



**The Standard Bank of South Africa Limited**

(Incorporated with limited liability in South Africa under registration number 1962/000738/06)

**Issue of**

**CLN550 ZAR150,000,000 Land and Agricultural Development Bank of South Africa Listed  
Notes due 07 December 2025**

**Under its ZAR60,000,000,000 Structured Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Terms and Conditions**) set forth in the Programme Memorandum dated 01 January 2017 (the **Programme Memorandum**), as updated and amended from time to time. This Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

**DESCRIPTION OF THE NOTES**

1.	Issuer	The Standard Bank of South Africa Limited
2.	Status of the Notes	Senior
3.	(a) Series Number	517
	(b) Tranche Number	1
4.	Aggregate Nominal Amount	ZAR150,000,000
5.	Redemption/Payment Basis	Credit Linked
6.	Interest Payment Basis	Mixed Rate
7.	Form of Notes	Uncertificated
8.	Automatic/Optional Conversion from one Interest Payment Basis to another	Not applicable
9.	Issue Date	05 December 2018
10.	Trade Date	22 November 2018
11.	Business Centre	Johannesburg
12.	Additional Business Centre	Not applicable
13.	Specified Denomination	ZAR100,000
14.	Calculation Amount	ZAR150,000,000

15.	Issue Price	100%
16.	Interest Commencement Date	31 July 2018
17.	Maturity Date	The Scheduled Maturity Date, subject as provided in Credit Linked Condition 6 ( <i>Repudiation/Moratorium Extension</i> ), Credit Linked Condition 7 ( <i>Grace Period Extension</i> ), Credit Linked Condition 8 ( <i>Credit Derivatives Determinations Committee Extension</i> ) and Credit Linked Condition 9 ( <i>Maturity Date Extension</i> )
18.	Payment Currency	ZAR
19.	Applicable Business Day Convention	Following Business Day Convention. Unless otherwise indicated in this Applicable Pricing Supplement or the Terms and Conditions, the Applicable Business Day Convention shall apply to all dates herein.
20.	Calculation Agent	The Standard Bank of South Africa Limited
21.	Paying Agent	The Standard Bank of South Africa Limited
22.	Transfer Agent	The Standard Bank of South Africa Limited
23.	Settlement Agent	The Standard Bank of South Africa Limited
24.	Business Address of the Calculation Agent, Paying Agent, Settlement Agent and Transfer Agent	1 <sup>st</sup> Floor, East Wing, 30 Baker Street, Rosebank, Johannesburg, 2196
25.	Final Redemption Amount	Nominal Amount subject to the provisions of 79.1.8
26.	Unwind Costs	Standard Unwind Costs

#### **PARTLY PAID NOTES**

27.	Amount of each payment comprising the Issue Price	Not applicable
28.	Date upon which each payment is to be made by Noteholder	Not applicable
29.	Consequences (if any) of failure to make any such payment by Noteholder	Not applicable
30.	Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments	Not applicable

## INSTALMENT NOTES

- |     |   |                |
|-----|---|----------------|
| 31. | Instalment Dates  | Not applicable |
| 32. | Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes or as an amount) | Not applicable |

## FIXED RATE NOTES

- |     |     |   |                |
|-----|-----|---|----------------|
| 33. | (a) | Interest Rate(s)  | Not applicable |
|     | (b) | Interest Payment Date(s)  | Not applicable |
|     | (c) | Fixed Coupon Amount[(s)]  | Not applicable |
|     | (d) | Initial Broken Amount   | Not applicable |
|     | (e) | Final Broken Amount   | Not applicable |
|     | (f) | Any other terms relating to the particular method of calculating interest | Not applicable |

