

**Blue Diamond Investment No. 3 (Proprietary) Limited**

(Incorporated with limited liability in South Africa under Registration No. 2005/038687/07)

**Issue of ZAR53,654,150 Floating Rate Collateral Linked Notes Under its ZAR10,000,000,000 Secured Note Programme**

This document constitutes the pricing supplement relating to the issue of Notes or other Obligations described herein. References in this pricing supplement to the Terms and Conditions are to the section headed "*Terms and Conditions of the Note*" in the Programme Memorandum dated 30 November 2005 (the "*Programme Memorandum*") as supplemented and/or amended and/or replaced by the Applicable Issuer Programme Supplement dated 13 December 2005 and by the terms and conditions set out in this pricing supplement. Any capitalised terms not defined in this pricing supplement shall have the meaning ascribed to them in the section of the Programme Memorandum headed "*Glossary of Terms*", unless separately defined in the Programme Memorandum, the Applicable Issuer Programme Supplement or this pricing supplement. References to any Condition in this pricing supplement are to that Condition of the Terms and Conditions.

This pricing supplement must be read in conjunction with the Programme Memorandum and the Applicable Issuer Programme Supplement. To the extent that there is any conflict or inconsistency between the contents of this pricing supplement and the Programme Memorandum and/or the Applicable Issuer Programme Supplement, the provisions of this pricing supplement shall prevail.

**PART A: NOTES**

1	Issuer	:	Blue Diamond Investments No. 3
2	Status of Notes	:	Senior Secured
3	Note Rating	:	N/A
4	Rating Agency	:	N/A
5	Tranche Number	:	1
6	Series Number	:	BD311B
7	Aggregate Principal Amount	:	ZAR53,654,150
8	Issue Date	:	10 February 2011
9	Specified Denomination	:	ZAR53,654,150
10	Issue Price	:	ZAR53,654,150
11	Final Maturity Date	:	3 July 2013
12	Form of Notes	:	Listed Registered Notes
13	Applicable Business Day Convention	:	Following Business Day
14	Other	:	N/A

## **ADDITIONAL/ AMENDED/ REPLACEMENT TERMS AND CONDITIONS**

- 15 Additional Terms and Conditions : N/A
- 16 Amended Terms and Conditions : N/A
- 17 Replacement Terms and Conditions : N/A

## **ZERO COUPON NOTES**

- 18 Implied yield : N/A
- 19 Reference price : N/A
- 20 Other : N/A

## **FLOATING RATE NOTES**

- 21 Interest Commencement Date : 10 February 2011
- 22 Interest Payment Date(s) : Quarterly on the 4<sup>th</sup> January, 4<sup>th</sup> April, 4<sup>th</sup> July and 4<sup>th</sup> October of each year
- 23 Interest Period(s) : "Interest Period" means each period from, and including, one Reset Date to, but excluding, the next following Reset Date, except that the first Interest Period shall commence on, and include, the Interest Commencement Date and end on, but exclude, the next Reset Date thereafter, and the final Interest Period shall end on, but exclude, the Final Maturity Date. "Reset Date" means 3<sup>rd</sup> January, 3<sup>rd</sup> April, 3<sup>rd</sup> July and 3<sup>rd</sup> October of each year including the Issue Date.
- 24 Floating Interest Rate
  - 24.1 the sum of:
    - 24.1.1 (a) Reference Rate : 3 months JIBAR
    - 24.1.2 (b) Margin : 3.90 percent (up to and including 3 April 2013)  
2.50 percent (from but excluding 3 April 2013)

: The Interest Amount in respect of each Interest Payment Date shall be determined as follows:

a) In respect of each Interest Payment Date up to and including 4 April 2013 (as adjusted in accordance with the Applicable Business Day Convention) in accordance with the following formula:

$$Deposit\ Amount \times \frac{n}{365} \times (Interest\ Rate) + Deposit$$

$$Amount \times \frac{m}{365} \times \left( \frac{Interest\ Rate}{100} + 150bps \right)$$

Where:

n = the number of Observation Days during each respective Interest Period that the Reference Rate Rate, as determined by the Calculation Agent, is in the Interest Rate Range;

m = the number of Observation Days during each respective Interest Period that the Reference Rate, as determined by the Calculation Agent, is not in the Interest Rate Range;

“Observation Day” means each calendar day, provided that, notwithstanding the Business Day Convention, in respect of any calendar day that is not a Business Day, the Reference Rate from the immediately preceding Business Day shall apply to that day.

“Deposit Amount” means the amount on deposit in respect of the Related Contracts from time to time.

