

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 31 MARCH 2013**

Quarterly report in terms of Regulation 43(1)(e)(iii) 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 2013.

The group's capital ratios remain strong, well above the new Basel III minimum regulatory requirements and well within our revised internal Basel III targets communicated to the market with the 31 December 2012 results.

The Group's Common Equity Tier 1 ratio improved to 12,2% in March 2013 (December 2012 Basel II.5: 11,4% and December 2012 proforma Basel III: 11,6%) mainly as a result of continuing organic earnings growth in the quarter, offset to a degree by higher risk weighted assets under Basel III.

In addition the group's Tier 1 capital adequacy ratio improved to 13,4% (December 2012 Basel II.5: 12,9% and December 2012 proforma Basel III: 13,1%), as did the Total capital adequacy ratio that improved to 15,4% (December 2012 Basel II.5: 14,9% and December 2012 proforma Basel III: 15,1%), after the phase out of 10% of the existing preference share capital and Tier 2 capital in line with the grandfathering rules under Basel III.

The following table sets out the available capital as at 31 March 2013:

	Nedbank Group Limited		Nedbank Limited	
	Rm	%	Rm	%
Tier 1 Capital	49 839	13,4%	39 436	12,3%
Common Equity Tier 1 Capital	45 254	12,2%	34 479	10,8%
Share capital and premium	16 883		17 461	
Reserves	39 154		23 917	
Minority interest:				
ordinary shareholders	200			
Impairments	(2 909)		(2 953)	
Goodwill	(5 047)		(1 410)	
Excess of expected loss over eligible provisions	(1 057)		(1 205)	

Deferred taxation assets	(214)					
Defined benefit pension fund assets	(1 332)			(1 331)		
Other regulatory differences and non-qualifying reserves	(424)					
Additional Tier 1 Capital	4 585	1,2%		4 957	1,5%	
Preference share capital and premium	2 833			3 205		
Hybrid debt capital	1 752			1 752		
Tier 2 Capital	7 349	2,0%		6 990	2,2%	
Long-term liabilities	7 276			6 959		
General allowance for credit impairment	73			31		
Total Capital	57 188	15,4%		46 426	14,5%	
Minimum required capital and reserve funds per risk type	Pillar 1	Pillar 2a	Total	Pillar 1	Pillar 2a	Total
Credit Risk	22 530	4 224	26 754	19 822	3 716	23 538
Equity Risk	1 185	222	1 407	1 017	191	1 208
Market Risk	413	77	490	285	53	338
Operational risk	4 171	782	4 953	3 508	658	4 166
Other	1 480	278	1 758	1 018	191	1 209
Total minimum required capital and reserve funds	29 779	5 583	35 362	25 650	4 809	30 459

**Notes:**

1. The figures above have not been audited.
2. Available capital includes unappropriated profits and is before the 2012 final dividend paid in April 2013.
3. Minimum required capital and reserve funds have been reported at 9.5%, in terms of Directive 05/2013 issued in terms of section 6(6) 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 03 May 2013.

Sandton  
6 May 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

Sponsors to Nedbank Limited in South Africa:  
Nedbank Capital  
Investec Bank Limited