## FLOATING RATE NOTES

- |     |     |   |   |
|-----|-----|---|---|
| 34. | (a) | Interest Payment Date(s)  | Each 07 March, 07 June, 07 September and 07 December until the Maturity Date, with the first Interest Payment Date being 07 March 2025 or, if such a day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement).  |
|     | (b) | Interest Period(s)  | Each period from and including one Interest Payment Date to, but excluding the next Interest Payment Date provided that the first Interest Period shall commence on (and include) 31 January 2025 and the last Interest Period shall conclude on, but exclude the last Interest Payment Date (Scheduled Maturity Date), each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention. |
|     | (c) | Definitions of Business Day (if different from that set out in Condition 1 ( <i>Interpretation and General Definitions</i> )) | Not applicable  |
|     | (d) | Interest Rate(s)  | Reference Rate plus the Margin  |

(e)	Minimum Interest Rate	Not applicable
(f)	Maximum Interest Rate	Not applicable
(g)	Day Count Fraction	Actual/365 (Fixed)
(h)	Other terms relating to the method of calculating interest (eg Day Count Fraction, rounding up provision, if different from Condition 6.2 ( <i>Interest on Floating Rate Notes, Indexed Notes and FX Linked Interest Notes</i> ))	The determination of the Interest Amount will be subject to the provisions of 79.1.8
35.	Manner in which the Interest Rate is to be determined	Screen Rate Determination
36.	Margin	2.50%
37.	If ISDA Determination:	
(a)	Floating Rate	Not applicable
(b)	Floating Rate Option	Not applicable
(c)	Designated Maturity	Not applicable
(d)	Reset Date(s)	Not applicable
38.	If Screen Rate Determination:	
(a)	Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	three month ZAR-JIBAR-SAFEX
(b)	Interest Determination Date(s)	Each 07 March, 07 June, 07 September and 07 December of each year, commencing on 31 January 2025 until the Maturity Date
(c)	Relevant Screen Page	Reuters page SAFEX or any successor page
(d)	Relevant Time	11h00 (Johannesburg time)
(e)	Specified Time	12h00 (Johannesburg time)
(f)	Reference Rate Market	As set out in Condition 1 (Interpretation and General Definitions)



39. If Interest Rate to be calculated otherwise than by reference to 37 or 38 above
- |     |  |                |
|-----|--|----------------|
| (a) | Margin   | Not applicable |
| (b) | Minimum Interest Rate  | Not applicable |
| (c) | Maximum Interest Rate  | Not applicable |
| (d) | Day Count Fraction   | Not applicable |
| (e) | Reference Banks  | Not applicable |
| (f) | Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes | Not applicable |
40. If different from Calculation Agent, agent responsible for calculating amount of principal and interest
- Not applicable

#### **MIXED RATE NOTES**

41. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) for:
- |     |                          |  |
|-----|--------------------------|--|
| (a) | Fixed Rate Notes         | Not applicable   |
| (b) | Floating Rate Notes      | From, and including, 31 January 2025 until the Maturity Date                           |
| (c) | Indexed Notes            | From, and including, the Interest Commencement Date to, but excluding, 31 January 2025 |
| (d) | FX Linked Interest Notes | Not applicable   |
| (e) | Other                    | Not applicable   |

#### **ZERO COUPON NOTES**

- 42.
- |     |  |                |
|-----|--|----------------|
| (a) | Implied Yield  | Not applicable |
| (b) | Reference Price  | Not applicable |
| (c) | Any other formula or basis for determining amount(s) payable | Not applicable |

