

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular have, where necessary, been used below.

If you are in any doubt as to what action you should take in relation to this Circular, please consult your broker, Participant, banker, attorney, accountant or other professional advisor immediately.

Action required

If you have disposed of all of your Ordinary Shares, please forward this Circular to the purchaser of such Ordinary Shares or to the broker, Participant, banker, attorney, accountant, professional advisor or other agent through whom the disposal was effected.

Members are referred to page 1 of this Circular which sets out the action required by them.



NEDBANK
GROUP

Nedbank Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share code JSE: NED NSX: NBK ISIN: ZAE000004875

("NGL" or the "Company")

Circular to members of Nedbank Group

regarding:

- the placing of 12 855 359 Ordinary Shares in the authorised, but unissued share capital of the Company under the authority and control of the Directors;
- information relating to the Acquisition of the Businesses from the Old Mutual Group;

and incorporating:

- a notice convening a General Meeting; and
- a form of proxy (for use by certificated members and dematerialised members with own-name registration only).

Investment bank, corporate advisor
and sponsor



Attorneys



Independent lead sponsor



Independent
professional expert



Sponsoring broker in Namibia



Old Mutual Investment Services (Namibia) (Pty) Ltd
Sponsor, Member of the Namibian Stock Exchange

Independent reporting
accountants



CORPORATE INFORMATION AND ADVISORS

Secretary and registered office

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

Investment bank, corporate advisor and sponsor

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

Attorneys

Edward Nathan Sonnenbergs Inc
(Registration number 2006/018200/21)
150 West Street
Sandown, Sandton, 2196
(PO Box 783347, Sandton, 2146)

Transfer secretaries to Nedbank Group in Namibia

Transfer Secretaries (Proprietary) Limited
(Registration number 93/713)
Shop 8, Kaiserkrone Centre
Post Street Mall
Windhoek
Namibia
(PO Box 2401, Windhoek, Namibia)

Independent reporting accountants

KPMG Inc
(Registration number 1999/021543/21)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag X9, Parkview, 2122)

Independent lead sponsor in South Africa

Merrill Lynch South Africa (Proprietary) Limited,
a member of the Merrill Lynch Group
(Registration number 1995/001805/07)
138 West Street
Sandown, Sandton, 2196
(PO Box 651987, Benmore, 2010)

Sponsoring broker in Namibia

Old Mutual Investment Services (Namibia)
(Proprietary) Limited
5th Floor, Mutual Platz
Post Street Mall, Windhoek
Namibia
(PO Box 25549, Windhoek, Namibia)

Transfer secretaries to Nedbank Group in South Africa

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

Independent professional expert

J.P. Morgan Chase Bank N.A. (Johannesburg branch)
(Registration number 2001/016069/10)
1 Fricker Road
Illovo
Johannesburg, 2196
(Private Bag X 9936, Sandton, 2146)

ACTION REQUIRED BY MEMBERS

The definitions and interpretations commencing on page 4 of this Circular have, where necessary, been used below.

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

1. If you are in any doubt as to what action you should take in relation to this Circular, please consult your broker, Participant, banker, attorney, accountant or other professional advisor immediately.
2. If you have disposed of all of your Ordinary Shares, please forward this Circular to the purchaser of such Ordinary Shares or to the broker, Participant, banker, attorney, accountant, professional advisor or other agent through whom the disposal was effected.
3. This Circular contains information relating to the placing of 12 855 359 (twelve million eight hundred and fifty-five thousand three hundred and fifty-nine) authorised but unissued Ordinary Shares under the authority and control of the Directors to issue and a lot such shares for the purposes of the Acquisition. You should read this Circular carefully and decide how you wish to vote on the Resolution to be proposed at the General Meeting (as set out and described in this Circular).
4. The General Meeting, to be convened in terms of the notice incorporated in this Circular, will be held at 09:00 on Friday, 5 June 2009, in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, 2196.
5. **If you hold dematerialised shares:**

5.1 Own-name registration:

You are entitled to attend in person, 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 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or by the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia) by no later than 09:00 on Wednesday, 3 June 2009 (or 24 hours before any adjourned meeting of which the date, if necessary, will be released on SENS and published in the South African press).

5.2 Other than own-name registration:

You are entitled to attend in person, or provided that you provide a letter of representation as set out below, be represented by proxy, at the General Meeting. If you do wish to attend or be represented at the General Meeting, your Participant or broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting. You must not however complete the attached form of proxy and must advise your Participant or broker timeously if you wish to attend, or be represented at the General Meeting.

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

6. **If you hold certificated 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 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or by the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia) by no later than 09:00 on Wednesday, 3 June 2009 (or 24 hours before any adjourned meeting of which the date, if necessary, will be released on SENS and published in the South African press).

TABLE OF CONTENTS

	Page
Corporate information and advisors	Inside front cover
Action required by members	1
Salient dates and times	3
Definitions and Interpretations	4
Circular to members of Nedbank Group	
1. Introduction	7
2. Nature of the Businesses	8
3. Rationale for the Transaction	9
4. Conditions precedent to the Transaction	9
5. Ancillary agreements and terms related to the transaction	10
6. Purchase consideration and effective date of the acquisition	10
7. Related party transaction	11
8. Articles	11
9. Unaudited <i>pro forma</i> financial effects of the transaction	11
10. Directors' responsibility statement	12
11. General meeting	12
12. Documents available for inspection	13
Annexure 1 Independent reporting accountants' report on the unaudited <i>pro forma</i> financial information	14
Notice of General Meeting	16
Form of proxy	Attached

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular have, where necessary, been used below.