“Interest Rate Range” means for each day in periods specified below, the indicated range

b) In respect of the Interest Payment Date coinciding with the Maturity Date, in accordance with the following formula:

$$Deposit\ Amount \times \frac{n}{365} \times (Interest\ Rate)$$

<b><u>Interest Period (dates inclusive)</u></b>	<b><u>Interest Payment Date</u></b>	<b><u>Interest Rate Range</u></b>
<b>10 February 2011 – 2 April 2011</b>	4 April 2011	From and including 5.40% to and including 5.80%
<b>3 April 2011 – 2 July 2011</b>	4 July 2011	From and including 5.40% to and including 5.80%
<b>3 July 2011 – 2 October 2011</b>	4 October 2011	From and including 5.40% to and including 6.20%
<b>3 October 2011 – 2 January 2012</b>	4 January 2012	From and including 5.40% to and including 6.70%
<b>3 January 2012 – 2 April 2012</b>	4 April 2012	From and including 5.40% to and including 7.70%
<b>3 April 2012 – 2 July 2012</b>	4 July 2012	From and including 5.40% to and including 8.20%
<b>3 July 2012 – 2 October 2012</b>	4 October 2012	From and including 6.00% to and including 8.70%
<b>3 October 2012 – 2 January 2013</b>	4 January 2013	From and including 6.00% to and including 8.70%
<b>3 January 2013 – 2 April 2013</b>	4 April 2013	From and including 6.00% to and including 8.70%
<b>3 April 2013 – Maturity Date</b>	Maturity Date	Not applicable

#### **FIXED RATE NOTES**

26	Interest Commencement Date	N/A
27	Interest Payment Date(s)	: N/A
28	Interest Period(s)	: N/A
29	Fixed Interest Rate(s)	: N/A
30	Calculation Method	: N/A
31	Initial Broken Amount	: N/A
32	Final Broken Amount	: N/A
33	Any other terms relating to the particular method of calculating interest	: N/A

#### **INDEX LINKED NOTES**

34	Description of index	: N/A
35	Interest Commencement Date	: N/A
36	Interest Payment Date(s)	: N/A
37	Formula in accordance with which Interest Amount is to be determined	: N/A
38	Formula in accordance with which redemption amount in respect of principal is to be determined	: N/A
39	Provisions where calculation by reference to index and/or formula is impossible or impracticable	: N/A

- 40 Day Count Fraction : N/A  
41 Other : N/A

### **MIXED RATE NOTES**

- 42 Periods during which the Interest Rate will be a fixed Interest Rate and for which the Mixed Rate Notes will be construed as Fixed Rate Notes as set out under "FIXED RATE NOTES" above : N/A  
43 Periods during which the Interest Rate will be a Floating Interest Rate and for which the Mixed Rate Notes will be construed as Floating Rate Notes as set out under "FLOATING RATE NOTES" above. : N/A

### **REDEMPTION IN INSTALMENTS**

- 44 Date of first instalment : N/A  
45 Amount of first instalment : N/A  
46 Date of second instalment : N/A  
47 Amount of second instalment : N/A  
48 Dates and amounts of any additional instalments : N/A

### **CALL OPTION**

- 49 Call : N/A  
50 Non-Call Period : N/A  
51 Circumstances in which Call may be exercised : N/A  
52 Optional Redemption Amount(s) or method of calculating such amount(s) : N/A  
53 Optional Redemption Date(s) : N/A  
54 If redeemable in part :  
54.1 Minimum Principal Amount to be Redeemed : N/A  
54.2 Maximum Principal Amount to be Redeemed :

- 55 Notice Period (if different from the Programme Memorandum) : N/A
- 56 Other : N/A

### **PUT OPTION**

- 57 Put : N/A
- 58 Non-Put Period : N/A
- 59 Circumstances in which Put may be exercised : N/A
- 60 Optional Redemption Amount(s) or method of calculating such amount(s) : N/A
- 61 Optional Redemption Date(s) : N/A
- 62 Notice period (if different from the Programme Memorandum) : N/A
- 63 Other : N/A

### **PART B: RELATED CONTRACTS**

#### **RELATED CONTRACTS**

- 64 Related Contract Counterparty : The Standard Bank of South Africa Limited (“SBSA”)
- 65 Type of Related Contract : The ZAR53,654,150 Loan Agreement dated 10 February 2011 (reference [•]) concluded under an ISDA Master Agreement dated 14 December 2010 and the ZAR53,654,150 Deposit Agreement with SBSA, dated 10 February 2011, (reference [•]) concluded under an ISDA Master Agreement dated 14 December 2010
- 66 Effective date of Related Contract : 10 February 2011
- 67 Reference Entity : N/A
- 68 Reference Obligations : N/A
- 69 Scheduled date of termination : N/A
- 70 Method of settlement : N/A
- 71 Related Contract Events :
- 71.1 Credit Events : N/A
- 71.2 Events of Default : N/A
- 71.3 Termination Events : Applicable
- 72 Consequence of Related Contract Event :
- 72.1 Notes to be redeemed : N/A

