

RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES – NEDBANK GROUP

Rm	Group 2017	Pillar 3 2017	Basel III capital components	Ref ¹
Assets				
Cash and cash equivalents	16 900	16 711		
Other short-term securities	92 775	91 830		
Derivative financial instruments	29 904	29 904		
Government and other securities	49 241	49 240		
Loans and advances	710 329	710 195		
Total expected loss			13 387	i
Other assets	14 589	13 895		
Current taxation assets	211	196		
Investment securities	16 634	2 764		
Non-current assets held for sale	388	388		
Investments in private-equity associates, associate companies and joint arrangements	6 722	6 722		
Investments in financial entities above the 10% CET1 threshold				
Investments in own shares				
Deferred taxation assets	189	189		
of which:				
amounts arising from carry forwards of unused tax losses, unused tax credits and all other relevant amounts, net of the pro rata share of any deferred tax liabilities			47	g
amounts arising from temporary differences, net of the pro rata share of any deferred tax liabilities			354	h
Investment property				
Property and equipment	8 902	8 775		
Long-term employee benefit assets	5 924	5 924		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet			3 492	k
Mandatory reserve deposits with central banks	19 222	19 222		
Intangible assets	11 384	11 371		
Total gross value of goodwill			5 131	e
Total gross value of all relevant intangible assets			6 252	f
Total assets	983 314	967 326		
Equity and liabilities				
Ordinary share capital	482	482		
Ordinary share premium	18 688	18 688		
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus			19 170	a
Reserves	62 653	57 465		
Prudential valuation adjustments			(41)	o
Retained earnings			54 021	b
Accumulated other comprehensive income (and other reserves)			1 928	b
Total equity attributable to equity holders of the parent	81 823	76 635		
Non-controlling interest attributable to:				
– Ordinary shareholders	859	859		
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			812	c
National specific regulatory adjustments (minority interest CET1 adjustment)			(18)	c
Additional tier 1 instruments of which:				
– preference shareholders	3 222	3 222	2 656	d
– classified as equity in terms of Financial Reporting Standards	2 635	2 635	2 600	d
Surplus attributable to minority interest				
Total equity	88 539	83 351		
Derivative financial instruments	23 367	23 367		
Gains and Losses due to changes in own credit risk on fair valued liabilities			173	n
Amounts owed to depositors	771 584	782 970		
Provisions and other liabilities	23 292	21 605		
Gross amount of eligible provisions			11 379	j

Rm	Group 2017	Pillar 3 2017	Basel III capital components	Ref ¹
General allowance for credit Impairments			157	m
Current taxation liabilities	259	232		
Other liabilities held for sale				
Deferred taxation liabilities	761	700		
Associated deferred tax liability which would be extinguished if the relevant defined pension fund becomes impaired			761	k
Associated deferred tax liability which would be extinguished if the relevant intangible assets becomes impaired or derecognised in terms of relevant Financial Reporting Standards			9	f
Long-term employee benefit liabilities	3 525	3 525		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet			774	k
Investment contract liabilities	18 134			
Insurance contract liabilities	2 277			
Long-term debt instruments	51 576	51 576		
Additional tier 1 instruments of which: classified as liabilities in terms of Financial Reporting Standards			2 656	d
Long-term debt instruments subject to phase out			47	l
Long-term debt instruments Basel III			7 743	l
Long-term debt instruments not subject to Basel III minority interest adjustment - directly issued qualifying tier 2 instruments			4 500	l
Surplus attributable to minority interest			(1 264)	p
Grandfathering				
Total liabilities	894 775	883 975		
Total equity and liabilities	983 314	967 326		

¹ Refer to the table Nedbank Group – composition of capital disclosure for the 12 months ended 31 December 2017 for note references.

RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES – NEDBANK LIMITED

	Bank ^{1,2} 2017	Basel III capital components	Ref ³
Assets			
Cash and cash equivalents	8 793		
Other short-term securities	73 472		
Derivative financial instruments	29 641		
Government and other securities	49 045		
Loans and advances	648 525		
Total expected loss		13 142	f
Other assets	6 152		
Current taxation assets			
Investment securities	2 023		
Non-current assets held for sale	282		
Investments in private-equity associates associate companies and joint arrangements	2 611		
Qualifying instruments held in banks or other regulated institutions			
Investment in own shares	39 981		
Deferred taxation assets			
Investment property			
Property and equipment	7 525		
Long-term employee benefit assets	5 761		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet		3 492	h
Mandatory reserve deposits with central banks	18 145		
Intangible assets	5 930		
Total gross value of goodwill		1 410	d
Associated deferred tax liability which would be extinguished if the goodwill becomes impaired or derecognised in terms of relevant Financial Reporting Standards			
Total gross value of all relevant intangible assets		5 930	e
Amounts invested in group companies			
Total assets	897 886		
Equity and liabilities			
Ordinary share capital	28		
Ordinary share premium	19 193		
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus		19 221	a
Reserves	48 361		
Prudential valuation adjustments		(41)	m
Retained earnings		43 308	b
Accumulated other comprehensive income (and other reserves)		736	b
Capital requirement in respect of foreign branches		(655)	i
Accumulated losses			
Total equity attributable to equity holders of the parent	67 582		
Non-controlling interest attributable to:			
– Preference shareholders	3 561	2 656	c
Additional tier 1 instruments of which: classified as equity in terms of Financial Reporting Standards	2 600	2600	c
Total equity	73 743		
Derivative financial instruments	23 138		
Gains and Losses due to changes in own credit risk on fair valued liabilities		173	n
Amounts owed to depositors	711 765		
Provisions and other liabilities	14 023		
Gross amount of eligible provisions		11 190	g
General allowance for credit Impairments		4	l

	Bank ^{1,2} 2017	Basel III capital components	Ref ³
Current taxation liabilities	145		
Other liabilities held for sale			
Deferred taxation liabilities	132		
Associated deferred tax liability which would be extinguished if the goodwill becomes impaired or derecognised in terms of relevant Financial Reporting Standards			d
Associated deferred tax liability which would be extinguished if the relevant defined pension fund becomes impaired		761	h
Associated deferred tax liability which would be extinguished if the relevant intangible assets becomes impaired or derecognised in terms of relevant Financial Reporting Standards			
Long-term employee benefit liabilities	3 423		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet		774	h
Investment contract liabilities			
Insurance contract liabilities			
Amounts due from group companies	22 707		
Long-term debt instruments	48 810		
Long-term debt instruments Basel III		12 243	j
Long-term debt instruments subject to phase out		47	k
Grandfathering			
Total liabilities	824 143		
Total equity and liabilities	897 886		

¹ Note that there is no difference between the Regulatory and IFRS disclosure.

² Total SA operations excluding foreign branches [Regulation 18(3) of the regulations relating to banks issued in terms of the Banks Act (Act No 94 of 1990)].

³ Refer to the table Nedbank Limited – composition of capital disclosure for the 12 months ended 31 December 2017 for note references.