2009

Circular posted to members on	Tuesday, 19 May
Forms of proxy for the General Meeting to be received by 09:00 on	Wednesday, 3 June
General Meeting scheduled to begin at 09:00	Friday, 5 June
Results of the General Meeting to be released on SENS on or about	Friday, 5 June
Results of the General Meeting to be published in the South African press on or about	Monday, 8 June

Notes:

1. The above dates and times are South African dates and times and are subject to amendment. Any such amendment will be released on SENS and published in the South African press.
2. Copies of this Circular, in English only, may be obtained at NGL's registered office, the details of which are set out in the Corporate Information and Advisors section of this Circular, during normal business hours from Tuesday, 19 May 2009 until Friday, 5 June 2009.

DEFINITIONS AND INTERPRETATIONS

In this Circular, 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.

'Acquisition'	The BoE Acquisition, NedLife Acquisition and the Fairbairn PB Acquisition
'Announcement'	the terms announcement published on SENS on 15 May 2009;
'Agreement(s)'	the various sale of share agreements, dated 14 May 2009 entered into, between members of the Old Mutual Group and Nedbank Group as they relate to the Acquisition in exchange for additional NGL shares to be held by the Old Mutual Group;
'Articles'	the memorandum and articles of association of the relevant entities;
'Assigned Rights and Obligations'	OMSA rights and obligations, pursuant to the participation agreement entered into between OMSA, Nedbank and NGL on or about October 2004, as amended, save for the accrued rights of OMSA to receive a dividend in the amount of R61 848 735,00 (sixty one million eight hundred and forty eight thousand seven hundred and thirty five Rand), which shall continue to be owing and payable by Nedbank to OMSA;
'BEE'	black economic empowerment;
'Board' or 'Directors'	the board of directors of NGL as at the last practicable date, the members of which are listed on page 7 of this Circular;
'BoE'	BoE (Proprietary) Limited (Registration number 1997/00963/07), a private company registered and incorporated in South Africa and Old Mutual Group's entitlement to 50% of the earnings of BoE Private Bank, a division of Nedbank;
'the BoE Acquisition'	the acquisition by NGL of 5 515 000 (five million, five hundred and fifteen thousand) ordinary shares constituting 50% of the ordinary shares in the issued share capital and claims on loan account of BoE, together with the Assigned Rights and Obligations;
'the Businesses'	collectively, BoE, Fairbairn PB and NedLife;
'business day'	a day other than a Saturday, Sunday or a public holiday in South Africa or Namibia, as the case may be;
'certificated member(s)'	member(s) who hold certificated share(s);
'certificated share(s)'	Ordinary Share(s) represented by certificate(s) or other physical document(s) of title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
'Circular'	this bound circular, dated Tuesday, 19 May 2009, incorporating the notice of General Meeting and form of proxy;
'Consideration Shares'	the 12 855 359 (twelve million eight hundred and fifty-five thousand three hundred and fifty-nine) Ordinary Shares proposed to be allotted and issued by NGL in respect to the Old Mutual Group as consideration for the Acquisition;
'Companies Act'	the South African Companies Act, 1973 (Act 61 of 1973), as amended;

'dematerialised share(s)'	those Ordinary Share(s) that have been incorporated into the Strate system and which are held on the Company's sub-ledger in electronic form in terms of the South African Securities Services Act, 2004 (Act 36 of 2004), as amended;
'EPS'	earnings per share;
'Fairbairn PB'	Fairbairn Private Bank Limited (Registration number 58094), a public company registered and incorporated in Jersey;
'the Fairbairn PB Acquisition'	the acquisition by NGL of 119 039 (one hundred and nineteen thousand and thirty nine) ordinary shares in Fairbairn PB constituting 29.8% of the ordinary shares of Fairbairn PB;
'The Fairbairn PB Name Licence Agreement'	The Fairbairn PB name licence agreement entered into between Old Mutual plc and Fairbairn PB on 18 December 2004;
'General Meeting'	a General Meeting of the Company to approve, with or without modification, the Resolution which is to be held at 09:00 on Friday, 5 June 2009 in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, 2196 or any adjournment thereof;
'HEPS'	headline earnings per share;
'IFRS'	International Financial Reporting Standards;
'J.P. Morgan' or 'Independent professional expert'	J.P. Morgan Chase Bank, N.A. (Johannesburg Branch) (Registration number 2001/016069/10), a company incorporated in accordance with laws of the State of New York, United States of America and registered as an external company in accordance with the company laws of South Africa;
'JSE'	JSE Limited (Registration number 2005/0222939/06), a public company registered and incorporated in South Africa and licensed as an exchange under the South African Securities Services Act, 2004 (Act 36 of 2004), as amended;
'KPMG' or 'Independent reporting accountants'	KPMG Inc, Chartered Accountants (SA) (Registration number 1999/021543/21);
'last practicable date'	the last practicable date prior to the finalisation of this Circular, being Wednesday, 13 May 2009;
'Licence Addendum'	an addendum to the Fairbairn PB Name Licence Agreement entered into between the Old Mutual Group and Fairbairn PB on 14 May 2009;
'Listings Requirements'	the JSE Listings Requirements, as amended from time to time;
'Master Distribution Agreement'	a master distribution agreement concluded between OMSA and NGL which governs the Distribution Agreements;
'members'	holders of Ordinary Shares on the register of members of the Company;
'NAV'	net asset value;
'Nedbank'	Nedbank Limited (Registration number 1951/000009/06), a public company registered and incorporated in South Africa and a wholly-owned subsidiary of Nedbank Group, all the issued Preference Shares of which are listed on JSE;
'Nedbank Capital'	Nedbank Capital, a division of Nedbank;
'NGL' or 'the Company'	Nedbank Group Limited (registration number 1966/010630/06), a public company registered and incorporated in South Africa, all the issued Ordinary Shares of which are listed on the JSE;
'Nedbank Group'	NGL and its subsidiaries from time to time;
'NedLife'	Nedgroup Life Assurance Company Limited (Registration number 1993/001022/06), a public company registered and incorporated in South Africa;

