

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

	Notes	2013 Rm	2012 Rm Restated
Interest and similar income	13	44 107	42 900
Interest expense and similar charges	14	23 873	24 102
Net interest income		20 234	18 798
Impairments charge on loans and advances	28.1	5 529	5 239
Income from lending activities		14 705	13 559
Non-interest revenue	15	15 466	14 151
Operating income		30 171	27 710
Total operating expenses		20 199	18 601
Operating expenses ¹	16	20 143	18 539
Black economic empowerment transaction expenses	16.1	56	62
Indirect taxation	17	480	460
Profit from operations before non-trading and capital items		9 492	8 649
Non-trading and capital items	18	(59)	(48)
Fair-value adjustments of investment properties	34.1	4	(1)
Profit from operations		9 437	8 600
Share of profits of associate companies and joint arrangements		28	
Profit before direct taxation		9 465	8 600
Direct taxation ¹	19.1	2 297	2 159
Profit for the year		7 168	6 441
Other comprehensive income net of taxation		932	42
- Exchange differences on translating foreign operations ²		96	35
- Fair value adjustments on available-for-sale assets ²		(108)	39
- Remeasurements on long-term employee benefit assets ¹		726	(71)
- Gains on property revaluations ²		218	39
Total comprehensive income for the year		8 100	6 483
Profit attributable to:			
- ordinary and preference equity holders ¹		7 152	6 410
- non-controlling interest - ordinary shareholders ¹		16	31
		7 168	6 441
Total comprehensive income attributable to:			
- ordinary and preference equity holders ¹		8 084	6 456
- non-controlling interest - ordinary shareholders ¹		16	27
Total comprehensive income for the year		8 100	6 483

¹ 2012 restated to reflect the adoption of IAS 19 Employee Benefits (revised 2011). Refer to note 54.

² These items may be reclassified subsequently as profit or loss.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December

	Notes	2013 Rm	2012 Rm Restated	2011 Rm Restated
Assets				
Cash and cash equivalents	22	17 467	12 587	11 514
Other short-term securities	23	35 004	37 575	31 715
Derivative financial instruments	24	13 811	14 660	14 314
Government and other securities	26	31 279	26 194	29 991
Loans and advances ¹	27	566 047	520 116	493 107
Other assets	29	4 204	4 528	3 989
Current taxation assets		340	241	629
Investment securities ⁴	30	2 932	2 832	3 149
Non-current assets held for sale	32	12	508	8
Investments in private-equity associates, associate companies and joint arrangements ⁴	31	1 098	1 029	965
Deferred taxation assets ³	33	69	362	152
Investment property	34	87	84	488
Property and equipment	35	6 571	6 171	6 082
Long-term employee benefit assets ³	36	2 847	1 992	2 014
Mandatory reserve deposits with central banks	22	13 199	12 641	11 862
Intangible assets	37	4 188	3 830	3 634
Total assets		699 155	645 350	613 613
Equity and liabilities				
Ordinary share capital	38.1	27	27	27
Ordinary share premium		17 422	17 422	14 422
Reserves ³		30 524	26 140	24 628
Total equity attributable to equity holders of the parent		47 973	43 589	39 077
Preference share capital and premium	38.2	3 561	3 561	3 561
Non-controlling interest attributable to ordinary shareholders ³		141	136	117
Total equity		51 675	47 286	42 755
Derivative financial instruments	24	16 588	13 475	13 791
Amounts owed to depositors ²	39	585 497	542 671	516 540
Provisions and other liabilities	40	10 016	9 273	8 286
Current taxation liabilities		13	67	27
Other liabilities held for sale	32		36	
Deferred taxation liabilities ³	33	297	367	993
Long-term employee benefit liabilities ³	36	1 804	1 880	1 782
Long-term debt instruments	41	33 265	30 295	29 439
Total liabilities		647 480	598 064	570 858
Total equity and liabilities		699 155	645 350	613 613

¹ Included in loans and advances are loans to fellow subsidiaries amounting to R17,0bn (2012: R15,2bn).

² Included in amounts owed to depositors are deposits from fellow subsidiaries amounting to R8,5bn (2012: R12,5bn).

³ 2012 restated to reflect the adoption of IAS 19 Employee Benefits (revised 2011). Refer to note 54.

⁴ Certain investments were reclassified from investment securities to investments in private-equity associates, associate companies and joint arrangements to align better with industry practice. No adjustments to the carrying value of the financial instruments arose as a result of the reclassification. Furthermore, no changes were made to the categorisation of the financial instruments and they remain classified as designated as at fair value through profit or loss. Refer to note 54.

