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NEDBANK: COACHING CAPABILITIES FOR GROWTH STRATEGY EXECUTION

Dr. Caren Scheepers and Emme Kane wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On May 25, 2015, Mike Brown, chief executive officer (CEO) of Nedbank Inc. (Nedbank), passed by the huge, impressive, African bead sculpture of rhinos on his way to Nedbank's main reception in Sandton, South Africa (see Exhibit 1).[1] He dreaded the thought that rhinos could someday become extinct because of excessive poaching and illegal trade. In 2015, 749 rhinos had been killed.[2] Noticing the multi-coloured maple trees that marked the change of season, he reflected on his tenure at Nedbank over the last five years, and Nedbank's impact on the economy, society, and the environment of South Africa through its financing of progressive ventures, including efforts to save the rhino. To this end, Nedbank purposefully formed partnerships with the World Wildlife Fund (WWF) by launching the WWF/Nedbank Green Trust 25 years ago, and financed community-based natural resource management initiatives to support the conservation of rhinos.[3] Among Nedbank's progressive programs, "Fair Share 2030," was a strategy that addressed the premise that, to be a thriving bank in the long term, it must operate in a thriving society.[4] In concert with Fair Share, Nedbank had a screening mechanism that served to reshape the carbon and water intensity of their lending book over time. Nedbank also took a leading position in funding South Africa's renewable-energy programs, with an estimated participation in more than 54 per cent of megawatt capacity.[5]

The question Brown grappled with was how to execute Nedbank's growth strategy in the mature and highly competitive market in which they operated. The dilemma was caused by consumers who were often multi-banked, technologically skilled, and had high expectations of financial institutions. Due to technological advances, there were new entrants in the market, including online banks, microloan providers, and virtual-payment and mobile-telephony providers. Banks had to provide 24/7 client service, innovate more rapidly, and offer pricing more competitively. Skills shortages in the country, and in the rest of Africa, posed a real risk to Nedbank's growth strategy execution. South Africa's educational system delivered poor results and was also a serious risk to economic growth of the country.[6] The education challenges emphasized the skills shortages and the need for retention of talent to improve the country's global competitiveness.

That evening, Brown looked forward to the graduation ceremony of his middle managers at the Gordon Institute of Business Science at the University of Pretoria, where he was speaking. Brown was also

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anticipating seeing the graduates' presentations on innovative approaches to customer service. He was on the lookout for interesting projects that he and his executives could personally get involved in, and to visibly sponsor innovation initiatives as role models. Brown considered how his own growth as a leader was influenced by the leadership development programs at Harvard University, especially the networking opportunities and analyses on how other industries implement their strategies. He intended to provide the graduates that evening with something to think about, and to inspire them to continue to develop their skills. He purposefully wanted to encourage the graduates to build relationships across the business units. But he had a particular concern about retaining these talented managers.

BACKGROUND

South Africa's economic condition in 2014 was impacted by the country's energy crisis, the volatile rand, the five-month strike in the platinum mines, and interest rates that had increased by 75 basis points.[7] The clients of Nedbank — 54 per cent owned by Old Mutual plc — were placed under financial pressure, increasing the risk of bad debts.[8] There were delays in infrastructural investment that had an adverse impact on their wholesale clients. African Bank Limited reported a headline loss of R6.4 billion for 2014, and the South African Reserve Bank had placed African Bank under curatorship as part of implementing a resolution plan.[9] This major event symbolized how banks were impacted by these financial conditions.[10]

Nedbank's conservative response yielded benefits during these uncertain times by maintaining a well-diversified business portfolio and mandating cautious credit requirements in higher-risk portfolios, namely home loans and personal loans. Nedbank implemented a countercyclical strategy by investing for growth while containing costs and driving efficiencies.

In South Africa, there was an increase in the demands in the regulatory environment through the implementation of the BASEL III regulations on capital adequacy, liquidity, and the National Credit Act, as well as reduced credit life pricing, and limiting interchange fees on card transactions.[11] Nedbank responded with a leadership position in cyber security. The lowest point in 2014 was certainly when Nedbank was fined R24 million, along with its peers, for errors in its controls to combat money-laundering. Nedbank acknowledged its shortcomings in the administration of its anti-money laundering efforts and remedial action was high on its agenda.

