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NEDBANK
GROUP

NEDBANK GROUP LIMITED

RMB Morgan Stanley
CIB conference

May 2014

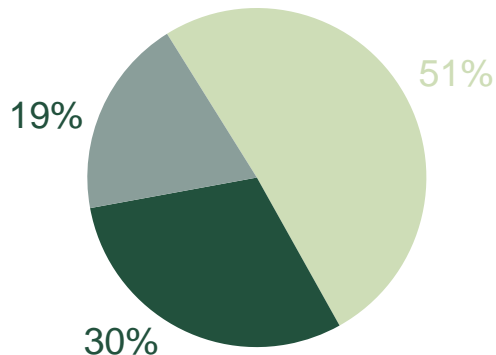
A Member of the  **OLDMUTUAL** Group

Corporate & Investment Banking at Nedbank

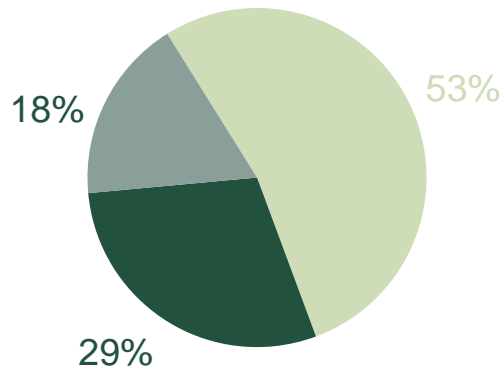
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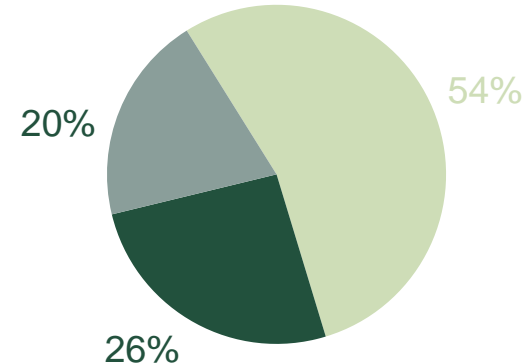
Advances (R579bn)



Deposits (R603bn)



Headline earnings (R8,7bn)



■ Nedbank Corporate (ROE: 26,4%)

■ Nedbank Capital (ROE: 29,4%)

Nedbank Corporate

- **Commercial Property Finance**
 - Commercial property loans
 - Property investment
- **Corporate Banking**
 - Senior debt & asset backed lending
 - Deposit-taking
 - Transactional banking

SA corporates with turnover >R700m

Nedbank Capital

- **Investment Banking**
- **Global Markets (Trading)**
- **Treasury**

Institutional & corporate clients

ALF & strategic
account planning

Nedbank Capital – good competitive positioning & growth potential

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Competitive positioning

Leadership & expertise in:

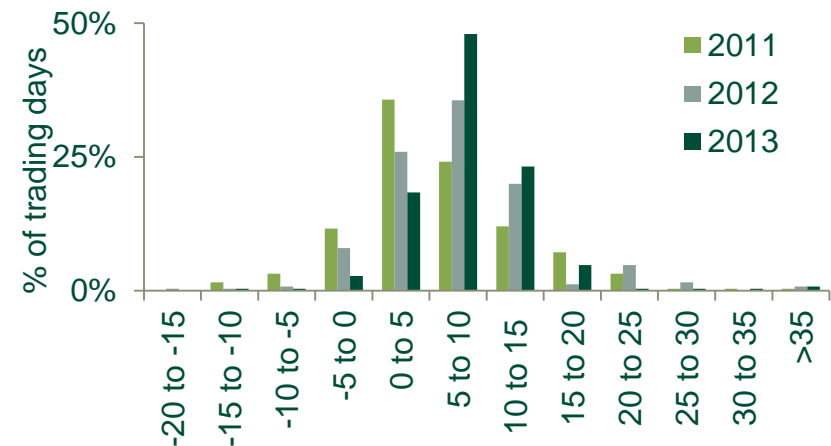
- Mining & resources
- Infrastructure
- Energy
- Telecoms
- Oil & gas

Integrated full service business model

Focussed on flow trading with low VARs

Leveraging alliances – Ecobank & Bank of China

Markets income distribution



- **Generally lower levels of VAR than peers**
2013: R6,6m (99%, 1 day)
- **Enhanced focus on flow business**

