 563	5 924
Mandatory reserve deposits with central banks	10,4	**21 596**	19 556	19 222
Intangible assets	15,4	**12 184**	10 562	11 384
Total assets	5,5	**1 019 015**	965 830	983 314
Equity and liabilities				
Ordinary share capital	0,4	**484**	482	482
Ordinary share premium	3,4	**19 332**	18 698	18 688
Reserves	5,9	**62 285**	58 824	62 653
Total equity attributable to equity holders of the parent	5,3	**82 101**	78 004	81 823
Holders of preference shares		**3 222**	3 222	3 222
Non-controlling interest attributable to holders of additional tier 1 capital instruments	0,5	**2 634**	2 622	2 635
Non-controlling interest attributable to ordinary shareholders	23,9	**1 005**	811	859
Total equity	5,1	**88 962**	84 659	88 539
Derivative financial instruments	95,2	**25 394**	13 011	23 367
Amounts owed to depositors	5,0	**801 165**	762 712	771 584
Provisions and other liabilities	3,7	**25 638**	24 728	23 292
Current taxation liabilities	37,4	**239**	174	259
Deferred taxation liabilities	(29,8)	**765**	1 089	761
Long-term employee benefit liabilities	(21,0)	**2 812**	3 561	3 525
Investment contract liabilities	5,2	**18 316**	17 405	18 134
Insurance contract liabilities	(19,9)	**2 044**	2 553	2 277
Long-term debt instruments	(4,0)	**53 680**	55 938	51 576
Total liabilities	5,5	**930 053**	881 171	894 775
Total equity and liabilities	5,5	**1 019 015**	965 830	983 314

[1] *During the period the group reviewed the classification of certain investments on the statement of financial position. As a result of this review the group's private-equity investments have been reclassified from investments in private-equity associates, associate companies and joint arrangements to investment securities better to reflect the measurement of these investments at fair value. To provide comparability the prior-period balances have been restated accordingly (30 June 2017: R2 642m; 31 December 2017: R3 169m). The investments in private-equity associates, associate companies and joint arrangements were renamed investments in associate companies.*

Condensed consolidated statement of changes in equity

	Total equity attributable to equity holders of the parent Rm	Equity attributable to preference shareholders Rm	Non-controlling interest attributable to additional tier 1 capital instrument holders Rm	Non-controlling interest attributable to ordinary shareholders Rm	Total equity Rm
Audited balance at 31 December 2016	75 733	3 222	2 000	756	81 711
Additional tier 1 capital instruments issued			600		600
Dividend to shareholders	(3 109)			(12)	(3 121)
Additional tier 1 capital instruments interest paid			(101)		(101)
Preference share dividend		(175)			(175)
Issues of shares net of expenses	687				687
Shares (acquired)/no longer held by group entities and BEE trusts	(61)				(61)
Total comprehensive income for the period	5 131	175	123	67	5 496
Share-based payment reserve movement	(391)				(391)
Other movements	14				14
Reviewed balance at 30 June 2017	78 004	3 222	2 622	811	84 659
Dividend to shareholders	(2 971)				(2 971)
Additional tier 1 capital instruments interest paid			(116)		(116)
Preference share dividend		(163)			(163)
Shares (acquired)/no longer held by group entities and BEE trusts	(10)				(10)
Total comprehensive income for the period	6 494	163	129	48	6 834
Share-based payment reserve movement	326				326
Other movements	(20)				(20)
Audited balance at 31 December 2017	**81 823**	**3 222**	**2 635**	**859**	**88 539**
Impact of adopting IFRS 9, net of taxation	**(2 964)**			**(14)**	**(2 978)**
Impact of adopting IFRS 15, net of taxation	**(254)**				**(254)**
Restated balance at 31 December 2017	**78 605**	**3 222**	**2 635**	**845**	**85 307**
Dividend to shareholders	**(3 347)**				**(3 347)**
Additional tier 1 capital instruments interest paid			**(127)**		**(127)**
Preference share dividend		**(158)**			**(158)**
Issues of shares net of expenses	**628**				**628**
Shares (acquired)/no longer held by group entities and BEE trusts	**(12)**				**(12)**
Total comprehensive income for the period	**6 423**	**158**	**126**	**160**	**6 867**
Share-based payment reserve movement	**(191)**				**(191)**
Other movements	**(5)**				**(5)**
Unaudited balance at 30 June 2018	**82 101**	**3 222**	**2 634**	**1 005**	**88 962**

Condensed consolidated statement of cashflows

for the period ended

	30 June 2018 (Unaudited) Rm	30 June 2017 (Reviewed) Rm	31 December 2017 (Audited) Rm
Cash generated by operations	**13 052**	12 565	25 351
Change in funds for operating activities	**(10 130)**	(14 248)	(17 407)
Net cash from/(utilsed by) operating activities before taxation	**2 922**	(1 683)	7 944
Taxation paid	**(2 414)**	(1 851)	(4 730)
Cashflows from/(utilised by) operating activities	**508**	(3 534)	3 214
Cashflows utilised by investing activities	**(2 576)**	(3 543)	(6 119)
Cashflows (utilised by)/from financing activities	**(882)**	1 081	(5 946)
Effects of exchange rate changes on opening cash and cash equivalents	**(354)**	(218)	(111)
Net decrease in cash and cash equivalents	**(3 304)**	(6 214)	(8 962)
Cash and cash equivalents at the beginning of the period[1]	**36 122**	45 084	45 084
Cash and cash equivalents at the end of the period[1]	**32 818**	38 870	36 122

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

Significant accounting policies

CHANGE IN ACCOUNTING POLICIES: FINANCIAL INSTRUMENTS

IFRS 9: Financial Instruments (IFRS 9) was issued in July 2014 and has replaced IAS 39: Financial Instruments: Recognition and Measurement (IAS 39). The standard was effective and was implemented by the group from 1 January 2018. This standard incorporates amendments to the classification and measurement of financial instruments [see part (ii)], hedge accounting guidance and the accounting requirements for the impairment of financial assets measured at amortised cost and fair value through OCI [see part (iii)]. The group has elected to continue to apply the hedge accounting requirements of IAS 39 on adoption of IFRS 9.

For notes disclosures the consequential amendments to IFRS 7: Financial Instruments: Disclosures have also been applied only to the current period. Notes disclosures for the comparative period repeat those disclosures made in the previous year. Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the group.

The group's approach to transition is discussed and the resultant net impact on opening reserves on 1 January 2018 is provided in part (i).

(i) Transition

As permitted by the transitional provisions of IFRS 9, the group has elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and financial liabilities at the date of transition have been recognised in the opening retained earnings and other reserves at 1 January 2018. The following table illustrates the impact on opening reserves on transition to IFRS 9. Further information relating to this impact is provided in part (ii) and part (iii).

