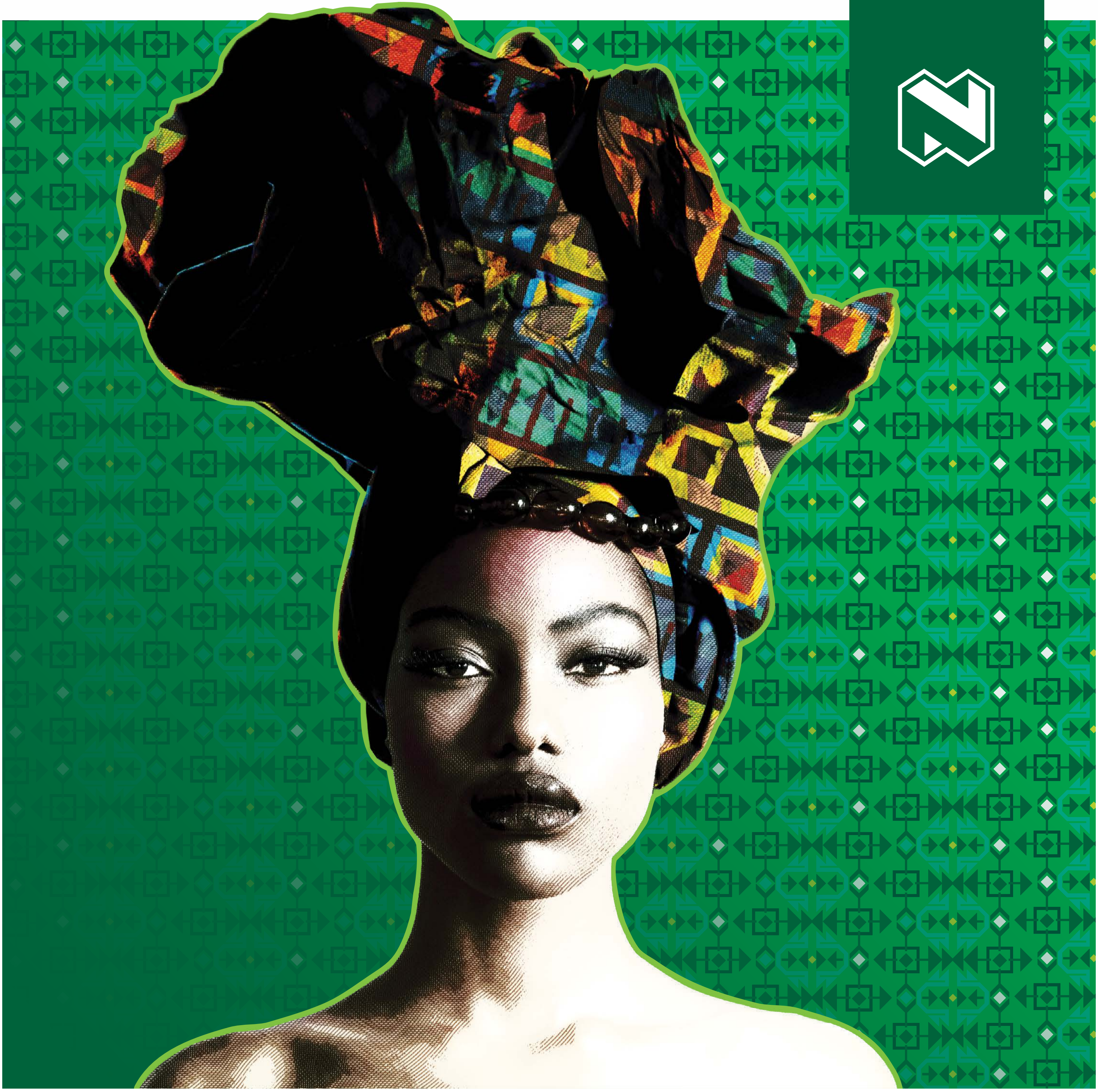


FS Notice of the Annual General Meeting and Audited Summary Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2016

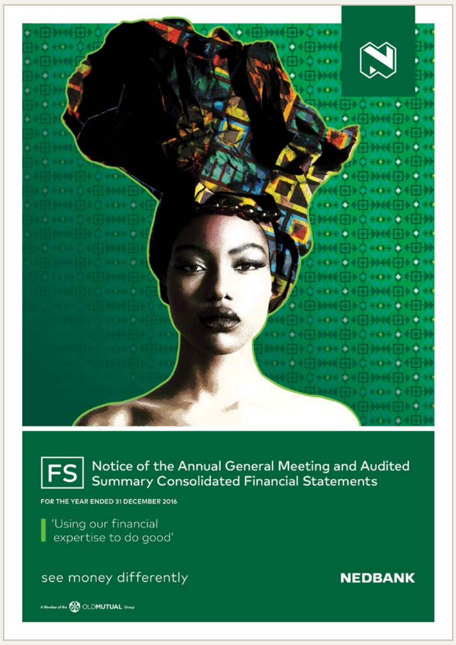
'Using our financial expertise to do good'

see money differently

NEDBANK

A Member of the OLDMUTUAL Group

Contents



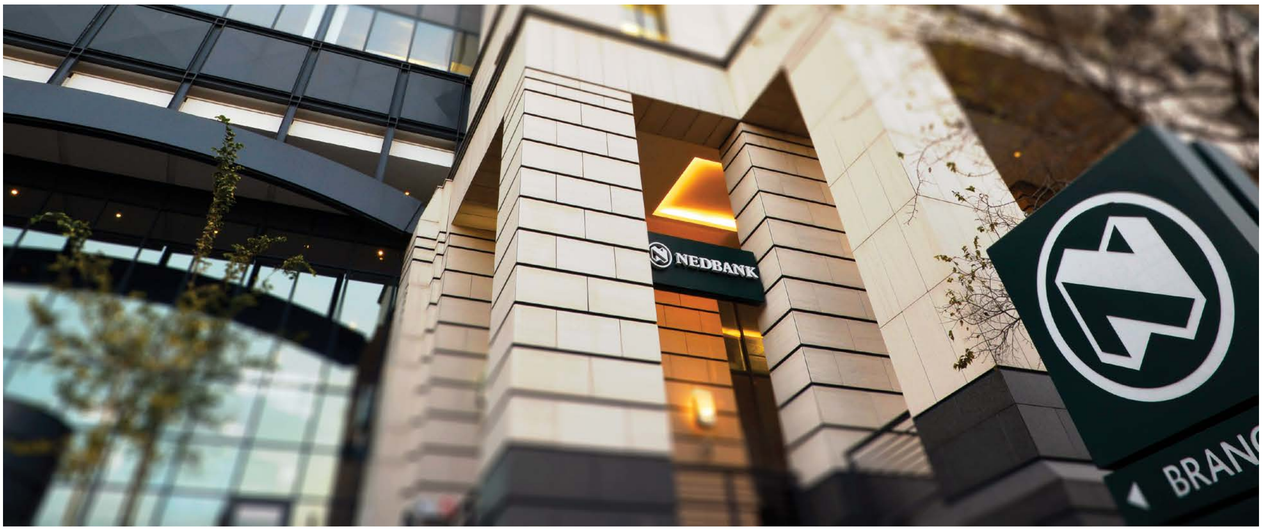
Revitalising our brand

Through the revitalisation of the Nedbank brand we aim to position ourselves in the hearts and minds of society as the bank that uses its core expertise in financial services to do good and secure positive outcomes for individuals, families, businesses and society.

After extensive research to interrogate what makes Nedbank unique, we know that using our financial expertise to do good is deeply embedded in our DNA. It may be a brand-new campaign, but it is not a new concept for us. We challenge and inspire our clients to See Money Differently.

Whether it is our new-format outlets, innovative digital offerings, the integration of Nedbank CIB to serve corporate clients holistically or Nedgroup Investments being ranked as one of the top-three asset managers in SA for the past eight years, these demonstrate financial expertise and doing good for clients. Nedbank's history and commitment to community development add to our credentials of doing good for society. The duality of financial expertise and doing good for clients and the community are true to who we are and what we do as a business.

To view a short video that provides an overview of Nedbank and our strategy. Scan the QR code or click through to the Integrated Reporting section of our website.



Additional information for our stakeholders

Our Integrated Report is supplemented by our full suite of online publications, which caters for the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting. This can be accessed on our group website: nedbankgroup.co.za.

Financial reporting

- Results Booklet
- Results Presentation
- Nedbank Group Audited Consolidated and Separate Annual Financial Statements
- Nedbank Ltd Annual Report

Risk management reporting

- Pillar 3 Risk and Capital Management Report

Annual general meeting

- Notice of the 50th Annual General Meeting
- Proxy Form
- Shareholder register

Governance reporting

- Governance and Ethics Review
- Director and Executive profiles
- King III Principles
- Remuneration Report

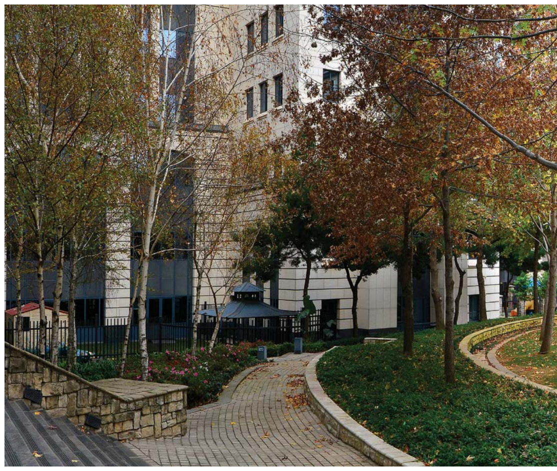
Sustainability reporting

- Transformation Report
- Sustainability Review
- Global Reporting Initiative G4

We welcome feedback on this report. Please address any questions, comments or suggestions to nedbankgroupir@nedbank.co.za.

Overview of Nedbank Group

Nedbank Group is one of Africa's largest banking groups. We are a diversified financial services provider offering a wide range of wholesale and retail banking services as well as insurance, asset management and wealth management solutions.



SA is our primary market and we are expanding across the rest of Africa. Outside of SA, we operate in six countries in the Southern African Development Community (SADC) and East Africa region, through subsidiaries and banks in Lesotho, Malawi, Mozambique, Namibia, Swaziland and Zimbabwe, and we have representative offices in Angola and Kenya.

In West and Central Africa we have a strategic alliance and a shareholding of 21,2% in ETI.

Outside Africa we have a presence in key global financial centres to provide international financial services for SA-based multinational and high-net-worth clients in Guernsey, Isle of Man, Jersey and London and we have a representative office in Dubai.

Old Mutual Group: **54,6% shareholding** in Nedbank Group

Nedbank Limited – our principal banking subsidiary

Market capitalisation **R118bn**

Headline earnings **R11,5bn**

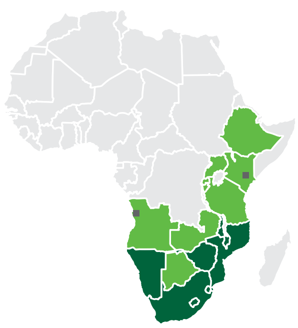
Employees **32 401**

Staffed outlets **786**

ATMs: **4 052**

Board is comprised of **59% independent directors**

Access to the largest banking network in Africa: **39 countries** (through our strategic investment in ETI)



NEDBANK

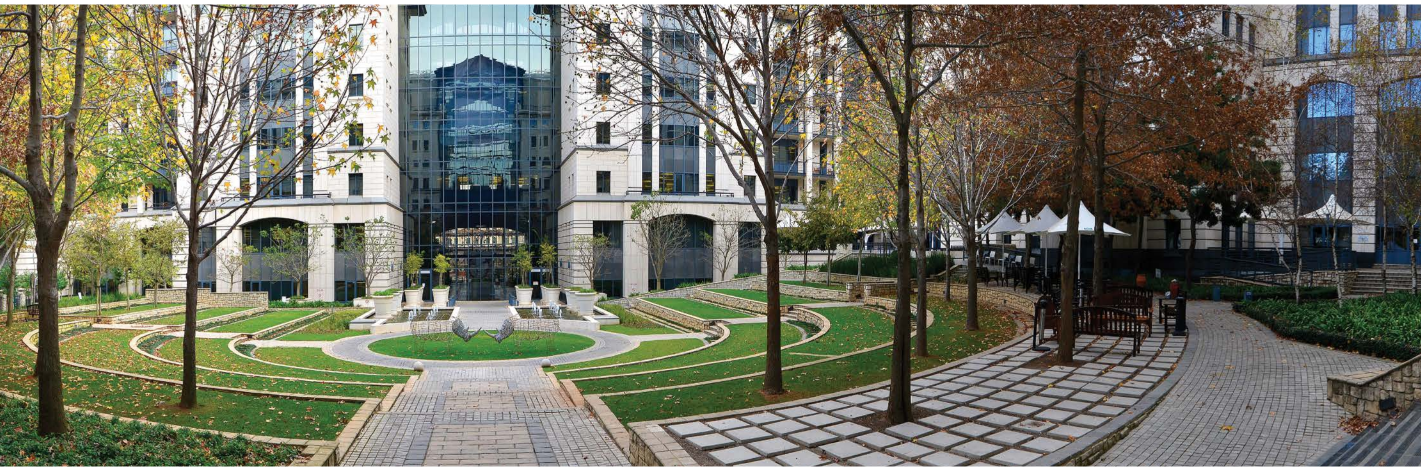
- Nedbank existing presence
- Expansion opportunities
- Nedbank representative offices

ECOBANK

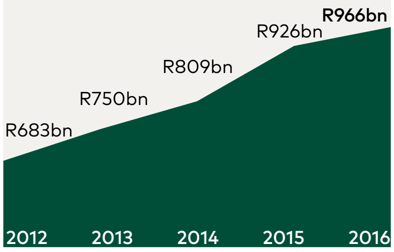
- Ecobank top three in country
- Ecobank other
- Ecobank representative offices

NEDBANK CIB

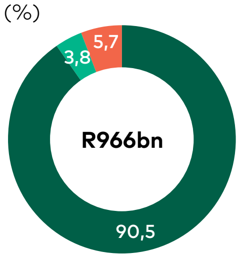
- Investment banking deals



Assets
R966bn

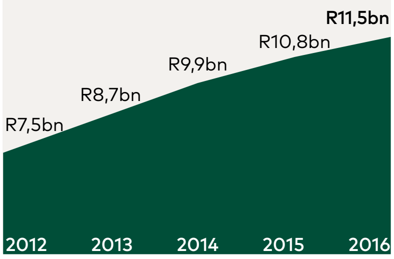


Assets by geographical area
(%)

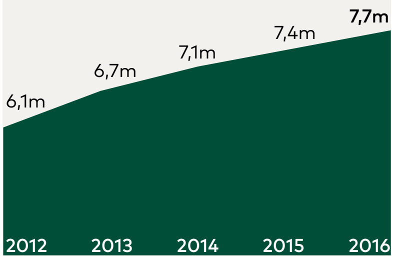


SA | International
Rest of Africa

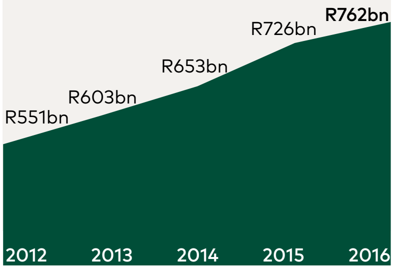
Headline earnings
R11,5bn



Clients
7,7m



Deposits
R762bn



Tier 1 capital ratio
13,0%

CET1 capital ratio
12,1%

Established leadership teams

Board of directors

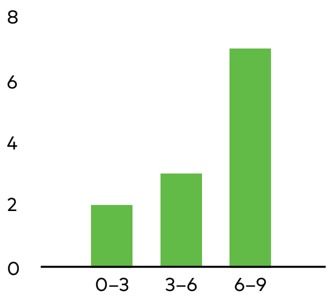
The Nedbank Group Board is diverse in demographics, skills and experience and consists of 59% independent non-executive directors and 18% executive directors.

Board demographics

White male | ACI female
ACI male | Non-SA

ACI: African, Coloured and Indian

Non-executive directors' tenure remaining
(Yrs)



For the board's skills and expertise refer to page 93.

EXECUTIVE DIRECTORS

MIKE BROWN [50]
Chief Executive

RAISIBE MORATHI [47]
Chief Financial Officer

MFUNDO NKUHLU [50]
Chief Operating Officer

NON-EXECUTIVE DIRECTORS

VASSI NAIDOO [62]
Chairman

IAN GLADMAN [52]

BRUCE HEMPHILL [53]

ROB LEITH [54*]

INDEPENDENT NON-EXECUTIVE DIRECTORS

MALCOLM WYMAN [70]
Lead Independent Director

DAVID ADOMAKOH [51***]

TOM BOARDMAN [67***]

BRIAN DAMES [51]

ERROL KRUGER [59**]

MPHO MAKWANA [46]

MANTSIKA MATOOANE [41]

NOMAVUSO MNXASANA [60]

JOEL NETSHITENZHE [60]

STANLEY SUBRAMONEY [58]

* *Appointed in October 2016*
** *Appointed in August 2016*
*** *As a result of increasing time constraints from their respective overseas and local business commitments, Tom Boardman and David Adomakoh have notified the boards of their intention to resign as independent non-executive directors with effect from the close of Nedbank Group Limited's annual general meeting on Thursday, 18 May 2017.*

Group executive committee

The Nedbank Group Executive Committee is an experienced management team that comprises the Chief Executive, Chief Operating Officer, Chief Financial Officer and 10 other members of senior management.

MIKE BROWN [50]
Chief Executive

RAISIBE MORATHI [47]
Chief Financial Officer

MFUNDO NKUHLU [50]
Chief Operating Officer

BRIAN KENNEDY [56]
Group Managing Executive: Nedbank Corporate and Investment Banking

IOLANDA RUGGIERO [46]
Group Managing Executive: Nedbank Wealth

CIKO THOMAS [48*]
Group Managing Executive: Nedbank Retail and Business Banking

Black female membership
▲ **15,38%** in 2016 (13,33% in 2015)

Combined **178 years'** service

Average service **14 years**

Black membership of Group Exco
▲ **53,85%** in 2016 (53,33% in 2015)

* *Appointed Managing Executive: Retail and Business Banking, effective 1 April 2016.*

TREVOR ADAMS [54]
Chief Risk Officer

MIKE DAVIS [45]
Group Executive: Balance Sheet Management

THABANI JALI [58]
Group Executive: Enterprise Governance and Compliance; Group Company Secretary

PRIYA NAIDOO [43]
Group Executive: Strategy and Economics

THULANI SIBEKO [45]
Group Executive: Group Marketing, Communications and Corporate Affairs

FRED SWANEPOEL [53]
Chief Information Officer

ABE THEBYANE [56]
Group Executive: Group Human Resources

Group Exco demographics

White male | ACI male
White female | ACI female

The leadership team CVs are available online.

Audited summary consolidated financial statements

for the year ended 31 December 2016

BASIS OF PREPARATION

The summary consolidated financial statements have been prepared in accordance with the provisions of the JSE Ltd Listings Requirements for preliminary reports and the Companies Act requirements applicable to summary financial statements. The JSE Ltd Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the disclosure required by International Accounting Standard 34: Interim financial reporting. The summary consolidated financial results have been prepared under the supervision of Raisibe Morathi CA (SA), the Chief Financial Officer.

ACCOUNTING POLICIES

Nedbank Group is a company domiciled in SA. The summary consolidated financial results of the group at and for the year ended 31 December 2016 comprise the company and its subsidiaries ('group') and the group's interests in associates and joint arrangements. The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies that were applied in the preparation of the previous consolidated financial statements.

ESTIMATES

The preparation of the summary consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

EVENTS AFTER THE REPORTING PERIOD

There are no material events after the reporting period to report on.