The strategic focus in the previous phase in Nedbank's life cycle was to become a "bank for all," and to move away from being a niche bank for the wealthy. The sustainability of their financial turnaround had now been proven and therefore the focus was solely on growth (see Exhibit 2).[12] Brown considered how far Nedbank had come since its decline that necessitated the turnaround in 2003.[13] He reflected on the statistic that indicated 87 per cent of Fortune 500 companies experience more than one severe decrease in growth in their life cycles, and was intent on preventing a recurrence of their turnaround situation. He appreciated the support and role of Nedbank's chairman, Dr. Reoul Khoza, in the turnaround and in consistently executing good governance and improving integrative reporting over the last nine years.[14]

Nedbank's market capitalization in 2014 was R124.21 billion compared with R44.78 billion in 2008.[15] Earnings increased 14 per cent to R9.9 billion, supported by good net-interest-income growth and a lower credit loss ratio, in spite of strengthening central positioning and increasing coverage levels. Diluted earnings increased 13 per cent. Net asset value increased by 9.5 per cent, dividend per share by 14.9 per cent, and the common-equity tier 1 (CET1) ratio was 11.6 per cent. Return on equity (ROE) was maintained at 17.2 per cent, whereas cost of equity was 13.5 per cent. Therefore Nedbank's profit was R2.1 billion.[16]

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In the societal and economic sphere, the bank recognized that over the last two hundred years, the earth's population had been growing rapidly at the same time that average income per capita and life expectancy were increasing. The environmental impact of this was huge, and human consumption was exceeding supply limits. Nedbank recognized that the environmental, societal and economic sustainability were inextricably connected. Growth opportunities were perceived as increasing where people endeavoured to live within the biophysical constraints of renewable resources. As part of their commitment to community-based natural resource management initiatives, Nedbank opened the first 100 per cent renewable energy-powered bank branch in Cape Town in 2013, utilizing wind energy.

INTERNATIONALISATION: EXPANSION NORTHWARDS

The well-known South African strategist, Johan Hough, declared in 2008 that strategies to expand internationally particularly made sense when a domestic firm's skills, reputation, and products were readily transferable to foreign markets.[17] Expansion into emerging markets made sense where the long-term growth prospects were quite attractive.[18] PricewaterhouseCoopers found that, despite the uncertain and volatile environment in South Africa, collectively the banks continued to do well. In the 2013/2014 financial year, the combined increase of all banks of 24.5 per cent in headline earnings to R27.6 billion, over the previous time period, came off the back of strong net interest income growth of 18.4 per cent, solid non-interest income revenue of 9.8 per cent, and impairment charges.[19] South Africa's four largest banks, Nedbank, FirstRand, Standard, and Barclays Africa Group were all pursuing growth strategies in the rest of Africa while South Africa's economy slowed.[20]

In less than a decade, South Africa had become one of the top 10 investors in many African countries, booking more than R3.4 billion in deals. South Africa moved beyond the "old economy" of mining, retail and related industries and financed cell phone operators, such as MTN, with 2.2 million subscribers in Uganda, Rwanda, Cameroon, Swaziland and Nigeria, and Vodacom, which had strong growth in the Democratic Republic of the Congo, and Tanzania.[21] As well, South African banks also participated in the following companies and ventures: global brewing giant, SABMiller's two joint ventures worth US$46 million in Algeria and Morocco in March of 2004; Shoprite Holdings, the largest food retailer in Africa with 692 stores in 15 countries; Massmart's new US$7.5 million game store in Kampala, Uganda, and 55 other stores in eight other African countries. These investments culminated in South Africa being Africa's best foreign direct investment performer in 2013.[22]

Economic growth in the rest of Africa was estimated for 2015 to be 4.9 per cent, compared to South Africa's gross domestic product of 1.5 per cent in 2014.[23] The political and governance environments in the rest of Africa were improving, and there was a need for infrastructure investments and capital-intensive projects. But the growth opportunities came at a higher cost of both capital and risk, with heavy upfront investments.[24] South African clients entering the rest of Africa sought to benefit from one-stop banking solutions. However, available resources in Africa were finite and constrained, and therefore these banks would need to compete innovatively in order to take advantage of growth prospects. Due to fierce competition, banks had to adopt varied strategies to enter new territories, and could not merely expand their current footprints. Some banks chose to enter new markets with completely new products, similar to the diversification strategy that Ansoff's well-known 1950s growth matrix recommended (see Exhibit 4).[25] Others chose to introduce new products in existing markets, or engaged different approaches to promote existing products in existing markets, or entered new markets with existing products. These growth strategies were dependent on the levels of investment and political stability. Market development and diversification obviously required more intensive capital investments.

