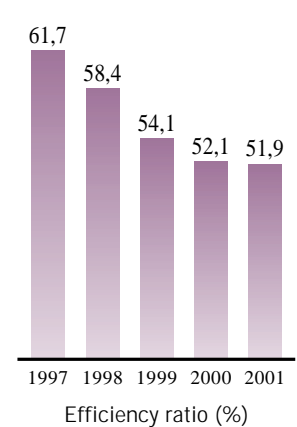
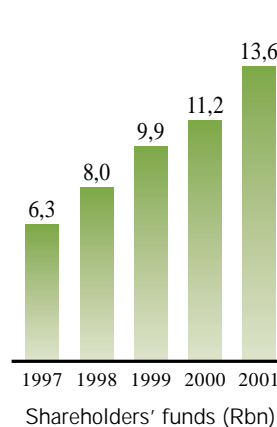
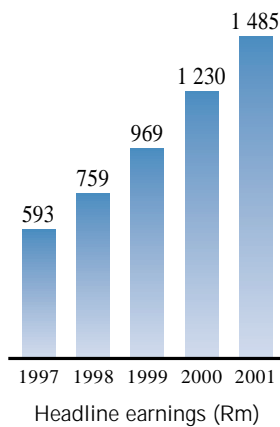
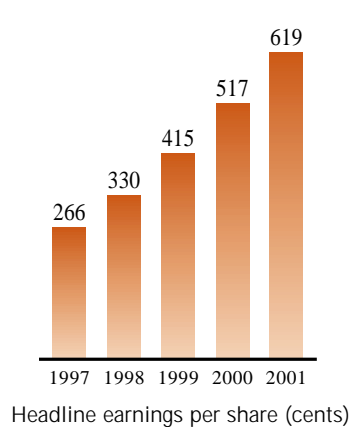


- **Headline earnings per share up 20% to 619 cents**
- **Advances growth 29%**
- **Market share gain 2,8%**
- **Capital adequacy ratio 11,1%**
- **Efficiency ratio 51,9%**



COMMENTARY ON RESULTS

Attributable income for the six months, excluding exceptional items, increased by R255m to R1 485m, representing an increase of 21% over the R1 230m achieved in the first six months of the previous financial year. Earnings per share increased by 20% to 619 cents (2000: 517 cents). Dividend cover has been maintained at 3,2 times.

The diminution of R3,7bn in value of Nedcor's investment in Dimension Data plc ("Dimension Data") from a market value of R5,2bn at 31 December 2000 to a post-balance-sheet market value of R1,6bn at 23 July 2001, after release of Dimension Data's trading statement, has been charged as an exceptional item at 30 June 2001. The investment incentive bonus provision of R195m created at 31 December 2000 has been reversed and set off against the investment writedown. Return on equity increased from 24,2% to 24,5%, excluding the effect on equity of Dimension Data investment revaluations, while return on assets declined marginally to 1,81% (2000: 1,89%).

Total advances growth of 29% generated a year-on-year increase in market share of 2,8% to 18,9%, which is a quantum leap.

Net interest income growth at 14% was affected by the continuing pressure on margins, the negative endowment effect of lower interest rates, and the deployment of capital into strategic acquisitions to increase Nedcor's presence in both the domestic and international markets. It was further affected by lower yields on R750m of capital that was externalised, cash dividends paid and share buyback activity during the period. Non-interest revenue grew by 15% to R2 309m, representing good growth in commission and fee income and also, in accordance with GAAP and IAS, the inclusion of translation gains of R168m (2000: R128m) on offshore monetary assets in integrated branch and other operations. The increase in translation gains has created the opportunity prudently to set aside an additional unallocated provision of R50m for bad debts, which effectively neutralises the bottomline effect of the additional translation gains.

Conservative provisioning adopted in a high advances growth scenario resulted in the specific and general provision charge increasing by 2% to R494m over the comparative period. Excluding the abovementioned R50m, the provision charge reduced by 8%, reflecting the improving credit climate and trend in arrears in a declining interest rate environment.

