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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

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NEDBANK

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

OVERVIEW

Commentary relating to the Nedbank summary consolidated financial results is included in the Nedbank Group results, as presented to shareholders on 26 August 2020. Further information is provided on the website at nedbank.co.za.

Commentary relating to the Nedbank condensed consolidated interim financial results is included in the Nedbank Group results, as presented to shareholders on 26 August 2020. Further information is provided on the website at nedbankgroup.co.za.

BOARD AND LEADERSHIP CHANGES DURING THE PERIOD

Peter Moyo tendered his resignation as a non-executive director of Nedbank Group and Nedbank Limited with effect 19 March 2020. Joel Netshitenzhe retired as an independent non-executive director with effect from the close of Nedbank Group's AGM on 22 May 2020. Iain Williamson was appointed as a non-executive director with effect from 1 June 2020. Iain's appointment is in terms of the relationship agreement previously concluded between Old Mutual Limited ('OML') and Nedbank Group and published on 20 April 2018 on the Nedbank Group website (www.nedbankgroup.co.za) which provides for OML to nominate one director to the boards of Nedbank Group and Nedbank Limited for as long as OML's shareholding is equal to or greater than 15% in Nedbank Group.

Brian Kennedy, Group Managing Executive: Nedbank Corporate & Investment Banking (CIB), reached the mandatory retirement age of 60 and retired on 31 March 2020 after more than 24 years at Nedbank. Following an extensive internal and external process, Anél Bosman was appointed to succeed Brian as the Group Managing Executive: Nedbank CIB and as a member of the Group Executive Committee with effect from 1 April 2020. Given Nedbank's ongoing focus on growth in the rest of Africa, Dr Terence Sibiya, Managing Executive: Nedbank Africa Regions, was appointed as a member of the Group Executive Committee with effect from 1 April 2020.

On 25 August 2020 Raisibe Morathi resigned as the Chief Financial Officer (CFO) and executive director on the Nedbank Group and Nedbank Boards, with effect from 30 September 2020. She will remain employed by Nedbank until the end of October to ensure an orderly handover. In accordance with Nedbank Group's executive succession plan and after a process overseen by a panel of non-executive directors, Mike Davis, currently Group Executive: Balance Sheet Management and an existing member of Group Exco, has been appointed as CFO-designate with immediate effect, and as the Group's CFO and to the Group's Boards on 1 October 2020.

BASIS OF PREPARATION*

Nedbank Limited is a company domiciled in SA. The unaudited condensed consolidated interim financial results of the group at and for the six months ended 30 June 2020 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 2020, 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 2020 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 provisions of the Companies Act, 71 of 2008, of SA as required in terms of the JSE Listings Requirements. The accounting policies applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those used for the previous annual 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 2019 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 is the responsibility of the directors and contains certain forward-looking statements with respect to the financial condition and results of operations of Nedbank and its companies, which, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include global, national and regional economic conditions; sovereign credit ratings; levels of securities markets; interest rates; credit or other risks of lending and investment activities; as well as competitive and regulatory factors. By consequence, the financial information on which all forward-looking statements is based has not been reviewed or reported on by the group's auditors.

NEDBANK NON-REDEEMABLE NON-CUMULATIVE NON-PARTICIPATING PREFERENCE SHARES – DECLARATION OF DIVIDEND NO 35

Notice is hereby given that gross preference dividend no 35 of 35,94033 cents per share has been declared for the period from 1 January 2020 to 30 June 2020, payable on Monday, 21 September 2020, to shareholders of the Nedbank non-redeemable, non-cumulative, non-participating preference shares recognised in the accounting records of the company at the close of business on Friday, 18 September 2020. 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), resulting in a net dividend of 28,75226 cents per share to those shareholders who are not exempt from paying dividend tax. Nedbank's tax reference number is 9250/083/71/5 and the number of preference shares in issue at the date of declaration is 358 277 491.

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

Last day to trade (cum dividend)	Tuesday, 15 September 2020
Shares commence trading (ex dividend)	Wednesday, 16 September 2020
Record date (date shareholders recorded in books)	Friday, 18 September 2020
Payment date	Monday, 21 September 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 September 2020, and Friday, 18 September 2020, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Shareholders who have dematerialised their share certificates will have their accounts at their participant or broker credited on Monday, 21 September 2020.

For and on behalf of the board

Vassi Naidoo
Chairman

Mike Brown
Chief Executive

26 August 2020

Registered office

Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196. PO Box 1144, Johannesburg, 2000, SA.

Transfer secretaries

Link Market Services South Africa Proprietary Limited, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, SA. PO Box 4844, Marshalltown, 2000, SA.

Directors

V Naidoo (Chairman), MWT Brown** (Chief Executive), HR Brody, BA Dames, NP Dongwana, EM Kruger, RAG Leith, L Makalima, PM Makwana***, Prof T Marwala, Dr MA Matooane, RK Morathi** (Chief Financial Officer), MC Nkuhlu** (Chief Operating Officer), S Subramoney, IG Williamson.

*** Executive *** Lead independent director*

Company Secretary:	J Katzin
Sponsors:	Investec Bank Limited, Nedbank CIB
Nedbank Limited	Reg No 1951/000009/06
	Incorporated in the Republic of South Africa
JSE share code:	NBKP
JSE alpha code:	BINBK
ISIN:	ZAE000043667

Unaudited condensed consolidated financial statements for the period ended 30 June 2020

Prepared under the supervision of the Nedbank Group CFO, Raisibe Morathi CA(SA).
Nedbank Limited Reg No 1951/000009/06 .

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended

	Change (%)	30 June 2020 (Unaudited) Rm	30 June 2019 (Unaudited) Rm	31 December 2019 (Audited) Rm
Interest and similar income	(5,0)	**37 086**	39 057	79 240
Interest expense and similar charges	(8,8)	**23 407**	25 661	51 888
Net interest income	2,1	**13 679**	13 396	27 352
Impairments charge on financial instruments	>100	**7 382**	2 479	5 953
Income from lending activities	(42,3)	**6 297**	10 917	21 399
Non-interest revenue	(7,4)	**9 682**	10 452	20 905
Operating income	(25,2)	**15 979**	21 369	42 304
Total operating expenses	(0,5)	**13 412**	13 483	27 891
Indirect taxation	16,3	**529**	455	961
Profit from operations before non-trading and capital items	(72,6)	**2 038**	7 431	13 452
Non-trading and capital items	50,9	**(53)**	(108)	(424)
Profit from operations	(72,9)	**1 985**	7 323	13 028
Share of gains of associate companies	(14,6)	**35**	41	121
Profit from operations before direct taxation	(72,6)	**2 020**	7 364	13 149
Total direct taxation	(74,5)	**445**	1 745	3 076
Direct taxation		**464**	1 775	3 205
Taxation on non-trading and capital items		**(19)**	(30)	(129)
Profit for the period	(72,0)	**1 575**	5 619	10 073
Other comprehensive income/(losses) (OCI) net of taxation	>100	**398**	(202)	144
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations		**413**	30	(37)
Debt investments at fair value through OCI (FVOCI) – net change in fair value		**(51)**	(320)	(294)
Items that may not subsequently be reclassified to profit or loss				
Gains on property revaluations			93	145
Remeasurements on long-term employee benefit assets		**36**	(5)	330
Total comprehensive income for the period	(63,6)	**1 973**	5 417	10 217
Profit attributable to:				
– Ordinary and preference shareholders	(72,0)	**1 575**	5 616	10 087
– Non-controlling interest – ordinary shareholders	(100)		3	(14)
Profit for the period	(72,0)	**1 575**	5 619	10 073
Total comprehensive income attributable to:				
– Ordinary and preference shareholders	(63,6)	**1 973**	5 415	10 231
– Non-controlling interest – ordinary shareholders	(100)		2	(14)
Total comprehensive income for the period	(63,6)	**1 973**	5 417	10 217

