

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

Rm	Group Jun 2017	Pillar 3 Jun 2017	Basel III capital components	Ref ¹
Assets				
Cash and cash equivalents	19 314	19 149		
Other short-term securities	90 741	89 916		
Derivative financial instruments	18 727	18 727		
Government and other securities	49 306	49 293		
Loans and advances	709 864	709 858		
Total expected loss			13 374	i
Other assets	10 691	9 586		
Current taxation assets	159	136		
Investment securities	15 980	2 688		
Non-current assets held for sale	592	405		
Investments in private-equity associates, associate companies and joint arrangements	5 965	5 965		
Investments in financial entities above the 10% CET1 threshold				o
Investments in own shares				p
Deferred taxation assets	145	207		
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			46	g
amounts arising from temporary differences, net of the pro rata share of any deferred tax liabilities			308	h
Investment property	21	21		
Property and equipment	8 644	8 640		
Long-term employee benefit assets	5 563	5 563		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet			3 594	k
Mandatory reserve deposits with central banks	19 556	19 556		
Intangible assets	10 562	10 569		
Total gross value of goodwill			5 142	e
Total gross value of all relevant intangible assets			5 420	f
Total assets	965 830	950 279		
Equity and liabilities				
Ordinary share capital	482	464		
Ordinary share premium	18 698	18 575		
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus			19 179	a
Reserves	58 824	56 537		
Retained earnings			49 193	b
Accumulated other comprehensive income (and other reserves)			1 924	b
Total equity attributable to equity holders of the parent	78 004	75 576		
Non-controlling interest attributable to:				
– Ordinary shareholders	811	824		
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			741	c
National specific regulatory adjustments (minority interest CET1 adjustment)			(35)	c
Additional tier 1 instruments of which:			5 256	
– preference shareholders	2 622	2 622	2 656	d
– classified as equity in terms of Financial Reporting Standards	3 222	3 222	2 600	d
Surplus attributable to minority interest			(841)	
Total equity	84 659	82 244		
Derivative financial instruments	13 011	13 011		
Gains and Losses due to changes in own credit risk on fair valued liabilities			241	n
Amounts owed to depositors	762 712	771 426		
Provisions and other liabilities	24 728	23 002		
Gross amount of eligible provisions			11 486	j

Rm	Group Jun 2017	Pillar 3 Jun 2017	Basel III capital components	Ref ¹
General allowance for credit Impairments			157	m
Current taxation liabilities	174			
Other liabilities held for sale				
Deferred taxation liabilities	1 089	1 097		
Associated deferred tax liability which would be extinguished if the relevant defined pension fund becomes impaired			787	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			33	f
Long-term employee benefit liabilities	3 561	3 561		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet			784	k
Investment contract liabilities	17 405			
Insurance contract liabilities	2 553			
Long-term debt instruments	55 938	55 938		
Additional tier 1 instruments of which: classified as liabilities in terms of Financial Reporting Standards				
Long-term debt instruments subject to phase out			2 047	l
Long-term debt instruments Basel III			12 243	l
Long-term debt instruments not subject to Basel III minority interest adjustment - directly issued qualifying tier 2 instruments			4 500	q
Surplus attributable to minority interest			(1 142)	r
Grandfathering				l
Total liabilities	881 171	868 035		
Total equity and liabilities	965 830	950 279		

¹ Refer to the table Nedbank Group – composition of capital disclosure for the six months ended 30 June 2017 for note references.

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

	Bank ^{1,2} Jun 2017	Basel III capital components	Ref ³
Assets			
Cash and cash equivalents	12 511		
Other short-term securities	71 731		
Derivative financial instruments	18 443		
Government and other securities	47 357		
Loans and advances	627 111		
Total expected loss		13 303	f
Other assets	4 414		
Current taxation assets			
Investment securities	1 927		
Non-current assets held for sale	298		
Investments in private-equity associates associate companies and joint arrangements	1 914		
Qualifying instruments held in banks or other regulated institutions			
Investment in own shares	15 971		m
Deferred taxation assets	(2)		
Investment property			
Property and equipment	7 284		
Long-term employee benefit assets	5 393		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet		3 594	h
Mandatory reserve deposits with central banks	18 022		
Intangible assets	5 092		
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		5 092	e
Amounts invested in group companies			
Total assets	837 466		
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	43 352		
Retained earnings		38 537	b
Accumulated other comprehensive income (and other reserves)		247	b
Capital requirement in respect of foreign branches		(642)	i
Accumulated losses			i
Total equity attributable to equity holders of the parent	62 573		
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	2 600	c
Total equity	68 734		
Derivative financial instruments	12 870		
Gains and Losses due to changes in own credit risk on fair valued liabilities		241	n
Amounts owed to depositors	681 452		
Provisions and other liabilities	9 830		
Gross amount of eligible provisions		11 382	g
General allowance for credit Impairments		4	l
Current taxation liabilities	(74)		

	Bank ^{1,2} Jun 2017	Basel III capital components	Ref ³
Other liabilities held for sale			
Deferred taxation liabilities	355		
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		787	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			e
Long-term employee benefit liabilities	3 430		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet		784	h
Investment contract liabilities			
Insurance contract liabilities			
Amounts due from group companies	9 334		
Long-term debt instruments	51 535		
Long-term debt instruments Basel III		12 243	j
Long-term debt instruments subject to phase out		2 047	k
Grandfathering			k
Total liabilities	768 732		
Total equity and liabilities	837 466		

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 six months ended 30 June 2017 for note references.