'the NedLife Acquisition'	the acquisition by NGL of 7 500 000 (seven million, five hundred thousand) class A ordinary shares constituting 50% of the class A ordinary shares in the issued share capital of Nedlife and 1 000 000 (one million) class B ordinary shares constituting 100% of the class B ordinary shares in the issued share capital of NedLife;
'non-executive directors'	non-executive directors of the Company;
'non-underwritten'	a credit life practice whereby no health oriented questions are asked and risks are mitigated through the use of pre-existing conditions clauses;
'NTAV'	net tangible asset value;
'Old Mutual Group'	Old Mutual plc and its subsidiaries from time to time, including Mutual & Federal Insurance Company Limited and its respective subsidiaries, but excluding the Company for the purposes of this Circular;
'Old Mutual Interest in the Businesses'	the direct shareholding, and any other entitlements, of members of the Old Mutual Group, in the ordinary shares of the Businesses, which is the subject of the BoE and NedLife Acquisition and the Fairbairn PB Acquisition respectively;
'Old Mutual plc'	Old Mutual plc (Registration number 03591559), a public company registered and incorporated in England and Wales, all the issued ordinary shares of which are listed on the London Stock Exchange, JSE and the Malawi, Zimbabwe and Namibian Stock Exchanges 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 E1/99);
'OMSA'	Old Mutual (South Africa) Limited (registration number 1998/012276/06), a public company registered and incorporated in South Africa;
'Ordinary Shares'	ordinary shares with a par value of R1.00 (one rand) each in the issued share capital of the Company;
'Participant'	a central securities depository participant, appointed by individual member(s) for the purpose of and in regard to dematerialisation in terms of the Securities Services Act, 2004 (Act 36 of 2004), as amended;
'Purchase Consideration'	the Consideration Shares for the Acquisition, to be issued and allotted to the Old Mutual Group;
'Rand' or 'R'	South African rand, the lawful currency of South Africa;
'Registrar of Banks'	in terms of the Banks Act, 1990;
'Registrar of Long-term Insurance'	in terms of the Long-term Insurance Act, 1998;
'register'	the register of holders of Ordinary Shares in the Company;
'Resolution'	the ordinary resolution to be proposed at the General Meeting for approval by the requisite majority of members of the Company authorising the Board to allot and issue the Consideration Shares;
'SENS'	the Securities Exchange News Service of JSE;
'South Africa'	the Republic of South Africa;
'Strate'	Strate Limited (registration number 1998/022242/06), a public company registered and incorporated in South Africa and the electronic settlement system for transactions that take place on JSE and offmarket trades;
'the Transaction'	collectively, the Acquisition and the conclusion of the Master Distribution Agreement and the Licence Addendum ;
'transfer secretaries'	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company registered and incorporated in South Africa and the transfer secretaries of the Company in South Africa; and



NEDBANK GROUP

Nedbank Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share code JSE: NED NSX: NBK ISIN: ZAE000004875

("NGL" or the "Company")

Directors of Nedbank Group

R J Khoza* (*Chairman*)

C J W Ball#

T A Boardman† (*Chief Executive Officer*)

M W T Brown† (*Chief Financial Officer*)

T C P Chikane‡

M A Enus-Brey*

B de L Figaji‡

R M Head* (*British*)

M M Katz‡

A de VC Knott-Craig‡

J B Magwaza‡

M E Mkwana‡

N P Mnxasana‡

M L Ndlovu‡

G T Serobe*

† Executive

* Non-executive

‡ Independent non-executive

Senior independent non-executive

CIRCULAR TO MEMBERS OF NEDBANK GROUP

1 INTRODUCTION

Members are referred to the Announcement in terms of which it was announced that NGL has agreed to acquire the Old Mutual Group's Interest in the Businesses in exchange for 12 855 359 Ordinary Shares. After the Acquisition has been implemented, the Businesses will become wholly-owned subsidiaries of NGL.

The Transaction consists of the Acquisition, as well as the conclusion of the following agreements:

- the Master Distribution Agreement; and
- the Licence Addendum.