## INDEXED NOTES

43. (a) Type of Indexed Notes Indexed Interest Notes
- (b) Index/ Formula by reference to which Interest Amount/ Final Redemption Amount is to be determined CPI Index (as defined in paragraph 79.1.5 below).
- (c) Index of Indices: No
- (d) Manner in which the Interest Amount/ Final Redemption Amount is to be determined The Interest Amount payable in respect of each Note for each Interest Period will be the amount determined in accordance with the following formula:
- $$\frac{\text{I2025 Nominal Amount} \times 2.00\%}{2 \times \text{Reference CPI} \times \text{Initial Index Level} \times \text{Specified Denomination/Calculation Amount}}$$*
- WHERE:
- “I2025 Nominal Amount” means an amount equal to ZAR121,901,000.
- (e) Initial Index Level 77.62807, being the Reference CPI number for 04 July 2012
- (f) Interest Payment Date(s) Each 31 January and 31 July until 31 January 2025, with the first Interest Payment Date being 31 January 2019.
- (g) Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) 31 January 2025 (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (h) Interest Rate Determination Date(s) Each 31 January and 31 July of each year, commencing on the Interest Commencement Date up to, but excluding, 31 January 2025
- (i) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest Not applicable

(j)	Provisions where calculation by reference to index and/or formula is impossible or impracticable	If the CPI Index is discontinued then the Calculation Agent will, after consultation with Statistics South Africa or any successor entity, substitute an appropriate alternative index in its discretion which shall be deemed to be the CPI Index for the purposes of this Tranche.
(k)	Interest Rate(s)	Not applicable
(l)	Minimum Interest Rate	Not applicable
(m)	Maximum Interest Rate	Not applicable
(n)	Other terms relating to the calculation of the Interest Rate	Day Count Fraction for this Note shall be Actual/365 (Fixed). The determination of the Interest Amount will be subject to the provisions of paragraph 79.1.8

#### **FX LINKED INTEREST NOTES**

44.	FX Linked Interest Notes:	Not applicable
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#### **EXCHANGEABLE NOTES**

45.	Mandatory Exchange applicable?	Not applicable
46.	Noteholders' Exchange Right applicable?	Not applicable
47.	Exchange Securities	Not applicable
48.	Manner of determining Exchange Price	Not applicable
49.	Exchange Period	Not applicable
50.	Other	Not applicable

#### **CREDIT LINKED NOTE PROVISIONS**

51.	Credit Linked Notes	Applicable
(a)	Scheduled Maturity Date	07 December 2025
(b)	Reference Entity(ies)	Land and Agricultural Development Bank of South Africa
(c)	Reference Obligation(s)	Standard Reference Obligation: Not applicable
		Seniority Level: Senior Level
		The obligation(s) identified as follows:
		Senior unsecured debt from (and including) the Issue Date until (and excluding) the date on which the

obligation, identified below ("LBK33 Bond"), is issued ("Bond Issue Date"). With effect from (and including) the Bond Issue Date, LBK33 Bond shall constitute the Reference Obligation. In the event that LBK33 Bond is not issued, the Reference Obligation will continue to be: senior unsecured debt.

Primary Obligor: Land and Agricultural Development Bank of South Africa

Bond Code: LBK33

Maturity: 07 December 2025

Coupon: three month ZAR-JIBAR-SAFEX plus 2.20%

Bond Issue Date: On or about 07 December 2018

CUSIP/ISIN: ZAG000155953

Original Issue Amount: ZAR250,000,000

(d) Financial Information of the Guarantor/Issuer of the Reference Obligation The Issuer of the Reference Obligation is listed on the Interest Rate Market of the JSE Limited and therefore, as per rule 4.22(cc)(iv)(1) of the JSE Debt Listings Requirements, no additional information is required to be provided herein.

(e) Credit Linked Reference Price 100%

(f) Credit Event Determination Date Credit Event Notice: Applicable

Notice of Physical Settlement: Applicable

Notice of Publicly Available Information: Applicable, and if applicable:

Public Sources of Publicly Available Information: Applicable

Specified Number of Public Sources: 2

(g) Credit Events The following Credit Events shall apply:

Bankruptcy

Failure to Pay

Grace Period Extension: Applicable

Grace Period: 30 calendar days



Payment Requirement: ZAR10,000,000

Obligation Default

Obligation Acceleration

Repudiation/Moratorium

Restructuring

Default Requirement: ZAR25,000,000

Multiple Holder Obligation: Not applicable

Mod R: Not applicable

Mod Mod R: Not applicable

Credit Linked Condition 13: Not applicable

(h) Credit Event Backstop Date Applicable

(i) Calculation Agent City Johannesburg

(j) All Guarantees Applicable

(k) Obligation(s)