Rm	Balance at 31 December 2017 (Audited)	IFRS 9 transitional adjustments (Unaudited)	IFRS 15 transitional adjustments (Unaudited)	Adjusted balance at 1 January 2018 (Unaudited)
Ordinary share capital and share premium	19 170			**19 170**
Retained earnings	60 546	**(3 584)**	**(254)**	**56 708**
Other reserves	2 107	**620**		**2 727**
Total equity attributable to equity holders of the parent	81 823	**(2 964)**	**(254)**	**78 605**
Holders of preference shares	3 222			**3 222**
Non-controlling interest attributable to holders of additional tier 1 capital instruments	2 635			**2 635**
Non-controlling interest attributable to ordinary shareholders	859	**(14)**		**845**
Total equity	88 539	**(2 978)**	**(254)**	**85 307**

(ii) Classification and measurement

Financial assets are classified based on:

- the business model within which the financial assets are held and managed; and
- the contractual cashflow characteristics of the financial assets, ie whether the cashflows represent 'solely payments of principal and interest'.

Financial assets are measured at amortised cost if they are held within a business model of which the objective is to hold those assets for the purpose of collecting contractual cashflows and those cashflows comprise solely payments of principal and interest (ie 'hold to collect' business model).

Financial assets are measured at FVOCI if they are held within a business model of which the objective is achieved by both collecting contractual cashflows and selling financial assets, and those contractual cashflows comprise solely payments of principal and interest (ie 'hold to collect and sell' business model). Movements in the carrying amount of these financial assets are taken through OCI, except for impairment gains or losses, interest revenue and foreign exchange gains or losses, which are recognised in profit or loss. Where the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The remaining financial assets are measured at fair value through profit or loss (FVTPL). All derivative instruments that are either financial assets or financial liabilities will continue to be classified as held for trading and measured at FVTPL.

For equity investments that are held neither for trading nor for contingent consideration the group may irrevocably elect to present subsequent changes in fair value of these equity investments in OCI. Where the equity investment is derecognised, the cumulative gain or loss previously recognised in OCI is not reclassified from equity to profit or loss. However, it may be reclassified in equity. Alternatively, where the group does not make the abovementioned election, fair-value changes are recognised in profit or loss. This election is made on an investment-by-investment basis. On initial recognition the group may irrevocably designate a financial asset otherwise meeting the requirements for measurement at amortised cost or FVOCI, as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The accounting for financial liabilities is largely unchanged, except for financial liabilities designated at FVTPL. Changes in the fair value of these financial liabilities that are attributable to the group's own credit risk are recognised in OCI. Where the financial liability is derecognised, the cumulative gain or loss previously recognised in OCI is not reclassified from equity to profit or loss. However, it may be reclassified in equity.

On the initial application of IFRS 9 an entity may revoke its previous designation of financial assets and financial liabilities measured at FVTPL (fair-value option), with the loans being reclassified in amortised cost or FVOCI, depending on the entity's business model for the asset.

The following table facilitates a measurement category comparison between IAS 39 and IFRS 9:

Rm	Carrying amount 31 December 2017 (Unaudited)	IFRS 9: ECL remeasurement (Unaudited)	IFRS 9: Classification and measurement (Unaudited)	IFRS 9: ETI (Unaudited)	IFRS 15: Revenue (Unaudited)	Carrying amount 1 January 2018 (Unaudited)	IFRS 9 measurement categories					Non-financial assets, liabilities and equity (Unaudited)
								FVOCI		FVTPL		
							Amortised cost (Unaudited)	Debt instruments (Unaudited)	Equity instruments (Unaudited)	Mandatory at fair value (Unaudited)	Designated at fair value (Unaudited)	
Amortised Cost	731 952	(2 785)	54			729 221	705 638	18 583		5 000		
FVTPL	201 036		(258)			200 778	61 580			135 415	3 783	
Available for sale	19 775					19 775	3 454	14 263	923	1 135		
Non-financial assets	30 551	855	60	(780)		30 686						30 686
Total assets	983 314	(1 930)	(144)	(780)	–	980 460	770 672	32 846	923	141 550	3 783	30 686
Financial liabilities at amortised cost	759 004	205	(112)			759 097	759 097					
FVTPL	127 369					127 369	59 655			67 406	308	
Non-financial liabilities	8 402		31		254	8 687						8 687
Equity	88 539	(2 135)	(63)	(780)	(254)	85 307						85 307
Total equity and liabilities	983 314	(1 930)	(144)	(780)	–	980 460	818 752	–	–	67 406	308	93 994

The following table illustrates the original assessment categories under IAS 39, the new measurement categories under IFRS 9 for each class of the group's financial assets at 1 January 2018 and the reclassifications between the IAS 39 measurement categories and the IFRS 9 measurement categories:

Rm	Carrying amount 31 December 2017 (Unaudited)	IFRS 9: ECL remeasurement (Unaudited)	IFRS 9: Classification and measurement (Unaudited)	IFRS 9: ETI (Unaudited)	IFRS 15: Revenue (Unaudited)	Carrying amount 1 January 2018 (Unaudited)	IFRS 9 reclassification to: Amortised cost[1] (Unaudited)	FVOCI: Debt instruments[2] (Unaudited)	FVOCI: Equity instruments (Unaudited)	FVTPL: Mandatory at fair value[3] (Unaudited)	FVTPL: Designated at fair value (Unaudited)	Non-financial assets (Unaudited)
Financial assets												
Cash and cash equivalents	16 900	(1)				16 899	16 899					
Other short-term securities	92 775	(8)				92 767	26 105	14 264		51 907	491	
Derivative financial instruments	29 904					29 904				29 904		
Government and other securities	49 241	(8)	39			49 272	37 314			11 835	123	
Loans and advances	710 329	(2 752)	(504)			707 073	656 248	18 582		32 243		
Other assets	14 589	(16)				14 573	14 573					
Investment securities	19 803		261			20 064	311		923	15 661	3 169	
Investments in associate companies	3 553			(780)		2 773						2 773
Mandatory reserve deposits with central banks	19 222					19 222	19 222					
Current and deferred taxation assets	400	855	60			1 315						1 315
Other non-financial assets	26 598					26 598						26 598
Total assets	983 314	(1 930)	(144)	(780)	–	980 460	770 672	32 846	923	141 550	3 783	30 686
Financial liabilities												
Derivative financial instruments	23 367					23 367				23 367		
Amounts owed to depositors	771 584		(112)			771 472	752 816			18 452	204	
Provisions and other liabilities	23 292	205			347	23 844	14 464			7 453		1 927
Investment contract liabilities	18 134					18 134				18 134		
Long-term debt instruments	51 576					51 576	51 472				104	
Current and deferred taxation liabilities	1 020		31		(93)	958						958
Other non-financial liabilities	5 802					5 802						5 802
Equity	88 539	(2 135)	(63)	(780)	(254)	85 307						85 307
Total equity and liabilities	983 314	(1 930)	(144)	(780)	–	980 460	818 752	–	–	67 406	308	93 994

