



NEDBANK GROUP LIMITED

(incorporated with limited liability under registration number 1966/010630/06 in the Republic of South Africa)

ZAR10,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

issue of ZAR600,000,000 Subordinated Floating Rate Notes

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Subordinated Notes described herein ("**Additional Tier 1 Notes**", "**Subordinated Notes**" and "**this Tranche**").

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 13 July 2016, as amended and/or supplemented from time to time ("**Programme Memorandum**"), prepared by Nedbank Group Limited ("**Issuer**") in connection with the Nedbank Group Limited ZAR10,000,000,000 Domestic Medium Term Note Programme ("**Programme**").

The Programme Memorandum, dated 13 July 2016, was approved by the JSE Limited ("**JSE**") on 7 July 2016.

References to the "**Terms and Conditions**" in this Applicable Pricing Supplement are to the section of the Programme Memorandum headed "**Terms and Conditions**". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions.

This Tranche will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of this Tranche set out in this Applicable Pricing Supplement.

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

A. DESCRIPTION OF THE ADDITIONAL TIER 1 NOTES

1.	Issuer	Nedbank Group Limited
2.	Tranche number	1
3.	Series number	2
4.	Status of the Additional Tier 1 Notes	Subordinated Notes: Additional Tier 1 Notes (see Condition 5.3 (<i>Status of the Additional Tier 1 Notes</i>))
5.	Security	Unsecured
6.	Form of the Additional Tier 1 Notes	Registered Notes. The Additional Tier 1 Notes are issued in registered uncertificated form and will be held in the Central Securities Depository.
7.	Type of Additional Tier 1 Notes	Floating Rate Additional Tier 1 Notes
8.	Issue Date/First Settlement Date	30 June 2017
9.	Issue Price	100%
10.	Interest	Floating Rate Note Provisions (see Condition 8.2 (<i>Floating Rate Note Provisions</i>))
11.	Redemption/Payment Basis	Redemption at par
12.	Change of interest or redemption payment basis	Not Applicable
13.	Aggregate Principal Amount of this Tranche	ZAR600,000,000
14.	Specified Currency	ZAR
15.	Specified Denomination (Principal Amount per Note)	ZAR1,000,000

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| 16. | Minimum Specified Denomination of each Note | ZAR1,000,000 |
| 17. | Calculation Amount | ZAR1,000,000 |
| 18. | Business Day Convention | Modified Following Business Day Convention |
| 19. | Day Count Fraction | Actual/365 |

B. PROGRAMME AMOUNT

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| 1. | Programme Amount as at the Issue Date | ZAR10,000,000,000 |
| 2. | Aggregate outstanding Principal Amount of all of the Notes in issue under the Programme as at the Issue Date | ZAR4,500,000,000, excluding the aggregate Principal Amount of this Tranche and any other Tranches of Notes issued on the Issue Date specified in Item A(8) above. |
| 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

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| 1. | Issuer election not to pay interest | This Item C is subject in all respects to Condition 7 (<i>Interest Payments on Additional Tier 1 Notes</i>). |
| 2. | Floating Interest Rate | The Additional Tier 1 Notes will bear interest at the Floating Interest Rate per annum (nominal annual compounded quarterly) equal to the sum of the Reference Rate (see Item C(10)(a) below) plus the Margin (see Item C(12) below), determined by the Calculation Agent in accordance with Condition 8.2.6 (<i>Calculation of Interest Amount</i>), for the period from and including the Issue Date to but excluding the Redemption Date. |
| 3. | Interest Commencement Date | 30 June 2017 |
| 4. | Interest Payment Date/s | Quarterly in arrear on 1 October, 1 January, 1 April and 1 July of each year until the Redemption Date. |
| 5. | First Interest Payment Date | 1 October 2017 |
| 6. | Interest Periods | <p>The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date.</p> <p>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.</p> |
| 7. | Rate Determination Date/s | <p>The first day of each Interest Period; provided that the Rate Determination Date for the first Interest Period shall be 27 June 2017.</p> <p>If any such date is not a Business Day, the Rate Determination Date will be the first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Rate Determination Date will be brought forward to the first preceding Business Day.</p> |
| 8. | Manner in which the Floating Interest Rate is to be determined | Screen Rate Determination |
| 9. | If ISDA Determination applicable: | Not Applicable |
| 10. | If Screen Rate Determination applicable: | Applicable |
| (a) | Reference Rate | 3-month JIBAR (being, subject to Condition 8.2.3 (<i>Screen Rate Determination</i>), 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 Rate Determination Date, determined by the Calculation Agent in accordance |