The Board does not have the authority to issue the Consideration Shares in respect of the Acquisition. The purpose of this Circular is to convene the General Meeting at which the Resolution will be proposed for approval by the members of the Company to give the Board this authority and to provide members with information on the Acquisition.

Old Mutual Group has indicated that it is in favour of the proposed Resolution. Old Mutual Group intends to abstain from voting at the General Meeting in relation to the Resolution as it is a related party.

2 NATURE OF THE BUSINESSES

2.1 BoE

BoE is one of South Africa's largest private client wealth management houses, offering a fully integrated range of financial services and advice, including private and specialised banking, investment management, stockbroking and trust and fiduciary services to various niche markets.

BoE is a strong brand in the Southern African private client sector. It has assets under management and administration of approximately R64 billion as a result of a compound growth rate in excess of 21% per annum over the past five years. BoE has also shown strong headline earnings growth of 31% per annum over the same period, generating earnings after tax in 2008 of R183 million.

The longer-term prospects for growth are favourable; both as a result of the growth in the number of high net worth individuals and the opportunity to further leverage the strong high net worth client base that exists within Nedbank. This growth will be achieved by delivering on BoE's value proposition which is centred around best advice, unequalled service and outstanding investment management performance.

2.2 NedLife

NedLife is a life assurance company which provides non-underwritten credit life assurance and other simple risk and investment products primarily to Nedbank clients. A large proportion of NedLife's business is derived from the provision of life cover linked to Nedbank's lending activities. NedLife also sells credit life assurance through two of the largest mortgage originators in South Africa.

The success of NedLife is attributable to its access to and integration with Nedbank Group's existing systems. NedLife has relatively low client acquisition costs and an ability to package banking and assurance products into one client offering.

NedLife predominantly markets its range of credit protection, funeral and savings products to the mass and middle segments of the retail client base. It works closely with the banking channels to access and understand the needs of the client base to maximise distribution opportunities.

Over the last five years NedLife has increased its product range and penetration of sales into the Nedbank client base. Current penetration levels of non-underwritten product are now at industry norms. During 2008 NedLife generated annual premium income of R413,9 million, and earned R146 million in after tax earnings. NedLife's actuarially assessed embedded value at 31 December 2008 was R565,9 million.

In the longer term, further growth opportunities for NedLife lie in fully utilising the scope of its life licence, flexible systems and experienced skills base.

2.3 Fairbairn PB

Fairbairn PB is an award winning offshore private bank offering comprehensive transactional banking, credit, treasury, fiduciary and corporate services as well as execution and discretionary asset management. Its client base consists of high-net-worth individuals, professional intermediaries, non-trading companies, trusts, governments and institutional investors.

Fairbairn PB has operations in Jersey, Isle of Man and London with a representative office in South Africa. It has applied for a representative office licence in Dubai to cover the United Arab Emirates zone.

Fairbairn PB currently has a credit rating of A3/P2 from Moodys.

Fairbairn PB has received numerous awards including "Top 100 United Kingdom Best Small Companies to work for" for five consecutive years, Best International Private Bank for seven consecutive years and the maximum three star United Kingdom Best Companies accreditation. Much of its success in the high-net-worth private client markets stems from its 'single client view' systems, which integrate client information and are able to report across all its product ranges.

Year-on-year earnings growth for Fairbairn PB in the seven years since the joint acquisition by the Old Mutual Group and the Nedbank Group has averaged 15% per annum compounded, generating £8.8 million in after tax earnings in 2008. Fairbairn PB has a Net Asset Value of £57.2 million at 31 December 2008 and manages assets on behalf of clients to the value of approximately £136 million.

Fairbairn PB's principal future growth strategies revolve around the development of its new London branch, extended access to Nedbank clients, and the continued development of its existing international operations.

3 RATIONALE FOR THE TRANSACTION

The current shareholdings in BoE and NedLife jointly held between NGL and the Old Mutual Group were acquired in 2003 when NGL acquired BoE Limited. Fairbairn PB was acquired by NGL and the Old Mutual Group during the course of 2001. NGL presently owns 70.2% of Fairbairn PB and the Old Mutual Group owns the residual shareholding. The Businesses have grown rapidly since these changes in shareholding and have established themselves in their respective markets.

Although these Businesses have been governed as joint ventures during the period of joint ownership, Nedbank has been responsible for the day-to-day management, operational and reputational risk for the Businesses since inception of the joint shareholdings. As a result, NGL considers that there is limited implementation risk associated with the Acquisition.

Both NGL and the Old Mutual Group believe that better value for both parties can be achieved through relinquishing the joint-venture approach to these Businesses and allowing focused management and governance.

The sale by the Old Mutual Group of its interests in the Businesses to NGL, will allow the Old Mutual Group to swap its interests in the Businesses currently managed by Nedbank for additional shares in NGL, thereby simplifying the structure of its interests in the Nedbank Group and increasing its holding in NGL by approximately 1.3% post the Acquisition.

The benefits to Nedbank of acquiring 100% ownership in the Businesses are as follows:

In general terms, the Acquisition of the Businesses will allow Nedbank to:

- simplify and focus its group structure and create a substantive, wholly-owned Bancassurance and Wealth division;
- facilitate the natural flow and segmentation of clients, products and services provided by these Businesses to and from the wider Nedbank group;
- extend the scope and range of products that Nedbank will sell to its clients in future, particularly in the competitive Bancassurance market; and
- acquire a diverse stream of non-banking income which will increase NGL's non interest revenue.