[1] *Macro fair-value hedge accounting solution – Nedbank has adopted a macro fair-value hedge accounting solution that accounts for changes in the fair value of interest rate risk.*

[2] *Held for distribution (FVOCI) – In light of the business model requirements certain instruments have been reclassified from amortised cost to FVOCI.*

[3] *Held for sale (FVTPL) – In light of the business model requirements certain instruments have been reclassified from amortised cost to FVTPL.*

The following table illustrates the IFRS 9 classification and measurement transitional impact:

	Hedge accounting[1]	FVOCI business model[2]	FVTPL business model and contractual cashflows[3]	Review of effective interest rate guidance	Classification and measurement
Assets					
Cash, government and other securities, and derivative financial instruments	39				39
Loans and advances	(297)	820	(369)	(658)	(504)
Current and deferred taxation assets	72	(227)	31	184	60
Investment securities			261		261
Total assets	(186)	593	(77)	(474)	(144)
Total equity	(105)	593	(77)	(474)	(63)
Amounts owed to depositors and other liabilities	(112)				(112)
Current and deferred taxation liabilities	31				31
Total liabilities	(81)	–	–	–	(81)
Total liabilities and equity	(186)	593	(77)	(474)	(144)

[1] *Macro fair-value hedge accounting solution – Nedbank has adopted a macro fair-value hedge accounting solution that accounts for changes in the fair value of interest rate risk.*

[2] *Held for distribution (FVOCI) – In light of the business model requirements certain instruments have been reclassified from amortised cost to FVOCI.*

[3] *Held for sale (FVTPL) – In light of the business model requirements certain instruments have been reclassified from amortised cost to FVTPL.*

On initial application of IFRS 9 on 1 January 2018 the group elected to revoke the existing designation of R58bn of loans classified in FVTPL and R60bn of amounts due to depositors classified at FVTPL under the fair-value option of IAS 39, and reclassified the underlying assets and liabilities in amortised cost.

(iii) Impairments

Impairments in terms of IFRS 9 are determined based on an ECL model, as opposed to an incurred loss model in terms of IAS 39. The ECL model applies to financial assets measured at amortised cost and debt instruments at FVOCI, lease receivables and certain loan commitments as well as financial guarantee contracts.

Under IFRS 9 loss allowances are measured on either of the following bases:

- twelve-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The group is required to recognise an allowance for either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk (SICR) since initial recognition. Indicators of a SICR in the retail portfolio may include any of the following:

- Short-term forbearance.
- Direct debit cancellation.
- Extension to the terms granted.
- Previous arrears within the past months.

Indicators of a significant increase in credit risk in the wholesale portfolio may include any of the following:

- Significant increase in the credit spread.
- Significant adverse changes in business, financial and/or economic conditions in which the client operates.
- Actual or expected forbearance or restructuring.
- Significant change in collateral value.
- Early signs of liquidity and cashflow problems, such as a delay in the servicing of trade creditors/loans.

Measurement of ECLs

The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the entity's best available forward-looking information. The abovementioned probability-weighted outcome considers the possibility of a credit loss occurring and the possibility of no credit loss occurring, even if the possibility of a credit loss occurring is low. Credit losses are measured as the present value of all cash shortfalls (ie the difference between the cashflows due to the entity in accordance with the contract and the cashflows that the group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The assessment of the ECL of a financial asset or portfolio of financial assets entails estimations of the likelihood of defaults occurring and of default correlations between counterparties. The group measures ECL using probability of default (PD), exposure at default (EAD) and loss given default (LGD). These three components are multiplied together and adjusted for the likelihood of default. The calculated ECL is then discounted using the original effective interest rate of the financial asset.

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The group has performed historical analyses and identified the key economic variables impacting credit risk and ECL for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. The group's economics unit provides a forecast of economic variables and an overview of the economy quarterly or more often if necessary. Significant judgement and estimates are applied in this process of incorporating forward-looking information into the SICR assessment and ECL calculation.

Credit-impaired financial assets

At each reporting date the group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. The group's definition of credit-impaired is aligned to our internal definition of default.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, and the amortised cost is presented on the face of the statement of financial position.

For debt securities at FVOCI the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

For off-balance-sheet exposures, such as financial guarantee contracts, the loss allowance is presented in 'Provisions and other liabilities' on the face of the statement of financial position.

The following table illustrates the closing specific and portfolio impairment allowances in terms of IAS 39 and the opening impairment allowances in terms of IFRS 9:

	IAS 39 impairment provisions at 31 December 2017			IFRS 9 ECL provision at 1 January 2018					
Rm	Portfolio impairment (Audited)	Specific impairment (Audited)	Total IAS 39 provision (Audited)	Reclassification in FVTPL (Unaudited)	Stage 1: 12-month ECL allowance (Unaudited)	Stage 2: Lifetime ECL allowance – not credit-impaired (Unaudited)	Stage 3: Lifetime ECL allowance – credit-impaired (Unaudited)	Total ECL on 1 January 2018 (Unaudited)	ECL impact (Unaudited)
Financial assets									
Loans and advances	4 921	7 081	12 002	(545)	2 693	3 821	7 695	14 209	(2 752)
Home loans	469	1 269	1 738		274	639	1 505	2 418	(680)
Commercial mortgages	495	319	814		314	210	320	844	(30)
Properties in possession		27	27		2	1	25	28	(1)
Credit cards	140	1 245	1 385		421	509	1 236	2 166	(781)
Overdrafts	144	596	740		131	144	602	877	(137)
Other loans to clients	2 149	2 404	4 553	(501)	845	1 410	2 433	4 688	(636)
Net finance lease and instalment debtors	1 434	1 209	2 643		680	855	1 574	3 109	(466)
Preference shares and debentures	90	12	102	(44)	26	53		79	(21)
Cash and cash equivalents			–		1			1	(1)
Other short-term securities			–		7	1		8	(8)
Government and other securities			–		8			8	(8)
Other assets			–		15	1		16	(16)
Financial liabilities									
Provisions and other liabilities			–		82	63	60	205	(205)
Total	4 921	7 081	12 002	(545)	2 806	3 886	7 755	14 447	(2 990)
Total ECL recognised on FVOCI loans and advances			–		23	144		167	
Total ECL allowance per statement of financial position			–		2 783	3 742	7 755	14 280	
Total	–	–	–	–	2 806	3 886	7 755	14 447	–

A reconciliation between the opening balances of the IFRS 9 ECL allowance and the closing balances at 30 June 2018 is provided below:

