



R1.5bn Tier II Bond
April 2006



Lead Manager & Dealer



Manager & Dealer

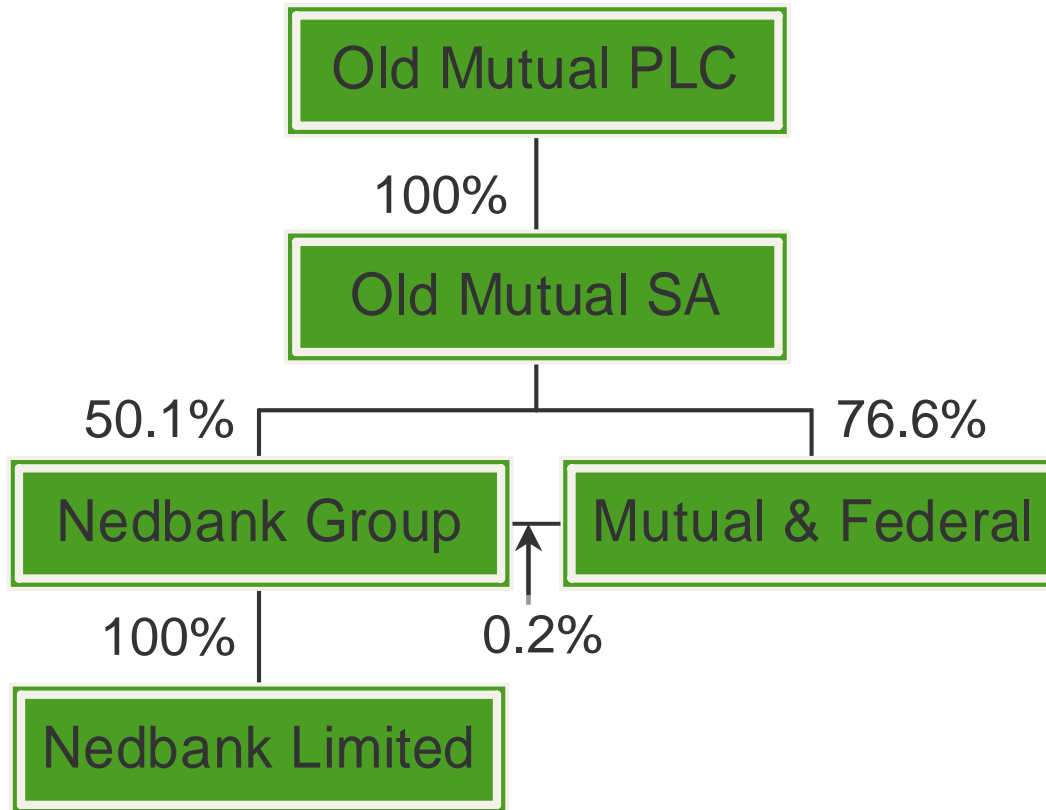
Agenda

- Rationale For Raising Tier II Capital
- Group Organisational Structure
- Group Highlights
- Capital Management & Strategic Planning
- Financial Overview
- Instrument Profile & Pricing
- Bookbuild Details
- Additional Information

Rationale For Raising Tier II Capital

- Listed Note Programme established - December 2003
- Best practice capital management framework implemented in 2005
- Dynamic strategic capital plan now in place
- Desire to build a smoother maturity profile for debt capital
- Intention to create a Nedbank “yield curve”
- Part of capital planning to strike a balance between debt & equity in regulatory capital
- Enhances bank’s & group’s overall ROE
- Support growth going forward

Group Organisational Structure



... Old Mutual remains key controlling shareholder.

Group Highlights – Switch of Focus

Internal focus

- Set the base
- Reduced the risk
- Increased accountability
- Clarified vision
- Set strategy
- Fixed the structure
- Delivered the merger
- Improved measurement

More external focus

- Client service
- Product innovation
- Systems enhancements
- Channel improvements
- Market share
- Transformation & FSC
- Brand repositioning
- Sustainability


2004

2005

2006

Group Highlights – December 2005

- Headline earnings up 81,7%
- ROE up from 11,0% to 15,5%
- Efficiency ratio improved from 71,8% to 65,1%
- Capital strengthened from 12.1 % to 12.9 %
- Reduced earnings volatility
- Unique BEE deal implemented
- Strong turnaround in Retail
- Nedbank / Peoples Bank integration
- Improved staff morale & motivation

***... progress
made across a
broad front***

Group Highlights – BEE Deal

Broad-based Nedbank BEE deal implemented (11,5% of SA business)

Employees & Management

15 251 new shareholders
(9 729 black & 6 249 women)

Clients

47 523 retail applications (R741m)
21 corporate clients (incl. Aka)
55 business banking clients

