
CORPORATE INFORMATION AND ADVISORS

Secretary and registered office

Company secretary: G S Nienaber
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Block A
Nedbank Group Limited
(Registration number 1966/010630/06)
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Investment bank, Proposed Transaction advisor and sponsor

Nedbank Capital
(a division of Nedbank Limited,
Registration number 1951/000009/06)
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Corporate law advisors and consultants

Edward Nathan (Proprietary) Limited
(Registration number 2004/0056657/07)
4th Floor
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23 Fricker Road
Illovo, 2196
(PO Box 804, Saxonwold, 2132)

Reporting accountants

Deloitte & Touche
The Woodlands
20 Woodlands Drive
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KPMG Inc.
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KPMG Crescent
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(Private Bag X9, Parkview, 2122)

Transfer secretaries to Nedbank Group in South Africa

Computershare Investor Services 2004 (Proprietary) Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Independent advisor

JPMorgan Chase Bank
(Registration number 2001/016069/10)
1 Fricker Road
Illovo, 2196
(Private Bag X9936, Sandton, 2146)

Financial Sector Charter legal advisors

Qunta Incorporated
(Registration number 2001/020218/21)
8th Floor
South African Reserve Bank Building
60 St Georges Mall
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(PO Box 3713, Cape Town, 8000)

Lead sponsor

Merrill Lynch South Africa (Proprietary) Limited
(Member of the Merrill Lynch Group)
(Registration number 1995/001805/07)
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Sandown, 2196
(PO Box 651987, Benmore, 2010)

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SALIENT FEATURES

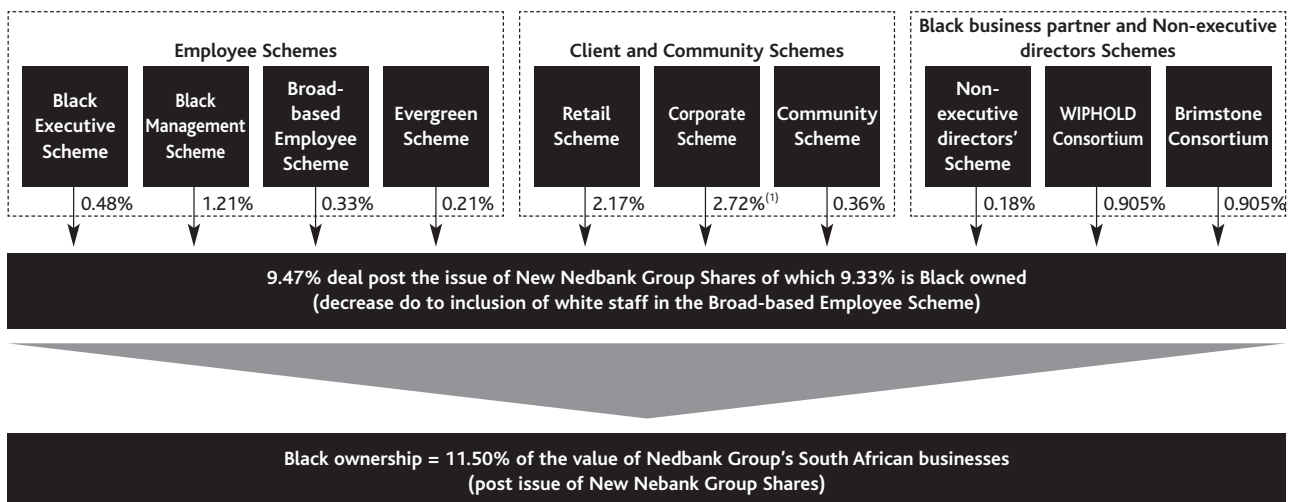
The Company is proposing the introduction of direct, broad-based Black ownership into the Company by way of the issue of New Nedbank Group Shares in the share capital of the Company, ranking *pari passu* in all respects with the existing issued Ordinary Shares of the Company.

Accordingly, a diverse group of Black stakeholders consisting of employees, clients, community interest groups, non-executive directors and strategic Black Business Partners, referred to collectively as Scheme Participants, have been selected to participate in the Proposed Transaction.

Scheme Participants are expected to hold in aggregate 9.47% of Ordinary Shares post the Proposed Transaction. Only 9.33% of this is expected to be Black owned due to the inclusion of qualifying white employees in the Broad-based Employee Scheme.

The Proposed Transaction comprises 3 components, namely:

- Employee Schemes;
- Client and Community Schemes; and
- a Black Business Partner Scheme and a Non-executive directors Scheme.



⁽¹⁾ Includes Aka Capital as a Business Development Partner with a stake of 0.38%

The completion of the Proposed Transaction is subject to the requisite shareholder approvals, the formation of various special purpose vehicles and trusts, the conclusion of contractual arrangements and the attainment of the requisite regulatory approvals.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this circular have been used below.

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| Circular and notice of general meeting posted to Ordinary Shareholders on | Wednesday, 15 June |
| Forms of proxy for the general meeting to be received by 15:00 on | Thursday, 21 July |
| General meeting of Ordinary Shareholders to be held at 15:00 on | Friday, 22 July |
| Results of the general meeting to be released on SENS on | Monday, 25 July |
| Results of the general meeting to be published in the South African press on | Tuesday, 26 July |
| Issue of New Nedbank Group Shares | Monday, 1 August |
| Commencement of listing of all New Nedbank Group Shares | Tuesday, 2 August |

The abovementioned dates and times are South African dates and times, and are subject to change. Any changes will be announced on SENS and published in the South African press.

Action required by Ordinary Shareholders in terms of the general meeting

Please take careful note of the following provisions regarding the action required by Ordinary Shareholders:

1. If you are in any doubt as to what action you should take in relation to this circular, consult your broker, banker, attorney, accountant, CSDP, or other professional advisor immediately.
2. If you have disposed of all of your Ordinary Shares, this circular should be handed to the purchaser of such Ordinary Shares or the broker, banker, attorney, CSDP, accountant, professional advisor or other agent through whom the disposal was effected.
3. The general meeting, convened in terms of the notice incorporated in this circular, will commence at 15:00 on Friday, 22 July 2005 at 135 Rivonia Road, Sandown, 2196.

4. If you hold certificated or "own-name" Dematerialised Shares:

You are entitled to attend, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 15:00 on Thursday, 21 July 2005.

5. If you have dematerialised your Ordinary Shares and do not have "own-name" registration:

You are entitled to attend, or be represented by proxy, at the general meeting. You must not, however, complete the attached form of proxy.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

You must advise your CSDP or broker timeously if you wish to attend, or be represented at the general meeting.

If you do wish to attend the general meeting, your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend and vote at the general meeting.

DEFINITIONS AND INTERPRETATIONS

In This Document and its appendices, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column and words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other genders.

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| "Aka Capital" | Aka Capital (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 2000/025483/07); |
| "Aka Capital Agreement" | the subscription and share ownership agreement between the Company, Aka Capital and Aka Capital Trust, and which governs the activities to be performed by Aka Capital for the Nedbank Group; |
| "Aka Capital Trust" | Aka-Nedbank Eyethu Trust (Master's Reference number IT 5074/2005), which was established for the purpose of Aka Capital's participation in the Corporate Scheme; |
| "Banks Act" | the South African Banks Act, No. 94 of 1990, as amended; |
| "BEE" | Black Economic Empowerment, as defined in the FSC; |
| "BEE Partners" or "Scheme Participants" | collectively, the Aka Capital, Black Business Partner, Community, Corporate, Employee, Non-executive directors and Retail Trusts; |
| "BEE Scheme Agreements" | the Aka Capital Agreement, the Black Business Partner Agreements, and the agreements with the External Stakeholder Trusts; |
| "Black Business Partner" | a participant in the Black Business Partner Scheme; |
| "Black Business Partner Agreement(s)" | the subscription and share ownership agreement between the Company and the Black Business Partner Trusts; |
| "Black Business Partner Scheme" | the scheme in terms of which the Company will issue New Nedbank Group Shares to the Black Business Partner Trusts for the benefit of the Black Business Partners; |
| "Black Business Partner Trust(s)" | the BRIMSTONE Trust and the WIPHOLD Trust which have been established to hold the interests of each of BRIMSTONE Consortium and WIPHOLD Consortium in terms of the Black Business Partner Scheme, and which will subscribe for the New Nedbank Group Shares for purposes of the Black Business Partner Scheme; |
| "Business Development Partner" | Aka Capital as a participant in the Corporate Scheme, through the Aka Capital Trust, as read with the Aka Capital Agreement; |
| "BLA" | Black Lawyers Association (Master's Reference number: 1984/881/T); |
| "Black Executive Scheme" | the scheme in terms of which the Company will issue New Nedbank Group Shares to the Black Executive Trust for the benefit of Black People who are Black executive level permanent employees of Nedbank as identified from time to time by the Remuneration Committee on the recommendation of EXCO; |
| "Black Executive Trust" | Nedbank Eyethu Black Executive Trust (Master's Reference number IT 5071/05), which was established to operate and manage the Black Executive Scheme; |
| "Black Management Scheme" | the scheme in terms of which the Company will issue New Nedbank Group Shares to the Black Management Trust for the benefit of Black middle and senior management who are permanent employees of Nedbank, as identified by the Remuneration Committee on the recommendation of EXCO; |

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| "Black Management Trust" | Nedbank Eyethu Black Management Trust (Master's Reference number IT 5075/05), which was established to operate and manage the Black Management Scheme; |
| "Black People" or "Black" | shall have the meaning ascribed to that term in the FSC, provided that the term "Black People" will, with reference to the Black Executive Scheme, the Black Management Scheme, the Broad-based Employee Scheme and the Evergreen Scheme, have the meanings ascribed thereto in the Broad-based Black Economic Empowerment Act, No. 53 of 2003 but shall, additionally, include people of Chinese descent; |
| "BoE" | the legacy businesses of BoE Limited, as they were before the merger with the Nedbank Group and which are currently operating within the Nedbank Group; |
| "BoE Limited" | BoE Limited (Registration number 1987/003281/06), a public company registered and incorporated in the Republic of South Africa, but no longer listed on the JSE; |
| "BRIMSTONE" | BRIMSTONE Investment Corporation Limited (Registration number 1995/010442/06), a public company registered and incorporated in the Republic of South Africa, all the issued shares of which are listed on the JSE; |
| "BRIMSTONE Consortium" | Business Venture Investments No. 948 (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 2004/034589/07), the ordinary shares of which are held by BRIMSTONE and Mtha; |
| "BRIMSTONE Trust" | The BRIMSTONE-Mtha Financial Services Trust (Master's Reference number IT 5096/05), which was established to hold the interests of BRIMSTONE Consortium in terms of the Black Business Partner Scheme, and which will subscribe for the New Nedbank Group Shares for purposes of the Black Business Partner Scheme; |
| "Broad-based Employee Scheme" | the scheme in terms of which the Company will issue New Nedbank Group Shares to all permanently employed employees of Nedbank who are not participating in any other equity scheme operated by the Nedbank Group; |
| "Broad-based Employee Trust" | Nedbank Eyethu Broad-based Employee Trust (Master's Reference number IT 5073/05), which was established to operate and manage the Broad-based Employee Scheme; |
| "Business Day" | a day which is not a Saturday, Sunday or a public holiday in the Republic of South Africa; |
| "Calculation Period" | the 30 (thirty) trading days ending on the second Business Day immediately prior to the date on which the Company gives written notice to any of the External Stakeholder Trusts that it intends exercising the Nedbank Group Call Option; and the 30 (thirty) trading days ending on the second Business Day immediately prior to the date on which any of the External Stakeholder Trusts gives written notice to the Company that it intends exercising the Trust Call Option; |
| "Capitalisation Shares" | Ordinary Shares of R1.00 each in the Company issued from time to time to the External Stakeholder Trusts as fully paid up out of the Company share premium account or reserves; |
| "Certificated Ordinary Shareholders" | Ordinary Shareholders who have not dematerialised their shares and thus hold paper share certificates or other physical Documents of title; |
| "Chestnut Hill" | Chestnut Hill 211 (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 2004/027675/07); |

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| "Client Schemes" | both the Corporate Scheme and the Retail Scheme; |
| "Closing Date" | the date of fulfilment of the conditions precedent of the Black Business Partner's Agreements being on or about 1 August 2005 or such later date which may not be later than 31 December 2005; |
| "CoGHB" | Cape of Good Hope Financial Services Limited (formerly Cape of Good Hope Bank Limited) (Registration number 1958/000018/06), a public company incorporated in the Republic of South Africa; |
| "Common Monetary Area" | consists of Lesotho, Namibia, the Republic of South Africa and Swaziland; |
| "Community Scheme" | the scheme in terms of which the Company will issue New Nedbank Group Shares to the Community Trust that will be established for the purpose of supplementing existing community social initiatives of the the Nedbank Group; |
| "Community Trust" | Nedbank Eyethu Community Trust (Master's Reference number IT 5070/05), which was established to operate and manage the Community Scheme; |
| "Companies Act" | the Companies Act, No. 61 of 1973, as amended; |
| "the Company" | Nedbank Group Limited (formerly Nedcor Limited) (Registration number 1966/010630/06), a public company registered and incorporated in the Republic of South Africa, all the issued Ordinary Shares of which are listed on the JSE, including all of its subsidiaries; |
| "Competitor" | a person or business carrying on a Competing Business; |
| "Competing Business" | the business of a financial institution as defined in the Financial Services Board Act, No. 97 of 1990, that competes directly or indirectly with the business of any member of the Nedbank Group; |
| "Computershare" or "Transfer Secretaries" | Computershare Investor Services 2004 (Proprietary) Limited (Registration number 2004/003647/07), a private company registered and incorporated in the Republic of South Africa, and operating as the transfer secretaries of the Company; |
| "Corporate Client(s)" | those clients of Nedbank Corporate and Nedbank Capital that will participate in the Corporate Scheme; |
| "Corporate Scheme" | the scheme in terms of which the Company will issue New Nedbank Group Shares to the Corporate Trust for the benefit of Corporate Clients (including Aka Capital, participating therein through the Aka Capital Trust) and past partners of the Nedbank Group; |
| "Corporate Trust" | Nedbank Eyethu Corporate Scheme Trust (Master's Reference number IT 5083/05), which was established to operate and manage the Corporate Scheme, other than in relation to Aka Capital; |
| "CSDP" | a Central Securities Depository Participant appointed by individual shareholders for purposes of and in regard to dematerialisation, in terms of Securities Services Act, No. 36 of 2004; |
| "Dematerialised Ordinary Shareholders" | Ordinary Shareholders who hold Dematerialised Shares; |
| "Dematerialised Shares" | those Ordinary Shares that have been incorporated into the STRATE system and which are held on a company's sub-ledger in electronic form in terms of the Securities Services Act, No. 36 of 2004; |
| "DENOSA" | Democratic Nursing Organisation of South Africa; |
| "Ditikeni Investment Company" | Ditikeni Investment Company Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 1999/008292/06); |
| "Documents of title" | share certificate(s), certified transfer deed(s) or forms, balance receipts or any other Documents of title acceptable to the Company in respect of Certificated Ordinary Shareholders; |

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| "Employee Schemes" | collectively, the Black Executive Scheme, the Black Management Scheme, the Broad-based Employee Scheme and the Evergreen Scheme; |
| "Employee Trusts" | collectively, the Black Executive Trust, the Black Management Trust, the Broad-based Employee Trust, and the Evergreen Trust; |
| "Enlarged Share Capital" | the Company's issued share capital post the Proposed Transaction; |
| "Evergreen Scheme" | the scheme in terms of which the Company will issue New Nedbank Group Shares to the Evergreen Trust for the purpose of applying the dividends paid on such New Nedbank Group Shares to assist and uplift qualifying permanent Black Nedbank employees who meet the financial assistance requirements of the scheme; |
| "Evergreen Trust" | Nedbank Eyethu Evergreen Trust (Master's Reference number IT 5084/05), which was established to operate and manage the Evergreen Scheme; |
| "EXCO" | the Nedbank Group Executive Committee, from time to time; |
| "External Stakeholder Schemes" | collectively, the Black Business Partners, Community, Corporate, Non-executive directors and Retail Schemes; |
| "External Stakeholder Trusts" | collectively, the Aka Capital, Black Business Partner, Community, Corporate, Non-executive directors and Retail Trusts; |
| "FSC" | the Financial Sector Charter adopted by the Association of Black Securities and Investment Professionals, the Banking Council of South Africa, the Foreign Bankers Association of SA and other persons on 17 October 2003, as amended from time to time; |
| "IFRS" | International Financial Reporting Standards; |
| "Implementation Date" | on or about 8 August 2005, the date on which the New Nedbank Group Shares will be issued; |
| "Income Tax Act" | The South African Income Tax Act, No. 58 of 1962, as amended; |
| "Indicative Market Value" | Ordinary Shares at 15 April 2005 multiplied by the Reference Price; |
| "I-Net Bridge" | I-Net Bridge (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 1998/005987/07), specialising in the provision of online financial information, and a subsidiary of Johnnic Communications Limited (Registration number 1889/000352/06), a public company registered and incorporated in the Republic of South Africa, all the issued shares of which are listed on the JSE; |
| "Izingwe" | Izingwe Financial Investments (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 2004/024649/07); |
| "JIBAR" | Johannesburg Interbank Agreed Rate; |
| "JPMorgan" | JPMorgan Chase Bank Johannesburg branch, (Registration number 2001/016069/10); |
| "JSE" | JSE Securities Exchange South Africa; |
| "Key Individuals" | In the case of the Black Business Partners: WIPHOLD Consortium: G T Serobe, L Mojela, W Luhabe and H Sonn; BRIMSTONE Consortium: F Robertson, MA Enus-Brey, S N Pityana and B T Ngcuka; and in the case of Aka Capital: R Khoza, S Nematswerani and G Morolo; |
| "King Code" | King Report on Corporate Governance for South Africa 2002 (Code of Corporate Practices and Conduct); |
| "Last Practicable Date" | the last practicable date prior to finalisation of this document, being 7 June 2005; |

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| “Lock-in Period” | <p>generally the period between Implementation Date and Vesting Date of Scheme Shares, as follows:</p> <p>In the case of the Community, Corporate and Non-executive directors Scheme the period from the Implementation Date to 1 January 2012;</p> <p>In the case of the Black Executive Scheme and the Black Management Scheme, the period from the Implementation Date to 1 January 2012 or a period of six years from the date of initial participation by employees of Nedbank in the Black Executive Scheme and the Black Management Scheme;</p> <p>In the case of the Broad-based Employee Scheme the period from the Implementation Date to five year’s thereafter;</p> <p>In the case of the Black Business Partner Scheme the period from the Closing Date to 1 January 2015; and</p> <p>In the case of the Retail Scheme the period from the Closing Date to 1 January 2009 or a period of three years from initial participation in the Retail Scheme.</p> <p>During the Lock-in Period Scheme Participants are subject to the relevant vesting period;</p> |
| “LTIP” | the Nedbank Group’s long term incentive plan(s) in place from time to time; |
| “Market Value” | with reference to the Nedbank Group Call Option and the Trust Call Options means the volume weighted average price per Nedbank Group Share as published by I-Net Bridge and quoted on the JSE for the Calculation Period; |
| “Mtha” | Mtha-we-Mpumelelo Investments (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 2004/024951/07), the ordinary shares of which are held by Izingwe, Chestnut Hill, BLA, Nadel and SAMDP; |
| “Mutual & Federal” | Mutual & Federal Insurance Company Limited (Registration number 1970/006619/06), a public company registered and incorporated in the Republic of South Africa, all the issued shares of which are listed on the JSE and the NSX; |
| “NACA” | nominal rate compounded annually in arrears; |
| “NACS” | nominal rate compounded semi-annually in arrears; |
| “Nadel” | National Association of Democratic Lawyers; |
| “Nedbank” | Nedbank Limited (Registration number 1951/000009/06), a public company registered and incorporated in the Republic of South Africa and a subsidiary of the Company, the issued preference shares of which are listed on the JSE; |
| “Nedbank Capital” | Nedbank Capital, a division of Nedbank; |
| “Nedbank Corporate” | Nedbank Corporate, a division of Nedbank; |
| “the Nedbank Group” | Nedbank Group Limited and all of its subsidiaries; |
| “Nedbank Group Board” or “Board” | the board of directors of the Company, the members of which are listed in paragraph 23 and paragraph 24 of This Document; |
| “Nedbank Group Call Option” | a call option granted by each of the External Stakeholder Trusts (“the option grantors”), to the Company in terms of which the Company is entitled, but not obliged, to purchase at the issue price and cancel, at the end of the Lock-in Period, that number of the Nedbank Group Shares held by the option grantors at their then Market Value, as equates to the Notional Terminal Amount; |
| “Nedbank Group’s South African businesses” | the Company’s domestic businesses (including those of its subsidiary companies), excluding its non South African businesses; |

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| "New Nedbank Group Shares" or "Scheme Shares" | <p>41 268 130 Ordinary Shares in the share capital of the Company with a Par Value of R1.00 that will be issued pursuant to the Proposed Transaction and ranking <i>pari passu</i> (including voting and dividend rights) in all respects with the existing issued Ordinary Shares, on the following basis:</p> <ul style="list-style-type: none"> – 2 093 521 to the Black Executive Trust; – 5 261 076 to the Black Management Trust; – 3 945 650 to the BRIMSTONE Trust; – 1 424 991 to the Broad-based Employee Trust; – 1 578 260 to the Community Trust; – 10 160 049 to the Corporate Trust; – 1 676 901 to the Aka Capital Trust; – 923 342 to the Evergreen Trust; – 789 130 to the Non-executive Trust; – 9 469 560 to the Retail Trust; and – 3 945 650 to the WIPHOLD Trust; |
| "NGOs" | Non-Governmental Organisations |
| "NIB" | Nedcor Investment Holdings 101 Limited (formerly Nedcor Investment Bank Holdings Limited) (Registration number 1963/003972/06), a public company incorporated in the Republic of South Africa but no longer listed on the JSE; |
| "Non-executive directors" | non-executive directors of the Company; |
| "Non-executive directors Scheme" | the scheme in terms of which the Company will issue New Nedbank Group Shares to the Non-executive directors Trust for the benefit of existing and future Black non-executive directors of the Company; |
| "Non-executive directors Trust" | Nedbank Eyethu Non-executive directors Trust (Master's Reference number IT 5072/2005), which was established to operate and manage the Non-executive directors Scheme; |
| "Notional Commencement Amount" | <ul style="list-style-type: none"> – for the Black Business Partner Scheme R575.1 million, (being 97.5% of the value of the Scheme Shares at the Scheme Price); – for the Corporate Scheme R651.8 million (including Aka Capital); – for the Non-executive directors Scheme R43.45 million; – for the Retail Scheme R521.4 million, (being 75% of the value of the Scheme Shares at the Scheme Price less payment of the Par Value); and – for the Community Trust R65.2 million, (being 56.25% of the value of the Scheme Shares at the Scheme Price less the payment of the Par Value); |
| "Notional Dividend Rate" | the notional fixed dividend rate of 11.5% NACS per annum, except for the Black Business Partner Scheme where the rate is 8.00% NACS per annum, for purposes of determining the Notional Terminal Amount as per the BEE Scheme Agreements; |
| "Notional Penalty Rate" | the notional fixed rate of the higher of 12% NACA or 110% of the prevailing Prime Rate at the time; |
| "Notional Terminal Amount" | <p>a notional amount arithmetically derived according to the BEE Scheme Agreements for each of the External Stakeholder Schemes, which will essentially reflect:</p> <ul style="list-style-type: none"> – the Notional Commencement Amount (in the case of the Retail Scheme only, the Notional Commencement Amount will decrease by the amounts paid by participants throughout the Scheme), plus – the aggregate consideration paid by the Company pursuant to the exercise by the Company of the Nedbank Group Call Option, plus |