CONSOLIDATED CURRENCY - ADJUSTED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

Millions	2013 ZAR	2012 ZAR Restated	2013 USD	2012 USD Restated	2013 GBP	2012 GBP Restated	2013 EUR	2012 EUR Restated
Interest and similar income	44 107	42 900	4 538	5 235	2 906	3 287	3 419	4 054
Interest expense and similar charges	23 873	24 102	2 456	2 941	1 573	1 847	1 851	2 276
Net interest income	20 234	18 798	2 082	2 294	1 333	1 440	1 568	1 778
Impairments charge on loans and advances	5 529	5 239	569	639	364	401	430	495
Income from lending activities	14 705	13 559	1 513	1 655	969	1 039	1 138	1 283
Non-interest revenue	15 466	14 151	1 591	1 727	1 019	1 083	1 198	1 337
Operating income	30 171	27 710	3 104	3 382	1 988	2 122	2 336	2 620
Total operating expenses	20 199	18 601	2 079	2 270	1 331	1 425	1 565	1 759
Operating expenses ¹	20 143	18 539	2 073	2 262	1 327	1 420	1 561	1 753
Black economic empowerment transaction expenses	56	62	6	8	4	5	4	6
Indirect taxation	480	460	49	56	32	35	37	43
Profit from operations before non-trading and capital items	9 492	8 649	976	1 056	625	662	734	818
Non-trading and capital items	(55)	(49)	(6)	(6)	(4)	(4)	(4)	(5)
Profit from operations	9 437	8 600	970	1 050	621	658	730	813
Share of profits of associate companies and joint arrangements	28		3		1		2	
Profit before direct taxation	9 465	8 600	973	1 050	622	658	732	813
Direct taxation ¹	2 297	2 159	237	264	151	165	178	205
Profit for the year	7 168	6 441	736	786	471	493	554	608
Non-controlling interest attributable to ordinary shareholders ¹	16	31	2	4	1	2	1	3
Profit attributable to equity holders of the parent	7 152	6 410	734	782	470	491	553	605
Less: non-headline earnings items	(37)	(50)	(6)	(6)	(4)	(4)	(4)	(5)
Non-headline earnings items	(55)	(49)	(6)	(6)	(4)	(4)	(4)	(5)
Tax on non-headline earnings items	18	(1)						
Headline earnings	7 189	6 460	740	788	474	495	557	610
Average exchange rate at 31 December for R1 (note 46)	1	1	0,10289	0,12203	0,06590	0,07662	0,07752	0,09449

¹ 2012 restated to reflect the adoption of IAS 19 Employee Benefits (revised 2011). Refer to note 54.

CONSOLIDATED CURRENCY - ADJUSTED STATEMENT OF FINANCIAL POSITION

at 31 December

Millions	2013 ZAR	2012 ZAR Restated	2013 USD	2012 USD Restated	2013 GBP	2012 GBP Restated	2013 EUR	2012 EUR Restated
Assets								
Cash and cash equivalents	17 467	12 587	1 664	1 483	1 006	917	1 207	1 125
Other short-term securities	35 004	37 575	3 334	4 429	2 016	2 738	2 421	3 359
Derivative financial instruments	13 811	14 660	1 315	1 728	795	1 068	955	1 310
Government and other securities	31 279	26 194	2 979	3 087	1 801	1 908	2 163	2 341
Loans and advances	566 047	520 116	53 910	61 301	32 599	37 896	39 142	46 493
Other assets	4 204	4 528	400	534	242	330	291	405
Current taxation assets	340	241	32	28	20	18	24	22
Investment securities ²	2 932	2 832	279	334	169	206	203	253
Non-current assets held for sale	12	508	1	60	1	37	1	45
Investments in private-equity associates, associate companies and joint arrangements ²	1 098	1 029	105	121	63	75	76	92
Deferred taxation assets ¹	69	362	7	43	4	26	5	32
Investment property	87	84	8	10	5	6	6	8
Property and equipment	6 571	6 171	626	727	378	450	454	552
Long-term employee benefit assets ¹	2 847	1 992	271	235	164	145	197	178
Mandatory reserve deposits with central banks	13 199	12 641	1 257	1 490	760	921	913	1 130
Intangible assets	4 188	3 830	399	451	241	279	290	342
Total assets	699 155	645 350	66 587	76 061	40 264	47 020	48 348	57 687

¹ 2012 restated to reflect the adoption of IAS 19 Employee Benefits (revised 2011). Refer to note 54.