Expenditure increased by 14% year-on-year, with an efficiency ratio of 51,9% (2000: 52,1%). Expenditure was significantly influenced by the acquisitions made during the period and the fully expensed costs of strategic banking alliance startups. Excluding these acquisitions and startups, expenditure increased by 9%, demonstrating effective cost containment in our core business.

Tax increased by only 2% as a result of higher levels of dividend and non-taxable income, including foreign income and translation gains earned during the period. Equity-accounted income from associates grew strongly, taking into account the fact that Dimension Data earnings are no longer equity-accounted.

The absence of equity-accounted income from Dimension Data and the startup costs of the strategic banking alliances have had an adverse impact of approximately 6% on EPS growth, which would otherwise have been approximately 26%.

STRATEGIC INITIATIVES AND ASSET GROWTH

The growth in our core business and the finalisation of several acquisitions have contributed materially to asset and market share growth. The most significant of these acquisitions were:

- FBC Fidelity Bank, with effect from 1 August 2000, which has been merged with the Peoples Bank Division and renamed Peoples Bank Limited;
- 50,1% of Imperial Bank with effect from 1 January 2001; and

- 74% of Fleming Offshore Banking on the Isle of Man, with effect from 1 June 2001, which has subsequently been renamed Gerrard Private Bank.

As a result of these acquisitions and organic growth, which on its own led to an increase in market share, the group achieved total asset growth of 31% over the past 12 months to become the second largest group by banking assets in South Africa. Total assets increased by R41bn to R173bn. Excluding acquisitions and non-core items, assets grew by 15%. An analysis of the May 2001 returns submitted by the banks to the South African Reserve Bank in terms of the Banks Act reveals that, year-on-year, Nedcor has increased its market share by 2,8% and that, excluding acquisitions, Nedcor has shown the largest market share growth among the major South African banks. Since June 1995 Nedcor has been the only group among the big four South African banking groups to gain market share on a consistent basis.

Good progress is being made in the integration of the strategic banking alliances. Client databases and branding are being brought into line, ultimately improving the service proposition for both existing and new clients. Imperial Bank and Gerrard Private Bank are currently performing strongly and profitably. The other alliances are expected to break even in the 2001 financial year and contribute to profits in 2002.

Significant milestones have been met by Technology and Operations in the journey to embed a process culture throughout the division. This organisational transformation programme provides the cornerstone of delivering continuously improving productivity and enhanced client service. Our strategic technology partners Aplitec, Nihilent Technologies and IQ Business Group are adding further value to Nedcor's product and service delivery as well as providing access to new intellectual property and early insights into new developments. Furthermore, we are confident that, through our investments in Dimension Data, Internet Solution and Miraculum, Nedcor is well-positioned to take advantage of unfolding e-commerce opportunities.

SHAREHOLDERS' FUNDS AND CAPITAL ADEQUACY

During 2000 Nedcor's investment in Dimension Data added R3,6bn to shareholders' funds, which stood at R16,0bn as at 31 December 2000, and gave Nedcor a primary capital ratio of 11,5%. At this level the primary capital was regarded as excessive in relation to banking norms, but justifiable in view of the size of the investment in Dimension Data. Nedcor therefore decided simultaneously to reduce its investment in Dimension Data and by way of a buyback reduce its primary capital to the optimal level, which is considered to be 9%.

This was further evidenced by a move to a cash dividend only. Events relating to Dimension Data overtook this decision, and the net R3,5bn diminution in the value of the investment in 2001 has reduced Nedcor's primary capital to 9,5%. Nedcor's existing secondary capital of 1,6% increases total capital to 11,1%, which is well above the new required level of 10%. As at 30 June 2001 Nedcor's shareholders' funds stood at R13,6bn. In view of the rate of growth in advances and the prospects going forward, Nedcor has decided to increase its total capital to 12% by raising further secondary capital. At this level Nedcor will be within the 25% limit on secondary capital and will have a favourable balance of primary and secondary capital. This will enable Nedcor to optimise its capital mix, minimise its average cost of capital and take advantage of favourable conditions in the capital markets.