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at

	Change (%)	**30 June 2020 (Unaudited) Rm**	30 June 2019 (Unaudited) Rm	31 December 2019 (Audited) Rm
Assets				
Cash and cash equivalents	17,9	**8 828**	7 490	8 199
Other short-term securities	(18,1)	**40 118**	48 967	42 395
Derivative financial instruments	>100	**76 474**	33 622	34 923
Government and other securities	13,0	**141 521**	125 279	127 662
Loans and advances	8,6	**811 399**	747 176	787 110
Other assets	(18,0)	**9 973**	12 168	10 544
Current taxation assets	>100	**581**	70	213
Investment securities	(5,0)	**8 381**	8 822	9 007
Non-current assets held for sale	(31,8)	**90**	132	90
Investments in associate companies and joint arrangements	17,5	**1 103**	939	1 229
Deferred taxation assets	42,9	**40**	28	42
Investment property		**56**		56
Property and equipment	(1,0)	**10 227**	10 331	10 403
Long-term employee benefit assets	13,4	**5 500**	4 852	5 505
Mandatory reserve deposits with central banks	(0,8)	**20 602**	20 759	21 424
Intangible assets	7,4	**9 758**	9 087	9 508
Total assets	11,2	**1 144 651**	1 029 722	1 068 310
Equity and liabilities				
Ordinary share capital		**28**	28	28
Ordinary share premium	2,3	**19 632**	19 182	19 182
Reserves	1,8	**51 563**	50 663	53 582
Total equity attributable to equity holders	1,9	**71 223**	69 873	72 792
Preference share capital and premium		**3 561**	3 561	3 561
Holders of preference shares	(98,8)	**7**	561	7
Holders of additional tier 1 capital instruments	38,0	**6 850**	4 963	6 850
Non-controlling interest attributable to ordinary shareholders	(64,0)	**9**	25	9
Total equity	3,4	**81 650**	78 983	83 219
Derivative financial instruments	>100	**63 003**	30 302	27 621
Amounts owed to depositors	8,9	**924 099**	848 196	881 297
Provisions and other liabilities	(2,5)	**12 939**	13 277	13 473
Current taxation liabilities	(86,7)	**23**	173	42
Deferred taxation liabilities	47,1	**559**	380	645
Long-term employee benefit liabilities	(0,5)	**2 273**	2 285	2 401
Long-term debt instruments	7,1	**60 105**	56 126	59 612
Total liabilities	11,8	**1 063 001**	950 739	985 091
Total equity and liabilities	11,2	**1 144 651**	1 029 722	1 068 310

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total equity attributable to equity holders Rm	Preference share capital and premium Rm	Holders of preference shares Rm	Holders of additional tier 1 capital instruments Rm	Non-controlling interest attributable to ordinary shareholders Rm	Total equity Rm
Audited balance at 1 January 2019	68 605	3 561	561	3 416	23	76 166
Acquisition of shares issued in terms of employee incentive schemes	(1 030)					(1 030)
Additional tier 1 capital instruments issued				1 547		1 547
Preference share dividend	(187)					(187)
Additional tier 1 capital instruments interest paid	(193)					(193)
Dividend to ordinary shareholders	(3 100)					(3 100)
Total comprehensive income for the period	5 415				2	5 417
Share-based payment reserve movement	375					375
Other movements	(12)					(12)
Unaudited balance at 30 June 2019	69 873	3 561	561	4 963	25	78 983
Acquisition of shares issued in terms of employee incentive schemes	1 030					1 030
Additional tier 1 capital instruments issued				1 953		1 953
Preference share dividend	(158)			(66)		(224)
Preference share buybacks			(554)			(554)
Additional tier 1 capital instruments interest paid	(303)					(303)
Dividend to ordinary shareholders	(1 650)					(1 650)
Total comprehensive income for the period	4 816				(16)	4 800
Share-based payment reserve movement	(816)					(816)
Audited balance at 31 December 2019	**72 792**	**3 561**	**7**	**6 850**	**9**	**83 219**
Acquisition of shares issued in terms of employee incentive schemes	**(784)**					**(784)**
Shares issued	**450**					**450**
Preference share dividend	**(101)**					**(101)**
Additional tier 1 capital instruments interest paid	**(407)**					**(407)**
Dividend to ordinary shareholders	**(2 800)**					**(2 800)**
Total comprehensive income for the period	**1 973**					**1 973**
Share-based payment reserve movement	**97**					**97**
Other movements	**3**					**3**
Unaudited balance at 30 June 2020	**71 223**	**3 561**	**7**	**6 850**	**9**	**81 650**

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

for the period ended

	30 June 2020 (Unaudited) Rm	30 June 2019 (Unaudited) Rm	31 December 2019 (Audited) Rm
Cash generated by operations	**12 798**	12 598	25 427
Change in funds for operating activities	**(6 356)**	(4 784)	(13 110)
Net cash from operating activities before taxation	**6 442**	7 814	12 317
Taxation paid	**(1 413)**	(1 764)	(3 815)
Cashflows from operating activities	**5 029**	6 050	8 502
Cashflows utilised by investing activities	**(1 779)**	(4 283)	(7 821)
Cashflows utilised by financing activities	**(3 440)**	(1 238)	1 222
Effects of exchange rate changes on opening cash and cash equivalents	**(3)**	[1]	[1]
Net decrease in cash and cash equivalents	**(193)**	529	1 903
Cash and cash equivalents at the beginning of the year[2]	**29 623**	27 720	27 720
Cash and cash equivalents at the end of the year[2]	**29 430**	28 249	29 623

[1] *Represents amounts less than R1m.*
[2] *Including mandatory reserve deposits with central banks.*

CONDENSED CONSOLIDATED SEGMENTAL REPORTING

for the period ended

	30 Jun 2020 (Unaudited) Rm	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	30 Jun 2020 (Unaudited) Rm	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	30 Jun 2020 (Unaudited) Rm	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	30 Jun 2020 (Unaudited) Rm	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm
	Total assets			**Total liabilities**			**Revenue**[1]			**Headline earnings/(losses)**		
Nedbank Corporate and Investment Banking	**622 461**	533 177	543 726	**583 543**	498 489	508 841	**7 486**	7 901	15 565	**1 416**	3 298	6 167
Nedbank Retail and Business Banking	**383 933**	365 990	377 751	**353 977**	335 845	347 178	**15 195**	16 175	33 149	**228**	2 590	5 293
Nedbank Wealth	**80 859**	74 150	77 433	**76 614**	70 036	73 229	**2 103**	2 224	4 584	**362**	455	1 042
Centre	**93 864**	89 901	106 054	**75 473**	70 240	83 210	**1 036**	133	99	**132**	234	(453)
Fellow-subsidiaries	**(36 466)**	(33 496)	(36 654)	**(26 606)**	(23 871)	(27 367)	**(2 459)**	(2 585)	(5 140)	**(529)**	(883)	(1 667)
Total	**1 144 651**	1 029 722	1 068 310	**1 063 001**	950 739	985 091	**23 361**	23 848	48 257	**1 609**	5 694	10 382

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

HEADLINE EARNINGS RECONCILIATION

for the period ended

	Change (%)	30 June 2020 (Unaudited) Rm Gross	30 June 2020 (Unaudited) Rm Net of taxation	30 June 2019 (Unaudited) Rm Gross	30 June 2019 (Unaudited) Rm Net of taxation	31 December 2019 (Audited) Rm Gross	31 December 2019 (Audited) Rm Net of taxation
Profit attributable to ordinary and preference equity holders	(72,0)		**1 575**		5 616		10 087
Non-trading and capital items	(56,4)	**53**	**34**	108	78	424	295
IAS 16 loss on disposal of property and equipment		**20**	**15**	8	6	18	13
IAS 36 impairment of property and equipment						148	107
IFRS 5 impairment of non-current assets held for sale		**(17)**	**(17)**				
IFRS 16 impairment of right-of-use assets				33	24	33	24
IAS 36 impairment of intangible assets		**50**	**36**	67	48	227	153
IAS 40 profit on revaluation of investment properties						(2)	(2)
Headline earnings	(71,7)		**1 609**		5 694		10 382

CONTINGENT LIABILITIES AND COMMITMENTS

CONTINGENT LIABILITIES AND UNDRAWN FACILITIES

at

	30 June 2020 (Unaudited) Rm	30 June 2019 (Unaudited) Rm	31 December 2019 (Audited) Rm
Guarantees on behalf of clients	**30 992**	34 298	23 220
Letters of credit and discounting transactions	**6 349**	7 554	6 702
Irrevocable unutilised facilities and other	**138 704**	136 799	145 183
	176 045	178 651	175 105

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 Limited and its subsidiary companies, the outcome of which cannot currently be foreseen. None of these matters are material in nature.