		with Condition 8.2.6 (<i>Calculation of Interest Amount</i>)
(b)	Relevant Screen Page	Reuters Screen SAFETY page
(c)	Relevant Time	11h00 (South African time)
(d)	Relevant Financial Centre	Johannesburg
(e)	Reference Banks	Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited
11.	<i>If Other Determination applicable:</i>	Not Applicable
12.	Margin	5.65%
13.	Minimum Floating Interest Rate	Not Applicable
14.	Maximum Floating Interest Rate	Not Applicable
15.	Default Rate	Floating Interest Rate specified in Item C(2) above (see Condition 8.5.1 (<i>Default interest</i>))
16.	Fall back provisions, rounding provisions and any other terms relating to the method of calculating the Floating Interest Rate	Not Applicable

D. REDEMPTION

1.	Maturity Date	Subject to Item D(4), Item D(6) and Item D(7) below, this Tranche shall only be redeemed, at the aggregate Outstanding Principal Amount of this Tranche plus accrued interest (if any), on a winding-up (other than pursuant to a Solvent Reconstruction) or liquidation of the Issuer subject to Condition 5.3 (<i>Status of the Additional Tier 1 Notes</i>)
2.	Final Redemption Amount	See Item D(1) above.
3.	Prior approval of the Relevant Authority required for redemption prior to the Maturity Date	Yes
4.	<i>Issuer Early Redemption Election:</i>	Applicable (see Condition 9.4 (<i>Redemption at the election of the Issuer</i>), subject to the Issuer complying with the conditions to redemption set out in Condition 9.4.2 (<i>Subordinated Notes</i>).
(a)	Redemption in whole	Applicable
	• Early Redemption Date (Call)	1 July 2022 (" First Early Redemption Date (Call) ") or any Interest Payment Date falling after the First Early Redemption Date (Call)
	• Early Redemption Amount (Call)	The aggregate outstanding Principal Amount of this Tranche (plus accrued interest, if any) to the Early Redemption Date (Call).
	• Notice period	30 days
5.	<i>Noteholder Early Redemption Election:</i>	Not Applicable
6.	<i>Early redemption following a Tax Event:</i>	Applicable (see Condition 9.2 (<i>Redemption for tax reasons</i>), subject to the prior written approval of the Relevant Authority.
(a)	Redemption in whole	Applicable
	• Early Redemption Date (Tax)	The Interest Payment Date stipulated as the Early Redemption Date (Tax) in the notice of redemption given by the Issuer in terms of Condition 9.2 (<i>Redemption for tax reasons</i>)
	• Early Redemption Amount (Tax)	The aggregate outstanding Principal Amount of this Tranche (plus accrued interest, if any) to the Early Redemption Date (Tax).

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| 7. | Early redemption following a Regulatory Event: | Applicable (see Condition 9.3 (<i>Redemption for regulatory reasons</i>)), subject to the prior written approval of the Relevant Authority. |
| (a) | Redemption in whole | Applicable |
| | • Early Redemption Date (Regulatory) | The Interest Payment Date stipulated as the Early Redemption Date (Regulatory) in the notice of redemption given by the Issuer in terms of Condition 9.3 (<i>Redemption for regulatory reasons</i>). |
| | • Early Redemption Amount (Regulatory) | The aggregate outstanding Principal Amount of this Tranche (plus accrued interest, if any) to the Early Redemption Date (Regulatory). |
| 8. | Independent Investment Bank | Not Applicable |
| 9. | Other terms applicable on redemption | Not Applicable |

