

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 the group)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2025 AND CASH DIVIDEND DECLARATION

FINANCIAL HIGHLIGHTS

- Headline earnings of R8 399m, up by 6% (June 2024: R7 911m).
- Revenue of R36 406m, up by 4% (June 2024: R35 159m).
- Credit loss ratio of 81 bps (June 2024: 104 bps).
- Total operating expenses of R21 492m, up by 9% (June 2024: R19 775m).
- Cost-to-income ratio of 57.4% (June 2024: 55.3%).
- Diluted headline earnings per share of 1 762 cents, up by 7% (June 2024: 1 650 cents).
- Headline earnings per share of 1 800 cents, up by 6% (June 2024: 1 699 cents).
- Basic earnings per share of 1 571 cents, down by 8% (June 2024: 1 700 cents).
- Interim dividend of 1 028 cents per share (June 2024: 971 cents).
- Net asset value per share of 24 522 cents, up by 6% (June 2024: 23 097 cents).
- Common-equity tier 1 ratio of 13.1% (June 2024: 13.3%).

FINANCIAL PERFORMANCE SLIGHTLY AHEAD OF GUIDANCE, WITH ONGOING GOOD STRATEGIC PROGRESS IN A DIFFICULT ENVIRONMENT

The operating environment during the first half of the year was challenging. Uncertainty relating to US policies, in particular tariffs, and geopolitical conflicts resulted in significant financial market volatility and reduced business confidence. In SA, economic recovery momentum slowed, resulting in real GDP growth declining to 0.1% in Q1 2025. While ongoing structural reforms contributed to a more stable electricity supply and moderate logistics improvements, challenges around water supply, municipal services, and crime and corruption remain. Despite low business confidence, limited fixed investment, and an uncertain economic outlook, corporate loans and advances growth rose to 8.1% in June. With inflation remaining below SARB's 4.5% target, the Monetary Policy Committee reduced rates by 25 bps in January, May and July, bringing the repo rate to 7.00%. Notwithstanding this, household credit growth remained muted at 3.1%, although consumer finances are steadily improving.

In this context, Nedbank Group's headline earnings (HE) in the first 6 months of 2025 increased by 6% to R8.4bn and our ROE improved slightly to 15.2% (H1 2024: 15.0%). The increase in HE was driven by non-interest revenue (NIR) and associate income growth, an ongoing improvement in the impairment charge and good management of underlying expenses, partially offset by muted net interest income (NII) growth. Balance sheet metrics remained strong, enabling the declaration of an interim dividend of 1 028 cents per share, up by 6%, at a payout ratio of 57%.

The organisational restructure of our Retail and Business Banking (RBB) and Nedbank Wealth Clusters into a more focused, client-centred organisational design has been completed on time, as expected. From 1 July 2025 Personal and Private Banking (PPB), an individual-focused cluster, will provide a full suite of solutions to all individual clients across the youth, entry-level, middle, affluent and high-net-worth segments. Business and Commercial Banking (BCB), a juristic-focused cluster, will cover the SME, commercial and mid-corp client segments. These changes have been well received by all stakeholders, including colleagues, clients and shareholders. Key

leadership positions have been filled, and our efforts now shift to execution, unlocking transformational growth opportunities, as well as efficiency and productivity enhancements.

Following a strategic review by the board and management, the group's financial investment in Ecobank Transnational Incorporated (ETI) has been classified as a non-current asset held for sale in terms of IFRS 5. The board has approved a formal plan to dispose of the investment, and we are currently engaging interested parties. This change represents a reset of our strategy on the rest of the continent with a clear focus on the SADC and East Africa regions in businesses we own and control.

We also continued to make good progress on our strategic value unlocks. Digital volumes and values grew at double digits and digital sales reached 70%. Client satisfaction metrics remained at the top end of market benchmarks and our peer group, while the group's brand value increased strongly. Retail active and main-banked client gains were reasonable, with both growing at 6%; the Nedbank Africa Regions client base increased by 11%; and in a more competitive environment we retained our 24% market share among SME clients. Under strategic portfolio tilt we recorded market share gains in home loans, vehicle finance and retail and commercial deposits since December 2024. Our increased focus on payments and insurance saw very strong growth in product volumes. Lending that creates positive impacts and supports sustainable development finance in line with the United Nations Sustainable Development Goals increased to R189bn, including strong growth in renewable energy exposures to R47bn.

Looking forward, the global economic outlook remains subdued and risk elevated as US tariffs are expected to negatively impact business confidence, capital investment, global trade volumes, supply chains and export volumes in most countries. SA's economic recovery is expected to improve, driven by increased consumer spending given higher real incomes, subdued inflation, reduced interest rates and continued withdrawals from contractional savings. However, the 30% tariffs on SA exports to the US, weaker global growth and sluggish commodity prices will likely undermine business confidence, hurt exports and discourage private sector fixed investment. We forecast GDP growth of 1.0% for 2025, followed by 1.5% in 2026, with downside risk. Following the 25 bps interest rate cut in July 2025, we expect rates to remain stable from here. Banking conditions should improve moderately as the year progresses and credit growth is forecast to improve further, supported by the gradual recovery in the domestic economy and lower interest rates.

On the back of the negative impact of a more difficult-than-expected SA environment on revenue growth and the change in our strategy on ETI, we have revised our 2025 guidance. We now expect DHEPS growth for the year to be low single digits and ROE to end the period around 15%. From there we target an improvement in the group's ROE to 17% in the medium term, supported by various growth initiatives and active capital management and offsetting the negative impact of ETI on ROE. In the long term our focus remains on achieving an ROE of more than 18%.

I would like to express my appreciation to all Nedbankers for their dedication and steadfast support throughout the past 6 months, particularly the resilience shown during the organisational restructure. We are grateful to our 7.9 million retail and wholesale clients for choosing Nedbank. We also value the ongoing 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

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

This short-form announcement is the responsibility of the directors.

Investment decisions should be based on consideration of the full unaudited condensed consolidated interim financial results for the 6 months ended 30 June 2025, as this announcement does not contain full or complete details.

The complete interim financial results are available on the JSE cloudlink at <https://senspdf.jse.co.za/documents/2025/jse/isse/NED/ie2025.pdf> and on our website at <https://group.nedbank.co.za/explore-investor-relations/results-and-reports.html>

INTERIM DIVIDEND DECLARATION

Notice is given that an interim dividend of 1 028 cents per ordinary share has been declared, payable to shareholders for the 6 months ended 30 June 2025. 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 205.6 cents per ordinary share, resulting in a net dividend of 822.4 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 485 752 174.

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:

Event	Date
Last day to trade (<i>cum</i> dividend)	Tuesday, 2 September 2025
Shares commence trading (<i>ex</i> dividend)	Wednesday, 3 September 2025
Record date (date shareholders recorded in shareholders' register)	Friday, 5 September 2025
Payment date	Monday, 8 September 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 3 September 2025, and Friday, 5 September 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, 8 September 2025.

For and on behalf of the board

Daniel Mminele
Chairperson

Jason Quinn
Chief Executive

5 August 2025

Directors

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

* Lead Independent Director ** Executive

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Sponsor to Nedbank Group in SA

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Independent sponsor to Nedbank Group in SA

Tamela Holdings Propriety Limited

Sponsor to Nedbank Group in Namibia

Old Mutual Investment Services (Namibia) (Proprietary) Limited

Group Company Secretary: J Katzin

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