NEDBANK GROUP

Audited consolidated and separate annual financial statements

for the year ended 31 December 2024

see money differently

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ABOUT THIS REPORT

Our consolidated and separate annual financial statements provide a detailed analysis of our statutory accounting records. These financial statements are independently audited as indicated in the independent auditors' report and provide in-depth disclosures related to the financial performance of the group and the company.

The notes to the consolidated annual financial statements are classified in the following sections:

Section A: Accounting policies

This section briefly outlines the basis of preparation and key accounting policy elections applied in the preparation of the group's consolidated and separate annual financial statements.

Section B: Segmental and performance-related information

Refer to this section for information on the group's financial performance. This section contains the group's operational segmental report and performance-related notes that provide an analysis of the group's consolidated statement of comprehensive income.

Section C: Core banking assets

This section provides information about the group's core banking assets, including loans and advances, and an analysis of the related impairments charge. Information is also provided on the group's investments in government and other securities, other short-term securities, cash and cash equivalents and derivative financial instruments.

Section D: Core banking liabilities

Information about the group's core banking liabilities, including amounts owed to depositors and long-term debt instruments, can be found in this section, together with an analysis of investment and insurance contract liabilities. A contractual maturity analysis of financial liabilities is also provided.

Section E: Asset management

Refer to this section for an analysis of the group's funds under management.

Section F: Investments

This section provides an analysis of the group's investments in investment securities, associate companies and subsidiaries. Related information, such as related-party disclosure and details about structured entities and securitisation vehicles, can also be found here.

Section G: General assets

This section provides an analysis of general assets such as property and equipment, as well as goodwill and other intangible assets.

Section H: Other assets

Refer to this section for disclosure on the group's long-term employee benefits, non-current assets and liabilities held for sale and other assets.

Section I: Financial instruments

Additional disclosure of the group's financial instruments can be found in this section. Refer to this section for the categorisation of financial assets and liabilities, the fair-value hierarchy and other fair-value-related disclosures. The group's disclosure on collateral and offsetting of financial assets and liabilities can also be found in this section.

Section J: Share-based payments

This section details the group's share-based payments schemes and their effect on the group's financial position and financial performance.

Section K: Other liabilities

This section provides an analysis of the group's non-core liabilities, including provisions and other liabilities, contingent liabilities, undrawn facilities and commitments.

Section L: Risk and balance sheet management

Refer to this section for the group's liquidity gap disclosure and details on market risk in the trading book and interest rate risk in the banking book.

Section M: Cash flow information

This section contains notes to the group's statement of cash flows.

Section N: Additional information

This section contains additional disclosure that may be relevant to understanding the group's consolidated annual financial statements, such as a foreign currency conversion guide and information on events occurring after the reporting period end and directors' remuneration.

Audited separate financial statements

Refer to this section for the audited separate annual financial statements of Nedbank Group Limited comprising the separate statement of comprehensive income, separate statement of financial position, separate statement of changes in equity, separate statement of cash flows and related notes.

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Nedbank Group Limited Reg No 1966/010630/06.

Prepared under the supervision of the Nedbank Group Chief Financial Officer, Mike Davis, BCom (Hons), DipAcc, CA(SA), AMP (Insead).

Audited in terms of the Companies Act, 71 of 2008 (as amended).

RESPONSIBILITY OF OUR DIRECTORS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Nedbank Group Limited (comprising the statements of financial position at 31 December 2024, the statements of comprehensive income, the statements of changes in equity and statements of cash flows for the year then ended) and the notes to the financial statements (including a summary of significant accounting policies and other explanatory notes) in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRS IC); the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee; Financial Pronouncements as issued by the Financial Reporting Standards Council; the requirements of the Companies Act, 71 of 2008 (as amended); and the JSE Listings Requirements. In addition, the directors are responsible for the preparation of the Directors' Report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and there is no reason to believe that the businesses will not be going concerns in the year ahead.

The independent auditors are responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with IFRS Accounting Standards and the Companies Act, 71 of 2008 (as amended), and their report is presented on pages 14 to 20.

APPROVAL OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate annual financial statements of Nedbank Group Limited, as identified in the first paragraph, were approved by the Nedbank Group Limited Board of Directors on 3 March 2025 and are signed on its behalf by:

AD Mminele
Chairperson

JP Quinn
Chief Executive

Sandown
3 March 2025

CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER INTERNAL FINANCIAL CONTROL RESPONSIBILITY STATEMENT

Each of the directors whose names are stated below confirms that:

a) the annual financial statements set out on pages 21 to 280 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
b) to the best of their knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
d) the internal financial controls are adequate and effective and can be relied on in compiling the annual financial statements, having fulfilled their role and function as executive directors with primary responsibility for implementation and execution of controls;
e) where they are not satisfied, they have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
f) they are not aware of any fraud involving directors.

JP Quinn
Chief Executive

MH Davis
Chief Financial Officer

Sandown
3 March 2025

CERTIFICATION FROM OUR COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, 71 of 2008 (as amended), I certify that, to the best of my knowledge and belief, Nedbank Group Limited has filed with the Commissioner all the returns and notices that are required by the Companies Act, 71 of 2008 (as amended), and that all these returns and notices are true, correct and up to date.

J Katzin
Company Secretary

Sandown
3 March 2025

REPORT FROM THE GROUP AUDIT COMMITTEE

The Nedbank Group Audit Committee (GAC) is pleased to present its report for the 2024 financial year. This report has been prepared based on the requirements of the South African Companies Act, 71 of 2008, as amended (Companies Act), the King Code of Governance for South Africa (King IV), the Johannesburg Stock Exchange (JSE) Listings Requirements and other applicable regulatory requirements. The committee carried out its responsibilities, including those relating to the audit and financial reporting obligations of the group, as set out in its board-approved charter, which was reviewed and updated during the financial year.

GAC's main objective is to assist the board in fulfilling its oversight responsibilities and in the evaluation of the adequacy and efficiency of accounting policies, internal financial controls (IFCs) and financial and corporate reporting processes. In addition, GAC assesses the effectiveness of the internal auditors and the independence and effectiveness of the joint external auditors, as well as considers and recommends to shareholders the appointment of the joint external auditors.

This report aims to provide details on how GAC satisfied its various statutory obligations during the period, as well as on some of the significant matters that arose and how GAC addressed those to assist in ensuring the integrity of Nedbank's financial reporting.

People update

Jason Quinn was appointed as Group Chief Executive (CE) of Nedbank Group and Nedbank with effect from 31 May 2024, following Mike Brown's retirement as Group CE on the same day.

Mr Terence Nombembe was appointed as independent non-executive director and member of GAC with effect from 1 January 2024.

Composition and governance

Members of the committee satisfy the requirements to serve as members of an audit committee, as required by section 94 of the Companies Act, and have adequate knowledge and experience to carry out their duties. All members are independent non-executive directors.

The composition of the committee and the attendance of meetings by its members for the 2024 financial year are set out below:

Members	Meeting attendance
S Subramoney (Chairperson)[1]	8/8
EM Kruger	6/6
HR Brody	6/6
NP Dongwana	6/6
P Langeni	6/6
TM Nombembe	6/6

[1] Only the chairperson of GAC is required to attend the 2 Nedbank College of Audit Committee Chairs meetings.

The CE, the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Chief Risk Officer (CRO), the Chief Internal Auditor (CIA), the Chief Compliance Officer (CCO) and representatives from the joint external auditors are invited to attend all GAC meetings. Other members of management are invited to attend certain meetings to provide the committee with greater insight into specific issues or areas in the group.

The GAC chairperson has regular contact with the Nedbank management team to discuss relevant matters directly. The CIA and the external auditors have direct access to the committee, including closed sessions without management during the year, on any matter that they regard as relevant to the fulfilment of the committee's responsibilities. The GAC chairperson meets with the CIA and the joint external auditors at times considered necessary by either party. In addition, the GAC meeting agenda allows for a meeting solely with the members of GAC.

Five formal GAC meetings, 2 College of Audit Committee Chairs meetings and 1 Prudential Authority (PA) trilateral meeting were held in respect of the 2024 financial year, aligned with key reporting and regulatory timelines.

The key focus areas of the meetings were as follows:

30 May 2024	Review of the April year-to-date results, approval of the JSE voluntary trading update for the 4 months ended 30 April 2024, review of the external auditors' engagement letter, review and approval of the GAC Charter and the Group Internal Audit (GIA) Charter.
21 June 2024 Trilateral discussion	Annual trilateral meeting with representatives of the PA Bank Supervision Department and representatives from the Financial Sector Conduct Authority for discussion of, among other things, key external audit findings, internal audit matters and regulatory reporting responsibilities.
26 July 2024 College of Audit Committee Chairs	Discussion and review of the group subsidiaries' interim performance, key judgement matters and GIA feedback with respect to the subsidiaries.
1 August 2024	Approval of the interim results for the first 6 months to June 2024. Assessment of the key accounting judgements impacting the interim results, including credit impairments, funding valuation adjustments and macro fair-value hedge accounting. Approval of the joint external FY 2024 base audit fees and transition audit fees and changes to GIA's assurance plan. Review of the solvency and liquidity assessments based on the interim dividend declared and approval of the going-concern assessment.
30 October 2024	Review of the results for the 9 months to 30 September 2024. Approval of the joint external auditors' strategy, plan, scope and fees for the 2024 financial year, pre-concurrence of non-assurance services and 2024 GIA audit plan changes. Review and discussion of the group's Q3 forecast and approval of policies.
28 January 2025	Review of the preliminary results for the 2024 financial year, including a summary of key accounting judgements and tax matters. Review and approval of the GIA audit plan for the 2025 financial year.

17 February 2025 College of Audit Committee Chairs	Discussion and review of subsidiaries' full-year performance and GIA feedback on subsidiaries.
26 February 2025	Discussion and review of year-end reports from GIA and the joint external auditors and feedback from subsidiary audit committees, and reports related to relevant matters from the Group Credit Committee (GCC), Group Risk and Capital Management Committee (GRCMC) and the Group Information Technology Committee (GITCO). Review and approval of the annual financial statements. Review of the solvency and liquidity assessments based on the full-year dividend declared and approval of the going-concern assessment. Review and approval of the 2025 forecast.

The GAC chairperson reports to the board on committee activities and the matters discussed at each meeting, highlighting any key items that the committee believes require action, and providing recommendations for the resolution thereof.

The performance of GAC was reviewed as part of an effectiveness review of the board and all its committees. Evaluations of the Nedbank Group Board and its board committees alternate annually between independent evaluations and internal evaluations. The 2024 GAC evaluation took the form of a self-assessment based on questionnaires completed by each GAC member. The questionnaire comprised 6 rated questions that required GAC members to rate their level of satisfaction with GAC's performance based on the scale – extremely satisfied (5); very satisfied (4); satisfied (3); unsatisfied (2) and very unsatisfied (1) – and 4 unrated and open-ended questions.

The resulting feedback confirmed that there are no areas of concern and GAC members are very satisfied (4.4/5) with GAC's overall performance.

External auditors

GAC is responsible for the appointment, compensation and oversight of the external auditors for the group, namely Ernst & Young Inc and KPMG Inc, in 2024.

During the period GAC performed the following:

- Monitored the transition and onboarding of the newly appointed audit firm, KPMG Inc, as well as the finalisation of the 2023 year-end with the previous joint auditors Deloitte & Touche. This is the first year of the new joint audit of KPMG Inc and Ernst & Young Inc and additional time was spent to onboard KPMG effectively and to consider the audit work split change within Nedbank Group.
- Approved the external auditors' 2024 annual plan and related scope of work, confirming suitable reliance on GIA and the appropriateness of key audit risks identified.
- Approved the proposed statutory audit fees for the year under review of R278m, which were aligned with the tender processes in the previous year. The proposed fees comprised R132m for Ernst & Young Inc and R146m for KPMG Inc.
- Approved the fees for the regulatory assurance required by the Prudential Authority and other services for the year under review of R35m, which comprised R23m for Ernst & Young Inc and R12m for KPMG Inc.
- Monitored the effectiveness of the external auditors in terms of their audit quality, expertise and independence, as well as the content and execution of the audit plan, with the annual review of the audit quality and the performance of the joint external auditors having been undertaken by means of presentations made by each firm.
- Ensured that the appointment and the independence of the external auditors were in compliance with the Companies Act and all other regulatory and legal requirements, which included receiving from the external auditors all decision letters and explanations issued by the Independent Regulatory Board for Auditors (IRBA) or any other regulator, and any summaries relating to monitoring procedures or deficiencies (if applicable) issued by the external auditors to confirm the suitability for appointment of the external auditors and designated individual partners.
- Confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 26 of 2005.
- Considered reports from subsidiary audit committees and from management on the activities of subsidiary entities and formally engaged with the chairpersons of subsidiary audit committees.
- Reviewed the findings and recommendations of the external auditors and confirmed that there were no unresolved matters.
- Considered and recommended to shareholders the appointment of Ernst & Young Inc and KPMG Inc for the 2025 financial year.

GAC has a well-established policy on auditor independence and audit effectiveness. The group's external auditors' audit-related services are capped at 25% of their statutory audit fees and non-audit services may be provided only in exceptional circumstances that have to be preapproved by GAC. GAC is of the view that this policy further enhances the external auditors' independence.

Group Internal Audit

GIA performs an independent assurance function and forms part of the group's lines of defence (3rd line). The CIA has a functional reporting line to the GAC chairperson, with an administrative reporting line to the CE. GIA provides independent, objective assurance to the Board of Directors of Nedbank Group Limited, through the authority of GAC, that the governance processes – including professional ethics, management of risk and systems of internal control – are adequate and effective in mitigating both significant current and emerging risks that threaten the achievement of the group's objectives, in line with GIA's methodologies, policies and frameworks.

In order to achieve the requirements and expectations of internal audit, the GIA Reimagine Strategy was developed in 2022 and is refreshed annually, with a focus on the following key outcomes:

- Credible and trusted assurance function respected by all key stakeholders, including the board, executive management and regulators.
- Appropriate risk-based coverage, including being a key contributor to the coordinated assurance (CA) activities of the group.
- Incorporation of data analytics within assurance activities, where appropriate.
- An effective leadership team that drives talent pipelining, mobility, skills development and retention.

While certain aspects of the initial Reimagine strategy will continue to be executed, others require a paradigm shift to position GIA for the technological and operational changes of the future, including compliance with the new Global IIA Standards , which are effective from January 2025. GIA have developed its Refreshed GIA Strategic Plan, bringing a transformative perspective to the following areas:

- Strategically repositioning GIA's role and remit to become a strategic business adviser and change catalyst going into the future.
- Rapidly advancing GIA's digital transformation journey.
- Transforming GIA's operating model and talent strategy, for effective execution of the Refreshed GIA Strategic Plan and agile audit plan.

GAC reviewed and approved the annual internal audit charter, and evaluated the independence, effectiveness and performance of GIA in compliance with its charter by having done the following:

- Received reports from the CIA that highlighted significant issues related to the processes for controlling the activities of the group, including potential improvements to those processes.
- Assessed the effectiveness of the GIA function and reviewed and approved the annual GIA plan.
- Ensured that the CIA had direct access to the CE, the Chairperson of the group and the board, as required.
- Ensured that the CIA had direct access to the Nedbank Africa Regions and Wealth Audit Committees' chairs, as required.
- Satisfied itself as to the appropriateness of the expertise, experience and resources of the CIA and the internal audit function.
- Monitored the effectiveness of the internal audit function in terms of its scope, execution of its plan, coverage, resources, independence, skills, staffing, overall performance and standing within the organisation.
- Monitored and challenged, where appropriate, actions taken by management regarding adverse internal audit findings.
- Ensured that GIA complied with the reporting and independence requirements of its charter.
- Satisfied itself that GIA had conformed with the key principles of the International Institute of Internal Auditors (the IIA) standards for professional practice of internal auditing.
- Satisfied itself that an external quality assurance review is performed every 3 years, with the next review having been concluded in February 2025. GIA achieved a 'Generally conforms' rating.

Significant matters

GAC has considered the appropriateness of the key audit matters reported in the external audit opinion and considered the significant accounting judgements and estimates relating to the annual financial statements. These were addressed by the committee as follows:

Significant matter	**How GAC addressed the matter**
Impairment of loans and advances	As a consequence of the adverse macroeconomic environment and its impact on credit risk and post-model adjustments (overlays), the assessment of impairments was a significant matter. GAC reviewed and discussed the feedback from GCC regarding the level and appropriateness of impairments, provisioning methodologies and related key judgements in determining the impairment balances. GAC considered the key disclosures related to sensitivities and post-model adjustments and considered the feedback from GIA and the external auditors.
Valuation of financial instruments held at fair value	GAC reviewed reports from the CFO regarding the Investment Committee review of investment valuations and details of critical valuation judgements applied to the valuation of group treasury and trading instruments, including funding valuation adjustments. GAC considered the key disclosures and the feedback from GIA and external auditors.

Financial, legal, compliance and regulatory reporting requirements

- GAC received regular reports from the CFO regarding the financial performance of the group, the tracking and monitoring of key performance indicators, details of budgets, forecasts, long-term plans and capital expenditure, financial reporting controls and processes, and the adequacy and reliability of management information used during the financial reporting process. GAC has evaluated and is satisfied with the appropriateness of the expertise and experience of the CFO according to the JSE Listings Requirements and is satisfied with the resources, expertise, succession and experience of Nedbank's finance function. GAC reviewed the adequacy of the regulatory reporting processes as required by the Banks Act, 94 of 1990, which included an evaluation of the quality of reporting and the adequacy of systems and processes, and consideration of any findings regarding the financial regulatory reports by the external auditors.
- The 11th Annual CFO Awards 2024 event was hosted at the Inanda Club on 17 November 2024. Mike Davis, the Group CFO, was nominated by CFO South Africa for multiple awards. Pleasingly, Mike received the awards for Compliance and Governance, Strategy Execution and the ultimate prize of CFO of the Year. This is an incredible achievement by the Group CFO and recognition of the quality of our finance functions across the Group.
- GAC reviewed the findings from the JSE Proactive Monitoring Panel and noted that management's annual financial statement process considered these findings.

Annual financial statements and integrated reporting process

- The GAC reviewed all formal announcements relating to Nedbank's financial performance and found the reporting process and controls that led to the compilation of the financial information to be effective and appropriate. GAC also assessed and confirmed the appropriateness of the going-concern assumption used in the annual financial statements, considering management budgets and the capital and liquidity profiles.
- GAC reviewed and discussed the Integrated Report, reporting process, and governance and financial information included in the 2024 Integrated Report after having considered recommendations from the Group Transformation, Social and Ethics Committee (GTSEC); Group Remuneration Committee (Remco); Group Risk and Capital Management Committee (GRCMC); Group Climate Resilience Committee (GCRC); and Group Directors' Affairs Committee (DAC). The Integrated

Report will be made available at nedbank.co.za on or around 17 April 2025.

- GAC recommended to the board that the annual financial statements be approved. The board subsequently approved the annual financial statements, which will be presented at the forthcoming AGM.
- GAC reviewed and discussed the annual disclosure review performed by management and, through the 2024 review process. GAC considered management's feedback in relation to the process.
- GAC oversaw the accounting for the acquisition of the Eqstra group and in coordination with GRCMC planned a post-implementation review for 2025.
- International Financial Reporting Standard (IFRS) 19: Subsidiaries Without Public Accountability: Disclosures (IFRS 19) was issued by the IASB in May 2024. The objective of the standard is to specify reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

  IFRS 19 is a voluntary standard and therefore a subsidiary may elect to apply it. The effective date for IFRS 19 is annual reporting periods beginning on or after 1 January 2027. However, early adoption is permitted. For Nedbank Group, it was concluded that an eligible subsidiary may elect to apply IFRS 19 as early as FY 2024. Unless permitted or exempted, comparative information needs to be prepared under IFRS 19. The adoption by the subsidiaries of IFRS 19 is being monitored by Group Finance.

Internal control, risk management and information technology

The Enterprisewide Risk Management Framework (ERMF) operates within a risk philosophy of risk resilience. The group's risk governance and culture ensure that the ERMF is robust, resilient and agile enough to respond appropriately to the challenging external operating environment. The ERMF continues to be refreshed to ensure it remains fit for purpose, in that way remaining resilient and effective in all material respects, enabling Nedbank's overall positive risk outcome in these extraordinarily risky, demanding and challenging times. The overall state of Nedbank's risk management, balance sheet management, internal control environment and risk culture remains sound and robust.

GAC is responsible for reviewing the effectiveness of systems of internal control, financial reporting and risk management for risk allocated to the committee, i.e. financial, accounting and taxation risks, as well as for considering the major findings of any internal investigations into control weaknesses, fraud or misconduct, and management's response.

GAC receives regular reports as part of ERMF processes to assist in evaluating the group's internal controls. The ERMF places emphasis on accountability, responsibility, independence, reporting, communication and transparency, both internally and in respect of all Nedbank's key external stakeholders.

GAC receives regular feedback from the Group Information Technology Committee (GITCO) regarding the monitoring of the adequacy and effectiveness of the group's IT controls as well as new or emerging IT risks associated with the bank's digital transformation journey, and from GCC regarding its oversight of the adequacy and effectiveness of controls embedded in credit monitoring processes and systems.

GAC also regularly receives feedback on issues contained in the group's Key Issues Control Log, Risk Profile (Risk Universe Heatmap), twice-a-year assessment of the internal control environment (ICE), and risk management and internal control letter of representation (LOR) from the CRO and Chief Internal Auditor.

Having considered, analysed, reviewed and debated information provided by management, other board subcommittees, GIA and the external auditors, GAC considered that the internal controls of the group were effective in all material aspects throughout the year under review.

Coordinated assurance

- Nedbank employs a CA model that incorporates, integrates and optimises risk, audit and compliance functions and assurance activities. This enables an effective ICE across the group, with assurance focused on critical risk exposures, supporting the integrity of information used in internal decision-making (to governance forums) and reporting to external stakeholders.
- CA continued to go from strength to strength in 2024, with more efficient and effective planning demonstrated, and well-coordinated audit, compliance and risk work (second and third lines of defence). Members of the CA Forum consist of executives from GIA, Group Compliance, Group Risk and Group Finance, as well as cluster risk functions.
- CA remains a key tool and strategy to ensure adequate independent assurance coverage of Nedbank's expansive risk universe and remains a significant focus in navigating the expansive risk landscape and the challenging and turbulent operating environment. With the risk universe continuing to expand to incorporate new, emerging and non-traditional risk types, the need for the coordination, alignment and integration of assurance activities becomes even more critical in ensuring the following:
  - Reliance is placed on work and output of multiple assurance providers to reduce duplication or overlap and the resultant impact on frontline teams.
  - Specialist risk, audit and compliance skillsets across the enterprise are optimised so that execution is streamlined.
  - Efforts are directed to the risks that matter most.
- The CA plans continue to be managed through the CA Forum, which meets at least quarterly. During the CA Forum in January 2025, Group Risk, GIA, Group Compliance and cluster risk functions shared information and challenged:
  - the key focus areas for 2025;
  - draft plans and coverage for 2025;
  - the adequacy of the 2025 CA plan in terms of whether it sufficiently covers all risk types and risk categories across the enterprise; and
  - the outcomes from the 2024 CA thematics and assurance activities.

Internal financial control attestation

Nedbank continues to maintain a strong risk culture and has implemented adequate and effective IFCs to confirm the integrity and reliability of the financial statements. These IFCs safeguard, verify and maintain accountability of Nedbank's assets; are based on established policies and procedures; and are implemented by trained and skilled personnel whose duties are duly segregated. Adherence to the implemented internal controls is continuously monitored by GAC.

Nedbank has successfully completed the fifth year of the internal financial control attestation process in terms of paragraph 3.84(k) of the JSE Listings Requirements. The CFO and CE make positive statements under their names and signatures.

The deficiencies in design and operating effectiveness of IFCs identified via the group's 3 lines of defence (first line via cluster finance, second line via risk functions and Group Finance, and third line via GIA) were reported to GAC. GAC considered the identified deficiencies as well as the appropriateness of management's response, including remediation, reliance on compensatory controls and additional review procedures. As a result, GAC noted the CE and CFO final attestation.

Future accounting developments

The International Accounting Standards Board (IASB) issued IFRS 18: Presentation and Disclosure in Financial Statements (IFRS 18) in April 2024. The objective of IFRS 18 is to improve how information is communicated in the financial statements, with a focus on information in the statement of comprehensive income. IFRS 18 aims to improve:

• comparability in the statement of comprehensive income;
• transparency of management-defined performance measures; and
• the grouping of information in the financial statements so that it is more useful.

The effective date of IFRS 18 is 1 January 2027, with early application permitted. The group has not elected to early-adopt this IFRS Accounting Standard, and its application will begin on 1 January 2027. IFRS 18 is expected to have a material impact on the group as it will affect the statement of comprehensive income and related disclosures.

South Africa is progressing well in the process of local benchmark reform with the upcoming discontinuation of the legacy Johannesburg Interbank Agreed Rate, with the designated replacement rate being the new South African Rand Overnight Index Average Rate. The local benchmark transition follows the recent completion of the corresponding reform of the London Interbank Offer Rate in international markets and is being coordinated extensively through local regulators and the wider industry. The overall timeline of the local benchmark reform is approximately 5 years in duration, with a target completion of 2026 expected.

The group has established a comprehensive steering committee consisting of all impacted stakeholders and relevant personnel to oversee the successful preparation and implementation of benchmark reform in the bank. The group is impacted by local benchmark reform across a range of products. For FY 2024, the group has disclosed the expected quantitative impact of this reference rate reform.

Key focus areas for 2025

- Ensure that the group's financial systems, processes and controls are operating effectively; are commensurate with the group's complexity; and are responsive to changes in the environment and industry.
- Ensure, through the Chairperson's College of Audit Committee Chairs, that there is meaningful engagement between the GAC chairperson and the chairpersons of subsidiary audit committees.
- Continue to monitor the implementation of the amended JSE Listings Requirements, including the effectiveness of internal financial controls.
- Monitor the financial reporting system upgrade during the 2025–2027 implementation plan.

Conclusion

GAC is satisfied that it has complied with all statutory duties as well as other duties given to it by the board under its terms of reference.

GAC reviewed the group and the company annual financial statements for the year ended 31 December 2024 and recommended them for approval to the board on 28 February 2025.

On behalf of GAC

Stanley Subramoney
Group Audit Committee Chairperson

Sandown
3 March 2025

REPORT FROM OUR DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2024

Nature of business

Nedbank Group Limited (Nedbank Group, company or group) is a registered bank-controlling company that, through its subsidiaries, offers wholesale and retail banking services as well as insurance, asset management and wealth management. Nedbank Group maintains a primary listing under 'Banks' on the JSE, with secondary listings on A2X and the Namibian Stock Exchange.

Annual financial statements

Details of the financial results are set out on pages 21 to 280 of the audited consolidated annual financial statements, which have been prepared under the supervision of the Nedbank Group CFO, Mike Davis, and prepared in accordance with IFRS Accounting Standards as issued by the IASB and IFRS Interpretations Committee (IFRS IC); the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; Financial Pronouncements as issued by the Financial Reporting Standards Council; the requirements of the Companies Act, 71 of 2008; and the JSE Listings Requirements.

Integrated report

The board of directors acknowledges its responsibility to ensure the integrity of the integrated report. The board has accordingly applied its mind to the report and is of the opinion that it addresses all material issues, and fairly presents the integrated performance of the organisation and its impacts.

Companies Act, 71 of 2008 (as amended)

The board of directors confirms that Nedbank Group has complied with the provisions of the Companies Act, 71 of 2008 (as amended), specifically related to its incorporation, and has operated in conformity with its memorandum of incorporation (MoI) during the period under review.

Year under review

The operating environment in 2024 remained challenging, with economic activity relatively weak as evident in SA GDP growth expectations of only 0,5% for the year when compared with 0,7% in 2023. The first 6 months were particularly difficult given geopolitical uncertainty, high interest rates and general uncertainty ahead of SA's national election. A peaceful and fair election outcome and the swift formation of a government of national unity brought cautious optimism in financial markets resulting in lower bond yields, stronger equity markets and a stronger rand, while credit default swap spreads also improved. As the environment improved gradually into the fourth quarter of the year, inflation declined further towards the low end of the SARB target range (its lowest level since the Covid-19 pandemic), the MPC cut interest rates by a cumulative 50 bps and business confidence improved. Household credit growth, however, continued to slow to 3,0% by the end of the year, and corporate credit growth increased by 5,4%, remaining relatively volatile and not yet reflective of a material improvement in fixed-investment activity.

In this context, Nedbank Group delivered an improved financial performance as headline earnings increased by 8% to R16,9bn and the group's ROE strengthened to 15,8%, from 15,1% in the prior period, reflecting steady progress towards our ROE targets. HE growth was underpinned by good NIR growth, a lower impairment charge and targeted expense management, offsetting muted NII growth given slower loan growth and margin pressure. DHEPS increased by 11%, benefiting from the share buy-back we executed in 2023. Balance sheet metrics all remained very strong, enabling the declaration of a final dividend of 1 104 cents per share, up by 8% at a payout ratio of 57%.

From a strategy perspective, a key highlight of 2024 was the fundamental completion of our Managed Evolution IT transformation, which has delivered a refreshed modern technology platform. This platform, along with our enhanced digital capabilities, supported ongoing strong digital growth, market-leading client satisfaction metrics, solid main-banked client gains, and higher levels of cross-sell. Under strategic portfolio tilt we recorded market share gains in key areas such as home loans, vehicle finance, wholesale term-lending and retail deposits. We also continued to create wider positive impacts through approximately R183bn of lending that supports sustainable development finance, aligned with the United Nations Sustainable Development Goals. The increase in renewable energy exposures of 32% to almost R40bn and Nedbank being awarded significant renewable energy mandates in Q4 2024 reinforce our leadership in this space. These achievements led to our being named SA Bank of the Year by the prestigious magazine, The Banker.

Our Target Operating Model 2.0 programme has also ended, having delivered cumulative cost benefits of R3bn through headcount reduction, real estate floor space savings and back-office optimisation, resulting in a more client-focused RBB Cluster. Under our new Transform agenda, which emerged as part of our strategy refresh in 2024, our focus is expanding to new areas of growth such as extracting commercial value from our technology investments, with an emphasis on leveraging data and AI, optimising end-to-end processes (Nedbank Intelligent Hyper Automation) and payment modernisation, cross-sell of insurance products to the Nedbank client base, diversifying our portfolio into East Africa by leveraging our strengths and capabilities in CIB, and the launch of a dedicated new offering to transform how mid-sized corporates access financial solutions through our commercial banking business, as well as building out our corporate transactional franchise.

To sharpen execution of our strategy, compete more effectively in the market, enhance cross-sell and unlock new growth opportunities, we have embarked on an organisational restructure of our RBB and Nedbank Wealth clusters, evolving into an organisational design more focused on client centricity. The new structure will see the creation of Personal and Private Banking (PPB), an individual/non-juristic focused cluster, and Business and Commercial Banking (BCB), a juristic-focused cluster. We are excited about the opportunities this will unlock, and I look forward to sharing our progress in the coming reporting periods.

Looking forward, from a macro perspective, we remain cautiously optimistic and expect the economic environment in SA to improve off a low 2024 base, although risks associated with global geopolitics and trade wars remain. SA's GDP is forecast to increase by 1,4% in 2025, inflation to remain well within the SARB target range of 3% to 6%, and the South African prime lending rate to decline by 50 bps in 2025, reaching 10,75%. Corporate lending should pick up while growth in household lending is expected to remain muted. Our improved financial performance in 2024 – together with the progress made in executing on our strategy, our new transform agenda and better economic prospects – gives us confidence that we will continue to make progress to increase our ROE* to greater than 16% in 2025, greater than 17% in the medium term and above 18% in the longer term. I am extremely comfortable with the strong foundations that Nedbank has built, including fortress capital and liquidity levels, a strong and vibrant culture, our focus on diversity, equity and inclusion, leading ESG credentials and significant investments in technology, all culminating in exciting prospects for the group.

I would like to express my gratitude to all Nedbankers for their commitment and unwavering support this past year. Thank you to our 7,6 million retail and wholesale clients who have entrusted Nedbank with serving their financial needs. We appreciate the support of the investment community, regulators and our other stakeholders. As Nedbank, we will continue to play our role in society as we fulfil our purpose of using our financial expertise to do good.

Jason Quinn
Chief Executive

Share capital

Details of the authorised and issued share capital, together with details of shares issued during the year, appear in note B4 to the consolidated annual financial statements.

American depository shares

At 31 December 2024 Nedbank Group had 5 381 918 (31 December 2023: 4 860 757) American depository shares in issue through the Bank of New York Mellon as depository and trading on over-the-counter (OTC) markets in the United States. Each American depository share is equal to one ordinary share.

Zimbabwe depository receipts (ZDRs)

Corpserve Nominees (the nominee company that holds Nedbank Group shares on behalf of our Zimbabwean shareholders) listed unsponsored Nedbank Group ZDRs on 25 November 2022. At 31 December 2024 Nedbank Group had 161 305 (31 December 2023: 161 305) ZDRs in issue through Corpserve Nominees as depository and issuer on the Victoria Falls Stock Exchange (VFEX) in Zimbabwe. Each ZDR is equal to 1 ordinary share.

Ownership

Details of shareholders appear on page 278 and 279.

Dividends

The following dividends were declared in respect of the year ended 31 December 2024:

- Interim ordinary dividend of 971 cents per share (2023: 871 cents per share).
- Final ordinary dividend of 1 104 cents per share (2023: 1 022 cents per share).

Solvency and liquidity tests

The directors have performed and comply with the requisite solvency and liquidity tests where required by the Companies Act, 71 of 2008, as amended.

Borrowings

Nedbank Group's borrowing powers are unlimited pursuant to the company's MoI. The details of borrowings appear in note D2 to the consolidated annual financial statements.

Directors

Biographical details of the current directors appear online at nedbankgroup.co.za. Details of directors' and prescribed officers' remuneration and Nedbank Group shares issued to them appear in note N3 and in the 2024 Remuneration Report, also available at nedbankgroup.co.za.

Details of the members of the board who served during the year and at the reporting date (including changes in the directorate that occurred during the period under review) are given below:

Name	Position as director	Date appointed as director	Date of resignation/retirement as director (where applicable)
Daniel Mminele	Independent Non-executive Chairperson	1 May 2023	
Hubert Brody	Lead Independent Director	1 July 2017	
Mike Brown	Previous Chief Executive and executive director	17 June 2004	31 May 2024
Brian Dames	Non-executive director	30 June 2014	
Mike Davis	Chief Financial Officer and executive director	1 October 2020	
Neo Dongwana	Independent non-executive director	1 June 2017	
May Hermanus	Independent non-executive director	15 July 2024	
Errol Kruger	Independent non-executive director	1 August 2016	
Phumzile Langeni	Independent non-executive director	22 March 2022	
Rob Leith	Independent non-executive director	13 October 2016 and 1 January 2019	
Linda Makalima	Independent non-executive director	1 June 2017	
Mfundo Nkuhlu	Chief Operating Officer and executive director	1 January 2015	
Terence Nombembe	Independent non-executive director	1 January 2024	
Jason Quinn	Chief Executive and executive director	31 May 2024	
Stanley Subramoney	Non-executive director	23 September 2015	

In terms of Nedbank Group's MoI one-third of the directors are required to retire at each Nedbank Group AGM and may offer themselves for election or re-election. The directors so retiring are firstly those who were appointed after the last shareholders' meeting, and thereafter those longest in office since their last election.

Furthermore, in terms of Nedbank Group policy, non-executive directors of Nedbank Group who have served on the board for longer than 9 years are required to retire at the conclusion of the first AGM held after the 9-year term, unless agreed to otherwise by the board. Brian Dames and Stanley Subramoney have served on the Nedbank Group Board for longer than 9 years. The Nedbank Group Board has resolved to extend their tenures and both Brian and Stanley will continue to serve on the Boards as non-executive (but not independent) directors.

- **Appointments since last shareholders' meeting**

  May Hermanus was appointed by the board of directors with effect from 15 July 2024 and, in terms of the MoI, her appointment terminates at the close of the AGM to be held on 30 May 2025. May makes herself available for election.

- **Longest in office since last election**

  As described above, Hubert Brody, Phumzile Langeni, Rob Leith and Stanley Subramoney are also required to seek re-election at the AGM, and make themselves available for re-election.

Separate resolutions for the above directors' elections or re-elections will be submitted for approval at the AGM on 30 May 2025.

Directors' and prescribed officers' interests

The directors' and prescribed officers' interests in ordinary shares in Nedbank Group at 31 December 2024 (and any movements therein up to the reporting date) are set out in note N3.

The directors had no interest in any third party or company responsible for managing any of the business activities of the group. Banking transactions with directors are entered into in the normal course of business under terms that are no more favourable than those arranged with third parties.

Group Audit Committee and Group Transformation, Social and Ethics Committee Reports

The Group Audit Committee Report and the Group Transformation, Social and Ethics Committee Report will be included in the 2024 Nedbank Group Integrated Report, which will be released on or around 17 April 2025.

Group Company Secretary and registered office

As part of the annual board evaluation process, the board of directors conducted an assessment of the Group Company Secretary. The board is satisfied that Jackie Katzin is suitably competent, qualified and experienced, and has adequately and effectively performed the role and duties of a company secretary and provided the board with independent guidance and support. Jackie has direct access to, and ongoing communication with, the Chairperson of the board, and the Chairperson and the Company Secretary meet regularly throughout the year. Jackie is not a director of the company.

The addresses of the Group Company Secretary and the registered office are as follows:

Business address	Registered address	Postal address
Nedbank 135 Rivonia Campus 135 Rivonia Road Sandown, Sandton 2196 SA	Nedbank Group Limited 135 Rivonia Road Sandown, Sandton 2196 SA	Nedbank Group Limited PO Box 1144 Johannesburg 2000 SA

Property and equipment

There was no material change in the nature of the fixed assets of Nedbank Group or its subsidiaries or in the policy regarding their use during the year.

Political donations

Nedbank Group has an established policy of not making donations to any political party.

Contracts and matters in which directors and officers of the company have an interest

No contracts in which directors and officers of the company had an interest and that significantly affected the affairs or business of the company or any of its subsidiaries were entered into during the year.

Directors' and prescribed officers' service contracts

There are no service contracts with the directors of the company, other than for the Chairperson and executive directors as set out below. The directors who entered into these service contracts remain subject to retirement by rotation in terms of Nedbank Group's MoI.

The key responsibilities relating to the position of Nedbank Group Chairperson are encapsulated in a contract.

Service contracts have been entered into for Jason Quinn, Mfundo Nkuhlu and Mike Davis. These service contracts are effective until the executive directors reach the normal retirement age and stipulate a maximum notice period of six months (12 months for Jason Quinn) under most circumstances.

Details relating to the service contracts of prescribed officers are incorporated in the full online supplementary 2024 Governance Report.

Subsidiary companies

Details of principal subsidiary companies are reflected in note F3.

Acquisition of shares

Reference was made in the 2023 Directors' Report to the potential for capital optimisation should market conditions be favourable. Between 6 June and 30 December 2024, 291 929 Nedbank Group ordinary shares were repurchased for R76,87m, at an average price of R263,32 per share, under the general authority to repurchase shares previously granted by shareholders. These repurchased shares were cancelled and delisted.

In addition, the following Nedbank Group ordinary shares were purchased by the Nedbank Group (2005) Share Scheme Trust to satisfy the obligations of that trust:

- During the period 5 – 8 March 2024, 2 369 835 Nedbank Group ordinary shares were purchased for R530,53m, at an average of R223,92 per share;
- During the period 11 – 14 March 2024, 1 967 401 Nedbank Group ordinary shares were purchased for R452,89m, at an average of R229,98 per share;
- During the period 15 – 20 March 2024, 1 533 291 Nedbank Group ordinary shares were purchased for R344,86m, at an average of R224,61 per share.
- On 18 June 2024, 60 518 Nedbank Group ordinary shares were purchased for R15,6m, at an average of R257,28 per share; and
- During the period 20 – 21June 2024, 346 982 Nedbank Group ordinary shares were purchased for R92m, at an average of R265,87 per share.

The above excludes transaction costs.

Nedbank Group's capital position shows strong capital adequacy ratios that are above board-approved target ranges and significantly above the minimum regulatory requirements, which are considered appropriate in the current operating environment. The group's average surplus capital of R12bn will support organic growth and complementary bolt-on corporate action should these opportunities materialise, as well as paying dividends at the top-end of payout ratios, subject to board approval. In addition, the surplus capital may allow for further capital optimisation under the existing mandate should market conditions be favourable and subject to meeting forecast regulatory requirements, including the impacts of Basel 3 reforms and counter cyclical buffers.

Shareholders will be requested to renew the general authority enabling the company or a subsidiary of the company to repurchase shares.

Matters relating to Transnet

On 26 July 2024 the group issued a SENS update on the Transnet SOC Limited dispute regarding interest rate swap transactions (swaps) and Nedbank's ongoing engagements with Transnet SOC Limited (Transnet). These swaps were entered into between December 2015 and March 2016, and Regiments Capital (Pty) Ltd had acted as Transnet's appointed financial advisers. The group's media release dated 28 May 2024 and the Nedbank Group voluntary trading update for the 4 months ended 30 April 2024, released through SENS on 31 May 2024, noted the termination of the mediation process with Transnet and Nedbank's position on possible litigation.

In this context, Nedbank confirms that it continues to defend review proceedings served on it by Transnet and the Special Investigating Unit (SIU) in respect of these swaps, as confirmed in Nedbank's SENS announcement on 26 July 2024. Considering internal and independent external reviews commissioned by Nedbank, the board and management remain satisfied that internal governance procedures were followed in respect of these swaps and that there is no evidence of any Nedbank staff dishonesty, corruption or collusion. The joint media statement by Transnet and the SIU of 26 July 2024, which states that Nedbank profited in excess of R2 736 094 704,82 in respect of these swaps, is not a reasonable claim.

In December 2024 the Transnet Second Defined Benefit Fund (fund) served a summons on Nedbank. The fund claims that Nedbank is liable for R106 808 440,00 plus interest, an amount the fund was unable to recover from Regiments Group companies in previous litigation, in which Nedbank was not involved.

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

Events after the reporting period

The directors are not aware of any material events that have occurred between the reporting date and 3 March 2025, which is the date of approval of the consolidated and separate annual financial statements

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEDBANK GROUP LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Nedbank Group Limited ('the group and company') set out on pages 21 to 277, which comprise of the consolidated and separate statements of financial position at 31 December 2024, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Nedbank Group Limited at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

The audit was influenced by our application of materiality. Final materiality was used in the evaluation of misstatements. The ISAs state that misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements. The ISAs further clarify that judgements about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

Based on our professional judgement, we set materiality for both the consolidated and separate financial statements by applying the above concepts and considering qualitative factors in making final determinations regarding what is material to the consolidated and separate financial statements.

	Group	Company
Final materiality	R1 060 million, which is 4,6% of Profit before direct taxation ("PBT").	R650 million, which is 5,1% of Profit before direct taxation ("PBT").
Rationale for benchmark and percentage applied	We have identified PBT as the most appropriate basis given the company is listed and profit orientated. Profitability is a key performance measure used by shareholders, investors, analysts and other users of the financial statements because it is a relevant indicator of the group's and company's ability to generate profits and, to a degree, operating cash flows to enable it to meet its obligations as they fall due. The percentage applied to the benchmark was based on our professional judgement after consideration of qualitative factors that impact both the group and company.	

Group Audit Scope

Our risk assessment procedures performed determined our audit scope considering which components are likely to include risks of material misstatement to the consolidated financial statements. We considered the size and risk profile of the components in the group, the organisational structure, the group's system of internal controls and the effectiveness of group wide controls, and any changes in the business environment.

In establishing our overall approach to the group audit, we determined the type of work that needed to be performed at each component either by us, as the group engagement team, or by component auditors under our instruction. In doing so, we performed risk assessment procedures across the group and its components to identify risks of material misstatement and identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response.

In total, we identified 43 components requiring an audit response, having considered our evaluation of the risks of material misstatement to the consolidated financial statements. 16 components were selected based on the pervasiveness of the risks within those components and for which we therefore performed procedures on the entire financial information of the components. For the remaining components, our audit procedures were focused on certain financial statement captions in which we considered risks of material misstatement to have been identified. For the remaining financial information where audit procedures were not performed, we performed an analysis at an aggregated group level to re-examine our assessment that there is less than a reasonable possibility of a material misstatement in the remaining financial information. This assessment was supported through the performance of group level analytical review procedures.

We performed procedures at a group level in respect of financial statement captions that are centrally managed by the group, the consolidation process, claims and litigations and related parties.

In respect of the reporting components where we performed audit procedures, 92,2% of the group's profit before direct taxation and

98,8% of the group's total assets was covered by the audit of the 43 components scoped in.

We considered the scope of the audit, as communicated to the Group Audit Committee, to be an appropriate basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter description	How the matter was addressed in the audit
Expected credit losses on loans and advances	
Refer to Section I Financial instruments, Note C1 Loans and advances, Note C2 Impairment charge on financial instruments and Note I6.2 Collateral held to mitigate credit risk to the consolidated financial statements for selected accounting policies and disclosures applicable to this key audit matter. **Overview** Loans and advances, which represent 68% of total assets, and the associated expected credit losses (ECL) are significant in the context of the consolidated financial statements. The determination of ECL requires significant management judgement and is subject to estimation uncertainty. The key areas where we applied increased levels of audit focus and professional scepticism in the Group's application of IFRS 7 Financial Instruments disclosures (IFRS 7) and IFRS 9 Financial Instruments (IFRS 9) in respect of ECL includes: • Definitions, policy choices, judgements made in applying accounting policies including significant increase in credit risk (SICR), stage determination and migration and collateral valuation; • Judgmental post-model adjustments; • Forward-looking information; and • Disclosures in the consolidated financial statements. Determination of the ECL for loans and advances is significant in the context of the consolidated financial statements due to its magnitude and the significant level of judgement required in determining the value of the ECL. Accordingly, we have identified the ECL on loans and advances to be a key audit matter.	Our response to the key audit matter included performing the following audit procedures across the retail and wholesale portfolios: • We gained an understanding of management's process over credit origination, credit monitoring and credit remediation. • We identified relevant controls that address the ECL risks identified and evaluated the design and implementation and where relevant, tested the operating effectiveness of these relevant controls. The relevant controls focused on - o the governance processes in place to assess the appropriateness of changes to credit models, new data inputs; and o the credit committee's processes where key judgements are considered, and the Nedbank Group Risk ("NGR") ratings and judgmental post-model adjustments are approved. • We performed an overall stand back assessment of the ECL, by stage, based on our understanding and knowledge, to determine if reasonable considering the overall credit quality of the group's loans and advances portfolios and risk profiles.
Definitions, policy choices, judgements made in applying accounting policies including SICR, stage determination and migration and collateral valuation There is judgement involved in the definitions and methodologies applied to the modelled ECL, including the determination of what constitutes SICR and the consequent timely allocation of the loans and advances to the appropriate stage. The group is required to recognise an allowance for either 12 month or lifetime ECL's in accordance with IFRS 9, depending on whether there has been a SICR since initial recognition. This includes an assessment of any refinements to default definitions, curing definitions and industry trends. In respect of stage 3 exposures within the wholesale portfolio, assumptions are applied to estimate the recoverable amounts (including valuation in respect of the collateral) and timing of future cash flows of individual exposures.	**Definitions, policy choices, judgements made in applying accounting policies including SICR, stage determination and migration and collateral valuation** • With the assistance from our credit modelling and technical accounting teams, we assessed whether the key judgements made and the assumptions applied in the determination of SICR, stage determination and migration and collateral valuations, in respect to the wholesale portfolio, were appropriate and aligned with the principles of IFRS 9. • For a sample of performing loans, we performed a review of the counterparty to assess whether there were any indicators of SICR which could indicate a staging migration. • For a sample of stage 3 exposures within the wholesale portfolio, we considered the impairment indicators and assumptions made by management in their assessment of the recoverability of the exposure. Relating to the sample selected, we inspected the legal agreements and other relevant documentation to confirm the legal right to the collateral and independently calculated the ECL based on our assessment of the expected cash flows and recoverability of collateral at an individual counterparty level. • We considered evidence from externally available public data to assess the reasonableness of the assumptions applied by management, including evaluating the appropriateness of any guarantees or debtor substitution applied in the valuation of ECL raised for the wholesale portfolio.

Key audit matter description	How the matter was addressed in the audit

ECL modelling risk including data accuracy and completeness

The configuration and calibration of ECL models and datasets, which are often not fully observable, require management to apply their judgement.

There is a risk that modelling assumptions and data used to build and run the models that calculate ECL is not fully captured by these models. This also includes data related to the loss experience given default and the timing and amount of forecasted cash flows related to the exposures.

Judgemental post-model adjustments

Judgemental post-model adjustments are applied to address risks resulting from model limitations or risk events not captured or identified by credit impairment models.

Given the inherent complexity and subjectivity in applying judgemental post-model adjustments, there is potential for management bias in identifying and calculating them.

Forward-looking information

IFRS 9 requires that the determination of the ECL should reflect all reasonable and supportable information, including best available information which is forward-looking. Such forward-looking information requires significant judgement and incorporates both global and domestic economic assumptions and consequences as well as the global and domestic policy landscapes and responses.

The assumptions and forecasts for the macro-economic scenarios require careful assessment in the context of the upside and downside risks to the economy. The determination of appropriate weightings incorporated into macro-economic scenarios requires significant management judgement.

Disclosures in the consolidated financial statements

Financial reporting requires inclusion of disclosures that provide an adequate level of transparency regarding uncertainties inherent in the judgements, assumptions and estimates applied in determining ECL.

ECL modelling risk including data accuracy and completeness

- Involving our credit modelling specialists, we challenged and assessed management's models, model recalibrations and assumptions including any changes to definitions and methodologies (at a parameter and ECL calculation level).
- Assessed the quality of the data used in credit management, reporting and modelling for completeness and accuracy through data analytics and, for a sample of facilities, agreed model input data to underlying supporting documentation.

Judgemental post-model adjustments

- We tested the design, implementation and where relevant, the operating effectiveness of controls over the inputs, governance and approval of judgemental post-model adjustments;
- We evaluated the reasonableness of a sample of judgemental post-model adjustments by assessing key assumptions applied and inspected the appropriateness of the post-model adjustment methodology applied in the determination of ECL. Furthermore, we challenge the post-model adjustments considering the limitations of past performance, emerging risks not yet present in current data and specific sectoral risks.
- We understood and evaluated the reliability of data used to determine the post-model adjustments, by agreeing to supporting documentation or other analyses.

Forward-looking information

- We understood and evaluated the governance process followed as part of the review and approval of the economic scenarios used in the determination of the forward-looking information in the determination of the ECL.
- We involved our economics specialists to evaluate the forward-looking model and assess the reasonableness of the macro-economic scenario forecasts generated, to independent industry data.
- Together with our credit modelling specialists, we evaluated management's forward-looking models to assess whether the macro-economic inputs were appropriately incorporated into the models. We assessed the linkage of the forecasted macro-economic factors, based on weighted scenarios, to the ECL.

Disclosures in the consolidated financial statements

We assessed whether the disclosures adequately convey the significant judgements and assumptions made by management in the current economic environment and ensured that the IFRS 7 and IFRS 9 disclosure requirements were met.

Based on the procedures performed above in respect of the expected credit losses on loans and advances, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.

Key audit matter description	How the matter was addressed in the audit
Valuation of complex financial instruments	
Refer to Note I2.1 Valuation of financial instruments of the consolidated financial statements for the selected accounting policies and disclosures applicable to this matter. Complex financial instruments are: • Level 3 derivative financial instruments and the total funding valuation adjustments (FVAs) • Level 3 investment securities Complex financial instruments were a matter of significance for the current year audit due to the significant judgements applied in the methodologies used to value complex financial instruments. The valuations include estimation uncertainty arising from the use of certain inputs which by their nature are unobservable and use complex models in the determination of the valuations. There remains a high level of estimation uncertainty in the current financial year due to the continuing impact of evolving global and local macro-economics. Significant judgement is required in respect of unobservable inputs including counterparty credit spreads, cash flow forecasts, discount rates, forecasted earnings, pricing multiples and developments of valuation methodologies such as discounted-cash-flow analysis, earnings multiples and net-asset-value calculations. As the determination of the fair value for these complex financial instruments are a key source of estimation uncertainty subject to significant judgements and represents a material balance, which requires significant auditor effort, these matters were considered to be a key audit matter in our audit of the consolidated financial statements.	Our response to the key audit matter included performing the following audit procedures: • We evaluated the design and implementation, and where relevant, the operating effectiveness of relevant controls relating to the valuation of complex financial instruments. The relevant controls focused on - o the governance processes over the development of the valuation models and methodology policies; o the controls in respect of the assumptions applied, data used, model changes, model validations and the monthly independent price verification process. • For a sample of level 3 investment securities and/or level 3 derivative financial instruments and FVAs, with the assistance from our valuation specialists, we: » Challenged the appropriateness of the valuation methodologies and techniques used in the valuation of the specific instruments. » Evaluated the reasonableness of key inputs and assumptions driving the valuations. Our evaluation included comparison with independent market information where available, and where independent market information was not available, we generated theoretical inputs based on other sources, incorporating proxy pricing transactions in the market and model calibrations using historical data or other sources. » Performed independent valuations and assessed these against management's valuations to evaluate the appropriateness of the assumptions and judgements applied. » Evaluated the appropriateness of the disclosures made relating to the valuation of complex financial instruments in relation to the fair value categorisation and hierarchy per IFRS 13 – Fair value Measurement and ensured that the IFRS 7 and IFRS 9 disclosure requirements were met. As a result of our procedures performed, we were able to conclude on the valuation of complex financial instruments.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Nedbank Group Limited – Audited consolidated and separate annual financial statements for the year ended 31 December 2024", which includes the Certification from our Company Secretary, Report from the Group Audit Committee and Report from our Directors, as required by the Companies Act of South Africa which we obtained prior to the date of this report and the "Nedbank Group Integrated Report", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. and KPMG Inc. have been the auditors of Nedbank Group Limited for 6 years and 1 year respectively.

Signed by:
KPMG Inc.
61EE9D4B76EA4D8...

KPMG Inc.

Registered Auditor

Per Joelene Pierce

Chartered Accountant (SA)

Registered Auditor

Director

85 Empire Road

Parktown

2193

3 March 2025

DocuSigned by:
Ernst & Young Inc.
F6AB0FBD09CD4D3...

Rohan Baboolal

Director

Chartered Accountant (SA)

Registered Auditor

For and on behalf of Ernst & Young Inc.

3 March 2025

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

	Notes	2024 Rm	2023 Rm
Interest income on financial instruments measured at amortised cost and debt instruments at fair value through other comprehensive income (FVOCI)	B6.1.1	123 518	115 069
Interest income on other financial instruments and similar income	B6.1.1	1 497	1 846
Interest and similar income		125 015	116 915
Interest expense and similar charges	B6.1.2	83 209	75 445
Interest expense related to all activities		84 006	76 932
Less interest expense related to fair-value activities		(797)	(1 487)
Net interest income		41 806	41 470
Non-interest revenue and income	B6.2	30 412	27 709
Net commission and fees income		21 361	19 346
Commission and fees revenue		27 823	25 296
Commission and fees expense		(6 462)	(5 950)
Net insurance income		1 572	1 446
Insurance revenue		4 031	3 710
Insurance service expense		(2 574)	(2 567)
Net investment and other income and net reinsurance expense		115	303
Fair-value adjustments		541	577
Net trading income		4 620	4 299
Equity investment income		693	764
Investment income		196	142
Net sundry income		1 429	1 135
Share of gains of associate companies	F2.1	1 313	1 449
Total net income before impairment charge on financial instruments[1]		73 531	70 628
Impairments charge on financial instruments	C2.1	7 997	9 605
Total net income[1]		65 534	61 023
Total operating expenses	B7	41 074	38 059
Indirect taxation	B8.1	1 084	1 129
Impairments charge on non-financial instruments and other gains and losses	B9	158	403
Profit before direct taxation		23 218	21 432
Direct taxation	B8.2.1	4 746	4 432
Profit for the year		18 472	17 000
Other comprehensive (losses)/income (OCI) net of taxation	B8.2.3	(1 653)	338
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translating foreign operations including the effect of hyperinflation		23	1 492
Share of OCI of investments accounted for using the equity method		(1 775)	(1 556)
Debt instruments at FVOCI – net change in fair value		74	242
Cash flow hedge losses		(10)	(190)
Items that may not subsequently be reclassified to profit or loss			
Property revaluations		(130)	53
Remeasurements on long-term employee benefit assets		89	191
Share of OCI of investments accounted for using the equity method		5	75
Equity instruments at FVOCI – net change in fair value		71	31
Total comprehensive income for the year		16 819	17 338
Profit attributable to:			
– Ordinary shareholders		16 834	15 305
– Holders of participating preference shares		153	166
– Holders of additional tier 1 capital instruments		1 334	1 286
– Non-controlling interest – ordinary shareholders		151	243
Profit for the year		18 472	17 000
Total comprehensive income attributable to:			
– Ordinary shareholders		15 237	15 651
– Holders of participating preference shares		153	166
– Holders of additional tier 1 capital instruments		1 334	1 286
– Non-controlling interest – ordinary shareholders		95	235
Total comprehensive income for the year		16 819	17 338
Basic earnings per share (cents)	B2	3 610	3 239
Diluted earnings per share (cents)	B2	3 517	3 128

[1] The 'Total income' and 'Net income' subtotals have been renamed 'Total net income before impairment charge on financial instruments' and 'Total net income' respectively to better reflect the nature of the items comprising the subtotals. The change has not impacted the amounts presented in the prior periods.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT

	Notes	31 December 2024 Rm	31 December 2023 Rm
Assets			
Cash and cash equivalents	C6	**55 146**	52 082
Other short-term securities	C4	**82 896**	87 769
Derivative financial instruments	C7	**17 072**	13 812
Government and other securities	C3	**198 522**	170 717
Loans and advances	C1.1	**962 184**	891 619
Other assets	H3	**38 187**	35 575
Current taxation assets		**183**	156
Insurance contract assets	D4	**395**	378
Investment securities	F1	**28 172**	27 287
Non-current assets held for sale	H2	**182**	493
Investments in associate companies	F2	**2 486**	2 489
Deferred taxation assets	B8.3	**554**	921
Investment property		**291**	371
Property and equipment	G1	**14 131**	10 913
Long-term employee benefit assets	H1.1	**5 484**	4 849
Intangible assets	G2	**12 652**	11 977
Total assets		**1 418 537**	1 311 408
Equity and liabilities			
Ordinary share capital	B4.1	**467**	465
Ordinary share premium		**14 351**	14 332
Reserves		**97 446**	92 952
Total equity attributable to ordinary shareholders		**112 264**	107 749
Holders of participating preference shares		**103**	106
Holders of additional tier 1 capital instruments	B5	**12 798**	10 469
Non-controlling interest attributable to ordinary shareholders		**921**	887
Total equity		**126 086**	119 211
Derivative financial instruments	C7	**11 623**	14 141
Amounts owed to depositors	D1	**1 174 691**	1 087 645
Provisions and other liabilities	K1.1	**36 369**	22 715
Current taxation liabilities		**324**	313
Deferred taxation liabilities	B8.3	**778**	507
Long-term employee benefit liabilities	H1.1	**47**	43
Investment contract liabilities	D3	**17 484**	17 512
Insurance contract liabilities	D4	**1 354**	1 544
Long-term debt instruments	D2	**49 781**	47 777
Total liabilities		**1 292 451**	1 192 197
Total equity and liabilities		**1 418 537**	1 311 408

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER

Rm	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Reserves: Foreign currency translation reserve[1]	Reserves: Property revaluation reserve[2]
Balance at 1 January 2023	487 251 715	487	19 208	(2 916)	1 611
Additional tier 1 capital instruments issued					
Additional tier 1 capital instruments redeemed					
Share buy-back	(23 395 066)	(23)	(5 021)		
Share movements in terms of LTI and BEE schemes	709 349	1	145		
Preference share dividend					
Additional tier 1 capital instruments distributions					
Dividends to shareholders					
Total comprehensive (losses)/income for the year				(63)	27
Profit attributable to ordinary shareholders and non-controlling interest					
Exchange differences on translating foreign operations including the effect of hyperinflation				1 515	
Cash flow hedge losses[6]					
Movement in fair-value reserve					
Property revaluations					27
Remeasurements of long-term employee benefit assets					
Share of OCI of investments accounted for using the equity method				(1 578)	
Transfer (from)/to reserves					(54)
Value of employee services (net of deferred tax)					
Balance at 31 December 2023	**464 565 998**	**465**	**14 332**	**(2 979)**	**1 584**
Additional tier 1 capital instruments issued					
Additional tier 1 capital instruments redeemed					
Share buy-back	**(291 929)**		**(77)**		
Share movements in terms of LTI and BEE schemes[7]	**2 720 701**	**2**	**96**		
Preference share dividend					
Additional tier 1 capital instruments distributions					
Dividends to shareholders					
Total comprehensive (losses)/income for the year				**(1 724)**	**(101)**
Profit attributable to ordinary shareholders and non-controlling interest					
Exchange differences on translating foreign operations				**48**	
Cash flow hedge losses[6]					
Movement in fair-value reserve					
Property revaluations					**(101)**
Remeasurements of long-term employee benefit assets					
Share of OCI of investments accounted for using the equity method				**(1 772)**	
Transfer (from)/to reserves					**(33)**
Value of employee services (net of deferred tax)					
Other movements					
Balance at 31 December 2024	**466 994 770**	**467**	**14 351**	**(4 703)**	**1 450**

[1] This represents the cumulative foreign exchange differences that arise on the translation of an entity with a functional currency different from the presentation currency of the parent company. The cumulative reserve relating to a subsidiary or associate company or joint venture that is disposed of is included in the determination of profit or loss on disposal of the subsidiary, associate company or joint venture.

[2] This represents the cumulative amounts that have been recognised on the revaluation of group properties net of deferred taxation. When the property is disposed of, the cumulative revaluation surplus is transferred directly to retained earnings.

[3] Equity-settled share-based payment expenses are recognised in the statement of comprehensive income, with the corresponding amount recognised in share-based payment reserves. Any excess tax benefit over the relative tax on the share-based payments expense is recognised directly in this reserve. For better presentation, management has reclassified balances in relation to LTI and BEE schemes out of the transfers from/to reserves line to the share movements in terms of LTI and BEE schemes line in the current year.

[4] Represents other non-distributable revaluation surplus on capital items and non-distributable reserves transferred from other distributable reserves, to comply with various banking regulations, of R508m (2023: R337m).

[5] This comprises all fair-value adjustments relating to investments in debt instruments and equity investments that are subsequently measured at FVOCI. When the debt instrument is derecognised, the cumulative gain or loss is reclassified from equity to profit or loss. For investments in equity instruments the cumulative gain or loss is not recycled but may be reclassified within equity on derecognition.

Reserves								
Share-based payments reserve[3]	Other non-distributable reserves[4]	FVOCI reserve[5]	Other distributable reserves[6]	Total equity attributable to ordinary equity holders	Holders of participating preference shares	Holders of additional tier 1 capital instruments	Non-controlling interest attributable to ordinary share-holders	Total equity
1 730	276	452	84 128	104 976	51	10 219	698	115 944
				–		1 000		1 000
				–		(750)		(750)
				(5044)				(5 044)
(411)			(154)	(419)				(419)
				–	(111)			(111)
				–		(1 286)		(1 286)
			(8 569)	(8569)			(46)	(8 615)
–	–	303	15 384	15 651	166	1 286	235	17 338
			15 305	15 305	166	1 286	243	17 000
				1 515			(23)	1 492
			(190)	(190)				(190)
		281		281			(8)	273
				27			26	53
			194	194			(3)	191
		22	75	(1 481)				(1 481)
181	61	(13)	(175)	–				–
1 154				1 154				1 154
2 654	**337**	**742**	**90 614**	**107 749**	**106**	**10 469**	**887**	**119 211**
				–		**3 000**		**3 000**
				–		**(671)**		**(671)**
				(77)				**(77)**
(1 256)			**(423)**	**(1 581)**				**(1 581)**
				–	**(156)**			**(156)**
				–		**(1 334)**		**(1 334)**
			(9 706)	**(9 706)**			**(61)**	**(9 767)**
–	**–**	**141**	**16 921**	**15 237**	**153**	**1 334**	**95**	**16 819**
			16 834	**16 834**	**153**	**1 334**	**151**	**18 472**
				48			**(25)**	**23**
			(10)	**(10)**				**(10)**
		144		**144**			**1**	**145**
				(101)			**(29)**	**(130)**
			92	**92**			**(3)**	**89**
		(3)	**5**	**(1 770)**				**(1 770)**
	171	**(9)**	**(129)**	**–**				**–**
641				**641**				**641**
			1	**1**				**1**
2 039	**508**	**874**	**97 278**	**112 264**	**103**	**12 798**	**921**	**126 086**

[6] This represents the profit attributable to ordinary shareholders, dividends distribution to shareholders, the effective portion of the cumulative net change in the fair value of cash flow hedging instruments, remeasurements of long-term employee benefit assets, the share of OCI of investments accounted for using the equity method, transfers from share-based payment reserve on settlement, and transfers from revaluation reserves on disposal of property and equipment.

[7] The 2 720 701 (2023: 709 349) shares represents the net of the shares purchased and shares vested in terms of LTI and BEE schemes as follows:

- *9 618 922 (2023: 2 600 126) shares vested in the year which had the following impact on reserves: the cost of the shares increased share capital R9m credit (2023: R3m credit) and share premium R1 670m credit (2023: R562m credit), the grant date fair value of the shares released from the share based payment reserve R1 256m debit (2023: R411m debit) and the difference between the grant date fair value of the shares and the cost of the shares is accounted for directly in other distributable reserves R423m debit (2023: R154m debit).*
- *6 898 221 (2023: 1 890 777) shares purchased to utilise for LTIP awards made in 2024 reducing share capital R7m debit (2023: R2m debit) and share premium R1 574m debit (2023: R417m debit) as these shares are accounted for as treasury shares over the vesting period.*

All movements are reflected net of taxation.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	Notes	2024 Rm	2023 Rm
Profit before direct taxation		**23 218**	21 432
Adjusted for:		**(25 965)**	(26 177)
Non-cash items and indirect taxation	M1	**16 249**	15 502
Dividends received		**(408)**	(209)
Interest and similar income	B6.1.1	**(125 015)**	(116 915)
Interest expense and similar charges	B6.1.2	**83 209**	75 445
Interest received		**124 829**	115 044
Interest paid		**(81 754)**	(71 171)
Dividends received on investments		**408**	209
Change in funds for operating activities		**(16 039)**	(4 066)
Increase in operating assets	M2	**(108 458)**	(59 294)
Increase in operating liabilities	M3	**92 419**	55 228
Net cash from operating activities before taxation		**24 697**	35 271
Taxation paid	M4	**(5 886)**	(5 627)
Cash flows from operating activities		**18 811**	29 644
Cash flows used by investing activities		**(5 504)**	(3 589)
Acquisition of property and equipment, intangible assets and investment properties[1]		**(4 623)**	(3 872)
Disposal of property and equipment, intangible assets and investment properties		**405**	69
Acquisition of subsidiary companies	F3.4	**(1 043)**	
Acquisition of associate companies	F2.1	**(522)**	
Acquisition of investment securities		**(4 101)**	(2 278)
Disposal of investment securities		**4 380**	2 492
Cash flows used by financing activities		**(10 881)**	(19 896)
Shares acquired		**(1 658)**	(5 044)
Issue of additional tier 1 capital instruments		**3 000**	1 000
Issue of long-term debt instruments	D2.1	**12 587**	4 842
Redemption of additional tier 1 capital instruments		**(671)**	(750)
Redemption of long-term debt instruments	D2.1	**(11 969)**	(9 075)
Capital repayments of lease liabilities		**(913)**	(857)
Dividends paid to ordinary shareholders		**(9 767)**	(8 615)
Preference share dividends paid		**(156)**	(111)
Additional tier 1 capital instruments distributions[1]		**(1 334)**	(1 286)
Effects of exchange rate changes on cash and cash equivalents		**638**	305
Net increase in cash and cash equivalents		**3 064**	6 464
Cash and cash equivalents at the beginning of the year		**52 082**	45 618
Cash and cash equivalents at the end of the year	C6	**55 146**	52 082

[1] During the year, the group reviewed the statement-of-cash-flows disclosure. As a result of the review, the 'Acquisition of property, equipment, computer software and development costs and investment property' line item has been renamed 'Acquisition of property and equipment, intangible assets and investment properties' and the 'Additional tier 1 capital instruments interest paid' line item has been renamed 'Additional tier 1 capital instruments distributions' to better reflect the nature of the line items. The changes in descriptions have not impacted the amounts presented in the prior period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION A: ACCOUNTING POLICIES

A1 MATERIAL ACCOUNTING POLICIES

ACCOUNTING POLICIES

The financial information presented in the consolidated financial statements comprises that of the parent company, Nedbank Group Limited, together with its subsidiaries, including consolidated structured entities and associates, presented as a single entity (the group). The financial information presented in the separate financial statements comprises that of the parent company, Nedbank Group Limited (the company).