In relation to the BoE Acquisition and Fairbairn PB Acquisition, these businesses are complementary to each other. BoE, as a large South African private client wealth manager, provides services to its high net worth clients, both domestically and internationally. Fairbairn PB, by virtue of its geographic presence and full service international offering, is well positioned to service these clients through its existing operations in London, Jersey and Isle of Man. By constituting BoE and Fairbairn PB as wholly owned subsidiaries, the Nedbank Group will facilitate the integration necessary to provide a highly competitive international client value proposition to the high-net-worth market.

In relation to the Nedbank's Bancassurance strategy:

- traditionally credit life products are closely linked to the extension of bank credit within the banking industry. NedLife has previously not extended its business materially beyond credit life and its products have been limited to low value sums assured. The full ownership of NedLife without existing product mandate limitations will enable it to selectively extend its products and to service higher sums assured, thereby deriving further value from life assurance sold into the Nedbank client base; and
- the constitution of NedLife as a wholly owned subsidiary will allow Nedbank to benefit from all cross-selling efforts emanating from banking business and align itself with competitor Bancassurance models in the industry.

4 CONDITIONS PRECEDENT TO THE ACQUISITION

The conditions precedent pertaining to the Acquisition are set out below.

The BoE Acquisition and NedLife Acquisition are inter-conditional.

4.1 The BoE Acquisition is conditional upon the following suspensive conditions being fulfilled, namely:

to the extent it may be required, the approval of:

4.1.1 the JSE;

4.1.2 the Registrar of Banks; and

4.1.3 the conclusion of the Master Distribution Agreement

At the last practicable date, all the above conditions have been fulfilled.

4.2 The NedLife Acquisition is conditional upon the following suspensive conditions being fulfilled, namely: to the extent it may be required, the approval of:

4.2.1 the JSE;

4.2.2 the Registrar of Banks;

4.2.3 the Registrar of Long-Term Insurance; and

4.2.4 the conclusion of the Master Distribution Agreement

At the last practicable date, the conditions in 4.2.1, 4.2.2 and 4.2.4 have been fulfilled.

4.3 The Fairbairn PB Acquisition is conditional upon the following suspensive conditions being fulfilled, namely: to the extent it may be required, the approval of:

4.3.1 the South African exchange control authorities;

4.3.2 the South African Registrar of Banks;

4.3.3 the Jersey Financial Services Commission; and

4.3.4 the Isle of Man Financial Supervision Commission

At the last practicable date, the conditions in 4.3.1 and 4.3.2 have been fulfilled.

In addition, the Acquisition is also subject to a specific authority being granted to the board of directors of NGL by its members at the General Meeting, to enable it to allot and issue the Consideration Shares

The Fairbairn PB Acquisition may be implemented independently of the BoE Acquisition and the NedLife Acquisition. In that case, the number of Consideration Shares to be allotted and issued will be 2 697 640 Ordinary Shares. The BoE Acquisition and the NedLife Acquisition must be implemented together but can be implemented independently of the Fairbairn PB Acquisition. In that case, the number of Consideration Shares to be allotted and issued will be 6 200 669 Ordinary Shares in respect of the BoE Acquisition and 3 957 050 Ordinary Shares in respect of the NedLife Acquisition.

5 ANCILLARY AGREEMENTS AND TERMS RELATED TO THE TRANSACTION

By virtue of the fact that the Businesses have been managed by the Nedbank Group, the Old Mutual Group does not give to NGL any warranties or representations relating to the Businesses, save that it is the beneficial owner of the shares to be acquired and that it is able to give free and unencumbered title to such shares to NGL.

A Master Distribution Agreement has been entered into which seeks to facilitate the business co-operation pertaining to the cross selling and distribution of products. The Master Distribution Agreement requires that the Old Mutual Group and NGL continue to co-operate in distributing each other's products, subject to the best interests of their respective clients being served.

Fairbairn PB is granted a licence for the use of the name "Fairbairn Private Bank" in terms of the existing Fairbairn PB Name Licence Agreement between Fairbairn PB and the Old Mutual Group. The Licence Addendum extends the rights of Fairbairn PB to use this name.

6 PURCHASE CONSIDERATION AND EFFECTIVE DATE OF THE ACQUISITION

The Purchase Consideration for the Acquisition is to be issued and allotted to the Old Mutual Group. The effective date of the NedLife Acquisition and the BoE Acquisition, will be the 5th day following the fulfilment (or waiver in writing if applicable) of the last of the conditions precedent to be fulfilled or waived. The effective date of the Fairbairn PB Acquisition will be the 5th day following the fulfilment (or waiver in writing if applicable) of the last of the conditions precedent to be fulfilled or waived.

7 RELATED PARTY TRANSACTION

Because of the relationship between NGL and the Old Mutual Group, this Acquisition is a small related party transaction in terms of JSE Listings Requirements. However, the JSE does not require the approval of shareholders if a transaction is a small related party transaction should the terms and conditions thereof be found to be fair.

In order to comply with the Listings Requirements, NGL was required to obtain a fairness opinion from an independent professional expert.