Nedbank Capital – good competitive positioning & growth potential

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| | Listed M&A Investment advisors | Listed M&A Investment advisors | Listed M&A Investment sponsors | Listed M&A Investment sponsors | General Corporate Finance Investment advisors | Bloomberg Underwriter Rankings (excluding self-led) |
|------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---|---|
| Rank | Value (Rm) | Volume | Value (Rm) | Volume | Value (Rm) | Value (Rm) |
| 1 | RMB | Nedbank Capital 52 | Investec Bank | Java Capital 62 | ABSA/Barclays | FirstRand |
| 2 | Investec Bank | Investec Bank 46 | ABSA/Barclays | Investec Bank 59 | Java Capital | Nedbank Capital |
| 3 | Nedbank Capital | Java Capital 36 | Java Capital | Nedbank Capital 50 | RMB | Barclays |
| 4 | Java Capital | RMB 22 | Nedbank Capital | PSG Capital 42 | Investec Bank | Standard Bank |
| Nedbank Ranking | 3 | 1 | 4 | 3 | 6 | 2 |

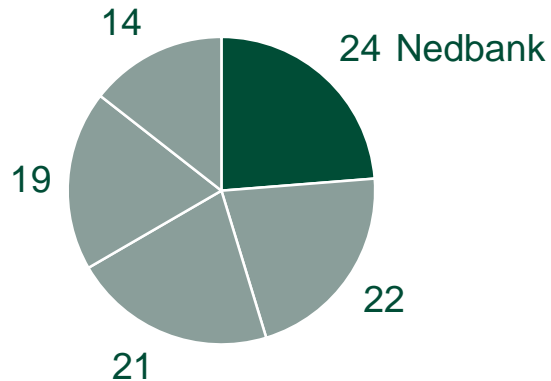
Nedbank Corporate – leading position in corporate banking & commercial property finance

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Top 2 SA Corporate Bank

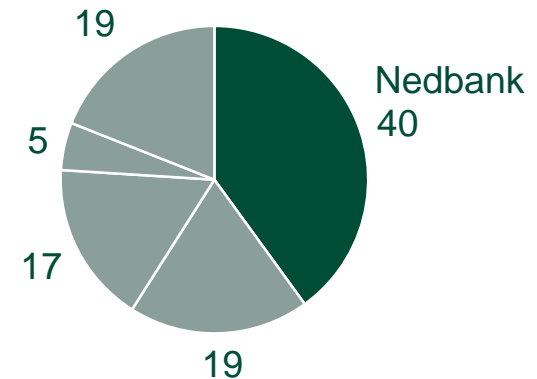
Core commercial advances market share¹
(%)



- Quality client relationships
- Highly rated transactional franchise
- Strong NIR growth

Market leader in Commercial Property Finance

CPF market share
(%)



- Experienced management team
- Quality client base
- Low LTVs: <50%

Excellent risk management: CLR within range & below industry since 2004

Nedbank Corporate – leadership position supported by client surveys

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Survey ranking:

| | #1 | #2 | #3 | #4 |
|---|----|----|------------------------------------|----|
| Main bank market share ¹ | | | | |
| Client service ¹ | | | | |
| Net promoter score ¹ | | | | |
| Channel performance & servicing ¹ | | | | |
| Transactional banking product offering ² | | | (from 4 th in 2010) | |
| Electronic banking product offering ² | | | | |
| Commercial property finance ³ | | | | |
| Investor services ⁴ | | | | |

1. StarTrack survey, 2013
2. Business Electronic Banking survey, 2013
3. PwC survey, 2013
4. Global Finance, 2013 Best sub-custodian in SA

Opportunities & risks in corporate & investment banking

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Opportunities

- **SA's infrastructure investment potential**
- **Corporate investment cycle**
(wholesale advances growth ahead of retail growth)
- **Rest of Africa**
- **Grow transactional banking franchise & deepen share of wallet**