COMMITMENTS

Capital expenditure approved by directors

at

	30 June 2020 (Unaudited) Rm	30 June 2019 (Unaudited) Rm	31 December 2019 (Audited) Rm
Contracted	**1 454**	401	373
Not yet contracted	**2 333**	2 333	1 573
	3 787	2 734	1 946

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

CASHFLOW INFORMATION

for the period ended

	30 June 2020 (Unaudited) Rm	30 June 2019 (Unaudited) Rm	31 December 2019 (Audited) Rm
Acquisition of property and equipment, computer software and development costs and investment property	**(1 482)**	(1 893)	(4 476)
Issue of additional tier 1 capital instruments		1 547	3 500
Issue of long-term debt instruments	**3 139**	7 026	12 895
Redemption of long-term debt instruments	**(2 551)**	(6 331)	(8 737)
Capital repayments of lease liabilities	**(386)**		(845)
Dividends to ordinary shareholders	**(2 800)**	(3 100)	(4 750)
Preference share dividends paid	**(101)**	(187)	(345)
Additional tier 1 capital instruments interest paid	**(407)**	(193)	(496)

HISTORICAL VALUE AT RISK (99%, ONE-DAY) BY RISK TYPE

Value at risk (VaR) is the potential loss in pretax profit due to adverse market movements over a defined holding period with a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products and markets. It facilitates the consistent measurement of risk across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The 99% one-day VaR number used by the group reflects, at a 99% confidence level, that the daily loss will not exceed the reported VaR and therefore that the daily losses exceeding the VaR figure are likely to occur, on average, once in every 100 business days.

The group uses one year of historical data to estimate VaR. Some of the considerations that are taken into account when reviewing the VaR numbers are the following:

- The assumed one-day holding period will not fully capture the market risk of positions that cannot be liquidated or offset with hedges within one day.
- The historical VaR assumes that the past is a good representation of the future, which may not always be the case.
- The 99% confidence level does not indicate the potential loss beyond this interval.
- If a product or listing is new in the market, limited historical data would be available. In such cases, a proxy is chosen to act as an estimate for the historical rates of the relevant risk factor. Depending on the amount of (limited) historical rates available, regression analysis is used on the chosen proxy to refine the link between the proxy and the actual rates.

Additional risk measures are used to monitor the individual trading desks, including performance triggers, approved trading products, concentration of exposures, maximum tenor limits and market liquidity constraints.

All market risk models are subject to periodic independent validation in terms of the Group Market Risk Management Framework. A formal review of all existing valuation models is conducted at least annually. Should the review process indicate that models need to be updated, a formal independent review will take place. All new risk models developed are independently validated prior to implementation.

The group's current trading activities are focused on liquid markets, which are in line with the current regulatory liquidity horizon assumption of a 10-day holding period (Basel III).

Since mid-March 2020 the group has observed significant increases in VaR estimates as a result of the extreme market volatility caused by the Covid-19 pandemic. This has resulted in an increase in the VaR measure by an order or two to three times the pre-Covid-19 measure without any material change to the underlying trading positions.

	30 June 2020 (Unaudited) Rm				30 June 2019 (Unaudited) Rm				31 December 2019 (Audited) Rm			
Rm	**Average**	**Minimum**	**Maximum**	**Year-end**	**Average**	**Minimum**	**Maximum**	**Year-end**	**Average**	**Minimum**	**Maximum**	**Year-end**
Foreign exchange	**6,9**	**1,4**	**18,6**	**6,3**	3,9	0,9	11,6	4,0	4,3	0,9	11,6	2,6
Interest rate	**66,1**	**32,0**	**128,2**	**102,3**	31,0	20,2	44,6	35,9	34,6	20,2	45,3	35,0
Equity	**2,1**	**0,1**	**9,3**	**5,9**	0,2		2,7	0,1	0,5	<0,1	3,9	1,0
Credit	**8,4**	**4,7**	**16,1**	**13,4**	8,7	7,7	9,7	9,2	7,7	4.0	9,7	4,7
Commodity	**0,1**		**0,3**	**0,1**	0,1		0,7	0,1	0,1	<0,1	0,7	0,1
Diversification	**(20,1)**			**(37,7)**	(12,6)			(11,5)	(12,1)			(10,1)
Total VaR exposure	**63,5**	**30.0**	**125,1**	**90,3**	31,3	22,4	47,6	37,8	35,1	22,4	47,6	33,3

LOSS ALLOWANCE

The following table presents a reconciliation from the opening balance to the closing balance of the loss allowance, and indicates how significant changes in the gross carrying amount of financial instruments contributed to changes in the loss allowance. Subsequent to the publication of the June 2019 results the group has refined its reporting process for FVTPL and FVOCI loans. As a result, comparative information for the six months ended 30 June 2019 has been reclassified.

Loans and advances	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
Rm	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
Audited net balance at 1 January 2019	616 754	2 630	614 124	71 151	3 507	67 644	22 708	8 719	13 989	710 613	14 856	695 757
New financial assets originated or purchased	83 226	921	82 305			–			–	83 226	921	82 305
Financial assets written off			–			–	349	(2 158)	2 507	349	(2 158)	2 507
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(57 266)	1 521	(58 787)	(6 210)	423	(6 633)	(4 690)	219	(4 909)	(68 166)	2 163	(70 329)
Transfers to 12-month ECL	17 078	284	16 794	(16 198)	(259)	(15 939)	(880)	(25)	(855)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(21 383)	(1 246)	(20 137)	25 262	1 558	23 704	(3 879)	(312)	(3 567)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(5 238)	(1 252)	(3 986)	(5 880)	(1 733)	(4 147)	11 118	2 985	8 133	–	–	–
Foreign exchange and other movements	888	(1)	889	(556)	2	(558)	1		1	333	1	332
Unaudited net balance at 30 June 2019	634 059	2 857	631 202	67 569	3 498	64 071	24 727	9 428	15 299	726 355	15 783	710 572
New financial assets originated or purchased	134 843	1 418	133 425			–			–	134 843	1 418	133 425
Financial assets written off			–			–	(5 741)	(992)	(4 749)	(5 741)	(992)	(4 749)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(83 324)	1 475	(84 799)	(13 885)	438	(14 323)	(648)	(837)	189	(97 857)	1 076	(98 933)
Transfers to 12-month ECL	5 608	440	5 168	(4 912)	(335)	(4 577)	(696)	(105)	(591)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(24 312)	(1 014)	(23 298)	24 635	1 003	23 632	(323)	11	(334)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(6 386)	(2 007)	(4 379)	(2 345)	(747)	(1 598)	8 731	2 754	5 977	–	–	–
Foreign exchange and other movements	(586)	(2)	(584)	41		41	2	3	(1)	(543)	1	(544)
Audited net balance at 31 December 2019	659 902	3 167	656 735	71 103	3 857	67 246	26 052	10 262	15 790	757 057	17 286	739 771

Loans and advances	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
Rm	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
New financial assets originated or purchased	**101 849**	**1 641**	**100 208**			**–**			**–**	**101 849**	**1 641**	**100 208**
Financial assets written off	**–**	**–**	**–**			**–**	**(3 098)**	**(3 098)**	**–**	**(3 098)**	**(3 098)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	**(72 517)**	**2 808**	**(75 325)**	**(15 543)**	**1 743**	**(17 286)**	**(2 158)**	**2 173**	**(4 331)**	**(90 218)**	**6 724**	**(96 942)**
Transfers to 12-month ECL	**17 125**	**570**	**16 555**	**(16 224)**	**(420)**	**(15 804)**	**(901)**	**(150)**	**(751)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(73 103)**	**(2 057)**	**(71 046)**	**75 424**	**2 260**	**73 164**	**(2 321)**	**(203)**	**(2 118)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(8 236)**	**(2 121)**	**(6 115)**	**(12 397)**	**(2 641)**	**(9 756)**	**20 633**	**4 762**	**15 871**	**–**	**–**	**–**
Foreign exchange and other movements	**6 490**	**9**	**6 481**	**130**	**1**	**129**	**22**	**(12)**	**34**	**6 642**	**(2)**	**6 644**
Net balances	**631 510**	**4 017**	**627 493**	**102 493**	**4 800**	**97 693**	**38 229**	**13 734**	**24 495**	**772 232**	**22 551**	**749 681**
Total credit and zero balances	**6 752**	**(56)**	**6 808**	**20**	**(10)**	**30**	**52**	**(1)**	**53**	**6 824**	**(67)**	**6 891**
Unaudited balance at 30 June 2020	**638 262**	**3 961**	**634 301**	**102 513**	**4 790**	**97 723**	**38 281**	**13 733**	**24 548**	**779 056**	**22 484**	**756 572**
Loans and advances at FVTPL												**49 514**
Impairment of loans and advances at FVOCI impairment allowance												**561**
Off-balance sheet impairment allowance												**300**
Fair-value hedge-accounted portfolios												**4 452**
Unaudited loans and advances at 30 June 2020	**638 262**	**3 961**	**634 301**	**102 513**	**4 790**	**97 723**	**38 281**	**13 733**	**24 548**	**779 056**	**22 484**	**811 399**

[1] *Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model inputs assumptions and changes due to drawdowns of undrawn commitments.*

