



NEDBANK LIMITED

(Incorporated with limited liability under registration number 1951/000009/06 in the Republic of South Africa)

ZAR15,000,000,000 CREDIT-LINKED NOTE PROGRAMME

Issue of ZAR100,000,000 Credit-Linked Notes

This document constitutes the Pricing Supplement relating to the Issue of the Tranche of Notes described herein.

This Pricing Supplement must be read in conjunction with the Consolidated Programme Memorandum, dated 24 May 2010, prepared by Nedbank Limited ("Issuer") in connection with the Nedbank Limited ZAR15,000,000,000 Credit-Linked Note Programme dated 26 June 2009, as amended and/or supplemented from time to time ("Programme Memorandum"). The Programme Memorandum was approved by the JSE Limited ("JSE") on 24 May 2010.

Any capitalised terms not defined in this Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "Terms and Conditions of the Notes" "Terms and Conditions". References to any Condition in this Pricing Supplement are to that Condition of the Terms and Conditions.

To the extent that there is any conflict or inconsistency between the provisions of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

JSE Debt Listings Requirements

References to the "JSE Debt Listings Requirements" in this Pricing Supplement are to the JSE Debt Listings Requirements published by the JSE and set out in Bulletin 1 of 2014 (13 January 2014), as amended by Board Notice 138 of 2014 published in *Government Gazette* No. 38224 of 21 November 2014, and as further amended and/or supplemented from time to time. Board Notice 138 of 2014 came into effect on 22 December 2014.

Amendments to the Banks Act, 1990

The amended Regulations Relating to Banks (which came into operation on 1 January 2013) published as No. R. 1029 in *Government Gazette* No. 35950 of 12 December 2012 ("Regulations Relating to Banks") provide, among other things, for the partial implementation of the Basel III Accord in South Africa and the requirements with which specified categories of instruments and/or shares must comply in order for the proceeds of the issue thereof to qualify for inclusion in the regulatory capital of banks.

The Banks Amendment Act, 2013, published in *Government Gazette* No. 37144 of 10 December 2013, amended the Banks Act, 1990 to provide (together with the Regulations Relating to Banks) for the full implementation of the Basel III Accord in South Africa (such amended Banks Act, 1990, as thereafter supplemented and/or amended from time to time, being the "Banks Act").

Risk Factors and South African Taxation

The section of the Programme Memorandum headed "Risk Factors" ("Risk Factors") sets out certain investment considerations and risks.

Annexure "A" to this Pricing Supplement headed "Risk Factors and South African Taxation" ("Annexure "A") (i) supplements and updates certain of the Risk Factors insofar as such Risk Factors (and/or any additional risk factors) relate to the Basel III Accord and the Notes and (ii) updates the section of the Programme Memorandum headed "South African Taxation" in respect of, among other things, the Basel III Accord and the Notes.

Annexure "A" must be read in conjunction with the Programme Memorandum as at the Issue Date ("Current Programme Memorandum") and this Pricing Supplement. To the extent that there is any conflict or inconsistency between the provisions of Annexure "A" and the Current Programme Memorandum, the provisions of Annexure "A" shall prevail.

Certain definitions from the 2014 ISDA Credit Derivatives Definitions published by the International Swaps and Derivatives Association Inc. (ISDA) have expressly been incorporated by reference into Item D below of this Pricing Supplement ("Relevant 2014 Definitions"). To the extent that any of the Relevant 2014 Definitions conflict with any of the ISDA Credit Derivatives Definitions (as defined under "Important Notice" below) and/or the Terms and Conditions, the Relevant 2014 Definitions shall prevail.

A. DESCRIPTION OF THE NOTES

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|----|----------------|-----------------|
| 1. | Issuer | Nedbank Limited |
| 2. | Tranche Number | 1 |

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3.	Series Number	CLNF15
4.	Status of Notes	Senior Unsecured Notes
5.	Form of Notes	Registered Notes The Notes in this Tranche are issued in uncertificated form in terms of Chapter IV of the Financial Markets Act, 2012 and will be held in the Central Securities Depository
6.	Type of Notes	Floating Rate Notes
7.	Security	Unsecured
8.	Issue Date	23 April 2015
9.	Maturity Date	20 June 2020
10.	Issue Price	100%
11.	Interest Basis	3M ZAR-JIBAR-SAFEX Rate + 2.15%
12.	Redemption/Payment Basis:	
(a)	If Condition 9 (<i>Redemption for reasons other than the occurrence of a Credit Event</i>) applicable:	Redemption at par (see Item (E) (<i>Redemption for reasons other than the occurrence of a Credit Event</i>) below)
(b)	If Condition 8 (<i>Redemption following the occurrence of a Credit Event</i>) applicable:	See Item (D) (<i>Redemption following the occurrence of a Credit Event</i>) below.
13.	Change of Interest or Redemption/Payment Basis	Not Applicable
14.	Aggregate Principal Amount of this Tranche	ZAR100,000,000
15.	Specified Denomination (Principal Amount per Note)	ZAR1,000,000
16.	Calculation Amount	ZAR1,000,000
17.	Specified Currency	ZAR
B. PROGRAMME AMOUNT		
1.	Programme Amount as at the Issue Date	ZAR15,000,000,000
2.	Aggregate outstanding Principal Amount of all of the Notes in issue under the Programme as at the Issue Date	ZAR 6,348,850,000 excluding the aggregate Principal Amount of this Tranche of Notes.
3.	Issuer confirmation as to Programme Amount	The Issuer confirms that the issue of this Tranche will not cause the Issuer to exceed the Programme Amount.
C. FLOATING RATE NOTE PROVISIONS		
1.	Specified Period	Not Applicable
2.	Interest Commencement Date	23 April 2015
3.	Interest Payment Dates	20 June, 20 September, 20 December and 20 March of each year in accordance with Business Day Convention
4.	First Interest Payment Date	20 June 2015
5.	Interest Periods	The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date. Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Redemption Date.
6.	Business Day Convention	Modified Following Business Day Convention
7.	Additional Business Centre(s)	London

8. Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
9. *If Screen Rate Determination applicable:*
- (a) Reference Rate JIBAR (being, subject to Condition 7.2.3 (*Screen Rate Determination*), the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Relevant Screen Page as the "SFX 3M YIELD" at or about the Relevant Time on the Interest Determination Date, determined by the Calculation Agent in accordance with Condition 7.2.7 (*Calculation of Interest Amount*))
- (b) Interest Determination Date(s) The first day of each Interest Period; provided that the first Interest Determination Date shall be 23 April 2015
- (c) Relevant Screen Page Reuters Screen SAFEX MNY MKT page
- (d) Relevant Time 10h00 (South African time)
- (e) Relevant Financial Centre Johannesburg

D. REDEMPTION FOLLOWING THE OCCURRENCE OF A CREDIT EVENT

1. General

- (a) Reference Entity/ies Republic of South Africa
- (b) Reference Obligation(s) The obligation(s) identified as follows:
Primary Obligor: Republic of South Africa
Maturity: 30 May 2022
Coupon: 5.875%
CUSIP/ISIN: US836205AL88
- (c) All Guarantees Applicable Yes
- (d) Reference Price 100%

2. Fixed and Floating Payments

Applicability of Condition 8.7 (*Calculation of Fixed Amount*) Applicable

2.1 Fixed Payments

- (a) Fixed Rate Payer The Issuer, being the party obligated to pay the Fixed Amount(s). (*Note: see Condition 8.4.5.9 ("Fixed Rate Payer")*)
- (b) Fixed Rate Payer Calculation Amount (Notional Amount) ZAR100,000,000
- (c) Fixed Rate Payer Period End Date 20 June 2020
- (d) Fixed Rate Payer Payment Date(s) 20 June, 20 September, 20 December] and 20 March of each year in accordance with Business Day Convention
- (e) Fixed Rate Payer Calculation Period 3 Months
- (f) Fixed Rate 2.15%
- (g) Fixed Rate Day Count Fraction Actual/365
- (h) Fixed Amount
- (i) Determination of Fixed Amount if Condition 8.7.1.2 (*Calculation of Fixed Amount*) is not applicable Not Applicable
- (j) Relating Fixed Rate Payer Payments to Fixed Rate Payer if Condition 8.7.3 (*Relating Fixed Rate Payer Payments to Fixed Rate Payer Calculation Periods*) is not applicable Not Applicable

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2.2 Floating Payments

- (a) Floating Rate Payer The Noteholders of this Tranche of Notes.
- (b) Floating Rate Payer Calculation Amount ZAR100,000,000

3. Conditions to Settlement

- (a) Credit Event Notice Yes
- (b) Terms of Credit Event Notice upon the occurrence of a Restructuring Credit Event if different from Condition 8.5.5 (*Credit Event Notice after Restructuring*) Applicable
- (c) Notice of Physical Settlement Yes
- (d) Notice of Publicly Available Information Applicable Yes
- (e) Public Sources(s):
- (i) Standard International Public Sources Applicable Yes
- (ii) Standard South Africa Public Sources Applicable Yes
- (iii) Additional Public Sources Not Applicable
- (f) Specified Number 2 Sources

4. Credit Events

The following Credit Event(s) shall apply to this Tranche of Notes:

- (a) *Bankruptcy* Yes
- (b) *Failure to Pay* Yes
- (i) Grace Period Extension Applicable Yes
- (ii) Grace Period 7 Business Days
- (iii) Payment Requirement ZAR1,000,000.00 or its equivalent in the relevant Obligation Currency as of the occurrence of the Relevant Failure to Pay, or Potential Failure to Pay, as the case may be.
- (c) *Obligation Default* Yes
- (i) Default Requirement ZAR10,000,000.00 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
- (d) *Obligation Acceleration* Yes
- (i) Default Requirement ZAR10,000,000.00 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
- (e) *Repudiation/Moratorium* Yes
- (i) Default Requirement ZAR10,000,000.00 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
- (f) *Restructuring* (as defined in the Relevant 2014 Definitions) Yes
- (i) Multiple Holder Obligation Applicable Yes
- (ii) Default Requirement ZAR10,000,000.00 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
- (iii) Permitted Currency/ies ZAR

5. Obligations

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(a) *Obligation Category: (Note: select only one)*

- | | | |
|-------|----------------------------|-----|
| (i) | Payment | No |
| (ii) | Borrowed Money | No |
| (iii) | Reference Obligations Only | No |
| (iv) | Bond | Yes |
| (v) | Loan | No |
| (vi) | Bond or Loan | No |

(b) *Obligation Characteristics: (Note select all that apply)*

- | | | |
|-------|-----------------------|-----|
| (i) | Not Subordinated | Yes |
| (ii) | Specified Currency | Yes |
| (iii) | Not Sovereign Lender | No |
| (iv) | Not Domestic Currency | No |
| (v) | Not Domestic Law | No |
| (vi) | Listed | Yes |
| (vii) | Not Domestic Issuance | No |

(c) Additional Obligations (Note: see Condition 8.4.5.11 (Obligation)) Not Applicable

(d) Excluded Obligation(s) (Note: see Condition 8.4.5.11 (Obligation)) Not Applicable

(e) Specified Currency USD

(f) Domestic Currency ZAR

(g) Condition 8.4.8 (Interpretation of provisions) applicable Yes

(h) If any provisions of Condition 8.4.8 (Interpretation of provisions) are not applicable specify applicable terms Not Applicable

