

Annexure A: Composition of Capital Disclosure

Composition of capital disclosure for the six months ended 30 June 2013

Nedbank Group

Rm	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
Common Equity Tier 1 capital: instruments and reserves		
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	16 803	
Retained earnings	33 704	
Accumulated other comprehensive income (and other reserves)	3 831	
Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
<i>Public sector capital injections grandfathered until 1 January 2018</i>		
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	224	224
Common Equity Tier 1 capital before regulatory adjustments	54 562	
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments		
Goodwill (net of related tax liability)	5 076	5 076
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2 924	2 924
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	194	194
Cash-flow hedge reserve		
Shortfall of provisions to expected losses	936	468
Securitisation gain on sale		
Gains and losses due to changes in own credit risk on fair valued liabilities		
Defined-benefit pension fund net assets	1 332	
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		
Reciprocal cross-holdings in common equity		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		656
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)		
Mortgage servicing rights (amount above 10% threshold)		
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
Amount exceeding the 15% threshold		
of which: significant investments in the common stock of financials		
of which: mortgage servicing rights		
of which: deferred tax assets arising from temporary differences		
National specific regulatory adjustments	422	422
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH: [INSERT NAME OF ADJUSTMENT]		
OF WHICH:		
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
Total regulatory adjustments to Common equity Tier 1	10 884	
Common Equity Tier 1 capital (CET1)	43 678	

Additional Tier 1 capital : instruments	
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards of which: classified as liabilities under applicable accounting standards	
Directly issued capital instruments subject to phase out from Additional Tier 1	4 857
Additional Tier 1 instruments (and CET1 instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) of which: instruments issued by subsidiaries subject to phase out	5 313
Additional Tier 1 capital	4 857
Additional Tier 1 capital: regulatory adjustments	
Investments in own Additional Tier 1 instruments	
Reciprocal cross-holdings in Additional Tier 1 instruments	
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
National specific regulatory adjustments	
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
OF WHICH:	
OF WHICH:	
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
Total regulatory adjustments to Additional Tier 1 capital	
Additional Tier 1 capital (AT1)	4 857
Tier 1 capital (T1 = CET1 + AT1)	48 535
Tier 2 capital and provisions	
Directly issued qualifying Tier 2 instruments plus related stock surplus	
Directly issued capital instruments subject to phase out from Tier 2	
Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2) of which: instruments issued by subsidiaries subject to phase out	6 959
Provisions	73
Tier 2 capital before regulatory adjustments	7 032
Tier 2 capital : regulatory adjustments	
Investments in own Tier 2 instruments	
Reciprocal cross-holdings in Tier 2 instruments	
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	656
National specific regulatory adjustments	
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
OF WHICH:	
OF WHICH:	
Total regulatory adjustments to Tier 2 capital	
Tier 2 capital (T2)	7 032
Total capital (TC = T1 + T2)	55 567
RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
OF WHICH:	
OF WHICH:	
Total risk weighted assets	386 804
Capital ratios	
Common Equity Tier 1 (as a percentage of risk weighted assets)	11,3%
Tier 1 (as a percentage of risk weighted assets)	12,5%
Total capital (as a percentage of risk weighted assets)	14,4%
Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7,0%
of which: capital conservation buffer requirement	2,5%
of which: bank specific countercyclical buffer requirement	
of which: G-SIB buffer requirement	
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	2,3%

National Minima (if different from Basel 3)	
National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	4,5%
National Tier 1 minimum ratio	6,0%
National total capital minimum ratio	9,5%
Amounts below the threshold for deductions (before risk weighting)	
Non-significant investments in the capital of other financials	
Significant investments in the common stock of financials	1 313
Mortgage servicing rights (net of related tax liability)	
Deferred tax assets arising from temporary differences (net of related tax liability)	101
Applicable caps on the on the inclusion of provisions in Tier 2	
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	73
Cap on inclusion of provisions in Tier 2 under standardised approach	281
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1 603
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
Current cap on CET1 instruments subject to phase out arrangements	
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
Current cap on AT1 instruments subject to phase out arrangements	
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
Current cap on T2 instruments subject to phase out arrangements	
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