Risks

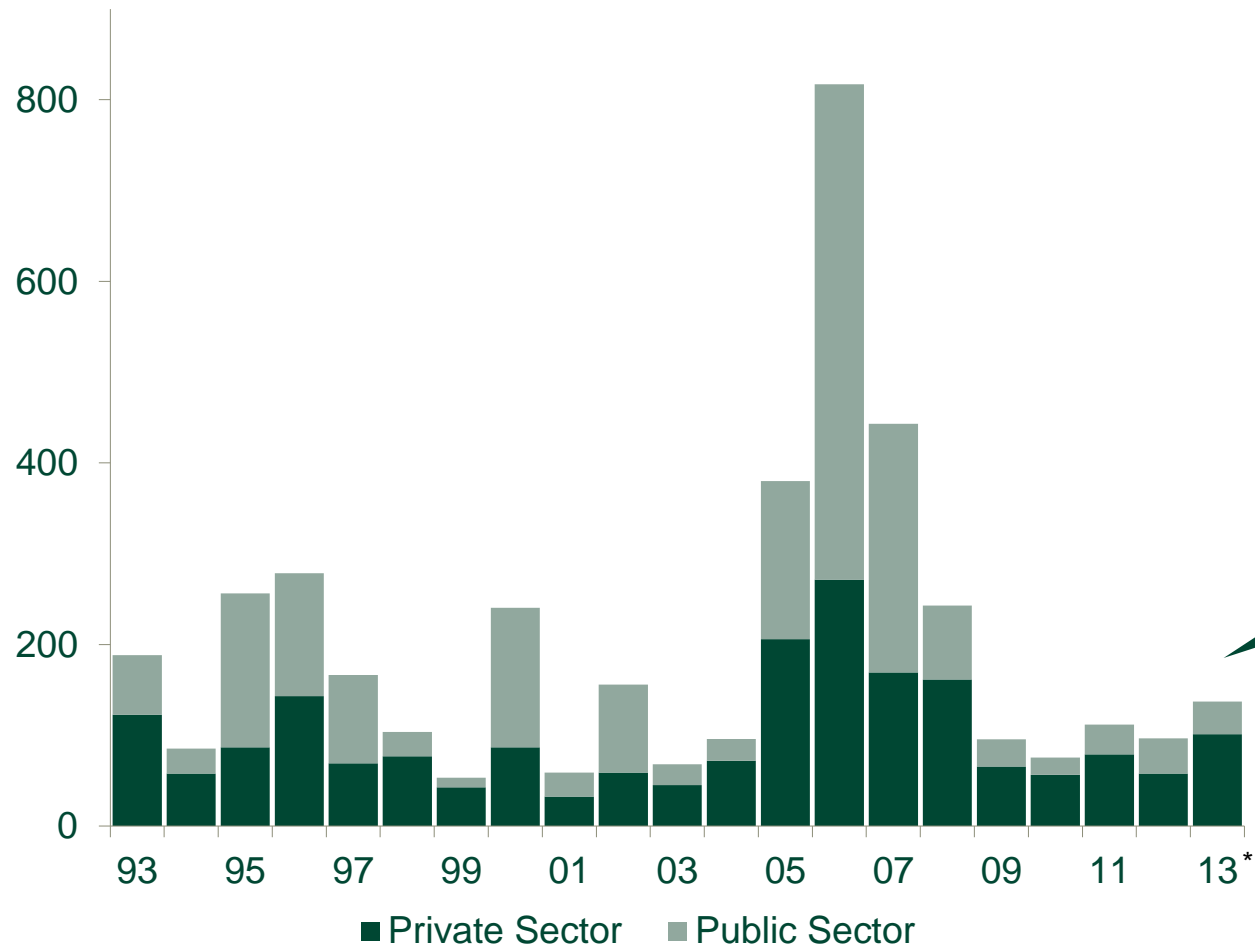
- **Macro economic risks**
- **Regulatory changes**
- **Increased competition**
 - Pressure on margins
 - but, SA banks benefitting from balance sheet capability vs international peers
- **Unexpected corporate default**
 - but, quality portfolios & excellent track record over time

SA infrastructure potential

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Large SA capital project schedule (R billion - constant 2012 prices)



- R3 trillion potential by 2030, but announced projects still at multi-year lows post the Soccer World Cup
- Potential as illustrated in the Renewable Energy successes