Home loans

Rm	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
Audited net balance at 1 January 2019	121 587	216	121 371	15 343	608	14 735	6 507	1 364	5 143	143 437	2 188	141 249
New financial assets originated or purchased	5 444	15	5 429			–			–	5 444	15	5 429
Financial assets written off			–			–	(1)	(111)	110	(1)	(111)	110
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(1 446)	193	(1 639)	(773)	(44)	(729)	(612)	(83)	(529)	(2 831)	66	(2 897)
Transfers to 12-month ECL	4 836	23	4 813	(4 475)	(16)	(4 459)	(361)	(7)	(354)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(3 866)	(134)	(3 732)	4 948	208	4 740	(1 082)	(74)	(1 008)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(719)	(106)	(613)	(1 682)	(224)	(1 458)	2 401	330	2 071	–	–	–
Foreign exchange and other movements	157		157			–			–	157	–	157
Unaudited net balance at 30 June 2019	125 993	207	125 786	13 361	532	12 829	6 852	1 419	5 433	146 206	2 158	144 048
New financial assets originated or purchased	5 310	20	5 290			–			–	5 310	20	5 290
Financial assets written off			–			–	(239)	(68)	(171)	(239)	(68)	(171)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(1 625)	251	(1 876)	(167)	(8)	(159)	(378)	(120)	(258)	(2 170)	123	(2 293)
Transfers to 12-month ECL	730	(4)	734	(568)		(568)	(162)	4	(166)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(1 424)	(58)	(1 366)	1 538	52	1 486	(114)	6	(120)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(985)	(165)	(820)	(274)	(57)	(217)	1 259	222	1 037	–	–	–
Foreign exchange and other movements	155	16	139		4	(4)			–	155	20	135
Audited net balance at 31 December 2019	128 154	267	127 887	13 890	523	13 367	7 218	1 463	5 755	149 262	2 253	147 009
New financial assets originated or purchased	**3 282**	**14**	**3 268**			**–**			**–**	**3 282**	**14**	**3 268**
Financial assets written off			**–**			**–**	**(74)**	**(76)**	**2**	**(74)**	**(76)**	**2**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	**(1 553)**	**419**	**(1 972)**	**(290)**	**133**	**(423)**	**(268)**	**267**	**(535)**	**(2 111)**	**819**	**(2 930)**
Transfers to 12-month ECL	**2 880**	**12**	**2 868**	**(2 629)**	**(7)**	**(2 622)**	**(251)**	**(5)**	**(246)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(5 083)**	**(236)**	**(4 847)**	**5 799**	**276**	**5 523**	**(716)**	**(40)**	**(676)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(1 871)**	**(197)**	**(1 674)**	**(3 347)**	**(347)**	**(3 000)**	**5 218**	**544**	**4 674**	**–**	**–**	**–**
Net balances	**125 809**	**279**	**125 530**	**13 423**	**578**	**12 845**	**11 127**	**2 153**	**8 974**	**150 359**	**3 010**	**147 349**
Total credit and zero balances	**158**	**(1)**	**159**	**5**		**5**	**9**		**9**	**172**	**(1)**	**173**
Unaudited balance at 30 June 2020	**125 967**	**278**	**125 689**	**13 428**	**578**	**12 850**	**11 136**	**2 153**	**8 983**	**150 531**	**3 009**	**147 522**

[1] *Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model inputs assumptions and changes due to drawdowns of undrawn commitments.*

Commercial mortgages	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
Rm	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
Audited net balance at 1 January 2019	137 143	301	136 842	19 693	233	19 460	2 909	433	2 476	159 745	967	158 778
New financial assets originated or purchased	22 622	104	22 518			–			–	22 622	104	22 518
Financial assets written off			–			–	(2)	(9)	7	(2)	(9)	7
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(14 231)	(87)	(14 144)	(3 489)	(37)	(3 452)	(75)	14	(89)	(17 795)	(110)	(17 685)
Transfers to 12-month ECL	3 027	20	3 007	(2 881)	(17)	(2 864)	(146)	(3)	(143)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(5 804)	(43)	(5 761)	6 775	141	6 634	(971)	(98)	(873)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(932)	(57)	(875)	(435)	(34)	(401)	1 367	91	1 276	–	–	–
Foreign exchange and other movements	(565)		(565)	449		449	1		1	(115)	–	(115)
Unaudited net balance at 30 June 2019	141 260	238	141 022	20 112	286	19 826	3 083	428	2 655	164 455	952	163 503
New financial assets originated or purchased	23 088	64	23 024			–			–	23 088	64	23 024
Financial assets written off			–			–	(11)	(3)	(8)	(11)	(3)	(8)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(15 790)	(54)	(15 736)	357	92	265	(255)	3	(258)	(15 688)	41	(15 729)
Transfers to 12-month ECL	4 458	38	4 420	(4 015)	(36)	(3 979)	(443)	(2)	(441)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(1 685)	8	(1 693)	2 427	9	2 418	(742)	(17)	(725)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(420)	(73)	(347)	(295)	(14)	(281)	715	87	628	–	–	–
Foreign exchange and other movements	11	(16)	27	40	(3)	43	1		1	52	(19)	71
Audited net balance at 31 December 2019	150 922	205	150 717	18 626	334	18 292	2 348	496	1 852	171 896	1 035	170 861
New financial assets originated or purchased	**21 881**	**62**	**21 819**			**–**			**–**	**21 881**	**62**	**21 819**
Financial assets written off			**–**			**–**	**(8)**	**(8)**	**–**	**(8)**	**(8)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	**(12 856)**	**61**	**(12 917)**	**(2 211)**	**264**	**(2 475)**	**(187)**	**312**	**(499)**	**(15 254)**	**637**	**(15 891)**
Transfers to 12-month ECL	**3 428**	**67**	**3 361**	**(3 348)**	**(55)**	**(3 293)**	**(80)**	**(12)**	**(68)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(6 890)**	**(24)**	**(6 866)**	**6 919**	**29**	**6 890**	**(29)**	**(5)**	**(24)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(633)**	**(38)**	**(595)**	**(2 323)**	**(147)**	**(2 176)**	**2 956**	**185**	**2 771**	**–**	**–**	**–**
Foreign exchange and other movements	**199**		**199**			**–**			**–**	**199**	**–**	**199**
Unaudited balance at 30 June 2020	**156 051**	**333**	**155 718**	**17 663**	**425**	**17 238**	**5 000**	**968**	**4 032**	**178 714**	**1 726**	**176 988**

[1] *Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model inputs assumptions and changes due to drawdowns of undrawn commitments.*

Credit cards and overdrafts

Rm	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
Audited net balances at 1 January 2019	21 966	570	21 396	4 500	676	3 824	2 702	1 913	789	29 168	3 159	26 009
New financial assets originated or purchased	1 121	89	1 032			–			–	1 121	89	1 032
Financial assets written off			–			–	263	(493)	756	263	(493)	756
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	2 209	705	1 504	2	(37)	39	(1 078)	(172)	(906)	1 133	496	637
Transfers to 12-month ECL	1 217	66	1 151	(1 145)	(59)	(1 086)	(72)	(7)	(65)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(1 838)	(301)	(1 537)	1 890	318	1 572	(52)	(17)	(35)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(518)	(326)	(192)	(665)	(377)	(288)	1 183	703	480	–	–	–
Foreign exchange and other movements	2 325	9	2 316	(1)	7	(8)	(1)		(1)	2 323	16	2 307
Unaudited net balance at 30 June 2019	26 482	812	25 670	4 581	528	4 053	2 945	1 927	1 018	34 008	3 267	30 741
New financial assets originated or purchased	5 575	157	5 418			–			–	5 575	157	5 418
Financial assets written off			–			–	(1 889)	(425)	(1 464)	(1 889)	(425)	(1 464)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(94)	203	(297)	(1 800)	50	(1 850)	790	(128)	918	(1 104)	125	(1 229)
Transfers to 12-month ECL	955	54	901	(933)	(38)	(895)	(22)	(16)	(6)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(3 372)	(24)	(3 348)	3 357	18	3 339	15	6	9	–	–	–
Transfers to lifetime ECL (credit-impaired)	(877)	(416)	(461)	(186)	(45)	(141)	1 063	461	602	–	–	–
Foreign exchange and other movements	(2 288)	(6)	(2 282)	(65)	(5)	(60)	(3)	(1)	(2)	(2 356)	(12)	(2 344)
Audited net balance at 31 December 2019	26 381	780	25 601	4 954	508	4 446	2 899	1 824	1 075	34 234	3 112	31 122
New financial assets originated or purchased	**1 537**	**112**	**1 425**			**–**			**–**	**1 537**	**112**	**1 425**
Financial assets written off			**–**			**–**	**(739)**	**(739)**	**–**	**(739)**	**(739)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	**4 922**	**786**	**4 136**	**(1 166)**	**62**	**(1 228)**	**(155)**	**424**	**(579)**	**3 601**	**1 272**	**2 329**
Transfers to 12-month ECL	**2 127**	**136**	**1 991**	**(2 056)**	**(61)**	**(1 995)**	**(71)**	**(75)**	**4**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(5 286)**	**(418)**	**(4 868)**	**5 326**	**433**	**4 893**	**(40)**	**(15)**	**(25)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(1 206)**	**(554)**	**(652)**	**(753)**	**(288)**	**(465)**	**1 959**	**842**	**1 117**	**–**	**–**	**–**
Foreign exchange and other movements	**(226)**	**(2)**	**(224)**	**223**	**22**	**201**			**–**	**(3)**	**20**	**(23)**
Net balances	**28 249**	**840**	**27 409**	**6 528**	**676**	**5 852**	**3 853**	**2 261**	**1 592**	**38 630**	**3 777**	**34 853**
Total credit and zero balances	**6 594**	**(55)**	**6 649**	**15**	**(10)**	**25**	**43**	**(1)**	**44**	**6 652**	**(66)**	**6 718**
Unaudited balance at 30 June 2020	**34 843**	**785**	**34 058**	**6 543**	**666**	**5 877**	**3 896**	**2 260**	**1 636**	**45 282**	**3 711**	**41 571**