Nedbank Limited

Rm	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
Common Equity Tier 1 capital: instruments and reserves		
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	17 461	
Retained earnings	21 622	
Accumulated other comprehensive income (and other reserves)	363	
Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
<i>Public sector capital injections grandfathered until 1 January 2018</i>		
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
Common Equity Tier 1 capital before regulatory adjustments	39 446	
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments		
Goodwill (net of related tax liability)	1 410	1 410
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2 506	2 506
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		
Cash-flow hedge reserve		
Shortfall of provisions to expected losses	1 118	559
Securitisation gain on sale		
Gains and losses due to changes in own credit risk on fair valued liabilities		
Defined-benefit pension fund net assets	1 220	
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		
Reciprocal cross-holdings in common equity		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)		
Mortgage servicing rights (amount above 10% threshold)		
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
Amount exceeding the 15% threshold		
of which: significant investments in the common stock of financials		
of which: mortgage servicing rights		
of which: deferred tax assets arising from temporary differences		
National specific regulatory adjustments	560	560

REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH:		
OF WHICH:		
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
Total regulatory adjustments to Common equity Tier 1		6 814
Common Equity Tier 1 capital (CET1)		32 632
Additional Tier 1 capital : instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
of which: classified as equity under applicable accounting standards		
of which: classified as liabilities under applicable accounting standards		
Directly issued capital instruments subject to phase out from Additional Tier 1		4 876
Additional Tier 1 instruments (and CET1 instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
of which: instruments issued by subsidiaries subject to phase out		
Additional Tier 1 capital		4 876
Additional Tier 1 capital: regulatory adjustments		
Investments in own Additional Tier 1 instruments		
Reciprocal cross-holdings in Additional Tier 1 instruments		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
National specific regulatory adjustments		
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH:		
OF WHICH:		
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
Total regulatory adjustments to Additional Tier 1 capital		4 876
Additional Tier 1 capital (AT1)		4 876
Tier 1 capital (T1 = CET1 + AT1)		37 508
Tier 2 capital and provisions		
Directly issued qualifying Tier 2 instruments plus related stock surplus		
Directly issued capital instruments subject to phase out from Tier 2		6 959
Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
of which: instruments issued by subsidiaries subject to phase out		
Provisions		27
Tier 2 capital before regulatory adjustments		6 986
Tier 2 capital : regulatory adjustments		
Investments in own Tier 2 instruments		
Reciprocal cross-holdings in Tier 2 instruments		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
National specific regulatory adjustments		
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH:		
OF WHICH:		
Total regulatory adjustments to Tier 2 capital		6 986
Tier 2 capital (T2)		6 986
Total capital (TC = T1 + T2)		44 494
RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH:		
OF WHICH:		
Total risk weighted assets		334 767

Capital ratios	
Common Equity Tier 1 (as a percentage of risk weighted assets)	9,7%
Tier 1 (as a percentage of risk weighted assets)	11,2%
Total capital (as a percentage of risk weighted assets)	13,3%
Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7,0%
of which: capital conservation buffer requirement	2,5%
of which: bank specific countercyclical buffer requirement	
of which: G-SIB buffer requirement	
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	0,7%
National Minima (if different from Basel 3)	
National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	4,5%
National Tier 1 minimum ratio	6,0%
National total capital minimum ratio	9,5%
Amounts below the threshold for deductions (before risk weighting)	
Non-significant investments in the capital of other financials	
Significant investments in the common stock of financials	
Mortgage servicing rights (net of related tax liability)	
Deferred tax assets arising from temporary differences (net of related tax liability)	98
Applicable caps on the on the inclusion of provisions in Tier 2	
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	27
Cap on inclusion of provisions in Tier 2 under standardised approach	88
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1 492
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
Current cap on CET1 instruments subject to phase out arrangements	
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
Current cap on AT1 instruments subject to phase out arrangements	
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
Current cap on T2 instruments subject to phase out arrangements	
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	