Strategic Partners

Strategic planning sessions
Numerous transactions introduced

... empowering the group

Group Highlights - Transformation beyond FSC targets

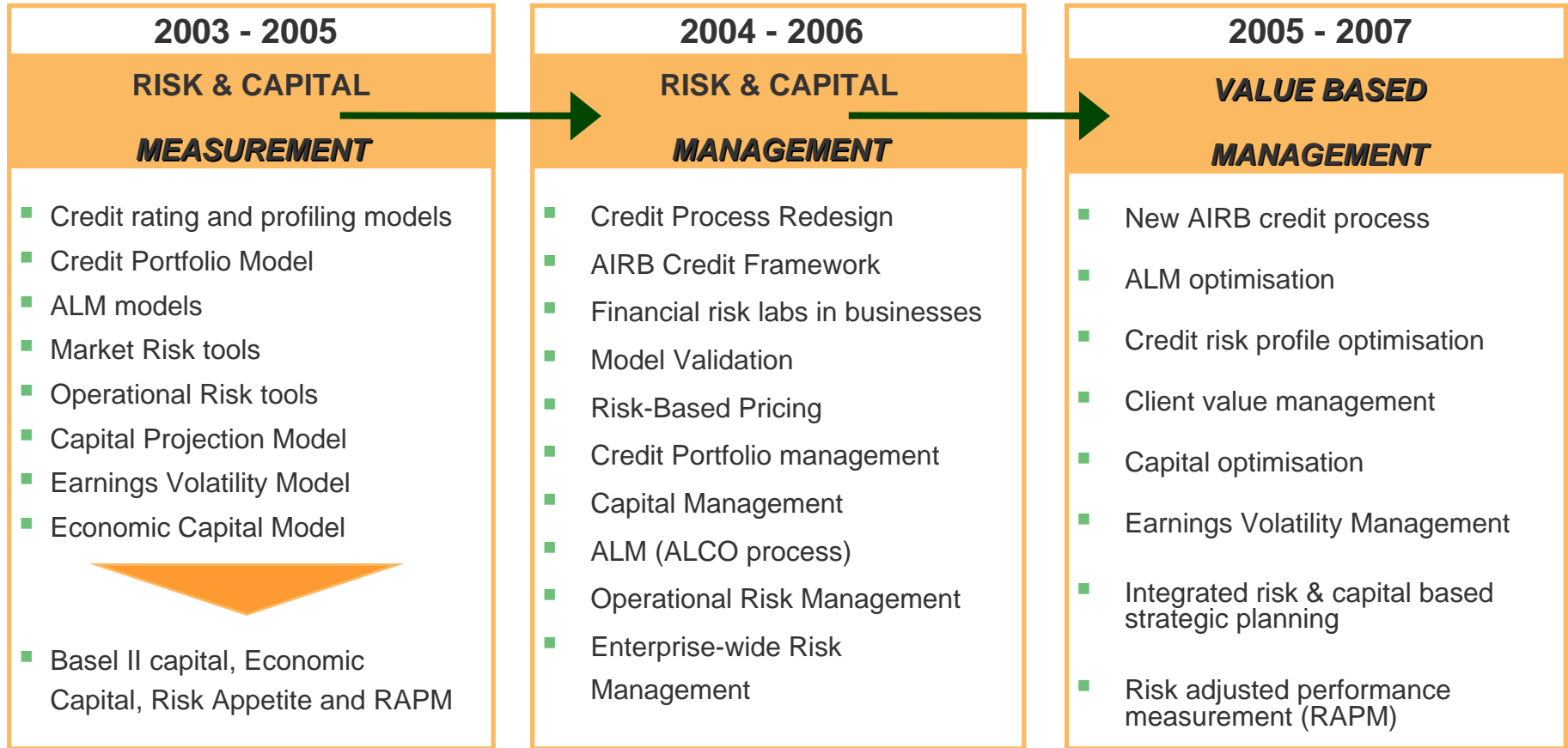
| | |
|------------------------------|--|
| Human resources | <ul style="list-style-type: none"> ● Improvements in employment equity ● More focus required on skills development |
| Procurement | <ul style="list-style-type: none"> ● Good progress ● Approximately 1/3 qualified spend now from BEE companies |
| Access to financial services | <ul style="list-style-type: none"> ● Improved performance in 2005 |
| Empowerment financing | <ul style="list-style-type: none"> ● Strong BEE funding ● Good progress in other areas |
| Management & control | <ul style="list-style-type: none"> ● BEE deal implemented ● Improvements in board & management composition |
| CSI | <ul style="list-style-type: none"> ● Continued leadership position |



Capital Management & Strategic Planning

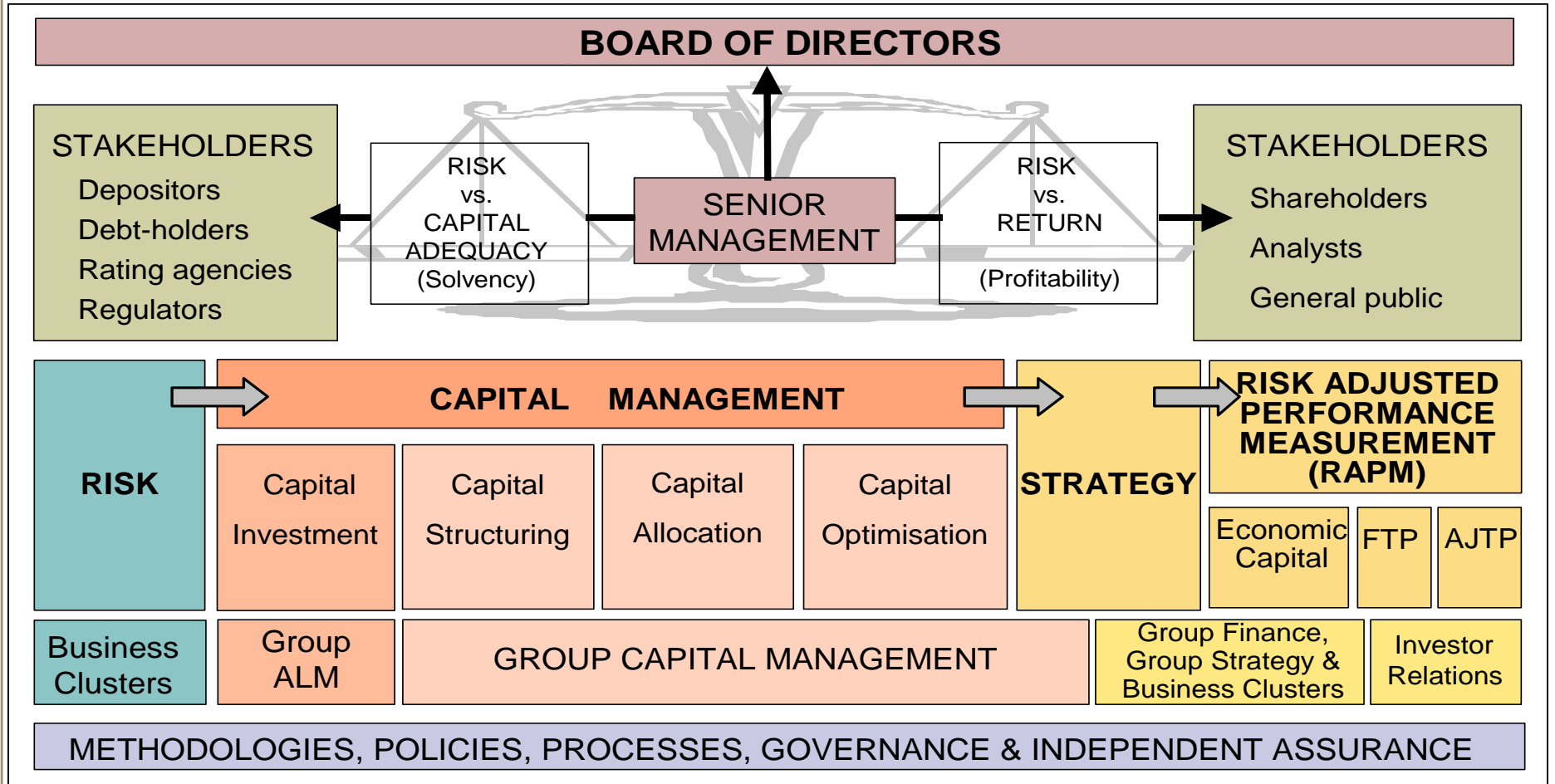
Nedbank's Strategic Approach to Basel II

Basel II programme has been the catalyst to elevating Nedbank's risk & capital management, & performance measurement (RAPM), to world class standards.....

