

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
2013**

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 Third Quarter 2013 Trading Update.

The group remains well capitalised with capital ratios exceeding Basel III minimum regulatory requirements and within revised internal Basel III targets. Following the payment of the interim dividend in September 2013, the common equity tier 1 ratio was at 11,6% (June 2013: 11,8%), the tier 1 capital ratio at 12,9% (June 2013: 13,0%) and total capital ratio at 14,7% (June 2013: 14,8%).

The following table sets out the available capital as at 30 September 2013:

	Nedbank Group		Nedbank Limited	
Including unappropriated profits	Rm	%	Rm	%
Tier 1 Capital	50 779	12,9%	38 907	11,4%
Common Equity Tier 1 Capital	45 904	11,6%	34 031	10,0%
Share capital and premium	16 863		17 461	
Reserves	39 871		23 556	
Minority interest:				
ordinary shareholders	234		0	
Goodwill	(5 101)		(1 410)	
Excess of expected loss over eligible provisions	(1 071)		(1 278)	
Defined benefit pension fund assets	(1 231)		(1 231)	
Other regulatory differences and non-qualifying reserves	(3 661)		(3 068)	
Additional Tier 1 Capital	4 875	1,3%	4 877	1,4%
Preference share capital and premium	3 471		3 472	
Hybrid debt capital	1 752		1 752	
Grandfathering and other adjustments	(348)		(347)	
Tier 2 Capital	7 057	1,8%	6 994	2,1%
Long-term liabilities	7 732		7 732	
General allowance for credit impairment	99		36	
Grandfathering and other adjustments	(773)		(773)	
Total Capital	57 836	14,7%	45 901	13,5%

Excluding unappropriated profits

Tier 1 Capital	48 355	12,3%	37 451	11,0%
Common Equity Tier 1 Capital	43 480	11,0%	32 575	9,5%
Total Capital	55 412	14,0%	44 446	13,0%

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%	1,5%	9,5%	8,0%	1,5%	9,5%
Credit Risk	23 839	4 470	28 309	21 172	3 969	25 141
Equity Risk	1 285	241	1 526	1 101	206	1 307
Market Risk	357	67	424	261	49	310
Operational risk	4 468	838	5 306	3 748	703	4 451
Other	1 613	302	1 915	1 019	192	1 211
Total Minimum required capital and reserve funds	31 562	5 918	37 480	27 301	5 119	32 420

Notes:

1. The figures above have not been audited.
2. 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.

Sandton

29 October 2013

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