6. Settlement Method

- | | | |
|------|-------------------------------------|---------------------|
| (a) | Auction Settlement | Yes |
| (b) | Physical Settlement | No |
| (i) | Delivery of Deliverable Obligations | Not Applicable |
| (ii) | Partial Cash Settlement Terms | Not Applicable |
| (c) | Fallback Settlement Method | Physical Settlement |

7. Terms relating to Physical Settlement

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|-------|---|--------------------------|
| (a) | Physical Settlement Period | 30 Business Days |
| (b) | Deliverable Obligations | Exclude Accrued Interest |
| (c) | <i>Deliverable Obligation Category: (Note: select only one)</i> | |
| (i) | Payment | No |
| (ii) | Borrowed Money | No |
| (iii) | Reference Obligations Only | No |
| (iv) | Bond | Yes |
| (v) | Loan | No |

(vi)	Bond or Loan	No
(d)	<i>Deliverable Obligation</i> <i>Characteristics: (Note: select all that apply)</i>	
(i)	Not Subordinated	Yes
(ii)	Specified Currency	Yes
(iii)	Not Sovereign Lender	No
(iv)	Not Domestic Currency	Yes
(v)	Not Domestic Law	Yes
(vi)	Listed	Yes
(vii)	Not Contingent	Yes
(viii)	Not Domestic Issuance	No
(ix)	Assignable Loan	Yes
(x)	Consent Required Loan	Yes
(xi)	Direct Loan Participation	No
(xii)	Transferable	Yes
(xiii)	Maximum Maturity	Yes
(xiv)	Accelerated or Matured	Yes
(xv)	Not Bearer	Yes
(e)	additional Deliverable Obligations <i>(Note: see Condition 8.4.5.12 (Deliverable Obligation))</i>	Not Applicable
(f)	Excluded Deliverable Obligation(s) <i>(Note: see Condition 8.4.5.12 (Excluded Deliverable Obligation))</i>	Not Applicable
(g)	Qualifying Participation Seller	Not Applicable
(h)	Maximum Maturity	30 years
(i)	<i>Designator: (Note: see Condition 8.9.4.3.4 (Representations and agreements for Physical Settlement))</i>	
(i)	Affiliate of Issuer	Not Applicable
(ii)	Affiliate of Noteholder	Not Applicable
(j)	<i>Designatee: (Note: see Condition 8.9.4.3.4 (Representations and agreements for Physical Settlement))</i>	
(i)	Affiliate of Issuer	Not Applicable
(ii)	Affiliate of Noteholder	Not Applicable

E. REDEMPTION FOR OTHER REASONS

1.	Prior approval of the Registrar of Banks required for redemption	No
2.	Call Option <i>(Note: see Condition 9.3 (Redemption at the option of the Issuer))</i>	Not Applicable
3.	Put Option <i>(Note: see Condition 9.5 (Redemption at the option of Noteholders))</i>	Not Applicable
4.	Final Redemption Amount	The aggregate outstanding Principal Amount plus interest accrued (if any) to the date fixed for redemption.

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5. Other terms applicable on redemption Not Applicable

F. OTHER PROVISIONS

1. Amendments to the Terms and Conditions In terms of the JSE Debt Listings Requirements, among other things, those provisions of the Terms and Conditions which provide for amendments to the Terms and Conditions must comply with the prescribed provisions of Rule 7.12 of the JSE Debt Listings Requirements.

This Item F(1) below shall replace Condition 19 (*Amendments*) in its entirety for this Pricing Supplement.

Amendments

1. The Issuer may effect, without the consent of any Noteholder and/or the JSE, any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of South Africa (including, without limitation, all Applicable Laws and the Applicable Procedures).
2. Save as is provided in paragraph 1 above, no amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) of any Tranche of Notes may be effected unless (i) the proposed amendment is first approved by the JSE and, after having obtained the approval of the JSE to the proposed amendment, (ii) the proposed amendment is in writing and signed by or on behalf of the Issuer and (iii):
 - a) If the proposed amendment is an amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable to all of the Notes, (i) the proposed amendment is approved by an Extraordinary Resolution of all of the Noteholders (provided that the relevant Extraordinary Resolution shall be passed within 15 (fifteen) Business Days after the proposed amendment is submitted to the Noteholders in terms of paragraph 3 below) or (ii) the written resolution containing the proposed amendment is signed by or on behalf of Noteholders holding not less than 75% of the aggregate Outstanding Principal Amount of all of the Notes (provided that the relevant written resolution shall be signed within 15 (fifteen) Business Days after the proposed amendment is submitted to the Noteholders in terms of paragraph 3 below), as the case may be;
 - b) If the proposed amendment is an amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable only to certain Tranche/s of Notes, (i) the proposed amendment is approved by an Extraordinary Resolution of the relevant Group/s of Noteholders (provided that the relevant Extraordinary Resolution shall be passed within 15 (fifteen) Business Days after the proposed amendment is submitted to the Noteholders in terms of paragraph 3 below) or (ii) the written resolution containing the proposed amendment is signed by or on behalf of Noteholders in the relevant Group/s of Noteholders holding not less than 75% of the aggregate Outstanding Principal Amount of all of the Notes in the relevant Group/s (provided that the relevant written resolution shall be signed within 15 (fifteen) Business Days after the proposed amendment is submitted to the Noteholders in terms of paragraph 3 below), as the case may be.
3. After having obtained the approval of the JSE to a proposed amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) to be effected in terms of paragraph 2 above, the Issuer shall (in the manner set out in Condition 20 (*Notices*)) notify all of the Noteholders or the relevant Group/s of Noteholders (as applicable) of such

proposed amendment. Such notice shall (i) include the written resolution setting out such proposed amendment, (ii) the restrictions on voting under the Terms and Conditions, (iii) the last date on which all of the Noteholders or the relevant Group/s of Noteholders (as applicable) should return the signed written resolution, and the address to which the signed written resolution should be sent.