Obligation Category (Select only one)	Obligation Characteristics (Select all that apply)
<input type="checkbox"/> Payment	<input type="checkbox"/> Not Subordinated
<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency <input type="checkbox"/>
<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
<input checked="" type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency [Domestic Currency means <input type="checkbox"/>
<input type="checkbox"/> Loan	<input type="checkbox"/> Not Domestic Law
<input type="checkbox"/> Bond or Loan	<input checked="" type="checkbox"/> Listed
	<input type="checkbox"/> Not Domestic Issuance

Additional Obligations Not applicable

- |     |  |                     |
|-----|--|---------------------|
|     | Excluded Obligations                         | None                |
| (l) | Accrual of interest upon Credit Event        | Not applicable      |
| (m) | Financial Reference Entity Terms             | Applicable          |
| (n) | Subordinated European Insurance Terms        | Not applicable      |
| (o) | Reference Only Obligation Termination Amount | Not applicable      |
| (p) | Settlement Method                            | Physical Settlement |
| (q) | Fallback Settlement Method                   | Not applicable      |

**Terms Relating to Cash Settlement:** Not applicable

**Terms Relating to Physical Settlement:** Applicable

- |     |                            |  |
|-----|----------------------------|--|
| (a) | Physical Settlement Date   | As specified in Credit Linked Condition 12 ( <i>Credit Linked Definitions</i> ). |
| (b) | Physical Settlement Period | As specified in Credit Linked Condition 12 ( <i>Credit Linked Definitions</i> ). |
| (c) | Entitlement                | Exclude Accrued Interest   |

(Complete where Physical Settlement is the applicable Settlement Method or Fallback Settlement Method)

Deliverable Obligation Category (Select only one)	Deliverable Obligation Characteristics (Select all that apply)
<input type="checkbox"/> Payment	<input type="checkbox"/> Not Subordinated
<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency <input type="checkbox"/>
<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
<input checked="" type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency <input type="checkbox"/> Domestic Currency means <input type="checkbox"/>
<input type="checkbox"/> Loan	<input type="checkbox"/> Not Domestic Law
<input type="checkbox"/> Bond or Loan	<input checked="" type="checkbox"/> Listed

<input type="checkbox"/>	Not Domestic Issuance
<input type="checkbox"/>	Assignable Loan
<input type="checkbox"/>	Consent Required Loan
<input type="checkbox"/>	Direct Loan Participation
	Qualifying Participation Seller: <input type="checkbox"/>
<input type="checkbox"/>	Transferable
<input type="checkbox"/>	Maximum Maturity <input type="checkbox"/>
<input type="checkbox"/>	Accelerated or Matured
<input type="checkbox"/>	Not Bearer

- (e) Asset Package Delivery      Applicable
- (f) Sovereign No Asset Package Delivery      Not applicable
- (g) Additional Deliverable Obligations      Not applicable
- (h) Excluded Deliverable Obligations      Not applicable
- (i) Other terms      Not applicable
- (j) Other Provisions      Applicable, as set out in paragraph 79.2.3

#### **FX LINKED REDEMPTION NOTES**

52. FX Linked Redemption Notes      Not Applicable

#### **OTHER NOTES**

53. If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes, Exchangeable Notes, Credit Linked Notes or FX Linked Notes or if the Notes are a combination of any of the foregoing, set out the      Not applicable

relevant description and any additional terms and conditions relating to such Notes.