[1] *Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model inputs assumptions and changes due to drawdowns of undrawn commitments.*

Term loans	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
Rm	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
Audited net balance at 1 January 2019	181 749	758	180 991	13 731	659	13 072	5 078	2 381	2 697	200 558	3 798	196 760
New financial assets originated or purchased	14 988	326	14 662			–			–	14 988	326	14 662
Financial assets written off			–			–	5	(632)	637	5	(632)	637
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(41 475)	250	(41 725)	(2 294)	400	(2 694)	(640)	200	(840)	(44 409)	850	(45 259)
Transfers to 12-month ECL	4 867	116	4 751	(4 857)	(115)	(4 742)	(10)	(1)	(9)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(3 260)	(272)	(2 988)	4 028	324	3 704	(768)	(52)	(716)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(1 109)	(419)	(690)	(781)	(515)	(266)	1 890	934	956	–	–	–
Foreign exchange and other movements	213		213	(230)		(230)			–	(17)	–	(17)
Unaudited net balance at 30 June 2019	155 973	759	155 214	9 597	753	8 844	5 555	2 830	2 725	171 125	4 342	166 783
New financial assets originated or purchased	58 751	584	58 167			–			–	58 751	584	58 167
Financial assets written off			–			–	(1 607)	(566)	(1 041)	(1 607)	(566)	(1 041)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(42 001)	935	(42 936)	(6 609)	(4)	(6 605)	(196)	(36)	(160)	(48 806)	895	(49 701)
Transfers to 12-month ECL	(2 806)	(101)	(2 705)	2 808	101	2 707	(2)		(2)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(5 907)	(356)	(5 551)	5 446	344	5 102	461	12	449	–	–	–
Transfers to lifetime ECL (credit-impaired)	(1 401)	(872)	(529)	(761)	(468)	(293)	2 162	1 340	822	–	–	–
Foreign exchange and other movements	140		140	1		1	1		1	142	–	142
Audited net balance at 31 December 2019	162 749	949	161 800	10 482	726	9 756	6 374	3 580	2 794	179 605	5 255	174 350
New financial assets originated or purchased	**42 608**	**1 188**	**41 420**			**–**			**–**	**42 608**	**1 188**	**41 420**
Financial assets written off			**–**			**–**	**(1 328)**	**(1 328)**	**–**	**(1 328)**	**(1 328)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	**(31 282)**	**877**	**(32 159)**	**(5 974)**	**487**	**(6 461)**	**(237)**	**551**	**(788)**	**(37 493)**	**1 915**	**(39 408)**
Transfers to 12-month ECL	**2 252**	**82**	**2 170**	**(2 241)**	**(81)**	**(2 160)**	**(11)**	**(1)**	**(10)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(33 424)**	**(909)**	**(32 515)**	**33 714**	**958**	**32 756**	**(290)**	**(49)**	**(241)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(1 621)**	**(804)**	**(817)**	**(1 982)**	**(925)**	**(1 057)**	**3 603**	**1 729**	**1 874**	**–**	**–**	**–**
Foreign exchange and other movements	**5 817**	**9**	**5 808**	**130**	**1**	**129**	**22**	**(10)**	**32**	**5 969**	**–**	**5 969**
Unaudited balance at 30 June 2020	**147 099**	**1 392**	**145 707**	**34 129**	**1 166**	**32 963**	**8 133**	**4 472**	**3 661**	**189 361**	**7 030**	**182 331**

[1] *Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model inputs assumptions and changes due to drawdowns of undrawn commitments.*

Instalment debtors	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
Rm	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
Audited net balance at 1 January 2019	96 940	648	96 292	16 310	1 098	15 212	4 839	2 492	2 347	118 089	4 238	113 851
New financial assets originated or purchased	23 924	248	23 676			–			–	23 924	248	23 676
Financial assets written off			–			–	95	(908)	1 003	95	(908)	1 003
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(15 504)	479	(15 983)	(1 972)	31	(2 003)	(2 330)	234	(2 564)	(19 806)	744	(20 550)
Transfers to 12-month ECL	2 860	58	2 802	(2 578)	(51)	(2 527)	(282)	(7)	(275)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(5 747)	(440)	(5 307)	6 700	509	6 191	(953)	(69)	(884)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(1 868)	(325)	(1 543)	(2 285)	(577)	(1 708)	4 153	902	3 251	–	–	–
Unaudited net balance at 30 June 2019	100 605	668	99 937	16 175	1 010	15 165	5 522	2 644	2 878	122 302	4 322	117 980
New financial assets originated or purchased	27 125	333	26 792			–			–	27 125	333	26 792
Financial assets written off			–			–	(1 987)	81	(2 068)	(1 987)	81	(2 068)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(17 687)	590	(18 277)	(1 854)	81	(1 935)	(195)	(649)	454	(19 736)	22	(19 758)
Transfers to 12-month ECL	105	(8)	113	(176)	6	(182)	71	2	69	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(4 737)	(387)	(4 350)	4 578	376	4 202	159	11	148	–	–	–
Transfers to lifetime ECL (credit-impaired)	(2 113)	(412)	(1 701)	(826)	(159)	(667)	2 939	571	2 368	–	–	–
Foreign exchange and other movements	(1)		(1)			–		1	(1)	(1)	1	(2)
Audited net balance at 31 December 2019	103 297	784	102 513	17 897	1 314	16 583	6 509	2 661	3 848	127 703	4 759	122 944
New financial assets originated or purchased	**18 299**	**223**	**18 076**			**–**			**–**	**18 299**	**223**	**18 076**
Financial assets written off			**–**			**–**	**(934)**	**(934)**	**–**	**(934)**	**(934)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	**(13 318)**	**666**	**(13 984)**	**(1 848)**	**445**	**(2 293)**	**(1 185)**	**467**	**(1 652)**	**(16 351)**	**1 578**	**(17 929)**
Transfers to 12-month ECL	**5 189**	**94**	**5 095**	**(4 900)**	**(85)**	**(4 815)**	**(289)**	**(9)**	**(280)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(9 599)**	**(389)**	**(9 210)**	**10 840**	**481**	**10 359**	**(1 241)**	**(92)**	**(1 149)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(2 702)**	**(520)**	**(2 182)**	**(3 604)**	**(897)**	**(2 707)**	**6 306**	**1 417**	**4 889**	**–**	**–**	**–**
Unaudited balance at 30 June 2020	**101 166**	**858**	**100 308**	**18 385**	**1 258**	**17 127**	**9 166**	**3 510**	**5 656**	**128 717**	**5 626**	**123 091**

[1] *Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model inputs assumptions and changes due to drawdowns of undrawn commitments.*