The group's material accounting policies in preparing the consolidated and separate financial statements of Nedbank Group Limited are disclosed in the individual sections of the financial statements. This section details the basis of preparation and key accounting policy elections.

BASIS OF PREPARATION

The financial statements have been prepared on a going-concern basis. The financial statements have been prepared on a basis consistent with the prior year. The new IFRS Accounting Standards, interpretations and amendments to existing accounting standards and interpretations effective in the current year do not have a material impact on the financial statements. IFRS 18: Presentation and Disclosure in Financial Statements will be effective for reporting periods beginning on or after 1 January 2027. This standard is expected to have a material impact on the group, as detailed in note A3. During the year the group complied with externally imposed capital requirements.

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB and IFRS IC; the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee; Financial Pronouncements as issued by the Financial Reporting Standards Council; the requirements of the Companies Act, 71 of 2008 (as amended); and the JSE Listings Requirements.

The accounting policies of the group apply to the company unless otherwise stated.

The financial statements of the group and company are presented in South African rands, the functional currency of the company, and are rounded off to the nearest million rand.

ACCOUNTING POLICY ELECTIONS

The following accounting policy elections have been made by the group:

Asset/Liability	Option	ELECTION AND IMPLICATION	Note/Section
Property and equipment	• International Accounting Standard (IAS) 16 permits the use of the cost or revaluation model for the subsequent measurement of property and equipment (choice per category).	• Land and buildings are stated at revalued amounts, being fair value less subsequent depreciation and impairment. • Revaluation surpluses are recognised in equity, through OCI. When the property is disposed of, the cumulative revaluation surplus is transferred directly to retained earnings. • Computer equipment, furniture and other equipment and vehicles are carried at cost less accumulated depreciation and impairment. • Right-of-use assets are carried at cost less accumulated depreciation and impairment in accordance with IFRS 16.	G1
Investment in venture capital divisions	• IAS 28 provides an exemption from applying the equity method of accounting if an investment in an associate is held by, or indirectly through, a venture capital organisation.	• The group determines, on initial recognition of an investment, whether the investment will be accounted for using equity accounting or at fair value through profit or loss (FVTPL). This election is made separately for each associate considering the type of investment being made and the appropriate measurement basis to be applied.	F2
Financial instruments	• IFRS 9 permits trade date or settlement date accounting for the regular-way purchase or sale of financial assets.	• Regular-way purchases or sales of financial assets are recognised and derecognised using trade date accounting.	I
Investments in subsidiaries and associate companies in separate financial statements	• In terms of IAS 27, investments in subsidiaries and associate companies can be accounted for in the separate financial statements at cost, or in accordance with IFRS 9 or in terms of IAS 28.	• The group has elected to recognise investments in subsidiary companies at cost in the separate financial statements. • The group has elected to recognise investments in associate companies in the separate financial statements in terms of IAS 28, i.e. using the equity method of accounting.	Separate financial statements

A2 KEY ASSUMPTIONS CONCERNING THE FUTURE AND KEY SOURCES OF ESTIMATION

KEY ASSUMPTIONS CONCERNING SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The group's key accounting policy elections are set out in note A1 of the consolidated financial statements. Detailed accounting policies are disclosed in the notes to the consolidated financial statements. Certain policies, as well as estimates made by management, are considered to be important for an understanding of the group's financial position since they require management to make difficult, complex or subjective judgements and estimates, some of which may relate to matters that are inherently uncertain. Further information on accounting policies that includes estimates that are particularly sensitive in terms of judgements and the extent to which estimates are used is provided within the notes to the consolidated financial statements. Other accounting policies involve significant judgements and estimates, but the total amounts involved are not significant to the financial statements. Management has agreed the accounting policies and critical accounting estimates with the board and Nedbank Group Audit Committee (GAC).

A3 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

IFRS 18: Presentation and Disclosure in Financial Statements (IFRS 18) has been issued but is not yet effective. The effective date for this IFRS Accounting Standard is for reporting periods beginning on or after 1 January 2027. IFRS 18 is expected to have a material impact on the group as it will affect the statement of comprehensive income and related disclosures. The IFRS Accounting Standard aims to improve:

- comparability in the statement of comprehensive income;
- the transparency of management-defined performance measures; and
- the grouping of information in the financial statements so that it is more useful.

The group has not elected to early-adopt this IFRS Accounting Standards, and its application will begin on 1 January 2027.

There are no other IFRS Accounting Standards and improvements that are not yet effective and that are expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

SECTION B: SEGMENTAL AND PERFORMANCE-RELATED INFORMATION

B1 SEGMENTAL REPORTING

ACCOUNTING POLICY

An operating segment is a component of an entity that engages in business activities from which it may earn revenues, the operating results of which are regularly reviewed by the group's chief operating decision-makers regarding resources to be allocated and to assess the segment's performance, and for which financial information is available.

The group's identification of its segments and the measurement of segment results are based on the group's internal reporting to management. The segments have been identified according to the nature of their respective products and services and their related target markets.

The segments identified are complemented by the Centre, which provides support in the areas of finance, human resources, governance and compliance, risk management and information technology. Additional information relating to other performance measures is provided.
The group accounts for intersegment revenues and transfers as if the transactions were with third parties at current market prices.

The group's identification of its segments and the measurement of segment results are based on the group's internal management reporting as used for day-to-day decision-making and as reviewed by the chief operating decision-maker, which in Nedbank Group Limited's case is the Group Executive Committee. The measure of segment profit is headline earnings.

DESCRIPTION OF SEGMENTS

Nedbank Corporate and Investment Banking

Nedbank Corporate and Investment Banking (CIB) offers the full spectrum of transactional, corporate, investment banking and markets solutions, characterised by a highly integrated partnership approach. These solutions include lending products, advisory services, leverage financing, trading, brokering, structuring, hedging and client coverage. The cluster has expertise in a broad spectrum of product and relationship-based solutions, including specialist corporate finance advice, innovative products and services, customised transactional banking and commercial-property finance. Nedbank CIB's primary client-facing units are Markets, Investment Banking, Property Finance, Transactional Services, and Client Coverage.

Nedbank Retail and Business Banking

Nedbank Retail and Business Banking serves the financial needs of all individuals (excluding high-net-worth individuals serviced by Nedbank Wealth) and small businesses with a turnover of up to R30m to whom it offers a full spectrum of banking and assurance products and services. The retail product portfolio includes transactional accounts, home loans, vehicle and asset finance [including the Motor Finance Corporation (MFC)], card (both card-issuing and merchant acquiring services), personal loans and investments. The commercial banking portfolio provides relationship-based banking services to mid-sized and large commercial entities with a turnover of up to R750m, including tailored banking and financial propositions for agricultural, franchising and manufacturing industries as well as the public sector.

Nedbank Wealth

Nedbank Wealth provides insurance, asset management and wealth management solutions to clients ranging from entry-level to high-net-worth individuals. Insurance provides life and non-life insurance solutions for individuals and businesses, including simple risk, funeral, vehicle, personal-accident, credit life and investment solutions. Asset Management offers local and international unit trusts, cash management and multimanagement solutions. Wealth Management provides specialist services to meet the needs of high-net-worth clients locally and internationally, as well as trust and estate planning, stockbroking and financial planning for the broader Nedbank client base. Nedbank Wealth has operations in SA, London, Jersey and the United Arab Emirates and on the Isle of Man.

Nedbank Africa Regions

Nedbank Africa Regions (NAR) is responsible for the group's banking operations and expansion activities on the rest of the African continent and has client-facing subsidiaries (retail and wholesale banking) in Eswatini, Lesotho, Namibia, Mozambique and Zimbabwe. The cluster also holds a 21,2% investment in Ecobank Transnational Incorporated (ETI), manages the Ecobank–Nedbank alliance and facilitates investment in other countries in Africa.

Centre

Centre is an aggregation of business operations that provide various support services to Nedbank Group Limited, and includes the following clusters: Group Finance; Group Technology; Group Strategic Planning and Economics; Group Human Resources; Group Compliance; Group Risk; and Group Marketing and Corporate Affairs. Centre also includes Group Balance Sheet Management, which is responsible for capital management, funding and liquidity risk management, the management of banking book interest rate risk, margin management, and strategic portfolio tilt.

B1 Segmental reporting (continued)

Statement of financial position (Rm)

	Total		Nedbank Corporate and Investment Banking	
	2024	2023	**2024**	2023
Assets				
Cash and cash equivalents	**55 146**	52 082	**829**	1 513
Other short-term securities	**82 896**	87 769	**49 456**	54 628
Derivative financial instruments	**17 072**	13 812	**17 016**	13 777
Government and other securities	**198 522**	170 717	**101 654**	81 417
Loans and advances	**962 184**	891 619	**462 192**	413 056
Other assets[2]	**102 717**	95 409	**40 519**	38 789
Intergroup assets	**–**	–		
Total assets	**1 418 537**	1 311 408	**671 666**	603 180
Equity and liabilities				
Total equity	**126 086**	119 211	**36 277**	35 957
Derivative financial instruments	**11 623**	14 141	**11 601**	14 100
Amounts owed to depositors	**1 174 691**	1 087 645	**502 964**	441 500
Provisions and other liabilities	**56 356**	42 634	**19 393**	5 831
Long-term debt instruments	**49 781**	47 777		
Intergroup liabilities	**–**	–	**101 431**	105 792
Total equity and liabilities	**1 418 537**	1 311 408	**671 666**	603 180

[1] *Includes all group eliminations.*

[2] *Included in 'Other assets' is R2 486m (2023: R2 489m) related to investments in associate companies accounted for using the equity method. R1 251m (2023: R1 241m) of this amount relates to the Nedbank Corporate and Investment Banking Cluster, R666m (2023: R1 248m) relates to the Nedbank Africa Regions Cluster and R569m (2023: Rnil) relates to the Centre.*

During the year property, equipment, computer software and development costs and investment property of R4 623m (2023: R3 872m) were acquired by the group. R2 557m (2023: R1 959m) of this amount relates to the Centre, R1 222m (2023: R1 388m) relates to Nedbank Retail and Business Banking, R516m (2023: R30m) relates to Nedbank Corporate and Investment Banking, R195m (2023: R23m) relates to Nedbank Wealth and R133m (2023: R472m) relates to the Nedbank Africa Regions Cluster.

Non-current assets
During the year the group reviewed the segmental reporting disclosure. As a result of the review, the group enhanced the segmental reporting disclosure by providing non-current assets by segment for South African and foreign operations. To provide comparability the prior-year segmental non-current assets for both South Africa and foreign countries have been disclosed.

Non-current assets amount to R29,7bn (2023: R26,2bn), with R27,2bn (2023: R23,0bn) attributable to South Africa and R2,5bn (2023: R3,2bn) attributable to foreign countries. This excludes other assets, insurance contract assets, deferred taxation assets, and long-term employee benefit assets.

Nedbank Retail and Business Banking		Nedbank Wealth		Nedbank Africa Regions		Centre[1]	
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
4 960	5 331	**1 141**	895	**10 791**	10 583	**37 425**	33 760
		25 591	29 295	**5 871**	4 831	**1 978**	(985)
		42	17	**3**	4	**11**	14
		225	213	**2 803**	1 979	**93 840**	87 108
449 006	429 244	**28 105**	28 711	**22 185**	20 909	**696**	(301)
13 395	10 320	**23 595**	22 478	**3 331**	3 663	**21 877**	20 159
48 604	33 210			**5 050**	3 937	**(53 654)**	(37 147)
515 965	478 105	**78 699**	81 609	**50 034**	45 906	**102 173**	102 608
37 487	34 690	**4 554**	4 520	**7 904**	7 492	**39 864**	36 552
		7	31	**15**	10		
472 142	436 283	**47 397**	48 212	**40 440**	36 846	**111 748**	124 804
5 815	5 891	**21 762**	21 125	**1 349**	1 129	**8 037**	8 658
521	1 241			**326**	429	**48 934**	46 107
		4 979	7 721			**(106 410)**	(113 513)
515 965	478 105	**78 699**	81 609	**50 034**	45 906	**102 173**	102 608

B1 Segmental reporting (continued)

Statement of comprehensive income (Rm)

	Total		Nedbank Corporate and Investment Banking	
	2024	2023	2024	2023
Net interest income	41 806	41 470	8 898	9 386
Non-interest revenue and income	30 412	27 709	9 600	8 678
Net commission and fees revenue	21 361	19 346	3 557	3 144
Net insurance income[2]	1 572	1 446		
Net trading income	4 620	4 299	4 319	4 032
Other income[2]	2 859	2 618	1 724	1 502
Share of gains of associate companies	1 290	1 443	132	63
Total net income before impairment charge on financial instruments[3]	73 508	70 622	18 630	18 127
Impairments charge on financial instruments	7 997	9 605	576	939
Total net income	65 511	61 017	18 054	17 188
Total operating expenses[2]	41 074	38 059	8 643	8 196
Staff costs	22 638	21 140	4 185	3 932
Depreciation	2 548	2 275	44	44
Amortisation	1 880	1 850	40	38
Fees and assurances	4 716	4 336	567	523
Occupation and accommodation	1 105	1 162	170	189
Marketing and public relations	1 607	1 585	90	72
Communication and travel	978	915	367	328
Other operating expenses	5 602	4 796	3 180	3 070
Indirect taxation	1 084	1 129	262	259
Profit before direct taxation[3]	23 353	21 829	9 149	8 733
Direct taxation[3]	4 781	4 484	1 721	1 934
Profit after direct taxation[3]	18 572	17 345	7 428	6 799
Profit attributable to non-controlling interest:				
– Ordinary shareholders	151	243		
– Preference shareholders	153	166		
– Additional tier 1 capital instrument noteholders	1 334	1 286		
Headline earnings	16 934	15 650	7 428	6 799
Selected ratios				
Non-interest revenue and income to income (%)[4]	41,4	39,2	51,5	47,9
Non-interest revenue and income to total operating expenses (%)	74,0	72,8	111,1	105,9
Cost-to-income ratio (%)[5]	55,9	53,9	46,4	45,2
Effective taxation rate (%)[3]	20,5	20,5	18,8	22,1
Revenue (Rm)[6]	72 218	69 179	18 498	18 064

[1] Includes all group eliminations.

[2] During the year, the group reviewed the segmental reporting disclosure. As a result of the review, the 'Other operating expenses' and 'Other income' line items were disaggregated based on the disclosure in note B7. It is the group's view that this change will provide more relevant disclosures on the nature and financial effects of the business activities in which it engages and the economic environment in which it operates. To provide comparability, the prior-year balances have been restated accordingly. The restatements have no impact on the group's consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity or consolidated statement of cash flows.

[3] These items are presented on a headline earnings basis, excluding the impact of impairment charges on non-financial instruments, other gains and losses and related tax. Refer to note B9: Headline earnings.

[4] Non-interest revenue and income as a percentage of total net income before impairment charge on financial instruments. Comparatives for 2023 have been restated to include the group's share of gains of associate companies in the denominator of the ratio.

[5] Total operating expenses as a percentage of net income before impairment charge on financial instruments.

[6] Revenue is calculated as net interest income plus non-interest revenue and income.

Nedbank Retail and Business Banking		Nedbank Wealth		Nedbank Africa Regions		Centre[1]	
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
26 816	26 413	**1 725**	1 749	**2 573**	2 226	**1 794**	1 696
15 541	14 306	**3 283**	2 924	**1 757**	1 857	**231**	(56)
14 604	13 258	**2 165**	2 070	**1 158**	972	**(123)**	(98)
546	580	**984**	820	**40**	44	**2**	2
164	143			**137**	128		(4)
227	325	**134**	34	**422**	713	**352**	44
				1 139	1 380	**19**	
42 357	40 719	**5 008**	4 673	**5 469**	5 463	**2 044**	1 640
7 222	8 520	**(5)**	37	**315**	253	**(111)**	(144)
35 135	32 199	**5 013**	4 636	**5 154**	5 210	**2 155**	1 784
25 484	23 678	**3 337**	3 111	**3 141**	2 928	**469**	146
8 952	8 572	**1 801**	1 671	**1 449**	1 320	**6 251**	5 645
1 571	1 276	**29**	28	**174**	149	**730**	778
8	9		4	**37**	47	**1 795**	1 752
2 949	2 810	**86**	99	**357**	371	**757**	533
839	942	**84**	88	**118**	116	**(106)**	(173)
737	749	**88**	92	**62**	68	**630**	604
413	419	**42**	41	**97**	72	**59**	55
10 015	8 901	**1 207**	1 088	**847**	785	**(9 647)**	(9 048)
690	747	**54**	64	**93**	56	**(15)**	3
8 961	7 774	**1 622**	1 461	**1 920**	2 226	**1 701**	1 635
2 395	2 042	**365**	251	**143**	97	**157**	160
6 566	5 732	**1 257**	1 210	**1 777**	2 129	**1 544**	1 475
				158	238	**(7)**	5
153	166						
						1 334	1 286
6 413	5 566	**1 257**	1 210	**1 619**	1 891	**217**	184
36,7	35,1	**65,6**	62,6	**32,1**	34,0		
61,0	60,4	**98,4**	94,0	**55,9**	63,4		
60,2	58,1	**66,6**	66,6	**57,4**	53,6		
26,7	26,3	**22,5**	17,2	**7,4**	4,4		
42 357	40 719	**5 008**	4 673	**4 330**	4 083	**2 025**	1 640

Depreciation costs of R2 548m (2023: R2 275m) and amortisation costs of R1 880m (2023: R1 850m) for property, equipment, computer software, capitalised development and other intangible assets are charged using an activity-justified transfer pricing methodology by the segment owning the assets to the segment using the benefits of those assets.

Revenue

During the year the group reviewed the segmental reporting disclosure. As a result of the review, the group enhanced the segmental reporting disclosure by providing revenue from external clients by segment for South African and foreign operations. To provide comparability, the prior-year segmental revenue from external clients from both South Africa and foreign countries has been disclosed.

Revenue from external customers amounts to R72,2bn (2023: R69,2bn), with R64,9bn (2023: R62,4bn) attributable to South Africa and R7,3bn (2023: R6,8bn) attributable to foreign countries.

B1.2 Total internal income by segment

During the year the group reviewed the segmental reporting disclosure. As a result of the review, the group enhanced the segmental reporting disclosure by providing the total internal income by segment. It is the group's view that this enhancement will provide a better understanding of the group's financial performance arising from inter-segment revenue generation. To provide comparability the prior year total internal income by segment has been disclosed.

	2024 Rm	2023 Rm
Nedbank Corporate and Investment Banking	**(7 624)**	(7 500)
Nedbank Retail and Business Banking	**(208)**	(751)
Nedbank Wealth	**(506)**	(751)
Nedbank Africa Regions	**420**	99
Centre	**7 918**	8 903
	–	–

B2 EARNINGS PER SHARE

Basic earnings and headline earnings per share are calculated by dividing the relevant earnings amount by the weighted-average number of shares in issue. Diluted earnings and diluted headline earnings per share are calculated by dividing the relevant earnings by the weighted-average number of shares in issue after having taken the dilutive impact of potential ordinary shares to be issued into account.

	Basic		Headline	
	Basic	**Diluted**	**Basic**	**Diluted**
2024				
Profit attributable to ordinary shareholders (Rm)	**16 834**	**16 834**	**16 834**	**16 834**
Adjusted for:				
– Headline earnings adjustments (note B9)			**135**	**135**
– Taxation on headline earnings adjustments			**(35)**	**(35)**
Adjusted profit attributable to ordinary shareholders (Rm)	**16 834**	**16 834**	**16 934**	**16 934**
Weighted-average number of ordinary shares	**466 374 083**	**466 374 083**	**466 374 083**	**466 374 083**
Adjusted for:				
– Share schemes that have a dilutive effect		**12 269 759**		**12 269 759**
Adjusted weighted-average number of ordinary shares	**466 374 083**	**478 643 842**	**466 374 083**	**478 643 842**
Earnings per share (cents)	**3 610**	**3 517**	**3 631**	**3 538**

	Basic		Headline	
	Basic	Diluted	Basic	Diluted
2023				
Profit attributable to ordinary shareholders (Rm)	15 305	15 305	15 305	15 305
Adjusted for:				
– Headline earnings adjustments (note B9)			397	397
– Taxation on headline earnings adjustments			(52)	(52)
Adjusted profit attributable to ordinary shareholders (Rm)	15 305	15 305	15 650	15 650
Weighted-average number of ordinary shares	472 509 532	472 509 532	472 509 532	472 509 532
Adjusted for:				
– Share schemes that have a dilutive effect		16 725 881		16 725 881
Adjusted weighted-average number of ordinary shares	472 509 532	489 235 413	472 509 532	489 235 413
Earnings per share (cents)	3 239	3 128	3 312	3 199

The dilutive effect calculations are based on the group's daily average share price of 25 697 cents (2023: 21 564 cents).

B3 DIVIDENDS

B3.1 ORDINARY SHARES

	Last day to trade (cum dividend)	Cents per share	Rm
2024			
Final declared for 2023 – paid 2024[1]	**9 April 2024**	**1 022**	**4 980**
Interim declared for 2024[1,2]	**3 September 2024**	**971**	**4 726**
Dividends paid to non-controlling interests			**61**
Ordinary dividends paid 2024		**1 993**	**9 767**
Final ordinary dividends declared for 2024[2]		**1 104**	
2023			
Final declared for 2022 – paid 2023[1]	11 April 2023	866	4 361
Interim declared for 2023[1,2]	5 September 2023	871	4 208
Dividends paid to non-controlling interests			46
Ordinary dividends paid 2023		1 737	8 615
Final ordinary dividends declared for 2023[2]		1 022	

[1] *The net dividends paid totaled R9 726m (2023: R8 653m) and excluded dividends paid to group companies of R20m (2023: R84m).*

[2] *The total dividend declared was 2 075 cents per share (2023: 1 893 cents per share) and the dividend cover ratio equaled 1,75 times (2023: 1,75 times).*

B3.2 AMOUNTS ATTRIBUTABLE TO PARTICIPATING PREFERENCE SHAREHOLDERS

Profits/Losses attributable to participating preference shareholders	Amount Rm
2024	
Nedbank (MFC) – share of economic profit[1]	**153**
	153
2023	
Nedbank (MFC) – share of economic profit[1]	166
	166

[1] *Share of economic profit calculated semi-annually.*

B4 SHARE CAPITAL

ACCOUNTING POLICY

Share capital

Ordinary share capital, preference share capital or any financial instrument issued by the group is classified as equity when:

- payment of cash, in the form of a dividend or redemption, is at the discretion of the group;
- the instrument does not provide for the exchange of financial instruments under conditions that are potentially unfavourable to the group;
- settlement in the group's own equity instruments is for a fixed number of equity instruments at a fixed price; and
- the instrument represents a residual interest in the assets of the group after all its liabilities have been deducted.

Consideration paid or received for equity instruments is recognised directly in equity. Equity instruments are initially measured at the proceeds received, less incremental directly attributable issue costs, net of any related income tax benefits. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's equity instruments.

Distributions to holders of equity instruments are recognised as distributions in the statement of changes in equity in the period in which they are payable. Dividends for the year that are declared after the reporting date are disclosed in note B3 to the financial statements.

Treasury shares

When the group acquires its own share capital, the amount of the consideration paid, including directly attributable costs, net of any related tax benefit, is recognised as a change in equity. Shares repurchased by the issuing entity are cancelled. Shares repurchased by group entities are classified as treasury shares and are held at cost. These shares are treated as a deduction from the issued and weighted-average number of shares and the cost price of the shares is presented as a deduction from total equity. The par value of the shares is presented as a deduction from ordinary share capital and the remainder of the cost is presented as a deduction from the ordinary share premium. Dividends received on treasury shares are eliminated on consolidation.

B4.1 ORDINARY SHARE CAPITAL

	2024 Rm	2023 Rm
Authorised		
600 000 000 (2023: 600 000 000) ordinary shares of R1 each	**600**	600
Issued		
488 020 500 (2023: 488 105 724) fully paid ordinary shares of R1 each	**488**	488
21 025 730 (2023: 23 539 726) fully paid ordinary treasury shares of R1 each arising from share repurchases of subsidiaries	**(21)**	(23)
	467	465

Subject to the restrictions imposed by the Companies Act, 71 of 2008 (as amended), and by shareholders in terms of the authority previously provided, the unissued shares are under the control of the directors until the forthcoming AGM.

The treasury shares held are used mainly for the purpose of fulfilling the options and share awards outstanding in terms of the share schemes (for both employees and third parties).

B4.2 PREFERENCE SHARES

	2024 Rm	2023 Rm
Authorised		
Nedbank Group Limited preference shares		
1 000 000 (2023: 1 000 000) cumulative redeemable non-participating preference shares of R10 000 each	**10 000**	10 000
1 000 000 (2023: 200 000) class A non-redeemable non-cumulative non-participating perpetual preference shares of R1 each	**1**	[1]
Nedbank Limited preference shares		
1 000 000 000 (2023: 1 000 000 000) non-redeemable non-cumulative, non-participating preference shares of R0,001 each	**1**	1
5 000 (2023: 5 000) class A redeemable non-cumulative preference shares of R0,0001 each	[1]	[1]
5 000 (2023: 5 000) class B redeemable non-cumulative preference shares of R0,0001 each	[1]	[1]
Issued		
Nedbank Group Limited preference share liabilities		
150 000 (2023: nil) fully paid cumulative redeemable non-participating preference shares of R10 000 each[2]	**1 373**	
Nedbank Limited preference share capital and premium		
100 (2023: 100) class B redeemable non-cumulative preference shares of R0,0001 each	[1]	[1]

[1] Represents amounts less than R1m.

[2] Nedbank Group Limited's issued preference shares are classified as debt instruments and are reported as part of amounts due to depositors in the statement of financial position. Depfin Investments Proprietary Limited, a subsidiary of Nedbank Limited, subscribed for 15 000 of the 150 000 shares.

B5 HOLDERS OF ADDITIONAL TIER 1 CAPITAL INSTRUMENTS

The group has issued additional tier 1 (AT1) capital instruments as follows:

Instrument code	Date of issue	Call date	Instrument terms	2024 Rm	2023 Rm
Subordinated callable notes (rand-denominated)					
NGT103	22 March 2019	25 March 2024	3-month JIBAR + 4,40% per annum		671
NGT104	24 June 2019	15 January 2025	3-month JIBAR + 4,50% per annum	**1 829**	1 829
NGT105	22 November 2019	22 May 2025	3-month JIBAR + 4,25% per annum	**1 000**	1 000
NGT106	4 August 2020	5 August 2025	3-month JIBAR + 4,95% per annum	**500**	500
NGT107	18 November 2020	19 November 2025	3-month JIBAR + 4,55% per annum	**472**	472
NGT108	8 March 2021	8 September 2026	3-month JIBAR + 4,67% per annum	**1 537**	1 537
NGT1G – Green AT1	15 June 2021	16 June 2026	3-month JIBAR + 4,10% per annum	**910**	910
NGT109	3 November 2021	4 November 2026	3-month JIBAR + 3,91% per annum	**700**	700
NGT110	24 December 2021	27 December 2026	3-month JIBAR + 3,91% per annum	**350**	350
NGT111	22 April 2022	23 April 2027	3-month JIBAR + 3,79% per annum	**1 000**	1 000
NGT112	9 December 2022	10 December 2027	3-month JIBAR + 3,40% per annum	**500**	500
NGT113	27 June 2023	28 June 2028	3-month JIBAR + 3,28% per annum	**1 000**	1 000
NGT114	20 August 2024	21 August 2029	3-month JIBAR + 2,90% per annum	**3 000**	
Total				**12 798**	10 469

The additional tier 1 notes represent perpetual, subordinated instruments, with no redemption date. The instruments are redeemable subject to regulatory approval at the sole discretion of the issuer, Nedbank Group Limited or Nedbank Limited, from the applicable call date and following a regulatory or a tax event. The payment of interest is at the discretion of the issuer and interest payments are non-cumulative. In certain circumstances, the regulator may prohibit Nedbank from making interest payments. Accordingly, the instruments are classified as equity instruments and disclosed as a separate category of equity.

B6 REVENUE

ACCOUNTING POLICY

Interest income and interest expense and similar charges

In terms of IFRS 9 interest income and expense are recognised in profit or loss using the effective-interest method, taking into account the expected timing and amount of cash flows. The effective-interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. Interest income and expense include the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing financial instrument and its amount at maturity calculated on an effective-interest-rate basis. Expenses that are incurred by the group as a result of an underlying financial liability but do not meet the definition of transaction costs, are presented as similar charges.

IFRS 15: Revenue from Contracts with Customers

The core principle of the standard is that revenue recognised reflects the consideration to which the company expects to be entitled in exchange for the transfer of promised goods or services to the client. The standard incorporates a 5-step analysis to determine the amount and timing of revenue recognition.

The group has concluded that the loyalty points awarded to clients are considered payable to our clients in terms of IFRS 15. IFRS 15 requires revenue to be decreased by the amount expected to be payable to clients, which is recognised as a liability until payment is effected.

The group assesses the contract and determines whether the fees identified in the contract are in the scope of IFRS 15. If so, the revenue will be recognised only when the group can:

- » identify the contract;
- » identify the performance obligation;
- » determine the transaction price;
- » allocate the transaction price to the performance obligations in the contract; and
- » recognise the revenue as and when the performance obligation is satisfied.

The group is able to identify the contract when both the client and the group have accepted the terms of the agreement. The contract will also identify all the services (performance obligations) the group will render to the client. Based on this, the transaction price is allocated to each identified performance obligation. The group recognises the revenue once the performance obligation has been satisfied, which may occur over time or at a point in time.

- **Commission and fees revenue**

The group earns fees and commissions from a range of services it provides to clients and these are accounted for as follows:

- » Income earned on the execution of a distinct performance obligation is recognised when the distinct performance obligation has been performed. Revenue is recognised at a point in time.
- » Income earned from the provision of services is recognised over time as the performance obligation is fulfilled.
- » Income that forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate and recorded in interest income in terms of IFRS 9.
- » Fees charged for servicing a loan are recognised in revenue as the performance obligation is provided, which in most instances occurs monthly when the fees are levied.

- **Principal versus agent**

When the group acts as a principal, it is deemed to be purchasing and selling financial instruments on its own behalf and therefore reports profits and losses as part of net trading income. When the group acts as an agent, the net commission or markup earned is reported as fee income and costs incurred on behalf of the principal are not reported in the statement of comprehensive income.

Where costs are not directly reimbursed, or not included in the cost basis used for calculating a markup, it may be appropriate to gross up and separately report the costs within 'commission and fees expense'.

- **Directly attributable and incremental costs**

The types of expenses that are presented as part of non-interest revenue and income are those incremental costs that are directly attributable to the revenue generated. The group defines incremental expenses as those that would not have been incurred had it not been for the acquisition of a contract that generated the revenue.

- **Commitment fees**

The group typically earns commitment fees on lending facilities, such as credit facility fees and revolving-credit-facility fees. The fees are typically charged for making the facilities available to the client.

The group recognises commitment fees as follows:

- Commitment fees that arise from instruments that are not classified and measured at FVTPL, i.e. financial instruments that are classified and measured at amortised cost or FVOCI:
  - » Where drawdown is unlikely, i.e. remote or uncertain, the related commitment fees should be recognised as revenue in terms of IFRS 15 on a time-proportionate basis and over the period in which the facility is provided.
  - » Where drawdown is probable, the related commitment fee is recognised as part of the effective interest rate over the life of the facility.

- Commitment fees that relate to a loan commitment that is measured and classified as FVTPL will be included in the cash flows used to determine the fair value of the loan commitment.

- **Non-refundable upfront fees**

Non-refundable upfront fees normally relate to the issuing or administration of a loan facility. These fees will be recognised as revenue when the performance obligation is satisfied. This is applicable when the non-refundable performance obligation can be satisfied over time or at a point in time.

To apply this principle the group first assesses whether the contract is satisfied over time. Should this be the case, the revenue is spread over the period of the contract on a time-proportionate basis. If the performance obligation is not satisfied over time and instead satisfied at a point in time, the revenue is recognised when the service is complete and no further performance obligations are required according to the contract.

The group recognises non-refundable upfront fees that are an integral part of a loan in net interest income through the unwinding of the effective interest rate.

- **Revenue on investment management contracts**

Fees charged for investment management services in conjunction with investment management contracts are recognised as revenue over time when the performance obligation is fulfilled. Initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided.

Net insurance income

Refer to note D4: Insurance contracts, for the group's accounting policies on insurance contracts.

Dividend income

Dividend income is recognised when the right to receive payment is established on the ex-dividend date for equity instruments and is included in dividend income under non-interest revenue and income.

Net trading income

Net trading income comprises all gains and losses from changes in the fair value of financial assets and financial liabilities held for trading, together with the related interest, expense, costs and dividends. Interest earned while holding trading securities and interest incurred on trading liabilities are reported within non-interest revenue and income.

Other

Exchange and securities trading income from investments and net gains on the sale of investment banking assets is recognised in profit or loss when the amount of revenue from the transaction can be measured reliably. It is probable that the economic benefits of the transaction will flow to the group and the costs associated with the transaction or service can be measured reliably.

Fair-value gains or losses on financial instruments managed on a fair-value basis measured at FVTPL, including derivatives, are included in non-interest revenue and income.

Fair-value gains or losses on all other financial instruments are included in non-interest revenue and income. These fair-value gains or losses are determined after having deducted the interest component, which is recognised separately in interest income and expense.

B6.1 NET INTEREST INCOME

B6.1.1 INTEREST AND SIMILAR INCOME

	2024 Rm	2023 Rm (Restated)
Listed corporate bonds	**2 968**	2 293
Home loans	**22 203**	20 789
Commercial mortgages	**21 418**	20 748
Instalment debtors	**21 178**	19 087
Credit cards	**2 709**	2 692
Overdrafts	**2 947**	2 916
Term and other loans	**33 048**	31 198
Personal loans	**5 326**	5 780
Government and other securities	**8 879**	7 835
Short-term funds and securities	**4 339**	3 577
	125 015	116 915
Interest and similar income may be analysed as follows:		
– Interest and similar income from financial instruments at amortised cost [1]	**120 221**	109 876
– Interest and similar income from financial instruments at FVOCI[1]	**3 297**	5 193
– Interest and similar income from financial instruments at FVTPL	**1 497**	1 846
	125 015	116 915

[1] During 2024 the group identified that the 'Interest and similar income from financial instruments at amortised cost' line item was incorrectly overstated and the 'Interest and similar income from financial instruments at FVOCI' line item was incorrectly understated by R1 222m respectively. As a result, the prior-year information has been restated. This restatement has no impact on the total 'Interest and similar income'.

B6.1.2 INTEREST EXPENSE AND SIMILAR CHARGES

	2024 Rm	2023 Rm
Deposit and loan accounts	**50 649**	46 134
Current and savings accounts	**2 525**	2 507
Negotiable certificates of deposit	**11 132**	10 624
Other interest-bearing liabilities[1]	**14 997**	12 776
Long-term debt instruments	**4 703**	4 891
Interest expense related to fair-value activities[2]	**(797)**	(1 487)
	83 209	75 445
Interest expense and similar charges may be analysed as follows:		
– Interest expense and similar charges from financial instruments at amortised cost	**82 243**	73 371
– Interest expense and similar charges from financial instruments at FVTPL	**966**	2 074
	83 209	75 445

[1] Includes interest expense of R238m (2023: R213m) related to lease liabilities and Corporation for Depositors Insurance (CODI) levy and premiums of R186m (2023: Rnil).

[2] Refer to note B6.2.

B6.2 NON-INTEREST REVENUE AND INCOME

	2024 Rm	2023 Rm
Commission and fees revenue[2]	**27 823**	25 296
Administration fees	**1 721**	1 556
Card fees	**8 264**	7 810
Cash-handling fees	**1 227**	1 151
Exchange commission	**800**	851
Guarantee income	**240**	247
Transaction-based commission	**295**	279
Other commission	**5 358**	4 686
Other fees	**4 853**	4 034
Service charges	**5 065**	4 682
Commission and fees expense	**(6 462)**	(5 950)
Card fees	**(4 510)**	(4 099)
Exchange commission	**(46)**	
Transaction-based commission	**(4)**	(3)
Other commission	**(1 003)**	(948)
Other fees	**(895)**	(899)
Service charges	**(4)**	(1)
Net insurance income	**1 572**	1 446
Investment contract liabilities expense	**(154)**	(23)
Investment income	**158**	187
Net revenue for insurance and reinsurance contracts (note D4.1)	**1 328**	1 082
Other income	**240**	200
Fair-value adjustments (note B6.2.1)	**541**	577
Fair-value adjustments	**496**	297
Hedged-accounted portfolios	**45**	280
Net trading income[3]	**4 620**	4 299
Foreign exchange	**1 612**	1 569
Debt securities	**2 268**	2 013
Equities	**677**	642
Commodities	**63**	75
Equity investment income	**693**	764
Realised gains, interest and other income	**330**	782
Unrealised gains/(losses)	**144**	(92)
Dividends income	**219**	74
Investment income	**196**	142
Dividends income on investments	**189**	135
Long-term-asset sales	**7**	7
Net sundry income	**1 429**	1 135
Rental income	**140**	98
Rental income from properties in possession	[1]	[1]
Net monetary loss (note N1)		(1 059)
Foreign exchange gains	**271**	1 567
Other sundry income	**1 018**	529
	30 412	27 709

[1] Represents amounts less than R1m.

[2] Commission and fees revenue includes R1 702m (2023: R1 680m) related to trust and fiduciary fees.

[3] Trading income includes R797m (2023: R1 487m) of amortised cost funding related to fair-value activities. Refer to note B6.1.2 for further details.

B6.2.1 ANALYSIS OF FAIR-VALUE ADJUSTMENTS

Fair-value adjustments can be analysed as follows:	2024 Rm	2023 Rm
– Financial instruments designated as FVTPL	**2 273**	1 674
– Financial instruments mandatorily at fair value	**(1 732)**	(1 097)
	541	577

B7 TOTAL OPERATING EXPENSES

	2024 Rm	2023 Rm
Staff costs	**22 638**	21 140
Remuneration and other staff costs	**18 987**	17 513
Short-term incentives	**3 394**	3 040
Long-term employee benefits (note H1)	**(490)**	(427)
Share-based payments expense – employees (note J2)	**747**	1 014
Computer processing	**7 307**	6 900
Depreciation of computer equipment	**664**	749
Depreciation of right-of-use assets – computer equipment	**116**	99
Amortisation of computer software	**1 875**	1 850
Short-term lease charges for computer equipment	**304**	212
Development costs	**587**	825
Other computer processing expenses	**3 761**	3 165
Communication and travel	**1 325**	920
Depreciation of vehicles	**347**	5
Other communication and travel expenses	**978**	915
Occupation and accommodation	**2 165**	2 247
Depreciation of owner-occupied land and buildings	**398**	398
Depreciation of right-of-use assets – land and buildings	**662**	687
Other occupation and accommodation expenses	**1 105**	1 162
Marketing and public relations	**1 607**	1 585
Fees and assurances	**4 716**	4 336
Auditors' remuneration	**355**	324
Statutory and regulatory audit	**345**	311
Non-audit services	**10**	13
Other fees and assurance costs	**4 361**	4 012
Furniture, office equipment and consumables	**665**	609
Depreciation of furniture and other equipment	**329**	337
Depreciation of right-of-use assets – furniture and other equipment	**32**	
Short-term lease charge for furniture and other equipment	**12**	11
Other office equipment and consumables	**292**	261
Other operating expenses	**651**	322
Amortisation of intangible assets	**5**	[1]
Other sundries	**646**	322
	41 074	38 059

[1] Represents amounts less than R1m.

B8 TAXATION

ACCOUNTING POLICY

Taxation expense, recognised in the statement of comprehensive income, comprises current and deferred taxation. Current or deferred taxation is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is also recognised in equity, and, to the extent that it relates to items recognised in OCI, in which case it is also recognised in OCI. The group recognises the income tax consequences of dividends in profit or loss, OCI or equity according to where the group originally recognised those past transactions or events.

Current taxation

Current taxation is the expected tax payable on the taxable income for the year, according to taxation rates enacted or substantively enacted at the reporting date, and any adjustment to taxation payable in respect of previous years (prior-period tax paid).

Deferred taxation

Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective taxation bases. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, and is measured at the taxation rates (enacted or substantively enacted at the reporting date) that are expected to be applied to the temporary differences when they are reversed.

Deferred taxation is recognised in profit or loss for the period, except to the extent that it relates to a transaction that is recognised directly in equity or in OCI, or a business combination that is accounted for as an acquisition. The effect on deferred taxation of any changes in taxation rates is recognised in profit or loss for the period, except to the extent that it relates to items previously charged or credited directly to equity or OCI.

Deferred taxation liabilities are recognised for all taxable temporary differences, and deferred taxation assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be used. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related taxation benefits will be realised.

Deferred taxation assets and liabilities are offset if there is a legally enforceable right to offset current taxation liabilities against current taxation assets, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxation entities, but they intend to settle current tax liabilities and assets on a net basis or their taxation assets and liabilities will be realised simultaneously.

B8.1 INDIRECT TAXATION

	2024 Rm	2023 Rm
Value-added taxation[1]	**920**	981
Transaction-based taxes	**164**	148
	1 084	1 129

[1] *Comprises the value-added taxation incurred that is irrecoverable in respect of the making of exempt supplies as defined in the Value-added Tax Act, 89 of 1991.*

B8.2 DIRECT TAXATION

B8.2.1 Charge for the year

	2024 Rm	2023 Rm
South African normal taxation:		
– Current charge	**3 766**	3 886
– Capital gains taxation – deferred	**17**	56
– Deferred taxation	**351**	(82)
Pillar 2 taxation[1]	**43**	
Foreign taxation	**778**	862
Current and deferred taxation on income	**4 955**	4 722
Prior-year adjustments	**(174)**	(238)
Total taxation on income	**4 781**	4 484
Taxation on impairments charge on non-financial instruments and other gains and losses items	**(35)**	(52)
	4 746	4 432

[1]Refer to note B8.2.5 International tax reform: Pillar 2 model rules.

B8.2.2 Taxation rate reconciliation

	2024 %	2023 %
Taxation rate reconciliation		
Standard rate of South African normal taxation	**27,0**	27,0
Dividend income	**(2,5)**	(1,3)
Share of profits of associate companies	**(1,5)**	(1,9)
Capital items	**(0,2)**	0,1
Effects of profits taxed in non-African jurisdictions[1]	**(0,4)**	(0,7)
Additional tier 1 capital instruments	**(1,6)**	(1,6)
Assessed losses not subject to deferred tax	**0,4**	(0,2)
Impairment charge on non-financial instruments and other gains and losses		0,3
Effects of profits taxed in Nedbank Africa Regions[2]	**(0,4)**	(0,4)
Non-deductible expenses[3]	**0,4**	0,5
Non-taxable income	**(0,2)**	
Prior-year adjustments	**(0,8)**	(1,1)
Pillar 2 taxation[4]	**0,2**	
Effective taxation rate	**20,4**	20,7

[1]This consists mainly of the effects of the lower tax charge in Nedbank Private Wealth Isle of Man (IOM) and Nedgroup Investments IOM. The corporate tax rate in respect of banking operations in IOM, which form part of an MNE group subject to Pillar 2 taxes, increased from 10% to 15%, resulting in an additional R5m of corporate tax raised in Nedbank Private Wealth IOM.
[2]The effects of profits taxed in Nedbank Africa Regions includes the impact of the following corporate tax rate changes: The tax rate in Namibia was reduced from 32% to 31%, effective 1 January 2024, and further reduced to 30%, effective 1 January 2025. In Zimbabwe, the tax rate increased from 24% to 25%, effective 1 January 2024 and the tax rate in Eswatini was reduced from 27,5% to 25%, effective 1 January 2025.
[3] Non-deductible expenses include the impact of share-based payments and other non-deductible expenses.

[4] Refer to note B8.2.5 International tax reform: Pillar 2 model rules.

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B8.2.3 Income tax recognised in other comprehensive income

Rm	Gross	Taxation	Net of taxation
2024			
Exchange differences on translating foreign operations including the effect of hyperinflation	**23**		**23**
Share of OCI of investments accounted for using the equity method	**(1 770)**		**(1 770)**
Debt instruments at FVOCI – net change in fair value	**110**	**(36)**	**74**
Remeasurements on long-term employee benefit assets	**117**	**(28)**	**89**
Equity instruments at FVOCI – net change in fair value	**81**	**(10)**	**71**
Property revaluations	**(142)**	**12**	**(130)**
Cash flow hedge losses	**(14)**	**4**	**(10)**
2023			
Exchange differences on translating foreign operations including the effect of hyperinflation	1 492		1 492
Share of OCI of investments accounted for using the equity method	(1 481)		(1 481)
Debt investments at FVOCI – net change in fair value	328	(86)	242
Remeasurements on long-term employee benefit assets	264	(73)	191
Equity instruments at FVOCI – net change in fair value	43	(12)	31
Property revaluations	35	18	53
Cash flow hedge losses	(260)	70	(190)

B8.2.4 Future taxation relief

Deferred tax assets of R307m (2023: R111m) have not been recognised in respect of tax losses of R1 092m (2023: R1 007m) because it is not probable that future taxable profit will be available against which the group can use the benefits therefrom.

The assessed losses in Nedbank Mozambique in the amount of R173m (2023: R212m) have an expiry date of 2025 to 2028 (2023: 2024 to 2027).

Assessed losses that never expire is R918m (2023: R795m).

B8.2.5 International tax reform: Pillar 2 model rules

Nedbank Group Limited is the ultimate parent entity for the Nedbank Group of companies. The group is within the scope of the Pillar 2 global minimum tax rules, as the group is a multinational enterprise with a turnover of more than €750 million in at least 2 of the last 4 fiscal years (preceding the current fiscal year). Therefore, a minimum effective corporate tax rate of 15% must be applied in each jurisdiction in which the group operates.

Pillar 2 legislation became effective in the UK in 2024. On 24 December 2024, the Pillar 2 legislation was implemented and included in domestic law in South Africa. The primary legislation includes 2 new acts: the Global Minimum Tax Act, 46 of 2024 and the Global Minimum Tax Administration Act, 47 of 2024 (gazetted on 7 January 2025 and therefore substantively enacted). The legislation refers to the GloBE Rules and has a retrospective commencement date, for reporting entities within scope with fiscal years beginning on or after 1 January 2024.

The group applies the exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Nedbank Group Limited has provided R43m in relation to the constituent entities in IOM, Jersey and Namibia. No provisions are currently required for any other jurisdictions in the group, as the transitional safe harbours apply to all other jurisdictions in which the group operates.

B8.3 DEFERRED TAXATION

The analysis of deferred taxation assets and deferred taxation liabilities is as follows:

	2024 Rm	2023 Rm
Deferred taxation assets		
— Deferred taxation assets to be recovered after more than 12 months	**554**	921
	554	921
Deferred taxation liabilities		
— Deferred taxation liabilities to be recovered after more than 12 months	**(778)**	(507)
	(778)	(507)
Net deferred taxation (liability)/asset	**(224)**	414
The gross movement on the deferred income taxation account is as follows:		
— Balance at the beginning of the year	**414**	150
— Statement of comprehensive income charge	**(385)**	123
— Tax credit relating to components of other comprehensive income	**(58)**	(83)
— Tax credit directly to equity	**(28)**	196
— Acquisition of subsidiary	**(176)**	
— Reclassification between taxation types and categories	**19**	18
— Exchange differences	**(10)**	10
Balance at the end of the year	**(224)**	414

The movement in deferred taxation assets and liabilities during the year, without taking into consideration the offsetting of balances with the same tax jurisdiction, is as follows:

Deferred taxation assets	Capital investments	Credit impairments
Balance at 1 January 2023	39	2 614
(Credited)/charged to the income statement	(56)	180
Charged/(credited) to OCI		
Credited directly to equity		
Exchange differences		(2)
Reclassification between taxation types and categories		
Balance at 31 December 2023	**(17)**	**2 792**
(Credited)/charged to the income statement		**(100)**
Charged/(credited) to OCI		
Credited directly to equity		
Acquisition of subsidiary		
Exchange differences		**4**
Reclassification between taxation types and categories	**17**	
Balance at 31 December 2024		**2 696**

Deferred taxation liabilities	Accelerated asset allowances	Property revaluations	Deferred acquisition costs
Balance at 1 January 2023	(1 633)	(554)	(983)
Charged/(credited) to the income statement	142		(71)
Charged/(credited) to OCI		18	
Charged directly to equity		20	
Exchange differences			
Balance at 31 December 2023	**(1 491)**	**(516)**	**(1 054)**
Charged/(credited) to the income statement	**72**		**(146)**
Charged/(credited) to OCI		**12**	
Charged directly to equity		**12**	
Acquisition of subsidiary			
Reclassification between taxation types and categories			
Exchange differences	**1**		
Balance at 31 December 2024	**(1 418)**	**(492)**	**(1 200)**

Deferred revenue	Provisions	Taxation losses	Total
339	1 882	57	4 931
(4)	65	10	195
	70		70
	(20)		(20)
(1)	24		21
	18		18
334	**2 039**	**67**	**5 215**
(60)	**52**	**20**	**(88)**
	4		**4**
	5		**5**
(160)			**(160)**
4	**(4)**		**4**
	31		**48**
118	**2 127**	**87**	**5 028**

Long-term employee benefits	Share-based payments	FVOCI	Capital investments	Acquired intangible assets	IFRS 17 transitional adjustment	Total
(1 106)	(179)	(228)		(66)	(32)	(4 781)
(123)	(25)				5	(72)
(73)		(98)				(153)
	196					216
		(11)				(11)
(1 302)	**(8)**	**(337)**		**(66)**	**(27)**	**(4 801)**
(139)	**(67)**		**7**	**(1)**	**(23)**	**(297)**
(28)		**(46)**				**(62)**
	(45)					**(33)**
				(16)		**(16)**
			(29)			**(29)**
		(15)				**(14)**
(1 469)	**(120)**	**(398)**	**(22)**	**(83)**	**(50)**	**(5 252)**

B9 HEADLINE EARNINGS

ACCOUNTING POLICY

Impairment charges on non-financial instruments and other gains and losses, which include insurance proceeds on items of property and equipment that were impaired, are disclosed separately on the face of the statement of comprehensive income. This line represents remeasurements excluded from the calculation of headline earnings per share in accordance with the guidance contained in SAICA Headline Earnings Circular 01/2023, except where the amounts are required by IFRS Accounting Standards to be included in other lines on the face of the statement of comprehensive income. The group's share of ETI's impairments charge on non-financial instruments and other (gains)/losses of R23m (2023: R6m) is included in the share of gains of associate companies, and the taxation on impairments charged on non-financial instruments and other gains and losses of R35m (2023: R52m) is included in direct taxation. The principal items that will be included under these measures are gains and losses on sale of property and equipment, impairment of property, equipment, right-of-use assets, intangible assets and goodwill and fair-value adjustments of investment properties (other than those arising from the investment properties held by the group's life insurance subsidiaries).

	2024		2023	
Rm	Gross	Net of taxation	Gross	Net of taxation
Profit attributable to ordinary shareholders		**16 834**		15 305
Impairments charge on non-financial instruments and other losses/(gains)	**158**	**123**	403	351
IAS 16 loss on disposal of property and equipment	**20**	**17**	66	42
IAS 28 impairment of investment in associate	**27**	**27**		
IAS 36 impairment of goodwill			298	298
IAS 36 impairment of intangible assets	**100**	**74**	85	62
IAS 36 impairment of property and equipment	**23**	**20**	34	29
IAS 40 loss/(profit) on revaluation of investment properties	**12**	**12**	(81)	(81)
IFRS 3 gain on bargain purchase	**(36)**	**(36)**		
IFRS 16 impairment of right-of-use assets	**12**	**9**	1	1
Share of associate (ETI) impairments charge on non-financial instruments and other (gains)/losses	**(23)**	**(23)**	(6)	(6)
Headline earnings		**16 934**		15 650

SECTION C: CORE BANKING ASSETS

ACCOUNTING POLICY

Refer to Section I: Financial instruments for the group's accounting policies regarding financial assets and liabilities.

C1 LOANS AND ADVANCES

The group extends advances to individuals and to the corporate, commercial and public sectors. Advances made to individuals are mostly in the form of mortgages, instalment credit, overdrafts, personal loans and credit card borrowings.

C1.1 CATEGORIES OF LOANS AND ADVANCES

	2024 Rm	2023 Rm (Restated)
Mortgage loans	**415 634**	399 690
Instalment debtors	**179 394**	164 477
Credit cards	**17 082**	17 003
Overdrafts	**28 559**	26 228
Preference shares and debentures	**13 978**	12 749
Term loans	**180 709**	156 028
Other loans and advances	**155 085**	145 517
Properties in possession		207
Personal loans	**27 010**	29 235
Covid-19 Loan Guarantee Scheme	**370**	639
Listed corporate bonds	**32 980**	28 054
Overnight loans	**10 270**	11 483
Foreign-client lending	**10 747**	11 130
Factoring accounts	**7 412**	7 641
Deposits placed under reverse repurchase agreements	**19 693**	17 760
Other loans to clients	**46 603**	39 368
Fair-value hedge-accounted portfolios	**464**	(471)
Gross loans and advances	**990 905**	921 221
Impairment of loans and advances (note C2)	**28 721**	29 602
	962 184	891 619
Gross loans and advances comprise:		
– Banking loans and advances	**943 554**	885 047
– Trading loans and advances	**47 351**	36 174
	990 905	921 221

During the year, the group reviewed the categories of loans and advances disclosure. As a result of the review, the classes of loans and advances included in note C1.1 Categories of loans and advances were amended to ensure consistency with the classes disclosed in note C1.4 Classification of loans and advances. The mortgage loans line item disaggregation has been removed. The overdrafts (2023: R26 228m), preference shares and debentures (2023: R12 749m), term loans (2023: R195 396m) and fair-value hedge-accounted portfolios (2023: R471m) line items have been removed from the other loans and advances subtotal. The reclassifications have no impact on the group's consolidated statement of comprehensive, consolidated statement of financial position, consolidated statement of changes in equity or consolidated statement of cash flows.

C1.2 SECTORAL ANALYSIS

	2024 Rm	2023 Rm (Restated)
Individuals	**392 656**	373 640
Financial services, insurance and real estate[1]	**292 863**	249 681
Banks[1]	**18 855**	28 015
Manufacturing	**73 439**	76 301
Building and property development	**8 753**	10 540
Transport, storage and communication	**33 272**	28 981
Retailers, catering and accommodation	**24 367**	18 526
Wholesale and trade	**37 335**	34 623
Mining and quarrying	**35 363**	28 105
Agriculture, forestry and fishing	**24 237**	25 136
Government and public sector	**20 793**	21 825
Other services	**28 972**	25 848
	990 905	921 221

[1]During 2024 the group identified that prior year balances of R1,2bn were incorrectly disclosed in the banks sector instead of the financial services, insurance and real estate sector. As a result, the prior-year information has been restated.

C1.3 GEOGRAPHICAL ANALYSIS

	2024 Rm	2023 Rm (Restated)
South Africa (SA)	**877 304**	805 641
Rest of Africa	**56 535**	53 825
Europe[1]	**33 859**	43 506
Asia	**9 429**	7 887
United States of America[1]	**3 553**	2 473
Rest of world	**10 225**	7 889
	990 905	921 221

[1] During 2024 the group identified that certain prior-year balances of R 2,5bn were incorrectly disclosed in the United States of America geographic category instead of the Europe geographic category. As a result, the prior-year information has been restated.

C1.4 CLASSIFICATION OF LOANS AND ADVANCES

	Total	
Rm	2024	2023 (Restated)
Mortgage loans	411 634	398 080
Instalment debtors	179 394	164 477
Credit cards	17 082	17 003
Overdrafts	28 559	26 228
Preference shares and debentures	13 626	12 462
Term loans[1]	151 884	132 758
Other loans[2]	64 195	66 719
Specialised and other loans to clients[1,3]	30 059	32 935
Properties in possession	–	207
Listed corporate bonds	16 454	14 453
Overnight loans	10 270	11 483
Factoring accounts	7 412	7 641
Loans and advances at amortised cost	866 374	817 727
Loans and advances at FVTPL	61 314	46 873
Loans and advances at FVOCI	62 753	57 092
Fair-value hedge-accounted portfolios	464	(471)
Gross loans and advances (note C1.1)	**990 905**	**921 221**

[1] *During 2024 the group identified that certain prior-year loans and advances amounting to R701m were incorrectly disclosed as 'Specialised and other loans to clients' instead of 'Term loans'. As a result, the prior-year information has been restated. This restatement has no impact on the 'Loans and advances' balance.*

[2] *The 'Other loans' subtotal line represents a group of certain products based on similar nature and size.*

[3] *'Specialised and other loans to clients' includes deposits placed under reverse repurchase agreement.*

Subject to 12-month ECL (stage 1)		Subject to lifetime ECL (stage 2) – not credit-impaired		Subject to lifetime ECL (stage 3) – credit-impaired	
2024	2023 (Restated)	**2024**	2023	**2024**	2023
357 005	333 334	**31 021**	35 383	**23 608**	29 363
153 909	135 905	**16 810**	19 997	**8 675**	8 575
13 362	13 094	**1 233**	1 488	**2 487**	2 421
21 795	20 097	**3 855**	3 430	**2 909**	2 701
11 564	12 218	**2 062**	244		
129 900	105 527	**12 231**	14 487	**9 753**	12 744
60 704	62 289	**2 436**	2 053	**1 055**	2 377
27 515	29 840	**1 547**	1 673	**997**	1 422
	128				79
16 454	14 021				432
10 197	10 956	**73**	205		322
6 538	7 344	**816**	175	**58**	122
748 239	682 464	**69 648**	77 082	**48 487**	58 181
59 114	53 884	**2 541**	1 793	**1 098**	1 415
807 353	736 348	**72 189**	78 875	**49 585**	59 596

C1.5 CREDIT QUALITY OF LOANS AND ADVANCES

Rm	Total		NGR 1–12	
	2024	2023 (Restated)	2024	2023 (Restated)
Subject to 12-month ECL (stage 1)	**748 703**	681 993	**261 012**	234 366
Mortgage loans	**357 005**	333 334	**123 467**	119 894
Instalment debtors	**153 909**	135 905	**5 523**	5 539
Credit cards	**13 362**	13 094	**1 196**	1 190
Overdraft	**21 795**	20 097	**4 443**	4 614
Preference shares and debentures	**11 564**	12 218	**7 724**	6 851
Term loans[1]	**129 900**	105 527	**80 877**	58 202
Other loans	**60 704**	62 289	**37 782**	38 076
Specialised and other loans to clients[1]	**27 515**	29 840	**12 306**	14 699
Properties in possession		128		
Listed corporate bonds	**16 454**	14 021	**16 454**	13 768
Overnight loans	**10 197**	10 956	**8 780**	8 822
Factoring accounts	**6 538**	7 344	**242**	787
Fair-value hedge-accounted portfolios	**464**	-471		
Subject to lifetime ECL (stage 2) – not credit-impaired	**69 648**	77 082	**5 314**	3 978
Mortgage loans	**31 021**	35 383	**562**	2 230
Instalment debtors	**16 810**	19 997	**29**	27
Credit cards	**1 233**	1 488		1
Overdraft	**3 855**	3 430	**170**	186
Preference shares and debentures	**2 062**	244	**2 062**	
Term loans	**12 231**	14 487	**2 397**	1 515
Other loans	**2 436**	2 053	**94**	19
Specialised and other loans to clients	**1 547**	1 673	**94**	19
Overnight loans	**73**	205		
Factoring accounts	**816**	175		
Subject to lifetime ECL (stage 3) – credit-impaired	**48 487**	58 181	**0**	0
Mortgage loans	**23 608**	29 363		
Instalment debtors	**8 675**	8 575		
Credit cards	**2 487**	2 421		
Overdraft	**2 909**	2 701		
Term loans	**9 753**	12 744		
Other loans	**1 055**	2 377		
Specialised and other loans to clients	**997**	1 422		
Properties in possession		79		
Listed corporate bonds		432		
Overnight loans		322		
Factoring accounts	**58**	122		
Loans and advances at amortised cost	**866 838**	817 256	**266 326**	238 344
Loans and advances at FVOCI	**62 753**	57 092	**47 768**	41 899
Subject to 12-month ECL (stage 1)	**59 114**	53 884	**46 613**	41 899
Subject to lifetime ECL (stage 2) – not credit-impaired	**2 541**	1 793	**1 155**	
Subject to lifetime ECL (stage 3) – credit-impaired	**1 098**	1 415		
Financial guarantees and loan commitments	**185 581**	178 248	**107 749**	103 796
Subject to 12-month ECL (stage 1)	**180 526**	170 472	**107 317**	101 706
Subject to lifetime ECL (stage 2) – not credit-impaired	**3 556**	5 871	**432**	2 090
Subject to lifetime ECL (stage 3) – credit-impaired	**1 499**	1 905		
Total credit quality	**1 115 172**	1 052 596	**421 843**	384 039

[1] During 2024 the group identified that the certain loans and advances amounting to R701m were incorrectly disclosed as 'Specialised and other loans to clients' instead of 'Term Loans'. As a result, the prior-year information has been restated. This restatement has no impact on the 'Loans and advances' balance.

NGR 13–20		NGR 21–25		NP 1–3		Unrated	
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
436 235	393 982	**38 536**	41 935	**0**	0	**12 920**	11 710
213 067	195 599	**14 264**	11 226			**6 207**	6 615
132 298	110 655	**14 525**	18 619			**1 563**	1 092
9 568	9 046	**2 474**	2 741			**124**	117
16 194	14 224	**583**	632			**575**	627
3 840	5 367						
41 889	39 947	**5 231**	5 950			**1 903**	1 428
19 379	19 144	**1 459**	2 767			**2 084**	2 302
11 684	10 204	**1 446**	2 766			**2 079**	2 171
							128
	253						
1 417	2 134						
6 278	6 553	**13**	1			**5**	3
						464	-471
23 002	30 007	**41 094**	42 877	**0**	0	**238**	220
12 166	17 165	**18 218**	15 871			**75**	117
1 935	3 016	**14 832**	16 932			**14**	22
98	119	**1 129**	1 360			**6**	8
2 807	2 414	**793**	801			**85**	29
	244						
4 841	5 983	**4 948**	6 964			**45**	25
1 155	1 066	**1 174**	949			**13**	19
471	925	**969**	710			**13**	19
65	67	**8**	138				
619	74	**197**	101				
0	0	**0**	0	**46 830**	57 068	**1 657**	1 113
				22 699	28 530	**909**	833
				8 597	8 556	**78**	19
				2 480	2 412	**7**	9
				2 678	2 551	**231**	150
				9 489	12 699	**264**	45
				887	2 320	**168**	57
				829	1 365	**168**	57
					79		
					432		
					322		
				58	122		
459 237	423 989	**79 630**	84 812	**46 830**	57 068	**14 815**	13 043
13 713	12 909	**174**	869	**1 098**	1 415		
12 327	11 786	**174**	199				
1 386	1 123		670				
				1 098	1 415		
72 716	67 179	**3 003**	5 280	**1 498**	1 892	**615**	101
70 144	65 378	**2 472**	3 303			**593**	85
2 572	1 801	**531**	1 977			**21**	3
				1 498	1 892	**1**	13
545 666	504 077	**82 807**	90 961	**49 426**	60 375	**15 430**	13 144

C1.5 CREDIT QUALITY OF LOANS AND ADVANCES (CONTINUED)

During the year the group reviewed the credit quality of loans and advances disclosure. As a result of the review, the classes of loans and advances included in note C1.5: Credit quality of loans and advances were amended to ensure consistency with the classes disclosed in note C1.4: Classification of loans and advances. The 'Other loans and advances' subtotal has been added and includes the 'Specialised and other loans' to clients (2023: R32 935m), 'Properties in possession' (2023: R207m), 'Listed corporate bonds' (2023: R14 453m), 'Overnight loans' (2023: R11 483m), 'Factoring accounts' (2023: R7 641m) and 'Trade, other bills and bankers' acceptances' (2023: less than R1m) line items. The reclassifications have no impact on the group's consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity or consolidated statement of cash flows.

During the year the group reviewed the credit quality of loans and advances disclosure. As a result of the review, the credit quality of loans and advances at FVOCI and financial guarantees and loan commitments per impairment stage has been disclosed. To provide comparability, the prior-year balances have been restated accordingly.

The group uses a master rating scale for the measurement of credit risk, which is the risk of the borrower defaulting, measured on a through-the-cycle basis excluding the effect of collateral or loss mitigation [i.e. probability of default (PD) only]. However, the PD of a counterparty may be substituted for another counterparty's PD where the regulatory requirements for PD substitution are met. The Nedbank Group Rating (NGR) master scale is a comprehensive PD rating scale that is mapped to default probabilities and external rating agency scales. This enables the group to measure credit risk consistently and accurately across its entire portfolio. A brief explanation of the scale follows:

NGR 1–12: Represents borrowers who demonstrate a strong capacity to meet financial obligations, and who have a negligible or low PD. This category typically includes the group's large corporate clients, including financial institutions, parastatals and other government-related institutions.

NGR 13–20: Represents borrowers who demonstrate a satisfactory ability to make payments and who have a low or moderate PD. This category typically includes small and medium businesses, medium corporate clients and individuals.

NGR 21–25: Represents borrowers who are of higher risk. This category typically includes higher-risk individuals or small businesses, as well as borrowers that were rated higher on inception but have since migrated down the rating scale as a result of poor financial performance. However, the borrower has not defaulted and is continuing to make repayments.