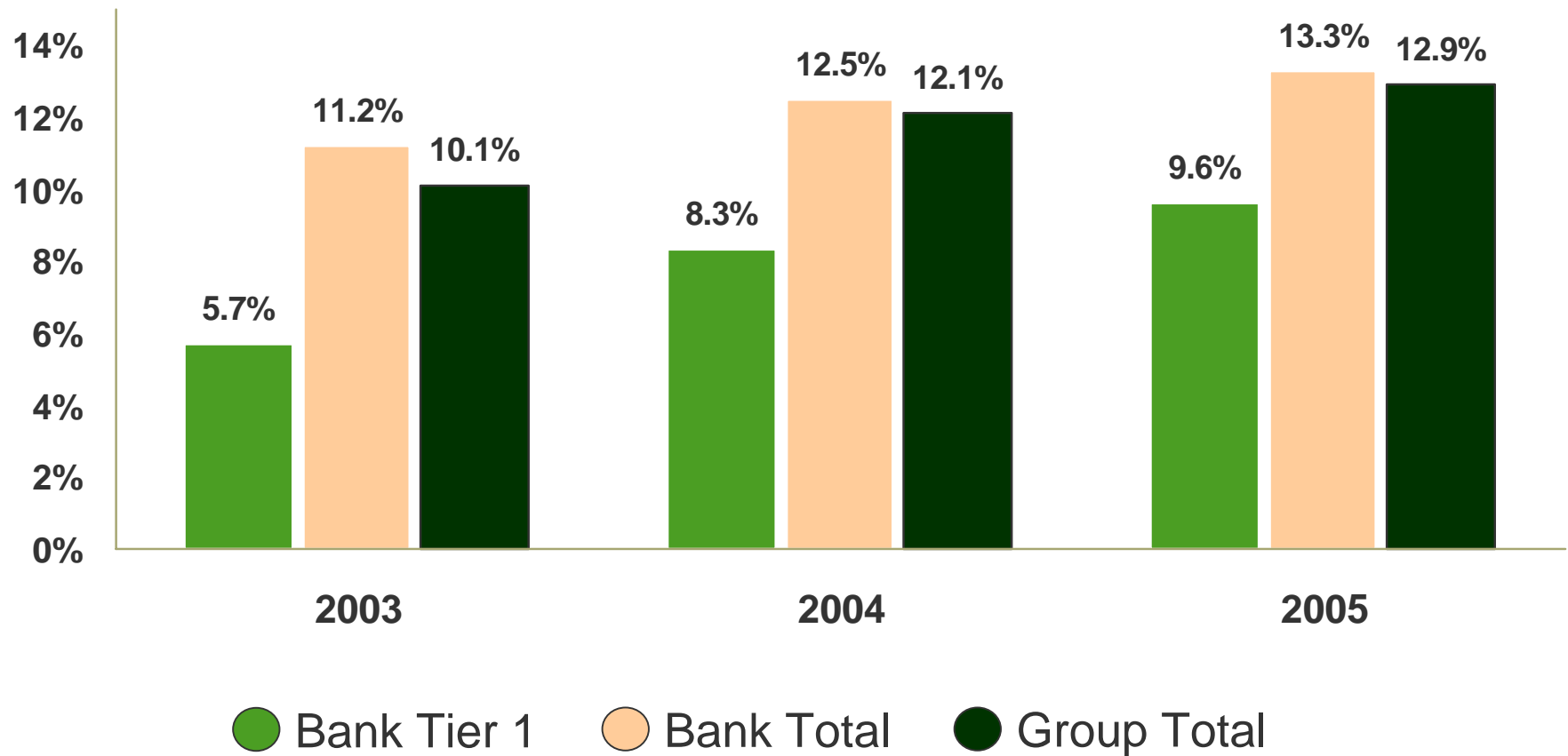


Data management, IT systems & automation, knowledge transfer / education & change management

Capital Management Framework



Capital Adequacy



Strategic Capital Plan

- Capital ratios strong:
 - Non-core asset sales
 - Scrip dividend take-up & retained profits
- Economically capitalised to A- target ECap rating
- Group dividend cover 2,5 - 3 times (previously 3 - 3,5 times)
(H1 2005 3,37 + H2 2005 2,38 = full year 2,75), in line with conservative end of peer group
- Dynamic Capital Planning – organic growth vs proactive capital management
- Subordinated debt issue:
 - Tier 1 vs Tier 2 optimisation
 - Improved maturity profile

Nedbank's Long Term National Scale Credit Ratings

- Nedbank Ltd
 - CA Ratings zaAA- (outlook positive)
 - Fitch Ratings AA- (zaf) (outlook stable)
 - Moody's Aa2.za (outlook stable)
- Ratings advisory is part of Citigroup mandate

*... Working
proactively to
align ratings*



Financial Overview

Key Financial Indicators

| For the year ended 2005 | Group | Bank |
|--------------------------------|--------------|----------|
| Headline earnings (Rm) | 3 167 | 3 432 |
| Headline EPS (cents) | 797 | N/A |
| Fully diluted HEPS (cents) | 791 | N/A |
| ROE (%) | 15,5 | 18.4 |
| ROA (%) | 0,93 | 1,05 |
| Margin (%) | 3,55 | * Note 1 |
| Efficiency ratio (%) | 65,1 | 65.1 |
| Total assets (Rbn) | 352,3 | 325,7 |
| Tangible NAV per share (cents) | 4 351 | N/A |
| Capital adequacy (%) | 12,9 | 13,3 |
| Dividend per share (cents) | 290 | N/A |