PROSPECTS

With the continued growth in our core business, topline benefits from strategic alliances and improved efficiencies from technology applications, current momentum should continue in the second half. We expect margins to remain under pressure in the short term. Lower interest rates

should, however, contribute to an improving bad-debt environment. We remain concerned regarding lower levels of economic growth, volatile equity and currency markets, and the contagion effect of the uncertain economic environment in the US. For all of the above reasons the second six months will remain challenging.

ACCOUNTING POLICIES AND PRESENTATION

The interim consolidated financial statements are prepared in accordance with 'AC127 - Interim Financial Reporting'. The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2000.

CASH DIVIDEND

Notice is hereby given that an interim dividend of 190 cents per ordinary share has been declared in respect of the six months ended 30 June 2001.

Trading under the STRATE environment requires settlement in five business days. In accordance with the settlement procedures of STRATE, Nedcor has determined the last day to trade to participate in the interim dividend to be Thursday, 20 September 2001. The shares will commence trading ex-dividend on Friday, 21 September 2001, and the record date will be Friday, 28 September 2001. Payment will be made on Monday, 1 October 2001.

In relation to certificated shareholders, the last day to register will be Friday, 28 September 2001. Certificated shareholders may not dematerialise their shares between Thursday, 13 September 2001, and Monday, 1 October 2001. Dividend cheques will be posted on Monday, 1 October 2001.

For and on behalf of the board

CF Liebenberg
Chairman

RCM Laubscher
Chief Executive

2 August 2001

Registered office
Nedcor Limited
Nedcor Sandton
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Transfer secretaries
Mercantile Registrars Limited
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PO Box 1053, Johannesburg, 2000

Directors: CF Liebenberg (*Chairman*); PG Joubert (*Deputy Chairman*); RCM Laubscher (*Chief Executive*); WAM Clewlow; PTW Curtis; BJS Hore; Prof MM Katz; MJ Leeming; MJ Levett; JB Magwaza; ME Mkwana; E Molobi; SG Morris; DGS Muller; ML Ndlovu; CC Parker; JVF Roberts (*British*); AA Routledge; GS van Niekerk; Dr WP Venter
Company Secretary: GS Nienaber

Reg No: 1966/010630/06

FINANCIAL HIGHLIGHTS

	% change	Unaudited June 2001	Unaudited June 2000	Audited Dec 2000
Selected returns				
Headline earnings (Rm)	21	1 485	1 230	3 027
Headline earnings per share (cents)	20	619	517	1 267
Return on shareholders' funds (%)*		24,5	24,2	24,0
Return on total assets (%)		1,81	1,89	2,10
Non-interest revenue to total income (%)		47,0	46,8	47,6
Efficiency ratio (%)		51,9	52,1	50,0
Net interest income to interest-earning assets (%)		3,36	3,65	3,46
Doubtful-debt provisions to average advances (%)		3,6	3,1	3,8
Balance sheet				
Total shareholders' funds (Rm)	22	13 601	11 184	15 980
Deposit, current and other accounts (Rm)	32	157 141	119 170	140 689
Advances and other accounts (Rm)	29	135 390	105 276	120 085
Total assets (Rm)	31	173 012	131 914	158 259
Capital ratio (%)		11,1	12,0	13,2
Capital ratio - tier 1 (%)		9,5	10,5	11,5
Share statistics				
Number of shares in issue (m)		241,3	239,7	240,1
Weighted average number of shares (m)		240,0	237,7	239,0
Earnings per share after exceptional items (cents)		(846)	517	2 665
Fully diluted weighted average number of shares (m)		244,1	241,8	244,2
Diluted headline earnings per share (cents)		608	509	1 240
Dividends per share (cents)	19	190	160	400
Dividend cover (times)		3,2	3,2	3,2
Share price (cents)	11	15 800	14 240	17 100
Price-earnings ratio (historical)		11,5	12,6	13,5
Market capitalisation (Rbn)	13	38,5	34,1	41,4

*Excluding effect of Dimension Data revaluations.