Summary consolidated statement of comprehensive income

for the year ended

	Change %	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm
Interest and similar income	21,7	**73 395**	60 289
Interest expense and similar charges	29,0	**46 969**	36 404
Net interest income	10,6	**26 426**	23 885
Impairments charge on loans and advances	(4,9)	**4 554**	4 789
Income from lending activities	14,5	**21 872**	19 096
Non-interest revenue	8,1	**23 503**	21 748
Operating income	11,1	**45 375**	40 844
Total operating expenses	8,6	**28 366**	26 110
Indirect taxation	18,4	**927**	783
Profit from operations before non-trading and capital items	15,3	**16 082**	13 951
Non-trading and capital items	> 100	**(1 363)**	(141)
Profit from operations	6,6	**14 719**	13 810
Share of (losses)/profits of associate companies and joint arrangements	< -100	**(105)**	871
Profit before direct taxation	(0,5)	**14 614**	14 681
Total direct taxation	12,4	**3 955**	3 519
Direct taxation		**3 985**	3 550
Taxation on non-headline earnings items		**(30)**	(31)
Profit for the year	(4,5)	**10 659**	11 162
Other comprehensive (losses)/income net of taxation	< -100	**(3 941)**	2 149
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translating foreign operations		**(1 902)**	3 203
Share of other comprehensive losses of investments accounted for using the equity method		**(1 688)**	(1 572)
Fair-value adjustments on available-for-sale assets		**(73)**	(4)
Items that may not subsequently be reclassified to profit or loss			
Gains on property revaluations		**32**	167
Remeasurements on long-term employee benefit assets		**(297)**	298
Share of other comprehensive (losses)/income of investments accounted for using the equity method		**(13)**	57
Total comprehensive income for the year	(49,5)	**6 718**	13 311
Profit attributable to:			
– Equity holders of the parent	(5,5)	**10 132**	10 721
– Non-controlling interest – ordinary shareholders	25,7	**88**	70
– Non-controlling interest – preference shareholders	(2,7)	**361**	371
– Non-controlling interest – additional tier 1 capital instrument note holders		**78**	
Profit for the year	(4,5)	**10 659**	11 162
Total comprehensive income attributable to:			
– Equity holders of the parent	(51,8)	**6 183**	12 820
– Non-controlling interest – ordinary shareholders	(20,0)	**96**	120
– Non-controlling interest – preference shareholders	(2,7)	**361**	371
– Non-controlling interest – additional tier 1 capital instrument note holders		**78**	
Total comprehensive income for the year	(49,5)	**6 718**	13 311
Basic earnings per share (cents)	(6,2)	**2 121**	2 261
Diluted earnings per share (cents)	(6,4)	**2 077**	2 219

Headline earnings reconciliation

for the year ended

	Change %	31 December 2016 (Audited) Rm Gross	31 December 2016 (Audited) Rm Net of taxation	31 December 2015 (Audited) Rm Gross	31 December 2015 (Audited) Rm Net of taxation
Profit attributable to ordinary equity holders of the parent	**(5,5)**		**10 132**		10 721
Non-trading and capital items	**> 100**	**1 363**	**1 333**	141	110
IFRS 3: Fair-value loss on remeasurement of previously held interest		**15**	**15**		
IAS 16: Loss on disposal of property and equipment		**44**	**44**	35	35
IAS 21: Recycled foreign currency translation loss – Banco Único, SA		**203**	**203**		
IAS 28: Loss on dilution of shareholding in ETI		**17**	**17**		
IAS 28: Impairment provision for ETI		**1 000**	**1 000**		
IAS 36: Impairment of property and equipment				8	7
IAS 38/IAS 39: Impairment of intangible and available-for-sale assets		**141**	**99**	110	80
IAS 39: Profit on sale of available-for-sale financial assets		**(63)**	**(51)**	(12)	(12)
IAS 40: Loss on disposal of investment properties		**6**	**6**		
Headline earnings	**5,9**		**11 465**		10 831

Summary consolidated statement of financial position

at

	Change %	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm
Assets			
Cash and cash equivalents	15,5	**26 384**	22 840
Other short-term securities	12,0	**84 679**	75 614
Derivative financial instruments	(42,2)	**17 633**	30 488
Government and other securities	18,6	**51 048**	43 060
Loans and advances	3,7	**707 077**	681 632
Other assets	56,7	**14 077**	8 984
Current taxation assets	(44,4)	**574**	1 032
Investment securities	8,1	**14 225**	13 155
Non-current assets held for sale	> 100	**287**	2
Investments in private-equity associates, associate companies and joint arrangements	(31,4)	**6 567**	9 579
Deferred taxation assets	> 100	**494**	227
Investment property	(31,3)	**22**	32
Property and equipment	2,1	**8 969**	8 784
Long-term employee benefit assets	2,9	**5 203**	5 055
Mandatory reserve deposits with central banks	15,2	**18 700**	16 232
Intangible assets	11,9	**10 083**	9 010
Total assets	4,4	**966 022**	925 726
Equity and liabilities			
Ordinary share capital	0,2	**478**	477
Ordinary share premium	2,7	**18 043**	17 569
Reserves	0,9	**57 212**	56 708
Total equity attributable to equity holders of the parent	1,3	**75 733**	74 754
Non-controlling interest attributable to:			
– Ordinary shareholders	73,4	**756**	436
– Preference shareholders	(9,5)	**3 222**	3 561
– Additional tier 1 capital instruments		**2 000**	
Total equity	3,8	**81 711**	78 751
Derivative financial instruments	(60,5)	**13 296**	33 628
Amounts owed to depositors	4,9	**761 542**	725 851
Provisions and other liabilities	49,2	**34 667**	23 240
Current taxation liabilities	(48,1)	**214**	412
Deferred taxation liabilities	(32,0)	**804**	1 182
Long-term employee benefit liabilities	12,2	**3 448**	3 074
Investment contract liabilities	39,6	**15 342**	10 988
Insurance contract liabilities	(19,2)	**2 922**	3 618
Long-term debt instruments	15,8	**52 076**	44 982
Total liabilities	4,4	**884 311**	846 975
Total equity and liabilities	4,4	**966 022**	925 726

Summary consolidated statement of changes in equity

	Total equity attributable to equity holders of the parent Rm	Non-controlling interest attributable to ordinary shareholders Rm	Non-controlling interest attributable to preference shareholders Rm	Non-controlling interest attributable to additional tier 1 capital instruments Rm	Total equity Rm
Audited balance at 31 December 2014	67 024	326	3 561		70 911
Dividend to shareholders	(5 395)	(10)			(5 405)
Preference share dividend			(371)		(371)
Issues of shares net of expenses	1 023				1 023
Shares delisted in terms of BEE transaction	(336)				(336)
Shares (acquired)/no longer held by group entities and BEE trusts	(463)				(463)
Total comprehensive income for the year	12 820	120	371		13 311
Share-based payment reserve movement	82				82
Other movements	(1)				(1)
Audited balance at 31 December 2015	**74 754**	**436**	**3 561**	**-**	**78 751**
Additional tier 1 capital instruments issued				**2 000**	**2 000**
Dividend to shareholders	**(5 587)**	**(11)**			**(5 598)**
Additional tier 1 capital instruments interest paid				**(78)**	**(78)**
Preference share dividend			**(361)**		**(361)**
Issues of shares net of expenses	**276**				**276**
Shares (acquired)/no longer held by group entities and BEE trusts	**199**				**199**
Total comprehensive income for the year	**6 183**	**96**	**361**	**78**	**6 718**
Share-based payment reserve movement	**136**				**136**
Preference shares held by group entities			**(339)**		**(339)**
Acquisition of shareholding in subsidiary		**239**			**239**
Transactions with non-controlling shareholders	**(223)**				**(223)**
Buyout of non-controlling interests		**(6)**			**(6)**
Regulatory risk reserve provision	**(8)**	**2**			**(6)**
Other movements	**3**				**3**
Audited balance at 31 December 2016	**75 733**	**756**	**3 222**	**2 000**	**81 711**

Summary consolidated statement of cashflows

for the year ended

	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm
Cash generated by operations	**24 827**	22 455
Change in funds for operating activities	**(15 473)**	(13 602)
Net cash from operating activities before taxation	**9 354**	8 853
Taxation paid	**(5 065)**	(4 400)
Cashflows from operating activities	**4 289**	4 453
Cashflows (utilised by)/from investing activities	**(3 004)**	2 867
Cashflows from financing activities	**3 536**	3 802
Effects of exchange rate changes on opening cash and cash equivalents (excluding foreign borrowings)	**1 191**	(300)
Net increase in cash and cash equivalents	**6 012**	10 822
Cash and cash equivalents at the beginning of the year[3]	**39 072**	28 250
Cash and cash equivalents at the end of the year[3]	**45 084**	39 072

[3] *Including mandatory reserve deposits with central banks.*

Summary consolidated segmental reporting

for the year ended

	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm
	Total assets		Total liabilities		Operating income/ (losses)		Headline earnings/ (losses)	
Nedbank Corporate and Investment Banking	**491 480**	470 567	**463 018**	447 471	**13 649**	12 101	**6 014**	5 208
Nedbank Retail and Business Banking	**304 842**	292 560	**278 588**	265 636	**25 810**	23 715	**4 960**	4 460
Nedbank Wealth	**62 042**	61 322	**58 655**	58 588	**4 362**	4 320	**1 192**	1 134
Rest of Africa	**36 189**	32 941	**28 247**	26 142	**1 713**	1 358	**(287)**	691
Centre	**71 469**	68 336	**55 803**	49 138	**(159)**	(650)	**(414)**	(662)
Total	**966 022**	925 726	**884 311**	846 975	**45 375**	40 844	**11 465**	10 831

Contingent liabilities and undrawn facilities

for the year ended

at	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm
Guarantees on behalf of clients	**16 316**	27 300
Letters of credit and discounting transactions	**3 432**	4 463
Irrevocable unutilised facilities and other	**103 163**	103 519
	122 911	135 282

The group, in the ordinary course of business, enters into transactions that expose it to tax, legal and business risks. Provisions are made for known liabilities that are expected to materialise. Possible obligations and known liabilities where no reliable estimate can be made or it is considered improbable that an outflow would result are reported as contingent liabilities. This is in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

There are a number of legal or potential claims against Nedbank Group Ltd and its subsidiary companies, the outcome of which cannot be foreseen at present.

Commitments

CAPITAL EXPENDITURE APPROVED BY DIRECTORS

at	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm
Contracted	**522**	1 317
Not yet contracted	**2 092**	2 222
	2 614	3 539

Funds to meet capital expenditure commitments will be provided from group resources. In addition, capital expenditure is incurred in the normal course of business throughout the year.

Investments in private-equity associates, associate companies and joint arrangements

for the year ended

Investments in private-equity associates, associate companies and joint arrangements

at	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm
Listed associates[4]	**3 978**	7 808
Unlisted associates	**2 467**	1 320
Unlisted joint arrangements	**122**	451
	6 567	9 579

[4] *The group's investment in Ecobank Transnational Incorporated (ETI) is recorded under listed associates.*

Listed associates: ETI		
Carrying value	**3 978**	7 808
Fair value of investment	**2 438**	6 916

Acquisition of subsidiary company

for the year ended

On 3 October 2016 the group acquired a further 10,9% share in Banco Único, SA to reach a controlling 50% plus one share (2015: 38,3% share). The acquiree is a banking entity in Mozambique and the acquisition, in line with the group's strategy of expanding into the rest of Africa, was made by purchasing Banco Único, SA shares from a third party.

Acquisition-date fair value	31 December 2016 (Audited) Rm
Acquisition-date fair value of consideration held[5]	203
Cash	90
Share of non-controlling interests[6]	238
Capitalised derivative financial instrument	(36)
Acquisition-date fair value of consideration transferred	**495**

[5] *A R15m loss was recognised in non-trading and capital items as a result of remeasuring to fair value the equity interest in Banco Único, SA held by the group before the business combination.*

[6] *The group elected to measure non-controlling interests at the proportionate share of the fair value of net assets.*

Assets acquired and liabilities consumed as of the acquisition date	31 December 2016 (Audited) Rm
Cash and cash equivalents and mandatory reserve deposits with central banks	508
Other short-term securities	132
Loans and advances	3 181
Other assets	24
Deferred taxation assets	44
Property and equipment	100
Intangible assets	139
Total assets acquired	**4 128**
Amounts owed to depositors	3 494
Provisions and other liabilities	108
Deferred taxation liabilities	42
Long-term debt instruments	8
Total liabilities consumed	**3 652**
Guarantees on behalf of clients	789
Letters of credit and discounting transactions	5
Total contingent liabilities recognised	**794**

There were no contingent consideration arrangements and indemnification assets recognised on the acquisition.

Goodwill	31 December 2016 (Audited) Rm
Goodwill recognised on acquisition	19
Foreign currency translation movements	2
Balance at the end of the year	21

The goodwill recognised at acquisition is attributable to the delivery of cost and revenue synergies that could not be linked to identifiable intangible assets.

Acquired receivables	31 December 2016 (Audited) Rm
Gross contractual amount of loans and advances	3 293
Fair value of loans and advances	3 181
Best estimate of contractual cashflows not expected to be collected	112

Consolidated statement of comprehensive income	Revenue[1] 31 December 2016 (Audited) Rm	Profit for the year 31 December 2016 (Audited) Rm
Amounts of the acquiree included in the consolidated statement of comprehensive income since the acquisition date	115	44
Amounts of the combined entity in the consolidated statement of comprehensive income for the year as though the acquisition occurred on 1 January 2016	50 271	10 684

[1] *Revenue is calculated as net interest income plus non-interest revenue.*

Fair-value hierarchy

FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is an assumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

The existence of published price quotations in an active market is the most reliable evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volumes and frequencies to provide pricing information on an ongoing basis. These quoted prices would generally be classified as level 1 in terms of the fair-value hierarchy.

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the group establishes fair value by using a valuation technique. These valuation techniques include reference to the current fair value of another instrument that is substantially the same in nature, reference to the value of the assets of underlying business, earnings multiples, discounted-cashflow analysis and various option pricing models. Valuation techniques applied by the group would generally be classified as level 2 or level 3 in terms of the fair-value hierarchy. The determination of whether an instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the instrument. Inputs typically used in valuation techniques include discount rates, appropriate swap rates, volatility, servicing costs, equity prices, commodity prices, counterparty credit risk, and the group's own credit on financial liabilities.

The group has an established control framework for the measurement of fair value, which includes formalised review protocols for the independent review and validation of fair values separate from the business unit entering into the transaction. The valuation methodologies, techniques and inputs applied to the fair-value measurement of the financial instruments have been applied in a manner consistent with that of the previous financial year.

FAIR-VALUE HIERARCHY

The financial instruments recognised at fair value have been categorised into the three input levels of the International Financial Reporting Standards (IFRS) fair-value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: Valuation techniques based on (directly or indirectly) market-observable inputs. Various factors influence the availability of observable inputs. These factors may vary from product to product and change over time. Factors include the depth of activity in the relevant market, the type of product, whether the product is new and not widely traded in the market, the maturity of market modelling and the nature of the transaction (bespoke or generic).

Level 3: Valuation techniques based on significant inputs that are not observable. To the extent that a valuation is based on inputs that are not market-observable the determination of the fair value can be more subjective, depending on the significance of the unobservable inputs to the overall valuation. Unobservable inputs are determined on the basis of the best information available and may include reference to similar instruments, similar maturities, appropriate proxies or other analytical techniques.

All fair values disclosed below are recurring in nature.

FINANCIAL ASSETS

	Total financial assets		Total financial assets recognised at amortised cost		Total financial assets classified as level 1		Total financial assets classified as level 2		Total financial assets classified as level 3	
	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm	**31 December 2016 (Audited) Rm**	31 December 2015 (Audited) Rm	**31 December 2016 (Audited) Rm**	31 December 2015 (Audited) Rm	**31 December 2016 (Audited) Rm**	31 December 2015 (Audited) Rm	**31 December 2016 (Audited) Rm**	31 December 2015 (Audited) Rm
Cash and cash equivalents	**45 084**	39 072	**45 084**	39 072						
Other short-term securities	**84 679**	75 614	**33 184**	32 862	**488**	667	**51 007**	42 085		
Derivative financial instruments	**17 633**	30 488			**49**	99	**17 547**	30 371	**37**	18
Government and other securities	**51 048**	43 060	**22 393**	18 807	**15 881**	11 438	**12 774**	12 815		
Loans and advances	**707 077**	681 632	**610 858**	582 454	**5 890**	60	**90 252**	99 085	**77**	33
Other assets	**14 077**	8 984	**9 533**	4 832	**4 544**	4 152				
Investments in private-equity associates, associate companies and joint arrangements	**2 357**	1 162							**2 357**	1 162
Investment securities	**14 225**	13 155			**35**	448	**13 098**	12 016	**1 092**	691
	936 180	893 167	**721 052**	678 027	**26 887**	16 864	**184 678**	196 372	**3 563**	1 904

FINANCIAL LIABILITIES

	Total financial liabilities		Total financial liabilities recognised at amortised cost		Total financial liabilities classified as level 1		Total financial liabilities classified as level 2		Total financial liabilities classified as level 3	
	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm	**31 December 2016 (Audited) Rm**	31 December 2015 (Audited) Rm	**31 December 2016 (Audited) Rm**	31 December 2015 (Audited) Rm	**31 December 2016 (Audited) Rm**	31 December 2015 (Audited) Rm	**31 December 2016 (Audited) Rm**	31 December 2015 (Audited) Rm
Derivative financial instruments	**13 296**	33 628			**81**	126	**13 215**	33 416		86
Amounts owed to depositors[7]	**761 542**	725 851	**685 508**	648 588			**76 034**	77 263		
Provisions and other liabilities	**33 267**	21 942	**11 738**	7 988	**20 810**	13 724	**389**	230	**330**	
Investment contract liabilities	**15 342**	10 988					**15 342**	10 988		
Long-term debt instruments	**52 076**	44 982	**51 775**	44 581		156	**301**	245		
	875 523	837 391	**749 021**	701 157	**20 891**	14 006	**105 281**	122 142	**330**	86

[7] *Amounts owed to depositors of R93 080m were included in the prior year as held-for-trading liabilities, whereas these instruments were classified and measured as financial liabilities at amortised cost. Accordingly, the held-for-trading and financial liabilities at amortised cost categories have been restated to reflect the correct classification.*

LEVEL 3 RECONCILIATION

31 December 2016 (Audited)	Opening balance at 1 January Rm	Gains/ (Losses) in profit for the year Rm	Gains/ (Losses) in other comprehensive income for the year Rm	Purchases and issues	Sales and settlements	Transfers in/ (out)	Closing balance at 31 December
Financial assets							
Derivative financial instruments	18	19					37
Loans and advances	33	4				40	77
Investment securities	691	(28)		53	(34)	410	1 092
Investments in private-equity associates, associate companies and joint arrangements	1 162	273		1 130	(208)		2 357
	1 904	268	–	1 183	(242)	450	3 563
Financial liabilities							
Derivative financial instruments	86	(8)			(78)		–
Provisions and other liabilities		32		298			330
	86	24	–	298	(78)	–	330

31 December 2015 (Audited)	Opening balance at 1 January Rm	Gains/ (Losses) in profit for the year Rm	Gains/ (Losses) in other comprehensive income for the year Rm	Purchases and issues	Sales and settlements	Transfers in/ (out)	Closing balance at 31 December
Financial assets							
Derivative financial instruments		18					18
Loans and advances	33						33
Investment securities	800	(36)		2	(75)		691
Investments in private-equity associates, associate companies and joint arrangements	898	89		312	(137)		1 162
	1 731	71	–	314	(212)	–	1 904
Financial liabilities							
Derivative financial instruments	20	66					86
	20	66	–	–	–	–	86

EFFECT OF CHANGES IN SIGNIFICANT UNOBSERVABLE ASSUMPTIONS TO REASONABLE POSSIBLE ALTERNATIVES

The fair-value measurement of financial instruments are, in certain circumstances, measured using valuation techniques that include assumptions that are not market-observable. Where these scenarios apply, the group performs stress testing on the fair value of the relevant instruments. In performing the stress testing, appropriate levels for the unobservable-input parameters are chosen so that they are consistent with prevailing market evidence and in line with the group's approach to valuation control. The following information is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable-input parameters and which are classified as level 3 in the fair-value hierarchy. However, the disclosure is neither predictive nor indicative of future movements in fair value.

FINANCIAL ASSETS

31 December 2016 (Audited)	Valuation technique	Significant unobservable input	Variance in fair value %	Value per statement of financial position Rm	Favourable change in fair value Rm	Unfavourable change in fair value Rm
Derivative financial instruments	**Discounted cashflows**	**Discount rates, EBITDA**	**Between (12) and 9**	**37**	**3**	**(4)**
Loans and advances	**Discounted cashflows**	**Credit spreads and discount rates**	**Between (12) and 9**	**77**	**7**	**(9)**
Investment securities	**Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields**	**Valuation multiples, correlations, volatilities and credit spreads**	**Between (12) and 9**	**1 092**	**103**	**(129)**
Investments in private-equity associates, associate companies and joint arrangements	**Discounted cashflows, earnings multiples**	**Valuation multiples**	**Between (12) and 9**	**2 357**	**222**	**(279)**
Total financial assets classified as level 3				**3 563**	**335**	**(421)**
Financial liabilities						
Provisions and other liabilities	**Discounted cashflow, earnings multiples**	**Discount rates, forecasts**	**Between (10) and 10**	**(330)**	**(33)**	**33**

Financial assets

31 December 2015 (Audited)	Valuation technique	Significant unobservable input	Variance in fair value %	Value per statement of financial position Rm	Favourable change in fair value Rm	Unfavourable change in fair value Rm
Derivative financial instruments	Discounted-cashflow model, Black-Scholes model and multiple valuation techniques	Discount rates, risk-free rates, volatilities, credit spreads and valuation multiples	Between (13) and 10	18	2	(2)
Loans and advances	Discounted cashflows	Credit spreads and discount rates	Between (13) and 10	33	3	(4)
Investment securities	Discounted cashflows, adjusted net asset value, earnings multiples, third-party valuations, dividend yields	Valuation multiples, correlations, volatilities and credit spreads	Between (13) and 10	691	62	(77)
Investments in private-equity associates, associate companies and joint arrangements	Discounted cashflows, earnings multiples	Valuation multiples	Between (7) and 8	1 162	97	(109)
Total financial assets classified as level 3				1 904	164	(192)
Financial liabilities						
Derivative financial instruments	Discounted cashflows, earnings multiples	Growth rates, cost of equity and price to book	Between (10) and 10	(86)	37	(33)

UNREALISED GAINS OR LOSSES

The unrealised gains or losses arising on instruments classified as level 3 include the following:

	31 December 2016 (Audited) Rm	31 December 2015 (Audited) Rm
Private-equity gains	**268**	71
	268	71

Summary of principal valuation techniques – level 2 instruments

The following table sets out the group's principal valuation techniques used in determining the fair value of financial assets and financial liabilities classified as level 2 in the fair-value hierarchy:

Assets	Valuation technique	Key inputs
Other short-term securities	Discounted–cashflow model	Discount rates
Derivative financial instruments	Discounted–cashflow model	Discount rates
	Black-Scholes model	Risk-free rate and volatilities
	Multiple valuation techniques	Valuation multiples
Government and other securities	Discounted–cashflow model	Discount rates
Loans and advances	Discounted–cashflow model	Interest rate curves
Investment securities	Discounted–cashflow model	Money market rates and interest rates
	Adjusted net asset value	Underlying price of market–traded instruments
	Dividend yield method	Dividend growth rates
Liabilities		
Derivative financial instruments	Discounted–cashflow model	Discount rates
	Black-Scholes model	Risk-free rate and volatilities
	Multiple valuation techniques	Valuation multiples
Amounts owed to depositors	Discounted–cashflow model	Discount rates
Provisions and other liabilities	Discounted–cashflow model	Discount rates
Investment contract liabilities	Adjusted net asset value	Underlying price of market–traded instruments
Long-term debt instruments	Discounted–cashflow model	Discount rates

Assets and liabilities not measured at fair value for which fair value is disclosed

Certain financial instruments of the group are not carried at fair value, including those categorised as held to maturity, loans and receivables and financial liabilities at amortised cost. The calculation of the fair value of these financial instruments incorporates the group's best estimate of the value at which these financial assets could be exchanged, or financial liabilities could be transferred, between market participants at the measurement date. The group's estimate of what fair value is does not necessarily represent the amount for which the group would be able to sell the asset or transfer the respective financial liability in an involuntary liquidation or distressed sale.