4. Any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) effected in terms of this Item F(1) above will be binding on (as applicable) all of the Noteholders or the relevant Group/s of Noteholders, and such amendment will be notified to such Noteholders (in the manner set out in Condition 20 (*Notices*)) as soon as practicable thereafter.

G. AGENTS AND SPECIFIED OFFICES

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| 1. | Calculation Agent | Nedbank Capital, a division of Nedbank Limited |
| 2. | Specified Office of the Calculation Agent | Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196, Republic of South Africa |
| 3. | Paying Agent | Nedbank Investor Services (Pty) Limited |
| 4. | Specified Office of the Paying Agent | Braampark Forum IV, 2 nd Floor, 33 Hoofd Street, Braamfontein, 2001, Republic of South Africa |
| 5. | Transfer Agent | Computershare Investor Services (Proprietary) Limited |
| 6. | Specified Office of the Transfer Agent | Ground Floor, 70 Marshall Street, Johannesburg, 2001, Republic of South Africa |

H. REGISTER CLOSED

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|----|------------------------|---|
| 1. | Last Day to Register | Up until 17h00(South African time) on 09 June, 09 September, 09 December and 09 March of each year until the Redemption Date being, in each instance, the last date on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes represented by Certificates. |
| 2. | Register Closed Period | The Register will be closed during the 10 days preceding each Interest Payment Date and the Redemption Date from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding the Interest Payment Date and the Redemption Date, being the period during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of this Tranche. |
| 3. | Books Closed Dates | 10 June, 10 September, 10 December and 10 March of each year until the Redemption Date |

I. GENERAL

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|-----|---|--|
| 1. | Exchange Control Approval | Not Applicable |
| 2. | Additional selling restrictions | Not Applicable |
| 3. | International Securities Numbering (ISIN) | ZAG000125667 |
| 4. | Stock Code Number | CLNF15 |
| 5. | Financial Exchange | The Interest Rate Market of the JSE Limited |
| 6. | Dealer | Nedbank Capital, a division of Nedbank Limited |
| 7. | Debt Sponsor | Nedbank Limited, a division of Nedbank Limited |
| 8. | Method of distribution | Private Placement |
| 9. | Bookbuild and Allocation Policy | Not Applicable |
| 10. | Pricing Methodology | Not Applicable |
| 11. | Stabilisation Manager | Not Applicable |

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| 12. | Rating assigned to this Tranche of Notes as at the Issue Date | Not Applicable |
| 13. | Credit rating of the Issuer as at the Issue Date | As at the Issue Date, the Issuer has a domestic long-term credit rating of (i) AA(zaf) from Fitch Southern Africa (Proprietary) Limited, (ii) A1.za from Moody's Investor Services Limited and (iii) zaAA from Standard & Poor's |
| 14. | Governing law | South African law |
| 15. | Other Banking Jurisdiction | Not Applicable |
| 15. | Use of proceeds | The proceeds of the issue of this Tranche of Notes will be used by the Issuer for its general corporate purposes. |

The Issuer accepts full responsibility for the information contained in the Programme Memorandum (as read with Annexure "A"), this Pricing Supplement, the annual financial reports of the Issuer and any amendments to such annual financial reports and each supplement to the Programme Memorandum published by the Issuer from time to time (except as otherwise stated therein).

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make any statement contained in the Programme Memorandum (as read with this Pricing Supplement and Annexure "A") false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the Programme Memorandum (as read with this Pricing Supplement and Annexure "A") contains or incorporates by reference (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*") all information required by the JSE Debt Listings Requirements and all other Applicable Laws.

The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into the Programme Memorandum and/or Annexure "A". The admission of this Tranche of Notes to the list of Debt Securities maintained by the JSE and the listing of this Tranche of Notes on the Interest Rate Market of the JSE is not to be taken as an indication of the merits of the Issuer or the Notes. The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum or Annexure "A" or this Pricing Supplement or any information incorporated by reference into the Programme Memorandum (as read with Annexure "A"), and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum or Annexure "A" or this Pricing Supplement, or any information incorporated by reference into the Programme Memorandum (as read with Annexure "A"). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum or Annexure "A" or this Pricing Supplement or any information incorporated by reference into the Programme Memorandum (as read with Annexure "A").

Application is hereby made to list Tranche 1 of Series CLNF15 of the Notes on the Interest Rate Market of the JSE, as from 23 April 2015, pursuant to the Nedbank Limited ZAR15,000,000,000 Credit-Linked Note Programme.

NEDBANK LIMITED

By: _____

duly authorised

Date: 20/4/15

By: _____

duly authorised

Date: 22/04/2015

IMPORTANT NOTICE

Disclaimer

Your attention is drawn to the following terms, which you will be deemed to have read and understood. All information contained herein that relates to tax, accounting regulatory, legal and financial matters including but not limited to indicative rates, terms, and price quotations, is provided for informational purposes only. It may not be considered as advice, recommendation/s, or an offer to enter into or conclude any transaction/s. No guarantee is given as to the accuracy, completeness or reasonableness thereof, it being understood that we are not your financial advisor or fiduciary. You are cautioned to ensure that you have made an independent decision in accordance with your own objectives, experience, operational and financial resources and any other appropriate factors including independent professional advice. No guarantee, warranty, or representation is made in respect of the performance or return on any transaction. This document does not provide an exhaustive description of the merits and risks of the transaction and will, if a transaction results, be superseded by final legal documentation which may contain deemed representations by investors regarding, among other things, offer, resale and hedging of the transaction.

THE NOTE IS OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS. INVESTMENT IN THE NOTE INVOLVES A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF ALL OF THE INVESTMENT.