#### PROVISIONS REGARDING REDEMPTION/MATURITY

- |     |  |   |
|-----|--|---|
| 54. | Redemption at the Option of the Issuer (Call Option)   | Not applicable                              |
| 55. | Redemption at the option of the Noteholders (Put Option)   | Not applicable                              |
| 56. | Early Redemption Amount(s) payable on redemption for taxation reasons and/or change of law or on Event of Default and/or the method of calculating same (if required or if different from that set out in Condition 7.7 ( <i>Early Redemption Amounts</i> )) | Applicable and as set out in Condition 7.7. |

#### GENERAL

- |     |   |  |
|-----|---|--|
| 57. | Material Changes                                  | As at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest unaudited interim financial statements for the six months ended 30 June 2018. As at the date of this Applicable Pricing Supplement, there has been no involvement by KPMG Incorporated and/or PricewaterhouseCoopers Incorporated, the auditors of the Issuer, in making the aforementioned statement. |
| 58. | Other terms or special conditions                 | Not applicable   |
| 59. | Board approval for issuance of Notes obtained     | Not applicable   |
| 60. | United States selling restrictions                | Not applicable   |
| 61. | Additional selling restrictions                   | Not applicable   |
| 62. | (a) International Securities Numbering (ISIN)     | ZAG000155938   |
|     | (b) Common Code                                   | Not applicable   |
|     | (c) Stock Code                                    | CLN550   |
| 63. | (a) Financial Exchange                            | JSE Limited  |
|     | (b) Relevant sub-market of the Financial Exchange | Interest Rates Market  |



- (c) Clearing System                      Strate Proprietary Limited
64. If syndicated, names of managers    Not applicable
65. Receipts attached? If yes, number of Receipts attached    No
66. Coupons attached? If yes, number of Coupons attached    No
67. Credit Rating assigned to the Issuer/Notes/Programme (if any)    Moody's Investor Services Inc ratings assigned to the Issuer:
- |                                 | Short-term | Long-term | Outlook |
|---------------------------------|------------|-----------|---------|
| Foreign currency deposit rating | P-3        | Baa3      | Stable  |
| Local currency deposit rating   | P-3        | Baa3      | Stable  |
| National rating                 | P-1.za     | Aa1.za    |         |
68. Date of Issue of Credit Rating and Date of Next Review    Moody's ratings obtained on 12 June 2017. Moody's changed the outlook to stable on 27 March 2018. Review expected semi-annually.
69. Stripping of Receipts and/or Coupons prohibited as provided in Condition 13.4 (*Prohibition on Stripping*)?    Not applicable
70. Governing law (if the laws of South Africa are not applicable)    Not applicable
71. Other Banking Jurisdiction    Not applicable
72. Last Day to Register, which shall mean that the "books closed period" (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption    17h00 on:
- (i) in respect of the Indexed Notes, each of the following dates occurring during the period from, and including, the Issue Date until, but excluding, 31 January 2025: each 20 January and 20 July, with the first such Last Day to Register being 20 January 2019; and
  - (ii) in respect of the Floating Rate Notes, each of the following dates occurring during the period from, and including, 31 January 2025 until, but excluding, the Maturity Date: each 24 February, 27 May, 27 August and 26 November, with the

first such Last Day to Register being 24 February 2025.