The fair values of these respective financial instruments at the reporting date detailed below are estimated only for the purpose of IFRS disclosure, as follows:

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
31 December 2016 (Audited)					
Financial assets	**666 435**	**657 139**	**21 828**	**33 128**	**602 183**
Other short-term securities	**33 184**	**33 128**		**33 128**	
Government and other securities	**22 393**	**21 828**	**21 828**		
Loans and advances	**610 858**	**602 183**			**602 183**
Financial liabilities	**51 775**	**48 894**	**20 432**	**28 462**	**–**
Long-term debt instruments	**51 775**	**48 894**	**20 432**	**28 462**	

Rm	Carrying value	Fair value	Level 1	Level 2	Level 3
31 December 2015 (Audited)					
Financial assets	634 123	628 792	17 415	32 709	578 668
Other short-term securities	32 862	32 709		32 709	
Government and other securities	18 807	17 415	17 415		
Loans and advances	582 454	578 668			578 668
Financial liabilities	44 581	42 933	24 269	18 664	–
Long-term debt instruments	44 581	42 933	24 269	18 664	

There has been no significant changes in the methodolgy used to estimate the fair value of the above instruments during the year.

LOANS AND ADVANCES

Loans and advances that are not recognised at fair value principally comprise variable-rate financial assets. The interest rates on these variable rate-financial assets are adjusted when the applicable benchmark interest rate changes.

Loans and advances are not actively traded in most markets and it is therefore not possible to determine the fair value of these loans and advances using observable market prices and market inputs. Due to the unique characteristics of the loans and advances portfolio and the fact that there have been no recent transactions involving the disposals of such loans and advances, there is no basis to determine a price that could be negotiated between market participants in an orderly transaction. The group is not currently in the position of a forced sale of such underlying loans and advances and it would therefore be inappropriate to value the loans and advances on a forced-sale basis.

For specifically impaired loans and advances the carrying value as determined after consideration of the group's IAS 39 credit impairments is considered the best estimate of fair value.

The group has developed a methodology and model to determine the fair value of the gross exposures for the performing loans and advances measured at amortised cost. This model incorporates the use of average interest rates and projected monthly cashflows per product type. Future cashflows are discounted using interest rates at which similar loans would be granted to borrowers with similar credit ratings and maturities. Methodologies and models are updated on a continuous basis for changes in assumptions, forecasts and modelling techniques. Future forecasts of the group's probability of default (PDs) and loss given defaults (LGDs) for periods 2017 to 2019 (2015: for periods 2016 to 2018) are based on the latest available internal data and is applied to the first three years' projected cashflows. Thereafter, PDs and LGDs are gradually reverted to their long-run averages and are applied to the remaining projected cashflows. Inputs into the model include various assumptions utilised in the pricing of loans and advances. The determination of such inputs is highly subjective and therefore any change to one or more of the assumptions may result in a significant change in the determination of the fair value of loans and advances.

GOVERNMENT AND OTHER SECURITIES

The fair value of government and other securities is determined based on available market prices (level 1) or discounted cashflow analysis (level 2), where an instrument is not quoted or the market is considered to be inactive.

OTHER SHORT-TERM SECURITIES

The fair value of other short-term securities is determined using a discounted cashflow analysis (level 2).

LONG-TERM DEBT INSTRUMENTS

The fair value of long-term debt instruments is determined based on available market prices (level 1) or discounted cashflow analysis (level 2) where an instrument is not quoted or the market is considered to be inactive.

AMOUNTS OWED TO DEPOSITORS

The amounts owed to depositors principally comprise of variable-rate liabilities. The carrying value of the amounts owed to depositors approximates fair value because the instruments reprice to current market rates at frequent intervals. In addition, a significant portion of the balance is callable or is short term in nature.

CASH AND CASH EQUIVALENTS, OTHER ASSETS, MANDATORY DEPOSITS WITH CENTRAL BANKS, AND PROVISIONS AND OTHER LIABILITIES

The carrying values of cash and cash equivalents, other assets, mandatory deposits with central banks and provisions and other liabilities are considered a reasonable approximation of their respective fair values, as they are either short term in nature or are repriced to current market rates at frequent intervals.

Shareholders' analysis

for the year ended

Register date: 31 December 2016
Authorised share capital: 600 000 000 shares
Issued share capital: 495 865 721 shares

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	17 462	81,70	4 087 447	0,82
1 001 – 10 000 shares	2 934	13,73	7 911 548	1,60
10 001 – 100 000 shares	731	3,42	23 682 575	4,78
100 001 – 1 000 000 shares	211	0,99	60 997 044	12,30
1 000 001 shares and over	34	0,16	399 187 107	80,50
Total	21 372	100,00	495 865 721	100,00

Distribution of shareholders	Number of shareholdings	%	Number of shares	%
Banks/Brokers	248	1,16	81 081 704	16,35
Close corporations	108	0,51	121 162	0,02
Empowerment	19	0,09	10 274 265	2,07
Endowment funds	140	0,66	1 138 136	0,23
Government	4	0,02	106 873	0,02
Individuals	16 943	79,28	9 879 973	1,99
Insurance companies	101	0,47	4 562 943	0,92
Investment companies	11	0,04	254 691	0,05
Medical aid schemes	25	0,12	273 097	0,06
Mutual funds	411	1,92	47 376 311	9,55
Old Mutual Life Assurance Company (South Africa) Ltd and associates	30	0,14	268 687 129	54,19
Other corporations	53	0,25	156 977	0,03
Private companies	333	1,56	1 433 613	0,29
Public companies	12	0,05	91 307	0,02
Retirement funds	421	1,97	53 868 706	10,87
Share trusts[1]	14	0,07	12 564 944	2,53
Nominees and trusts	2 499	11,69	3 993 890	0,81
Total	21 372	100,00	495 865 721	100,00

Public/Non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	80	0,37	292 537 366	59,00
Directors and associates of the company[2]	9	0,04	987 050	0,20
Old Mutual Life Assurance Company (South Africa) Ltd and associates	30	0,14	268 687 129	54,19
Nedbank/Nedbank Group pension funds	2	0,01	36 817	0,01
Nedbank Group Ltd and associates (share trusts)[1]	14	0,07	12 013 660	2,42
Nedbank Group Ltd and associates (mutual funds)	7	0,03	608 833	0,12
Nedbank Group BEE trusts – SA[1]	7	0,03	9 327 775	1,88
Nedbank Group BEE trusts – Namibia	11	0,05	876 102	0,18
Public shareholders	21 292	99,63	203 328 355	41,00
Total	21 372	100,00	495 865 721	100,00

[1] *Excludes shares held by directors in share trusts (executive directors only) and Eyethu schemes.*
[2] *Includes shares held by directors in share trusts (executive directors only) and Eyethu schemes.*

Major shareholders/managers	Number of shareholdings	2016 % holding	2015 % holding
Old Mutual Life Assurance Company (South Africa) Ltd and associates[1]	270 790 980	**54,61**	54,11
Nedbank Group treasury shares	17 477 014	**3,52**	3,61
BEE trusts:	7 149 914	**1,44**	1,47
– Eyethu scheme – Nedbank South Africa	6 321 415	**1,27**	1,31
– Omufima scheme – Nedbank Namibia	828 499	**0,17**	0,16
Nedbank Group (2005) Share Option, Matched-share and Restricted-share Scheme	10 279 588	**2,07**	2,13
Nedbank Namibia Ltd	47 512	**0,01**	0,01
Public Investment Corporation (SA)	30 675 529	**6,19**	6,24
Coronation Fund Managers (SA)	29 448 206	**5,94**	7,57
Lazard Asset Management (US and UK)	15 307 808	**3,09**	2,64
BlackRock Inc (US and UK)	10 744 457	**2,17**	1,56
Allan Gray Investment Council	8 930 970	**1,80**	2,35
Dimensional Fund Advisors (US, UK and AU)	7 502 781	**1,51**	1,59
Investec Asset Management	7 217 177	**1,46**	0,14
The Vanguard Group	6 979 289	**1,41**	1,26

[1] *Old Mutual Life Assurance Company (South Africa) Ltd and associates as shareholder/manager includes funds managed on behalf of other beneficial owners.*

Beneficial shareholders holding of 5% or more	Number of shareholdings	2016 % holding	2015 % holding
Old Mutual Life Assurance Company (South Africa) Ltd and associates (SA)	268 687 129	**54,19**	53,66
Government Employees Pension Fund (SA)	29 971 707	**6,04**	6,65
	298 658 836	**60,23**	60,31

Geographical distribution of shareholders	Number of shareholdings	2016 % holding	2015 % holding
Domestic	407 615 438	**82,17**	86,22
South Africa	397 953 670	**80,25**	83,30
Namibia	6 988 272	**1,41**	2,09
Swaziland	92 700	**0,02**	0,02
Unclassified	2 580 796	**0,49**	0,81
Foreign	88 250 283	**17,83**	13,78
United States of America	52 376 292	**10,56**	7,48
United Kingdom and Ireland	8 234 761	**1,66**	1,20
Europe	10 745 189	**2,19**	1,80
Other countries	16 894 041	**3,42**	3,30
	495 865 721	**100,00**	100,00

Directors' Report

for the year ended 31 December 2016

Nature of business

Nedbank Group Ltd ('Nedbank Group' or 'the company or 'the group') is a registered bank controlling company that, through its subsidiaries, provides a wide range of banking and financial services. Nedbank Group maintains a primary listing under 'Banks' on JSE Ltd (the JSE), with a secondary listing on the Namibian Stock Exchange.

Annual financial statements

Details of the financial results are set out on pages 14 to 181 of the annual financial statements, which have been prepared under the supervision of the Nedbank Group CFO, Raisibe Morathi, and audited in compliance with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, and the requirements of the Companies Act, 71 of 2008 (as amended) and the JSE Listings Requirements.

Integrated Report

The board of directors acknowledges its responsibility to ensure the integrity of the Integrated Report. The board has accordingly applied its mind to the Integrated Report and in the opinion of the board the Integrated Report addresses all material issues, and presents fairly the integrated performance of the organisation and its impacts. The Integrated Report has been prepared in line with best practice pursuant to the recommendations of the King III Code (principle 9.1).

Year under review

The year under review is fully covered in the Reflections from our Chairman, Reflections from our Chief Executive, and Reflections from our Chief Financial Officer sections of the group's Integrated Report available at nedbankgroup.co.za.

Share capital

Details of the authorised and issued share capital, together with details of shares issued during the year, appear in note B4 to the annual financial statements.

American depositary shares

At 31 December 2016, Nedbank Group had 3 443 558 (31 December 2015: 2 738 658) American Depositary Shares in issue, through The Bank of New York Mellon as depositary, and trading on the over-the-counter (OTC) markets in the US. Each American depositary share is equal to one ordinary share.

Ownership

The holding company of Nedbank Group is Old Mutual Life Assurance Company (SA) Ltd and associates, which holds 54,19% of the issued ordinary shares of the company. The ultimate holding company is Old Mutual plc, incorporated in England and Wales. Further details of shareholders appear in note 14 to the annual financial statements.

Dividends

The following dividends were declared in respect of the year ended 31 December 2016:

- Interim ordinary dividend of 570 cents per share (2015: 537 cents per share).
- Final ordinary dividend of 630 cents per share (2015: 570 cents per share).

Borrowings

Nedbank Group's borrowing powers are unlimited pursuant to the company's memorandum of incorporation. The details of borrowings appear in note D2.

Directors

Biographical details of the current directors appear in the Board of Directors section of the group's Integrated Report, available at nedbankgroup.co.za. Details of directors' and prescribed officers' remuneration and Nedbank Group shares issued to directors and prescribed officers are in the 2016 Remuneration Report, available at nedbankgroup.co.za.

During the period under review, and also subsequent to year-end, the following changes occurred to the Nedbank Group Ltd Board:

- Paul Hanratty resigned as a non-executive director on 12 March 2016;
- Errol Kruger was appointed as an independent non-executive director on 1 August 2016; and
- Rob Leith was appointed as a non-executive director on 13 October 2016.

In terms of Nedbank Group's memorandum of incorporation, one-third of the directors are required to retire at each Nedbank Group annual general meeting (AGM) and may offer themselves for election or reelection. The rotating directors are firstly those directors appointed since the last shareholders' meeting, and thereafter those longest in office since their last election.

Errol Kruger and Rob Leith were appointed by the board of directors subsequent to the AGM held on 5 May 2016 and in terms of the memorandum of incorporation their appointments terminate at the close of the AGM to be held on 18 May 2017. They are available for election.

Mike Brown, Brian Dames, Mantsika Matooane and Joel Netshitenzhe are also required to seek reelection at the AGM. The aforementioned directors make themselves available for reelection and separate resolutions will be submitted for approval at the AGM to be held on 18 May 2017.

In terms of Nedbank Group policy, non-executive directors and independent non-executive directors of Nedbank Group who have served on the board for a period longer than nine years are required to retire from the board unless agreed otherwise by the board. None of the current non-executive directors and independent non-executive directors of Nedbank Group have served on the board in that capacity for more than nine years.

Details of the members of the board who served during the year and at the reporting date are given below:

Name	Position as director	Date appointed as director	Date resigned/retired as director (where applicable)
DKT Adomakoh (Ghanaian)	Independent non-executive director	21 February 2014	
TA Boardman	Independent non-executive director	1 November 2002 (1 March 2010 as non-executive, 1 January 2014 as independent non-executive)	
MWT Brown	Chief Executive and executive director	17 June 2004	
BA Dames	Independent non-executive director	30 June 2014	
ID Gladman	Non-executive director	7 June 2012	
PB Hanratty (Irish)	Non-executive director	8 August 2014	12 March 2016
JB Hemphill	Non-executive director	25 November 2015	
EM Kruger	Independent non-executive director	1 August 2016	
RAG Leith	Non-executive director	13 October 2016	
PM Makwana	Independent non-executive director	17 November 2011	
MA Matooane	Independent non-executive director	15 May 2014	
NP Mnxasana	Independent non-executive director	1 October 2008	
RK Morathi	Chief Financial Officer and executive director	1 September 2009	
V Naidoo	Chairman and non-executive director	1 May 2015	
JK Netshitenzhe	Independent non-executive director	5 August 2010	
MC Nkuhlu	Chief Operating Officer and executive director	1 January 2015	
S Subramoney	Independent non-executive director	23 September 2015	
MI Wyman (British)	Lead independent director	1 August 2009	

Directors' interests

The directors' interests in ordinary shares in Nedbank Group and non-redeemable, non-cumulative preference shares in Nedbank Ltd at 31 December 2016 (and any movements therein up to the reporting date) are set out online in the full supplementary 2016 Remuneration Report. The directors had no interest in any third party or company responsible for managing any of the business activities of the group. Banking transactions with directors are entered into in the normal course of business under terms that are no more favourable than those arranged with third parties.

Group Audit Committee and Group Transformation, Social and Ethics Committee reports

The Group Audit Committee Report appears on pages 3 to 5 and the Group Transformation, Social and Ethics Committee Report appears in the group's Integrated Report available at nedbankgroup.co.za.

Company Secretary and registered office

As part of the annual board evaluation process, the board of directors has conducted an assessment of the Company Secretary. The results were discussed by the board of directors on 24 February 2017 and the board is satisfied that Mr Jali is suitably competent, qualified and experienced and has adequately and effectively performed the role and duties of a company secretary. Mr Jali has direct access to, and ongoing communication with, the Chairman of the board and the Chairman and the Company Secretary meet regularly throughout the year. Mr Jali is not a director of the company and the board is satisfied that, as far as is reasonably possible, an arm's length relationship between the Company Secretary and the board is intact.

Details of Mr Jali's qualifications and experience are set out online in the Notice of the Annual General Meeting and Summarised Financial Statements.

The addresses of the Company Secretary and the registered office are as follows:

Business address	Registered address	Postal address
Nedbank 135 Rivonia Campus	135 Rivonia Road	Nedbank Group Ltd
135 Rivonia Road	Sandown	PO Box 1144
Sandown	Sandton	Johannesburg
Sandton, 2196	2196	2000
SA	SA	SA

Property and equipment
There was no material change in the nature of the fixed assets of Nedbank Group or its subsidiaries or in the policy regarding their use during the year.

Political donations
Nedbank Group has an established policy of not making donations to any political party.

Contracts and matters in which directors and officers of the company have an interest
No contracts in which directors and officers of the company had an interest and that significantly affected the affairs or business of the company or any of its subsidiaries were entered into during the year.

Directors' and prescribed officers' service contracts
There are no service contracts with the directors of the company, other than for the Chairman and executive directors as set out below. The directors who entered into these service contracts remain subject to retirement by rotation in terms of Nedbank Group's memorandum of incorporation.

The key responsibilities relating to Vassi Naidoo's position as Chairman of Nedbank Group are encapsulated in a contract.

Service contracts have been entered into for Mike Brown, Mfundo Nkuhlu and Raisibe Morathi. These service contracts are effective until the executive directors reach the normal retirement age and stipulate a maximum notice period of six months (12 months for Mr Brown) under most circumstances.

Details relating to the service contracts of prescribed officers are incorporated in the full online supplementary 2016 Remuneration Report.

Insurance
Insurance is a financial risk mitigation strategy recognised by the Basel Framework as having an impact in the calculation of a bank's minimum operational risk regulatory capital charge. As articulated by the Nedbank Group Ltd GORMF, insurance is both a means of managing the financial impact of risk and a mechanism by which the risk of financial loss is transferred to the external insurance market. As such, in managing business and operational risk exposures, the group applies a hybrid approach using both self-insurance structures in the form of the Group Insurance Captive Companies and the conclusion of direct insurance arrangements (through local and international insurance markets). To this end, the Group Insurance department is responsible for managing the group insurance programme across the operating footprint. For economies of scale, all insurance is purchased through the Group Insurance department, unless there are specific local legal or regulatory requirements that preclude same in any jurisdiction in which the group's subsidiaries operate.

The group has placed cover of up to R3,5bn in the London insurance market for losses in excess of R50m. The group captive insurer provides cover of up to R50m for each single loss and R125m in any one year.

Strong insurance market appetite for Nedbank risks
The group continues to attract strong insurance support from the local and international insurance markets, as indicated by the increased levels of underwriting capacity committed. Reinsurance lines underwritten for the Crime and Civil Liability policy were oversubscribed, necessitating the signing down of capacity to align with the maximum carrier line size of 15%. Most of the product classes were successfully maintained with existing insurance markets. Alternate markets were only approached where renewal capacity and terms received were deemed unfavourable. The quality of all reinsurance capacity procured to support the group insurance portfolio was maintained at an A- financial strength rating by a recognised credit rating agency, in line with the level 3 Nedbank Risk Transfer by Insurance Policy.

Changes in the insurance portfolio
In support of Nedbank's aspiration to be 'Worldclass at Managing Risk', Group Insurance has extended the traditional Crime and Civil Liability insurance to create a comprehensive Crime, Civil Liability, Data and Network Security blended programme ('programme'). The blended programme has the appropriate limits and coverage to protect the group against the adverse financial impact of cyber-related exposures in addition to the potential of catastrophic fraud or criminal loss.

Subsidiary companies
Details of principal subsidiary companies are reflected in note F3.

Acquisition of shares
No shares in Nedbank Group were acquired by Nedbank Group or by a Nedbank Group subsidiary during the financial year under review in terms of the general authority previously granted by shareholders. Members will be requested to renew the general authority enabling the company or a subsidiary of the company to repurchase shares.

Events after the reporting period
The directors are not aware of any other material events that have occurred between the reporting date and 27 February 2017.

Review and approval from the group audit committee

The GAC:

- Reviewed and discussed the audited annual financial statements (AFS) and related disclosures with the CFO, the CE, the CRO, internal audit and the external auditors, and recommended the AFS to the board for approval.
- Considered, analysed, reviewed and debated information, key judgements and significant matters raised by management, internal audit and the external auditors to ensure that the results of the group and the balance sheet position at the end of the year are appropriate.
- Reviewed and discussed information from management, internal audit and external auditors and considered that the internal controls of the group had been effective in all material respects throughout the year under review.
- Assessed compliance with all other statutory duties in terms of section 94(7) of the Companies Act of 2008, King III and King IV and JSE Listing Requirements and any other applicable regulatory requirements.

The GAC recommended to the board that the summarised five-year track record and the financial information included in the Integrated Report be approved. The board subsequently approved the consolidated and separate annual financial statements and the Integrated Report, which will be open for discussion at the forthcoming annual general meeting.

Malcolm Wyman

Group Audit Committee Chair

27 February 2017

Report from our independent auditors

AUDITORS' REPORT ON CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Deloitte & Touche and KPMG Inc, Nedbank Group Ltd's independent auditors, have audited the consolidated and separate financial statements of Nedbank Group Ltd from which management prepared the summary consolidated financial statements. The auditors have not expressed an opinion on the 5-year track record on pages 68 and 69 of our Integrated Report. The auditors have expressed an unmodified audit opinion on the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. The consolidated and separate financial statements and the auditors' report thereon are available for inspection at the registered office of Nedbank Group Ltd.