² Certain investments were reclassified from investment securities to investments in private-equity associates, associate companies and joint arrangements to align better with industry practice. No adjustments to the carrying value of the financial instruments arose as a result of the reclassification. Furthermore, no changes were made to the categorisation of the financial instruments and they remain classified as designated as at fair value through profit or loss. Refer to note 54.

Millions	2013 ZAR	2012 ZAR Restated	2013 USD	2012 USD Restated	2013 GBP	2012 GBP Restated	2013 EUR	2012 EUR Restated
Equity and liabilities								
Ordinary share capital	27	27	3	3	2	2	2	2
Ordinary share premium	17 422	17 422	1 659	2 053	1 003	1 269	1 205	1 557
Reserves ¹	30 524	26 140	2 907	3 081	1 757	1 904	2 111	2 337
Total equity attributable to equity holders of the parent	47 973	43 589	4 569	5 137	2 762	3 175	3 318	3 896
Preference share capital and premium	3 561	3 561	339	420	205	259	246	318
Non-controlling interest attributable to ordinary shareholders ¹	141	136	13	16	8	10	10	12
Total equity	51 675	47 286	4 921	5 573	2 975	3 444	3 574	4 226
Derivative financial instruments	16 588	13 475	1 580	1 588	955	982	1 147	1 205
Amounts owed to depositors	585 497	542 671	55 763	63 959	33 719	39 539	40 487	48 509
Provisions and other liabilities	10 016	9 273	954	1 093	577	676	693	829
Current taxation liabilities	13	67	1	8	1	5	1	6
Other liabilities held for sale		36		4		3		3
Deferred taxation liabilities ¹	297	367	28	43	17	27	21	33
Long-term employee benefit liabilities ¹	1 804	1 880	172	222	104	137	125	168
Long-term debt instruments	33 265	30 295	3 168	3 571	1 916	2 207	2 300	2 708
Total liabilities	647 480	598 064	61 666	70 488	37 289	43 576	44 774	53 461
Total equity and liabilities	699 155	645 350	66 587	76 061	40 264	47 020	48 348	57 687
Exchange rate at 31 December for R1 (note 46)	1	1	0,09524	0,11786	0,05759	0,07286	0,06915	0,08939

¹ 2012 restated to reflect the adoption of IAS 19 Employee Benefits (revised 2011). Refer to note 54.

² Certain investments were reclassified from investment securities to investments in private-equity associates, associate companies and joint arrangements to align better with industry practice. No adjustments to the carrying value of the financial instruments arose as a result of the reclassification. Furthermore, no changes were made to the categorisation of the financial instruments and they remain classified as designated as at fair value through profit or loss. Refer to note 54.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December

	Number of ordinary shares	Ordinary share capital Rm	Ordinary share premium Rm	Reserves		
				Foreign currency translation reserve ¹ Rm	Property revaluation reserve ² Rm	Share-based payments reserve ³ Rm
Balance at 31 December 2011	27 240 023	27	14 422	52	1 333	(822)
Adoption of IAS 19 Employee Benefits (revised 2011)						
Restated balance at 31 December 2011	27 240 023	27	14 422	52	1 333	(822)
Shares issued	1 001		3 000			
Preference share dividend						
Dividend to shareholders						
Dividends in respect of BEE transaction						
Total comprehensive income for the year				35	39	
Transfer (from)/to reserves					(26)	(30)
Share-based payments reserve movement						451
Regulatory risk reserve provision						
Other movements						
Balance at 31 December 2012	27 241 024	27	17 422	87	1 346	(401)
Preference share dividend						
Dividend to shareholders						
Total comprehensive income for the year				96	218	
Transfer (from)/to reserves				(35)	(27)	(11)
Share-based payments reserve movement						49
Disposal of subsidiary						
Regulatory risk reserve provision						
Other movements						
Balance at 31 December 2013	27 241 024	27	17 422	148	1 537	(363)

¹ This represents the cumulative foreign exchange differences that arise on the translation of an entity with a different functional currency compared with that of the parent company. The cumulative reserve relating to a subsidiary that is disposed of is included in the determination of profit/loss on disposal of the subsidiary.

² This represents the cumulative amounts that have been recognised on the revaluation of group properties net of deferred taxation. When the property is disposed of, the cumulative revaluation surplus is transferred directly to retained income.