NP 1–3: Represents clients who have defaulted. Refer to note C2.6 for the group's definition of 'default'.

Unrated: Represents borrowers who do not have an NGR or a non-performing (NP) rating.

C1.6 SEGMENTAL ANALYSIS

Rm	Total		Nedbank Corporate and Investment Banking	
	2024	2023 (Restated)	**2024**	2023
Mortgage loans	**415 634**	399 690	**168 725**	160 117
Instalment debtors	**179 394**	164 477	**3 185**	3 275
Credit cards	**17 082**	17 003		
Overdrafts	**28 559**	26 228	**3 922**	3 009
Preference shares and debentures	**13 978**	12 749	**13 626**	12 462
Term loans[1]	**180 709**	156 028	**172 884**	148 072
Other loans and advances	**107 734**	109 343	**55 067**	53 520
Properties in possession		207		
Personal loans	**27 010**	29 235		
Overnight loans	**10 270**	11 483	**8 861**	10 121
Foreign client lending	**8 745**	8 782	**7 755**	7 707
Factoring accounts	**7 412**	7 641		
Listed corporate bonds	**32 980**	28 054	**32 980**	28 054
Other loans to clients[1]	**21 317**	23 941	**5 471**	7 638
Fair-value hedge-accounted portfolios	**464**	(471)		
Gross banking loans and advances	**943 554**	885 047	**417 409**	380 455
Impairment of advances	**(28 721)**	(29 602)	**(2 568)**	(3 573)
Net banking loans and advances	**914 833**	855 445	**414 841**	376 882
Trading loans and advances	**47 351**	36 174	**47 351**	36 174
Loans and advances	**962 184**	891 619	**462 192**	413 056

During the year, the group reviewed the segmental analysis of loans and advances disclosure. As a result of the review, the classes of loans and advances included in note C1.6: Segmental Analysis were amended to ensure consistency with the classes disclosed in note C1.4: Classification of loans and advances. The mortgage loans line item disaggregation has been removed. The overdrafts (2023: R26 228m), preference shares and debentures (2023: R12 749m), term loans (2023: R179 969m) and fair-value hedge-accounted portfolios (2023: R471m) line items have been removed from the other loans and advances subtotal. The reclassifications have no impact on the group's consolidated statement of comprehensive, consolidated statement of financial position, consolidated statement of changes in equity or consolidated statement of cash flows.

Nedbank Retail and Business Banking		Nedbank Wealth		Nedbank Africa Regions		Centre	
2024	2023	**2024**	2023 (Restated)	**2024**	2023	**2024**	2023
213 937	206 316	**23 795**	23 670	**9 123**	9 515	**54**	72
173 602	159 284	**54**	45	**2 553**	1 873		
16 932	16 855			**150**	148		
21 404	19 992	**165**	150	**3 068**	3 077		
		352	287				
3 774	3 573	**1 369**	2 006	**2 633**	2 306	**49**	71
43 786	47 478	**2 677**	2 901	**6 048**	5 257	**156**	187
	64		14		129		
24 248	27 484		2	**2 762**	1 749		
1 172	1 127			**237**	235		
364	450			**626**	625		
7 400	7 631			**12**	10		
10 602	10 722	**2 677**	2 885	**2 411**	2 509	**156**	187
						464	(471)
473 435	453 498	**28 412**	29 059	**23 575**	22 176	**723**	(141)
(24 429)	(24 254)	**(307)**	(348)	**(1 390)**	(1 267)	**(27)**	(160)
449 006	429 244	**28 105**	28 711	**22 185**	20 909	**696**	(301)
449 006	429 244	**28 105**	28 711	**22 185**	20 909	**696**	(301)

C2 IMPAIRMENTS CHARGE ON FINANCIAL INSTRUMENTS

CREDIT RISK

Credit risk arises from lending and other financing activities that constitute the group's core business and is managed within the board-approved Credit Risk Appetite. The Group Credit Risk Management Framework covers the group's approach to credit risk management and incorporates credit approval mandates and credit risk monitoring and governance structures. It is a key component of the group's ERMF, Capital Management Framework and Risk Appetite Framework (RAF), and it is reviewed quarterly.

The GCRMF includes 2 advanced-internal-rating-based (AIRB) approach technical forums (wholesale and retail) and the ad hoc Group Credit Ratings Committee, which report into the Executive Credit Committee (ECC), an executive subcommittee that reports into the Group Credit Committee (GCC), a board subcommittee that is chaired by an independent non-executive member of the board. The framework also includes the Large-exposures Approval Committee (LEAC), whose function is the approval of credit applications in excess of the large exposure threshold imposed by the Banks Act, 94 of 1990.

The GCC also acts as the designated committee appointed by the board to monitor, challenge and ultimately approve all material aspects of the group's AIRB rating and risk estimation systems and processes. The current membership includes 7 non-executive directors and 3 executive directors. The board and the GCC are required by the banking regulations to have a general understanding of the AIRB system and the related reports. The GCC also needs to ensure the independence of Group Credit Risk (GCR), which includes the Credit Model Validation Unit (CMVU), from the business units originating credit within the group.

GCR monitors the business units' credit portfolios, risk procedures, policies and credit standards, and maintains the GCRMF. GCR also calculates and aggregates credit regulatory capital, as well as tests and implements all credit regulatory model updates. The CMVU is the bank's independent risk control unit required by banking regulations. It validates the bank's regulatory credit capital models, IFRS 9 impairment models, as well as the bank's non-regulatory credit models, including credit valuation, credit origination and pricing models, and the IFRS 9 macroeconomic forecast models.

Group Risk Analytics (GRA), which includes Model Risk Management (MRM), calculates and consolidates credit economic capital and IFRS 9 impairment calculations across the bank, as well as performs credit risk analytics. GRA is the IFRS 9 methodology custodian for the group and provides advisory support as well as technical challenge for all key credit risk model families such as impairments, capital, originations and pricing. MRM ensures that model risk is optimised and managed effectively across the bank.

KEY ASSUMPTIONS CONCERNING THE FUTURE AND KEY SOURCES OF ESTIMATION

Allowances for loan impairment and other credit risk provisions

The judgements in relation to determining the allowance for loan impairment and other credit risk provisions are as follows:

- Defining what is considered to be a significant increase in credit risk (SICR) – refer to C2.5 for further information.
- Selecting and calibrating PD, loss-given-default (LGD) and exposure-at-default (EAD) models and linking these input parameters to macroeconomic drivers – refer to C2.5 and C2.7 for further information.
- Establishing the scenarios over which expected credit loss (ECL) should be evaluated and their respective probabilities as well as estimating macroeconomic parameters based on forecast macroeconomic scenarios – refer to C2.7 for further information.
- Making judgemental adjustments to account for emerging or developing events, model and data limitations and deficiencies, and the application of expert credit judgement – refer to C2.8 for further information.

Allowances for loan impairment represent management's estimate of the credit losses expected in the loan portfolios at the reporting date.

Within the Nedbank Retail and Business Banking and Nedbank Wealth portfolios, which comprise large numbers of small homogeneous assets with similar risk characteristics where credit-scoring techniques are generally used, statistical techniques are used to calculate impairment allowances on the portfolio. These statistical analyses use, as primary inputs, the extent to which accounts in the portfolio are in arrears and historical information on the eventual losses encountered from such delinquent portfolios, as well as establishing causal relationships with macroeconomic indicators, where applicable. There are many such models in use, each tailored to a product, line-of-business or client category.

Judgement and knowledge are used in selecting the statistical methods to be used when the models are developed or revised. Judgemental adjustments (discussed further in C2.8) may be applied to cater for portfolios where the use of a model is inappropriate or to supplement model outputs to cater for emerging or developing events, model and data limitations and deficiencies, or to cater for the application of expert credit judgement. The impairment allowance reflected in the financial statements for these portfolios is considered to be reasonable and reflective of supportable judgements.

IFRS 9 outlines a 3-stage model for impairment based on changes in credit quality since initial recognition, as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified as stage 1.
- Where a SICR since initial recognition is identified, the financial instrument is moved to stage 2, but not deemed to be credit-impaired. Note C2.5 describes how the group determines when a SICR has occurred.
- Where the financial instrument is credit-impaired, the financial instrument is moved to stage 3. Note C2.6 describes how the group defines 'credit-impaired' and 'default'.
- Financial instruments in stage 1 have their ECLs measured at an amount equal to the portion of lifetime ECLs that result from default events expected within the next 12 months. Instruments classified as stages 2 and 3 have their ECLs measured based on a lifetime basis.
- A pervasive concept in measuring the ECL in accordance with IFRS 9 is that forward-looking information should be considered. Note C2.7 includes an explanation of how the group has incorporated forward-looking information into our ECL models.

- Financial instruments are written off when the group has no reasonable expectations of recovering the individual asset partially or in its entirety. In addition, post-write-off recoveries are excluded from the calibration of LGDs.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECLs are measured on a lifetime basis.
- Off-balance-sheet items are also subject to the IFRS 9 impairment model and include financial guarantees and undrawn loan commitments.

For individually significant loans with larger exposures, impairment allowances are calculated on an individual basis and all relevant considerations that have a bearing on the expected future cash flows are taken into account, for example, the business prospects for the client, the realisable value of collateral, the group's position relative to other claimants, the reliability of client information and the likely cost and duration of the workout process. The level of the impairment allowance is the difference between the value of the discounted expected future cash flows (discounted at the loan's original effective interest rate) and the carrying amount. Subjective judgements are made in the calculation of future cash flows. Furthermore, judgements change with time as new information becomes available or as workout strategies evolve, resulting in revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and would have a direct impact on the impairments charge in the income statement.

C2.1 MOVEMENT IN IMPAIRMENTS CHARGE ON FINANCIAL INSTRUMENTS

	2024 Rm	2023 Rm (Restated)
Balance at the beginning of the year	**29 856**	27 546
Stage 1 ECL allowance	**4 616**	4 197
Stage 2 ECL allowance	**5 273**	5 522
Stage 3 ECL allowance	**19 967**	17 827
Statement of comprehensive income charge net of recoveries	**7 997**	9 605
Stage 1 ECL allowance	**359**	444
Stage 2 ECL allowance	**(652)**	(123)
Stage 3 ECL allowance	**8 022**	8 836
Off-balance-sheet allowance	**87**	(85)
Non-loans and advances	**24**	26
FVOCI loan impairment charge	**157**	507
Adjusted for:	**(8 744)**	(7 295)
Recoveries[1]	**1 359**	1 444
Interest in suspense[1,2]	**2 675**	2 676
Amounts written off[1,2]	**(11 664)**	(11 261)
Foreign exchange and other recovery costs[1]	**(933)**	379
Non-loans and advances	**(24)**	(26)
FVOCI loan impairment charge	**(157)**	(507)
Balance at the end of the year	**29 109**	29 856
Stage 1 ECL allowance	**4 767**	4 616
Stage 2 ECL allowance	**4 574**	5 273
Stage 3 ECL allowance	**19 768**	19 967
Split by measurement category[1]	**29 109**	29 856
Loans and advances	**28 721**	29 602
Off-balance-sheet allowance	**388**	254

[1] Amounts written off against the impairment – adjusted for recoveries, interest in suspense, foreign exchange and other recovery costs – total R8 563m

(2023: R6 762m). Foreign exchange movements included in this amount result in a R6 589m gain (2023: R33m gain). Interest in suspense is interest income on a financial asset that has not been received but is owed to the group. Interest in suspense is calculated as the difference between the interest calculated on the gross carrying amount of the financial asset and the net interest amount, calculated based on the net carrying amount of the financial asset.

[2] During 2024 the group identified that the prior-year 'Interest in suspense' and 'Amounts written off' reconciling items were incorrectly understated by R1,0bn respectively. As a result, the prior-year information has been restated. This restatement has no impact on the balance at the end of the year.

C2.2 IMPAIRMENT CHARGE ON LOANS AND ADVANCES BY CLASSIFICATION

	Balance at the beginning of the year Rm	Impairments charge/ (release), net of recoveries Rm
Total impairment – 2024		
Home loans	**4 694**	**1 253**
Commercial mortgages	**2 434**	**315**
Credit cards	**2 791**	**366**
Overdrafts	**1 847**	**521**
Instalment debtors	**7 658**	**2 999**
Preference shares and debentures	**96**	**(47)**
Term loans	**9 078**	**2 502**
Financial guarantees and loan commitments	**187**	**71**
Other loans[1]	**1 071**	**(164)**
Properties in possession	**5**	
Specialised and other loans to clients	**817**	**(53)**
Overnight loans	**143**	**(117)**
Factoring accounts	**106**	**6**
Impairment on loans and advances at amortised cost	**29 856**	**7 816**
Impairment on loans and advances at FVOCI	**530**	**157**
Total impairment	**30 386**	**7 973**
Total impairment – 2023		
Home loans	3 408	1 428
Commercial mortgages	2 651	1 200
Credit cards	2 705	959
Overdrafts	1 562	465
Instalment debtors	7 007	2 514
Preference shares and debentures	144	(48)
Term loans	8 668	2 638
Financial guarantees and loan commitments	277	(91)
Other loans[1]	1 124	7
Properties in possession	4	9
Specialised and other loans to clients	949	(67)
Overnight loans	139	(10)
Factoring accounts	32	74
Impairment on loans and advances at amortised cost	27 546	9 072
Impairment on loans and advances at FVOCI	347	507
Total impairment	27 893	9 579

[1] *The 'Other loans' subtotal line represents a group of certain products based on similar nature and size.*

The balance at the end of the year of R29 523m (2023: R30 386m) includes off-balance-sheet items of R388m (2023: R254m).

Post write-off recoveries Rm	Amounts written off against the impairment, adjusted for interest in suspense Rm	Balance at the end of the year Rm
101	**(385)**	**5 663**
14	**(664)**	**2 099**
505	**(1 159)**	**2 503**
63	**(316)**	**2 115**
393	**(2 816)**	**8 234**
		49
276	**(4 479)**	**7 377**
	2	**260**
7	**(105)**	**809**
	(5)	**–**
7	**(61)**	**710**
	(16)	**10**
	(23)	**89**
1 359	**(9 922)**	**29 109**
	(273)	**414**
1 359	**(10 195)**	**29 523**
99	(241)	4 694
28	(1 445)	2 434
467	(1 340)	2 791
63	(243)	1 847
350	(2 213)	7 658
		96
428	(2 656)	9 078
	1	187
9	(69)	1 071
	(8)	5
9	(74)	817
	14	143
		106
1 444	(8 206)	29 856
	(324)	530
1 444	(8 530)	30 386

C2.3 SECTORAL ANALYSIS

	Total impairment		Stage 1: 12-month ECL allowance		Stage 2: Lifetime ECL allowance (not credit-impaired)		Stage 3: Lifetime ECL allowance (credit-impaired)	
	2024 Rm	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm
Individuals	**22 620**	22 404	**3 767**	3 663	**3 960**	4 317	**14 893**	14 424
Financial services, insurance and real estate	**2 078**	2 725	**374**	321	**135**	355	**1 569**	2 049
Manufacturing	**1 013**	1 570	**118**	128	**161**	164	**734**	1 278
Building and property development	**267**	238	**40**	42	**24**	38	**203**	158
Transport, storage and communication	**531**	348	**77**	65	**67**	81	**387**	202
Retailers, catering and accommodation	**119**	105	**24**	34	**7**	7	**88**	64
Wholesale and trade	**533**	462	**92**	89	**44**	60	**397**	313
Mining and quarrying	**171**	164	**77**	36	**3**	12	**91**	116
Agriculture, forestry and fishing	**855**	842	**71**	72	**42**	67	**742**	703
Government and public sector	**111**	224	**17**	15	**33**	50	**61**	159
Other services	**811**	774	**110**	151	**98**	122	**603**	501
	29 109	29 856	**4 767**	4 616	**4 574**	5 273	**19 768**	19 967

C2.4 GEOGRAPHICAL ANALYSIS

	Total impairment		Stage 1: 12-month ECL allowance		Stage 2: Lifetime ECL allowance (not credit-impaired)		Stage 3: Lifetime ECL allowance (credit-impaired)	
	2024 Rm	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm
SA	**27 033**	27 968	**4 290**	4 233	**4 407**	5 096	**18 336**	18 639
Other African countries	**1 582**	1 730	**380**	337	**143**	166	**1 059**	1 227
Europe	**72**	118	**36**	31	**1**	11	**35**	76
Asia	**97**	29	**5**	4	**1**		**91**	25
United States of America	**1**	1		1	**1**			
Other	**324**	10	**56**	10	**21**		**247**	
	29 109	29 856	**4 767**	4 616	**4 574**	5 273	**19 768**	19 967

C2.5 ASSESSMENT OF A SIGNIFICANT INCREASE IN CREDIT RISK (STAGE 2)

At each reporting period, an assessment is conducted on all performing financial instruments to determine whether a SICR since initial recognition has been experienced. Performing financial instruments that have experienced a SICR since initial recognition are classified as stage 2 and lifetime ECL is recognised.

In subsequent reporting periods, if the credit risk of the financial instrument improves to the extent that there is no longer a SICR since initial recognition, the financial instrument is classified as stage 1 and 12-month ECL is recognised. Alternatively, if the credit risk of the financial instrument deteriorates and the stage 3 criteria are met, lifetime ECL is recognised.

The group assesses whether there has been a SICR for financial instruments since initial recognition in 1 or more of the following ways:

- In line with group-wide methodology, the remaining lifetime PD at the reporting date, which importantly considers reasonable and supportable forward-looking information, is compared with the PD on the date of initial recognition over the remaining expected life.
  - » The IFRS 9 standard states that 'change in credit risk cannot be assessed simply by comparing the change in the absolute risk of a default occurring over time'. This is because the risk of a default occurring over the expected life usually decreases as time passes if the credit risk is unchanged and the financial instrument is closer to maturity.
  - » Therefore, to ensure accurate comparison, the origination curve needs to be adjusted to the reporting date.
  - » Applying the principles above, established thresholds for SICR are subsequently based on a percentage change in lifetime PD over the remaining lifetime relative to initial recognition and, more specifically, defined by a logarithmic relationship between the reporting date PD and the resultant scaling factor. Grouping the 25 risk buckets into higher-level bands, the average scalar by band is as follows:

Master scale risk band	Average SICR scalar[1]
1–12	3,54
13–20	2,36
21–25	1,59

[1] Average SICR scalar refers to the scalar applied to the adjusted recognition/ origination PD within the relevant master scale risk band for comparison with the respective adjusted reporting date PD.

- Using a set of portfolio-specific criteria that are indicative of a SICR to enhance the overall SICR assessment. These include partial arrear triggers and bureau score triggers.
- Using the rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

C2.6 DEFINITION OF 'DEFAULT'

Loans and advances are deemed to have defaulted when the South African banking regulations' default criteria are triggered (these criteria are in line with the Basel III requirements). For retail and specialised-lending portfolios, this is product-centred, and a default would therefore be specific to a borrower account (a specific advance). The remaining portfolios are client- or borrower-centred, meaning that should any transaction with a client default, all transactions with the client would be treated as having defaulted.

Defaulted loans and advances are classified as stage 3 and an appropriate ECL is measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

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

Quantitative criteria

- The client has exceeded its advised credit limit or is past due for more than 90 days on any material credit obligation to the group.

Qualitative criteria

- The group considers that the client is unlikely to meet its credit obligations to the group in full without the group having recourse to actions such as realising security (if held).
- The group has consented to a distressed restructuring of the credit obligation, in accordance with Directive 7/2015, that is likely to result in a reduced financial obligation.
- The group has applied for the obligor's bankruptcy or similar order in respect of the obligor's credit obligation.
- The client is placed under business rescue in terms of the Companies Act, 71 of 2008 (as amended), and the client requests a restructure of its facilities due to financial distress.

C2.7 FORWARD-LOOKING INFORMATION INCORPORATED IN THE ECL MODELS

To account for forward-looking information (FLI), the ECL input parameters (PD and LGD) are typically linked to macroeconomic drivers such as the prime rate, gross domestic product (GDP) growth, household debt-to-income ratio, consumer price inflation and credit growth. Judgemental adjustments are applied where the modelling inadequately captures the risks within the portfolio.

The incorporation of FLI into the ECL models allows for a range of macroeconomic outcomes to capture non-linearities. The parameter inputs used to estimate the ECL are modelled on 4 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 includes approval by the GCC.

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 scenario set used and their associated weights are reviewed and approved by an executive-level subcommittee (ECC) annually.

The forecast ranges for some of the key macroeconomic variables used are shown below by using the annual average forecast over the 3-year period per scenario.

	2024					
				Economic forecast[1] (%)		
Scenario	**Probability weighting (%)**	**Total ECL allowance**	**Economic measures**	**2025**	**2026**	**2027**
			GDP	**1,47**	**1,83**	**1,49**
Base case	**50**	**29 478**	**Prime**	**10,50**	**10,50**	**10,50**
			HPI	**5,04**	**5,34**	**4,76**
			GDP	**0,52**	**1,16**	**0,73**
Mild stress	**21**	**29 684**	**Prime**	**11,50**	**11,50**	**11,25**
			HPI	**3,65**	**4,13**	**4,07**
			GDP	**2,01**	**2,36**	**2,02**
Positive outcome	**21**	**29 346**	**Prime**	**10,00**	**9,50**	**9,50**
			HPI	**5,70**	**6,41**	**6,28**
			GDP	**(0,13)**	**0,84**	**0,20**
High stress	**8**	**29 841**	**Prime**	**11,50**	**12,00**	**12,00**
			HPI	**2,26**	**2,89**	**3,34**
Weighted scenarios	**100**	**29 523**				

[1] *Forecast at 31 December 2024.*

	2023					
				Economic forecast[1] (%)		
Scenario	Probability weighting (%)	Total ECL allowance	Economic measures	2024	2025	2026
			GDP	1,07	1,60	1,39
Base case	50	30 330	Prime	10,75	10,25	10,25
			HPI	3,15	3,45	4,19
			GDP	0,08	1,26	1,06
Mild stress	21	30 611	Prime	11,50	10,75	10,50
			HPI	2,46	2,64	3,33
			GDP	2,08	1,93	1,87
Positive outcome	21	30 100	Prime	10,50	10,00	9,75
			HPI	4,01	4,63	5,40
			GDP	(0,75)	0,95	0,84
High stress	8	30 898	Prime	12,25	11,50	11,00
			HPI	1,76	1,81	2,44
Weighted scenarios	100	30 386				

[1] *Forecast at 31 December 2023.*

The total ECL allowance is the sum of the impairment allowance on loans and advances at amortised cost and FVOCI.

After the explicit forecast period, 2025 to 2027, all variables are forecast as a long-term average for modelling purposes. The long-term averages used for modelling purposes are GDP of 1,9% (2023: 2,4%), prime of 10,5% (2023: 10,5%) and the house price index (HPI) of 5,9% (2023: 6,7%).

Base case scenario

Global economic assumptions

- Global growth improves slightly in 2025, as disinflation intensifies, and monetary policy easing accelerates. The uptick is driven by a resilient US economy and a more meaningful recovery in China as recent stimulus measures lift demand and confidence moderately.
- The outlook for the world economy beyond 2025 is murkier, clouded by the uncertainty surrounding the US administration's economic policies, which are centred around tax cuts, deregulation, tariffs, and deportations of illegal immigrants.
- Commodity prices drift sideways in 2025, as opposing forces clash. While global growth improves and US interest rates decline, the US dollar holds firm. Commodities come under renewed pressure from 2026 onwards as tariffs and other protectionist measures undermine global demand and world trade.
- Global disinflation continues in 2025, but at a slower pace. Past policy tightening, smoother supply chains and softer labour markets gradually return inflation to target in most advanced countries.
- Risk-off sentiment stabilises as US interest rates decline, but geopolitical risks and policy uncertainty undermine the upside.

Global policy responses

- Monetary policy easing continues as inflation slowly drifts towards central bank targets. The EU and UK step up rate cuts amid weak demand, while the US moves cautiously in the face a robust economy and potentially inflationary economic policies.
- Fiscal policy become more restrictive, shifting toward debt reduction.

Domestic policy landscape

- Fiscal metrics remain stretched. The budget deficit averages 4,5% of GDP over the next 3 years, while the debt burden climbs to a peak of about 76% of GDP. Expenditure is inflated by high debt service costs, an elevated social burden and further SOE bailouts. Revenue growth improves slowly as economic growth picks up.
- Inflation remains below the SARB's 4,5% target in H1 2025, and then rises gradually towards target, stabilising around the midpoint over the next 3 year. Global disinflation, subdued oil and food prices, improved domestic conditions and limited demand pressure keep inflation in check, outweighing the impact of renewed rand volatility.
- Structural constraints continue to slow progress. Load-shedding is kept at bay by increased private generation, improved efficiencies at Eskom and generally subdued demand driven partly by the switch to renewable energy sources.
- Monetary policy eases further, with the policy rate lowered by 75 bps in 2025 as inflation hovers around 4,5% and the US relaxes its policy stance.

Domestic economic consequences (Outcomes)

- GDP growth
  improves slightly to 0,5% in 2024, gathering pace to 1,5% in 2025, 1,8% in 2026 and 1,5% in 2027. Less severe load-shedding and smoother logistics enables a gradual recovery in economic activity.

  Consumer spending recovers gradually from a fragile position from end-2024 onwards. Lower inflation and falling interest rates boost real incomes and confidence. Withdrawals of contractional savings provide an added boost.

  Fixed investment contracts: Fixed investment remains weak but starts to pick up in 2025 as demand recovers and structural constraints ease further.

- Credit
  Household credit: The ratio of household debt to income declines gradually as nominal income outpaces borrowing in 2025 but remains sticky around 61%.

  Debt service costs to income eases as interest rates decline and income growth accelerates. The ratio ends 2024 at a still-high 8,7%, before gradually easing to reach 7,7% by the end of 2026.

  Corporate credit: Credit growth ends 2024 around 4,9%, before recovering as economic growth picks up, the pressure on households' finances subside and the global economy picks up modest pace.

- Asset prices

  Equities: Equity prices rallied in response to the moderate political outcomes following May's peaceful election and the resurgence in global risk sentiment after the US Fed's started easing its monetary policy, amplifying hopes of a soft landing in the US and the world economy. Concerns over the potential impact of Trump's tariffs on emerging markets will contain the upside from lower US interest rates and firmer domestic growth. Overall, the JSE will likely outperform inflation in 2025 and 2026, but gradually lose momentum.

  House prices: House prices turned the corner in Q3 2024 and gain further upward traction in 2025 to 2027, supported by firmer household finances and lower interest rates.

Mild-stress scenario

The mild-stress scenario is a set of events that are each modelled based on an occurrence with a probability equivalent of a once-in-4-years event, while a high-stress scenario reflects conditions aligned with a more severe event that is expected to occur once every 10 years.

High-stress scenario

Global economic assumptions

- Geopolitical tensions intensify as the new US administration's inconsistent approach to global challenges threaten the world's rules-based security order. Tariff and non-tariff barriers to trade increase dramatically, coupled with restrictions on cross-border investments and a sharper clampdown on immigration in US and other advanced countries.
- The world economy loses momentum and enters a mild downturn in 2025, followed by a weak recovery in 2026 and 2027.
- Commodity prices are mixed. Metal prices decline sharply, but oil, food and industrial commodity prices are volatile and sticky at elevated levels. As global demand weakens, OPEC+ cuts global supply dramatically to keep prices elevated. Climate change undermines food production and drives food prices up again.
- Global inflation remains sticky, as global supply shocks outweigh the impact of subdued demand. Supply is constrained by prolonged wars, increased near- or on-shoring of supply chains, higher tariffs, persistent labour shortages due reduced immigration and ageing populations, extreme weather events and a poorly managed transition to renewable energy sources.
- Risk-off sentiment intensifies and EMs experience persistent capital outflows.

Global policy responses

- Monetary policies ease in 2025 but not nearly as much as investors expect, settling at higher levels amid sticky inflation.
- Fiscal policy becomes more expansionary, but its effectiveness is undermined by surging public debt burdens and debt service costs, resulting rising risk premiums.

Domestic policy landscape

- Political instability resurfaces as the GNU splinters over ideological and policy differences. A new coalition represents a shift from the centre to the left but proves chaotic and ineffective.
- Fiscal metrics worsen. The budget deficit averages 5,5% of GDP over the next 3 years, driving debt to over 80% of GDP. Weak economic growth weighs on revenue, while expenditure is inflated by above-inflation wage increases, the adoption of a generous basic income grant, Eskom debt relief and other SOE bailouts.
- Inflation remains elevated and rises above 6% in 2025 and 2026, receding only slowly in 2027. The pressures come from rising production costs due to renewed power outages, transport bottlenecks, a weak rand, rising wages, fading productivity and increased cost transfer to consumers. Higher international oil prices and global inflation also add to the upside.
- Structural constraints: Improvements continue at a snail's pace, undermined by political turmoil and competing ideologies. Load-shedding returns in 2025 (stages 2–3), while transport bottlenecks persist.
- Monetary policy pivots back towards a tightening bias, with policy rate rising to 12% in 2026. The MPC remains hawkish as inflation proves persistent and recedes only slowly.

Domestic economic consequences

- GDP

  GDP growth: The economy grows by a weak 0,2% in 2024 and declines by 0,13% in 2025. Production and exports are hard hit by continued load-shedding, other logistical constraints, falling global demand, and lower commodity prices. Domestic confidence and spending implode as load-shedding returns, unemployment increases, wage growth falters, inflation remains high, and interest rates rise again.

  Consumer spending weakens, with disposable income eroded by renewed job losses, persistently high inflation, and high interest rates.

  Fixed investment remains weak throughout 2025 to 2027. Despite increased activity in the renewable energy projects, most private companies scrap or delay projects as infrastructure constraints raise hurdle rates, domestic and global demand contracts, and political and policy uncertainties intensify.

- Credit

  Household credit: The ratio of household debt to income climbs to close to 65% in 2025 as household income slows by more than borrowing.

  Debt service costs to income stays at around 9% of disposable income.

  Corporate credit: Credit growth slows to 3,3% in 2025, hurt by stretched household finances, weak economic growth, and higher interest rates.

- Asset prices

  Equities: Equity prices come under pressure in H1 2025, hurt by fading investor sentiment towards SA, heightened general global risk aversion and generally tight global liquidity conditions.

  House prices: House price growth remains weak, rising by around 2,8% per year over 2025 to 2027, failing to outpace inflation as high interest rates weigh down demand.

Positive-outcome scenario

Global economic assumptions

- Global growth gathers pace in 2025 and 2026. US and other advanced countries benefit from lower inflation and interest rates, while China's stimulus proves more effective than most anticipated.
- Commodity prices enter a mild upcycle as the world economy strengthens, US interest rates decline, and the US dollar weakens.
- Global inflation recedes much faster than anticipated on falling global oil, food and other commodity prices and material productivity gains caused by new technology and improved supply chains.

- Risk appetites return as the rate-cutting cycle gathers pace, the rise in US tariffs is more modest and selective than expected and China manages to regain upward traction, supporting capital inflows to heavily oversold EMEs.

Global policy responses

- Monetary policy eases rapidly as inflation falls towards central bank targets. The US and other major central banks speed up the pace of interest rate cuts.
- Fiscal policy shifts towards infrastructure investment, with a strong focus on accelerating the transition to renewable energy sources. This effectively raises potential growth rates, helping governments to manage elevated public debt burdens.

Domestic policy landscape

- Political uncertainty fades as the new government of national unity adopts centrist policies. The increase in political competition gradually yields improved accountability and service delivery.
- Fiscal metrics improve slowly. The budget deficit slowly narrows, averaging 3,5% of GDP over the next 3 years, while the debt burden stabilises around 73% of GDP. Revenue is boosted by improved collections and firmer economic growth. Expenditure rises at rates slightly above inflation. Significant wage restraint and cutbacks on wasteful spending enable government to maintain existing social support and fund a greater portion of critical SOEs debt without worsening fiscal risks materially.
- Inflation declines rapidly on lower global oil, food and other commodity prices, a steady rand, and lower domestic production costs.
- Structural constraints: gain moderate traction. Electricity supply improves significantly, while significant progress is made in addressing transport bottlenecks.
- Monetary policy: As inflation implodes, monetary policy easing accelerates in 2025 and 2026.

Domestic economic consequences

- GDP
  GDP growth: The recovery gains momentum in 2025, supported by reduced load-shedding, gradual improvements in rail and port efficiencies and a strong rebound in the world economy.

  Consumer spending regains momentum in 2025, supported by lower inflation and interest rates, reinforced by firmer employment growth and moderate gains in household wealth.

  Fixed investment accelerates as the energy crisis gradually fades and business confidence improves on evidence of significant structural reforms.

- Credit
  Household credit: The ratio of household debt to income declines systematically over the next 3 years, falling to around 60% by the end of 2027.

  The ratio of debt service costs to income dips to 8,6% by end-2024 and 7,8% in 2025, and then falls below 7% in 2027 as interest rates decline and income growth accelerates.

  Corporate credit: Credit growth improves slightly to 5,4% by end-2024, before growing at a pace of around 6,3% on average over the next 3 years. Faster economic growth, progress in structural reforms and a stronger-than expected rebound in household finances drive the upturn in corporate and household credit demand.

- Asset prices
  Equities: Equity prices strengthen significantly in 2025 as global financial conditions improve, investors' worst fears around tariffs fail to materialise, and the global economy proves resilient.

  House prices: Average house prices regain upward traction, accelerating by an average rate of 6,1% over the 3 years from 2025 to 2027.

C2.8 APPLICATION OF JUDGEMENTAL ADJUSTMENTS IN ESTABLISHING ECL

Nedbank's ECL impairment allowance is estimated quantitatively through the application of IFRS 9 impairment models and is supplemented by judgemental adjustments. Judgemental adjustments are applied to cater for portfolios where the use of a model is inappropriate or applied in addition to the model (referred to as post-model adjustments) to cater for known model and data deficiencies and to account for emerging or developing information for which there is insufficient data and/or time to update models accordingly.

Approximately 9,38% of the 2024 balance sheet ECL (2023: 12,9% 2022: 17,2%) is driven by judgemental adjustments.

The tables that follow provide a breakdown of the balance sheet ECL and income statement ECL charge at 31 December 2024 and 31 December 2023 by cluster or business unit, split between the following categories:

- **Model-driven ECL** – Represents the ECL impairment allowance, which is driven quantitatively by the IFRS 9 impairment models across the group. The key drivers of the model-driven ECL include book growth, updates to the macroeconomic forecasts, changes in credit risk mix and enhancements made to impairment models.
- **Judgemental adjustments** that are further split into the following:
  - **Individually assessed:** Considering the low-default nature of the CIB portfolio and the client-specific approaches applied in the resolution of CIB stage 3 clients, the ECL for these clients is based on the judgement of credit experts. This category therefore represents expert-judgement-based ECL estimates on CIB stage 3 clients that are individually assessed as part of the robust business-as-usual monthly watch list process. Potential losses are assessed under 3 different recovery scenarios, namely an expected case, a best-case and a worst-case scenario.
  - **Forward-looking-information adjustments**: The FLI adjustments include catering for a potential deterioration in collateral valuations, impacts not fully captured by the portfolio-level macroeconomic models, and emerging risks or developing events that are not yet reflected in the underlying data or model or macroeconomic forecasts.
  - **Other judgemental adjustments**: Adjustments are processed to address known system and model shortcomings and data limitations that have not yet been incorporated into the group's models.

Balance sheet ECL

	2024				
Rm	**Model ECL**	**Individually assessed**	**Other judgemental adjustments**	**Total ECL**	**Modelled ECL as % of total ECL**
Investment Banking and Transactional Services	**1 079**	**954**		**2 033**	**53,07**
Property Finance	**156**	**1 010**		**1 166**	**13,38**
Retail	**21 825**		**558**	**22 383**	**97,51**
Commercial Banking	**2 010**		**193**	**2 203**	**91,23**
Wealth	**310**		**(3)**	**307**	**100,94**
NAR	**1 346**		**58**	**1 404**	**95,88**
Centre	**27**			**27**	**100,00**
Total	**26 753**	**1 964**	**806**	**29 523**	**90,62**

	2023				
Rm	Model ECL	Individually assessed	Other judgemental adjustments	Total ECL	Modelled ECL as % of total ECL
Investment Banking and Transactional Services	1 299	1 519		2 818	46,10
Property Finance	167	1 266		1 433	11,65
Retail	21 574		647	22 221	97,09
Commercial Banking	1 829		293	2 122	86,19
Wealth	327		21	348	93,97
NAR	1 260		24	1 284	98,15
Centre	10		150	160	6,25
Total	26 466	2 785	1 135	30 386	87,10

Income statement charge

Rm	2024					
	Model ECL	Individually assessed	FLI adjustments	Other judgemental adjustments	Total impairment	Modelled ECL as % of total ECL
Investment Banking and Transactional Services	(153)	443			290	(52,87)
Property Finance	(12)	298			286	(4,10)
Retail	7 007		10	(100)	6 917	101,30
Commercial Banking	405			(100)	305	132,79
Wealth	18			(23)	(5)	(360,00)
NAR	281			34	315	89,21
Centre	39			(150)	(111)	(35,14)
Total	7 585	741	10	(339)	7 997	94,85

Rm	2023					
	Model ECL	Individually assessed	Covid-19 and FLI adjustments	Other judgemental adjustments	Total impairment	Modelled ECL as % of total ECL
Investment Banking and Transactional Services	(100)	234			134	(74,63)
Property Finance	10	795			805	1,24
Retail	8 046		58	(196)	7 908	101,75
Commercial Banking	585			27	612	95,59
Wealth	75			(38)	37	202,7
NAR	231			22	253	91,30
Centre	6			(150)	(144)	(4,17)
Total	8 853	1 029	58	(335)	9 605	92,17

Judgemental adjustments, which are inclusive of 'individually assessed' and 'other judgemental adjustments', are recognised in the following stages: R352m in stage 1, R248m in stage 2 and R2 170m in stage 3 (2023: R345m in stage 1; R434m in stage 2; R R3 142m in stage 3). These adjustments have been allocated based on where the associated downside risk resides.

The Retail portfolios are data-rich and homogeneous in nature. Therefore, a portfolio approach typically is applied, with greater reliance placed on the models when determining ECL. The wholesale portfolios are more client- and industry-specific, and as such there is greater reliance on expert judgement applied, in particular for stage 3 clients, when determining ECL.

During 2024 judgemental adjustments continued to be monitored closely, with an overall reduction noted. Impairment models were updated to incorporate more recent data, to address any known deficiencies, and to enhance macroeconomic sensitivity where required. Updates were performed to ensure that the models perform well historically and provide the most appropriate estimates of forward-looking default risk and losses.

The model-driven component of the balance sheet ECL has increased from 87,10% at YE 2023 to 90,62% at YE 2024. The model-driven contribution to the income statement ECL charge has increased from 92,17% at YE 2023 to 94,85% at YE 2024.

The remaining judgemental adjustments will continue to be reassessed periodically in line with the emergence of risk in the data and/or the updating of models to adequately capture the prevailing economic environment. Other judgemental adjustments reflect items that are more longstanding in nature and that are reassessed periodically.

Judgemental adjustments are approved and managed through strong internal governance processes. The expert-judgement-based ECL raised in respect of the individually assessed clients is governed through the robust business-as-usual monthly watch list process with representation from all lines of defence. Considering the greater reliance on judgement-based post-model adjustments in navigating through the pandemic, existing governance processes and controls were strengthened, with key roles and responsibilities outlined below:

- **First line of defence:** Post-model adjustment processes or quantification methodologies are developed by the business units.
- **Second line of defence**: GCR provides assurance by challenging existing overlays, identifying emerging risks and recommending overlays to ensure the completeness and adequacy of impairments. Second-line-of-defence committee oversight is provided through avenues such as RBB monthly impairments meetings, cluster credit committees (CCCs), the ECC, and credit rating approval meetings (CRAMs). GCR provides further oversight in ensuring alignment and consistency in the ECL approaches across the various portfolios. GCR also performs a final assessment of the adequacy of impairments and considers emerging risks that should be accounted for as part of the group's FLI adjustments.
- **Third line of defence**: GIA provides third-line-of-defence assurance, while external audit provides extensive oversight through their year-end audits.

C2.9 SCENARIO ANALYSIS

Macroeconomic variable (%)

	2024				2023			
Scenario	Probability weighting (%)	Total ECL allowance	Difference to weighted scenario	Percentage difference to weighted scenario	Probability weighting (%)	Total ECL allowance	Difference to weighted scenario	Percentage difference to weighted scenario
Base case	50	29 478	(45)	(0,16)	50	30 330	(56)	(0,19)
Mild stress	21	29 684	161	0,55	21	30 611	225	0,74
Positive outcome	21	29 346	(177)	(0,60)	21	30 100	(286)	(0,94)
High stress	8	29 841	318	1,08	8	30 898	512	1,68
Weighted scenarios	100	29 523			100	30 386		

The total ECL allowance is the sum of the impairment allowance on loans and advances at amortised cost and FVOCI.

Nedbank has used 4 economic scenarios (base case, mild stress, positive outcome and high stress) in the estimation of ECL. These scenarios are prepared by the Nedbank Group Economic Unit and approved by the Nedbank House View Forum and the Group Credit Committee (GCC). The base case is our expected outcome and is accordingly allocated a 50% probability weighting. The other scenarios represent the tails of our expected distribution of outcomes and are therefore allocated probability weightings based on the likelihood of their occurrence. The non-Covid-19-related adjustments and Covid-19 key judgement overlays were not flexed in the mild-stress, positive-outcome and high-stress scenarios. The forward-looking macro adjustments relating to Retail portfolios were flexed. The scenarios and the associated probability weightings are reviewed at least quarterly to incorporate any changes in the macroeconomic environment.

The table above summarises the most significant macroeconomic variables impacting ECL for the group that have been weighted and stressed against the final-weighted ECL. The different scenarios are a weighting of the different macroeconomic scenarios (for example interest rate and GDP).

The table above summarises the sensitivity of the ECL outcome against the 4 economic scenarios by calculating the ECL under each scenario described above for selected portfolios, applying a 100% weighting to each scenario in turn. The weighting is reflected in both the determination of a SICR and the measurement of the resulting ECL. The ECL calculated for the positive-outcome and the high-stress scenarios should not be taken to represent the upper and lower limits of possible ECL outcomes.

There is a particularly high degree of estimation uncertainty in numbers representing tail risk scenarios when assigned a 100% weighting.

C2.10 SEGMENTAL ANALYSIS OF IMPAIRMENTS CHARGE ON FINANCIAL INSTRUMENTS

2024

Rm	Total	Nedbank Corporate and Investment Banking	Nedbank Retail and Business Banking	Nedbank Wealth	Nedbank Africa Regions	Centre
ECL allowance at the beginning of the year	29 856	3 720	24 344	348	1 284	160
Stage 1	4 616	426	3 962	40	188	
Stage 2	5 273	436	4 571	31	72	163
Stage 3	19 967	2 858	15 811	277	1 024	(3)
Statement of comprehensive income charge net of recoveries	7 997	576	7 222	(5)	315	(111)
Stage 1	359		308	(2)	53	
Stage 2	(652)	(184)	(325)	(4)	13	(152)
Stage 3	8 022	533	7 229	1	220	39
Off-balance-sheet allowance	87	70	23		(6)	
Non-loans and advances	24		(13)		35	2
FVOCI loan impairment charge	157	157				
Adjusted for:	(8 744)	(1 511)	(6 980)	(36)	(195)	(22)
Recoveries[1]	1 359	4	1 313		42	
Interest in suspense[1]	2 675	183	2 394	26	72	
Amounts written off against the impairment[1]	(11 664)	(962)	(10 454)	(56)	(192)	
Foreign exchange and other transfers[1]	(933)	(579)	(246)	(6)	(82)	(20)
Non-loans and advances	(24)		13		(35)	(2)
FVOCI loan impairment charge	(157)	(157)				
ECL allowance at the end of the year	29 109	2 785	24 586	307	1 404	27
Stage 1	4 767	455	4 032	38	242	
Stage 2	4 574	244	4 220	27	82	1
Stage 3	19 768	2 086	16 334	242	1 080	26
Split by measurement category	29 109	2 785	24 586	307	1 404	27
Loans and advances	28 721	2 568	24 429	307	1 390	27
Off-balance-sheet allowance	388	217	157		14	

[1] *Amounts written off against the impairment – adjusted for recoveries, interest in suspense, foreign exchange, and other recovery costs – total R8 563m (2023: R6 762m); refer to C2.2. The foreign exchange movements included in this amount result in a R6 589m (2023: R33m gain).*

2023

Rm	Total	Nedbank Corporate and Investment Banking	Nedbank Retail and Business Banking	Nedbank Wealth (Restated)	Nedbank Africa Regions	Centre
ECL allowance at the beginning of the year	27 546	4 441	21 215	370	1 216	304
Stage 1	4 197	453	3 487	42	215	
Stage 2	5 522	506	4 564	29	120	303
Stage 3	17 827	3 482	13 164	299	881	1
Statement of comprehensive income charge net of recoveries	9 605	939	8 520	37	253	(144)
Stage 1	444	(20)	457	(5)	12	
Stage 2	(123)	(30)	82	2	(36)	(141)
Stage 3	8 836	566	7 973	40	257	
Off-balance-sheet allowance	(85)	(84)	8		(9)	
Non-loans and advances	26				29	(3)
FVOCI loan impairment charge	507	507				
Adjusted for:	(7 295)	(1 660)	(5 391)	(59)	(185)	–
Recoveries	1 444	158	1 244		42	
Interest in suspense[1]	2 676	408	2 240		28	
Amounts written off against the impairment[1]	(11 261)	(1 700)	(9 349)	(62)	(150)	
Foreign exchange and other transfers	379	(19)	474	3	(76)	(3)
Non-loans and advances	(26)				(29)	3
FVOCI loan impairment charge	(507)	(507)				
ECL allowance at the end of the year	29 856	3 720	24 344	348	1 284	160
Stage 1	4 616	426	3 962	40	188	
Stage 2	5 273	436	4 571	31	72	163
Stage 3	19 967	2 858	15 811	277	1 024	(3)
Split by measurement category	29 856	3 720	24 344	348	1 284	160
Loans and advances	29 602	3 573	24 254	348	1 267	160
Off-balance-sheet allowance	254	147	90		17	

[1] During 2024 the group identified that the prior-year 'Interest in suspense' and 'Amounts written off' reconciling items were incorrectly understated by R1,0bn respectively. As a result, the prior-year information has been restated. This restatement has no impact on the balance at the end of the year.

C2.11 CREDIT RISK EXPOSURE

Maximum exposure to credit risk – financial instruments not subject to impairment

	Maximum exposure to credit risk[1]	
Rm	2024	2023
Other short-term securities	57 253	61 246
Derivative financial instruments	17 072	13 812
Government and other securities	95 045	82 169
Loans and advances	61 314	46 873
Other assets	26 611	24 652
Total	**257 295**	**228 752**

[1] *This amount excludes the impact of any collateral held or credit enhancements.*

Credit-impaired financial assets and related collateral held to mitigate potential losses are disclosed below:

Collateral held as security and other credit enhancements relating to credit-impaired financial assets

The value of collateral is considered in determining the severity of expected losses, however in terms of Nedbank's impairment methodology, expected losses are greater than 0% even where there is over collateralisation.

There have been no significant changes to collateral valuation policies and processes in the reporting period.

The group mitigates the credit risk of derivatives, reverse repurchase agreements and securities lending by entering into master netting arrangements, derivative clearing agreements, global master repurchase agreements and global master securities lending agreements. Refer to notes I5 and I6 for further detail.

2024

Rm	Gross exposure[1]	Impairment allowance	Carrying amount	Fair value of collateral held
Home loans	16 671	4 435	12 236	11 758
Commercial mortgages	6 937	1 785	5 152	4 674
Credit cards and overdrafts	5 396	2 979	2 417	1 216
Term loans	10 851	5 697	5 154	548
Specialised and other loans to clients	997	488	509	433
Instalment debtors	8 675	4 572	4 103	4 053
Factoring accounts	58	27	31	31
Loans and advances at amortised cost and FVOCI	**49 585**	**19 983**	**29 602**	**22 713**

[1] *Included in the total loans and advances at amortised cost and FVOCI is a gross carrying amount of R1 098m relating to term loans at FVOCI.*

2023

Rm	Gross exposure[1]	Impairment allowance	Carrying amount	Fair value of collateral held
Home loans	15 121	3 579	11 542	11 155
Commercial mortgages	14 242	2 078	12 164	11 505
Properties in possession	79	5	74	
Credit cards and overdrafts	5 122	2 890	2 232	1 152
Term loans	14 159	7 090	7 069	2 550
Overnight loans	322	118	204	45
Specialised and other loans to clients	1 854	466	1 388	950
Instalment debtors	8 575	4 015	4 560	4 555
Preference shares and debentures				
Factoring accounts	122	59	63	63
Loans and advances at amortised cost and FVOCI	59 596	20 300	39 296	31 975

[1] *Included in the total loans and advances at amortised cost and FVOCI is a gross carrying amount of R1 415m relating to term loans at FVOCI.*

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

Loans and advances

LTV distributions

2024

	Gross carrying amount of credit-impaired financial assets			
Rm	**Home loans**	**Commercial mortgages**	**Properties in possession**	**Credit cards and overdrafts**
Lower than 50%	**1 622**	**720**		**200**
50% to 75%	**2 514**	**379**		**7**
75% to 100%	**6 061**	**3 833**		**1 131**
Higher than 100%	**6 474**	**2 005**		**4 058**
Loans and advances at amortised cost and FVOCI	**16 671**	**6 937**	**–**	**5 396**

	Gross carrying amount of credit-impaired financial assets			
Rm	Home loans	Commercial mortgages	Properties in possession	Credit cards and overdrafts
Lower than 50%	1 662	671	15	214
50% to 75%	2 627	1 447		8
75% to 100%	6 069	4 254	64	1 144
Higher than 100%	4 763	7 870		3 756
Loans and advances at amortised cost and FVOCI	15 121	14 242	79	5 122

Gross carrying amount of credit-impaired financial assets				
Term loans	**Overnight loans**	**Specialised and other loans to clients**	**Instalment debtors**	**Factoring accounts**
3 584		**92**	**155**	
		4	**365**	
523		**609**	**1 030**	**42**
6 744		**292**	**7 125**	**16**
10 851	**–**	**997**	**8 675**	**58**

Gross carrying amount of credit-impaired financial assets				
Term loans	Overnight loans	Specialised and other loans to clients	Instalment debtors	Factoring accounts
3 077		535	150	
		14	387	
1 674		928	1 171	78
9 408	322	377	6 867	44
14 159	322	1 854	8 575	122

C2.12 LOSS ALLOWANCE

Reconciliation of loss allowance relating to financial assets subsequently measured at amortised cost

The following tables present a reconciliation from the opening balance to the closing balance of the loss allowance, and how significant changes in the gross carrying amount of financial instruments contributed to changes in the loss allowance:

2024

Loans and advances

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	674 327	4 616	669 711
New financial assets originated or purchased	366 858	3 345	363 513
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1]	(52 032)	5 352	(57 384)
Final repayments	(224 834)	(1 080)	(223 754)
Transfers to 12-month ECL	32 304	648	31 656
Transfers to lifetime ECL (not credit-impaired)	(41 133)	(2 702)	(38 431)
Transfers to lifetime ECL (credit-impaired)	(17 140)	(5 508)	(11 632)
Foreign exchange movements	1 751	96	1 655
Net balances (refer note C2.2)	740 101	4 767	735 334
Total credit and zero balances[2]	8 138	(116)	8 254
Balance at the end of the year	748 239	4 651	743 588
Loans and advances at FVTPL			
Loans and advances at FVOCI			
Off-balance sheet impairment allowance			
Fair-value hedge-accounted portfolios			
ECL credit and other balances			
Loans and advances			

[1] 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 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 are liabilities to the group at the financial year-end. The group, however, still has credit risk exposure on these facilities.

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
77 027	5 273	71 754	58 144	19 967	38 177	809 498	29 856	779 642
		–			–	366 858	3 345	363 513
		–	(11 664)	(11 664)	–	(11 664)	(11 664)	–
(8 703)	1 028	(9 731)	(6 848)	3 967	(10 815)	(67 583)	10 347	(77 930)
(5 092)	(308)	(4 784)	(11 051)	(1 660)	(9 391)	(240 977)	(3 048)	(237 929)
(28 164)	(439)	(27 725)	(4 140)	(209)	(3 931)	–	–	–
46 291	3 072	43 219	(5 158)	(370)	(4 788)	–	–	–
(11 864)	(4 080)	(7 784)	29 004	9 588	19 416	–	–	–
111	28	83	176	149	27	2 038	273	1 765
69 606	4 574	65 032	48 463	19 768	28 695	858 170	29 109	829 061
42	(13)	55	24	(1)	25	8 204	(130)	8 334
69 648	4 561	65 087	48 487	19 767	28 720	866 374	28 979	837 395
								61 314
								62 753
								388
								464
								(130)
								962 184

Home loans

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	159 354	368	158 986
New financial assets originated or purchased	28 693	137	28 556
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(6 292)	809	(7 101)
Final repayments	(9 762)	(18)	(9 744)
Transfers to 12-month ECL	10 302	42	10 260
Transfers to lifetime ECL (not credit-impaired)	(9 148)	(370)	(8 778)
Transfers to lifetime ECL (credit-impaired)	(3 407)	(592)	(2 815)
Foreign exchange movements	8	23	(15)
Net balances	169 748	399	169 349
Total credit and zero balances	181	(37)	218
Balance at the end of the year	**169 929**	**362**	**169 567**

Commercial mortgages

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	173 806	201	173 605
New financial assets originated or purchased	52 199	191	52 008
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(3 927)	(135)	(3 792)
Final repayments	(32 808)	(28)	(32 780)
Transfers to 12-month ECL	7 388	123	7 265
Transfers to lifetime ECL (not credit-impaired)	(8 138)	(22)	(8 116)
Transfers to lifetime ECL (credit-impaired)	(1 429)	(131)	(1 298)
Foreign exchange movements	(15)		(15)
Net balances	187 076	199	186 877
Total credit and zero balances			–
Balance at the end of the year	**187 076**	**199**	**186 877**

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
23 975	746	23 229	15 114	3 580	11 534	198 443	4 694	193 749
		–			–	28 693	137	28 556
		–	(714)	(714)	–	(714)	(714)	–
(776)	408	(1 184)	(510)	419	(929)	(7 578)	1 636	(9 214)
(1 123)	(31)	(1 092)	(665)	(144)	(521)	(11 550)	(193)	(11 357)
(8 823)	(30)	(8 793)	(1 479)	(12)	(1 467)	–	–	–
11 644	491	11 153	(2 496)	(121)	(2 375)	–	–	–
(3 949)	(763)	(3 186)	7 356	1 355	6 001	–	–	–
1	7	(6)	58	73	(15)	67	103	(36)
20 949	828	20 121	16 664	4 436	12 228	207 361	5 663	201 698
2	(1)	3	7	(1)	8	190	(39)	229
20 951	827	20 124	16 671	4 435	12 236	207 551	5 624	201 927

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
11 404	155	11 249	14 242	2 078	12 164	199 452	2 434	197 018
		–			–	52 199	191	52 008
		–			–	(251)	(251)	–
(1 997)	(9)	(1 988)	(2 494)	459	(2 953)	(8 418)	315	(8 733)
(696)	(20)	(676)	(5 395)	(541)	(4 854)	(38 899)	(589)	(38 310)
(6 857)	(59)	(6 798)	(531)	(64)	(467)	–	–	–
9 324	73	9 251	(1 186)	(51)	(1 135)	–	–	–
(1 123)	(26)	(1 097)	2 552	157	2 395	–	–	–
15	1	14		(2)	2	–	(1)	1
10 070	115	9 955	6 937	1 785	5 152	204 083	2 099	201 984
		–			–	–	–	–
10 070	115	9 955	6 937	1 785	5 152	204 083	2 099	201 984

Properties in possession

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	128		128
New financial assets originated or purchased			–
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements			–
Final repayments	(128)		(128)
Transfers to 12-month ECL			–
Transfers to lifetime ECL (not credit-impaired)			–
Transfers to lifetime ECL (credit-impaired)			–
Foreign exchange movements			–
Net balances	–	–	–
Total credit and zero balances			–
Balance at the end of the year	–	–	–

Credit card and overdrafts

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	25 370	902	24 468
New financial assets originated or purchased	9 688	151	9 537
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(1 889)	1 077	(2 966)
Final repayments	(2 713)	(39)	(2 674)
Transfers to 12-month ECL	1 768	91	1 677
Transfers to lifetime ECL (not credit-impaired)	(3 127)	(461)	(2 666)
Transfers to lifetime ECL (credit-impaired)	(1 697)	(840)	(857)
Foreign exchange movements	(200)	10	(210)
Net balances	27 200	891	26 309
Total credit and zero balances	7 957	(73)	8 030
Balance at the end of the year	35 157	818	34 339

Not credit-impaired			Credit-impaired			Total		
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)					
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
		–	79	5	74	207	5	202
		–			–	–	–	–
		–			–	–	–	–
		–			–	–	–	–
		–	(79)	(5)	(74)	(207)	(5)	(202)
		–			–	–	–	–
		–			–	–	–	–
		–			–	–	–	–
		–			–	–	–	–
–	–	–	–	–	–	–	–	–
		–			–	–	–	–
–	–	–	–	–	–	–	–	–

Not credit-impaired			Credit-impaired			Total		
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)					
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
4 877	846	4 031	5 092	2 890	2 202	35 339	4 638	30 701
		–			–	9 688	151	9 537
		–	(1 667)	(1 667)	–	(1 667)	(1 667)	–
184	140	44	(322)	507	(829)	(2 027)	1 724	(3 751)
(418)	(44)	(374)	(525)	(206)	(319)	(3 656)	(289)	(3 367)
(1 625)	(74)	(1 551)	(143)	(17)	(126)	–	–	–
3 231	486	2 745	(104)	(25)	(79)	–	–	–
(1 288)	(616)	(672)	2 985	1 456	1 529	–	–	–
87	10	77	63	41	22	(50)	61	(111)
5 048	748	4 300	5 379	2 979	2 400	37 627	4 618	33 009
40	(12)	52	17		17	8 014	(85)	8 099
5 088	736	4 352	5 396	2 979	2 417	45 641	4 533	41 108

Term loans

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	105 496	1 158	104 338
New financial assets originated or purchased	174 982	1 382	173 600
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(7 992)	1 510	(9 502)
Final repayments	(136 552)	(529)	(136 023)
Transfers to 12-month ECL	4 276	81	4 195
Transfers to lifetime ECL (not credit-impaired)	(7 037)	(524)	(6 513)
Transfers to lifetime ECL (credit-impaired)	(4 259)	(1 970)	(2 289)
Foreign exchange movements	986	16	970
Net balances	129 900	1 124	128 776
Total credit and zero balances			–
Balance at the end of the year	129 900	1 124	128 776

Specialised and other loans to clients[1]

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	43 751	130	43 621
New financial assets originated or purchased	23 662	183	23 479
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(1 241)	(81)	(1 160)
Final repayments	(22 448)	(85)	(22 363)
Transfers to 12-month ECL	941	75	866
Transfers to lifetime ECL (not credit-impaired)	(984)	(9)	(975)
Transfers to lifetime ECL (credit-impaired)	(374)	(95)	(279)
Foreign exchange movements	662	44	618
Net balances	43 969	162	43 807
Total credit and zero balances			–
Balance at the end of the year	43 969	162	43 807

[1] *Specialised and other loans to clients include deposits placed under reverse repurchase agreement and listed corporate bonds.*

Instalment debtors

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	135 904	1 692	134 212
New financial assets originated or purchased	68 750	1 008	67 742
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(22 810)	2 221	(25 031)
Final repayments	(19 929)	(209)	(19 720)
Transfers to 12-month ECL	7 559	197	7 362
Transfers to lifetime ECL (not credit-impaired)	(9 731)	(1 294)	(8 437)
Transfers to lifetime ECL (credit-impaired)	(5 960)	(1 819)	(4 141)
Foreign exchange movements	126	3	123
Net balances	153 909	1 799	152 110
Total credit and zero balances		(6)	6
Balance at the end of the year	153 909	1 793	152 116

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
14 477	1 252	13 225	12 744	6 668	6 076	132 717	9 078	123 639
		–			–	174 982	1 382	173 600
		–	(5 480)	(5 480)	–	(5 480)	(5 480)	–
(1 659)	599	(2 258)	(154)	1 372	(1 526)	(9 805)	3 481	(13 286)
(1 684)	(104)	(1 580)	(3 345)	(498)	(2 847)	(141 581)	(1 131)	(140 450)
(4 071)	(79)	(3 992)	(205)	(2)	(203)	–	–	–
7 382	580	6 802	(345)	(56)	(289)	–	–	–
(2 231)	(1 348)	(883)	6 490	3 318	3 172	–	–	–
17	5	12	48	26	22	1 051	47	1 004
12 231	905	11 326	9 753	5 348	4 405	151 884	7 377	144 507
		–			–	–	–	–
12 231	905	11 326	9 753	5 348	4 405	151 884	7 377	144 507

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
1 673	221	1 452	1 854	466	1 388	47 278	817	46 461
		–			–	23 662	183	23 479
		–	(137)	(137)	–	(137)	(137)	–
(575)	(152)	(423)	105	244	(139)	(1 711)	11	(1 722)
(104)	(17)	(87)	(707)	(117)	(590)	(23 259)	(219)	(23 040)
(438)	(7)	(431)	(503)	(68)	(435)	–	–	–
1 019	17	1 002	(35)	(8)	(27)	–	–	–
(45)	(4)	(41)	419	99	320	–	–	–
17	5	12	1	6	(5)	680	55	625
1 547	63	1 484	997	485	512	46 513	710	45 803
		–			–	–	–	–
1 547	63	1 484	997	485	512	46 513	710	45 803

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
19 997	1 951	18 046	8 575	4 015	4 560	164 476	7 658	156 818
		–			–	68 750	1 008	67 742
		–	(3 376)	(3 376)	–	(3 376)	(3 376)	–
(3 443)	60	(3 503)	(3 065)	1 027	(4 092)	(29 318)	3 308	(32 626)
(1 026)	(80)	(946)	(314)	(83)	(231)	(21 269)	(372)	(20 897)
(6 280)	(158)	(6 122)	(1 279)	(39)	(1 240)	–	–	–
10 681	1 396	9 285	(950)	(102)	(848)	–	–	–
(3 118)	(1 306)	(1 812)	9 078	3 125	5 953	–	–	–
(1)		(1)	6	5	1	131	8	123
16 810	1 863	14 947	8 675	4 572	4 103	179 394	8 234	171 160
		–			–	–	(6)	6
16 810	1 863	14 947	8 675	4 572	4 103	179 394	8 228	171 166

Preference shares and debentures

Rm	Not credit-impaired		
	Subject to 12-month ECL		
	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	12 218	52	12 166
New financial assets originated or purchased	5 061	11	5 050
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(3 653)	(14)	(3 639)
Final repayments			–
Transfers to 12-month ECL			–
Transfers to lifetime ECL (not credit-impaired)	(2 062)	(1)	(2 061)
Transfers to lifetime ECL (credit-impaired)			–
Foreign exchange movements			–
Net balances	11 564	48	11 516
Total credit and zero balances			–
Balance at the end of the year	11 564	48	11 516

Overnight loans

Rm	Not credit-impaired		
	Subject to 12-month ECL		
	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	10 956	9	10 947
New financial assets originated or purchased	2 746	3	2 743
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(3 624)	(6)	(3 618)
Final repayments	(33)		(33)
Transfers to 12-month ECL	52	1	51
Transfers to lifetime ECL (not credit-impaired)	(84)		(84)
Transfers to lifetime ECL (credit-impaired)			–
Foreign exchange movements	184		184
Net balances	10 197	7	10 190
Total credit and zero balances			–
Balance at the end of the year	10 197	7	10 190

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
244	44	200			–	12 462	96	12 366
		–			–	5 061	11	5 050
		–			–	–	–	–
(244)	(44)	(200)			–	(3 897)	(58)	(3 839)
		–			–	–	–	–
		–			–	–	–	–
2 062	1	2 061			–	–	–	–
		–			–	–	–	–
		–			–	–	–	–
2 062	1	2 061	–	–	–	13 626	49	13 577
		–			–	–	–	–
2 062	1	2 061	–	–	–	13 626	49	13 577

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
205	16	189	322	118	204	11 483	143	11 340
		–			–	2 746	3	2 743
		–	(16)	(16)	–	(16)	(16)	–
(52)		(52)	(387)	(114)	(273)	(4 063)	(120)	(3 943)
(6)		(6)			–	(39)	–	(39)
(52)	(1)	(51)			–	–	–	–
84		84			–	–	–	–
(81)	(14)	(67)	81	14	67	–	–	–
(25)		(25)			–	159	–	159
73	1	72	–	2	(2)	10 270	10	10 260
		–			–	–	–	–
73	1	72	–	2	(2)	10 270	10	10 260

Factoring accounts

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	7 344	26	7 318
New financial assets originated or purchased	1 077	10	1 067
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(604)	(3)	(601)
Final repayments	(461)	(2)	(459)
Transfers to 12-month ECL	18	3	15
Transfers to lifetime ECL (not credit-impaired)	(822)	(5)	(817)
Transfers to lifetime ECL (credit-impaired)	(14)	(4)	(10)
Foreign exchange movements			–
Net balances	6 538	25	6 513
Total credit and zero balances			–
Balance at the end of the year	6 538	25	6 513

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
175	21	154	122	59	63	7 641	106	7 535
		–			–	1 077	10	1 067
		–	(23)	(23)	–	(23)	(23)	–
(141)	11	(152)	(21)	(5)	(16)	(766)	3	(769)
(35)	(1)	(34)	(21)	(4)	(17)	(517)	(7)	(510)
(18)	(3)	(15)			–	–	–	–
864	11	853	(42)	(6)	(36)	–	–	–
(29)	(2)	(27)	43	6	37	–	–	–
		–			–	–	–	–
816	37	779	58	27	31	7 412	89	7 323
		–			–	–	–	–
816	37	779	58	27	31	7 412	89	7 323

Financial guarantees and loan commitments

	Not credit-impaired		Credit-impaired	
	Subject to 12-month ECL	Subject to lifetime ECL	Subject to lifetime ECL (excluding purchased/originated)	Total
Rm	Allowance for ECL	Allowance for ECL	Allowance for ECL	Allowance for ECL
Balance at the beginning of the year	78	21	88	187
New financial assets originated or purchased	269			269
Financial assets written off				–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(26)	15	58	47
Final repayments	(170)	(11)	(62)	(243)
Transfers to 12-month ECL	35	(28)	(7)	–
Transfers to lifetime ECL (not credit-impaired)	(16)	17	(1)	–
Transfers to lifetime ECL (credit-impaired)	(57)	(1)	58	–
Foreign exchange movements				–
Net balances	113	13	134	260
Total credit and zero balances				–
Balance at the end of the year	113	13	134	260

2023

Loans and advances

Rm	Not credit-impaired		
	Subject to 12-month ECL		
	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	669 795	4 197	665 598
New financial assets originated or purchased	331 612	3 542	328 070
Financial assets written off[1]			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements[1,2]	(157 358)	5 953	(163 311)
Final repayments	(123 797)	(771)	(123 026)
Transfers to 12-month ECL	29 812	651	29 161
Transfers to lifetime ECL (not credit-impaired)	(51 326)	(3 222)	(48 104)
Transfers to lifetime ECL (credit-impaired)	(20 953)	(5 791)	(15 162)
Foreign exchange movements	(3 458)	57	(3 515)
Net balances	674 327	4 616	669 711
Total credit and zero balances[3]	8 137	(57)	8 194
Balance at the end of the year	682 464	4 559	677 905
Loans and advances at FVTPL			
Loans and advances at FVOCI			
Off-balance-sheet impairment allowance			
Fair-value hedge-accounted portfolios			
ECL credit and other balances			
Loans and advances			

[1] During 2024 the group identified that the prior year 'Interest in suspense' and 'Amounts written off' reconciling items were incorrectly overstated and understated by R1,0bn respectively. As a result, the prior-year information has been restated. This error has no impact on the 'Loans and advances' balance.