By purchasing a Note, a holder is taking a credit risk on the Reference Entity as well as the Issuer. Neither the Issuer nor any of its affiliates has undertaken any investigation of the Reference Entity and no information is provided in respect thereof. A Purchaser of Note/s should conduct such independent investigation and analysis regarding the Reference Entity and the Note/s as it deems appropriate to evaluate the merits and risks of an investment in the Note/s.

If a Credit Event occurs, the market value of the Deliverable Obligations relating to the Notes with reference to which the redemption amount will be determined may be less than the nominal amount of the Notes and accrued interest in respect thereof. Any shortfall shall be borne by the Noteholder and no liability shall attach to the Issuer.

The Issuer makes no representation or warranty whatsoever in respect of the Obligations, and assumes no liability or obligation in respect thereof. A Noteholder, by its purchase of Note/s, will be deemed to have understood (after taking professional advice where appropriate) the risks involved in an investment in the Note/s.

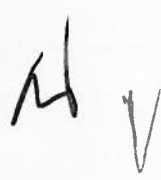
The Issuer shall not be responsible for the legality, validity or enforceability of the Obligations or the Deliverable Obligations or for the legality, validity or enforceability of any of the terms thereof including but not limited to any security arrangements referred to in the Obligations or the Deliverable Obligations.

No offer, sale or delivery of the Notes, or distribution or publication of any offering material relating to the Notes, may be made in or from the United States or any other jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer. It shall be the responsibility of Noteholder to ensure that any subsequent sale of the Notes is in accordance with all relevant laws and regulations and that any person to whom it may sell Notes is aware of the foregoing and the contents of the ISDA Credit Derivative Definitions and relevant Supplements and that the Notes are intended only for sophisticated investors.

In principle, the ISDA Credit Derivatives Definitions ("ISDA Credit Derivatives Definitions") comprise the 2003 ISDA Credit Derivatives Definitions published by the International Swaps and Derivatives Association Inc. (ISDA), as supplemented by (i) the May 2003 Supplement (published by ISDA) to the aforesaid 2003 ISDA Credit Derivatives Definitions, (ii) the 2009 ISDA Credit Derivatives Determinations Committee and Auction Settlement Supplement (published by ISDA) to the aforesaid 2003 ISDA Credit Derivatives Definitions, and (iii) each other Supplement (published by ISDA from time to time) to the aforesaid 2003 ISDA Credit Derivatives Definitions.

The purchaser of Note/s confirms that it (or its advisers on its behalf) is conversant with the contents of the ISDA Credit Derivative Definitions (as referred to and incorporated by reference into the Notes) and understands the full effect and meaning thereof insofar as terminology used in the Notes is defined in more detail therein, inclusive of (but not limited to) the definitions of the Credit Events.

The Terms and Conditions (and the Applicable Terms and Conditions) are not intended to provide the sole basis for any evaluation by you of the transaction, security or instrument described herein and you agree that the merits or suitability of any such transaction, security or instrument to your particular situation will be independently determined by you including consideration of the legal, tax, accounting, regulatory, financial and other related aspects thereof. In particular, Nedbank Limited owes no duty to you (except as required by the rules of any relevant regulatory authority) to exercise any judgement on your behalf as to the merits or suitability of any transaction, security or instrument. Nedbank Limited and its affiliates may (or may in the future) be long or short of or may have a financial interest in any securities or loans described herein. In no circumstances shall Nedbank Limited or any of its affiliates be obliged to disclose to investors at any time any information (or the existence thereof) of which it is aware or which it has received on a confidential basis or otherwise. The information contained herein is provided to you on a strictly confidential basis and you agree that it may not be copied, reproduced or otherwise distributed by you (other than to your professional advisers) without our prior written consent.



ANNEXURE A: RISK FACTORS AND SOUTH AFRICAN TAXATION

Any capitalised terms not defined in this Annexure "A" shall have the meanings ascribed to them in the Pricing Supplement.

This Annexure "A" must be read in conjunction with the Current Programme Memorandum and the Pricing Supplement. To the extent that there is any conflict or inconsistency between the provisions of this Annexure "A" and the Current Programme Memorandum, the provisions of this Annexure "A" shall prevail.

SUPPLEMENTED RISK FACTORS

Potential investors in the Notes are referred to the Risk Factors which set out certain investment considerations and risks. This section headed "*Supplemented Risk Factors*" ("**this Section**") supplements and updates certain of the Risk Factors insofar as such Risk Factors (and/or any additional risk factors) relate to the Basel III Accord and The Notes.

The Issuer believes that the factors outlined in this Section below may, in addition to the Risk Factors (as supplemented by this Section), affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described in this Section below may, in addition to the Risk Factors (as supplemented by this Section), represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts under any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it as at the Issue Date, or which it may not be able to anticipate. The Issuer does not represent that the statements in this Section below and the Risk Factors (as supplemented by this Section) regarding the risks of holding any Notes are exhaustive. The information set out in this Section below (and the Risk Factors, as supplemented by this Section) is not intended as advice and does not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes.

Prospective investors should also read the information set out elsewhere in the Current Programme Memorandum to reach their own views prior to making any investment decision.

BASEL III ACCORD

General

Basel III provides, among other things, for 3 "tiers" of Regulatory Capital: (i) Common Equity Tier 1 Capital, (ii) Additional Tier 1 Capital and (iii) Tier 2 Capital.

On and with effect from 1 January 2013 and 10 December 2013, respectively, Basel III was adopted and implemented in the South African regulatory framework, with various phase-in and transitional arrangements until 1 January 2019 (see "*South African implementation of Basel III*" below).