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| | <ul style="list-style-type: none"> – an amount determined for each year (and compounded annually in arrears) by multiplying the Notional Dividend Rate by the Notional Commencement Value, plus – in the case only of the Black Business Partner Scheme, 1.5% NACA multiplied by the value of the Scheme Shares at the Scheme Price; |
| "NSX" | the Namibian Stock Exchange; |
| "Old Mutual Group" | Old Mutual plc and its subsidiaries from time to time, including Mutual & Federal and the Company and their respective subsidiaries; |
| "Old Mutual Group Company" | the company within the Old Mutual Group that will provide the required funding of the Subscription Price payable for the New Nedbank Group Shares by each of the Community, Corporate, Non-executive directors and Retail Trusts; |
| "Old Mutual Group BEE Transaction" | the interrelated BEE transactions relating to the Company, Old Mutual plc and Mutual & Federal as detailed in This Document and in the circulars dated 15 June 2005 and 27 May 2005 sent to Mutual & Federal and Old Mutual plc ordinary shareholders respectively; |
| "Old Mutual plc" | Old Mutual plc (Registration number 03591559), a public company registered and incorporated in England and Wales, all the issued shares of which are listed on the London Stock Exchange and registered as an external company in each of South Africa (Registration number 1999/004855/10), Malawi (Registration number 5282), Namibia (Registration number F/3591559) and Zimbabwe (Registration number EI/99); |
| "Old Mutual (SA)" | Old Mutual (South Africa) Limited (Registration number 1998/012276/06), a company registered and incorporated in the Republic of South Africa and a wholly-owned subsidiary of Old Mutual plc; |
| "OMLACSA" | Old Mutual Life Assurance Company (South Africa) Limited (Registration number 1999/004643/06), a company registered and incorporated in the Republic of South Africa and a wholly-owned subsidiary of Old Mutual plc; |
| "Ordinary Share(s)" or "Nedbank Group Share(s)" | ordinary shares of R1.00 each in the issued share capital of the Company; |
| "Ordinary Shareholders" | holders of Ordinary Shares on the Register of shareholders of the Company; |
| "Par Value" | R1.00 per Ordinary Share; |
| "Performance Agreements" | agreements entered into between Nedbank and each of the Black Business Partner Trusts and the Aka Capital Trust which govern the setting of the performance criteria, the evaluation thereof and the Performance Fee (in respect of the Black Business Partner Trusts) and any variation in the Notional Dividend Rate (in respect of the Aka Capital Trust) arising therefrom; |
| "Performance Fee" | the fees payable from time to time by Nedbank to the Black Business Partner Trusts in terms of the Performance Agreement; |
| "Performance Fee Formula" | in respect of any Review Period will be calculated in accordance with the following formula: |
| | $X = \frac{Y}{1 - t} \times \frac{n}{12}$ |
| | where: |
| | X = the Performance Fee for the applicable Review Period; |
| | Y = between R nil and R8 848 120; |
| | t = the corporate tax rate on income applicable at the time; and |
| | n = actual number of months in the applicable Review Period; |

| | |
|--------------------------|---|
| "Prime Rate" | means the publicly quoted prime rate of interest which Nedbank charges on overdraft facilities from time to time, nominal annual compounded monthly in arrear; |
| "Proposed Transaction" | the Proposed Transaction which focuses primarily on the issuing of 41 268 130 New Nedbank Group Shares for the purposes of BEE, which will be equal to approximately 9.47% in aggregate of the Company's issued share capital post the issue and equating to Black ownership of 11.5% of the value of the Nedbank Group's South African businesses: <ul style="list-style-type: none"> – 1.81% will be issued to the Black Business Partner Trusts for an initial payment of R1.87 per New Nedbank Group Share; – 5.44% will be issued to the Corporate, Retail, Non-executive directors and Community Trusts at R1.00 per New Nedbank Group Share; and – 2.23% will be acquired by the Employee Trusts at R74.75 per New Nedbank Group Share; |
| "Rand" | South African Rand, the official currency of the Republic of South Africa; |
| "Reference Price" | a value of R74.75 per Ordinary Share measured with reference to the 10 day volume weighted average price per Nedbank Group Share for the period leading up to and including 15 April 2005; |
| "Register" | the register of holders of Ordinary Shares; |
| "Reinvestment Shares" | shares of the Company subscribed for at the then Market Value by the Black Business Partner Trusts, in an aggregate amount equal to a fixed portion of any Performance Fee paid by the Company in terms of the Performance Agreement, as provided for in the Black Business Partner Agreement; |
| "Remuneration Committee" | the Nedbank Group Remuneration Committee from time to time; |
| "Retail Clients" | clients of Nedbank Retail, who meet the relevant qualifying conditions as set out more fully in This Document; |
| "Retail Scheme" | the scheme in terms of which Black Retail Clients of Nedbank will be entitled to subscribe for New Nedbank Group Shares, and will, subject to certain pre-approved conditions being fulfilled, receive one bonus share for every three New Nedbank Group Shares that they have so acquired; |
| "Retail Trust" | Nedbank Eyethu Retail Trust (Master's Reference number IT 5085/05), which was established to operate and manage the Retail Scheme; |
| "Review Period" | in respect of the Performance Agreement, performance will be measured at no less than two formal joint sessions per annum between the Black Business Partner Trusts and the relevant business units of Nedbank to review performance, progress and agree issues and strategies going forward; |
| "SADTU" | South African Democratic Teachers' Union; |
| "SA GAAP" | South African Generally Accepted Accounting Practice; |
| "SAMDP" | South African Medical and Dental Practitioners Association; |
| "SARB" | South African Reserve Bank; |
| "SATAWU" | South African Transport and Allied Workers Union; |
| "Scheme Price" | R74.75 per Nedbank Group Share; |
| "SENS" | the Securities Exchange News Service of the JSE; |
| "Session" | in the context of the Aka Capital Trust, a working session involving the Key Individuals from time to time, comprising up to half a day, but excluding Board meetings; |

| | |
|---|---|
| "Specific repurchase of the Ordinary Shares for cash" | <p>the repurchase;</p> <ul style="list-style-type: none"> – of an unknown quantity of New Nedbank Group Shares at a price not exceeding R1.00 per New Nedbank Group Share in terms of the Nedbank Group Call Option, save in the case of the Black Business Partner Scheme where the price shall not exceed R1.87 per New Nedbank Group Share; and/or – an unknown quantity of Capitalisation Shares and/or Reinvestment Shares at an aggregate price of R1.00 for all Capitalisation Shares so re-purchased and of R1.00 for all Reinvestment Share so re-purchased; |
| "Sphere" | Sphere Investments (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 2002/014002/07); |
| "STRATE" | STRATE Limited (Registration number 1998/022242/06), a company registered and incorporated in the Republic of South Africa, a clearing and settlement system used by the JSE to settle trades; |
| "Strike Price" | <p>the price at which the options are exercised by employees, being:</p> <ul style="list-style-type: none"> – R74.75 in the case of options granted on Implementation Date; and – in respect of options allocated at a future date, the 10-day volume weighted average price of Ordinary Shares as published by I-Net Bridge for that period; |
| "Student Sponsorship Programme" | Student Sponsorship Programme Umfundaze Trust (Master's Reference number IT 467/00); |
| "Subscription Price" | means R1.87 per New Nedbank Group Share in the case of the Black Business Partner Scheme, and R1.00 per New Nedbank Group Share in the case of each of the Community, Corporate, Non-executive directors and Retail Schemes; |
| "This Document" | this bound circular, dated 15 June 2005, including all annexures and attachments hereto; |
| "Trust Call Option(s)" | a call option granted by the Company in favour of the External Stakeholder Trusts ("the grantees"), in terms of which the grantees are entitled, but not obliged, to subscribe for up to such number of Ordinary Shares as is equal to the aggregate number of Ordinary Shares that the Company has acquired pursuant to the Nedbank Group Call Option, for a consideration per Nedbank Group Share equal to the Market Value per share; |
| "Vesting Date" | the date of vesting of Scheme Shares in the hands of Scheme Participants; |
| "WIPHOLD Consortium" | WIPHOLD Financial Services Number Two (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 2005/006441/07), the ordinary shares of which are held by WIPHOLD, Sphere, WIPHOLD NGO Trust, and W Luhabe; |
| "WIPHOLD Financial Services" or "WIPHOLD" | WIPHOLD Financial Services Holdings (Proprietary) Limited, a private company registered and incorporated in the Republic of South Africa (Registration number 2004/030563/07); |
| "WIPHOLD NGO Trust" | WIPHOLD NGO Trust (Master's Reference number IT 5743/04); and |
| "WIPHOLD Trust" | the WIPHOLD Financial Services Number Two Trust (Master's Reference number IT 5098/05), which was established to hold the interests of WIPHOLD Consortium in terms of the Black Business Partner Scheme, and which will subscribe for the New Nedbank Group Shares for purposes of the Black Business Partner Scheme. |



NEDBANK GROUP

NEDBANK GROUP LIMITED

(formerly NEDCOR LIMITED)

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share code JSE: NED ISIN: ZAE000004875

("the Company")

Directors of the Company

W A M Clewlow* (*Chairman*)
M M Katz* (*Vice-Chairman*)
M L Ndlovu* (*Vice-Chairman*)
T A Boardmant (*Chief Executive Officer*)
C J W Ball‡
M W T Brown† (*Chief Financial Officer*)
R G Cottrell‡
B E Davison‡
N Dennis‡ (*British*)
B de L Figaji‡
R M Head* (*British*)
J B Magwaza‡
M E Mkwanazi‡
J V F Roberts* (*British*)
C M L Savage‡
J H Sutcliffe* (*British*)

† Executive

* *Non-executive*

‡ Independent non-executive

CIRCULAR TO ORDINARY SHAREHOLDERS OF THE COMPANY

PART 1 – PROPOSED TRANSACTION OVERVIEW

1. INTRODUCTION

On 19 April 2005 the Nedbank Group announced its intention to implement certain proposals in relation to the Proposed Transaction that will introduce Black ownership into the Nedbank Group.

Further information on the Proposed Transaction is set out in This Document, which also convenes a meeting of Ordinary Shareholders at which the Proposed Transaction will be considered. Please read This Document carefully and exercise your right to vote.

The table below shows the value of the Proposed Transaction and sets out how this equates, in percentage terms to the Nedbank Group's South African businesses. In addition the table sets out the Black shareholding in the Enlarged Share Capital.

| | Proposed Transaction | | Black ownership | | |
|---------------------------------------|------------------------------------|-------------------------------|---|---|--|
| | New Nedbank Group Shares (million) | Indicative Market Value (R'm) | Shareholding (post issue of New Nedbank Group Shares) % | Shareholding (post issue of New Nedbank Group Shares) % | As a % of Nedbank Group's South African business value % |
| Employee Schemes | 9.70 | 725 | 2.23 | 2.09 | 2.57 |
| Black Executive Scheme | 2.10 | 156 | 0.48 | 0.48 | 0.59 |
| Black Management Scheme | 5.26 | 393 | 1.21 | 1.21 | 1.49 |
| Broad-based Employee Scheme | 1.42 | 107 | 0.33 | 0.19 | 0.23 |
| Evergreen Scheme | 0.92 | 69 | 0.21 | 0.21 | 0.26 |
| Client Schemes | 21.31 | 1 593 | 4.89 | 4.89 | 6.03 |
| Retail Scheme | 9.47 | 708 | 2.17 | 2.17 | 2.68 |
| Corporate Scheme | 11.84 | 885 | 2.72 | 2.72 | 3.35 |
| Non-executive directors Scheme | 0.79 | 59 | 0.18 | 0.18 | 0.22 |
| Black Business Partners | 7.89 | 590 | 1.81 | 1.81 | 2.23 |
| WIPHOLD Consortium | 3.945 | 295 | 0.905 | 0.905 | 1.115 |
| BRIMSTONE Consortium | 3.945 | 295 | 0.905 | 0.905 | 1.115 |
| Community Scheme | 1.58 | 118 | 0.36 | 0.36 | 0.45 |
| Total | 41.27 | 3 085 | 9.47 | 9.33 | 11.50 |

The basis on which this table has been prepared is set out in paragraph 6 of This Document. The values in the column "Indicative Market Value" in the table above are based on R74.75 per share, being with reference to the volume weighted average price for the 10 days to 15 April 2005.

If the Proposed Transaction is implemented there will be a dilution of the current Ordinary Shareholders' shareholding in the Company due to the issue of the New Nedbank Group Shares.

2. PURPOSE OF THIS DOCUMENT

The purpose of This Document is to provide Ordinary Shareholders with relevant information regarding the Proposed Transaction and in particular:

- the specific issues of Ordinary Shares for cash detailed as follows:
 - 2 093 521 New Nedbank Group Shares to the trustees of the Black Executive Trust, at R74.75 per New Nedbank Group Share;
 - 5 261 076 New Nedbank Group Shares to the trustees of the Black Management Trust, at R74.75 per New Nedbank Group Share;
 - 3 945 650 New Nedbank Group Shares to the trustees of the BRIMSTONE Trust, at R1.87 per New Nedbank Group Share;
 - 1 424 991 New Nedbank Group Shares to the trustees of the Broad-based Employee Trust, at R74.75 per New Nedbank Group Share;
 - 1 578 260 New Nedbank Group Shares to the trustees of the Community Trust, at Par Value;
 - 10 160 049 New Nedbank Group Shares to the trustees of the Corporate Trust, at Par Value;
 - 1 676 901 New Nedbank Group Shares to the trustees of the Aka Capital Trust, at Par Value;
 - 923 342 New Nedbank Group Shares to the trustees of the Evergreen Trust, at R74.75 per New Nedbank Group Share;
 - 789 130 New Nedbank Group Shares to the trustees of the Non-executive directors Trust, at Par Value;
 - 9 469 560 New Nedbank Group Shares to the trustees of the Retail Trust, at Par Value; and
 - 3 945 650 New Nedbank Group Shares to the trustees of the WIPHOLD Trust, at R1.87 per New Nedbank Group Share,

which amounts to approximately 9.47% in aggregate of the Company's issued share capital post the Proposed Transaction;

- the specific repurchase of all or some of the New Nedbank Group Shares detailed above in relation to the External Stakeholder Trusts at a future date for cash, at a price per share not exceeding their issue price as set

out above and all or some of the Capitalisation Shares awarded to the External Stakeholder Trusts from time to time, at an aggregate price of R1.00, pursuant to the exercise by the Company of the Nedbank Group Call Option;

- the specific issue from time to time during the subsistence of the Performance Agreement of an unknown number of Nedbank Group Shares for cash, at the then Market Value per share, to the Black Business Partner Trusts, to accommodate the requirements in the Black Business Partner Agreement that the Black Business Partner Trusts reinvest into the Reinvestment Shares an amount equal to a specified portion of any Performance Fee paid to them;
- the specific repurchase at a future date for cash of all or some of the Reinvestment Shares beneficially owned by the Black Business Partner Trusts, at an aggregate price of R1.00, pursuant to the exercise by the Company of the Nedbank Group Call Option;
- the specific issue of Nedbank Group Shares detailed above in relation to the External Stakeholder Trusts pursuant to and to give effect to the exercise of the Trust Call Option by any persons so entitled, such issue not to exceed the number of the Nedbank Group Shares which are the subject of an exercised Nedbank Group Call Option;
- the specific issue from time to time, to participants in the Retail Scheme, of the New Nedbank Group Shares subscribed for by them in terms of that Scheme, at the relevant Subscription Price in terms of that Scheme, and the accompanying specific repurchase for cash pursuant to the exercise of the Nedbank Group Call Option of an equivalent number of New Nedbank Group Shares from the Retail Trust at the Par Value of the shares so repurchased; and
- to convene a general meeting of Ordinary Shareholders, in terms of the notice of general meeting forming part of This Document, at which meeting the special and ordinary resolutions required to approve and implement the Proposed Transaction will be proposed.

3. THE FSC

The FSC was signed in South Africa on 17 October 2003 and contains a commitment by the financial services industry to BEE. The FSC requires that each financial institution shall have a target for Black direct ownership equating in value to a minimum of 10% of its South African based business by 2010. For the purposes of the FSC, direct Black ownership means beneficial ownership of an equity interest by Black people together with control over the voting rights attaching to that equity interest by those Black people. In contrast, indirect Black ownership occurs where an institution or other investor owns equity in a company on behalf of Black beneficiaries and there is no direct participation by the beneficiaries in the voting of those shares. The Black ownership that will result from the Proposed Transaction means that this 10% requirement should be met by the Nedbank Group whilst also equipping the Nedbank Group to meet the FSC's objectives in relation to employment equity and other FSC targets.

The FSC does not have legal effect and consequently there would be no legal consequences for the Nedbank Group if the Proposed Transaction were not implemented. Rather, it is an industry-led commitment to which many major financial institutions are parties. Along with the financial sector, the majority of South Africa's other key industry sectors have developed, or are in the process of developing, charters which aim to achieve transformation within their sectors along similar lines to those outlined in the FSC. All BEE transactions completed to date in the financial services industry have used the FSC as the benchmark. The Proposed Transaction has been constructed in order to be consistent with the FSC, which the Board believes will ensure that the Nedbank Group is not at a competitive disadvantage to other financial services companies in South Africa.

In December 2004, the Department of Trade and Industry in South Africa released the first draft of the Codes of Good Practice for Broad-based Black Economic Empowerment ("Codes of Good Practice") that provides broad guidelines for the implementation of BEE in South Africa. If and when such Codes of Good Practice are approved, it is expected that they will form part of the legislative framework for the promotion of BEE provided by the Broad-Based Black Economic Empowerment Act 2003. While the Codes of Good Practice differ from the FSC in certain respects, as they are still in draft form it is not yet clear to what extent, if at all, the Codes of Good Practice will require changes to the FSC.

4. BACKGROUND AND RATIONALE

The Nedbank Group is committed to the delivery of innovative banking products and outstanding service that results in real benefit to its clients, suppliers, employees and shareholders whilst ensuring commitment to good corporate governance and upholding the highest ethical standards and values. The Nedbank Group is committed

to the long-term growth of the South African economy, in which the majority of South Africans were previously excluded from participation. In this regard, the Nedbank Group is committed to playing its part in redressing the legacy of the past and the creation of a sustainable economy that meets the needs of all South African people.

As an active participant in the development of the FSC, the Nedbank Group has committed itself to the aims of the FSC, which sets targets for financial sector participants (of which the Nedbank Group is one of many participants). The Nedbank Group views the FSC targets as a minimum for itself in the achievement of comprehensive transformation.

The Proposed Transaction involves an upfront economic cost (as described in paragraph 8.3) comparable with other financial services BEE deals. The Board believes that the long-term commercial benefits to be gained should exceed the initial and ongoing costs of implementing the Proposed Transaction, and that the Proposed Transaction will, if implemented, enhance the Nedbank Group's profile in its most important market and be likely to increase the motivation and retention of its staff in South Africa. Moreover, the Board believes that the Proposed Transaction is likely, in the longer term, to strengthen the Nedbank Group's growth prospects within South Africa, to attract additional business and bring about benefits for the Nedbank Group that it would otherwise be denied. The Board believes that if the Ordinary Shareholders do not vote in favour of the Proposed Transaction and BEE direct ownership is not introduced into the Nedbank Group's South African businesses, there could be a material adverse impact on the business, including the potential loss of certain existing business and the risk of not attracting certain new business.

The Proposed Transaction has been structured to include true broad-based participation through the inclusion of both employees and management, clients, professional bodies, entrepreneurs, as well as women's and community groupings throughout South Africa. The Proposed Transaction has been designed to complement the Nedbank Group's overall strategic objectives towards implementing broad-based empowerment in its business, as follows:

- positioning of Nedbank as a "bank for all";
- repositioning of the Nedbank brand in the retail segment with a potential increase in Retail Clients;
- assisting in the attainment of employment equity targets, particularly at senior employee levels;
- repositioning the bank internally and culturally to better serve the requirements of a changing external market, particularly in the retail banking market;
- improving market share in the public sector;
- assisting with targeted expansion and growth into Africa and specifically sub-Saharan Africa;
- protecting existing business and market share by meeting and exceeding the ownership and control requirements of the FSC;
- participating in a meaningful way in the development of emerging Black corporate clients and securing future growth together with these Corporate Clients;
- building on a leading position in the BEE financing market;
- rewarding employee and client loyalty; and
- aligning with the Nedbank Group's overall programme of promotion of women's interests.

Although the Proposed Transaction is aimed at assisting the Nedbank Group in complying with its obligations under the FSC, the Nedbank Group embraces the need for broad-based BEE and seeks to go beyond targets and mere compliance in a manner that will create meaningful broad-based change and stability in the South African economy.

5. PRINCIPLES OF THE PROPOSED TRANSACTION

5.1 Transformation

The Proposed Transaction has been designed to accelerate operational transformation in Nedbank Group's South African businesses. This extends to employment equity (particularly at the management level), client acquisition, strategies for underserved markets, profiling the Nedbank Group and community involvement. The Proposed Transaction is to be implemented as a part of the Nedbank Group's comprehensive approach to rapid transformation.

5.2 Broad-based approach

The Proposed Transaction has been designed to directly or indirectly benefit more than half a million Black South Africans across the country, including employees and management, clients and women's groups, Black

trade union members, professional bodies, entrepreneurs and communities. The Nedbank Group has sought to achieve an equitable balance between individuals who are internal and external to the Nedbank Group. In the process, the ultimate beneficiaries of the Proposed Transaction have been reviewed to ensure that no individual benefits unduly.

5.3 Alignment of value added to benefits received

Performance Agreements have been entered into with the Black Business Partner Trusts to ensure mutually beneficial, enduring partnerships. The Performance Agreements have been designed to incentivise the Black Business Partner Trusts by aligning the rewards that they receive under the Performance Agreements to the value that they add to the businesses. The proposals aim to balance the economic participation by internal and external individuals, the consequence of which is that no single external individual is likely to benefit more than the Nedbank Group's most highly paid South African employee.

5.4 Full economic benefits and voting rights

The Proposed Transaction has been structured to ensure that shareholders and beneficiaries have full voting rights and the economic benefits attached to equity ownership, thereby ensuring that the ownership requirements of the FSC are met. The Employee Trusts and the External Stakeholder Trusts have been structured so as to comply with the ownership and control requirements of the FSC in that the majority of trustees will be independent Black people and the majority of the beneficiaries will be Black people.

5.5 Objective of achieving benefits in excess of the estimated costs of the Proposed Transaction

The Proposed Transaction has been designed with the aim of achieving, over time, commercial benefits from their implementation that outweigh the initial costs (in terms of dilution) and ongoing costs to Ordinary Shareholders.

6. BASIS OF CALCULATIONS

The value of the Company's South African businesses is estimated to be R26.4 billion as at 15 April 2005. This is based on a valuation of R74.75 per Ordinary Share, (calculated with reference to the volume weighted average price on the JSE for the 10 days to 15 April 2005) multiplied by the number of shares in issue as at 15 April 2005 less a value of approximately R3 billion attributed to the Company's non-South African businesses. The value of non-South African assets is based on a valuation performed by JPMorgan. The total value of ownership under the Proposed Transaction is R3 085 million based on 41.27 million shares at R74.75 per share. Eliminating the white beneficiaries under the Broad-based Employee Scheme as detailed in paragraph 19.2 means that the total value of Black ownership is R3 040 million based on 40.67 million shares. On this basis, and taking into account JPMorgan's fair and reasonable opinion, the value of New Nedbank Group Shares allocated to Black people equates to 11.5% of the value of the Nedbank Group's South African businesses.

7. SUMMARY OF THE PROPOSED TRANSACTION

The Proposed Transaction comprises the following key groups and is subject to the various conditions precedent set out in paragraph 11.

7.1 Employees

The Nedbank Group recognises the importance of creating an employee and management complement that is representative of South Africa's demographics. Acknowledging that the Nedbank Group is not yet fully representative and that transformation must come from within the Nedbank Group, it is proposed to set aside R725 million worth of New Nedbank Group Shares in the Company to recruit and retain Black management and employees. At least fifty percent of the New Nedbank Group Shares will initially be distributed to an estimated 14 333 employees, of whom approximately 8 813 are Black, with the balance held in the Employee Trusts for distribution at a later stage (with the exception of 923 342 New Nedbank Group Shares issued to the Evergreen Trust whose beneficiaries will be Black people). Refer to paragraph 9.5 for further information on the Employee Schemes.

7.2 Clients

Part of the Nedbank Group's strategy is to focus on its Black clients. An aggregate of R440 million worth of New Nedbank Group Shares will be issued for the exclusive benefit of Black Retail Clients and Corporate Clients throughout South Africa. The Nedbank Group will determine the basis on which eligible groups are to participate in the Proposed Transaction. Refer to paragraph 9.2 for further information on the Client Schemes.