INCOME STATEMENT

	% change	Unaudited June 2001	Unaudited June 2000	Audited Dec 2000
Interest income	18	8 610	7 290	15 236
Interest expense	20	6 006	5 009	10 504
Net interest income	14	2 604	2 281	4 732
Non-interest revenue	15	2 309	2 010	4 292
Total income	15	4 913	4 291	9 024
Specific and general provisions	2	494	484	910
Net income	16	4 419	3 807	8 114
Expenses	14	2 550	2 235	4 516
Net operating income before exceptional items	19	1 869	1 572	3 598
Exceptional items		(3 515)	(1)	3 277
Net capital profit on sale of long-term investments		(3 467)	80	3 634
Amortisation of goodwill and other acquisition costs		(48)	(81)	(251)
Writedown of property and leasehold premises				(106)
Net income before taxation		(1 646)	1 571	6 875
Taxation	2	402	393	722
Taxation: exceptional items				(77)
Net income after taxation		(2 048)	1 178	6 230
Attributable earnings of associates	2	100	98	249
Income attributable to minority shareholders		(82)	(46)	(109)
Income attributable to shareholders		(2 030)	1 230	6 370

HEADLINE EARNINGS

	% change	Unaudited June 2001	Unaudited June 2000†	Audited Dec 2000
Income attributable to shareholders		(2 030)	1 230	6 370
Less: Non-headline earnings items		(3 515)		3 343
Exceptional items		(3 515)		3 277
Taxation: exceptional items				77
Share of exceptional items attributable to minorities				(11)
Headline earnings	21	1 485	1 230	3 027

†Adjusted headline earnings as at 30 June 2000 have been calculated including exceptional items to ensure comparability.

BALANCE SHEET

	% change	Unaudited June 2001	Unaudited June 2000	Audited Dec 2000
Assets				
Cash and short-term funds	260	14 699	4 084	12 860
Other short-term securities	(11)	7 034	7 907	6 873
Government and public sector securities	(8)	7 022	7 669	6 886
Advances and other accounts	29	135 390	105 276	120 085
Customers' indebtedness for acceptances	(12)	736	838	859
Associate and other investments	23	5 215	4 238	8 518
Fixed property	33	1 343	1 010	1 149
Equipment	(19)	605	892	644
Intangible assets	546	968		385
Total assets	31	173 012	131 914	158 259
Shareholders' funds and liabilities				
Share capital		241	240	240
Reserves	20	12 711	10 593	15 316
Ordinary shareholders' interest	20	12 952	10 833	15 556
Minority shareholders' interest		649	351	424
Total shareholders' funds	22	13 601	11 184	15 980
Subordinated debt instruments	112	1 534	722	731
Deposit, current and other accounts	32	157 141	119 170	140 689
Liabilities under acceptances	(12)	736	838	859
Capital, reserves and liabilities	31	173 012	131 914	158 259
Confirmed letters of credit and other Guarantees		6 964	3 626	7 150
		8 683	5 577	8 727
Contingent liabilities		15 647	9 203	15 877

CASH FLOW STATEMENT

	Unaudited June 2001	Unaudited June 2000	Audited Dec 2000
Cash flows from operating activities	2 052	1 793	4 395
Cash received from clients	10 918	9 242	19 436
Cash paid to clients, employees and suppliers	(8 353)	(7 147)	(14 624)
Dividends received	65	33	96
Dividends paid	(578)	(335)	(513)
Net decrease/(increase) in operating funds	678	(3 171)	4 131
Taxation paid	(150)	(185)	(264)
Net cash utilised in investing activities	(886)	(1 989)	(3 055)
Net cash provided by financing activities	145	87	104
Net increase/(decrease) in cash and short-term funds	1 839	(3 465)	5 311
Cash and short-term funds at beginning of period	12 860	7 549	7 549
Cash and short-term funds at end of period	14 699	4 084	12 860

