NEDBANK

RESILIENCE. TRANSITION. REIMAGINE.

PROVISIONAL AUDITED RESULTS

FOR THE YEAR ENDED 31 DECEMBER

2020

see money differently

PROVISIONAL AUDITED RESULTS

for the year ended 31 December 2020

OVERVIEW

Nedbank Limited (Nedbank) is a wholly owned subsidiary of Nedbank Group Limited (Nedbank Group), which is listed on JSE Limited. These summary consolidated financial results are published on the Securities Exchange News Service (SENS) to provide information to holders of Nedbank's listed non-redeemable, non-cumulative, non-participating preference shares.

Commentary relating to the Nedbank summary consolidated financial results is included in the Nedbank Group results, as presented to shareholders on 17 March 2021. Further information is provided at nedbank.co.za.

BOARD AND LEADERSHIP CHANGES DURING THE PERIOD

Peter Moyo tendered his resignation as a non-executive director of Nedbank Group Limited and Nedbank Limited with effect from 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 in line with the relationship agreement between Old Mutual Limited (OML) and Nedbank Group 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. On 22 January 2021 our Group Chairman, Vassi Naidoo took a leave of absence, to focus on treatment he is receiving for a medical condition that is unrelated to Covid-19. In terms of Nedbank Group's Board Continuity Programme, Mpho Makwana (Lead Independent Director of the group) assumed the role as acting Chairman until Vassi's return.

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. In accordance with Nedbank Group's executive succession plan and after a process overseen by a panel of non-executive directors, Mike Davis, formerly Group Executive: Balance Sheet Management and an existing member of Group Executive Committee, was appointed as the Group's CFO and to the Group's Boards on 1 October 2020.

Brian Kennedy, Group Managing Executive: Nedbank CIB, reached the mandatory retirement age of 60 and retired on 31 March 2020 and Anél Bosman was appointed 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.

BASIS OF PREPARATION#

Nedbank Limited is a company domiciled in SA. The audited summary consolidated financial statements of the group at and for the year ended 31 December 2020 comprise those of the company and its subsidiaries (group) and the group's interests in associates and joint arrangements.

The summary consolidated financial statements comprise the summary consolidated statement of financial position at 31 December 2020, the summary consolidated statement of comprehensive income, the summary consolidated statement of changes in equity, the summary consolidated statement of cashflows for the year ended 31 December 2020 and selected explanatory notes, which are indicated by the symbol#. The summary consolidated financial statements and the full set of consolidated financial statements have been prepared under the supervision of Mike Davis CA(SA), the CFO.

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The listings requirements entail provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements issued by the Financial Reporting Standards Council. It also requires, as a minimum, that reports contain the information required by IAS 34: Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those used for the previous annual financial statements.

EVENTS AFTER THE REPORTING PERIOD#

On 24 February 2021, the Minister of Finance announced a change in corporate income tax rates from 28% to 27%, applicable to companies. This change is effective for companies with years of assessment commencing on or after 1 April 2022. Deferred tax balances are reflected at 28% as the rate which was substantively enacted at 31 December 2020. The estimated impact of the rate change is R7,6m decrease in deferred tax asset and R29,9m increase in direct taxation. The directors are not aware of any further events (as defined in IAS10: Events after the Reporting Period) after the reporting date of 31 December 2020 and the date on which these annual consolidated financial statements were authorised.

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS – INDEPENDENT AUDITORS' OPINION

The summary consolidated financial statements for the year ended 31 December 2020 have been audited by Ernst & Young Inc. and Deloitte & Touche, who expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the consolidated financial statements from which these summary consolidated financial statements were derived. The audit report issued also includes communication of key audit matters.

Copies of the auditors' report on the summary consolidated financial statements and of the auditors' report on the consolidated financial statements are available for inspection at the company's registered office, together with the consolidated financial statements identified in the respective auditors' reports.

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

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 Group and its group companies that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include global, national and regional health; political and economic conditions; sovereign credit ratings; levels of securities markets; interest rates; credit or other risks of lending and investment activities; as well as competitive, regulatory and legal factors. By consequence, the financial information on which all forward-looking statements is based has not been reviewed or reported on by the group's joint auditors.

NEDBANK NON-REDEEMABLE, NON-CUMULATIVE, NON-PARTICIPATING PREFERENCE SHARES – DECLARATION OF DIVIDEND NO 36

Notice is hereby given that gross preference dividend no 36 of 29,45696 cents per share has been declared for the period from 1 July 2020 to 31 December 2020, payable on Monday, 19 April 2021, 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, 16 April 2021. 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 23,56557 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, 13 April 2021
Shares commence trading (ex dividend)	Wednesday, 14 April 2021
Record date (date shareholders recorded in books)	Friday, 16 April 2021
Payment date	Monday, 19 April 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 14 April 2021, and Friday, 16 April 2021, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. The acceptance/collection of cheques has ceased, effective from 31 December 2020. In the absence of specific mandates, the dividend will be withheld until such time that shareholders provide their banking information. Shareholders who have dematerialised their share certificates will have their accounts at their participant or broker credited on Monday, 19 April 2021.

For and on behalf of the board

Mpho Makwana
Acting Chairman

Mike Brown
Chief Executive

17 March 2021

REGISTERED OFFICE

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

TRANSFER SECRETARIES

JSE Investor Services (Pty) Limited, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 SA. PO Box 4844, Marshalltown, 2000, SA.

DIRECTORS

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

*** Executive *** Lead Independent Director*

Group 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
ISIN	ZAE000043667
JSE alpha code	BINBK

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Nedbank Limited Reg No 1951/000009/06.
Prepared under the supervision of the Nedbank Group CFO, Mike Davis BCom (Hons), DipAcc, CA(SA), AMP (Insead).
A copy of the Nedbank Limited audited consolidated annual financial statements can be obtained by contacting Nedbank Group Investor Relations at NedGroupIR@nedbank.co.za.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended

	Change (%)	31 December 2020 (Audited) Rm	31 December 2019 (Audited) Rm
Interest and similar income	(13,4)	**68 654**	79 240
Interest expense and similar charges	(20,7)	**41 146**	51 888
Net interest income	0,6	**27 508**	27 352
Impairments charge on financial instruments	>100	**12 425**	5 953
Income from lending activities	(29,5)	**15 083**	21 399
Non-interest revenue	(9,0)	**19 026**	20 905
Operating income	(19,4)	**34 109**	42 304
Total operating expenses	(0,7)	**27 705**	27 891
Indirect taxation	5,8	**1 017**	961
Profit from operations before non-trading and capital items	(60,0)	**5 387**	13 452
Non-trading and capital items	1,7	**(417)**	(424)
Profit from operations	(61,9)	**4 970**	13 028
Share of gains of associate companies	(5,0)	**115**	121
Profit before direct taxation	(61,3)	**5 085**	13 149
Total direct taxation	(62,2)	**1 164**	3 076
Direct taxation		**1 283**	3 205
Taxation on non-trading and capital items		**(119)**	(129)
Profit for the year	(61,1)	**3 921**	10 073
Other comprehensive income (OCI) net of taxation	77,8	**256**	144
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translating foreign operations		**199**	(37)
Debt investments at fair value through OCI (FVOCI) – net change in fair value		**96**	(294)
Items that may not subsequently be reclassified to profit or loss			
(Losses)/Gains on property revaluations		**(40)**	145
Remeasurements on long-term employee benefit assets		**1**	330
Total comprehensive income for the year	(59,1)	**4 177**	10 217
Profit attributable to:			
– Ordinary shareholders	(60,6)	**3 977**	10 087
– Holders of participating preference shares		**(58)**	
– Non-controlling interest – ordinary shareholders	>100	**2**	(14)
Profit for the year	(61,1)	**3 921**	10 073
Total comprehensive income attributable to:			
– Ordinary shareholders	(58,6)	**4 233**	10 231
– Holders of participating preference shares		**(58)**	
– Non-controlling interest – ordinary shareholders	>100	**2**	(14)
Total comprehensive income for the year	(59,1)	**4 177**	10 217

