

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**Action required**

- 1. NO ACTION IS REQUIRED IF YOU WISH TO RECEIVE THE CASH DIVIDEND ALTERNATIVE BECAUSE, IF YOU DO NOT ELECT THE CAPITALISATION AWARD OPTION, YOU WILL BE DEEMED TO HAVE ELECTED THE CASH DIVIDEND ALTERNATIVE.**
- If you wish to elect to receive Nedbank Group Limited ("Nedbank Group") capitalisation award shares, and:
  - you are holding certificated Nedbank Group shares, you must complete the attached **form of election** in respect of all or part of your shareholding in accordance with the instructions contained in the form of election and lodge it with, or post it to, the transfer secretaries in the Republic of South Africa ("South Africa"), Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) to be received by them no later than 12:00 on Thursday, 9 April 2009, or to the transfer secretaries in the Republic of Namibia ("Namibia"), Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia) to be received by them no later than 11:00 on Thursday, 9 April 2009. Forms of election received after this date and time will not be accepted; or
  - you have dematerialised your shares ("dematerialised shareholder") with a Participant (previously referred to as Central Securities Depository Participant) or broker, you must instruct your Participant or broker accordingly in terms of the custody agreement entered into between you and your Participant or broker.
- If you have disposed of your Nedbank Group shares on or before Monday, 16 March 2009, but these shares are included in the number shown in Block (2) on the attached form of election, you should forward this circular, together with the enclosed form of election, to the purchaser to whom, or the Participant, broker or agent through whom, you disposed of your shares.
- The distribution of this circular and/or accompanying documents and the right to elect capitalisation award shares in jurisdictions other than South Africa and Namibia may be restricted by law, and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Shareholders' rights to elect shares are not being offered, directly or indirectly, in the United States of America or Japan, unless certain exemptions from the requirements of those jurisdictions are applicable. Shareholders in the United Kingdom and Member States of the European Economic Area should take note of the information contained in paragraph 7 of this circular.
- If you are in any doubt as to what action to take, please consult your Participant, broker, banker, legal adviser, accountant or other professional adviser.



**NEDBANK**  
GROUP

**NEDBANK GROUP LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share Code JSE: NED    Share Code NSX: NBK    ISIN Code: ZAF 000004875  
("Nedbank Group")

## Circular to shareholders

regarding

**a capitalisation award with a cash dividend alternative to be paid to shareholders not electing to receive capitalisation award shares**

### Salient dates and times

	2009
Circular and form of election posted to shareholders on	Monday, 16 March
Final details of the capitalisation award ratio to be released on SENS by 11:00 and published in the press the following business day no later than on	Thursday, 26 March
Last day to trade to be eligible to participate in the capitalisation award or the cash dividend alternative on	Thursday, 02 April
Shares commence trading ex the capitalisation award election and the cash dividend alternative on	Friday, 03 April
Listing of the maximum number of new ordinary shares that could be taken up in terms of the capitalisation award on	Friday, 03 April
Last day to elect to receive capitalisation award shares by 12:00 for shareholders in South Africa and 11:00 for shareholders in Namibia, failing which shareholders will receive the cash dividend alternative on	Thursday, 09 April
Record date to participate in the capitalisation award or to receive the cash dividend alternative on	Thursday, 09 April
Payment of the cash dividend alternative to shareholders who have not elected to participate in the capitalisation award or have participated in the capitalisation award in respect of only part of their shareholding on	Tuesday, 14 April
New shares issued and posted on Participant or broker accounts credited regarding the shares to be issued to shareholders participating in the capitalisation award in respect of all or part of their shareholding on	Tuesday, 14 April
The maximum number of new shares listed in terms of the capitalisation award adjusted to reflect the actual number of shares issued in terms of the capitalisation award on or about	Friday, 17 April

### Note:

- Shares may not be dematerialised or rematerialised between Friday, 3 April 2009 and Thursday, 9 April 2009, both days inclusive.
- The above dates and times are subject to change. Any changes will be released on SENS and published in the press. Copies of this circular, in English only, may be obtained at Nedbank Group's registered office, Ground Floor, A-Block, 135 Rivonia Road, Sandown, 2196, during normal business hours from Monday, 16 March 2009 until Thursday, 9 April 2009.

