

APPLICABLE PRICING SUPPLEMENT



NEDBANK LIMITED

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

ZAR15,000,000,000 STRUCTURED NOTE PROGRAMME

Issue of ZAR26,000,000 Inflation-Linked Notes due January 2025

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described herein ("Notes" and "this Tranche").

This Applicable Pricing Supplement must be read in conjunction with the Amended and Updated Programme Memorandum, dated 13 July 2016, as amended and/or supplemented from time to time ("Programme Memorandum"), prepared by Nedbank Limited ("Issuer") in connection with the Nedbank Limited ZAR15,000,000,000 Structured Note Programme ("Programme").

The Amended and Updated Programme Memorandum, dated 13 July 2016, was approved by the JSE Limited ("JSE") on 4 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 this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

A. DESCRIPTION OF THE NOTES		
1.	Issuer	Nedbank Limited
2.	Tranche number	1
3.	Series number	NI25
4.	Status of the Notes	Senior Notes (see Condition 5 (Status))
5.	Security	Unsecured
6.	Form of the Notes	Registered Listed Notes. The Notes are issued in registered uncertificated form and will be held in the Central Securities Depository.
7.	Type of Notes	Inflation-Linked Notes (see Item C (Inflation Linked Note Provisions) below).
8.	Issue Date/First Settlement Date	22 August 2018
9.	Issue Price	125.43343%
10.	Interest	See Item C (Inflation Linked Note Provisions) below.
11.	Redemption/Payment Basis	Inflation Linked Redemption (see Item C (Inflation Linked Note Provisions) and Item D (Redemption) below).
12.	Change of interest or redemption payment basis	See Item C (Inflation Linked Note Provisions) and Item D (Redemption) below.
13.	Aggregate Principal Amount of	ZAR26,000,000

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	this Tranche	
14.	Specified Currency	ZAR
15.	Specified Denomination (Principal Amount per Note)	ZAR100,000
16.	Minimum Specified Denomination of each Note	ZAR1,000,000
17.	Business Day Convention	Following Business Day Convention

#### **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 (including Existing Credit Linked Notes) in issue under the Programme as at the Issue Date	ZAR5,825,800,000.00 excluding the aggregate Principal Amount of this Tranche and any other Tranches of Notes issued on the Issue Date specified in Item A(9) 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. INFLATION LINKED NOTE PROVISIONS**

1.	Applicable Payment Date	<p>For purposes of calculating the Interest Amount payable in respect of the Notes in this Tranche on an Interest Payment Date pursuant to Item C(7) below, all references in this Item C below to "Applicable Payment Date" shall mean that Interest Payment Date.</p> <p>For purposes of calculating the Redemption Amount payable in respect of the Notes in this Tranche on the Redemption Date pursuant to Item C(8) below, all references in this Item C below to "Applicable Payment Date" shall mean the Redemption Date.</p>
(a)	Interest Commencement Date	31 July 2018
(b)	Interest Payment Date/s	Semi-annually in arrears on 31 January and 31 July of each year until the Redemption Date.
(c)	First Interest Payment Date	31 January 2019
(d)	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>
2.	Relevant Calendar Month	That calendar month, contemplated in Item C(4) below (paragraph (a) or paragraph (b), as the case may be), in respect of which the Calculation Agent is required to determine the Reference CPI.
3.	<b>CPI Index</b>	The CPI Index is the weighted average of the Consumer Price Index for the Relevant Calendar Month, as published by Statistics South Africa, which is referred to as "CPI – All items for metropolitan areas" in Statistical Release P0141.1; provided that following the calculation of (i) a Substitute CPI Index pursuant to Item C(3)(a) below or (ii) an Alternative Index pursuant to Item C(3)(b) below, as the case may be, all references in this Item C to "CPI Index" shall be construed as references to (i) that Substitute CPI Index or (ii) that Alternative Index, as the case may be.
(a)	Substitute Index	If (i) there is a delay in the publication of the CPI Index for the Relevant Calendar Month, and (ii) the CPI Index has not been discontinued (as contemplated in Item