Note 1 : Calculated at Group level as Bank comprises majority of Group

Group Income Statement

| Rm – year ended | % ch | 2005 | 2004 |
|------------------------------------|--------|----------|----------|
| Net interest income | 19,4 | 8 529 | 7 145 |
| Impairments | (2,3) | (1 189) | (1 217) |
| Income from lending activities | 23,8 | 7 340 | 5 928 |
| Non-interest revenue | 1,2 | 8 483 | 8 379 |
| Foreign currency translation gains | | 126 | (280) |
| Total expenses | 2,0 | (11 157) | (10 939) |
| Operating expenses | 2,9 | (10 609) | (10 314) |
| BEE | | (393) | |
| Merger & recovery programme | | (155) | (625) |
| Indirect taxation | (52,6) | (223) | (470) |
| Associate income | 13,6 | 167 | 147 |
| Headline profit before taxation | 71,3 | 4 736 | 2 765 |
| Direct taxation | 65,9 | (1 108) | (668) |
| Minorities & preference shares | 30,2 | (461) | (354) |
| Headline earnings | 81,7 | 3 167 | 1 743 |

Group Segmental Performance

| Rm - year ended | % ch | Headline earnings | | ROE | | |
|---------------------|-------------|-------------------|--------------|-------------|-------------|-------------|
| | | 2005 | 2004 | 2005 | Excl BEE | 2004 |
| Nedbank Capital | 17,8 | 1 017 | 863 | 29,2 | 29,3 | 29,3 |
| Nedbank Corporate | 11,8 | 1 984 | 1 775 | 19,7 | 20,0 | 18,7 |
| Nedbank Retail | 66,3 | 938 | 564 | 18,4 | 19,8 | 12,1 |
| Imperial Bank | 102,8 | 144 | 71 | 12,4 | 12,4 | 10,0 |
| Operating divisions | 24,7 | 4 083 | 3 273 | | | |
| Shared Services | (76,2) | (35) | (147) | | | |
| Central Management | (36,3) | (881) | (1 383) | | | |
| Total | 81,7 | 3 167 | 1 743 | 15,5 | 17,2 | 11,0 |

Group Balance Sheet

| Rm - as at 31 December | % ch | 2005 | 2004 |
|---------------------------------------|------------|----------------|----------------|
| Cash & securities | 7,6 | 56 561 | 52 584 |
| Advances | 12,4 | 248 408 | 221 008 |
| Investments | | 7 532 | 7 580 |
| Property & equipment | | 3 095 | 2 828 |
| Computer software | (7,0) | 1 320 | 1 419 |
| Goodwill | | 3 687 | 3 676 |
| Derivatives | (40,7) | 16 176 | 27 276 |
| Other | | 15 479 | 11 469 |
| Total assets | 7,4 | 352 258 | 327 840 |
| Ordinary shareholders' equity | 22,6 | 22 490 | 18 337 |
| Minorities & preference shareholders | | 3 819 | 3 450 |
| Deposits | 4,2 | 261 311 | 250 747 |
| Derivatives | (38,6) | 17 055 | 27 781 |
| Long-term debt instruments | | 7 273 | 7 309 |
| Other | 99,4 | 40 310 | 20 216 |
| Total equity & liabilities | 7,4 | 352 258 | 327 840 |

Interest Rate Sensitivity

- Continued low interest rate risk sensitivity
- Impact of 1% parallel downward move in rates (assuming full annual impact & no management intervention):
 - approximately R393m - 1,49% of capital & reserves
 - approximately 16 bps reduction in margin
 - approximately 4,5% reduction in forecast NII
- ALCO & Executive Risk Committee:
 - Hedging strategies
 - Managing & reducing interest rate risk generated by daily banking activities
 - Maintaining interest rate risk within board-approved limits & defined risk appetite
- Comments apply to both Group & Bank as Group now essentially Bank balance sheet and earnings comprise majority of the Group

Bank Income Statement

| Rm – year ended | % ch | 2005 | 2004 |
|------------------------------------|-------------|-----------------|-------------|
| Net interest income | 28,8 | 8 696 | 6 754 |
| Impairments | (27,3) | (987) | (1 358) |
| Income from lending activities | 42,9 | 7 709 | 5 396 |
| Non-interest revenue | 0,1 | 7 385 | 7 380 |
| Foreign currency translation gains | (132,0) | 139 | (434) |
| Total expenses | 1,2 | (10 564) | (10 438) |
| - Operating expenses | 4,6 | (10 265) | (9 813) |
| - BEE | | (178) | - |
| - Merger & recovery programme | (80,6) | (121) | (625) |
| Indirect taxation | (53,6) | (213) | (459) |
| Associate income | (44,6) | 67 | 121 |
| Headline profit before taxation | 188,8 | 4 523 | 1 566 |
| Direct taxation | 138,2 | (898) | (377) |
| Minorities & preference shares | 65,0 | (193) | (117) |
| Headline earnings | 220,1 | 3 432 | 1 072 |

Bank NPLs & Impairments

| | 2005 | | 2004 | |
|------------------------------|-------|-------|-------|-------|
| | Rm | % adv | Rm | % adv |
| Non-performing loans | 3 994 | | 6 729 | |
| PIPs | 309 | | 761 | |
| Non-performing advances | 4 303 | 1,7 | 7 490 | 3,2 |
| Expected recoveries | 1 780 | | 3 002 | |
| Expected losses | 2 523 | | 4 488 | |
| Impairments provision | | | | |
| Non-performing advances | 2 523 | | 4 488 | |
| Performing & discount factor | 2 457 | | 2 258 | |
| | 4 980 | 2,0 | 6 746 | 2,9 |

Bank Non-Interest Revenue

| Rm - year ended | % ch | 2005 | 2004 |
|----------------------------------|--------|--------------|--------------|
| Commission & fees | 11,5 | 5 467 | 4 902 |
| Trading revenue | (7,1) | 936 | 1 007 |
| Exchange & non-interest dealings | (60,0) | 209 | 522 |
| Dividends received | 242,1 | 130 | 38 |
| Rents received | (38,4) | 53 | 86 |
| Sales of assets | (99,1) | 1 | 117 |
| Other | 16,8 | 798 | 708 |
| Total NIR | 0.1 | 7 385 | 7 380 |