7.3 Communities

Since 1994, the Nedbank Group has invested millions of rands in community development around South Africa. It is proposed that R118 million worth of New Nedbank Group Shares will be issued to the Community Trust, and that the dividends thereon will be distributed to Black communities and charitable organisations throughout South Africa. Refer to paragraph 9.3 for further information on the Community Scheme.

7.4 Black Business Partners

WIPHOLD Consortium and BRIMSTONE Consortium have been chosen as active Black Business Partners to assist in growing and repositioning the business and driving its internal transformation. It is proposed that an aggregate of R590 million worth of New Nedbank Group Shares will be issued to the Black Business Partners. Further information on the Black Business Partners can be found in paragraph 9.1.

7.5 Non-executive directors

In order to align the interests of Black non-executive directors with other shareholders, an issue of R59 million worth of New Nedbank Group Shares is proposed for the benefit of four existing non-executive directors (B de L Figaji, J B Magwaza, M E Mkwanazi and M L Ndlovu) and two prospective non-executive directors (currently not appointed). The Non-executive directors Scheme does not and will not include any of the new appointments from the Black Business Partners and Business Development Partner referred to in paragraph 10.

8. OVERVIEW OF THE PROPOSED TRANSACTION

8.1 Creation of the External Stakeholder Trusts

Each of the External Stakeholder Trusts will subscribe for the relevant number of New Nedbank Group Shares. Each External Stakeholder Trust has been established for the specific purpose of subscribing for and holding the New Nedbank Group Shares, receiving Capitalisation Shares and exercising the rights attached to the New Nedbank Group Shares. The External Stakeholder Trusts may engage in matters ancillary to these activities but may not undertake any other activities without the Company's written consent.

The External Stakeholder Trusts will subscribe for the New Nedbank Group Shares as follows:

- the BRIMSTONE Trust relating to BRIMSTONE Consortium, will subscribe, at R1.87 per share for 3 945 650 New Nedbank Group Shares amounting to approximately 0.91% of the Company's share capital after the implementation of the Proposed Transaction which equates to 1.12% of Nedbank Group's South African businesses;
- the WIPHOLD Trust relating to WIPHOLD Consortium, will subscribe, at R1.87 per share for 3 945 650 New Nedbank Group Shares, amounting to approximately 0.91% of the Company's share capital after the implementation of the Proposed Transaction which equates to 1.12% of Nedbank Group's South African businesses.
- the Corporate Trust will subscribe, at Par Value, for 10 160 049 New Nedbank Group Shares amounting to approximately 2.72% of the Company's share capital after the implementation of the Proposed Transaction, which equates to 3.35% of Nedbank Group's South African businesses;
- the Aka Capital Trust will subscribe, at Par Value, for 1 676 901 New Nedbank Group Shares amounting to approximately 0.38% of the Company's share capital after the implementation of the Proposed Transaction, which equates to 0.47% of Nedbank Group's South African businesses;
- the Community Trust will subscribe, at Par Value, for 1 578 260 New Nedbank Group Shares amounting to approximately 0.36% of the Company's share capital after the implementation of the Proposed Transaction, which equates to 0.45% of Nedbank Group's South African businesses;

- the Non-executive directors Trust will subscribe, at Par Value, for 789 130 New Nedbank Group Shares amounting to approximately 0.18% of the Company's share capital after the implementation of the Proposed Transaction, which equates to 0.22% of Nedbank Group's South Africa businesses; and
- the Retail Trust will subscribe, at Par Value, for 9 469 560 New Nedbank Group Shares amounting to approximately 2.17% of the Company's share capital after the implementation of the Proposed Transaction, which equates to 2.68% of Nedbank Group's South African businesses.

Collectively the External Stakeholder Trusts will subscribe for 31 565 200 New Nedbank Group Shares.

In addition four Employee Trusts will be established for the benefit of current and future employees and management of the Nedbank Group and funded directly by Nedbank, either by way of an interest-free loan or a grant as discussed in paragraph 17 below. Dividends will be applied to paying down the capital portion of the loan, or distributed to beneficiaries in the case of grant-funded New Nedbank Group Shares.

These four Employee Trusts will together subscribe for 9 702 930 New Nedbank Group Shares at R74.75 per share, resulting in a 2.23% shareholding in the Enlarged Share Capital of the Company. The individual shareholdings will be as follows:

- the Black Executive Trust will subscribe for 2 093 521 New Nedbank Group Shares. This comprises 0.48% in the Enlarged Share Capital of the Company, and equates to 0.59% of the value of Nedbank Group's South African businesses;
- the Black Management Trust will subscribe for 5 261 076 New Nedbank Group Shares. This comprises 1.21% in the Enlarged Share Capital of the Company, and equates to 1.49% of the value of Nedbank Group's South African businesses;
- the Broad-based Employee Trust will subscribe for 1 424 991 New Nedbank Group Shares. This comprises 0.33% in the Enlarged Share Capital of the Company, and equates to 0.23% of the value of Nedbank Group's South African businesses excluding the white participants; and
- the Evergreen Trust will subscribe for 923 342 New Nedbank Group Shares. This comprises 0.21% in the Enlarged Share Capital of the Company, and equates to 0.26% of the value of Nedbank Group's South African businesses.

Collectively the External Stakeholder Trusts and the Employee Trusts will subscribe for 41 268 130 New Nedbank Group Shares.

8.2 Funding for the subscription of the New Nedbank Group Shares

The Black Business Partner Trusts and the Aka Capital Trust will receive a capital contribution from their respective consortia members to fund the Subscription Price of the New Nedbank Group Shares. In the case of the Community Trust, the Corporate Trust, the Non-executive directors Trust and the Retail Trust, payment of the Par Value Subscription Price of the New Nedbank Group Shares will be funded entirely by the Old Mutual Group Company and repaid according to the provisions in paragraph 14.1. The funding mechanics are fully described in paragraph 14 below.

The four Employee Trusts will be funded by a combination of interest-free loans (in the case of the Evergreen Trust) and grants (in the case of the Broad-based Employee Trust) provided by Nedbank or a combination of an interest-free loan and a grant (in the case of the Black Executive Trust and the Black Management Trust). All Nedbank loans will be repaid out of the dividends received on the New Nedbank Group Shares subscribed for or on receipt by the Employee Trusts of the Strike Price on the options exercised by the relevant Scheme Participants.

8.3 Economic cost of the Proposed Transaction

The estimated economic cost of the Proposed Transaction using recognised financial risk pricing and valuation methodologies is R968 million. This cost was reviewed by JPMorgan as referred to in paragraph 6. This translates to 3.28% of the Indicative Market Value and 3.66% of the value of Nedbank Group's South African businesses as at 15 April 2005 and is broadly in line with other BEE transactions already concluded in the South African financial sector to date.

9. FURTHER DETAILS OF THE SCHEME PARTICIPANTS

9.1 Black Business Partner Scheme

WIPHOLD Consortium

The shareholders of WIPHOLD Consortium comprise WIPHOLD, which holds 80% of WIPHOLD Consortium, W Luhabe who holds an effective 2% of WIPHOLD Consortium, Sphere, which owns 15%, and WIPHOLD NGO Trust, which owns 3% of WIPHOLD Consortium. The shareholders of WIPHOLD Consortium have 1 200 direct beneficiaries and 18 000 indirect beneficiaries, as well as an additional 300 000 indirect beneficiaries through the WIPHOLD NGO Trust, whose constituent NGOs span all nine provinces. The WIPHOLD NGO Trust was established in 2004 with the aim of further enhancing the Black and female profile of WIPHOLD, as well as its broad base of beneficiaries. The beneficiaries of the WIPHOLD NGO Trust include, *inter alia*, DENOSA (80 000 women nurses nationally), SADTU (130 000 women teachers nationally) and SATAWU (20 000 women in the transport industry nationally).

WIPHOLD is a majority Black-owned company, with 60% of the shareholding in the hands of women. The shareholding of WIPHOLD is made up as follows: Old Mutual owns 32.5%, WIPHOLD Investment Trust owns 15%, WIPHOLD NGO Trust owns 17.5%, L Mojela and G T Serobe each own 7.5%, and the broader management of WIPHOLD which owns the remaining 20%.

L Mojela is the CEO of WIPHOLD and G T Serobe is the CEO of Wipcapital (Proprietary) Limited ("Wipcapital"), which is the financial subsidiary of WIPHOLD and is involved in, *inter alia*, fund management and stockbroking. Both women have extensive experience in the financial services arena and are a part of the original founding team of WIPHOLD. WIPHOLD was formed in 1994 and was listed in 1999 on the JSE. It delisted from the JSE in 2003.

WIPHOLD has strategic investments in financial services, telecommunications, gaming & leisure, manufacturing and power & automation sectors.

Sphere consists of individuals with experience in private equity and investment banking. Directors and management hold the majority shareholding of 57% in Sphere. The directors include I Kgaboelese, P Kingston, A Carim and M Denalane. 17.5% of Sphere's shareholding is reserved for broad-based groupings that have a particular focus on education and the economic upliftment of Black women. These groupings include, *inter alia*, Ditikeni Investment Company (an investment vehicle for 24 NGOs involved in education and training) and the Student Sponsorship Programme (offering scholarships to Black people). Nedbank owns 13% of Sphere, and the remaining 12.5% is owned by RMB Private Equity (Proprietary) Limited ("RMB Private Equity").

Conflicts of interest

WIPHOLD has interests in a number of financial services businesses including Wipcapital, which provides certain advisory services including corporate finance, asset and infrastructure finance; Wiptreasury Solutions (Proprietary) Limited which provides treasury services; and Legae Securities (Proprietary) Limited which provides stockbroking services and is a manager of hedge funds. These businesses compete in limited circumstances with certain businesses within the Nedbank Group. The Board does not consider this potential conflict to be material to the Nedbank Group as a whole and consider that the potential conflicts that may arise can be managed in the ordinary course of business.

RMB Private Equity, a subsidiary of FirstRand Bank Holdings Limited ("FirstRand Bank"), owns 12.5% of the shares in Sphere, which, as mentioned above, holds a 15% interest in the WIPHOLD Consortium. The businesses of FirstRand Bank compete with the Nedbank Group. Sphere also owns 70% of the ordinary shares in Sphere Private Equity (Proprietary) Limited ("Sphere Private Equity"), a recently incorporated company which provides private equity capital. In addition, Sphere and FirstRand Bank are indirect shareholders in Ethos Private Equity Limited ("Ethos"), a significant provider of private equity capital. These businesses compete with the Nedbank Group. Arrangements have been put in place to ensure, *inter alia*, that:

- confidential information concerning the business of the Nedbank Group will not be disclosed to FirstRand Bank or to Sphere Private Equity or to Ethos; and
- Sphere employees who are actively involved in the businesses of Sphere Private Equity or Ethos will not carry out any services for the Nedbank Group or have access to any information about the Nedbank Group.

The Board is satisfied that these arrangements will safeguard the confidential information and goodwill of the Nedbank Group and that consequently neither Sphere's interest in Sphere Private Equity or Ethos nor FirstRand Bank's interest in Sphere will have a detrimental effect on the business interests of the Nedbank Group.

Along with RMB Ventures (Proprietary) Limited ("RMB Ventures"), a member of the FirstRand Bank group, WIPHOLD is a co-investor in Wipprivate Equity Joint Ventures (Proprietary) Limited ("Wipprivate Equity"), which is an investment holding company. Wipprivate Equity holds two investments which are Avlock International (Proprietary) Limited and MCG Industries (Proprietary) Limited. WIPHOLD has no intention to make any future joint investments with RMB Ventures via Wipprivate Equity.

BRIMSTONE Consortium

The BRIMSTONE Consortium is led by BRIMSTONE, with BRIMSTONE holding a 67% interest in BRIMSTONE Consortium. BRIMSTONE is a broad-based BEE investment holding company with a current market capitalisation of approximately R300 million. It has strategic investments in the industrial, financial services and the healthcare sectors. BRIMSTONE was incorporated in 1995 as an investment vehicle for Black people and was listed on the JSE in 1998. Over 52% of BRIMSTONE's economic value is held by approximately 3 700 Black people. All the company's directors are Black and its operational management is also in Black hands. The company seeks to empower its staff through extensive employee participation in the equity of BRIMSTONE. Old Mutual (SA) holds 9.95% of BRIMSTONE's 'N' ordinary shares, which have limited voting rights.

The directors of BRIMSTONE include two of its original founding members, MA Enus-Brey, CEO, and F Robertson, executive Deputy Chairman, both of whom have extensive experience across the financial services sector. Professor J Gerwel, who is a non-executive director of OMLACSA, is the Chairman of BRIMSTONE's board.

Mtha holds the remaining 33% interest in BRIMSTONE Consortium. Mtha consists of:

- Chestnut Hill which is a 35% shareholder in Mtha. Its shareholders include Chairman B Ngcuka, S Ntsaluba, the non-executive Chairman and CEO of Amabubesi Investments (Proprietary) Limited, and T Tlelai who is the Chairman of the Tourism Business Council of South Africa; and
- Izingwe, a subsidiary company of Izingwe Capital (Proprietary) Limited, is also a 35% shareholder in Mtha. Izingwe's Chairman is S M Pityana, a former group executive director of NIB, and a former managing director of Strategic Business Development at Nedbank Corporate.

The remaining 30% shareholding in Mtha is owned by three broad-based black professional groups, each of which holds a 10% interest in Mtha. The black professional groups are the BLA, Nadel and SAMDP:

- BLA represents approximately 900 Black legal professionals and 300 Black legal students. It is a voluntary association whose objectives include the support and development of Black lawyers and the provision of legal education and services to the Black community;
- Nadel is a voluntary organisation of lawyers, which has the primary goal of ensuring access to justice for previously disadvantaged individuals. It also provides legal training; and
- SAMDP represents Black medical and dental practitioners and is active in the transformation of the health industry in South Africa.

Conflicts of interest

K Memani, a Chestnut Hill shareholder, is also a director and shareholder in African Merchant Bank Limited, which carries on a banking business that competes with the banking business of Nedbank. The Board has reviewed this potential conflict, and has taken steps to ensure that this potential issue is managed in terms of confidentiality, and also that K Memani will not be involved in any aspects of the Performance Agreements to be entered into pursuant to the Proposed Transaction, unless with the consent of the Nedbank Group.

9.2 Client Schemes

Retail Scheme

The Retail Scheme will invite new and existing Black Retail Clients to subscribe for New Nedbank Group Shares. Applicants, who must be Black as defined in the FSC, will subscribe for New Nedbank Group Shares through the Retail Trust. For every three New Nedbank Group Shares acquired, participants will qualify to receive one additional bonus share, subject to participants maintaining a primary transaction account with Nedbank for a period of three years from the first purchase of New Nedbank Group Shares (failing which Participants will immediately receive the three New Nedbank Group Shares acquired originally but will forfeit their entitlement to the bonus share award). Participants will be entitled to elect whether they wish to participate either through a lump sum payment or a monthly stop order. Participants will enjoy capital protection on their investment, provided that they maintain the requisite primary transaction account with Nedbank for the full period of three years.

Corporate Scheme

The Company has set aside a portion of the Proposed Transaction as part of an overall programme to develop Black corporate clients by assisting them in their growth opportunities and strategies. To this end, New Nedbank Group Shares under the Corporate Scheme will be made available primarily to existing Black corporate clients of the Nedbank Group, as well as to selected other Black clients and Black past partners of the Nedbank Group. It is anticipated that more than 20 participants will participate in the Corporate Scheme, including a portion not allocated upfront to cater for potential future relationships with corporate clients that are Black. This scheme will afford the Nedbank Group an opportunity to strengthen existing client relationships, while providing access to new business opportunities as these clients grow and prosper. The scheme will last for a period of six years from inception and will be structured on the basis described in paragraph 14 below.

The New Nedbank Group Shares will be held by the Corporate Trust on behalf of the Scheme Participants for six years from the date of purchase.

In the main, each participant in the Corporate Scheme will have a similar interest in the New Nedbank Group Shares so allocated and individual shareholders in each of the companies participating in the Corporate Scheme will not be permitted to benefit by more than an effective 0.04% of the New Nedbank Group Shares as a result of their shareholding in the participating company.

Business Development Partner

Aka Capital, a key corporate client (and previous partner of OMLACSA and the Nedbank Group in Quaystone Asset Management), will additionally fulfil the role of Business Development Partner and will be the single largest participant in the Corporate Scheme through the Aka Capital Trust. Aka Capital has been an important contributor to Nedbank Capital's business over the last few years, and this is anticipated to continue into the future. Aka Capital has undertaken, by entering into a detailed, binding Performance Agreement with the Company, to assist in developing the Nedbank Group's strategy in a number of key business areas in the Nedbank Capital and Nedbank Corporate clusters. The New Nedbank Group Shares will be held by the Aka Capital Trust on behalf of Aka Capital for six years, from the date of purchase.

Aka Capital was formed in 2001 and is one of South Africa's leading Black-owned private equity and investment holdings groups. Aka Capital benefits from a seasoned and professional leadership team that is well respected in business, government and the community. Aka Capital has a long-standing relationship with the Old Mutual Group, with OMLACSA and the Company each having a 20% interest in Aka Capital. The balance of the shareholding in Aka Capital is held by the directors, namely R Khoza with a 22.8% shareholding, S Nematswerani with a 18% shareholding and G Morolo with a 19.2% shareholding.

9.3 Community Scheme

The Community Trust will be run in conjunction with the existing community initiatives of the Nedbank Group. The Community Trust's aim is to supplement existing community social initiatives on a co-ordinated and consistent basis. The initial focus of the Community Trust will be the training of Small and Medium Enterprise entrepreneurs in basic business and financial skills.

9.4 Non-executive directors' Scheme

The three current Black non-executive directors excluding M L Ndlovu, namely B de L Figaji, J B Magwaza and ME Mkwanazi, and two prospective non-executive directors will each acquire an interest through the Non-executive directors Trust in 98 386 New Nedbank Group Shares constituting 0.025% of the current market capitalisation (0.0125% allocated upfront, with the balance allocated equally in years 2, 3 and 4 respectively). M L Ndlovu will acquire an interest in 196 772 New Nedbank Group Shares (allocated upfront) constituting 0.05% of the current market capitalisation of the Company in recognition of his additional responsibilities. The Non-executive directors Scheme is subject to a six year holding period i.e. the non-executive directors will be unable to trade their allocation in New Nedbank Group Shares. The structuring and funding of the Non-executive directors Scheme will be on the same basis as the Corporate Scheme. In order not to compromise non-executive directors' independence, no specific performance conditions will apply to individual non-executive directors' participation.

The issue and allotment of New Nedbank Group Shares to the individual Black non-executive directors is authorised according to Special Resolution number 1, contained in This Document.

9.5 Employee Schemes

Evergreen Scheme

It is intended that the Evergreen Trust will be a long-term holder of New Nedbank Group Shares and will utilise 50% of the dividends on the New Nedbank Group Shares issued to it to repay over time the funding provided by Nedbank to the Evergreen Trust with the remaining 50% (and after the Nedbank loan has been repaid, 100%) available to pay out grants to qualifying beneficiaries to meet social expenditure needs (education, health, etc). The proposed initial qualifying participants will be Black employees currently earning less than R83 455 per annum. Applications will be considered by the trustees and assessed on the basis of need.

Broad-based Employee Scheme

The Broad-based Employee Scheme will operate for the benefit of all qualifying employees who do not participate in any other share incentive scheme operated by the Nedbank Group. This scheme will operate for the benefit of both Black and white employees currently earning less than R278 482 per annum (the current entry level remuneration band for middle managers in terms of the FSC). Approximately 58% of the Scheme Participants will be Black. A free grant of New Nedbank Group Shares to the value of R7 500 per employee (pre-tax) will be made to all qualifying participants, with no vesting conditions applying, but participants are subject to a five year holding period.

Black Management Scheme

The Black Management Scheme will operate for the benefit of Black senior and middle management presently earning more than R278 482 per annum (the current entry level remuneration band for middle managers in terms of the FSC). The trustees, on instruction from the Remuneration Committee based on recommendations from the EXCO, will make awards and grant options at the ruling Strike Price to existing (approximately 60% of the New Nedbank Group Shares held by the Black Management Trust) and future (approximately 40% of the New Nedbank Group Shares held by the Black Management Trust) qualifying participants for retention and attraction purposes. The entitlement of participating employees to the New Nedbank Group Shares and options is conditional upon remaining in the Nedbank Group employ over the vesting period during which 33% of the New Nedbank Group Shares awarded of options granted will vest in years 4 and 5 and 34% in year 6. The options will have a life of 7 years. Vesting will not be linked to the achievement of any corporate performance targets.

Black Executive Scheme

The Black Executive Scheme will operate for the benefit of Black executives employed by Nedbank. The trustees, on instruction from the Remuneration Committee based on recommendations from EXCO, will make awards and grant options at the Strike Price to existing (approximately 40% of the New Nedbank Group Shares held by the Black Executive Trust) and future (approximately 60% of the New Nedbank Group Shares held by the Black Executive Trust) qualifying participants for retention and attraction purposes. The entitlement of such executives to the New Nedbank Group Shares and options is conditional upon remaining in the Nedbank Group employ over the vesting period during which 33% of the New Nedbank

Group Shares awarded of options granted will vest in years 4 and 5 and 34% in year 6. The options will have a life of 7 years. Vesting will not be linked to the achievement of any corporate performance targets.

10. PROPOSED APPOINTMENTS TO THE BOARD

Once the Proposed Transaction has been effected and all conditions precedent have been met, G T Serobe from WIPHOLD Consortium, MA Enus-Brey from BRIMSTONE Consortium and R Khoza from Aka Capital will be invited to join the Board.

11. CONDITIONS PRECEDENT TO THE PROPOSED TRANSACTION

The implementation of the Proposed Transaction is subject to the fulfilment of the following conditions precedent:

- 11.1 Approval by the requisite majority of Ordinary Shareholders in general meeting of all of the ordinary and special resolutions set out in the notice of general meeting attached to This Document;
- 11.2 Written notice having been received by the Company from WIPHOLD Consortium and BRIMSTONE Consortium that they have received all requisite shareholder approvals;
- 11.3 The Company and Nedbank obtaining the necessary regulatory approvals; and
- 11.4 Old Mutual plc being satisfied that each feature of the Old Mutual Group BEE Transaction shall have received all consents, sanctions and approvals to which each such feature is subject and that such feature will be implemented in accordance with its terms.

The last mentioned condition is capable of variation with Nedbank Group's and Old Mutual plc's approval and can be waived in whole or in part by Nedbank Group with Old Mutual plc's consent. Old Mutual plc has indicated that it will only vote in favour of the Proposed Transaction if its shareholders vote in favour of (in the form of a composite special resolution) the Old Mutual Group BEE Transaction in an extraordinary general meeting to be held on 6 July 2005 for this specific purpose.

12. EFFECT ON DIRECTORS' INTERESTS

Except for the effect on Black non-executive directors as a result of their participation in the Non-executive directors Scheme (as detailed in This Document), the effect of the Proposed Transaction on the interests of the directors who hold shares in the Company, details of which are set out in paragraph 26 to This Document, does not differ from its effect on the like interests of any other holder of Nedbank Group Shares, namely, the same dilution will affect the holdings of the directors.

13. OPINIONS AND RECOMMENDATIONS IN RESPECT OF THE PROPOSED TRANSACTION

13.1 Directors' recommendations

The Board recommends that the Ordinary Shareholders of the Company vote in favour of the Proposed Transaction and the resolutions to be proposed at the general meeting of Ordinary Shareholders to be held to consider the Proposed Transaction. In respect of their personal holdings in Nedbank Group, the relevant Board members intend to vote their Ordinary Shares in favour of the Proposed Transaction and the resolutions to be proposed at the aforementioned general meeting.

13.2 Position of Old Mutual plc

Subject to the obtaining of the necessary approvals of the shareholders of Old Mutual plc in general meeting, the court sanction of the scheme of arrangement and any other required approvals, the Old Mutual Group intends voting its Nedbank Group Shares in favour of the Proposed Transaction and the resolutions to be proposed at the general meeting of Ordinary Shareholders to be held to consider the Proposed Transaction. As detailed in paragraph 34, the shareholder funds in the Old Mutual Group beneficially owns 55.63% of Nedbank Group as at the Last Practicable Date.