The International BCBS Basel III quantitative impact studies ("**QIS**") enable selected banks to report figures to enable the Basel Committee on Banking Supervision ("**BCBS**") to assess the impact of Basel III. These QIS reports are submitted on a bi-annual basis. The Issuer has participated fully in the QIS process.

The main changes under Basel III are summarised as follows:

- Basel III provides for tighter definitions of what constitutes acceptable regulatory capital. Basel III places enhanced emphasis on the consistency and quality of capital and on curtailing, among other things, liquidity risk. From a capital perspective the most heavily impacted banks are likely to be those with relatively large capital market businesses, particularly trading activities, complex securitisations, over-the-counter derivatives (counterparty credit risk) and securities lending.
- Basel III allocates a higher regulatory capital value to shareholders' equity than to subordinated loss-absorbing debt, preference shares and hybrid capital. For example, it is expected that Tier 2 Capital will be allowed to constitute less than the current 33% of a bank's overall capital.
- Basel III has introduced two new buffers: a capital conservation buffer of 2.5% (if a bank's capital adequacy ratios fall below the minimum required ratio, including this buffer, the bank will be subject to dividend and bonus restrictions) and a countercyclical buffer that ranges between 0% and 2.5%, depending on whether the rate of credit extension exceeds the growth of the real economy. These buffers are due to be phased in from 2016, but market expectations could lead to earlier compliance.
- Basel III provides for a new maximum leverage ratio.
- Basel III has introduced two new minimum liquidity standards – the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**"). From a liquidity perspective, many banks, domestic and foreign, now meet the LCR requirements following the BCBS announcement on the 06 January 2013. However, based on industry estimates, compliance with the NSFR remains structurally challenging and consequently the Issuer will continue to work closely with the SARB, peer groups and National Treasury in terms of addressing the structural challenges while being mindful of the fact that the Basel Committee is likely to consider fundamental changes to the NSFR well ahead of its targeted implementation date of January 2018. Having finalised the LCR, the Basel Committee has formally announced that it will, as a matter of priority, now focus on the NSFR over the next two years.

- Basel III also provides for enhanced capital requirements for derivatives, repurchase and securities financing transactions.

In May 2012 the South African Reserve Bank ("SARB") issued Guidance Note 05/2012 stating that it would allow banks to include cash reserves in the calculation of the LCR and that it will provide a committed liquidity facility ("CLF") for an amount up to 40% of the LCR requirements. Guidance Note 05/2012 contained details regarding acceptable collateral for the CLF. In August 2013 SARB issued Guidance Note G6/2013 which replaces Guidance Note 05/2012. Guidance Note G6/2013 sets out further details of the size of CLF. The CLF is only available to banks with a LCR shortfall and is capped at 40% of the total amount of high-quality liquid assets ("HQLA") a bank is required to hold in ZAR (based on the estimated requirements as from 2019). Guidance Note G6/2013 also sets out the general guidelines on SARB's preferences for the collateral requirements and the characteristics with which collateral for the CLF must comply. Taking into account the Issuer's cash reserves, the liquid assets held for regulatory purposes, the surplus liquidity buffer and the Issuer's anticipated use of the CLF, on a pro forma basis the Issuer is compliant already with the 2015 Basel III LCR requirement.

Meeting the LCR requirement was further assisted by the announced amendments to the LCR by the BCBS on 6 January 2013. The amendments are positive in that they provide banks with a longer lead time to implement the LCR and have resulted in a broader definition of qualifying HQLA that can be held in the bank's liquidity buffers. Lastly, these amendments have resulted in reduced liquidity buffer requirements given refinements to various cash outflow assumptions in the LCR formula.

Basel III is a minimum global standard and, accordingly, the relevant authority is not prevented from setting higher standards, as was done in South Africa with the implementation of Basel II.

The main impact of Basel III on South African banks is likely to be on the levels and composition of capital, the levels of highly marketable securities, liquidity risk and funding profiles and, accordingly, on the general cost of bank funding as banks look to optimally structure their Capital base and reform their funding models to meet the requirements of the new liquidity ratios.

Loss absorption at the point of non-viability of the Issuer

Basel III requires the implementation of certain loss absorbent criteria under certain non-viability circumstances, as set out in the Basel III Accord ("**Loss Absorption PONV Requirements**").

South African implementation of Basel III

The amended Regulations Relating to Banks came into operation on 1 January 2013 and provide, among other things, for the partial implementation of the Basel III Accord in South Africa and the requirements with which specified categories of Capital Instruments must comply in order for the proceeds of the issue thereof to rank as Tier 2 Capital or Additional Tier 1 Capital.

However, the required amendments to the Banks Act to provide, among other things, for the full implementation of the Basel III Accord in South Africa, were only promulgated and came into force on 10 December 2013. These amendments are contained in the Banks Amendment Act, 2013, published in Government Gazette No. 37144 of 10 December 2013.

Basel III, the Regulations Relating to Banks and the fact that the Banks Act has only recently been amended to provide for the full implementation of the Basel III Accord in South Africa, have introduced a number of uncertainties.

"Grandfathering" of capital instruments issued before 1 January 2013

The Loss Absorption PONV Requirements implemented in South Africa do not apply retrospectively and, accordingly, some or all of the capital instruments issued by the Issuer before 1 January 2013 will be "grandfathered" (that is, phased out) over a ten-year period from 1 January 2013.

The ability of the Issuer to replace these capital instruments with capital instruments which comply with Basel III and, where applicable, the Loss Absorption PONV Requirements, over the ten year period is uncertain, and will depend on the extent to which the uncertainties regarding the Regulations Relating to Banks and the Banks Act have been resolved to enable the issue of such capital instruments in significant volumes, the appetite of the capital markets for capital instruments and the ability to issue such capital instruments at a price mutually acceptable to the Issuer and investors.