E. OCCURRENCE OF THE TRIGGER EVENT

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| 1. | Trigger Event: | Condition 10.5 (<i>Occurrence of the Trigger Event</i>) applicable |
| 2. | Write-Off : | Applicable |
| | | At the occurrence of the Trigger Event (at the Discretion of the Relevant Authority), the Unpaid Amount shall be Written Off and all of the Subordinated Notes or the Relevant Portion of the Subordinated Notes, as applicable, shall be cancelled in accordance with the provisions of Condition 10.18 (<i>Write-Off</i>). |
| (a) | Other terms applicable on Write-Off | Not Applicable |
| 3. | Conversion: | Not Applicable |

F. BANKS ACT PROVISIONS

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| 1. | Additional Conditions | Not Applicable |
| 2. | Proceeds of issue | As at the Issue Date, the proceeds of the issue of this Tranche rank as Additional Tier 1 Capital. |

G. AGENTS AND SPECIFIED OFFICES

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| 1. | Calculation Agent | Nedbank Limited |
| 2. | Specified Office of the Calculation Agent | Nedbank 135 Rivonia Campus, Third Floor Block F, 135 Rivonia Road, Sandown, Sandton, 2196, South Africa |
| 3. | Paying Agent | Nedbank Investor Services, a division of Nedbank Limited |
| 4. | Specified Office of the Paying Agent | Braampark Forum IV, 2 nd Floor, 33 Hoofd Street, Braamfontein, 2001, South Africa |
| 5. | Transfer Agent | Nedbank Investor Services, a division of Nedbank Limited |
| 6. | Specified Office of the Transfer Agent | Braampark Forum IV, 2 nd Floor, 33 Hoofd Street, Braamfontein, 2001, South Africa |

H. REGISTER CLOSED

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| 1. | Last Day to Register | Up until 17h00 (South African time) on 25 September, 26 December, 26 March and 25 June 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 Additional Tier 1 Notes represented by Certificates. |
| 2. | Register Closed Period | The Register will be closed during the 5 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 the Additional Tier 1 Notes. |

3. Books Closed Dates 26 September, 27 December, 27 March and 26 June of each year until the Redemption Date.

I. GENERAL

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| 1. | Exchange control approval | Not Applicable |
| 2. | Additional selling restrictions | See Condition 9.11 (<i>Purchase</i>) – Condition 9.11.1 (<i>Subordinated Notes</i>) |
| 3. | International Securities Numbering (ISIN) | ZAG000145095 |
| 4. | Stock Code Number | NGLT1A |
| 5. | Financial Exchange | JSE Limited (Interest Rate Market of the JSE) |
| 6. | Debt Sponsor | Nedbank Limited |
| 7. | Name of Dealer | Nedbank Limited |
| 8. | Stabilisation Manager | Not Applicable |
| 9. | Method of Distribution | Dutch Auction (sealed bid without feedback) |
| 10. | Bookbuild and Allocation Policy | Not Applicable |
| 11. | Pricing Methodology | Not Applicable |
| 12. | Governing law | The Additional Tier 1 Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa. |
| 13. | Additional Financial Centre | Not Applicable |
| 14. | Additional Business Centre | Not Applicable |
| 15. | Other Banking Jurisdiction | Not Applicable |
| 16. | Rating (if any) assigned to this Tranche as at the Issue Date, Rating Agency/ies and date on which such Rating is expected to be reviewed | Not Applicable |
| 17. | Rating assigned to the Issuer as at the Issue Date, Rating Agency/ies and date on which such Rating is expected to be reviewed | Not Applicable |
| 18. | Use of proceeds | As at the Issue Date, the proceeds of the issue of this Tranche rank as Additional Tier 1 Capital. |
| 19. | Commercial Paper Regulations | Applicable - see Annexure "A" to this Applicable Pricing Supplement |
| 20. | Other provisions | Not Applicable |

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments to such annual financial statements 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 the Programme Memorandum or any statement contained in the Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the Programme Memorandum 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.