Books closed period	The "books closed period" (during which the Register will be closed) will be from: <ul style="list-style-type: none"><li>(i) in respect of the Indexed Notes, from each 21 January and 21 July, commencing on 21 January 2019 until the applicable Interest Payment Date, the last such books closed period commencing on 21 January 2025; and</li><li>(ii) in respect of the Floating Rate Notes, each 25 February, 28 May, 28 August and 27 November of each year, until the applicable Interest Payment Date, the first such books closed period commencing on 25 February 2025.</li></ul>
73. Stabilisation Manager (if any)	Not applicable
74. Method of Distribution	Private Placement
75. Total Notes in Issue (including current issue)	ZAR31,730,668,674.66. The Issuer confirms that the aggregate Nominal Amount of all Notes Outstanding under this Programme is within the Programme Amount.
76. Rights of Cancellation	<p>The Notes will be delivered to investors on the Issue Date/Settlement Date through the settlement system of Strate provided that:</p> <ul style="list-style-type: none"><li>(i) no event occurs prior to the settlement process being finalised on the Issue Date/Settlement Date which the Issuer (in its sole discretion) consider to be a force majeure event; or</li><li>(ii) no event occurs which the Issuer (in its sole discretion) considers may prejudice the issue, the Issuer or the Notes,</li></ul> <p>(each a <b>Withdrawal Event</b>).</p> <p>If the Issuer decides to terminate this transaction due to the occurrence of a Withdrawal Event, this transaction shall terminate and no party hereto shall have any claim against any other party as a result of such termination. In such event, the Notes, if listed, will immediately be de-listed.</p>
77. Responsibility Statements	The Issuer certifies that to the best of its knowledge and belief, there are no facts that have been omitted which would make any statement in the Programme Memorandum, as read together with this Applicable

Pricing Supplement false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the Programme Memorandum contains all information required by law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement and any amendments or any supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of this Applicable Pricing Supplement and any amendments or any supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of any of the Applicable Pricing Supplement and any amendments or any supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of any of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

78. Listing and Admission to Trading

Application has been/will be made for the Notes to be listed and admitted to trading on the JSE with effect from, the earliest, the Issue Date. No assurances can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by the Issue Date).

Notes may be suspended from trading and/or de-listed at any time in accordance with applicable rules and regulations of the relevant stock exchange(s).

79. Other provisions

79.1 The following additional provisions apply to Indexed Notes:

79.1.1 Additional Indexed Amount

An amount determined in accordance with the following formula will be payable by the Issuer in respect of each Note on the Additional Indexed Amount Payment Date:

*$$\frac{I2025 \text{ Nominal Amount} \times \text{Reference CPI} / \text{Initial Index Level} - \text{Aggregate Nominal Amount} \times \text{Specified Denomination/Calculation Amount}}{1}$$*

WHERE:

“I2025 Nominal Amount” means an amount equal to ZAR121,901,000.

The determination of the Additional Indexed Amount will be subject to the provisions of 79.1.8

79.1.2 Additional Indexed Amount 31 January 2025  
Payment Date

79.1.3 Adjustment to CPI Index

If the CPI Index is rebased, then the CPI Index as so rebased (the “**Rebased CPI Index**”) will be used for purposes of determining the level of the CPI Index from the date of such rebasing, provided that the Calculation Agent shall (if it deems necessary) make adjustments to the levels of the Rebased CPI Index so that the Rebased CPI Index levels reflect the same rate of inflation as the CPI Index before it was rebased, provided that any such rebasing shall not affect any prior payments made in respect of this Note.

79.1.4 CPI Determination Date

As it concerns the –

- (i) Interest Amount payable on any Interest Payment Date, the relevant Interest Payment Date; and
- (ii) Additional Indexed Amount, the day that is three Business Days prior to the relevant Additional Indexed Amount Payment Date.

79.1.5 CPI Index

The weighted average of the consumer price index as published by Statistics South Africa in Statistical release P1041, which is referred to as “Headline CPI – All urban areas” (primary and secondary).

79.1.6 Failure/delay of Index to be published

If the Reference CPI cannot be determined so that the Interest Amount may be calculated in accordance with the formula stipulated in paragraphs 43(d) and/or 79.1.1 above as a result of:

- (i) a one month delay in the publication of the level of the CPI Index, then subject to the terms below, a substitute CPI Index level will be determined as follows:

$$CPI_m = CPI_{m-1} \times (CPI_{m-1} / CPI_{m-13})^{1/12}$$

Where:



- (a) “CPI<sub>m</sub>” is the substitute CPI Index for the month that is required; and
- (b) “m” = month
- (ii) a delay in the publication of the level of the CPI Index of more than one month, then subject to the terms below, a substitute CPI Index level will be determined as follows:

$$\text{CPI}_m = \text{CPI}_{m-n} \times (\text{CPI}_{m-n} / \text{CPI}_{m-n-12})^{n/12}$$

Where:

- (a) “CPI<sub>m</sub>” is the substitute CPI Index for the month that is required;
- (b) “m” = month; and
- (c) “n” is the number of months’ delay.