13.3 Independent advisor's opinion

Although not required in terms of the Listings Requirements of the JSE, the Board appointed JPMorgan as an independent advisor to advise the Board on whether the terms and conditions of the Proposed Transaction

are fair and reasonable to the Company. JPMorgan has considered the terms and conditions of the Proposed Transaction and, based on a review of the information made available to it and discussions with management of the Nedbank Group, is of the opinion that the Proposed Transaction is fair and reasonable from a financial point of view, to the Company.

13.4 Senior counsel's view of the External Stakeholder Schemes

Nedbank Group has sought the opinion of senior counsel on the structure which it proposes to adopt for the above mentioned schemes and has been furnished with written opinions to the effect that the structure as devised and as described more fully in paragraph 14 below complies with the requirements of the Companies Act and in particular section 38 and section 92 thereof.

PART 2 – DETAILS AND MECHANICS OF THE STRUCTURE AND THE BLACK BUSINESS PARTNER AND AKA CAPITAL AGREEMENTS

14. STRUCTURE

The Company has developed a mechanism for the External Stakeholder Schemes that largely eliminates the need for Scheme Participants to raise or access funding for their participation. This involves the Company issuing the New Nedbank Group Shares to the External Stakeholder Trusts at Par Value (and in the case of the Black Business Partners at R1.87 per share). At the end of the Lock-in Period of the External Stakeholder Schemes, the Company will be entitled to call back as many of the Nedbank Group Shares as, based on their then Market Value, equates in value to the Notional Terminal Amount, which will be determined according to the BEE Scheme Agreements. The fundamental parameters of the structure for each of the Schemes are set out below:

| | Corporate Scheme | Non-executive directors' Scheme | Black Business Partners Scheme | Retail Scheme | Community Scheme | |
|---|-------------------------------|---------------------------------|--|--|---------------------------|---------------------------|
| Participants | Aka Capital | Various | M L Ndlovu, B de L Figaji, J B Magwaza, M E Mkwanazi (and future participants) | BRIMSTONE Consortium and WIPHOLD Consortium | Trust | |
| Issue price of Scheme Shares | Par | Par | Par | R1.87 per share | Par | |
| Upfront amount paid by underlying participants (in the case of Community Scheme, Corporate Scheme, Non-executive directors Scheme and Retail Scheme, the upfront amount funded by Old Mutual Group Company) | Issue price of R1 676 901 | Issue price of R10 160 049 | Issue price of R789 130 | Issue price of R14 756 731 | Issue price of R9 469 560 | Issue price of R1 578 260 |
| Term | 6 years | 6 years | 6 years | 10 years | 3 years | Initial period of 6 years |
| Notional Commencement Amount | R92.3 million | R559.4 million | R44.2 million | R575.1 million | R530.9 million | R66.4 million |
| Notional Dividend Rate (fixed NACS) | 11.50% plus 1.00% for default | 11.50% | 11.50% | 8.00% plus 1.50% of the Notional Commencement Amount | 11.50% | 11.50% |
| Performance Fee payable (dependant on level of performance delivered) | No | No | No | Yes | No | No |

14.1 Black Business Partner, Corporate, Community and Non-executive directors Schemes

Separate Black-controlled special purpose trusts have been established for each consortium in the Black Business Partner Scheme, while similar separate Black-controlled trusts have been established for each of the Corporate (with a separate Aka Capital Trust), Community and Non-executive directors Schemes. The trusts have been set up so as to constitute a Black person for FSC purposes and governed by beneficiary elected trustees. All Nedbank Shares held in the trusts can only be voted once the beneficiaries have appointed these trustees, except in the case of the Community Trust where appropriate trustees will be selected from the trustees appointed to the Employee Trusts and External Stakeholder Trusts, by the beneficiaries. The latter trusts will subscribe for New Nedbank Group Shares at the Par Value and in the case of the Black Business Partner Trust the subscription will be at R1.87 per share which represents the 2.5% at-risk investment to be made by the Black Business Partners. This investment amounts to R14.8 million in total. In the case of Aka Capital, an at-risk investment equal to the Par Value per share will be made. The Par Value payment in respect of the Corporate Trust, the Non-executive directors Trust and the Community Trust will be funded by an arms' length floating rate loan from Old Mutual Group Company. The aggregate advance required for the Community, Corporate and the Non-executive directors Schemes equates to R12.48 million. The capital together with interest is to be repaid as a first charge against any cash dividends received on the New Nedbank Group Shares.

In terms of the Performance Agreements, the Black Business Partner Trusts will receive a cash Performance Fee (paid by Nedbank). The Black Business Partner Trusts will be entitled to retain in cash a portion thereof (commencing at 25% and increasing by 100 basis points each year up to a maximum of 30%) to settle their working capital requirements, plus an amount representing the tax liability on such fees. The Black Business Partners Trust will be required to apply the balance of the Performance Fee to subscribe for Reinvestment Shares at the then market price.

The External Stakeholder Trusts (other than the Retail Trust which is dealt with in paragraph 14.2 below) will each grant the Nedbank Group Call Option to the Company to acquire, at a price not exceeding the Subscription Price, so many of the initial Scheme Shares and all Capitalisation Shares and Reinvestment Shares, at the then Market Value of which equates to the Notional Terminal Amount. The Nedbank Group Call Option is exercisable after the expiry of the Lock-in Period. The effect of this option is that, subject to certain early trigger events, within a period of 20 Business Days after the end of the Lock-in period, the Company will be entitled but not obliged to exercise the Nedbank Group Call Option, failing which, the Nedbank Group Call Option shall lapse. The application of the formula referred to above, replicates materially the same economic consequences that would ensue if the Proposed Transaction were to have been funded by way of fixed rate preference share funding advanced at the relevant rate applicable to each of the External Stakeholder Schemes by the Company.

The Company will in turn grant the Trust Call Option to the External Stakeholder Trusts (other than the Retail Trust) to acquire, at the then Market Value, up to the equivalent number of Nedbank Group Shares as acquired by the Company in exercising the Nedbank Group Call Option. This is in order to enable refinancing such that the holding of the External Stakeholder Trusts in the Company is restored to up to 100 percent of the original issue. The Company's obligations under this call option will be settled by a fresh issue of Ordinary Shares, at their then Market Value. This call option may only be exercised in the event and to the extent that the Company exercises the Nedbank Group Call Option, and the External Stakeholder Trusts (other than the Retail Trust) shall, within a period of 20 Business Days thereafter (failing which the Trust Call Option shall lapse), be entitled but not obliged to exercise the Trust Call Option.

In relation to any future dividends, the Company will, through the period of the External Stakeholder Schemes, undertake semi-annual awards of Capitalisation Shares, with a cash dividend election. The External Stakeholder Trusts (other than the Retail Trust) will be required upfront to elect to receive Capitalisation Shares and to forego the cash dividend alternative. However, cash dividends will be paid to the External Stakeholder Trusts to meet their reasonable ongoing administration costs and to the External Stakeholder Trusts, other than the Aka Capital Trust and Black Business Partner Trusts, to enable them to settle and until such time as they have settled the Old Mutual Group Company funding in full.

14.2 Retail Scheme

A separate Black-controlled trust has been established to acquire New Nedbank Group Shares for the Retail Scheme, the beneficiaries of which will be the Black Retail Clients that subscribe for and pay for New Nedbank Group Shares in terms of the Scheme.

As with all the other trusts established for purposes of the various External Stakeholder Schemes, the Retail Trust itself has been set up so as to constitute a Black person for FSC purposes and governed by appropriate beneficiary appointed trustees, selected from the trustees appointed to the Employee Trusts and External Stakeholder Trusts. The trustees will hold and will vote the New Nedbank Group Shares held in the Retail Trust for the benefit of the beneficiaries. The Company will issue these New Nedbank Group Shares to the Retail Trust, at Par Value. The issue price will be advanced to the Retail Trust by the Old Mutual Group Company on the same terms as the funding for the Community, Corporate and Non-executive directors Trusts. The aggregate advance required for the Retail Scheme equates to R9.47 million.

The above will result in ownership of the full scheme allocation vesting in the Retail Trust, along with full voting and dividend entitlements. The Scheme Shares will have been issued as fully paid-up with an issue price of Par Value per share.

The Company will, through the medium of the Retail Trust, then offer Ordinary Shares for subscription to qualifying clients in terms of the Scheme, who will be invited to subscribe for "three" Ordinary Shares and receive "one" bonus New Nedbank Group Share through the payment either of a lump sum or a monthly stop order buy-as-you-go scheme. The allocation mechanics of this offer will be contained in the relevant offer documentation.

Upon payment for their "three" Ordinary Shares (at the ruling market value of a New Nedbank Group Share as published on I-Net Bridge at close of business on the last Business Day prior to time of payment by clients), by stop order or lump sum:

- Clients will become beneficiaries of the Retail Trust in respect of the relevant number of Ordinary Shares paid for and will forthwith acquire a vested right to receive dividends in respect of those allocated New Nedbank Group Shares from the Trust, once the Old Mutual Group Company funding has been settled in full;
- On behalf of clients, the Retail Trust will deposit the cash subscription monies with the Company (which will on-deposit the same with Nedbank), which will be held interest-free to cater for the capital protection conditionally provided for the participants;
- The Company will be required to issue and deliver the Ordinary Shares on the termination date being three years after the participants' initial instalment or lump sum payment. Subject to the capital protection mechanism referred to below, the Company can only settle this obligation by a fresh issue of Ordinary Shares on the termination date at the price per share paid by the participants, utilising the monies deposited. Participants will, however, at the end of the said three year period be entitled to require Retail Trust to return the cash subscription monies to them (representing the actual Subscription Price paid for their Ordinary Shares) in the event of the value of their shareholding in terms of the Retail Scheme (inclusive of bonus New Nedbank Group Share) being less at that time than the aggregate Subscription Price paid by them, i.e. there will in such event be no fresh issue of Ordinary Shares; and
- Nedbank Group will be entitled to exercise the Nedbank Group Call Option against the Retail Trust in respect of the same number of Nedbank Group Shares held by the Retail Trust as issued pursuant to the paragraph above. For illustrative purposes, assuming 100 Nedbank Group Shares are required to be issued in satisfaction of a participants subscription, Nedbank Group Limited will be entitled to re-purchase 100 Nedbank Group Shares from the Retail Trust. This ensures that the Retail Scheme does not result in any "double dilution" of existing shareholder interests. In addition, on the termination date, the Company will be entitled to exercise the Nedbank Group Call Option over so many of the New Nedbank Group Shares originally issued at Par Value to the Retail Trust and over any Capitalisation Shares then held by the Retail Trust as, based on the then Market Value, equates to the Notional Terminal Amount. The termination date will be the term of the Retail Scheme or the date of other prescribed termination events. The Strike Price of this call option will be R1.00 in the aggregate for all Capitalisation Shares and an amount per share not greater than the R1.00 Par Value per share of the originally issued New Nedbank Group Shares.

Participants in the stop order buy-as-you-go scheme will be contractually bound to continue their stop order payments for a period of 36 months from initial payment. Failure to meet this obligation will constitute a breach by the participant. The consequences of such a breach are:

- the participant will cease to qualify for any bonus shares and for the capital protection described above;
- Nedbank, in consultation with the trustees of the Retail Trust, will be entitled in its discretion to require the participant to abide by such contract or to disqualify the participant henceforth from the Retail Scheme (in the latter event Nedbank will only issue so many Ordinary Shares to the participant as represents the subscription monies actually paid by the participant).

Save as is required to settle the Old Mutual Group Company funding on New Nedbank Group Shares held by the Retail Trust as described in 14.1 above, the Retail Trust will be required to elect to receive Capitalisation Shares on the unallocated shares and bonus shares and to forego any cash dividend alternative. Once the Old Mutual Group Company funding is settled in full the trustees will be required to make an election for the participants whether to receive Capitalisation Shares or a cash dividend on allocated New Nedbank Group Shares.

The Notional Terminal Amount will be derived according to the BEE Scheme Agreements.

If, upon termination of the Retail Scheme, there remains a surplus of Nedbank Group Shares within the Retail Trust (after exercise of the Nedbank Group Call Option), such surplus will be distributed to an appropriate FSC compliant Black entity. If the terminal Market Value of the Nedbank Group Shares then remaining within the Retail Trust is less than the Notional Terminal Amount, 100% of the New Nedbank Group Shares will be called back by the Company at Par Value and cancelled.

15. BLACK BUSINESS PARTNER AGREEMENTS

15.1 Nominee:

- All New Nedbank Group Shares will be issued and allotted to a nominee which will hold such New Nedbank Group Shares on behalf of the Black Business Partner Trusts during the Lock-in-Period;
- The nominee will hold the New Nedbank Group Shares subject to a nominee mandate which will, *inter alia*, provide that the share will not be capable of disposal or encumbrance, unless the Black Business Partner Trusts instructs the nominee in writing to do so and Nedbank Group has countersigned such notice;
- BoE Trust Limited will be the nominee; and
- All New Nedbank Group Shares issued to the nominee, on behalf the Black Business Partner Trusts, will carry the right to, and rank in full, for all dividends or other distributions of the Nedbank Group which are declared, paid or made after the date of allotment and shall rank *pari passu* in all respects with Ordinary Shares in issue on date of allotment, including the right to vote at meetings of the members of the Nedbank Group. Beneficial ownership of the New Nedbank Group Shares shall reside in the Black Business Partner Trusts, including the aforementioned voting and dividend rights.

15.2 Representations, Undertakings and Warranties by the Black Business Partner Trusts include:

- The Black Business Partner Trusts are Black special purpose vehicles;
- The Black Business Partner Trusts will use their reasonable endeavours to assist the Nedbank Group to maximise its ownership points in terms of the FSC; and
- At least 50.1% of the ultimate economic beneficiaries of the Black Business Partner Trusts will be Black.

15.3 Key Individuals have been identified as the following persons:

For WIPHOLD Consortium,

- G T Serobe;
- L Mojela;
- W Luhabe; and
- H Sonn.

For BRIMSTONE Consortium,

- F Robertson;
- M A Enus-Brey;
- S N Pityana; and
- B T Ngcuka.

15.4 Events resulting in early termination include:

- The Black Business Partner Trusts or any key individual or representatives of the Black Business Partner Trusts, during the Lock-in-Period:

- making an investment in any Competing Business;
- carrying on a Competing Business; and
- entering into an agreement with any third party which will create a conflict of interest with any of the businesses of the Nedbank Group,

except as permitted specifically by the Company in the Black Business Partner Agreements;

- Any Competitor becoming a shareholder of the Black Business Partner Trust or acquiring an indirect economic benefit in respect of any New Nedbank Group Shares acquired by the Black Business Partner Trust in terms of the Black Business Partner Agreement;
- Until the Performance Agreement is terminated or cancelled, fifty percent or more of the key individuals of the Black Business Partner Trust having been removed or departed from positions of influence or control over the Black Business Partner Trust without being replaced by an acceptable replacement; and
- There is a removal or departure of fifty percent or more of the human resources (including key individuals) which are required to provide contributions in terms of the Performance Agreement.

The Black Business Partner Agreement will operate until 1 January 2015, unless terminated by any of the parties on or after 31 October 2008, or validly terminated by other means. Should either the Company or the Black Business Partner Trusts elect to terminate the agreement on or after 31 October 2008, it will give the other one month's written notice.

15.5 Consequence of early termination

Early termination events during the Lock-in-Period as described above, which are not remedied or do not cease to exist entitle the Company, subject to the terms and conditions of the Black Business Partner Agreements, to:

- Apply the Notional Penalty rate as the Notional Dividend Factor until the termination event is remedied or ceases to exist; or
- Exercise the Nedbank Group Call Option to terminate the participation of the Black Business Partner Trusts in the Proposed Transaction. Depending on the nature and/or timing of the early termination event, this will entail the forfeiture by the Black Business Partner Trusts of between 10% and 100% of their holding of Nedbank Group Shares and capital appreciation thereon. Further details are included in the Black Business Partner Agreement available for inspection as per paragraph 41.

15.6 Performance Agreements:

- The Performance Agreements will be entered into by each of the Black Business Partner Trusts and Nedbank;
- The performance criteria and evaluation thereof applicable to each Black Business Partner Trust for the first review period, being the period from the Closing Date to 31 October 2006, will be reflected in the Performance Agreements;
- The performance criteria and evaluation for each subsequent review period will be determined in joint planning sessions between the Black Business Partner Trusts and the relevant Nedbank business unit;
- The Performance Fees will be determined according to the Performance Fee Formula; and
- The Performance Agreements will operate until 1 January 2015 unless terminated by any of the parties after 31 October 2008.

15.7 Corporate Actions

Any corporate action which affects the Company or its shareholders shall:

- where an offer is made, or a scheme is proposed which could result in a change of control of the Company, then the Black Business Partner Trust is entitled to offer the remaining Scheme Shares to the offeror subject to the offeror succeeding in effecting the change of control, and if the offer is successful, the Black Business Partner Trust shall be entitled to oblige the Company to exercise the Nedbank Group Call Option to enable the Black Business Partner Trust to comply with the foregoing;
- where it results in a dilution of the percentage effective interest of the Black Business Partner Trust in the share capital of the Company, have no effect on the Black Business Partner Agreement;
- save as specifically provided for in the Black Business Partner Agreement, where it results in a dividend distribution other than cash, or the issue of bonus shares, become part of the assets of the Black Business Partner Trust;

- where it results in the number of Nedbank Group Shares acquired pursuant to the Black Business Partner Agreement changing, as a result of a sub-division or consolidation of Nedbank Group Shares, have the effect of adjusting accordingly the number of Nedbank Group Shares acquired by the Black Business Partner Trust;
- where it results in the Black Business Partner Trust being allocated nil paid rights pursuant to a rights issue by the Company or the right to acquire additional shares pursuant to an open offer by the Company, it shall sell such rights in the market or to the Black Business Partner Trust shareholders at the Market Value thereof; and
- where it has any result other than set out in the Black Business Partner Agreement, be considered by the Company and the Black Business Partner Trust to determine an equitable outcome. If consensus cannot be reached, it will be referred to independent advisors and if no agreement can be reached then the Black Business Partner Agreement will continue to be in force and effect as affected by the corporate action.

16. AKA CAPITAL AGREEMENT

The Aka Capital Agreement has been signed between Aka Capital Trust, Aka Capital and the Company and serves to set out the activities to be undertaken by Aka Capital and the evaluation thereof:

16.1 Activities to be undertaken by Aka Capital:

- alerting the Company to anticipated tender offerings;
- assisting the Company in formal strategic account planning sessions as well as facilitating engagement with potential public sector or parastatal clients;
- leveraging relationships with individuals or organisations to facilitate engagement with potential public sector or parastatal clients of the Company and the funding of infrastructure projects; and
- identifying and developing new clients and opportunities for the Company's Public Sector business (including assisting in further developing relationships of the Company with development funding institutions) and the Company's business groups within certain specified sectors in which Aka Capital has particular strengths.

16.2 Sessions

Aka Capital shall perform the various activities described in paragraph 16.1 above for the Company through the attendance and participation by certain Key Individuals at various Sessions. The Aka Capital Key Individuals shall be obliged to attend a minimum number of pre-determined Sessions per year during the Lock-in Period.

16.3 Aka Capital Key Individuals have been identified as the following persons:

- R Khoza;
- S Nematswerani; and
- G Morolo.

16.4 Assessment of Activities and Sessions:

- The Company and Aka Capital shall meet on an annual basis to discuss the areas and aspects on which the Company requires Aka Capital to focus during the following year and agree upon the number, subject matter and content of the Sessions to be held for the following year; and
- At the end of each year during the Lock-in Period the Company will conduct a final detailed annual performance review of Aka Capital's contribution to the Company.

16.5 Undertakings by Aka Capital

- Aka Capital, its subsidiaries and Key Individuals shall, on a reasonable efforts basis, exclusively utilise the transactional banking and related services and/or products offered by Nedbank from time to time, and shall, on a reasonable efforts basis, encourage its employees and affiliates to primarily utilise such services;
- Aka Capital shall, and, on a reasonable efforts basis, procure that the Key Individuals, partially-owned subsidiaries and any fund of which Aka Capital is the majority beneficiary and/or over which Aka Capital has management control shall not, subject to certain exceptions:

- make any investment in any Competing Business;
 - carry on a Competing Business; and/or
 - enter into any agreement or arrangement with any third party which will create a conflict of interest for Aka Capital, its subsidiaries or affiliates with the business of any member of the Nedbank Group;
- Aka Capital shall on a reasonable efforts basis, procure that its subsidiaries, and encourage that its affiliates, shall grant the Nedbank Group a right of first refusal to provide Aka Capital with any funding and/or advisory services that it may require from time to time and shall, on a reasonable efforts basis, be obliged to appoint Nedbank to provide such services if Nedbank is willing to provide such services on market related and competitive terms;
 - If a transaction is introduced to Aka Capital by Nedbank, Aka Capital shall be obliged to utilise Nedbank for any funding and/or advisory services that may be required arising out of the transaction; and
 - If a transaction is introduced to Aka Capital by a financial institution other than Nedbank and if such transaction presents the opportunity for any funding and/or advisory services to be provided by a financial institution other than the financial institution which approached Aka Capital, Aka Capital shall, on a reasonable efforts basis, endeavour to introduce such financial institution to Nedbank for the purposes of such financial institution engaging with Nedbank in order to ascertain whether Nedbank could be afforded the opportunity to provide any additional funding or advisory services that may be required.

16.6 Events of Default

The Aka Capital Agreement envisages certain events of default in the event that Aka Capital fails to satisfactorily perform its obligations. The penalties on the occurrence of any unremedied events of default range from the increase of the Notional Dividend Rate applicable to Aka Capital by 1% NACS to Aka Capital ceasing to be a beneficiary of the Aka Capital Trust.

PART 3 – EMPLOYEE SCHEMES

Independent Employee Trusts will be established for each of the Employee Schemes described in this section. Trustees of each of the Employee Trusts will be Black individuals whose responsibilities will include the administration of each of the Employee Trusts in accordance with their rules.

17. BLACK EXECUTIVE SCHEME

17.1 Introduction

The Black Executive Scheme will assist the Nedbank Group in attracting and retaining senior management and executive level permanent Black employees. Awards made under the Black Executive Scheme will be in addition to any awards participants may receive under the LTIP or any other Nedbank incentive scheme.

17.2 Beneficiaries

The beneficiaries of the Black Executive Trust will be up to 50 individuals selected, from time to time, by the Remuneration Committee, upon recommendation from EXCO, from the ranks of senior managerial and executive level Black employees within Nedbank.

17.3 Trustees

The initial trustees appointed upon formation of the trust will be individuals nominated by the Board. These trustees will be obliged in terms of the trust deed to facilitate the election of three trustees from within the ranks of the selected beneficiaries. Only once these trustees have been appointed can the trustees vote the Nedbank Shares held by the Black Executive Trust. Once this election has occurred, the initial trustees are obliged to resign once letters of authority are issued for the elected trustees by the Master of the High Court. An election of trustees occurs every three years, with the incumbent trustees resigning upon the issue of letters of authority to the newly elected trustees. The trustees will be required to act in the interests of the beneficiaries at all time.

17.4 Funding and Subscription

Nedbank will extend R156 000 000 to the Black Executive Trust, R40 000 000 as a grant and R116 000 000 as an interest-free loan. The total amount will be applied by the trustees towards the subscription for New Nedbank Group Shares, and will be immediately allotted and issued at the price of R74.75 per share to the Black Executive Trust for administration in terms of its rules. Upon subscription, the Black Executive Trust will own the Nedbank Group Shares outright, and will therefore receive all dividends in respect of those shares, and the trustees will vote those shares in accordance with paragraph 17.7 below.

17.5 Awards and Benefits

The value of all awards will be determined by the Remuneration Committee on the recommendation of EXCO as referred to in paragraph 17.2. The maximum value of any award, if any, shall be determined by the Remuneration Committee.

Every award will be made at the commencement of the beneficiary's participation in the Black Executive Scheme and will consist partly of New Nedbank Group Shares granted free of consideration subject to restrictions and partly of options to acquire New Nedbank Group Shares at the Strike Price.

In respect of each award, options may be exercised and the New Nedbank Group Shares will become unrestricted in accordance with the following vesting periods:

- 33% on the fourth anniversary of the date of the award;
- 33% on the fifth anniversary of the date of the award; and
- 34% on the sixth anniversary of the date of the award.