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at

	Change (%)	31 December 2020 (Audited) Rm	31 December 2019 (Restated) (Audited) Rm	1 January 2019 (Restated) (Audited) Rm
Assets				
Cash and cash equivalents	(1,0)	**8 115**	8 199	7 931
Other short-term securities	(36,1)	**27 082**	42 395	57 844
Derivative financial instruments	>100	**79 933**	34 923	22 412
Government and other securities[1]	31,8	**131 380**	99 709	73 487
Loans and advances[1]	2,5	**835 568**	815 063	748 428
Other assets	(1,3)	**10 407**	10 544	12 040
Current taxation assets	(64,8)	**75**	213	105
Investment securities	(8,2)	**8 269**	9 007	6 787
Non-current assets held for sale	(23,3)	**69**	90	305
Investments in associate companies and joint arrangements	(15,6)	**1 037**	1 229	786
Deferred taxation assets	>100	**346**	42	40
Investment property	(100)		56	
Property and equipment	(7,1)	**9 661**	10 403	8 367
Long-term employee benefit assets	(3,7)	**5 709**	5 505	4 764
Mandatory reserve deposits with central banks	(14,3)	**24 482**	21 424	19 789
Intangible assets	(7,5)	**10 225**	9 508	8 538
Total assets	7,9	**1 152 358**	1 068 310	971 623
Equity and liabilities				
Ordinary share capital		**28**	28	28
Ordinary share premium	4,6	**20 073**	19 182	19 182
Reserves	(0,1)	**53 512**	53 582	49 636
Total equity attributable to ordinary equity holders	1,1	**73 613**	72 792	68 846
Preference share capital and premium		**3 561**	3 561	3 561
Holders of participating preference shares	>(100)	**(58)**	7	561
Holders of additional tier 1 capital instruments	14,2	**7 822**	6 850	3 416
Non-controlling interest attributable to ordinary shareholders	22,2	**11**	9	23
Total equity	2,1	**84 949**	83 219	76 407
Derivative financial instruments	>100	**64 649**	27 621	19 761
Amounts owed to depositors	5,5	**929 761**	881 297	806 487
Provisions and other liabilities	(8,3)	**12 359**	13 473	10 414
Current taxation liabilities	>100	**516**	42	272
Deferred taxation liabilities	(76,0)	**155**	645	224
Long-term employee benefit liabilities	(1,5)	**2 366**	2 401	2 648
Long-term debt instruments	(3,4)	**57 603**	59 612	55 410
Total liabilities	8,4	**1 067 409**	985 091	895 216
Total equity and liabilities	7,9	**1 152 358**	1 068 310	971 623

[1] *During the year, the group reviewed its presentation of listed corporate bonds. As a result of this review, the group's listed corporate bonds previously included in 'Government and other securities' have been reclassified to 'Loans and advances' in order to better reflect the group's credit risk management practices and associated business model. To provide comparability the prior-year balances have been restated accordingly. The reclassification had no impact on the group's statement of comprehensive income, statement of changes in equity and statement of cashflows.*

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total equity attributable to ordinary equity holders Rm	Preference share capital and premium Rm	Holders of of preference shares in subsidiary companies Rm	Holder of participating 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
Additional tier 1 capital instruments issued					3 500		3 500
Preference share dividend	(345)				(66)		(411)
Preference share buybacks			(554)				(554)
Additional tier 1 capital instruments interest paid	(496)						(496)
Dividend to ordinary shareholders	(4 750)						(4 750)
Total comprehensive income for the year	10 231					(14)	10 217
Share-based payment reserve movement	(441)						(441)
Other movements	(12)						(12)
Audited balance at 31 December 2019	**72 792**	**3 561**	**7**	**–**	**6 850**	**9**	**83 219**
Additional tier 1 capital instruments issued					**972**		**972**
Shares issued	**891**						**891**
Preference share dividend	**(280)**						**(280)**
Preference share buybacks			**(7)**				**(7)**
Additional tier 1 capital instruments interest paid	**(739)**						**(739)**
Dividend to ordinary shareholders	**(2 800)**						**(2 800)**
Total comprehensive income for the year	**4 233**			**(58)**		**2**	**4 177**
Share-based payment reserve movement	**(491)**						**(491)**
Other movements	**7**						**7**
Audited balance at 31 December 2020	**73 613**	**3 561**	**–**	**(58)**	**7 822**	**11**	**84 949**

SUMMARY CONSOLIDATED STATEMENT OF CASHFLOWS

for the year ended

	31 December 2020 (Audited) Rm	31 December 2019 (Restated) (Audited) Rm
Cash generated by operations[2]	**17 429**	26 092
Change in funds for operating activities[2]	**(3 386)**	(13 775)
Net cash from operating activities before taxation	**14 043**	12 317
Taxation paid	**(2 344)**	(3 815)
Cashflows from operating activities	**11 699**	8 502
Cashflows utilised by investing activities	**(3 995)**	(7 821)
Cashflows (utilised by)/from financing activities	**(4 730)**	1 222
Effects of exchange rate changes on opening cash and cash equivalents	**[1]**	[1]
Net increase in cash and cash equivalents	**2 974**	1 903
Cash and cash equivalents at the beginning of the year[3]	**29 623**	27 720
Cash and cash equivalents at the end of the year[3]	**32 597**	29 623

[1] *Represents amounts less than R1m.*

[2] *During the year, management corrected the group's cashflow from operating activities disclosure to exclude non- cash items (ie accrued interest income, accrued interest expense, unrealised fair-value adjustments, share-based payment expense and employee benefit accruals) from the presentation of cash received from clients and cash paid to clients, employees and suppliers which were previously erroneously included in the consolidated statement of cashflows. As a result, the comparative information has been restated.*

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

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020#

REVENUE

for the year ended

	31 December 2020 (Audited) Rm	31 December 2019 (Audited) Rm
Interest and similar income	**68 654**	79 240
Home loans (including properties in possession)	**11 435**	14 170
Commercial mortgages	**13 688**	16 192
Instalment debtors	**12 361**	13 997
Credit cards	**2 237**	2 564
Overdrafts	**1 596**	1 961
Term and other loans	**19 064**	21 820
Government and other securities	**7 451**	7 090
Short-term funds and securities	**822**	1 446
Interest expense and similar charges	**(41 146)**	(51 888)
Deposit and loan accounts	**(22 075)**	(29 531)
Current and savings accounts	**(597)**	(950)
Negotiable certificates of deposit	**(7 007)**	(8 002)
Other interest-bearing liabilities	**(9 444)**	(11 889)
Long-term debt instruments	**(4 625)**	(5 315)
Interest expense related to fair-value activities	**2 602**	3 799
Net interest income	**27 508**	27 352
Non-interest revenue	**19 026**	20 905
Net commission and fee income	**14 393**	16 004
Net insurance income	**1**	145
Fair-value adjustments	**336**	51
Net trading income	**4 550**	4 062
Private-equity income	**(945)**	257
Investment income	**183**	188
Net sundry income	**508**	198
Revenue	**46 534**	48 257

SEGMENTAL REPORTING

for the year ended

The group has one segment, therefore no additional segment disclosures have been provided. The group's measure of segment profit is headline earnings, refer to note below.