Report from the Group Audit Committee

'The Audit Committee continues to play an essential role in ensuring the integrity and transparency of corporate reporting. This year the committee paid specific attention to the key accounting issues and key audit matters, including the scheduling of two additional ad hoc meetings.'

The Nedbank Group Audit Committee (GAC) is pleased to present its report for the 2016 financial year. This report has been prepared based on the requirements of the South Africa Companies Act, 71 of 2008 as amended (the Companies Act), the King Code of Governance for South Africa (King III and King IV), the Johannesburg Stock Exchange (JSE) Listings Requirements and other applicable regulatory requirements.

The GAC's main objective is to assist the board in fulfilling its oversight responsibilities, in particular with regard to evaluation of the adequacy and efficiency of accounting policies, internal controls and financial and corporate reporting processes. In addition, the GAC assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditors.

The report aims to provide details on how the GAC has satisfied its various statutory obligations during the period as well as discuss some of the significant matters that arose and how the GAC has addressed these to assist in ensuring the integrity of Nedbank's financial reporting.

Composition and governance

The committee is chaired by Malcolm Wyman who, together with the other four members – Nomavuso Mnxasana, Mpho Makwana, Tom Boardman and Stanley Subramoney, are all independent non-executive directors. The Chief Executive (CE), the Chief Financial Officer (CFO), the Chief Operating Officer, the Chief Risk Officer (CRO), the Chief Internal Auditor (CIA), the Chief Governance and Compliance Officer and representatives of the external auditors are invited to attend all GAC meetings. Other members of management are invited to attend certain meetings in order to provide the committee with greater insight into specific issues or areas of the group.

The GAC chair has regular contact with the management team to discuss relevant matters directly. The CIA and the external auditors have direct access to the committee, including closed sessions without management, on any matter that they regard as relevant to the fulfilment of the committee's responsibilities. The GAC chair meets with the CIA and external auditors separately between audit committee meetings. In addition, the GAC meeting agenda allows for a meeting solely with the members of the GAC.

Eight GAC meetings were held in respect of the 2016 financial year aligned with the key reporting and regulatory timelines and included two additional ad hoc meetings. The meetings' key focus areas were:

4 May 2016	Review Nedbank Ltd Banks Act Returns Audit Report and approve and discuss the 2016 External Audit strategy presentation. Review first quarter trading update.
1 Jul 2016	Annual trilateral meeting with representatives of the Bank Supervision Department of the South African Reserve Bank (SARB) where, among other things, key external audit findings, internal audit matters and reporting responsibilities in terms of the regulations are discussed.
14 Jul 2016	Ad hoc meeting to review key financial and accounting judgements in respect of the associate investment in Ecobank.
27 Jul 2016	Review of the interim results for the six months to 30 June 2016 and the press and SENS announcements.
27 Oct 2016	Review and approve the Nedbank Group Internal Audit Plan for 2017. Review and approve key financial policies.
23 Jan 2017	Review of unaudited preliminary results and key financial and accounting judgements including associate investment in Ecobank.
13 Feb 2017	Ad hoc meeting to review key financial and accounting judgements in respect of the associate investment in Ecobank.
23 Feb 2017	Discussion and review of year-end reports from Internal Audit and External Audit, feedback from subsidiary audit committees, credit committee, risk committee, IT committee and other relevant committees. Review and approval of Annual Financial Statements and related SENS and results announcements.

There was full attendance from the members for the above meetings with the exception of Mpho Makwana who extended apologies for two of the meetings listed above.

The chair of the committee reports to the board on its activities and the matters discussed at each meeting, highlighting any key items that the committee feels require action and providing recommendations for their resolution.

The performance of the committee is reviewed annually as part of the effectiveness review of the board and of all its committees. The 2016 review concluded that the committee continued to operate effectively and successfully discharged its responsibilities and duties.

Significant audit matters

With the enhancement of the new audit report, the GAC has considered the appropriateness of the key audit matters reported in the external audit opinion. The GAC also considered the significant audit matters relating to the annual financial statements and how these were addressed by the committee:

Significant matter[1]	How the GAC addressed the matter
Impairment of loans and advances	The GAC reviewed and discussed the reports from the Group Credit Committee regarding the level and appropriateness of impairments, provisioning methodologies and related key judgements in determining the impairment balances, and satisfied itself as to the appropriateness of the level of impairments.
Valuation of financial instruments held at fair value	The GAC reviewed and challenged reports from the CFO regarding the Investment Committee review of investment valuations and details of critical valuation judgements applied to the valuation of group treasury and trading instruments. The GAC satisfied itself that the process followed was reasonable.
Taxation exposures and related provisions	The GAC reviewed reports from the CFO regarding the tax computation and, where applicable, the judgements made in determining tax accrual and the deferred tax balance, and were satisfied that these were reasonable.
Associate investment in Ecobank	The GAC received regular reports from management in connection with the financial performance of Ecobank Transnational Incorporated (ETI) and the accounting considerations for Nedbank. The GAC received comprehensive reports detailing management's assessment of value in use (VIU) of the investment and the resulting impairment review. The GAC reviewed and discussed management's key assumptions, challenged the appropriateness of the judgement applied to the calculation and considered the sensitivity of the result of the impairment review to changes in estimates and assumptions. The GAC noted that the determination of the VIU calculation in accordance with IFRS is subject to signification judgment and concluded that the impairment raised was reasonable.

[1] *The significant matter 'Associate investment in Ecobank' relates only to the consolidated results of Nedbank Group Ltd while the other significant matters relate to Nedbank Ltd, Nedbank Ltd consolidated and Nedbank Group Ltd.*

Financial and regulatory reporting process

The GAC received regular reports from the CFO regarding the financial performance of the group, the tracking and monitoring of key performance indicators, details of budgets, forecasts, long-term plans and capital expenditures, financial reporting controls and processes, and the adequacy and reliability of management information used during the financial reporting process. During the year Nedbank implemented a SAP enterprise resource planning system to enhance the financial reporting system and processes.

The GAC received regular feedback from the CFO regarding the implementation of the solution as well as post-go-live reporting to ensure that the control environment remained effective.

The GAC is satisfied with the appropriateness of the expertise and experience of the CFO and the resource, expertise, succession and experience of Nedbank's finance function. The GAC reviewed the adequacy of the regulatory reporting processes as required by the Banks Act of SA, which includes evaluation of the quality of reporting and the adequacy of systems and processes, and consideration of any findings regarding the regulatory reports by the external auditors.

Annual financial statements and integrated reporting process

The GAC reviewed the audited annual financial statements and assessed, and found to be effective and appropriate, the financial reporting process and controls that led to the compilation of the annual financial statements. The GAC also assessed and confirmed the appropriateness of the going-concern assumption used in the annual financial statements, taking into account management budgets and the capital and the liquidity profiles.

The GAC reviewed and discussed the Integrated Report, reporting process and governance and financial information included in the Integrated Report after considering recommendations from the Group Transformation, Social and Ethics Committee (GTSEC) the Group Remuneration Committee, the Group Risk and Capital Management Committee (GRCMC) and the Directors' Affairs Committee.

The GAC recommended to the board that the annual financial statements and the financial information included in the Integrated Report be approved. The board subsequently approved the annual financial statements and the Integrated Report, which will be open for discussion at the forthcoming annual general meeting.

Future accounting developments

The IASB has published IFRS 9: Financial Instruments, IFRS 15: Revenue from Contracts with Customers and IFRS 16: Leases, with the effective date of implementation of 1 January 2018 for IFRS 9: and IFRS 15, and the effective date of 1 January 2019 for IFRS 16.

An IFRS 9 Impairments Implementation Programme has been set up to prepare for the implementation of IFRS 9 and is jointly sponsored by the CRO and the CFO. Significant progress has been made with parallel reporting scheduled for the latter part of 2017. The classification and measurement and hedging requirements programme is sponsored by the CFO, and is aligned to the impairments programme timetable. The GAC and Group Risk Committee (GRC) received regular reporting updates and specific training updates to understand and remain abreast of key judgement areas.

In respect of IFRS 15: Revenue and IFRS 16: Leases the overall impact to Nedbank will not be significant although certain systems, processes and disclosures will have to be enhanced. Nedbank determined the overall impact as not significant.

Internal control and risk management

The GAC is responsible for reviewing the effectiveness of systems for internal control, financial reporting and risk management, and considering the major findings of any internal investigations into control weaknesses, fraud or misconduct, and management's response thereto.

The GAC receives regular reports provided as part of the Enterprisewide Risk Management Framework (ERMF) to assist in evaluating the group's internal controls. The ERMF places emphasis on accountability, responsibility, independence, reporting, communication and transparency, both internally and in respect of all Nedbank's key external stakeholders.

The GAC receives regular reports from the group Information Technology Committee regarding the monitoring of the adequacy and effectiveness of the group's information systems controls, and from the Group Credit Committee regarding its oversight of the adequacy and effectiveness of the credit monitoring processes and systems.

The GAC also receives regular reports on issues in the group's key issues control log from the CRO and regular reports regarding governance and compliance matters (including the Companies Act and Banks Act) from the Chief Governance and Compliance Officer.

Having considered, analysed, reviewed and debated information provided by management and internal audit and the external auditors, the GAC considered that the internal controls of the group had been effective in all material aspects throughout the year under review.

Internal Audit

Internal Audit performs an independent assurance function and forms part of the third line of defence. The CIA has a functional reporting line to the GAC Chair and an operational reporting line to the CRO.

The GAC, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from the CIA, assesses the effectiveness of the group internal audit function and reviews and approves the annual Group Internal Audit Plan.

In particular the GAC:

- ensured that the CIA had a direct reporting line to the Chair of the GAC;
- reviewed and recommended the Internal Audit Charter for approval by the board of directors;
- monitored the effectiveness of the internal audit function in terms of its scope, execution of its plan, coverage, independence, skills, staffing, overall performance and position within the organisation; and
- monitored and challenged, where appropriate, action taken by management with regard to adverse internal audit findings.

The GAC is satisfied with the appropriateness of the expertise, experience and resources of the internal audit function.

External auditors

The GAC is responsible for the appointment, compensation and oversight of the external auditors for the group, namely Deloitte & Touche and KPMG Inc.

During the period the GAC:

- recommended to the board the selection of the external auditors and the approval of their audit fees for the year under review;
- approved the external auditors' annual plan and related scope of work, confirming suitable reliance on Group Internal Audit, and the appropriateness of key audit risks identified; and
- monitored the effectiveness of the external auditors in terms of their audit quality, expertise and independence, as well as the content and execution of the audit plan. The annual review of the quality of the audit and the performance of the joint external auditors was undertaken by means of questionnaires completed by key finance staff, internal audit members and members of the GAC.

The GAC has a well-established policy on auditor independence and audit effectiveness. The GAC reviewed and approved the non-audit services policy, which governs the types of service that can be performed by the auditors, as well as the value and scope of the non-audit services provided by the auditors. Only those non-audit services that do not affect their independence and entail skills and experience that make them the most appropriate suppliers were approved during the period.

The GAC is of the view that the group external auditors continue to provide an efficient, effective and independent audit service, and recommended to the board the reappointment of the external auditors for 2017.

The GAC continues to monitor the developments and reports from the Independent Regulatory Board of Auditors (IRBA) in connection with mandatory audit rotation.

As part of Nedbank's transformation commitment and the development of the auditing profession, Nedbank identified a number of smaller statutory audits during 2016, which were put out to tender and awarded to a mid-tier black-owned accounting firm with effect from 2017.

COMBINED ASSURANCE

Nedbank has introduced a combined assurance programme across the group with the key intention of optimising the efficiency and effectiveness of the activities of risk management, compliance and audit and to better illustrate, consolidate and report on all assurance activities.

Management has established a combined assurance framework and project plan that engages with the three lines of defence. An effectiveness framework is also in the process of being integrated into the combined assurance framework. This process will ensure a continuum of assurance being provided through testing, validation and verification of controls and risk management frameworks.

The GAC is of the view that the arrangements in place for the combined assurance model are adequate and is achieving the objective of a more effective, integrated approach across the disciplines of risk management, compliance and audit. The journey of combined assurance will continuously evolve as the process matures within the organisation.

Key focus areas for 2017

- Review and consideration of management's plans in respect of future changes to the IFRS and other regulations, most notably:
  - IFRS 9: Financial Instruments – including review of the outcome of parallel reporting during 2017 and review and assessment of the key judgements.
  - IFRS 15: Revenue – including review of the final implementation assessment of impact on systems, processes and disclosure.
  - King IV: Assessment of the updated requirements to be complied with from 1 April 2017.
- Continued focus on ensuring that the group's financial systems, processes and controls are operating effectively, are consistent with the group's complexity and are responsive to changes in the environment and industry.
- Monitoring of management's operating model review to ensure that governance and controls processes remain robust during this time and after the resulting changes have been implemented.
- Continued focus on the accounting implications and resulting judgments pertaining to the ETI associate investment.
- Monitoring the developments and reports from the IRBA in connection with mandatory audit rotation and ensuring that appropriate action is taken.

On behalf of the GAC

M Wyman
Group Audit Committee Chair
27 February 2017

Remuneration review

The Integrated Report includes a summary of our Remuneration Policy and outcomes. A comprehensive report is available online at nedbankgroup.co.za.

Our governing principles

Our Remuneration Policy provides a framework for the management of total remuneration within the group, and also supports the Nedbank employee value proposition.

To ensure that we protect value we use the following guiding principles with regard to remuneration:

- To enable the attraction, motivation and retention of high calibre people, with the right mix of experience, skills and knowledge to deliver on the strategy.
- To support and reinforce our desired culture and encourage behaviour consistent with our values, thereby stimulating employee engagement.
- To create appropriate balance and alignment between the needs, expectations and risk exposures of our stakeholders, including our staffmembers, clients, shareholders, regulators and communities to ensure the creation of sustainable long-term value for each of these.
- To incentivise employees to deliver sustained high levels of performance and excellent execution of our strategic priorities, while being cognisant of the impact this delivery has on our risk profile and exposure.
- To enable appropriate transparency in the development of remuneration programmes and the allocation of individual remuneration to ensure equity and fairness based on valid and appropriate external and internal benchmarks.
- To align with the principles of good corporate and remuneration governance, ensuring an appropriate share of value for the relevant stakeholders in our business.

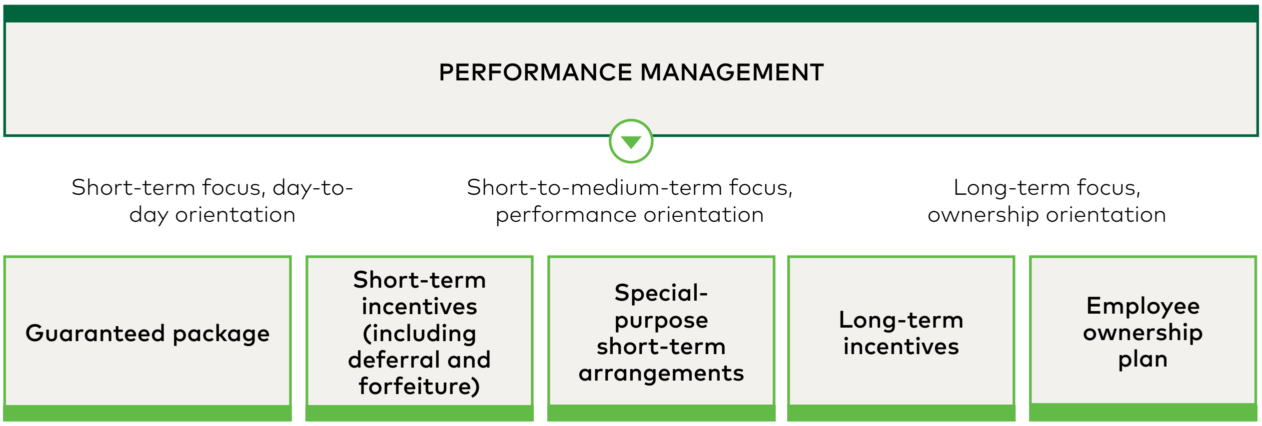
REMUNERATION COMMITTEE

Remuneration governance	Implementation of Remuneration Policy.
Regulatory issues	Remains knowledgeable through regular updates from Group Reward and Performance, external advisors and training.
Meetings	Met 6 times in 2016. Group Chairman, CE, COO and Group Executive: HR are permanent invitees, but are not present in discussions regarding their own remuneration.
Nedbank Group (2005) Share Trust	Trustees of the Nedbank Group (2005) Share Trust. Annual meeting was held on 28 November 2016.

Enabling sustainable value

ELEMENTS OF THE NEDBANK TOTAL REMUNERATION FRAMEWORK

Nedbank's remuneration framework is summarised as follows (further details are provided in the Remuneration Policy on page 1 of the Remuneration Report):



GUARANTEED REMUNERATION

Guaranteed remuneration comprises salary and employee benefits and is delivered to employees in a form determined by local market conditions. Guaranteed remuneration usually reflects the prevailing 'rate for the role' within an earnings range, with actual remuneration being distributed about the median of the range. The group conducts annual benchmarking against comparable firms in the relevant jurisdictions to assess market competitiveness

VARIABLE REMUNERATION

Short-term incentive schemes (STI)

Our STIs drive the achievement of sustainable results within an agreed risk appetite framework, and encourage behaviours that are consistent with our values and are aligned with the best interests of our stakeholders. Our STI schemes are structured to support collaborative work across different clusters. Group Remco has agreed a set of principles and all STI schemes are designed according to those principles. The 2016 short term incentive (STI) awards for executive directors and prescribed officers were based on a combination of performance against pre-agreed targets in respect of the level of group and respective cluster economic profit (EP), headline earnings (HE) and performance against their individual performance scorecards, incorporating financial and non-financial measures.

Since 2010, the group has had an arrangement of compulsory deferral into shares of STI awards paid in excess of a threshold approved by Group Remco from time to time. Such deferrals may be subject to forfeiture, at the discretion of Group Remco. From 2016 onwards, any deferred STI awards already released from forfeiture will be subject to clawback for up to three years from the original award date.

[1] *In both the above instances of deferral, the employee must retain the shares in the scheme for a period of 36 months in order to be eligible for a match in accordance with our Matched Share Scheme.*

We have a comprehensive internal capital adequacy assessment process that addresses the nature and type of risk incorporated into the overall framework. The framework integrates with our STI pool arrangements and individual performance scorecard assessments, which in turn inform the distribution of STIs from the derived STI pools. The STI pools incorporate ex ante or 'before the fact' risk adjustments, which is incorporated into the pool allocation process set out below.

Total group pool

- This is approved by Group Remco relative to benchmarks. It includes targeted group pools for delivery of target headline earnings and economic profit.

Headline earnings and economic profit performance

- The allocation of the Group Remco-approved group pool to each cluster is done by the CE, with input from Group Exco.
- 50% of the cluster pools is based on year-end EP performance relative to target.
- 50% of the cluster pools is based on year-end HE performance relative to target.
- There is a 10% limit set for the bottomup cluster pools relative to the overall group pool.

Balanced scorecard

- The financially determined pools (topdown and bottomup) are adjusted by a maximum of approximately 15% based on the non-financial elements of Group Exco members' scorecards.
- Risk metrics are included in the relevant scorecards and aligned with the group five-year plan and risk frameworks.

Bonus pool adjustments

- The CE makes discretionary adjustments to quantitatively determined cluster pools based on judgments and non-quantifiable metrics.
- Group Remco makes discretionary adjustments to the group pool to effect any required corrections based on non-quantifiable metrics, including risk assessment.

Individual bonus proposals

- Individual bonus proposals are discretionary and no fixed formulaic approach is used by the bank. All cluster executive bonus proposals are analysed by Group Exco and the necessary adjustments are made to ensure appropriate consistency across the bank.
- All Group Exco bonuses are individually motivated and approved by Group Remco.
- The CE bonus requires Nedbank board approval and approval by the Old Mutual plc Remco.
- All senior functional bonuses (including risk, finance and compliance) are reviewed and ratified by the relevant Group Exco member.
- All proposed bonuses in excess of 200% of GP require motivation and Group Remco approval.

Deferral of STIs

R0 to R1m	No compulsory deferral.
Compulsory STI deferral > R1m	Fifty percent of any amount in excess of R1m is deferred over 30 months, with releases from forfeiture occurring in three equal tranches at 6, 18 and 30 months from the date of the award. Deferral is on a posttax basis.
Voluntary Bonus Share Scheme	Employees may select to defer a portion of their posttax STI voluntarily into the Matched-share Scheme, subject to the total deferral (including compulsory deferral) not exceeding 50% of the total posttax STI award.

In both the above instances of deferral, the employee must retain the shares in the scheme for a period of 36 months to be eligible for a match in accordance with our Matched-share Scheme. Refer to page 4 of the online remuneration report.

Matched-share Scheme

In terms of the approved long-term incentive (LTI) plan, the group may offer a share-matching arrangement on compulsory STI deferrals, subject to the participant's retention of the award in the plan for a minimum period of 36 months (which is longer than the maximum deferral timeframe of 30 months), and subject to the release of the awards from potential forfeiture. Additional matching is further subject to the fulfilment of a specific group performance condition.

The matched share scheme also provides a vehicle for employees to participate in the scheme by voluntary investment, subject to the fulfilment of specified conditions.

The current thresholds and conditions for matching are set out in the table below:

	STI payment	Conditions for matching	Match
Compulsory deferral	**> R1m, where deferral takes place on a posttax basis on 50% of any amount exceeding R1m**	In service on vesting date: Three years after the allocation date	50%
		ROE excluding goodwill > COE + 2%	50%
Voluntary bonus share scheme	**≤ 50% of total posttax STI (inclusive of any compulsory deferral)**	In service on vesting date: Three years after the allocation date	50%
		ROE excluding goodwill > COE + 2%	50%

Scheme governance is set out in the Remuneration Policy.