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Prior to the turnaround that commenced around 2003, Nedbank focused on an affluent niche market in South Africa. Since the turnaround phase, Nedbank had changed its strategic focus to being "a bank for all," indicating their increase in scope in terms of market segments as well as expansion in geographical areas to a vision to become of "Africa's most admired bank."[26] Nedbank had been explicit about this strategic change, from South Africa's, to Africa's most admired bank, and reported increased headline earnings from the rest of its investment in Africa (see Exhibit 3). Its strategic thrust included continuing to develop a pan-African banking network. In west and central Africa, Nedbank followed a partnership approach with its strategic alliance with Ecobank Transnational Incorporated. Nedbank exercised its subscription rights to 20 per cent, a R5.9 billion shareholding, which, combined with Nedbank's own subsidiaries, gave it a presence in 36 countries. It also took a 36.6 per cent initial stake in Banco Unico in Mozambique. With regard to investment banking transactions, Nedbank concluded deals in 24 countries across Africa. The risk of the lower oil prices had negatively impacted oil-exporting countries, namely Nigeria, Ghana, and Angola. Luckily, Ecobank had a diversified business model across 36 countries which provided a buffer against excessive downside risk.

Nedbank's subsidiaries in Malawi, Swaziland, Lesotho, Namibia, and Zimbabwe grew earnings by more than 30 per cent year on year. Although investments in the remaining areas of Africa were comparatively "tiny," they were important for the "longer-term growth trajectory of Nedbank."[27] Nedbank's investments into the rest of Africa offered shareholders access to earnings growth from these higher-growth markets, while it also provided the benefits of diversification by having a presence across 39 countries. Headline earnings from the South African group's rest of Africa operations rose from a low base of R173 million in 2013 to an estimated R357 million in 2014.[28]

POSITIONING FOR GROWTH

Nedbank had a strategy for growth, but not at all costs: it was prepared to take a conservative approach. It made tough decisions in 2014, namely to keep bank fees at, or below, 2013 levels and slow down personal loan growth, which cost R355 million of non-interest revenue (see Exhibit 5), but increased its ability to grow into the future (see Exhibit 6). The number of clients grew 7 per cent to 7.1 million since December 2013. It was a deliberate decision to give up some non-interest revenue growth in the short term for greater growth over the longer term.[29] Strengthening of their provisioning over those few years appeared to some investors to be overly conservative, but, at the time, the bank was regarded as far better positioned to weather a difficult environment, with a strong total coverage ratio of 70 per cent.[30]

To mitigate the credit risk, due to the economic climate, it was important for Nedbank to build a sustainable buffer by increasing the contribution from non-interest revenue (NIR) to group revenue. NIR grew above the South African industry average over the last couple of years. To grow NIR, the focus was on gaining more transactional clients and increasing volumes. In 2014, Nedbank's market share of retail clients who used Nedbank as their main bank was only 10 per cent, and 15 per cent in corporate, whereas advances and deposits were 18 per cent. The strategic decision to keep fees at or below 2013 levels in retail and business banking created value for clients. As a result, bank fees remained competitive. The NIR-to-expenses ratio decreased to 82.8 per cent from the 86.4 per cent in 2013.

CULTIVATING LEADERS TO ENCOURAGE INNOVATIVE CULTURE

Brown was a firm believer in the strength of the Nedbank culture. He was quick to credit his predecessor, Tom Boardman, for his initiatives. He reiterated that they had a vision-led, values-driven philosophy to leading and managing their business, because *how* they achieved their vision was as important to them as

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what they achieved. Nedbank perceived its culture as a key differentiator. It was investing in building a world-class corporate culture, and embedding its top three cultural values of accountability, client satisfaction and brand reputation.