Application is hereby made to list Tranche 1 of Series 2 of the Subordinated Notes on the Interest Rate Market of the JSE, as from 30 June 2017, pursuant to the Nedbank Group Limited ZAR10,000,000,000 Domestic Medium Term Note Programme.

NEDBANK GROUP LIMITED

By: Name of signatory: M H DavisCapacity of signatory: Group Exec

duly authorised

Date: 28 June 2017By: Name of signatory: PRIYABASTINI KRAS NAIPOOCapacity of signatory: GROUP EXECUTIVE: STRATEGY

duly authorised

Date: 28 June 2017

ANNEXURE "A" TO THE APPLICABLE PRICING SUPPLEMENT- COMMERCIAL PAPER REGULATIONS

Disclosure requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in this Annexure "A" (except where such information is disclosed in the Programme Memorandum and/or the Applicable Pricing Supplement):

1. **Issuer and Ultimate Borrower** (*paragraph 3(5)(a) of the Commercial Paper Regulations*)

The Issuer of the Tranche of Subordinated Notes described in the Applicable Pricing Supplement ("**relevant Tranche of Subordinated Notes**") is Nedbank Group Limited (incorporated with limited liability under registration number 1966/010630/06 in South Africa).

The "*ultimate borrower*" is the Issuer

2. **Going concern** (*paragraph 3(5)(b) of the Commercial Paper Regulations*)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

3. **Auditor** (*paragraph 3(5)(c) of the Commercial Paper Regulations*)

The auditors of the Issuer as at the Issue Date are Deloitte & Touche and KPMG Inc..

Deloitte & Touche and KPMG Inc. have acted as the auditors of the Issuer's latest audited financial statements.

4. **Total amount of Commercial Paper** (*paragraph 3(5)(d) of the Commercial Paper Regulations*)

a) The Issuer has, prior to the Issue Date, issued "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR4,500,000,000.

b) As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR2,750,000,000 during the Issuer's current financial year (excluding the relevant Tranche of Subordinated Notes).

5. **Other information** (*paragraph 3(5)(e) of the Commercial Paper Regulations*)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the relevant Tranche of Subordinated Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

6. **Material adverse change** (*paragraph 3(5)(f) of the Commercial Paper Regulations*)

Save as disclosed in the Programme Memorandum, there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited financial statements.

7. **Listing** (*paragraph 3(5)(g) of the Commercial Paper Regulations*)

The relevant Tranche of Subordinated Notes will be listed on the Interest Rate Market of the JSE.

8. **Use of proceeds** (*paragraph 3(5)(h) of the Commercial Paper Regulations*)

The proceeds of the issue of the relevant Tranche of Subordinated Notes will rank as Additional Tier 1 Capital.

9. **Security** (*paragraph 3(5)(i) of the Commercial Paper Regulations*)

The relevant Tranche of Subordinated Notes is unsecured.

10. **Auditors confirmation** (*paragraph 3(5)(j) of the Commercial Paper Regulations*)

KPMG Inc., being one of the Issuer's auditors as at the Issue Date, have confirmed in writing (substantially in the following form) that nothing has come to their attention which causes them to believe that the issue of the relevant Tranche of Subordinated Notes under the Programme, pursuant to the Programme Memorandum (as read with the Applicable Pricing Supplement) will not comply in all material respects with the provisions of the Commercial Paper Regulations.

11. **Audited financial statements** (*paragraphs 3(5)(j)(i) and (j)(ii) of the Commercial Paper Regulations*)

Where, in relation to the issue and placing of the relevant Tranche of Subordinated Notes, the Programme Memorandum and/or the Applicable Pricing Supplement is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited annual financial statements will at all times separately accompany (either by electronic delivery or by physical delivery) the Programme Memorandum and/or the Applicable Pricing Supplement, as required by the Commercial Paper Regulations.