

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

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

Good strategic and operational progress and a resilient financial performance in a difficult environment

The SA economy performed worse than expected in the first six months of 2019 and our forecast for SA GDP growth for 2019 has been revised down from 1,3% to 0,5%. Significantly more urgency is required with the implementation of structural reforms to stem the economic and fiscal deterioration currently being experienced in the SA economy. If we are unable to do this, all the hard work done on maintaining our last investment grade rating from Moody's will be in vain, at great cost to all South Africans as a result of higher inflation and higher interest rates, as well as lower growth and lower levels of employment than would otherwise have been the case.

The group's financial performance was resilient as headline earnings increased 2,6% to R6,9bn and we produced an ROE (excluding goodwill) of 17,9%. Revenue growth was ahead of cost growth, resulting in preprovisioning operating-profit growth of 7,0% and the cost-to-income ratio improving to 55,4%. As expected, impairments increased off the low prior-year base and the CLR to within the bottom half of our through-the-cycle target range. We maintained a strong balance sheet with a CET1 ratio of 11,3% and a strong liquidity profile. The interim dividend per share increased by 3,6% to 720 cents per share.

A key milestone in our Managed Evolution digital journey, to position Nedbank as a market-leading digital bank, was reached in June 2019 as we operationalised a new and materially faster digital onboarding capability for individual clients in all our branches, alongside the ability to sell both a current account and personal loan digitally. Initial client feedback has been excellent, and we remain hard at work to deliver a similar capability for juristic client onboarding as well as the first release of an exciting new loyalty and rewards programme in the second half of 2019. We continued to grow main-banked clients across all our business clusters, underpinning solid NIR growth.

In support of our purpose of using our financial expertise to do good, we continue to play a leading role in contributing to society and the environment. We enabled more than 3 300 new job opportunities for previously unemployed youth as we activated our commitment to invest 1,5% of our SA net profit after tax in the Youth Employment Service (YES) initiative, we achieved level 1 BBBEE contributor status under the new Amended Financial Sector Code and we became SA's first commercial bank to launch a green bond on the JSE.

In the context of slower-than-expected SA GDP growth we have slightly revised our guidance for growth in diluted headline earnings per share for 2019 to around nominal GDP growth (from previously greater than or equal to nominal GDP growth).

Mike Brown
Chief Executive

FINANCIAL HIGHLIGHTS

- Headline earnings R6 870m, up 2,6% (June 2018: R6 696m)
- Revenue R27 693m, up 5,5% (June 2018: R26 242m)
- Credit loss ratio 70 bps (June 2018: 53 bps)
- Expenses R15 565m, up 5,5% (June 2018: R14 756m)
- Cost-to-income ratio 55,4% (June 2018: 55,8%)
- Diluted headline earnings per share 1 411 cents, up 3,7% (June 2018: 1 361 cents)
- Headline earnings per share 1 435 cents, up 3,5% (June 2018: 1 387 cents)
- Basic earnings per share 1 419 cents, up 2,9% (June 2018: 1 379 cents)
- Interim dividend per share 720 cents, up 3,6% (June 2018: 695 cents)
- Net asset value per share 17 794 cents, up 4,9% (June 2018: 16 956 cents)
- Common-equity tier 1 ratio 11,3% (June 2018: 12,4%)

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement, which can be accessed from Tuesday, 6 August 2019, using the following JSE link:

<https://senspdf.jse.co.za/documents/2019/jse/isse/ned/HY19result.pdf>.

Alternatively, the full announcement is available on our website at <https://www.nedbank.co.za/content/nedbank/desktop/gt/en/investor-relations/information-hub/financial-results/2019.html>.

The full announcement is available for inspection at Nedbank Group's registered office on weekdays from 09:00 to 16:00, and copies thereof may be requested free of charge from Nedbank Investor Relations at NedgroupIR@Nedbank.co.za.

INTERIM DIVIDEND DECLARATION

Notice is hereby given that an interim dividend of 720 cents per ordinary share has been declared, payable to shareholders for the six months ended 30 June 2019. The dividend has been declared out of income reserves.

The dividend will be subject to a dividend withholding tax rate of 20% (applicable in SA) or 144 cents per ordinary share, resulting in a net dividend of 576 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

Nedbank Group's tax reference number is 9375/082/71/7 and the number of ordinary shares in issue at the date of declaration is 497 053 536.

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

Event	Date
Last day to trade (cum dividend)	Tuesday, 10 September 2019
Shares commence trading (ex dividend)	Wednesday, 11 September 2019
Record date (date shareholders recorded in books)	Friday, 13 September 2019
Payment date	Monday, 16 September 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 September 2019, and Friday, 13 September 2019, both days inclusive.

On Monday, 16 September 2019, the dividend will be transferred electronically to the bank accounts of shareholders. Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 16 September 2019.

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

For and on behalf of the board

Vassi Naidoo
Chairman

Mike Brown
Chief Executive

6 August 2019

Directors

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

** Executive *** Lead independent director

Registered office

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www.nedbankgroup.co.za

Sponsors in SA

Merrill Lynch SA Proprietary Limited, Nedbank CIB

Sponsor in Namibia

Old Mutual Investment Services (Namibia) (Proprietary) Limited

Company Secretary: J Katzin

Transfer secretaries in SA

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

Transfer secretaries in Namibia

Transfer Secretaries (Proprietary) Limited, Robert Mugabe Avenue No 4, Windhoek, Namibia.
PO Box 2401, Windhoek, Namibia.