The group incorrectly provided segment information for the following segments (Nedbank Corporate and Investment Banking, Nedbank Retail and Business Banking, Nedbank Wealth, Nedbank Africa Regions and Centre) in the prior year. The group's internal management reporting and reviews submitted to the chief operating decision maker, the Group Executive Committee, are based on Nedbank level information only.

HEADLINE EARNINGS RECONCILIATION

for the year ended

	Change (%)	31 December 2020 (Audited) Rm Gross	31 December 2020 (Audited) 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	(60,6)		**3 977**		10 087
Non-trading and capital items	1,0	**417**	**298**	424	295
IAS 16 loss on disposal of property and equipment		**73**	**55**	18	13
IAS 36 impairment of property and equipment				148	107
IAS 36 impairment of intangible assets		**207**	**149**	227	153
IAS 40 loss/(profit) on revaluation of investment properties		**2**	**2**	(2)	(2)
IFRS 5 impairment reversal of non-current assets held for sale		**(17)**	**(17)**		
IFRS 16 impairment of right-of-use assets		**152**	**109**	33	24
Headline earnings	(58,8)		**4 275**		10 382

CONTINGENT LIABILITIES AND COMMITMENTS

CONTINGENT LIABILITIES AND UNDRAWN FACILITIES

at

	31 December 2020 (Audited) Rm	31 December 2019 (Audited) Rm
Guarantees on behalf of clients	**28 941**	23 220
Letters of credit and discounting transactions	**7 958**	6 702
Irrevocable unutilised facilities and other	**149 723**	145 183
	186 622	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 outcomes of which cannot currently be foreseen. None of these matters are material in nature.

COMMITMENTS

Capital expenditure approved by directors

at

	31 December 2020 (Audited) Rm	31 December 2019 (Audited) Rm
Contracted but not provided for [1]	**208**	193
	208	193

[1] *During the year, the group reviewed the authorised capital expenditure presentation. As a result of this review, the presentation has been enhanced to reflect only the capital expenditure that has been contracted but not provided for. In addition, during the review it was identified that certain contracts were incorrectly disclosed as contracted. The prior-year balance has been restated from R373m to R193m.*

CASHFLOW INFORMATION

for the year ended

	31 December 2020 (Audited) Rm	31 December 2019 (Audited) Rm
Acquisition of property and equipment, computer software and development costs, and investment property	**(3 696)**	(4 476)
Issue of additional tier 1 capital instruments	**972**	3 500
Issue of long-term debt instruments	**5 189**	12 895
Redemption of long-term debt instruments	**(7 039)**	(8 737)
Capital repayments of lease liabilities	**(924)**	(845)
Dividends to ordinary shareholders	**(2 800)**	(4 750)
Preference share dividends paid	**(280)**	(345)
Additional tier 1 capital instruments interest paid	**(739)**	(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 validated independently prior to implementation.

The group's current trading activities are focused on liquid markets, which are in line with the current regulatory liquidity horison 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 measure, without any material change to the underlying trading positions.

	31 December 2020 (Audited)				31 December 2019 (Audited)			
Rm	**Average**	**Minimum**	**Maximum**	**Year-end**	**Average**	**Minimum**	**Maximum**	**Year-end**
Foreign exchange	**6,8**	**1,4**	**18,6**	**9,2**	4,3	0,9	11,6	2,6
Interest rate	**70,3**	**32,0**	**128,2**	**97,7**	34,6	20,2	45,3	35,0
Equity	**3,3**	**0,1**	**14,5**	**4,1**	0,5	<0,1	3,9	1,0
Credit	**16,0**	**4,7**	**42,3**	**16,6**	7,7	4,0	9,7	4,7
Commodity	**0,2**		**3,6**	**0,1**	0,1	<0,1	0,7	0,1
Diversification	**(31,0)**			**(45,8)**	(12,1)			(10,1)
Total VaR exposure	**65,6**	**30,0**	**125,1**	**81,9**	35,1	22,4	47,6	33,3

LOSS ALLOWANCE

The following tables 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:

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 balances at 1 January 2019	620 991	2 608	618 383	67 638	3 409	64 229	22 708	8 723	13 985	711 337	14 740	696 597
New financial assets originated or purchased	225 205	2 338	222 867			–			–	225 205	2 338	222 867
Financial assets written off			–			–	(5 392)	(3 150)	(2 242)	(5 392)	(3 150)	(2 242)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(33 671)	3 432	(37 103)	(2 576)	1 186	(3 762)	(3 950)	(413)	(3 537)	(40 197)	4 205	(44 402)
Final repayments	(110 472)	(457)	(110 015)	(13 779)	(275)	(13 504)	(1 836)	(445)	(1 391)	(126 087)	(1 177)	(124 910)
Transfers to 12-month ECL	22 685	724	21 961	(21 109)	(594)	(20 515)	(1 576)	(130)	(1 446)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(44 908)	(2 267)	(42 641)	49 110	2 568	46 542	(4 202)	(301)	(3 901)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(11 624)	(3 254)	(8 370)	(8 225)	(2 485)	(5 740)	19 849	5 739	14 110	–	–	–
Foreign exchange movements	(170)	(3)	(167)	(503)	2	(505)	3	3	–	(670)	2	(672)
Audited balance at 31 December 2019	668 036	3 121	664 915	70 556	3 811	66 745	25 604	10 026	15 578	764 196	16 958	747 238

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	200 938	2 052	198 886			–			–	200 938	2 052	198 886
Financial assets written off			–			–	(7 361)	(7 361)	–	(7 361)	(7 361)	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(56 061)	5 303	(61 364)	(10 030)	4 070	(14 100)	(2 828)	4 700	(7 528)	(68 919)	14 073	(82 992)
Final repayments	(120 784)	(785)	(119 999)	(19 423)	(297)	(19 126)	(1 304)	(433)	(871)	(141 511)	(1 515)	(139 996)
Transfers to 12-month ECL	38 592	836	37 756	(35 897)	(687)	(35 210)	(2 695)	(149)	(2 546)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(100 761)	(2 496)	(98 265)	102 857	2 688	100 169	(2 096)	(192)	(1 904)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(19 733)	(4 132)	(15 601)	(13 988)	(3 080)	(10 908)	33 721	7 212	26 509	–	–	–
Foreign exchange movements	4 153	9	4 144	72	(4)	76	12	8	4	4 237	13	4 224
Net balances	614 380	3 908	610 472	94 147	6 501	87 646	43 053	13 811	29 242	751 580	24 220	727 360
Total credit and zero balances[2]	7 519	(49)	7 568	22	(12)	34	58	–	58	7 599	(61)	7 660
Audited balance at 31 December 2020	**621 899**	**3 859**	**618 040**	**94 169**	**6 489**	**87 680**	**43 111**	**13 811**	**29 300**	**759 179**	**24 159**	**735 020**
Loans and advances at FVTPL												78 065
Loans at FVOCI[3]												17 821
Off-balance sheet impairment allowance												560
Fair-value hedge-accounted portfolios												4 163
ECL credit and other balances												(61)
Audited loans and advances at 31 December 2020	**621 899**	**3 859**	**618 040**	**94 169**	**6 489**	**87 680**	**43 111**	**13 811**	**29 300**	**759 179**	**24 159**	**835 568**