Special-purpose short-term variable remuneration

The group offers preapproved special-purpose short-term variable remuneration arrangements only in exceptional circumstances, which is typical in the context of hiring senior and key employees. The group does not, as a matter of course, award guaranteed bonuses, and therefore none has been awarded during 2016.

Scheme type	Scheme description	Number of awards
Signon bonus	Cash awards are made to prospective employees on joining the group, typically awarded to compensate for loss of certain accrued benefits or to make them whole in terms of their existing contractual obligations.	25 awards (2015: 20) totalling R12,8 (2015: R19,7m). Included in this are awards made on appointment to key revenue-generating employees.
DSTI awards	DSTI awards are cash-based awards, comprising an upfront payment (typically 40% of the award), with a deferred component (the remaining 60%) payable subject to minimum time-based and individual performance conditions.	29 awards (2015: 20) totalling R23,9m (2015: R15,7m). The increase in the number and value of awards approved is in relation to a number of senior and highly specialist appointments made in 2016, and the need to implement specific retention initiatives in certain scarce-skills environments.

Scheme governance is set out in the Remuneration Policy.

Long-term incentives (LTI)

LTI awards are awarded with the joint aim of aligning with the interests of stakeholders and retain key employees. Key considerations for LTI awards are set out on page 12 and 13 in our Remuneration Policy in the online Remuneration Report. The criteria and quantum of allocations are benchmarked to the market annually. The allocation of LTIs is discretionary and is based on the key eligibility criteria as set out in the Remuneration Policy on page 5 in the online Remuneration Report.

All LTI allocations are motivated by Group Exco and approved by Group Remco members in their capacity as trustees of the Nedbank (2005) Employee Share Scheme Trust. Specific Group Remco approval is also required for all LTI awards greater than 100% of GP.

Set out below are our various LTI Schemes. The operation of the international Long-term Incentive Plan (LTIP) has been aligned with the Nedbank Group (2005) Scheme, but operates on a phantom basis.

The following CPTs and vesting ranges were applied to awards made in 2016:

For the ROE (excluding goodwill) vs COE target, vesting was based on the simple-average published ROE (excluding goodwill) over a three-year period, compared with the simple-average COE over the same timeframe, according to the following sliding scale (ie there is a straight-line vesting arrangement based on the actual performance relative to the target).

Vesting ratios based on ROE (excluding goodwill):

ROE performance above COE	+0% or worse	+1,25%	+2,5%	+3,75%	+5%	+6%	+7%	+8% or better
Vesting ratio	0%	25%	50%	75%	100%	110%	120%	130%

For the Nedbank relative share price performance, vesting will be measured against the FINI 15 Index over the same three-year period, where the starting and end values of the Nedbank share price are calculated based on a 30-day volume-weighted average price (VWAP) and the FINI 15 Index is based on a 30-day simple average.

Vesting ratios based on share price relative to the FINI 15 Index:

Share price performance against FINI15	-20% or worse	-15%	-10%	-5%	0%	+10%	+20%	+30% or better
Vesting ratio	0%	25%	50%	75%	100%	110%	120%	130%

As with the ROE target, there is a straight-line vesting (on a basis of actual achievement along the continuum as set out in the table above) arrangement based on the actual performance relative to the target.

The strategic initiatives element in respect of 2016 awards was aligned with an African Collaboration target, which is standard across the Old Mutual Group, comprising the following:

- A single measure of the run rate on benefits realised in regard to African Collaboration. This target was selected in support of achieving a target of R1bn pretax synergies across the Old Mutual Group by the end of 2017.
- This target will be evaluated on a run rate basis at the end of 2017 as follows:

Total benefits realised	Minimum	Target	Maximum
African Collaboration synergy target (Rm)	600	1000	1200
Vesting ratio	0%	100%	130%

Straight-line vesting will apply between the points in the above table

The combined vesting percentage, based on achievement relative to the target, will be applied to awards vesting in March and August 2019. This is consistent with the evaluation time horizons of the current CPT metrics outlined above.

The evaluation of the total synergies achieved is, however, subject to a precondition that Nedbank achieves benefits of at least R170m. Should we not achieve benefits equal to or better than this threshold, this portion of the award will not vest, irrespective of the total synergies achieved.

The following CPTs and vesting ranges will be applied to awards made in 2017:

- The ROE (excluding goodwill) and share price performance targets will remain unchanged from 2016. Two new strategic initiatives, with equal weighting of 10% each, replace the African Collaboration synergy target since this initiative only has one more year to run.
- The two new strategic initiatives will be:
  - benefits from the TOM; and
  - growing the transactional banking franchise, where this comprises two underlying metrics:
    - grow household transactional accounts by client numbers
    - grow commercial transactional deposits by value

The vesting ratios and targets for these two strategic initiatives are set out below:

BENEFITS FROM CHANGES TO THE TARGET OPERATING MODEL

Net benefits (both revenue and costs) resulting from the changes to the TOM measured at 31 December 2019 relative to a baseline set for 31 December 2016	Minimum	Target	Maximum
Net benefits realised	R600m	R1,0bn	R1,2bn or more
Vesting ratio	0%	100%	130%

Straight-line vesting will apply between the points in the above table.

GROWING THE TRANSACTIONAL BANKING FRANCHISE

Grow household transactional accounts by client numbers at 31 December 2019	Minimum	Target	Maximum
Market share	13% or less	15%	17% or more
Vesting ratio	0%	100%	130%

Straight-line vesting will apply between the points in the above table.

Grow commercial transactional deposit market share by value at 31 December 2019	Minimum	Target	Maximum
Market share	15% or less	16.5%	18% or more
Vesting ratio	0%	100%	130%

Straight-line vesting will apply between the points in the above table.

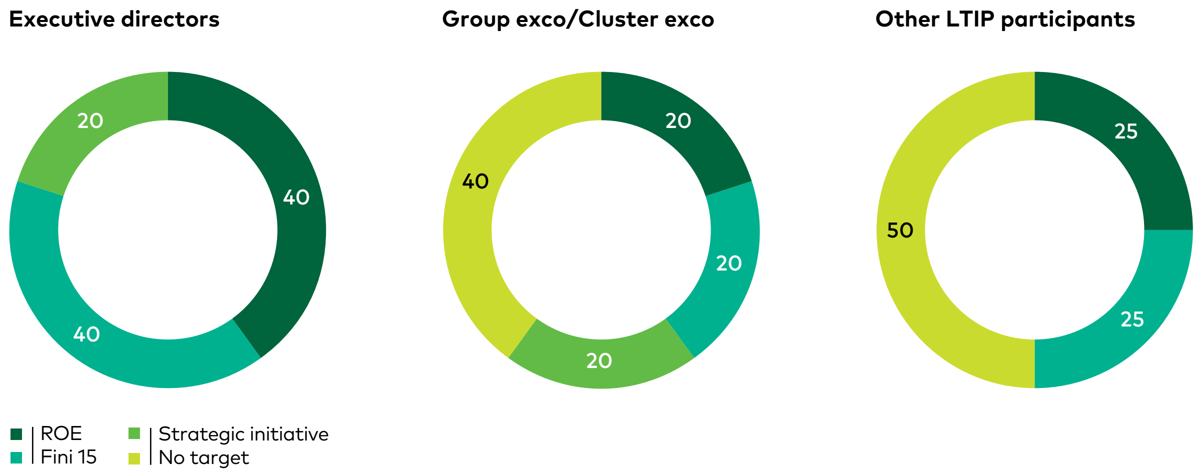
OVERVIEW OF LONG-TERM INCENTIVE ARRANGEMENTS UNDER THE NEDBANK GROUP (2005) EMPLOYEE SHARE SCHEME

Share option scheme

No awards have been made since 2007 and there are no unvested awards in this scheme.

Restricted-share Scheme: Annual allocations

Group Remco awards restricted shares (including on-appointment allocations referred to below) with a three-year vesting period to eligible participants, which vest on the following basis:



The weighting of the respective performance vesting conditions for awards made in 2017 are set out below:

LTI performance condition	Executive director %	Group and cluster exco members %	All other Nedbank LTI participants %
ROE (excluding goodwill) vs COE	40	20	25
Share price vs Fini15	40	20	25
Strategic Initiative: Benefits from Target Operating Model	10	10	–
Strategic Initiative: Growing the transactional banking franchise	10	10	–
Award issued with vesting conditions	100	60	50
Award issued without vesting conditions	–	40	50
Total	100	100	100

Details of the actual Corporate Performance Targets and vesting ranges for these performance conditions are set out on page 12 and 13 of the online remuneration report.

Phantom Cash-settled Restricted-share Plan

For our international and Rest of Africa operations, LTIs are made on a phantom basis, which schemes mirror the Nedbank (2005) Group Employee Share Scheme in design and structure. These schemes will be subject to the same *malus* and claw-back provisions as the Nedbank 2005 scheme. Details of these schemes are set out in the full online Remuneration Report.

Minimum shareholding requirements
As approved by Group Remco in 2012, members of Group Exco are subject to minimum shareholding requirements. The following minimum requirements must be reached within five years from the date of the March 2013 LTI awards or five years from the date of appointment to Group Exco, if later:

Chief Executive	2 times guaranteed package
Executive Directors and Prescribed Officers	1,5 times guaranteed package
Other members of Group Exco	1 times guaranteed package

The following members of Group Exco have already met the minimum shareholding requirements, which are required to be met by 31 March 2018 or five years from date of appointment to Group Exco if later:

- Mike Brown
- Thulani Sibeko
- Thabani Jali

Service conditions
Details of the service conditions for executive directors and prescribed officers are set out on page 14 of the online Remuneration Report. There were no material changes to these during 2016. Executive directors and prescribed officers are subject to the *malus* and clawback arrangements applicable from February 2016 onwards.

Risk and remuneration

There is cooperation between Group Remco and the GRCMC to ensure that the overall risk environment is considered when making remuneration decisions. This is implemented through formal discussion between the Group Remco Chairman with the GRCMC Chairman of the risk aspects of remuneration. This reflects our commitment to achieving a balance between the prudent management of remuneration within the context of both our risk appetite and risk profile, and the need to attract, retain and motivate key talent to enable the delivery of our strategic objectives.

Further details of our approach to risk and remuneration are available on pages 10 to 11 of the online Remuneration Report.

Regulation 43/Pillar 3 disclosures

The disclosures required in respect of Regulation 43 of the Banks Act are set out on page 18 of our online Remuneration Report.

Specific disclosures are included relating to senior managers and material risk takers, the quantum of the remuneration paid in the year, signon awards, guaranteed bonuses, severance payments and the amount of remuneration, subject to adjustment.

Non-executive directors

APPROACH FOR NON-EXECUTIVE DIRECTORS FEES
The fees of the Group Chairman and the non-executive directors reflect the specific responsibilities relating to their membership of the board and, where applicable, board committees. The Group Chairman receives a single fee for his role. Non-executive directors are paid a fixed fee for board membership and receive additional fees for their participation in the board committees. Neither the Group Chairman nor the boardmembers receive any performance-related remuneration or any employee benefits.

Non-executive directors are accountable for decisions made regardless of attendance at meetings. Non-executive directors are also required, as a matter of course, to represent stakeholders and to make the necessary preparations for meetings and other engagements. Group Remco is satisfied that the fee structure applied in respect of non-executive directors remains appropriate.

NON-EXECUTIVE DIRECTOR REMUNERATION

Non-executive directors' fees paid for the years ended 31 December 2015 and 31 December 2016 were as follows:

Non-executive director	Note	Board fees	Committee fees	2016 (R000)	2015 (R000)
David Adomakoh	1,6	428	144	**572**	514
Tom Boardman	2,6	1 194	1 238	**2 432**	2 233
Brian Dames		428	290	**718**	663
Mustaq Enus-Brey	8				273
Ian Gladman	7	428	363	**791**	732
Errol Kruger	3	188	158	**346**	
Paul Hanratty	4,7	81	56	**137**	600
Bruce Hemphill	7	428	207	**635**	59
Reuel Khoza	8				1 623
Mpho Makwana	6	428	853	**1 281**	1 140
Mantsika Matooane		428	289	**717**	623
Nomavuso Mnxasana		428	832	**1 260**	1 078
Vassi Naidoo		4 875		**4 875**	3 043
Joel Netshitenzhe	6	428	277	**705**	628
Rob Leith	5,7	98	83	**181**	
Julian Roberts	7				476
Gloria Serobe	8				235
Stanley Subramoney		428	533	**961**	205
Malcolm Wyman	6	599	1 112	**1 711**	1 481
Total		10 887	6 435	**17 322**	15 606

1 *David Adomakoh resigned as member of the Group Credit Committee and Large exposure Approval Committee effective 1 August 2016. He was appointed as a member of Group Transformation, Social and Ethics Committee on 28 October 2016.*

2 *Tom Boardman sits on the Board of Nedbank Private Wealth (Isle of Man). His board fees are inclusive of the Nedbank Private Wealth (Isle of Man) fees of £39 000.*

3 *Errol Kruger appointed as a director of Nedbank Limited and Nedbank Group Limited with effect from 1 August 2016 and as a member of Group Credit Committee, Large Exposure Approval Committee and Group Risk and Capital Management Committee .*

4 *Paul Hanratty resigned as a director of Nedbank Limited and Nedbank Group Limited and all the committees on 12 March 2016.*

5 *Rob Leith appointed as a director of Nedbank Limited and Nedbank Group Limited and as a member of Group Credit Committee and Large Exposure Approval Committee and Group Risk and Capital Management Committee on 13 October 2016.*

6 *Joel Netshitenzhe, Tom Boardman, Mpho Makwana, David Adomakoh and Malcolm Wyman were appointed members of Group Related Party Transactions Committee on 11 May 2015.*

7 *Fees for Ian Gladman, Paul Hanratty, Bruce Hemphill, Rob Leith and Julian Roberts were paid to Old Mutual PLC.*

8 *Resigned during 2015.*

NON-EXECUTIVE DIRECTORS' FEES FOR 2017

Increases to the Chairman's fee, board fees and several committees have been proposed at between 5,6% and 25%. The proposed fees for 2017 are also set out in our notice of the AGM for voting by our shareholders. Changes to fees, where approved, become applicable on 1 July of each year.

The proposed non-executive directors fees were evaluated by a board committee consisting of Mike Brown and Bruce Hemphill, with advice from independent advisors. Such evaluation was conducted from a number of perspectives, including peer group comparisons, effective rates per committee and year-on-year increases.

The proposed increases to board fees represent a total increase in the cost of operating the board of 7,6%.

Details of the individual shareholdings of the non-executive directors are included on page 22 of the online Remuneration Report.

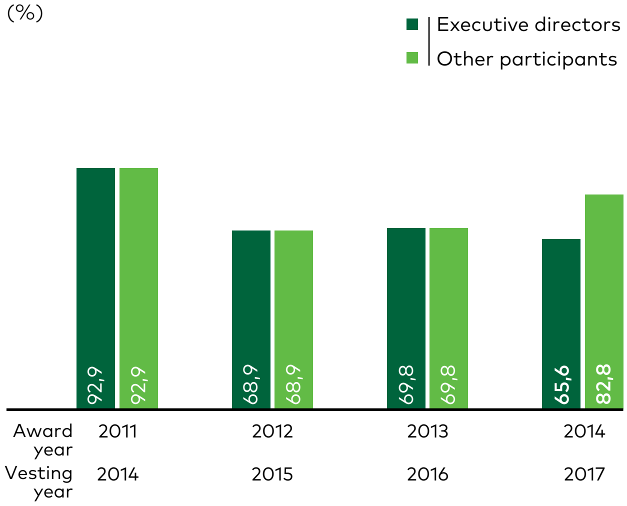
Remuneration outcomes

Our remuneration outcomes are aligned to the value we create. A summary of the Remuneration Policy is set out on pages 112 to 119. Our comprehensive remuneration report is available online at nedbankgroup.co.za.

Despite the background of low economic growth in 2016, Nedbank had an excellent performance from managed operations with growth of 16,2% in headline earnings. Taking into account the lower-than-expected equity-accounted performance from ETI, this overall performance funded a short-term incentive (STI) pool of R2 381m, which is a 10% increase over 2015. This STI pool represents 12,6% of headline earnings from managed operations, pre bonus pre tax, compared with 13,2% in 2015. In 2015, when ETI made a positive contribution, the STI pool increased by only 3% despite the growth in total headline earnings of 9,6%. This year, when ETI made a negative contribution, the STI pool grew by 10% although the total headline earnings grew by 5,9%. In other words, consistent with previous years, the STI pool is funded more closely, but not exclusively, by the performance of the managed operations. Whilst ETI's performance is important, it funds the STI pool at a lower participation rate as it lies beyond the direct control of our executives.

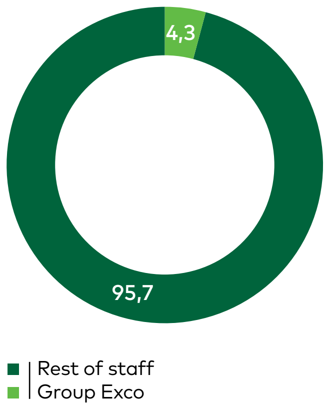
Consistent with our pay-for-performance principle, long-term incentive (LTI) awards are subject to demanding performance conditions. The 2014 awards, vesting in 2017, are subject to 100% performance conditions for executive directors and equal proportions of time and performance conditions for other participants. The 2017 vesting will take place as shown in the chart below, with the historical vesting over the period 2013 to 2017 included for comparison.

Overall vesting outcomes
(%)



The 2016 total variable pay award to the CE is flat on 2015. The Group Exco share of the total 2016 STI pool is down from 5,3% to 4,3%.

Share of STI pool
(%)



Guaranteed package

Increases to guaranteed packages in 2016 were higher at the bargaining unit level, at 7,5%, compared with 5,5% and 5% for the non-bargaining unit and executives respectively. In 2016 the minimum guaranteed remuneration for permanent, full-time employees in SA was R133 500 per annum, which is significantly higher than the minimum wage in SA.

The dimensions used to measure performance during 2016 were:

Theme	Broad objectives	Linkage to strategic focus areas of 2016	Outcomes achieved in 2016
FINANCIAL AND BUSINESS	Delivering sustainable financial outperformance.	■ Optimise to invest. ■ Strategic portfolio tilt. ■ Pan-African banking network.	Solid performance driven by strong revenue growth as well as excellent credit risk management. Group performance impacted by a challenging macro environment and the loss from ETI. Excluding ETI, headline earnings increased 16,2% – a good performance by Nedbank's managed operations. Including ETI, headline earnings increased 5,9%. The impairment provision of R1,0bn raised against the carrying value of ETI was also appropriately considered.
CLIENTS AND RELATIONSHIPS	Investing for growth by expanding into the entry-level and middle markets, the public sector and business banking, and implementing the rest of Africa strategy. Improving our client relations by empowering our clients through delivery of affordable banking. Leading as a corporate citizen.	■ Client-centred innovation. ■ Growing transactional banking franchise. ■ Pan-African banking network.	Successfully grew the transactional banking franchise. Main-banked client gains across all businesses and strong growth in transactional non-interest revenue. A number of new digital solutions as well as innovative products and services delivered.
MANAGEMENT AND INTERNAL PROCESSES	Enhancing productivity and execution. Managing risk as an enabler. Growing regulatory and government relationships. Growing stakeholder relations.	■ Strategic portfolio tilt.	The Regulatory Change Programme (including AML) ended 2016 in good shape. Managed credit risks well, despite a difficult economic environment and commodity cycle. Focus and commitment to capital and liquidity management ensured that Nedbank's balance sheet strengthened.
ORGANISATIONAL LEARNING, LEADERSHIP AND TRANSFORMATION	Accelerating transformation in support of achieving our transformation targets, objectives and behaviours. Building an innovative and differentiated culture and becoming an employer of choice by creating a great place to work.	■ Optimise to invest.	The Nedbank leadership continues to be a highly regarded, effective team with high levels of employee engagement. Transformation remains top of mind as Nedbank maintained level 2 under FSC codes

Provided below are the individual key performance dimensions for each of our executive directors and prescribed officers, and how they performed in relation to each. Further disclosed below is the total remuneration for each one for 2016.

MIKE BROWN
Chief Executive

Performance dimensions	Outcome achieved in 2016
Financial and business	■ Solid performance driven by strong revenue growth as well as excellent credit risk management. Group performance impacted by a challenging macro environment and the loss from ETI. Excluding ETI, headline earnings increased 16,2% – a good performance by Nedbank's managed operations. The impairment provision of R1,0bn raised against the carrying value of ETI was also appropriately considered. ■ Continued to build strong stakeholder relations and in particular the significant personal effort on work with government, business and labour to avert a sovereign-credit-rating downgrade. ■ Much work also undertaken on managed separation and keeping Nedbank delivery unaffected.
Client and relationship	■ Effectively led the strategy to grow the transactional banking franchise. ■ Main-banked clients gains across all businesses. ■ Number of new digital solutions as well as innovative products and services delivered.
Management and internal process	■ Ensured that the Regulatory Change Programme (including AML) ended 2016 in good shape. ■ Managed credit risks well, despite a difficult economic environment and commodity cycle. ■ Focus on and commitment to capital and liquidity management ensured that Nedbank's balance sheet strengthened.
Organisational learning, leadership and transformation	■ Demonstrated strong, committed and principled leadership. ■ Built a highly regarded, effective team and maintained high levels of employee engagement. ■ Transformation remains top of mind as Nedbank maintained level 2 under FSC codes and continues to be the most empowered big bank in the country under this measure.