J.P. Morgan, acting as independent professional expert, has advised that they consider the Acquisition to be fair to the members of NGL and have advised the board of directors of NGL accordingly. Since J.P. Morgan consider the Acquisition to be fair, shareholder approval for this Acquisition is not required.

The signed fairness opinion by J.P. Morgan will be available for inspection during normal business hours at NGL's registered office for 28 days from the date of the Announcement.

8 ARTICLES

The BoE and NedLife Articles do not currently comply with Schedule 10 of the Listings Requirements pertaining to the content of articles for subsidiary companies of listed entities, and NGL will procure that these are amended or replaced so as to comply with the Listings Requirements.

9 UNAUDITED *PRO FORMA* FINANCIAL EFFECTS OF THE TRANSACTION

The table below sets out the unaudited *pro forma* financial effects of the Acquisition on NGL members. These financial effects are for illustrative purposes only, to provide information about how the Acquisition may affect the financial information presented by NGL and due to their *pro forma* nature, may not give a true reflection of NGL's financial position. These financial effects are the responsibility of the Directors of NGL.

	Before the Acquisition ⁽¹⁾	<i>Pro forma</i> adjustments	After the Acquisition ⁽²⁾	change %
EPS (cents)	1 581	113	1 694	7.15
EPS (cents) – diluted	1 558	110	1 668	7.06
HEPS (cents)	1 422	(6)	1 416	(0.42)
HEPS (cents) – diluted	1 401	(6)	1 395	(0.43)
NAV per share (cents)	8 521	126	8 647	1.47
NTAV per share (cents)	7 179	(249)	6 930	(3.47)
Number of shares in issue (million)	409.7	12.9	422.6	3.14
Weighted average number of shares in issue (million)	405.1	12.9	418.0	3.18
Diluted weighted average number of shares in issue (million)	411.5	12.9	424.4	3.13

Notes:

- 1 Based on IFRS audited consolidated financial information of the Company for the year ended 31 December 2008.
- 2 In calculating the *pro forma* effects on EPS, diluted EPS, HEPS, diluted HEPS, NAV and NTAV it was assumed that the Acquisition was implemented on 31 December 2008 for balance sheet purposes and 1 January 2008 for income statement purposes.
- 3 The NGL share price per ordinary share used to quantify the purchase consideration for the Transaction was R86.00, being the closing share price on 13 May 2009.
- 4 The purchase price allocation required in terms of IFRS (3) *Business Combinations*, is an estimate arrived at by NGL and has not yet been reviewed by NGL's joint auditors.
- 5 The Transaction results in the recognition of total goodwill of R1 114 million and intangibles assets of R639 million across the Businesses.
- 6 BoE and NedLife, which were previously accounted for as associates, are now accounted for as subsidiaries and are fully consolidated. The valuation placed on the net assets of BoE and NedLife as a result of this Acquisition's purchase consideration for these entities results in a once off recognition of a capital profit of R602 million and a corresponding deferred tax liability of R84 million.
- 7 As a result of Fairbairn PB already being controlled by the Company, the acquisition of the remaining shares in Fairbairn PB results in a reduction of all minority interests related to Fairbairn PB. The excess portion of the purchase consideration paid in excess of the minority interest has been recognised directly in equity.
- 8 The costs incurred and directly associated with the completion of the Transaction amount to approximately R3.5 million, or 0.3% of the aggregate purchase consideration and have not been included in the *pro forma* effects.

The text of the independent reporting accountants' report on the above unaudited *pro forma* financial effects, is contained in Annexure 1 to this Circular.

10 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of NGL, whose names are set out on page 7 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given herein and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the Listings Requirements.

11 GENERAL MEETING

11.1 Notice of General Meeting

A notice convening the General Meeting is attached to this Circular. The General Meeting will be held in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, on Friday, 5 June 2009 commencing at 09:00.

11.2 Dematerialised, other than own-name members

If you have not been contacted by your Participant or broker, it would be advisable for you to contact your Participant or broker and furnish them with your instructions. If your Participant or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. Such holders of dematerialised Ordinary Shares, other than own-name dematerialised NGL members, must **not** complete the attached form of proxy. Unless you advise your Participant or broker in the manner and cut-off time stipulated by your Participant or broker, that you wish to attend the General Meeting or send a proxy to represent you at the General Meeting, your Participant or broker will assume you do not wish to attend the General Meeting or send a proxy. If you wish to attend the General Meeting, you must request your Participant or broker to issue the necessary letter of representation to you, to enable you to attend or be represented at the General Meeting.

11.3 Dematerialised own-name members and certificated members

If your Ordinary Shares have been dematerialised but are recorded in the register of NGL in your own name or if your Ordinary Shares have not been dematerialised you can attend and vote at the General Meeting. If you 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, to be received by no later than 09:00 on Wednesday, 3 June 2009 (or 24 hours before any adjourned General Meeting which date, if necessary, will be notified on SENS and in the press). A form of proxy for use by own-name NGL members and certificated NGL members only, at the General Meeting is included with this Circular. Instructions for its completion and lodging with the transfer secretaries are contained on the form.

11.4 Approval by members

The placing of 12 855 359 Ordinary Shares in the authorised, but unissued share capital of the Company under the authority and control of the Directors, is subject to approval by ordinary resolution passed by at least 50% of NGL members present or represented by proxy at the General Meeting and entitled to vote.