Preference shares and debentures	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
Rm	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
Audited net balance at 1 January 2019	14 658	2	14 656	141		141	354		354	15 153	2	15 151
New financial assets originated or purchased	506	4	502			–			–	506	4	502
Financial assets written off			–			–			–	–	–	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(2 921)	54	(2 975)	2	2	–	(165)	44	(209)	(3 084)	100	(3 184)
Transfers to lifetime ECL (not credit-impaired)	(508)	(7)	(501)	508	7	501			–	–	–	–
Transfers to lifetime ECL (credit-impaired)	(8)	(5)	(3)			–	8	5	3	–	–	–
Unaudited net balance at 30 June 2019	11 727	48	11 679	651	9	642	197	49	148	12 575	106	12 469
New financial assets originated or purchased	1 867	13	1 854			–			–	1 867	13	1 854
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(1 658)	(7)	(1 651)	(205)	(2)	(203)		(16)	16	(1 863)	(25)	(1 838)
Transfers to 12-month ECL	71		71	(71)		(71)			–	–	–	–
Transfers to lifetime ECL (not credit-impaired)	291	(2)	293	(299)	(3)	(296)	8	5	3	–	–	–
Transfers to lifetime ECL (credit-impaired)	8	5	3			–	(8)	(5)	(3)	–	–	–
Audited net balance at 31 December 2019	12 306	57	12 249	76	4	72	197	33	164	12 579	94	12 485
New financial assets originated or purchased	**702**	**5**	**697**			**–**			**–**	**702**	**5**	**697**
Financial assets written off			**–**			**–**	**(8)**	**(8)**	**–**	**(8)**	**(8)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	**(3 499)**	**99**	**(3 598)**	**2 168**	**(4)**	**2 172**	**5**	**78**	**(73)**	**(1 326)**	**173**	**(1 499)**
Transfers to 12-month ECL	**(2 254)**	**(48)**	**(2 206)**	**2 254**	**48**	**2 206**			**–**	**–**	**–**	**–**
Unaudited balance at 30 June 2020	**7 255**	**113**	**7 142**	**4 498**	**48**	**4 450**	**194**	**103**	**91**	**11 947**	**264**	**11 683**

[1] *Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model inputs assumptions and changes due to drawdowns of undrawn commitments.*

Other loans[1]	Not credit-impaired						Credit-impaired			Total		
	Subject to 12-month ECL (stage 1)			Subject to lifetime ECL (stage 2)			Subject to lifetime ECL (excluding purchased/originated) (stage 3)					
Rm	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
Audited net balance at 1 January 2019	42 711	135	42 576	1 433	233	1 200	319	136	183	44 463	504	43 959
New financial assets originated or purchased	14 621	135	14 486			–			–	14 621	135	14 486
Financial assets written off			–			–	(11)	(5)	(6)	(11)	(5)	(6)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[2]	16 102	(73)	16 175	2 314	108	2 206	210	(18)	228	18 626	17	18 609
Transfers to 12-month ECL	271	1	270	(262)	(1)	(261)	(9)		(9)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(360)	(49)	(311)	413	51	362	(53)	(2)	(51)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(84)	(14)	(70)	(32)	(6)	(26)	116	20	96	–	–	–
Foreign exchange and other movements	(1 242)	(10)	(1 232)	(774)	(5)	(769)	1		1	(2 015)	(15)	(2 000)
Unaudited net balance at 30 June 2019	72 019	125	71 894	3 092	380	2 712	573	131	442	75 684	636	75 048
New financial assets originated or purchased	13 127	247	12 880			–			–	13 127	247	12 880
Financial assets written off			–			–	(8)	(11)	3	(8)	(11)	3
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[2]	(4 469)	(443)	(4 026)	(3 607)	229	(3 836)	(414)	109	(523)	(8 490)	(105)	(8 385)
Transfers to 12-month ECL	2 095	461	1 634	(1 957)	(368)	(1 589)	(138)	(93)	(45)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(7 478)	(195)	(7 283)	7 588	207	7 381	(110)	(12)	(98)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(598)	(74)	(524)	(3)	(4)	1	601	78	523	–	–	–
Foreign exchange and other movements	1 397	4	1 393	65	4	61	3	3	–	1 465	11	1 454
Audited net balance at 31 December 2019	76 093	125	75 968	5 178	448	4 730	507	205	302	81 778	778	81 000
New financial assets originated or purchased	**13 540**	**37**	**13 503**			**–**			**–**	**13 540**	**37**	**13 503**
Financial assets written off			**–**			**–**	**(5)**	**(5)**	**–**	**(5)**	**(5)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[2]	**(14 931)**	**(100)**	**(14 831)**	**(6 222)**	**356**	**(6 578)**	**(133)**	**74**	**(207)**	**(21 286)**	**330**	**(21 616)**
Transfers to 12-month ECL	**3 503**	**227**	**3 276**	**(3 304)**	**(179)**	**(3 125)**	**(199)**	**(48)**	**(151)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(12 821)**	**(81)**	**(12 740)**	**12 826**	**83**	**12 743**	**(5)**	**(2)**	**(3)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(203)**	**(8)**	**(195)**	**(388)**	**(37)**	**(351)**	**591**	**45**	**546**	**–**	**–**	**–**
Foreign exchange and other movements	**700**	**2**	**698**	**(223)**	**(22)**	**(201)**		**(2)**	**2**	**477**	**(22)**	**499**
Unaudited balance at 30 June 2020	**65 881**	**202**	**65 679**	**7 867**	**649**	**7 218**	**756**	**267**	**489**	**74 504**	**1 118**	**73 386**

[1] *Other loans include properties in possession, overnight loans, factoring accounts, trade, other bills and bankers' acceptances, financial guarantees and loan commitments and other loans to clients.*

[2] *Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model inputs assumptions and changes due to drawdowns of undrawn commitments.*

ECONOMIC SCENARIOS

	June 2020				
	Probability weighting		Economic forecast (%)		
Scenario	(%)	Economic measures	2020	2021	2022
Base case	50	GDP Prime HPI	(7,0) 7,25 1,5	2,2 7,25 0,7	1,7 7,50 2,0
Mild stress	21	GDP Prime HPI	(8,5) 7,25 0,4	1,2 7,50 (3,6)	1,6 8,50 1,5
Positive outcome	21	GDP Prime HPI	(3,6) 7,25 2,5	2,5 6,50 4,4	2,9 6,25 5,7
High stress	8	GDP Prime HPI	(11,0) 7,25 (0,1)	(2,0) 8,00 (5,7)	1,3 9,00 1,3

The expected credit loss figure under each scenario includes stage 1 and 2 (portfolio) impairments, stage 3 (specific) impairments, off-balance-sheet impairments, impairments on instruments held at fair value through other comprehensive income and impairments on non-loans and advances.

The R1.1bn job losses overlay was flexed and applied across the four economic scenarios for a representative outlook in the case of a severe economic downturn.

Prime – The forecast for prime is at 30 June 2020 and does not include the subsequent reduction made to the prime rate in July 2020.

GDP – Calculated as the yoy percentage change in gross domestic product.

HPI – Calculated as the yoy percentage change in House Price Index forecasted at 30 June 2020.

CREDIT RISK EXPOSURE

The following tables disclose the distribution of loan-to-value (LTV) ratios of credit-impaired financial assets:

LOANS AND ADVANCES

Rm LTV distribution	Home loans	Commercial mortgages	Properties in possession	Credit cards and overdrafts	Term loans	Other loans to clients	Leases and instalment debtors	Preference shares and debentures	Factoring accounts
30 June 2020									
Lower than 50%	**1 734**	**609**		**399**	**649**	**147**	**232**	**194**	**13**
50% to 75%	**2 445**	**1 697**		**23**	**12**	**1**	**420**		**4**
75% to 100%	**4 030**	**1 368**	**20**	**82**	**534**	**30**	**1 229**		**7**
Higher than 100%	**2 927**	**1 326**	**41**	**3 392**	**6 937**	**466**	**7 285**		**28**
Total	**11 136**	**5 000**	**61**	**3 896**	**8 132**	**644**	**9 166**	**194**	**52**

Rm LTV Distribution	Home loans	Commercial mortgages	Properties in possession	Credit cards and overdrafts	Term loans	Other loans to clients	Leases and instalment debtors	Preference shares and debentures	Factoring accounts
31 December 2019									
Lower than 50%	1 044	334		228	354	34	177	8	4
50% to 75%	1 489	192			12		370		11
75% to 100%	2 612	875	19	158	2	36	1 116		7
Higher than 100%	2 082	947	36	2 551	6 006	337	4 846	189	23
Total	7 227	2 348	55	2 937	6 374	407	6 509	197	45

