
APPLICABLE PRICING SUPPLEMENT

LOMBARD INSURANCE COMPANY LIMITED

(Registration Number 1990/001253/06)

(Established and incorporated as a public company with limited liability in accordance with the laws of South Africa)

Issue of ZAR200 000 000 Unsecured Subordinated Notes due 25 November 2019

Under the Lombard Insurance Company Limited ZAR1 000 000 000

Unsecured Subordinated 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 set forth in the Programme Memorandum dated on or about 17 November 2014. This Applicable 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 Applicable Pricing Supplement and such Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail. To the extent that certain provisions of the *pro forma* Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

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

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, the Applicable Pricing Supplements and the annual financial statements and any amendments to the annual financial statements or any supplements from time to time, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum or this Applicable Pricing Supplement or the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum or this Applicable Pricing Supplement, the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or this Applicable Pricing Supplement or the annual financial statements or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time).

DESCRIPTION OF THE NOTES

1.	Issuer	Lombard Insurance Company Limited
2.	Status of Notes	Unsecured Subordinated Notes
3.	Tranche Number	1

4.	Series Number	1
5.	Aggregate Principal Amount	ZAR200 000 000
	a) Series	ZAR200 000 000
	b) Tranche	ZAR200 000 000
6.	Interest	Interest bearing
7.	Interest/Payment Basis	Floating Rate
8.	Form of Notes	Listed
9.	Automatic/Optional Conversion from one Interest/Payment Basis to another	N/A
10.	Issue/Settlement Date	25 November 2014
11.	Business Centre	Johannesburg
12.	Additional Business Centre	N/A
13.	Principal Amount per Note	ZAR1 000 000
14.	Specified Denomination	ZAR1 000 000
15.	Issue Price	100%
16.	Interest Commencement Date	25 November 2014
17.	Redemption Date	25 November 2019
18.	Specified Currency	ZAR
19.	Applicable Business Day Convention	Following Business Day
20.	Final Redemption Amount	ZAR200 000 000
21.	Last Day to Register	11 calendar days before each Interest Payment Date, i.e. each 14 February, 14 May, 14 August and 14 November of each calendar year during the period commencing on the Issue Date and ending on the Redemption Date
22.	Books Closed Period	The Register will be closed from 10 calendar days before each Interest Payment Date to each Interest Payment Date (all dates inclusive) i.e. each 15 February, 15 May, 15 August and 15 November in each calendar year during the period commencing on the Issue Date and ending on the Redemption Date
23.	Programme Limit as at the Issue Date	ZAR1 000 000 000
24.	Aggregate outstanding Principal Amount of all the Notes issued under the Programme as at the Issue Date	ZAR0

FLOATING RATE NOTES

25.	(a)	Interest Payment Date(s)	Each 25 February, 25 May, 25 August and 25 November of each calendar year during the period commencing on 25 February 2015 and ending on the Redemption Date, each such day being subject to adjustment in accordance with the Following Business Day Convention
	(b)	Interest Period(s)	From and including one Floating Rate Interest Payment Date to but excluding the following Floating Rate Interest Payment Date, with the first Interest Period commencing on 25 November 2014 and ending the day before the next Interest Payment Date
	(c)	Definitions of Business Day (if different from that set out in Condition 1)	N/A
	(d)	Minimum Interest Rate	N/A
	(e)	Maximum Interest Rate	N/A
	(f)	Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision, if different from Condition 7)	N/A
26.		Manner in which the Interest Rate is to be determined	Screen Rate Determination
27.		Margin	475 basis points to be added to the relevant Reference Rate
28.		If Screen Determination	
	(a)	Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	3 months JIBAR
	(b)	Interest Rate Determination Date(s)	On the first date of that Interest Period or if such day is not a Business Day, the following day that is a Business Day. The first Interest Rate Determination Date shall be on 19 November 2014.
	(c)	Relevant Screen Page and Reference Code	ZAR-JIBAR-SAFEX
29.		If Interest Rate to be calculated otherwise than by reference to 28 above, insert basis for determining Interest Rate/Margin/Fall back provisions	N/A
30.		If different from the Calculation Agent, agent responsible for calculating amount of principal and interest	N/A