Mike Brown	2016 R000	2015 R000	%
Cash portion of package	**6 680**	6 374	
Other benefits	**148**	141	
Defined-contribution retirement fund	**953**	910	
Guaranteed remuneration	**7 781**	7 425	**4,8**
Cash performance incentive	**7 750**	8 250	
Cash performance incentive (delivered in shares)[1]	**6 750**	7 250	
Total STI	**14 500**	15 500	**(6,5)**
Total remuneration	**22 281**	22 925	**(2,8)**

Increase in guaranteed package	Guaranteed package: New GP effective April 2017 R000	GP at April 2016 R000	GP at April 2015 R000	Year-on-year movement: 2016–2017 %	2015–2016 %
	8 275	7 875	7 500	**5,1**	5,0

LTI Award (face value at award)[2]	2016 R000	2015 R000	%
	14 500	13 500	**7,4**

Details of share awards to executive directors and prescribed officers are included on pages 23 to 26 of our Remuneration Report.

[1] *In terms of the rules of the Matched-share Scheme this amount may increase by up to 27,5% (before share price movement), subject to fulfilment of the CPTs, and the amount remaining invested in the scheme for 36 months.*

[2] *This is the value of share-based awards made in the following financial year.*

MFUNDO NKUHLU
Chief Operating Officer

Performance dimensions	Outcome achieved in 2016
Financial and business	■ Managed the shared services clusters that contributed to the delivery of the group's financial performance. Even though a number of new IT projects were delivered, expenses were judiciously managed and growth contained below forecast figures. ■ Despite the negative impact of ETI, played a key role in driving growth in the rest of Africa subsidiaries, which grew headline earnings strongly off a low base. The impairment provision of R1,0bn raised against the carrying value of ETI was also appropriately considered.
Client and relationship	■ Expanded our footprint, rolled out new products and implemented the Flexcube core banking systems in subsidiaries. Mobile banking was launched in Namibia, Swaziland and Lesotho. ■ Finalised the additional acquisition in Banco Único, which increases our holding to 50% plus one share in the last quarter of the year. ■ Despite the negative impact of the impairment and losses in ETI, continued to build strong relations to ensure that Nedbank leverages this relationship to enhance future earnings.
Management and internal process	■ Ensured that the Regulatory Change Programme (including AML) in RoA was aligned across all subsidiaries and that SA knowledge and insights were shared for maximum effectiveness. ■ Achieved good traction in driving the group's new operating model. ■ Focus on and commitment to capital and liquidity management ensured that Nedbank's balance sheet strengthened.
Organisational learning, leadership and transformation	■ Demonstrated strong, committed and principled leadership. ■ Built a highly regarded, effective team and maintained high levels of employee engagement. ■ Transformation remains top of mind as Nedbank maintained level 2 under FSC codes and continues to be the most empowered big bank in the country under this measure.

Mfundo Nkuhlu	2016 Rm	2015 Rm	%
Cash portion of package	**4 415**	4 258	
Other benefits	**137**	130	
Defined-contribution retirement fund	**635**	613	
Guaranteed remuneration	**5 187**	5 000	**3,7**
Cash performance incentive	**4 625**	4 750	
Cash performance incentive (delivered in shares)[1]	**3 625**	3 750	
Total STI	**8 250**	8 500	**(2,9)**
Total remuneration	**13 437**	13 500	**(0,5)**

Increase in guaranteed package	Guaranteed package			Year-on-year movement	
	New GP effective April 2017 R000	GP at April 2016 R000	GP at April 2015 R000	2016–2017 %	2015–2016 %
	5 520	5 250	5 000	**5,1**	5,0

LTI Award (face value at award)[2]	2016 R000	2015 R000	%
	9 250	8 750	**5,7**

Details of share awards to executive directors and prescribed officers are included on pages 23 to 26 of our Remuneration Report.

[1] *In terms of the rules of the Matched-share Scheme this amount may increase by up to 27,5% (before share price movement), subject to fulfilment of the CPTs, and the amount remaining invested in the scheme for 36 months.*

[2] *This is the value of share-based awards made in the following financial year.*

RAISIBE MORATHI
Chief Financial Officer

Performance dimensions	Outcome achieved in 2016
Financial and business	■ Played a key role in the delivery of the group's financial performance. ■ The Group Finance Cluster is a worldclass reporting, investor relations and financial control centre, evidenced by Nedbank regularly being recognised for leadership in reporting. Nedbank is the only SA company to have won across all four reporting awards in 2016.
Client and relationship	■ Managed the implementation of SAP ERP across the group's finance, procurement and HR systems, with the project having won second prize for Business Transformation (SAP EMEA Quality Awards). Nedbank remains disciplined in monitoring and tracking the benefits and to date ERP benefits realised exceed the business case predictions, doing well against the R1bn target by 2019.
Management and internal process	■ Instrumental in driving cost savings, managing scarce resources and improving efficiencies across the group. ■ Group Business Services (a business unit within the Group Finance Cluster) delivered significant savings from the group's Property Portfolio and Procurement Centre.
Organisational learning, leadership and transformation	■ Demonstrated strong, committed and principled leadership. ■ Leads a highly skilled, effective team and maintains high levels of employee engagement. ■ Transformation remains top of mind as Nedbank maintained level 2 under FSC codes and continues to be the most empowered big bank in the country under this measure.

Raisibe Morathi	2016 Rm	2015 Rm	%
Cash portion of package	**3 654**	3 405	
Other benefits	**105**	100	
Defined-contribution retirement fund	**666**	621	
Guaranteed remuneration	**4 425**	4 125	**7,3**
Cash performance incentive	**4 625**	4 500	
Cash performance incentive (delivered in shares)[1]	**3 625**	3 500	
Total STI	**8 250**	8 000	**3,1**
Total remuneration	**12 675**	12 125	**4,5**

	Guaranteed package			Year-on-year movement	
Increase in guaranteed package	New GP effective April 2017 R000	GP at April 2016 R000	GP at April 2015 R000	2016–2017[2] %	2015–2016[2] %
	5 000	4 500	4 200	**11,1**	7,1

LTI Award (face value at award)[3]	2016 R000	2015 R000	%
	8 000	7 500	**6,7**

Details of share awards to executive directors and prescribed officers are included on pages 23 to 26 of our Remuneration Report.

[1] *In terms of the rules of the Matched-share Scheme this amount may increase by up to 27,5% (before share price movement), subject to fulfilment of the CPTs, and the amount remaining invested in the scheme for 36 months.*

[2] *Adjustment to guaranteed remuneration made to address gap with peer group based on market benchmarks.*

[3] *This is the value of share-based awards made in the following financial year.*

BRIAN KENNEDY
Managing Executive: Nedbank Corporate and Investment Banking

Performance dimensions	Outcome achieved in 2016
Financial and business	■ CIB Cluster delivered headline earnings growth of 15,5% at an ROE of 21,1%, benefiting from strong NIR growth and a market-leading efficiency ratio of 39%.
Client and relationship	■ Successfully led the implementation of an integrated CIB, which has delivered significant value through client-centred and collaborative efforts. ■ A number of new projects were delivered in 2016 enhancing the client experience and making it easier for clients to do business with Nedbank. ■ Won nine of 32 awards at the Spire Awards for excellence in various investment banking categories.
Management and internal process	■ CIB's CLR improved and is within its target range, indicative of strong leadership in risk management in a challenging economic environment. ■ Participation in centres of excellence for cash and global trade resulted in significant savings. ■ Continuous improvements in producing accurate groupwide information enabled key strategic decisions around pricing, product development and cost management.
Organisational learning, leadership and transformation	■ Demonstrated strong, committed and principled leadership. ■ Built a highly regarded, effective team, evidenced by the strong financial results produced for the year. ■ Transformation remains top of mind, including accepting 30 graduates for the CIB Graduate Programme (80% EE graduates).

Brian Kennedy	2016 Rm	2015 Rm	%
Cash portion of package	**3 819**	3 620	
Other benefits	**233**	239	
Defined-contribution retirement fund	**305**	291	
Guaranteed remuneration	**4 357**	4 150	**5,0**
Cash performance incentive	**9 320**	8 625	
Cash performance incentive (delivered in shares)[1]	**8 320**	7 625	
Total STI	**17 640**	16 250	**8,6**
Total remuneration	**21 997**	20 400	**7,8**

	Guaranteed package			Year-on-year movement	
Increase in guaranteed package	New GP effective April 2017 R000	GP at April 2016 R000	GP at April 2015 R000	2016–2017 %	2015–2016 %
	4 625	4 410	4 200	**4,9**	5,0

LTI Award (face value at award)[2]	2016 R000	2015 R000	%
	8 500	7 500	**13,3**

Details of share awards to executive directors and prescribed officers are included on pages 23 to 26 of our Remuneration Report.

[1] *In terms of the rules of the Matched-share Scheme this amount may increase by up to 27,5% (before share price movement), subject to fulfilment of the CPTs, and the amount remaining invested in the scheme for 36 months.*

[2] *This is the value of share-based awards made in the following financial year.*

CIKO THOMAS

Managing Executive: Nedbank Retail and Business Banking

Performance dimensions	Outcome achieved in 2016
Financial and business	■ Notwithstanding Ciko's appointment to the role halfway through the year, he led the RBB Cluster to deliver a strong set of financial results, growing headline earnings by 11,2% and generating an improved ROE of 18,9%.
Client and relationship	■ Demonstrated strong leadership in effectively growing the transactional banking franchise. ■ As RBB continued to gain traction in its distribution strategy, client numbers increased across all business areas and a number of new digital solutions as well as innovative products and services were delivered to clients in 2016.
Management and internal process	■ Continued to lead the strategy of quality selective origination across all asset classes, combined with proactive risk management, which is reflected in the CLR increasing marginally leaving RBB well positioned at the top of the interest rate cycle.
Organisational learning, leadership and transformation	■ Demonstrated strong, committed and principled leadership. ■ Continued focus on talent management and succession planning has led to a highly effective team and high levels of employee engagement. ■ Transformation in the RBB Cluster remains top of mind.

Ciko Thomas	2016 Rm
Cash portion of package	**2 513**
Other benefits	**78**
Defined-contribution retirement fund	**410**
Guaranteed remuneration	**3 001**
Cash performance incentive	**4 250**
Cash performance incentive (delivered in shares)[1]	**3 250**
Total STI	**7 500**
Total remuneration	**10 501**

	Guaranteed package			Year-on-year movement	
Increase in guaranteed package	New GP effective April 2017 R000	GP at April 2016 R000	GP at April 2015 R000	2016–2017[2] %	2015–2016[2] %
	4 625				

LTI Award (face value at award)[3]	2016 R000	2015 R000	%
	12 000[4]		

Details of share awards to executive directors and prescribed officers are included on pages 23 to 26 of our online Remuneration Report.

[1] *In terms of the rules of the Matched-share Scheme this amount may increase by up to 27,5% (before share price movement), subject to fulfilment of the CPTs, and the amount remaining invested in the scheme for 36 months.*

[2] *Ciko Thomas was appointed as Group Managing Executive, Retail and Business Banking, effective 1 April 2016. Comparative year-on-year percentage not given for items that reflect part year service in the role.*

[3] *This is the value of share-based awards made in the following financial year.*

[4] *Award includes on-appointment award made in respect of appointment to more senior role.*

IOLANDA RUGGIERO
Managing Executive: Nedbank Wealth

Performance dimensions	Outcome achieved in 2016
Financial and business	■ Nedbank Wealth achieved headline earnings growth of 5,1% and maintained a strong ROE of 35,2% despite subdued markets impacting investor sentiment. ■ Good growth momentum experienced in Wealth and Asset Management, offset by lower Insurance income from higher weather-related claims.
Client and relationship	■ Achieved significant growth in the HNW client base and increased cross-sell penetration to Retail and Business Banking clients. ■ Good progress made towards enhancing value propositions and client experience through digital and system improvements. ■ Continued investment in profiling the Nedbank Private Wealth and Nedgroup Investments brands while deepening collaboration within the group and unlocking new value. ■ Delivered excellent long-term investment performance for clients, demonstrated by being placed among the top 3 asset managers in SA for the eighth consecutive year and rated top offshore manager for the second consecutive year. ■ Nedbank Private Wealth offering continued to be recognised as prestigious with awards achieved both locally and internationally.
Management and internal process	■ Continued to perform in a challenging and tough environment with strong risk management focus, optimal capital usage and contributing positively to deposit growth
Organisational learning, leadership and transformation	■ Demonstrated strong leadership, and commitment to talent management. Good succession planning has ensured a stable well-run business. ■ Built a highly regarded, effective team and maintained high levels of employee engagement. ■ Significant contribution towards transformation and employment equity.

Iolanda Ruggiero	2016 Rm	2015 Rm
Cash portion of package	**3 011**	1 934
Other benefits	**84**	54
Defined-contribution retirement fund	**432**	262
Guaranteed remuneration	**3 527**	2 250
Cash performance incentive	**3 550**	3 500
Cash performance incentive (delivered in shares)[1]	**2 550**	2 500
Total STI	**6 100**	6 000
Total remuneration	**9 627**	8 250

	Guaranteed package			Year-on-year movement	
Increase in guaranteed package	New GP effective April 2017 R000	GP at April 2016 R000	GP at April 2015 R000	2016–2017 %	2015–2016[2] %
	3 750	3 570		**5,0**	

LTI Award (face value at award)[3]	2016 R000	2015 R000	%
	6 500	6 000	**8,3**

Details of share awards to executive directors and prescribed officers are included on pages 23 to 26 of our online Remuneration Report.

1 *In terms of the rules of the Matched-share Scheme this amount may increase by up to 27,5% (before share price movement), subject to fulfilment of the CPTs, and the amount remaining invested in the scheme for 36 months.*

2 *Comparative year-on-year percentage not given for items that reflect part year service in the role.*

3 *This is the value of share-based awards made in the following financial year.*

Information to our shareholders

Notice of our annual general meeting

NEDBANK GROUP LIMITED (Incorporated in the Republic of South Africa) Reg No 1966/010630/06
JSE share code: NED; NSX share code: NBK ISIN: ZAE000004875 ('Nedbank Group' or 'the company')

Notice is hereby given to shareholders recorded in the securities register of Nedbank Group on Friday, 24 March 2017, that the 50th annual general meeting of shareholders will be held in the Auditorium, Retail Place West, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, on Thursday, 18 May 2017, at 08:30 (SA time) to deal with such business as may lawfully be dealt with at the meeting and to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008 (as amended) ('the Companies Act'), as read with the Listings Requirements of JSE Limited (the JSE) ('the JSE Listings Requirements').

Record date to receive the notice of the annual general meeting	Friday, 24 March 2017
Last date to trade to be eligible to participate in and vote at the annual general meeting	Tuesday, 9 May 2017
Record date to be eligible to participate in and vote at the annual general meeting	Friday, 12 May 2017
Last date for lodging forms and proxy with transfer secretaries	Wednesday, 17 May 2017

The quorum requirement for the ordinary and special resolutions set out below is sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the resolutions, provided that at least three shareholders of the company are present at the annual general meeting. Meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. Forms of identification include valid identity documents, driving licences and passports.

AGENDA

1 Presentation of annual financial statements and reports

The annual financial statements of the company, incorporating among others the Directors' Report, Auditors' Report and Report of the Audit Committee, for the financial year ended 31 December 2016, together with the report of the Group Transformation, Social and Ethics Committee in terms of regulation 43(5)(c) of the Companies Act, are available at nedbankgroup.co.za and will be presented to the shareholders as required in terms of the Companies Act. The summarised audited annual financial statements, together with the reports, are contained in this Notice of the Annual General Meeting and Summarised Financial Statements booklet.

ORDINARY RESOLUTIONS

2 Ordinary resolutions 1.1 and 1.2 – Election of directors of the company appointed during the year

Subsequent to the Nedbank Group annual general meeting held on 5 May 2016, the board appointed Messrs EM Kruger and RAG Leith as directors of the company. These directors retire in terms of the company's memorandum of incorporation and, being eligible, make themselves available for election.

1.1 'Resolved that Mr EM Kruger be and is hereby elected as a director of the company.'

Independent Non-executive Director
Qualifications: BCom
Expertise in banking and financial services

Errol joined the board as an independent non-executive director on 1 August 2016. He has extensive regulatory, banking and financial services experience. From September 2003 to July 2011 he was the Registrar of Banks at the South African Reserve Bank (SARB), having been with SARB from July 1978 until July 2011. As the Registrar of Banks, Errol represented SA as a full member of the Basel Committee on Banking Supervision from 2009 to 2011 and he successfully project-managed SA's early adoption and full implementation of both the revised 25 Basel Core Principles for Effective Banking Supervision as well as Basel II. Errol was appointed Managing Director of Supervision and Authorisation at the Qatar Financial Centre Regulatory Authority on 1 August 2011, whereafter he was also appointed by the board of the Qatar Central Bank to serve on Qatar's Financial Stability and Risk Control Committee. He relinquished his role at the Qatar Financial Centre Regulatory Authority on 31 July 2016.

Board committees: Group Credit Committee, Group Risk and Capital Management Committee and Large-exposure Approval Committee.

1.2 'Resolved that Mr RAG Leith be and is hereby elected as a director of the company.'

Non-executive Director
Qualifications: BCom(Hons) CA(SA)
Expertise in banking and financial services

Rob joined the board as non-executive director in October 2016. He was appointed as the Director of Managed Separation at Old Mutual plc (Nedbank Group's ultimate holding company) on 14 March 2016 after joining Old Mutual from a private investment company, where he had been since September 2014. Prior to that Rob was Global Head of Investment Banking and Global Markets of Sberbank CIB. He joined Sberbank CIB in January 2012 from Standard Bank, where he had served for over 20 years in the UK, latterly as Head of Group Strategic Development and Chief Executive of Global Corporate and Investment Banking.

Board committees: Group Credit Committee, Group Risk and Capital Management Committee and Large-exposure Approval Committee.

The percentage of voting rights required for the passing of each ordinary resolution contained under points 1.1 and 1.2 is more than 50% (fifty percent) of the voting rights exercised in respect of each resolution.

3 Ordinary resolutions 2.1, 2.2, 2.3 and 2.4 – Reelection of directors retiring by rotation

The following directors retire by rotation in terms of clause 25.3 of the company's memorandum of incorporation, which requires not less than one-third of the directors to retire at each annual general meeting. These directors, being eligible, make themselves available for reelection, each by way of a separate vote.

2.1 'Resolved that Mr MWT Brown be and is hereby reelected as a director of the company.'

Chief Executive
Qualifications: BCom, DipAcc, CA(SA), CD(SA), AMP (Harvard)
Expertise in banking and financial services

Mike was appointed as Chief Financial Officer in June 2004 and as Chief Executive in March 2010. Mike was previously an executive director of BoE Limited and, after the merger between Nedbank Ltd, BoE Ltd, Nedbank Investment Bank Ltd and Cape of Good Hope Bank Ltd, was appointed Head of Commercial Property Finance at Nedbank Ltd.

Board committees: Group Credit Committee, Group Risk and Capital Management Committee and Large-exposure Approval Committee.

2.2 'Resolved that Mr BA Dames be and is hereby reelected as a director of the company.'

Independent Non-executive Director
Qualifications: BSc(Hons), MBA
Expertise in energy and resources. Large corporate and industrial experience, doing business in Africa.

Brian joined the board as an independent non-executive director on 30 June 2014. Brian is Chief Executive of African Rainbow Energy and Power. Previously Brian served as the Chief Executive of Eskom, the largest power utility in Africa and one of the largest utilities in the world, and has extensive experience with global (and specifically with African and South African) energy and resource issues. Brian serves as a member of the Administrative Board of Sustainability Energy for All, as a member of the World Economic Forum's Global Council on Future of Energy, as a non-executive director of the Industrial Development Corporation of South Africa Limited and as a member of the Sol Plaatjie University Finance Committee.

Board committees: Group Credit Committee, Group Information Technology and Large-exposure Approval Committee.

2.3 'Resolved that Dr MA Matooane be and is hereby reelected as a director of the company.'

Independent Non-executive Director
Qualifications: BSc (Mathematics and Computer Science) MBA (Henley Business School, UK), PhD (Computer Science) (University of Cambridge, UK)
Expertise in IT and innovation. Banking experience.

Mantsika joined the board as an independent non-executive director on 15 May 2014. Mantsika currently serves as a non-executive director of the JSE and NMG Consultants and Actuaries (Pty) Ltd.

Board committees: Group Directors' Affairs Committee and Group Information Technology Committee (Chair).

2.4 'Resolved that Mr JK Netshitenzhe be and is hereby reelected as a director of the company.'

Independent Non-executive Director
Qualifications: MSc (Financial Economics) (SOAS, University of London, UK)

Expertise in economics, public policy, communications and strategic planning. Public sector, strategic research and large-corporate experience.

Joel joined the board as an independent non-executive director in August 2010. He is currently an executive director of the Mapungubwe Institute for Strategic Reflection. He has been a member of the National Executive Committee of the African National Congress since 1991, and serves on the African National Congress's Economic Transformation and Political Education board committees. He was a member of the National Planning Commission from 2010 to 2015, and served as Head of Policy Coordination and Advisory Services in the Presidency from 2001 until December 2009. He was previously Chief Executive of the Government Communication and Information System and also served as Head of Communication in the President's Office. Joel is also a non-executive director on the boards of Life Healthcare Group Holdings Ltd and the Council for Scientific and Industrial Research.

Board committees: Group Information Technology Committee, Group Related-party Transactions Committee and Group Risk and Capital Management Committee.

The percentage of voting rights required for the passing of each ordinary resolution contained under points 2.1 to 2.4 is more than 50% (fifty percent) of the voting rights exercised in respect of each resolution.