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, but are not limited to, reference to the current fair value of another instrument that is substantially the same in nature, to the value of the assets of underlying business, to earnings multiples, to a discounted-cashflow analysis and to 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 whether the transaction is 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 2020 (Unaudited) Rm	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	**30 Jun 2020 (Unaudited) Rm**	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	**30 Jun 2020 (Unaudited) Rm**	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	**30 Jun 2020 (Unaudited) Rm**	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	**30 Jun 2020 (Unaudited) Rm**	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm
Cash and cash equivalents	**29 430**	28 249	29 623	**29 430**	28 249	29 623									
Other short-term securities	**40 118**	48 967	42 395	**3 268**	10 033	9 340				**36 850**	38 934	33 055			
Derivative financial instruments	**76 474**	33 622	34 923				**174**	6	61	**76 300**	33 616	34 862			
Government and other securities	**141 521**	125 279	127 662	**96 404**	85 787	92 345	**43 016**	36 769	32 599	**2 101**	2 723	2 718			
Loans and advances	**811 395**	747 176	787 105	**741 988**	705 656	731 893				**69 407**	41 520	55 212			
Other assets	**8 732**	10 905	9 294	**8 732**	10 905	9 294									
Investment securities	**8 352**	8 822	8 980				**471**	3	671	**889**	830	860	**6 992**	7 989	7 449
	1 116 022	1 003 020	1 039 982	**879 822**	840 630	872 495	**43 661**	36 778	33 331	**185 547**	117 623	126 707	**6 992**	7 989	7 449

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		
	30 Jun 2020 (Unaudited) Rm	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	**30 Jun 2020 (Unaudited) Rm**	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	**30 Jun 2020 (Unaudited) Rm**	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm	**30 Jun 2020 (Unaudited) Rm**	30 Jun 2019 (Unaudited) Rm	31 Dec 2019 (Audited) Rm
Derivative financial instruments	**63 003**	30 302	27 621				**10**	18	16	**62 993**	30 284	27 605
Amounts owed to depositors	**924 140**	848 196	881 287	**896 395**	816 955	847 515			75	**27 745**	31 241	33 697
Provisions and other liabilities	**2 680**	9 092	3 381	**2 067**	8 548	2 502	**613**	544	879			
Long-term debt instruments	**60 105**	56 126	59 612	**60 105**	56 126	59 612						
	1 049 928	943 716	971 901	**958 567**	881 629	909 629	**623**	562	970	**90 738**	61 525	61 302

LEVEL 3 RECONCILIATION

30 June 2020 (Unaudited)	Opening balance at 1 January Rm	Losses in non-interest revenue in profit for the period Rm	Losses relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the year Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 31 December Rm
FINANCIAL ASSETS						
Investment securities	**7 449**	**(750)**	**(122)**	**839**	**(424)**	**6 992**
	7 449	**(750)**	**(122)**	**839**	**(424)**	**6 992**

30 June 2019 (Unaudited)	Opening balance at 1 January Rm	Gains in non-interest revenue in profit for the period Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 30 June Rm
FINANCIAL ASSETS					
Investment securities	5 978	339	2 984	(1 312)	7 989
	5 978	339	2 984	(1 312)	7 989

31 December 2019 (Audited)	Opening balance at 1 January Rm	Losses in non-interest revenue in profit for the period Rm	Purchases and issues Rm	Sales and settlements Rm	Closing balance at 31 December Rm
FINANCIAL ASSETS					
Investment securities	5 978	(43)	4 561	(3 047)	7 449
	5 978	(43)	4 561	(3 047)	7 449

EFFECT OF CHANGES IN SIGNIFICANT UNOBSERVABLE ASSUMPTIONS

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 2020 (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 and dividend yields**	**Valuation multiples, correlations, volatilities and credit spreads**	**Between (16) and 19**	**6 992**	**1 359**	**(1 100)**
Total financial assets classified as level 3				**6 992**	**1 359**	**(1 100)**

30 June 2019 (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 and dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (17) and 21	7 989	1 681	(1 323)
Total financial assets classified as level 3				7 989	1 681	(1 323)

31 December 2019 (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						
Investment securities	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations and dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (17) and 21	7 449	1 566	(1 239)
Total financial assets classified as level 3				7 449	1 566	(1 239)

UNREALISED (LOSSES)/GAINS

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

	30 June 2020 (Unaudited) Rm	30 June 2019 (Unaudited) Rm	31 December 2019 (Audited) Rm
Private-equity (losses)/gains	**(750)**	339	(43)

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 model	Money market rates and interest rates
	Adjusted net asset value	Underlying price of market-traded instruments
	Dividend yield method	Dividend growth rates
Liabilities		
Derivative financial instruments	Discounted-cashflow model	Discount rates
	Black–Scholes model	Risk-free 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
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 the financial instruments incorporates the group's best estimate of the value at which the 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 2020 (Unaudited)					
Financial assets	**841 660**	**812 130**	**62 505**	**23 000**	**726 625**
Other short-term securities	**3 268**	**3 282**		**3 282**	
Government and other securities	**96 404**	**92 407**	**62 505**	**19 718**	**10 184**
Loans and advances	**741 988**	**716 441**			**716 441**
Financial liabilities	**60 105**	**65 306**	**40 517**	**24 789**	**–**
Long-term debt instruments	**60 105**	**65 306**	**40 517**	**24 789**	
30 June 2019 (Unaudited)					
Financial assets	801 476	782 311	62 200	10 036	710 075
Other short-term securities	10 033	10 036		10 036	
Government and other securities	85 787	86 095	62 200		23 895
Loans and advances	705 656	686 180			686 180
Financial liabilities	56 126	59 201	36 655	22 546	–
Long-term debt instruments	56 126	59 201	36 655	22 546	
31 December 2019 (Audited)					
Financial assets	833 578	809 538	63 219	26 929	719 390
Other short-term securities	9 340	9 332		9 332	
Government and other securities	92 345	91 088	63 219	17 597	10 272
Loans and advances	731 893	709 118			709 118
Financial liabilities	59 612	62 115	38 130	23 985	–
Long-term debt instruments	59 612	62 115	38 130	23 985	

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

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 period 2021 to 2023 (2019: for the period 2020 to 2022) are based on the latest available internal data and 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 high-quality SA government bonds listed in an active market is based on the available market prices (level 1). The fair value of corporate bonds not quoted or traded in an active market is based on the discounted-cashflow methodology (level 2) and those that use significant unobservable inputs (level 3). The discounted-cashflow methodology principles (level 3) are the same as those used to determine the fair value of loans and advances.

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 not quoted or where the market is considered to be inactive is based on the available market prices (level 1) or the discounted-cashflow analysis (level 2).

AMOUNTS OWED TO DEPOSITORS

The amounts owed to depositors principally comprise variable-rate liabilities and hedge-accounted fixed-rate liabilities. The carrying value of the amounts owed to depositors approximates fair value because the instruments are repriced to current market rates at frequent intervals. In addition, a significant portion of the balance is callable or 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 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		**180 572**
Cash outflows	190 023	
Retail deposits and deposits from small-business clients		19 002
Less stable deposits	190 023	19 002
Unsecured wholesale funding	253 935	129 523
Operational deposits (all counterparties) and deposits in institutional networks of cooperative banks	116 398	29 099
Non-operational deposits (all counterparties)	137 257	100 144
Unsecured debt	280	280
Secured wholesale funding	18 815	
Additional requirements	125 028	19 432
Outflows related to derivative exposures and other collateral requirements	3 921	3 921
Credit and liquidity facilities	121 107	15 511
Other contingent funding obligations	170 242	9 277
Total cash outflows	**758 043**	**177 234**
Cash inflows		
Secured lending (eg reverse repurchase agreements)	2	1
Inflows from fully performing exposures	35 176	21 903
Other cash inflows	1 021	1 021
Total cash inflows	**36 199**	**22 925**

	Total adjusted value
Total HQLA	180 572
Total net cash outflows	154 309
Liquidity coverage ratio (%)	**117,0%**

[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).*

The figures above reflect the daily average over the quarter ended June 2020, 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	Six months or less	Between six months and one year	More than one year	Weighted value
Available stable funding (ASF)					
Capital	90 014	–	–	–	90 014
Regulatory capital	89 362				89 362
Other capital instruments	652				652
Retail deposits and deposits from small-business clients	58 531	166 372	15 471	19 547	235 883
Less stable deposits	58 531	166 372	15 471	19 547	235 883
Wholesale funding	89 944	354 811	129 692	108 896	334 897
Operational deposits	85 114	53 618			69 366
Other wholesale funding	4 830	301 193	129 692	108 896	265 531
Other liabilities	615	391	62	16 936	2 095
Net stable funding ratio (NSFR) derivative liabilities				14 872	
All other liabilities and equity not included in the above categories	615	391	62	2 064	2 095
Total ASF					662 889
Required stable funding					
Total NSFR high-quality liquid assets (HQLA)					16 813
Performing loans and securities	–	165 913	75 967	529 970	527 023
Performing loans to financial institutions secured by level 1 HQLA		14 620			1 462
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions		54 714	7 490	33 003	44 955
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		87 553	65 122	366 314	385 091
with a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				13 067	8 493
Performing residential mortgages, of which		2 666	2 638	123 300	85 726
with a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2 666	2 638	108 654	73 277
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		6 360	717	7 353	9 789
Other assets	28 705	52	–	52 877	53 160
NSFR derivative assets				22 677	7 805
NSFR derivative liabilities before deduction of variation margin posted				15 056	1 506
All other assets not included in the above categories	28 705	52		15 144	43 849
Off-balance-sheet items				907 670	9 688
Total required stable funding					606 684
NSFR (%)					109,3%

The figures above reflect the quarter ending June 2020, 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

12-month ECL This ECL represents an ECL that results from default events on financial instruments occurring within the 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months, weighted by the probability of the defaults occurring.

