

NEDBANK GROUP LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1966/010630/06

JSE share code: NED

NSX share code: NBK

A2X share code: NED

ISIN: ZAE000004875

JSE alpha code: NEDI

('Nedbank Group' or 'Nedbank' or the 'group')

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND CASH DIVIDEND DECLARATION

Improved financial performance, while making steady progress towards meeting our ROE targets.

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 1104 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

** These targets are not profit forecasts and the group's joint auditors have not reviewed or reported on them.*

FINANCIAL HIGHLIGHTS

- Headline earnings of R16 934m, up by 8% (2023: R15 650m).
- Revenue of R72 218m, up by 4% (2023: R69 179m).
- Credit loss ratio of 87 bps (2023: 109 bps).
- Expenses of R41 074m, up by 8% (2023: R38 059m).
- Cost-to-income ratio of 55,9% (2023: 53,9%).
- Diluted headline earnings per share of 3 538 cents, up by 11% (2023: 3 199 cents).
- Headline earnings per share of 3 631 cents, up by 10% (2023: 3 312 cents).

- Basic earnings per share of 3 610 cents, up by 11% (2023: 3 239 cents).
- Final dividend per share of 1 104 cents, up by 8% (2023: 1 022 cents).
- Full-year dividend per share of 2 075 cents, up by 10% from the prior year (2023: 1 893 cents).
- Net asset value per share of 24 039 cents, up by 4% (2023: 23 192 cents).
- Common-equity tier 1 ratio of 13,3% (2023: 13,5%).

The information contained in this short-form announcement is derived from the audited annual financial statements (AFS) for the year ended 31 December 2024, though the announcement itself has not been audited. This announcement is the responsibility of the directors. It is only a summary of the information contained in the AFS and does not contain full or complete details. Any investment decision should be based on the AFS, which can be accessed from Tuesday, 4 March 2025, via the JSE cloudlink:

<https://senspdf.jse.co.za/documents/2025/jse/isse/ned/ye2024.pdf>

Alternatively, the AFS are available on our website:

<https://group.nedbank.co.za/explore-investor-relations/results-and-reports.html>

The joint auditors, Ernst & Young Inc and KPMG Inc, have issued an unmodified report (including key audit matters) to the shareholders of Nedbank Group, which forms part of the AFS.

FINAL DIVIDEND DECLARATION

Notice is given that a final dividend of 1 104 cents per ordinary share has been declared, payable to shareholders for the year ended 31 December 2024. The dividend has been declared from income reserves.

The dividend will be subject to a dividend withholding tax rate of 20% (applicable in SA) or 220,8 cents per ordinary share, resulting in a net dividend of 883,2 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 taxation 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 was 487 813 795.

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

	2025
Last day to trade (cum dividend)	Tuesday, 8 April
Shares commence trading (ex dividend)	Wednesday, 9 April
Record date (date shareholders recorded in shareholders' register)	Friday, 11 April
Payment date	Monday, 14 April

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 April 2025, and Friday, 11 April 2025, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, the dividend will be withheld until shareholders provide their banking information. Holders of

dematerialised shares will have their accounts credited at their participant or broker on Monday, 14 April 2025.

For and on behalf of the board

Daniel Mminele
Chairperson

Jason Quinn
Chief Executive

4 March 2025

Directors

AD Mminele (Chairperson), JP Quinn** (Chief Executive), HR Brody*, BA Dames, MH Davis** (Chief Financial Officer), NP Dongwana, MA Hermanus, EM Kruger, P Langeni, RAG Leith, L Makalima, MC Nkuhlu** (Chief Operating Officer), TM Nombembe, S Subramoney.

* Lead Independent Director ** Executive

Registered office

Nedbank Group Limited, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196

PO Box 1144, Johannesburg, 2000

nedbankgroup.co.za

Sponsor in SA

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Sponsor in Namibia

Old Mutual Investment Services (Namibia) (Proprietary) Limited

Company Secretary: J Katzin

Transfer secretaries in SA

JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, Sandton, 2196

PO Box 4844, Johannesburg, 2000

Transfer secretaries in Namibia

Transfer Secretaries (Proprietary) Limited, 4 Robert Mugabe Avenue, Windhoek, Namibia

PO Box 2401, Windhoek, Namibia