In creating this world-class corporate culture, leadership had to embody the values of the organization.[31] The Nedbank Leadership Philosophy was encapsulated by the Four "E"s (see Exhibit 7). First, Nedbank leaders were focused on delivering results, the first "E" — Execution — at the right layer within the organization in terms of the leadership pipeline. For instance, top management orchestrated long-term strategy execution, whereas senior and middle managers translated the strategic thrust into short to medium term objectives for their respective operations. Supervisors in turn, executed these objectives in their day-to-day operations. Secondly, through Engagement, leaders created a great place to work through the development of an inclusive culture in which they engaged with others. Third, they made their unique contribution — Embodiment — by being role models and showing character to achieve their vision in alignment with their values. Fourth, they were focused on the Environment, and affirmed that they formed part of a community of leaders and corporate citizens for the purpose of achieving social and environmental goals. Various 360 degree assessments were conducted to measure the outcome of these focus areas, namely, values-based assessments such as the Barrett Model Cultural Transformation Tools, and engagement surveys. Leadership behaviours formed part of the leaders' performance scorecards throughout the organization.[32]

Nedbank had a client-centred approach to innovation, investing R1.1 billion in innovation and related development since 2012 that resulted in delivering more client centred innovations in terms of products, as well as improved processes and systems, in the past two years than in the previous five years combined. In 2014, it was awarded the African Banker Award for Innovation.[33] Its focus was on new products to enhance their client value propositions and competitiveness in the market. It was important for Nedbank that the role model of its leaders possessed an innovation mind-set. The story is well known throughout the organization that Brown came up with the idea of MyFinancialLife, a comprehensive personal financial management tool that provides account aggregation, net-worth tracking and retirement planning. The idea came about when he was traveling, and he realized that, in the event of an accident, his wife would not know where to find information about their family's investments and insurance. As a result, he developed the idea of having all the information about the family's financial life on one spread sheet. Consequently, Nedbank developed this new product.

A number of other innovative products around client-centricity had also been developed by Nedbank, namely, Send-iMali (cardless cash withdrawal capability); PocketPOS (secure acceptance of card transactions via mobile phones); ApproveIT (more secure electronic platforms); Intelligent Depositor devices (self-service cash deposits), and Market Edge (customer analysis tool for retailers). Effective commercialization of selective innovation opportunities leveraged off the new Postilion switch. As well, Nedbank's American Express relationship became a differentiator and formed the basis of future successful innovations.

COACHING AND MENTORING: FOSTERING AN INTERNAL CAPABILITY FOR GROWTH

Throughout Nedbank, the "coaching way" of leading aimed to remove fear and to fearlessly innovate. Building this internal coaching capability in the bank originated from Nedbank's investment in personal mastery interventions. They were called "Leading for Deep Green" workshops and were run at Olwazini, Nedbank's management and leadership development facility. The coaching of individuals and teams during these workshops was an integral part of the design to facilitate true transformation.[34] This development process started in Tom Boardman's time during the turnaround phase of Nedbank. It was still continuing

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in 2015, and contributed to embedding leadership philosophy and cultural values into its employees. It started at the executive level and was cascaded down to the organization.

One of the clusters, Group Technology, specifically implemented a coaching program to foster an innovative culture over the last six years. They strove to make agile adjustments in the group by having their leaders coach their subordinates. All leaders in the cluster attended the Nedbank's "Coaching for Growth" program to enable effective coaching.[35] Furthermore, they introduced formal mentorship programs throughout the cluster, especially for the young graduates, to enable them to become knowledgeable about the reality of a corporate environment — as opposed to what they read in class — and about Nedbank's cultural nuances. In Group Technology, leaders pledged they would "help employees reach their potential," and make a point of getting to know their subordinates personally, and promoting their careers to achieve the employees' vision. Suppliers and contractors also signed the pledge.[36]

The ripple effect of developing this leadership capability was enormous, and the personalized approach became evident even in these leaders' relationships with their children. In this regard, the company also implemented a performance coaching initiative as well as developmental coaching approaches. The potential of coaching to truly transform individuals by heightening their awareness of societal — but traditionally non-corporate — values, and produce well-rounded leaders, was evident. Coaching was instrumental in developing Group Technology's strategy execution capability. Consequently, as with other clusters, Group Technology nominated their managers to undergo formal executive coaching training towards becoming master certified coaches. The focus was on coaching the teams within Group Technology, in addition to focusing on individual coaching. Coaching brought managers back to being human in a highly technical environment.

In 2009, the first coaching forum was established at Nedbank with the purpose of defining what coaching meant for the bank and to establish a coaching framework to guide the business around different coaching requirements. The framework distinguished between the following groups: the requirements of an employee for developmental coaching delivered by their line manager; the requirements of individuals for professional coaching around realizing goals and personal improvement; and the requirements of executives for executive coaching that would incorporate an element of mentoring.