4 Ordinary resolutions 3.1 and 3.2 – Reappointment of external auditors

The Group Audit Committee considered the independence of the joint external auditors on an ongoing basis during the year and assessed the skills, reporting and overall performance of Deloitte & Touche (with Mr L Nunes as designated registered auditor, following the conclusion of Mr M Jordan's term) and KPMG Inc (with Mr S Malaba as designated registered auditor), and recommend their reappointment as joint auditors of the group. It is proposed that the appointments be made on a joint basis. If either resolution 3.1 or resolution 3.2 is not passed, the resolution that is passed will be effective.

3.1 'Resolved that Deloitte & Touche be and is hereby reappointed as auditors of the company to hold office from the conclusion of the 50th annual general meeting until the conclusion of the next annual general meeting of Nedbank Group.'

3.2 'Resolved that KPMG Inc be and is hereby reappointed as auditors of the company to hold office from the conclusion of the 50th annual general meeting until the conclusion of the next annual general meeting of Nedbank Group.'

The percentage of voting rights required for the passing of each ordinary resolution contained under points 3.1 and 3.2 is more than 50% (fifty percent) of the voting rights exercised in respect of each resolution.

5 Ordinary resolution 4 – Placing the authorised but unissued ordinary shares under the control of the directors

'Resolved that the board be and is hereby authorised, as it in its discretion thinks fit, to issue ordinary shares of R1,00 each in the share capital of the company, subject to the provisions of the Companies Act, 71 of 2008 (as amended), the Banks Act, 94 of 1990 (as amended), and the JSE Ltd Listings Requirements.

The issuing of shares granted under this authority will be limited to 5% of the number of Nedbank Group ordinary shares in issue at 1 January 2017, including for purposes of the Nedbank Group employee share incentive schemes and the NedNamibia Stakeholder Schemes referred to in special resolutions 5 and 6.

Such authority will endure until the annual general meeting of the company to be held in 2018 (whereupon this authority will lapse, unless it is renewed at the aforementioned annual general meeting), provided that it will not extend beyond 15 months from 18 May 2017.'

The percentage of voting rights required for the passing of this ordinary resolution is more than 50% (fifty percent) of the voting rights exercised on this resolution.

6 Ordinary resolution 5 – Placing the authorised but unissued cumulative redeemable non-participating preference shares ('preference shares') under the control of the directors

'Resolved that the board be and is hereby authorised, as it in its discretion thinks fit, to issue preference shares of R10 000,00 each in the share capital of the company, subject to the provisions of the Companies Act, 71 of 2008 (as amended), the Banks Act, 94 of 1990 (as amended), and the JSE Ltd Listings Requirements.

Such authority will endure until the forthcoming annual general meeting of the company to be held in 2018 (whereupon this authority will lapse, unless it is renewed at the aforementioned annual general meeting), provided that it will not extend beyond 15 months from 18 May 2017.'

The percentage of voting rights required for the passing of this ordinary resolution is more than 50% (fifty percent) of the voting rights exercised on this resolution.

7 Advisory endorsement on a non-binding basis of remuneration policy

'To endorse through a non-binding advisory vote the company's Remuneration Policy (excluding the remuneration of non-executive directors for their services as directors and members of the board committees), as set out in the Remuneration Report contained in the annual financial statements.'

In accordance with the principles of King III, an advisory vote is being put to shareholders for the endorsement of Nedbank Group's Remuneration Policy. As the votes on this resolution are non-binding, the results would not be binding on the board. However, the board will consider the outcome of the vote when reviewing its Remuneration Policy in future.

SPECIAL RESOLUTIONS

8 Special resolutions 1.1 to 1.11.2 – Remuneration of non-executive directors

'Resolved that the relevant non-executive directors' fees for their services as directors be and are hereby approved as separate special resolutions as follows:

	Board	Current annual fee (1/7/2016 to 30/6/2017) R	Proposed annual fee (1/7/2017 to 30/6/2018)[1] R
1.1	Non-executive Chairman (all-inclusive fee including committee chairmanship and membership fees)	5 000 000	5 355 000
1.2	Lead Independent Director fee (additional 40% on both the Nedbank Group and Nedbank Limited boardmember fees)	180 000	190 000
1.3	Nedbank Group Boardmember	245 000	258 500
	Committee fees		
1.4	Nedbank Group Audit Committee		
1.4.1	Chair	650 000	687 500
1.4.2	Member	260 000	275 000
1.5	Nedbank Group Credit Committee		
1.5.1	Chair	500 000	530 000
1.5.2	Member	200 000	212 000
1.6	Nedbank Group Directors' Affairs Committee		
1.6.1	Chair	196 250	210 000
1.6.2	Member	78 500	84 000
1.7	Nedbank Group Information Technology Committee		
1.7.1	Chair	250 000	312 500
1.7.2	Member	100 000	125 000
1.8	Nedbank Group Related-party Transactions Committee		
1.8.1	Chair	75 000	80 000
1.8.2	Member	30 000	32 000
1.9	Nedbank Group Remuneration Committee		
1.9.1	Chair	350 000	400 000
1.9.2	Member	140 000	160 000
1.10	Nedbank Group Risk and Capital Management Committee		
1.10.1	Chair	450 000	475 000
1.10.2	Member	180 000	190 000
1.11	Nedbank Group Transformation, Social and Ethics Committee		
1.11.1	Chair	250 000	312 500
1.11.2	Member	100 000	125 000

[1] *Subject to shareholders' approval at the May 2017 annual general meeting. On a like-for-like basis the proposed increase represents a 7,6% increase overall. The Nedbank Ltd boardmember fee for 2017 was R205 000 in 2016 and will be proposed as R216 500 at the Nedbank Ltd annual general meeting on 17 May 2017. The proposed fees for 2017 set out above exclude VAT.*

Each of the special resolutions set out in 1.1 to 1.11 will be considered separately.'

The percentage of voting rights required for the passing of each of the special resolutions contained under points 1.1 to 1.11 is more than 75% (seventy-five percent) of the voting rights exercised in respect of each resolution.

9 Special resolution 2 – General authority to repurchase ordinary shares

PREAMBLE

The board of directors of the company has considered the impact of a repurchase or purchase, as the case may be, of up to 5% of the company's ordinary shares, which falls within the amount permissible under a general authority in terms of the JSE Listings Requirements, and of an acquisition of shares in the company by a subsidiary of the company in terms of the Companies Act. Should the opportunity arise and should the directors deem it to be advantageous to the company, or any of its subsidiaries, to repurchase or purchase, as the case may be, such shares, it is considered appropriate that the directors (and relevant subsidiaries) be authorised to repurchase or purchase, as the case may be, the company's ordinary shares.

'Resolved that the company and/or its subsidiaries be and are hereby authorised by way of a general authority to repurchase or purchase, as the case may be, ordinary shares issued by the company, from any person, on such terms and conditions and in such numbers as the directors of the company or the subsidiary may from time to time determine, subject to the applicable requirements of the company's memorandum of incorporation, the approval, to the extent required, of the Registrar of Banks, the provisions of the Companies Act, the Banks Act, 94 of 1990 (as amended), and the JSE Ltd ('the JSE') Listings Requirements, and subject further to the restriction that the repurchase or purchase, as the case may be, by the company and/or any of its subsidiaries of shares in the company under this authority will not, in aggregate, exceed 5% of the ordinary shares of the company in issue at the commencement of such financial year provided that:

(a) the repurchase of ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
(b) authorisation thereto must be given by the company's and its relevant subsidiary's memorandum of incorporation;
(c) this general authority will be valid only until the company's next annual general meeting, provided that it does not extend beyond 15 months from the date of the passing of this special resolution;
(d) the maximum price at which ordinary shares may be repurchased will be 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the five trading days immediately preceding the date of the repurchase of such ordinary shares by the company;
(e) neither the company nor its subsidiaries will repurchase ordinary shares during a prohibited period, as defined in paragraph 3.67 of the JSE Listings Requirements, unless a repurchase programme is in place in terms of which the dates and quantities of ordinary shares to be traded during the relevant period are fixed (not subject to any variation), full details of which programme have been disclosed to the JSE prior to the commencement of the prohibited period;
(f) when the company has cumulatively repurchased 3% of the initial number of the ordinary shares, and for each 3% in aggregate of the initial number of that class acquired thereafter (if applicable), an announcement will be published on the Securities Exchange News Service (SENS) and in the financial press;
(g) at any time the company will appoint only one agent to effect any repurchase(s) on its behalf;
(h) no voting rights attached to the company's shares repurchased by a subsidiary of the company may be exercised while shares are held by the subsidiary and it remains a subsidiary of the company;
(i) the general authority granted to the board may be varied or revoked, by special resolution, at any time prior to the next annual general meeting of the company; and
(j) the maximum number of Nedbank Group ordinary shares that may be repurchased during the term of this authority is 24 793 286 shares (5% of 495 865 721 ordinary shares in issue at 1 January 2017).'

The directors of the company will not effect a general repurchase of ordinary shares as contemplated above, unless, in addition to complying with the requirements of the Companies Act, the following conditions as contemplated by the JSE Listings Requirements are met:

(1) the company and the group are in a position to repay their debt in the ordinary course of business for a period of 12 months after the date of the notice of the annual general meeting;
(2) the company's and the group's assets at fair value will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements, which comply with the Companies Act;
(3) the share capital and reserves of the company and the group are adequate for a period of 12 months following the date of the notice of the annual general meeting; and
(4) the available working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of this notice of the annual general meeting; and
(5) a resolution is passed by the board that it authorised the repurchase of shares, that the company and its subsidiaries have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of Nedbank Group.

The percentage of voting rights required for the passing of special resolution 2 is more than 75% (seventy-five percent) of the voting rights exercised on this resolution.

Disclosure in terms of section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures in respect of special resolution 2, which are disclosed in the Nedbank Group Integrated Report 2016, as set out below:

Major shareholders of Nedbank Group (note 14 on pages 178 and 179 of the audited separate annual financial statements at nedbankgroup.co.za).

Share capital of Nedbank Group (note B4 on pages 25 and 26 of the audited consolidated annual financial statements at nedbankgroup.co.za).

Material changes

Other than the facts and developments reported on in the Integrated Report, there have been no material changes in the affairs or financial position of Nedbank Group and its subsidiaries from 31 December 2016 to the date of the Integrated Report forming part of the annual financial statements.

Directors' responsibility statement

The directors, whose names are given on page 16 of the Integrated Report available at nedbankgroup.co.za, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution 2 and certify that, to the best of their knowledge and belief, no facts have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution and additional disclosure in terms of section 11.26 of the JSE Listings Requirements pertaining thereto contain all such information required by law and the JSE Listings Requirements.

The company's memorandum of incorporation contains a provision allowing the company or any of its subsidiaries to repurchase (acquire) the company's issued shares. This is subject to the Companies Act, the Banks Act, 94 of 1990 (as amended), and the JSE Listings Requirements. In terms of sections 46 and 48 of the Companies Act, the company or its subsidiaries are allowed to repurchase the company's shares. The existing general authority, granted by shareholders at the last annual general meeting on 5 May 2016, is due to expire. Should the general authority for the acquisition of ordinary shares be granted at Nedbank Group's annual general meeting, it will provide the board with the flexibility to repurchase such ordinary shares as and when the best interests of the company require it to do so.

The directors are of the opinion that it would be in the best interests of the company to provide such general authority and thereby allow the company to be in a position to repurchase its own shares on the open market, should market conditions and price justify such action. The proposed authority would enable the company to repurchase up to 24 793 286 ordinary shares in the capital of the company, with a stated upper limit on the price payable, in terms of the JSE Listings Requirements. The board manages the company's equity on a proactive and dynamic basis, and repurchases would be made only after the most careful consideration, in cases where the directors believe that such purchases would be in the best interests of the company and its shareholders.

10 Special resolution 3 – General authority to provide financial assistance to related and interrelated companies

'Resolved that, subject to the provisions of the Companies Act, 71 of 2008 ('the Companies Act'), the shareholders of the company hereby approve, as a general approval for a period of two years, the company providing direct or indirect financial assistance ('financial assistance') as contemplated in sections 44 and 45 of the Companies Act on such terms as may be authorised by the board of directors of the company in accordance with the following:

1 the financial assistance can be provided to any related or interrelated company (and any person 'related' to such company) or any other person (a 'recipient') (which, for the avoidance of doubt, excludes financial assistance provided to any directors or prescribed officers of the company or of any such recipients);

2 nothing in this approval will limit the provision by the company of financial assistance that does not require approval by way of a special resolution of the shareholders in terms of sections 44 and 45 of the Companies Act or falls within any exemption provided in those sections.'

Section 44 of the Companies Act essentially requires, subject to limited exceptions, approval by way of special resolution for the provision of financial assistance for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company. Section 45 of the Companies Act essentially requires, subject to limited exceptions, approval by way of special resolution for the provision of financial assistance, among others, to companies 'related' to and 'interrelated' with the company. Both sections 44 and 45 provide, among others, that the regulated financial assistance may only be provided pursuant to a special resolution passed by shareholders within the previous two years.

The provision of any direct or indirect financial assistance by the company will always be subject to the board being satisfied that, immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test referred to in sections 44(3)(b)(i) or 45(3)(b)(i) of the Companies Act respectively, and that the terms under which such financial assistance is to be given are fair and reasonable to the company, as referred to in sections 44(3)(b)(i) or 45(3)(b)(ii) of the Companies Act respectively.

The directors would like the authority to be able to provide financial assistance to companies 'related' and 'interrelated' to the company and persons related to such companies, including for the acquisition of securities issued by the company and related companies, where they regard it as desirable. Such authorisation is generally required for providing loans and guarantees and other financial assistance to subsidiaries and group companies, which is often necessary or desirable for the conduct of Nedbank Group's business. The extension of this authority to 'any other person' is for the sole purpose of facilitating the mechanics of Nedbank Group's preference share funding business.

The percentage of voting rights required for the passing of special resolution 3 is more than 75% (seventy-five percent) of the voting rights exercised on this resolution.

11 Special resolution 4 – Amendment to clause 10 of the memorandum of incorporation in relation to the treatment of fractions

'Resolved that the memorandum of incorporation of the company be amended by the deletion and replacement of the existing clause 10 with the wording as follows:

10 Fractional entitlements

If security holders would, on any capitalisation issue (for the sake of clarity, reference to a capitalisation issue will have its ordinary meaning and include the issue of 'scrip dividends' contemplated in the JSE Ltd Listings Requirements), consolidation, distribution or unbundling of securities, but for the provisions of this clause, become entitled to fractions of securities, such fractions will be treated in accordance with the JSE Ltd Listings Requirements as amended from time to time.'

Explanatory information in respect of special resolution 4

Special resolution 4 is proposed to amend the memorandum of incorporation to include the latest amendments to the JSE Listings Requirements in relation to the treatment of fractions. This amendment will have the effect of changing the treatment of fractional entitlements without the need for a reapproval by shareholders to ensure alignment with the JSE Listings Requirements as they are amended.

A copy of the memorandum of incorporation with the change initialled and signed on the front cover by the Chairman of the board, with the proposed amendment being highlighted for ease of reference, will be available at the Group Secretary's office at the registered office of the company during normal business hours (excluding Saturdays, Sundays and public holidays) from 31 March 2017 up to and including 18 May 2017.

The percentage of voting rights required for the passing of special resolution 4 is more than 75% (seventy-five percent) of the voting rights exercised on this resolution.

NedNamibia Holdings Share Schemes

For the purposes of special resolutions numbers 5 and 6:

1 **'1973 Act'** means the South African Companies Act, 61 of 1973;

2 **'Companies Act'** means the South African Companies Act, 71 of 2008;

3 **'Education Trust'** means the Old Mutual and Nedbank Namibia Education Trust;

4 **'NedNamibia Discretionary Trust'** means NedNamibia Holdings Discretionary Trust;

5 **'NedNamibia Stakeholder Option'** means the call option granted by the company to each of the NedNamibia Stakeholders in terms of the relevant NedNamibia Stakeholder Scheme;

6 **'NedNamibia Stakeholder'** means each of the Strategic business partners, the strategic community partners, the Education Trust and the NedNamibia Discretionary Trust;

7 the **'NedNamibia Stakeholder Scheme'** means the scheme under the relevant agreement concluded between the company and each of the NedNamibia stakeholders;

8 **'Strategic business partners'** means

a Central Consortium SPV Three Investments (Pty) Ltd ('Central Consortium SPV'), a wholly owned subsidiary of Central Consortium Investments (Pty) Ltd;

b Coastal Consortium SPV Three Investments (Pty) Ltd ('Manmar SPV'), a wholly owned subsidiary of Manmar Investments Thirty Five (Pty) Ltd;

c Northern Empowerment SPV Three Investments (Pty) Ltd ('Northern Empowerment Investments SPV'), a wholly owned subsidiary of Northern Empowerment Investments (Pty) Ltd; and

9 **'Strategic community partners'** means

a Eastern Consortium SPV Three Investments (Pty) Ltd ('WAD SPV'), a wholly owned subsidiary of Women's Action for Development, a Namibian NGO which was formally known as the WAD Investment Trust;

b Southern Consortium SPV Three Investments (Pty) Ltd ('Churches SPV'), a wholly owned subsidiary of the Namibian Special Consortium of Churches Investment Trust, the beneficiaries of which are African Methodist Episcopal Church, Evangelical Lutheran Church in the Republic of Namibia and the Evangelical Lutheran Church in Namibia.

12 **Special resolution 5 – NedNamibia Stakeholder Schemes repurchase**

In terms of the relevant NedNamibia Stakeholder Scheme, the Central Consortium SPV, the Churches SPV, the Education Trust, the Manmar SPV, the NedNamibia Discretionary Trust, the Northern Empowerment Investments SPV and the WAD SPV each individually granted the company a call option in terms of which the company is entitled, but not obliged, to purchase certain shares in the company issued to the relevant NedNamibia Stakeholder pursuant to the relevant NedNamibia Stakeholder Scheme. If the company decides to exercise any one or more of those call options, it will be done by way of a repurchase. On 7 December 2006 the shareholders authorised the company (by way of a specific authority in accordance with the JSE Ltd Listings Requirements and the 1973 Act in terms of special resolution number 1) to repurchase its shares in accordance with the call option granted to it by each of the NedNamibia Stakeholders. Although the necessary special resolution has therefore been obtained in December 2006 when each of the NedNamibia Stakeholder Schemes came into force and although the board considers that that resolution has given it the necessary authority to exercise the call options under any of the NedNamibia Stakeholder Schemes, the company, as a matter of prudence, has decided to obtain the approval in that regard under the Companies Act in view of the fact that the requirements of the Companies Act regarding repurchases are different from those applicable under the 1973 Act in that a special resolution is not required for a repurchase per se but is required if any shares are being bought back from directors or prescribed officers or parties related to them.

Item 7(6) of schedule 5 of the Companies Act provides that an approval of any distribution is subject to the Companies Act, even if such action had been approved by a company's shareholders before the effective date, despite anything to the contrary in a company's memorandum of incorporation. A repurchase is included in the definition of distribution. However, a distribution does not require any corporate actions by shareholders, it merely requires the directors to be satisfied before pursuing a repurchase (which must be done within 120 business days after the directors satisfy themselves) as to the company's compliance with the solvency and liquidity requirements of the Companies Act.

'Resolved that the board is authorised, as it in its discretion deems fit but subject to compliance with the requirements of the memorandum of incorporation, the Companies Act, the Banks, Act 94 of 1990 (as amended) and the JSE Ltd Listing Requirements, to approve the purchase by the company of its issued securities from a director or prescribed officer of the company, or a person related to a director or prescribed officer of the company, if any, pursuant to any of the NedNamibia Stakeholder Schemes.'

The percentage of voting rights required for the passing of special resolution 5 is more than 75% (seventy-five percent) of the voting rights exercised on this resolution.

13 **Special resolution 6 – NedNamibia Stakeholder Schemes: Reapproval and ratification of the grant of a call option for the issue of securities**

In terms of the NedNamibia Stakeholder Schemes, the Central Consortium SPV, the Churches SPV, the Education Trust, the Manmar SPV, the NedNamibia Discretionary Trust, the Northern Empowerment Investments SPV and the WAD SPV was each given its NedNamibia Call Option by the company in terms of which each is entitled, but not obliged, to subscribe at market value for up to such number of ordinary shares in the company as is equal to the number of ordinary shares the company buys back, if any, pursuant to its call option contemplated in special resolution number 5. On 7 December 2006 the shareholders authorised the company (by ordinary resolution number 7) to issue such shares to any of the NedNamibia Stakeholders that exercised their NedNamibia Stakeholder Option.

Item 7(6) of schedule 5 of the Companies Act provides that approval of any 'insider share issues, or options' are subject to the Companies Act 'even if such action had been approved by a company's shareholders' before the date on which the Companies Act came into force, despite anything to the contrary in a company's memorandum of incorporation. It is very unclear what is meant by 'insider shares'. The requirements of the Companies Act regarding grants of options and issues of shares are different from those applicable under the 1973 Act in that a special resolution is required for the grant by the company of such a call option or the issue of shares, if the grant of that option or the issue of the shares is to any person related to or interrelated to the company, or to a director or prescribed officer of the company. This may be what is meant by insider shares.

Accordingly, although the necessary resolution for each NedNamibia Stakeholder Option has been obtained in December 2006 when the NedNamibia Stakeholder Schemes came into force and although the board considers that that resolution has given it the necessary authority to issue the requisite ordinary shares if any NedNamibia Stakeholder Option is exercised the company as a matter of prudence has decided to obtain the approval in that regard under the Companies Act. The company does not consider the NedNamibia Stakeholders necessarily persons related to or interrelated to the company. This resolution is being proposed as a matter of prudence to the extent that any of the above entities are currently or in the future become related to or interrelated to the company or become so in future.