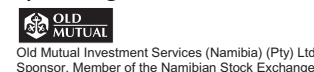
Investment bank, corporate advisor and sponsor



Independent lead sponsor



Sponsoring broker in Namibia





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GROUP  
**NEDBANK GROUP LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share Code JSE: NED Share Code NSX: NBK ISIN Code: ZAE 000004875

("Nedbank Group")

**Board of Directors**

Dr R J Khoza<sup>†</sup> (Chairman), Prof M M Katz<sup>‡</sup> (Vice-Chairman), M L Ndlovu<sup>‡</sup> (Vice-Chairman), T A Boardman\* (Chief Executive Officer), M W T Brown\* (Chief Financial Officer), C J W Ball#, T C P Chikane<sup>‡</sup>, M A Enus-Brey<sup>†</sup>, Prof B de L Figaji<sup>‡</sup>, R Harris<sup>†</sup> (British), R M Head<sup>†</sup> (British), A de V C Knott-Craig<sup>‡</sup>, J B Magwaza<sup>‡</sup>, M E Mkwana<sup>‡</sup>, N P Mnxasana<sup>‡</sup>, G T Serobe<sup>†</sup>

\* Executive

<sup>†</sup> Non-executive

<sup>‡</sup> Independent non-executive

# Senior independent non-executive director

## Circular to shareholders

### 1. Introduction

Nedbank Group's annual results for the year ended 31 December 2008 were published on SENS on Thursday, 26 February 2009 and in the press on Friday, 27 February 2009. Nedbank Group shareholders ("shareholders") were advised in these results that the directors of Nedbank Group proposed to award shareholders fully paid ordinary shares with a par value of R1.00 in Nedbank Group as a capitalisation award. Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the capitalisation award, failing which they will receive the cash dividend alternative of 310 cents per ordinary share that will be paid to those shareholders not electing to participate in the capitalisation award. The number of capitalisation award shares to which shareholders are entitled will be determined in the ratio that 310 cents per ordinary share bears to the ratio price (i.e. the 30-day volume-weighted average traded price of Nedbank Group ordinary shares on the JSE Limited ("JSE") to be determined no later than Wednesday, 25 March 2009). Details of the ratio price will be published on SENS no later than Thursday, 26 March 2009.

The rationale for the capitalisation award is to afford shareholders the opportunity to increase their shareholding in Nedbank Group and for Nedbank Group to strengthen its capital base.

### 2. Purpose of this circular

The purpose of this circular is to provide shareholders with information regarding the capitalisation award and the cash dividend alternative.

### 3. The capitalisation award and the cash dividend alternative

#### 3.1 Terms of the capitalisation award

Subject to the terms contained in this circular and the attached form of election pertaining to certificated shareholders, ordinary shareholders recorded in the register of Nedbank Group at the close of business on the record date who have not elected to participate in the capitalisation award will be paid the cash dividend alternative.

#### 3.2 Procedure for shareholders to receive the cash dividend alternative

Shareholders who wish to receive the cash dividend alternative do not need to take any further action. If no election is made to participate in the capitalisation award, shareholders will receive the cash dividend alternative in respect of all the ordinary shares held on the record date.

#### 3.3 Procedure for shareholders who elect to receive capitalisation award shares

Shareholders who hold certificated ordinary shares and wish to elect to receive the capitalisation award shares must complete the attached form of election in accordance with the instructions contained therein and lodge it with the transfer secretaries in South Africa, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) to be received no later than 12:00 on the record date, Thursday, 9 April 2009, or lodge it with the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia), to be received no later than 11:00 on the record date, Thursday, 9 April 2009.

Shareholders who have dematerialised their ordinary shares through a Participant or broker must not complete the form of election attached, but should instruct their Participant or broker with regard to their election in terms of the custody agreement entered into between them and their Participant or broker.

Shareholders may make the election in respect of all or part of their ordinary shares held on the record date. If an election is made in respect of part of a shareholding, shareholders will receive the cash dividend alternative in respect of the ordinary shares for which the election is not made.

#### 3.4 Posting of share certificates and crediting of Participant or broker accounts

Share certificates in respect of the capitalisation award shares will be dispatched by registered post to the certificated shareholders at the risk of such shareholders on or about Tuesday, 14 April 2009, to their registered addresses or in accordance with instructions given to the transfer secretaries. Dematerialised shareholders' Participant or broker accounts will be credited on Tuesday, 14 April 2009 in respect of the capitalisation award election.