[1] *Repayments net of readvances, capitalised interest, fees and ECL remeasurements throughout this note includes credit risk changes as a result of SICR, changes in credit risk that did not result in a transfer between stages, changes in model inputs and model input assumptions, and changes due to drawdowns of undrawn commitments.*

[2] *Total credit and zero balances throughout this note refer to the loss allowance on balances that became liabilities to the group during the financial year. The group however still has credit risk exposure on these facilities.*

[3] *Loans and advances at FVOCI was previously included in the loans and advances at amortised cost presentation table. The 2019 balances have been restated to separately disclose FVOCI loans and advances.*

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 balances at 1 January 2019	121 587	215	121 372	15 343	608	14 735	6 507	1 365	5 142	143 437	2 188	141 249
New financial assets originated or purchased	10 754	35	10 719			–			–	10 754	35	10 719
Financial assets written off			–			–	(240)	(179)	(61)	(240)	(179)	(61)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	5 110	458	4 652	(38)	(22)	(16)	(593)	(108)	(485)	4 479	328	4 151
Final repayments	(8 181)	(13)	(8 168)	(902)	(30)	(872)	(397)	(96)	(301)	(9 480)	(139)	(9 341)
Transfers to 12-month ECL	5 566	19	5 547	(5 043)	(16)	(5 027)	(523)	(3)	(520)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(5 290)	(192)	(5 098)	6 486	260	6 226	(1 196)	(68)	(1 128)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(1 704)	(271)	(1 433)	(1 956)	(281)	(1 675)	3 660	552	3 108	–	–	–
Foreign exchange movements	312	16	296		4	(4)			–	312	20	292
Audited 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	**9 237**	**35**	**9 202**			**–**			**–**	**9 237**	**35**	**9 202**
Financial assets written off			**–**			**–**	**(222)**	**(222)**	**–**	**(222)**	**(222)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**6 485**	**508**	**5 977**	**6**	**552**	**(546)**	**(463)**	**180**	**(643)**	**6 028**	**1 240**	**4 788**
Final repayments	**(7 971)**	**(13)**	**(7 958)**	**(699)**	**(23)**	**(676)**	**(404)**	**(77)**	**(327)**	**(9 074)**	**(113)**	**(8 961)**
Transfers to 12-month ECL	**5 227**	**23**	**5 204**	**(4 673)**	**(17)**	**(4 656)**	**(554)**	**(6)**	**(548)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(9 656)**	**(209)**	**(9 447)**	**10 645**	**265**	**10 380**	**(989)**	**(56)**	**(933)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(2 804)**	**(295)**	**(2 509)**	**(3 453)**	**(520)**	**(2 933)**	**6 257**	**815**	**5 442**	**–**	**–**	**–**
Foreign exchange movements			**–**		**(4)**	**4**			**–**	**–**	**(4)**	**4**
Net balances	**128 672**	**316**	**128 356**	**15 716**	**776**	**14 940**	**10 843**	**2 097**	**8 746**	**155 231**	**3 189**	**152 042**
Total credit and zero balances	**163**	**(1)**	**164**	**4**		**4**	**9**		**9**	**176**	**(1)**	**177**
Audited balance at 31 December 2020	**128 835**	**315**	**128 520**	**15 720**	**776**	**14 944**	**10 852**	**2 097**	**8 755**	**155 407**	**3 188**	**152 219**

Commercial mortgages

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	139 360	300	139 060	19 693	233	19 460	2 909	434	2 475	161 962	967	160 995
New financial assets originated or purchased	45 710	168	45 542			–			–	45 710	168	45 542
Financial assets written off			–			–	(13)	(12)	(1)	(13)	(12)	(1)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(1 331)	(82)	(1 249)	3 028	86	2 942	254	96	158	1 951	100	1 851
Final repayments	(28 689)	(58)	(28 631)	(6 160)	(31)	(6 129)	(584)	(80)	(504)	(35 433)	(169)	(35 264)
Transfers to 12-month ECL	7 485	58	7 427	(6 896)	(53)	(6 843)	(589)	(5)	(584)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(7 489)	(35)	(7 454)	9 202	150	9 052	(1 713)	(115)	(1 598)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(1 352)	(130)	(1 222)	(730)	(48)	(682)	2 082	178	1 904	–	–	–
Foreign exchange movements	(900)	(16)	(884)	501	(3)	504	2		2	(397)	(19)	(378)
Audited balance at 31 December 2019	152 794	205	152 589	18 638	334	18 304	2 348	496	1 852	173 780	1 035	172 745
New financial assets originated or purchased	**48 872**	**150**	**48 722**			**–**			**–**	**48 872**	**150**	**48 722**
Financial assets written off			**–**			**–**	**(29)**	**(29)**	**–**	**(29)**	**(29)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(7 390)**	**55**	**(7 445)**	**(1 394)**	**681**	**(2 075)**	**(339)**	**310**	**(649)**	**(9 123)**	**1 046**	**(10 169)**
Final repayments	**(28 592)**	**(53)**	**(28 539)**	**(1 744)**	**(76)**	**(1 668)**	**(169)**	**(51)**	**(118)**	**(30 505)**	**(180)**	**(30 325)**
Transfers to 12-month ECL	**7 990**	**117**	**7 873**	**(7 786)**	**(103)**	**(7 683)**	**(204)**	**(14)**	**(190)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(13 150)**	**(69)**	**(13 081)**	**13 198**	**77**	**13 121**	**(48)**	**(8)**	**(40)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(1 220)**	**(43)**	**(1 177)**	**(2 672)**	**(223)**	**(2 449)**	**3 892**	**266**	**3 626**	**–**	**–**	**–**
Foreign exchange movements	**73**	**1**	**72**			**–**			**–**	**73**	**1**	**72**
Audited balance at 31 December 2020	**159 377**	**363**	**159 014**	**18 240**	**690**	**17 550**	**5 451**	**970**	**4 481**	**183 068**	**2 023**	**181 045**

