



NEDBANK GROUP LIMITED

(Incorporated in the Republic of South Africa)
 Registration number: 1966/010630/06
 JSE share code: NED
 NSX share code: NBK
 ISIN: ZAE000004875
 ('Nedbank Group')

NEDBANK GROUP TO PROCEED WITH AN ODD-LOT OFFER TO NEDBANK GROUP SHAREHOLDERS HOLDING LESS THAN 100 NEDBANK GROUP SHARES

Introduction and rationale

Nedbank Group shareholders are referred to the Nedbank Group announcement published on SENS on Wednesday, 26 September, 2018 confirming the decision by Old Mutual Limited ('OML') to implement the unbundling of a significant portion of its shareholding in Nedbank Group to OML shareholders (the 'Unbundling') today, Monday, 15 October, 2018 and Nedbank Group's intention to implement an odd-lot offer following the Unbundling.

As a result of the Unbundling, Nedbank Group, as of today, has a significantly larger number of shareholders (increasing from approximately 20 000 to approximately 500 000 shareholders), of which the vast majority hold less than 100 Nedbank Group ordinary shares ('Odd-lot Holders'). The aggregate shareholding in Nedbank Group of the Odd-lot Holders is estimated to be 1,5% of Nedbank Group ordinary shares in issue ('Odd-lot Holdings').

The board of directors of Nedbank Group has resolved to proceed with the implementation of an odd-lot offer to repurchase the Odd-lot Holdings from the Odd-lot Holders ('Odd-lot Offer'). The Odd-lot Offer will provide Odd-lot Holders with the ability to dispose of their Odd-lot Holdings on an efficient basis, and will provide liquidity for those Odd-lot Holders who elect to sell their Odd-lot Holdings or who make no election. For Nedbank Group it will, *inter alia*, reduce the complexity and ongoing administration costs associated with a significantly larger shareholder base including a sizeable number of Odd-lot Holders.

Odd-lot Holders can elect to retain their Odd-lot Holdings or sell their Odd-lot Holdings at the Offer Price. Those Odd-lot Holders who do not make an election by 12:00 (SA time) on Friday, 14 December, 2018 will automatically be regarded as having accepted the Odd-lot Offer and chosen to dispose of their Odd-lot Holdings.

Key terms of the Odd-lot Offer

The Odd-lot Offer will be subject to Nedbank Group shareholder approval ('Shareholder Approval') in accordance with the timelines set out below.

Should Odd-lot Holders elect to sell their Odd-lot Holdings, or not make an election, Nedbank Group will implement the Odd-lot Offer at a 5% premium to the 10-day volume-weighted average price ('VWAP') of a Nedbank Group ordinary share at the close of business on Monday, 3 December, 2018 ('Offer Price'). The Odd-lot Offer is a standard corporate action undertaken by JSE-listed companies and is permitted in terms of Nedbank Group's memorandum of incorporation.

Circular and notice of general meeting

For Nedbank Group to implement the Odd-lot Offer, the board is seeking approval from Nedbank Group shareholders to implement the Odd-lot Offer, and is therefore convening a general meeting of shareholders ('General Meeting'), to be held in the Indaba Room, Upper Ground Floor, H Block, Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196, on Thursday, 22 November, 2018 at 08:30 (SA time), at which all shareholders will be entitled to vote on the resolutions required to implement the Odd-lot Offer. A circular ('Circular') containing details of the Odd-lot Offer, together with a notice of General Meeting, will be posted to Nedbank Group shareholders on Wednesday, 24 October, 2018.

Odd-lot Offer mechanics

Following receipt of Shareholder Approval, the Odd-lot Offer will open and, if you are an Odd-lot Holder, you must decide either:

- to sell your Odd-lot Holding to Nedbank Group at the Offer Price; or
- to retain your Odd-lot Holding.

If you wish to retain your Nedbank Group ordinary shares, you must specifically make an election to do so. Those Odd-lot Holders who do not make an election will automatically be regarded as having accepted the Odd-lot Offer and chosen to dispose of their Nedbank Group ordinary shares to Nedbank Group and will receive the cash consideration, being the Odd-lot Holding multiplied by the Offer Price ('Cash Consideration').

Salient dates and times

	2018
Announcement relating to the Odd-lot Offer and the issue of the Circular (together with the notice of General Meeting) released on SENS	Monday, 15 October
Announcement relating to the Odd-lot Offer and the issue of the Circular (together with the notice of General Meeting) published in the press	Tuesday, 16 October
Record date to determine which Nedbank Group shareholders are eligible to receive the Circular	Friday, 19 October
Circular (together with the notice of General Meeting) posted to Nedbank Group shareholders	Wednesday, 24 October
Last day to trade to be entitled to attend and vote at the General Meeting	Tuesday, 13 November
Record date to be entitled to vote and participate in the General Meeting	Friday, 16 November
General Meeting to be held at 08:30 (SA time)	Thursday, 22 November
Results of General Meeting released on SENS	Thursday, 22 November
Results of General Meeting published in the press	Friday, 23 November
If the resolutions are passed at the General Meeting the Odd-lot Offer opens at 09:00 (SA time)	Friday, 23 November
Finalisation announcement (including the Offer Price) released on SENS before 11:00 (SA time) on or before	Tuesday, 4 December
Finalisation announcement (including the Offer Price) published in the press	Wednesday, 5 December
Last day to trade to participate in the Odd-lot Offer	Tuesday, 11 December
Shares trade ex the Odd-lot Offer	Wednesday, 12 December
Record date for the Odd-lot Offer. Odd-lot Offer closes at 12:00 (SA time)	Friday, 14 December