#### 3.5 Certificated shareholders wishing to receive the cash dividend alternative

The cash dividend of 310 cents per ordinary share will be paid via electronic transfer into the personal bank accounts of certificated shareholders who have chosen the cash dividend alternative or who have not elected to participate in the capitalisation award only in the event that the transfer secretaries are already in possession of their banking details. Where the transfer secretaries do not have the banking details of the aforesaid certificated shareholders, dividend cheques will be dispatched at the risk of such shareholders on or about Tuesday, 14 April 2009, to their registered addresses or in accordance with the instructions given to the transfer secretaries.

### 4. Fractions

Trading in the Strate Limited (the electronic settlement system for transactions that take place on the JSE and off-market trades) ("Strate") environment does not permit fractions and fractional entitlements. Accordingly, where a shareholder's entitlement to capitalisation award shares calculated in accordance with the formula mentioned in paragraph 1 above gives rise to a fraction of a new ordinary share, such fraction will be rounded up to the nearest whole number where the fraction is greater than or equal to 0,5 and rounded down to the nearest whole number where the fraction is less than 0,5.

### 5. Tax implications

This capitalisation award or cash dividend alternative may have tax implications for resident as well as non-resident shareholders. Shareholders are therefore encouraged to consult their professional advisers should they be in any doubt as to the appropriate action to take.

### 6. Listing of new Nedbank Group shares

Application will be made to the JSE and the Namibian Stock Exchange ("NSX") for the maximum possible number of capitalisation award shares to be issued in terms of the capitalisation award to be listed with effect from the commencement of business on Friday, 3 April 2009. A further application will be made to the JSE and the NSX to adjust the maximum number of new shares listed to take into account the actual number of capitalisation award shares issued to shareholders on or about Friday, 17 April 2009.

### 7. Foreign shareholders

The distribution of this circular and/or accompanying documents and the right to elect capitalisation award shares in jurisdictions other than South Africa and Namibia may be restricted by law and a failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Shareholders' rights to elect capitalisation award shares are not being offered, directly or indirectly, in the United States of America or Japan, unless certain exemptions from the requirements of those jurisdictions are applicable.

When distributed in, from or into the United Kingdom, this circular is intended for members and creditors of certain bodies corporate (within the meaning of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005), persons outside the United Kingdom and any other persons to whom it may be communicated lawfully. No other person should act or rely on it. Persons distributing this memorandum must satisfy themselves that it is lawful to do so.

In relation to each Member State of the European Economic Area which has implemented Directive 2003/71/EC (the "Prospectus Directive") (each, a "Relevant Member State") including the United Kingdom, shares may only be offered or allotted free of charge to existing shareholders, and dividends paid out in the form of shares of the same class as the shares in respect of which such dividends are paid within the meaning of the Prospectus Directive or within the meaning of the applicable laws of the Relevant Member State or otherwise in circumstances that have not resulted and will not result in an offer to the public in a Relevant Member State, within the meaning of the Prospectus Directive and the United Kingdom Financial Services and Markets Act 2000.

### 8. Exchange control

In terms of the Exchange Control Regulations of South Africa:

#### 8.1 in the case of certificated shareholders:

- any share certificate that may be issued to non-resident shareholders will be endorsed "non-resident";
- any new share certificates and dividend payments based on emigrants' ordinary shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such new share certificates will be endorsed "non-resident"; and
- dividend payments due to non-residents are freely transferable from South Africa. In respect of all non-residents of the common monetary area (collectively South Africa, Namibia and the Kingdoms of Lesotho and Swaziland) the dividend payments due will be sent to the registered address of the shareholder concerned or in accordance with instructions given to the transfer secretaries;

#### 8.2 in the case of dematerialised shareholders:

- any shares issued to emigrants from the common monetary area and all other non-residents of the common monetary area will be credited to their Participant's or broker's account and a "non-resident" annotation will appear in the Participant's or broker's register;
- any dividend paid to emigrants from the common monetary area will be credited to their Participant's or broker's accounts and their Participant or broker will arrange for the same to be credited directly to the shareholder's blocked rand account held by that shareholder's authorised dealer and held to the order of that authorised dealer; and
- any dividend paid to non-resident shareholders who are not emigrants from the common monetary area will be credited directly to the bank accounts nominated for the relevant shareholders by their duly appointed Participant or broker.

Non-resident and emigrant dematerialised shareholders will have all aspects relating to exchange control managed by their Participant or broker.