Bank Expenses

| Rm - year ended | % ch | 2005 | 2004 |
|---------------------------|-------------|---------------|---------------|
| Employee expenses | 5,8% | 5 240 | 4 955 |
| Computer processing | 8,0% | 1 222 | 1 132 |
| Accommodation | (8,7%) | 898 | 984 |
| Marketing | 9,8% | 594 | 541 |
| Fees & insurance | 19,7% | 1 299 | 1 085 |
| Alliance partner fees | (72,9%) | 19 | 70 |
| Other | (5,0%) | 993 | 1 046 |
| Operating expenses | 4,6% | 10 265 | 9 813 |
| BEE | | 178 | - |
| Recovery & merger | (80,6%) | 121 | 625 |
| Total expenses | 1,2% | 10 564 | 10 438 |

Bank Balance Sheet

| Rm - as at 31 December | % ch | 2005 | 2004 |
|---------------------------------------|------------|----------------|----------------|
| Cash & securities | (1,5) | 48 319 | 49 043 |
| Advances | 8,4 | 249 969 | 230 609 |
| Investments | (7,5) | 2 419 | 2 614 |
| Property & equipment | 9,8 | 3 039 | 2 767 |
| Computer software | (6,8) | 1 281 | 1 375 |
| Goodwill | 2,6 | 563 | 549 |
| Derivatives | (52,8) | 11 281 | 23 886 |
| Other | (13,3) | 8 856 | 10 211 |
| Total assets | 1,5 | 325 727 | 321 054 |
| Ordinary shareholders' equity | 25,1 | 20 712 | 16 550 |
| Minorities & preference shareholders | 1,9 | 3 642 | 3 573 |
| Deposits | 4,6 | 270 610 | 258 801 |
| Derivatives | (42,9) | 14 844 | 25 979 |
| Long-term debt instruments | (0,5) | 7 273 | 7 308 |
| Other | (2,2) | 8 646 | 8 843 |
| Total equity & liabilities | 1,5 | 325 727 | 321 054 |

Bank Advances

| Rm - as at 31 December | % ch | 2005 | 2004 |
|-------------------------------|-------------|----------------|----------------|
| Home loans | 21,3 | 79 961 | 61 778 |
| Commercial mortgages | 11,2 | 37 887 | 34 085 |
| Properties in possession | (59,4) | 309 | 761 |
| Term loans | (0,8) | 23 734 | 23 930 |
| Credit cards | 17,0 | 4 064 | 3 474 |
| Overdrafts | 3,4 | 11 599 | 11 222 |
| Other loans to clients | (6,2) | 53 889 | 57 468 |
| Leases & instalment | 19,1 | 34 935 | 29 341 |
| Prefs & other investments | (7,5) | 5 893 | 6 373 |
| Trade & other bills | (3,4) | 3 850 | 3 986 |
| Reverse repurchase agreements | (22,4) | 3 066 | 3 952 |
| Other | (22,6) | 762 | 985 |
| Impairment of advances | (26,2) | (4 980) | (6 746) |
| | 8,4 | 249 969 | 230 609 |

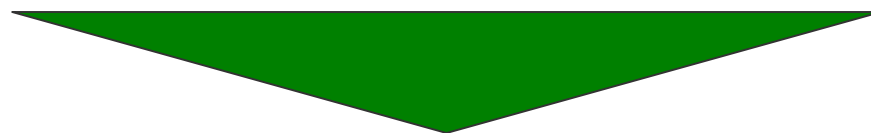
Bank Deposits

| Rm - as at 31 December | % ch | 2005 | 2004 |
|-------------------------------|--------|---------|---------|
| Current accounts | 4,2 | 35 792 | 34 365 |
| Savings accounts | 1,1 | 8 567 | 8 476 |
| Term deposits | 7,7 | 177 709 | 164 956 |
| Credit card balances | 12,4 | 824 | 733 |
| Foreign currency liabilities | (11,2) | 8 811 | 9 927 |
| NCDs | 21,0 | 33 701 | 27 842 |
| Deposit repurchase agreements | (58,4) | 5 206 | 12 502 |
| | 4,6 | 270 610 | 258 801 |

... liquidity remains strong

Significant Reduction in Risk Profile

- NII - reduced interest rate risk
- Foreign exchange currency risk - reduced
- Non-core asset sales - largely complete, reduced market risk
- Non-core risk substantially reduced, now focussed on financial risk optimisation



Earnings volatility reduced

***Most Group assets & liabilities now held & earnings earned
in Nedbank Limited***

Financial Drivers – 2006

- Retail advances growth expected to remain strong
- Potential for further margin uplift
- Improved transactional revenue (NIR) expected 2006 / 2007
- Further improvement in impairments ratios in Retail
- Additional operational efficiencies
- No recovery & merger costs (R155m) & Peoples Bank branch rationalisation & rebranding costs (R52m)
- Reduction in BEE costs (mainly group related)



... favourable outlook



Instrument Profile

Instrument Profile

- R1.5bn BESA listed Tier II subordinated debt
- Issued by Nedbank Ltd under existing R10bn listed DMTN programme
- Term:
 - Legal maturity: 10 years
 - Call date: 5 years after issue date
- Fixed rate semi-annual coupon in arrears
- Benchmark bond: R153
- Step up rate at call date of 100bps plus initial margin
- Banks Act Section 79 approval obtained

Market Making

- Citigroup is recognised as an established US top tier secondary market trader/market-maker (through our Solomon Smith Barney heritage)
- Citigroup maintains US\$6 billion in inventory and trades \$2 billion daily in fixed income securities in the US



| | 2000 | 2001 | 2002 | 2003 | 2004 | INSTITUTION |
|---|------|------|------|------|------|-----------------|
| 1 | 1 | 1 | 1 | 2 | 3 | Citigroup |
| 2 | 3 | 3 | 3 | 6 | 7 | Merrill Lynch |
| 3 | 4 | 4 | 7 | 5 | 5 | Goldman, Sachs |
| 4 | 2 | 2 | 2 | 1 | 1 | Lehman Brothers |
| 5 | 5 | 5 | 6 | 10 | 6 | Morgan Stanley |

Note: US secondary market league table

Market Making

- Citigroup appointed as manager & dealer on NED5 bond issue
- Market-making is Citigroup's primary role
- Indicative bid/offer terms *(note 1)*:

- 5bps in R5m notional
- 10bps in R10m notional
- >R10m by negotiation

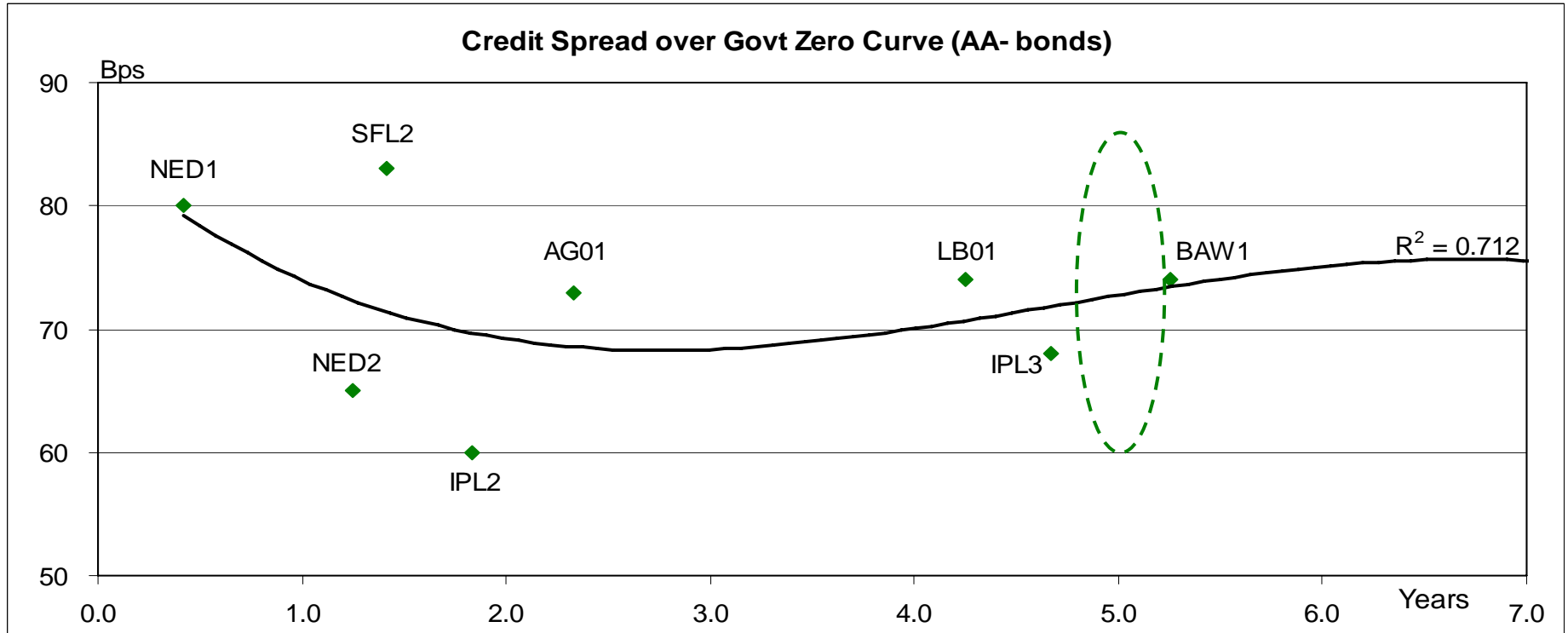
Citigroup's commitment is subject to changes in market conditions &/or material changes in Nedbank's financial condition, as determined in our sole discretion.

Note 1: Government bond primary dealer obligations are limited to 5bps bid/offer in R5m.

Citigroup's ability to provide 2-way bid/offer quotes is subject to availability of stock.

- Citigroup indicative pricing & contact details - Reuters Page CITIZAFI
- Investor willingness to enter into short-term repo's with Citigroup?

SA Comparative Bonds



Source: Besa & Nedbank (30 March 2006)

*Nedbank's intention to improve secondary market liquidity on the
NED5 & future Nedbank bonds*

Bookbuild Details

| | |
|----------------------------|-------------------------------------|
| Road Show | 3-6 April |
| Bookbuild Launch & Pricing | 19 April 2006 (09h00-12h00) |
| Settlement (Issue Date) | 24 April 2006 |
| Coupon Payments | 24 Oct, 24 April |
| Books Close | 14 Oct 14 April |
| Bookbuild Hotline | (011) 535-4027 |
| Bookbuild contacts | Laurence Rosenberg / Lucille Joseph |

- All bonds will be allocated at the same clearing spread
- Book filled from the bottom up
- Switch option will be offered in any liquid RSA government bonds

Contact Details

| | | | |
|---|---|--|--------------------------------|
| Nedbank Ltd | | | |
| - Mike Brown | CFO | | (011) 294-9999 |
| - Trevor Adams | Head: Group Capital Management & Basel II | | (011) 294-1141 |
| - Markus Borner | Head: Strategic Capital Management | | (011) 295-8616 |
| Nedbank Capital | | | |
| - Tommie Potgieter | Debt Origination | | (011) 535-4027 |
| - Jason Hall | Debt Origination | | (011) 535-4027 |
| Citigroup | | | |
| - Simon Turner | Head of SA Debt Capital Markets | | (011) 944-0703 |
| Nedbank Group Investor Relations | | | |
| - Don Bowden | Tier 1 Investor Relations | | (021) 702 3102 082 555 8721 |



Questions ?



Appendix- Group information

Group Key Financial Indicators

| For the year ended | | 2005 | 2004 |
|------------------------|-------|--------------|-------|
| Headline earnings | Rm | 3 167 | 1 743 |
| Headline EPS | cents | 797 | 483 |
| Fully diluted HEPS | cents | 791 | 482 |
| ROE | % | 15,5 | 11,0 |
| ROA | % | 0,93 | 0,54 |
| Margin | % | 3,55 | 3,18 |
| Efficiency ratio | % | 65,1 | 71,8 |
| Total assets | Rbn | 352,3 | 327,8 |
| Tangible NAV per share | cents | 4 351 | 3 361 |
| Group capital adequacy | % | 12,9 | 12,1 |
| Dividend per share | cents | 290 | 120 |

Group Income Statement

| Rm – year ended | % ch | 2005 | 2004 |
|--|--------|-----------------|-----------------|
| Net interest income | 19,4 | 8 529 | 7 145 |
| Impairments | (2,3) | (1 189) | (1 217) |
| Income from lending activities | 23,8 | 7 340 | 5 928 |
| Non-interest revenue | 1,2 | 8 483 | 8 379 |
| Foreign currency translation gains | | 126 | (280) |
| Total expenses | 2,0 | (11 157) | (10 939) |
| Operating expenses | 2,9 | (10 609) | (10 314) |
| BEE | | (393) | |
| Merger & recovery programme | | (155) | (625) |
| Indirect taxation | (52,6) | (223) | (470) |
| Associate income | 13,6 | 167 | 147 |
| Headline profit before taxation | 71,3 | 4 736 | 2 765 |
| Direct taxation | 65,9 | (1 108) | (668) |
| Minorities & preference shares | 30,2 | (461) | (354) |
| Headline earnings | 81,7 | 3 167 | 1 743 |