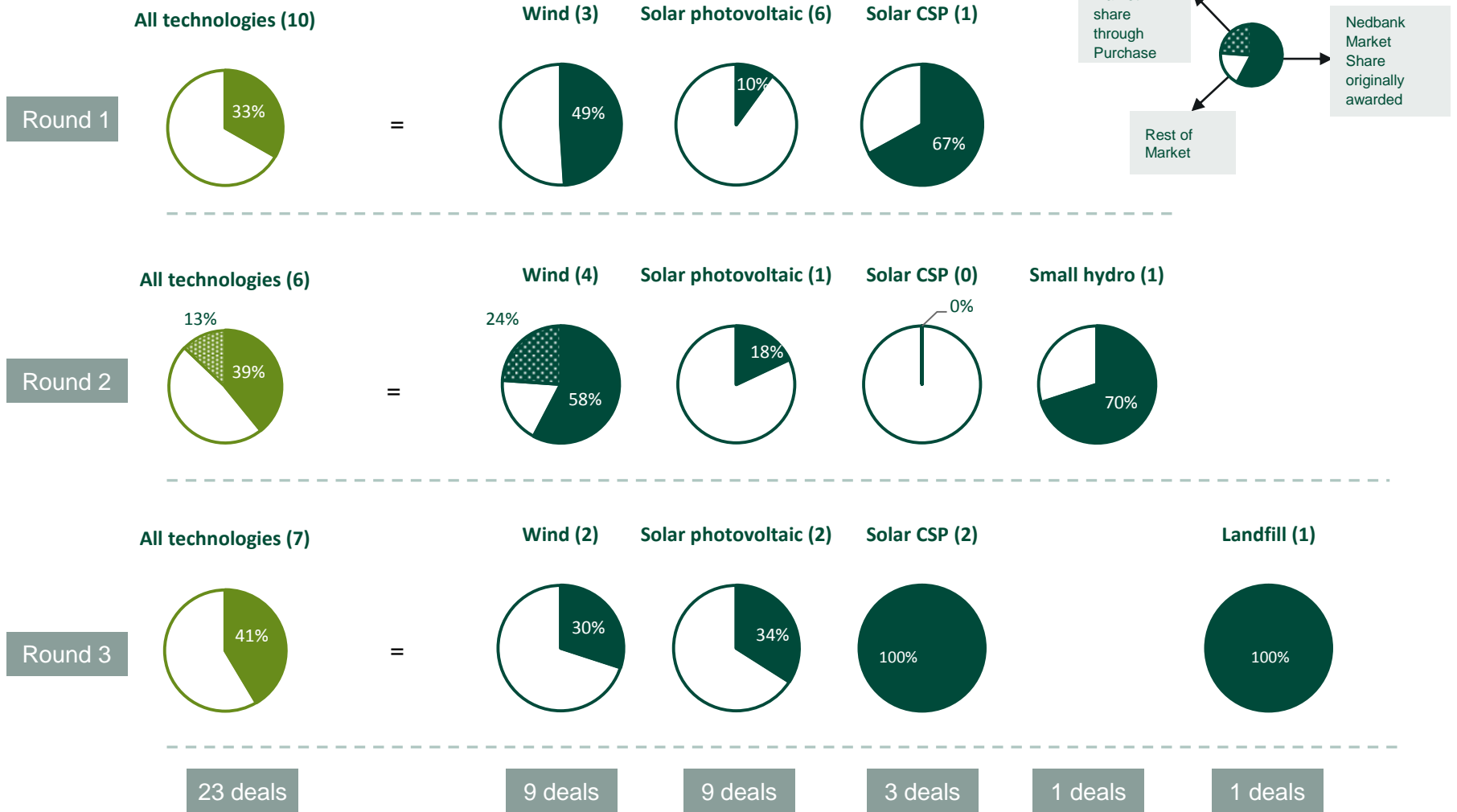
*The 2013 figure is value of projects announced in the first half of the year – annualised
Note: R3 trillion potential announced projects sourced from 2013 Budget Review document

