

## Leverage ratio

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

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

| Item   | 2018             |
|--|------------------|
| 1 Total consolidated assets as per published financial statements  | 1 043 912        |
| 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   | (8 861)          |
| 5 Adjustment for securities financing transactions (ie repos and similar secured lending)  | (8 003)          |
| 6 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)   | 64 288           |
| 7 Other adjustments  | (8 733)          |
| <b>8 Leverage ratio exposure measure</b>   | <b>1 082 603</b> |

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

| Item   | Dec 2018         | Sep 2018         |
|--|------------------|------------------|
| <b>On-balance sheet exposures</b>  |                  |                  |
| 1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)  | 1 018 677        | 1 020 474        |
| 2 Asset amounts deducted in determining Basel III Tier 1 capital   | (14 948)         | (14 564)         |
| <b>3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>  | <b>1 003 729</b> | <b>1 005 910</b> |
| <b>Derivative exposures</b>  |                  |                  |
| 4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)                                 | 17 377           | 41 028           |
| 5 Add-on amounts for PFE associated with all derivatives transactions  | 16 590           | 16 939           |
| 6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 1 508            | 2 164            |
| 7 Deductions of receivables assets for cash variation margin provided in derivatives transactions  | (250)            |                  |
| 8 Exempted CCP leg of client-cleared trade exposures   | (12 005)         | (12 189)         |
| 9 Adjusted effective notional amount of written credit derivatives   | (5 024)          | (4 871)          |
| 10 Credit derivatives (protection bought) (same reference name with equal to or greater remaining maturity)                                | (4 365)          | (3 203)          |
| <b>11 Total derivative exposures (sum of lines 4 to 10)</b>  | <b>13 831</b>    | <b>39 868</b>    |
| <b>Securities financing transaction exposures</b>  |                  |                  |
| 12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions                                     | 8 758            | 6 887            |
| 13 Netted amounts of cash payables and cash receivables of gross SFT assets  | (8 381)          | (6 536)          |
| 14 CCR exposure for SFT assets   | 378              | 351              |
| 15 Agent transaction exposures   |                  | 529              |
| <b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>   | <b>755</b>       | <b>1 231</b>     |
| <b>Other off-balance sheet exposures</b>   |                  |                  |
| 17 Off-balance sheet exposure at gross notional amount   | 227 526          | 208 051          |
| 18 Adjustments for conversion to credit equivalent amounts   | (163 238)        | (146 481)        |
| <b>19 Off-balance sheet items (sum of lines 17 and 18)</b>   | <b>64 288</b>    | <b>61 570</b>    |
| <b>Capital and total exposures</b>   |                  |                  |
| 20 Tier 1 capital  | 70 068           | 68 552           |
| <b>21 Total exposures (sum of lines 3, 11, 16 and 19)</b>  | <b>1 082 603</b> | <b>1 108 579</b> |
| <b>Leverage ratio<sup>1</sup></b>  |                  |                  |
| <b>22 Basel III leverage ratio (%)</b>   | <b>6,5</b>       | <b>6,2</b>       |

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