The forum was also responsible for arranging the first professional coaching program to be run internally for Nedbank delegates. It was a true example of how the culture of coaching had grown in the bank. Since 2009, Nedbank had invested in the training of approximately 100 coaches.[37] In 2011, the position to head up coaching and mentoring for Nedbank was created at a group level. It resulted in a revised and improved coaching and mentoring framework and the provision of internal supervision for the pool of internal coaches. The Nedbank pool of coaches formed a learning community, where they shared their experiences, relevant reading material on coaching, and attended various workshops to continuously educate themselves in the latest developments in the field.

Frank Berkeley was the managing executive of property finance at the time, and he experienced amazing breakthroughs with his personal coaching. Subsequently, he exposed his whole division to it. Berkeley was a true example of being a role model for values that he taught others, and he demonstrated how to implement change positively to bring about the aspirational aspect of Nedbank's vision. He allowed some of his experienced managers to enrol in the professional coach-training program, conducted by Karen de Jager of Consciousness Coaching.[38] When these leaders qualified, they were enabled to conduct coaching as part of their roles and were recognized for it on their performance agreements. An interesting unintended consequence of the coaching initiative was the well-known concept of Spreitzer, namely the psychological empowerment that the coaches themselves experienced.[39] The coaches reported, for instance, an increased

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sense of meaning in their work lives, growth in confidence, and in self-determination.[40] These coaches were, in turn, catalysts for the psychological empowerment of the employees they were coaching.

One-on-one coaching, executive coaching, and one-on-one mentoring was available for individuals who required accelerated growth, those who wanted to improve their output from good to great, and as a talent management strategy for those individuals whom the organization intended to retain. Coaching was found to be one of the most successful ways of assisting leaders with embodiment of the culture. Coaching's reflective practice supported leaders to integrate and adapt behaviours that had been contributing to their own success and the success of Nedbank. Examples were business coaching or team coaching for delegates attending academies or programs such as Leader Manager Academy, Risk Academy or Business Education Programs. One-on-one coaching was especially effective for delegates who were making a transition on the leadership pipeline, namely from "manager of others" to "manager of managers." The internal coaching capability that was created at Nedbank offered a holistic development of the individual, namely by improving emotional intelligence, highlighting blind spots, unblocking fears and recognizing conditioning that might have been preventing individuals from reaching goals, success and satisfaction.

Team coaching was the most productive and effective way of coaching groups and teams in a large organization such as Nedbank. The advantage was that more people could be touched by coaching and mentoring efforts. Furthermore, team coaching could be directly linked to the strategic growth goals of the business and the impact could be measured through improved team effectiveness, productivity, goal achievement and cohesion.

Group coaching offered members of the group the opportunity to learn from each other and also encouraged interaction and sharing, resulting in more accountability and commitment to personal success. In group coaching, members of the group seldom shared exactly the same goal, but their goals would all be aligned under a common theme. For instance, a group of individuals could be coached on self-confidence where each individual had a slightly different outcome according to their own personal scenario. "Mentoring for Growth" equipped employees to mentor peers or subordinates formally in one-on-one sessions, or informally on the job, with the purpose of imparting knowledge and/or skills that individuals required for their roles. A Nedbank Integrated Coaching and Mentoring framework was created to direct their capability building (see Exhibit 8).

An example of how the coaching as an intervention could yield benefits were the employees of Group Technology who attended a world café conversation in 2013 on developing an even greater organizational culture through greater leadership.[41] They created a graphic harvest (see Exhibit 9) which illustrated how the Group Technology Business Unit aligned to the Nedbank Leadership Philosophy of Execution, Engagement, Embodiment and Environment. The centre of the image had Nedbank's vision of becoming Africa's most admired bank. This was the focus towards which all energies were aligned. The vision was in the shape of the Nedbank basketball, which was spinning on the tip of an entire pyramid of Nedbank employees. The pyramid embodied the tremendous skill it took to work together collectively, symbolizing that each person had to be a leader — if one individual was to pull out, the entire structure would collapse. It also emphasized collaboration and teamwork, where everyone was a star and no mediocrity was allowed.

Many themes flowed out of the graphic of the pyramid — Focus on Goals; Focus on Learning; Attitude, and others. These themes were the enablers for the group and examples of leadership attributes that they had already identified in Nedbank. The various issues at Group Technology — Build Trust; Clear, Concise Communications; Decisive Leadership, Courageous Conversations, and more — were symbolised by the hands. In cases where the issues were addressed, the ball would spin with even greater momentum. As each member of the group stepped up and made commitments to be great leaders, it would add to these

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tremendous forces of their culture. A heart symbolized that the customer was at the very heart of all the work they did. The image had energy and movement, which spoke to the focus, optimism and dynamism at Nedbank.