	Not credit-impaired		Credit-impaired	
Rm	**Subject to 12-month ECL (Unaudited)**	**Subject to lifetime ECL (Unaudited)**	**Subject to lifetime ECL – credit-impaired (Unaudited)**	**Total (Unaudited)**
Beginning of the period – 1 January 2018	2 806	3 886	7 755	14 447
New financial assets originated or purchased	1 028	53	51	1 132
Financial assets derecognised/written-off	(37)	(47)	(2 303)	(2 387)
Repayments	(238)	149	(132)	(221)
Transfers to 12-month ECL (stage 1)	196	(552)	(170)	(526)
Transfers to lifetime ECL (not credit-impaired – stage 2)	(302)	1 511	(352)	857
Transfers to lifetime ECL (credit-impaired – stage 3)	(548)	(1 204)	3 362	1 610
Foreign exchange and other movements	(44)	(79)	(93)	(216)
End of the period – 30 June 2018	**2 861**	**3 717**	**8 118**	**14 696**

Condensed consolidated segmental reporting

for the period ended

	30 Jun 2018 (Unaudited) Rm	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	30 Jun 2018 (Unaudited) Rm	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	30 Jun 2018 (Unaudited) Rm	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	30 Jun 2018 (Unaudited) Rm	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm
	Total assets			Total liabilities			Revenue[1]			Headline earnings/(losses)		
Nedbank Corporate and Investment Banking	**497 796**	479 359	487 632	**464 671**	448 288	457 195	**7 407**	6 997	14 380	**3 296**	3 211	6 315
Nedbank Retail and Business Banking	**337 549**	311 490	326 225	**309 621**	284 075	298 413	**15 181**	14 780	30 102	**2 581**	2 544	5 302
Nedbank Wealth	**69 778**	66 621	66 832	**65 662**	62 857	62 947	**2 229**	2 150	4 393	**519**	519	1 068
Rest of Africa	**39 540**	35 623	37 487	**33 018**	28 835	31 042	**1 301**	1 201	2 471	**245**	(1 092)	(810)
Centre	**74 352**	72 737	65 138	**57 081**	57 116	45 178	**124**	150	341	**55**	89	(88)
Total	**1 019 015**	965 830	983 314	**930 053**	881 171	894 775	**26 242**	25 278	51 687	**6 696**	5 271	11 787

[1] *Revenue is calculated as net interest income plus non-interest revenue.*

Due to the group's strategic investment in ETI being in an associate company that the group does not control, the group's managed operations exclude ETI-related assets, funding, equity-accounted earnings and associated after-tax funding costs. The Group EXCO therefore separately reviews the performance of the group's managed operations and, on this basis, the total assets are R1 016 143m (June 2017: 962 747m; December 2017: R979 994m), total liabilities are R928 122m (June 2017: R880 185m; December 2017: R892 919m), revenue is R26 398m (June 2017: R25 418m; December 2017: R52 008m) and headline earnings is R6 562m (June 2017: R6 433m; December 2017: R12 762m). ETI forms part of the Rest of Africa segment, whose segmental information on a managed-operations basis include total assets of R36 675m (June 2017: R32 540m; December 2017: R34 167m), total liabilities of R31 094m (June 2017: R27 849m; December 2017: R29 186m), revenue of R1 457m (June 2017: R1 341m; December 2017: R2 792m) and headline earnings of R111m (June 2017: R70m; December 2017: R165m).

Headline earnings reconciliation

for the period ended

	Change (%)	30 Jun 2018 (Unaudited) Rm Gross	30 Jun 2018 (Unaudited) Rm Net of taxation	30 Jun 2017 (Reviewed) Rm Gross	30 Jun 2017 (Reviewed) Rm Net of taxation	31 Dec 2017 (Audited) Rm Gross	31 Dec 2017 (Audited) Rm Net of taxation
Profit attributable to equity holders of the parent	27,0		**6 658**		5 244		11 621
Non-trading and capital items	40,7	**54**	**38**	31	27	224	166
IAS 16: (Profit)/Loss on disposal of property and equipment		**(2)**	**(2)**	16	12	47	35
IAS 38: Impairment of property, equipment and intangible assets		**56**	**40**			163	117
IAS 39: Loss on disposal of available-for-sale financial assets				15	15	14	14
	27,0		**6 696**		5 271		11 787

Contingent liabilities and commitments

CONTINGENT LIABILITIES AND UNDRAWN FACILITIES

at	30 June 2018 (Unaudited) Rm	30 June 2017 (Reviewed) Rm	31 December 2017 (Audited) Rm
Guarantees on behalf of clients	**29 601**	20 839	28 402
Letters of credit and discounting transactions	**2 938**	3 545	3 225
Irrevocable unutilised facilities and other	**137 860**	95 273	103 562
	170 399	119 657	135 189

The group, in the ordinary 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 Limited and its subsidiary companies, the outcome of which cannot be foreseen at present.

COMMITMENTS

Capital expenditure approved by directors

at	30 June 2018 (Unaudited) Rm	30 June 2017 (Reviewed) Rm	31 December 2017 (Audited) Rm
Contracted	**348**	402	463
Not yet contracted	**2 446**	2 320	2 433
	2 794	2 722	2 896

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 period.

Investments in associate companies

at	30 June 2018 (Unaudited) Rm	30 June 2017 (Reviewed) Rm	31 December 2017 (Audited) Rm
Listed associates[1]	**2 865**	3 083	3 320
Unlisted associates[2]	**238**	240	233
	3 103	3 323	3 553

[1] *The group's investment in ETI is recorded under listed associates.*

[2] *During the period the group reviewed the classification of certain investments on the statement of financial position. As a result of this review the group's private-equity investments have been reclassified from investments in private-equity associates, associate companies and joint arrangements to investment securities better to reflect the measurement of these investments at fair value. To provide comparability the prior-period balances have been restated accordingly (30 June 2017: R2 642m; 31 December 2017: R3 169m). The investments in private-equity associates, associate companies and joint arrangements have been renamed investments in associate companies.*

Listed associates: ETI			
Carrying value	**2 865**	3 083	3 320
Fair value of investment[1]	**4 643**	3 045	3 597

[1] *Based on the official USD/NGN exchange rate. Based on the NAFEX rate, the fair value is R3 983m (31 December 2017: R3 047m).*

Cashflow information

for the period ended	30 June 2018 (Unaudited) Rm	30 June 2017 (Reviewed) Rm	31 December 2017 (Audited) Rm
Acquisition of property and equipment, computer software and development costs and investment property	**(1 765)**	(1 193)	(3 299)
Issue of additional tier 1 capital instruments		600	600
Issue of long-term debt instruments	**4 503**	7 080	7 540
Redemption of long-term debt instruments	**(2 370)**	(3 218)	(8 067)
Dividends to ordinary shareholders	**(3 347)**	(3 109)	(6 080)
Preference share dividends paid	**(158)**	(175)	(338)
Additional tier 1 capital instruments interest paid	**(126)**	(123)	(217)

