



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’)
(collectively the ‘group’)

Nedbank Limited
(Incorporated in the Republic of South Africa)
Registration No. 1951/000009/06
JSE share code: NBKP
ISIN: ZAE000043667
JSE alpha code: BINBK

UPDATED NEDBANK GROUP TRADING STATEMENT FOR THE TWELVE-MONTH PERIOD ENDING 31 DECEMBER 2020

The second wave of the Covid-19 pandemic that emerged in parts of SA since December 2020 proved worse than the first wave and as we have done throughout 2020, we continue to be vigilant and remain on high alert while observing Covid-19 health protocols. As a purpose-led organisation, our primary focus remains on ensuring the health and safety of our stakeholders, including staff and clients and serving and supporting clients in good standing in managing their finances through this difficult period and in so doing providing support to the economy. We thank our committed Nedbank staff for continuing to support our clients and all our stakeholders, and we extend our deepest condolences to the families and friends of our Nedbank colleagues and clients who have succumbed to Covid-19 and related illnesses.

As we continue to navigate our way through this difficult period, we remain resilient and well-prepared to respond to and manage the emerging risks, as well as monitoring the impact that movements in lockdown restrictions have on our clients and the economy as a whole. The move to lockdown level one from 1 March 2021 was well received. Our robust business continuity plans remain in place where required and our IT systems uptime is at world-class levels, supporting the delivery of market-leading client experiences. Through these difficult times, the group balance sheet remains liquid and well capitalised at levels above board-approved minimum targets and well above the minimum regulatory requirements.

Trading statement

In accordance with section 3.4(b) of the Listings Requirements of the JSE Limited, an issuer is required to publish a trading statement as soon as it becomes reasonably certain that its basic earnings and/or headline earnings per share for the next period to be reported on are expected to differ by at least 20% from those of the previous corresponding reporting period.

In our H1 2020 disclosures on 26 August 2020 and in a previous trading statement released on 2 December 2020, we noted that full-year Nedbank Group headline earnings per share (HEPS) and basic earnings per share (basic EPS) are expected to decline by more than 20% when compared to the 12-month period ended 31 December 2019 (HEPS: 2 605 cents, basic EPS: 2 500 cents) (the 'prior comparative period'). We further noted that more specific guidance would be provided in Q1 2021 once there is reasonable certainty regarding the extent of these declines.

In line with this commitment, after HEPS and basic EPS declined by 69,5% and 81,0%, respectively in H1 2020, we now have reasonable certainty that the full-year HEPS and basic EPS ranges are expected to be as follows:

- HEPS for the full-year is expected to decline by between 55% and 60% compared to the prior comparative period, resulting in a range of between 1 172 cents and 1 042 cents per share; and
- basic EPS for the full-year is expected to decline by between 69% and 74% compared to the prior comparative period, resulting in a range of between 775 cents and 650 cents per share.

The larger decline in basic EPS compared to HEPS can be attributed to the R750m impairment of the group's investment in Ecobank Transnational Incorporated (ETI) as disclosed in our H1 2020 results and accounting for our share of ETI's impairment of their own goodwill as announced in their 9M 2020 results announcement in November 2020 (R528m), as well as impairments relating to Nedbank's own goodwill as a result of lower value-in-use calculations as a result of a weak operating environment given the impact of Covid-19 (R345m).

The underlying financial performance is in line with our full-year guidance outlined in our pre-close announcement on 2 December 2020, including the expected outcomes for all key 2020 performance metrics that we provided as part of our H1 2020 results and affirmed as part of our Q3 2020 voluntary trading update.

We are currently in our closed period and will release our results for the year ended 31 December 2020 on the JSE Stock Exchange News Service on Wednesday, 17 March 2021. These results will also be available on the group's website: nedbankgroup.co.za.

Shareholders are advised that the financial information contained in this updated trading statement has not been reviewed or reported on by the Nedbank Group's joint auditors.

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5 March 2021

Sponsors to Nedbank Group in South Africa:

Nedbank CIB

Merrill Lynch South Africa (Pty) Limited

Sponsor to Nedbank Group in Namibia:

Old Mutual Investment Services (Namibia) (Pty) Ltd

Sponsors to Nedbank Limited in South Africa:

Nedbank CIB

Investec Bank Limited