SA infrastructure potential

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Nedbank's success in REIPPP



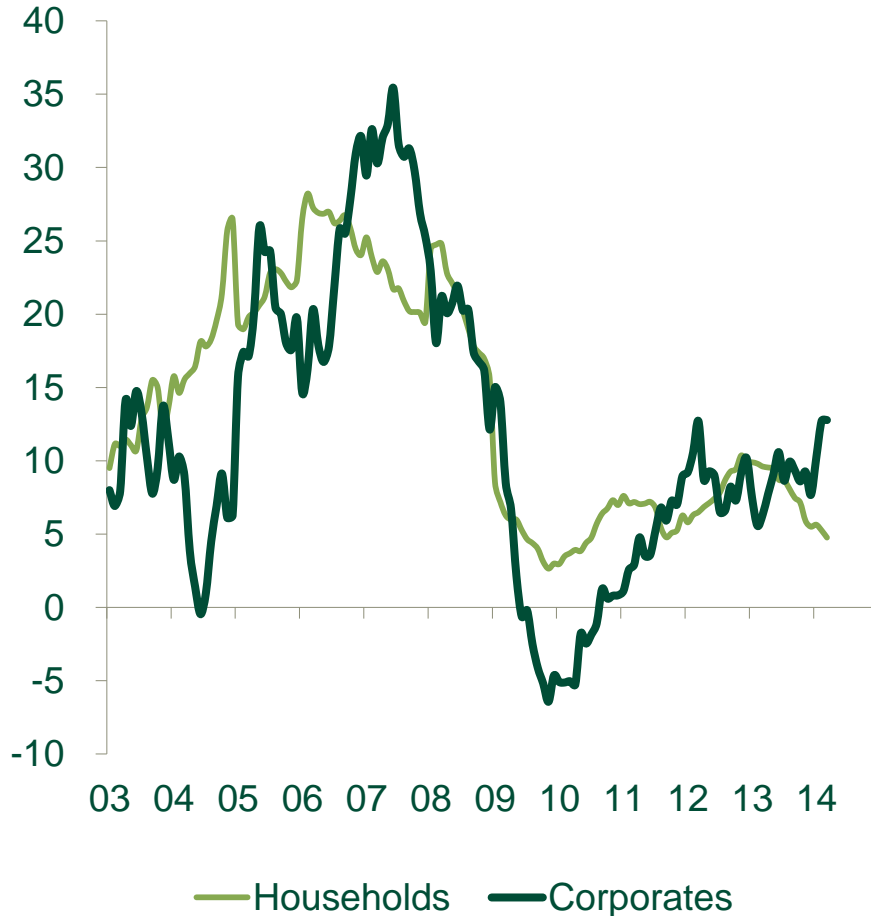
1. Nedbank % share of total market MW allocation. Deal count is represented in brackets
 2. MW calculated as sum of project MWs for all projects that Nedbank participates in

Corporate credit picking up

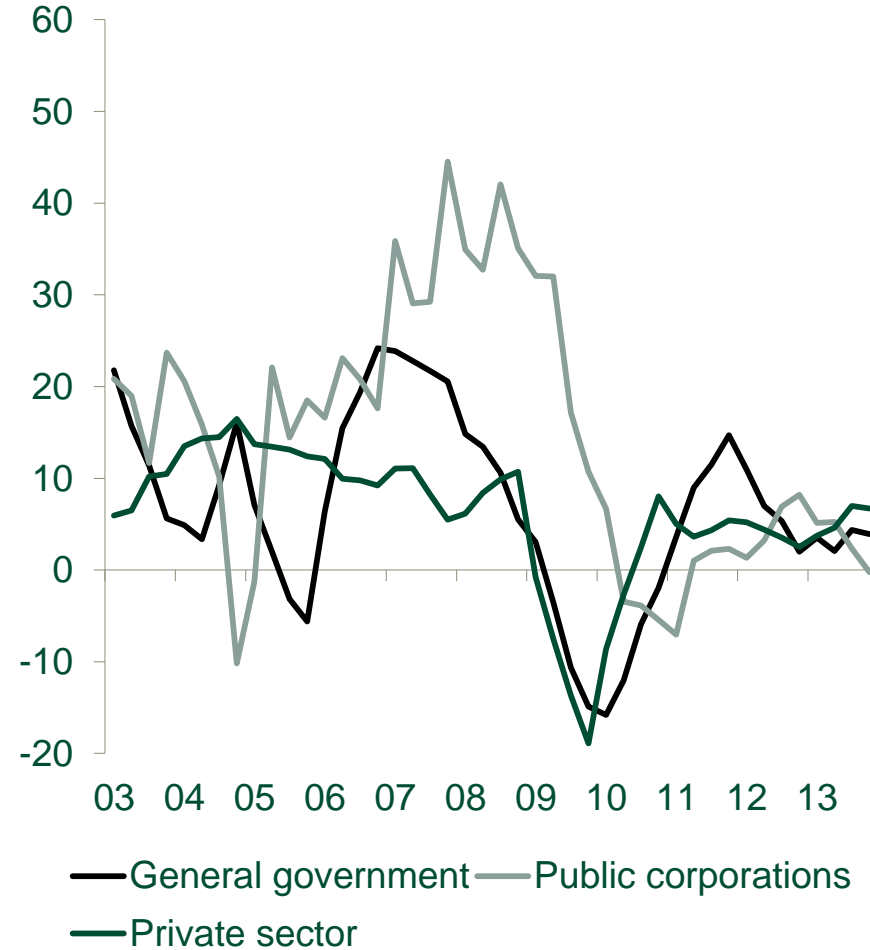
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Corporate credit growth ahead of retail growth (%)



Private sector credit growth, although low, ahead of public sector (%)