[2] 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 assumptions, and changes due to drawdowns of undrawn commitments.

[3] Total credit and zero balances throughout this note refer to the loss allowance on balances that are liabilities to the group at the financial year-end. The group, however, still has credit risk exposure on these facilities.

Not credit-impaired			Credit-impaired			Total		
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)					
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
77 647	5 522	72 125	51 640	17 827	33 813	799 082	27 546	771 536
		–			–	331 612	3 542	328 070
		–	(11 261)	(11 261)	–	(11 261)	(11 261)	–
(11 832)	1 027	(12 859)	(6 391)	4 534	(10 925)	(175 581)	11 514	(187 095)
(4 864)	(356)	(4 508)	(3 041)	(665)	(2 376)	(131 702)	(1 792)	(129 910)
(27 436)	(452)	(26 984)	(2 376)	(199)	(2 177)	–	–	–
56 625	3 635	52 990	(5 299)	(413)	(4 886)	–	–	–
(13 576)	(4 104)	(9 472)	34 529	9 895	24 634	–	–	–
463	1	462	343	249	94	(2 652)	307	(2 959)
77 027	5 273	71 754	58 144	19 967	38 177	809 498	29 856	779 642
55	(9)	64	37	(1)	38	8 229	(67)	8 296
77 082	5 264	71 818	58 181	19 966	38 215	817 727	29 789	787 938
								46 873
								57 092
								254
								(471)
								(67)
								891 619

Home loans

Rm	Not credit-impaired		
	Subject to 12-month ECL		
	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	158 725	336	158 389
New financial assets originated or purchased	28 003	229	27 774
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(6 262)	929	(7 191)
Final repayments	(9 314)	(16)	(9 298)
Transfers to 12-month ECL	5 894	21	5 873
Transfers to lifetime ECL (not credit-impaired)	(14 199)	(434)	(13 765)
Transfers to lifetime ECL (credit-impaired)	(4 162)	(720)	(3 442)
Foreign exchange movements	669	23	646
Net balances	159 354	368	158 986
Total credit and zero balances	174	(1)	175
Balance at the end of the year	159 528	367	159 161

Commercial mortgages

Rm	Not credit-impaired		
	Subject to 12-month ECL		
	Gross carrying amount[1]	Allowance for ECL	Amortised cost
Balance at the beginning of the year	168 438	140	168 298
New financial assets originated or purchased	67 857	183	67 674
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(9 862)	(39)	(9 823)
Final repayments	(47 828)	(24)	(47 804)
Transfers to 12-month ECL	5 187	52	5 135
Transfers to lifetime ECL (not credit-impaired)	(8 892)	(40)	(8 852)
Transfers to lifetime ECL (credit-impaired)	(1 293)	(72)	(1 221)
Foreign exchange movements	199	1	198
Net balances	173 806	201	173 605
Total credit and zero balances			–
Balance at the end of the year	173 806	201	173 605

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
18 404	655	17 749	10 760	2 417	8 343	187 889	3 408	184 481
		–			–	28 003	229	27 774
		–	(520)	(520)	–	(520)	(520)	–
(231)	369	(600)	(614)	333	(947)	(7 107)	1 631	(8 738)
(736)	(24)	(712)	(516)	(113)	(403)	(10 566)	(153)	(10 413)
(5 246)	(14)	(5 232)	(648)	(7)	(641)	–	–	–
15 793	492	15 301	(1 594)	(58)	(1 536)	–	–	–
(4 025)	(735)	(3 290)	8 187	1 455	6 732	–	–	–
16	3	13	59	73	(14)	744	99	645
23 975	746	23 229	15 114	3 580	11 534	198 443	4 694	193 749
4	(1)	5	7	(1)	8	185	(3)	188
23 979	745	23 234	15 121	3 579	11 542	198 628	4 691	193 937

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount[1]	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
11 376	151	11 225	14 024	2 360	11 664	193 838	2 651	191 187
		–			–	67 857	183	67 674
		–	(1 644)	(1 644)	–	(1 644)	(1 644)	–
(2 205)	15	(2 220)	298	1 329	(1 031)	(11 769)	1 305	(13 074)
(839)	(15)	(824)	(404)	(47)	(357)	(49 071)	(86)	(48 985)
(4 542)	(29)	(4 513)	(645)	(23)	(622)	–	–	–
9 038	62	8 976	(146)	(22)	(124)	–	–	–
(1 444)	(28)	(1 416)	2 737	100	2 637	–	–	–
20	(1)	21	22	25	(3)	241	25	216
11 404	155	11 249	14 242	2 078	12 164	199 452	2 434	197 018
		–			–	–	–	–
11 404	155	11 249	14 242	2 078	12 164	199 452	2 434	197 018

Properties in possession

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	123		123
New financial assets originated or purchased	1		1
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(1)		(1)
Foreign exchange movements	5		5
Net balances	128	–	128
Total credit and zero balances			–
Balance at the end of the year	128	–	128

Credit cards and overdrafts

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	25 369	910	24 459
New financial assets originated or purchased	7 213	200	7 013
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	1	1 542	(1 541)
Final repayments	(2 702)	(35)	(2 667)
Transfers to 12-month ECL	1 671	92	1 579
Transfers to lifetime ECL (not credit-impaired)	(3 523)	(641)	(2 882)
Transfers to lifetime ECL (credit-impaired)	(2 172)	(1 169)	(1 003)
Foreign exchange movements	(487)	3	(490)
Net balances	25 370	902	24 468
Total credit and zero balances	7 821	(56)	7 877
Balance at the end of the year	33 191	846	32 345

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
		–	66	4	62	189	4	185
		–			–	1	–	1
		–	13	1	12	12	1	11
		–			–	5	–	5
–	–	–	79	5	74	207	5	202
		–			–	–	–	–
–	–	–	79	5	74	207	5	202

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
5 804	597	5 207	4 373	2 760	1 613	35 546	4 267	31 279
		–			–	7 213	200	7 013
		–	(1 924)	(1 924)	–	(1 924)	(1 924)	–
(1 287)	151	(1 438)	(211)	568	(779)	(1 497)	2 261	(3 758)
(865)	(53)	(812)	(324)	(145)	(179)	(3 891)	(233)	(3 658)
(1 509)	(45)	(1 464)	(162)	(47)	(115)	–	–	–
3 742	695	3 047	(219)	(54)	(165)	–	–	–
(1 336)	(501)	(835)	3 508	1 670	1 838	–	–	–
328	2	326	51	62	(11)	(108)	67	(175)
4 877	846	4 031	5 092	2 890	2 202	35 339	4 638	30 701
41	(9)	50	30		30	7 892	(65)	7 957
4 918	837	4 081	5 122	2 890	2 232	43 231	4 573	38 658

Term loans

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year[1]	110 187	1 164	109 023
New financial assets originated or purchased	122 015	1 648	120 367
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(94 017)	1 699	(95 716)
Final repayments	(24 060)	(352)	(23 708)
Transfers to 12-month ECL	5 490	179	5 311
Transfers to lifetime ECL (not credit-impaired)	(9 315)	(833)	(8 482)
Transfers to lifetime ECL (credit-impaired)	(7 690)	(2 373)	(5 317)
Foreign exchange movements	2 886	26	2 860
Net balances	105 496	1 158	104 338
Total credit and zero balances	31		31
Balance at the end of the year	105 527	1 158	104 369

[1] During 2024 the group identified that certain loans and advances amounting to R701m were incorrectly disclosed as 'Specialised and other loans to clients' instead of 'Term loans'. As a result, the prior-year information has been restated. This restatement has no impact on the 'Loans and advances' balance.

Specialised and other loans to clients[1]

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year[2]	55 133	118	55 015
New financial assets originated or purchased	30 874	97	30 777
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(11 318)	(16)	(11 302)
Final repayments	(20 549)	(40)	(20 509)
Transfers to 12-month ECL	1 533	17	1 516
Transfers to lifetime ECL (not credit-impaired)	(2 012)	(27)	(1 985)
Transfers to lifetime ECL (credit-impaired)	(434)	(21)	(413)
Foreign exchange movements	(9 476)	2	(9 478)
Net balances	43 751	130	43 621
Total credit and zero balances	110		110
Balance at the end of the year	43 861	130	43 731

[1] 'Specialised and other loans to clients' includes deposits placed under reverse repurchase agreement and listed corporate bonds.

[2] During 2024 the group identified that certain loans and advances amounting to R701m were incorrectly disclosed as 'Specialised and other loans to clients' instead of 'Term loans'. As a result, the prior-year information has been restated. This restatement has no impact on the 'Loans and advances' balance.

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount[1]	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
15 787	1 328	14 459	11 661	6 176	5 485	137 635	8 668	128 967
		–			–	122 015	1 648	120 367
		–	(3 787)	(3 787)	–	(3 787)	(3 787)	–
(4 375)	567	(4 942)	(3 095)	807	(3 902)	(101 487)	3 073	(104 560)
(484)	(90)	(394)	(260)	(145)	(115)	(24 804)	(587)	(24 217)
(5 186)	(78)	(5 108)	(304)	(101)	(203)	–	–	–
10 906	890	10 016	(1 591)	(57)	(1 534)	–	–	–
(2 268)	(1 361)	(907)	9 958	3 734	6 224	–	–	–
97	(4)	101	162	41	121	3 145	63	3 082
14 477	1 252	13 225	12 744	6 668	6 076	132 717	9 078	123 639
10	1	9			–	41	1	40
14 487	1 253	13 234	12 744	6 668	6 076	132 758	9 079	123 679

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
2 700	375	2 325	2 374	456	1 918	60 207	949	59 258
		–			–	30 874	97	30 777
		–	(134)	(134)	–	(134)	(134)	–
(607)	(152)	(455)	(150)	186	(336)	(12 075)	18	(12 093)
(444)	5	(449)	(1 161)	(111)	(1 050)	(22 154)	(146)	(22 008)
(1 358)	(17)	(1 341)	(175)		(175)	–	–	–
2 028	30	1 998	(16)	(3)	(13)	–	–	–
(646)	(19)	(627)	1 080	40	1 040	–	–	–
	(1)	1	36	32	4	(9 440)	33	(9 473)
1 673	221	1 452	1 854	466	1 388	47 278	817	46 461
		–			–	110	–	110
1 673	221	1 452	1 854	466	1 388	47 388	817	46 571

Instalment debtors

Rm	Not credit-impaired		
	Subject to 12-month ECL		
	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	121 720	1 348	120 372
New financial assets originated or purchased	62 816	969	61 847
Financial assets written off			–
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(22 007)	1 890	(23 897)
Final repayments	(17 985)	(172)	(17 813)
Transfers to 12-month ECL	9 194	209	8 985
Transfers to lifetime ECL (not credit-impaired)	(12 739)	(1 174)	(11 565)
Transfers to lifetime ECL (credit-impaired)	(5 102)	(1 379)	(3 723)
Foreign exchange movements	7	1	6
Net balances	135 904	1 692	134 212
Total credit and zero balances	1		1
Balance at the end of the year	135 905	1 692	134 213

Preference shares and debentures

Rm	Not credit-impaired		
	Subject to 12-month ECL		
	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	10 822	61	10 761
New financial assets originated or purchased	2 385	3	2 382
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(745)	33	(778)
Final repayments		(1)	1
Transfers to lifetime ECL (not credit-impaired)	(244)	(44)	(200)
Net balances	12 218	52	12 166
Total credit and zero balances			–
Balance at the end of the year	12 218	52	12 166

Overnight loans

Rm	Not credit-impaired		
	Subject to 12-month ECL		
	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	11 558	16	11 542
New financial assets originated or purchased	8 944	8	8 936
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(12 188)	(22)	(12 166)
Final repayments	(96)		(96)
Transfers to 12-month ECL	306	13	293
Transfers to lifetime ECL (not credit-impaired)	(304)	(5)	(299)
Transfers to lifetime ECL (credit-impaired)			–
Foreign exchange movements	2 736	(1)	2 737
Net balances	10 956	9	10 947
Total credit and zero balances			–
Balance at the end of the year	10 956	9	10 947

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
22 096	2 264	19 832	7 766	3 395	4 371	151 582	7 007	144 575
		–			–	62 816	969	61 847
		–	(3 252)	(3 252)	–	(3 252)	(3 252)	–
(2 611)	47	(2 658)	(2 310)	1 355	(3 665)	(26 928)	3 292	(30 220)
(1 453)	(115)	(1 338)	(325)	(88)	(237)	(19 763)	(375)	(19 388)
(8 752)	(195)	(8 557)	(442)	(14)	(428)	–	–	–
14 472	1 362	13 110	(1 733)	(188)	(1 545)	–	–	–
(3 757)	(1 412)	(2 345)	8 859	2 791	6 068	–	–	–
2		2	12	16	(4)	21	17	4
19 997	1 951	18 046	8 575	4 015	4 560	164 476	7 658	156 818
		–			–	1	–	1
19 997	1 951	18 046	8 575	4 015	4 560	164 477	7 658	156 819

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
90	24	66	319	59	260	11 231	144	11 087
		–			–	2 385	3	2 382
(90)	(24)	(66)	(319)	(59)	(260)	(1 154)	(50)	(1 104)
		–			–	–	(1)	1
244	44	200			–	–	–	–
244	44	200			–	12 462	96	12 366
		–			–	–	–	–
244	44	200	–	–	–	12 462	96	12 366

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
646	43	603	189	80	109	12 393	139	12 254
		–			–	8 944	8	8 936
(354)	24	(378)	47	(5)	52	(12 495)	(3)	(12 492)
		–			–	(96)	–	(96)
(306)	(13)	(293)			–	–	–	–
304	5	299			–	–	–	–
(85)	(43)	(42)	85	43	42			–
		–	1		1	2 737	(1)	2 738
205	16	189	322	118	204	11 483	143	11 340
		–			–	–	–	–
205	16	189	322	118	204	11 483	143	11 340

Factoring accounts

	Not credit-impaired		
	Subject to 12-month ECL		
Rm	Gross carrying amount	Allowance for ECL	Amortised cost
Balance at the beginning of the year	7 720	7	7 713
New financial assets originated or purchased	1 504	9	1 495
Repayments net of readvances, capitalised interest, fees and ECL remeasurements	(959)	12	(971)
Final repayments	(1 263)	(1)	(1 262)
Transfers to 12-month ECL	537	6	531
Transfers to lifetime ECL (not credit-impaired)	(98)	(5)	(93)
Transfers to lifetime ECL (credit-impaired)	(100)	(2)	(98)
Foreign exchange movements	3		3
Net balances	7 344	26	7 318
Total credit and zero balances			–
Balance at the end of the year	7 344	26	7 318

Not credit-impaired			Credit-impaired					
Subject to lifetime ECL			Subject to lifetime ECL (excluding purchased/originated)			Total		
Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost	Gross carrying amount	Allowance for ECL	Amortised cost
744	13	731	108	12	96	8 572	32	8 540
		–			–	1 504	9	1 495
(72)	9	(81)	(50)	42	(92)	(1 081)	63	(1 144)
(43)		(43)	(51)	3	(54)	(1 357)	2	(1 359)
(537)	(6)	(531)			–	–	–	–
98	5	93			–	–	–	–
(15)		(15)	115	2	113	–	–	–
		–			–	3	–	3
175	21	154	122	59	63	7 641	106	7 535
		–			–	–	–	–
175	21	154	122	59	63	7 641	106	7 535

Financial guarantees and loan commitments

	Not credit-impaired		Credit-impaired	
	Subject to 12-month ECL	Subject to lifetime ECL	Subject to lifetime ECL (excluding purchased/ originated)	Total
Rm	Allowance for ECL	Allowance for ECL	Allowance for ECL	Allowance for ECL
Balance at the beginning of the year	97	72	108	277
New financial assets originated or purchased	196			196
Financial assets written off				
Repayments net of readvances, capitalised interest, fees and ECL	(75)	21	(23)	(77)
Final repayments	(130)	(64)	(19)	(213)
Transfers to 12-month ECL	62	(55)	(7)	–
Transfers to lifetime ECL (not credit-impaired)	(19)	50	(31)	–
Transfers to lifetime ECL (credit-impaired)	(55)	(5)	60	–
Foreign exchange movements	2	2		4
Net balances	78	21	88	187
Total credit and zero balances				–
Balance at the end of the year	78	21	88	187

C2.13 FINANCIAL ASSETS WRITTEN OFF

KEY ASSUMPTIONS CONCERNING THE FUTURE AND KEY SOURCES OF ESTIMATION

Write-off and post-write-off recoveries

Loans and advances are written off when the group has no reasonable expectations of recovering the individual asset partially or in its entirety. This assessment is judgemental and based on both qualitative and quantitative information. To determine the point of write-off, Nedbank has developed policies over several years that consider trends, historical experience, the level of post-write-off recoveries, the macro-environment, historical loan growth and recent delinquency trends. These policies are reviewed annually by appropriate governance forums and the appropriateness of the judgement is considered through a backtest that considers historical levels of post-write-off recoveries when compared with the written-off assets and the balance at default. The group may write off financial assets that are still subject to enforcement activity when there is no reasonable expectation of recovery. Details of the further quantitative and qualitative indicators for the write-off point assessments are as follows:

LOANS AND ADVANCES	FURTHER QUANTITATIVE AND QUALITATIVE INDICATORS[1]
General (applicable to all categories)	• It is not economical to pursue further recovery action. • The issuance of a court order, including liquidation and insolvency orders. • Fraud. • Deceased estates. • There is reputational risk associated with recovering the asset.
Mortgage loans	• The asset is abandoned because it is not financially feasible to maintain or expectations of recovering the asset partially or in its entirety are remote. • The cost to repair a vandalised property exceeds its value.
Instalment debtors	• The asset cannot be traced. • The asset is abandoned because it is not financially feasible to maintain or expectations of recovering the asset partially or in its entirety are remote.
Credit cards and overdrafts	• The client has had 3 months (2023: 2 months[2]) with no payment at the legal stage, which translates into approximately 9 months (2023: 8 months[2]) in default.
Term loans (including personal loans)	Personal loans: • The client has missed 9 consecutive payments (2023: 12 consecutive payments[2]). • An insurance claim has been repudiated or a shortfall exists after a settlement and further internal collection have been exhausted. • There is a case of confirmed fraud. Term loans: • The amount becomes irrecoverable as a result of an adopted business rescue plan. • The debt collection procedure has been completed, including exhausting the issuance of summons.
Other loans	• Judgement is applied to determine whether or not a write-off, in whole or in part, is appropriate on a case-by-case basis.

[1] *The above is not an exhaustive list.*

[2] *The annual review of the write-off policies resulted in changes to the quantitative indicators for the write-off assessments for 'Credit cards and overdrafts' and 'Terms loans (including personal loans)'. These changes represent changes in accounting estimates and have been applied prospectively.*

During the year, the group reviewed its presentation of financial assets written off. As a result of this review, the group has enhanced this disclosure by presenting the amount of post-write-off-recoveries recognised in the statement of comprehensive income compared to the date the underlying loan was written-off for material portfolios contributing to post write-off recoveries.

The total amount of post-write-off-recoveries are R1,4bn (2023: R1,4bn). The table below presents the amount post-write-off-recoveries recognised in the statement of comprehensive income compared to the date the underlying loan was written-off. The disclosure is provided for material portfolios contributing 83% (2023: 73%) of post write-off recoveries:

2024

		Period since write-off		
	Total post-write-off-recoveries Rm	0 to 1 year	1 to 5 years	>5 years
Instalment debtors	**393**	**33%**	**54%**	**14%**
Credit card	**505**	**5%**	**73%**	**22%**
Personal loans	**263**	**10%**	**51%**	**39%**

2023

		Period since write-off		
	Total post-write-off-recoveries Rm	0 to 1 year	1 to 5 years	>5 years
Instalment debtors	350	29%	59%	12%
Credit card	467	7%	75%	19%
Personal loans	268	7%	50%	43%

The following contractual amounts outstanding on financial assets were written off during the period, and are still subject to enforcement activity:

Rm	2024	2023
Contractual amount outstanding	**10 391**	7 883

C2.14 MODIFICATION OF FINANCIAL ASSETS

The group modifies the terms of loans provided to clients due to commercial renegotiations, due to clients' entering debt counselling or, in cases of distressed loans, to maximise recovery. Such restructuring activities include extended payment terms, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria that, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition when the modification is not substantial and does not result in derecognition of the original assets. The group monitors the subsequent performance of the assets. The group may determine that the credit risk has improved significantly after restructure and the assets are then moved from lifetime ECL (stage 2 and stage 3) to 12-month ECL (stage 1). This is the case for assets that have performed in accordance with the new terms during the post-restructure monitoring period, being a period of at least 6 consecutive months. Refer to Section I: Financial Instruments for the group's accounting policy on the modification of loans.

The group continues to monitor whether there is a subsequent SICR in relation to such assets. The following table includes a summary of financial assets with lifetime ECLs of which the cash flows were modified during the year as part of the group's restructuring activities and their respective effects on the group's financial performance.

Where the modification of a loan did not result in a modification gain or loss being recognised due to the change in the contractual terms and conditions not being considered substantial and the present value of the loan discounted remaining unchanged, these modifications are not included in the disclosure below.

Refer to Section I: Financial instruments for the group's accounting policies regarding financial assets and liabilities, including modification of loans.

Rm	2024	2023
Modification during the year for which the loss allowance reflects lifetime ECL		
Amortised cost before modification	**4 651**	4 440
Net modification loss	**462**	571
Modification since initial recognition of the financial asset for which the loss allowance has changed during the year to reflect 12-month ECL		
Gross carrying amount at the end of the year	**1 001**	248
Impact of modification on the ECL allowances associated with these assets	**24**	2

C3 GOVERNMENT AND OTHER SECURITIES

C3.1 ANALYSIS

	2024 Rm	2023 Rm
Government and government-guaranteed securities	**192 334**	168 250
Other dated securities[1]	**5 346**	3 579
Fair-value hedge-accounted portfolios	**902**	(1 086)
Impairment of government and other securities	**(60)**	(26)
	198 522	170 717

[1] *Includes securitised assets. See note F5.*

C3.2 SECTORAL ANALYSIS

	2024 Rm	2023 Rm
Financial services, insurance and real estate	**1 150**	748
Banks	**688**	638
Transport, storage and communication	**2 112**	1 618
Government and public sector	**194 572**	167 713
	198 522	170 717

C4 OTHER SHORT-TERM SECURITIES

C4.1 ANALYSIS

	2024 Rm	2023 Rm
Negotiable certificates of deposit	**19 087**	21 253
Treasury bills and other bonds	**60 545**	66 519
CODI's liquidity tier	**3 269**	
Impairment of other short-term securities	**(5)**	(3)
	82 896	87 769

During the year, the South African Reserve Bank (SARB) launched the CODI, which became operational on 1 April 2024, building further confidence in South Africa's resilient financial sector. In line with SARB's mandate to ensure financial stability, CODI will protect qualifying depositors, including individuals and non-financial businesses, as well as inform them of CODI's protection benefits and limitations, should a bank fail. CODI, which is the newest SARB subsidiary, provides cover of up to R100 000 to each qualifying depositor per bank in the unlikely event of a bank's collapse. This coverage limit fully protects 9 out of 10 qualifying depositors in the country. Under the auspices of the Financial Sector Regulation Act, 9 of 2017, CODI has established and will maintain and administer the Deposit Insurance Fund.

The group is a participating bank of the fund. The funding structure of the fund includes the following:

- CODI's own funds – A monthly flat premium of 0,2% and an annual levy of 0,015% of covered deposits paid by the participating banks.
- Liquidity tier – A contractual loan issued by the participating banks to CODI, adjusted monthly at 3% of the deposit balance. The liquidity tier loan is rolled over monthly and adjusted for changes in the participating banks covered deposit balance. The loan is guaranteed by the SARB.
- As needed – An emergency funding facility provided by SARB as needed.

C4.2 SECTORAL ANALYSIS

	2024 Rm	2023 Rm
Banks	**18 755**	16 426
Government and public sector	**64 041**	66 539
Other sectors	**100**	4 804
	82 896	87 769

C5 CREDIT ANALYSIS OF OTHER SHORT-TERM SECURITIES, AND GOVERNMENT AND OTHER SECURITIES

CREDIT RATINGS

	Investment grade[1]		Subinvestment grade[1]		Not rated		Total	
	2024 Rm	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm
Other short-term securities	**79 389**	84 026	**656**	1 826	**2 851**	1 917	**82 896**	87 769
Negotiable certificates of deposit	**19 087**	21 174		79			**19 087**	21 253
Treasury bills and other bonds	**57 035**	62 853	**656**	1 747	**2 854**	1 919	**60 545**	66 519
CODI's liquidity tier	**3 269**						**3 269**	
Impairment of other short-term securities	**(2)**	(1)			**(3)**	(2)	**(5)**	(3)
Government and other securities	**194 259**	167 647	**2 586**	1 851	**1 677**	1 219	**198 522**	170 717
Government and government-guaranteed securities	**189 067**	166 130	**1 532**	893	**1 735**	1 227	**192 334**	168 250
Other dated securities	**4 292**	2 605	**1 054**	958		16	**5 346**	3 579
Fair-value hedge-accounted portfolios	**902**	(1 086)					**902**	(1 086)
Impairment of government and other securities	**(2)**	(2)			**(58)**	(24)	**(60)**	(26)
	273 648	251 673	**3 242**	3 677	**4 528**	3 136	**281 418**	258 486

[1] *Debt securities that are purchased by the group are rated using an internal rating system, being the Nedbank Group Rating (NGR) scale. The group requires that investments be rated on the NGR scale to ensure that credit risk is measured consistently and accurately across the group. This ensures compliance with the group's policy on the rating of investments. The NGR scale has been mapped to the credit-rating scales of external credit-rating agencies. According to the NGR scale, investment grade can be equated to a Standard & Poor's and Fitch rating of at least BB+ and a Moody's rating of at least Ba1. The group's investment grade includes credit ratings from NGR01 to NGR12 and subinvestment grade includes credit ratings from NGR13 to NGR25.*

C6 CASH AND CASH EQUIVALENTS

	2024 Rm	2023 Rm
Coins and banknotes	**5 806**	6 303
Money at call and short notice	**6 295**	6 908
Balances with central banks – other than mandatory reserve deposits	**10 730**	10 388
Cash and cash equivalents excluding mandatory reserve deposits with central banks	**22 831**	23 599
Mandatory reserve deposits with central banks	**32 315**	28 483
	55 146	52 082

Money at call and short notice constitute amounts withdrawable in 32 days or fewer. Mandatory reserve deposits with central banks are subject to certain restrictions and limitations set by the central banks in the countries of operation.

C7 DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Derivative financial instruments and hedge accounting

Derivatives are classified as financial assets when their fair value is positive, or as financial liabilities when their fair value is negative, subject to the offsetting principles as described under 'Offsetting financial assets and financial liabilities'. The method of recognising fair-value gains and losses depends on whether derivatives are designated as hedging instruments and the nature of the risks being hedged.

- **Derivatives that qualify for hedge accounting**

The group applies hedge accounting when transactions meet the criteria set out in IAS 39. The group's hedging strategy makes use of fair-value hedges, which are hedges of the change in fair value of recognised assets or liabilities or firm commitments. The group manages its interest rate risk exposure by entering into interest rate swaps. The interest rate risk exposure is frequently updated due to new loans and deposits being originated, contractual repayments, and early withdrawals or prepayments made by clients in each period. As a result, the group adopted a macro fair-value hedge strategy to hedge the designated risk profile by designating new swap agreements into the macro fair-value hedge-accounting solution at the beginning of every month. The group uses the macro fair-value hedge to recognise fair value changes related to the interest rate risk to reduce the profit or loss volatility that would otherwise arise from changes in fair value of the interest rate swaps alone.

- **Fair-value hedges**

Where a hedging relationship is designated as a fair-value hedge, the hedged item is adjusted for the change in fair value in respect of the risk being hedged. Fair-value gains and losses arising on the measurement of both the hedging instrument and the hedged item are recognised in profit or loss, for as long as the hedging relationship is effective at each testing date. Any hedge ineffectiveness is recognised in profit or loss. The main sources of hedge ineffectiveness in these hedging relationships are the cash flow mismatches between the hedged items and the hedging instruments and the movement in the benchmark overnight index swap curves relative to the designated risk curve. Residual accounting volatility is mainly as a result of the straight-line amortisation of fair-value adjustments on the designated risk to the income statement versus the fair-value unwind of swaps and as a result of the granularity of the fair-value methodology applied by Nedbank in the fair-value measurement of the designated risk.

If the derivative expires, is sold, is terminated, is exercised, or no longer meets the criteria for fair-value hedge accounting, or the designation is revoked, then hedge accounting is discontinued. The fair-value adjustment to the hedged item is amortised to profit or loss over the life of the designated relationship in line with IFRS Accounting Standards. The unamortised fair-value adjustment of the hedged items is immediately recognised in profit or loss in the event that the hedged item is repaid or sold.

- **Derivatives that do not qualify for hedge accounting**

All gains and losses from changes in the fair value of derivatives that are not designated as being subject to hedge accounting are recognised immediately in non-interest revenue and income.

Embedded derivatives

Derivatives in a host contract that is a financial or non-financial instrument, such as an equity conversion option in a convertible bond, are separated from the host contract when all of the following conditions are met:

- The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- The combined contract is not measured at fair value, with changes in fair value recognised in profit or loss.

The host contract is accounted for:
- under IFRS 9 if it is a financial instrument; and
- in accordance with other appropriate IFRS Accounting Standards if it is not a financial instrument.

If an embedded derivative is required to be separated from its host contract but it is not possible to measure the fair value of the embedded derivative separately, either at acquisition or at a subsequent financial reporting date, the entire hybrid instrument is categorised as at FVTPL and measured at fair value.

Principal types of derivatives

These transactions have been entered into in the normal course of business and are carried at fair value. The principal types of derivative contracts into which the group enters are swaps, options, futures and forwards.

Collateral

The group may require collateral in respect of the credit risk present in derivative transactions. The amount of credit risk is principally the positive fair value of the contract. Collateral may be in the form of cash or in the form of a lien over a client's assets, entitling the group to make a claim for current and future liabilities.

South African benchmark reform

South Africa is progressing well in the process of local benchmark reform with the upcoming discontinuation of the legacy Johannesburg Interbank Agreed Rate (JIBAR) used prominently in local cash as well as derivative markets, with the designated replacement rate being the newer South African Rand Overnight Index Average Rate (ZARONIA). The local benchmark transition follows the recent completion of the corresponding reform of the London Interbank Offer Rate (IBOR) in international markets and is being coordinated extensively through local regulators and the wider industry. The overall timeline of the local benchmark reform is approximately 5 years with target completion expected in 2026.

Benchmark reform is a critical market infrastructure initiative to improve the integrity and stability of financial markets and is not intended to be any form of value transfer between parties or a change in the price of liquidity and interest rate risk. The process of reform however does present a range of risks to the bank and its clients, including notably operational and reputational risk, that need to be carefully managed and mitigated.

The group has established a comprehensive steering committee consisting of all impacted stakeholders and relevant personnel to oversee the successful preparation and implementation of benchmark reform in the bank. The group is impacted by local benchmark reform across a range of products. This steering committee carefully considers the full spectrum of risks covering both the successful migration of historical impacted transactions as well as the implementation of new transactions.

A number of critical milestones were achieved in 2024 with the notable release of the revised ZARONIA First for Derivatives as the next key milestone for the industry. Additionally, the determination of fair transition credit spreads has also been proposed and formally endorsed by the South African Reserve Bank (SARB) and will serve as a critical input to further milestones in the process.

Financial assets that are impacted by reference rate reform:

Rm	2024 JIBAR
Derivative financial instruments (assets)[1]	**18 562**
Other short-term securities	**5 709**
Government and other securities	**27 654**
Loans and advances	**257 202**
Total assets recognised on the balance sheet	**309 127**
Loan commitments	**26 356**
Total off-balance sheet exposure	**26 356**
Total asset exposure subject to reference rate reform	**335 483**

[1] The gross notional amount of derivative financial instruments assets directly impacted by the reference rate reform is R956bn.

Equity and financial liabilities that are impacted by reference rate reform:

Rm	2024 JIBAR
Holders of additional tier 1 capital instruments	**12798**
Total equity recognised subject to reference rate reform	**12798**
Derivative financial instruments (liabilities)[1]	**18 332**
Amounts owed to depositors	**201 044**
Long-term debt instruments	**39 729**
Total liabilities recognised subject to reference rate reform	**259 105**

[1] The gross notional amount of derivative financial instruments liabilities directly impacted by the reference rate reform is R906bn.

C7.1 TOTAL CARRYING AMOUNT OF DERIVATIVE FINANCIAL INSTRUMENTS

A detailed breakdown of the carrying amount (fair value) and notional principal of the various types of derivative financial instruments held by the group is presented in the following tables in notes C7.2 and C7.3.

	2024 Rm	2023 Rm
Gross carrying amount of assets	**17 072**	13 812
Gross carrying amount of liabilities	**(11 623)**	(14 141)
Net carrying amount	**5 449**	(329)

C7.2 NOTIONAL PRINCIPAL OF DERIVATIVE FINANCIAL INSTRUMENTS

This represents the gross notional amounts of all outstanding contracts at year-end. This gross notional amount is the sum of the absolute amount of all purchases and sales of derivative instruments. The notional amounts do not represent amounts exchanged by the parties and therefore represent only the measure of involvement by the group in derivative contracts and not its exposure to market or credit risks arising from such contracts. The amounts actually exchanged are calculated on the basis of the notional amounts and other terms of the derivative, which relate to interest rates, exchange rates, securities or commodity prices or financial and other indices.

	2024			2023		
Rm	Notional principal	Positive value	Negative value	Notional principal	Positive value	Negative value
Equity derivatives	**212 844**	**158 141**	**54 703**	335 290	259 344	75 946
Options written	**32 025**	**397**	**31 628**	52 884		52 884
Options purchased	**142 984**	**142 772**	**212**	252 734	252 734	
Futures[1]	**37 835**	**14 972**	**22 863**	29 672	6 610	23 062
Commodity derivatives	**444**	**172**	**272**	172	86	86
Options written	**210**		**210**			
Options purchased	**110**	**110**		144	72	72
Swaps	**36**	**18**	**18**	26	13	13
Futures	**88**	**44**	**44**	2	1	1
Exchange rate derivatives	**1 050 907**	**527 640**	**523 267**	1 035 988	531 382	504 606
Forwards	**868 551**	**437 173**	**431 378**	807 391	421 308	386 083
Spot				19	19	
Futures	**775**	**11**	**764**	589		589
Currency swaps	**144 567**	**71 982**	**72 585**	148 232	69 253	78 979
Options purchased	**18 475**	**18 474**	**1**			
Options written	**18 539**		**18 539**	79 757	40 802	38 955
Interest rate derivatives	**2 050 934**	**1 040 302**	**1 010 632**	3 826 644	2 033 371	1 793 273
Interest rate swaps	**1 824 667**	**927 468**	**897 199**	3 467 286	1 823 784	1 643 502
Forward rate agreements	**93 604**	**64 567**	**29 037**	221 894	134 882	87 012
Futures	**46 170**	**9 505**	**36 665**	71 454	54 895	16 559
Caps	**9 528**	**2 615**	**6 913**	15 421	6 013	9 408
Floors	**1 200**	**300**	**900**	1 522	461	1 061
Credit default swaps	**7 929**	**3 368**	**4 561**	11 241	4 672	6 569
Total return swaps	**67 836**	**32 479**	**35 357**	37 826	8 664	29 162
Total notional principal	**3 315 129**	**1 726 255**	**1 588 874**	5 198 094	2 824 183	2 373 911

[1] Includes contracts for difference with positive notionals of R0m (2023: R0) and negative notionals of R0m (2023: R0). The equity forward agreement has positive notionals of R13 521m (2023: R6 610m) and negative notionals of R21 262m (2023: R23 062m).

C7.3 CARRYING AMOUNT OF DERIVATIVE FINANCIAL INSTRUMENTS

The amounts disclosed represent the fair value of all derivative instruments held at year-end. The fair value of a derivative financial instrument is the amount at which it could be exchanged in an orderly transaction between market participants at the measurement date other than a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted-cash flow models and market-accepted option-pricing models.

	2024			2023		
Rm	Net carrying amount	Carrying amount of assets	Carrying amount of liabilities	Net carrying amount	Carrying amount of assets	Carrying amount of liabilities
Equity derivatives	**2 307**	**5 690**	**3 383**	(25)	2 253	2 278
Options written	**(2 966)**	**109**	**3 075**	(1 793)		1 793
Options purchased	**4 920**	**4 936**	**16**	1 882	1 882	
Futures[2]	**353**	**645**	**292**	(114)	371	485
Commodity derivatives	**1 248**	**2 050**	**802**	244	719	475
Options written	**(311)**		**311**			
Options purchased	**556**	**556**		32	347	315
Swaps	**(17)**	**251**	**268**	(4)	33	37
Futures	**1 020**	**1 243**	**223**	216	339	123
Exchange rate derivatives	**(1 052)**	**3 778**	**4 830**	(867)	4 170	5 037
Forwards	**(318)**	**2 222**	**2 540**	117	1 539	1 422
Spot				[1]	[1]	
Futures	**5**	**11**	**6**	(29)		29
Currency swaps	**(885)**	**926**	**1 811**	(1 032)	1 789	2 821
Options purchased	**619**	**619**	[1]			
Options written	**(473)**		**473**	77	842	765
Interest rate derivatives	**2 946**	**5 554**	**2 608**	319	6 670	6 351
Interest rate swaps	**2 355**	**3 904**	**1 549**	1 665	5 770	4 105
Forward rate agreements	[1]	[1]	[1]	1	4	3
Options written	**24**	**24**				
Futures	**4**	**49**	**45**	(135)	146	281
Caps	**(95)**	**1**	**96**	(151)	10	161
Floors	**2**	**2**	[1]	[1]	[1]	[1]
Credit default swaps	**(3)**	**16**	**19**	(70)	86	156
Total return swaps	**659**	**1 558**	**899**	(991)	654	1 645
Total carrying amount	**5 449**	**17 072**	**11 623**	(329)	13 812	14 141

[1] *Represents amounts less than R1m.*

[2] *Includes contracts for difference and an equity forward agreement. The fair value of the contracts for difference is zero as the variation margin is settled at the end of every day.*

C7.4 ANALYSIS OF DERIVATIVE FINANCIAL INSTRUMENTS

Rm	Equity derivatives	Commodity derivatives	Exchange rate derivatives	Interest rate derivatives	Total
Derivative assets					
2024					
Maturity analysis					
Under 1 year	**2 471**	**1 537**	**2 918**	**1 630**	**8 556**
1 to 5 years	**3 219**	**513**	**555**	**850**	**5 137**
Over 5 years			**305**	**3 074**	**3 379**
	5 690	**2 050**	**3 778**	**5 554**	**17 072**
2023					
Maturity analysis					
Under 1 year	1 172	584	2 724	824	5 304
1 to 5 years	1 081	135	654	1 283	3 153
Over 5 years			792	4 563	5 355
	2 253	719	4 170	6 670	13 812
Derivative liabilities					
2024					
Maturity analysis					
Under 1 year	**2 662**	**614**	**3 227**	**1 229**	**7 732**
1 to 5 years	**721**	**188**	**1 099**	**471**	**2 479**
Over 5 years			**504**	**908**	**1 412**
	3 383	**802**	**4 830**	**2 608**	**11 623**
2023					
Maturity analysis					
Under 1 year	1 281	349	2 377	1 924	5 931
1 to 5 years	997	126	536	1 620	3 279
Over 5 years			2 124	2 807	4 931
	2 278	475	5 037	6 351	14 141
Notional principal of derivatives					
2024					
Maturity analysis					
Under 1 year	**120 579**	**356**	**920 503**	**1 557 567**	**2 599 005**
1 to 5 years	**92 265**	**88**	**87 079**	**279 227**	**458 659**
Over 5 years			**43 325**	**214 140**	**257 465**
	212 844	**444**	**1 050 907**	**2 050 934**	**3 315 129**
2023					
Maturity analysis					
Under 1 year	144 650	166	911 889	3 052 348	4 109 053
1 to 5 years	190 640	6	75 439	460 306	726 391
Over 5 years			48 660	313 990	362 650
	335 290	172	1 035 988	3 826 644	5 198 094

The maturity analysis in this note is prepared based on contractual maturities.

C7.5 DERIVATIVES DESIGNATED AS FAIR-VALUE HEDGES IN TERMS OF THE GROUP'S FAIR-VALUE HEDGE ACCOUNTING SOLUTION

As part of its hedging activities, the group enters into transactions that are designated as fair-value hedge transactions.

Fair-value hedges are used by the group to mitigate the risk of changes in the fair value of financial instruments due to movements in market interest rates. Derivatives that are designated by the group to form part of these fair-value hedge transactions consist principally of interest rate swaps. The corresponding hedged items forming part of these fair-value hedges, designated into the fair-value hedge-accounting solution, consist primarily of fixed-rate government bonds, loans, deposits and capital market issuances.

For qualifying fair-value hedges, all changes in the fair value of the derivative and in the fair value of the hedged item, in relation to the risk being hedged, are recognised in profit or loss monthly if the hedge-accounting criteria are met.

IAS 39 does not specify a single method for assessing hedge effectiveness. The method an entity adopts for assessing hedge effectiveness depends on its risk management strategy. The group considers the linear-regression method as the appropriate hedge effectiveness test to be used for prospective and retrospective hedge effectiveness testing. Linear regression is a statistical method that investigates the strength of the statistical relationship between the hedged item and the hedging instrument.

Linear-regression analysis involves determining a ‘line of best fit’ (slope) and then assessing the ‘goodness of fit’ (R-square) of this line. It provides a means of expressing, in a systematic fashion, the extent to which 1 variable, ‘the dependent’, will vary with changes in another variable, ‘the independent’. In the context of assessing hedge effectiveness, it establishes whether changes in the hedged item and hedging instrument are highly correlated.

The total day-to-day movement of the hedged item (due to the hedged risk) is regressed against the total day-to-day movement of the designated external swaps to calculate the hedge effectiveness, i.e. the degree of offset between the movements in the external swap and the hedged item (due to hedged risk).

Given the respective methodologies applied to perform retrospective and prospective hedge effectiveness testing, the number of data points considered for linear regression will not be consistent between retrospective and prospective testing and will not remain constant for all retrospective tests performed. This is in line with the requirements of IAS39 as it proves hedge effectiveness retrospectively throughout the reporting periods for which the hedge was designated (IAS39 paragraphs 89 to 102) and prospectively up to the next possible rebalancing date as documented as part of the risk management strategy for this particular hedging relationship (IAS39 paragraphs 89 to 102). The hedged risk is designated on the first day of the month for prospective testing purposes and designated for the remainder of the month and with the retrospective run at month-end. The hedged risk is redesignated monthly to reflect the changes in the underlying risk as a result of new or matured deals, early settlements and early withdrawals since the previous risk designation.

The following table contains details of the hedged banking book exposures covered by the group's macro fair-value hedge accounting:

	Carrying amount of hedged item		Nominal amount of hedged items		Accumulated amount of fair-value adjustments on the hedged item	
Rm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
2024						
Government and other securities	**80 844**		**84 365**		**902**	
Loans and advances	**76 248**		**76 126**		**464**	
Derivative financial instruments						
Amounts owed to depositors		**169 247**		**164 347**		**(722)**
Total	**157 092**	**169 247**	**160 491**	**164 347**	**1 366**	**(722)**
2023						
Government and other securities	74 885		78 100		(1 086)	
Loans and advances	76 709		76 628		(471)	
Derivative financial instruments						
Amounts owed to depositors		186 233		181 347		2
Total	151 594	186 233	154 728	181 347	(1 557)	2

[1] During the year the group reviewed its presentation of derivatives designated as fair-value hedges in terms of its fair-value hedge accounting portfolio. As a result, the group added the carrying amount and nominal amount of hedging instruments to this disclosure. For comparability, this presentation has been applied to the prior and current year.

Carrying amount of hedging instruments[1]		Notional amount of hedging instruments[1]	
Assets	Liabilities	Assets	Liabilities
2 067	**(2 526)**	**205 895**	**147 408**
2 067	**(2 526)**	**205 895**	**147 408**
1 183	(1 195)	207 364	113 008
1 183	(1 195)	207 364	113 008

The following table contains the impact on profit or loss:

Rm	2024	2023
Losses on hedged items	**2 199**	1 443
Profit on hedging instruments	**(1 351)**	11
Movement in fair value that was recognised in profit or loss[1]	**848**	1 454

[1] *Included in non-interest revenue and income.*

Hedging is conducted on a PV01 basis between the hedged item and the hedging instrument, rather than on nominal terms. Hedge effectiveness testing was performed monthly and assessed against the effectiveness range of 80% to 125%, as prescribed by IAS 39. The Group consistently remained within the hedge effectiveness range throughout the periods under observation

The table below contains the fair-value change of the hedged item and hedging instrument per month recognised in profit or loss (presented on an external basis):

	2024											
Rm	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Change in the fair value of hedged items	**(121)**	**(1 011)**	**(526)**	**(743)**	**622**	**2 077**	**1 761**	**201**	**853**	**(1 507)**	**1 384**	**(791)**
Change in the fair value of the hedging instruments	**201**	**1 097**	**609**	**785**	**(566)**	**(1 955)**	**(1 717)**	**(156)**	**(764)**	**1 573**	**(1 298)**	**840**
Net fair-value change	**80**	**86**	**83**	**42**	**56**	**122**	**44**	**45**	**89**	**66**	**86**	**49**

	2023											
Rm	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Change in the fair value of hedged items	1 921	(2 013)	559	(929)	(3 087)	2 379	979	424	(1 871)	559	2 121	401
Change in the fair value of the hedging instruments	(1 870)	2 003	(387)	1 081	3 043	(2 221)	(836)	(244)	2 044	(392)	(1 955)	(255)
Net fair-value change	51	(10)	172	152	(44)	158	143	180	173	167	166	146

SECTION D: CORE BANKING LIABILITIES

D1 AMOUNTS OWED TO DEPOSITORS

ACCOUNTING POLICY

Refer to Section I: Financial instruments for the group's accounting policies regarding financial assets and liabilities.

D1.1 CLASSIFICATIONS

	2024 Rm	2023 Rm
Current accounts	**116 209**	113 231
Savings deposits	**33 523**	36 466
Other deposits and loan accounts	**854 885**	768 158
Call and term deposits	**473 653**	435 331
Fixed deposits	**81 797**	75 890
Cash management deposits	**109 576**	79 479
Other deposits and loan accounts[1]	**189 859**	177 458
Foreign currency liabilities[2]	**37 171**	29 032
Negotiable certificates of deposit	**113 348**	127 142
Deposits received under repurchase agreements[3]	**18 834**	13 619
Macro fair-value hedge-accounted portfolios	**721**	(3)
	1 174 691	1 087 645
Comprises:		
– Banking deposits	**1 118 555**	1 029 746
– Trading deposits	**56 136**	57 899
	1 174 691	1 087 645

[1] Included in Other deposits and loan accounts is an amount of R1 373m relating to preference shares accounted for as debt instruments.

[2] Foreign currency liabilities are either matched by advances to clients or hedged against exchange rate fluctuations.

[3] The group has pledged government and other securities (note C3) and negotiable certificates of deposit (note C4) amounting to R19 855m (2023: R14 924m) as collateral for deposits received under repurchase agreements, of which R18 834m (2023: R13 120m) relates to sell- or buybacks. These amounts represent assets that have been transferred but that do not qualify for derecognition under IFRS 9.

Deposit products include current accounts, savings accounts, call and notice deposits, fixed deposits and negotiable certificates of deposit. Term deposits vary from 6 months to 5 years in both the wholesale and retail markets.

See note D1.4 for a breakdown of amounts owed to depositors by operating segment.

D1.2 SECTORAL ANALYSIS

	2024 Rm	2023 Rm (Restated)
Sectoral analysis		
Banks	**62 670**	66 954
Government and public sector	**99 298**	102 316
Individuals	**269 283**	254 383
Business sector	**743 440**	663 992
	1 174 691	1 087 645

During the year the group conducted a review of the sectoral analysis related to the 'Amounts owed to depositors' note. As a result of this review, it was identified that clients were mapped to incorrect sectors. As a result, the prior-year information has been restated. The restatements have no impact on the 'Amounts owed to depositors' balance.

	2023		
Rm	Restated	Restatement	As previously reported
Banks	66 954	(1 821)	68 775
Government and public sector	102 316	353	101 963
Individuals	254 383	1 229	253 154
Business sector	663 992	239	663 753
	1 087 645	–	1 087 645

D1.3 GEOGRAPHICAL ANALYSIS

	2024 Rm	2023 Rm
SA	**1 071 338**	965 417
Rest of Africa	**51 685**	49 076
Europe	**29 573**	47 735
Asia	**13 870**	17 180
United States of America	**5 572**	5 132
Rest of world	**2 653**	3 105
	1 174 691	1 087 645

D1.4 SEGMENTAL ANALYSIS

	Total		Nedbank Corporate and Investment Banking	
Rm	2024	2023	2024	2023
Current accounts	116 209	113 231	10 141	9 402
Savings deposits	33 523	36 466		
Other deposits and loan accounts	854 885	768 158	447 646	399 550
Call and term deposits	473 653	435 331	166 571	155 884
Fixed deposits	81 797	75 890	11 913	12 392
Cash management deposits	109 576	79 479	97 321	67 885
Other deposits and loan accounts	189 859	177 458	171 841	163 389
Foreign currency liabilities	37 171	29 032	26 343	19 428
Negotiable certificates of deposit	113 348	127 142		
Macro fair-value hedge-accounted portfolios	721	(3)		
Deposits received under repurchase agreements	18 834	13 619	18 834	13 120
	1 174 691	1 087 645	502 964	441 500
Comprises:				
– Banking deposits	1 118 555	1 029 746	446 828	383 601
– Trading deposits	56 136	57 899	56 136	57 899
	1 174 691	1 087 645	502 964	441 500

Nedbank Retail and Business Banking		Nedbank Wealth		Nedbank Africa Regions		Centre	
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
89 709	89 206	**2 285**	2 287	**13 799**	12 150	**275**	186
14 736	14 123	**17 883**	21 440	**904**	903		
357 024	323 465	**27 187**	24 462	**22 404**	19 764	**624**	917
272 377	248 022	**23 319**	21 366	**11 379**	10 050	**7**	9
61 821	56 475	**2 492**	1 738	**5 571**	5 285		
9 709	9 354	**229**	234	**2 143**	1 827	**174**	179
13 117	9 614	**1 147**	1 124	**3 311**	2 602	**443**	729
10 673	9 489	**42**	23	**113**	92		
				3 220	3 438	**110 128**	123 704
						721	(3)
				–	499		
472 142	436 283	**47 397**	48 212	**40 440**	36 846	**111 748**	124 804
472 142	436 283	**47 397**	48 212	**40 440**	36 846	**111 748**	124 804
472 142	436 283	**47 397**	48 212	**40 440**	36 846	**111 748**	124 804

D2 LONG-TERM DEBT INSTRUMENTS

Instrument type	Maturity dates	Interest rates	2024 Rm	2023 Rm
Subordinated debt				
Callable notes (Namibian-dollar-denominated – floating)	27 October 2031	3-month JIBAR	102	102
Callable notes (Namibian-dollar-denominated – fixed)	1 August 2029 to 27 January 2032	Fixed rate with 6 monthly reset (8,545% to 9,039)	206	312
Long-term debenture	15 September 2030	Zero coupon	18	15
Basel III subordinated debt				
Callable notes (rand-denominated – floating)	2 July 2030 to 30 April 2034	JIBAR plus 1,86% to 3,85%	8 277	9 073
Callable notes green bonds	30 June 2030 to 8 November 2034	JIBAR plus 1,68% to 2,80%	6 179	4 146
Securitised liabilities				
Callable notes (rand-denominated – floating)	20 February 2037 to 25 November 2053	JIBAR plus 1,24% to 8% and 3-month JIBAR plus 4%	520	1 241
Senior unsecured debt				
Senior unsecured notes – fixed	12 February 2025 to 19 November 2027	9,44% to 11,15%	9 742	11 388
Senior unsecured notes – floating	12 February 2025 to 21 February 2033	JIBAR plus 0,99% to 2,25%	23 134	18 726
Senior unsecured green bonds	30 April 2026 to 15 December 2028	JIBAR plus 1,35% to 1,45%	1 517	2 702
Unsecured debentures	30 November 2029	Zero coupon	86	72
Total long-term debt instruments in issue			49 781	47 777

D2.1 MOVEMENT IN CARRYING AMOUNT

	2024 Rm	2023 Rm
Balance at the beginning of the year	47 777	51 903
Changes arising from cash movements	(4 010)	(9 008)
Issue of long-term debt instruments	12 587	4 842
Redemption of long-term debt instruments	(11 969)	(9 075)
Interest paid	(4 628)	(4 775)
Disposal of own long-term debt	89	(17)
Changes arising from non-cash movements	5 925	4 899
Accrued interest and unwinding of premiums/discount	4 703	4 899
Acquisition of long-term debt through business combination, net of debt due to Nedbank Limited	1 222	
Balance at the end of the year	49 781	47 777

D3 INVESTMENT CONTRACT LIABILITIES

Insurance contracts are contracts under which the group accepts insurance risk from another party by agreeing to compensate such party or other beneficiaries if a specified uncertain future event adversely affects the party or other beneficiaries and are classified as insurance contract liabilities. Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Policies held within investment contracts are recorded at FVTPL. The group's investment contract liabilities are directly linked to an investment asset for the policyholder.

ACCOUNTING POLICY

Linked products

Linked products are investment-related products where the policyholder bears the investment risk on the assets held in these investment products. The policy benefits are linked directly to the value of the assets in the fund. Linked products are designated and measured at FVTPL at each reporting date. Linked products are revalued using valuation techniques such as discounted-cash-flow methods, index values and closing market values. The valuations are also adjusted for the effects of changes in foreign exchange rates.

	2024 Rm	2023 Rm
Balance at the beginning of the year	**17 512**	16 832
Premium received	**4 435**	4 577
Investment income	**1 611**	1 722
Annuities	**(208)**	(229)
Death and disability benefits	**(145)**	(140)
Withdrawals/Surrenders	**(5 680)**	(5 212)
Other movements	**(41)**	(38)
Balance at the end of the year	**17 484**	17 512

D4 INSURANCE CONTRACTS

ACCOUNTING POLICY

Classification

Contracts under which the group accepts significant insurance risk are classified as insurance contracts. Contracts held by the group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. A contract that is classified as an insurance contract remains an insurance contract until all rights and obligations are extinguished or expire. Some contracts entered into by the group have the legal form of insurance contracts but do not transfer significant insurance risk. These contracts are classified as financial liabilities.

Aggregate and recognition of insurance and reinsurance contracts

Insurance and reinsurance contracts are aggregated into groups for measurement purposes. Groups of insurance and reinsurance contracts are determined by identifying portfolios of insurance and reinsurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into 3 groups based on the profitability of contracts:

- Any contracts that are onerous on initial recognition.
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently.
- Any remaining contracts in the annual cohort.

Insurance and reinsurance contracts have been aggregated into contracts measured under the (General Measurement Model) GMM and contracts measured under the (Premium Allocation Approach) PAA.

Insurance revenue – insurance contracts measured under GMM

The group recognises insurance revenue as it satisfies its performance obligations, i.e. as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining cover that relate to services for which the group expected to receive consideration, and comprises the following items:

- A release of the contractual service margin (CSM), measured based on the cover units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year.

In addition, the group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way.

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the cover units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each cover unit provided in the year and expected to be provided in future years, and recognising, in profit or loss, the amount of the CSM allocated to cover units provided in the year. The number of cover units is the quantity of services provided by the contracts in the group, determined by considering the quantity of benefits provided for each contract and their expected cover period. The cover units are reviewed at each reporting date.

Insurance revenue – insurance contracts measured under the PAA

The insurance revenue for each period is the amount of expected premium payments received for providing services in that period. The group allocates the expected premium payments to each period as time passes, unless another basis is more appropriate.

Insurance service expense

Insurance service expenses arising from insurance contracts are generally recognised in profit or loss as they are incurred.

Reinsurance income

Reinsurance income comprises an allocation of reinsurance premiums paid less amounts recovered from reinsurers. The allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in that period.

Insurance finance income or expenses

Insurance finance income or expenses comprise changes in the carrying amount of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein. The group presents insurance finance income or expenses in profit or loss.

Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort. For insurance acquisition cash flows measured under PAA, where the cash flows are incurred for a period of 12 months or fewer, the insurance acquisition cash flows are expensed upfront. Where the cash flows are incurred for a period of greater than 12 months, the insurance acquisition cash flows are recognised as part of the liability for remaining coverage (LRC).

Measurement – contracts measured under GMM

Insurance contracts

Insurance contracts are initially measured as the total of:

- the fulfilment cash flows, which comprise the estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and
- the CSM.

These insurance contracts are subsequently measured as the sum of the LRC and the liability for incurred claims (LIC) .

The LRC comprises:

- the fulfilment cash flows that relate to services that will be provided under the contracts in future periods; and
- any remaining CSM at that date.

The LIC includes fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

Reinsurance contracts

To measure a group of reinsurance contracts, the group applies the same accounting policies as are applied to insurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

Measurement – contracts measured under the PAA

The group uses the PAA to simplify the measurement of groups of contracts when the criteria according to IFRS 17 are met.

Insurance contracts

On initial recognition the carrying amount of the liability for the remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows incurred for a period of greater than 12 months allocated to the contracts at that date.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses (where not expensed upfront), and decreased by the amount recognised as insurance revenue for services provided. The group recognises the LIC of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims.

Reinsurance contracts

To measure a group of reinsurance contracts, the group applies the same accounting policies as are applied to insurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

KEY ASSUMPTIONS CONCERNING THE FUTURE AND KEY SOURCES OF ESTIMATION

Significant judgements

Significant judgements for insurance and reinsurance contracts include the following:

- Methods used to measure insurance contracts: Primarily deterministic projections are used to estimate the present value of future cash flows for contract measure under the GMM, and where applicable PAA has been used to simplify the measurement of insurance contracts.
- Key assumptions: The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, include mortality and morbidity rates, expenses, lapse and surrender rates, discount rates, and expected loss ratios. These assumptions are based on standard industry and national rates as well as recent historical experience, and are adjusted to reflect the group's own experiences. Discounting is performed at a risk-free rate, which is determined using the zero bond curve obtained from the JSE.
- Risk adjustment for non-financial risk: The risk adjustment for non-financial risk represents the compensation that the group requires for bearing the uncertainty regarding the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment is estimated as a minimum of the 75th percentile.

These judgements are based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

There have not been significant changes in methods and processes for estimating inputs used to measure insurance contracts.

D4.1 RECONCILIATION OF REMAINING COVERAGE AND INCURRED CLAIMS

2024

	Opening balance at 1 January 2024			Closing balance at 31 December 2024		
	Gross insurance contracts	Reinsurance contracts	Total insurance contracts	Gross insurance contracts	Reinsurance contracts	Total insurance contracts
Insurance contract assets	11	367	378	88	307	395
Insurance contract liabilities	(1 537)	(7)	(1 544)	(1 354)		(1 354)
Net balance	(1 526)	360	(1 166)	(1 266)	307	(959)

	LRC	LIC	Total
Opening insurance contract assets at 1 January 2024	246	132	378
Opening insurance contract liabilities at 1 January 2024	(923)	(621)	(1 544)
Net opening balance	(677)	(489)	(1 166)
Insurance revenue	4 031	–	4 031
CSM recognised for services provided	628		628
Change in risk adjustment for non-financial risk for risk expired	189		189
Expected insurance service expenses incurred	725		725
Recovery of insurance acquisition cash flows	253		253
Experience adjustments not related to future service (GMM)	(40)		(40)
Expected premium receipts allocation under the PAA	2 276		2 276
Insurance service expenses	(588)	(1 986)	(2 574)
Incurred insurance service expenses	213	(2 145)	(1 932)
Amortisation/ expense of insurance acquisition cash flows	(742)		(742)
Changes that relate to past service (changes in fulfilment cash flows regarding LIC)		159	159
Changes that relate to future service:			
Losses for the net outflow recognised on initial recognition	(82)		(82)
Losses and reversal of losses on onerous contracts – subsequent measurement	23		23
Reinsurance (expense)/ income	(288)	188	(100)
Total insurance service result	3 155	(1 798)	1 357
Insurance finance income	(48)	19	(29)
Net revenue for insurance and reinsurance contracts	3 107	(1 779)	1 328
Net premiums and premium tax received	(3 832)		(3 832)
Net claims and other insurance service expenses paid, including investment components		1 916	1 916
Insurance acquisition cash flows	795		795
Total cash flows	(3 037)	1 916	(1 121)
Closing insurance contract assets at 31 December 2024	264	131	395
Closing insurance contract liabilities at 31 December 2024	(871)	(483)	(1 354)
Net closing balance	(607)	(352)	(959)

2023

	Opening balance at 1 January 2023			Closing balance at 31 December 2023		
	Gross insurance contracts	Reinsurance contracts	Total insurance contracts	Gross insurance contracts	Reinsurance contracts	Total insurance contracts
Insurance contract assets	10	146	156	11	367	378
Insurance contract liabilities	(1 282)		(1 282)	(1 537)	(7)	(1 544)
Net balance	(1 272)	146	(1 126)	(1 526)	360	(1 166)

	LRC	LIC	Total
Opening insurance contract assets at 1 January 2023	57	99	156
Opening insurance contract liabilities at 1 January 2023	(754)	(528)	(1 282)
Net opening balance	(697)	(429)	(1 126)
Insurance revenue	3 710	–	3 710
CSM recognised for services provided	587		587
Change in risk adjustment for non-financial risk for risk expired	131		131
Expected insurance service expenses incurred:			
Claims	572		572
Expenses	173		173
Recovery of insurance acquisition cash flows	265		265
Experience adjustments not related to future service (GMM)	(53)		(53)
Expected premium receipts allocation under the PAA	2 035		2 035
Insurance service expenses	(698)	(1 869)	(2 567)
Incurred insurance service expenses:			
Claims	101	(1 464)	(1 363)
Expenses	11	(482)	(471)
Other movements related to current service		153	153
Amortisation/ expense of insurance acquisition cash flows	(747)		(747)
Changes that relate to past service (changes in fulfilment cash flows regarding LIC)		(76)	(76)
Changes that relate to future service:			
Losses for the net outflow recognised on initial recognition	(50)		(50)
Losses and reversal of losses on onerous contracts – subsequent measurement	(13)		(13)
Reinsurance (expense)/ income	(265)	185	(80)
Total insurance service result	2 747	(1 684)	1 063
Insurance finance expense	15	4	19
Net revenue for insurance and reinsurance contracts	2 762	(1 680)	1 082
Net premiums and premium tax received	(3 502)		(3 502)
Net claims and other insurance service expenses paid, including investment components		1 620	1 620
Insurance acquisition cash flows	760		760
Total cash flows	(2 742)	1 620	(1 122)
Closing insurance contract assets at 31 December 2023	246	132	378
Closing insurance contract liabilities at 31 December 2023	(923)	(621)	(1 544)
Net closing balance	(677)	(489)	(1 166)

D4.2 RECONCILIATION OF INSURANCE CONTRACTS

2024

	Estimates of present value of future cash flows	Risk adjustment for non-financial Risk	CSM	Total net GMM	Total PAA	Total
Opening insurance contract assets at 1 January 2024	239	1	13	253	125	378
Opening insurance contract liabilities at 1 January 2024	863	(679)	(1 084)	(900)	(644)	(1 544)
Net opening balance	1 102	(678)	(1 071)	(647)	(519)	(1 166)
Changes that relate to current services	12	196	628	836	–	836
CSM recognised for services provided			628	628		628
Change in risk adjustment for non-financial risk for risk expired		196		196		196
Experience adjustments not related to future service	12			12		12
Changes that relate to future services	603	(68)	(580)	(45)	–	(45)
Contracts initially recognised in the year	554	(243)	(383)	(72)		(72)
Changes in estimates that adjust the CSM	54	147	(197)	4		4
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(5)	28		23		23
Other changes and PAA recognition	34	155		189	477	666
Reinsurance expense	(35)	6	32	3	(103)	(100)
Total insurance service result	614	289	80	983	374	1 357
Insurance finance income/ (expense)	150	(62)	(109)	(21)	(8)	(29)
Net revenue for insurance and reinsurance	764	227	(29)	962	366	1 328
Net premiums and premium tax received	(1 744)			(1 744)	(2 088)	(3 832)
Net claims and other insurance service expenses paid, including investment components	671			671	1 245	1 916
Insurance acquisition cash flows	300			300	495	795
Total cash flows	(773)	–	–	(773)	(348)	(1 121)
Closing insurance contract assets at 31 December 2024	1 201	(161)	(775)	265	130	395
Closing insurance contract liabilities at 31 December 2024	(108)	(290)	(325)	(723)	(631)	(1 354)
Net closing balance	1 093	(451)	(1 100)	(458)	(501)	(959)

2023

	Estimates of present value of future cash flows	Risk adjustment for non-financial Risk	CSM	Total net GMM	Total PAA	Total
Opening insurance contract assets at 1 January 2023	80	13	(33)	60	96	156
Opening insurance contract liabilities at 1 January 2023	862	(567)	(964)	(669)	(613)	(1 282)
Net opening balance	942	(554)	(997)	(609)	(517)	(1 126)
Changes that relate to current services	53	128	587	768	–	768
CSM recognised for services provided			587	587		587
Change in risk adjustment for non-financial risk for risk expired		128		128		128
Experience adjustments not related to future service	53			53		53
Changes that relate to future services	738	(211)	(575)	(48)	–	(48)
Contracts initially recognised in the year	667	(186)	(530)	(49)		(49)
Changes in estimates that adjust the CSM	41	4	(45)	–		–
Changes in estimates that relate to losses and reversal of losses on onerous contracts	30	(29)		1		1
Other changes and PAA recognition	65	6		71	352	423
Reinsurance (expense)/ income	(40)	(5)	(6)	(51)	(29)	(80)
Total insurance service result	816	(82)	6	740	323	1 063
Insurance finance (expense)/ income	138	(42)	(80)	16	3	19
Net revenue for insurance and reinsurance	954	(124)	(74)	756	326	1 082
Net premiums and premium tax received	(1 702)			(1 702)	(1 800)	(3 502)
Net claims and other insurance service expenses paid, including investment components	615			615	1 005	1 620
Insurance acquisition cash flows	293			293	467	760
Total cash flows	(794)	–	–	(794)	(328)	(1 122)
Closing insurance contract assets at 31 December 2023	239	1	13	253	125	378
Closing insurance contract liabilities at 31 December 2023	863	(679)	(1 084)	(900)	(644)	(1 544)
Net closing balance	1 102	(678)	(1 071)	(647)	(519)	(1 166)

D4.3 RECOGNITION OF THE CSM

During the year, the group reviewed the insurance contracts disclosure. As a result of this review, the recognition of the CSM in profit loss, per time bucket, has been disclosed. For comparability, this presentation has been applied to the prior and current year.