Group ROE Drivers

| % - year ended | 2005 | 2004 |
|-----------------------------------|-------------|-------------|
| NII / Int-earning assets | 3,55 | 3,18 |
| Impairments / Int-earning assets | 0,49 | 0,54 |
| NIR / NII | 99,46 | 117,27 |
| Expenses / Int-earning assets | 4,64 | 4,87 |
| Efficiency ratio | 65,10 | 71,76 |
| Forex / Int-earning assets | 0,05 | (0,12) |
| Int-earning assets / Total assets | 68,25 | 68,51 |
| Return on total assets | 0,93 | 0,54 |
| Gearing | 16,66 | 20,16 |
| ROE | 15,51 | 11,03 |



... ROE now above cost of capital

Group Segmental Performance

| Rm - year ended | % ch | Headline earnings | | ROE | | |
|---------------------|-------------|-------------------|--------------|-------------|-------------|-------------|
| | | 2005 | 2004 | 2005 | Excl BEE | 2004 |
| Nedbank Capital | 17,8 | 1 017 | 863 | 29,2 | 29,3 | 29,3 |
| Nedbank Corporate | 11,8 | 1 984 | 1 775 | 19,7 | 20,0 | 18,7 |
| Nedbank Retail | 66,3 | 938 | 564 | 18,4 | 19,8 | 12,1 |
| Imperial Bank | 102,8 | 144 | 71 | 12,4 | 12,4 | 10,0 |
| Operating divisions | 24,7 | 4 083 | 3 273 | | | |
| Shared Services | (76,2) | (35) | (147) | | | |
| Central Management | (36,3) | (881) | (1 383) | | | |
| Total | 81,7 | 3 167 | 1 743 | 15,5 | 17,2 | 11,0 |

Group Balance Sheet

| Rm | % ch | 2005 | 2004 |
|---------------------------------------|------------|----------------|----------------|
| Cash & securities | 7,6 | 56 561 | 52 584 |
| Advances | 12,4 | 248 408 | 221 008 |
| Investments | | 7 532 | 7 580 |
| Property & equipment | | 3 095 | 2 828 |
| Computer software | (7,0) | 1 320 | 1 419 |
| Goodwill | | 3 687 | 3 676 |
| Derivatives | (40,7) | 16 176 | 27 276 |
| Other | | 15 479 | 11 469 |
| Total assets | 7,4 | 352 258 | 327 840 |
| Ordinary shareholders' equity | 22,6 | 22 490 | 18 337 |
| Minorities & preference shareholders | | 3 819 | 3 450 |
| Deposits | 4,2 | 261 311 | 250 747 |
| Derivatives | (38,6) | 17 055 | 27 781 |
| Long-term debt instruments | | 7 273 | 7 309 |
| Other | 99,4 | 40 310 | 20 216 |
| Total equity & liabilities | 7,4 | 352 258 | 327 840 |

Group NII – Margin Analysis

| % of daily average interest-earning assets | % | Rm |
|---|-------------|--------------|
| December 2004 | 3,18 | 7 145 |
| 2005 asset growth | | 508 |
| Net endowment effect | 0,15 | 358 |
| Margin compression | (0,09) | (218) |
| Improvement in product mix & pricing | 0,13 | 312 |
| Other | 0,18 | 424 |
| December 2005 | 3,55 | 8 529 |

Group Non-Interest Revenue

| Rm | 2005 | 2004 | Actual % change | Comparable % change |
|-------------------------------------|--------------|--------------|--------------------|------------------------|
| Commission & fees | 5 770 | 5 460 | 5,7 | 8,4 |
| Trading revenue | 1 431 | 1 369 | 4,5 | 4,5 |
| Exchange & non-interest dealings | 334 | 511 | (34,6) | (1,8) |
| Dividends received | 140 | 51 | 174,5 | 174,5 |
| Rents received | 65 | 106 | (38,7) | (34,3) |
| Sales of assets | 108 | 88 | 22,7 | 86,2 |
| Other | 635 | 794 | (20,0) | (20,4) |
| Total NIR | 8 483 | 8 379 | 1,2 | 5,7 |

Group Expenses

| Rm | 2005 | 2004 | Actual % change | Comparable % change |
|---------------------------|---------------|---------------|--------------------|------------------------|
| Employee expenses | 5 312 | 5 176 | 2,6 | 7,1 |
| Computer processing | 1 330 | 1 234 | 7,8 | 8,8 |
| Accommodation | 897 | 924 | (2,9) | (0,9) |
| Marketing | 565 | 502 | 12,5 | 13,1 |
| Fees & insurance | 1 365 | 1 225 | 11,4 | 5,0 |
| Alliance partner fees | 19 | 70 | (72,9) | (72,9) |
| Other | 1 121 | 1 183 | (5,2) | (4,0) |
| Operating expenses | 10 609 | 10 314 | 2,9 | 4,8 |
| BEE | 393 | | | |
| Recovery & merger | 155 | 625 | | |
| Total expenses | 11 157 | 10 939 | 2,0 | |

Group Attributable Income

| Rm | 2005 | 2004 |
|--|-------|-------|
| Headline earnings | 3 167 | 1 743 |
| Capital items | 669 | (215) |
| Profit on disposal of subsidiaries, investments & property & equipment | 904 | (74) |
| Investment impairments | (202) | (93) |
| Goodwill impairment | (1) | (87) |
| Tax on capital items | (32) | 39 |
| Attributable income | 3 836 | 1 528 |