All options that are the subject of an award must be exercised before the seventh anniversary of the date of the award.

Beneficiaries will be liable to pay the Strike Price for the New Nedbank Group Shares that are the subject of any option on the exercise date of the option, and thereafter those New Nedbank Group Shares will be transferred to the beneficiary concerned. On each vesting date the New Nedbank Group Shares, previously granted, will be transferred from the Black Executive Trust into the name of the beneficiary.

A beneficiary will cease to participate in the Black Executive Scheme and will forfeit his or her unvested rights under any award if such beneficiary's employment with the Nedbank Group terminates before the date upon which those rights vest, other than in circumstances such as the retirement, retrenchment, redundancy, death, permanent disability or permanent incapacity of the beneficiary.

17.6 Distributions

All dividends paid or other cash distributions made in respect of the New Nedbank Group Shares held by the Black Executive Trust in respect of which options have been granted or which are not the subject of an award, will be applied towards the repayment of the loan from Nedbank and thereafter towards the payment of the costs and expenses of the administration of the Black Executive Trust. Non-cash distributions in respect of these New Nedbank Group Shares will be sold by the trustees and the proceeds used for the same purposes.

All dividends or other distributions made in respect of New Nedbank Group Shares granted in an award subject to restrictions shall be paid or distributed to the beneficiaries to whom those New Nedbank Group Shares were awarded.

17.7 Control

The beneficiaries shall, in respect of New Nedbank Group Shares awarded to them subject to the vesting restrictions, be entitled to direct the manner in which the trustees shall exercise the voting rights of those shares for the period that the Black Executive Trust remains the registered owner of such New Nedbank Group Shares.

The trustees will be entitled to vote all the New Nedbank Group Shares held in the Black Executive Trust which are not the subject of unexercised options nor of any award in such manner as they may determine at their discretion, in accordance with their fiduciary duties and the Company shall have no influence on the manner in which those shares are voted.

17.8 Duration

It is intended that the Black Executive Scheme shall only remain open for new beneficiaries until the total number of beneficiaries who participate in or who have received awards under the Black Executive Scheme reaches a maximum of 50. All surplus New Nedbank Group Shares in the Black Executive Trust will thereafter be sold and the proceeds applied to settle any outstanding loan to Nedbank or transferred to another new or existing trust established for the benefit of Black employees of Nedbank. Under no circumstance will surplus shares revert to the Company.

17.9 Adjustment of Awards

In the event of a rights offer, a consolidation, subdivision, conversion, reduction or any other alteration of the issued share capital of the Company which the Board believes justifies an adjustment to the awards made under the Black Executive Scheme, it shall be entitled to direct that the trustees adjust the number and/or the nominal value of the New Nedbank Group Shares awarded subject to the vesting restrictions, and/or those New Nedbank Group Shares in respect of which options have been granted.

17.10 Changes in Control

If the Company becomes a subsidiary of any company as a result of a take-over, reconstruction or amalgamation which makes provision for the trustees or the beneficiaries to receive shares in the new company in exchange for the New Nedbank Group Shares in the Black Executive Trust, irrespective of whether they are the subject of an award or not, those New Nedbank Group Shares shall be exchanged at the same price and upon the same terms and conditions and in the same proportion as the majority shareholders sell or dispose of their Ordinary Shares. All awards to beneficiaries shall be adjusted by the trustees accordingly.

18. BLACK MANAGEMENT SCHEME

18.1 Introduction

The Black Management Scheme will assist the Nedbank Group in attracting and retaining senior and middle managerial-level permanent Black employees. Awards made under the Black Management Scheme will be in addition to any awards participants may receive under the LTIP or any other Nedbank incentive scheme.

18.2 Beneficiaries

The beneficiaries of the Black Management Trust will be Black individuals currently earning more than R278 482 per annum (i.e. the current entry level remuneration band for middle management as per the FSC) selected, from time to time, by the Remuneration Committee on the recommendation of EXCO from the ranks of senior and middle level Black managerial employees within Nedbank. It is envisaged that approximately 850 Black employees will ultimately benefit from the Black Management Scheme.

18.3 Trustees

As with the Black Executive Scheme, the initial trustees will be individuals nominated by the Nedbank Group and all further trustees will be Black individuals elected, every three years, by the beneficiaries from their own ranks. Only once these trustees have been appointed can the trustees vote the Nedbank Shares held by the Black Management Trust. The provisions of paragraph 17.3 above shall apply equally to the trustees of the Black Management Scheme.

18.4 Funding and Subscription

Nedbank will extend R393 000 000 to the Black Management Trust, R33 000 000 as a grant and R360 000 000 as an interest-free loan. The total amount will be applied by the trustees towards the subscription of New Nedbank Group Shares, which will be immediately allotted and issued at R74.75 per share to the Black Management Trust for administration in terms of its rules. Upon subscription, the Black Management Trust will own Nedbank Group Shares outright and will therefore receive all dividends in respect of those shares and will vote those shares in accordance with paragraph 18.7 below.

18.5 Awards and Benefits

The value of all awards will be determined, or established in accordance with guidelines set, by the Remuneration Committee as referred to in paragraph 18.2. The maximum value of any award, if any, shall be determined by the Remuneration Committee.

Every award will be made at the commencement of the beneficiary's participation in the Black Management Scheme and will consist partly of New Nedbank Group Shares granted free of consideration, but subject to restrictions and partly of options to acquire New Nedbank Group Shares at the Strike Price.

In respect of each award, options may be exercised and the New Nedbank Group Shares will become unrestricted in accordance with the following vesting period:

- 33% on the fourth anniversary of the date of the award;
- 33% on the fifth anniversary of the date of the award; and
- 34% on the sixth anniversary of the date of the award.

All options that are the subject of an award must be exercised before the seventh anniversary of the date of the award.

Beneficiaries will be liable to pay the Strike Price per share for the New Nedbank Group Shares that are the subject of any option on the exercise date of the option, and thereafter ownership of the New Nedbank Group Shares will be transferred to the beneficiary concerned. On each Vesting Date the New Nedbank Group Shares that are granted in an award subject to restriction will be transferred from the Black Management Trust into the name of the beneficiary.

A beneficiary will cease to participate in the Black Management Scheme and will forfeit his or her unvested rights under any award if such beneficiary's employment with Nedbank terminates before the date upon which those rights vest, other than in circumstances such as retirement, retrenchment, redundancy, death, permanent disability or permanent incapacity of the beneficiary.

18.6 Distributions

All dividends paid or other cash distributions made in respect of the New Nedbank Group Shares held by the Black Management Trust in respect of which options have been granted or which are not the subject of an award, will be applied towards the repayment of the loan from Nedbank and thereafter towards the payment of the costs and expenses of the administration of the Black Management Trust. Non-cash distributions in respect of these New Nedbank Group Shares will be sold by the trustees and the proceeds used for the same purposes.

All dividends or other distributions made in respect of New Nedbank Group Shares granted in an award subject to restrictions shall be paid or distributed to the beneficiaries to whom those New Nedbank Group Shares were awarded.

18.7 Control

The beneficiaries shall, in respect of New Nedbank Group Shares awarded to them subject to vesting restrictions, be entitled to direct the manner in which the trustees shall exercise the voting rights of those shares for the period that the Black Management Trust remains the registered owner of such New Nedbank Group Shares.

The trustees will be entitled to vote all the New Nedbank Group Shares held in the Black Management Trust which are not the subject of unexercised options nor of any award, in such manner as they may determine at their discretion and in accordance with their fiduciary duties and the Company shall have no influence on the manner in which those shares are voted.

18.8 Duration

It is intended that the Black Management Scheme shall only remain open for new beneficiaries until the total number of New Nedbank Group Shares in the Black Management Trust have been awarded to beneficiaries or until the tenth anniversary of the date upon which the Black Management Scheme is established, whichever occurs sooner. All surplus New Nedbank Group Shares in the Black Management Trust will thereafter be transferred to another new or existing trust established for the benefit of Black employees of Nedbank. Under no circumstance will surplus shares revert to the Company.

18.9 Adjustment of Awards

In the event of a rights offer, a consolidation, subdivision, conversion, reduction or any other alteration of the issued share capital of the Company which the Board believes justifies an adjustment to the awards made under the Black Management Scheme, it shall be entitled to direct that the trustees adjust the number and/or the nominal value of the New Nedbank Group Shares awarded subject to restrictions and/or those New Nedbank Group Shares in respect of which options have been granted.

18.10 Changes in Control

If the Company becomes a subsidiary of any company as a result of a take-over, reconstruction or amalgamation which makes provision for the trustees or the beneficiaries to receive shares in the new company in exchange for the New Nedbank Group Shares in the Black Management Trust, irrespective of whether they are the subject of an award or not, those New Nedbank Group Shares shall be exchanged at the same price and upon the same terms and conditions and in the same proportion as the majority shareholders sell or dispose of their Ordinary Shares in the Company. All awards to beneficiaries shall be adjusted by the trustees accordingly.

19. BROAD-BASED EMPLOYEE SCHEME

19.1 Introduction

The Broad-based Employee Scheme is intended as a grant to all permanent employees of Nedbank as at the date of the implementation of the Broad-based Employee Scheme below middle management, to create a sense of inclusion within the overall Proposed Transaction.

19.2 Beneficiaries

The beneficiaries of the Broad-based Employee Trust will be all permanent employees of Nedbank, of which 58% are Black, who are classified below middle management level as per the remuneration band defined in the FSC, and who do not participate in any other equity share incentive scheme within the Nedbank Group.

19.3 Trustees

The trustees will be independent individuals nominated by the Board. The nature of the Broad-based Employee Trust is such that beneficial ownership of the Nedbank Group Shares passes to the employee beneficiaries from the outset, and the function of the trustees is simply to ensure that the terms of the trust

are adhered to, which will ensure that the provisions of section 8B of the Income Tax Act are complied with. The trustees will not have discretion to vote any shares registered in the name of the trust if they do not receive voting instructions from the beneficiaries. Dividends will be paid to employee beneficiaries.

19.4 Funding and Subscription

Nedbank will grant to the Broad-based Employee Trust R107 000 000. This amount will be applied by the trustees towards the subscription for New Nedbank Group Shares, which will immediately allot and issue that number of New Nedbank Group Shares, at R74.75 per share, to the Broad-based Employee Trust for allocation to employee beneficiaries in terms of the trust deed.

19.5 Awards

On the implementation of the Broad-based Employee Scheme, the trustees will grant to each beneficiary, free of consideration, so many New Nedbank Group Shares as equates to R7 500 at a reference price of R74.75 based on the 10 day volume weighted average price of the New Nedbank Group Shares immediately prior to the date of the announcement of the Proposed Transaction.

All awards made by the Broad-based Employee Trust will vest in the beneficiaries immediately, provided that as a condition to their acceptance of benefit under the Broad-based Employee Scheme, all beneficiaries will agree not to trade or otherwise deal with or encumber the New Nedbank Group Shares awarded to them in any way for a period of five years after the date on which the awards are made. During this five-year period the Broad-based Employee Trust will remain the registered owner of the New Nedbank Group Shares the subject of awards as nominee for the beneficiaries.

19.6 Distributions

All dividends paid or other cash distributions made in respect of the New Nedbank Group Shares that are awarded to employee beneficiaries will accrue to the benefit of the beneficiaries, provided that non-cash distributions will be subject to a 5-year restriction period from Implementation Date.

19.7 Control

The beneficiaries shall, in the proportions in which New Nedbank Group Shares have been awarded to them, be entitled to direct the manner in which the trustees shall exercise their voting rights for the period that the Broad-based Employee Trust remains the registered owner of such New Nedbank Group Shares.

The trustees will not be entitled to vote any of the New Nedbank Group Shares held in the Broad-based Employee Trust in respect of which they do not receive directions.

19.8 Duration

It is intended that the Broad-based Employee Scheme will be wound up as soon as possible after all the New Nedbank Group Shares are transferred to beneficiaries or sold on their behalf, which will take place five years after Implementation Date.

20. EVERGREEN SCHEME

20.1 Introduction

The Evergreen Scheme is intended to assist in meeting the financial needs, on a case by case basis or otherwise as determined by the trustees, of qualifying permanent Black employees of Nedbank.

20.2 Beneficiaries

The beneficiaries of the Evergreen Trust will be selected from time to time, from the ranks of all permanent Black employees of Nedbank whose income falls below 50% of the lowest salary band set out in the FSC from time to time. At present the scheme will benefit permanent Black employees that earn a guaranteed gross package of less than R83 455 per annum.

20.3 Trustees

The initial two trustees will be appointed by the Board and an additional three trustees will be nominated by the beneficiaries after implementation of the Proposed Transaction. Only once these trustees have been appointed can the trustees vote the Nedbank Shares held by the Evergreen Trust. The trustees will be obliged to act in the best interests of the beneficiaries, and the Company will not hold any influence over the conduct of their duties as trustees. Each of the independent trustees must be present at a meeting of trustees in order for there to be a quorum, with the vote of each trustee carrying equal weight.

20.4 Funding and Subscription

Nedbank will lend the Evergreen Trust R69 000 000 on an interest-free basis. This amount will be applied by the trustees towards the subscription for New Nedbank Group Shares, which will immediately allot and issue that number of New Nedbank Group Shares, as is determined in relation to the prevailing market price of the New Nedbank Group Shares at the time, to the Evergreen Trust for administration in terms of its rules.

20.5 Awards

The New Nedbank Group Shares subscribed for by the Evergreen Trust will be retained within the trust and will not be awarded to beneficiaries.

50% of cash distributions made in respect of the New Nedbank Group Shares within the Evergreen Trust shall be applied towards the repayment of the Nedbank loan with the remaining 50% (and after the Nedbank loan has been repaid, the entire cash distribution) as well as all non-cash distributions made in respect the New Nedbank Group Shares being applied to the benefit of beneficiaries on a basis to be determined by the trustees. In this regard a comprehensive analysis will be done on the needs of beneficiaries before any award is made. A combination of benefits might be offered, depending on the life style segmentation of the beneficiaries.

20.6 Control

The trustees shall be entitled to vote all the New Nedbank Group Shares held in the Evergreen Trust in such manner as they may determine at their discretion and the Company will not be entitled to influence this discretion.

20.7 Duration

It is intended that the Evergreen Scheme will endure in perpetuity.

PART 4 – FINANCIAL INFORMATION

21. ACCOUNTING TREATMENT OF THE PROPOSED TRANSACTION

The restated 31 December 2004 financial results on an IFRS basis were disclosed by the Company on 3 May 2005. Revised 31 December 2004 *pro forma* financial effects of the Proposed Transaction on an IFRS basis were disclosed by the Company on 5 May 2005 (financial effects were announced on 19 April 2005 on an SA GAAP basis). In accordance with the requirements of the JSE, the underlying accounting treatment of the *pro forma* information is in accordance with the accounting policies forming the basis of the financial information published on 3 May 2005.

The accounting treatments adopted may require the Proposed Transaction to be accounted for in a different manner to its legal substance and form. It is important to note that the financial information has been prepared in accordance with IFRS statements that are expected to be effective at 31 December 2005. These are subject to ongoing review and possible amendment by interpretive guidance from the International Accounting Standards Board and may therefore be subject to change.

The following accounting principles are applicable:

Because control is deemed to remain within the Company, the Employee Trusts (with the exception of the Broad-based Employee Trust) and the External Stakeholder Trusts are regarded as subsidiaries and consolidated by the Company. In instances where the New Nedbank Group Shares are viewed as issued, the acquisition of New Nedbank Group Shares by the consolidated Employee Trusts and External Stakeholder Trusts are regarded as issues of treasury shares (and therefore consolidated in the financial statements of the Company).

Earnings per share – the weighted average number of New Nedbank Group Shares is impacted by the Proposed Transaction only to the extent that New Nedbank Group Shares are viewed as issued.

22. UNAUDITED *PRO FORMA* FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION (APPLYING IFRS)

The 2004 *pro forma* IFRS impact of the Proposed Transaction is exaggerated due to the Company being in the early stages of its three year recovery programme and accordingly being impacted by the 2004 recovery programme one-off costs. One of the key differences in respect of the accounting of the Proposed Transaction (between previous accounting policies and the new accounting policies which apply IFRS) is the introduction of IFRS 2-Share-based payments, which results in an additional charge to the income statement and closer alignment between the accounting and economic effects. The economic costs of the Proposed Transaction is referred to in paragraph 8.3.

The table below sets out the unaudited *pro forma* financial effects of the Proposed Transaction for the financial year ended 31 December 2004 re-stated on an IFRS basis. The unaudited *pro forma* financial effects are presented for illustrative purposes only and because of their nature may not give a fair reflection of the Company's results, financial position and changes in equity after the Proposed Transaction. It has been assumed for purposes of the unaudited *pro forma* financial effects that the Proposed Transaction took place with effect from 1 January 2004 for income statement purposes and 31 December 2004 for balance sheet purposes. The directors of the Company are responsible for the preparation of the unaudited *pro forma* financial effects.

| | Before the Proposed Transaction and issue of New Nedbank Group Shares (cents) | After the Proposed Transaction and issue of New Nedbank Group Shares (cents) | Change % |
|---|---|--|-------------|
| Attributable earnings per share ("EPS") ⁽¹⁾⁽³⁾⁽⁴⁾ | 423 | 357 | (15.50) |
| Fully diluted EPS ⁽¹⁾⁽³⁾⁽⁴⁾ | 422 | 336 | (20.38) |
| Headline earnings per share ("HEPS") ⁽¹⁾⁽³⁾⁽⁴⁾ | 483 | 417 | (13.66) |
| Fully diluted HEPS ⁽¹⁾⁽³⁾⁽⁴⁾ | 481 | 392 | (18.70) |
| Ordinary shareholders' equity (R'm) | 18 497 | 18 580 | 0.45 |
| Net asset value ("NAV") per share ⁽²⁾⁽⁵⁾ | 4 692 | 4 696 | 0.09 |
| Tangible net asset value ("TNAV") per share ⁽²⁾⁽⁵⁾ | 3 400 | 3 408 | 0.24 |

Notes:

- (1) The "Before the Proposed Transaction and issue of New Nedbank Group Shares" column reflects the earnings and headline earnings per Nedbank Group Share for the year ended 31 December 2004 as announced on 3 May 2005 on an IFRS basis. The "After the Proposed Transaction and issue of New Nedbank Group Shares" column reflects the earnings and headline earnings adjusted for the financial effects of the various schemes based on the assumption that the Proposed Transaction was implemented from 1 January 2004.
- (2) The "Before the Proposed Transaction and issue of New Nedbank Group Shares" column reflects the net asset value per Nedbank Group Share at 31 December 2004 as announced on 3 May 2005 on an IFRS basis. The "After the Proposed Transaction and issue of New Nedbank Group Shares" column reflects the net asset value per Nedbank Group Share after the consideration received from the various schemes and an enlarged number of Nedbank Group Shares based on the assumption that the Proposed Transaction was implemented on 31 December 2004.
- (3) The "Before the Proposed Transaction and issue of New Nedbank Group Shares " column weighted average number of Ordinary Shares in issue used in calculating EPS was 360.88 million and in calculating fully diluted EPS was 361.75 million.
- (4) The "After Proposed Transaction and issue of New Nedbank Group Shares " column weighted average number of Ordinary Shares in issue used in calculating EPS was 362.30 million and in calculating fully diluted EPS was 385.25 million (this includes New Nedbank Group Shares expected to vest under the Proposed Transaction).
- (5) In calculating NAV and TNAV per share the number of Ordinary Shares in issue as at 31 December 2004 was 394.21 million and in determining the pro forma NAV and TNAV per share, the number of Ordinary Shares in issue was 395.63 million (including 1.4 million New Nedbank Group Shares that vest immediately as a result of the Proposed Transaction).
- (6) The impact of the Proposed Transaction is exaggerated partly because 2004 earnings were low (owing to the Company being in early stages of the three year recovery programme, together with 2004 recovery programme once-off costs).
- (7) The expense relating to the Broad-based Scheme cost of R107 million is raised in the first year as this scheme vests on issuance. The expense relating to the remaining schemes is subject to a straight-line amortisation charge based on the vesting conditions implicit in each scheme , this being 4 to 6 years in respect of the remaining Employee Schemes, 3 years in respect of the Retail Scheme, 6 years in respect of the Corporate, Community and Non-executive director Schemes and 10 years in respect of the Black Business Partner Schemes).

The report of the reporting accountants on the unaudited *pro forma* financial information is set out in Appendix 2.

PART 5 – DIRECTORS' INFORMATION

23. THE BOARD

| Name | Date initially appointed as director |
|---|--|
| Warren Alexander Morten Clewlow (<i>Chairman</i>) | 15 September 2000 |
| Michael Mervyn Katz (<i>Vice-Chairman</i>) | 4 November 1997 |
| Maduke Lot Ndlovu (<i>Vice-Chairman</i>) | 1 November 1994 |
| Thomas Andrew Boardman (<i>Chief Executive</i>) | 1 November 2002 as director and 10 December 2003 as Chief Executive |
| Christopher John Watkins Ball | 1 November 2002 |
| Michael William Thomas Brown (<i>Chief Financial Officer</i>) | 17 June 2004 |
| Richard Gray Cottrell | 25 November 2002 |
| Barry Erskine Davison | 25 November 2002 |
| Nicholas Dennis | 25 November 2002 |
| Brian de Lacy Figaji | 25 November 2002 |
| Robert Michael Head | 1 January 2005 |
| Johannes Bhekumuzi Magwaza | 1 October 1996 |
| Mafika Edmund Mkwanazi | 20 April 1999 |
| Julian Victor Frow Roberts | 1 January 2001 |
| Cedric Michael Langton Savage | 1 November 2002 |
| James Harry Sutcliffe | 10 December 2001 |

24. DIRECTORS' DETAILS AND EXPERIENCE

Warren Alexander Morten Clewlow (68) (*Chairman*) (*non-executive*) (appointed 2000)

Business address: Barlow Park, Katherine Street, Sandton, 2199

Qualifications: OMSG, CA(SA), DEcon(hc)

Occupation: Non-executive Chairman, Barloworld Limited

Warren Clewlow is Chairman of the Company. He is also a non-executive director of Old Mutual plc. He has been Chairman of Barloworld Limited since 1991. He was previously Chairman of the State President's Economic Advisory Council and Chief Executive of Barloworld Limited and has managed many of its diverse divisions. He is also a non-executive director of Sasol Limited, Rustenburg Wines (Proprietary) Limited, Pretoria Portland Cement Limited and Deputy Chairman of Old Mutual Life Assurance Company (SA) Limited.

Professor Michael Mervyn Katz (60) (*non-executive Vice-Chairman*) (appointed 1997)

Business address: Edward Nathan (Proprietary) Limited, 4th Floor, The Forum,
2 Maude Street, Sandown, 2196

Qualifications: BCom, LLB, LLM (Harvard Law School), LLD (hc)

Occupation: Corporate law advisor and consultant

Professor Michael Katz is non-executive Vice-Chairman of the Company and Chairman of Edward Nathan (Proprietary) Limited. He is also Chairman of the Commission of Inquiry into the Tax System of South Africa and the Tax Advisory Committee, as well as honorary professor of company law at the University of the Witwatersrand. In addition, he is also a non-executive director of Nampak Limited.

Maduke Lot Ndlovu (53) (*non-executive Vice-Chairman*) (appointed 1994)

Business address: Nedbank Sandton, 135 Rivonia Road, Sandown, 2196

Qualifications: DipLR (Unisa), MAP (Wits), EDP (North Western U.S.A.), AMP
(Harvard Business School)

Occupation: Non-executive Vice-Chairman

Maduke Lot Ndlovu is non-executive Vice-Chairman of the Company and is a director of Mutual & Federal Insurance Company Limited. He is non-executive Chairman of Africa Milestone Investments Limited, Lafarge South Africa (Proprietary) Limited and the Environmental and Infrastructure Development Trust, Community Growth Management Company Limited, Vunguza Investments and NestLife Assurance Corporation Limited and

a non-executive director of Nampak Limited, the South African National Roads Agency and the Community Growth Management Company Limited. He is a member of the advisory board of the Otis Elevator Company Limited and serves as a commissioner for the office of the Banking Adjudicator. He is the Deputy Chairman of the Johannesburg University and is a member/trustee of the Business Trust (Job Creation), Multicultural Development Programme (Deloitte) and St Anthony's Adult Education Centre.