FINANCIAL RESULTS

Fair-value hierarchy

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 valuation techniques. 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, a 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 those of 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 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 (directly or indirectly) on 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 2018 (Unaudited) Rm	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	**30 Jun 2018 (Unaudited) Rm**	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	**30 Jun 2018 (Unaudited) Rm**	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	**30 Jun 2018 (Unaudited) Rm**	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	**30 Jun 2018 (Unaudited) Rm**	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm
Cash and cash equivalents	**32 818**	38 870	36 122	**32 818**	38 870	36 122									
Other short-term securities	**94 226**	90 741	92 775	**30 497**	27 811	25 193		33		**63 729**	62 897	67 582			
Derivative financial instruments	**28 058**	18 727	29 904				**24**	103		**28 034**	18 596	29 903		28	1
Government and other securities	**76 730**	49 306	49 241	**49 385**	29 046	28 862	**22 818**	8 918	5 173	**4 527**	11 342	15 206			
Loans and advances	**712 668**	709 864	710 329	**676 319**	625 987	632 156	**591**	2 550	78	**35 758**	81 205	78 062		122	33
Other assets	**23 441**	10 691	14 589	**14 298**	6 887	9 619	**9 143**	3 804	4 970						
Investment securities[1]	**20 837**	18 622	19 803				**508**	31	37	**14 109**	14 766	15 184	**6 220**	3 825	4 582
	988 778	936 821	952 763	**803 317**	728 601	731 952	**33 084**	15 439	10 258	**146 157**	188 806	205 937	**6 220**	3 975	4 616

[1] *During the period the group reviewed the classification of certain investments on the statement of financial position. As a result of this review the group's private-equity investments have been reclassified from investments in private-equity associates, associate companies and joint arrangements to investment securities better to reflect the measurement of these investments at fair value. To provide comparability the prior-period balances have been restated accordingly (30 June 2017: R2 642m; 31 December 2017: R3 169m). The investments in private-equity associates, associate companies and joint arrangements have been renamed investments in associate companies.*

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 2018 (Unaudited) Rm	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	**30 Jun 2018 (Unaudited) Rm**	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	**30 Jun 2018 (Unaudited) Rm**	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	**30 Jun 2018 (Unaudited) Rm**	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm	**30 Jun 2018 (Unaudited) Rm**	30 Jun 2017 (Reviewed) Rm	31 Dec 2017 (Audited) Rm
Derivative financial instruments	**25 394**	13 011	23 367				**17**	53		**25 377**	12 958	23 367			
Amounts owed to depositors	**801 165**	762 712	771 584	**765 981**	689 397	693 621				**35 184**	73 315	77 963			
Provisions and other liabilities	**23 601**	23 191	21 712	**14 498**	11 533	14 259	**8 506**	11 264	6 983	**145**		35	**452**	394	435
Investment contract liabilities	**18 316**	17 405	18 134							**18 316**	17 405	18 134			
Long-term debt instruments	**53 680**	55 938	51 576	**53 528**	55 649	51 124				**152**	289	452			
	922 156	872 257	886 373	**834 007**	756 579	759 004	**8 523**	11 317	6 983	**79 174**	103 967	119 951	**452**	394	435

LEVEL 3 RECONCILIATION

30 June 2018 (Unaudited)	Opening balance at 1 Jan Rm	Losses in non-interest revenue in profit for the period Rm	Gains relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the period Rm	Purchases and issues Rm	Sales and settlements Rm	Transfers in Rm	Closing balance at 30 Jun Rm
FINANCIAL ASSETS							
Investment securities	**5 457**	**(149)**	**4**	**1 020**	**(135)**	**23**	**6 220**
	5 457	**(149)**	**4**	**1 020**	**(135)**	**23**	**6 220**
FINANCIAL LIABILITIES							
Provisions and other liabilities	**435**	**17**					**452**
	435	**17**	**–**	**–**	**–**	**–**	**452**

30 June 2017 (Reviewed)	Opening balance at 1 Jan Rm	Gains/ (Losses) in non-interest revenue in profit for the period Rm	Gains in fair-value adjustments on available-for-sale assets in OCI for the period Rm	Purchases and issues Rm	Sales and settlements Rm	Transfers in Rm	Closing balance at 30 Jun Rm
FINANCIAL ASSETS							
Derivative financial instruments	37	9			(18)		28
Loans and advances	77	45					122
Investment securities[1]	3 449	(52)	2	523	(112)	15	3 825
	3 563	2	2	523	(130)	15	3 975

[1] *During the period the group reviewed the classification of certain investments on the statement of financial position. As a result of this review the group's private-equity investments have been reclassified from investments in private-equity associates, associate companies and joint arrangements to investment securities better to reflect the measurement of these investments at fair value. To provide comparability the prior-period balances have been restated accordingly (30 June 2017: R2 642m; 31 December 2017: R3 169m). The investments in private-equity associates, associate companies and joint arrangements have been renamed investments in associate companies.*

FINANCIAL LIABILITIES							
Provisions and other liabilities	330	64					394
	330	64	–	–	–	–	394

31 December 2017 (Audited)	Opening balance at 1 Jan Rm	Gains in non-interest revenue in profit for the year Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 31 Dec Rm
FINANCIAL ASSETS					
Derivative financial instruments	37	18		(54)	1
Loans and advances	77	45		(89)	33
Investment securities[1]	3 449	81	1 747	(695)	4 582
	3 563	144	1 747	(838)	4 616

[1] *During the period the group reviewed the classification of certain investments on the statement of financial position. As a result of this review the group's private-equity investments have been reclassified from investments in private-equity associates, associate companies and joint arrangements to investment securities better to reflect the measurement of these investments at fair value. To provide comparability the prior-period balances have been restated accordingly (30 June 2017: R2 642m; 31 December 2017: R3 169m). The investments in private-equity associates, associate companies and joint arrangements have been renamed investments in associate companies.*

	Opening balance at 1 Jan Rm	Gains in non-interest revenue in profit for the year Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 31 Dec Rm
FINANCIAL LIABILITIES					
Provisions and other liabilities	330	105			435
	330	105	–	–	435

EFFECT OF CHANGES IN SIGNIFICANT UNOBSERVABLE ASSUMPTIONS TO REASONABLE POSSIBLE ALTERNATIVES

The fair value of financial instruments is, 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. When 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 2018 (Unaudited)	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						
Investment securities	**Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields**	**Valuation multiples, correlations, volatilities and credit spreads**	**Between (10) and 13**	**6 220**	**787**	**(636)**
Total financial assets classified as level 3				**6 220**	**787**	**(636)**
FINANCIAL LIABILITIES						
Provisions and other liabilities	**Discounted cashflows, earnings multiples**	**Discount rates, forecasts**	**Between (10,0) and 10,0**	**(452)**	**45**	**(45)**