Credit cards and overdrafts	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 balances at 1 January 2019	21 966	567	21 399	4 500	676	3 824	2 702	1 916	786	29 168	3 159	26 009
New financial assets originated or purchased	6 696	245	6 451			–			–	6 696	245	6 451
Financial assets written off			–			–	(1 626)	(918)	(708)	(1 626)	(918)	(708)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	9 864	1 018	8 846	1 058	46	1 012	(54)	(236)	182	10 868	828	10 040
Final repayments	(7 749)	(98)	(7 651)	(2 856)	(41)	(2 815)	(234)	(67)	(167)	(10 839)	(206)	(10 633)
Transfers to 12-month ECL	2 172	120	2 052	(2 078)	(97)	(1 981)	(94)	(23)	(71)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(5 210)	(325)	(4 885)	5 247	336	4 911	(37)	(11)	(26)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(1 395)	(742)	(653)	(851)	(422)	(429)	2 246	1 164	1 082	–	–	–
Foreign exchange movements	37	3	34	(66)	2	(68)	(4)	(1)	(3)	(33)	4	(37)
Audited balance at 31 December 2019	26 381	788	25 593	4 954	500	4 454	2 899	1 824	1 075	34 234	3 112	31 122
New financial assets originated or purchased	**7 774**	**238**	**7 536**			**–**			**–**	**7 774**	**238**	**7 536**
Financial assets written off			**–**			**–**	**(1 421)**	**(1 421)**	**–**	**(1 421)**	**(1 421)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**7 736**	**1 279**	**6 457**	**1 819**	**239**	**1 580**	**(223)**	**896**	**(1 119)**	**9 332**	**2 414**	**6 918**
Final repayments	**(16 007)**	**(83)**	**(15 924)**	**(4 815)**	**(43)**	**(4 772)**	**(185)**	**(83)**	**(102)**	**(21 007)**	**(209)**	**(20 798)**
Transfers to 12-month ECL	**3 413**	**105**	**3 308**	**(2 895)**	**(82)**	**(2 813)**	**(518)**	**(23)**	**(495)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(8 460)**	**(679)**	**(7 781)**	**8 511**	**700**	**7 811**	**(51)**	**(21)**	**(30)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(2 513)**	**(888)**	**(1 625)**	**(1 059)**	**(300)**	**(759)**	**3 572**	**1 188**	**2 384**	**–**	**–**	**–**
Foreign exchange movements	**345**	**(1)**	**346**	**187**	**20**	**167**			**–**	**532**	**19**	**513**
Net balances	**18 669**	**759**	**17 910**	**6 702**	**1 034**	**5 668**	**4 073**	**2 360**	**1 713**	**29 444**	**4 153**	**25 291**
Total credit and zero balances	**7 356**	**(48)**	**7 404**	**18**	**(12)**	**30**	**49**		**49**	**7 423**	**(60)**	**7 483**
Audited balance at 31 December 2020	**26 025**	**711**	**25 314**	**6 720**	**1 022**	**5 698**	**4 122**	**2 360**	**1 762**	**36 867**	**4 093**	**32 774**

Term 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 balances at 1 January 2019	132 153	716	131 437	10 723	561	10 162	5 256	2 361	2 895	148 132	3 638	144 494
New financial assets originated or purchased	80 875	903	79 972			–			–	80 875	903	79 972
Financial assets written off			–			–	(1 602)	(1 198)	(404)	(1 602)	(1 198)	(404)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(38 131)	1 051	(39 182)	(4 968)	333	(5 301)	(1 277)	269	(1 546)	(44 376)	1 653	(46 029)
Final repayments	(19 323)	63	(19 386)	(702)	(60)	(642)	(184)	(84)	(100)	(20 209)	(81)	(20 128)
Transfers to 12-month ECL	2 060	15	2 045	(2 048)	(14)	(2 034)	(12)	(1)	(11)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(8 380)	(598)	(7 782)	8 687	638	8 049	(307)	(40)	(267)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(2 510)	(1 268)	(1 242)	(1 542)	(771)	(771)	4 052	2 039	2 013	–	–	–
Foreign exchange movements	350	(1)	351	(228)	–	(228)	1		1	123	(1)	124
Audited balance at 31 December 2019	147 094	881	146 213	9 922	687	9 235	5 927	3 346	2 581	162 943	4 914	158 029
New financial assets originated or purchased	**42 352**	**973**	**41 379**			**–**			**–**	**42 352**	**973**	**41 379**
Financial assets written off			**–**			**–**	**(3 543)**	**(3 543)**	**–**	**(3 543)**	**(3 543)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(37 956)**	**2 019**	**(39 975)**	**(13)**	**886**	**(899)**	**543**	**1 531**	**(988)**	**(37 426)**	**4 436**	**(41 862)**
Final repayments	**(18 889)**	**(298)**	**(18 591)**	**(4 363)**	**(46)**	**(4 317)**	**(107)**	**(89)**	**(18)**	**(23 359)**	**(433)**	**(22 926)**
Transfers to 12-month ECL	**5 634**	**109**	**5 525**	**(5 617)**	**(108)**	**(5 509)**	**(17)**	**(1)**	**(16)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(25 595)**	**(734)**	**(24 861)**	**26 109**	**788**	**25 321**	**(514)**	**(54)**	**(460)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(6 081)**	**(1 884)**	**(4 197)**	**(1 784)**	**(975)**	**(809)**	**7 865**	**2 859**	**5 006**	**–**	**–**	**–**
Foreign exchange movements	**2 801**	**8**	**2 793**	**72**		**72**	**12**	**7**	**5**	**2 885**	**15**	**2 870**
Audited balance at 31 December 2020	**109 360**	**1 074**	**108 286**	**24 326**	**1 232**	**23 094**	**10 166**	**4 056**	**6 110**	**143 852**	**6 362**	**137 490**

Instalment debtors

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	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	51 049	581	50 468			–			–	51 049	581	50 468
Financial assets written off			–			–	(1 892)	(827)	(1 065)	(1 892)	(827)	(1 065)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(18 346)	1 174	(19 520)	(2 517)	171	(2 688)	(2 332)	(368)	(1 964)	(23 195)	977	(24 172)
Final repayments	(14 845)	(103)	(14 742)	(1 309)	(61)	(1 248)	(193)	(47)	(146)	(16 347)	(211)	(16 136)
Transfers to 12-month ECL	2 965	50	2 915	(2 754)	(45)	(2 709)	(211)	(5)	(206)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(10 484)	(834)	(9 650)	11 278	892	10 386	(794)	(58)	(736)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(3 981)	(732)	(3 249)	(3 111)	(741)	(2 370)	7 092	1 473	5 619	–	–	–
Foreign exchange movements	(1)		(1)			–		1	(1)	(1)	1	(2)
Audited 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	**44 486**	**512**	**43 974**			**–**			**–**	**44 486**	**512**	**43 974**
Financial assets written off			**–**			**–**	**(2 139)**	**(2 139)**	**–**	**(2 139)**	**(2 139)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(15 068)**	**1 342**	**(16 410)**	**(2 769)**	**849**	**(3 618)**	**(2 360)**	**1 440**	**(3 800)**	**(20 197)**	**3 631**	**(23 828)**
Final repayments	**(15 094)**	**(97)**	**(14 997)**	**(1 205)**	**(57)**	**(1 148)**	**(199)**	**(44)**	**(155)**	**(16 498)**	**(198)**	**(16 300)**
Transfers to 12-month ECL	**8 787**	**151**	**8 636**	**(7 599)**	**(119)**	**(7 480)**	**(1 188)**	**(32)**	**(1 156)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(14 186)**	**(599)**	**(13 587)**	**14 675**	**650**	**14 025**	**(489)**	**(51)**	**(438)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(5 622)**	**(954)**	**(4 668)**	**(4 587)**	**(1 019)**	**(3 568)**	**10 209**	**1 973**	**8 236**	**–**	**–**	**–**
Audited balance at 31 December 2020	**106 600**	**1 139**	**105 461**	**16 412**	**1 618**	**14 794**	**10 343**	**3 808**	**6 535**	**133 355**	**6 565**	**126 790**