Rest of Africa growth potential

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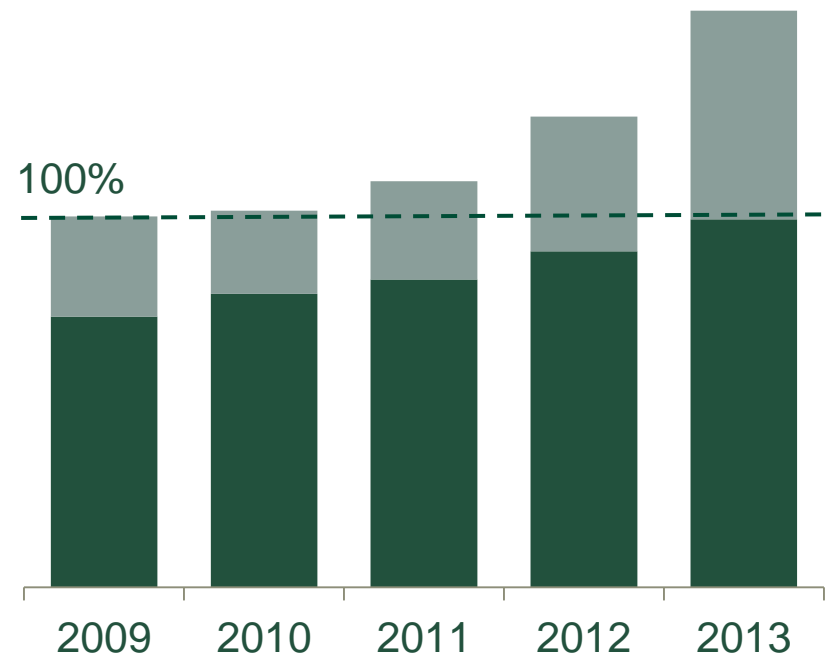


Deal footprint across Africa¹ As at December 2013 – 22 countries



- Africa footprint as at December 2012
- 2013 Africa footprint expansion to Dec

Nedbank Capital advances (Rbn)



- South Africa
- Rest of World

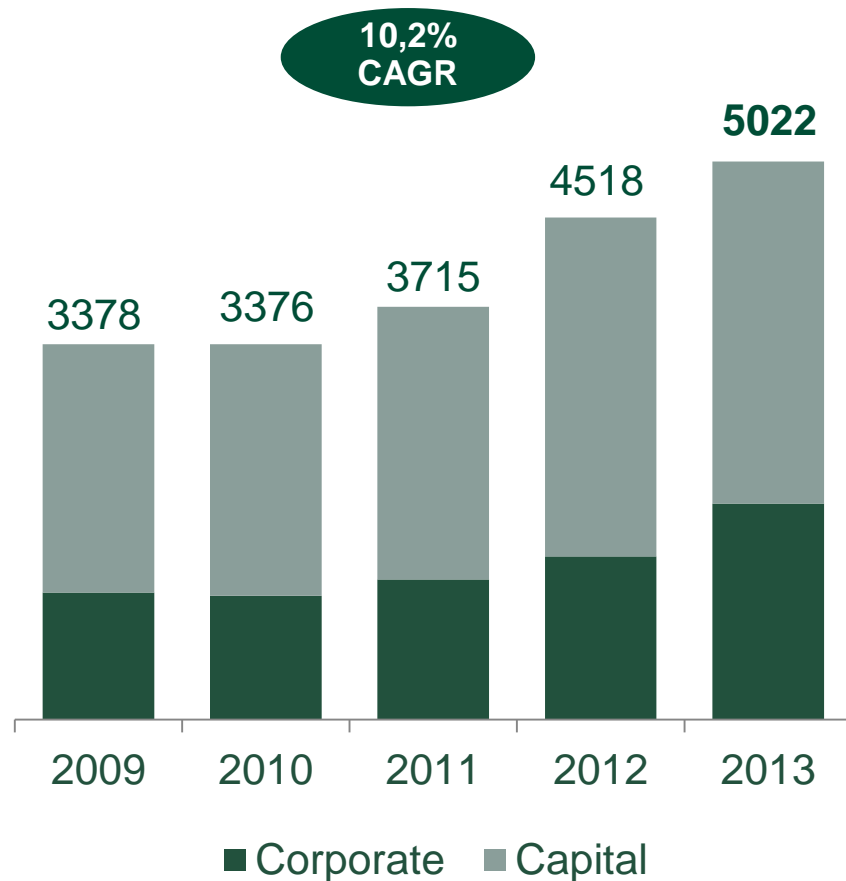
1. Graphs are based on committed risk limits