30 June 2017 (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 cashflows	Discount rates, earnings before interest, tax and depreciation and amortisation	Between (11,5) and 9,0	28	3	(3)
Loans and advances	Discounted cashflows	Credit spreads and discount rates	Between (11,5) and 9,0	122	11	(14)
Investment securities[1]	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (11,5) and 9,0	3 825	348	(439)
Total financial assets classified as level 3				3 975	362	(456)

[1] *During the period the group reviewed the classification of certain investments on the statement of financial position. As a result of this review the group's private-equity investments have been reclassified from investments in private-equity associates, associate companies and joint arrangements to investment securities better to reflect the measurement of these investments at fair value. To provide comparability the prior-period balances have been restated accordingly (30 June 2017: R2 642m; 31 December 2017: R3 169m). The investments in private-equity associates, associate companies and joint arrangements have been renamed investments in associate companies.*

30 June 2017 (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 LIABILITIES						
Provisions and other liabilities	Discounted cashflows, earnings multiples	Discount rates, forecasts	Between (10,0) and 10,0	(394)	39	(39)

31 December 2017 (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 cashflows	Discount rates, Ebitda	Between (12) and 9	1	[1]	[1]
Loans and advances	Discounted cashflows	Credit spreads and discount rates	Between (12) and 9	33	3	(4)
Investment securities[2]	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (12) and 9	4 582	428	(538)
Total financial assets classified as level 3				4 616	432	(541)

[1] *Represents amounts less than R1m.*

[2] *During the period the group reviewed the classification of certain investments on the statement of financial position. As a result of this review the group's private-equity investments have been reclassified from investments in private-equity associates, associate companies and joint arrangements to investment securities better to reflect the measurement of these investments at fair value. To provide comparability the prior-period balances have been restated accordingly (30 June 2017: R2 642m; 31 December 2017: R3 169m). The investments in private-equity associates, associate companies and joint arrangements have been renamed investments in associate companies.*

FINANCIAL LIABILITIES						
Provisions and other liabilities	Discounted cashflow, earnings multiples	Discount rates, forecasts	Between (10) and 10	(435)	36	(43)

UNREALISED GAINS

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

	30 June 2018 (Unaudited) Rm	30 June 2017 (Reviewed) Rm	31 December 2017 (Audited) Rm
Private-equity (losses)/gains	**(149)**	2	144

SUMMARY OF PRINCIPAL VALUATION TECHNIQUES — LEVEL 2 INSTRUMENTS (UNAUDITED)

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 rates 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 models	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 rates 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

TRANSFERS BETWEEN LEVELS OF THE FAIR-VALUE HIERARCHY (UNAUDITED)

In terms of the group's policy, transfers of financial instruments between levels of the fair-value hierarchy are deemed to have occurred at the end of the reporting period.

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 and are measured 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 transferred, between market participants at the measurement date. The group's estimate of what fair value is does not necessarily represent what it would be able to sell the asset for or transfer the respective financial liability for in an involuntary liquidation or distressed sale.

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

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
30 June 2018 (Unaudited)					
Financial assets	**756 201**	**751 766**	**24 679**	**54 758**	**672 329**
Other short-term securities	**30 497**	**30 457**		**30 457**	
Government and other securities	**49 385**	**48 980**	**24 679**	**24 301**	
Loans and advances	**676 319**	**672 329**			**672 329**
Financial liabilities	**53 528**	**55 042**	**20 758**	**34 284**	**–**
Long-term debt instruments	**53 528**	**55 042**	**20 758**	**34 284**	

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
30 June 2017 (Reviewed)					
Financial assets	682 844	674 976	23 914	32 648	618 414
Other short-term securities	27 810	27 812		27 812	
Government and other securities	29 046	28 750	23 914	4 836	
Loans and advances	625 988	618 414			618 414
Financial liabilities	55 649	56 107	23 240	32 867	–
Long-term debt instruments	55 649	56 107	23 240	32 867	

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
31 December 2017 (Audited)					
Financial assets	686 211	681 307	23 993	29 962	627 352
Other short-term securities	25 193	25 130		25 130	
Government and other securities	28 862	28 825	23 993	4 832	
Loans and advances	632 156	627 352			627 352
Financial liabilities	51 124	52 018	23 975	28 043	–
Long-term debt instruments	51 124	52 018	23 975	28 043	

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

LOANS AND ADVANCES

Loans and advances that are not recognised at fair value principally comprise variable-rate financial assets. The interest rates on these variable-rate financial assets are adjusted when the applicable benchmark interest rate changes.

Loans and advances are not actively traded in most markets and it is therefore not possible to determine the fair value of these loans and advances using observable market prices and market inputs. Due to the unique characteristics of the loans and advances portfolio and the fact that there have been no recent transactions involving the disposal of such loans and advances, there is no basis to determine a price that could be negotiated between market participants in an orderly transaction. The group is not currently in the position of a forced sale of such underlying loans and advances and it would therefore be inappropriate to value the loans and advances on a forced-sale basis.

For specifically impaired loans and advances the carrying value, as determined after consideration of the group's IFRS 9 expected credit losses, is considered the best estimate of fair value.

The group has developed a methodology and model to determine the fair value of the gross exposures for the performing loans and advances measured at amortised cost. This model incorporates the use of average interest rates and projected monthly cashflows per product type. Future cashflows are discounted using interest rates at which similar loans would be granted to borrowers with similar credit ratings and maturities. Methodologies and models are updated on a continuous basis for changes in assumptions, forecasts and modelling techniques. Future forecasts of the group's probability of default (PD) and loss given defaults (LGDs) for the periods 2019 to 2021 (2017: for periods 2018 to 2020) are based on the latest available internal data and is applied to the projected cashflows of the first three years. Thereafter, PDs and LGDs are gradually reverted to their long-run averages and are applied to the remaining projected cashflows. Inputs into the model include various assumptions utilised in the pricing of loans and advances. The determination of such inputs is highly subjective and therefore any change to one or more of the assumptions may result in a significant change in the determination of the fair value of loans and advances.

GOVERNMENT AND OTHER SECURITIES

The fair value of government and other securities is determined based on available market prices (level 1) or discounted-cashflow analysis (level 2), where an instrument is not quoted or the market is considered to be inactive.

OTHER SHORT-TERM SECURITIES

The fair value of other short-term securities is determined using a discounted-cashflow analysis (level 2).

LONG-TERM DEBT INSTRUMENTS

The fair value of long-term debt instruments is determined based on available market prices (level 1) or discounted-cashflow analysis (level 2), where an instrument is not quoted or the market is considered to be inactive.