	Less than 1 year	1 to 2 years	2 to 5 years	5 to 10 years	More than 10 years	Total
2024						
Net CSM	**453**	**262**	**267**	**84**	**34**	**1 100**
2023						
Net CSM	439	263	281	61	27	1 071

D5 CONTRACTUAL MATURITY ANALYSIS FOR FINANCIAL LIABILITIES

Rm	Statement of financial position amount	<3 months	>3 months <6 months	>6 months <1 year
2024				
Long-term debt instruments	49 781	7 521	886	3 619
Investment contract liabilities	17 484	17 484		
Insurance contract liabilities	1 354			573
Amounts owed to depositors	1 174 691	805 659	90 362	164 053
Current accounts	116 209	116 333		
Savings deposits	33 523	33 574		
Other deposits and loan accounts	854 885	593 528	59 117	136 905
Foreign currency liabilities	37 171	31 414	987	1 115
Negotiable certificates of deposit	113 348	17 622	30 258	26 033
Deposits received under repurchase agreements	18 834	13 188		
Macro fair-value hedge-accounted portfolios	721			
Derivative financial instruments – liabilities	11 623	8 772	505	564
Lease liabilities	2 641	271	246	493
Provisions and other liabilities	34 877	9 789	567	499
	1 292 451	849 496	92 566	169 801
Contingent liabilities, undrawn facilities and commitments				
Guarantees on behalf of clients		36 017		
Letters of credit and discounting transactions		11 322		
Irrevocable unused facilities and other		183 219		
	–	230 558	–	–

Rm	Statement of financial position amount	<3 months (Restated)	>3 months <6 months (Restated)	>6 months <1 year (Restated)
2023				
Long-term debt instruments	47 777	4 503	2 198	3 211
Investment contract liabilities	17 512	17 512		
Insurance contract liabilities	1 544			609
Amounts owed to depositors	1 087 645	750 437	95 475	172 552
Current accounts	113 231	113 348		
Savings deposits	36 466	36 519		
Other deposits and loan accounts	768 158	536 417	60 964	131 328
Foreign currency liabilities	29 032	23 061	367	2 240
Negotiable certificates of deposit	127 142	27 473	34 144	38 984
Deposits received under repurchase agreements	13 619	13 619		
Macro fair-value hedge-accounted portfolios	(3)			
Derivative financial instruments – liabilities[1]	14 141	13 071	267	219
Lease liabilities	2 647	245	224	448
Provisions and other liabilities	20 931	4 941	78	113
	1 192 197	790 709	98 242	177 152
Contingent liabilities, undrawn facilities and commitments				
Financial guarantees on behalf of clients		30 212		
Letters of credit and discounting transactions		5 040		
Irrevocable unused facilities and other		181 907		
	–	217 159	–	–

[1] During the year the group identified that prior year trading derivative financial liabilities included in the 'Derivative financial liabilities' line item were presented across various maturity buckets, whereas trading derivatives are risk managed over short periods of time. In addition, the derivative financial liabilities that are designated as hedging instruments in effective hedge accounting relationships were disclosed on a discounted basis instead of an undiscounted basis. As a result, the prior-year information has been restated.

>1 year < 5years	>5 years	Non-determinable maturity	Total
37 735	11 163	725	61 649
			17 484
36	953		1 562
142 411	22 873	3 604	1 228 962
			116 333
			33 574
73 868	19 737	2 883	886 038
5 123			38 639
57 774	3 136		134 823
5 646			18 834
		721	721
2 156	40		12 037
1 961	309		3 280
1 929	428	24 306	37 518
186 228	35 766	28 635	1 362 492
			36 017
			11 322
			183 219
–	–	–	230 558

>1 year < 5years (Restated)	>5 years (Restated)	Non-determinable maturity	Total (Restated)
31 445	13 068		54 425
			17 512
65	1 066		1 740
117 920	11 301	–	1 147 685
			113 348
			36 519
66 122	10 137		804 968
5 410	–		31 078
46 388	1 167		148 156
			13 619
	(3)		(3)
1 058			14 615
1 954	374		3 245
226	26	15 619	21 003
152 668	25 835	15 619	1 260 225
			30 212
			5 040
			181 907
–	–	–	217 159

Derivative financial liabilities are included in the maturity analysis on a contractual, undiscounted basis when contractual maturities are essential for an understanding of the derivatives' future cash flows. The group considers the contractual maturities to be essential for understanding the future cash outflows of derivative financial liabilities that are designated as hedging instruments in effective hedge accounting relationships. All other derivative financial liabilities are considered trading as they are held for short periods of time. Therefore these derivative financial liabilities are disclosed at fair value in the '< 3months' column.

Provisions and other liabilities are included in this table to provide a reconciliation with the statement of financial position and include current and deferred taxation liabilities and long-term employee benefit liabilities.

SECTION E: ASSET MANAGEMENT

E1 MANAGED FUNDS

ACCOUNTING POLICY

The group, through a number of subsidiaries, operates unit trusts, holds and invests funds on behalf of clients and acts as a trustee in a number of fiduciary capacities. In addition, companies in the group operate securities and custodial services on behalf of clients. Commissions and fees earned in respect of trust and management activities performed are included in the consolidated SOCI as non-interest revenue and income. The funds under management described below are not included in the group's consolidated SOFP.

E1.1 FAIR VALUE OF FUNDS UNDER MANAGEMENT – BY TYPE

	2024 Rm	2023 Rm
Fair value of funds under management – by type		
Unit trusts	**414 517**	392 468
Third party	**1 147**	1 163
Private clients	**58 011**	54 836
	473 675	448 467

E1.2 FAIR VALUE OF FUNDS UNDER MANAGEMENT – BY GEOGRAPHY

	2024 Rm	2023 Rm
SA	**348 466**	333 067
Europe[1]	**125 209**	115 400
	473 675	448 467

[1] Represents amounts relating to Isle of Man.

E1.3 RECONCILIATION OF MOVEMENT IN FUNDS UNDER MANAGEMENT – BY TYPE

	Unit trusts Rm	Third party Rm	Private clients Rm	Total Rm
Balance at 1 January 2023	341 045	1 008	51 011	393 064
Inflows	746 577	10	6 247	752 834
Outflows	(734 714)	(16)	(8 217)	(742 947)
Mark-to-market value adjustment	30 707	11	4 590	35 308
Foreign currency translation differences	8 853	150	1 205	10 208
Balance at 31 December 2023	**392 468**	**1 163**	**54 836**	**448 467**
Inflows	**740 791**	**2**	**5 521**	**746 314**
Outflows	**(746 821)**	**(120)**	**(6 397)**	**(753 338)**
Mark-to-market value adjustment	**26 718**	**104**	**4 059**	**30 881**
Foreign currency translation differences	**1 361**	**(2)**	**(8)**	**1 351**
Balance at 31 December 2024	**414 517**	**1 147**	**58 011**	**473 675**

E1.4 RECONCILIATION OF MOVEMENT IN FUNDS UNDER MANAGEMENT – BY GEOGRAPHY

	SA Rm	Europe Rm	Total Rm
Balance at 1 January 2023	298 460	94 604	393 064
Inflows	741 862	10 972	752 834
Outflows	(727 526)	(15 421)	(742 947)
Mark-to-market value adjustment	20 271	15 037	35 308
Foreign currency translation differences		10 208	10 208
Balance at 31 December 2023	**333 067**	**115 400**	**448 467**
Inflows	**731 674**	**14 640**	**746 314**
Outflows	**(735 931)**	**(17 407)**	**(753 338)**
Mark-to-market value adjustment	**19 656**	**11 225**	**30 881**
Foreign currency translation differences		**1 351**	**1 351**
Balance at 31 December 2024	**346 166**	**125 209**	**473 675**

SECTION F: INVESTMENTS

F1 INVESTMENT SECURITIES

ACCOUNTING POLICY

Refer to Section I: Financial instruments for the group's accounting policies regarding financial assets and liabilities, note I2.2.1 for the classification of investment securities in terms of the fair-value hierarchy, and Section F2 for the group's accounting policies on investments in associate companies.

	Carrying amount		Dividends received		Cumulative gains/(losses)	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Private-equity investments	**7 458**	7 290	**245**	77	**445**	285
Private-equity associates and joint ventures – Property Partners	**2 342**	1 914	**29**	16	**267**	184
Private-equity associates – Investment Banking	**1 006**	1 118			**46**	32
Private equity (unlisted) – Property Partners	**1 268**	1 585			**507**	119
Private equity (unlisted) – Investment Banking	**2 842**	2 673	**216**	61	**(375)**	(50)
Listed investments	**35**	28	**2**	2	**4**	1
Unlisted investments	**3 747**	3 238	**7**	16	**292**	193
Taquanta Asset Managers portfolio	**620**	586				
Strate Limited	**180**	163		7		
Other	**2 947**	2 489	**7**	9	**292**	193
Total listed and unlisted investments	**11 240**	10 556	**254**	95	**741**	479
Listed policyholder investments at market value	**14 560**	13 648				
Unlisted policyholder investments at directors' valuation	**2 372**	3 083				
Total policyholder investments	**16 932**	16 731				
Total investment securities	**28 172**	27 287				

The group has designated 13 listed and unlisted investments (2023:14) at FVOCI, as these investments are held with strategic intent. The fair value of these investments was R936m at 31 December 2024 (31 December 2023: R896m). R4m (2023: R11m) was recognised as dividend income and was recognised in the statement of comprehensive income as non-interest revenue and income. No equity investments designated at FVOCI have been derecognised in the current year. There were no transfers of the cumulative gain or loss within equity during the current year.

F2 INVESTMENTS IN ASSOCIATE COMPANIES

ACCOUNTING POLICY

Associates

An associate is an entity over which the group has the ability to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the entity. This is generally demonstrated by the group holding in excess of 20%, but no more than 50%, of the voting rights. The group accounts for its investments in associate companies (other than investments in associate companies designated as FVTPL) using the equity accounting method, i.e. cost plus the group's share of postacquisition changes in net asset value.

The group’s share of postacquisition profit or loss and postacquisition movements in OCI are recognised in the income statement and OCI respectively. The group applies the equity method of accounting from the date on which significant influence starts until the date on which significant influence ceases (or the associate is classified as held for sale), i.e. when the group’s share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil, inclusive of any long-term debt outstanding. The recognition of further losses is discontinued, except to the extent that the group has incurred legal or constructive obligations, or guaranteed obligations, in respect of the associate.

In applying the equity method, the investor should use the financial statements of the associate as of the same date as the financial statements of the investor unless it is impracticable to do so. If it is impracticable, the most recent available financial statements of the associate should be used, with adjustments made for the effects of any significant transactions or events occurring between the ends of accounting periods. However, the difference between the reporting date of the associate and that of the investor cannot be longer than 3 months.

Where an entity in the group transacts with an associate of the group, unrealised profits and losses are eliminated to the extent of the group’s interest in the associate, but only to the extent that there is no evidence of impairment.

At each reporting date the group determines whether there is objective evidence that the investments in associates are impaired. Objective evidence of impairment for an associate investment includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the associate investment may not be recovered. The carrying amounts of such investments are then reduced to recognise any impairment by applying the impairment methodology described in note G.

Investments in associates that are held with the intention to dispose of them within 12 months are accounted for and classified as non-current assets held for sale in accordance with the methodology described in note H2.

Associate companies and joint ventures held by venture capital divisions

Where the group has an investment in an associate or joint-venture company held by a venture capital division, whose primary business is to purchase and dispose of minority stakes in entities, the group may choose to classify these investments as FVTPL, given that as the divisions are managed on a fair-value basis. The classification of such investments is determined on a case-by-case basis. The fair value of these joint-venture companies is included in note F1: Investment securities as part of 'Private-equity associates and joint ventures – Property Partners'. Changes in the fair value of these investments are recognised in non-interest revenue and income in profit or loss in the period in which they occur.

KEY ASSUMPTIONS CONCERNING THE FUTURE AND KEY SOURCES OF ESTIMATION

Investment in Ecobank Transnational Incorporated

One of the group's associate investments, ETI, will report results for the year ended 31 December 2024 subsequent to the release of the group's audited consolidated financial statements. Therefore, as allowed by IAS 28, the group uses the most recent public information of ETI (at 30 September 2024, i.e. a quarter in arrear) to determine its share of ETI's earnings and OCI. In addition, as required by IAS 28, the group considers whether adjustments for significant transactions or events between 30 September 2024 and 31 December 2024 are required, based on publicly available information. The resulting equity-accounted earnings are translated from US dollar to rand at the average exchange. The group's share of the net assets of ETI is translated from US dollar to rand at the closing exchange rate.

Our associate income includes our share of ETI's earnings from 1 October 2023 to 30 September 2024, in line with our policy of accounting for our share of ETI's attributable earnings a quarter in arrear, and any significant transactions or events that occurred between 1 October 2024 and 31 December 2024.

The carrying value of Nedbank Group's strategic investment in ETI decreased from R1,3bn to R0,7bn during the year. The market value of the group's investment in ETI, based on its quoted share price on 31 December 2024, was R1,7bn. There were no indicators of impairment or reversal thereof at 31 December 2024. Where there is an impairment indicator, IFRS Accounting Standards determines that an impairment test be computed, which compares the value in use (VIU) and the carrying value of the investment. The computation of the VIU in accordance with IFRS is subject to significant judgement as it is based on, among others, economic estimates, macroeconomic assumptions and the discounting of future cash flow estimates. This is particularly complicated in the current economic environment, in the many jurisdictions that ETI operates in and with the limited public information available.

As there is no indicator of impairment or reversal thereof, management determined neither to change the previous R1,75bn impairment nor to reverse any impairment in the current period. The calculation will be revisited at each reporting period where the indicators of impairment are reconsidered and the VIU calculation is reassessed with any future changes in estimates and assumptions taken into account.

ETI has been an important long-term investment for the group, providing our clients with a pan-African transactional banking network and access to cash flow in Central and West Africa since its acquisition in 2014. The group remains supportive of ETI's endeavours of delivering a return on equity in excess of its cost of equity in due course.

On 28 February 2025 the market value of the group's investment in ETI was R2,0bn.

F2.1 MOVEMENT IN CARRYING AMOUNT OF ASSOCIATE COMPANIES

	2024 Rm	2023 Rm
Carrying amount at the beginning of the year	2 489	2 496
Share of associate companies' profit after taxation for the year	1 313	1 449
Share of associate companies' OCI for the year	(1 770)	(1 481)
Acquisition of associate companies	522	
Impairment of investment in associate company	(27)	
Dividends received from equity-accounted associate companies	(67)	(143)
Foreign currency translation and other movements	26	168
Carrying amount at the end of the year	**2 486**	2 489

F2.1.1 MOVEMENT IN CARRYING AMOUNT OF ETI

	2024 Rm	2023 Rm
Carrying amount at the beginning of the year	1 248	1 286
Share of associate company's profit after taxation for the year	1 162	1 386
Share of associate company's OCI for the year	(1 770)	(1 481)
Foreign currency translation	26	168
Dividends received from equity-accounted associate company		(111)
Carrying amount at the end of the year	**666**	1 248

F2.2 ANALYSIS OF CARRYING AMOUNT OF ASSOCIATE COMPANIES

	2024 Rm	2023 Rm
Associate investments – on acquisition: net asset value	**7 755**	7 233
Impact of adopting new IFRS Accounting Standards, net of taxation	**(780)**	(780)
Share of retained earnings since acquisition[1]	**5 965**	4 652
Share of OCI since acquisition	**(9 913)**	(8 143)
Dividends received from equity-accounted associate companies	**(737)**	(670)
Impairment provision for investments in associate companies	**(1 777)**	(1 750)
Foreign currency translation and other movements[2]	**1 973**	1 947
	2 486	2 489

[1] *Of this amount R541m (2023: R541m) relates to the group's share of ETI's goodwill impairment.*

[2] *Of this amount R330m (2023: R304m) relates to foreign currency movements on the R1,75bn impairment recorded in 2016 and 2020.*

F2.3 ANALYSIS OF INVESTMENTS IN ASSOCIATE COMPANIES

	Nature of activities	Percentage holding 2024 %	Percentage holding 2023 %
Associate companies			
Listed			
ETI (Togo)[2]	Banking	**21,2%**	21,2%
Unlisted			
Private equity: Tracker Technology Holdings Proprietary Limited[3]	Vehicle tracking	**18,0%**	18,0%
Private equity: other investments	Various		
Other strategic investments	Various		

[1] Includes on-balance-sheet and off-balance-sheet exposure.

[2] ETI is a pan-African banking group and its shares are listed on the stock exchanges of Nigeria, Ghana and Ivory Coast. The group's strategy remains to own, manage and control banking operations in the Southern African Development Community (SADC) and East Africa, and to provide our clients with access to a banking network in West and Central Africa through our strategic investment in and alliance with the pan-African banking group, which operates in 36 African countries.

[3] The group has significant influence over Tracker Technology Holdings Proprietary Limited due to its representation on the board of directors.

Unless otherwise stated above, all entities are domiciled and incorporated in SA. The group has the same proportion of voting rights as its proportion of ownership interest, unless stated otherwise, and has not incurred any contingent liabilities with regard to the associates listed above.

F2.4 ADDITIONAL DISCLOSURE RELATING TO MATERIAL ASSOCIATE COMPANY

	ETI[1] 2024 Rm	ETI[1] 2023 Rm
Fair value of investment in ETI based on the closing quoted price on the Nigerian Stock Exchange[2]	**1 784**	2 229
Statement of comprehensive income		
Revenue	**27 452**	27 893
Profit from continuing operations	**6 289**	5 779
After-tax profit from discontinued operations		
Other comprehensive losses	**(7 117)**	(10 177)
Total comprehensive (losses)/income	**(827)**	(4 398)
Statement of financial position		
Current assets	**272 938**	293 903
Non-current assets	**184 783**	208 167
Current liabilities	**362 970**	354 173
Non-current liabilities	**66 879**	115 398

[1] The information provided for ETI has been based on the latest available financial information, being the unaudited financial results available at 30 September 2024.

[2] Based on the NAFEX NGN/USD and prevailing ZAR/USD exchange rates.

			Group			
			Carrying amount		Net exposure to/(from) associates[1]	
Measurement method	Acquisition date	Year-end	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Equity-accounted	October 2014	December	**666**	1 248	**(334)**	(249)
Equity-accounted	November 2018	June	**597**	565	**842**	929
Equity-accounted			**654**	205	**559**	492
Equity-accounted			**569**	471		106
			2 486	2 489	**1 067**	1 278

F2.5 ADDITIONAL DISCLOSURE RELATING TO IMMATERIAL ASSOCIATES

	2024 Rm	2023 Rm
Carrying amount of immaterial associates	**1 820**	1 241
Group's share of:		
Total comprehensive income	**418**	400
Profit from continuing operations	**418**	393
After-tax profit from discontinued operations		7

F3 INVESTMENTS IN SUBSIDIARY COMPANIES AND RELATED DISCLOSURE

ACCOUNTING POLICY

Subsidiary undertakings and consolidated structured entities

Subsidiary undertakings are those entities, including unincorporated entities such as trusts and partnerships, that are controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The group is considered to have power over an entity when it has existing rights that give it the current ability to direct the relevant activities of the entity. The group is exposed, or has rights, to variable returns from its involvement with the entity when the investor's returns from its involvement have the potential to vary as a result of the entity's performance. The group considers all facts and circumstances relevant to its involvement with an entity to evaluate whether control exists. The group assesses any changes to the facts and circumstances relevant to the entity and reassesses the consolidation requirements on a continuous basis.

The consolidated financial statements include the assets, liabilities and results of the company plus subsidiaries, including consolidated structured entities from the date control is established until the date that control ceases.

Intragroup balances, transactions, income and expenses, and profits and losses are eliminated in preparation of the consolidated financial statements. Unrealised losses are not eliminated to the extent that they provide objective evidence of impairment.

Subsidiaries include structured entities that are designed so that their activities are not governed by way of voting rights. In assessing whether the group has power over investees it has an interest in, the group considers factors such as the purpose and design of the investee, the group's practical ability to direct the relevant activities of the investee, the nature of the group's relationship with the investee, and the size of the group's exposure to the variability of returns of the investee.

Sponsored entities

Where the group does not have an interest in an unconsolidated structured entity, the group will assess whether it sponsors the specific structured entity. The group will sponsor such an entity by assessing whether the group led the formation of the entity, whether the name of the group is associated with the name of the entity, or whether the group provides certain implicit guarantees to the entity in question.

Company

Investments in group companies are accounted for at cost less impairment losses in the separate financial statements. The carrying amounts of these investments are reviewed annually and impaired, when necessary, by applying the impairment methodology described in note G.

Acquisitions and disposals of stakes in group companies

Acquisitions of subsidiaries (entities acquired) and businesses (assets and liabilities acquired) are accounted for using the acquisition method. The cost of a business combination is measured as the aggregate of the fair values (at the acquisition date) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss during the period incurred.

Where the cost of acquisition includes any asset or liability resulting from a contingent consideration arrangement, that asset or liability is measured at the acquisition date fair value. Subsequent changes in such fair values are accounted for in profit or loss. Changes in the fair value of a contingent consideration that has been classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3: Business Combinations are recognised at their fair value at the date of acquisition, except for:

- deferred taxation assets or liabilities, which are recognised and measured in accordance with IAS 12: Income Taxes, and liabilities or assets related to employee benefit arrangements, which are recognised and measured in accordance with IAS 19: Employee Benefits;
- liabilities or equity instruments that relate to the replacement, by the group, of an acquiree's share-based payment awards, which are measured in accordance with IFRS 2: Share-based Payments; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5: Non-current Assets Held for Sale and discontinued operations, which are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Where provisional amounts were reported, these are adjusted during the measurement period (see below). Additional assets or liabilities are recognised to reflect any new information obtained about the facts and circumstances that existed at the date of acquisition, which, if known, would have affected the amounts recognised on that date.

The measurement period is the period from the date of acquisition to the date the group receives complete information about the facts and circumstances that existed at the acquisition date. This measurement period is subject to a maximum of 1 year after the acquisition date.

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date on the date the group attains control, and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree before the acquisition date, which previously have been recognised in OCI, are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to the acquisition, non-controlling interests consist of the amount attributed to such interests at initial recognition and the non-controlling interest's share of changes in equity since the date of the combination.

The difference between the proceeds from the disposal of a subsidiary, the fair value of any retained investment and its carrying amount at the date of disposal, including the cumulative amount of any exchange differences recognised in the statement of changes in equity that relate to the subsidiary, is recognised as a gain or loss on the disposal of the subsidiary in the group profit or loss for the period.

All changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interests are increased or decreased and the fair value of the consideration paid or received is recognised directly in equity and attributed to the group.

Investments in foreign operations

Nedbank Group Limited's presentation currency is South African rand. The assets and liabilities, including goodwill and fair-value adjustments, of group entities (including equity-accounted associates) that have functional currencies other than that of the group (South African rand) are translated at the closing exchange rate. Income and expenses are translated using the exchange rates at the dates of the transactions or for practical purposes the average exchange rate for the period where this approximates actual. The differences that arise on translation of these entities are recognised in OCI in the statement of comprehensive income. The cumulative exchange differences are recognised as a separate component of equity and are represented by the balance in the foreign currency translation reserve.

On disposal of a foreign operation the cumulative amount in the foreign currency translation reserve related to that operation is transferred to profit or loss for the period when the gain or loss on the disposal of the foreign operation is recognised.

The primary and major determinants for non-rand functional currencies are the economic factors that determine the sales price for goods and services as well as costs. Additional supplementary factors to be considered are funding, autonomy and cash flows.

Common control transactions

Transactions in which combining entities are controlled by the same party or parties before and after the transaction, and where that control is not transitory, are referred to as common control transactions. The group's accounting policy for the acquiring entity is to account for the transaction at book values as reflected in the consolidated financial statements of the selling entity.

The excess of the cost of the transaction over the acquirer's proportionate share of the net assets value acquired in common control transactions will be allocated to the common control reserve in equity.

F3.1 ANALYSIS OF INVESTMENTS IN SUBSIDIARY COMPANIES

	Group			
	Issued capital		Effective holding	
	2024 Rm	2023 Rm	**2024 %**	2023 %
Banking[2]				
Nedbank Limited	**28**	28	**100**	100
Nedbank Moçambique, SA	**563**	563	**87,5**	87,5
Trust and securities entities[3]				
Syfrets Securities Limited	**1**	1	**100**	100
Other companies[4]				
Nedgroup Private Wealth Proprietary Limited	[1]	[1]	**100**	100
NedEurope Limited (Isle of Man)	**6 167**	6 167	**100**	100
Nedbank Group Insurance Holdings Limited	**17**	17	**100**	100
NedNamibia Holdings Limited	**18**	18	**100**	100
Visigro Investments (Proprietary) Limited	[1]	[1]	**100**	100
Eqstra Investment Holdings Limited	**1 395**		**100**	
Other companies[5]				

[1] Represents amounts less than R1m.

[2] The banking subsidiary companies are restricted in terms of Basel regulations and prudential requirements with regard to the distribution of funds to their holding company.

[3] The entity is governed by the terms of a trust deed. Restrictions are in place with regard to access or the use of the entity's assets.

[4] These entities are free of any restrictions imposed on the distribution of funds, save for compliance with any local regulations.

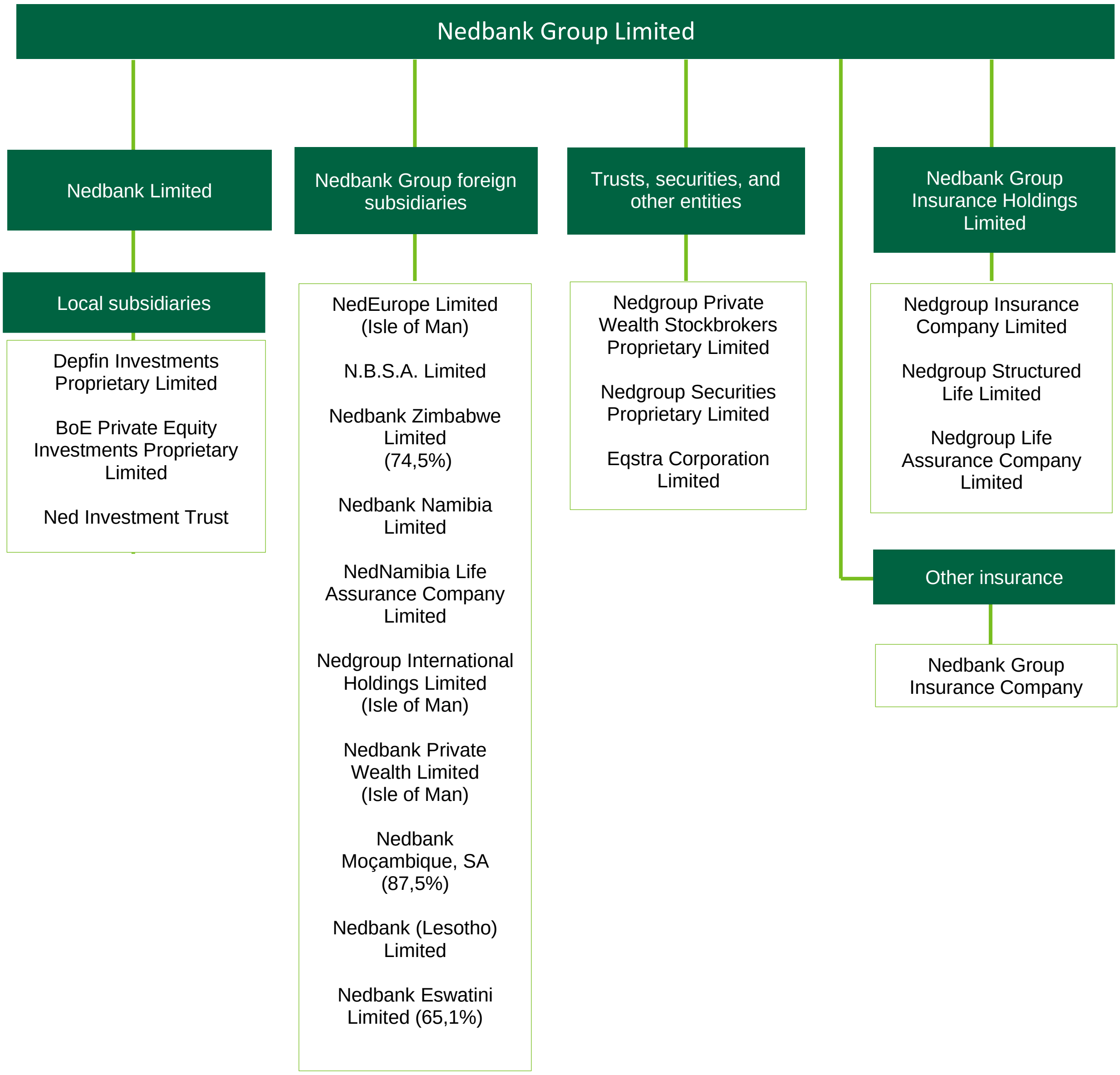
[5] A collective of investments each with a carrying amount less than R150m.

The composition of the group is illustrated in note F3.1. Unless otherwise stated:

- all entities are domiciled in SA;
- the financial statements of the subsidiaries used in the preparation of consolidated financial statements are as of the same date or same period as those of the consolidated financial statements; and
- there are no significant restrictions (e.g. statutory, contractual and regulatory restrictions) on the group's ability to access or use the assets and settle the liabilities of the group.

Company			
Book value of investments		Net indebtedness	
2024 Rm	2023 Rm	**2024 Rm**	2023 Rm
36 397	34 068	**12 009**	10 232
730	730		
1	1		
566	566		
1 612	1 612		
196	196	**257**	257
429	429		
156	155		
1 142			
369	369	**532**	466
41 598	38 126	**12 798**	10 955

F3.2 MAJOR SUBSIDIARY COMPANIES



All subsidiaries are wholly owned, unless stated otherwise.

F3.3 MATERIAL NON-CONTROLLING INTERESTS

The table below provides details of non-wholly owned subsidiaries of the group that have material non-controlling interests:

	Nedbank Moçambique, SA		Nedbank Eswatini Limited		Nedbank Zimbabwe Limited	
	2024 Rm	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm
Financial position						
Total assets	**11 034**	9 993	**7 094**	6 502	**3 928**	5 803
Total liabilities	**9 277**	8 485	**5 937**	5 435	**2 864**	4 657
Accumulated non-controlling interests at the end of the year	**219**	188	**404**	373	**269**	293
Comprehensive income						
Income from lending activities	**595**	630	**409**	363	**251**	204
Non-interest revenue and income	**256**	239	**219**	201	**657**	853
Profit from continuing operations	**267**	203	**198**	185	**208**	578
Total comprehensive income	**267**	203	**198**	185	**208**	578
Profit allocated to non-controlling interests during the reporting period	**33**	25	**69**	65	**53**	147
Cash flows						
Cash flows from/(used by) operating activities	**(169)**	127	**75**	160	**(168)**	456
Cash flows (used by)/from investing activities	**(10)**	(15)	**(9)**	(20)	**6**	(33)
Cash flows used by financing activities	**(65)**	(54)	**(119)**	(110)	**(106)**	(69)
Net increase/(decrease) in cash and cash equivalents	**(244)**	58	**(53)**	30	**(268)**	354
Dividends paid to non-controlling interests	**4**	2	**35**	35	**22**	9

F3.4 BUSINESS COMBINATION AND ACQUISITION

Acquisition of Eqstra Investment Holdings Proprietary Limited

On 13 June 2024 the group acquired 100% effective interest in Eqstra Investment Holdings Proprietary Limited (Eqstra) for R1,1bn, when all suspensive conditions to the purchase agreement were met. Eqstra is a leading integrated fleet management solutions provider with its primary offering focused on providing comprehensive fleet management services and related products to businesses mainly in SA and in select other southern African geographies including Namibia, Eswatini and Botswana. The acquisition of Eqstra by the group will enhance and complement the group's existing fleet management business and provide an integrated approach to fleet management.

The group accounted for this investment as a subsidiary and for practicability elected to consolidate the investment from 1 June 2024. The net assets recognised in the 30 June 2024 condensed consolidated financial statements were based on a provisional assessment of their fair value while the group was finalising the independent valuation. The final fair-value assessment was concluded on 31 December 2024. The table below summarises the final fair values of identifiable assets and liabilities recognised on the acquisition date.

Assets acquired and liabilities assumed

The final fair values of the identifiable assets and liabilities of Eqstra at the date of acquisition were as follows:

Rm	2024 Fair value recognised on acquisition
Assets	
Property and equipment	3 095
Intangible assets	77
Investment securities	5
Deferred tax assets	1
Other assets	228
Current taxation assets	17
Cash and cash equivalents	99
Total assets	**3 522**
Liabilities	
Provisions and other liabilities	353
Deferred taxation liabilities	177
Interest bearing debt, including amounts due to Nedbank Limited	1 813
Current taxation liabilities	1
Total liabilities	**2 344**
Total net identifiable assets	**1 178**
Interest bearing debt due to Nedbank Limited	591
	1 769
Gain on bargain purchase arising on acquisition	(36)
Total consideration transferred	**1 733**
Cash	1 092
Contingent consideration	50
Interest bearing debt due to Nedbank Limited eliminated on consolidation	591

Rm	Cash flow on acquisition
Net cash acquired with the subsidiary	99
Contingent consideration	(50)
Cash paid	(1 092)
Net cash flow on acquisition	**(1 043)**

Contingent consideration

As part of the purchase agreement with the previous owner of Eqstra, a contingent consideration has been agreed. There will be an additional cash payment to the previous owner of between R45m and R55m if the audited net asset value (NAV) is different from the NAV used to determine subscription price. At the acquisition date, the fair value of the contingent consideration is estimated at R50m. The R50m value was determined based on the subscription agreement with the previous shareholder, considering the total net identifiable assets at the time of concluding the purchase agreement. The value of the additional cash payment was determined based on the audited NAV of Eqstra. This audit was finalised and payment was made in August 2024.

As of the acquisition date of Eqstra, Nedbank Group Limited held a loan receivable from Eqstra, which was classified as a financial asset under loans and advance on statement of financial position. The outstanding balance of the loan was R591m. The carrying amount of the loan approximated its fair value at the acquisition date.

The group also recognised a gain on bargain purchase of R36m, which is presented as part of the 'Impairments charge on non-financial instruments and other (gains)/losses' line item on the face of the consolidated statement of comprehensive income. The main factor contributing to the gain on bargain purchase recognised for the acquisition is the identification of intangible assets, such as software and brand, that were not previously recognised by Eqstra

Transaction costs of R1m were capitalised against the cost of the investment in Eqstra.

Since the acquisition dates of the above business combination, revenue of R769m and profit of R58m have been included in the group's consolidated statement of comprehensive income. The impact on revenue and profit from the above transactions, had the acquisition taken place on 1 January 2024, would have been R1,3bn and R100m respectively.

The final fair value and gross amount of the trade receivables amount to R178m and it is expected that the full contractual amounts can be collected.

Intercompany loans

In addition to the acquisition of Eqstra, Nedbank Limited has advanced funds of R1,9bn to the Eqstra group as part of the agreed acquisition process. The loan agreement between Nedbank Limited and Eqstra is to enable Eqstra to settle its third-party debt. The loan bears interest on an arm’s-length basis and is repayable based on fixed and determinable terms and therefore is classified as a debt instrument in terms of IFRS 9: Financial instruments.

F4 INTERESTS IN STRUCTURED CONSOLIDATED AND UNCONSOLIDATED STRUCTURED ENTITIES

F4.1 CONSOLIDATED STRUCTURED ENTITIES

The group holds certain interests in consolidated structured entities to ring-fence certain risks and/or achieve specific objectives. Structured entities are entities that have been designed so that voting rights are not the predominant factor in deciding who controls the entity.

The group has identified the following consolidated structured entities:

- Employee benefit trust schemes (refer to note J3).
- Community Trust (refer to note J1).
- Dr Holsboer Benefit Fund.
- Securitisation vehicles (refer to note F5):
  - Greenhouse 5 Funding (RF) Limited.

The following judgements have been applied in determining that the group has control over the structured entities below:

Employee share schemes

The group has established employee share schemes for the benefit of its employees in return for their employment services rendered. Funding is provided by the group or its subsidiaries for the acquisition of shares that are held on behalf of employees. The trust is governed by the trust deed and the trustees are obligated to fulfil those responsibilities as set out in the trust deed. The group consolidates this trust because of the specific purpose for which the trust was formed and the group's involvement in the key decision-making processes relating to the operations of the trust.

Community Trust

The trust was formed with the specific purpose of providing previously disadvantaged communities with the opportunity to receive certain benefits. The group consolidates this trust because of the specific purpose for which the trust was formed and the group's involvement in the key decision-making processes relating to the operation of the trust.

Dr Holsboer Benefit Fund

Nedbank Group Limited is the founder of the trust. The fund was established in terms of a trust deed for the benefit of employees of the group. The beneficiaries of the trust include employees, contractors and pensioners, as nominated by the trustees in their sole discretion. The trustees have the right to vest or distribute net income of the trust at their discretion. The group reserves the right to terminate the appointment of any of the trustees. In terms of the trust deed, the trustees are not entitled to remuneration for their services, unless the founder and all the trustees agree unanimously. The group has concluded that the trustees act merely in an agent capacity and that the group has control over the trust.

Securitisation

The group sponsors the formation of structured entities primarily for the purpose of securitising financial assets for funding diversification purposes and to add flexibility in mitigating structural liquidity risk. Where it is difficult to determine whether the group controls a structured entity, the group makes judgements in terms of IFRS Accounting Standards about whether it has power over the entity, exposure, or rights to variable returns from its involvement with the entity and the ability to use its power over the entity to affect the amount of its returns. In arriving at these judgements, the factors are considered both jointly and separately.

Currently, the only securitisation structure in place is the residential-mortgage-backed securitisation programme Greenhouse Funding 5 (RF) Limited. The group controls this vehicle and has consolidated it since its inception. The activities of this vehicle are predetermined and restricted in terms of the programme documentation established at its inception. The group does, however, exercise some discretion in its decision-making, which includes the selection and transfer of assets and the management of defaulted assets. Through the provision of administration services, the interest rate hedge and credit enhancement, Nedbank Limited has rights to the residual return of the vehicle.

The group has set up securitisation vehicles that acquire the rights, title, interest and related security of commercial and residential mortgage bonds from Nedbank Limited. The group has concluded that it controls these entities.

Refer to note F5 for more information on the securitisation activities of the group.

F4.2 UNCONSOLIDATED STRUCTURED ENTITIES

The following judgements were used in determining that the group does not have control over the following structured entities.

Investment funds

The group acts as fund manager to a number of investment funds. The group holds seed capital in certain investment funds where the group assists in starting the investment fund and the group is required by Association for Savings and Investment South Africa (Asisa) rules to hold a minimum interest in the investment fund. In determining whether the group controls such an investment, focus is usually on the assessment of decision-making rights as fund manager, the investor's rights to remove the fund manager and the aggregate economic interests of the group in the fund in the form of management fees and interest held.

In most instances the group's decision-making authority, in its capacity as manager of these investment funds, is regarded as well defined. Discretion is, however, exercised when decisions are made about the relevant activities of these funds.

Fees earned by the group, in its capacity as fund manager, are considered to be market-related and commensurate with the services provided and include only terms, conditions or amounts that are customarily present in arrangements for similar services and level of skills negotiated on an arm’s-length basis.

As a result, the group has concluded that it acts as agent on behalf of the investors in all instances. Therefore, the group does not control these funds and has not consolidated these investment funds.

ANALYSIS OF THE GROUP'S INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

The following table summarises the carrying values of the group's interests in unconsolidated structured entities:

	Rm
2024	
Carrying amount of the group's interest	**11**
Fees earned	**993**
Total assets under management	**300 739**
2023	
Carrying amount of the group's interest	13
Fees earned	962
Total assets under management	287 885

Investment funds

The group's maximum exposure to losses from its interests in unconsolidated structured entities is limited to the group's interests in these investment funds. The group does not provide any financial support to these investment funds.

Sponsored entities

In addition to the above unconsolidated structured entities, the group has sponsored certain black economic empowerment (BEE) schemes in which it does not have an interest. The group does not earn any fees or income from these entities, and has not transferred any assets to these sponsored entities.

F5 SECURITISATIONS

The group securitises various consumer and commercial financial assets, generally resulting in the sale of these assets to structured entities, which in turn issue securities to investors. Interests in the securitised financial assets may be retained in the form of senior or subordinated tranches or other residual interests (retained interests).

Active securitisation transactions

Nedbank Group Limited uses securitisation primarily to diversify funds and to add flexibility in mitigating structural liquidity risk. Currently, the group has 1 active traditional securitisation transaction:

- Greenhouse Funding 5 (RF) Limited (Greenhouse 5), a residential-mortgage-backed securitisation programme.

Greenhouse Funding 5 (RF) Limited (Greenhouse 5)

Greenhouse 5 is a securitisation vehicle through which the rights, title, interest and related security in respect of residential home loans were acquired from Nedbank Limited under a segregated-series medium-term-note programme.

Greenhouse 5 is a residential-mortgage-backed securitisation programme implemented during 2019. Greenhouse 5 securitised R1,7bn worth of home loans originated by Nedbank Limited through the issuance of senior notes to the capital market and subordinated notes and a subordinated loan provided by Nedbank Limited. The notes issued by Greenhouse 5 are listed on the JSE and rated by Moody's. The home loans transferred to Greenhouse 5 continue to be recognised as financial assets held by Nedbank Limited.

Greenhouse 5 has been structured as a revolving structure, having the ability to issue new notes and purchase additional mortgage loans.

Greenhouse 5 makes use of an internal risk management policy and uses the Nedbank Group credit risk monitoring process to govern lending activities to external parties.

Nedbank Limited provided Greenhouse 5 with an interest-bearing subordinated loan at the commencement of the programme to provide part of the initial funding. Interest is payable quarterly as part of the priority of payments. The full capital amount outstanding plus any accrued interest will be payable in full on the final maturity date, provided that all outstanding notes have been redeemed in full and all secured creditors have been settled.

In the Greenhouse 5 structure, Nedbank Limited holds the class B and class C notes amounting to R150m. These notes are subordinated to the higher-ranking notes in terms of the priority of payments.

Greenhouse 5 redeemed the GH5A21 note on the scheduled maturity date of 25 November 2024, thereby reducing the capital value of the notes in issue by R714m.

	2024		2023	
Rm	Carrying amount of assets	Associated liabilities	Carrying amount of assets	Associated liabilities
Loans and advances to clients:				
– Residential mortgage loans	**492**	**521**	1 204	1 241
Less: Impairments	**(12)**		(12)	
Total	**480**	**521**	1 192	1 241

F6 RELATED PARTIES

F6.1 Key management personnel compensation

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including all directors of the company and its parent, as well as members of the executive committee who are not directors.

Compensation paid to the board of directors and to other key management personnel, as well as the number of share instruments held, are shown below. For further information on remuneration, refer to note N3: Directors remuneration.

	Directors	Key management personnel	Total
Compensation (Rm)			
2024			
Directors' fees	**26**		**26**
Remuneration – incurred by subsidiaries	**222**	**336**	**558**
Short-term employee benefits	**74**	**141**	**215**
Gain on exercise of share instruments	**148**	**195**	**343**
	248	**336**	**584**
2023			
Directors' fees	24		24
Remuneration – incurred by subsidiaries	84	163	247
Short-term employee benefits	67	136	203
Gain on exercise of share instruments	17	27	44
	108	163	271

	Directors	Key management personnel	Total
Number of share instruments			
2024			
Outstanding at the beginning of the year	**939 268**	**1 445 232**	**2 384 500**
Granted	**506 473**	**438 524**	**944 997**
Forfeited		**(3 317)**	**(3 317)**
Exercised	**(496 133)**	**(654 559)**	**(1 150 692)**
Transferred[1]	**(323 440)**		**(323 440)**
Outstanding at the end of the year	**626 168**	**1 225 880**	**1 852 048**
2023			
Outstanding at the beginning of the year	977 442	1 611 043	2 588 485
Granted	228 098	441 645	669 743
Exercised	(266 272)	(472 674)	(738 946)
Transferred[1]		(134 782)	(134 782)
Outstanding at the end of the year	939 268	1 445 232	2 384 500

[1] *Represents the net movement in share instruments of members appointed to and resigning from (Group Executive Committee) Group Exco.*

F6.2 Related-party transactions

Transactions between Nedbank Group Limited and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between Nedbank Group Limited and its other related parties are disclosed below. All these transactions were entered into in the normal course of business.

Outstanding balances (Rm)	Due from/(Owing to) 2024	2023 (Restated)
Associate companies and joint ventures		
Loans due from associate companies and joint ventures[1,2]	**8 843**	8 712
Deposits owing to associate companies and joint ventures[3]	**(3 079)**	(2 486)
Bank balances owing to associate companies and joint ventures	**(82)**	(123)
Key management personnel		
Mortgage bonds due from key management personnel[4]	**67**	73
Deposits owing to key management personnel[4]	**(268)**	(307)
Bank balances due from key management personnel[4]	**2**	2
Bank balances owing to key management personnel[4]	**(81)**	(121)
Key management personnel – directors	**(34)**	(114)
Key management personnel – other	**(90)**	(166)
Share-based payments reserve	**(124)**	(280)
Long-term employee benefit plans		
Bank balances owing to Nedgroup Pension Fund	**(7)**	(8)
Bank balances and deposits owing to other funds	**(234)**	(330)

[1] During 2024 the group identified that the prior-year 'Loans due from associate companies and joint ventures' line item was understated by R1,8bn. As a result, the prior-year information has been restated.
[2] R1 464bn (2023: R1 362bn) of loans due from associate companies and joint ventures outstanding balance is unsecured.
[3] The balance includes derivatives.

[4] The balance includes transactions with close family members and key management personnel business accounts.

Transactions (Rm)	Income/(Expense) 2024	2023 (Restated)
Associate companies		
Income from associate companies and joint ventures[1,2]	**872**	845
Expense to associate companies and joint ventures[3]	**(332)**	(207)
Key management personnel		
Interest income from key management personnel[4]	**4**	6
Interest expense to key management personnel[4]	**(13)**	(22)
Key management personnel – directors	**(2)**	57
Key management personnel – other	**24**	77
Share-based payments expense (included in staff costs)	**22**	134

[1] During 2024 the group identified that the prior-year 'Income from associate companies and joint ventures' line item was understated by R150m. As a result, the prior-year information has been restated.

[2] The balance includes interest income and NIR.

[3] The balance Includes interest paid and operating expense.

[4] The balance includes transactions with close family members and key management personnel business accounts.

Key management personnel paid insurance premiums amounting to less than R1m (2023: R1m).

	Income/(Expense) 2024	2023
Long-term employee benefit plans		
Interest expense to other funds	**(29)**	(34)

SECTION G: GENERAL ASSETS

ACCOUNTING POLICY

Impairment (all assets other than financial assets, deferred taxation assets and investment property)

The group assesses all assets (other than financial assets, deferred taxation assets and investment property) for indications of impairment or the reversal of a previously recognised impairment at each reporting date. These impairments (where the carrying amount of an asset exceeds its recoverable amount), or the reversal of a previously recognised impairment, are recognised in profit or loss for the period. Intangible assets not yet available for use are tested, at least annually, for impairment.

The recoverable amount of an asset is the higher of its fair value, less cost to sell, and its VIU. The fair value, less cost to sell, is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset.

In the assessment of the VIU, the expected future pre-tax cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset the cash flows of which are largely dependent on those of other assets, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

A previously recognised impairment loss will be reversed if the recoverable amount increases as a result of a change in the estimates used previously to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior periods.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction and production of qualifying assets are capitalised as part of the costs of these assets. Qualifying assets are assets that necessarily take a substantial period of time to prepare for their intended use or sale. Capitalisation of borrowing costs continues up to the date on which the assets are complete.

All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs capitalised are disclosed in the notes by asset category and are calculated at the group’s average funding cost, except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred, less any investment income on the temporary investment of those borrowings, are capitalised.

G1 PROPERTY AND EQUIPMENT

ACCOUNTING POLICY

Items of property and equipment are initially recognised at cost if it is probable that any future economic benefits associated with the items will flow to the group and the items have a cost that can be measured reliably.

Subsequent expenditure is capitalised to the carrying amount of items of property and equipment if it is measurable and it is probable that it increases the future economic benefits associated with the asset. All other expenses are recognised in profit or loss as an expense when incurred.

Subsequent to initial recognition, computer equipment, vehicles and furniture and other equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings, the fair values of which can be reliably measured, are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluation increases are credited directly to other comprehensive income and presented in equity under the heading 'Revaluation reserve'. However, revaluation increases are recognised in profit or loss to the extent that they reverse a revaluation decrease of the same asset previously recognised in profit or loss. Revaluation decreases are recognised in profit or loss. However, decreases are debited directly to equity to the extent of any credit balance existing in the revaluation surplus in respect of the same asset. Land and buildings are revalued on the same basis as investment properties.

Depreciation

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Items of property and equipment that are classified as held for sale in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations are not depreciated. The depreciable amounts of property and equipment are recognised in profit or loss on a straight-line basis over the estimated useful lives of the items of property and equipment, unless they are included in the carrying amount of another asset. The useful lives, residual values and depreciation methods for property and equipment are assessed and adjusted (where required) annually.

On revaluation, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the item concerned and the net amount restated to the revalued amount. Subsequent depreciation charges are adjusted based on the revalued amount and residual values.

Any difference between the depreciation charge on the revalued amount and that which would have been charged under historic cost is transferred, net of any related deferred taxation, between the revaluation reserve and retained earnings as the property is used. Land is not depreciated.

The initial estimated useful lives are as follows:

Computer equipment	3 to 10 years
Motor vehicles	5 years
Fixtures and furniture	3 to 10 years
Leasehold property	10 years
Significant leasehold property components	10 years
Freehold property	30 to 58 years
Significant freehold property components	5 to 15 years
Land	Indefinite

Change in accounting estimates (computer equipment)

During 2024, the estimated useful life of computer equipment was revised from 3 to 7 years to 3 to 10 years due to regular maintenance and technological advancements increasing the useful life.

Derecognition

Items of property and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. On derecognition any surplus in the revaluation reserve in respect of an individual item of property and equipment is transferred directly to retained earnings in the statement of changes in equity.

Compensation from third parties for items of property and equipment that were impaired, lost or given up is included in profit or loss when the compensation becomes receivable.

Leases

The group as lessee

The group is party to lease contracts for the following:

- ATMs
- Branches
- Campus sites
- Office space
- Computer and office equipment

ACCOUNTING POLICY

Contract assessment and allocation of consideration

At the inception of a new contract, the group assesses whether the contract is, or contains, a lease. In assessing whether a contract conveys the right to control the use of an identified asset, the group considers whether:

- the contract involves the use of an asset explicitly or implicitly identified in the contract (this asset must be physically distinct or represent substantially all the capacity of the asset, and if the supplier has a substantive substitution right, then the asset is not identified);
- the group has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- the group has the right to direct the use of the asset, i.e. to direct how and for what purpose the asset is used.

At inception or on reassessment of a modified contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and the aggregate stand-alone price of the non-lease components. Non-lease components are recognised as an expense in profit or loss in the period in which they arise.

Lease term

The group determines the lease term as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option.

In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the group considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Lease terms are on average 3 years for ATMs, 5 years for branches, 13 years for office blocks, 10 years for campus sites and 5 years for office and computer equipment.

Right-of-use asset (initial and subsequent measurement)

The right-of-use asset is initially measured at cost, which comprises:

- the initial amount of the lease liability, adjusted for any lease payments made at or before the start date;
- less any lease incentives received;
- plus, any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses, adjusted for certain remeasurements of the lease liability. Impairment losses are determined in accordance with IAS 36: Impairment of Assets.

If the lease transfers ownership of the underlying asset to the group by the end of the lease term, or if the cost of the right-of-use asset reflects that it is reasonably certain that the group will exercise a purchase option, the group depreciates the right-of-use asset over the useful life. Otherwise, the group depreciates the right-of-use asset over the shorter of the useful life and the lease term. The group's principles governing estimating useful lives of the right-of-use assets are determined using the same principles as those ascribed to property and equipment.

Onerous leases (impairment assessment)

Onerous leases are dealt with in IAS 36: Impairment of Assets, except for short-term leases, low-value leases and leases that became onerous before the commencement date of the lease, which are dealt with in IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

The group assesses for impairment indicators in the right-of-use asset, considering a combination of the following factors:

- Whether a significant decline in expected economic benefits from the full operational effects of the lease contract has occurred.
- Whether the leased asset is underutilised, renounced, relinquished or abandoned.
- An array of factors to make a conclusion as to whether the lease is onerous.
- The prevailing merits, facts and circumstances of each case.

Impairment losses reduce the right-of-use asset and are recognised in profit and loss. In most cases, an onerous lease does not discharge or extinguish the existing lease liability at the time of occurrence of the impairment event. Any additional penalties to cancel the lease are present-valued and included as part of the lease liability in accordance with IFRS 16.

Disclosure for lease liabilities are done in note K1.

The group as lessor

The group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the group assesses whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying assets. In this case the lease is classified as a finance lease; otherwise, it is classified as an operating lease. If the arrangement contains lease and non-lease components, the group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Operating leases

Assets leased out under operating leases are included under property and equipment in the statement of financial position. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income. Leased assets are depreciated over their expected useful lives on a basis consistent with similar assets. Rental income, net of any incentives given to lessees, is recognised on a straight-line basis over the term of the lease. When another systematic basis is more representative of the time pattern of the user's benefit, then that method is used.

G1.1 PROPERTY AND EQUIPMENT

	2024 Rm	2023 Rm
Property and equipment (owned) (note G1.2)	**12 020**	8 886
Right-of-use assets (leased) (note G1.3)	**2 111**	2 027
Property and equipment	**14 131**	10 913

G1.2 PROPERTY AND EQUIPMENT (OWNED)

	Land		Buildings	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Gross carrying amount				
Balance at 1 January	**877**	950	**5 951**	6 338
Acquisitions			**482**	697
Business combinations			**27**	
Increases/(Decreases) arising from revaluations[1]	**(62)**	65	**(102)**	73
Transfers to non-current assets held for sale	**(2)**	(48)	**(13)**	(364)
Transfers intangible assets				
Disposals			**(380)**	(602)
Transfers between assets			**(255)**	8
Effect of movements in foreign exchange rates and other movements	**58**	(90)	**(89)**	(199)
Balance at 31 December	**871**	877	**5 621**	5 951
Accumulated depreciation and impairment losses				
Balance at 1 January			**1 064**	1 320
Depreciation charge for the year			**398**	398
Write-off of accumulated depreciation on revaluations			**(75)**	(22)
Disposals			**(368)**	(578)
Effect of movements in foreign exchange rates and other movements			**(223)**	(54)
Balance at 31 December	**–**	–	**796**	1 064
Carrying amount				
At 1 January	**877**	950	**4 887**	5 018
At 31 December	**871**	877	**4 825**	4 887

[1] Gains on property revaluations are recognised in profit or loss to the extent that they reverse a revaluation decrease of the same asset previously recognised in profit or loss. During the year, a revaluation surplus of R142m (2023: R35m) pre-tax was recognised in other comprehensive income. Refer to note B8.2.3: Income tax recognised in other comprehensive income.

Equipment (principally computer equipment, motor vehicles, fixtures and furniture) is stated at cost less accumulated depreciation and impairment losses. Land and buildings are recognised at the revalued amount, which is based on independent external valuations as follows in accordance with the group's accounting policy:

- For South African properties: revaluations are done at 31 December annually.
- For NAR properties:
  - Lesotho and Eswatini are revalued every 2 years.
  - Namibia and Zimbabwe are revalued in November, with no significant changes to December balances.

Computer equipment		Furniture and other equipment		Vehicles		Total	
2024 Rm	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm
3 743	4 094	**2 361**	2 410	**81**	64	**13 013**	13 856
556	607	**421**	401	**589**	16	**2 048**	1 721
7		**2**		**3 059**		**3 095**	–
						(164)	138
		(1)				**(16)**	(412)
(261)						**(261)**	–
(911)	(981)	**(369)**	(486)	**(14)**	(12)	**(1 674)**	(2 081)
89	(14)	**167**	(5)	**(1)**	11	**–**	–
141	37	**447**	41	**47**	2	**604**	(209)
3 364	3 743	**3 028**	2 361	**3 761**	81	**16 645**	13 013
1 712	1 928	**1 314**	1 414	**37**	25	**4 127**	4 687
664	749	**329**	337	**347**	5	**1 738**	1 489
(22)						**(97)**	(22)
(890)	(948)	**(368)**	(464)	**(14)**	(12)	**(1 640)**	(2 002)
128	(17)	**537**	27	**55**	19	**497**	(25)
1 592	1 712	**1 812**	1 314	**425**	37	**4 625**	4 127
2 031	2 166	**1 047**	996	**44**	39	**8 886**	9 169
1 772	2 031	**1 216**	1 047	**3 336**	44	**12 020**	8 886

The valuers are members or associates of the Institute of Valuers (SA) or a local equivalent in the case of foreign subsidiaries. An annual internal review is also done on those properties not subject to independent external valuation. The carrying amount of properties is the fair value as determined by the valuers less subsequent accumulated depreciation and impairment losses. Adjustments in the valuation of the properties are recorded in the revaluation reserve, which is amortised over the remaining useful life of the property. In determining the fair value of properties, the following factors are considered:

- Property location
- Improvements to the building
- Rentals
- Vacancies
- Property expenses
- Capitalisation rate

G1.2 PROPERTY AND EQUIPMENT (OWNED)

Type of property	Valuation method	Significant inputs	Parameters	Land 2024 Rm	Land 2023 Rm	Buildings 2024 Rm	Buildings 2023 Rm
Commercial property	Market-comparable approach and discounted cash flow	Income capitalisation rates	10,00% – 12,00% (2023: 9,00% – 10,40%)	**871**	877	**4 825**	4 887
Total land and buildings				**871**	877	**4 825**	4 887

In accordance with IFRS 13 the measurement of the group's properties is considered to be recurring. Recurring fair-value measurements are those that IFRS Accounting Standards require or permit to be recognised in the statement of financial position at the end of each reporting period. Furthermore, the group classifies its properties measured at fair value into level 3 of the fair-value hierarchy. Level 3 fair-value measurements are those that include the use of significant unobservable inputs.

In respect of certain properties, there are restrictions of title in terms of regulatory restrictions such as servitudes. This does not have a material effect on the ability of the group to transfer these properties. No material plant and equipment have been pledged as security for liabilities.

If land and buildings were carried under the cost model and not the revaluation model, the carrying amount would have been R3 082m (2023: R3 380m).

G1.3 RIGHT-OF-USE ASSETS (LEASED)

Right-of-use assets reconciliation

	2024 Rm	2023 Rm
Balance at the beginning of the year	**2 027**	1 895
Depreciation charge for the year	**(811)**	(786)
Additions	**467**	298
Lease modifications[1]	**459**	591
Reversal of impairment/(Impairment losses)[2]	**(12)**	(1)
Derecognition and disposals		
Effect of movements in foreign exchange rates and other movements	**(17)**	28
Balance at the end of the year	**2 111**	2 025

[1] Related to amendments to new and existing lease contracts subsequent to 1 January 2019. Included in lease modifications are reinstatement costs of R21.2m (2023: R13,7m).

[2] The impairment indicator was the closure due to non-use of the branch. When an impairment indicator is present, the right of use asset is tested for impairment by comparing its recoverable amount with the carrying amount. Where the recoverable amount of the right of use asset is lower than its carrying value, the right of use is impaired.

Depreciation charge by class of right-of-use assets

	2024 Rm	2023 Rm
Property (ATMs, branches, offices and campus sites)	**(695)**	(687)
Office equipment	**(116)**	(99)
	(811)	(786)

Closing balances by class of right-of-use assets

	2024 Rm	2023 Rm
Property (ATMs, branches, offices and campus sites)	**1 767**	1 923
Office equipment	**344**	102
	2 111	2 025

G2 INTANGIBLE ASSETS

ACCOUNTING POLICY

Goodwill

Goodwill arises on the acquisition of subsidiaries and is recognised as an asset on the date that control is acquired, being the acquisition date. Goodwill represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net fair value of the identifiable net assets recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred plus the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any), this excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is tested for impairment at least once a year. Any impairment loss is recognised immediately in profit or loss and is not subsequently reversed.

On disposal of a subsidiary the goodwill attributable to the subsidiary is included in the determination of the profit or loss on disposal.

Goodwill impairment

Goodwill is allocated to 1 or more cash-generating units (CGUs), being the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated to the CGUs in which the synergies from the business combinations are expected. Each CGU containing goodwill is tested annually for impairment. An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses that are recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to a CGU and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis. However, the carrying amount of these other assets may not be reduced below the highest of their fair value, less costs to sell, and their VIU and zero.

Impairment testing procedures

The recoverable amount of a CGU is the higher of its fair value, less cost to sell, and its VIU. The fair value, less cost to sell, is determined by ascertaining the current market value of an asset (or the CGU) and deducting any costs related to the realisation of the asset.

In the assessment of VIU the expected future cash flows from the CGU are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the particular CGU.

Impairment losses relating to goodwill are not reversed and all impairment losses are recognised in the impairments charge on non-financial instruments and other gains and losses items for the period.

Computer software and development costs (not yet commissioned)

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and expenditure on internally generated goodwill and brands are recognised as an expense in profit or loss for the period.

If costs can be measured reliably and future economic benefits are available, expenditure on computer software and other development activities, where set procedures and processes are applied to a project for the production of new or substantially improved products and processes, is capitalised if the computer software and other developed products or processes are technically and commercially feasible and the group has intention and sufficient resources to complete development. The expenditure capitalised includes the cost of materials and directly attributable employee and other direct costs. Computer development expenditure is amortised only once the relevant software has become available for use in the manner intended by management. Capitalised software is stated at cost less accumulated amortisation and impairment losses.

Amortisation of computer software and development costs is charged to profit or loss on a straight-line basis over the estimated useful lives of these assets, which do not exceed 10 years and are reviewed annually. Subsequent expenditure relating to computer software is capitalised only when it increases the future economic benefits embodied in the specific asset, in its current condition, to which it relates. All other subsequent expenditure is recognised as an expense in the period in which it is incurred. The profit or loss on the disposal of computer software is recognised in the impairments charge on non-financial instruments and other gains and losses (in profit and loss). The profit or loss on disposal is the difference between the net proceeds received and the carrying amount of the asset.

The amortisation methods and residual values of these intangible assets are reviewed annually.

Contractual client relationships

Contractual client relationships, including the present value of active business in insurance operations, acquired in a business combination, are recognised at fair value at the date of acquisition. The contractual client relationships have indefinite useful lives and are carried at cost. The useful lives and residual values of these client relationships are reviewed annually.

KEY ASSUMPTIONS CONCERNING THE FUTURE AND KEY SOURCES OF ESTIMATION

Goodwill impairment

Management considers at least annually whether the current carrying value of goodwill is to be impaired. The first step of the impairment review process requires the identification of independent CGUs by segmenting the group business into as many largely independent income streams as is reasonably practicable. The goodwill is then allocated to these independent units. The first element of this allocation is based on the areas of the business expected to benefit from the synergies derived from the acquisition. The second element reflects the allocation of the net assets acquired and the difference between the consideration paid for those net assets and their fair value. This allocation is reviewed following business reorganisation. The carrying value of the unit, including the allocated goodwill, is compared with its fair value or VIU to determine whether any impairment exists. If the recoverable amount of a unit is less than its carrying value, goodwill will be impaired.

Detailed calculations may need to be carried out, taking into consideration changes in the market in which a business operates (e.g. competitive activity and regulatory change). In the absence of readily available market price data this calculation is based on discounting expected cash flows at a risk-adjusted interest rate appropriate to the operating unit. The determination of both of these requires the exercise of judgement. The estimation of cash flows is sensitive to the periods for which detailed forecasts are available and to assumptions regarding the long-term sustainable cash flows. While forecasts are compared with actual performance and external economic data, expected cash flows naturally reflect management's view of future performance.

The group's allocation of goodwill was made to 7 independent CGUs, comprising a mix of key legal entity subsidiaries and cluster business units. Management performed individual VIU calculations and compared them with the allocated goodwill at an independent CGU level. The goodwill impairment testing performed in 2024 indicated that none of the goodwill was impaired in the year under review. Management believes that reasonable changes in key assumptions used to determine the recoverable amount of Nedbank Limited's goodwill would not result in impairment.

Management considered the source of the key inputs, which is a significant judgement in particular cash flow forecasts. These are aligned with the group's 3-year planning and strategy process. Discount rates have been prepared by the group's Balance Sheet Management Division and reviewed by Group Asset and Liability Management and Executive Risk Committee (Group ALCO), and regulatory capital impacts are aligned with the group's capital management oversight processes.

Intangible assets other than goodwill

An internally generated intangible asset, specifically internally developed software generated during the development phase, is recognised as an asset if certain conditions are met. These conditions include technical feasibility, intention to complete the development, ability to use the asset under development, and demonstration of how the asset will generate probable future economic benefits.

The cost of a recognised internally generated intangible asset comprises all costs directly attributable to making the asset capable of being used as intended by management. Conversely, all expenditure arising during the research phase is expensed as incurred.

The decision to recognise internally generated intangible assets requires significant judgement, particularly in the following areas:

- Evaluation of whether activities should be considered research activities or development activities.
- Assumptions about future market conditions, client demand and other developments.
- Assessment of whether completing an asset is technically feasible. The term 'technical feasibility' is not defined in the IFRS Accounting Standards, and therefore requires a group-specific and necessarily judgemental approach.
- Evaluation of the future ability to use or sell the intangible asset arising from the development and the assessment of probability of future benefits from sale or use.
- Evaluation of whether a cost is directly or indirectly attributable to an intangible asset and whether a cost is necessary for completing a development.

All intangible assets of the group have finite useful lives. Consequently, the depreciable amount of the intangible assets is allocated on a systematic basis over their useful lives. Judgement is applied to the following:

- Determining the useful life of an intangible asset, based on estimates regarding the period over which the intangible asset is expected to produce economic benefits to the group.
- Determining the appropriate amortisation method IFRS Accounting Standards require that the straight-line method be used, unless management can determine reliably the pattern in which the future economic benefits of the asset are expected to be consumed by the group.

Both the amortisation period and the amortisation method have an impact on the amortisation expenses recorded in each period.

In making impairment assessments for the group's intangible assets, management uses certain complex assumptions and estimates about future cash flows that require significant judgement and assumptions about future developments. These assumptions are affected by various factors, including changes in the group's business strategy, internal forecasts and estimation of the group's weighted-average cost of capital. Due to these factors, actual cash flows and values could vary significantly from the forecast future cash flows and related values derived using the discounted-cash-flow method.