Where

the CPI Index level has not been reported timeously for a particular month, which CPI Index level was to be utilised for purposes of determination of the Reference CPI which in turn was to be utilised in the formula stipulated in paragraphs 43(d) and/or 79.1.1 for purposes of calculation (i) of the Interest Amount due on the Interest Payment Date or (ii) the Additional Indexed Amount due on the Additional Indexed Amount Payment Date,

the substitute CPI Index level so determined in accordance with either of the formulae stipulated in paragraphs 79.1.6(i) and 79.1.6(ii) above (the “**Substitute Reference CPI Level**”) shall be the deemed CPI Index level (and therefore the relevant Reference CPI), and shall not be replaced by the actual CPI Index level when indeed reported. It being understood that for purposes of calculation of the Substitute Reference CPI Level, only CPI Index level(s) that has/have actually been reported will be used for purposes of such calculation and not any previously determined Substitute Reference CPI Level.

#### 79.1.7 Reference CPI

Subject to the provisions of paragraph 79.1.6 above, the level of the CPI Index for the fourth calendar month preceding the calendar month in which the applicable CPI Determination Date occurs, where the applicable CPI Determination Date is the first day of any calendar month. If the applicable CPI Determination Date

occurs on a day other than the first day of a calendar month, then the Reference CPI shall be determined in accordance with the following formula:

$$\text{Reference CPI} = \text{Ref. CPI}_j + [(t-1)/D] \times (\text{Ref. CPI}_{j+1} - \text{Ref. CPI}_j)$$

Where:

- (a) “**Ref. CPI<sub>j</sub>**” is the CPI Index level for the fourth calendar month preceding the calendar month in which the applicable CPI Determination Date occurs;
- (b) “**Ref. CPI<sub>j</sub>**+1 is the CPI Index level for the third calendar month preceding the calendar month in which the applicable CPI Determination Date occurs;
- (c) “**t**” is the calendar day corresponding to the applicable CPI Determination Date; and
- (d) “**D**” is the number of days in the calendar month in which the applicable CPI Determination Date occurs.

79.1.8 Issuer amendment to payment terms following payment shortfalls and amendments to the terms of the Underlying Bonds

If, for whatever reason, either (i) the scheduled payments due under the Underlying Bonds are not received in full by the holders of the Underlying Bonds on the respective scheduled date for payment or (ii) the terms of the Underlying Bonds are amended and the amendments affect the size and/or timing of the payments under the Underlying Bonds, then the Issuer will have the right, but not the obligation, to adjust the future interest, redemption and other payment provisions of these Notes in order that the payments received by the holders of these Notes reflect the amounts actually received by holders of the Underlying Bonds, having regard for the payment shortfalls and/or amendments described herein. The Issuer will have the corresponding right, but not the obligation, to amend the provisions of the Hypothetical Total Return Swap Transaction in order that the payments under the swap reflect the amounts actually received by holders of the Reference Assets, having regard for the payment shortfalls and/or amendments described herein.

79.2 Other additional provisions:

79.2.1 Underlying Bonds

Government Bonds issued by the Republic of South Africa (ISIN Code: ZAG000096587), with an aggregate nominal amount equal to the I2025 Nominal Amount (as such term is defined in paragraph 43(d) above) and with a maturity date of 31 January 2025.