Bearing in mind the uncertainties referred to above, it is difficult for the Issuer to predict the precise effects of the changes that may result from the full implementation of Basel III in South Africa and/or what regulatory changes may be imposed in the future, or estimate, with accuracy, the impact that the full implementation of Basel III in South Africa and/or related regulatory changes that may be imposed in the future may have on the Issuer's business, the products and services it offers and the values of its assets. If, for example, the Issuer were required to make additional provisions, increase its reserves or capital, or exit or change certain businesses, as a result of the full implementation of Basel III in South Africa and/or related regulatory changes that may be imposed in the future, this could have an adverse effect on the Issuer's business, financial condition and results of operations.

Notwithstanding the above, the Issuer has implemented numerous initiatives in preparation for the full implementation of Basel III in South Africa, and has internally assessed and provided, to the best of its ability, for the anticipated budgetary impacts of the full implementation of Basel III in South Africa.

Capital adequacy requirements

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The Issuer is subject to the capital adequacy requirements set out in the Banks Act, as read with the Regulations Relating to Banks, which provide for a minimum target ratio of capital to risk-adjusted assets, which could limit its operations (see "South African implementation of Basel III" above).

The Issuer must, in terms of the Banks Act, as read with the Regulations Relating to Banks (see "South African implementation of Basel III" above) and Directive 5 (see "Directive 5" below), maintain a minimum level of capital based on risk-adjusted assets and off-balance-sheet exposures.

Any failure by the Issuer to maintain its capital adequacy ratios may result in sanctions against the Issuer which may in turn impact on its ability to fulfil its obligations under the Notes.

Directive 5

Directive 5 of 2013, dated 26 April 2013, was issued by the Relevant Authority, in terms of section 6(6) of the Banks Act, in April 2013 ("Directive 5"). A summary of certain of the provisions of Directive 5 is set out below:

Directive 5 informs banks of matters related to the prescribed minimum required capital ratios and the application of various components of the minimum required capital ratios such as the systemic risk capital requirement (Pillar 2A), the domestic systemically important bank (D-SIB) capital requirement, the countercyclical buffer range and the capital conservation buffer range. Directive 5 also details the phase-in requirements for the prescribed minimum required capital ratios.

Annexure A of Directive 5 stipulates the various capital tiers, together with various related elements specified in the Regulations Relating to Banks and in the Basel III Accord, including the systemic risk capital requirement (Pillar 2A), the bank-specific individual capital requirement (ICR, also known as Pillar 2B), and the phasing in of the related minimum requirements. The phase-in arrangements for the minimum requirements are set out in Annexure B of Directive 5.

Regulation 38(8)(e)(ii) of the Regulations Relating to Banks prescribes that the capital requirement for systemic risk (that is Pillar 2A) will be specified by the Relevant Authority. The Pillar 2A requirement may therefore also be revised from time to time.

The Pillar 2A capital requirement was set at 1.5% of risk-weighted exposures (1% covered by common equity tier 1 capital and a further 0.5% by additional tier 1 capital) for all banks at a total capital level with effect from 1 January 2013, after which it will be increased to 2.0%. In order to ensure that factors related to systemic risk are not double counted, the Pillar 2A capital requirement will be adjusted during the phase-in period of the higher loss absorbency (HLA) requirement for D-SIBs, which will come into effect from 1 January 2016, resulting in an appropriate reduction in some components of the Pillar 2A requirement over time.

Banks are notified that the combined total capital-adequacy requirement in respect of the Pillar 2A and the HLA requirement for D-SIBs will not exceed 2% for common equity tier 1 capital, 2.5% for additional tier 1 capital and 3.5% in respect of the total capital adequacy ratio.

Banks should maintain an additional discretionary capital buffer above the specified minimum requirements, as envisaged in Regulation 38(8)(e)(vii) of the Regulations Relating to Banks, to ensure that the execution of internal business objectives or the occurrence of adverse external environmental factors do not prevent banks from operating above the relevant minima. The Relevant Authority will continue to monitor and assess the adequacy of this internal buffer against a bank's strategy, risk profile and levels of capital.

Banks are advised to take note of the fact that guidance will be provided on specific aspects of the new capital framework, should it become necessary, after the BCSB has finalised the consultative processes which are currently still under way.

Annexures A and B of Directive 5 provide, among other things, for the capital adequacy ratios for 2015:

- CET 1 Capital Requirement: Minimum CET1 Ratio (per Basel III) = 4.5% + Pillar 2A for CET1 = 2%. Minimum CET1 plus Pillar 2A = 6.5%.
- Tier 1 Capital Requirement: Minimum Tier 1 Ratio (per Basel III) = 6% + Pillar 2A for T1 = 2%. Minimum T1 plus Pillar 2A = 8.0%.
- Total Capital Requirement: Minimum Total Capital Ratio (per Basel III) = 8.0% + Pillar 2A for Total Capital = 2%. Minimum Total Capital plus Pillar 2A = 10%.

These minimum 2015 capital requirements exclude any bank-specific individual capital requirement (ICR, also known as Pillar 2B) for 2015.

The required minimum capital requirements will be phased in over a number of years and, as such, will change annually based on Directive 5 (or any other relevant guidance note to be issued in the future by the Relevant Authority).

It is difficult for the Issuer to predict the precise effects of the changes that may result from the implementation of Basel III on the Issuer's calculations of capital, the impact of these revisions on other aspects of its operations or the impact on the pricing of any Notes.

SOUTH AFRICAN TAXATION

The comments in this section headed "South African Taxation" below are intended as a general guide to the relevant tax laws of South Africa as at the Issue Date. The contents of this section headed "South African Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or

purchaser of Notes: Prospective subscribers for or purchasers of Notes should consult their professional advisers in this regard.

Securities Transfer Tax

The issue, transfer and redemption of Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007. Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer and/or redemption of Notes will be for the account of the Noteholders.