G2.1 MOVEMENT IN CARRYING AMOUNT

Rm	Goodwill	Software	Development costs (not yet commiss-ioned)	Client relationships, contractual rights and other	Total
2024					
Cost					
Balance at the beginning of the year	**6 554**	**14 656**	**1 667**	**930**	**23 807**
Acquisitions		**723**	**1 717**	**207**	**2 647**
Development costs commissioned to software		**962**	**(962)**		**–**
Disposals and retirements		**(131)**			**(131)**
Foreign currency translation and other		**24**	**4**		**28**
Balance at the end of the year	**6 554**	**16 234**	**2 426**	**1 137**	**26 351**
Accumulated amortisation and impairment					
Balance at the beginning of the year	**2 543**	**8 078**	**301**	**908**	**11 830**
Amortisation charge		**1 875**			**1 875**
Disposals and retirements		**(131)**			**(131)**
Impairment losses[1]		**48**	**52**		**100**
Foreign currency translation and other		**24**	**1**		**25**
Balance at the end of the year	**2 543**	**9 894**	**354**	**908**	**13 699**
Carrying amount					
At the beginning of the year	**4 011**	**6 578**	**1 366**	**22**	**11 977**
At the end of the year	**4 011**	**6 340**	**2 072**	**229**	**12 652**
2023					
Cost					
Balance at the beginning of the year	6 537	13 793	1 651	948	22 929
Acquisitions		320	1 237		1 557
Development costs commissioned to software		1 221	(1 221)		–
Disposals and retirements		(694)		(18)	(712)
Foreign currency translation and other	17	16			33
Balance at the end of the year	6 554	14 656	1 667	930	23 807
Accumulated amortisation and impairment					
Balance at the beginning of the year	2 245	6 835	293	907	10 280
Amortisation charge		1 850			1 850
Disposals and retirements		(694)			(694)
Impairment losses[1]	298	79	6		383
Foreign currency translation and other		8	2	1	11
Balance at the end of the year	2 543	8 078	301	908	11 830
Carrying amount					
At the beginning of the year	4 292	6 958	1 358	41	12 649
At the end of the year	4 011	6 578	1 366	22	11 977

[1] Impaired intangible assets consist of projects mainly in the Nedbank Retail and Business Banking Cluster. The main indicators of the impairment of a project are the decommissioning of the project and/or the project not reaching full functionality. When one of these indicators is present, the project is tested for impairment by comparing its recoverable amount with its carrying amount. Where the recoverable amount of a project is lower than its carrying value, the project is impaired.

G2.2 ANALYSIS OF GOODWILL BY CGU

	2024 Rm	2023 Rm
Nedbank Corporate and Investment Banking	**2 023**	2 023
Property Finance	**1 374**	1 374
Corporate and Investment Banking (excluding Property Finance)	**649**	649
Nedbank Retail and Business Banking	**1 449**	1 449
Nedbank Commercial Banking	**747**	747
Nedbank Retail	**702**	702
Nedbank Wealth	**507**	507
Nedgroup Life Assurance	**402**	402
Wealth Management International	**105**	105
Nedbank Africa Regions	**32**	32
Mozambique	**32**	32
	4 011	4 011

During the year, the group reviewed its presentation for the analysis of goodwill by CGU. As a result of the review, the analysis of goodwill by CGU has been disaggregated to include all 7 CGUs of the group in 2024 and 2023, where previously these were presented at an aggregated segment level.

The goodwill impairment testing conducted in 2024 revealed that there was no impairment of goodwill as of 31 December 2024. Consequently, the impairment of goodwill amounted to R0m (2023: R298m - Namibia and Nedbank Wealth).

The VIU of the various CGUs was based on the following assumptions:

	2024 Rm		2023 Rm	
	SA	UK	SA and Namibia	UK
Risk-free rate range, including country risk premium (%)	**10,00**	**4.01**	10,00–11,42	4,56
Beta range[1]	**1,00**	**1,00**	1,00	1,00
Equity risk premium (%)[1]	**4,80**	**6,50**	4,80–5,00	6,5
Inflation rate (%)[1]	**4,50**	**1,80**	4,00–4,50	2,30
Country risk premium (%)[1]			6,83	
Terminal growth rate range (%)[2]	**4,50**	**1,80**	4,00–4,50	2,30
Cash flow projection (years)	**3**	**5**	3–5	5
Discount rate range (pre-tax) (%)[3]	**21,64–25,75**	**13.54**	21,64–29,59	13,49
Discount rate range (post-tax) (%)[3]	**15,80–18,80**	**11,51**	15,80–21,55	11,06

[1] Management determined these key assumptions using information provided by the Nedbank Economic Unit, Balance Sheet Management Division and reputable external sources.

[2] Based on management estimates of sustainable growth rates.

[3] Discount rates are based on the weighted-average cost of equity of the respective CGUs.

	2024 Rm	2023 Rm
Geographical split of goodwill is based on the area in which the CGU operates:		
– SA	**3 874**	3 874
– Rest of Africa	**32**	32
– Europe	**105**	105
	4 011	4 011

SECTION H: OTHER ASSETS

H1 LONG-TERM EMPLOYEE BENEFITS

ACCOUNTING POLICY

The group operates a number of postemployment defined-benefit and defined-contribution plans for eligible employees. The assets of these plans are generally held in separate trustee-administered funds. These benefits are accounted for in accordance with IAS 19: Employee Benefits.

Defined-benefit plans

The liability recognised in the statement of financial position in respect of defined-benefit pension plans is the present value of the defined-benefit obligation at the reporting date less the fair value of plan assets.

The defined-benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using yields for government bonds that have maturity dates approximating the terms of the group's obligations.

Gains or losses resulting from remeasurements are recognised immediately in OCI. Remeasurements include actuarial gains and losses, return on plan assets, excluding amounts included in net interest, and the asset ceiling, excluding amounts included in net interest.

Current service costs and net interest on the defined-benefit liability are recognised immediately as an expense in profit or loss. Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date the group recognises related restructuring costs.

Plan assets are offset against plan liabilities only if they are assets held by long-term employee benefit funds or qualifying insurance policies. Qualifying insurance policies exclude any policies held by the related parties.

Defined-contribution plans

Contributions to defined-contribution plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

Postemployment benefit plans

The group provides postretirement medical benefits and disability cover for eligible employees. The non-pension postemployment benefits are accounted for, in accordance with their nature, as either a defined-contribution plan or a defined-benefit plan. Similarly, the expected costs associated with such benefits are accounted for in a manner consistent with their classification.

Short-term employee benefits

Short-term employee benefits include salaries, accumulated leave payments, bonuses and non-monetary benefits such as medical aid contributions.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount to be paid under short-term cash bonus plans or accumulated leave if the group has a present, legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

KEY ASSUMPTIONS CONCERNING THE FUTURE AND KEY SOURCES OF ESTIMATION

The group provides pension plans for employees. Arrangements for employee retirement benefits vary from country to country and are made in accordance with local regulations and custom.

For defined-benefit schemes, including postretirement medical aid schemes, actuarial valuation of each of the scheme's obligations using the projected-unit credit method and the fair valuation of each of the scheme's assets is performed annually in accordance with the requirements of IAS 19: Employee Benefits.

The actuarial valuation is dependent on a series of assumptions (note H1.1.2), the key ones being interest rates, mortality, investment returns and inflation. Mortality estimates are based on standard industry and national mortality tables, adjusted, where appropriate, to reflect the group's own experience. The returns on fixed-interest investments are set to market yields at the valuation date (less an allowance for risk) to ensure consistency with the asset valuation. The returns on equities are based on the long-term outlook for global equities at the calculation date, having regard to current market yields and dividend growth expectations. Apart from the risk exposures mentioned above, there are no additional or unique risks to the entity. Refer to section L for information on how the general risks related to the items mentioned are managed.

The inflation assumption reflects long-term expectations of both earnings and retail price inflation.

POSTEMPLOYMENT AND OTHER LONG-TERM EMPLOYEE BENEFITS

The group has a number of defined-benefit and defined-contribution plans in terms of which it provides pension, postretirement medical aid and long-term disability benefits to employees and their dependants on retirement, death or disablement. All eligible employees and former employees are members of trustee-administered or underwritten schemes within the group, financed by company and employee contributions. All South African retirement plans are governed by the Pension Funds Act, 24 of 1956. The defined-benefit funds are actuarially valued using the projected-unit credit method. Any deficits are funded to ensure the ongoing financial soundness of the funds.

The benefits provided by the defined-benefit schemes are based on years of membership and/or salary levels. These benefits are provided from contributions by employees, the group, and income from the assets of these schemes. The expense or income recorded in profit or loss includes the current service cost, interest income on plan assets as well as interest expense on the defined benefit obligation. It is the group’s policy to ensure that the benefits are adequately funded to provide for the benefits due to members, and particularly to ensure that any shortfall with regard to the defined-benefit portion will be met by way of additional contributions.

The abovementioned strategy is known as a liability-driven investment (LDI) strategy. The portion of the assets in the trustee portfolio not invested in the liability matching strategy or reserve accounts is invested in growth assets to create some possible upside for funding increases above the policy increase. The assets in the liability matching strategy will be invested mainly in South African nominal and inflation-linked government bonds and global equities and properties. This strategy aims to fully match the reasonable benefit expectations of the pensioners to receive annual pension increases in line with the inflation target chosen by the fund through its board of trustees.

The group has 2 types of defined-benefit schemes, where the surplus is recognised and where an asset ceiling has been applied. For the schemes where the surplus is recognised, it has determined that the maximum economic benefit available from the defined benefit plan is in the form of a combination of refunds and reductions in future contributions. This determination is based on the plan's terms and funding policy, which allow for both the refund of surplus assets on the winding up of the plan and the use of surplus assets to offset future service costs. The entity has assessed the plan's rules, funding arrangements, and local regulations and concluded that it has the right to receive a refund of any surplus and to reduce its future contributions.

For the schemes where an asset ceiling has been applied, the group has reviewed the plan's rules and local regulations, which do not allow for refunds of surplus assets or reductions in future contributions. The group has concluded that it cannot derive any economic benefit from these surplus assets, in respect of which it has no unrestricted rights. Where the group has determined that no economic benefit is available from the defined-benefit plan, a ceiling has been applied. The benefits provided by the defined-contribution schemes are determined by the accumulated contributions and investment earnings.

At the dates of the latest valuations, the defined-benefit plans were in a sound financial position in terms of section 16 of the Pension Funds Act. The funds that constitute the assets and liabilities that the group has recognised in the statement of financial position in respect of its defined-benefit plans are listed below. The latest actuarial valuations were performed at 31 December 2024.

POSTEMPLOYMENT BENEFITS

Defined-benefit pension funds
Nedgroup Pension Fund (including the Optiplus policy).
Nedbank UK Pension Fund.
Other funds, consisting of Nedbank Eswatini Limited Pension Fund and Nedbank Lesotho Pension Fund.
Nedbank Private Wealth Pension Scheme.

Defined-benefit medical aid schemes
Nedgroup Medical Aid Scheme for Nedbank employees and pensioners [including the Old Mutual Postretirement Medical Aid (PRMA) annuity policy].
Nedgroup Medical Aid Scheme for past BoE employees and pensioners.
Nedbank Namibia Medical Aid Fund.

OTHER LONG-TERM EMPLOYEE BENEFITS

Nedbank Group Disability Fund (including the OMART policy).
Nedbank Financial Planning (NFP) Earn-Out Scheme.

H1.1 ANALYSIS OF LONG-TERM EMPLOYEE BENEFIT ASSETS AND LIABILITIES

Rm	Assets	Liabilities	Net asset
2024			
Postemployment benefits (note H1.1.1)	**5 341**	**(9)**	**5 332**
Other long-term employee benefits	**143**	**(38)**	**105**
	5 484	**(47)**	**5 437**

Rm	Assets	Liabilities	Net asset
2023			
Postemployment benefits (note H1.1.1)	4 717	(5)	4 712
Other long-term employee benefits	132	(38)	94
	4 849	(43)	4 806

H1.1.1 Net asset/(liability) recognised

Rm	Pension and provident funds	Medical aid funds	Contribution asset	Total
2024				
Present value of defined-benefit obligation	**(3 408)**	**(912)**		**(4 320)**
Fair value of plan assets	**7 510**	**1 251**	**1 132**	**9 893**
Funded status	**4 102**	**339**	**1 132**	**5 573**
Unrecognised due to paragraph 65 limit	**(241)**			**(241)**
	3 861	**339**	**1 132**	**5 332**
2023				
Present value of defined-benefit obligation	(3 478)	(902)		(4 380)
Fair value of plan assets	7 109	1 166	1 036	9 311
Funded status	3 631	264	1 036	4 931
Unrecognised due to paragraph 65 limit	(219)			(219)
	3 412	264	1 036	4 712

H1.1.2 Postemployment benefits

Rm	Present value of obligation[1]	Fair value of plan asset	Surplus/ (Deficit)	Unrecognised due to paragraph 65 limit	Net asset/ (liability)
Analysis of long-term employee benefit					
2024					
Pension funds	**3 408**	**7 510**	**4 102**	**(241)**	**3 861**
Nedgroup Fund	**2 675**	**6 479**	**3 804**		**3 804**
Nedbank UK Fund	**322**	**471**	**149**	**(149)**	**–**
Nedbank Private Wealth funds	**119**	**177**	**58**	**(1)**	**57**
Other funds	**292**	**383**	**91**	**(91)**	**–**
Medical aid funds	**912**	**1 251**	**339**	**–**	**339**
Nedgroup scheme for Nedbank employees	**849**	**1 175**	**326**		**326**
Nedgroup scheme for BoE employees	**56**	**76**	**20**		**20**
Nedbank Namibia scheme (unfunded)	**7**		**(7)**		**(7)**
Contribution asset		**1 132**	**1 132**		**1 132**
Total	**4 320**	**9 893**	**5 573**	**(241)**	**5 332**
2023					
Pension funds	3 478	7 109	3 631	(219)	3 412
Nedgroup Fund	2 719	6 105	3 386		3 386
Nedbank UK Fund	355	502	147	(147)	–
Nedbank Private Wealth funds	135	161	26		26
Other funds	269	341	72	(72)	–
Medical aid funds	902	1 166	264	–	264
Nedgroup scheme for Nedbank employees	841	1 094	253		253
Nedgroup scheme for BoE employees	54	72	18		18
Nedbank Namibia scheme (unfunded)	7		(7)		(7)
Contribution asset		1 036	1 036		1 036
Total	4 380	9 311	4 931	(219)	4 712

[1] The weighted-average duration of the obligation for pension funds for Nedgroup was 10 years (2023: 11 years), for Nedbank Eswatini Limited 20 years (2023: 21 years) and for Nedbank Lesotho 16 years (2023: 17 years).

Rm	Pension and provident funds	Medical aid funds	Total
Present value of defined-benefit obligation			
2024			
Balance at the beginning of the year	**3 478**	**902**	**4 380**
Past service cost	**6**		**6**
Interest cost	**323**	**99**	**422**
Contributions by plan participants	**14**		**14**
Actuarial (gains)/losses	**(4)**	**7**	**3**
Benefits paid	**(414)**	**(96)**	**(510)**
Impact of foreign currency exchange rate changes	**5**		**5**
Balance at the end of the year	**3 408**	**912**	**4 320**
2023			
Balance at the beginning of the year	3 502	907	4 409
Current service cost	6		6
Interest cost	342	100	442
Contributions by plan participants	13		13
Actuarial gains	(24)	(16)	(40)
Benefits paid	(419)	(89)	(508)
Impact of foreign currency exchange rate changes	58		58
Balance at the end of the year	3 478	902	4 380

H1.1.2 Postemployment benefits

Rm	Pension and provident funds	Medical aid funds	Contribution asset	Total
Fair value of plan assets				
2024				
Balance at the beginning of the year	**7 109**	**1 166**	**1 036**	**9 311**
Expected return on plan assets	**713**	**131**	**96**	**940**
Actuarial gains/(losses)	**75**	**50**		**125**
Contributions by the employer	**27**			**27**
Contributions by plan participants	**14**			**14**
Benefits paid	**(417)**	**(96)**		**(513)**
Scheme-settled administration costs	**(10)**			**(10)**
Impact of foreign currency exchange rate changes	**(1)**			**(1)**
Balance at the end of the year	**7 510**	**1 251**	**1 132**	**9 893**
2023				
Balance at the beginning of the year	6 515	1 138	939	8 592
Expected return on plan assets	670	126	97	893
Actuarial losses	203	(8)		195
Contributions by the employer	35	1		36
Contributions by plan participants	13			13
Benefits paid	(421)	(91)		(512)
Scheme-settled administration costs	(7)			(7)
Impact of foreign currency exchange rate changes	101			101
Balance at the end of the year	7 109	1 166	1 036	9 311

Rm	Pension and provident funds	Medical aid funds	Contribution asset	Total
Net (income)/expense recognised				
2024				
Current service cost	**2**			**2**
Interest (received)/cost	**(384)**	**(32)**	**(96)**	**(512)**
Scheme-settled plan administration costs	**10**			**10**
Past service cost – vested benefit	**6**			**6**
Effect of application of asset ceiling	**4**			**4**
	(362)	**(32)**	**(96)**	**(490)**
2023				
Current service cost	8			8
Interest (received)/cost	(322)	(27)	(97)	(446)
Scheme-settled plan administration costs	7			7
Effect of application of asset ceiling	4			4
	(303)	(27)	(97)	(427)

Rm	Pension and provident funds	Medical aid funds	Contribution asset	Total
Movements in net asset/(liability) recognised				
2024				
Balance at the beginning of the year	**3 412**	**264**	**1 036**	**4 712**
Net income recognised in the statement of comprehensive income	**362**	**32**	**96**	**490**
Net remeasurements – debit for the year	**79**	**43**		**122**
Contributions paid by the employer	**19**			**19**
Impact of foreign currency exchange rate changes	**9**			**9**
Asset ceiling	**(20)**			**(20)**
Balance at the end of the year	**3 861**	**339**	**1 132**	**5 332**
2023				
Balance at the beginning of the year	2 806	231	939	3 976
Net income recognised in the statement of comprehensive income	303	27	97	427
Net remeasurements – credit for the year	269	6		275
Contributions paid by the employer	27			27
Impact of foreign currency exchange rate changes	(5)			(5)
Asset ceiling	12			12
Balance at the end of the year	3 412	264	1 036	4 712

%	Pension and provident funds	Medical aid funds
Distribution of plan assets (%)		
2024		
Equity instruments	**22,50**	**25,00**
Debt instruments	**22,80**	**41,00**
Property	**0,30**	**4,00**
Cash	**1,00**	
International	**29,30**	**30,00**
Other	**24,10**	
	100	**100**
2023		
Equity instruments	19,51	25,00
Debt instruments	22,02	42,00
Property	3,10	4,00
Cash	1,34	
International	30,23	29,00
Other	23,80	
	100	100
Actual return on plan assets		
2024	**788**	**181**
2023	873	118

Principal actuarial assumptions (%)	Pension and provident funds	Medical aid funds
2024		
Discount rates	**5,35–9,90**	**10,50–11,00**
Expected rates of return on plan assets	**5,35–9,90**	**10,50–10,50**
Inflation rate	**2,60–4,30**	**4,80–6,10**
Expected rates of salary increases	**5,30–5,30**	**4,80–4,80**
Pension increase allowance	**1,51–4,30**	
Annual increase to medical aid subsidy		**6,80–7,60**
Average expected retirement age (years)	**60–65**	
2023		
Discount rates	4,50–10,90	11,00–11,70
Expected rates of return on plan assets	4,50–10,90	11,70–11,70
Inflation rate	2,50–5,30	6,10–6,10
Expected rates of salary increases	6,30–6,30	6,10–6,10
Pension increase allowance	2,50–5,30	
Annual increase to medical aid subsidy		7,60–8,10
Average expected retirement age (years)	60–65	

Sensitivity analysis

Defined-benefit obligation

The defined-benefit obligation has been recalculated to show the effect of the discount rate and inflation rate assumptions on the defined-benefit obligation by adding and subtracting 1% to each assumption. This sensitivity analysis is for the Nedgroup Pension Fund, Nedbank Eswatini Limited Pension Fund and Nedbank Lesotho Pension Fund.

2024

Rm	Main result	Discount rate plus 1%	Discount rate minus 1%	Inflation rate plus 1%	Inflation rate minus 1%
Defined-benefit obligation	**3 408**	**2 791**	**3 096**	**3 084**	**2 776**
Change (%)		**(18)**	**(9)**	**(10)**	**(19)**

2023

Rm	Main result	Discount rate plus 1%	Discount rate minus 1%	Inflation rate plus 1%	Inflation rate minus 1%
Defined-benefit obligation	3 478	2 786	3 188	3 144	2 849
Change (%)		(20)	(8)	(10)	(18)

Medical aid accrued liability

The sensitivity analysis provided below shows the impact of changes to these assumptions on the accrued liability value at 31 December 2024.

2024

Rm	Main result	Medical subsidy rate plus 1%	Medical subsidy rate minus 1%	Discount rate plus 1%	Discount rate minus 1%
Medical aid accrued liability	**912**	**977**	**856**	**854**	**979**
Change (%)		**7**	**(6)**	**(6)**	**7**

2023

Rm	Main result	Medical subsidy rate plus 1%	Medical subsidy rate minus 1%	Discount rate plus 0,5%	Discount rate minus 0,5%
Medical aid accrued liability	902	961	836	928	864
Change (%)		7	(7)	3	(4)

Pension funds

The expected long-term return is a function of the expected long-term returns on equities, cash and bonds. In setting these assumptions, the asset splits at the latest available date were used and adjustments were made to reflect the effect of expenses.

Weighted-average assumptions (%)

	2024	2023
– Discount rate	**8,55**	9,33
– Expected return on plan assets	**8,55**	9,33
– Inflation rate	**3,76**	4,61
– Future salary increases	**4,63**	5,57

Medical aid funds

The overall expected long-term rate of return on plan assets is 10,50%. The expected rate of return is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation. The expected rate of return is based on the expected performance of the entire portfolio.

Rm	Pension and provident funds	Medical aid funds	Total
Experience adjustments on present value of defined-benefit obligations for the past 5 years			
2024	**(4)**	**7**	**3**
2023	(24)	(16)	(40)
2022	(339)	(69)	(408)
2021	153	5	158
2020	(138)	(81)	(219)
Experience adjustments on fair value of plan assets for the past 5 years			
2024		**50**	**50**
2023		(8)	(8)
2022		(82)	(82)
2021		45	45
2020		(38)	(38)
Estimate of future contributions			
Contributions expected for ensuing year	**15**		**15**

Fund surplus for the past 5 years

	Present value of obligation	Fair value of plan asset	Surplus
Pension funds			
2024	**3 408**	**7 510**	**4 102**
2023	3 478	7 109	3 631
2022	3 502	6 515	3 013
2021	4 000	7 068	3 068
2020	3 886	6 150	2 264
Medical aid funds			
2024	**912**	**1 251**	**339**
2023	902	1 166	264
2022	907	1 138	231
2021	965	1 186	221
2020	958	1 121	163

H2 NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

ACCOUNTING POLICY

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount will be recovered principally through sale rather than use.

Immediately before classification as held for sale, all assets and liabilities are remeasured in accordance with the group's accounting policies. Non-current assets (or disposal groups) held for sale are measured at the lower of the carrying amount and fair value, less incremental, directly attributable costs to sell (excluding taxation and finance charges), and are not depreciated.

Properties sold but not yet transferred

The sale of properties is expected to be concluded within the following 12 months. Transfer of the properties is expected to take place during the following 12 months. The properties form part of the NAR and Centre segments.

Properties held for sale

In the prior years the group decided to dispose of property considered to meet the criteria to be classified as 'held for sale' at 31 December 2024. Although the sale has not yet been completed, management is committed to a plan to dispose of the property in the next 12 months.

The property has been measured at its fair value and during the year a fair value loss of R10m (2023: R58m) was recognised due to a decrease in the market value.

Non-current assets held for sale

	2024 Rm	2023 Rm
Properties sold but not yet transferred and previously included in property and equipment[1]	**39**	340
Property held for sale and previously included in investment property	**143**	153
	182	493

[1]The sale and transfer of a property was concluded during 2024 as part of a sale and leaseback transaction. The property was part of the Centre segment. A gain on disposal of R39m has been included in the 'Impairments charge on non-financial instruments and other gains and losses' line item on the consolidated statement of comprehensive income.

H3 OTHER ASSETS

	2024 Rm	2023 Rm
Properties in possession	**205**	
Sundry debtors and other accounts	**11 385**	10 935
Trading securities and spot positions	**26 611**	24 652
Impairment of other assets	**(14)**	(12)
	38 187	35 575

SECTION I: FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Financial instruments recognised in the statement of financial position include all financial assets and financial liabilities, including derivative instruments, but excluding investments in subsidiaries, associate companies and joint arrangements (other than investments held by venture capital divisions), employee benefit assets and liabilities, leases and insurance contracts. Financial instruments are accounted for under IAS 32: Financial Instruments – Presentation; IAS 39: Financial Instruments – Recognition and Measurement (Hedge Accounting); IFRS 9: Financial Instruments; IFRS 7: Financial Instruments – Disclosures; and IFRS 13: Fair Value Measurement.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Measurement basis of financial instruments

There are 2 bases of measurement, namely amortised cost and fair value.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual terms of the instrument. Regular-way purchase and sales of financial assets are recognised on the trade date, which is the date on which the group commits to purchase or sell the asset.

At initial recognition the group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets or financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an ECL is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Amortised cost and effective interest rate

The amortised cost of a financial instrument is the amount at which the financial instrument is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial contractual amount and the maturity amount, less any cumulative impairment losses.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider ECL and includes transaction costs, premiums or discounts, and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired financial assets (assets that are credit-impaired at initial recognition) the group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of the ECL in estimated future cash flows.

When the group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate, discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- purchased or originated credit-impaired financial assets for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset; and
- financial assets that are not purchased or originated credit-impaired, but have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the ECL allowance).

Fair value

The fair value of a financial instrument is the amount that would be received on selling the asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date.

The fair value of instruments that are quoted in an active market is determined using quoted prices where they represent those at which regularly and recently occurring transactions take place.

The group uses valuation techniques to establish the fair value of instruments where quoted prices in active markets are not available. For a detailed discussion of the fair value of financial instruments refer to note I2.

Financial assets

(i) Classification and measurement

The group applies IFRS 9 and classifies its financial assets in the following measurement categories:

- FVTPL
- FVOCI
- Amortised cost

The classification requirements of investments in debt and equity instruments are described below.

ACCOUNTING POLICY

Debt instruments

The classification of investments in debt instruments depends on:
- the business model within which the financial assets are held and managed; and
- the contractual cash flow characteristics of the financial assets, i.e. whether the cash flows represent 'solely payments of principal and interest'.

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

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

Where the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The remaining financial assets are measured at FVTPL. All derivative instruments that are either financial assets or financial liabilities are classified as mandatorily at fair value and measured at FVTPL. Financial assets with embedded derivatives are considered in their entirety when it is being determined whether their cash flows are solely payments of principal and interest.

The group reclassifies debt investments when, and only when, its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Investments in equity instruments

For equity investments that are held neither for trading nor for contingent consideration, the group may irrevocably elect to present subsequent changes in the fair value of these equity investments in OCI. Where the equity investment is derecognised, the cumulative gain or loss previously recognised in OCI is not reclassified from equity to profit or loss. However, it may be reclassified in equity.

Alternatively, where the group does not make the above-mentioned election, fair-value changes are recognised in profit or loss. This election is made on an investment-by-investment basis. On initial recognition the group may irrevocably designate a financial asset otherwise meeting the requirements for measurement at amortised cost or FVOCI, as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ii) Impairments

Impairments in terms of IFRS 9 are determined based on an ECL model.

The ECL model applies to financial assets measured at amortised cost and debt instruments at FVOCI, lease receivables and certain loan commitments, as well as financial guarantee contracts.

- Under IFRS 9 loss allowances are measured on either of the following bases:12-month ECL: This is ECL that results from possible default events within the 12 months after the reporting date.
- Lifetime ECL: This is ECL that results from all possible default events over the expected life of a financial instrument.

The group is required to recognise an allowance for either 12-month or lifetime ECL, depending on whether there has been a SICR since initial recognition. Indicators of a SICR in the retail portfolio may include any of the following:
- Short-term forbearance
- Direct-debit cancellation
- Extension to the terms granted
- Previous arrears within the past months

Indicators of a SICR in the wholesale portfolio may include any of the following:
- Significant increase in the credit spread.
- Significant adverse changes in business, financial and/or economic conditions in which the client operates.
- Actual or expected forbearance or restructuring.
- Significant change in collateral value.
- Early signs of liquidity and cash flow problems, such as a delay in the servicing of trade creditors or loans.

Measurement of expected credit losses

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

The assessment of the ECL of a financial asset or portfolio of financial assets entails estimations of the likelihood of defaults occurring and of default correlations between counterparties. The group measures ECL using PD, EAD and LGD. These 3 components are multiplied together and adjusted for the likelihood of default. The calculated ECL is then discounted using the original effective interest rate of the financial asset.

The assessment of a SICR and the calculation of ECL both incorporate forward-looking information. The group has performed historical analyses and identified the key economic variables impacting credit risk and ECL for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. The Nedbank Group Economic Unit provides a forecast of

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economic variables and an overview of the economy quarterly or more often, if necessary. Significant judgement and estimates are applied in this process of incorporating forward-looking information into the SICR assessment and ECL calculation.

Credit-impaired financial assets

At each reporting date the group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when 1 or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The group's definition of 'credit-impaired' is aligned with its internal definition of 'default'.

Presentation of impairment

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

For debt securities at FVOCI the loss allowance is recognised in OCI instead of the carrying amount of the asset being reduced. For off-balance-sheet exposures, such as financial guarantee contracts, the loss allowance is presented in 'Provisions and other liabilities' on the face of the statement of financial position.

(iii) Modification of loans

The group may renegotiate or otherwise modify the contractual cash flows of loans to clients. When this happens, the group assesses whether the new terms are substantially different from the original terms. In the normal course of business restructures a combination of qualitative and quantitative factors needs to be considered to establish whether the change to the contractual cash flows is substantial. However, in a distressed restructure the group needs to determine whether it is merely attempting to recover the original cash flows in the most optimal manner, and as such the original cash flows have not expired, or whether the risks and rewards associated with the cash flows have been altered fundamentally enough for the original instrument to be derecognised.

The group is of the view that the above-mentioned principle can be applied by type of modification for retail exposures, as we assume there is a homogeneous business process and objective underlying each type of modification. The application to wholesale exposures should be dealt with on a case-by-case basis through consultation by the business unit with the group's IFRS Advisory Division, as it may be necessary to take into account whether the modification is considered substantial based on the unique facts and circumstances.

Should the terms be substantially different, the group derecognises the original financial asset and recognises a 'new' financial asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes and for determining whether a significant increase in credit risk has occurred. However, the group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

Should the terms not be substantially different, the renegotiation or modification does not result in derecognition, and the group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Revolving products

A revolving credit facility (RCF) may be seen as financial instrument that is either:
- 1 continuous instrument, with 1 origination date that could be many years in the past; or
- a series of 1-year instruments, each of which would have a different origination date.

With respect to revolving credit facilities, the key consideration of whether the issuing of a new card, change in credit limit, or conducting of a credit review results in derecognition of the loan or facility is the robustness of the process followed and the resulting impact on credit risk management. Where the process is not considered to be sufficiently robust, i.e. it is purely procedural in nature, the original RCF will not be derecognised and the date of origination will remain the date at which the facility was first contractually extended (or was subject to a robust process that resulted in derecognition). If the process is considered to be robust, the date of origination would be the date of derecognition of the previous facility or loan.

The group considers the following factors to determine whether a review (annual or otherwise) is robust, i.e. would result in derecognition:
- The effectiveness of the review in mitigating or managing credit risk until the next scheduled review.
- Evidence that specific action is taken as a result of the outcome of the review, for example:
  - changes in facility limits;
  - repricing of the facility;
  - changes in required collateral or security;
  - changes to the terms and conditions of the facility; or
  - withdrawal of the facility.
- That the review is performed at a facility or client level (or client group).
- That the review is done holistically, taking into account the income derived from the facility and the other income generated from the client in comparison to the risk taken.
- That increased monitoring or scrutiny of the facility, for example additional controls and/or approvals, is put in place until the next review.

(iv) Derecognition other than a modification

The group derecognises a financial asset (or group of financial assets) or a part of a financial asset (or part of a group of financial assets) when, and only when:
- the contractual rights to the cash flows arising from the financial asset have expired; or
- the group transfers the financial asset, including substantially all the risks and rewards of ownership of the asset; or
- the group transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retaining control of the asset.

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The difference between the carrying amount of a financial asset or financial liability (or part thereof) that is derecognised and the consideration paid or received, including any non-cash assets transferred or liabilities assumed, is recognised in non-interest revenue and income for the period.

The group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all the risks and rewards. These transactions are accounted for as 'pass-through' transfers that result in derecognition when the group:

- has no obligation to make payments unless it collects equivalent amounts from the assets;
- is prohibited from selling or pledging the assets; and
- has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the group retains a subordinated residual interest.

Financial liabilities

(i) Classification and measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for the following:

- Financial liabilities at FVTPL – This classification is applied to derivative financial liabilities and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated as FVTPL are presented partially in OCI (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially in profit or loss (the remaining amount of change in the fair value of the liability).
- Financial liabilities arising from the transfer of financial assets that did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the group recognises any expenses incurred on the financial liability.
- Financial guarantee contracts and loan commitments.

(ii) Derecognition

A financial liability (or part of a financial liability) is derecognised when, and only when, the liability is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or has expired.

Sale and repurchase agreements and lending of securities

Securities sold subject to linked repurchase agreements are recognised as trading securities and the counterparty liability is presented under repurchase agreements as amounts owed to depositors – 'Deposits received under repurchase agreements' on the financial statements. Securities purchased linked to reverse repurchase agreements are not recognised in the financial statements; however, a financial asset for the right to resell the securities is presented as loans and advances – 'Deposits placed under reverse repurchase agreements'. The difference between the sale and repurchase price is treated as interest and recognised over the duration of the agreements using the effective interest method.

Securities lent to counterparties are also retained in the financial statements and any interest earned is recognised in profit or loss using the effective interest method. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in non-interest revenue and income. The obligation to return them is recorded at fair value as a trading liability.

Acceptances

Acceptances comprise undertakings by the group to pay bills of exchange drawn on clients. The group expects most acceptances to be settled simultaneously with the reimbursement from clients. Acceptances are recorded as liabilities within amounts owed to depositors, with the corresponding asset recorded in the statement of financial position within loans and advances.

Cash and cash equivalents

Cash and cash equivalents represent cash on hand and demand deposits and cash equivalents that are short-term (i.e. with a maturity of less than 90 days from acquisition) and highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. Cash and cash equivalents therefore include cash and balances with central banks that can be withdrawn on demand (except where a specific minimum balance at the end of the day is required to be maintained), other eligible bills and amounts due from banks.

Investment contract liabilities

Liabilities for unit-linked and market-linked contracts are reported at fair value. For unit-linked contracts the fair value is calculated as the account value of the units, i.e. the number of units held multiplied by the bid price value of the assets in the underlying fund (adjusted for taxation). For market-linked contracts the fair value of the liability is determined with reference to the fair value of the underlying assets. This fair value is calculated in accordance with the financial-soundness valuation basis, except that negative rand reserves arising from the capitalisation of future margins are not permitted. The fair value of the liability, at a minimum, reflects the initial deposit of the client, which is repayable on demand.

Investment contract liabilities (other than unit-linked and market-linked contracts) are measured at amortised cost.

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Contribution income relating to investment contracts

Contribution income includes lump sums received in respect of linked businesses with retirement funds and are accounted for when due. The contribution income is set off directly against the liability under investment contracts.

Benefits relating to investment contracts

Policyholder benefits are accounted for when claims are intimated directly against the liability under investment contracts.

FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment, and where the group cannot identify the ECL separately on the undrawn commitment component from those on the loan component, the ECL on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined ECL exceeds the gross carrying amount of the loan, the ECL is recognised as a provision.

KEY ASSUMPTIONS CONCERNING THE FUTURE AND KEY SOURCES OF ESTIMATION

FAIR VALUE OF FINANCIAL INSTRUMENTS

Certain of the group's financial instruments are carried at FVTPL, such as those designated by management under the fair-value option.

Other non-derivative financial assets may be designated as FVOCI. FVOCI financial investments are initially recognised at fair value and are subsequently held at fair value. Gains and losses arising from changes in fair value of such assets are included as a separate component of OCI and presented in equity.

The fair value of a financial instrument is the amount that would be received on selling the asset or paid on transferring the liability in an orderly transaction at the measurement date between knowledgeable and willing parties, other than in a forced or liquidation sale. Financial instruments entered into as trading transactions, together with any associated hedging, are measured at fair value and the resultant profits and losses are included in net trading income, along with interest and dividends arising from long and short positions and funding costs relating to trading activities. Assets and liabilities resulting from gains and losses on financial instruments held for trading are reported gross in trading portfolio assets and liabilities or derivative financial instruments, reduced by the effects of netting agreements where there is an intention to net-settle with counterparties.

Details of the processes, procedures and assumptions used in the determination of fair value are discussed in note I2. In particular, the areas that involve the greatest amount of judgement and complexity include the following:

- Assessing whether instruments are trading with sufficient frequency and volume that they can be considered liquid.
- The inclusion of a measure of the risk of counterparty non-performance in the fair-value measurement of loans and advances, which involves the modelling of dynamic credit spreads.
- The inclusion of credit valuation adjustments (CVA) and funding valuation adjustments (FVA) in the fair-value measurement of derivative instruments.
- The inclusion of own credit risk in the calculation of the fair value of financial liabilities.

These concepts are developing and evolving continuously. Therefore, changes in these assumptions will arise as the market develops.

I1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CATEGORIES OF FINANCIAL INSTRUMENTS

			At FVTPL	
	Notes	Total Rm	Mandatorily at fair value Rm	Designated[1] Rm
2024				
Assets				
Cash and cash equivalents	C6	55 146		
Other short-term securities	C4	82 896	56 610	643
Derivative financial instruments	C7	17 072	17 072	
Government and other securities	C3	198 522	94 404	641
Loans and advances	C1.1	962 184	52 413	8 901
Other assets	H3	38 187	26 611	
Current taxation assets		183		
Insurance contract assets	D4	395		
Investment securities	F1	28 172	27 210	29
Non-current assets held for sale	H2	182		
Investments in associate companies	F2	2 486		
Deferred taxation assets	B8.3	554		
Investment property		291		
Property and equipment	G1	14 131		
Long-term employee benefit assets	H1.1	5 484		
Intangible assets	G2	12 652		
Total assets		1 418 537	274 320	10 214
Equity and liabilities				
Ordinary share capital	B4.1	467		
Ordinary share premium		14 351		
Reserves		97 446		
Total equity attributable to ordinary shareholders		112 264	–	–
Holders of participating preference shares		103		
Holders of additional tier 1 capital instruments	B5	12 798		
Non-controlling interest attributable to ordinary shareholders		921		
Total equity		126 086	–	–
Derivative financial instruments	C7	11 623	11 623	
Amounts owed to depositors	D1	1 174 691	52 607	
Provisions and other liabilities	K1.1	36 369	15 658	
Current taxation liabilities		324		
Deferred taxation liabilities	B8.3	778		
Long-term employee benefit liabilities	H1.1	47		
Investment contract liabilities	D3	17 484		17 484
Insurance contract liabilities	D4	1 354		
Long-term debt instruments	D2	49 781		
Total liabilities		1 292 451	79 888	17 484
Total equity and liabilities		1 418 537	79 888	17 484

[1] Refer to note I4 in respect of financial instruments designated as FVTPL.

FVOCI			
Debt instruments Rm	Equity instruments Rm	Financial instruments at amortised cost Rm	Non-financial assets, liabilities and equity Rm
		55 146	
20 291		5 352	
		103 477	
62 753		838 117	
		9 546	2 030
			183
			395
118	815		
			182
			2 486
			554
			291
			14 131
			5 484
			12 652
83 162	815	1 011 638	38 388
			467
			14 351
			97 446
–	–	–	112 264
			103
			12 798
			921
–	–	–	126 086
		1 122 084	
		7 814	12 897
			324
			778
			47
			1 354
		49 781	
–	–	1 179 679	15 400
–	–	1 179 679	141 486

			At FVTPL	
	Notes	Total Rm	Mandatorily at fair value Rm	Designated[1] Rm
2023				
Assets				
Cash and cash equivalents	C6	52 082		
Other short-term securities	C4	87 769	60 550	696
Derivative financial instruments	C7	13 812	13 812	
Government and other securities	C3	170 717	81 630	539
Loans and advances	C1.1	891 619	38 707	8 166
Other assets	H3	35 575	24 652	
Current taxation assets		156		
Insurance contract assets	D4	378		
Investment securities	F1	27 287	26 371	20
Non-current assets held for sale	H2	493		
Investments in associate companies	F2	2 489		
Deferred taxation assets	B8.3	921		
Investment property		371		
Property and equipment	G1	10 913		
Long-term employee benefit assets	H1.1	4 849		
Intangible assets	G2	11 977		
Total assets		1 311 408	245 722	9 421
Equity and liabilities				
Ordinary share capital	B4.1	465		
Ordinary share premium		14 332		
Reserves[1]		92 952		
Total equity attributable to ordinary equity holders[1]		107 749	–	–
Holders of participating preference shares		106		
Holders of additional tier 1 capital instruments	B5	10 469		
Non-controlling interest attributable to ordinary shareholders		887		
Total equity[1]		119 211	–	–
Derivative financial instruments	C7	14 141	14 141	
Amounts owed to depositors	D1	1 087 645	45 676	
Provisions and other liabilities	K1.1	22 715	2 676	
Current taxation liabilities		313		
Deferred taxation liabilities	B8.3	507		
Long-term employee benefit liabilities	H1.1	43		
Investment contract liabilities	D3	17 512		17 512
Insurance contract liabilities	D4	1 544		
Long-term debt instruments	D2	47 777		
Total liabilities		1 192 197	62 493	17 512
Total equity and liabilities		1 311 408	62 493	17 512

[1]Refer to note I4 in respect of financial instruments designated as FVTPL.

FVOCI			
Debt instruments Rm	Equity instruments Rm	Financial instruments at amortised cost Rm	Non-financial assets, liabilities and equity Rm
		52 082	
25 136		1 387	
		88 548	
57 092		787 654	
		9 293	1 630
			156
			378
83	813		
			493
			2 489
			921
			371
			10 913
			4 849
			11 977
82 311	813	938 964	34 177
			465
			14 332
			92 952
–	–	–	107 749
			106
			10 469
			887
–	–	–	119 211
		1 041 969	
		8 318	11 721
			313
			507
			43
			1 544
		47 777	
–	–	1 098 064	14 128
–	–	1 098 064	133 339

I1.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CURRENT AND NON-CURRENT

During the year, the group reviewed its presentation of assets and liabilities. As a result of this review, the group has enhanced this disclosure by presenting the amount of assets and liabilities expected to be recovered or settled no more than twelve months after the reporting period (current), and more than twelve months after the reporting period (non-current).

	2024			2023		
	Total	Current	Non-current	Total	Current	Non-current
Cash and cash equivalents	55 146	55 146		52 082	52 082	
Other short-term securities	82 896	76 149	6 747	87 769	79 961	7 808
Derivative financial instruments	17 072	8 422	8 650	13 812	5 304	8 508
Government and other securities	198 522	4 460	194 062	170 717	3 421	167 296
Loans and advances	962 184	274 690	687 494	891 619	249 668	641 951
Other assets	38 187	38 187		35 575	35 575	
Current taxation assets	183	183		156	156	
Insurance contract assets	395	132	263	378	126	252
Investment securities	28 172		28 172	27 287		27 287
Non-current assets held for sale	182	182		493	493	
Investments in associate companies	2 486		2 486	2 489		2 489
Deferred taxation assets	554		554	921		921
Investment property	291		291	371		371
Property and equipment	14 131		14 131	10 913		10 913
Long-term employee benefit assets	5 484		5 484	4 849		4 849
Intangible assets	12 652		12 652	11 977		11 977
Total assets	1 418 537	457 551	960 986	1 311 408	426 786	884 622
Derivative financial instruments	11 623	6 820	4 803	14 141	5 931	8 210
Amounts owed to depositors	1 174 691	1 029 245	145 446	1 087 645	978 561	109 084
Provisions and other liabilities	36 369	32 343	4 027	22 715	18 879	3 836
Current taxation liabilities	324	324		313	313	
Deferred taxation liabilities	778		778	507		507
Long-term employee benefit liabilities	47		47	43		43
Investment contract liabilities	17 484	17 484		17 512	17 512	
Insurance contract liabilities	1 354	573	781	1 544	609	935
Long-term debt instruments	49 781	8 675	41 106	47 777	7 601	40 176
Total liabilities	1 292 451	1 095 464	196 988	1 192 197	1 029 406	162 791

I2 FAIR-VALUE MEASUREMENT – FINANCIAL INSTRUMENTS

I2.1 VALUATION OF FINANCIAL INSTRUMENTS

BACKGROUND

Information obtained from the valuation of financial instruments is used by the group to assess the performance of the business and, in particular, provide assurance that the risk and return measures that the business has taken are accurate and complete. It is important that the valuation of financial instruments accurately represents the financial position of the group while complying with the requirements of the applicable IFRS Accounting Standards.

The fair value of a financial instrument is the amount that would be received on selling the asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is a presumption 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.

CONTROL ENVIRONMENT

Validation and approval

The business unit entering into the transaction is responsible for the initial determination and recording of the fair value of the transaction. There are normalised review protocols for the independent review and validation of fair values separate from the business unit entering into the transaction. These include, but are not limited to:

- daily controls over the profit or loss recorded by trading and treasury front-office traders;
- specific controls to ensure consistent pricing policies and procedures are adhered to;
- independent valuation of structures, products and trades; and
- periodic review of all elements of the modelling process.

The validation of pricing and valuation methodologies is verified by a specialist team that is part of the group's risk management function and that is independent of all the business units. A specific area of focus is the marking to model of illiquid and/or complex financial instruments.

The review of the modelling process includes approval of model revisions, vetting of model inputs, review of model results and more specifically the verification of risk calculations. All valuation techniques are validated and reviewed by qualified senior employees and are calibrated and backtested for validity by using prices from any observable current market transaction in the same instrument (i.e. without modification or repackaging) or based on any observable market data. The group obtains market data consistently in the same market where the instrument was originated or purchased.

If the fair-value calculation deviates from the quoted market value due to inaccurate observed market data, these deviations in the valuation are documented and presented at a review committee, which is independent of both the business unit and the specialist team, for approval. The committee will need to consider both the regulatory and accounting requirements in arriving at an opinion on whether the deviation is acceptable.

The group refines and modifies its valuation techniques as markets and products develop and as the pricing for individual products becomes more or less readily available. While the group believes its valuation techniques are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions may result in different estimates of fair value at the different reporting dates.

Stress testing and sensitivity measures

For further discussion in respect of stress testing and sensitivity measures refer to note I2.7.

VALUATION METHODOLOGIES

The objective of a fair-value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. A fair-value measurement includes consideration of the following:

- The particular asset or liability that is being measured (consistently with its unit of account).
- The principal (or most advantageous) market for the asset or liability.
- The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair-value hierarchy within which the inputs are categorised.

Quoted price

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The appropriate quoted market price for an asset held or a liability to be issued is usually the current bid price and, for an asset to be acquired or a liability held, the asking price.

The objective of determining fair value is to arrive at the transaction price of an instrument on the measurement date (i.e. without modifying or repackaging the instrument) in the principal (or most advantageous) active market to which the business has immediate access.
The existence of published price quotations in an active market is the most reliable evidence of fair value and, when they exist, they are used without adjustment to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volume and frequency 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 prescribed by IFRS 13: Fair Value Measurement.

VALUATION TECHNIQUES

If the market for a financial instrument is not active, the group establishes fair value by using various valuation techniques. These valuation techniques may include:

- using recent arm's-length market transactions between knowledgeable, willing parties;
- reference to the current fair value of another instrument that is substantially the same in nature;
- reference to the value of the net asset of the underlying business;
- earnings multiples;
- discounted-cash-flow analysis; and
- various option pricing models**.**

If there is a valuation technique that is commonly used by market participants to price the financial instrument and that technique has been demonstrated to provide reasonable estimates of prices obtained in actual market transactions, the group will use that technique. In applying valuation techniques, and to the extent possible, the group maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's-length exchange and motivated by normal business considerations. In applying valuation techniques, the group uses estimates and assumptions that are consistent with available information about the estimates and assumptions that market participants would use in setting a price for the financial instrument.

Fair value is therefore estimated on the basis of the results of a valuation technique that makes use of market inputs and relies as little as possible on entity-specific inputs. A valuation technique would be expected to arrive at a realistic estimate of the fair value if:

- it reasonably reflects how the market could be expected to price the instrument; and
- the inputs to the valuation technique reasonably represent market expectations and measures of the risk–return factors inherent in the financial instrument.

Therefore, a valuation technique:

- will incorporate all relevant factors that market participants would consider in determining a price; and
- is consistent with accepted economic methodologies for pricing financial instruments.

If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value is determined on the basis of the relevant market prices for the various component parts.

If a rate (rather than a price) is quoted in an active market, the group uses that market-quoted rate as an input into a valuation technique to determine fair value. If the market-quoted rate does not include credit risk or other factors that market participants would include in valuing the instrument, the group adjusts for these factors.

Valuation techniques applied by the group would generally be classified as level 2 or level 3 in terms of the fair-value hierarchy prescribed by IFRS 13: Fair Value Measurement. 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.

OBSERVABLE MARKETS

Quoted market prices in active markets are the best evidence of fair value and are used as the basis of measurement, if available. A determination of what constitutes 'observable market data' will necessitate significant judgement. It is the group's belief that 'observable market data' comprises, in the following hierarchical order:

- prices or quotes from an exchange or listed markets in which there are sufficient liquidity and activity;
- proxy observable market data that is proven to be highly correlated and has a logical, economic relationship with the instrument that is being valued; and
- other direct and indirect market inputs that are observable in the marketplace.

Data is considered by the group to be observable if the data is:

- verifiable;
- readily available;
- regularly distributed;
- from multiple independent sources;
- transparent; and
- not proprietary.

Data is considered by the group to be market-based if the data is:

- reliable;
- based on consensus within reasonably narrow, observable ranges;
- provided by sources that are actively involved in the relevant market; and
- supported by actual market transactions.

It is not the intention to imply that all the above characteristics must be present to conclude that the evidence qualifies as observable market data. Judgement is applied based on the strength and quality of the available evidence.

INPUTS TO VALUATION TECHNIQUES

An appropriate valuation technique for estimating the fair value of a particular financial instrument would incorporate observable market data about the market conditions and other factors that are likely to affect the instrument's fair value. Inputs are selected on a basis that is consistent with the characteristics of the instrument that market participants would take into account in a transaction for that instrument. Principal inputs to valuation techniques applied by the group include the following:

- Discount rate – Where discounted-cash-flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the reporting date for an instrument with similar terms and conditions.
- The time value of money – The business may use well-accepted and readily observable general interest rates, such as the Johannesburg Interbank Agreed Rate (SA), London Interbank Offered Rate (UK) or an appropriate swap rate, as the benchmark rate to derive the present value of future cash flow.
- Credit risk – Credit risk is the risk of loss associated with a counterparty's failure or inability to fulfil its contractual obligations. The valuation of the relevant financial instrument takes into account the effect of credit risk on fair value by including an appropriate adjustment for the risk taken.
- Foreign currency exchange prices – Active currency exchange markets exist for most major currencies, and prices are quoted daily on various trading platforms and in financial publications.
- Commodity prices – Observable market prices are available for those commodities that are actively traded on exchanges in Johannesburg, London, New York, Chicago and other commercial exchanges.
- Equity prices – Prices (and indices of prices) of traded equity instruments are readily observable on JSE Limited or any other recognised international exchange. Present-value techniques may be used to estimate the current market price of equity instruments for which there are no observable prices.
- Volatility – Measures of the volatility of actively traded items can be reasonably estimated by the implied volatility in current market prices. The shape and skew of the volatility curve are derived from a combination of observed trades and doubles in the market. In the absence of an active market, a methodology to derive these volatilities from observable market data will be developed and used.
- Recovery rates/LGD – These are used as an input to valuation models as an indicator of the severity of losses on default. Recovery rates are primarily sourced from market data providers or inferred from observable credit spreads.
- Prepayment risk and surrender risk – Expected repayment patterns for financial assets and expected surrender patterns for financial liabilities can be estimated on the basis of historical data.
- Servicing costs – If the cost of servicing a financial asset or financial liability is significant and other market participants would face comparable costs, the issuer would consider them in determining the fair value of that financial asset or financial liability.
- Dividends – Consistent consensus dividend forecasts adjusted for internal investment analysts' projections can be applied to each share. Forecasts are usually available for the current year plus 1 additional year. Thereafter, a constant growth rate would be applied to the specific dates into the future for each individual share.
- Inception profit (day 1 gain or loss) – The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique, the variables of which include data from observable markets only.

VALUATION ADJUSTMENTS

To estimate a reliable fair value, where appropriate, the group applies certain valuation adjustments to the pricing information derived from the above sources. In making appropriate adjustments, the group considers certain adjustments to the modelled price that market participants would make when pricing that instrument. Factors that would be considered include, but are not limited to, the following:

- Own credit on financial liabilities – The carrying amount of financial liabilities held at fair value is adjusted to reflect the effect of changes in the group's own credit spreads. As a result, the carrying value of issued bonds and subordinated-debt instruments that have been designated as FVTPL is adjusted by reference to the movement in the appropriate spreads. The effect of changes relating to the group's own credit risk is recognised OCI and the remaining gain or loss is recognised in profit or loss in the consolidated statement of comprehensive income.
- Counterparty credit spreads – Adjustments are made to market prices when the creditworthiness of the counterparty differs from that of the assumed counterparty in the market price (or parameter).

VALUATION TECHNIQUES BY INSTRUMENT

Other short-term securities and government and other securities

The fair value of these instruments is based on quoted market prices from an exchange dealer, broker, industry group or pricing service, when available. When they are unavailable, the fair value is determined by reference to quoted market prices for similar instruments, adjusted, as appropriate, for the specific circumstances of the instruments.

Where these instruments include corporate bonds, the bonds are valued using observable active quoted prices or recently executed transactions, except where observable price quotations are not available. Where price quotations are not available, the fair value is determined based on cash flow models, where significant inputs may include yield curves and bond or single-name credit default swap spreads.

Derivative financial instruments

Derivative contracts can be traded either through an exchange or over the counter and are valued using market-standard models and quoted parameter inputs. Parameter inputs are obtained from pricing services, consensus pricing services and recently occurring transactions in active markets, whenever possible. Certain inputs may not be observable in the market directly, but can be determined from observable prices through model calibration procedures. Other inputs are not observable, but can generally be estimated from historical data or other sources.

Loans and advances

Loans and advances include mortgage loans (home loans and commercial mortgages), other asset-based loans, including collateralised debt obligations, and other secured and unsecured loans.

In the absence of an observable market for these instruments, the fair value is determined by using internally developed models that are specific to the instrument and that incorporate all available observable inputs. These models involve discounting the contractual cash flows by using an at-inception, credit-adjusted zero-coupon curve. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance.

Investment securities

Investment securities are debt and equity instruments managed on a fair-value basis and these include private-equity investments, listed investments, and unlisted investments.

The fair value of listed investments is determined with reference to quoted bid prices at the close of business on the relevant securities exchange.

Where private-equity investments are involved, the exercise of judgement is required due to uncertainties inherent in estimating the fair value. The fair value of private equity is determined using appropriate valuation methodologies that, depending on the nature of the investment, may include an analysis of the investee's financial position and results, risk profiles and prospects, discounted-cash-flow analysis, enterprise value comparisons with similar companies, price/earnings comparisons and earnings multiples. For each investment, the relevant methodology is applied consistently over time and may be adjusted for changes in market conditions relative to that instrument.

The fair value of unlisted investments is determined using appropriate valuation techniques that may include, but are not limited to, discounted-cash-flow analysis, net-asset-value calculations and directors' valuations.

Other assets

Short positions or long positions in equities arise in trading activities where equity shares not owned by the group are sold in the market to third parties. The fair value of these instruments is determined by reference to the gross short or long position valued at the offer rate.

Investments in instruments that do not have a quoted market price in an active market and the fair value of which cannot be reliably measured, as well as derivatives that are linked to and have to be settled by delivery of such unquoted equity instruments, are measured at fair value using models considered to be appropriate by management.

Amounts owed to depositors

Amounts owed to depositors include deposits under repurchase agreements, negotiable certificates of deposit and other deposits. These instruments incorporate all market risk factors, including a measure of the group's credit risk relevant for that financial liability when designated as FVTPL.

The fair value of these financial liabilities is determined by discounting the contractual cash flows using a Nedbank Group Limited-specific credit-adjusted yield curve that reflects the level at which the group would issue similar instruments at the reporting date. The market risk parameters are valued consistently to similar instruments held as assets.

The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. When the fair value of a financial liability cannot be reliably determined, the liability is recorded at the amount due. Fair value is considered reliably measurable if:

- the variability in the range of reasonable fair-value estimates is not significant for that instrument; or
- the probabilities of the various estimates within the range can be reasonably assessed and used in estimating fair value.

Investment contract liabilities

The fair value of investment contract liabilities is determined by reference to the fair value of the underlying assets.

Long-term debt instruments

The fair value of long-term debt instruments is determined by reference to published market values on the relevant exchange, when they are:

- available; and
- considered to be trading with sufficient volume and frequency.

When the above conditions are not met, the fair value is determined using models considered to be appropriate by management. As far as possible, inputs to these models will leverage observable inputs for similar instruments with similar coupons and maturities.

Complex instruments

These instruments are valued by using internally developed models that are specific to the instrument and that have been calibrated to market prices. In less active markets data are obtained from less-frequent market transactions and broker quotes, and through extrapolation and interpolation techniques. Where observable prices or inputs are not available, other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions are used. These models are reviewed and assessed continually to ensure that the best available data is being used in the determination of fair value.

Other liabilities

Short positions or long positions in equities arise in trading activities where equity shares, not owned by the group, are sold in the market to third parties. The fair value of these instruments is determined by reference to the gross short or long position valued at the offer rate.

Where the group has assets and liabilities with offsetting market risks, it may use middle-market prices as a basis for establishing fair values for the offsetting of risk positions and apply the bid or asking price to the net open position, as appropriate.

SUMMARY OF PRINCIPAL VALUATION TECHNIQUES – LEVEL 2 INSTRUMENTS

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

	VALUATION TECHNIQUE	KEY INPUTS
Assets		
Other short-term securities	Discounted-cash-flow model	Discount rates
Derivative financial instruments	Discounted-cash-flow model	Discount rates
	Black–Scholes Valuation Model	Risk-free rates and volatilities
	Multiple valuation techniques	Valuation multiples
Government and other securities	Discounted-cash-flow model	Discount rates
Loans and advances	Discounted-cash-flow model	Interest rate curves
Investment securities	Discounted-cash-flow 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-cash-flow model	Discount rates
	Black–Scholes Valuation Model	Risk-free rates and volatilities
	Multiple valuation techniques	Valuation multiples
Amounts owed to depositors	Discounted-cash-flow model	Discount rates
Provisions and other liabilities	Discounted-cash-flow model	Discount rates
Investment contract liabilities	Adjusted net asset value	Underlying price of market-traded instruments

SUMMARY OF PRINCIPAL VALUATION TECHNIQUES – LEVEL 3 INSTRUMENTS

The summary of the valuation techniques applicable to those financial assets and financial liabilities classified as level 3 in the fair-value hierarchy is set out in note I2.7.

I2.2 FAIR-VALUE HIERARCHY

I2.2.1 Financial assets

					At FVTPL		
		Total financial assets	Total financial assets recognised at amortised cost	Total financial assets recognised at fair value	Mandatorily at fair value		
Rm	**Note**				**Level 1**	**Level 2**	**Level 3**
2024		**1 380 149**	**1 011 638**	**368 511**	**126 324**	**137 759**	**10 237**
Cash and cash equivalents	C6	55 146	55 146	–			
Other short-term securities	C4	82 896	5 352	77 544	2 517	54 093	
Derivative financial instruments	C7	17 072		17 072	14	17 034	24
Government and other securities	C3	198 522	103 477	95 045	89 693	4 711	
Loans and advances	C1.1	962 184	838 117	124 067	352	49 830	2 231
Other assets	H3	36 157	9 546	26 611	26 611		
Investment securities	F1	28 172		28 172	7 137	12 091	7 982

					At FVTPL		
		Total financial assets	Total financial assets recognised at amortised cost	Total financial assets recognised at fair value	Mandatorily at fair value		
Rm	Note				Level 1 (Restated)	Level 2 (Restated)	Level 3
2023		1 277 231	938 964	338 267	111 761	126 437	7 524
Cash and cash equivalents	C6	52 082	52 082	–			
Other short-term securities[1]	C4	87 769	1 387	86 382	2 263	58 287	
Derivative financial instruments	C7	13 812		13 812	69	13 723	20
Government and other securities	C3	170 717	88 548	82 169	78 286	3 320	24
Loans and advances	C1.1	891 619	787 654	103 965	287	38 420	
Other assets	H3	33 945	9 293	24 652	24 652		
Investment securities	F1	27 287		27 287	6 204	12 687	7 480

[1] *During 2024 the group identified that certain prior-year 'Other short-term securities' amounting to R10,5bn were incorrectly disclosed in the 'At FVTPL mandatorily at value – Level 1' column instead of the 'At FVTPL mandatorily at value – Level 2' column. As a result, the prior-year information has been restated. This restatement has no impact on the 'Other short-term securities' balance.*

At FVTPL			At FVOCI					
Designated			Debt instruments			Equity instruments		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
–	**10 185**	**29**	**–**	**83 162**	**–**	**9**	**505**	**301**
	643			**20 291**				
	641							
	8 901			**62 753**				
		29		**118**		**9**	**505**	**301**

At FVTPL			At FVOCI					
Designated			Debt instruments			Equity instruments		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
–	9 401	20	–	82 311	–	7	505	301
	696			25 136				
	539							
	8 166			57 092				
		20		83		7	505	301

I2.2.1 Financial assets

Summary of fair-value hierarchies

Rm	Total financial assets recognised at fair value 2024	2023	Total financial assets classified as level 1 2024	2023
Other short-term securities	**77 544**	86 382	**2 517**	2 263
Derivative financial instruments	**17 072**	13 812	**14**	69
Government and other securities	**95 045**	82 169	**89 693**	78 286
Loans and advances	**124 067**	103 965	**352**	287
Other assets	**26 611**	24 652	**26 611**	24 652
Investment securities	**28 172**	27 287	**7 146**	6 211
	368 511	338 267	**126 333**	111 768

Reconciliation to categorised statement of financial position

Rm	Mandatorily at fair value 2024	2023	Designated as FVTPL 2024	2023
Level 1	**126 324**	111 761		
Level 2	**137 759**	126 437	**10 185**	9 401
Level 3	**10 237**	7 524	**29**	20
	274 320	245 722	**10 214**	9 421

Reconciliation to statement of financial position

Rm	Note	2024	2023
Total financial assets	I1	**1 380 149**	1 277 231
Total non-financial assets	I1	**38 388**	34 177
Total assets		**1 418 537**	1 311 408

I2.2.2 Financial liabilities

Rm	Note	Total financial liabilities	Total financial liabilities recognised at amortised cost	Total financial liabilities recognised at fair value
2024		**1 277 051**	**1 179 679**	**97 372**
Derivative financial instruments	C7	**11 623**		**11 623**
Amounts owed to depositors	D1	**1 174 691**	**1 122 084**	**52 607**
Provisions and other liabilities	K1.1	**23 472**	**7 814**	**15 658**
Investment contract liabilities	D3/D4	**17 484**		**17 484**
Long-term debt instruments	D2	**49 781**	**49 781**	

	Total financial assets classified as level 2		Total financial assets classified as level 3	
	2024	2023	**2024**	2023
	75 027	84 119		
	17 034	13 723	**24**	20
	5 352	3 859		24
	121 484	103 678	**2 231**	
	12 714	13 275	**8 312**	7 801
	231 611	218 654	**10 567**	7 845

	FVOCI: Debt instruments		FVOCI: Equity instruments	
	2024	2023	**2024**	2023
			9	7
	83 162	82 311	**505**	505
			301	301
	83 162	82 311	**815**	813

	At FVTPL					
	Mandatorily at fair value			Designated		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	15 667	**58 578**	**5 643**	**–**	**17 484**	**–**
	9	**11 614**				
		46 964	**5 643**			
	15 658					
					17 484	

Rm	Note	Total financial liabilities	Total financial liabilities recognised at amortised cost	Total financial liabilities recognised at fair value
2023		1 178 069	1 098 064	80 005
Derivative financial instruments	C7	14 141		14 141
Amounts owed to depositors	D1	1 087 645	1 041 969	45 676
Provisions and other liabilities	K1.1	10 994	8 318	2 676
Investment contract liabilities	D3/D4	17 512		17 512
Long-term debt instruments	D2	47 777	47 777	

Summary of fair-value hierarchies

Rm	Total financial liabilities recognised at fair value		Total financial liabilities classified as level 1	
	2024	2023	**2024**	2023
Derivative financial instruments	**11 623**	14 141	**9**	29
Amounts owed to depositors	**52 607**	45 676		
Provisions and other liabilities	**15 658**	2 676	**15 658**	2 676
Investment contract liabilities	**17 484**	17 512		
	97 372	80 005	**15 667**	2 705

Reconciliation to categorised statement of financial position

Rm	Mandatorily at fair value		Designated as FVTPL	
	2024	2023	**2024**	2023
Level 1	**15 667**	2 705		
Level 2	**58 578**	59 788	**17 484**	17 512
Level 3	**5 643**			
	79 888	62 493	**17 484**	17 512

Reconciliation to statement of financial position

Rm	Note	**2024**	2023
Total financial liabilities	I1	**1 277 051**	1 178 069
Total equity and non-financial liabilities	I1	**141 486**	133 339
Total equity and liabilities		**1 418 537**	1 311 408

The tables presented above analyse the financial assets and financial liabilities that are measured at fair value by level of fair-value hierarchy as required by IFRS 13: Fair Value Measurement. The levels of the hierarchy are defined 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 using market data that is either directly or indirectly observable. Various factors influence the availability of observable data and these may vary from product to product and change over time. Factors include, for example, 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 that include significant inputs that are unobservable. 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, dependent on the significance of the unobservable inputs to the overall valuation. Unobservable inputs are determined based on the best information available and may include reference to similar instruments, similar maturities, appropriate proxies or other analytical techniques.