Non interest revenue growth

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Nedbank Capital & Corporate NIR (Rbn)



Key drivers:

- **Increased collaboration and cross-sell**
- **Nedbank Capital focus on flow trading & generating greater NIR off credit extension**
 - leverage new world class trading platform
 - lowest VAR to revenue in peer group
- **Nedbank Corporate core NIR compound growth of 12,4% since 2009, underpinned by:**
 - growth in primary clients
 - increasing cross-sell
 - new & innovative transactional banking offerings:
 - secure & innovative wholesale electronic banking
 - value-added services e.g. integrated accounting, payroll & electronic archiving & document management
 - first-to-market successes with e-Billing, wholesale mobile payments & authorisation application, Cash Online solution

Note: Nedbank Corporate adjusted to exclude Rest of Africa operations

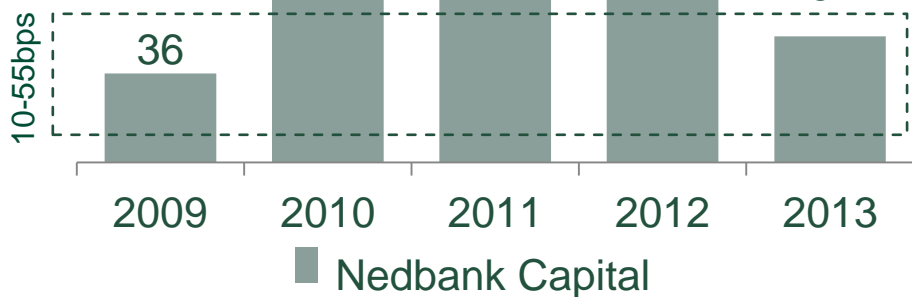
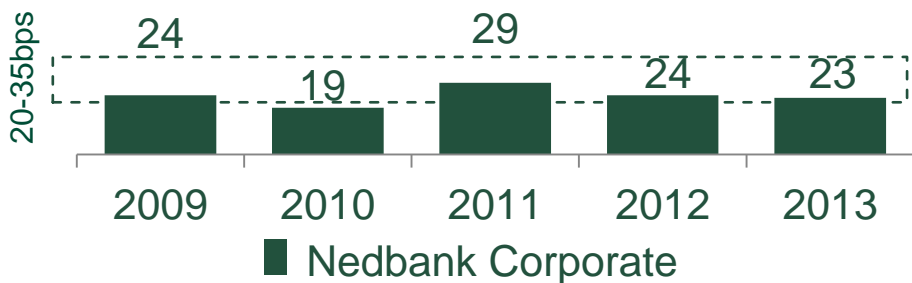
Quality CIB portfolio

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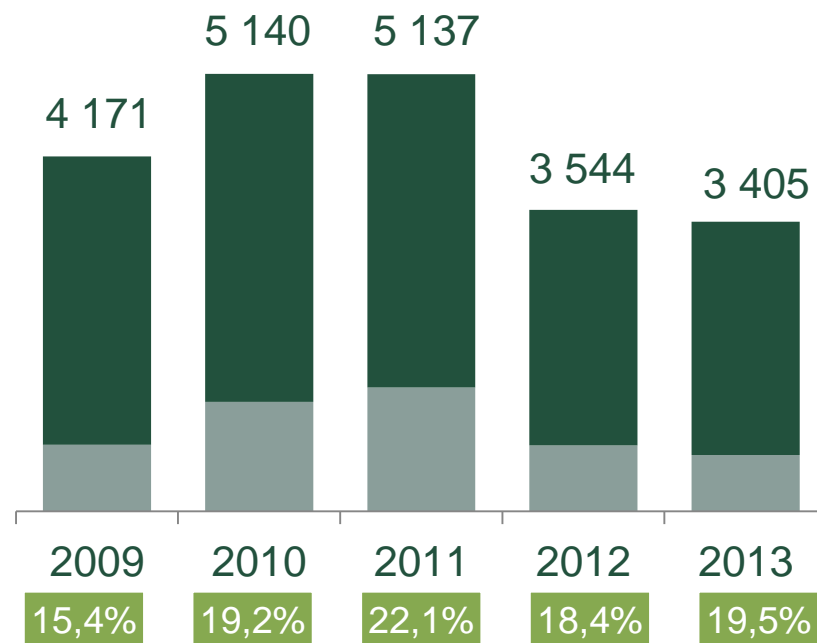
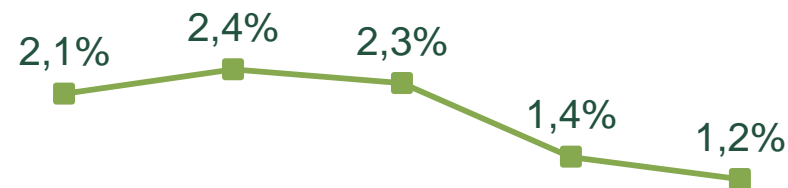