Thomas Andrew Boardman (55) (*Chief Executive*) (appointed 2002 as director and 10 December 2003 as Chief Executive)

Business address: Nedbank Sandton, 135 Rivonia Road, Sandown, 2196

Qualifications: BCom, CA(SA)

Occupation: Chief Executive, the Company and Nedbank

Thomas Boardman is Chief Executive Officer of the Company. He was formerly the Chief Executive and an executive director of BoE Limited. Past directorships include the Banking Council, Boardmans and Sam Newman Limited as well as BoE International Holdings Limited and Northwind Investments (Proprietary) Limited.

Christopher John Watkins Ball (65) (*Independent non-executive*) (appointed 2002)

Business address: 4 Gardenia Lane, Constantia, 7800

Qualifications: Dip Iuris, MA

Occupation: Director of companies

Christopher Ball was previously a non-executive director of BoE Limited and was a non-executive director of five BoE Limited subsidiary companies including Century City Limited.

Michael William Thomas Brown (39) (*Chief Financial Officer*) (appointed 2004)

Business address: Nedbank Sandton, 135 Rivonia Road, Sandown, 2196

Qualifications: BCom, Dip Acc, CA(SA)

Occupation: Chief Financial Officer, the Company and Nedbank

Michael Brown is the Chief Financial Officer of the Company. He was a past executive director of BoE Limited, and after the merger between the Company, BoE, NIB and CoGHB, he was appointed to Head of Property Finance in Nedbank Limited.

Richard Gray Cottrell (69) (*Independent non-executive*) (appointed 2002)

Business address: 18 Rivonia Road, Illovo, 2196

Qualifications: CA(SA), FCA, SEP (Stanford)

Occupation: Director of companies

Richard Cottrell is a non-executive director of African Oxygen Limited, Glenrand MIB Limited and Imperial Bank Limited. He is also a director of Munich Reinsurance Company of Africa Limited and STRATE Limited. He is a past Executive Officer of the Financial Services Board, Deputy-Chairman and Managing Partner of Coopers & Lybrand and member of the then Policy Board for Financial Services and Regulation. He is also past President of the South African Institute of Chartered Accountants.

Barry Erskine Davison (59) (*Independent non-executive*) (appointed 2002)

Business address: 14th Floor, 55 Marshall Street, Johannesburg, 2001

Qualifications: BA (Law and Economics)

Occupation: Non-executive Chairman of Anglo American Platinum Corporation Limited

Barry Davison is the non-executive Chairman of Anglo American Platinum Corporation Limited, executive director of Anglo American plc, non-executive director of Anglo American Corporation of South Africa Limited, the Tongaat-Hulett Group Limited, Chairman of Anglo American plc Ferrous Metals Division, non-executive director of Kumba Resources Limited and non-executive director of Samancor Limited.

Nicholas Dennis (58) (British) (*Independent non-executive*) (appointed 2002)

Business address: 3010 William Nicol Drive, Bryanston, 2191

Qualifications: BCom (Hons)

Occupation: Chief Executive, Tiger Brands Limited

Nicholas Dennis is Chief Executive of Tiger Brands Limited and non-executive director of Oceana Group Limited.

Professor Brian de L Figaji (60) (*Independent non-executive*) (appointed 2002)

Business address: 118 Upper Kenridge Avenue, Durbanville, 7550

Qualifications: BSc(Eng), Dip Tertiary Educ, Med, Ded (Coventry University UK)
D Litt (hc) (California State University)

Occupation: Former Vice-Chancellor of the Peninsula Technikon

Professor Brian de L Figaji is Chairman of ASSET (Educational Trust) (Trustee) DBSA, HHO Africa (Proprietary) Limited, I&J Limited and MARIB Holdings and the former principal and vice-chancellor of the Peninsula Technikon. He is a member of the Council on Higher Education. He is also a director of PetroSA and Cape Lime (Proprietary) Limited.

Robert Michael Head (46) (British) (*non-executive*) (appointed 2005)

Business address: Old Mutual plc, 5th Floor, Old Mutual Place, 2 Lambeth Hill, London, EC4V 4GG

Qualifications: BA (Oxon), ACA, ACII, FCIB

Occupation: Group Human Resources and Strategy Director, Old Mutual plc

Robert Head is a non-executive director of the Company and Mutual & Federal Insurance Company Limited. He joined Old Mutual plc in February 2003. Prior to that he was Chief Executive of smile.co.uk, Finance Director of egg.com (both UK internet banks) and held various directorships.

Johannes Bhekumuzi Magwaza (63) (*Independent non-executive*) (appointed 1996)

Business address: 6th Floor, Corporate Place, Gardiner Street, Durban, 4001

Qualifications: BA, MA (Warwick, UK)

Occupation: Director of companies

J B Magwaza was previously non-executive chairman of Peoples Bank Limited. He is also a non-executive director of Dorbyl Limited and is a member of boards of the Development Bank of Southern Africa and Ithala Development Finance Corporation Limited. In addition he is a non-executive director of Rainbow Chicken Limited and the Tongaat-Hulett Group Limited.

Mafika Edmund Mkwanazi (51) (*Independent non-executive*) (appointed 1999)

Business address: 3rd Floor, 28 Harrison Street, Johannesburg, 2001

Qualifications: BSc (Maths), BSc (Elec Eng)

Occupation: Director of companies

Mafika Mkwanazi was previously Group Chief Executive of Transnet Limited. He is currently Chairman of Western Areas Limited, Letseng Investment Holdings and Letseng Diamonds (Lesotho). He is also a director of Matodzi Resources Limited and Orlyfunt Holdings.

Julian Victor Frow Roberts (47) (British) (*non-executive*) (appointed 2001)

Business address: Old Mutual plc, 5th Floor, Old Mutual Place, 2 Lambeth Hill, London, EC4V 4GG

Qualifications: BA (Hons) (Stirling), FCA

Occupation: Group Financial Director, Old Mutual plc

Julian Roberts is Group Financial Director of Old Mutual plc. He is a Fellow of the Institute of Chartered Accountants of England and a Member of the Association of Corporate Treasurers. His other directorships include Mutual & Federal Insurance Company Limited, Old Mutual (U.S.) Holdings, Old Mutual Life Assurance Company (South Africa) Limited, Old Mutual (South Africa) Limited and King & Shaxton Holdings. He is the past Group Finance Director of Sun Life and Provincial Holdings plc.

Cedric Michael Langton Savage (66) (*Independent non-executive*) (appointed 2002)
 Business address: Amanzimnyama Hill, Tongaat, 4400
 Qualifications: BSc (Eng), MBA, ISMP (Harvard)
 Occupation: Non-executive Chairman, Tongaat-Hulett Group Limited

Cedric Savage is non-executive Chairman of the Tongaat-Hulett Group Limited. He is a non-executive director of Datatec Limited, Harmony Gold Mining Company Limited, Hulett Aluminium (Proprietary) Limited and Kumba Resources Limited. He also served as a non-executive director of BoE Limited.

James Harry Sutcliffe (49) (British) (*non-executive*) (appointed 2001)
 Business address: Old Mutual plc, 5th Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG
 Qualifications: BSc, FIA
 Occupation: Chief Executive, Old Mutual plc

James Sutcliffe is the Chief Executive of Old Mutual plc. He is a Fellow of the Institute of Actuaries. He was previously deputy chairman of Liberty International plc and past Chief Executive Officer of Prudential plc's UK division.

25. DIRECTORS' REMUNERATION

There is no variation in the remuneration received by any of the directors of the Company since the issue of the Annual Financial Statements at 31 December 2004, with the exception of T A Boardman's remuneration that has been increased by 7.50% and M W T Brown's remuneration that has been increased by 11.43%.

M L Ndlovu has changed his status from an executive director to a non-executive director with effect from 1 May 2005. His remuneration has been increased by 12%.

26. DIRECTORS' INTEREST IN THE COMPANY AS AT THE LAST PRACTICABLE DATE

Other than the effect on Black non-executive directors as a result of their participation in the Non-executive directors Scheme as is described in This Document and with the exception of the 100 000 new options at the issue price of R73.00 awarded to M L Ndlovu on 25 April 2005 and the sale of 18 700 Nedbank preference shares of B E Davison at the price of R12.20 per share on 5 May 2005, there have not been any changes to directors' interests since 31 December 2004.

27. DIRECTORS' INTERESTS IN ORDINARY SHARES AS AT THE LAST PRACTICABLE DATE

| Name | Beneficial (direct and indirect) | Non- beneficial | Total |
|---------------|--|--------------------|--------|
| C J W Ball | 10 000 | – | 10 000 |
| M W T Brown | 909 | – | 909 |
| W A M Clewlow | 2 849 | – | 2 849 |
| R G Cottrell | 523 | – | 523 |
| M M Katz | 4 273 | – | 4 273 |
| J B Magwaza | 150 | – | 150 |
| M E Mkwazi | 1 647 | – | 1 647 |
| M L Ndlovu* | 18 299 | – | 18 299 |
| C M L Savage | 8 452 | – | 8 452 |

* Other than the options granted to M L Ndlovu as detailed in paragraph 26 there have been no options issued or exercised by directors since the latest audited financial statements dated 31 December 2004.

28. DIRECTORS' INTEREST IN THE NON-REDEEMABLE, NON-CUMULATIVE PREFERENCE SHARES OF R0.01 EACH IN NEDBANK

| Name | Beneficial (direct and indirect) | Non- beneficial | Total |
|--------------|---|----------------------------|--------------|
| C J W Ball | 144 300 | – | 144 300 |
| T A Boardman | – | 85 000 | 85 000 |
| R G Cottrell | – | 29 363 | 29 363 |
| N Dennis | 47 500 | – | 47 500 |
| M M Katz | 475 000 | 105 000 | 580 000 |
| C M L Savage | 212 700 | – | 212 700 |

29. DIRECTORS' INTEREST IN TRANSACTIONS

The directors of the Company have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by the Company during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

PART 6 – ADDITIONAL INFORMATION

30. AFFECTED PROPOSED TRANSACTION

The specific issue of Ordinary Shares for cash is not an affected transaction in terms of the Securities Regulation Code on Takeovers and Mergers.

31. SALIENT INFORMATION ON THE NEDBANK GROUP

31.1 Incorporation and History

The Company can trace its origins back to the late 19th century, and the Company's Ordinary Shares have been listed on the JSE since 1969. The original banking operations went through a series of corporate transformations including, in 1986, the acquisition by Nedbank Limited of Finansbank Limited and CoGHB and the integration of its operations with those of South African Permanent Building Society in 1988 to form NedPerm Bank. Nedbank Limited changed its name to Nedcor Bank Limited in 1989. In 1992, Finansbank Limited, SA Perm and Nedbank Limited (including the Perm and Nedbank divisions of NedPerm Bank), together with their support divisions, became known as Nedcor Bank Limited, a wholly owned subsidiary of the Company.

In April 1995, SA Perm split its operations into two separate banks, Permanent Bank and Peoples Bank, and the two newly formed banks began operating in June of that year. In 1997, the Company formed NIB through the merger of its various merchant banking businesses.

In 1999, the South African Mutual Life Assurance Society, the Company's majority shareholder at that time, was demutualised, and Old Mutual plc was formed. Its registered office was located in the UK and it was listed on the London Stock Exchange and the JSE as Old Mutual plc. In August 1999, NIB was listed on the JSE and the NSX, with Nedcor maintaining a majority shareholding. Edward Nathan & Friedland was acquired by NIB in 1999 and disposed of by the Nedbank Group in 2005.

In 2000, Nedcor Bank Limited acquired FBC Fidelity Bank Limited and integrated Peoples Bank into that entity, and in 2001 the Company and Old Mutual (SA) announced the proposed merger of Permanent Bank and Old Mutual Bank to form a new banking operation focused on wealth management and financial planning. The merged operation, that maintained the name Old Mutual Bank, is a specialised bancassurance institution focused on the retail middle market in South Africa.

As of 1 January 2002, a BEE consortium held a 30% minority interest in Peoples Bank. In July 2002, Nedcor Limited acquired BoE Limited, the sixth largest bank in South Africa by assets. The NIB minority shares were acquired by Nedcor Limited in October 2002 and NIB was subsequently delisted. Nedcor Bank Limited changed its name to Nedbank Limited in November 2002.

On 1 January 2003, following approval from the SARB the banking operations of BoE, NIB and CoGHB were merged into the newly constituted Nedbank Limited.

In 2004, Nedcor Limited entered into agreements with the BEE consortia to acquire the special purpose vehicles through which their 30% interest in Peoples Bank was held for total consideration of R20 million.

Nedcor Limited changed its name to the Nedbank Group Limited with effect from the close of business on 13 May 2005.

The following table is a segmental analysis of the Nedbank Group operations per division, for year ended 31 December 2004, extracted from the 31 December 2004 annual report and prepared under SA GAAP at that time:

| Business/operational unit | 2004 Total average assets (R'billion) | 2004 Operating income (R'million) | 2004 Headline earnings (R'million) |
|--|--|--|---|
| Nedbank Corporate | 118 | 6 229 | 2 112 |
| Imperial Bank | 15 | 836 | 83 |
| Nedbank Capital | 61 | 2 440 | 878 |
| Nedbank Retail | 76 | 7 662 | 641 |
| Shared Services | 10 | 196 | (751) |
| Capital Management and Central Funding | 39 | (1 583) | (1 516) |
| Eliminations | (20) | (388) | |
| | 299 | 15 392 | 1 447 |

31.2 Prospects

As the benefits of the increased focus on client service become evident, the Company expects to show growth in advances and anticipates maintaining its market share in the second half of 2005.

Margins are expected to continue to improve as a result of:

- the expensive, unhedged short-dated fixed-rate funding having matured by the end of April 2004;
- the positive endowment effect of the rights offer proceeds for the full year from 2005 onwards;
- offshore capital being repatriated and earning higher yields in rands; and
- the hedging of the fixed-rate subordinated debt and its maturity profile.

The Company will focus on growing transactional revenue. Revenue is anticipated to continue to improve and costs to reduce as the Company's initiatives under the three-year recovery plan are implemented. The Company will also benefit from a significant reduction in one-off merger and recovery programme costs. The directors and management are aware that a considerable amount of effort lies ahead in the recovery programme. The business is, however, well-placed to deliver improved earnings growth in 2005.

The detailed three-year plan anticipates that the Company will maintain market share in Nedbank Retail from the second half of 2005. Over the next three years the compound annual revenue growth is targeted to grow at 9% more than the compound annual growth in expenses. The published target for the 2007 financial year for the cost to income ratio is 55% and for the ROE ratio is 20%. The effect of IFRS make the Company's published 2007 targets more challenging.

32. EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is therefore not comprehensive. The utilisation of any proceeds for investment outside the Common Monetary Area requires prior approval of the Exchange Control Department of the SARB.

New certificates issued to any emigrant in terms of the Proposed Transaction will be restrictively endorsed and deposited with the authorised dealer controlling such emigrant's blocked assets. In terms of the Exchange Control Regulations, such New Nedbank Group Shares are not freely transferable from the common monetary area. The CSDP or broker will ensure that all requirements of Exchange Control are adhered to in respect of their clients falling into this category of investor, whether Ordinary Shares are held in dematerialised or certificated form.

In terms of the Exchange Control Regulations of South Africa, non-residents will receive New Nedbank Group Shares that will be endorsed "non-resident". The CSDP or broker will ensure that all requirements of Exchange Control are adhered to in respect of their clients falling into this category of investor, whether Ordinary Shares are held in dematerialised or certificated form.

The issue of New Nedbank Group Shares to residents in, or citizens or nationals of jurisdictions outside South Africa or custodians, nominees or trustees for residents in, or citizens or nationals of other countries may be prohibited or affected by the laws of the relevant jurisdictions. Such persons should acquaint themselves with and observe any applicable legal requirement.

33. SHARE CAPITAL

| | R'000 |
|---|------------|
| <hr/> | |
| <i>Authorised share capital</i> | |
| 600 000 000 Ordinary Shares of 100 cents each | 600 000 |
| <hr/> | |
| <i>Issued share capital</i> | |
| 395 236 163 Ordinary Shares of 100 cents each | 395 236 |
| Share premium | 10 955 967 |
| <hr/> | |
| Total | 11 351 203 |
| <hr/> | |

34. MAJOR ORDINARY SHAREHOLDERS

So far as the Company is aware, at the Last Practicable Date, the following are the only Ordinary Shareholders holding more than 5% of the Company's issued and outstanding share capital:

| Shareholder name | Number of ordinary shares | Percentage ownership |
|--|---------------------------|----------------------|
| Old Mutual Life Assurance Company (South Africa) Limited | 147 943 326 | 37.44 |
| Old Mutual Portfolio Holdings (South Africa) (Proprietary) Limited | 70 729 154 | 17.90 |
| Public Investment Corporation | 23 527 707 | 5.96 |

As at the Last Practicable Date, the Old Mutual Group, directly and indirectly, beneficially owned 55.63% of Ordinary Shares, which includes 0.29% held by Mutual & Federal and other Old Mutual Group companies for the benefit of Old Mutual policyholders.

35. MATERIAL CONTRACTS

Acquisitions or disposals of or by the Company in the last two years, and material contracts entered into by the Company, are summarised below. These documents are available at the Company's office at 135 Rivonia Road, Sandton, Johannesburg:

35.1 The Relationship Agreement

On 20 February 2004, the Company and Old Mutual plc entered into the relationship agreement to record formally the terms of their relationship. The agreement is effective from 23 February 2004 and will continue, unless otherwise agreed, for so long as the Company is a subsidiary of Old Mutual plc by virtue of Old Mutual plc owning more than 50% of the Company's issued Ordinary Shares.

Among other things, the relationship agreement provides that:

- the Company will consult with Old Mutual plc and have regard to Old Mutual plc's strategic plans in devising its own strategy. The Company's strategy is to be aligned with that of Old Mutual plc and designed to maximise the long-term shareholder value of both entities;
- the Company will update its strategic plan and business plan annually to accord with the Old Mutual Group's three year planning cycle;
- the Company will not commit itself to a strategy that would entail the raising of additional ordinary share capital (other than in the ordinary course of satisfying normal employee optionholders' rights) or dilute the Old Mutual Group's stake in its ordinary share capital below 50.1% without Old Mutual plc's written consent. If additional ordinary share capital is required and Old Mutual plc agrees, the Company will liaise with Old Mutual plc over the timing and arrangements for the proposed issue with a view to accommodating Old Mutual plc's reasonable requirements;
- the Company will consult with Old Mutual plc prior to making any material changes to its dividend policy;
- the Company will report to Old Mutual plc appropriate financial and operational information on the Nedbank Group's activities and will put in place and maintain appropriate arrangements for coordinating flows of information required by Old Mutual plc;
- the Company will provide such confirmation, certificates and assurances to Old Mutual plc as it may reasonably require to discharge its obligations under any governance or regulatory obligations or best practice to which it is subject, whether in the UK or elsewhere;
- the Company will consult with Old Mutual plc and obtain its consent before publicly announcing any material proposed change to the terms and conditions of employment, remuneration or share incentive arrangements applicable to its directors or senior management employees or before appointing or dismissing (i) the Chairman of the Board or of the Audit, Remuneration or Nomination Committees of the Company; (ii) the Chief Executive or Group Finance Director of the Company; (iii) any non-executive director of the Company; (iv) the Company's auditors;
- the Company will actively seek to identify, develop and exploit, among other things, synergies, joint ventures and opportunities for the secondment of personnel and sharing of knowledge and expertise with other businesses in the Old Mutual Group, particularly with Old Mutual (SA) and its subsidiaries and in the area of bancassurance. Priorities will be agreed in respect to bancassurance initiatives. In the case of joint management arrangements documented in formal joint venture agreements, Old Mutual plc

agrees that it will cooperate with the Company to achieve these objectives and, as far as is reasonably practicable, keep the Company informed of its proposals for the Old Mutual Group strategy, insofar as these may impinge directly on the Nedbank Group;

- day to day management decisions and regulatory banking relationships in South Africa will remain the sole responsibility of the Company's management and the Board;
- Old Mutual plc and the Company will treat all unpublished information of a price sensitive nature that is received from the other with appropriate confidentiality;
- pursuant to the Companies Act 1985 in the United Kingdom, the Company and its subsidiaries are generally precluded (except in the areas of third party asset management and in providing fiduciary services to third parties) from acquiring any interest or otherwise dealing in the shares of Old Mutual plc. The Company undertakes that it will procure that the Nedbank Group will be made aware of and abide by the restriction. Where shares in Old Mutual plc may be dealt in by the Nedbank Group in accordance with the exceptions mentioned above, the Company will ensure that any price sensitive or confidential information relating to Old Mutual plc is protected from those involved in such dealings by the use of "chinese walls" or other appropriate mechanisms. The Company will also ensure that its directors and any of its other senior employees who are designated as "Relevant Employees" in terms of the UK Model Code on Securities Dealings of Old Mutual plc, are made aware of the restrictions on freely dealing in securities of Old Mutual plc and its listed subsidiaries from time to time;
- both parties acknowledge that where a conflict of interest arises or is perceived to arise, they will liaise with each other to ensure appropriate arrangements are put in place to deal with the situation including by establishing, where thought fit, committees of their respective Boards comprising only independent directors and the taking of independent advice;
- save for the purposes of giving effect to the relationship agreement, all relationships between the Company and Old Mutual plc shall be on an arm's length basis unless otherwise agreed; and
- nothing in the relationship agreement shall relieve the Company or Old Mutual plc of their respective disclosure obligations in terms of the JSE.

35.2 Old Mutual Bank Limited

With effect from 1 January 2003, Nedbank and the Company entered into a shareholders agreement with Old Mutual (SA) and Old Mutual Finance Limited (previously Old Mutual Bank Limited) in terms of which the various parties agreed that the banking activities of Old Mutual Finance Limited, as well as a portion of those banking activities conducted by Permanent Bank Limited (as it was then), be constituted as a separate division within Nedbank licensed to use the "Old Mutual Bank" brand. The agreement further regulates the relationship of the parties in relation to the business operations of the business.

36. LITIGATION STATEMENT

The directors of the Company are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), which may have, or have had, a significant effect on the Company's financial position during the last 12 months preceding the date of This Document.

37. MATERIAL CHANGE STATEMENT

Other than otherwise disclosed in the IFRS adjustments published on 3 May 2005 and 5 May 2005, the trading update published on 5 May 2005, and the effect of the Proposed Transaction, the directors report that there is no material change in the financial or trading position of the Company and its subsidiaries since the last financial period dated 31 December 2004 for which audited financial statements have been published.

38. KING CODE

38.1 General

The Company endorses the King Code and has developed a comprehensive implementation and monitoring plan to meet its requirements and recommendations. The implementation plan also incorporates the corporate governance requirements of the Regulations to the Banks Act and the recommendations of the

Myburgh Report. The plan has been approved by the Board and its implementation is facilitated by the governance team and monitored by the Directors' Affairs Committee. The Nedbank Group is in substantial compliance with the King Code and as at 31 December 2004 fifty percent of the Board comprised independent non-executive directors.

38.2 Areas of non-compliance

The only areas of non-compliance with the King Code, which the Board is satisfied does not impair the governance integrity or perceptions of it, are as follows:

- the Chairman of the Group Transformation and Sustainability Committee, M L Ndlovu, is a non-executive director, but not an independent director as defined by the King Code;
- the non-executive chairman and chairman of the Directors' Affairs Committee, Warren Clewlow, is a non-executive director, but not independent, as defined by the King Code, by virtue of the fact that he also serves on the board of the Company's holding company, Old Mutual plc, although he does not represent the interests of Old Mutual plc on the Company's Board; and
- the chairman of the Risk Committee, Michael Katz, is a non-executive, but not an independent director, as defined by the King Code.

38.3 Appointments to the Board

Board appointments are conducted in a formal and transparent manner, in line with the Board appointment policy, by the Board as a whole, assisted by the Company's Directors' Affairs Committee. Any appointments to the Board are made taking into account the need for ensuring that the Board provides a diverse range of skills, knowledge and expertise, the necessity of achieving a balance between skills and expertise and the professional and industry knowledge necessary to meet the Company's strategic objectives, as well as the need for ensuring demographic representivity.