At FVTPL					
Mandatorily at fair value			Designated		
Level 1	Level 2	Level 3	Level 1	Level 2[1]	Level 3
2 705	59 788	–	–	17 512	–
29	14 112				
	45 676				
2 676					
				17 512	

Total financial liabilities classified as level 2		Total financial liabilities classified as level 3	
2024	2023	**2024**	2023
11 614	14 112		
46 964	45 676	**5 643**	
17 484	17 512		
76 062	77 300	**5 643**	–

I2.3 DETAILS OF CHANGES IN VALUATION TECHNIQUES

There have been no material changes to valuation techniques

I2.4 TRANSFERS BETWEEN LEVELS OF THE FAIR-VALUE HIERARCHY

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

I2.5 LEVEL 3 RECONCILIATION

Financial assets

Rm	Opening balance at 1 January	Gains in non-interest revenue and income in profit for the year
2024		
At FVTPL	**7 544**	**1 197**
Derivative financial instruments assets	**20**	**4**
Government and other securities	**24**	**13**
Loans and advances		**216**
Investment securities[1]	**7 500**	**964**
At FVOCI – Equity instruments	**301**	**–**
Investment securities	**301**	
Total financial assets classified as level 3	**7 845**	**1 197**

[1] *The inputs used in the fair value measurement became unobservable during the year hence the transfer to level 3.*

Rm	Opening balance at 1 January	Gains/ (Losses) in non-interest revenue and income in profit for the year
2023		
At FVTPL	6 866	816
Derivative financial instruments assets		20
Government and other securities	35	3
Investment securities	6 831	793
At FVOCI – Equity instruments	326	–
Investment securities	326	
Total financial assets classified as level 3	7 192	816

Financial liabilities

Rm	Opening balance at 1 January	Losses in non-interest revenue in profit for the year
2024		
At FVTPL	**–**	**198**
Amounts owed to depositors		**198**
Total financial liabilities classified as level 3	**–**	**198**

Gains relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the year	Purchases	Issues	Sales	Settlements	Transfers from level 2[1] Rm	Closing balance at 31 December
–	3 902	–	(1 967)	(422)	12	10 266
						24
				(37)		–
	2 040		(25)			2 231
	1 862		(1 942)	(385)	12	8 011
–	–	–	–	–	–	301
						301
–	3 902	–	(1 967)	(422)	12	10 567

Losses relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the year	Purchases	Issues	Sales	Settlements	Closing balance at 31 December
–	722	656	(558)	(958)	7 544
					20
				(14)	24
	722	656	(558)	(944)	7 500
(25)	–	–	–	–	301
(25)					301
(25)	722	656	(558)	(958)	7 845

Losses relating to investments in equity instruments at FVOCI and debt instruments at FVOCI in OCI for the year	Purchases	Issues	Sales	Settlements	Transfers from level 2	Closing balance at 30 June
–	–	5 445	–	–	–	5 643
		5 445				5 643
–	–	5 445	–	–	–	5 643

I2.6 UNREALISED GAINS

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

	2024	2023
Equity investment income	**1 395**	816
	1 395	816

I2.7 EFFECT OF CHANGES IN SIGNIFICANT UNOBSERVABLE ASSUMPTIONS

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

Loan and advances are classified as level 3 due to unobservable inputs that are sensitive to changes in rental cash flows However, the reasonably possible changes in the unobservable inputs do not have a material impact on the fair value.

Financial liabilities are classified as level 3 due to unobservable inputs that are sensitive to changes in the long-term secured non-ZAR funding spreads. However, the reasonably possible changes in the unobservable inputs do not have a material impact on the fair value.

The group discloses level 3 fair-value instruments as follows:
- Material level 3 fair-value instruments are disaggregated into the relevant industries.
- The quantum of the significant unobservable inputs applied is disclosed.
- The valuation techniques, with descriptions of their nature, for each material level 3 fair-value instrument is disclosed.

The following table shows the effect of changes in unobservable input parameters to reasonable possible alternative assumptions that significantly impact the fair value.

Financial assets 2024	Valuation technique	Significant unobservable inputs
Investment securities – Industry		
Transportation	**Earnings before interest, taxation, depreciation and amortisation (EBITDA)**	**EBITDA (Rm)**
Asset management	**EBITDA**	**EBITDA (Rm)**
		EBITDA multiple
Telecommunications and technology	**Net asset value**	**Net asset value (Rm)**
		Marketability/liquidity discount
Financial Services	**Discounted cash flow**	**EBITDA margin**
	Price-to-earnings and price-to-book multiple	**Size discount**
		Marketability/liquidity discount
Speciality chemicals	**EBITDA**	**EBITDA (Rm)**
		EBITDA multiple

Financial assets 2023	Valuation technique	Significant unobservable inputs
Investment securities - Industry		
Retail/ Consumer products and services/ Fast moving consumer goods	EBITDA	EBITDA (Rm)
Telecommunications and technology	Net asset value	Net asset value (Rm)
		Marketability/Liquidity discount
Health tech	Revenue/EBITDA multiple	EBITDA multiple
Speciality chemicals	EBITDA	EBITDA (Rm)
		EBITDA multiple
Technology	Forecast revenue	Forecast revenue
	Revenue multiple	Revenue multiple
	Forecast EBITDA	Forecast EBITDA
	EBITDA multiple	EBITDA multiple
Transportation	Net asset value	Marketability/Liquidity discount

Actual significant unobservable inputs applied	Reasonable possible percentage change in significant unobservable inputs	Impact of the change in unobservable inputs on fair value
	%	Rm
R3bn	**5**	**9**
R276m	**(6)**	**(15)**
8 times	**(7)**	**(12)**
R423m	**25**	**5**
25%	**(5)**	**1**
Between 0% and 50%	**Between 3 and 25**	**Between (6) and (0,4)**
30%	**(30)**	**180**
15%	**(25)**	**159**
15%	**(25)**	**159**
R53m	**(25)**	**Between (24) and (8)**
4 times	**7**	**7**

Actual significant unobservable inputs applied	Reasonable possible percentage change in significant unobservable inputs	Impact of the change in unobservable inputs on fair value
	%	Rm
R389m	(13)	(98)
R690m	(53)	(14)
25%	(10)	4
15 times	Between (14) and 14	Between (4) and 4
R78m	(17)	(25)
4 times	(13)	(19)
R189m	(10)	(14)
3 times	(17)	(14)
R50m	(10)	(14)
14 times	(14)	(14)
46%	(7)	10

VALUATION TECHNIQUE

Valuation technique	Description
EBITDA	A valuation technique that measures fair value using earnings before interest, tax, depreciation and amortisation. This method approximates cash flows generated.
Discounted-cash-flow model	A valuation technique that discounts future expected cash flows of a financial instrument. The discount rate is determined using a rate that is adjusted to reflect macroeconomic factors relating to the financial instrument.
Net asset value (NAV)	Estimates the equity value of an entity. The equity value represents the net assets and liabilities.
Revenue multiple	A valuation method that measures the fair value of a financial asset relative to the amount of revenue it generates.
Price-to-earnings and price-to-book multiple	Used for comparison of an entity's share price and earnings generated from that instrument. The higher the ratio, the higher the fair-value multiple. The price-to-book ratio compares the share price of a company to its book value. Both ratios are used as an average to track the movement of an entity in order to determine whether they should be sold or continue to be held for investment purposes.

I3 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 Accounting Standards disclosure:

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
2024					
Financial assets	**941 594**	**942 141**	**102 629**	**16 507**	**823 005**
Government and other securities	**103 477**	**104 791**	**102 629**		**2 162**
Loans and advances	**838 117**	**837 350**		**16 507**	**820 843**
Financial liabilities	**49 781**	**50 745**	**26 185**	**24 560**	**–**
Long-term debt instruments	**49 781**	**50 745**	**26 185**	**24 560**	
2023					
Financial assets[1]	876 202	872 910	85 437	14 717	772 756
Government and other securities	88 548	86 874	85 437		1 437
Loans and advances	787 654	786 036		14 717	771 319
Financial liabilities	47 777	48 720	26 481	22 239	–
Long-term debt instruments	47 777	48 720	26 481	22 239	

[1] During the year, the group reviewed the disclosure of assets and liabilities not measured at fair value for which a fair value is disclosed. As a result of the review, the 'Other short-term securities' line item has been removed from the financial assets subtotal as the carrying value is considered a reasonable approximation of fair value due to its short-term nature. For comparability, this presentation has been applied to the prior and current years.

Loans and advances

Loans and advances, recognised in note C1.1, 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 traded actively 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.

The group has determined the fair value of the gross exposures for loans and advances measured at amortised cost, which resulted in these assets' fair value being 0,10% lower (2023: 0,21% lower) than the carrying value.

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

The group has developed a methodology and model to determine the fair value of the gross exposures for the performing loans and advances measured at amortised cost. This model incorporates the use of average interest rates and projected monthly cash flows per product type. Future cash flows 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 2025 to 2027 (2023: for periods 2024 to 2026) are based on the latest available internal data and are applied to the projected cash flows of the first 3 years. Thereafter, PDs and LGDs are gradually reverted to their long-run averages and are applied to the remaining projected cash flows. 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 1 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 0,91% higher and 1,09% lower (2023: between 0,79% higher and 1,21% lower) than the carrying value.

The fair value of corporate bonds is based on the discounted-cash-flow methodology (level 2).

Government and other securities

The fair value of high-quality South African government bonds listed in an active market is based on the available market prices (level 1, and those that use significant unobservable inputs – level 3). The discounted-cash-flow methodology principles (level 3) are the same as those used to determine the fair value of loans and advances. See note C3 for further details.

Long-term debt instruments

The fair value of long-term debt instruments is based on available market prices (level 1) or, where prices are not quoted or where the market is considered to be inactive, is based on the discounted-cash-flow analysis (level 2). The discounted-cash-flow methodology principles are the same as those used to determine the fair value of loans and advances.

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 is short-term in nature.

Cash and cash equivalents, other assets, mandatory deposits with central banks, other short-term securities, and provisions and other liabilities

The carrying values of cash and cash equivalents, other assets, mandatory deposits with central banks, other short-term securities 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.

I4 FINANCIAL INSTRUMENTS DESIGNATED AS FAIR VALUE THROUGH PROFIT OR LOSS

The group has satisfied the criteria for designation of financial instruments as FVTPL in terms of the accounting policies.

Various fixed-rate advances and liabilities are entered into by the group. The overall interest rate risk of the group is economically hedged by way of interest rate swaps and managed by Group ALCO. The interest rate risk is then traded to the market through the central trading desk.

The swaps and front-desk trading instruments meet the definition of 'derivatives', and are measured at fair value in terms of IFRS 9. Fixed-rate advances and liabilities, however, do not meet this definition. Therefore, to avoid any accounting mismatch of holding the advances at amortised cost and the hedging instruments at fair value, the advances and liabilities are designated as FVTPL and are held at fair value.

Various instruments are designated as FVTPL, which is consistent with the group's documented risk management or investment strategy. The fair value of the instruments is managed and reviewed regularly by the risk/investment functions of the group. The risk of the portfolio is measured and monitored on a fair-value basis.

I4.1 Financial assets designated as FVTPL

	Maximum exposure to credit risk	
Rm	**2024**	2023
Government-guaranteed	**641**	539
Treasury bills	**643**	696
Mortgage loans	**1 770**	1 610
Loans and advances (secured and unsecured)	**7 131**	6 556
Unlisted investments	**29**	20
	10 214	9 421

Nedbank Group has estimated the change in credit risk as being the amount arising from the change in fair value of the financial instrument that is not attributable to changes in market conditions that give rise to market risk. Individual credit spreads for loans or receivables that have been designated as FVTPL are determined at the inception of the deal. The credit spread is calculated as the difference between the benchmark interest rate and the interest rate the client is charged. Subsequent changes in the benchmark interest rate and the credit spread give rise to changes in fair value in the financial instrument. Loans and advances are reviewed for observable changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. No credit derivatives are used to hedge the credit risk on any of the financial assets designated as FVTPL.

A breakdown of the financial assets that are designated as FVTPL can be found in note I1. A detailed explanation of how each financial asset is valued can be found in note I2.1.

I4.2 Financial liabilities designated as FVTPL

2024

Financial liabilities required to present the effects of change in credit risk in OCI:

Rm	Fair value	Financial liabilities where change in credit risk is recognised in OCI – Current period	Cumulative	Amount of cumulative gains/(losses) transferred within equity
Investment contract liabilities[1]	**17 484**			
	17 484	**–**	**–**	**–**

2023

Rm	Fair value	Financial liabilities where change in credit risk is recognised in OCI – Current period	Cumulative	Amount of cumulative gains/(losses) transferred within equity
Investment contract liabilities[1]	17 512			
	17 512	–	–	–

¹ The value of investment contract liabilities changes according to changes in the value of the unit-linked assets. Unit-linking asset features contain specific asset performance risk rather than credit risk.

I5 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

ACCOUNTING POLICY

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when the group has a legally enforceable right to set off the financial asset and financial liability and the group has an intention of settling the asset and liability on a net basis or realising the asset and settling the liability simultaneously. Income and expense items are offset only to the extent that their related instruments have been offset in the statement of financial position.

In accordance with the requirements of IFRS 7: Instruments – Disclosures, the table below sets out the impact of:

- recognised financial instruments that are set off in the statement of financial position in accordance with the requirements of IAS 32: Financial Instruments – Presentation; and
- financial instruments that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions that did not qualify for presentation on a net basis.

The group reports financial assets and financial liabilities on a net basis in the statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Certain master netting arrangements may not meet the criteria for offsetting in the statement of financial position because:

- these agreements create a right of set-off that is enforceable only following an event of default, insolvency or bankruptcy; and
- the group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Master netting arrangements and similar agreements include derivative clearing agreements, global master repurchase agreements and global master securities lending agreements. These create a right to offset in the event of default, insolvency or bankruptcy.

Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Only loans and deposits that are offset in the statement of financial position are included in the table below. These consist largely of cash management accounts where the right to offset outstanding balances is created by agreements between the company and the client.

2024

	Effects of netting on the statement of financial position			Related amounts not offset in the statement of financial position			
Rm	**Gross amounts**	**Amounts offset in the statement of financial position in accordance with IAS 32**	**Net amounts included in the statement of financial position[1]**	**Amounts that may be netted off on the occurrence of a future event**	**Net amounts reflecting the effect of master netting arrangements**	**Amounts not subject to IFRS 7 offsetting disclosure[2]**	**Total amounts recognised in the statement of financial position**
Financial assets							
Derivative financial assets	44 864	(29 875)	14 989	(6 140)	8 849	2 083	17 072
Loans and advances	82 989	(77 467)	5 522		5 522	956 662	962 184
Cash and cash equivalents	3 050	(2 418)	632		632	54 514	55 146
Total financial assets	**130 903**	**(109 760)**	**21 143**	**(6 140)**	**15 003**	**1 013 259**	**1 034 402**
Financial liabilities							
Derivative financial liabilities	(42 592)	32 192	(10 400)	6 140	(4 260)	(1 223)	(11 623)
Amounts owed to depositors	(104 358)	77 569	(26 789)		(26 789)	(1 147 902)	(1 174 691)
Total financial liabilities	**(146 950)**	**109 761**	**(37 189)**	**6 140**	**(31 049)**	**(1 149 125)**	**(1 186 314)**

[1] *Includes the net amount of financial assets and financial liabilities where offsetting has been applied in terms of IAS 32 and financial instruments that are subject to master netting agreements, but where no offsetting has been applied. Excludes financial instruments that are subject neither to set-off nor to master netting agreements.*

[2] *Includes financial instruments that are subject neither to set-off nor to master netting agreements.*

2023

Rm	Effects of netting on the statement of financial position			Related amounts not offset in the statement of financial position			
	Gross amounts	Amounts offset in the statement of financial position in accordance with IAS 32	Net amounts included in the statement of financial position[1]	Amounts that may be netted off on the occurrence of a future event	Net amounts reflecting the effect of master netting arrangements	Amounts not subject to IFRS 7 offsetting disclosure[2]	Total amounts recognised in the statement of financial position
Financial assets							
Derivative financial assets	50 906	(37 976)	12 930	(7 052)	5 878	882	13 812
Loans and advances	65 859	(60 132)	5 727		5 727	885 892	891 619
Cash and cash equivalents	3 316	(1 961)	1 355		1 355	50 727	52 082
Total financial assets	120 081	(100 069)	20 012	(7 052)	12 960	937 501	957 513
Financial liabilities							
Derivative financial liabilities	(48 443)	35 269	(13 174)	7 052	(6 122)	(967)	(14 141)
Amounts owed to depositors	(88 443)	64 800	(23 643)		(23 643)	(1 064 002)	(1 087 645)
Total financial liabilities	(136 886)	100 069	(36 817)	7 052	(29 765)	(1 064 969)	(1 101 786)

[1] *Includes the net amount of financial assets and financial liabilities where offsetting has been applied in terms of IAS 32 and financial instruments that are subject to master netting agreements, but where no offsetting has been applied. Excludes financial instruments that are subject neither to set-off nor to master netting agreements.*

[2] *Includes financial instruments that are subject neither to set-off nor to master netting agreements.*

I6 COLLATERAL

ACCOUNTING POLICY

Financial and non-financial assets are held as collateral in respect of recognised financial assets. Such collateral, except cash collateral, is not recognised by the group, as the group does not retain the risks and rewards of ownership, and is obliged to return such collateral to counterparties on settlement of the related obligations. Should a counterparty be unable to settle its obligations, the group takes possession of collateral or calls on other credit enhancements as full or part settlement of such amounts. These assets are recognised when the applicable recognition criteria under IFRS Accounting Standards are met, and the group's accounting policies are applied from the date of recognition.

Cash collateral is recognised when the group receives the cash and it is reported as amounts owed to depositors. Collateral is also given to counterparties under certain financial arrangements, but such assets are not derecognised where the group retains the risks and rewards of ownership. Such assets are at risk to the extent that the group is unable to fulfil its obligations to counterparties.

I6.1 COLLATERAL PLEDGED

The group has pledged government and other securities (note C3) and negotiable certificates of deposit (note C4) amounting to R19 855m (2023: R14 924m) as collateral for deposits received under repurchase agreements, of which R18 834m (2023: R13 120m) relates to sell- or buybacks. These amounts represent assets that have been transferred but that do not qualify for derecognition under IFRS 9. The associated liabilities of R18 834m (2023: R13 619m), of which Rnil (2023: Rnil) relates to sell- or buybacks, are disclosed in note D1.

These transactions are entered into under terms and conditions that are standard industry practice in securities borrowing and lending activities.

I6.2 COLLATERAL HELD TO MITIGATE CREDIT RISK

Credit risk mitigation refers to the actions that can be taken by the group to manage its exposure with credit risk so as to align such exposure with its risk appetite. This action can be proactive or reactive and the level of mitigation that a bank desires may be influenced by external factors such as the economic cycle or internal factors such as a change in risk appetite.

References to credit risk mitigation normally focus on the taking of collateral as well as the management of such collateral. While collateral is an essential component of credit risk mitigation, there are a number of other methods used for mitigating credit risk. The group's credit risk policy acknowledges the role to be played by credit risk mitigation in the management of credit risk, but emphasises that collateral on its own is not necessarily a justification for lending. The primary consideration for any lending opportunity should rather be the borrower's financial position and ability to repay the facility from its own resources and cash flow.

The group generally segregates collateral received into the following 2 classes:

Financial collateral

The group takes financial collateral to support credit exposures in the trading book. This includes cash and debt securities in respect of derivative transactions.

These transactions are entered into under terms and conditions that are standard industry practice in securities borrowing and lending activities.

Non-financial collateral

In secured financial transactions, the group takes other physical collateral to recover outstanding exposure in the event of the borrower being unable or unwilling to fulfil its obligations. This includes mortgages over property (both residential and commercial), liens over business assets (including plant, vehicles, aircraft, inventories, trade debtors and financial securities that have a tradable market, such as shares and other securities) and guarantees from parties other than the borrower.

Should a counterparty be unable to settle its obligations, the group takes possession of collateral as full or part settlement of such amounts. In general, the group seeks to dispose of such property and other assets that are not readily convertible into cash as soon as the market for the relevant asset permits.

The group monitors the concentration levels of collateral to ensure that it is adequately diversified. In particular, the following collateral types are common in the marketplace:

- **Retail portfolio**
  - Mortgage lending that is secured by mortgage bonds over residential property.
  - Instalment credit transactions that are secured by the assets financed.
  - Overdrafts that are either unsecured or secured by guarantees, suretyships or pledged securities.

- **Wholesale portfolio**
  - Commercial properties that are supported by the property financed and a cession of the leases.
  - Instalment credit type of transactions that are secured by the assets financed.
  - Working capital facilities when secured, usually by either a claim on specific assets (fixed assets, inventories or trade debtors) or other collateral, such as guarantees.
  - Term and structured lending, which usually relies on guarantees or credit derivatives (where only internationally recognised and enforceable agreements are used).
  - Credit exposure to other banks, where the risk is commonly mitigated through the use of financial control and netting agreements.

The valuation and management of collateral across all business units of the group are governed by the group's credit policy.

Management considers collateral held in the retail portfolio to be homogeneous by nature and therefore more reliably identifiable. Generally, valuations in respect of mortgage portfolios are updated using statistical index models, published data by service providers are used for motor vehicles, and physical inspection is performed for other types of collateral. Furthermore, physical valuations are performed 6-monthly on the defaulted book.

Management considers collateral held in the wholesale portfolio to be non-homogeneous and often exhibiting illiquid characteristics and therefore valuing collateral of this nature requires a significant level of judgement. Collateral of this nature is valued at the inception of a transaction and at least annually during the life of the transaction, usually as part of the facility review, which includes a review of the security structure and covenants to ensure that proper title is retained over the relevant collateral.

A further consideration with regard to the valuation and management of collateral is that when credit intervention is required, or in the case of default, all items of collateral relating to that particular client portfolio are immediately revalued. In such instances physical inspection by an expert valuer is required. This process also ensures that an appropriate impairment is evaluated timeously.

As part of the reverse repurchase agreements, the group has received securities as collateral that are allowed to be sold or repledged in the absence of default. The fair value of these securities at the reporting date amounts to R19 742m (2023: R17 995m), of which R15m (2023: R17m) has been sold or repledged.

I6.3 COLLATERAL TAKEN POSSESSION OF AND RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

Included in properties in possession (note H3) is an amount of R74m (2023: R84m) related to retail assets and an amount of R125m (2023: R124m) related to wholesale assets the group has acquired during the year by taking possession of collateral held as security.

SECTION J: SHARE-BASED PAYMENTS

ACCOUNTING POLICY

Equity-settled share-based payment transactions with employees

The group receives services from employees as consideration for equity instruments of the group. The fair value of the employee services is measured at the grant date, by reference to the fair value of the equity instruments.

Where the equity instruments do not vest until the employee has completed a specified period of service, it is assumed that the services rendered by the employee, as consideration for the equity instruments, will be received in the future during the vesting period. The services are accounted for in profit or loss in the statement of comprehensive income as they are rendered during the vesting period, with a corresponding increase in equity. The amount recognised as an expense is adjusted to reflect the number of share awards for which the related service and non-market performance vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of share awards that do meet the related service and non-market performance conditions at the vesting date. Where the equity instruments are no longer outstanding, the accumulated share-based payment reserve in respect of those equity instruments is transferred to retained earnings.

Nedbank Group Limited equity instruments in respect of Nedbank Group Limited shares are granted to employees as part of their remuneration package as services are rendered.

Cash-settled share-based payment transactions with employees

The cost of cash-settled transactions is measured initially at fair value at the grant date. The fair value is expensed over the period until the vesting date, with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in the statements of comprehensive income as staff costs.

Measurement of fair value of equity instruments granted

The equity instruments granted by the group are measured at fair value at the measurement date using standard-option pricing valuation models. The valuation technique is consistent with generally acceptable valuation methodologies for pricing financial instruments and incorporates all factors and assumptions that knowledgeable, willing market participants would consider in setting the price of the equity instruments. Vesting conditions, other than market conditions, are not taken into account in determining fair value. Vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount.

Share-based payment transactions with persons or entities other than employees

Transactions in which equity instruments are issued to historically disadvantaged individuals and organisations in South Africa (SA) for less than fair value are accounted for as share-based payments. Where the group has issued such instruments and expects to receive services in return for equity instruments, the share-based payments charge is spread over the related vesting (i.e. service) period. In instances where such services could not be identified, the cost is expensed with immediate effect. The valuation techniques are consistent with those mentioned above.

As the group cannot estimate reliably the fair value of services received or the value of additional benefits received, the group rebuts the presumption that such services and business can be measured reliably. The group therefore measures its fair value by reference to the fair value of the shares, share options or equity instruments granted, in line with the group's accounting policy. For the non-option equity awards, the fair value is measured by reference to the listed share price, which includes the participant’s right to dividends over the vesting period.

The following are the share schemes that have been in place during the year. All schemes are equity-settled at group level, except the Nedbank United Kingdom (UK) schemes, the Nedbank Wealth Management International schemes and the Nedbank Africa scheme, all of which are cash-settled. The latter all fall under the umbrella of 1 phantom scheme. For our international and Nedbank Africa Regions operations long-term incentives (LTIs) are made on a phantom basis, mirroring the Nedbank Group (2005) Employee Share Scheme in design and structure.

J1 DESCRIPTION OF ARRANGEMENTS

Traditional employee schemes

SCHEME	TRUST/SPECIAL-PURPOSE VEHICLE (SPV)	DESCRIPTION	VESTING REQUIREMENTS	MAXIMUM TERM
Nedbank Group (2005) Share Option and Restricted-share Scheme	**Nedbank Group (2005) Share Scheme Trust**	Restricted shares, granted as part of the LTI scheme, are awarded with the joint aim of aligning the interests of stakeholders and retaining employees with regard to whom at least 1 item in both the primary and the secondary lenses applies: Primary lens: • Senior talent with direct influence on strategy; and/or • Truly critical or highly mobile skills with high impact of loss. Secondary lens: • AIC talent, with emphasis on under-represented categories, and acknowledgement of the more urgent category being African. • Evidence of flight risk, such as recent competitor poaching attempts. • Proven gaps to market on competitiveness of total remuneration. • Being mapped to the cluster talent grid and or succession plan. All LTIs are discretionary and motivated by the Group Executive Committee (Group Exco) and approved by Group Remuneration Committee (Group Remco) members in their capacity as trustees of the Nedbank (2005) Employee Share Scheme Trust. Grants are made twice a year for new appointments and annually for existing employees, on a date determined by the trustees.	For the 2021 tranche the 3 years' service and achievement of performance targets are based on average return on equity (including goodwill) and cumulative 3-year DHEPS growth metric. The cost-to-income ratio was replaced by business recovery metrics in 2021. For the 2022 tranche the 3 years' service and achievement of performance targets are based on ROE (including goodwill) at 2024 and DHEPS CAGR growth being higher than CPI + GDP. The business recovery metrics were replaced by a 2024 cost-to-income ratio metric, which is applicable to all employees. In addition, the grants include performance metrics against environmental, social and, strategic commitments (based on Strategic Portfolio Tilt (SPT 2.0), Target Operating Model (TOM2.0) and Managed Evolution metrics) applicable to all employees. For the 2023 tranche the 3 years' service and achievement of performance targets are based on ROE (including goodwill) at 2025 and DHEPS CAGR growth being higher than CPI + GDP and a 2025 cost-to-income metric, which is applicable to all employees. In addition, the grants include performance metrics against environmental, social and, strategic commitments (based on SPT 2.0 metrics) and individual performance conditions applicable to all employees. For the 2024 tranche the 3 years' service and achievement of performance targets are based on ROE (including goodwill) at 2026 and DHEPS CAGR growth being higher than CPI + GDP and a 2026 cost-to-income metric, which is applicable to all employees. In addition, the grants include performance metrics against environmental, social, strategic commitments (based on SPT 2.0, Nedbank Africa Regions and Digital Transformation) and individual performance conditions applicable to all employees.	**3 years**
Nedbank Group (2005) Matched- share Scheme	**Nedbank Group (2005) Share Scheme Trust**	All employees of the group are eligible to participate in the scheme. All compulsory bonus scheme participants are obliged to participate. An amount of not more than 50% of their after-tax bonus can be invested, which will be matched by the group with shares.	Completion of 3 years' service and achievement of Nedbank Group Limited ROE performance targets. Failure to meet the performance targets and provided the 3 years' service requirement has been completed will result in the following outcomes: 50% vesting for all employees excluding Group Exco and cluster exco members across all the years of issue. 50% for Group Exco members and cluster exco members, for the 2021 tranche. 0% for Group Exco members and 25% cluster exco members, for the 2022 tranche. 0% for Group Exco and cluster exco members, for the 2023 and 2024 tranches.	**3 years**

SCHEME	TRUST/ SPECIAL-PURPOSE VEHICLE (SPV)	DESCRIPTION	VESTING REQUIREMENTS	MAXIMUM TERM
Nedbank UK Long-term Incentive Plan (LTIP)	**N/A**	Restricted phantom units, granted as part of the LTI scheme, are awarded with the joint aim of aligning the interests of stakeholders and retaining key employees. Restricted phantom units are granted employees with regard to whom at least 1 item in both the primary and secondary lenses applies: Primary lens: • Senior talent with direct influence on strategy. • Truly critical or highly mobile skills with high impact of loss.and Secondary lens: • AIC talent, with emphasis on underrepresented categories and acknowledgement of the more urgent category being African. • Evidence of flight risk, such as recent competitor poaching attempts. • Proven gaps to market on competitiveness of total remuneration. • Being mapped to the cluster talent grid and/or succession plan. Grants are made twice a year for new appointments and annually for existing employees on a date determined by the trustees.	Completion of 3 years' service, from the grant date, subject to corporate performance targets (CPTs), same as the Nedbank Group (2005) Share Option and Restricted-share Scheme and individual performance targets being met.	**3 years**
Nedbank UK Matched-share Scheme	**N/A**	All UK employees of the group are eligible to participate in the scheme. An amount of not more than 50% of their after-tax bonus can be invested, which will be matched by the group with restricted phantom units.	Completion of 3 years' service, from the grant date, subject to CPTs being met. Where these performance targets are not met, the same criteria will apply as the Nedbank Group (2005) Matched- share Scheme.	**3 years**
Nedbank Wealth Management International Long-term Incentive Plan (LTIP)	**N/A**	Restricted phantom units, granted as part of the LTI scheme, are awarded with the joint aim of aligning the interests of stakeholders and retaining key employees. Restricted phantom units are granted employees with regard to whom at least 1 item in both the primary and secondary lenses applies: Primary lens: • Senior talent with direct influence on strategy. • Truly critical or highly mobile skills with high impact of loss. Secondary lens: • AIC talent, with emphasis on underrepresented categories and acknowledgement of the more urgent category being African. • Evidence of flight risk, such as recent competitor poaching attempts. • Proven gaps to market on competitiveness of total remuneration. • Being mapped to the cluster talent grid and/or succession plan. Grants are made twice a year for new appointments and annually for existing employees on a date determined by the trustees.	Completion of 3 years' service, from the grant date, subject to CPTs same as the Nedbank Group (2005) Share Option and Restricted-share Scheme and individual performance targets being met.	**3 years**
Nedbank Wealth Management International Matched-share Scheme	**N/A**	All Nedbank Wealth Management International employees of the group are eligible to participate in the scheme. An amount of not more than 50% of their after-tax bonus can be invested, which will be matched by the group with restricted phantom units.	Completion of 3 years' service, from the grant date, subject to CPTs being met. Where these performance targets are not met, the same criteria will apply as the Nedbank Group (2005) Matched- share Scheme.	**3 years**

SCHEME	TRUST/ SPECIAL-PURPOSE VEHICLE (SPV)	DESCRIPTION	VESTING REQUIREMENTS	MAXIMUM TERM
Nedbank Africa Restricted-share Scheme	**N/A**	Restricted phantom units, granted as part of the LTI scheme, are awarded with the joint aim of aligning the interests of stakeholders and retaining key employees. Restricted phantom units are granted employees with regard to whom at least 1 item in both the primary and secondary lenses applies: Primary lens: • Senior talent with direct influence on strategy. • Truly critical or highly mobile skills with high impact of loss. Secondary lens: • AIC talent, with emphasis on underrepresented categories and acknowledgement of the more urgent category being African. • Evidence of flight risk, such as recent competitor poaching attempts. • Proven gaps to market on competitiveness of total remuneration. • Being mapped to the cluster talent grid and/or succession plan. Grants are made twice a year for new appointments and annually for existing employees on a date determined by the trustees.	Completion of 3 years' service, from the grant date, subject to CPTs, same as the Nedbank Group (2005) Share Option and Restricted-share Scheme and individual performance targets being met.	**3 years**
Nedbank Africa Matched-share Scheme	**N/A**	All employees of the group are eligible to participate in the scheme. An amount of not more than 50% of their after-tax bonus can be invested, which will be matched by the group with restricted phantom units.	Completion of 3 years' service, from the grant date, subject to CPTs being met. Where these performance targets are not met, the same criteria will apply as the Nedbank Group (2005) Matched- share Scheme.	**3 years**

Nedbank Eyethu BEE schemes – Clients and business partners

SCHEME	TRUST/SPECIAL-PURPOSE VEHICLE (SPV)	DESCRIPTION	MAXIMUM TERM
Community Trust	**Nedbank Eyethu Community Trust**	The trust has been formed with the specific purpose of providing previously disadvantaged communities and charitable organisations with the opportunity to receive dividends in respect of the scheme shares, thereby contributing to Nedbank Group Limited's BEE compliance. The shares are not allocated to specific beneficiaries. At the end of the 7 years the net assets of the trust will be allocated to participants as determined by the trustees	Ten years subsequent to December 2013, the termination date of the trust was moved from 2015 to 2030 to provide an ongoing flexible vehicle for deploying the residual assets of the trust and continued support of community affairs in line with the group's BEE and Fair Share 2030 initiatives.

J2 EFFECT ON PERFORMANCE AND FINANCIAL POSITION

	Share-based payments expense		Share-based payments reserve/liability	
Rm	**2024**	2023	**2024**	2023
Traditional employee schemes	**747**	1 014	**3 218**	2 688
Nedbank Group (2005) Share Option and Restricted-share Scheme	**581**	801	**2 844**	2 293
Nedbank Group (2005) Matched-share Scheme	**79**	134	**245**	237
Nedbank UK Long-term Incentive Plan[1]	**26**	21	**34**	43
Nedbank UK Matched-share Scheme[1]	**4**	3	**8**	4
Nedbank Wealth Management International Long-term Incentive Plan[1]	**25**	26	**37**	53
Nedbank Wealth Management International Matched-share Scheme[1]	**2**	2	**3**	3
Nedbank Africa Restricted-share Scheme and Matched-share Scheme[1]	**30**	27	**47**	55
Nedbank Eyethu BEE schemes	**–**	–	**124**	124
Community Scheme			**124**	124
	747	1 014	**3 342**	2 812

[1] *This scheme is cash-settled and therefore creates a liability.*

J3 MOVEMENTS IN NUMBER OF INSTRUMENTS

	2024		2023	
	Number of instruments	**Weighted-average exercise price**	Number of instruments	Weighted-average exercise price
Nedbank Group (2005) Share Option and Restricted-share Scheme				
Outstanding at the beginning of the year	**16 577 839**		16 946 909	
Granted	**5 268 545**		4 783 068	
Forfeited	**(419 835)**		(501 653)	
Transfers	**(2 279)**			
Exercised	**(7 637 393)**		(4 650 485)	
Outstanding at the end of the year	**13 786 877**		16 577 839	
Weighted-average share price for share instruments exercised (R)		**230,29**		207,96
Nedbank Group (2005) Matched-share Scheme				
Outstanding at the beginning of the year	**2 917 857**		3 238 649	
Granted	**1 131 567**		1 405 560	
Forfeited	**(169 518)**		(170 401)	
Exercised	**(688 186)**		(1 555 951)	
Outstanding at the end of the year	**3 191 720**		2 917 857	
Weighted-average share price for share instruments exercised (R)		**228,67**		216,85
Nedbank UK Long-term Incentive Plan				
Outstanding at the beginning of the year	**249 687**		224 161	
Granted	**105 503**		62 400	
Forfeited			(1 164)	
Transfers	**2 279**			
Exercised	**(107 226)**		(35 710)	
Outstanding at the end of the year	**250 243**		249 687	
Nedbank UK Matched-share Scheme				
Outstanding at the beginning of the year	**40 121**		17 913	
Granted	**25 376**		23 802	
Forfeited	**(2 638)**			
Exercised	**(2 189)**		(1 594)	
Outstanding at the end of the year	**60 670**		40 121	

	2024		2023	
	Number of instruments	**Weighted-average exercise price**	Number of instruments	Weighted-average exercise price
Nedbank Wealth Management International Long-term Incentive Plan				
Outstanding at the beginning of the year	**332 636**		274 424	
Granted	**131 493**		126 437	
Forfeited	**(21 163)**		(5 999)	
Exercised	**(136 064)**		(62 226)	
Outstanding at the end of the year	**306 902**		332 636	
Nedbank Wealth Management International Matched-share Scheme				
Outstanding at the beginning of the year	**25 258**		24 948	
Granted	**10 069**		11 201	
Forfeited	**(1 500)**		(105)	
Exercised	**(9 233)**		(10 786)	
Outstanding at the end of the year	**24 594**		25 258	
Nedbank Africa Restricted-share Scheme				
Outstanding at the beginning of the year	**374 122**		303 390	
Granted	**126 583**		126 619	
Forfeited	**(11 625)**		(12 431)	
Exercised	**(138 747)**		(43 456)	
Outstanding at the end of the year	**350 333**		374 122	
Nedbank Africa Matched-share Scheme				
Outstanding at the beginning of the year	**24 637**		19 041	
Granted	**19 795**		14 584	
Forfeited	**(5 897)**		(1 855)	
Exercised	**(2 515)**		(7 133)	
Outstanding at the end of the year	**36 020**		24 637	

	2024		2023	
	Number of instruments	**Weighted-average exercise price**	Number of instruments	Weighted-average exercise price
Community Scheme				
Outstanding at the beginning of the year	**1 559 448**		1 559 448	
Outstanding at the end of the year	**1 559 448**		1 559 448	

J4 INSTRUMENTS OUTSTANDING AT THE END OF THE YEAR

	2024		2023	
	Number of instruments	**Weighted-average remaining contractual life (years)**	Number of instruments	Weighted-average remaining contractual life (years)
Nedbank Group (2005) Share Option and Restricted-share Scheme	**13 786 877**	**1,3**	16 577 839	1,1
Nedbank Group (2005) Matched-share Scheme	**3 191 720**	**1,3**	2 917 857	1,5
Nedbank UK Long-term Incentive Plan	**250 243**	**1,3**	249 687	1,1
Nedbank UK Matched-share Scheme	**60 670**	**1,4**	40 121	1,8
Nedbank Wealth Management International Long-term Incentive Plan	**306 902**	**1,5**	332 636	1,5
Nedbank Wealth Management International Matched-share Scheme	**24 594**	**1,4**	25 258	1,4
Nedbank Africa Restricted-share Scheme	**350 333**	**1,4**	374 122	1,4
Nedbank Africa Matched-share Scheme	**36 020**	**1,6**	24 637	1,7
Community Scheme	**1 559 448**	**6,0**	1 559 448	7,0

J5 INSTRUMENTS GRANTED DURING THE YEAR

	Nedbank Group (2005) Share Option and Restricted-share Scheme[1]	Nedbank Group (2005) Matched-share Scheme[2]
2024		
Number of instruments granted	**5 268 545**	**1 131 567**
Weighted-average fair value per instrument granted (R)	**232,81**	**176,86**
Weighted-average share price (R)	**232,81**	**228,67**
Weighted-average life (years)	**3**	**3**
Number of participants	**1 694**	**2 070**
Weighted-average vesting period (years)	**3**	**3**
2023		
Number of instruments granted	4 783 068	1 405 560
Weighted-average fair value per instrument granted (R)	212,79	172,16
Weighted-average share price (R)	212,79	216,85
Weighted-average life (years)	3	3
Number of participants	1 696	2 387
Weighted-average vesting period (years)	3	3

[1] *The weighted-average fair value of instruments granted during the year has been calculated using the closing price of Nedbank Group Limited quoted on the JSE.*

[2] *The weighted-average fair value of instruments granted during the year has been calculated using the closing price of Nedbank Group Limited quoted on the JSE of R176,86 (2023: R172,16), less the present value of dividends anticipated over the vesting period. A dividend yield of 8,94% (2023: 7,99%) has been incorporated into the measurement of the fair value.*

Nedbank UK Long-term Incentive Plan[1]	Nedbank UK Matched-share Scheme[1]	Nedbank Wealth Management International Long-term Incentive Plan[1]	Nedbank Wealth Management International Matched-share Scheme[1]	Nedbank Africa Restricted-share Scheme[1]	Nedbank Africa Matched-share Scheme[1]
105 503	**25 376**	**131 493**	**10 069**	**126 583**	**19 795**
228,16	**228,67**	**229,80**	**228,67**	**228,16**	**228,67**
228,16	**228,67**	**229,80**	**228,67**	**228,16**	**228,67**
3	**3**	**3**	**3**	**3**	**3**
28	**9**	**20**	**22**	**73**	**138**
3	**3**	**3**	**3**	**3**	**3**
62 400	23 802	126 437	11 201	126 619	14 584
212,95	229,60	211,80	216,85	212,03	216,85
212,95	229,60	211,80	216,85	212,03	216,85
3	3	3	3	3	3
24	9	18	24	80	91
3	3	3	3	3	3

SECTION K: OTHER LIABILITIES

K1 PROVISIONS AND OTHER LIABILITIES

ACCOUNTING POLICY

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event in respect of which it is probable that an outflow of economic benefits will occur and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the reasonable estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of discounting is material, the provision is discounted. The discount rate reflects current market assessments of the time value of money and, where appropriate, risks specific to the liability. Gains from the expected disposal of assets are not taken into account in measuring provisions. Provisions are reviewed at each reporting date and adjusted to reflect the current reasonable estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

Reimbursements

Where some or all the expenditure required to settle a provision is expected to be reimbursed by a party outside the group, the reimbursement is recognised when it is virtually certain that it will be received if the group settles the obligation. The reimbursement is recorded as a separate asset at an amount not exceeding the related provision. The expense for the provision is presented net of the reimbursement in profit or loss.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from an executory contract are lower than the unavoidable cost of meeting the obligations under the contract. Future operating costs or losses are not provided for.

Client loyalty

When a cardholder makes a purchase that is regarded as eligible spend, the person or entity is granted points that can be redeemed at a later date for goods or services. Points do not expire, unless a client is delinquent or dormant, in which case the points accrued are forfeited as stated in the terms and conditions. Client loyalty programmes are accounted for in accordance with IFRS 15 and a contract liability is recognised. The revenue normally earned by the group when clients transact on their Nedbank cards is reduced by the expected amount payable arising from the issue of points.

If the expectation regarding the amount to be paid changes, this is recognised in revenue. When the group settles the liability, there will be an additional revenue recognised and the costs will be offset against the liability.

Lease liabilities

Initial and subsequent measurement

The lease liability is initially measured at a present value of unpaid lease payments at the start date (the date the underlying asset is available for use). The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the group uses the incremental borrowing rate, being the rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease payments include:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the group under residual-value guarantees;
- variable lease payments that are based on an index or a rate;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the group is reasonably certain to exercise that option.

The lease liability is subsequently measured under IFRS 9 at amortised cost using the effective-interest method. Interest expense is recognised in profit or loss and capitalised to the lease liability.

Reassessment of lease liability

After the start date the group remeasures the lease liability to reflect changes to the lease payments. The carrying amount of the lease liability is remeasured by discounting the revised lease payments using a revised discount rate if:

- there is a change in the lease term; or
- the group changes its assessment of whether it will exercise an option to purchase the underlying asset.

The carrying amount of the lease liability is remeasured by discounting the revised lease payments using the original discount rate if there is a change in:

- the amounts expected to be payable under a residual value guarantee; or
- in future lease payments resulting from a change in an index or a rate used to determine those payments.

If the change in lease payments results from a change in floating rates, the group uses a revised discount rate that reflects changes in the interest rate.

ACCOUNTING POLICY

The group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. When corresponding adjustments to the right-of-use asset reduces the carrying amount to zero, the group recognises any remaining amount of the remeasurement in profit or loss.

Lease modifications

The group accounts for modifications as a separate lease using a new discount rate if the modification is a material economic alteration of the initial contract. This would occur if the modification in question:

- increases the scope of the lease by adding the right to use 1 or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that does not meet the criteria to be recognised as a separate lease at the effective date of the lease modification, the group accounts for the lease by:

- allocating the consideration in the modified contract between lease and non-lease components;
- determining the lease term of the modified lease; and
- remeasuring the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term if that rate can be readily determined, or is determined as the group's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

Additionally, for a lease modification that is not accounted for as a separate lease, the group accounts for the remeasurement of the lease liability by doing the following:

- Decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The group recognises in profit or loss any gain or loss relating to the partial or full termination of the lease.
- Making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Variable lease expense

The group recognises variable lease expenses not contingent or dependent on an index or a rate as an expense in profit or loss in the period in which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or fewer. Low-value assets comprise computer equipment and small items of office furniture. Leases with values of less than R20 000 are considered low-value leases. The group does not recognise right-of-use assets and lease liabilities for short-term and low-value leases.

The group considers a short-term lease to be a new lease if:

- there is a lease modification; or
- there is any change in the lease term (for example the group exercises an option not previously included in its determination of the lease term).

Derecognition

Termination of a lease, partially or fully, results in derecognition of the right-of-use asset and the corresponding lease liability. The group recognises any profit or loss in the period in which the termination occurs.

Critical judgements and assumptions

Discount rates

The group's incremental borrowing rate is lease-specific and is determined using an array of assumptions and judgements surrounding the characteristics of the contract. The group considers:

- the credit risk of the group (swap yield curves are also used as anchors for most leases);
- the tenor of the lease; and
- the economic environment (the country, the currency and the date that the lease is entered into) in which the transaction occurs.

Refer to note G1 for accounting policies applied for right-of-use assets.

K1.1 Analysis of carrying amount

	2024 Rm	2023 Rm
Creditors and other accounts	**12 701**	12 619
Client loyalty programmes liability	**395**	369
Short-trading securities and spot positions	**15 658**	2 676
Provision for the impairment of off-balance-sheet items	**388**	254
Bonus accrual (note K1.2)	**3 414**	3 034
Leave pay accrual (note K1.3)	**1 172**	1 116
Lease liabilities (note K1.5)	**2 641**	2 647
	36 369	22 715

K1.2 Bonus accrual

	2024 Rm	2023 Rm
Balance at the beginning of the year	**3 034**	2 919
Recognised in profit or loss	**3 394**	3 040
Used during the year	**(3 018)**	(2 923)
Foreign currency translation and other movements	**4**	(2)
Balance at the end of the year	**3 414**	3 034

K1.3 Leave pay accrual

	2024 Rm	2023 Rm
Balance at the beginning of the year	**1 116**	1 117
Recognised in profit or loss	**450**	435
Used during the year	**(388)**	(437)
Foreign currency translation and other movements	**(6)**	1
Balance at the end of the year	**1 172**	1 116

K1.4 Day 1 gains and losses

The group enters into transactions where the fair value of the financial instruments is determined using valuation models for which certain inputs are not based on market-observable prices or rates. Such financial instruments are initially recognised at the transaction price, which is the best indicator of fair value. The transaction price may differ from the valuation amount obtained, giving rise to a day 1 gain or loss.

The difference between the transaction price and the valuation amount, commonly referred to as 'day 1 gain or loss', is deferred and either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market-observable inputs, or realised when the financial instrument is derecognised.

The group's day 1 gains are attributable to loans and advances.

	2024 Rm	2023 Rm
Balance at the beginning of the year	**98**	83
Subsequent recognition	**(11)**	15
Balance at the end of the year	**87**	98

K1.5 Lease liabilities

Lease liabilities reconciliation

	2024 Rm	2023 Rm
Balance at the beginning of the year	**2 647**	2 595
Interest expense	**238**	213
Additions	**467**	286
Lease modifications	**437**	588
Lease payments	**(1 151)**	(1 067)
Derecognition	**(1)**	(1)
Effect of movements in foreign exchange rates and other movements	**4**	33
Balance at the end of the year	**2 641**	2 647

Current and non-current lease liabilities

	2024 Rm	2023 Rm
Current lease liabilities	**1 011**	917
Non-current lease liabilities	**1 630**	1 730
Total lease liabilities	**2 641**	2 647

K2 CONTINGENT LIABILITIES, UNDRAWN FACILITIES AND COMMITMENTS

K2.1 Contingent liabilities and undrawn facilities

	2024 Rm	2023 Rm (Restated)
Financial guarantees on behalf of clients	**36 017**	30 212
Letters of credit and discounting transactions	**11 322**	5 040
Irrevocable unutilised facilities and other	**183 219**	181 907
	230 558	217 159

During 2024 the group identified that irrevocable unutilised facilities and other line item was overstated incorrectly by R13,5bn. For comparability the prior-year information has been restated. There is no impact on the provision for impairment of off-balance-sheet items.

	2023		
Rm	Restated	Restatement	As previously reported
Irrevocable unutilised facilities and other	181 907	(13 491)	195 398

The group, in the ordinary course of business, enters into transactions that expose it to taxation, legal and business risks that could result in litigation matters. Based on internal investigations and consultations with the group's legal counsel, the group does not expect the ultimate resolution of any of these matters to have a material adverse effect on the group's consolidated financial position. Provisions are made for known liabilities that are expected to materialise (refer to note K1). 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 a contingent liability.

On 26 July 2024 the group issued a SENS update on the Transnet SOC Limited dispute regarding interest rate swap transactions (swaps) and Nedbank's ongoing engagements with Transnet SOC Limited (Transnet). These swaps were entered into between December 2015 and March 2016, and Regiments Capital (Pty) Ltd had acted as Transnet's appointed financial advisers. The group's media release dated 28 May 2024 and the Nedbank Group voluntary trading update for the 4 months ended 30 April 2024, released through SENS on 31 May 2024, noted the termination of the mediation process with Transnet and Nedbank's position on possible litigation.

In this context, Nedbank confirms that it continues to defend review proceedings served on it by Transnet and the Special Investigating Unit (SIU) in respect of these swaps, as confirmed in Nedbank's SENS announcement on 26 July 2024. Considering internal and independent external reviews commissioned by Nedbank, the board and management remain satisfied that internal governance procedures were followed in respect of these swaps and that there is no evidence of any Nedbank staff dishonesty, corruption or collusion. The joint media statement by Transnet and the SIU of 26 July 2024, which states that Nedbank profited in excess of R2 736 094 704,82 in respect of these swaps, is not a reasonable claim.

In December 2024 the Transnet Second Defined Benefit Fund (fund) served a summons on Nedbank. The fund claims that Nedbank is liable for R106 808 440,00 plus interest, an amount the fund was unable to recover from Regiments Group companies in previous litigation, in which Nedbank was not involved.

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

K2.2 Commitments

K2.2.1 Capital expenditure approved by directors

	2024 Rm	2023 Rm
Contracted but not provided for	**655**	480

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

K2.2.2 Commitments under derivative instruments

The group enters into option contracts, financial futures contracts, forward rate and interest rate swap agreements, and other financial agreements in the normal course of business (refer to note C7).

SECTION L: RISK AND BALANCE SHEET MANAGEMENT

L1 FINANCIAL RISK MANAGEMENT

The group's risk management procedures include credit risk, liquidity risk, interest rate risk in the banking book and market risk.

L2 CAPITAL MANAGEMENT

Nedbank Group's Capital Management Framework reflects the integration of risk, capital, strategy and performance measurement across the group, which is a significant component of the ERMF.

In accordance with the board-approved Solvency and Capital Management Policy, the group is required to maintain capitalisation levels that meet or exceed the greater of the Basel III regulatory capital requirements and economic capital.

The Nedbank Group Strategic Capital Management function forms part of the Balance Sheet Management Division of the Group Finance Cluster, which reports to the CFO. This function is tasked with implementing the Capital Management Framework and Internal Capital Adequacy Assessment Process (ICAAP) across the group. The responsibilities for capital management, including ICAAP, are defined in the terms of reference outlined with the ERMF, applying to both the board and executive management. The board and executive management are supported in the execution of their duties by GRCMC, and Group ALCO.

Capital, reserves, and long-term debt instruments

The group's Capital Management Framework, along with the associated policies and processes, governs the group's capital and reserves in line with the consolidated statement of changes in equity. It also encompasses the management of long-term debt instruments as referenced in note D2.

L3 LIQUIDITY GAP

The primary role of a bank in terms of financial intermediation is the maturity transformation of short-term deposits into longer-term loans and advances. By fulfilling this role, banks are inherently susceptible to liquidity mismatches and consequently funding and market liquidity risks.

In terms of measuring, managing and mitigating liquidity mismatches, Nedbank focuses on 2 types of liquidity risk, namely, funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the group is unable to meet its payment obligations as they fall due. These payment obligations could emanate from depositor withdrawals, or the inability to roll over maturing debt or meet contractual commitments to lend. Market liquidity risk is the risk that the group will be unable to sell assets without incurring an unacceptable loss, in order to generate cash required to meet payment obligations under a stress liquidity event.

Nedbank diligently manages funding and market liquidity risks through its robust Liquidity Risk Management Framework (LRMF), which is designed to ensure banking operations continue uninterrupted under normal and stressed conditions. The key objectives that underpin the LRMF include ensuring that every entity within the group can meet its financial obligations seamlessly under normal and stressed market conditions, while maintaining financial-market confidence at all times, protecting key stakeholder interests and consistently complying with regulatory liquidity requirements, thereby safeguarding the stability and integrity of our operations.

The group’s LRMF seeks to maintain appropriate liquidity buffers while continually reviewing the appropriateness of the liquidity risk metrics, the liquidity policy, the funding strategy, and the contingency funding and liquidity plan. These individual components of the LRMF should at all times support the board-approved risk appetite, which is to ensure that stress funding sources are sufficient to meet stress funding requirements for a given time horizon. This framework sets out the key responsibilities, processes, reporting and assurance measures, all crucial for effective liquidity risk management.

To ensure regulatory compliance and the ability to meet future liquidity requirements, the group conducts extensive stress testing and scenario analysis, in order to identify and implement appropriate actions designed to reduce the severity of a liquidity crisis, to determine the appropriate funding strategies designed to support liquidity risk mitigations and to right-size the liquidity buffer portfolio (sources of quick liquidity) in the most optimal manner for seasonal, cyclical and stress events.

A portfolio of marketable and highly liquid assets, which could be liquidated to meet unforeseen or unexpected funding requirements, is maintained. The group has sufficient sources of quick liquidity that can be accessed in times of stress, as is evident in the combined portfolio of high-quality liquid assets (HQLA) and other sources of quick liquidity, collectively amounting to R339,0bn at December 2024 (2023: R285,3bn) and representing 23,9% (2023: 21,8%) of total assets. The group actively manages these sources of quick liquidity to ensure adequate levels of diversified funding to meet a stress liquidity event.

Liquidity risk management plays a pivotal role in all entities within the group across all jurisdictions and currencies. It stands as a central focus for the group. Liquidity risk is managed on a consistent basis across all foreign entities within the group. This management is facilitated through individual ALCOs, ensuring compliance with both South African Reserve Bank (SARB) and local central banks regulatory requirements. These foreign entities are required to establish robust governance structures, rigorous processes and best practices designed to identify, measure, manage, and mitigate liquidity risk in accordance with the group’s LRMF. These foreign entities are required to report into every Group ALCO meeting, fostering transparency and collective risk oversight.

Nedbank Group’s Liquidity Risk Contingency Plan (LRCP), as set out in the LRMF, is designed to protect depositors, creditors and shareholders under adverse liquidity situations. The LRCP has been formulated in the belief that early detection, advance preparations and prompt responses can contribute to liquidity crisis avoidance or minimisation. The LRCP establishes guidelines for managing a liquidity risk crisis, identifying early-warning signs of a possible liquidity stress event, and the need for heightened liquidity risk monitoring and reduced liquidity risk exposure. In addition, Nedbank has also developed detailed recovery plans (RPs) that establish Nedbank’s framework for dealing with a crisis emanating from a capital, liquidity and business continuity or an operational event.

The board of directors retains ultimate responsibility for the effective management of liquidity risk. Through the GRCMC (a board committee), the board has delegated its responsibility for the management of liquidity risk to Group ALCO. The LRMF, LRCP and RP are reviewed annually by Group ALCO and approved by GRCMC.

Refer to the liquidity risk and funding section of the 2024 Nedbank Group Annual Results booklet (*https://www.nedbank.co.za/content/nedbank/desktop/gt/en/investor-relations/information-hub/financial-results/2024.html*) for more information.

L3.1 LIQUIDITY GAP

The below tables represent the group's net liquidity gap based on contractual cash flows of assets and liabilities.

Rm	<3 months	>3 months <6 months	>6 months <1 year	>1 year <5 years	>5 years	Non-determined	Total
2024							
Cash and cash equivalents	55 002					144	55 146
Other short-term securities	39 914	18 096	14 009	6 085	662	4 130	82 896
Derivative financial instruments	3 985	1 922	2 513	5 223	3 427	2	17 072
Government and other securities	2 907	49	1 504	63 896	130 166		198 522
Loans and advances	167 209	36 739	70 742	434 405	231 722	21 367	962 184
Other assets	1 838					36 744	38 582
Investment securities						28 172	28 172
Non-financial assets	11	70				35 882	35 963
	270 866	56 876	88 768	509 609	365 977	126 441	1 418 537
Total equity						126 086	126 086
Derivative financial instruments	2 975	1 082	2 741	2 051	2 752	22	11 623
Amounts owed to depositors	793 590	79 742	155 913	122 625	19 217	3 604	1 174 691
Provisions and other liabilities	9 763	268	499	1 929	428	23 482	36 369
Investment contract liabilities	17 484						17 484
Long-term debt instruments	6 639	57	1 979	29 832	10 549	725	49 781
Non-financial liabilities	26	299				2 178	2 503
	830 477	81 448	161 132	156 437	32 946	156 097	1 418 537
Net liquidity gap	(559 611)	(24 572)	(72 364)	353 172	333 031	(29 656)	–

Rm	<3 months	>3 months <6 months	>6 months <1 year	>1 year <5 years	>5 years	Non-determined	Total
2023							
Cash and cash equivalents	51 202	198	507	175			52 082
Other short-term securities	40 768	18 700	20 493	7 014	794		87 769
Derivative financial instruments	2 726	753	1 825	3 153	5 355		13 812
Government and other securities	2 818	262	341	54 782	112 514		170 717
Loans and advances	145 618	35 893	68 157	385 480	225 540	30 931	891 619
Other assets	2 753					33 200	35 953
Investment securities						27 287	27 287
Non-financial assets		150				32 019	32 169
	245 885	55 956	91 323	450 604	344 203	123 437	1 311 408
Total equity						119 211	119 211
Derivative financial instruments	3 189	746	1 996	3 279	4 931		14 141
Amounts owed to depositors	733 668	85 983	158 910	98 104	10 980		1 087 645
Provisions and other liabilities	4 948	220	408	1 859	210	15 070	22 715
Investment contract liabilities	17 512						17 512
Long-term debt instruments	3 904	1 603	2 094	27 362	12 814		47 777
Non-financial liabilities	163	70	81			2 093	2 407
	763 384	88 622	163 489	130 604	28 935	136 374	1 311 408
Net liquidity gap	(517 499)	(32 666)	(72 166)	320 000	315 268	(12 937)	–

This note has been prepared on a contractual-maturity basis.

L4 INTEREST RATE RISK IN THE BANKING BOOK

	2024 Rm	2023 Rm
Net interest income sensitivity		
1% instantaneous decline in interest rates[1,2]	**(1 518)**	(1 449)

[1] Nedbank London and Nedbank Private Wealth: 0,5% instantaneous decline in interest rates.

[2] Nedbank Zimbabwe: 3,0% instantaneous decline in interest rates.

Management of interest rate risk in the banking book

The group is exposed to interest rate risk in the banking book (IRRBB) due primarily to the following:
- The group writes a large quantity of prime-linked advances.
- To lengthen the funding profile, term funding is raised across the curve at fixed-term deposit rates that reprice only on maturity.
- Three-month repricing swaps and forward-rate agreements are typically used in the risk management of term deposits and fixed-rate advances.
- Short-term demand funding products reprice to different short-end base rates.
- Certain non-repricing transactional deposit accounts are non-rate-sensitive.
- The group has a mismatch in net non-rate-sensitive balances, including shareholders' funds that do not reprice for interest rate changes.

The following applies to IRRBB:
- Repricing risk (mismatch risk) – Timing difference in the maturity (for fixed rate) and repricing (for floating rate) of group assets, liabilities, and off-balance-sheet positions.
- Endowment risk – The net mismatch between non-rate-sensitive assets, liabilities, capital, and non-repricing transactional deposit accounts, effectively invested in rate-sensitive assets.
- Reset or basis risk – Imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.
- Yield curve risk – Changes in the shape and slope of the yield curve.
- Embedded optionality – The risk related to interest-related options embedded in bank products.

The group employs various analytical techniques to measure interest rate sensitivity in the banking book on both an earnings and economic-value basis (where appropriate) for balance sheets in the group with material exposure to interest rate risk. Assets, liabilities and derivative financial instruments are modelled and reported based on their contractual repricing or maturity characteristics. Where advances are exposed to prepayments and deposits to ambiguous repricing, Group ALCO approves the use of prepayment models for fixed-rate advances and behavioural repricing assumptions for the modelling and reporting of ambiguous repricing deposits, where appropriate. The group's NII sensitivity is actively managed through on- and off-balance-sheet interest rate risk management strategies based on the group's assessment of the correlation between interest rate sensitivity and impairment sensitivity over the cycle. In certain low correlation portfolios, endowment income will be structurally hedged over time as opportunities arise through interest rate cycles.

Sensitivity analysis

At the reporting date the net interest income (profit or loss) sensitivity of the banking book for a 1% parallel reduction in interest rates measured over 12 months is a decrease in net interest income of approximately R1 518m before tax (2023: R1 449m), which is within the board's approved risk limit. The group's net interest income sensitivity exhibits very little convexity and will therefore also result in an increase in pre-tax net interest income of a similar amount should interest rates increase by 1%.

Nedbank's economic-value-of-equity sensitivity, measured for a 1% parallel decrease in interest rates, remains at a low level of R737m (2023: R601m). This is as a result of Nedbank's risk management strategies, whereby assets and liabilities are typically positioned to reprice in the less-than-3-months repricing bucket, and net working capital largely offsets the non-rate-sensitive transactional balances from an interest rate sensitivity perspective, thereby positioning ordinary shareholders' equity to be repriced as interest rates change.

Comprehensive IRRBB disclosures are included in the group's unaudited Pillar 3 Risk and Capital Management Report, available on the website.

L5 MARKET RISK IN THE TRADING BOOK

Trading market risk is the risk of loss as a result of unfavourable changes in the market value of the trading book because of changes in market risk factors, such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and implied volatilities. The trading book is defined as positions in financial instruments and commodities, including derivative products and other off-balance-sheet instruments, that are held with trading intent or used to hedge other elements of the trading book.

MANAGEMENT OF TRADING MARKET RISK

Trading market risk is governed by board-approved policies that cover management, identification, measurement and monitoring.

Market risk limits, including value at risk (VaR) and stress trigger limits, are approved at board level and reviewed periodically, but at least annually. These limits are then allocated to the trading units using a tiered-limit approach by the Trading Risk Committee. Market risk reports are available at a variety of levels and in various degrees of detail, ranging from individual trader level to a group level view of market risk. Market risk exposures are measured and reported to management and bank executives daily.

In addition to applying business judgement, management uses a number of quantitative measures to manage the exposure to trading market risk. These measures include the following:

- Risk limits based on a portfolio measure of market risk exposures referred to as VaR, including extreme tail loss (ETL).
- Scenario analysis, stress testing and other analytical tools that measure the potential effects on trading revenue in the event of various unexpected market events.

HISTORICAL VALUE AT RISK (99%, 1-DAY) BY RISK TYPE

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% 1-day VaR number used by the group shows, at a 99% confidence level, that the daily loss will not exceed the reported VaR and therefore the daily losses exceeding the VaR figure are likely to occur, on average, once in every 100 business days.

The group uses 1 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 1-day holding period will not fully capture the market risk of positions that cannot be liquidated or offset with hedges within 1 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 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 horizon assumption of a 10-day holding period, in line with Basel III.

	2024				2023			
Rm	**Average**	**Minimum**	**Maximum**	**Year-end**	Average	Minimum	Maximum	Year-end
Foreign exchange	**3,8**	**0,6**	**12,2**	**2,0**	6,3	2,4	17,0	6,0
Interest rate	**51,0**	**25,1**	**88,8**	**33,9**	73,1	52,8	99,1	85,8
Equity	**3,5**	**0,6**	**22,5**	**4,1**	7,7	1,6	27,5	2,2
Credit	**12,2**	**7,0**	**15,4**	**7,0**	7,1	3,7	15,1	14,6
Commodity	**0,5**	**0,2**	**0,9**	**0,3**	0,3		0,7	0,6
Diversification	**(23,4)**			**(21,2)**	(27,8)			(30,4)
Total VaR exposure	**47,6**	**24,6**	**89,2**	**26,1**	66,7	51,0	93,9	78,8

L6 INSURANCE RISK

Insurance risk is managed through underwriting limits, approval procedures, centralised reinsurance management, and the monitoring emerging issues. Internal risk measurement models, sensitivity analysis, and scenario analysis are used to assess and monitor insurance risk exposures. The underwriting strategy aims to achieve a balanced portfolio through appropriate risk selection and maintaining underwriting profitability. This includes defining classes of insurance business, product ranges, competitiveness, underwriting control, and mandates. A portion of the risks underwritten is reinsured to control exposure to losses and protect capital resources. Proportional and non-proportional reinsurance treaties are used to reduce net exposure, with facultative reinsurance used in specific circumstances.

Various life and non-life products that cover risks ranging from homeowners' risk, warranty, and personal lines to life insurance, disability, retrenchment, and dread disease are underwritten. These key risks incorporate underwriting and claims experience risk, which are managed through sensible pricing and reinsurance. Concentrations of risk may arise from a single insurance contract or related contracts, impacting liabilities, but as the risks covered are across the group's client base, there is no specific concentration risk demographically. There is geographical concentration in respect of South Africa.

Total aggregate exposure limits are set for natural catastrophes and modelling tools are used to monitor aggregation and simulate catastrophe losses. The most significant exposure would arise from an earthquake. Insurance risk is ceded to limit exposure to underwriting losses under various agreements. The group remains liable to policyholders if any reinsurer fails to meet its obligations. Reinsurer security is assessed from public rating information and internal investigations. The group is liable for all insured events during the contract term, even if the loss is discovered after the contract term. The majority of insurance contracts are 'short-tailed', with most claims settled within a year. Detailed claims run-off information is not presented as 'long-tailed' business comprises less than 10% of an average year's claims costs.

When assessing sensitivities through changing key assumptions individually in a range averaging 10%, each item had an impact of less than R35m (2023: R35m) on profit before direct taxation, both before and after reinsurance mitigation.