Credit loss ratio

(bps)



Corporate & Capital defaulted advances (Rm) and defaulted advances as % of book (%)



Corporate & Capital defaults % of total group

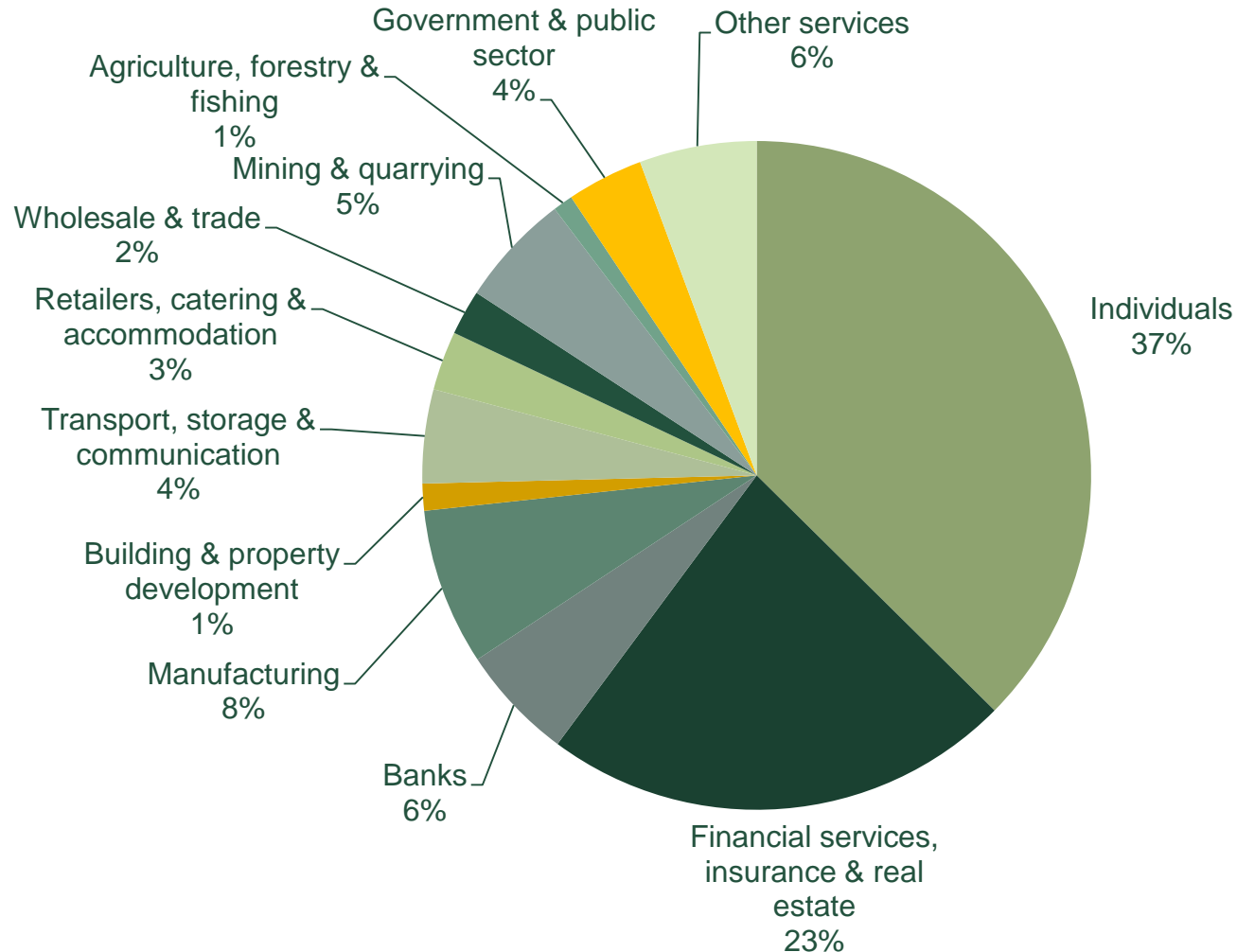
Nedbank Group well diversified across multiple industries

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Nedbank Group advances

(Rbn)



Disclaimer

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