72.2 Interest rate step down, incl new rate applicable	:	N/A
72.3 Cession of rights under defaulted Related Contract	:	N/A
72.4 Other	:	N/A
73 Time periods for exercise of rights on Related Contract Event	:	N/A
74 Other salient terms of Related Contract	:	N/A
75 Other	:	N/A

## **PART C: COLLATERAL**

### **COLLATERAL**

76 Deposit	:	Any funds received by the Issuer and not disbursed on the same day
76.1 Amount	:	
76.2 Bank holding deposit	:	SBSA
76.3 Account Number	:	As advised from time to time. Account will NOT pay any interest
77 Securities	:	
77.1 Issuer(s)	:	Bonds issued by the Standard Bank of South Africa Limited under bond code designation SBSI10 ("SBSA Bonds")
77.2 Nominal Amount(s)	:	ZAR50,000,000
77.3 Ratings of Issuer(s)	:	AA (zaf)
77.4 Maturity(ies)	:	03 July 2013
77.5 Applicable interest rate	:	Inflation growth plus 4%
78 Contract	:	
78.1 Type of Contract	:	N/A
78.2 Counterparty to Contract	:	N/A
78.3 Rights of Issuer ceded	:	N/A
78.4 Events of default	:	N/A
78.5 Rights on event of default	:	N/A
78.6 Other	:	N/A
79 Rights under Related Contract	:	(see heading "Related Contracts" above)
80 Other form of Collateral	:	N/A
81 Custodian of Collateral (if not Administrator)	:	N/A

## **DEFAULT UNDER COLLATERAL**

- 82 Consequence of default under :  
Collateral:  
82.1 Notes to be redeemed : Applicable  
82.2 Other :
- 83 Time periods for exercise of rights : N/A  
on default under Collateral
- 84 Other : N/A

## **PART D: OTHER OBLIGATIONS**

### **OTHER OBLIGATIONS**

- 85 Type : N/A
- 86 Salient terms of Obligation : N/A
- 87 Other : N/A

## **PART E: PAYMENT SEQUENCE**

- 88 Ranking of Notes/Obligations in :  
88.1 Pre-Enforcement Payment : As per Applicable Issuer Programme Supplement  
Sequence  
88.2 Pre-Enforcement Payment : As per Applicable Issuer Programme Supplement  
Sequence
- 89 Other : N/A

## **PART F: GENERAL**

- 90 Principal Amount Outstanding of all : N/A  
commercial paper (as defined in  
Commercial Paper Regulations  
contained in Government Notice  
2172, Government Gazette 16167 of  
14 December 1994 issued by the  
Deputy Registrar of Banks) as at the  
date of this pricing supplement and  
estimated amount to be issued  
during the financial year.
- 91 Additional investment : N/A  
considerations
- 92 Required Credit Rating : N/A
- 93 Additional selling restrictions : N/A
- 94 If syndicated, names of Dealers : N/A
- 95 International Securities Numbering :  
(ISIN)



- 96 Principal Amount Outstanding of all commercial paper (as defined in Commercial Paper Regulations contained in Government Notice 2172, Government Gazette 16167 of 14 December 1994 issued by the Deputy Registrar of Banks) as at the date of this pricing supplement and estimated amount to be issued during the financial year. : N/A
- 97 Additional investment considerations : N/A
- 98 Required Credit Rating : N/A
- 99 Additional selling restrictions : N/A
- 100 If syndicated, names of Dealers : N/A
- 101 International Securities Numbering (ISIN) : ZAG0000[XXXXX]
- 102 Stock Code : BD311B
- 103 Financial Exchange : JSE Limited
- 104 Settlement and clearing procedures (if not through STRATE) : N/A
- 105 Last day to register : Which shall mean that the Register will be closed during the 30<sup>th</sup> December, 30<sup>th</sup> March, 29<sup>th</sup> June and 30<sup>th</sup> August, 5 days preceding each interest Payment Date and Final Maturity Date, as the case may be
- 106 Transfer Agent Limited : Ultra Registrars (Proprietary)
- 107 Specified Office of the Transfer Agent : See Programme Memorandum
- 108 Stabilisation Manager (if any) : N/A
- 109 Use of Proceeds : Invest in Collateral
- 110 Other provisions : N/A

Signed at ..... On this .....day of 2011.

**For: BLUE DIAMOND INVESTMENTS NO. 3 (PROPRIETARY) LIMITED**

By: ..... By: .....