In the graphic, hands cupping a butterfly referred to an African proverb that Nedbank's group human resources' director, Abe Thebyane, shared; "One day villagers went up to their wise chief and asked the challenging question, could the chief tell whether the butterfly in their hands was dead or alive? The wise chief gave it some careful thought and replied, 'The life of that butterfly is in your hands.'" The Group Technology leaders acknowledged their shared vision — the life of the butterfly — was held in all of their hands.

NEXT PHASE IN EXECUTION OF GROWTH STRATEGY

Brown wished that the pockets of excellence within the company, where they were implementing innovative solutions for customers, could be shared across the bank. He wondered how he could stimulate even more of these successful ideas. He considered his sense of purpose, and how he made a contribution to this organization. He felt passionate about leaving the bank in a better state than how he found it.

A major challenge that Brown and his executive team faced was to find and retain highly skilled talent available to execute Nedbank's growth strategies in South Africa and in the rest of Africa. He considered the strategy execution process, and how the long-term building of employees' capabilities was enhanced through their partnership with business schools and providers such as Consciousness Coaching. He was proud of the impact of the Nedbank Academies, and how they assisted in professionalizing the functions of human resources and risk and retail management, among others. The question remained though, how was Nedbank to sustain the momentum and growth trajectory? What would constitute the next wave of transformation and what would be the vehicle to propel more change?

Brown considered his options while waiting for the graduation ceremony to start. He realized that strategy execution entails many small wins all the time from everyone. He hoped that he could emphasize that focus during his presentation and inspire these leaders to step up to the challenges ahead, especially during Nedbank's rapidly expanding ventures in the rest of Africa.

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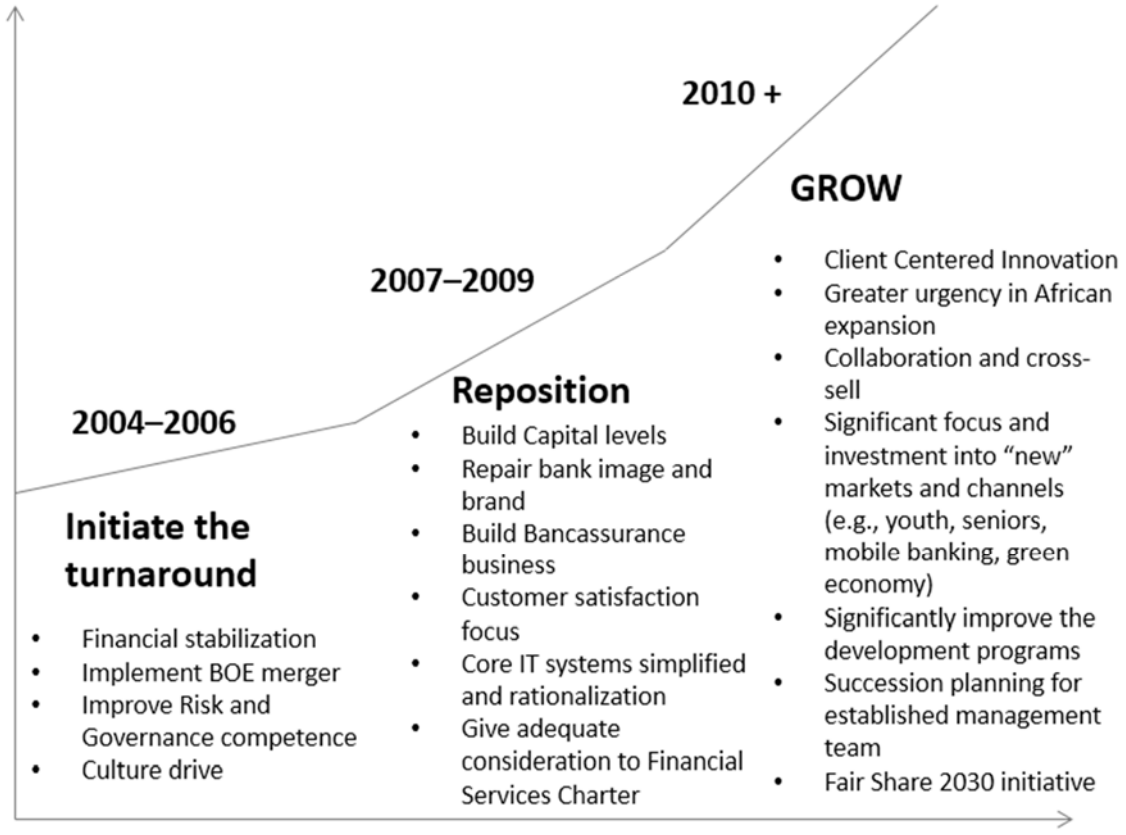
EXHIBIT 1: RHINO SCULPTURES NEDBANK PARK SANDTON