38.4 Division of responsibility

The Company conducts an annual evaluation of its Board, its sub-committees and individual directors and is confident that this process would raise concerns should any particular individual have too much influence.

The non-executive directors all have a high degree of integrity and credibility, and the strong independent composition of the Board provides for objective input into the decision-making process, thereby ensuring no one director holds unfettered decision making powers. The directors come from diverse backgrounds and bring to the Board a wide range of experience in commerce and banking. The directors have access to management whenever required.

In addition, it is unlikely that any director could have undue influence on a board such as the Company, which has 16 directors, with the majority being non-executive and each having significant experience in carrying out the fiduciary responsibilities of a director. The Company constantly reviews its governance practices in line with best practice and is highly receptive to engage with both institutional and private shareholders.

38.5 Group Audit Committee

The functions of the Group Audit Committee are primarily to assist the board of directors in its evaluation and review of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied within a bank in the day-to-day management of its business, and to introduce measures to enhance the credibility and objectivity of financial statements and reports prepared with reference to the affairs of a banking group. The Group Audit Committee has satisfied its objectives for the year in accordance with its terms of reference. Meetings are held at least quarterly, and 12 meetings were held during 2004.

A policy, in line with that of Old Mutual plc, regarding the provision of non-audit services by the Company's auditors is in place. This process is structured between management and the external auditors to ensure that the guidelines, requiring approval by the Chief Financial Officer, Chief Executive or Audit Committee, depending on the amount of fees involved, are adhered to and monitored by the Audit Committee and Old Mutual plc Audit Committee on a six monthly basis.

The Group Audit Committee, which is composed of a majority of independent non-executive directors, is chaired by R G Cottrell and includes C J W Ball, B E Davison, J B Magwaza, M E Mkwana and J V F Roberts as members.

38.6 Group Remuneration Committee

The committee is authorised to approve the aggregate of adjustments to the remuneration of employees below executive director and divisional director level. Adjustments to the total remuneration of members of EXCO are individually approved by the Remuneration Committee. Adjustments to executive directors' total remuneration are individually approved by the Board following recommendations made by the Remuneration Committee. This committee is also charged with the supervision of the Nedbank Group employee incentive scheme, and is involved in executive officer succession policy. The Remuneration Committee considers remuneration in its totality in an integrated and holistic manner, thereby assisting the Board in discharging its corporate governance duties related to remuneration strategy, structure and costs. The committee is required to meet at least four times a year, and met five times in 2004.

The Remuneration Committee, which is composed of a majority of independent non-executive directors, is chaired by J B Magwaza and includes C J W Ball, B de L Figaji, C M L Savage and J H Sutcliffe as members.

38.7 Group Risk Committee

In terms of the Banks Act, a risk committee is required to assist a board of directors in evaluating the adequacy and efficiency of risk policies, procedures, practices and controls, identifying the build-up and concentration of risk, developing risk mitigation techniques, ensuring formal risk assessment, identifying and monitoring key risks, facilitating and promoting communication through reporting structures and ensuring the establishment of an independent risk management function and other related functions. The Group Risk Committee's primary focus is therefore the monitoring across the group of the management and assessment of risk, including market and trading risks, financial instruments (derivatives) usage, Asset and Liability Management Division (ALM) risks, the Group Asset and Liability and Executive Risk Committee (Group ALCO) process and functions, intragroup investment exposures and risks related to the underwriting of share issues. The Group Risk Committee meets at least quarterly.

The Group Risk Committee, which is composed of a majority of independent non-executive directors, is chaired by M M Katz and includes N Dennis, M L Ndlovu, C M L Savage, C J W Ball, and R G Cottrell as members, as well as G F Richardson as a permanent invitee.

38.8 Group Directors' Affairs Committee

The primary role of the Group Directors' Affairs Committee is to consider, monitor and report to the Board on strategic risk, reputational and compliance risk, compliance with the King Code and the corporate governance provisions of the Banks Act and the regulations issued thereunder, as well as to act as a nomination committee. The Group Directors' Affairs Committee meets at least quarterly, and met eight times in 2004.

The Group Directors' Affairs Committee consists of non-executive directors (half of whom are independent) is chaired by W A M Clewlow and includes C J W Ball, R G Cottrell, M M Katz, J B Magwaza, M E Mkwanzazi, M L Ndlovu and J H Sutcliffe as members.

38.9 Group Credit Committee

The primary role of the Group Credit Committee is to approve credit policies and philosophy, set credit limits and guidelines, confirm that procedures are in place to manage and control credit risk, approve the adequacy of interim and year-end provisions and ensure that the quality of the Company's credit portfolio is in accordance with these requirements by monitoring various credit risk information, processes and disclosure. This primary role is a monitoring function. An important secondary role of this committee is the approval of advances above sanctioned and regulatory authority levels.

The Group Credit Committee is chaired by independent non-executive director C J W Ball and consists M M Katz, B de L Figaji, M L Ndlovu, the CEO and CFO. The heads of Group Risk and Credit Risk are members for the purposes of approvals of large exposures only.

38.10 Group Finance Oversight Committee

As of 1 March 2004 the Company established the Group Finance Oversight Committee under the chairmanship of C J W Ball. The mandate of this committee is to ensure that the Company's accounting and control systems meet the highest standards. The Group Finance Oversight Committee's objective is to act primarily as a Board discussion forum to ensure that the Company's risk universe, spectrum of activities, organisational structure and management methodologies are appropriate and effective.

The Group Finance Oversight Committee also consists of non-executive directors M M Katz, R G Cottrell, M E Mkwanzazi and J V F Roberts.

38.11 Group Transformation and Sustainability Committee

The Group Transformation and Sustainability Committee is charged to assist the Board in discharging its responsibility to ensure the Company proactively addresses the requirements/recommendations for integrated sustainability reporting as laid out in King II and the Global Reporting Initiative, an international multishareholder process whose mission is to develop guidelines for sustainability reporting, as well as to give the needed attention at Board level to the FSC, BEE, transformation and social and environmental responsibility issues.

The Group Transformation and Sustainability Committee is chaired by M L Ndlovu and also consists of non-executive directors M M Katz, B de L Figaji, J B Magwaza, C W J Ball and B E Davison.

38.12 Board Strategic Innovation Management Committee ("Board SIMCO")

The Board SIMCO has the broad responsibility to monitor all issues pertaining to information technology, both operational and strategic, in as much as these may impact the business strategy, financial performance, risk profile and information technology strategy of the Company. This committee aims to ensure alignment of the prioritisation and magnitude of IT development spend, and investment with overall strategy and direction of the Company.

The Board SIMCO consists entirely of non-executive directors, the majority of whom are independent, is chaired by M E Mkwanazi, and consists of M M Katz, N Dennis, C W J Ball and C M L Savage.

39. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out under paragraphs 23 and 24, collectively and individually accept full responsibility for the accuracy of the information given in This Document and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that This Document contains all information required by the JSE.

40. CONSENT

The independent advisor, the corporate law advisors and consultants, the reporting accountants, the FSC legal advisors, the lead sponsor and the Transfer Secretaries to the Company have consented to the inclusion of their names in This Document in the context and form in which they appear and have not withdrawn such consent as at the date of This Document.

41. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered offices of the Company during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of issue of This Document up to and including 21 July 2005:

- the memorandum and articles of association of the Company;
- all material contracts as described in paragraph 35;
- the Black Business Partner Agreement and the Aka Capital Agreement;
- copies of service agreements with directors entered into during the last three years;
- the consolidated audited annual financial statements of the the Company as of and for the years ended 31 December 2002, 2003 and 2004;
- the reporting accountants' report on the unaudited *pro forma* financial information and the financial effects of the Company as it appears in paragraph 22 and Appendix 1;
- copies of This Document dated 15 June 2005 relating to the general meeting held on 22 July 2005;
- written consents of the independent advisor, the corporate law advisors and consultants, the reporting accountants, the FSC legal advisors, the lead sponsor, and the Transfer Secretaries to the Company for the inclusion of their names in This Document in the context and form in which they appear and confirming that such consents have not been withdrawn as at the date of This Document;
- the independent advisor's signed fair and reasonable opinion; and
- a signed copy of this Document.

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE COMPANY

INTRODUCTION

The unaudited *pro forma* financial effects are presented for illustrative purposes only and because of their nature may not give a fair reflection of the Company's results, financial position and changes in equity after the transaction. It has been assumed for purposes of the unaudited *pro forma* financial effects that the transaction took place with effect from 1 January 2004 for income statement purposes and 31 December 2004 for balance sheet purposes. The directors of the Company are responsible for the preparation of the unaudited *pro forma* financial effects.

The accounting treatments adopted may require the Proposed Transaction to be accounted for in a different manner to its legal substance and form. It is important to note that the financial information has been prepared in accordance with IFRS statements that are expected to be effective at 31 December 2005. These are subject to ongoing review and possible amendment by interpretive guidance from the International Accounting Standards Board and may therefore be subject to change. In particular, interpretive guidance relating to IFRS 2 and BEE transactions are still subject to change and changes could result in the actual accounting treatment being significantly different to the treatment adopted in This Document as set out below. The IFRS 2 charge in respect of the Broad-based Employee Scheme has been written-off in full in the first year and amounts to R107 million. The IFRS 2 charge for the remaining schemes have been amortised based on the vesting conditions implicit in each scheme, this being 4 to 6 years in the case of the remaining Employee Schemes, 3 years in respect of the Retail Scheme, 6 years in respect of the Corporate, Community and Non-executive director Schemes and 10 years in respect of the Black Business Partner Scheme.

The *pro forma* income statement and balance sheet, which are the responsibility of the Company directors, are presented for illustrative purposes only, to provide information about how the Proposed Transaction might have affected the income statement and balance sheet of the Company for the year ended 31 December 2004, had the Proposed Transaction been effective on 1 January 2004 for income statement purposes and 31 December 2004 for balance sheet purposes.

Because of possible changes in accounting treatment which may arise from changes in interpretation of accounting standards and the nature of the *pro forma* income statement and balance sheet, the financial effects on the Company's earnings after the Proposed Transaction may differ from that disclosed in the *pro forma* statements.

PRO FORMA INCOME STATEMENT:

The "Before the Proposed Transaction" column reflects the financial position of the Company for the year ended 31 December 2004 as announced on 3 May 2005 on an IFRS basis. The "After the Proposed Transaction" column reflects the financial position of the Company, adjusted for the financial effects of the Proposed Transaction based on the assumption that the Proposed Transaction was implemented from 1 January 2004.

| | Before the Proposed Transaction | Adjustments (R'm) | Notes | After the Proposed Transaction |
|--|---------------------------------------|----------------------|-------|--------------------------------------|
| Interest income | 23 904 | 39 | 1 | 23 943 |
| Interest expense | 16 322 | (35) | 2 | 16 357 |
| Net interest income | 7 582 | | | 7 585 |
| Non-interest revenue | 7 936 | | | 7 936 |
| Foreign currency translation losses | (280) | | | (280) |
| Total income after foreign currency translation losses | 15 238 | | | 15 241 |
| Impairment of advances | 1 217 | | | 1 217 |
| Income after impairment of advances | 14 021 | | | 14 024 |
| Operating expenses | 10 779 | (289) | 3 | 11 068 |
| Recovery programme expenses | 379 | | | 379 |
| Merger expenses | 246 | | | 246 |
| Profit from operations before non-trading and capital items | 2 617 | | | 2 332 |
| Non-trading and capital items | (254) | | | (254) |
| Profit from operations | 2 363 | | | 2 078 |
| Attributable earnings of associates and joint ventures | 147 | | | 147 |
| Profit before taxation | 2 510 | | | 2 225 |
| Taxation | 668 | 53 | 4 | 615 |
| Taxation on non-trading and capital items | (39) | | | (39) |
| Profit after taxation | 1 881 | | | 1 649 |
| Minority interest income attributable to ordinary shareholders | (125) | | | (125) |
| Minority interest income attributable to preference shareholders | (229) | | | (229) |
| Income attributable to ordinary shareholders | 1 527 | | | 1 295 |

PRO FORMA BALANCE SHEET:

The "Before the Proposed Transaction" column reflects the financial position at 31 December 2004 as announced on 3 May 2005 on an IFRS basis. The "After the Proposed Transaction" column reflects the financial position after the Proposed Transaction based on the assumption that the Proposed Transaction was implemented on 31 December 2004.

| | Before the Proposed Transaction | Adjustments (R'm) | Notes | After the Proposed Transaction |
|---|---------------------------------------|----------------------|-------|--------------------------------------|
| Assets | | | | |
| Cash and short-term funds | 10 050 | 504 | 5 | 10 554 |
| Other short-term securities | 16 310 | | | 16 310 |
| Government and other securities | 26 224 | | | 26 224 |
| Derivative instruments | 27 560 | | | 27 560 |
| Advances | 221 275 | | | 221 275 |
| Sundry debtors | 6 816 | | | 6 816 |
| Deferred taxation assets | 1 169 | 55 | 6 | 1 224 |
| Current taxation prepaid | 196 | | | 196 |
| Investment in associate companies and joint ventures | 1 089 | | | 1 089 |
| Other investments | 3 456 | | | 3 456 |
| Insurance assets | 3 109 | | | 3 109 |
| Post employment assets | 992 | | | 992 |
| Investment property | 174 | | | 174 |
| Property and equipment | 2 828 | | | 2 828 |
| Non current asset held for sale | 48 | | | 48 |
| Computer software and capitalised development costs | 1 419 | | | 1 419 |
| Goodwill | 3 676 | | | 3 676 |
| Customers indebtedness for acceptance | 1 509 | | | 1 509 |
| Total assets | 327 900 | | | 328 459 |
| Shareholders' equity and liabilities | | | | |
| Shareholders' equity | | | | |
| Ordinary share capital | 394 | 93 | 7 | 487 |
| Ordinary share premium | 9 892 | (48) | 8 | 9 844 |
| Reserves | 8 211 | 38 | 9 | 8 249 |
| Ordinary shareholders' equity | 18 497 | | | 18 580 |
| Minority shareholders' equity attributable to: | | | | |
| Ordinary shareholders | 681 | | | 681 |
| Preference shareholders | 2 770 | | | 2 770 |
| Total shareholders' equity and minority shareholders' equity | 21 948 | | | 22 031 |
| Liabilities | | | | |
| Deposits, current accounts and other liabilities | 254 299 | 476 | 10 | 254 775 |
| Sundry creditors | 9 117 | | | 9 117 |
| Derivative instruments | 28 055 | | | 28 055 |
| Deferred revenue | 257 | | | 257 |
| Deferred taxation liabilities | 1 125 | | | 1 125 |
| Current taxation liabilities | 193 | | | 193 |
| Post employment liability | 979 | | | 979 |
| Insurance funds | 3 109 | | | 3 109 |
| Long-term debt instruments | 7 309 | | | 7 309 |
| Liabilities under acceptances | 1 509 | | | 1 509 |
| Total liabilities | 305 952 | | | 306 428 |
| Total shareholders' equity and liabilities | 327 900 | | | 328 459 |

Notes to the pro forma balance sheet and income statement:

- (1) Notional interest of R39 million earned on the net proceeds of R567 million (being R531 million upfront payment made by Retail Scheme participants on three shares, the Par Value payment of R23 million made by the Retail, Corporate, Non-executive director and Community Trusts and the 2.5% deposit of R15 million made by the BRIMSTONE Trust and the WIPHOLD Trust) invested at the weighted average call rate for the period from 1 January 2004 to 31 December 2004 of 6.8%;
- (2) Notional interest of R35 million paid, made up of R9 million in dividends paid to Retail Scheme participants, R2.1 million interest charged by OMLACSA on the Par Value funding and R24 million interest accrued on the capital protection mechanism in the Retail Scheme;
- (3) Operating expenses of R289 million is made up of R17 million in transaction costs not capitalised, R3 million in dividends distributed to the Community Trust and the Evergreen Trust, R13 million paid to the Black Business Partners as an incentive fee and R256 million being the estimated IFRS 2 charge for the first year;
- (4) Tax deduction of R9.6 million based on tax deductibility of interest paid (as detailed in Note 2 above), the transaction costs and incentive fee (as detailed in Note 2 and 3 above), a tax deduction of R55.3 million as a result of the grant of R183 million made to the Employee Schemes and taxation payable of R11.6 million on interest income as detailed in Note 1 above;
- (5) Cash movement of R504 million based on the receipt of cash on the Retail Scheme of R531 million, less capitalised and non capitalised transaction costs estimated at R65 million, plus the receipt of the R38 million from initial receipt of the deposit and the Par Value funding as detailed in Note 1 above;
- (6) Deferred tax of R55 million raised on the grant portion of Employee Schemes of R183 million;
- (7) Equity of R76 million raised on the capital protection mechanism and of R17 million raised on the deposit received from the Black Business Partner Trust and Aka Capital Trust;
- (8) Share premium is reduced by R48 million as a result of transaction costs capitalised;
- (9) Reserves reduced by R17 million of transaction costs not capitalised and increased by the tax deductibility of the grant portion on Employee Schemes of R55 million. This is a net increase in reserves of R38 million; and
- (10) Liabilities increased by the present value of the cash received from Retail Participants (to be potentially re-paid by Nedbank Group in three years time) of R455 million and the OMLACSA loan on the Par Value funding of R21 million.

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE COMPANY

"The Directors
Nedbank Group Limited
135 Rivonia Road
Sandown
Sandton
2195

3 June 2005

Dear Sir

INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE COMPANY

We have performed our limited assurance engagement in respect of the unaudited *pro forma* before and after balance sheet and income statement (collectively, "the *pro forma* financial information") of the Company set out in paragraph 22 and Appendix 1 of This Document to be dated 15 June 2005 issued in connection with the Proposed Transaction that is the subject of This Document. The *pro forma* financial information has been prepared in accordance with the requirements of the JSE listing requirements, for illustrative purposes only, to provide information about how the Proposed Transaction might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors' responsibilities

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in This Document and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of the Company; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE listing requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in This Document. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Revised Guide on Pro Forma Financial Information* issued by SAICA.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures, consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of the issuer, considering the evidence supporting the *pro forma* adjustments and discussing the *pro forma* financial information with the directors of the Company, in respect of the corporate actions that are the subject of This Document.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of the Company and other information from various public, financial and industry sources.

Whilst our work performed has involved an analysis of the historical published reviewed financial information, and other information provided to us, our assurance engagement does not constitute, an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing* or *International Standards on Review Engagements* and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement the evidence – gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained, than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of the Company; and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed pursuant to Section 8.30 of the JSE Listings Requirements.

Yours faithfully

KPMG Inc.
Registered Accountants and Auditors
Chartered Accountants (SA)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag X9, Parkview, 2122)

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (SA)
Deloitte & Touche Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag, X6, Gallo Manor, 2052)''

THE COMPANY ORDINARY SHARE PRICE HISTORY

The Ordinary Shares have been listed on the JSE since 20 August 1969.

The following table sets out the high, low and closing prices of the Ordinary Shares in cents and the total trading volume of the Ordinary Shares on the JSE on a yearly basis for the last 3 financial years:

| Yearly | High | Low | Close | Volume |
|----------|--------|-------|-------|-------------|
| May 2003 | 13 600 | 8 450 | 9 100 | 153 252 024 |
| May 2004 | 10 255 | 5 500 | 6 269 | 255 625 994 |
| May 2005 | 8 320 | 5 240 | 7 580 | 216 815 233 |

Source: I-Net Bridge

The following table sets out the high, low and closing prices of the Ordinary Shares in cents and the total trading volume of the Ordinary Shares on the JSE on a quarterly basis for the periods indicated:

| Quarterly | High | Low | Close | Volume |
|----------------|--------|--------|--------|------------|
| June 2002 | 15 400 | 11 400 | 11 700 | 44 359 959 |
| September 2002 | 12 700 | 9 500 | 9 940 | 31 683 509 |
| December 2002 | 12 400 | 9 800 | 11 110 | 38 560 145 |
| March 2003 | 11 850 | 8 700 | 8 800 | 42 100 942 |
| June 2003 | 10 050 | 8 450 | 8 950 | 46 712 729 |
| September 2003 | 10 255 | 6 700 | 6 920 | 59 328 591 |
| December 2003 | 7 690 | 5 640 | 6 203 | 67 838 980 |
| March 2004 | 7 125 | 5 500 | 6 390 | 70 565 138 |
| June 2004 | 6 570 | 5 675 | 6 170 | 57 013 945 |
| September 2004 | 6 200 | 5 240 | 5 950 | 61 649 714 |
| December 2004 | 7 999 | 5 900 | 7 780 | 56 618 867 |
| March 2005 | 8 320 | 6 700 | 7 520 | 42 108 062 |

Source: I-Net Bridge

The following table sets out the high, low and closing prices of the Ordinary Shares in cents and the total trading volume of the Ordinary Shares on the JSE on a monthly basis for each of the last 12 months:

| Monthly | High | Low | Close | Volume |
|----------------|-------|-------|-------|------------|
| June 2004 | 6 570 | 6 100 | 6 170 | 17 458 089 |
| July 2004 | 6 200 | 5 550 | 5 975 | 11 493 256 |
| August 2004 | 6 000 | 5 240 | 5 601 | 28 313 426 |
| September 2004 | 5 960 | 5 610 | 5 950 | 21 843 032 |
| October 2004 | 6 810 | 5 900 | 6 660 | 25 249 478 |
| November 2004 | 7 620 | 6 500 | 7 600 | 22 544 412 |
| December 2004 | 7 999 | 7 290 | 7 780 | 8 824 977 |
| January 2005 | 7 770 | 6 700 | 7 280 | 9 426 416 |
| February 2005 | 8 070 | 6 910 | 8 002 | 15 008 015 |
| March 2005 | 8 320 | 7 255 | 7 520 | 17 673 631 |
| April 2005 | 7 850 | 7 000 | 7 500 | 12 157 620 |
| May 2005 | 7 840 | 7 390 | 7 580 | 26 822 881 |

Source: I-Net Bridge

The following table sets out the high, low and closing prices of the Ordinary Shares in cents and the total trading volume of the Ordinary Shares on the JSE on a daily basis for each of the 30 days preceding the Last Practicable Date:

| Monthly | High | Low | Close | Volume |
|----------------|-------------|------------|--------------|---------------|
| 29 April 2005 | 7 600 | 7 450 | 7 500 | 693 306 |
| 3 May 2005 | 7 501 | 7 410 | 7 500 | 602 439 |
| 4 May 2005 | 7 700 | 7 400 | 7 500 | 368 050 |
| 5 May 2005 | 7 650 | 7 490 | 7 645 | 1 066 624 |
| 6 May 2005 | 7 695 | 7 600 | 7 680 | 5 304 090 |
| 9 May 2005 | 7 800 | 7 700 | 7 737 | 1 263 201 |
| 10 May 2005 | 7 840 | 7 525 | 7 670 | 1 327 696 |
| 11 May 2005 | 7 695 | 7 625 | 7 670 | 1 196 496 |
| 12 May 2005 | 7 725 | 7 525 | 7 600 | 1 288 172 |
| 13 May 2005 | 7 550 | 7 430 | 7 535 | 504 998 |
| 16 May 2005 | 7 566 | 7 475 | 7 566 | 286 412 |
| 17 May 2005 | 7 600 | 7 390 | 7 530 | 275 296 |
| 18 May 2005 | 7 800 | 7 530 | 7 760 | 460 422 |
| 19 May 2005 | 7 820 | 7 600 | 7 699 | 642 205 |
| 20 May 2005 | 7 700 | 7 398 | 7 600 | 1 034 374 |
| 23 May 2005 | 7 625 | 7 500 | 7 550 | 898 643 |
| 24 May 2005 | 7 575 | 7 500 | 7 560 | 1 215 420 |
| 25 May 2005 | 7 575 | 7 500 | 7 550 | 802 369 |
| 26 May 2005 | 7 580 | 7 525 | 7 550 | 990 178 |
| 27 May 2005 | 7 640 | 7 530 | 7 600 | 623 733 |
| 30 May 2005 | 7 670 | 7 525 | 7 670 | 1 298 765 |
| 31 May 2005 | 7 670 | 7 550 | 7 580 | 5 373 298 |
| 1 June 2005 | 7 580 | 7 399 | 7 450 | 499 641 |
| 2 June 2005 | 7 520 | 7 421 | 7 500 | 897 007 |
| 3 June 2005 | 7 650 | 7 480 | 7 564 | 241 149 |
| 6 June 2005 | 7 849 | 7 550 | 7 849 | 271 709 |
| 7 June 2005 | 8 050 | 7 790 | 7 790 | 320 393 |

Source: I-Net Bridge

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of members of the Company will be held in the Auditorium, 135 Rivonia Road, Sandown on Friday, 22 July 2005, commencing at 15:00 for the purpose of considering and, if deemed fit, passing with or without modification (which modification is capable of being substantive in nature and provided that any such substantive modification made shall not have the effect of diminishing the rights that accrue to Ordinary Shareholders as envisaged in the ordinary and special resolutions set out in this notice of general meeting) such ordinary and special resolutions set out in this notice of general meeting.