For and on behalf of

**NEDBANK GROUP LIMITED**

G S Nienaber

Company Secretary

Sandton

16 March 2009



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**NEDBANK GROUP LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1966/010630/06)

Share Code JSE: NED    Share Code NSX: NBK    ISIN Code: ZAE 000004875  
("Nedbank Group")

**Form of election**

For use only by shareholders who hold ordinary shares in certificated form ("certificated shareholders") and who elect to receive capitalisation award shares for all or part of their shareholding ("the election") in Nedbank Group.

Dematerialised shareholders must instruct their Participant or broker accordingly in terms of the custody agreement entered into between them and their Participant or broker. **These ordinary shareholders must not use this form of election.**

**Shareholders who wish to receive the cash dividend alternative of 310 cents per Nedbank Group ordinary share must not complete this form of election and no further action is required.**

I/We

(name/s in block letters)

regarding the election :

- hereby irrevocably elect to receive the capitalisation award shares, the number of which will be determined in the ratio that 310 cents per ordinary share bears to the 30-day volume-weighted average price to be determined no later than Wednesday, 25 March 2009, in respect of the number of ordinary shares in the capital of Nedbank Group reflected in Block (4) overleaf and on terms and conditions contained in this form of election and in the accompanying circular;
- acknowledge that this form of election is applicable only in respect of ordinary shares of which I/we was/were the registered holder(s) at the close of business on the record date, being Thursday, 9 April 2009; and
- acknowledge that I/we am/are **not** entitled to a cash dividend of 310 cents per ordinary share in respect of shares for which the capitalisation award is elected.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2009

Signature

Assisted by (where applicable)

**PLEASE READ THE NOTES OVERLEAF.**

**Forms of election must be lodged with or mailed to the transfer secretaries in South Africa, Computershare Investor Services (Proprietary) Limited, or the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited:**

**Hand deliveries in South Africa to:**

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

**Postal deliveries in South Africa to:**

Computershare Investor Services (Proprietary) Limited  
PO Box 61763  
Marshalltown 2107

**Hand deliveries in Namibia to:**

Transfer Secretaries (Proprietary) Limited  
Shop 8, Kaiserkrone Centre  
Post Street Mall  
Windhoek  
Namibia

**Postal deliveries in Namibia to:**

Transfer Secretaries (Proprietary) Limited  
PO Box 2401  
Windhoek  
Namibia

- to be received no later than 12:00 on Thursday, 9 April 2009 by Computershare Investor Services (Proprietary) Limited in South Africa; and
- to be received no later than 11:00 on Thursday, 9 April 2009 by Transfer Secretaries (Proprietary) Limited in Namibia.

Name and address of registered shareholder
(1)

Account	Number of Nedbank Group shares held or deemed to be held on the record date, being Thursday, 9 April 2009, based on your shareholding at close of business on Friday, 13 March 2009	Maximum cash dividend to which you will become entitled, based on the number of shares held or deemed to be held on the record date, being Thursday, 9 April 2009, based on your shareholding at close of business on Friday, 13 March 2009 should you not elect to participate in the capitalisation award
	(2)	(3)

Number of Nedbank Group shares for which the capitalisation award is elected. The maximum number of shares for which the capitalisation award can be made is reflected in block 2 above or, if shares have been transacted in the period from Friday, 13 March 2009 then the number of shares registered in Nedbank Group's register on the record date.	
(4)	
Date of signature	Signature

**Notes:**

1. The election may be made in respect of all or any of the Nedbank Group ordinary shares registered or deemed to be registered in the name of the shareholder at the close of business on the record date.
2. The signature on the form of election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
3. To be valid, this form of election must be properly completed and lodged with, or posted to, the transfer secretaries of Nedbank Group at the address indicated above, to be received by Computershare Investor Services (Proprietary) Limited in South Africa no later than 12:00 on Thursday, 9 April 2009 and by Transfer Secretaries (Proprietary) Limited in Namibia no later than 11:00. **Late forms of election will not be accepted.**
4. Nedbank Group reserves the right in its discretion to:
  - 4.1 treat as invalid (in which case the cash dividend will be paid) any form of election not complying with the terms of the election or any instruction contained herein;
  - 4.2 require proof of the authority of the person signing this form of election, where such proof has not yet been lodged with or recorded by the transfer secretaries in South Africa, Computershare Investor Services (Proprietary) Limited, or by the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited.
5. Any alteration or correction made to this form of election must be initialled by the signatory(ies).