

## Nedbank Group - Quarterly report on Basel II capital adequacy

### 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 BASEL II CAPITAL ADEQUACY**

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 nine month period to 30 September 2011.

The group's capital ratios remained well above current Basel II and anticipated Basel III minimum regulatory requirements, as well as our internal targets. The Core Tier 1 ratio strengthened marginally to 10,8% at 30 September 2011 (June 2011: 10,7%) as a result of profitability and reasonably low growth in risk weighted assets during the quarter, and the payment of the interim ordinary dividend in September 2011.

In addition, the group's Tier 1 capital adequacy ratio at 12,5% (June 2011: 12,4%) and total capital adequacy ratio at 15,3% (June 2011: 15,2%) remain strong.

The following table sets out the available capital as at 30 September 2011:

	Nedbank Group		Nedbank Limited	
	Rm	%	Rm	%
Tier 1 capital (Primary)	40 328	12,5%	35 225	12,4%
Share capital and reserves	46 754		34 504	
Minority interest:				
ordinary shareholders	157		-	
Minority interest:				
preference shareholders	3 560		3 560	

Hybrid debt capital	1 752		1 752	
Impairments	(2 591)		(2 376)	
Goodwill	(4 996)		(1 410)	
Excess of expected loss over eligible provisions (50%)	( 689)		( 729)	
Other regulatory differences and non-qualifying reserves	(3 619)		( 76)	
Tier 2 capital (Secondary)	9 126	2,8%	9 498	3,3%
Long-term liabilities	9 502		9 499	
Excess of expected loss over eligible provisions (50%)	( 689)		( 729)	
General allowance for credit impairment	417		377	
Other regulatory differences	(104)		351	
Total	49 454	15,3%	44 723	15,7%
Minimum required capital and reserve funds	30 749		27 084	

Notes:

1. The figures above have not been audited.
2. Available capital includes unappropriated profits to the extent that they are not expected to reverse.
3. Minimum required capital and reserve funds have been reported at 9,5%, in terms of Directive 05/2011 issued in terms of section 6(4) of the Banks Act, 1990.
4. 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 2 November 2011.

Sandton  
3 November 2011

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Nedbank Capital

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Old Mutual Investment Services (Namibia) (Pty) Ltd

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Nedbank Capital  
Investec Bank Limited