Source: Photo by Dr. Caren Scheepers at Nedbank Group Head Office, Nedbank Park, Sandton, South Africa.

EXHIBIT 2: NEDBANK'S STRATEGIC RESPONSES



Source: Nedbank Company documents, accessed November 5, 2013.

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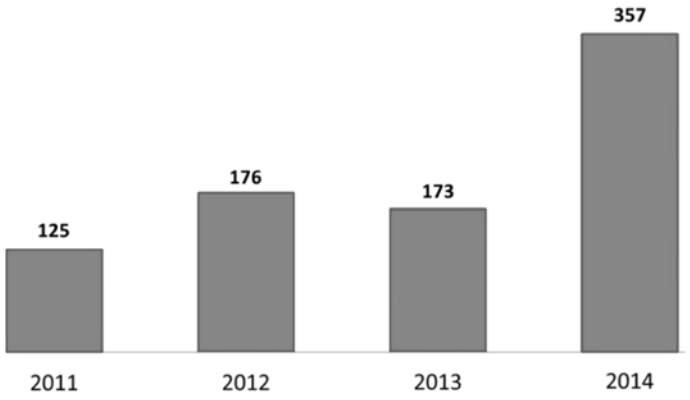
EXHIBIT 3: NEDBANK REST OF AFRICA HEADLINE EARNINGS (R MILLION)

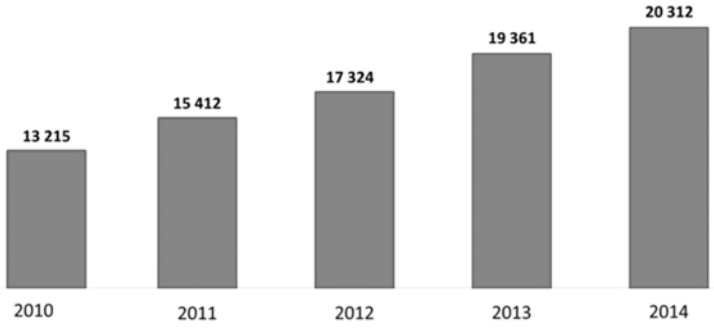


Source: Nedbank Group Integrated Annual Report, 2014.

EXHIBIT 4: GROWTH STRATEGIES

Source: Igor Ansoff, "Growth Matrix, Strategies for Diversification," Harvard Business Review, 35 (5) Sep-Oct (1957): 113.

EXHIBIT 5: NON-INTEREST REVENUE (R MILLION)



Source: Nedbank Group Integrated Annual Report, 2014, 29.