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.

Cost-to-income 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.

Coverage (%) On-balance-sheet ECLs divided by on-balance-sheet gross banking loans and advances. Coverage excludes ECLs on off-balance-sheet amounts, ECL and gross banking loans and advances on the fair value through other comprehensive income (FVOCI) portfolio and loans and advances measured at fair value through profit or loss (FVTPL).

Credit loss ratio (CLR) – (% or bps) ECL charge on banking loans and advances as a percentage of daily average gross banking loans and advances. Includes the ECL recognised in respect of the off-balance-sheet portion of loans and advances.

Default In line with the Basel III definition, default occurs in respect of a 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 accordance with the Companies Act, 71 of 2008, and when the client requests a restructure of their facilities as a result of financial distress, except where debtor substitution is allowable in terms of the regulations.

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 stage 3 impairment is raised against such a credit exposure due to a significant perceived decline in the credit quality.

For retail portfolios this is product-centred, and a default would therefore be to a specific advance. For all other portfolios, except specialised lending, it is client- or borrower-centred, meaning that should any transaction to a legal-entity borrower default, all transactions with that legal-entity borrower would be treated as having defaulted.

To avoid short-term volatility, Nedbank employs a six-month curing definition where subsequent defaults will be an extension of the initial default.

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

Directive 1 of 2020 A directive from the Prudential Authority that provides temporary measures to aid compliance with the liquidity coverage ratio during the Covid-19 pandemic stress period. The PA has deemed it appropriate to amend the minimum LCR requirement temporarily to 80% effective from 1 April 2020.

Directive 2 of 2020 A directive from the Prudential Authority provides temporary capital relief to alleviate risks posed by the Covid-19 pandemic. The PA has implemented measures to reduce the specified minimum requirement of capital and reserve funds to be maintained by banks, in order to provide temporary capital relief to enable banks to counter economic risks to the financial system as a whole and to individual banks. These measures are intended to provide relief to banks in response to the Covid-19 pandemic, thereby enabling banks to continue providing credit to the real economy during this period of financial stress.

Directive 3 of 2020 A directive from the Prudential Authority that implemented measures to ensure that various relief to qualifying borrowers that were up to date at 29 February 2020, such as payment holidays, do not result in unintended consequences such as inappropriate higher capital requirements. The PA has provided temporary relief for qualifying loans from portions of Directive 7/2015 dealing with distressed restructures. Importantly, this relief covers retail, SME and corporate loans, including all specialist asset classes such as commercial property.

Directive 7 of 2015 A directive from the Prudential Authority that provides clarity on how banks should identify restructured credit exposures and how these exposures should be treated for purposes of the definition of default.

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.

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

Forward-looking economic expectations The impact of forecast macroeconomic conditions in determining a significant increase in credit risk (SICR) and ECL.

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.

Guidance Note 4 of 2020 A guidance note from the South African Reserve Bank that recommends that banks no longer make dividend distributions on ordinary shares in order to conserve capital, in light of the negative economic impact of the Covid-19 pandemic and the temporary regulatory-capital relief provided.

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.

Lifetime ECL The ECL of default events between the reporting date and the end of the lifetime of the financial asset, weighted by the probability of the defaults occurring.

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).

Net monetary gain/(loss) (Rm) Represents the gain or loss in purchasing power of the net monetary position (monetary assets less monetary liabilities) of an entity operating in a hyperinflation environment.

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.

Off-balance-sheet exposure Undrawn loan commitments, guarantees and similar arrangements that expose the group to credit risk.

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

Performing stage 3 loans and advances (Rm) Loans that are up to date (not in default) but are classified as defaulted due to regulatory requirements, ie Directive 7 of 2015 or the curing definition.

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.

SME loan guarantee scheme An initiative by National Treasury and the South African Reserve Bank, in partnership with participating commercial banks, aimed at giving financial support to small and medium enterprises (SMEs) affected by the lockdown.

Stage 1 Financial assets for which the credit risk (risk of default) at the reporting date has not significantly increased since initial recognition.

Stage 2 Financial assets for which the credit risk (risk of default) at the reporting date has significantly increased since initial recognition.

Stage 3 Any advance or group of loans and advances that has triggered the Basel III-definition of default criteria, in line with the SA banking regulations. 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 stage 3 impairment is raised against such a credit exposure due to a significant perceived decline in the credit quality.

Stage 3 ECL (Rm) ECL for banking loans and advances that have been classified as stage 3 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.

Year-to-date annualised or ytd annualised The growth rate for the six-month period to 30 June annualised by 366 days divided by 182 days.

ABBREVIATIONS AND ACRONYMS

AFR available financial resources
AGM annual general meeting
AI artificial intelligence
AIEBA average interest-earning banking assets
AIRB Advanced Internal Ratings-based
AMA Advanced Measurement Approach
AML anti-money-laundering
API application programming interface
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
CIPC Companies and Intellectual Property Commission
CLR credit loss ratio
COE cost of equity
CPI consumer price index
CPF commercial-property finance
CSI corporate social investment
CVP client value proposition
D1/2020 or D1 Directive 1 of 2020 issued by the Prudential Authority
D2/2020 or D2 Directive 2 of 2020 issued by the Prudential Authority
D3/2020 or D3 Directive 3 of 2020 issued by the Prudential Authority
D7/2015 or D7 Directive 7 of 2015 issued by the Prudential Authority
DHEPS diluted headline earnings per share
D-SIB domestic systemically important bank
ECL expected credit loss
EE employment equity
ELB entry-level banking
EP economic profit
EPS earnings per share
ESG environmental, social and governance
EV embedded value
ETI Ecobank Transnational Incorporated
FCTR foreign currency translation reserve
FSC Financial Sector Code
FSCA Financial Sector Conduct Authority
FVOCI Fair value through other comprehensive income
FVTPL Fair value through profit or loss
GDP gross domestic product
GFC global financial crisis
GLAA gross loans and advances
GLC Global Lockdown Crisis
G4/2020 Guidance Note 4 of 2020 issued by the Prudential Authority
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
IMF International Monetary Fund
JIBAR Johannesburg Interbank Agreed Rate
JSE JSE Limited
LAA loans and advances
LAP liquid-asset portfolio
LCR liquidity coverage ratio
LIBOR London Interbank Offered Rate
LTI long-term incentive
m million
M&A mergers and acquisitions
MFC Motor Finance Corporation (vehicle finance lending division of Nedbank)
MRC minimum required capital
MZN Mozambican metical
N/A not applicable
NAFEX The Nigerian Autonomous Foreign Exchange Rate Fixing Methodology
NAR Nedbank Africa Regions
NCA National Credit Act, 34 of 2005
NCD negotiable certificate of deposit
NCOF net cash outflows
NGN Nigerian naira
NII net interest income
NIM net interest margin
NIR non-interest revenue
NPL non-performing loan(s)
NPS Net Promoter Score
NSFR net stable funding ratio
nWoW New Ways of Work
OCI other comprehensive income
OM Old Mutual
PA Prudential Authority
PAT profit after tax
PayU Pay-as-you-use account
Plc public listed company
PPOP preprovisioning operating profit
PRMA postretirement medical aid
R rand
RBB Retail and Business Banking
Rbn South African rands expressed in billions
REITs real estate investment trusts
Rm South African rands expressed in millions
ROA return on assets
ROE return on equity
RORWA return on risk-weighted assets
RPA robotic process automation
RRB Retail Relationship Banking
RTGS real-time gross settlement
RWA risk-weighted assets
SA South Africa
SAcsi The South African Customer Satisfaction Index
SADC Southern African Development Community
SAICA South African Institute of Chartered Accountants
SARB South African Reserve Bank
SDGs Sustainable Development Goals
SICR Significant increase in credit risk
SME small to medium-sized enterprise
STI short-term incentive
TSA The Standardised Approach
TTC through the cycle
UK United Kingdom
USA United States of America
USD United States dollar (currency code)
USSD unstructured supplementary service data
VAF vehicle and asset finance
VaR value at risk
VIU value in use
VNB value of new business
YES Youth Employment Service
yoy year on year
ytd year to date
ZAR South African rand (currency code)

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