AMOUNTS OWED TO DEPOSITORS

The amounts owed to depositors principally comprise of variable-rate liabilities. The carrying value of the amounts owed to depositors approximates fair value because the instruments reprice to current market rates at frequent intervals. In addition, a significant portion of the balance is callable or is short-term in nature.

CASH AND CASH EQUIVALENTS, OTHER ASSETS, MANDATORY DEPOSITS WITH CENTRAL BANKS AND PROVISIONS AND OTHER LIABILITIES

The carrying values of cash and cash equivalents, other assets, mandatory deposits with central banks and provisions and other liabilities are considered a reasonable approximation of their respective fair values, as they are either short term in nature or are repriced to current market rates at frequent intervals.

Additional information

Liquidity coverage ratio

Rm	Total unweighted value[1] (average)	Total weighted value[2] (average)
Total high-quality liquid assets		**148 675**
Cash outflows		
Retail deposits and deposits from small-business clients	177 418	17 570
Stable deposits	3 442	172
Less stable deposits	173 976	17 398
Unsecured wholesale funding	251 871	129 708
Operational deposits (all counterparties) and deposits in institutional networks of cooperative banks	119 797	29 949
Non-operational deposits (all counterparties)	131 285	98 970
Unsecured debt	789	789
Secured wholesale funding	24 566	
Additional requirements	109 936	20 453
Outflows related to derivative exposures and other collateral requirements	1 553	1 553
Credit and liquidity facilities	108 383	18 900
Other contingent funding obligations	174 816	8 960
Total cash outflows	**738 607**	**176 691**
Cash inflows		
Secured lending (eg reverse repurchase agreements)	9 318	20
Inflows from fully performing exposures	56 103	37 498
Other cash inflows	5 291	5 144
Total cash inflows	**70 712**	**42 662**

	Total adjusted value
Total HQLA	148 675
Total net cash outflows[3]	139 043
Liquidity coverage ratio (%)	**106,9%**

[1] *Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).*

[2] *Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).*

[3] *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 a simple average of daily observations over the quarter ending June 2018 for Nedbank Limited and the simple average of the month-end values at 30 April 2018, 31 May 2018 and 30 June 2018 for all non-SA banking entities, based on regulatory submissions to SARB. This section on the liquidity coverage ratio has not been audited or reviewed by the group's auditors.

Net stable funding ratio

Rm	Unweighted value by residual maturity: No maturity	≤ 6 months	> 6 months to 1 year	> 1 year	Weighted value
Available stable funding					
Capital	87 790	–	–	–	87 790
Regulatory capital	83 654				83 654
Other capital instruments	4 136				4 136
Retail deposits and deposits from small-business clients	–	214 581	13 539	23 194	228 664
Stable deposits		3 259	1		3 096
Less stable deposits		211 322	13 538	23 194	225 568
Wholesale funding	–	414 557	67 715	132 057	324 415
Operational deposits		135 063			67 532
Other wholesale funding		279 494	67 715	132 057	256 883
Other liabilities	11 218	6 793	–	11 061	7 478
Net stable funding ratio (NSFR) derivative liabilities				9 560	
All other liabilities and equity not included in the above categories	11 218	6 793		1 501	7 478
Total ASF					648 347
Required stable funding					
Total NSFR high-quality liquid assets (HQLA)					12 582
Performing loans and securities	–	188 916	70 329	474 866	489 702
Performing loans to financial institutions secured by level 1 HQLA		11 834			1 183
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions		51 624	7 393	26 013	37 453
Performing loans to non-financial corporate clients, loans to retail and small-business clients and loans to sovereigns, central banks and public sector enterprises, of which		112 246	57 239	314 330	349 065
with a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				14 291	9 289
Performing residential mortgages, of which		9 083	2 489	120 615	86 511
with a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		9 083	2 489	108 990	76 629
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		4 129	3 208	13 908	15 490
Other assets	8 642	89	–	53 822	44 362
Physical traded commodities, including gold	49				41
NSFR derivative assets				9 489	
NSFR derivative liabilities before deduction of variation margin posted				9 561	956
All other assets not included in the above categories	8 593	89		34 772	43 365
Off-balance-sheet items				292 486	10 240
Total required stable funding					556 886
NSFR (%)					116,4%

The figures above reflect the quarter ending June 2018 , based on regulatory submissions to SARB, where applicable. This section on the net stable funding ratio has not been audited or reviewed by the group's auditors.

Definitions

Assets under administration (AUA) (Rm) Market value of assets held in custody on behalf of clients.

Assets under management (AUM) (Rm) Market value of assets managed on behalf of clients.

Common-equity tier 1 (CET1) capital adequacy ratio (%) CET1 regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.

Credit loss ratio (CLR) – banking advances (%) Impairments charge on loans and advances in the consolidated statement of comprehensive income as a percentage of daily average gross loans and advances.

Default Default occurs in respect of a particular client in the following instances:

- When the bank considers that the client is unlikely to pay its credit obligations to the bank in full without the bank having recourse to actions such as realising security (if held).
- When the client is past due for more than 90 days on any material credit obligation to the bank. Overdrafts will be considered as being past due if the client has breached an advised limit or has been advised of a limit smaller than the current outstanding amount.
- In terms of Nedbank's Group Credit Policy, when the client is placed under business rescue in terms of the Companies Act, 71 of 2008, and when the client requests a restructure of his facilities as a result of financial distress.

Defaulted loans and advances (non-performing defaulted advances) Any advance or group of loans and advances that has triggered the Basel III definition of default criteria and is in line with the revised SA banking regulations. For retail portfolios this is product-centred and a default would therefore be specific to a client or borrower account (a specific advance). For all other portfolios, except specialised lending, it is client- or borrower-centred, meaning that should any transaction within a borrowing group default, all transactions within the borrowing group would be treated as having defaulted.

At a minimum a default is deemed to have occurred where a material obligation is past due for more than 90 days or a client has exceeded an advised limit for more than 90 days. A specific impairment is raised against such a credit exposure due to a significant perceived decline in the credit quality.

Diluted headline earnings per share (DHEPS) (cents) Headline earnings divided by the weighted-average number of ordinary shares, adjusted for potential dilutive ordinary shares.

Dividend cover (times) Headline earnings per share divided by dividend per share.

Economic profit (EP) (Rm) Headline earnings less the cost of equity (total equity attributable to equity holders of the parent, less goodwill, multiplied by the group's cost-of-equity percentage).

Effective taxation rate (%) Direct taxation as a percentage of profit before direct taxation, excluding non-trading and capital items.

Efficiency ratio (%) Total operating expenses as a percentage of total income, being net interest income, non-interest revenue and share of profits or losses from associates and joint arrangements.