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 balances at 1 January 2019	14 658	2	14 656	141		141	354		354	15 153	2	15 151
New financial assets originated or purchased	2 373	17	2 356			–			–	2 373	17	2 356
Financial assets written off			–			–			–	–	–	–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(4 508)	47	(4 555)	(203)		(203)	(165)	28	(193)	(4 876)	75	(4 951)
Final repayments	(71)		(71)			–			–	(71)	–	(71)
Transfers to 12-month ECL	71		71	(71)		(71)			–	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(217)	(9)	(208)	209	4	205	8	5	3	–	–	–
Audited 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	**4 387**	**23**	**4 364**			**–**			**–**	**4 387**	**23**	**4 364**
Financial assets written off			**–**			**–**			**–**	**–**	**–**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(4 782)**	**12**	**(4 794)**	**(11)**	**(4)**	**(7)**	**4**	**34**	**(30)**	**(4 789)**	**42**	**(4 831)**
Final repayments	**(71)**		**(71)**			**–**			**–**	**(71)**	**–**	**(71)**
Transfers to 12-month ECL	**75**		**75**	**(75)**		**(75)**			**–**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(865)**	**(14)**	**(851)**	**865**	**14**	**851**			**–**	**–**	**–**	**–**
Audited balance at 31 December 2020	**11 050**	**78**	**10 972**	**855**	**14**	**841**	**201**	**67**	**134**	**12 106**	**159**	**11 947**

Specialised and other loans to clients[4]	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 balances at 1 January 2019	94 327	104	94 223	928	185	743	141	93	48	95 396	382	95 014
New financial assets originated or purchased	27 748	232	27 516			–			–	27 748	232	27 516
Financial assets written off			–			–	(19)	(16)	(3)	(19)	(16)	(3)
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	13 671	(243)	13 914	1 064	547	517	217	(156)	373	14 952	148	14 804
Final repayments	(31 614)	(71)	(31 543)	(1 850)	(40)	(1 810)	(244)	(43)	(201)	(33 708)	(154)	(33 554)
Transfers to 12-month ECL	2 366	352	2 014	(2 219)	(308)	(1 911)	(147)	(44)	(103)	–	–	–
Transfers to lifetime ECL (not credit-impaired)	(7 838)	(214)	(7 624)	8 001	225	7 776	(163)	(11)	(152)	–	–	–
Transfers to lifetime ECL (credit-impaired)	(682)	(71)	(611)	(35)	(220)	185	717	291	426	–	–	–
Foreign exchange movements	32	(3)	35	(710)	(3)	(707)	4	2	2	(674)	(4)	(670)
Audited balance at 31 December 2019	98 010	86	97 924	5 179	386	4 793	506	116	390	103 695	588	103 107
New financial assets originated or purchased	**43 830**	**98**	**43 732**			**–**			**–**	**43 830**	**98**	**43 732**
Financial assets written off			**–**			**–**	**(7)**	**(7)**	**–**	**(7)**	**(7)**	**–**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**(5 086)**	**48**	**(5 134)**	**(7 668)**	**631**	**(8 299)**	**10**	**94**	**(84)**	**(12 744)**	**773**	**(13 517)**
Final repayments	**(34 160)**	**(64)**	**(34 096)**	**(6 597)**	**(40)**	**(6 557)**	**(240)**	**(61)**	**(179)**	**(40 997)**	**(165)**	**(40 832)**
Transfers to 12-month ECL	**7 466**	**116**	**7 350**	**(7 252)**	**(107)**	**(7 145)**	**(214)**	**(9)**	**(205)**	**–**	**–**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(28 849)**	**(121)**	**(28 728)**	**28 854**	**123**	**28 731**	**(5)**	**(2)**	**(3)**	**–**	**–**	**–**
Transfers to lifetime ECL (credit-impaired)	**(1 493)**	**(67)**	**(1 426)**	**(433)**	**(16)**	**(417)**	**1 926**	**83**	**1 843**	**–**	**–**	**–**
Foreign exchange movements	**934**	**1**	**933**	**(187)**	**(20)**	**(167)**		**1**	**(1)**	**747**	**(18)**	**765**
Audited balance at 31 December 2020	**80 652**	**97**	**80 555**	**11 896**	**957**	**10 939**	**1 976**	**215**	**1 761**	**94 524**	**1 269**	**93 255**

[4] *Specialised and other loans to clients include properties in possession, overnight loans, factoring accounts, trade, other bills and bankers' acceptances and other loans.*

Financial guarantees and loan commitments	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	Allowance for ECL	Allowance for ECL	Allowance for ECL	Allowance for ECL
Audited net balance at 1 January 2019	56	48	62	166
New financial assets originated or purchased	157			157
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	9	25	62	96
Final repayments	(177)	(12)	(28)	(217)
Transfers to 12-month ECL	110	(61)	(49)	–
Transfers to lifetime ECL (not credit-impaired)	(60)	63	(3)	–
Transfers to lifetime ECL (credit-impaired)	(40)	(2)	42	–
Foreign exchange movements	(2)	2	1	1
Audited net balance at 31 December 2019	53	63	87	203
New financial assets originated or purchased	**23**			**23**
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	**40**	**236**	**215**	**491**
Final repayments	**(177)**	**(12)**	**(28)**	**(217)**
Transfers to 12-month ECL	**215**	**(151)**	**(64)**	**–**
Transfers to lifetime ECL (not credit-impaired)	**(71)**	**71**		**–**
Transfers to lifetime ECL (credit-impaired)	**(1)**	**(27)**	**28**	**–**
Audited balance at 31 December 2020	**82**	**180**	**238**	**500**

ECONOMIC SCENARIOS

FORWARD-LOOKING INFORMATION INCORPORATED IN THE ECL MODELS

To account for forward-looking information (FLI) the ECL input parameters [PD, loss-given default (LGD) and exposure at default (EAD)] are typically linked to macroeconomic drivers such as the prime rate, gross domestic product (GDP) growth, household debt-to-income, consumer price inflation and credit growth. Overlays are raised where the modelling inadequately captures the risks within the portfolio.

The incorporation of FLI into the ECL allows for a range of macroeconomic outcomes to capture non-linearities. The parameter inputs used to estimate the ECL are modelled on four macroeconomic scenarios: base (expected), positive, mild stress and high stress. Scenarios are provided by the Nedbank Group Economic Unit and incorporate historical trends, statistical models and expert judgement. The macroeconomic scenarios are updated quarterly, with the option of an out-of-cycle update based on significant macroeconomic events. There is a robust internal governance process to review and approve the forecasted macroeconomic factors, which include approval by a board subcommittee.

The ECL under each macroeconomic scenario is the sum of the discounted products of the PD, LGD and EAD for that specific scenario. The ECL is calculated to reflect an unbiased and probability-weighted amount, with the scenario weights estimated based on the likelihood of occurrence. The ECL is discounted from the point of default using the most applicable interest rate, or a reasonable estimate thereof, to arrive at the ECL at reporting date.

The forecasted ranges for macroeconomic variables are shown below by using the annual average forecast over the three-year period per scenario.