³ All share-based payment expenses are recognised in the statement of comprehensive income, with the corresponding amount recognised in share-based payment reserves. Any excess tax benefit over the relative tax on the share-based payments expense is recognised directly in this reserve. On the expiry or exercise of a share-based instrument the cumulative amount recognised in this respect is transferred directly to other distributable reserves. The negative share-based payment reserve arises from the grants paid by Nedbank Ltd to various share schemes to acquire Nedbank Group Ltd shares, which is recognised directly in equity. The reconciliation shown in this note is the cumulative share-based payment charge for all share schemes.

⁴ Represents other non-distributable revaluation surpluses on capital items and non-distributable reserves transferred from other distributable reserves in order to comply with various banking regulations.

⁵ This comprises of all fair-value adjustments, net of the related tax on all financial assets that have been classified as available for sale. On the disposal or impairment of available-for-sale financial assets the cumulative gains and the associated tax recognised on these instruments are recognised in profit and loss for the period and are not included in the determination of headline earnings per share.

⁶ Represents the accumulated profits after distributions to shareholders and appropriation of retained earnings to other non-distributable earnings.

All movements are reflected net of taxation.

	Reserves			Total equity attributable to equity holders of the parent Rm	Preference share capital and premium Rm	Non- controlling interest attributable to ordinary shareholders Rm	Total equity Rm
	Other non- distributable reserves ⁴ Rm	Available- for-sale reserve ⁵ Rm	Other distributable reserves ⁶ Rm				
	65	198	24 030	39 305	3 561	121	42 987
			(228)	(228)		(4)	(232)
	65	198	23 802	39 077	3 561	117	42 755
			(293)	3 000			3 000
			(5 100)	(293)		(8)	(293)
			(6)	(5 100)			(5 108)
		39	6 343	(6)			(6)
6			50	6 456		27	6 483
				-			-
				451			451
2				2			2
			2	2			2
73	237	24 798	43 589	3 561	136	47 286	
		(292)	(292)				(292)
		(3 450)	(3 450)		(8)		(3 458)
	(108)	7 878	8 084		16	8 100	
11		62	-			-	
			49			49	
			-		(3)	(3)	
(4)			(4)			(4)	
		(3)	(3)			(3)	
80	129	28 993	47 973	3 561	141	51 675	

CONSOLIDATED STATEMENT OF CASHFLOWS

for the year ended 31 December

	Notes	2013 Rm	2012 Rm Restated
Cash generated by operations	47.1	17 772	16 485
Cash received from clients	47.2	59 522	56 953
Cash paid to clients, employees and suppliers ³	47.3	(42 665)	(41 351)
Dividends received on investments		37	91
Recoveries on loans previously written off		878	792
Change in funds for operating activities		(7 076)	(7 948)
Increase in operating assets ³	47.4	(53 704)	(35 025)
Increase in operating liabilities ³	47.5	46 628	27 077
Net cash from operating activities before taxation		10 696	8 537
Taxation paid	47.6	(3 059)	(3 108)
Cashflows from operating activities		7 637	5 429
Cashflows utilised by investing activities		(1 427)	(2 034)
Acquisition of property and equipment, computer software and development costs and investment property		(1 678)	(1 700)
Disposal of property and equipment, computer software and development costs and investment property		6	8
Net movement in non-current assets held for sale		496	(500)
Disposal of investment banking assets		14	7
Acquisition of private-equity associates, associate companies and joint arrangements		(121)	(275)
Disposal of private-equity associates, associate companies and joint arrangements		80	118
Acquisition of other investments		(1 142)	(69)
Disposal of other investments		918	476
Acquisition of investments in subsidiary companies net of cash	47.7		(99)
Cashflows utilised by financing activities		(772)	(1 543)
Net proceeds from issue of ordinary shares			3 000
Issue of long-term debt instruments		8 785	3 633
Redemption of long-term debt instruments		(5 815)	(2 777)
Dividends paid to ordinary shareholders	47.8	(3 450)	(5 106)
Preference share dividends paid		(292)	(293)
Effects of exchange rate changes on opening cash and cash equivalents (excluding foreign borrowings)		1	1
Net increase in cash and cash equivalents		5 438	1 852
Cash and cash equivalents at the beginning of year ²		25 228	23 376
Cash and cash equivalents at the end of the year²	22	30 666	25 228

¹ Represents amounts less than R1m.

² Including mandatory reserve deposits with central banks.

³ 2012 restated to reflect the adoption of IAS 19 Employee Benefits (revised 2011). Refer to note 54.