Each resolution is subject to the condition precedent that the conditions precedent reflected in paragraph 11 of the circular to which this notice of general meeting is attached, the provisions of which are deemed to be incorporated herein, are fulfilled or waived. In addition, each resolution is subject to the passing, and where appropriate, registration of the immediately preceding resolution.

ORDINARY RESOLUTION NUMBER 1

The purpose of the following ordinary resolution is to authorise the Company to allot and issue new ordinary shares in the share capital of the Company for the benefit of the various BEE Partners (save for the Non-executive directors Trust which is dealt with in Special Resolution No. 1) pursuant to and for the purposes of implementing the Black Executive Scheme, Black Management Scheme, Broad-based Employee Scheme, Evergreen Scheme, Community Scheme, Corporate Scheme, Retail Scheme and Black Business Partner Scheme as detailed in the circular to which this notice of general meeting is attached.

RESOLVED THAT the Company is hereby authorised by way of a specific authority in terms of section 221 of the Companies Act, (Act 61 of 1973), as amended ("the Companies Act") and the rules and regulations of the JSE to allot and issue –

1. 2 093 521 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Nedbank Eyethu Black Executive Trust (Master's Reference No. IT 5071/05) (the "Black Executive Trust"), at a price of R74.75 per share, pursuant to the terms and conditions of the Black Executive Scheme detailed in the circular to which this notice of general meeting is attached;
2. 5 261 076 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Nedbank Eyethu Black Management Trust (Master's Reference No. IT 5075/05) (the "Black Management Trust"), at a price of R74.75 per share, pursuant to the terms and conditions of the Black Management Scheme detailed in the circular to which this notice of general meeting is attached;
3. 1 424 991 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Nedbank Eyethu Broad-based Employee Trust (Master's Reference No. IT 5073/05) (the "Broad-based Employee Trust"), at a price of R74.75 per share, pursuant to the terms and conditions of the Broad-based Employee Scheme detailed in the circular to which this notice of general meeting is attached;
4. 923 342 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Nedbank Eyethu Evergreen Trust (Master's Reference No. IT 5084/05) (the "Evergreen Trust"), at a price of R74.75 per share, pursuant to the terms and conditions of the Evergreen Scheme detailed in the circular to which this notice of general meeting is attached;
5. 1 578 260 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Nedbank Eyethu Community Trust (Master's Reference No. IT 5070/05) ("the Community Trust"), at a price of R1.00 per share, pursuant to the terms and conditions of the Community Scheme detailed in the circular to which this notice of general meeting is attached;
6. 10 160 049 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Nedbank Eyethu Corporate Scheme Trust (Master's Reference No. IT 5083/05) ("the Corporate Trust"), at a price of R1.00 per share, pursuant to the terms and conditions of the Corporate Scheme detailed in the circular to which this notice of general meeting is attached;
7. 1 676 901 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Aka-Nedbank Eyethu Trust (Master's Reference No. IT 5074/2005) ("the Aka Capital Trust"), at the price of R1.00 per share, pursuant to the terms and conditions of the Corporate Scheme as read with the Aka Capital Agreement detailed in the circular to which this notice of general meeting is attached;

8. 9 469 560 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Nedbank Eyethu Retail Trust (Master's Reference No. IT 5085/05) ("the Retail Trust"), at a price of R1.00 per share, pursuant to the terms and conditions of the Retail Scheme detailed in the circular to which this notice of general meeting is attached;
9. 3 945 650 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group, to The Brimstone-Mtha Financial Services Trust (Master's Reference No. IT 5096/05) ("the BRIMSTONE Trust") at a price of R1.87 per share pursuant to the terms and conditions of the Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached;
10. 3 945 650 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group, to The WIPHOLD Financial Services Number Two Trust (Master's Reference No. IT 5098/05) ("the WIPHOLD Trust") at a price of R1.87 per share pursuant to the terms and conditions of the Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached;
11. a variable number of ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group, subject to a maximum of R6.64 million of Nedbank Group Shares each year at the then Market Value until the termination of the Black Business Partner Scheme, to the WIPHOLD Consortium in discharge of a portion of the Performance Fee which may be payable by the Company to it pursuant to the terms and conditions of the Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached; and
12. a variable number of ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group, subject to a maximum of R6.64 million of Nedbank Group Shares each year at the then Market Value until the termination of the Black Business Partner Scheme, to the BRIMSTONE Consortium in discharge of a portion of the Performance Fee which may be payable by the Company to it pursuant to the terms and conditions of the Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached.

In terms of the JSE Listing Requirements the passing of this resolution is achieved by the attainment of a 75% majority of the votes cast in favour of such resolution by all Ordinary Shareholders present or represented at the general meeting, excluding any Ordinary Shareholders and their associates participating in the specific issue of shares for cash.

SPECIAL RESOLUTION NUMBER 1

In terms of section 223 of the Companies Act, a special resolution is required by a company to issue shares for the benefit of non-executive directors of that company. Accordingly, the purpose of the following special resolution is to authorise the Company to allot and issue new ordinary shares in the share capital of the Company for the benefit of existing and future non-executive directors of the Company pursuant to and for the purposes of implementing the Non-executive directors Scheme as detailed in the circular to which this notice of general meeting is attached.

RESOLVED THAT the Company is hereby authorised, in terms of section 223 of the Companies Act and the rules and regulations of the JSE, to allot and issue:

1. 197 283 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Nedbank Eyethu Non-executive directors Trust (Master's Reference No. IT 5072/2005) (the "Non-executive directors Trust"), at a price of R1.00 per share, for the benefit of M L Ndlovu pursuant to the terms and conditions of the Non-executive directors Scheme detailed in the circular to which this notice of general meeting is attached;
2. 98 641 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Non-executive directors Trust, at a price of R1.00 per share, for the benefit of B de L Figaji pursuant to the terms and conditions of the Non-executive directors Scheme detailed in the circular to which this notice of general meeting is attached;
3. 98 641 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Non-executive directors Trust, at a price of R1.00 per share, for the benefit of J B Magwaza pursuant to the terms and conditions of the Non-executive directors Scheme detailed in the circular to which this notice of general meeting is attached;
4. 98 641 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Non-executive directors Trust, at a price of R1.00 per share, for the benefit of ME Mkwanzazi pursuant to the terms and conditions of the Non-executive directors Scheme detailed in the circular to which this notice of general meeting is attached; and

5. 295 924 ordinary shares of R1.00 each in the authorised but un-issued ordinary share capital of the Nedbank Group to the Non-executive directors Trust, at a price of R1.00 per share, for the benefit of future non-executive directors of the Nedbank Group pursuant to the terms and conditions of the Non-executive directors Scheme detailed in the circular to which this notice of general meeting is attached.

REASONS AND EFFECTS

The reasons for and the effects of Special Resolution Number 1 is to give the directors of the Company the specific authority to issue ordinary shares in the Nedbank Group's issued ordinary share capital to the Non-executive directors Trust for the benefit of the Nedbank Group's non-executive directors on the terms and conditions of the Nedbank Group's Non-executive directors Scheme.

SPECIAL RESOLUTION NUMBER 2

The purpose of the following special resolution is to authorise the Company to exercise a call option granted to it by each of the BEE Partners and to repurchase a variable number of ordinary shares held by such BEE Partners at the expiry of the various Lock-in Periods applicable to each BEE scheme so as to allow each BEE Partner to hold unencumbered ordinary shares in the Company at such time.

RESOLVED THAT the Company is hereby authorised, by way of specific authority, in accordance with section 85 of the Companies Act, any rules and regulations of the JSE and the Company's articles of association to –

1. exercise the Nedbank Group Call Option granted to it by the Non-executive directors Trust to repurchase –
 - 1.1. any or all of the 789 130 Nedbank Group Shares from the Non-executive directors Trust at a price of not more than R1.00 per share, pursuant to the terms and conditions of the Non-executive directors Scheme detailed in the circular to which this notice of general meeting is attached;
 - 1.2. any or all of the Nedbank Group Shares allotted and issued to the Non-executive directors Trust as fully paid up capitalisation shares at an aggregate price of R1.00, pursuant to the terms and conditions of the Non-executive directors Scheme detailed in the circular to which this notice of general meeting is attached;
2. exercise the Nedbank Group Call Option granted to it by the Community Trust to repurchase –
 - 2.1. any or all of the 1 578 260 Nedbank Group Shares from the Community Trust at a price of not more than R1.00 per share, pursuant to the terms and conditions of the Community Scheme detailed in the circular to which this notice of general meeting is attached;
 - 2.2. any or all of the Nedbank Group Shares allotted and issued to the Community Trust as fully paid up capitalisation shares at an aggregate price of R1.00, pursuant to the terms and conditions of the Community Scheme detailed in the circular to which this notice of general meeting is attached;
3. exercise the Nedbank Group Call Option granted to it by the Corporate Trust to repurchase –
 - 3.1. any or all of the 10 160 049 Nedbank Group Shares from the Corporate Trust at a price of not more than R1.00 per share, pursuant to the terms and conditions of the Corporate Scheme detailed in the circular to which this notice of general meeting is attached;
 - 3.2. any or all of the Nedbank Group Shares allotted and issued to the Corporate Trust as fully paid up capitalisation shares at an aggregate price of R1.00, pursuant to the terms and conditions of the Corporate Scheme detailed in the circular to which this notice of general meeting is attached;
4. exercise the Nedbank Group Call Option granted to it by the Aka Capital Trust to repurchase –
 - 4.1. any or all of the 1 676 901 Nedbank Group Shares from the Aka Capital Trust at a price of not more than R1.00 per share, pursuant to the terms and conditions of the Corporate Scheme as read with the Aka Capital Agreement detailed in the circular to which this notice of general meeting is attached;
 - 4.2. any or all of the Nedbank Group Shares allotted and issued to the Aka Capital Trust as fully paid up capitalisation shares at an aggregate price of R1.00, pursuant to the terms and conditions of the Corporate Scheme as read with the Aka Capital Agreement detailed in the circular to which this notice of general meeting is attached;
5. exercise the Nedbank Group Call Option granted to it by the Retail Trust to repurchase from time-to-time –
 - 5.1. any or all of the 9 469 560 Nedbank Group Shares from the Retail Trust at a price of not more than R1.00 per share, pursuant to the terms and conditions of the Retail Scheme detailed in the circular to which this notice of general meeting is attached;

- 5.2. any or all of the Nedbank Group Shares allotted and issued to the Retail Trust as fully paid up capitalisation shares at an aggregate price of R1.00, pursuant to the terms and conditions of the Retail Scheme detailed in the circular to which this notice of general meeting is attached;
6. exercise the Nedbank Group Call Option granted to it by the BRIMSTONE Trust to repurchase –
 - 6.1. any or all of the 3 945 650 Nedbank Group Shares from the BRIMSTONE Trust at a price of not more than R1.87 per share, pursuant to the terms and conditions of the Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached;
 - 6.2. any or all of the Nedbank Group Shares allotted and issued to the BRIMSTONE Trust as fully paid up capitalisation shares at an aggregate price of R1.00, pursuant to the terms and conditions of the Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached;
 - 6.3. any or all of the Nedbank Group Shares allotted and issued to the BRIMSTONE Trust in discharge of a portion of the Performance Fee payable to the Black Business Partner Trusts pursuant to the Performance Agreement entered into by each of the Black Business Partner Trusts on or about 9 June 2005, at an aggregate price of R1.00;
7. exercise the Nedbank Group Call Option granted to it by the WIPHOLD Trust to repurchase –
 - 7.1. any or all of the 3 945 650 Nedbank Group Shares from the WIPHOLD Trust at a price of not more than R1.87 per share, pursuant to the terms and conditions of the Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached;
 - 7.2. any or all of the Nedbank Group Shares allotted and issued to the WIPHOLD Trust as fully paid up capitalisation shares at an aggregate price of R1.00, pursuant to the terms and conditions of the Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached; and
 - 7.3. any or all of the Nedbank Group Shares allotted and issued to the WIPHOLD Trust in discharge of a portion of the Performance Fee payable to the Black Business Partner Trusts pursuant to the Performance Agreement entered into by each of the Black Business Partner Trusts on or about 9 June 2005, at an aggregate price of R1.00;

whereupon such shares shall be cancelled as issued shares and restored forthwith to the status of authorised shares of the Company. This authority is given on the basis that the Company will, after the payment required in terms of each of the aforementioned call options, be able to pay its debts as they become due in the ordinary course of business and the consolidated assets of the Company fairly valued would after the payments exceed the consolidated liabilities of the Company.

REASONS AND EFFECTS

The reasons for and the effects of Special Resolution Number 2 is to give the directors of the Company the specific authority upfront to repurchase a variable number of ordinary shares in the Nedbank Group's issued ordinary share capital on the expiry and upon the terms and conditions of the Non-executive directors Scheme, the Community Scheme, the Corporate Scheme, the Retail Scheme and the Black Business Partner Scheme.

ORDINARY RESOLUTION NUMBER 2

The purpose of the following ordinary resolution is to authorise the Company to allow and issue additional ordinary shares to each of the BEE Partners pursuant to a right granted to them to subscribe for the number of ordinary shares that the Company repurchases pursuant to Special Resolution Number 2 so as to give the BEE Partners the ability to maintain their shareholding in the Company as at the implementation of the Proposed Transaction as detailed in the circular to which this notice of general meeting is attached.

RESOLVED THAT the Company is hereby authorised by way of a specific authority in terms of sections 221 and 222 of the Companies Act and the rules and regulations of the JSE –

1. subject to the Non-executive directors Trust exercising its right of subscription in terms of the Non-executive directors Scheme detailed in the circular to which this notice of general meeting is attached, to allot and issue to the Non-executive directors Trust a maximum number of Nedbank Group Shares in the authorised but un-issued ordinary share capital of the Company that equals the number of Nedbank Group Shares that the Company repurchases from the Non-executive directors Trust pursuant to the exercise of its call option in accordance with the terms of the Non-executive directors Scheme, at the then Market Value per Nedbank Group Share;

2. subject to the Community Trust exercising its right of subscription in terms of the Community Scheme detailed in the circular to which this notice of general meeting is attached, to allot and issue to the Community Trust a maximum number of Nedbank Group Shares in the authorised but un-issued ordinary share capital of the Company that equals the number of Nedbank Group Shares that the Company repurchases from the Community Trust pursuant to the exercise of its call option in accordance with the terms of the Community Scheme, at the then Market Value per Nedbank Group Share;
3. subject to the Corporate Trust exercising its right of subscription in terms of the Corporate Scheme detailed in the circular to which this notice of general meeting is attached, to allot and issue to the Corporate Trust a maximum number of Nedbank Group Shares in the authorised but un-issued ordinary share capital of the Company that equals the number of Nedbank Group Shares that the Company repurchases from the Corporate Trust pursuant to the exercise of its call option in accordance with the terms of the Corporate Scheme, at the then Market Value per Nedbank Group Share;
4. subject to the Aka Capital Trust exercising its right of subscription in terms of the Corporate Scheme as read with the Aka Capital Agreement detailed in the circular to which this notice of general meeting is attached, to allot and issue to the Aka Capital Trust a maximum number of Nedbank Group Shares in the authorised but un-issued ordinary share capital of the Company that equals the number of Nedbank Group Shares that the Company repurchases from the Aka Capital Trust pursuant to the exercise of its call option in accordance with the terms of the Corporate Scheme as read with the Aka Capital Agreement, at the then Market Value per Nedbank Group Share;
5. subject to the Retail Trust exercising its right of subscription in terms of the Retail Scheme detailed in the circular to which this notice of general meeting is attached, to allot and issue to the Retail Trust a maximum number of Nedbank Group Shares in the authorised but un-issued ordinary share capital of the Company that equals the number of Nedbank Group Shares that the Company repurchases from the Retail Trust pursuant to the exercise of its call option in accordance with the terms of the Retail Scheme, at the then Market Value per Nedbank Group Share;
6. subject to the BRIMSTONE Trust exercising its right of subscription in terms of Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached, to allot and issue to the BRIMSTONE Trust, a maximum number of Nedbank Group Shares in the authorised but un-issued ordinary share capital of the Company that equals the number of Nedbank Group Shares that the Company repurchases from the BRIMSTONE Trust pursuant to the exercise of its call option in accordance with the terms of the Black Business Partner Scheme, at the then Market Value per Nedbank Group Share; and
7. subject to the WIPHOLD Trust exercising its right of subscription in terms of Black Business Partner Scheme detailed in the circular to which this notice of general meeting is attached, to allot and issue to the WIPHOLD Trust, a maximum number of Nedbank Group Shares in the authorised but un-issued ordinary share capital of the Company that equals the number of Nedbank Group Shares that the Company repurchases from the WIPHOLD Trust pursuant to the exercise of its call option in accordance with the terms of the Black Business Partner Scheme, at the then Market Value per Nedbank Group Share.

In terms of the JSE Listing Requirements the passing of this resolution is achieved by the attainment of a 75% majority of the votes cast in favour of such resolution by all Ordinary Shareholders present or represented at the general meeting, excluding any Ordinary Shareholders and their associates participating in the specific issue of shares for cash.

ORDINARY RESOLUTION NUMBER 3

The purpose of the following ordinary resolution is to authorise the directors of the Company to do all that is necessary to implement the Proposed Transaction as detailed in the circular to which this notice of general meeting is attached.

RESOLVED THAT

the directors of the Company be authorised to do all such things and sign all documents including Company forms and take all such actions as they consider necessary to give effect to and implement the abovementioned resolutions.

Voting and proxies

Ordinary Shareholder entitled to attend and vote at the general meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. On a show of hands an Ordinary Shareholder present in person or by proxy is entitled to one vote irrespective of the number of shares he/she holds or represents, provided that a proxy will only have one vote irrespective of the number of shares he/she represents.

On a poll, an Ordinary Shareholder present in person or by proxy is entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Nedbank Group Shares held by him/her bears to the aggregate amount of the nominal value of all the Nedbank Group Shares issued by the Company and carrying the right to vote.

If you hold Dematerialised Shares, you must furnish your CSDP or broker with your instructions for voting at the general meeting. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. If you hold Dematerialised Shares, other than own name Dematerialised Shares, you must NOT complete the attached form of proxy. Unless you advise your CSDP or broker in the manner and time stipulated in the agreement between your CSDP or broker that you wish to attend the general meeting or send a proxy, your CSDP or broker will assume that you do not wish to attend the general meeting or send a proxy. If you wish to attend the general meeting, you are required to request that your CSDP or broker issue the necessary Letter of Representation to you to enable you to attend and vote at the general meeting.

If you hold Dematerialised Shares in your "own name", or hold certificated shares, and are unable to attend the general meeting and wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions therein and lodge it with or post it to the Transfer Secretaries of the Company:

Hand deliveries to:

Computershare Investor Services 2004
(Proprietary) Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001

Postal deliveries to:

Computershare Investor Services 2004
(Proprietary) Limited
PO Box 61051
Marshalltown, 2107

to be received by no later than 15:00 on Thursday, 21 July 2005 (or 24 hours before any adjournment of the general meeting which date, if necessary, will be notified on SENS and in the press).

By order of the Board

G S Nienaber

Group Company Secretary

15 June 2005

Nedbank Group Limited
Registration No. 1966/010630/06
Registered Office:
135 Rivonia Road
Sandown, 2196
PO Box 1144
Sandton, 2146
Telephone +27(0) 11 294 9106



**NEDBANK
GROUP**

(formerly NEDCOR LIMITED)
(Incorporated in the Republic of South Africa)
(Registration number 1966/010630/06)
Share code JSE: NED ISIN: ZAE000004875
("the Company")

FORM OF PROXY

For use by Certificated Ordinary Shareholders in the Company or Dematerialised Ordinary Shareholders in the Company registered with "own-name" registration only, at the general meeting of Ordinary Shareholders to be held at the registered office of the Company, 135 Rivonia Road, Sandton at 15:00 on 22 July 2005 ("general meeting").

Dematerialised Ordinary Shareholders in the Company who are not "own-name" Ordinary Shareholders, must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the general meeting and request their CSDP or broker to issue them with the necessary authorisation to attend the general meeting in person and vote or provide their CSDP or broker with their voting instructions should they not wish to attend the general meeting in person. These Ordinary Shareholders in the Company must not use this form of proxy but must contact their CSDP or broker as the Company will take no responsibility for Ordinary Shareholders who do not contact their CSDP or broker timeously.

I/We (name/s in BLOCK LETTERS)

of being the holders of Ordinary Shares in the capital of the Company do hereby appoint (see note):

- 1. _____ or failing him/her,
- 2. _____ or failing him/her,
- 3. the Chairman of the general meeting,

as my/our proxy to act for me/us at the general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at each adjournment thereof; and to abstain from voting for and/or against such resolutions in respect of the Ordinary Shares in the Company registered in my/our name in accordance with the following instructions:

| Resolutions | Number of Ordinary Shares in Nedbank Group Limited | | |
|------------------------------|--|---------|---------|
| | For | Against | Abstain |
| Ordinary resolution number 1 | | | |
| Special resolution number 1 | | | |
| Special resolution number 2 | | | |
| Ordinary resolution number 2 | | | |
| Ordinary resolution number 3 | | | |

Signed at _____ on _____ 2005

Signature _____

Assisted by (where applicable) _____

Each Ordinary Shareholder is entitled to appoint one or more proxies (who need not be an ordinary shareholder of the Company) to attend, speak and vote in place of that ordinary shareholder in the Company at the general meeting.

Please read the notes on the reverse hereof.

Notes to form of proxy:

1. Each Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder is entitled to appoint one or more proxies (who need not be a Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder) to attend, speak and vote in place of that Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder at the general meeting.
2. A Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder may insert the name of a proxy or the names of two alternative proxies of the Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder's choice in the space provided, with or without deleting the chairman of the general meeting. The person whose name stands first on the form of proxy and who is present at the general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.
3. A Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholders instructions to the proxy have to be indicated by the insertion of the relevant number of votes exercisable by that Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder in the appropriate box provided. Failure to comply with this shall be deemed to authorise the chairman of the general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the general meeting or the appointed proxy to vote or to abstain from voting at the general meeting, as he/she deems fit, in respect of all the Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder's votes exercisable thereat.
4. A Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder or his/her proxy is not obliged to vote in respect of all the Ordinary Shares held by such Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder or represented by such proxy, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder or his/her proxy is entitled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the Company's Transfer Secretaries or waived by the chairman of the general meeting.
6. The Chairman of the general meeting may reject or accept any form of proxy that is completed and/or received, other than in compliance with these notes.
7. Any alterations or corrections to this form of proxy shall be initialled by the signatory(ies)
8. The completion and lodging of this form of proxy shall not preclude the relevant Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Certificated Ordinary Shareholder and "own-name" registered Dematerialised Ordinary Shareholder wish to do so.
9. Forms of proxy have to be lodged with or posted to Computershare Investor Services 2004 (Proprietary) Limited ("Computershare"), 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received no later than 15:00 on Thursday 21 July 2005. Proxy forms can also be submitted by fax to Computershare (fax number +27 (0) 11 688 5238), subject to the proxy instruction form meeting all other criteria.
10. This proxy form is to be completed only by those Certificated Ordinary Shareholders and ""own-name"" registered Dematerialised Ordinary Shareholders who are:
 - holding Ordinary Shares in certificated form; or
 - recorded in the subregister in dematerialised electronic form in their own name.
11. Holders of Nedbank Group Ordinary Shares (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, CSDP or broker (as the case may be) on how they wish their votes to be cast at the general meeting on their behalf. As far as holdings in a CSDP is concerned, this will be guided by the terms of the agreement entered into between Ordinary Shareholders and their CSDP or broker.