11.5 Voting rights

All the issued Ordinary Shares rank *pari passu* with each other.

At the General Meeting, every NGL member present or represented by proxy at the General Meeting shall have one vote on a show of hands, and on a poll, one vote for every Ordinary Share held.

Further to the small related party transaction referred to in paragraph 8 of this Circular, Old Mutual Group intends to abstain from voting at the General Meeting in relation to the Resolution as set out in the notice of General Meeting attached hereto.

12 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection during normal business hours at NGL's registered office until the date of the General Meeting, being Friday, 5 June 2009, save for the J.P. Morgan fairness opinion which will be available for inspection until Friday, 12 June 2009.

- the signed fairness opinion issued by J.P. Morgan on Monday, 11 May 2009;
- the Master Distribution Agreement; and
- the written consents of the appointed professional advisors whose details are set out on the inside cover of this circular.

By order of the Board

GS Nienaber

Company Secretary

Tuesday, 19 May 2009

Nedbank Group Limited

(Registration number 1966/010630/06)

Registered office:

135 Rivonia Road

Sandown, Sandton 2196

South Africa

(PO Box 1144, Johannesburg, 2000)

Telephone +27 (0)11 294 9106

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

The Directors
Nedbank Group Limited
135 Rivonia Road
Sandown
2196

13 May 2009

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL EFFECTS

Introduction

We have performed our assurance engagement with regard to the unaudited *pro forma* financial effects of Nedbank Group Limited ("NGL") set out in paragraph 10 of this circular to be dated 19 May 2009, ('Circular') issued in connection with the proposed acquisition by NGL of Old Mutual plc and its subsidiaries' interest in various Businesses jointly held within Nedbank Group ('the Acquisition').

The *pro forma* financial information has been prepared for purposes of complying with the requirements of the JSE Limited ("JSE"), for illustrative purposes only, to provide information about how the Acquisition might have affected the reported financial information had the Acquisition been undertaken on 1 January 2008 for income statement purposes and on 31 December 2008 for balance sheet purposes.

Because of its nature, the *pro forma* financial information may not present a fair reflection of the financial position, or results of operations of NGL, after the Acquisition.

Directors' responsibility

The directors of NGL are solely responsible for the compilation, contents and presentation of the *pro forma* financial information contained in this Circular and for the financial information from which it has been prepared.

Their responsibility includes determining that the *pro forma* financial information contained in this Circular has been properly compiled on the basis stated, the basis is consistent with the accounting policies of NGL and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express a limited assurance conclusion on the *pro forma* financial information included in this Circular. We conducted our limited 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 Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants.

This standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate audit evidence to support our limited assurance conclusion, expressed below.

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 historical financial information of NGL with the source documents, considering the *pro forma* adjustments in light of the accounting policies of NGL, considering the evidence supporting the *pro forma* adjustments, recalculating the amounts based on the information obtained and discussing the *pro forma* financial information with the directors of NGL.

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

Whilst our work performed involved an analysis of the financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information undertaken in accordance with the International Standards on Auditing or the 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 that our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Opinion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that in terms of Section 8.17 and 8.30 of the JSE Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated,
- such basis is inconsistent with the accounting policies of NGL, 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.

Consent

We consent to the inclusion of this letter and the reference to our opinion in this Circular to be issued by NGL in the form and context in which it appears.

Yours faithfully

KPMG Inc

Per Mickey Bove
Chartered Accountant (SA)
Registered Auditor
Director



NEDBANK GROUP

Nedbank Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share code JSE: NED NSX: NBK ISIN: ZAE000004875

("Nedbank Group" or the "Company")

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of members of the Company will be held at 09:00 on Friday, 5 June 2009 in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, 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 members holding Ordinary Shares as envisaged in the Resolution set out in this notice of General Meeting), the ordinary resolution set out in this notice of General Meeting.

ORDINARY RESOLUTION

RESOLVED THAT, without derogating from the general authority authorising the issue of shares in the authorised, but unissued, share capital of the Company for purposes of the Company's BEE transaction approved in 2005, the NedNamibia BEE transaction approved in 2006, any scrip dividend and/or capitalisation share award, carrying out the terms of the Company's share incentive schemes and any alternative coupon settlement mechanism relating to issues of the Company's Tier 1 hybrid debt capital instruments, granted at the Nedbank Group Limited Annual General Meeting held on 14 May 2009, a further 12 855 359 (twelve million, eight hundred and fifty five thousand, three hundred and fifty nine) ordinary shares in the authorised, but unissued, share capital of the Company be placed under the authority and control of the directors, by way of specific authority under section 221 of the Companies Act, 61 of 1973, as amended or re-enacted, (the "Companies Act") to allot and issue all or some of such shares on the terms and conditions set forth in the agreements tabled at the meeting and initialled for identification by the Chairperson, subject to the provisions of the Companies Act, the Banks Act, 94 of 1990, as amended, and the JSE Limited Listings Requirements.

Voting and proxies

Members who hold Ordinary Shares are entitled to attend and vote at the General Meeting, or may appoint a proxy or proxies to attend, speak and vote in their stead. A proxy need not be a member of the Company. On a show of hands a member present in person or by proxy is entitled to one vote irrespective of the number of Ordinary Shares he/she holds or represents, provided that a proxy will only have one vote irrespective of the number of members he/she represents.