STATEMENT OF CHANGE IN ORDINARY SHAREHOLDERS' INTEREST

	Unaudited June 2001	Unaudited June 2000	Audited Dec 2000
Share capital	241	240	240
Balance at beginning of year	240	237	237
Issued during the year	1	3	5
Less: Shares held by subsidiary company		(2)	
Share premium	1 075	1 021	934
Balance at beginning of year	934	833	833
Issue of shares	188	189	405
Share issue expenses	(47)	(1)	(3)
Less: Shares held by subsidiary company			(301)
Non-distributable reserves	512	401	516
Balance at beginning of year	516	443	443
Transfer from distributable reserves	112	(30)	254
Foreign currency translation	29	91	120
Release of reserves previously not available	(112)	(104)	(284)
Other movements	(33)	1	(17)
Distributable reserves	11 124	9 171	13 866
Balance at beginning of year	13 866	8 248	8 248
Attributable income	(2 030)	1 230	6 370
Transfer to non-distributable reserves	(112)	30	(254)
Dividends paid	(578)	(335)	(513)
Other movements	(22)	(2)	15
Ordinary shareholders' interest	12 952	10 833	15 556

ASSOCIATE AND OTHER INVESTMENTS

	Unaudited June 2001	Unaudited June 2000	Audited Dec 2000
Book value	5 215	4 238	8 518
Associate investments	1 612	2 471	1 457
Other investments	3 603	1 767	7 061
Market/Directors' valuation	5 455	8 292	9 082
Associate investments	1 811	6 492	1 974
Other investments	3 644	1 800	7 108
Valuation surplus	240	4 054	564

SEGMENTAL ANALYSIS - HEADLINE EARNINGS

	% change	Unaudited June 2001	%	Unaudited June 2000	%	Audited Dec 2000	%
By operation							
Nedcor Bank and group operations	21	1 125	76	928	75	2 430	80
Retail (including Peoples Bank)	48	160	11	108	9	369	12
Commercial (including Imperial Bank)	25	330	22	264	21	697	23
Corporate	16	409	28	354	29	836	28
International and Treasury	17	135	9	115	9	305	10
Associate income	5	91	6	87	7	223	7
Nedcor Investment Bank (net of minorities)**	19	317	21	266	22	518	17
Cape of Good Hope Bank	19	43	3	36	3	79	3
	21	1 485	100	1 230	100	3 027	100
By geography							
South Africa	17	1 068	72	912	74	2 214	73
Rest of Africa	52	85	6	56	5	147	5
Rest of the world	27	332	22	262	21	666	22
	21	1 485	100	1 230	100	3 027	100

** NIB reported earnings growth of 20% to R376 million (June 2000: R313 million) of which R59 million (June 2000: R47 million) was attributable to NIB minorities.

Comparative figures are restated, where necessary, to afford a proper comparison. Percentages are calculated using actual numbers.

Strategic banking alliances



- Personal Financial Planning overhauled
- Direct sales targeted more narrowly
- Unique inbranch product to be launched
- New credit cover products developed
- Group Schemes cross-selling significant
- Old Mutual credit card successfully launched



IMPERIAL BANK

- Regulatory approval obtained
- ROE 20%
- Advances growth 33%
- Core motor finance book growth 51%
- Cost-to-income ratio 31%
- Net profit after tax up 60% to R40m



- 98 Peoples Bank branches
- Target of 350 branches within JD stores by mid-2002
- Efficiency ratio < 25%
- Management team appointed



- Go Banking brand approved
- Migration of 41 000 accounts by 31 August 2001
- New card offering to existing clients
- Point-of-sale functionality under development



- 50 000 accounts
- R378m in advances
- 50% of American Express Card South Africa acquired
- American Express Blue Card successfully launched
- JD alliance adding impetus



- 74% shareholding by Nedcor
- 26% shareholding by Old Mutual
- Management team in place
- Marketing of products commenced

Technology partners



THE IQ BUSINESS GROUP



internet solutions



NET1 Applied Technology Holdings Ltd.



Nihilent

These results and additional information are available on our website:

<http://www.nedcor.com>