The nature of the group's exposure to insurance risk and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

SECTION M: CASH FLOW INFORMATION

M1 NON-CASH ITEMS AND INDIRECT TAXATION

	2024 Rm	2023 Rm
Non-cash items and indirect taxation		
Depreciation and amortisation (note B7)	4 428	4 125
Net monetary loss (note N1)		1 059
Movement in impairments on financial instruments	9 356	11 049
Unrealised (gains)/losses (note B6.2)	(144)	92
Fair-value adjustments (note B6.2)	(240)	(577)
Foreign exchange losses/(gains)	1 793	(1 458)
Short-term incentives and long-term employee benefits	380	115
Share-based payments expense – employees (note B7)	747	1 014
Impairments charge on non-financial instruments and other gains and losses (note B9)	158	403
Indirect taxation (note B8.1)	1 084	1 129
Share of gains of associate companies (note F2.1)	(1 313)	(1 449)
	16 249	15 502

M2 INCREASE IN OPERATING ASSETS

	2024 Rm	2023 Rm
Other short-term securities	4 873	(17 108)
Government and other securities	(27 805)	(10 222)
Loans and advances	(79 681)	(19 926)
Derivative financial instruments and other operating assets	(6 031)	(13 909)
Movement in interest accruals	186	1 871
	(108 458)	(59 294)

M3 INCREASE IN OPERATING LIABILITIES

	2024 Rm	2023 Rm
Current and savings accounts	35	(2 988)
Other deposits, loan accounts and foreign currency liabilities	94 866	41 324
Negotiable certificates of deposit	(13 794)	8 250
Deposits received under repurchase agreements	5 215	73
Derivative financial instruments and other operating liabilities	7 552	12 843
Movement in interest accruals	(1 455)	(4 274)
	92 419	55 228

M4 TAXATION PAID

	2024 Rm	2023 Rm
Amounts payable at the beginning of the year	(157)	(175)
Statement of comprehensive income charge (excluding deferred taxation)	(4 360)	(4 556)
Current taxation recognised in equity	114	124
Amounts payable at the end of the year	142	157
	(4 261)	(4 450)
Indirect taxation paid	(1 625)	(1 177)
Taxation paid	(5 886)	(5 627)

SECTION N: ADDITIONAL INFORMATION

N1 FOREIGN CURRENCY CONVERSION

ACCOUNTING POLICY

Foreign currency transactions

Individual entities within the group may use a functional currency different from that of the group, being the currency of the primary economic environment in which the respective entities operate. Transactions in foreign currencies are translated into the functional currency of the individual entities at the date of the transaction by applying the spot exchange rate ruling at the transaction date to the foreign currency amounts. The consolidated financial statements are presented in South African rands, which is the group's presentation currency.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the respective entities of the group at the spot exchange rate ruling at the reporting date.

Exchange differences that arise on the settlement or translation of monetary items at rates that are different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in non-interest revenue and income, in the period in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the respective functional currencies of the group entities using the foreign exchange rates ruling at the dates when the fair values were determined.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are converted to the functional currency of the respective group entities at the rate of exchange ruling at the date of the transaction and are not retranslated subsequently.

Exchange differences on non-monetary items are recognised consistently, with the gains and losses that arise on such items, i.e exchange differences relating to an item for which gains and losses are recognised directly in equity, are generally recognised in equity. Similarly, exchange differences for non-monetary items for which gains and losses are recognised in profit or loss are recognised in non-interest revenue and income in the period in which they arise.

Zimbabwe hyperinflation accounting

During the second half of 2019, the group classified Zimbabwe as a hyperinflationary economy with effect from 1 July 2019, which was consistent with the assessment of the Public Accountants and Auditors Board of Zimbabwe. The assessment as to when an economy is hyperinflationary is based on the guidelines of IAS 29: Financial Reporting in Hyperinflationary Economies (IAS 29) and considers qualitative and quantitative factors, including whether the accumulated inflation over a 3-year period is more than 100%. The results of the group's activities in Nedbank Zimbabwe Limited were first prepared in the Zimbabwean dollar (ZWL) and then converted to the group's presentation currency using IAS 29 guidelines.

In 2023 Zimbabwe's inflation increased by 381%.This represented a higher hyperinflationary trend than in the previous reporting period and, as a result, Zimbabwe continues to be classified as a hyperinflationary economy.

Exchange rate

On 5 January 2023, the Zimbabwe Reserve Bank issued a notice stating that the official exchange rate applicable for use in Zimbabwe for accounting purposes is the Willing Buyer Willing Seller (WBWS) exchange rate. At 31 December 2023 this did not align with the exchange rate that the group has been using. An assessment was performed to evaluate the difference between the WBWS and the auction mid-rate and the difference was considered immaterial. As a result, the group applied the auction mid-rate in its 2023 financial statements. The group continues to monitor the auction mid-rate as a reasonable proxy for the 'closing spot rate' for the purposes of IAS 21: The Effects of Changes in Foreign Exchange Rates.

In 2024, the group assessed whether changes in underlying transactions, events, and conditions indicated a change in Nedbank Zimbabwe's functional currency. This assessment considered several factors as outlined in IAS 21: The Effects of Changes in Foreign Exchange Rates, which indicated the following:

- An increase in USD-denominated client deposits and loans and advances;
- The resultant increase in USD-denominated net interest income and fees and commissions;
- An increase in USD denomination and settlement of primary service provision costs, including employment costs;
- An increase in USD receipts from operating activities.

After evaluating the underlying transaction, the group concluded that Nedbank Zimbabwe's functional currency changed from the Zimbabwe dollar (ZWL) to the United States dollar (USD), effective 1 January 2024. Consequently, the group ceased accounting for net monetary losses due to hyperinflation from this date forward.

General price index

IAS 29 requires transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period, using a general price index to account for the effect of loss of purchasing power during the period. At 31 December 2022, Nedbank used the ZWL Consumer Price Index (CPI) rate, compiled by the Reserve Bank of Zimbabwe (RBZ) to determine the general price index for hyperinflation accounting. In February 2023, RBZ stopped publishing the ZWL CPI and as a result, the group had to estimate the CPI. An external analysis, performed by the Institute of Chartered Accountants of Zimbabwe on the correlation between the movement in the total consumption poverty line (TCPL) and the officially published ZWL CPI from January 2021 to December 2022 indicated an exceedingly strong relationship with a correlation coefficient of 0,99.

The group is of the opinion that the TCPL is reflective of real ZWL inflation in Zimbabwe as it measures the amount required to purchase both food and non-food items. As a result, during 2023 the group used the movement in TCPL to adjust the last published ZWL CPI to determine the estimated CPI for hyperinflation accounting.

The group applied a general price escalation factor of 4,8 based on the estimated CPI of 65 727,48 for December 2023.

Impact on the statement of financial position

At the beginning of the first period during which IAS 29 was applied, equity components, excluding retained earnings, were restated by applying a general price index from the dates these components contributed or otherwise arose. These restatements are recognised directly in equity (foreign currency translation reserve). Any revaluation surplus arising in previous periods is eliminated against retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position.

The carrying amounts of non-monetary assets and liabilities carried at historical cost were adjusted to reflect the change in the general price index from the recognition date to the end of the reporting period. Where non-monetary items are restated above their recoverable amount, an impairment loss is recognised directly in profit or loss. Non-monetary items held at fair value or using a revaluation model were not restated, as these items are recognised based on current price levels. Monetary items are already expressed in the measurement unit used at the end of the reporting period and do not require an adjustment for the general price index.

Impact on the statement of comprehensive income

All items recognised in the statement of comprehensive income were restated by applying the change in the general price index from the dates these items of income and expenses were initially earned or incurred until the end of the reporting period. The gains and losses on the net monetary position are recognised in profit and loss.

Impact on the statement of cash flows

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period to reflect cash flows during the year measured at the purchasing power at the end of the reporting period. As such, it is not reflecting actual cash flows during the year.

Impact of hyperinflation on the group's results

The most material inflation-accounting adjustments to the group's recognition and measurement criteria are highlighted below. With the exception of headline earnings, the impact detailed below is pre-non-controlling-interest:

Financial statement item	2024 Rm	2023 Rm	Description
Statement of comprehensive income			
Net monetary loss (Zimbabwe)		(1 059)	The impact of applying IAS 29 in 2023 resulted in a net monetary loss of R1 059 (R869m from the indexation of income statement items and R190m from the restatement of statement-of-financial-position items).
Foreign exchange gains		1 594	Nedbank Zimbabwe has foreign-denominated balances, which are translated to ZWL at 31 December 2023. These balances are not indexed at the end of the reporting date as they are measured at their current value.
Key business indicators			
Headline earnings (after tax)		431	The 2023 headline earnings for Nedbank Zimbabwe is impacted by the recognition of a loss on the net monetary position due to the purchasing power impact resulting from Nedbank Zimbabwe having monetary assets in excess of monetary liabilities at 31 December 2023. The combined effects of the net monetary loss of R1 059m and the accompanying IAS 29 income statement indexation gain of R869m altered Nedbank Zimbabwe's initial unindexed profit after tax (pre-IAS 29) of R778m to an indexed after-tax profit (post-IAS 29) of R578m (R431m after minorities' impact).

Exchange rates

	Average		Closing	
	2024	2023	**2024**	2023
UK pound to rand	**23,42**	22,94	**23,53**	23,54
US dollar to rand	**18,33**	18,45	**18,75**	18,53
US dollar to naira	**1482,62**	636,59	**1544,08**	911,68
Rand to naira	**81,11**	34,36	**82,37**	49,21
US dollar to Zimbabwean dollar[1]				6114,27
Zimbabwean dollar to rand[1]				0,003
Mozambican metical to rand	**0,29**	0,29	**0,29**	0,29

[1] Due to exchange rate volatility associated with currencies in hyperinflationary economies, average rates have not been disclosed since those would not be representative of exchange rate movements for the period.

Geographic analyses

The geographic analyses within various notes are based on the geographic location of the clients or transactions and not the domicile of the group entity.

N2 EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material events that have occurred between the reporting date and 3 March 2025, which is the date of approval of the consolidated and separate annual financial statements.

N3 DIRECTORS' EMOLUMENTS

The following disclosures are those required by the Companies Act, 71 of 2008 (as amended), in respect of remuneration of directors and prescribed officers:

N3.1 TOTAL REMUNERATION OF EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

	Jason Quinn		Mike Brown[3]	
R'000	2024	2023	2024	2023
Cash portion of package	**5 576**		**5 385**	8 596
Other benefits	**205**		**223**	305
Defined-contribution retirement fund	**343**		**783**	1 243
Guaranteed remuneration	**6 124**	–	**6 391**	10 144
Cash performance incentive	**5 750**		**5 350**	9 887
Cash performance incentive (delivered in shares)	**4 250**		**3 850**	8 388
Total short-term incentive (STI)	**10 000**	–	**9 200**	18 275
GP and Total STI	**16 124**	–	**15 591**	28 419
LTI – Award at face value[1]	**80 732**		**9 000**	18 000
Deferred short-term incentive[2]	**9 150**			
Total awarded remuneration	**106 006**	–	**24 591**	46 419

	Iolanda Ruggiero[4]		Ciko Thomas	
R'000	2024	2023	2024	2023
Cash portion of package	**4 225**	4 015	**5 544**	5 260
Other benefits	**108**	98	**190**	180
Defined-contribution retirement fund	**605**	574	**906**	860
Guaranteed remuneration	**4 938**	4 687	**6 640**	6 300
Cash performance incentive		5 050	**6 750**	6 250
Cash performance incentive (delivered in shares)		3 550	**5 250**	4 750
Total short-term incentive (STI)	**–**	8 600	**12 000**	11 000
GP and Total STI	**4 938**	13 287	**18 640**	17 300
LTI – Award at face value[1]		8 400	**12 250**	11 500
Deferred short-term incentive				
Total awarded remuneration	**4 938**	21 687	**30 890**	28 800

[1] This is the value of the share-based awards made in the following financial year, but in respect of the current financial year. For Mr Quinn, this includes an LTI on-appointment award (R62 732 459,80) made in August 2024. The corporate performance targets in respect of this award were identical to those for the 2024 awards for Group Executive Committee members. This award, together with the deferred short-term incentive award, in accordance with note 2 below, was made in respect of the value of awards that he forfeited on resignation from his previous employer. An annual LTI award (R18 000 000) will also be made to Mr Quinn in March 2025 in respect of the current financial year. For Mr Brown, this includes an LTI award (R9 000 000) made in August 2024, vesting in August 2027, in return for the restraint-of-trade agreement that he agreed to effective until 31 May 2026. The corporate performance targets in respect of this award were identical to those for the 2024 awards for Group Executive Committee members.

[2] A deferred short-term incentive award was made to Mr Quinn on commencement of service in June 2024. This award (R9 150 000) represents the partial payment of 40% (before tax) of the total DSTI award and is repayable in full should he cease to be employed by Nedbank Group for any reason other than no-fault termination before 30 May 2027. The remainder of the award will be payable on 20 June 2027, subject to ongoing minimum individual performance conditions.

[3] Mr Brown stepped down from his CE role at the 2024 AGM, effective 31 May 2024. He remained employed with Nedbank in an advisory role until 31 August 2024, when he retired.

[4] Ms Ruggiero will take early retirement on 31 March 2025. No incentive awards in respect of the current financial year have been made.

Total direct remuneration is paid 100% by Nedbank Limited for services rendered.

Mfundo Nkuhlu		Michael Davis	
2024	2023	**2024**	2023
6 029	5 732	**5 547**	5 108
377	333	**272**	244
894	847	**1 031**	948
7 300	6 912	**6 850**	6 300
7 750	7 000	**8 000**	7 000
6 250	5 500	**6 500**	5 500
14 000	12 500	**14 500**	12 500
21 300	19 412	**21 350**	18 800
13 250	12 500	**13 250**	11 500
34 550	31 912	**34 600**	30 300

Anél Bosman		Terence Sibiya	
2024	2023	**2024**	2023
5 044	4 735	**4 242**	4 046
243	217	**280**	248
398	373	**415**	394
5 685	5 325	**4 937**	4 688
11 250	10 000	**6 000**	6 250
9 750	8 500	**4 500**	4 750
21 000	18 500	**10 500**	11 000
26 685	23 825	**15 437**	15 688
10 000	9 500	**10 000**	8 400
36 685	33 325	**25 437**	24 088

N3.2 NON-EXECUTIVE DIRECTORS' REMUNERATION

Name	Note	Nedbank and Nedbank Group board fees (R000)	Committee fees (R000)	2024 (R000)	2023 (R000)
HR Brody		870	1 368	2 238	2 079
BA Dames		622	872	1 494	1 495
NP Dongwana		622	952	1 574	1 409
MA Hermanus	1	295	80	375	
EM Kruger	2	622	1 968	3 995	3 754
P Langeni		622	902	1 524	1 243
RAG Leith		622	1 374	1 996	1 562
L Makalima		622	1 296	1 918	1 731
PM Makwana				–	2 760
T Marwala				–	164
MA Matooane				–	449
AD Mminele	3	7 032		7 249	4 021
TM Nombembe	4	622	585	1 207	
M Nyati				–	856
S Subramoney		622	1 796	2 418	2 206
Total		**13 173**	**11 193**	**25 988**	**23 729**

[1] *Mavis Hermanus was appointed to the boards of Nedbank Limited and Nedbank Group Limited, and as a member of the Group Sustainability and Climate Resilience Committee with effect from 15 July 2024.*

[2] *Errol Kruger's total fee is inclusive of the Nedbank Private Wealth (Isle of Man) chairperson fees of £60 000 (R1 405 151).*

[3] *Daniel Mminele's fee includes taxable reimbursements and fringe benefit tax.*

[4] *Terence Nombembe was appointed to the Boards of Nedbank Limited and Nedbank Group Limited and as a member of the Group Audit Committee with effect from 1 January 2024. He was also appointed as a member of the Group Risk and Capital Management Committee with effect from 1 April 2024.*

Where applicable, board fees include travel reimbursements for business mileage.

Number of shares	Beneficial direct 2024	Beneficial direct 2023	Beneficial indirect 2024	Beneficial indirect 2023
Directors[1]				
Hubert Brody	**1 094**	5 119		3 600
Brian Dames	**64**	64		
Michael Davis	**123 916**	69 574	**184 625**	253 605
Mavis Ann Hermanus				
Mfundo Nkuhlu	**45 465**	45 465	**204 037**	283 398
Jason Quinn			**237 506**	
Stanley Subramoney			**2 300**	2 300
Directors who retired in 2024				
Mike Brown[2]	**542 972**	552 486	**324 365**	403 190
Prescribed officers[1]				
Ciko Thomas	**12 567**	13 707	**180 099**	233 484
Iolanda Ruggiero	**130 656**	93 236	**135 136**	174 482
Anél Bosman	**66 999**	79 719	**187 034**	224 694
Terence Sibiya	**92 397**	52 130	**139 768**	154 505
Total ordinary shares	**1 016 130**	911 500	**1 594 870**	1 733 258

[1] *No change in the interests of the directors and prescribed officers occurred between 31 December 2024 and 3 March 2025.*

[2] *The beneficial indirect shares include 925 ordinary shares held in a family trust.*

N3.3 SHARE-BASED PAYMENTS TO EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Executive directors	Opening balance at 1 January 2024							
	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Vesting date	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Final vesting/ exercise date
JP Quinn								
Nedbank restricted shares					237 506	15 August 2024	264,13	16 August 2027
Compulsory Bonus Share Scheme								
Voluntary Bonus Share Scheme								
Total value of dividends								
Total	–				237 506			

Awards vesting/lapsing during 2024					Dividends	Closing balance at 31 December 2024		
Number of restricted shares/ options released	Number of restricted shares/ options lapsed	Market price at vesting	Value gained on vesting	Notional value of loss on lapsing	Total value of dividends paid in respect of all plans	Number of restricted shares/ options	End of performance period	Final vesting/ exercise date
		(R)	(R)	(R)	(R)			
						237 506	31 December 2026	16 August 2027
					2 306 183			
–	–		–	–	2 306 183	237 506		

Executive directors	Opening balance at 1 January 2024							
	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Vesting date	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Final vesting/ exercise date
MWT Brown								
Nedbank restricted shares	158 090	25 March 2021	131,57	26 March 2024				
	39 523	26 March 2021	131,57	27 March 2024				
	75 632	17 March 2022	218,16	18 March 2025				
	75 191	22 March 2023	226,09	23 March 2026				
					79 410	27 March 2024	226,67	28 March 2027
					34 074	15 August 2024	264,13	16 August 2027
Compulsory Bonus Share Scheme[1]	14 347	31 March 2021	134,17	1 April 2024				
	14 394	31 March 2022	238,81	1 April 2025				
	20 601	31 March 2023	213,58	1 April 2026				
					19 919	31 March 2024	231,59	1 April 2027
Voluntary Bonus Share Scheme[2]	2 049	31 March 2021	134,17	1 April 2024				
	1 151	31 March 2022	238,81	1 April 2025				
	1 287	31 March 2023	213,58	1 April 2026				
					1 781	31 March 2024	231,59	1 April 2027
Total value of dividends								
Total	402 265				135 184			

Awards vesting/lapsing during 2024					Dividends	Closing balance at 31 December 2024		
Number of restricted shares/ options released	Number of restricted shares/ options lapsed	Market price at vesting	Value gained on vesting	Notional value of loss on lapsing	Total value of dividends paid in respect of all plans3	Number of restricted shares/ options	End of performance period	Final vesting/ exercise date
		(R)	(R)	(R)	(R)			
207 097		230,12	47 657 162					
39 523		227,32	8 984 368					
						75 632	31 December 2024	18 March 2025
						75 191	31 December 2025	23 March 2026
						79 410	31 December 2026	28 March 2027
						34 074	31 December 2026	16 August 2027
28 694		224,07	6 429 465					
						14 394	31 December 2024	1 April 2025
						20 601	31 December 2025	1 April 2026
						19 919	31 December 2026	1 April 2027
4 098		224,07	918 239					
						1 151	31 December 2024	1 April 2025
						1 287	31 December 2025	1 April 2026
						1 781	31 December 2026	1 April 2027
					8 827 547			
279 412	–		63 989 233	–	8 827 547	323 440		

Executive directors	Opening balance at 1 January 2024 Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Vesting date	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Final vesting/ exercise date
MC Nkuhlu								
Nedbank restricted shares	109 447	25 March 2021	131,57	26 March 2024				
	27 362	26 March 2021	131,57	27 March 2024				
	57 297	17 March 2022	218,16	18 March 2025				
	53 076	22 March 2023	226,09	23 March 2026				
					55 146	27 March 2024	226,67	28 March 2027
Compulsory Bonus Share Scheme[1]	8 710	31 March 2021	134,17	1 April 2024				
	9 500	31 March 2022	238,81	1 April 2025				
	13 519	31 March 2023	213,58	1 April 2026				
					13 061	31 March 2024	231,59	1 April 2027
Voluntary Bonus Share Scheme[2]	2 049	31 March 2021	134,17	1 April 2024				
	1 151	31 March 2022	238,81	1 April 2025				
	1 287	31 March 2023	213,58	1 April 2026				
Total value of dividends								
Total	283 398				68 207			

Awards vesting/lapsing during 2024					Dividends	Closing balance at 31 December 2024		
Number of restricted shares/ options released	Number of restricted shares/ options lapsed	Market price at vesting	Value gained on vesting	Notional value of loss on lapsing	Total value of dividends paid in respect of all plans[3]	Number of restricted shares/ options	End of performance period	Final vesting/ exercise date
		(R)	(R)	(R)	(R)			
143 375		230,12	32 993 455					
27 362		227,32	6 219 930					
						57 297	31 December 2024	18 March 2025
						53 076	31 December 2025	23 March 2026
						55 146	31 December 2026	28 March 2027
17 420		224,07	3 903 299					
						9 500	31 December 2024	1 April 2025
						13 519	31 December 2025	1 April 2026
						13 061	31 December 2026	1 April 2027
4 098		224,07	918 239					
						1 151	31 December 2024	1 April 2025
						1 287	31 December 2025	1 April 2026
					5 940 833			
192 255	–		44 034 923	–	5 940 833	204 037		

	Opening balance at 1 January 2024							
Executive directors	**Number of restricted shares/ options**	**Date of issue/ inception**	**Issue price (R)**	**Vesting date**	**Number of restricted shares/ options**	**Date of issue/ inception**	**Issue price (R)**	**Final vesting/ exercise date**
MH Davis								
Nedbank restricted shares	101 086	25 March 2021	131,57	26 March 2024				
	25 272	26 March 2021	131,57	27 March 2024				
	45 837	17 March 2022	218,16	18 March 2025				
	48 653	22 March 2023	226,09	23 March 2026				
					50 734	27 March 2024	226,67	28 March 2027
Compulsory Bonus Share Scheme[1]	8 198	31 March 2021	134,17	1 April 2024				
	8 924	31 March 2022	238,81	1 April 2025				
	13 197	31 March 2023	213,58	1 April 2026				
					13 061	31 March 2024	231,59	1 April 2027
Voluntary Bonus Share Scheme[2]	1 151	31 March 2022	238,81	1 April 2025				
	1 287	31 March 2023	213,58	1 April 2026				
					1 781	31 March 2024	231,59	1 April 2027
Total value of dividends								
Total	253 605				65 576			

Awards vesting/lapsing during 2024					Dividends	Closing balance at 31 December 2024		
Number of restricted shares/ options released	Number of restricted shares/ options lapsed	Market price at vesting	Value gained on vesting	Notional value of loss on lapsing	Total value of dividends paid in respect of all plans3	Number of restricted shares/ options	End of performance period	Final vesting/ exercise date
		(R)	(R)	(R)	(R)			
132 422		230,12	30 472 951					
25 272		227,32	5 744 831					
						45 837	31 December 2024	18 March 2025
						48 653	31 December 2025	23 March 2026
						50 734	31 December 2026	28 March 2027
16 396		224,07	3 673 852					
						8 924	31 December 2024	1 April 2025
						13 197	31 December 2025	1 April 2026
						13 061	31 December 2026	1 April 2027
						1 151	31 December 2024	1 April 2025
						1 287	31 December 2025	1 April 2026
						1 781	31 December 2026	1 April 2027
					5 374 691			
174 090	–		39 891 633	–	5 374 691	184 625		

	Opening balance at 1 January 2024							
Prescribed officers	Number of restricted shares/ options	Date of issue/ inception	Issue price	Vesting date	Number of restricted shares/ options	Date of issue/ inception	Issue price	Final vesting/ exercise date
			(R)				(R)	
C Thomas								
Nedbank restricted shares								
	88 166	25 March 2021	131,57	26 March 2024				
	22 041	26 March 2021	131,57	27 March 2024				
	45 837	17 March 2022	218,16	18 March 2025				
	48 653	22 March 2023	226,09	23 March 2026				
					50 734	27 March 2024	226,67	28 March 2027
Compulsory Bonus Share Scheme[1]								
	5 192	31 March 2021	134,17	1 April 2024				
	10 076	31 March 2022	238,81	1 April 2025				
	13 519	31 March 2023	213,58	1 April 2026				
					11 280	31 March 2024	231,59	1 April 2027
Voluntary Bonus Share Scheme								
Total value of dividends								
Total	233 484				62 014			

Awards vesting/lapsing during 2024					Dividends	Closing balance at 31 December 2024		
Number of restricted shares/ options released	Number of restricted shares/ options lapsed	Market price at vesting	Value gained on vesting	Notional value of loss on lapsing	Total value of dividends paid in respect of all plans	Number of restricted shares/ options	End of performance period	Final vesting/ exercise date
		(R)	(R)	(R)	(R)			
115 497		230,12	26 578 170					
22 041		227,32	5 010 360					
						45 837	31 December 2024	18 March 2025
						48 653	31 December 2025	23 March 2026
						50 734	31 December 2026	28 March 2027
10 384		224,07	2 326 743					
						10 076	31 December 2024	1 April 2025
						13 519	31 December 2025	1 April 2026
						11 280	31 December 2026	1 April 2027
					5 101 136			
147 922	–		33 915 273	–	5 101 136	180 099		

Prescribed officers	Opening balance at 1 January 2024							
	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Vesting date	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Final vesting/ exercise date
I Ruggiero								
Nedbank restricted shares								
	62 324	25 March 2021	131,57	26 March 2024				
	15 581	26 March 2021	131,57	27 March 2024				
	34 378	17 March 2022	218,16	18 March 2025				
	35 384	22 March 2023	226,09	23 March 2026				
					37 058	27 March 2024	226,67	28 March 2027
Compulsory Bonus Share Scheme[1]								
	6 661	31 March 2021	134,17	1 April 2024				
	6 333	31 March 2022	238,81	1 April 2025				
	9 334	31 March 2023	213,58	1 April 2026				
					8 430	31 March 2024	231,59	1 April 2027
Voluntary Bonus Share Scheme[2]								
	2 049	31 March 2021	134,17	1 April 2024				
	1 151	31 March 2022	238,81	1 April 2025				
	1 287	31 March 2023	213,58	1 April 2026				
					1 781	31 March 2024	231,59	1 April 2027
Total value of dividends								
Total	174 482				47 269			

Awards vesting/lapsing during 2024					Dividends	Closing balance at 31 December 2024		
Number of restricted shares/ options released	Number of restricted shares/ options lapsed	Market price at vesting	Value gained on vesting	Notional value of loss on lapsing	Total value of dividends paid in respect of all plans3	Number of restricted shares/ options	End of performance period	Final vesting/ exercise date
		(R)	(R)	(R)	(R)			
81 644		230,12	18 787 917					
15 581		227,32	3 541 873					
						34 378	31 December 2024	18 March 2025
						35 384	31 December 2025	23 March 2026
						37 058	31 December 2026	28 March 2027
13 322		224,07	2 985 061					
						6 333	31 December 2024	1 April 2025
						9 334	31 December 2025	1 April 2026
						8 430	31 December 2026	1 April 2027
4 098		224,07	918 239					
						1 151	31 December 2024	1 April 2025
						1 287	31 December 2025	1 April 2026
						1 781	31 December 2026	1 April 2027
					3 738 966			
114 645	–		26 233 090	–	3 738 966	135 136		

Prescribed officers	Opening balance at 1 January 2024							
	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Vesting date	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Final vesting/ exercise date
A Bosman								
Nedbank restricted shares	66 884	25 March 2021	131,57	26 March 2024				
	16 721	26 March 2021	131,57	27 March 2024				
	43 546	17 March 2022	218,16	18 March 2025				
	39 807	22 March 2023	226,09	23 March 2026				
					41 911	27 March 2024	226,67	28 March 2027
Compulsory Bonus Share Scheme[1]	15 884	31 March 2021	134,17	1 April 2024				
	16 121	31 March 2022	238,81	1 April 2025				
	21 244	31 March 2023	213,58	1 April 2026				
					20 186	31 March 2024	231,59	1 April 2027
Voluntary Bonus Share Scheme[2]	2 049	31 March 2021	134,17	1 April 2024				
	1 151	31 March 2022	238,81	1 April 2025				
	1 287	31 March 2023	213,58	1 April 2026				
					1 781	31 March 2024	231,59	1 April 2027
Total value of dividends								
Total	224 694				63 878			

Awards vesting/lapsing during 2024					Dividends	Closing balance at 31 December 2024		
Number of restricted shares/ options released	Number of restricted shares/ options lapsed	Market price at vesting	Value gained on vesting	Notional value of loss on lapsing	Total value of dividends paid in respect of all plans3	Number of restricted shares/ options	End of performance period	Final vesting/ exercise date
		(R)	(R)	(R)	(R)			
87 618		230,12	20 162 654					
16 721		227,32	3 801 018					
						43 546	31 December 2024	18 March 2025
						39 807	31 December 2025	23 March 2026
						41 911	31 December 2026	28 March 2027
31 768		224,07	7 118 256					
						16 121	31 December 2024	1 April 2025
						21 244	31 December 2025	1 April 2026
						20 186	31 December 2026	1 April 2027
4 098		224,07	918 239					
						1 151	31 December 2024	1 April 2025
						1 287	31 December 2025	1 April 2026
						1 781	31 December 2026	1 April 2027
					5 034 516			
140 205	–		32 000 167	–	5 034 516	187 034		

Prescribed officers	Opening balance at 1 January 2024							
	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Vesting date	Number of restricted shares/ options	Date of issue/ inception	Issue price (R)	Final vesting/ exercise date
T Sibiya								
Nedbank restricted shares								
	48 643	25 March 2021	131,57	26 March 2024				
	12 161	26 March 2021	131,57	27 March 2024				
	36 670	17 March 2022	218,16	18 March 2025				
	35 384	22 March 2023	226,09	23 March 2026				
					37 058	27 March 2024	226,67	28 March 2027
Compulsory Bonus Share Scheme[1]								
	2 562	31 March 2021	134,17	1 April 2024				
	6 045	31 March 2022	238,81	1 April 2025				
	9 334	31 March 2023	213,58	1 April 2026				
					11 280	31 March 2024	231,59	1 April 2027
Voluntary Bonus Share Scheme[2]								
	1 490	31 March 2021	134,17	1 April 2024				
	1 046	31 March 2022	238,81	1 April 2025				
	1 170	31 March 2023	213,58	1 April 2026				
					1 781	31 March 2024	231,59	1 April 2027
Total value of dividends								
Total	154 505				50 119			

[1] *Matching on the Compulsory Bonus Share Scheme (CBSS) occurs only on shares in the scheme at the vesting date. If CPTs are met, 100% matching occurs.*

[2] *For the VBSS, employees invest their own Nedbank shares in the scheme. After three years, if the CPTs are met, a 100% matching occurs.*

[3] *Plans exclude the VBSS, which consists of own shares.*

Awards vesting/lapsing during 2024					Dividends	Closing balance at 31 December 2024		
Number of restricted shares/ options released	Number of restricted shares/ options lapsed	Market price at vesting	Value gained on vesting	Notional value of loss on lapsing	Total value of dividends paid in respect of all plans3	Number of restricted shares/ options	End of performance period	Final vesting/ exercise date
		(R)	(R)	(R)	(R)			
63 722		230,12	14 663 707					
12 161		227,32	2 764 439					
						36 670	31 December 2024	18 March 2025
						35 384	31 December 2025	23 March 2026
						37 058	31 December 2026	28 March 2027
5 124		224,07	1 148 135					
						6 045	31 December 2024	1 April 2025
						9 334	31 December 2025	1 April 2026
						11 280	31 December 2026	1 April 2027
2 980		224,07	667 729					
						1 046	31 December 2024	1 April 2025
						1 170	31 December 2025	1 April 2026
						1 781	31 December 2026	1 April 2027
					3 533 808			
83 987	–		19 244 008	–	3 533 808	139 768		

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

	Note	2024 Rm	2023 Rm
Dividends from subsidiary companies		**11 682**	16 658
Interest and similar income[1]		**1 460**	1 541
Interest expense and similar charges[2]		**(1 551)**	(1 605)
Other income		**4**	(4)
Share of gains from associate company		**1 162**	1 386
Total income		**12 757**	17 976
Total operating expenses	1	**(41)**	(41)
Profit before direct taxation		**12 716**	17 935
Direct taxation	2	**(61)**	(14)
Profit for the year		**12 655**	17 921
Other comprehensive loss net of taxation		**(1 744)**	(1 313)
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translating foreign operations		**26**	168
Share of other comprehensive losses of investments accounted for using the equity method		**(1 775)**	(1 556)
Items that may not subsequently be reclassified to profit or loss			
Share of other comprehensive losses of investments accounted for using the equity method		**5**	75
Total comprehensive income for the year		**10 911**	16 608

[1] Interest and similar income is calculated using the effective interest rate and the amount of interest income for financial assets measured at amortised cost.

[2]Interest expense for financial liabilities is measured at amortised cost and includes notional discounting of interest-free loans of R128m (2023: R167m).

SEPARATE STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER

	Note	2024 Rm	2023 Rm
Assets			
Cash and cash equivalents[1]		**276**	1 527
Government and other securities[2]	3	**12 436**	11 197
Investment securities[3]		**47**	36
Investments in associate companies	4	**666**	1 248
Investments in subsidiary companies		**44 388**	40 885
Investment in ordinary shares		**28 800**	27 657
Investment in additional tier 1 capital instruments		**12 798**	10 469
Investment in intragroup tier 2 instruments[2]		**2 020**	2 021
Amounts due from subsidiaries[4,5]		**770**	738
Total assets		**57 813**	54 893
Equity and liabilities			
Ordinary share capital	5.1	**488**	488
Ordinary share premium		**19 121**	19 198
Holders of additional tier 1 capital instruments		**12 798**	10 469
Reserves		**6 838**	6 989
Equity attributable to ordinary shareholders		**39 245**	37 144
Amounts owing to subsidiaries[4]		**2 703**	4 529
Preference shares issued[4]	5.2	**1 373**	
Taxation payable		**27**	
Other liabilities		**9**	2
Long-term debt instruments[4]	6	**14 456**	13 218
Total liabilities		**18 568**	17 749
Total equity and liabilities		**57 813**	54 893

[1] *The credit rating of cash and cash equivalents is investment grade. The balance is measured at amortised cost.*

[2] *The credit ratings of government and other securities and investment in intragroup tier 2 instruments are investment grade. These financial instruments are measured at amortised cost.*

[3] *These financial instruments are measured at fair value through profit or loss.*

[4] *These financial instruments are measured at amortised cost.*

[5] *The credit rating of amounts due from subsidiaries is investment grade.*

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER

	Number of ordinary shares	Ordinary share capital Rm	Ordinary share premium Rm	Holders of additional tier 1 capital instruments[5]
Balance at 1 January 2023	511 500 790	512	24 222	10 219
Repurchase of odd-lot holdings	(23 395 066)	(24)	(5 024)	
Additional tier 1 capital instruments issued				1 000
Additional tier 1 capital instruments redemption				(750)
Total comprehensive (losses)/income for the year	–	–	–	–
Profit for the year				
Exchange differences on translating foreign operations				
Share of OCI of investments accounted for using the equity method				
Dividends to shareholders				
Additional tier 1 capital instruments interest paid				
Other movements				
Balance at 31 December 2023	**488 105 724**	**488**	**19 198**	**10 469**
Repurchase of general holdings[1]	**(291 929)**		**(77)**	
Additional tier 1 capital instruments issued				**3 000**
Additional tier 1 capital instruments redemption				**(671)**
Total comprehensive (losses)/income for the year	**–**	**–**	**–**	**–**
Profit for the year				
Exchange differences on translating foreign operations				
Share of OCI of investments accounted for using the equity method				
Dividends to shareholders				
Additional tier 1 capital instruments interest paid				
Balance at 31 December 2024	**487 813 795**	**488**	**19 121**	**12 798**

[1] This represents the cumulative foreign exchange differences that arise on the translation of an entity with a functional currency different from the presentation currency of the parent company. The cumulative reserve relating to a subsidiary, associate company or joint venture that is disposed of is included in the determination of profit or loss on disposal of the subsidiary, associate company or joint venture.

[2] All share-based payment expenses are recognised in the statement of comprehensive income, with the corresponding amount recognised in share-based payment reserves. On the expiry or exercise of a share-based instrument the cumulative amount recognised in this respect is transferred directly to other distributable reserves.

[3] Represents other non-distributable revaluation surplus on capital items.

[4] This comprises all fair-value adjustments relating to investments in debt instruments and equity investments that are subsequently measured at FVOCI. The expected credit loss allowance relating to such debt instruments is also recognised in OCI and accumulated in this reserve. When the debt instrument is derecognised, the cumulative gain or loss is reclassified from equity to profit or loss. For investments in equity instruments the cumulative gain or loss is not recycled, but may be reclassified within equity on derecognition.

[5] Represents the accumulated profits after distributions to shareholders and appropriation of retained earnings to other non-distributable earnings.

Foreign currency translation reserve[1] Rm	Share-based payments reserve[2] Rm	Other non-distributable reserves[3] Rm	FVOCI reserve[4] Rm	Distributable reserves Rm	Total ordinary shareholders' equity Rm
(5 166)	125	67	(251)	5 544	35 272
					(5 048)
					1 000
					(750)
(1 410)	–	–	22	17 996	16 608
				17 921	17 921
168					168
(1 578)			22	75	(1 481)
				(8 653)	(8 653)
				(1 286)	(1 286)
1					1
(6 575)	**125**	**67**	**(229)**	**13 601**	**37 144**
					(77)
					3 000
					(671)
(1 746)	**–**	**–**	**(3)**	**12 660**	**10 911**
				12 655	**12 655**
26					**26**
(1 772)			**(3)**	**5**	**(1 770)**
				(9 727)	**(9 727)**
				(1 335)	**(1 335)**
(8 321)	**125**	**67**	**(232)**	**15 199**	**39 245**

SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	Note	2024 Rm	2023 Rm (Restated)
Profit before direct taxation		**12 716**	17 935
Adjusted for:		**(12 726)**	(17 963)
Non-cash items	7.1	**(1 135)**	(1 369)
Interest and similar income		**(1 460)**	(1 541)
Interest expense and similar charges		**1 551**	1 605
Dividends from subsidiary companies		**(11 682)**	(16 658)
Dividends received from subsidiary and associate companies		**11 635**	16 613
Interest received		**1 462**	1 488
Interest paid		**(1 370)**	(1 400)
Change in funds for operating activities		**(2 154)**	(437)
(Increase)/Decrease in operating assets		**(28)**	63
Decrease in operating liabilities		**(2 126)**	(500)
Net cash from operating activities before taxation		**9 563**	16 236
Taxation paid	7.2	**(34)**	(14)
Cash flows from operating activities		**9 529**	16 222
Cash flows (used by)/from investing activities		**(4 717)**	2 208
(Acquisition)/Disposal of additional tier 1 capital and long-term debt instruments[2]		**(3 575)**	2 183
(Acquisition)/Disposal of investments in subsidiaries		**(1 142)**	25
Cash flows used by financing activities		**(6 063)**	(17 171)
Repurchase of ordinary shares		**(77)**	(5 049)
Issued additional tier 1 capital instruments		**3 000**	1 000
Redemption of additional tier 1 capital instruments		**(671)**	(750)
Issued long-term debt instruments		**3 746**	2 074
Redemption of long-term debt instruments		**(2 500)**	(4 507)
Issued of redeemable preference shares		**1 500**	
Dividends paid to ordinary shareholders		**(9 727)**	(8 653)
Additional tier 1 capital instruments distributions[1]		**(1 334)**	(1 286)
Net (decrease)/increase in cash and cash equivalents for the year		**(1 251)**	1 259
Cash and cash equivalents at the beginning of year		**1 527**	268
Cash and cash equivalents at the end of the year		**276**	1 527

[1] During the year, the company reviewed the statement of cash flows disclosure. As a result of the review, the 'Additional tier 1 capital instruments interest paid' line item has been renamed 'Additional tier 1 capital instruments distributions' to better reflect the nature of the line items. The change in description has not impacted the amounts presented in the prior period.

[2] Included in the '(Acquisition)/Disposal of additional tier 1 capital and long-term debt instruments' line item is acquisitions of additional tier 1 capital of R3 000m (2023: R1 000m), acquisitions of long-term debt instruments of R3 746m (2023: R2 074m), disposals of additional tier 1 capital of R671m (2023: R750m) and disposals of long-term debt instruments of R2 500m (2023: R4 507m). These acquisitions and disposals are with Nedbank Limited, a registered financial institution.

1 TOTAL OPERATING EXPENSES

	2024 Rm	2023 Rm
Audit fees	**9**	9
Directors' fees	**2**	2
Listing and admin fees	**30**	30
	41	41

2 DIRECT TAXATION

2.1 Charge for the year

	2024 Rm	2023 Rm
Current taxation	**37**	
Foreign dividend withholding tax	**24**	14
	61	14

2.2 Taxation rate reconciliation

	2024 %	2023 %
Standard rate of South African normal taxation	**27**	27
Non-taxable income	**(27)**	(27)
Effective taxation rate	**–**	–

3 GOVERNMENT AND OTHER SECURITIES

3.1 Analysis

	2024 Rm	2023 Rm
Government and other securities	**12 436**	11 197
	12 436	11 197

3.2 Sectoral analysis

	2024 Rm	2023 Rm
Banks	**12 436**	11 197
	12 436	11 197

4 INVESTMENT IN ASSOCIATE COMPANIES

4.1 Movement in carrying amount

	2024 Rm	2023 Rm
Carrying amount at the beginning of the year	1 248	1 286
Dividends received from equity-accounted associate company		(111)
Share of associate companies' profit after taxation for the year	1 162	1 211
Release/(Raise) of adjustment for Ghanian Eurobond default in Q4 2023		175
Share of associate companies' OCI for the year	(1 770)	(1 481)
Foreign currency translation and other movements	26	168
Carrying amount at the end of the year	666	1 248

4.2 Analysis of carrying amount

	2024 Rm	2023 Rm
Associate investments – on acquisition: net asset value	6 265	6 265
Our share of amounts recognised directly in equity	(780)	(780)
Share of earnings since acquisition	5 259	4 097
Share of OCI since acquisition	(9 852)	(8 082)
Dividends received from equity-accounted associate company	(403)	(403)
Impairment provision for investments in associate company	(1 750)	(1 750)
Foreign currency translation and other movements	1 927	1 901
	666	1 248

5 SHARE CAPITAL

5.1 Ordinary share capital

	2024 Rm	2023 Rm
Authorised		
600 000 000 (2023: 600 000 000) ordinary shares of R1 each	600	600
Issued ordinary share capital		
487 813 795 (2023: 488 105 724) fully paid ordinary shares of R1 each	488	488

Subject to the restrictions imposed by the Companies Act, 71 of 2008 (as amended), the unissued shares are under the control of the directors until the forthcoming AGM.

5.2 Preference share capital and premium

	2024 Rm	2023 Rm
Authorised		
1 000 000 (2023: 1 000 000) cumulative redeemable non-participating preference shares of R10 000 each	10 000	10 000
Issued		
150 000 (2023: nil) variable-rate cumulative redeemable preference shares[1]	1 373	

The 'B' redeemable preference shares confer the right to receive dividends, after the payment of all dividends that may be payable to the holders of other classes of preference shares.

Subject to the provisions of the Companies Act 71 of 2008, the 'B' redeemble cumulative preference shares are redeemable at any time at the option of the company on such basis as may be determined by the directors of the company.

[1]15 000 shares were subscribed by Depfin Proprietary Limited.

6 LONG-TERM DEBT INSTRUMENTS

Instrument type	Maturity date	Interest rate	2024 Rm	2023 Rm
Subordinated debt				
Callable notes (rand-denominated – floating)	9 April 2029	JIBAR + 2,4%		2 561
Callable notes (rand-denominated – floating)	30 June 2030	JIBAR + 2,80%	**2 020**	2 021
Callable notes (rand-denominated – floating)	2 July 2030	JIBAR + 3,85%	**2 110**	2 111
Callable notes (rand-denominated – floating)	19 June 2031	JIBAR + 2,35%	**2 508**	2 509
Callable notes (rand-denominated – floating)	27 December 2031	JIBAR + 2,0%	**451**	450
Callable notes (rand-denominated – floating)	4 October 2033	JIBAR + 1,715%	**2 123**	2 125
Callable notes (rand-denominated – floating)	19 November 2032	JIBAR + 2,10%	**1 440**	1 441
Callable notes (rand-denominated – floating)	30 April 2034	JIBAR + 1.86%	**1 768**	
Callable notes (rand-denominated – floating)	8 November 2034	JIBAR + 1.68%	**2 036**	
			14 456	13 218

The net movement for the year relates to 3 notes that were redeemed of R2 500m (2023: R4 508m) and 2 note issued in 2024 for R3 746m (2023: R2 074m) and interest accrued of R8m (2023: R39m).

Refer to C7: Derivative Financial Instruments in the Nedbank Group Limited consolidated annual financial statements for the disclosure of South African benchmark reform. The 31 December 2024 balances of government and other securities, investment in intragroup tier 2 instruments and holders of additional tier 1 capital instruments are also impacted by this reform.

6.1 MOVEMENT IN CARRYING AMOUNT

	2024 Rm	2023 Rm
Balance at the beginning of the year	**13 218**	15 612
Changes arising from cash movements	**(124)**	(3 833)
Issue of long-term debt instruments	**3 746**	2 074
Redemption of long-term debt instruments	**(2 500)**	(4 508)
Interest paid	**(1 370)**	(1 399)
Changes arising from non-cash movements	**1 362**	1 439
Accrued interest and unwinding of premiums/discount	**1 362**	1 439
	14 456	13 218

7 NOTES TO THE SEPARATE STATEMENT OF CASH FLOWS

7.1 Non-cash items

	2024 Rm	2023 Rm
Interest accruals	**(5)**	(1)
Interest expense accruals	**(1)**	
Share of gains of associate companies	**(1 162)**	(1 385)
Fair value adjustments	**(1)**	
Taxation expense provision	**26**	
Foreign exchange gains	**8**	17
	(1 135)	(1 369)

7.2 Taxation paid

	2024 Rm	2023 Rm
Statement of comprehensive income charge – current tax	**10**	
Statement of comprehensive income charge – foreign dividend withholding tax	**24**	14
	34	14

8 SHARE-BASED PAYMENTS

Equity instruments are granted to business partners and non-executive directors as an incentive to retain business and develop growth within the group. The share-based payment expenses and reserve balances in respect of the Client and Community Schemes, implemented in 2005, were accounted for in the Nedbank Group Limited consolidated financial statements and in the Nedbank Group Limited stand-alone financial statements. Both of these schemes will be equity-settled.

As the company cannot reliably estimate the fair value of services received or the value of additional business received, the company rebuts the presumption that such services and business can be measured reliably. The company therefore measures its fair value by reference to the fair value of the equity instruments granted, in line with the group's accounting policy. The fair value of share option awards is measured at the grant date using the Black–Scholes Valuation Model. For the non-option equity awards, the fair value is measured by reference to the listed share price, as well as the dividends over the vesting period to which the participant has a right.

8.1 Description of arrangements

Scheme	Trust/SPV	Description	Maximum term
Nedbank Eyethu BEE schemes			
Community Trust	Nedbank Eyethu Community Trust	The trust has been formed with the specific purpose of providing previously disadvantaged communities and charitable organisations with the opportunity to receive dividends in respect of the scheme shares, thereby contributing to Nedbank Group Limited's BEE compliance. Shares are not allocated to specific beneficiaries. At the end of the 6 years the net assets of the trust will be allocated to participants as determined by the trustees.	The termination date of the trust was moved from 2015 to 2030 to provide an ongoing flexible vehicle for deploying the residual assets of the trust and continued support of community affairs in line with the group's BEE and Fair Share 2030 initiatives.

8.2 Effect on profit and financial position

	Share-based payments reserve	
	2024	2023
Community Scheme[1]	**125**	125
	125	125

8.3 Movements in number of instruments

	2024		2023	
	Number of instruments	**Weighted-average remaining contractual life (years)**	Number of instruments	Weighted-average remaining contractual life (years)
Community Scheme				
Outstanding at the beginning of the year	**1 559 448**	**7**	1 559 448	8
Outstanding at the end of the year	**1 559 448**	**6**	1 559 448	7

[1] This reserve will start to decrease once the Community Scheme has distributed the shares to the beneficiaries. This reserve currently has 851 111 shares to be distributed.

9. RELATED PARTIES

9.1 Key management employees' compensation

Key management employees are those persons who have authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including all directors of the company and its parent, as well as members of the executive committee who are not directors, as well as close members of the family of any of these individuals.

Refer to note F6.1 to the Nedbank Group Limited consolidated annual financial statements for compensation paid to the board of directors and compensation paid to other key management employees, as well as the number of share instruments held.

9.2 Related-party transactions

The following significant transactions were entered into between Nedbank Group Limited and the following related parties. All these transactions were entered into in the normal course of business.

	Due from/(Owing to)	
Outstanding balances (Rm)	**2024**	2023
Subsidiaries		
Loan owing to Nedbank Nominees Proprietary Limited – interest-free	**(5)**	(5)
Advance to Ned Settle Services Proprietary Limited – interest-free	**72**	72
Advance to NPE Holdco Proprietary Limited – interest-free	**383**	383
Advance to Nedbank Group Insurance Holdings Limited	**257**	257
Interest-free loan account Nedbank Limited CIB	**11**	11
Bank account with Nedbank Limited	**235**	1 511
Bank account with Nedbank Mozambique Limited	**41**	16
Nedbank Limited investment in tier 2 instruments	**2 020**	2 021
Loan from Nedbank Limited – interest-free	**(11)**	(4 523)
Tier 2 long-term debt – Nedbank Limited	**12 436**	11 197
Accounts receivable from Nedbank Limited	**5**	15
Accounts payable to Nedgroup Investment Africa	**(1)**	(1)
Investment in additional tier 1 capital instruments	**12 798**	10 469
Nedgroup Securities accounts receivable	**42**	
Depfin Proprietary Limited interest-bearing loan payable	**(2 534)**	
Depfin Proprietary Limited redeemable preference shares	**(152)**	
Key management employees		
– Community Trust – share-based payments reserve	**(125)**	(125)

	Income/(Expense)	
Transactions (Rm)	**2024**	2023
Interest income from subsidiaries		
Nedbank Limited – interest income	**1 460**	1 541
Nedbank Limited – interest expense	**(1 491)**	(1 605)
Depfin Proprietary Limited– interest expense	**(37)**	
Dividends from subsidiaries		
Nedbank Limited	**7 849**	12 561
Nedeurope Limited	**936**	1 370
NedNamibia Holdings Proprietary Limited	**221**	118
Nedbank Group Insurance Holdings Limited	**1 100**	1 550
Nedgroup Investments Proprietary Limited	**190**	175
Nedbank Eswatini Limited	**65**	65
Nedbank Lesotho Limited	**45**	20
Nedbank Mozambique Limited	**26**	18
Nedgroup investment Africa	**50**	24
Nedgroup Securities Proprietary Limited	**1 000**	750
Nedcapital Investment Holdings Proprietary Limited		2
Nedgroup Private Wealth Proprietary Limited	**200**	
Nedbank Group 2005 Employee Share Trust		5
Dividends declared by subsidiaries	**11 682**	16 658

10 LIQUIDITY, CREDIT RISK AND MARKET RISK INFORMATION

The amounts owed to subsidiaries relate mainly to amounts due to Nedbank Limited (a subsidiary of the company) that are contractually repayable within the next 12 months.

Financial assets subject to credit risk are mainly cash and cash equivalents, government and other securities, and intergroup investments in tier 2 instruments that are receivable from Nedbank Limited (a subsidiary of the company), which has an external credit rating of zaAA as issued by Standard & Poor's and Aa1 as issued by Moody's Investors Service.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the company. Financial assets subject to credit risk are cash and cash equivalents, government and other securities, investment in intergroup asset tier 2 instruments, and amounts from and deposits with subsidiaries. The maximum exposure to credit risk is equal to the carrying amount. These amounts are monitored and provision is made, where necessary, for any irrecoverable amounts. At the end of the reporting period the company does not consider there to be any significant concentration of credit risk that had not been adequately provided for.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company's risk to liquidity results from long-term debt instruments and amounts owing to subsidiaries. Through the group's Liquidity Risk Management Framework, the company manages the funding and market liquidity risk to ensure that operations continue uninterrupted under normal and stressed conditions. The key objectives that underpin the Liquidity Risk Management Framework include maintaining financial-market confidence at all times, protecting key stakeholder interests and meeting regulatory liquidity requirements.

Maturity analysis (undiscounted contractual amounts)

Amounts owing to subsidiaries (Rm)	2024	2023
Less than 1 year	**22**	4 631
More than a year but less than 5 years	**157**	
More than 5 years	**2 648**	
	2 827	4 631

Long-term debt instruments (Rm)	2024	2023
Less than 1 year		3 916
More than 5 years	**24 906**	19 293
	24 906	23 209

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 3 types of risk: currency risk, interest rate risk and other price risk.

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates. The company's market risk results from interest rate changes on long-term debt instruments, amounts owing to subsidiaries, and amounts from and deposits with subsidiaries. Amounts owing to subsidiaries and amounts from and deposits with subsidiaries are unsecured, have no fixed terms of repayment and are non-interest-bearing. The company's level of borrowing and consequently the debt-servicing costs are closely monitored and controlled, with the prevailing and projected interest rates and the company's capacity to service such debt from future earnings taken into account.

Interest rate sensitivity analysis

The company is exposed to interest rate fluctuations of the 3-month JIBAR on long-term debt instruments.The following sensitivity analysis has been prepared using a sensitivity rate that is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant.

Cash flow sensitivity analysis linked to interest rate risk

The company manages its exposure to interest rate risk by ensuring that instruments issued by the company (long-term debt instruments and additional tier 1 instruments) are invested in instruments with the identical interest rate risk profile, therefore a 1% increase or decrease in JIBAR-based interest rates at the end of the reporting would have no impact on the cashflows, profit and equity of the entity.

11 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. The calculation of the fair value of these financial instruments incorporates the group's best estimate of the value at which these financial assets could be exchanged, or financial liabilities transferred, between market participants at the measurement date. The group's estimate of what fair value is does not necessarily represent what it would be able to sell the asset for or transfer the respective financial liability for in an involuntary liquidation or distressed sale.

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

	Carrying value	Fair value	Level 1	Level 2
2024				
Financial assets (Rm)	**14 456**	**14 867**	**5 900**	**8 967**
Government and other securities	**12 436**	**12 693**	**5 900**	**6 793**
Investments in subsidiaries	**2 020**	**2 174**		**2 174**
Financial liabilities (Rm)	**14 456**	**14 867**	**5 900**	**8 967**
Long-term debt instruments	**14 456**	**14 867**	**5 900**	**8 967**
2023				
Financial assets (Rm)	13 218	13 457	8 150	5 307
Government and other securities	11 197	11 274	8 150	3 124
Investments in subsidiaries	2 021	2 183		2 183
Financial liabilities (Rm)	13 218	13 457	8 150	5 307
Long-term debt instruments	13 218	13 457	8 150	5 307

Government and other securities

The fair value of high-quality South African government bonds listed in an active market is based on the available market prices (level 1, and those that use unobservable inputs – level 2). The discounted-cash-flow methodology principles are used to determine the fair value. Refer to note I3: Assets and liabilities not measured at fair value for which fair value is disclosed (Loans and advances) in the Nedbank Group Limited consolidated annual financial statements for the disclosure of the significant inputs.

Long-term debt instruments

The fair value of long-term debt instruments is based on available market prices (level 1). Where prices are not quoted or where the market is considered to be inactive, it is based on discounted-cash-flow analysis (level 2). Refer to note I3: Assets and liabilities not measured at fair value for which fair value is disclosed (Loans and advances) in the Nedbank Group Limited consolidated annual financial statements for the disclosure of the significant inputs.

Cash and cash equivalents, amounts due from subsidiaries, preference shares and other liabilities

The carrying values of cash and cash equivalents, amounts due from subsidiaries, preference shares and other liabilities are considered a reasonable approximation of their respective fair values, as they are either short-term in nature or repriced to current market rates at frequent intervals.

Investments in subsidiaries

The fair value of the investment in intragroup tier 2 instruments included in the 'Investment in subsidiaries' line item is based on unobservable inputs – level 2. The discounted-cash-flow methodology principles are used to determine the fair value. The principle input to the valuation technique is the discount rate.

12 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Assets and liabilities consist primarily of non-financial assets and liabilities. These are not subject to offsetting disclosures as envisaged in IFRS 7: Financial Instruments – Disclosures.

13 DIRECTORS' EMOLUMENTS

Details of directors' emoluments have been included in N3.

14 EVENTS AFTER THE REPORTING PERIOD

There are no material events after the reporting period.

INFORMATION NOT COVERED BY THE INDEPENDENT AUDITORS' REPORT

SHAREHOLDER ANALYSIS

Register date: 27 December 2024

Authorised share capital: 600 000 000 shares

Issued share capital: 488 020 500 shares

Shareholder spread	Number of share-holdings	%	Number of shares	%
1–1 000 shares	30 208	84,41	6 469 490	1,33
1 001–10 000 shares	3 937	11,00	11 105 971	2,28
10 001–100 000 shares	1 167	3,26	39 039 106	8,00
100 001–1 000 000 shares	401	1,12	116 981 407	23,97
1 000 001 shares and over	73	0,21	314 424 526	64,42
Total	**35 786**	**100,00**	**488 020 500**	**100,00**

Distribution of shareholders	Number of share-holdings	%	Number of shares	%
Banks/Brokers	323	0,90	137 230 657	28,12
Close corporations	158	0,44	211 707	0,04
Empowerment	31	0,09	2 943 103	0,60
Endowment funds	193	0,54	2 898 903	0,59
Government	15	0,04	364 237	0,07
Individuals	29 728	83,07	17 756 376	3,64
Insurance companies	185	0,52	18 457 468	3,78
Investment companies	14	0,04	901 873	0,18
Medical aid schemes	47	0,13	2 011 426	0,41
Mutual funds	729	2,04	138 075 529	28,29
Other corporations	226	0,63	315 433	0,06
Private companies	639	1,79	3 332 102	0,68
Public companies	21	0,06	51 837	0,01
Retirement funds	752	2,10	130 884 236	26,82
Share trusts[1]	4	0,01	21 384 178	4,38
Sovereign wealth funds	15	0,04	7 117 827	1,46
Trusts	2 657	7,42	3 919 565	0,80
UK nominee accounts	49	0,14	164 043	0,03
Total	**35 786**	**100,00**	**488 020 500**	**100,00**

[1] Excludes shares held by directors and prescribed officers in the Nedbank Group (2005) share option, matched-share and restricted-share schemes.

Public/Non-public shareholders	Number of share-holdings	%	Number of shares	%
Non-public shareholders	67	0,19	30 376 745	6,22
Directors and associates of the company[1]	6	0,02	799 007	0,16
Prescribed officers of the company[1]	4	0,01	944 656	0,19
Treasury stock	1	0,00	21 025 730	4,31
Nedbank/Nedbank Group pension funds	2	0,01	57 686	0,01
Nedbank Group and associates (share trusts and foundation)[2]	5	0,01	1 944 395	0,40
Nedbank Group Limited and associates (mutual funds and banks)	17	0,05	5 307 560	1,09
Nedbank Group BEE trusts – SA[2]	3	0,01	138 996	0,03
Nedbank Group BEE trusts – Namibia	29	0,08	158 715	0,03
Public shareholders	35 719	99,81	457 643 755	93,78
Total	**35 786**	**100,00**	**488 020 500**	**100,00**

[1] Includes shares held by directors and prescribed officers in the Nedbank Group (2005) share option, matched-share and restricted-share schemes.

[2] Excludes shares held by directors and prescribed officers in the Nedbank Group (2005) share option, matched-share and restricted-share schemes.

Major shareholders/managers	Number of shares	2024 % holding	2023 % holding
Nedbank Group treasury shares	21 025 730	4,30	4,82
BEE trusts:	2 597 880	0,53	0,53
– Eyethu scheme – Nedbank SA	2 482 790	0,51	0,51
– Omufima scheme – Nedbank Namibia	115 090	0,02	0,02
Nedbank Group (2005) Share Option, Matched-share and Restricted-share Schemes	14 199 691	2,91	3,47
Nedbank Namibia Limited	47 512	0,01	0,01
General repurchase of shares[1]	206 705	0,04	
Nedbank Foundation Trust	2 055		
Nedbank Social Development Fund Trust	3 971 887	0,81	0,81
Public Investment Corporation (SA)	72 245 968	14,80	14,75
Allan Gray (SA)	38 964 483	7,98	9,38
Coronation Fund Managers (SA)	25 183 839	5,16	4,89
BlackRock Incorporated (international)	22 770 455	4,67	4,53
The Vanguard Group Incorporated (international)	19 211 209	3,94	3,81
Old Mutual Life Assurance Company (SA) Limited and associates (includes funds managed on behalf of other beneficial owners)	19 112 929	3,92	2,03
Ninety One (SA)	17 978 638	3,68	0,78
Sanlam Investment Management Proprietary Limited (SA)	16 294 492	3,34	3,07
Lazard Asset Management (international)	14 311 915	2,93	2,67
Fairtree Asset Management Pty Ltd (SA)	10 197 416	2,09	1,79

[1] Nedbank Group Limited repurchased shares in December 2024. These shares were delisted and cancelled in January 2025, and accordingly, the total issued ordinary share capital of Nedbank Group Limited decreased from 488 020 500 to 487 813 795 shares as reflected in the separate statement of changes in equity.

Beneficial shareholders holding of 5% or more	Number of shares	2024 % holding	2023 % holding
Government Employees Pension Fund	77 459 809	15,87	15,37
Allan Gray	28 229 715	5,78	6,88
	105 689 524	21,66	22,24

Geographical distribution of shareholders	Number of shares	2024 % holding	2023 % holding
Domestic	311 032 827	63,73	64,31
SA	301 354 874	61,75	59,68
Namibia	9 677 953	1,98	1,84
Unclassified			2,79
Foreign	176 987 673	36,27	35,69
United States of America	89 810 529	18,40	15,78
Asia	30 051 878	6,16	5,85
Europe	19 651 723	4,03	4,78
United Kingdom and Ireland	18 695 009	3,83	3,12
Other countries	18 778 534	3,85	6,16
	488 020 500	100,00	100,00

COMPLIANCE WITH IFRS ACCOUNTING STANDARDS – FINANCIAL STATEMENT NOTES

Note number	Note description	IFRS required
A1	Material accounting policies	IAS 1
A2	Key assumptions concerning the future and key sources of estimation	IAS 1
A3	New standards and interpretations	IAS 8
B1	Segmental reporting	IFRS 8
B2	Earnings per share	IAS 33
B3	Dividends	IAS 1, IAS 10, and IAS 32
B4	Share capital	IAS 1 and IAS 32
B5	Holders of additional tier 1 capital instruments	IAS 32, IFRS 7, IFRS 9 and IFRS 13
B6.1	Net interest income	IAS 32, IFRS 7, IFRS 9 and IFRS 13
B6.2	Non-interest revenue and income	IAS 32, IFRS 7, IFRS 9, IFRS 13, IFRS 15 and IFRS 17
B7	Total operating expenses	IAS 1, IAS 16, IAS 19, IFRS 2 and IFRS 16
B8.1	Indirect taxation	IAS 1
B8.2	Direct taxation	IAS 12
B8.3	Deferred taxation	IAS 12
B9	Headline earnings	IAS 1, IAS 16, IAS 36, IFRS 10 and IFRS 16
C1	Loans and advances	IFRS 7, IFRS 8, IFRS 9 and IFRS 13
C2	Impairments charge on financial instruments	IAS 1, IFRS 7, IFRS 8 and IFRS 9
C3	Government and other securities	IAS 1,IAS 32, IFRS 7, IFRS 9 and IFRS 13
C4	Other short-term securities	IAS 1, IAS 32, IFRS 7, IFRS 9 and IFRS 13
C5	Credit analysis of other short-term securities, and government and other securities	IFRS 7
C6	Cash and cash equivalents	IAS 1, IAS 32, IAS 7 and IFRS 7
C7	Derivative financial instruments	IAS 32, IFRS 7, IFRS 9 and IFRS 13
D1	Amounts owed to depositors	IAS 1, IAS 32, IFRS 7, IFRS 8, IFRS 9 and IFRS 13
D2	Long-term debt instruments	IAS 32, IFRS 7, IFRS 9 and IFRS 13
D3	Investment contract liabilities	IAS 1, IFRS 13 and IFRS 17
D4	Insurance contract liabilities	IAS 1 and IFRS 17
D5	Contractual maturity analysis for financial liabilities	IFRS 7
E1	Managed funds	IAS 1, IFRS 7 and IFRS 13
F1	Investment securities	IAS 32, IFRS 7, IFRS 9 and IFRS 13
F2	Investments in associate companies	IAS 24, IAS 28, IFRS 9, IFRS 11, IFRS 12 and IFRS 13
F3	Investments in subsidiary companies and related disclosure	IAS 24, IAS 27, IFRS 3, IFRS 10 and IFRS 12
F4	Interests in structured consolidated and unconsolidated structured entities	IFRS 10 and IFRS 12
F5	Securitisations	IFRS 7, IFRS 9, IFRS 12 and IFRS 13
F6	Related parties	IAS 24
G1	Property and equipment	IAS 16, IAS 36, IFRS 13 and IFRS 16
G2	Intangible assets	IAS 38, IAS 36 and IFRS 13
H1	Long-term employee benefits	IAS 19 and IFRIC 14
H2	Non-current assets and liabilities held for sale	IFRS 5 and IFRS 13
H3	Other assets	IAS 1, IAS 2, IFRS 7, IFRS 9 and IFRS 13
I1	Consolidated statement of financial position – categories of financial instruments	IFRS 7 and IFRS 9
I2	Fair-value measurement – financial instruments	IFRS 7, IFRS 9 and IFRS 13
I3	Assets and liabilities not measured at fair value for which fair value is disclosed	IFRS 7, IFRS 9 and IFRS 13
I4	Financial instruments designated as fair value through profit or loss	IAS 32, IFRS 7, IFRS 9 and IFRS 13
I5	Offsetting financial assets and financial liabilities	IFRS 7 and IAS 32
I6	Collateral	IFRS 7
J	Share-based payments	IFRS 2
K1	Provisions and other liabilities	IAS 37, IAS 32, IFRS 7, IFRS 9, IFRS 13 and IFRS 16
K2	Contingent liabilities and undrawn facilities and commitments	IAS 37 and IFRS 7
L1	Financial risk management	IAS 1 and IFRS 7
L2	Capital management	IAS 1 and IFRS 7
L3	Liquidity gap	IFRS 7
L4	Interest rate risk in the banking book	IFRS 7
L5	Market risk in the trading book	IFRS 7
M	Cash flow information	IAS 7
N1	Foreign currency conversion	IAS 21 and IAS 29
N2	Events after the reporting period	IAS 10
N3	Directors' emoluments	IAS 19 and IFRS 2

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