

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")

QUARTERLY REPORT ON PILLAR III CAPITAL ADEQUACY AT 31 MARCH 2014

Quarterly Report in terms of Regulation 43(1)(e)(ii) of the Banks Act 94 of 1990 (as amended) ("the Regulation"). Certain of the information required to be disclosed in terms of the Regulation is included in Nedbank Group's trading update for the three month period to 31 March 2014, issued on 13 May 2014, and the additional capital adequacy information given below should be read in conjunction with the trading update.

The following table sets out the available capital as at 31 March 2014:

Including unappropriated profits	Nedbank Group		Nedbank Limited	
	Rm	%	Rm	%
Tier 1 Capital	55 091	13,5%	40 727	11,7%
Common Equity Tier 1 Capital	50 894	12,5%	36 477	10,5%
Share capital and premium	17 272		17 461	
Reserves	45 294		27 165	
Minority interest:				
Ordinary shareholders	239		0	

Goodwill	(5 131)		(1 410)	
Excess of expected loss over eligible provisions	(1 683)		(1 725)	
Defined benefit pension fund assets	(1 848)		(1 848)	
Other regulatory differences and non-qualifying reserves	(3 249)		(3 166)	
Additional Tier 1 Capital	4 197	1,0%	4 250	1,2%
Preference share capital and premium	3 561		3 561	
Hybrid debt capital	1 752		1 752	
Grandfathering and other regulatory adjustments	(1 116)		(1 063)	
Tier 2 Capital	5 769	1,4%	5 709	1,6%
Long-term liabilities	7 232		7 232	
General allowance for credit impairment	83		23	
Grandfathering and other adjustments	(1 546)		(1 546)	
Total Capital	60 860	14,9%	46 436	13,3%
Excluding unappropriated profits				
Tier 1 Capital	49 504	12,1%	36 166	10,4%
Common Equity Tier 1 Capital	45 307	11,1%	31 916	9,2%
Total Capital	55 272	13,5%	41 875	12,0%

Minimum required capital and reserve funds per risk type	Nedbank Group			Nedbank Limited		
	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	24 963	6 241	31 204	21 926	5 481	27 407
Equity Risk	1 449	362	1 811	1 106	276	1 382

Market Risk	516	129	645	396	99	495
Operational risk	4 064	1 016	5 080	3 429	858	4 287
Other	1 693	423	2 116	984	246	1 230
Total Minimum required capital and reserve funds	32 685	8 171	40 856	27 841	6 960	34 801

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 13 May 2014.*

Sandton

14 May 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

Sponsors to Nedbank Limited in South Africa:

Nedbank Capital

Investec Bank Limited