

NEDBANK GROUP LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1966/010630/06

JSE share code: NED

NSX share code: NBK

ISIN: ZAE000004875

('Nedbank Group' or 'the group')

NEDBANK LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1951/000009/06

JSE share code: NBKP

ISIN: ZAE000043667

("Nedbank Limited" or "the bank")

**PILLAR III QUARTERLY REPORT ON CAPITAL ADEQUACY AT 30 SEPTEMBER
2014**

In terms of Regulation 43(1)(e)(ii) of the Banks Act 94 of 1990 (as amended) ("the Regulation"), the group is required to disclose information on its capital adequacy ratios on a quarterly basis. This is in accordance with Pillar III of the Basel Accord.

Certain of the information required to be disclosed in terms of the Regulation is included in Nedbank Group's Third Quarter 2014 Trading Update.

The group remains well capitalised with capital ratios exceeding Basel III minimum regulatory requirements and within internal Basel III targets. Following the payment of the interim dividend in September 2014, the common equity tier 1 ratio was at 11,9% (Q3 2013: 11,6%), the tier 1 capital ratio at 12,8% (Q3 2013: 12,9%) and total capital ratio at 14,6% (Q3 2013: 14,7%).

The following table sets out the available capital as at 30 September 2014:

	Nedbank Group		Nedbank Limited	
Including unappropriated profits	Rm	%	Rm	%
Tier 1 Capital	55 484	12,8%	43 005	11,9%
Common Equity Tier 1 Capital	51 330	11,9%	38 755	10,7%
Share capital and premium	17 329		17 461	
Reserves	45 843		29 750	
Minority interest:				
ordinary shareholders	277		0	
Goodwill	(5 271)		(1 410)	
Excess of expected loss over eligible provisions	(1 615)		(1 639)	
Defined benefit pension fund assets	(1 868)		(1 868)	
Other regulatory differences and non-qualifying reserves	(3 365)		(3 539)	
Additional Tier 1 Capital	4 154	0,9%	4 250	1,2%
Preference share capital and premium	3 561		3 561	
Hybrid debt capital	1 752		1 752	
Grandfathering and other adjustments	(1 159)		(1 063)	
Tier 2 Capital	7 820	1,8%	7 743	2,1%
Long-term liabilities	9 269		9 269	
General allowance for credit impairment	97		20	
Grandfathering and other adjustments	(1 546)		(1 546)	
Total Capital	63 304	14,6%	50 748	14,0%

Excluding unappropriated profits

Tier 1 Capital	50 766	11,7%	38 626	10,7%
Common Equity Tier 1 Capital	46 612	10,8%	34 376	9,5%
Total Capital	58 586	13,5%	46 369	12,8%

	Nedbank Group			Nedbank Limited		
Minimum required capital and reserve funds per risk type	Pillar 1	Pillar 2a	Total	Pillar 1	Pillar 2a	Total
Minimum ratios	8,0%	2,0%	10,0%	8,0%	2,0%	10,0%
Credit Risk	26 051	6 513	32 564	22 716	5 679	28 395
Equity Risk	1 385	345	1 730	1 099	275	1 374
Market Risk	571	143	714	417	105	522
Operational risk	4 223	1 056	5 279	3 562	890	4 452
Other	2 372	593	2 965	1 150	287	1 437
Total Minimum required capital and reserve funds	34 602	8 650	43 252	28 944	7 236	36 180

Notes:

1. Minimum required capital and reserve funds have been reported at 10.0%, in terms of Directive 05/2011 issued in terms of section 6(4) of the Banks Act, 1990.
2. Regulation requires details of any risk exposure or other item that is subject to rapid or material change. These are detailed in the trading update released on 27 October 2014.

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28 October 2014

Sponsors to Nedbank Group in South Africa:

Merrill Lynch South Africa (Pty) Limited

Nedbank Capital

Sponsor to Nedbank Group in Namibia:

Old Mutual Investment Services (Namibia) (Pty) Ltd