		31 December 2020 (Audited)						
	Probability weighting (%)	Total ECL allowance	Difference to weighted scenarios			Economic forecast (%)		
Scenario		Rm	Rm	Percentage difference to weighted scenarios	Economic measures	2021	2022	2023
Base case	50	24 695	(122)	(0,49)	GDP Prime HPI	3,04 7,00 2,10	2,22 7,38 2,30	1,52 7,50 3,50
Mild stress	21	25 187	370	1,49	GDP Prime HPI	2,84 7,25 1,81	1,65 8,00 2,12	1,15 8,00 3,08
Positive	21	24 376	(441)	(1,78)	GDP Prime HPI	3,85 7,00 3,60	2,44 7,00 4,10	1,57 7,00 4,80
High stress	8	25 727	910	3,67	GDP Prime HPI	2,14 7,42 1,51	1,68 8,46 1,94	0,92 8,50 2,66
Weighted scenarios	100%	24 817						

Scenario	Probability weighting (%)	Total ECL allowance Rm	Difference to weighted scenarios Rm	Percentage difference to weighted scenarios	Economic measures	Economic forecast (%) 2020	2021	2022
		31 December 2019 (Audited)						
					GDP	1,09	1,32	1,49
Base case	50	17 219	(75)	(0,44)	**Prime**	10,00	10,00	10,00
					HPI	1,69	5,00	5,56
					GDP	0,59	0,66	1,23
Mild stress	21	17 775	481	2,78	**Prime**	10,46	10,42	10,25
					HPI	0,34	1,69	5,00
					GDP	1,69	1,97	2,14
Positive	21	16 532	(762)	(4,41)	**Prime**	9,58	9,50	9,50
					HPI	7,93	9,38	10,00
					GDP	0,02	(0,06)	1,07
High stress	8	18 447	1 153	6,67	**Prime**	10,83	11,00	10,83
					HPI	0,00	1,74	4,27
Weighted scenarios	100%	17 294						

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[1]	Overnight Loans	Specialised and other loans to clients[1]	Leases and instalment debtors	Preference shares and debentures	Factoring accounts
31 December 2020 (Audited)										
Lower than 50%	**1 810**	**584**		**386**	**1 155**		**115**	**285**		
50% to 75%	**2 305**	**323**					**2**	**562**	**201**	
75% to 100%	**3 982**	**2 409**	**23**	**323**	**1 644**		**108**	**1 616**		**164**
Higher than 100%	**2 755**	**2 135**	**40**	**3 413**	**9 078**	**292**	**1 183**	**7 880**		**49**
Total	**10 852**	**5 451**	**63**	**4 122**	**11 877**	**292**	**1 408**	**10 343**	**201**	**213**

Rm LTV distribution	Home loans	Commercial mortgages	Properties in possession	Credit cards and overdrafts	Term loans[1]	Overnight Loans	Specialised and other loans to clients[1]	Leases and instalment debtors	Preference shares and debentures	Factoring accounts
31 December 2019 (Audited)										
Lower than 50%	1 044	337		229	354		33	178	9	2
50% to 75%	1 489	192			12			370		11
75% to 100%	2 612	875	20	158	2		36	1 116		7
Higher than 100%	2 082	944	35	2 550	6 007	171	166	4 845	188	25
Total	7 227	2 348	55	2 937	6 375	171	235	6 509	197	45

[1] *Term loans and other loans were previously presented in one product line, namely 'personal, term and other loans'. In the current financial year 'personal, term and other loans' has been split into 'term loans' and 'specialised and other loans to clients' due to the different nature and size of these accounts.*

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, reference to the value of the assets of underlying business, earnings multiples, a discounted-cashflow analysis and various option pricing models. Valuation techniques applied by the group would generally be classified as level 2 or level 3 in terms of the fair-value hierarchy. The determination of whether an instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the instrument. Inputs typically used in valuation techniques include discount rates, appropriate swap rates, volatility, servicing costs, equity prices, commodity prices, counterparty credit risk and the group's own credit on financial liabilities.

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

FAIR-VALUE HIERARCHY

The financial instruments recognised at fair value have been categorised into the three input levels of the IFRS fair-value hierarchy as follows:

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

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

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

All fair values disclosed below are recurring in nature.

FINANCIAL ASSETS

	Total financial assets		Total financial assets recognised at amortised cost		Total financial assets classified as level 1		Total financial assets classified as level 2		Total financial assets classified as level 3	
	31 Dec 2020 (Audited) Rm	31 Dec 2019 (Audited) Rm	**31 Dec 2020 (Audited) Rm**	31 Dec 2019 (Audited) Rm	**31 Dec 2020 (Audited) Rm**	31 Dec 2019 (Audited) Rm	**31 Dec 2020 (Audited) Rm**	31 Dec 2019 (Audited) Rm	**31 Dec 2020 (Audited) Rm**	31 Dec 2019 (Audited) Rm
Cash and cash equivalents	**32 597**	29 623	**32 597**	29 623						
Other short-term securities[2]	**27 082**	42 395		9 340			**27 082**	33 055		
Derivative financial instruments	**79 933**	34 923			**9**	61	**79 924**	34 862		
Government and other securities[1,2]	**131 380**	99 709	**77 149**	64 392	**46 926**	32 599	**7 305**	2 718		
Loans and advances[1,2]	**835 568**	815 058	**739 682**	754 928			**95 886**	60 130		
Other assets	**9 131**	9 294	**9 131**	9 294						
Investment securities	**8 236**	8 980			**118**	671	**899**	860	**7 219**	7 449
	1 123 927	1 039 982	**858 559**	867 577	**47 053**	33 331	**211 096**	131 625	**7 219**	7 449

[1] *During the year, the group reviewed its presentation of listed corporate bonds. As a result of this review, the group's listed corporate bonds previously included in 'Government and other securities' have been reclassified to 'Loans and advances' to reflect better the group's credit risk management practices as listed corporate bonds are originated through the same business process as loans and advances. To provide comparability the prior-period balances have been restated accordingly. The reclassification had no impact on the group's statement of comprehensive income, statement of changes in equity and statement of cashflows.*

[2] *Certain categories of loans and advances were reclassified between FVOCI, FVTPL and amortised cost in 2019. The measurement basis of these instruments has however not changed.*

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	
	31 Dec 2020 (Audited) Rm	31 Dec 2019 (Audited) Rm	**31 Dec 2020 (Audited) Rm**	31 Dec 2019 (Audited) Rm	**31 Dec 2020 (Audited) Rm**	31 Dec 2019 (Audited) Rm	**31 Dec 2020 (Audited) Rm**	31 Dec 2019 (Audited) Rm
Derivative financial instruments	**64 649**	27 621			**64**	16	**64 585**	27 605
Amounts owed to depositors	**929 757**	881 287	**893 340**	847 515		75	**36 417**	33 697
Provisions and other liabilities	**1 472**	3 381	**1 472**	2 502		879		
Long-term debt instruments	**57 603**	59 612	**57 603**	59 612				
	1 053 481	971 901	**952 415**	909 629	**64**	970	**101 002**	61 302

LEVEL 3 RECONCILIATION

31 December 2020 (Audited)	Opening balance at 1 January Rm	Losses in non-interest revenue in profit for the year 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	Transfers to level 1	Closing balance at 31 December Rm
FINANCIAL ASSETS							
Investment securities	**7 449**	**(1 091)**	**(122)**	**1 764**	**(664)**	**(117)**	**7 219**
	7 449	**(1 091)**	**(122)**	**1 764**	**(664)**	**(117)**	**7 219**

31 December 2019 (Audited)	Opening balance at 1 January 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	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 – LEVEL 3 INSTRUMENTS

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.

The group has developed a risk appetite tool to estimate downside income volatility to determine the effects of changes in significant unobservable assumptions on level 3 instruments. For risk appetite purposes, downside income volatility is estimated using a methodology that follows value-at-risk principles.

31 December 2020 (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 (16) and 19**	**7 219**	**1 381**	**(1 119)**
Total financial assets classified as level 3				**7 219**	**1 381**	**(1 119)**

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

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

	31 December 2020 (Audited) Rm	31 December 2019 (Audited) Rm
Private-equity losses	**(1 091)**	–

SUMMARY OF PRINCIPAL VALUATION TECHNIQUES – LEVEL 2 INSTRUMENTS (AUDITED)

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 (AUDITED)

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 year.