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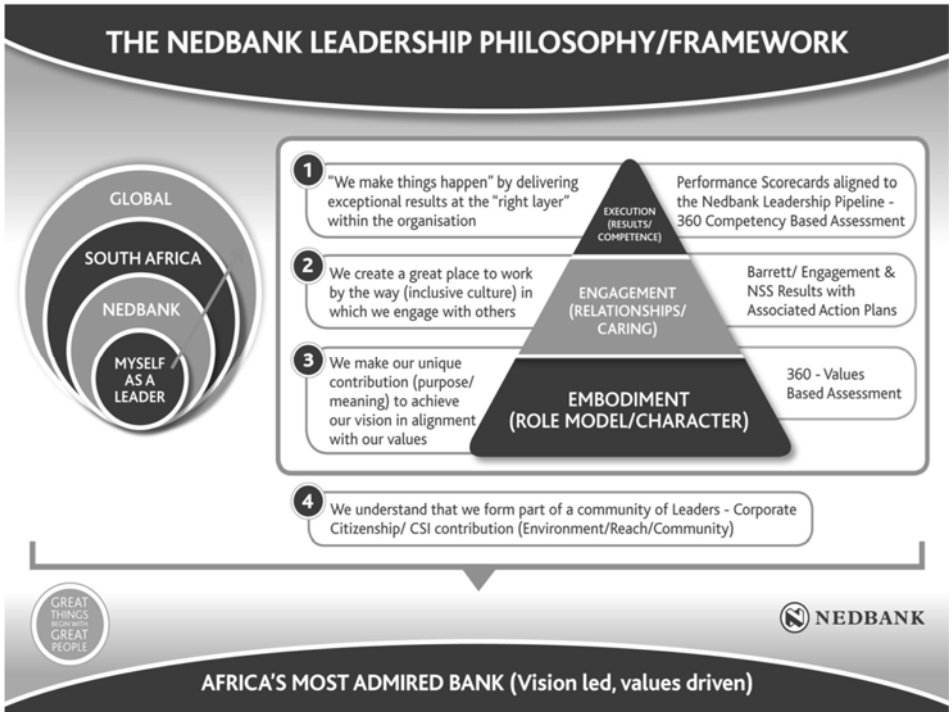
EXHIBIT 6: FINANCIAL RESULTS OF NEDBANK (R)

	2008	2009	2010	2011	2012	2013	2014
Total Assets	567,023,000	570,703,000	608,718,000	648,127,000	682,958,000	749,594,000	809,313,000
Loans & Mortgages	434,233,000	450,301,000	475,273,000	496,048,000	527,166,000	579,372.000	613,021,000
Total Deposits	466,890,000	469,355,000	490,440,000	521,155,000	550,878,000	602,952,000	653,450,000
Total Shareholders' Equity	40,073,000	44,984,000	47,814,000	52,685,000	57,375,000	64,336,000	70,911,000
Earnings per share	15.81	11.40	10.84	13.67	16.32	18.77	21.09
Key Ratios (%)							
Return on Assets	1.2	0.8	0.8	1.0	1.1	1.2	1.3
Return on Equities	19.7	12.9	11.5	13.3	14.0	14.7	15.3
Loan Deposit Ratio	94.7	98.0	99.2	97.4	97.7	98.0	95.5
Loan Asset Ratio	78.0	80.6	79.9	78.3	78.8	78.8	77.1
Equity Asset Ratio	6.2	6.9	7.2	7.6	7.8	8.1	8.3
Total Risk Based Capital	12.3	14.9	15.0	15.3	14.9	15.7	14.6
Tier 1 Capital Ratio	9.4	11.5	11.7	12.6	11.6	12.5	11.6

Source: Business Monitor International a Fitch Group Company, *Industry Reports*, April 20, 2015.

EXHIBIT 7: NEDBANK'S LEADERSHIP PHILOSOPHY



Source: Company documents.

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EXHIBIT 8: NEDBANK INTEGRATED COACHING AND MENTORING FRAMEWORK

Understanding **the difference between coaching and mentoring** as well as the different types of coaching and mentoring in order to apply the correct type of effort to the correct scenario.

Understanding where and **how coaching and mentoring supports** the Nedbank Group Strategy, Business Strategic Imperatives, the Talent Framework, the Learning Framework and the Leader Manager Framework to allow for improvement in productivity, efficiency and revenue growth.

Measuring coaching and mentoring efforts, especially team and group coaching, by applying improvement measures to pre-determined goals and objectives in order to obtain the extent of the impact of these efforts on the achievement of business imperatives and goals.

Line manager understanding of their roles as coaches and mentors, as well as where coaching and mentoring fits into the individual's personal development plan in order to support the Employee Value Proposition and Nedbank's strategic objectives as a whole.

The use of informal and accredited coaches and mentors across Nedbank as a preferred method of: On-the-job development.

The way to practice and apply knowledge and skills appropriately and in the right contexts

Supporting a culture of inclusivity, continuous improvement, creativity and innovation

Improving individual, group and team effectiveness

Understanding the **advantages of applying coaching and mentoring accurately** in order to encourage retention, reduce turnover costs, improve productivity, and improve efficiency, while retaining expert knowledge and skills within the organization.

Source: Company Documents.

EXHIBIT 9: NEDBANK GROUP TECHNOLOGY GRAPHIC HARVEST ON "GREAT LEADERSHIP AND GREAT CULTURE"

Source: Company documents.

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ENDNOTES

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