

## Leverage ratio

The leverage ratio is a supplementary measure to risk-based capital requirements. The leverage ratios of both the group and bank are well above minimum regulatory requirements.

### LR1: NEDBANK GROUP SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE

Item	Jun 2018
1 Total consolidated assets as per published financial statements	1 019 015
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	
4 Adjustments for derivative financial instruments	(5 377)
5 Adjustment for securities financing transactions (ie repos and similar secured lending)	(10 425)
6 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	89 575
7 Other adjustments	(6 351)
<b>8 Leverage ratio exposure</b>	<b>1 086 437</b>

### LR2: NEDBANK GROUP LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

Item	Jun 2018	Mar 2018
<b>On-balance sheet exposures</b>		
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	985 996	956 768
2 Asset amounts deducted in determining Basel III Tier 1 capital	(13 336)	(13 718)
<b>3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>972 660</b>	<b>943 050</b>
<b>Derivative exposures</b>		
4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	22 435	19 559
5 Add-on amounts for PFE associated with all derivatives transactions	15 463	13 818
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	2 342	1 363
7 Deductions of receivables assets for cash variation margin provided in derivatives transactions	(82)	
8 Exempted CCP leg of client-cleared trade exposures	(11 140)	(10 826)
9 Adjusted effective notional amount of written credit derivatives	(2 955)	395
10 Credit derivatives (protection bought) (same reference name with equal to or greater remaining maturity)	(3 382)	(680)
<b>11 Total derivative exposures (sum of lines 4 to 10)</b>	<b>22 681</b>	<b>23 629</b>
<b>Securities financing transaction exposures</b>		
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	12 032	18 109
13 Netted amounts of cash payables and cash receivables of gross SFT assets	(11 296)	(17 333)
14 CCR exposure for SFT assets	735	776
15 Agent transaction exposures	49	216
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>1 520</b>	<b>1 768</b>
<b>Other off-balance sheet exposures</b>		
17 Off-balance sheet exposure at gross notional amount	205 826	197 398
18 Adjustments for conversion to credit equivalent amounts	(116 250)	(146 256)
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>89 576</b>	<b>51 142</b>
<b>Capital and total exposures</b>		
20 Tier 1 capital	65 670	63 623
<b>21 Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>1 086 437</b>	<b>1 019 589</b>
<b>Leverage ratio<sup>1</sup></b>		
22 Basel III leverage ratio (%)	6,0	6,2

<sup>1</sup> Basis of preparation for the leverage ratio is quarterly averaging.