79.2.2 Underlying Bonds Nominal ZAR121,901,000  
Amount

79.2.3 Additional obligations upon the occurrence of a Credit Event In addition to the Issuer's obligations as set out in Credit Linked Condition 4, the Hypothetical Total Return Swap Amount shall be settled on the Physical Settlement Date. Should the Hypothetical Total Return Swap Amount be greater than zero, then the Issuer will pay the amount in cash to the Noteholder on the Physical Settlement Date. Should the Hypothetical Total Return Swap Amount be less than zero, then the Issuer will be entitled to reduce the Deliverable Obligations comprising the Entitlement determined through the application of Credit Linked Condition 4 with Deliverable Obligations with a market value, as determined by the Calculation Agent, equal to the Hypothetical Total Return Swap Amount.

79.2.4 Hypothetical Total Return Swap Amount The "Early Termination Amount" under the ISDA Master Agreement determined by the Calculation Agent on or about the Credit Event Determination Date, in accordance with the provisions of Section 6 (e)(ii)(1) of the ISDA Master Agreement .

79.2.5 Hypothetical Total Return Swap Transaction A hypothetical total return swap transaction concluded between the Issuer and the Noteholder under the ISDA Master Agreement have the following terms:

Party A	Issuer
Party B	Noteholder
Effective Date	Issue Date
Termination Date	31 January 2025
Reference Assets	Underlying Bonds
Fixed Rate Payer	Party A
Fixed Amount	The coupon amount actually received by a holder of the Reference Asset who holds Reference Bonds with a face amount equal to the Fixed Rate Payer Notional Amount
Fixed Rate Payer Notional Amount	ZAR121,901,000

Fixed Rate Payer Payment Dates	Any day on which a coupon amount is actually received by the holders of the Reference Obligation
Floating Rate Payer	Party B
Floating Rate Payer Calculation Amount	Underlying Bonds Nominal Amount
Floating Rate Payer Payment Dates	Each 31 January, 30 April, 31 July and 31 October
Floating Rate Option:	ZAR-JIBAR-SAFEX
Designated Maturity:	3 months
Spread:	Plus 2.50%
Floating Rate Day Count Fraction:	Actual/365 (Fixed)
Final Exchange	The Final Exchange Amount will be paid on the Termination Date. If the Final Exchange Amount is greater than zero, Party A will pay the Final Exchange Amount to Party B and if the Final Exchange Amount is less than zero, Party B will pay the absolute value of the Final Exchange Amount to Party A.
Final Exchange Amount	<p>An amount equal to the difference between A and B,</p> <p>WHERE:</p> <p>A = The redemption proceeds actually received by holders of the Underlying Bonds with a face amount equal to the Underlying Bonds Nominal Amount</p> <p>B = ZAR150.000.000</p>
Party B Final Exchange	None



Additional Termination Event	The occurrence of a Credit Event under CLN550. Party B will be the sole Affected Party and this Transaction will be the sole Affected Transaction.
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#### 79.2.6 ISDA Master Agreement

A hypothetical 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc (and available at [www.isda.org](http://www.isda.org)) between the Issuer and the Noteholder (including a schedule thereto) concluded on the Issuer's standard terms, with a single transaction thereunder, the Hypothetical Total Return Swap.

79.2.7 Announcement of interest payable The amount of any interest payable in respect of the Notes will be announced on SENS at least 3 Business Days before the relevant Interest Payment Date.

Application is hereby made to list this issue of Notes on the JSE as from 05 December 2018.

Signed at Johannesburg on this 04<sup>th</sup> day of December 2018.

For and on behalf of  
**THE STANDARD BANK OF SOUTH AFRICA LIMITED**

By:

Name: *Monique CAULIN LANELEY*  
Capacity: *SENIOR LEGAL MANAGER*  
Who warrants his/her authority hereto.

For and on behalf of  
**THE STANDARD BANK OF SOUTH AFRICA LIMITED**

By:

Name: *SARIN COSTO*  
Capacity: *EXECUTIVE: Global Treasury*  
Who warrants his/her authority hereto.