Earnings per share (EPS) (cents) Earnings attributable to ordinary shareholders, divided by the weighted-average number of ordinary shares in issue.

Gross operating income growth rate less expenses growth rate (jaws ratio) (%) Measure of the extent to which the total income growth rate exceeds the total operating expenses growth rate.

Headline earnings (Rm) The profit attributable to equity holders of the parent, excluding specific separately identifiable remeasurements, net of related tax and non-controlling interests.

Headline earnings per share (HEPS) (cents) Headline earnings divided by the weighted-average number of ordinary shares in issue.

Life insurance embedded value (Rm) The embedded value (EV) of the covered business is the discounted value of the projected future after-tax shareholder earnings arising from covered business in force at the valuation date, plus the adjusted net worth.

Life insurance value of new business (Rm) A measure of the value added to a company as a result of writing new business. Value of new business (VNB) is calculated as the discounted value, at the valuation date, of projected after-tax shareholder profit from covered new business that commenced during the reporting period, net of frictional costs and the cost of non-hedgeable risk associated with writing new business, using economic assumptions at the start of the reporting period.

Net asset value (NAV) (Rm) Total equity attributable to equity holders of the parent.

Net asset value (NAV) per share (cents) NAV divided by the number of shares in issue, excluding shares held by group entities at the end of the period.

Net interest income (NII) to average interest-earning banking assets (AIEBA) (%) NII as a percentage of daily average total assets, excluding trading assets. Also called net interest margin (NIM).

Non-interest revenue (NIR) to total income (%) NIR as a percentage of operating income, excluding the impairments charge on loans and advances.

Number of shares listed (number) Number of ordinary shares in issue, as listed on the JSE.

Ordinary dividends declared per share (cents) Total dividends to ordinary shareholders declared in respect of the current period.

Performing defaulted loans and advances (Rm) Loans that would otherwise not be in default, but are classified as defaulted due to regulatory requirements, ie directive 7 and the new curing definition.

Portfolio coverage (%) Portfolio impairments in the statement of financial position as a percentage of gross loans and advances, excluding defaulted advances.

Portfolio impairments (Rm) Impairment for latent losses inherent in groups of loans and advances that have not yet been specifically impaired.

The standard portfolio represents all the loans and advances that have not been impaired. These loans and advances have not yet individually evidenced a loss event, but there are loans and advances in the standard portfolio that may have an impairment without the bank being aware of it yet.

A period of time will elapse between the occurrence of an impairment event and objective evidence of the impairment becoming evident. This period is generally known as the emergence period. For each standard portfolio an emergence period is estimated as well as the probability of the loss trigger and the loss given events occurring. These estimates are applied to the total exposures of the standard portfolio to calculate the portfolio impairment.

Preprovisioning operating profit (PPOP) (Rm) Headline earnings plus direct taxation plus an impairments charge on loans and advances.

Profit attributable to equity holders of the parent (Rm) Profit for the period less non-controlling interests pertaining to ordinary shareholders, preference shareholders and additional tier 1 capital instrument noteholders.

Profit for the period (Rm) Income statement profit attributable to ordinary shareholders of the parent, before non-controlling interests.

Return on equity (ROE) (%) Headline earnings as a percentage of daily average ordinary shareholders' equity.

Return on equity (ROE) (excluding goodwill) (%) Headline earnings as a percentage of daily average ordinary shareholders' equity less goodwill.

Return on tangible equity (%) Headline earnings as a percentage of daily average ordinary shareholders' equity less intangible assets.

Risk-weighted assets (RWA) (Rm) On-balance-sheet and off-balance-sheet exposures after applying prescribed risk weightings according to the relative risk of the counterparty.

Specific impairments (Rm) Impairment for loans and advances that have been classified as total defaults and specifically impaired, net of the present value of estimated recoveries.

Specific coverage (%) Specific impairments in the statement of financial position as a percentage of total defaulted advances.

Tangible net asset value (Rm) Equity attributable to equity holders of the parent, excluding intangible assets.

Tangible net asset value per share (cents) Tangible net asset value (NAV) divided by the number of shares in issue, excluding shares held by group entities at the end of the period.

Tier 1 capital adequacy ratio (CAR) (%) Tier 1 regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.

Total capital adequacy ratio (CAR) (%) Total regulatory capital, including unappropriated profit, as a percentage of total risk-weighted assets.

Value in use (VIU) (Rm) The present value of the future cashflows expected to be derived from an asset or cash-generating unit.

Weighted-average number of shares (number) The weighted-average number of ordinary shares in issue during the period listed on the JSE.

Abbreviations and acronyms

AFR available financial resources

AIEBA average interest-earning banking assets

AIRB Advanced Internal Ratings-based

AUA assets under administration

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

CAR capital adequacy ratio

CET1 common equity tier 1

CIB Corporate and Investment Banking

CLR credit loss ratio

COE cost of equity

CPI consumer price index

CPF commercial-property finance

CVP client value proposition

DHEPS diluted headline earnings per share

D-SIB domestic systemically important bank

ECL expected credit loss

EP economic profit

EPS earnings per share

EV embedded value

ETI Ecobank Transnational Incorporated

FVOCI Fair value through other comprehensive income

FVTPL Fair value through profit or loss

GDP gross domestic product

GOI gross operating income

group Nedbank Group Limited

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

IFRS International Financial Reporting Standard(s)

ILAAP Internal Liquidity Adequacy Assessment Process

JIBAR Johannesburg Interbank Agreed Rate

JSE JSE Limited

LAP liquid-asset portfolio

LCR liquidity coverage ratio

LIBOR London Interbank Offered Rate

m million

MFC Motor Finance Corporation (vehicle finance lending division of Nedbank)

MRC minimum required capital

NCA National Credit Act, 34 of 2005

NCOF net cash outflows

NGN Nigerian naira

NII net interest income

NIM net interest margin

NIR non-interest revenue

NPL non-performing loan(s)

NSFR net stable funding ratio

OM Old Mutual

plc public listed company

PPOP preprovisioning operating profit

qoq quarter on quarter

R rand

RBB Retail and Business Banking

Rbn South African rands expressed in billions

Rm South African rands expressed in millions

RoA Rest of Africa (cluster name)

ROA return on total assets

ROE return on equity

RORWA return on risk-weighted assets

RRB Retail Relationship Banking

RWA risk-weighted assets

SA South Africa

SADC Southern African Development Community

SAICA South African Institute of Chartered Accountants

SARB South African Reserve Bank

SDGs Sustainability Development Goals

SICR Significant increase in credit risk

TTC through the cycle

UK United Kingdom

US United States

VAF vehicle and asset finance

VaR value at risk

VIU value in use

VNB value of new business

yoy year on year

ytd year to date

ZAR South African rand (currency code)