On a poll, a member 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 Ordinary Shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company and carrying the right to vote.

A dematerialised member should furnish his/her Participant or broker with his/her instructions for voting at the General Meeting. If a Participant or broker does not obtain instructions from members, they will be obliged to act in terms of the mandate furnished to them. A dematerialised member, other than an "own name" dematerialised member must NOT complete the attached form of proxy. Unless dematerialised members advise his/her/its Participant or broker in the manner and time stipulated in the agreement between him/her/its and his/her/its Participant or broker that he/she/it wishes to attend the General Meeting or send a proxy, the Participant or broker will assume that he/she/it does not wish to attend the General Meeting or send a proxy. If a dematerialised member wishes to attend the General Meeting, he/she/it is required to request that his/her/its Participant or broker issue the necessary letter of representation to him/her/it to enable him/her/it to attend and vote at the General Meeting.

Dematerialised members holding dematerialised shares in their own name, or certificated members, who are unable to attend the General Meeting and wish to be represented thereat, must complete the attached form of proxy in accordance with the instructions therein and lodge it with or post it to the transfer secretaries:

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 61051
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 by no later than 09:00 on Wednesday, 3 June 2009 (or 24 hours before any adjourned meeting of which the date, if necessary, will be released on SENS and published in the South African press).

By order of the Board

GS Nienaber

Company Secretary

Tuesday, 19 May 2009

Nedbank Group Limited

(Registration number 1966/010630/06)

Registered Office:

135 Rivonia Road
Sandown, Sandton 2196
South Africa
(PO Box 1144, Johannesburg, 2000)
Telephone +27 (0)11 294 9106



NEDBANK
GROUP

Nedbank Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1966/010630/06)
Share code JSE: NED NSX: NBK ISIN: ZAE000004875
("NGL" or the "Company")

FORM OF PROXY

For use by certificated members or dematerialised members registered with own-name registration only, at the General Meeting of members to be held at 09:00 on Friday, 5 June 2009 in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton ("General Meeting").

Dematerialised members who are not own-name registered members, must inform his/her/its Participant or broker of his/her/its intention to attend the General Meeting and request his/her/its Participant or broker to issue his/her/it with the necessary letter of Representation to attend the General Meeting in person and vote or provide his/her/it Participant or broker with his/her/its voting instructions should they not wish to attend the General Meeting in person. Dematerialised members who are not own-name registered members should not use this form of proxy, but must contact his/her/its Participant or broker as the Company will take no responsibility for members who do not contact his/her/it Participant or broker timeously.

I/We (full name/s in BLOCK LETTERS)

of (address)

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 chairperson 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 ordinary resolution to be proposed thereat and at each adjournment thereof; and to abstain from voting for and/or against such resolution in respect of the Ordinary Shares registered in my/our name in accordance with the following instructions:

Resolution	For	Against	Abstain
Ordinary resolution			

Signed at _____ on _____ 2009

Signature _____

Assisted by (where applicable) _____

Each member is entitled to appoint one or more proxies (who need not be a member) to attend, speak and vote in place of that member in the Company at the General Meeting.

Please read the notes on the reverse hereof.

Notes to form of proxy:

1. Each certificated member and own-name registered dematerialised member is entitled to appoint one or more proxies (who need not be certificated members or own-name registered dematerialised members) to attend, speak and vote in place of the member at the General Meeting.
2. A certificated member and an own-name registered dematerialised member may insert the name of a proxy or the names of two alternative proxies of the certificated member and own-name registered dematerialised member's choice in the space provided, with or without deleting the chairperson 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 member's and own-name registered dematerialised member's instructions to the proxy have to be indicated by the insertion of the relevant number of votes exercisable by that certificated member and own-name registered dematerialised member in the appropriate box provided. Failure to comply with this shall be deemed to authorise the chairperson of the General Meeting, if the chairperson is the authorised proxy, to vote in favour of the Resolution 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 member's and own-name registered dematerialised member's votes exercisable thereat.
4. A certificated member and own-name registered dematerialised member or his/her proxy is not obliged to vote in respect of all the Ordinary Shares held by such certificated member and own-name registered dematerialised member or represented by such proxy, but the total number of votes for or against the ordinary resolution and in respect of which any abstention is recorded may not exceed the total number of votes to which the certificated member and own-name registered dematerialised member or his/her/its 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 transfer secretaries or waived by the chairperson of the General Meeting.
6. The chairperson 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 member and own-name registered dematerialised member 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 member and own-name registered dematerialised member wish to do so.
9. Forms of proxy have to be lodged with or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia) by no later than 09:00 on Wednesday, 3 June 2009 (or 24 hours before any adjourned meeting of which the date, if necessary, will be released on SENS and published in the South African press). This form of proxy is to be completed only by those certificated members and own-name registered dematerialised members who are:
 - holding Ordinary Shares in certificated form; or
 - recorded in the sub-register in dematerialised electronic form in their own name.

Holders of Ordinary Shares (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, Participant 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 by a Participant or broker are concerned, this will be guided by the terms of the agreement entered into with the Participant or broker.