... increasing NAV

Group Advances

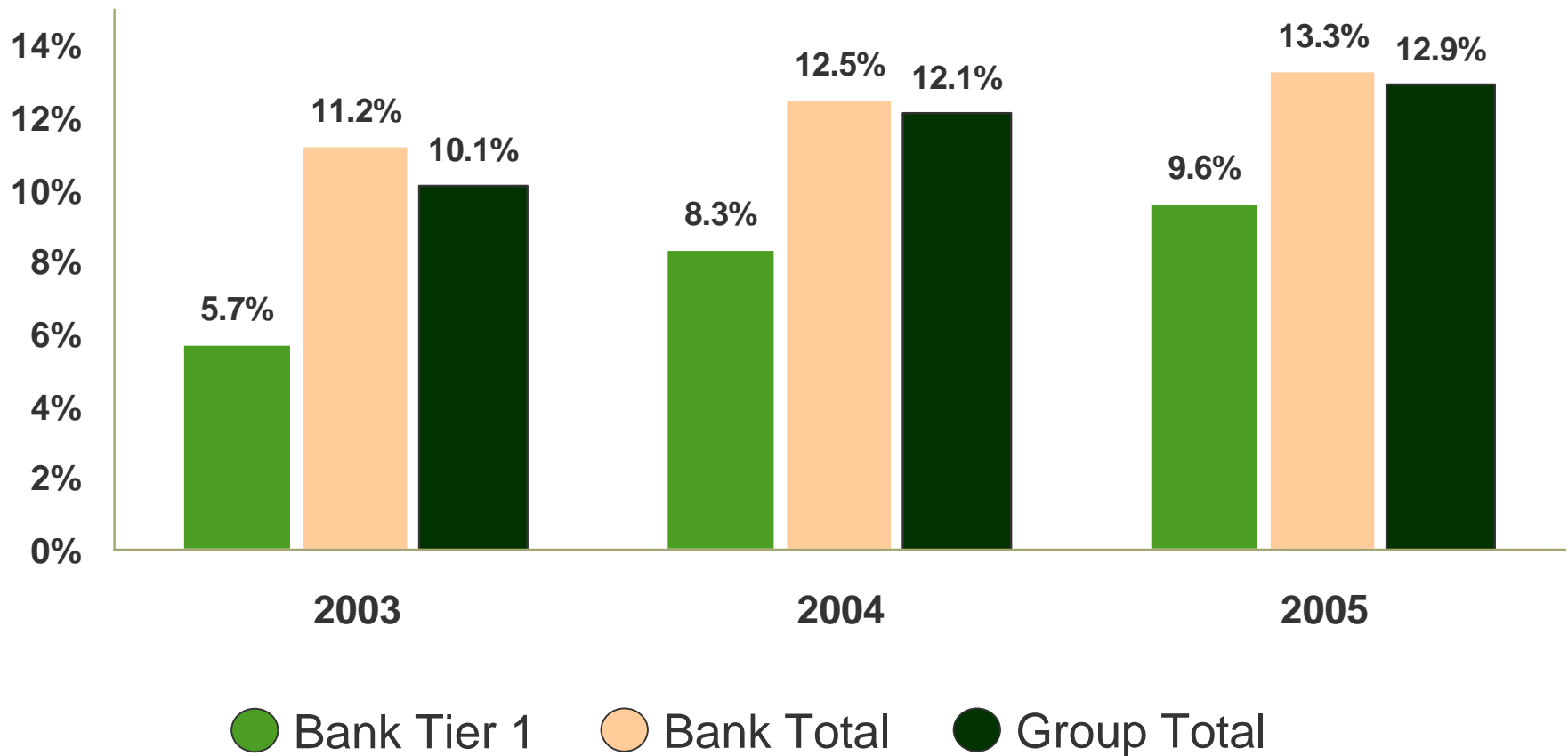
| Rm | % change | 2005 | 2004 |
|----------------------------|-------------|----------------|----------------|
| Home loans | 24,5 | 75 333 | 60 509 |
| Commercial mortgages | 8,3 | 37 993 | 35 072 |
| Properties in possession | (59,4) | 309 | 761 |
| Term loans | (5,5) | 25 314 | 26 786 |
| Credit cards | 17,0 | 4 074 | 3 483 |
| Overdrafts | 3,3 | 11 604 | 11 228 |
| Other loans to clients | 7,8 | 49 120 | 45 585 |
| Leases & instalment | 19,3 | 34 935 | 29 279 |
| Prefs & other investments | (0,5) | 5 918 | 5 946 |
| Trade & other bills | (6,2) | 3 850 | 4 106 |
| Reverse repurch agreements | 11,6 | 4 410 | 3 952 |
| Other | (22,6) | 762 | 985 |
| Impairment of advances | (22,0) | (5 214) | (6 684) |
| | <u>12,4</u> | <u>248 408</u> | <u>221 008</u> |

Group Deposits

| Rm | % ch | 2005 | 2004 |
|-------------------------------|--------|---------|---------|
| Current accounts | 4,2 | 35 830 | 34 401 |
| Savings accounts | 6,2 | 11 188 | 10 532 |
| Term deposits | 8,5 | 167 723 | 154 600 |
| Credit card balances | 12,4 | 824 | 733 |
| Foreign currency liabilities | (11,0) | 8 832 | 9 928 |
| NCDs | 20,8 | 33 682 | 27 882 |
| Deposit repurchase agreements | (74,5) | 3 232 | 12 671 |
| | 4,2 | 261 311 | 250 747 |

... liquidity remains strong

Capital Adequacy



Group capital position

| Regulatory capital (Rm) | Tier 1 | Tier 2 | Tier 3 | Total | RW assets |
|-----------------------------------|---------------|--------------|------------|---------------|----------------|
| 2004 | 17 274 | 8 095 | 294 | 25 663 | 212 459 |
| Group capital adequacy (%) | 8,1 | 3,8 | 0,1 | 12,1 | |
| IFRS opening adjustment | (164) | | | (164) | |
| Attributable income (excl FX) | 3 710 | | | 3 710 | |
| Ordinary dividend | (727) | | | (727) | |
| Currency impact | 231 | | | 231 | 328 |
| Growth – risk-weighted assets | | | | | 10 691 |
| Tier 1 capital raising | 581 | | | 581 | |
| Tier 2 redemptions | | (479) | | (479) | |
| Tier 3 non-qualification | | | 6 | 6 | |
| Peoples Bank impact | | | | | 2 278 |
| IFRS reserve movements | 262 | | | 262 | |
| Profits not appropriated | (205) | | | (205) | |
| Other adjustments | 189 | 32 | | 221 | |
| 2005 | 21 151 | 7 648 | 300 | 29 099 | 225 756 |
| Group capital adequacy (%) | 9,4 | 3,4 | 0,1 | 12,9 | |