

## Nedbank Group - Reconciliation of IFRS financial statements to regulatory capital and reserves

Rm	Group Jun 2018	Pillar 3 Jun 2018	Basel III capital components	Ref <sup>1</sup>
<b>Assets</b>				
Cash and cash equivalents	11 222	11 009		
Other short-term securities	94 226	93 300		
Derivative financial instruments	28 058	28 058		
Government and other securities	76 730	76 729		
Loans and advances	712 668	712 524		
Total expected loss			14 068	i
Other assets	23 441	22 501		
Current taxation assets	922	897		
Investment securities	20 837	7 196		
Non-current assets held for sale	382	382		
Investments in private-equity associates, associate companies and joint arrangements	3 103	3 103		
Investments in financial entities above the 10% CET1 threshold				
Investments in own shares				
Deferred taxation assets	341	341		
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			3	g
amounts arising from temporary differences, net of the pro rata share of any deferred tax liabilities			395	h
Investment property				
Property and equipment	8 630	8 504		
Long-term employee benefit assets	4 675	4 675		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet			1 027	k
Mandatory reserve deposits with central banks	21 596	21 596		
Intangible assets	12 184	12 171		
Total gross value of goodwill			5 168	e
Total gross value of all relevant intangible assets			6 987	f
<b>Total assets</b>	<b>1 019 015</b>	<b>1 002 986</b>		
<b>Equity and liabilities</b>				
Ordinary share capital	484	484		
Ordinary share premium	19 332	19 332		
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus			19 816	a
Reserves	62 285	68 054		
Prudential valuation adjustments			41	o
Retained earnings			51 795	b
Accumulated other comprehensive income (and other reserves)			2 692	b
<b>Total equity attributable to equity holders of the parent</b>	<b>82 101</b>	<b>87 870</b>		
Non-controlling interest attributable to:				
– Ordinary shareholders	1 005	1 005		
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			911	c
National specific regulatory adjustments (minority interest CET1 adjustment)			2	c
Additional tier 1 instruments of which:				
– preference shareholders	3 222	3 222	2 125	d
– classified as equity in terms of Financial Reporting Standards	2 634	2 634	2 600	d
Surplus attributable to minority interest			572	d
<b>Total equity</b>	<b>88 962</b>	<b>94 732</b>		

Rm	Group Jun 2018	Pillar 3 Jun 2018	Basel III capital components	Ref <sup>1</sup>
<b>Liabilities</b>				
Derivative financial instruments	25 394	25 394		
Gains and Losses due to changes in own credit risk on fair valued liabilities			317	n
Amounts owed to depositors	801 165	801 744		
Provisions and other liabilities	25 638	23 683		
Gross amount of eligible provisions			13 629	j
General allowance for credit Impairments			318	m
Current taxation liabilities	239	252		
Other liabilities held for sale				
Deferred taxation liabilities	765	690		
Associated deferred tax liability which would be extinguished if the relevant defined pension fund becomes impaired			287	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			28	f
Long-term employee benefit liabilities	2 812	2 812		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet				k
Investment contract liabilities	18 316			
Insurance contract liabilities	2 044			
Long-term debt instruments	53 680	53 680		
Additional tier 1 instruments of which: classified as liabilities in terms of Financial Reporting Standards				d
Long-term debt instruments subject to phase out			47	l
Long-term debt instruments Basel III			6 500	q
Long-term debt instruments not subject to Basel III minority interest adjustment - directly issued qualifying tier 2 instruments			7 743	l
Surplus attributable to minority interest			1 195	r
Grandfathering				l
<b>Total liabilities</b>	<b>930 053</b>	<b>908 255</b>		
<b>Total equity and liabilities</b>	<b>1 019 015</b>	<b>1 002 986</b>		

<sup>1</sup> Refer to the table Nedbank Group – composition of capital disclosure for the six months ended 30 June 2018 for note references.

## Nedbank Limited - Reconciliation of IFRS financial statements to regulatory capital and reserves

	Bank <sup>1,2</sup> Jun 2018	Basel III capital components	Ref <sup>3</sup>
<b>Assets</b>			
Cash and cash equivalents	6 011		
Other short-term securities	71 677		
Derivative financial instruments	26 721		
Government and other securities	74 530		
Loans and advances	633 674		
Total expected loss		13 909	f
Other assets	10 098		
Current taxation assets	764		
Investment securities	5 225		
Non-current assets held for sale	277		
Investments in private-equity associates associate companies and joint arrangements	195		
Qualifying instruments held in banks or other regulated institutions			
Investment in group companies	63 556		
Deferred taxation assets			
Investment property			
Property and equipment	7 188		
Long-term employee benefit assets	4 511		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet		1 027	h
Mandatory reserve deposits with central banks	19 013		
Intangible assets	6 716		
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		6 715	e
Amounts invested in group companies			
<b>Total assets</b>	<b>930 156</b>		
<b>Equity and liabilities</b>			
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	45 737		
Prudential valuation adjustments			m
Retained earnings		40 704	b
Accumulated other comprehensive income (and other reserves)		1 041	b
Capital requirement in respect of foreign branches		(606)	i
Accumulated losses			
<b>Total equity attributable to equity holders of the parent</b>	<b>64 598</b>		
Non-controlling interest attributable to:			
– Preference shareholders	3 561	2 125	c
Additional tier 1 instruments of which: classified as equity in terms of Financial Reporting Standards	2 647	2 600	c
<b>Total equity</b>	<b>71 166</b>		

	Bank <sup>1,2</sup> Jun 2018	Basel III capital components	Ref <sup>3</sup>
<b>Liabilities</b>			
Derivative financial instruments	24 198		
Gains and Losses due to changes in own credit risk on fair valued liabilities		317	n
Amounts owed to depositors	713 488		
Provisions and other liabilities	14 486		
Gross amount of eligible provisions		13 458	g
General allowance for credit Impairments		8	l
Current taxation liabilities			
Other liabilities held for sale			
Deferred taxation liabilities	182		
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		287	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	2 703		
For every separate defined benefit pension scheme which gives rise to a net asset on the balance sheet			h
Investment contract liabilities			
Insurance contract liabilities			
Amounts due from group companies	52 640		
Long-term debt instruments			
Long-term debt instruments Basel III		14 243	j
Long-term debt instruments subject to phase out	51 293	47	k
Grandfathering			
<b>Total liabilities</b>	<b>858 990</b>		
<b>Total equity and liabilities</b>	<b>930 156</b>		

<sup>1</sup> Note that there is no difference between the Regulatory and IFRS disclosure.

<sup>2</sup> 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)].

<sup>3</sup> Refer to the table Nedbank Limited – composition of capital disclosure for the six months ended 30 June 2018 for note references.