Income tax - treatment of premium and/or discount as well as interest on the Notes

The taxation of "interest" is regulated by section 24J of the Income Tax Act, 1962 ("Income Tax Act"). For tax purposes "interest" as defined in section 24J of the Income Tax Act ("Interest") has a wide meaning and includes, among other things, not just interest and related finance charges, but also any discount or premium payable or receivable in terms of or in respect of a financial arrangement.

Original issue discount or premium

Any original issue at a discount to the Principal Amount of the Notes will be treated as interest for tax purposes, and the discount income will be deemed to accrue to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until maturity. Any original issue premium over the Principal Amount of the Notes will also be treated as interest for tax purposes and will be taken into account in calculating the return to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until maturity.

Interest on the Notes

A "resident" (as defined in section 1 of the Income Tax Act) ("Resident") will, subject to any available exemptions, be taxed on its worldwide income. Accordingly, a Resident Noteholder will be liable for income tax, subject to available exemptions, on any income received or accrued in respect of the Notes held by that Resident Noteholder in the relevant year of assessment of that Resident Noteholder.

A person who or which is not a Resident ("Non-Resident") is currently taxed in South Africa under the Income Tax Act only on income from a source within or deemed to be sourced within South Africa. Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of Notes which are held by that Non-Resident Noteholder may be regarded as being from a South African source.

However, interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of Notes which are held by that Non-Resident Noteholder should be exempt from income tax under section 10(1)(h) of the Income Tax Act (see, however the Withholding Tax on Interest paid to a Non-Resident under "Withholding tax" below).

The section 10(1)(h) exemption will not apply to a Non-Resident Noteholder if:

- a) that Non-Resident Noteholder is a natural person who was physically present in South Africa for a period exceeding 183 calendar days in aggregate during the relevant year of assessment; or
- b) the debt from which the interest arises is effectively connected to a permanent establishment of that Non-Resident Noteholder in South Africa.

If a Non-Resident Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, (a) that Non-Resident Noteholder should be exempt from the Withholding Tax on Interest paid to Non-Residents (see "Withholding tax" below), (b) an exemption from or reduction of tax liability under the Income Tax Act may be available under an applicable convention concluded between the Government of the Republic of South Africa and the relevant other contracting state for the avoidance of double taxation ("DTA") and (c) certain entities may be exempt from income tax.

Prospective Non-Resident Noteholders must consult their own professional advisers as to whether the interest income earned on the Notes to be held by them will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable DTA.

As regards liability for the withholding tax on interest paid to Non-resident Noteholders, see "Withholding tax" below.

Withholding tax

In terms of Part IVB of the Income Tax Act, a withholding tax on interest paid to Non-Residents (at a rate of 15% of the amount of the interest) ("Withholding Tax") was to have come into effect on 1 January 2015. However, the Taxation Laws Amendment Act, No 43 of 2014 (which came into effect on 20 January 2015) has delayed the effective date of imposition of the Withholding Tax to 1 March 2015.

Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of SA Notes which are held by that Non-Resident Noteholder may be regarded as being from a South African source.

Subject to any Withholding Tax relief provided for in the Income Tax Act (see the paragraph below) or an applicable DTA, the Withholding Tax will be imposed in respect of all payments of interest from a South African source to Non-Residents (other than payments of interest to a Non-Resident who is not entitled to the section 10(1)(h) exemption referred to under "Income tax - treatment of premium and/or discount as well as interest on the Notes" above and which Non-Resident is therefore liable for the payment of income tax on such interest).

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However, payments of Interest under Notes held by Non-Resident Noteholders will be exempt from Withholding Tax if (among other exemptions) such Notes are listed on a "*recognised exchange*" and/or are issued by a South African bank. The Issuer is a South African bank. The JSE is a "*recognised exchange*".

Payments of Interest under Notes held by Non-Resident Noteholders will accordingly be exempt from Withholding Tax.

Disposal of the Notes

If a Noteholder sells or otherwise disposes of a Note, Taxes (whether income tax or capital gains tax) may be levied on such sale or disposal.

Taxes (whether income tax or capital gains tax) may be levied on the disposal or deemed disposal of any Notes held by a Resident Noteholder. In general, income tax will be leviable to the extent that a Resident Noteholder is a trader or has acquired the Notes for speculative purposes. In general, capital gains tax will be leviable to the extent that the Notes have been acquired by a Resident Noteholder for investment purposes and the disposal is not regarded as part of a profit-making transaction even though the South African Revenue Service has generally taken the view that these type of transactions would generally be on revenue account.

Any discount or premium on acquisition which has already been treated as Interest for income tax purposes under section 24J of the Income Tax Act (see "*Original issue discount or premium*" above) will not again be taken into account when determining any capital gain or loss.

In general, Taxes (whether income tax or capital gains tax) will not be levied on the disposal or deemed disposal of Notes by a Non-Resident Noteholder unless the profits made on the disposal or deemed disposal of such Notes are from a South African source or are attributable to a permanent establishment of that Non-Resident Noteholder in South Africa during the relevant year of assessment of that Non-Resident Noteholder. An applicable DTA may provide such Non-Resident Noteholder with relief from such Taxes.

Value-added tax

No value-added tax ("**VAT**") is payable on the issue or transfer of the Notes. The Notes constitute "*debt securities*" as defined in the Value-Added Tax Act, 1991 ("**VAT Act**"). The issue, allotment or transfer of ownership of a debt security constitutes a "*financial service*", the supply of which is exempt from VAT in terms of section 12(a) of the VAT Act. However, commissions or other charges that are payable on the facilitation of this "*financial service*" are, in principle, subject to VAT at the standard rate (currently being 14%), depending on the circumstances and the identity of the service provider.