PROVISIONS REGARDING REDEMPTION/ MATURITY

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| 31. | Prior consent of Registrar required for any redemption prior to Redemption Date | Yes |
| 32. | <p>Issuer's Optional Redemption pursuant to Condition 8.3 (<i>Redemption at the option of the Issuer</i>):</p> <p>if yes:</p> <p>(a) Optional Redemption Date(s)</p> <p>(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)</p> <p>(c) Minimum Period of Notice (if different to Condition 8.3)</p> <p>(d) The redemption amount must, according to Condition 8.3, be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount:</p> <p style="padding-left: 40px;">Minimum Redemption Amount(s)</p> <p style="padding-left: 40px;">Higher Redemption Amount(s)</p> <p>(e) Other terms applicable on Redemption</p> | <p>No</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> |
| 33. | Issuer's optional early redemption for tax reasons pursuant to Condition 8.2 (<i>Redemption for tax reasons</i>). | Yes |
| 34. | Issuer's optional early redemption following the occurrence of a Regulatory Event pursuant to Condition 8.4 (<i>Early redemption following the occurrence of a Regulatory Event</i>). | Yes |
| 35. | <p>Early Redemption Amount(s) payable pursuant to Condition 8.5 (<i>Early Redemption Amounts</i>) on redemption for taxation reasons or on the occurrence of a Regulatory Event or on the occurrence of an Event of Default. If no:</p> <p>a) Amount payable; or</p> <p>b) Method of calculation and amount payable</p> | <p>Yes</p> <p>N/A</p> <p>N/A</p> |

DEFERRAL OF PAYMENTS

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| 36. | Mandatory Deferral of Principal pursuant to Condition 9.5.1.1 (<i>Mandatory Deferral</i>) | Yes |
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of Principal)

- | | | |
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| 37. | Deferral of Principal at the Request of the Registrar pursuant to Condition 9.5.1.2
<i>(Deferral of Principal at the Request of the Registrar)</i> | Yes |
| 38. | Mandatory Deferral of Interest pursuant to Condition 9.5.2.1 <i>(Mandatory Deferral of Interest)</i> | Yes |
| 39. | Deferral of Interest at the Request of the Registrar pursuant to Condition 9.5.2.2
<i>(Deferral of Interest at the Request of the Registrar)</i> | Yes |

GENERAL

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| 40. | Prior written approval of the Registrar required for the issue of the Notes | a) Registrar, in terms of section 23(1)(a) of the Short-Term Insurance Act, approved the issue of Notes on 12 November 2014
b) Registrar, in terms of paragraph 7(2) of Schedule 2 to the Short-Term Insurance Act approved the manner in which and the amount for which and the value of the Notes to be determined on 12 November 2014 |
| 41. | Additional selling restrictions | N/A |
| 42. | International Securities Numbering (ISIN) | ZAG000121609 |
| 43. | Stock Code | LOM01 |
| 44. | Financial Exchange | Interest Rate Market of the JSE Limited |
| 45. | If syndicated, names of managers | N/A |
| 46. | Method of Distribution | Bookbuild |
| 47. | Credit Rating assigned to Notes, the Programme and/ or the Issuer as at the Issue Date (if any) | BBB+ (National Scale Rating of Issuer) |
| 48. | Rating Agency | Global Credit Ratings Co. |
| 49. | Transfer Agent | Standard Chartered Bank |
| 50. | Settlement Agent | Standard Chartered Bank |
| 51. | Date of issue of current Credit Rating | 30 May 2014 |
| 52. | Date of next Credit Rating Review | 30 November 2015 |
| 53. | Governing law (if the laws of South Africa are not applicable) | N/A |
| 54. | Use of proceeds | For general business purposes |

- | | | |
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| 55. | Stabilisation Manager (if any) | N/A |
| 56. | Other provisions | N/A |

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS

At the date of this Applicable Pricing Supplement -

57. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

58. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

59. Paragraph 3(5)(c)

The auditors of the Issuer are Deloitte & Touche.

60. Paragraph 3(5)(d)

As at the date of this issue –

(a) the Issuer has not issued any Notes; and

(b) it is not anticipated that the Issuer will issue Notes during its current financial year.

61. Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

62. Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

63. Paragraph 3(5)(g)

The Notes issued will be listed.

64. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for general business purposes.

65. Paragraph 3(5)(i)

The Notes are unsecured.

66. Paragraph 3(5)(j)

Deloitte & Touche, the auditors of the Issuer, have confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 in Government Gazette No, 16167 of 14 December 1994) published under Paragraph (cc) of the definition of the "business of a bank" in terms of section 1 of the Banks Act, 1990).

Application is hereby made to list this issue of Notes on 25 November 2014.

SIGNED at  this 20th day of Nov 2014.

For and on behalf of

LOMBARD INSURANCE COMPANY LIMITED

Name:

Dean Hyde

Capacity:

Finance Director

who warrants his/her authority hereto

Name:

Robert John Symmonds

Capacity:

Managing Director

who warrants his/her authority hereto