	2018
Dematerialised Odd-lot Holders who have accepted the Odd-lot Offer or are deemed to have accepted the Odd-lot Offer will have their accounts held at their CSDP or broker credited with the Cash Consideration	Tuesday, 18 December
Payments of the Cash Consideration to certificated Odd-lot Holders who have accepted the Odd-lot Offer	Tuesday, 18 December
Results of the Odd-lot Offer released on SENS	Tuesday, 18 December
Results of the Odd-lot Offer published in the press	Wednesday, 19 December
Cancellation and termination of listing of Nedbank Group ordinary shares repurchased in terms of the Odd-lot Offer expected on or about	Friday, 21 December

Notes

- These salient dates and times are subject to amendment. Any such amendments will be released on SENS.
- All times quoted are local times in South Africa.
- Those Odd-lot Holders who do not make an election will automatically be regarded as having chosen to sell their Nedbank Group ordinary shares to Nedbank Group and receive the Cash Consideration.**
- Shareholders may not dematerialise or rematerialise their Nedbank Group ordinary shares after the last day to trade, being Tuesday, 11 December, 2018 to Friday, 14 December, 2018, both dates inclusive.

Financial impact of the Odd-lot Offer

The Odd-lot Offer is not expected to have any other significant financial impact on Nedbank Group. For illustrative purposes, and based on historical information, if Nedbank Group had to implement the Odd-lot Offer based on:

- existing Nedbank Group Shareholders who have Odd-lot Holdings of approximately 298 300 Nedbank Group ordinary shares; and
- assumed additional Odd-lot Holdings, post the Unbundling, of approximately 7 293 000 Nedbank Group ordinary shares,

the maximum number of Nedbank Group ordinary shares to be repurchased in terms of the Odd-lot Offer would amount to 7 591 300 Nedbank Group ordinary shares.

Based on the maximum number of Nedbank Group ordinary shares being repurchased, the financial impact on Nedbank Group if the Odd-lot Offer is funded in full from existing cash resources will be as follows:

- assuming an Offer Price of R276.01 per Nedbank Group ordinary share, which is based on the VWAP of a Nedbank Group ordinary share on the JSE over the 10 trading days to 28 September, 2018, plus a 5% premium, a reduction of Nedbank Group's cash resources of R2.095 billion;
- a reduction of the total equity of Nedbank Group by R2.119 billion (which includes estimated expenses relating to the Odd-lot Offer of approximately R24.7 million); and
- an estimated 40 basis points impact (12.4% to 12.0%) on Nedbank Group's common equity tier 1 ratio at 30 June, 2018.

Tax considerations

The Cash Consideration will be distributed as a return of capital by Nedbank Group, and will be paid out of 'contributed tax capital' as defined in section 1 of the South African Income Tax Act, 58 of 1962, as amended. The Cash Consideration will therefore not be regarded as a dividend for South African tax purposes, but as proceeds on the disposal of Nedbank Group ordinary shares.

Odd-lot Holders should seek independent advice from appropriate professional advisors about their tax position and in particular to confirm how the applicable tax legislation applies in their specific personal circumstances.

Sandton
 15 October 2018

Financial advisors to Nedbank Group



Deutsche Bank
 Deutsche Securities (SA) Proprietary Limited
(A non-bank member of the Deutsche Bank Group)



Sponsor to Nedbank Group in Namibia

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

Sponsors to Nedbank Group



Merrill Lynch
 A subsidiary of
 Bank of America Corporation

Legal advisors to Nedbank Group



The Odd-lot Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of the national securities exchanges of a 'Restricted Jurisdiction' (being any jurisdiction in which it is illegal or otherwise unlawful for the Odd-lot Offer to be made or accepted, including (without limitation) Australia, Canada, Japan and the United States) and the Odd-lot Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, neither copies of the Circular nor any related documentation are being or may be mailed or otherwise distributed or sent in or into or from a Restricted Jurisdiction, and if received in any Restricted Jurisdiction, should be treated as being received for information purposes only.

The information contained herein does not constitute a distribution, an offer to sell or the solicitation of an offer to buy any Nedbank Group securities in any jurisdiction in which such distribution or offer is not authorised. In particular, the information herein is not for distribution and does not constitute an offer to sell or the solicitation of any offer to buy any Nedbank Group securities in the United States of America or to or for the benefit of any US Person as such term is defined under the United States Securities Act of 1933, as amended.

Nothing contained herein should be construed as constituting tax or legal advice.