'Resolved that the grant by the company of each NedNamibia Stakeholder Option in favour of each NedNamibia Stakeholder be reapproved and, to the extent necessary, ratified with the consequent right to allot and issue as many ordinary authorised, but unissued, Nedbank Group shares or securities convertible into Nedbank Group shares, as previously approved by shareholders on 7 December 2006, should any such NedNamibia Stakeholder Option be exercised in accordance with the NedNamibia Stakeholder Scheme in question.'

The percentage of voting rights required for special resolution 6 is more than 75% (seventy-five percent) of the voting rights exercised on this resolution.

VOTING BY PROXY

Each person entitled to attend and vote at the annual general meeting may appoint a proxy or proxies to attend, speak and vote or abstain from voting in his/her/its/their stead. A proxy need not be a shareholder of the company. Completed proxy forms must please be received at the office of the transfer secretaries no later than 24 hours before the time appointed for the holding of the annual general meeting.

By order of the board

TSB Jali

Company Secretary

31 March 2017

Sandown

Approved by the board on 17 March 2017

Registered office	Transfer secretaries in SA	Transfer secretaries in Namibia
Nedbank Group Limited	Computershare Investor Services (Pty) Ltd	Transfer Secretaries (Pty) Ltd
Reg No 1966/010630/06 Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196	Rosebank Towers 15 Bierman Avenue Rosebank, 2196	Robert Mugabe Avenue No 4 Windhoek, Namibia
PO Box 1144 Johannesburg, 2000 Tel: +27 (0)11 294 4444	PO Box 61051 Marshalltown, 2107 Tel: +27 (0)11 370 5000 Fax: +27 (0)11 688 5238	PO Box 2401 Windhoek, Namibia Tel: +264 (0)61 227 647 Fax: +264 (0)61 248 531

Important notes about the annual general meeting

Venue and date	The 50th annual general meeting of shareholders will be held in the Auditorium, Retail Place West, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, on Thursday, 18 May 2017
Time	The annual general meeting will start promptly at 08:30. Shareholders wishing to attend are advised to be in the auditorium no later than 08:15. The reception area will be open from 08:00, from which time refreshments will be served. All times referred to in the notice and notes are SA time.
Proof of identity and admission	Shareholders and others attending the annual general meeting are asked to register at the registration desk in the auditorium reception area. For purposes of section 63(1) of the Companies Act, 71 of 2008 (as amended) any person attending or participating at the annual general meeting is required to present reasonably satisfactory identification to the satisfaction of the presiding chairman. Forms of identification include valid identity documents, driving licences and passports.
Housekeeping	Cellphones must be switched off for the duration of the proceedings.
Parking	Secure parking is provided at Nedbank 135 Rivonia Campus, 135 Rivonia Road, Entrance 4, off Fredman Drive.
Electronic voting	Nedbank Group will once again be taking advantage of the benefits that electronic meeting management can offer. On arrival you will be registered, be linked to your profile on the share register and be given an electronic keypad with which to cast your vote. As your vote is received, a message will be displayed on the keypad screen, confirming that your vote has been registered. Results of votes cast in respect of each resolution will be displayed on an overhead screen within minutes of voting. Shareholders wishing to participate in the meeting through electronic facilities are requested to contact the Company Secretary's office no later than Monday, 8 May 2017, in order for reasonable access to be arranged.
Interpreter	Should you require an interpreter (for sign language or translation from English into any of the other official SA languages) to be in attendance at the annual general meeting, please do not hesitate to advise the Company Secretary's office on +27 (0)11 294 9107 or at JackieK@nedbank.co.za no later than Monday, 8 May 2017, for this facility to be arranged.
Certificated shareholders and own-name dematerialised shareholders registration	Holders of certificated Nedbank Group ordinary shares wishing to attend the annual general meeting should verify beforehand with the transfer secretaries of the company that their shares are in fact registered in their own name and check the number of shares so registered. Should their shares not be registered in their own name but in any other name or form, shareholders wishing to attend and/or vote at the annual general meeting should follow the instructions and explanatory notes that accompany the notice of the annual general meeting. Similarly, shareholders who are holding dematerialised Nedbank Group ordinary shares and believe these to be held in their own name should check with the transfer secretaries and take the appropriate action in accordance with the instructions and guidance contained herein or obtain assistance from the transfer secretaries, if necessary. A person who holds a beneficial interest in any certificated Nedbank Group shares may vote on a matter at the annual general meeting, only to the extent that: 1 the beneficial interest includes the right to vote on the matter; and 2 the person's name is on the company's register of disclosures as the holder of a beneficial interest; or 3 the person holds a proxy appointment in respect of that matter from the registered holder of the relevant Nedbank Group shares.
Participant (previously known as central securities depository participant) or nominee holdings	Holders of Nedbank Group ordinary shares (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, participant or broker to furnish such nominee, participant or broker with the necessary authority to attend and vote at the annual general meeting or they should instruct their nominee, participant or broker on how they wish their votes to be cast on their behalf at the annual general meeting. As far as holdings in a participant are concerned, these will be guided by the terms of the agreement entered into between shareholders and their participant or broker.
Proxies	Shareholders completing a form of proxy are requested to ensure that their form of proxy reaches the address in note 10 on page 58 no later than 08:30 (SA time) on Wednesday, 17 May 2017.
Enquiries	Any shareholders experiencing difficulties or having questions pertaining to the annual general meeting or the above are invited to contact the Company Secretary's office on +27 (0)11 294 9107.
Results of the annual general meeting	The results of the annual general meeting will be posted on the Securities Exchange News Service (SENS) as soon as is practicable after the annual general meeting.

Form of proxy

Nedbank Group Limited
(Incorporated in the Republic of South Africa)
Reg No 1966/010630/06
JSE share code: NED
NSX share code: NBK ISIN: ZAE000004875
('Nedbank' or 'the company')

For use by registered holders of certificated Nedbank Group securities and holders of dematerialised Nedbank Group securities registered in their own name ('shareholders') and any persons who are not shareholders, but who, at the record date of Friday, 12 May 2017, are entitled to exercise any voting rights (irrespective of the form, title or nature of the securities to which those voting rights are attached (collectively 'holders') in relation to the resolutions to be proposed at the annual general meeting to be held in the Auditorium, Retail Place West, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, on Thursday, 18 May 2017 at 08:30 and at any adjournment thereof.

Holders of dematerialised securities who are not 'own-name' registered holders and who wish to attend the annual general meeting must inform their nominee, participant (previously referred to as central securities depository participant) or broker of their intention and the nominee, participant or broker will furnish such holder with the necessary letter of representation to attend and vote at the annual general meeting. Alternatively, should a holder not wish to attend the annual general meeting in person, such holder may provide his/her nominee, participant or broker with his/her voting instruction and such nominee, participant or broker will complete all necessary documentation and action same in order for the holders' vote(s) to be taken account of at the annual general meeting.

I/We

of (address)

being the holder(s) of ordinary shares in the company, appoint (see note 1 and 4)

1 or failing him/her

2 or failing him/her

the chair of the annual general meeting as my/our proxy to act for me/us and on my/our behalf at the annual general meeting that will be held for the purpose of considering and, if deemed fit, passing with or without modification the ordinary and special resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against such resolutions and/or to abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions (see note 5):

Ordinary resolutions	For	Against	Abstain
ORDINARY RESOLUTION 1 – ELECTION OF DIRECTORS OF THE COMPANY APPOINTED DURING THE YEAR 1.1 Election as a director of Mr EM Kruger, who was appointed as a director since the previous general meeting of shareholders			
1.2 Election as a director of Mr RAG Leith, who was appointed as a director since the previous general meeting of shareholders			
ORDINARY RESOLUTION 2 – REELECTION OF DIRECTORS RETIRING BY ROTATION			
2.1 Reelection as a director of Mr MWT Brown, who is retiring by rotation			
2.2 Reelection as a director of Mr BA Dames, who is retiring by rotation			
2.3 Reelection as a director of Dr MA Matooane, who is retiring by rotation			
2.4 Reelection as a director of Mr JK Netshitenzhe, who is retiring by rotation			
ORDINARY RESOLUTION 3 – REAPPOINTMENT OF EXTERNAL AUDITORS			
3.1 Reappointment of Deloitte & Touche as external auditors			
3.2 Reappointment of KPMG Inc as external auditors			
ORDINARY RESOLUTION 4 – PLACING THE AUTHORISED BUT UNISSUED ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS			
ORDINARY RESOLUTION 5 – PLACING THE AUTHORISED BUT UNISSUED PREFERENCE SHARES UNDER THE CONTROL OF THE DIRECTORS			
Advisory endorsement on a non-binding basis of the company's Remuneration Policy			
Special resolutions			
Board fees			
SPECIAL RESOLUTION 1 – REMUNERATION OF NON-EXECUTIVE DIRECTORS			
1.1 Non-executive Chairman			
1.2 Lead Independent Director fee (additional 40%)			
1.3 Nedbank Group boardmember			

Committee fees				
1.4	Nedbank Group Audit Committee			
1.4.1	Chair			
1.4.2	Member			
1.5	Nedbank Group Credit Committee			
1.5.1	Chair			
1.5.2	Member			
1.6	Nedbank Group Directors' Affairs Committee			
1.6.1	Chair			
1.6.2	Member			
1.7	Nedbank Group Information Technology Committee			
1.7.1	Chair			
1.7.2	Member			
1.8	Nedbank Group Related-party Transactions Committee			
1.8.1	Chair			
1.8.2	Member			
1.9	Nedbank Group Remuneration Committee			
1.9.1	Chair			
1.9.2	Member			
1.10	Nedbank Group Risk and Capital Management Committee			
1.10.1	Chair			
1.10.2	Member			
1.11	Nedbank Group Transformation, Social and Ethics Committee			
1.11.1	Chair			
1.11.2	Member			
SPECIAL RESOLUTION 2 – GENERAL AUTHORITY TO REPURCHASE ORDINARY SHARES				
SPECIAL RESOLUTION 3 – GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO RELATED AND INTERRELATED COMPANIES				
SPECIAL RESOLUTION 4 – AMENDMENT TO CLAUSE 10 OF THE MEMORANDUM OF INCORPORATION IN RELATION TO THE TREATMENT OF FRACTIONS				
SPECIAL RESOLUTION 5 – NEDNAMIBIA STAKEHOLDER SCHEMES REPURCHASE				
SPECIAL RESOLUTION 6 – NEDNAMIBIA STAKEHOLDER SCHEMES: REAPPROVAL AND RATIFICATION OF THE GRANT OF A CALL OPTION FOR THE ISSUE OF SECURITIES				

On a show of hands a person entitled to vote is entitled to only one vote, irrespective of the number of the relevant Nedbank Group shares he/she holds or represents.

On a poll a person entitled to vote at the annual general meeting present in person or by proxy/proxies is entitled to that proportion of the total votes in the company that the aggregate amount of the nominal value of the Nedbank Group shares issued by the company and carrying the right to vote.

A proxy/proxies may delegate his/her/their authority in terms of this proxy to another person. Unless it is revoked earlier, this proxy form will lapse and cease to be of force and effect immediately after the annual general meeting of the company to be held on Thursday, 18 May 2017 at 08:30 or at any adjournment thereof.

Signed at (place) on (date)
2017

Signature

Assisted by me

(where applicable)

Please read the notes on the reverse side hereof.

Notes to form of proxy

Summary of the rights of a certificated holder or 'own-name' registered dematerialised holder to be represented by proxy as contained in section 58 of the Companies Act and notes to the form of proxy.

1 Each holder entitled to attend and vote at the annual general meeting is entitled to appoint one or more individuals as proxy/proxies (who need not be person(s) entitled to vote at the annual general meeting) to attend, participate in, speak and vote or abstain from voting in place of that holder at the annual general meeting.

2 The proxy/proxies may delegate the authority received from the holder to a further person, subject to any restriction set out in this form of proxy.

3 A proxy appointment must be in writing, dated and signed by the holder appointing the proxy/proxies.

4 A holder may insert the name of a proxy or the names of two alternative proxies of the holder's choice in the space provided, with or without deleting 'the chair of the annual general meeting'. The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of the persons whose names follow. Further, a holder may appoint more than one proxy to exercise voting rights attached to different securities held by that holder.

5 A holder's instructions to the proxy/proxies have to be indicated by the insertion of the relevant number of votes exercisable by that holder in the appropriate box provided. Failure to comply with this will be deemed to authorise the chair of the annual general meeting, if the chair is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or the appointed proxy/proxies to vote or abstain from voting at the annual general meeting, without direction as he/she/they deem(s) fit, in respect of all the holder's votes exercisable thereat.

6 A holder or his/her proxy/proxies is/are not obliged to vote in respect of all the ordinary shares held by such holder or represented by such proxy/proxies, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the holder or his/her proxy/proxies is/are entitled.

7 Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chair of the annual general meeting. Examples of satisfactory identification include a valid identity document, a valid driving licence or a valid passport.

8 Any alterations or corrections to this form of proxy must be initialled by the signatory/signatories.

9 The completion and lodging of this form of proxy will not preclude the relevant holder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such holder wish to do so, in which case this proxy will be suspended accordingly.

10 Forms of proxy have to be lodged with or posted to the Company Secretary's office (for the attention of Jackie Katzin, Ground Floor, Block A, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196 (PO Box 1144, Johannesburg, 2000) or the company's transfer secretaries in SA, namely Computershare Investor Services (Pty) Ltd ('Computershare'), Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196, (PO Box 61051, Marshalltown, 2107) or in Namibia, namely Transfer Secretaries (Pty) Ltd, 4 Robert Mugabe Avenue, Windhoek, Namibia (PO Box 2401,Windhoek, Namibia) before a proxy/proxies may exercise any voting rights of a holder at the annual general meeting. The forms of proxy are requested to be received no later than 08:30 on Wednesday, 17 May 2017. Forms of proxy can also be submitted electronically to Computershare (proxy@computershare.co.za), subject to the proxy instructions meeting all other criteria. Any form of proxy not received by the company or the company's transfer secretaries in accordance with the above, must be handed to the Company Secretary at the annual general meeting before a proxy/proxies may exercise any voting rights of a holder at the annual general meeting.

11 This form of proxy may be completed by:

11.1 those holders who are holding Nedbank Group shares in a certificated form; or

11.2 those holders who are recorded in the subregister as holding Nedbank Group shares in dematerialised electronic form in their own name; or

11.3 persons who are not shareholders but who are entitled to exercise any voting rights (irrespective of the form, title or nature of the securities to which those voting rights are attached) at the record date of this annual general meeting.

12 Holders of Nedbank Group ordinary shares (whether certificated or dematerialised) through a nominee, should timeously make the necessary arrangements with that nominee or, if applicable, participant (previously referred to as central securities depository participant) or broker on how they wish their votes to be cast on their behalf at the annual general meeting. As far as holdings in a participant are concerned, these will be guided by the terms of the agreement entered into between shareholders and their participant or broker.

13 Holders attending the annual general meeting on 18 May 2017 will be afforded the opportunity of putting questions to the directors and management.

14 If this form of proxy has been delivered to the company in accordance with paragraph 10, and as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to a holder must be delivered by the company to the holder or, alternatively, if a holder has directed the company to do so in writing and has paid any reasonable fees charged by the company for doing so, to such holder's proxy/proxies.

15 Except if a holder provides in this proxy form that a proxy appointment is irrevocable, a holder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy/proxies; and (ii) delivering a copy of the revocation instrument to the proxy/proxies and to the Company Secretary's office at Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196, for the attention of Jackie Katzin, to be received before the replacement proxy/proxies exercise(s) any rights of the holder at the annual general meeting of the company or any adjournment thereof.

16 The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's/proxies' authority to act on behalf of the holder as of the later of: (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument was delivered, as required in paragraph 15 above.

Company details

NEDBANK GROUP LIMITED

Incorporated in the Republic of SA
Registration number 1966/010630/06

Registered office

Nedbank Group Ltd, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196.

PO Box 1144, Johannesburg, 2000

Transfer secretaries in SA

Computershare Investor Services Proprietary Limited
15 Biermann Avenue, Rosebank, Johannesburg, 2196
PO Box 61051, Marshalltown, 2107

Namibia

Transfer Secretaries Proprietary Limited
Robert Mugabe Avenue No 4, Windhoek, Namibia
PO Box 2401, Windhoek, Namibia

INSTRUMENT CODES

Nedbank Group ordinary shares

JSE share code:	NED
NSX share code:	NBK
ISIN: ZAE000004875	
ADR code:	NDBKY
ADR CUSIP:	63975K104

Nedbank Limited non-redeemable non-cumulative preference shares

JSE share code:	NBKP
ISIN: ZAE000043667	

For further information send an email to Nedbank Group Investor Relations at nedbankgroupir@nedbank.co.za.

Disclaimer

Nedbank Group has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this document, including all information that may be defined as 'forward-looking statements' within the meaning of US securities legislation.

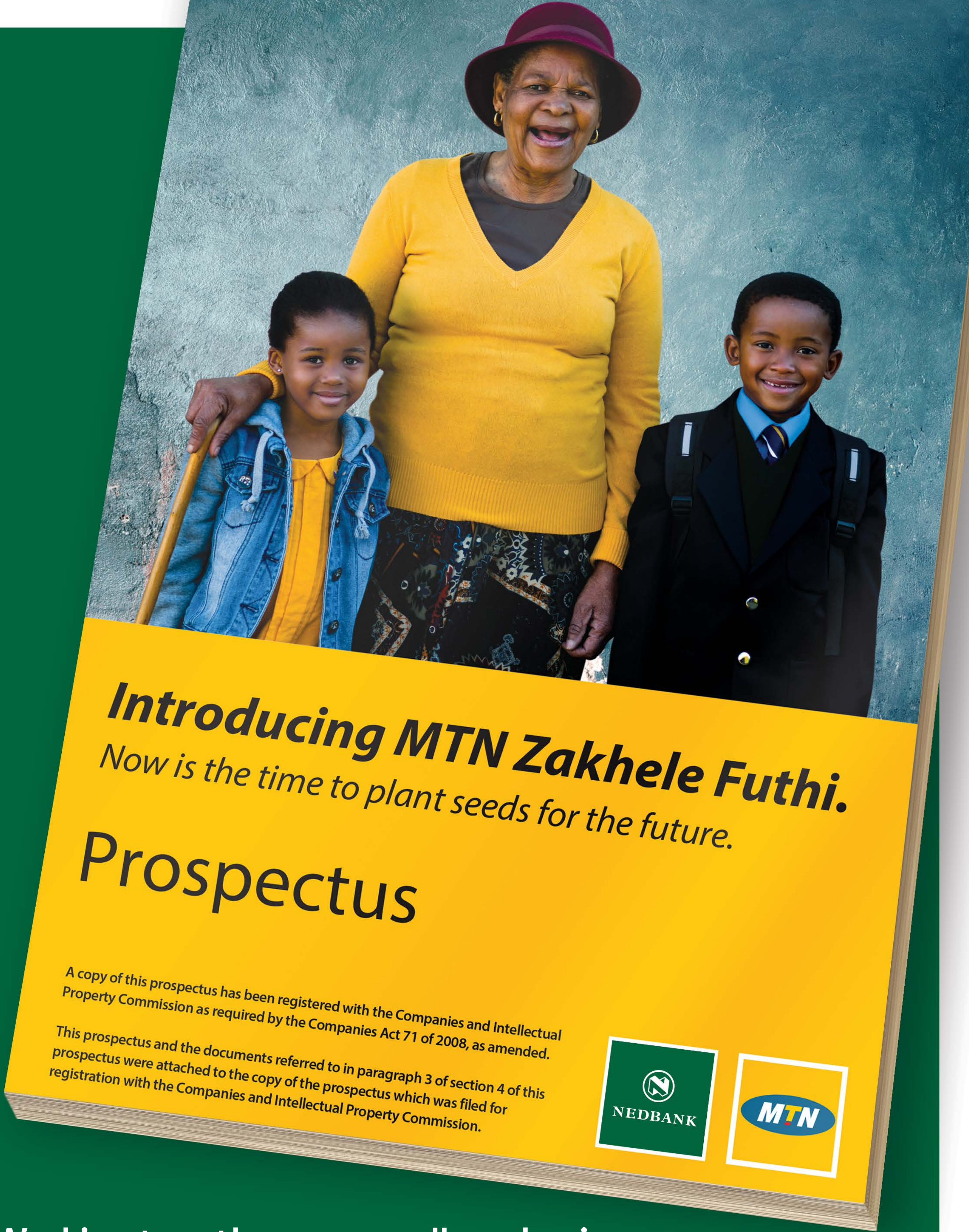
Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'.

Forward-looking statements are not statements of fact, but statements by the management of Nedbank Group based on its current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance.

No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

The risks and uncertainties inherent in the forward-looking statements contained in this document include, but are not limited to: changes to International Financial Reporting Standards and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic and international business and market conditions such as exchange rate and interest rate movements; changes to the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of both current and future litigation.

Nedbank Group does not undertake to update any forward-looking statements contained in this document and does not assume responsibility for any loss or damage whatsoever and howsoever arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings or profits, or consequential loss or damage.



Working together across all our businesses to find innovative solutions for our clients

The MTN Zakhele Futhi BBBEE deal is a good example of how businesses from across the group work together when having a common strategic goal to deliver innovative solutions to our clients.

Nedbank has always aspired to be at the forefront of transformation, as is evident from our leadership in launching our own BBBEE deal in 2005. In line with this and building on our long-standing relationship with MTN Group, we were successful in leading an integrated, bespoke solution to facilitate the implementation of MTN's new R9,9bn BBBEE scheme, MTN Zakhele Futhi.

This integrated solution demonstrates our ability to advise on, structure, manage, fund and distribute highly complex solutions for our clients, and has further strengthened our partnership with MTN. Nedbank is proud to have been part of this landmark follow-on BBBEE transaction and will continue to act as a key enabler and supporter of BEE principles.