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 dates detailed below are estimated only for the purpose of IFRS disclosure:

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
31 December 2020 (Audited)					
Financial assets	**816 831**	**817 959**	**74 208**	**20 877**	**722 874**
Government and other securities	**77 149**	**74 208**	**74 208**		
Loans and advances	**739 682**	**743 751**		**20 877**	**722 874**
Financial liabilities	**57 603**	**61 465**	**33 928**	**27 537**	**–**
Long-term debt instruments	**57 603**	**61 465**	**33 928**	**27 537**	

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
31 December 2019 (Audited)					
Financial assets	828 660	804 865	63 219	37 285	704 361
Other short-term securities[2]	9 340	9 332		9 332	
Government and other securities[1,2]	64 392	63 379	63 219		160
Loans and advances[1]	754 928	732 154		27 953	704 201
Financial liabilities	59 612	62 115	38 130	23 985	–
Long-term debt instruments	59 612	62 115	38 130	23 985	

[1] *During the year, the group reviewed its presentation of listed corporate bonds. As a result of this review, the group's listed corporate bonds previously included in 'Government and other securities' have been reclassified to 'Loans and advances' in order to reflect the group's credit risk management practices and associated business better. To provide comparability the prior-year balances have been restated accordingly. The reclassification had no impact on the group's statement of comprehensive income, statement of changes in equity and statement of cashflows.*

[2] *It was identified that certain other short-term securities and government and other securities were incorrectly disclosed as FVTPL. The correct classification for these loans and advances is amortised cost. An amount of R1,9bn previously incorrectly disclosed as FVTPL or loss is now disclosed correctly as amortised cost at 31 December 2019. The other short-term securities and government and other securities were correctly measured at amortised cost and there is no impact on profit or loss.*

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, resulting in these assets' fair value being 0.55% higher (2019: 3.1% lower) than carrying value. 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 PDs and LGDs for the periods 2021 to 2023 (2019: for periods 2020 to 2022) are based on the latest available internal data and are 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 used 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 (e.g. interest rates, future forecasts of PDs or LGDs, or macroeconomic conditions) may result in a significant change in the determination of the fair value. Reasonable bounds for the fair value are estimated to be between 0.50% lower and 1.60% higher than the carrying value.

GOVERNMENT AND OTHER SECURITIES

The fair value of government and other securities is determined using available market prices (level 1) or discounted-cashflow analysis (level 3), where an instrument is not quoted or the market is considered to be inactive.

OTHER SHORT-TERM SECURITIES

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

LONG-TERM DEBT INSTRUMENTS

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

AMOUNTS OWED TO DEPOSITORS

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

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

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

ADDITIONAL INFORMATION (UNAUDITED)

LIQUIDITY COVERAGE RATIO

Rm	Total unweighted value[1] (average)	Total weighted value[2] (average)
Total high-quality liquid assets		**200 132**
Cash outflows		
Retail deposits and deposits from small-business clients	196 462	19 646
Less stable deposits	196 462	19 646
Unsecured wholesale funding	311 522	149 918
Operational deposits (all counterparties) and deposits in institutional networks of cooperative banks	158 093	39 523
Non-operational deposits (all counterparties)	152 563	109 529
Unsecured debt	866	866
Secured wholesale funding	11 978	4
Additional requirements	136 626	20 806
Outflows related to derivative exposures and other collateral requirements	4 186	4 186
Credit and liquidity facilities	132 440	16 620
Other contingent funding obligations	173 669	8 217
Total cash outflows	**830 257**	**198 591**
Cash inflows		
Secured lending (eg reverse repurchase agreements)	3 559	3 557
Inflows from fully performing exposures	51 605	38 578
Other cash inflows	617	617
Total cash inflows	**55 781**	**42 752**

	Total adjusted value
Total HQLA	200 132
Total net cash outflows	155 839
Liquidity coverage ratio (%)	**128,4%**

[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 December 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	81 206	–	–	13 716	94 922
Regulatory capital	77 704			12 920	90 624
Other capital instruments	3 502			796	4 298
Retail deposits and deposits from small-business clients	74 701	162 413	11 186	15 347	238 817
Less stable deposits	74 701	162 413	11 186	15 347	238 817
Wholesale funding	126 986	374 958	70 634	114 811	346 160
Operational deposits	123 422	52 836			88 129
Other wholesale funding	3 564	322 122	70 634	114 811	258 031
Other liabilities	11 372	13 014	714	1 527	1 884
Net stable funding ratio (NSFR) derivative liabilities					
All other liabilities and equity not included in the above categories	11 372	13 014	714	1 527	1 884
Total ASF					**681 783**
Required stable funding					
Total NSFR high-quality liquid assets (HQLA)					16 109
Performing loans and securities	–	188 259	68 424	527 005	519 647
Performing loans to financial institutions secured by level 1 HQLA		29 050			2 905
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions		64 343	5 169	25 046	37 282
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		84 843	60 047	364 087	379 416
with a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				12 516	8 135
Performing residential mortgages, of which		2 821	2 992	132 118	91 443
with a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2 821	2 992	118 815	80 137
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		7 202	216	5 754	8 601
Other assets	30 670	229	–	81 271	77 677
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		22			18
NSFR derivative assets				42 762	24 662
NSFR derivative liabilities before deduction of variation margin posted				18 109	1 811
All other assets not included in the above categories	30 670	207		20 400	51 186
Off-balance-sheet items				297 804	10 407
Total required stable funding					**623 840**
NSFR (%)					**109,3%**

The figures above reflect the quarter ending December 2020 , based on regulatory submissions to SARB. This section on the net stable funding ratio has not been audited or reviewed by the group's auditors.

DEFINITIONS

12-month ECL This expected credit loss 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.

Central Counterparty (CCP) A clearing house that interposes itself between counterparties for contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts.

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) income statement impairment 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 their 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 for a specific advance. For all other portfolios, except specialised lending, it is client- or borrower-centred, meaning that should any transaction with 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 (PA) 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 liquidity coverage ratio (LCR) requirement temporarily to 80%, effective from 1 April 2020.

Directive 2 of 2020 A directive from the PA 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 PA that implemented measures to ensure that various types of 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, small and medium enterprises (SMEs) and corporate loans, including all specialist asset classes such as commercial property.

Directive 7 of 2015 A directive from the PA 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.

Guidance Note 3 of 2021 A guidance note from the South African Reserve Bank that recommends banks be prudent and consider the adequacy of their current and forecasted capital and profitability levels, internal capital targets and risk appetite as well as current and potential future risks posed by the ongoing pandemic when making distributions of dividends on ordinary shares and the payment of cash bonuses to executive officers and material risk takers. Guidance Note 3 of 2021 replaces Guidance Note 4 of 2020.

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 impairment 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 cost of ETI investment (%) Headline earnings from the group's ETI investment pre-funding costs divided by the group's original cost of investment (R6 265m)

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

Return on risk-weighted assets (RWA) (%) Headline earnings as a percentage of monthly average risk-weighted assets (RWA).

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 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 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
CCP Central counterparty
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 great financial crisis
GLAA gross loans and advances
GLC great lockdown crisis
G4/2020 Guidance Note 4 of 2020 issued by the Prudential Authority
G3/2021 Guidance Note 3 of 2021 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 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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