C(3)(b) below), then the Calculation Agent shall calculate a substitute CPI Index value (the "Substitute CPI Index") for the Relevant Calendar Month in accordance with paragraph (a) or paragraph (b) below, as the case may be.

a) One month delay or less in publication

If there is a delay, for a period of one month or less, in the publication of the CPI Index for the Relevant Calendar Month, the Calculation Agent shall calculate the Substitute CPI Index in accordance with the following formula:

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

where:

$CPI_m$  = the Substitute CPI Index for the Relevant Calendar Month;

$CPI_{m-1}$  = the CPI Index for the calendar month immediately preceding the Relevant Calendar Month;

$CPI_{m-13}$  = the CPI Index for the thirteenth calendar month preceding the Relevant Calendar Month.

b) More than one month delay in publication

If there is a delay, for a period of more than one month, in the publication of the CPI Index for the Relevant Calendar Month, the Calculation Agent shall calculate the Substitute CPI Index in accordance with the following formula:

$$CPI_m = CPI_{m-n} \times (CPI_{m-n} \div CPI_{m-n-12})^{n/12}$$

where:

$CPI_m$  = the Substitute CPI Index for the Relevant Calendar Month;

$CPI_{m-n}$  = the CPI Index for the most recent calendar month preceding the Relevant Calendar Month in respect of which a CPI Index was timeously published, such most recent calendar month being the "Last Publication Month";

$CPI_{m-n-12}$  = the CPI Index for the twelfth calendar month preceding the Last Publication Month;

$n$  (for purposes of  $n/12$ ) = the number of calendar months' delay between the Last Publication Month and the Relevant Calendar Month.

c) Subsequent calculations

Where, following a delay in the publication of the CPI Index for the Relevant Calendar Month, the Calculation Agent is obliged to calculate a Substitute CPI Index for that Relevant Calendar Month in accordance with the provisions of paragraph (a) or paragraph (b) above, as the case may be, then the Calculation Agent shall use that Substitute CPI Index for that Relevant Calendar Month in all subsequent calculations in which the CPI Index for that Relevant Calendar Month is a variable, notwithstanding that the actual CPI Index for that Relevant Calendar Month is, following such delay, subsequently published.

(b) **Alternative Index**

If, while this Tranche of Notes is outstanding, the CPI Index is (i) discontinued or (ii) in the reasonable opinion of the Calculation Agent, Fundamentally altered in a manner that is materially adverse to the interests of the Noteholders, as the case may be, the Calculation Agent shall consult with Statistics South Africa or any successor entity and, thereafter, the Calculation Agent shall, acting in good faith and in a commercially reasonable manner, calculate an appropriate alternative index ("Alternative Index") for the Relevant Calendar Month.

A change to the CPI Index will be considered Fundamental if it affects the character of the CPI Index. Technical changes made by Statistics South Africa to the CPI Index to improve its accuracy as a measure of consumer price changes will not be considered Fundamental changes.

- (c) Notice of Substitute CPI Index and Alternative Index The Calculation Agent will notify the Issuer, the Paying Agent, the JSE, the Central Securities Depository and Noteholders in accordance with Condition 17 (*Notices*), of the Substitute CPI Index (see Item C(3)(a) above) and/or the Alternative Index (see Item C(3)(b) above) (and the effective date/s thereof) as soon as practicable after each such determination, but in any event not later than 5 Business Days after each such determination.

4. **Reference CPI for an Applicable Payment Date** The Reference CPI for an Applicable Payment Date shall be determined by the Calculation Agent, on that Applicable Payment Date, in accordance with the provisions of paragraph (a) or paragraph (b) below, as the case may be. The Reference CPI shall be rounded to five decimal places.

a) Applicable Payment Date: first day of a calendar month

If the Applicable Payment Date falls on the first day of a calendar month, the Reference CPI shall be the CPI Index for the fourth calendar month preceding that calendar month.

b) Applicable Payment Date: any other day of a calendar month

If the Applicable Payment Date does not fall on the first day of a calendar month, the Reference CPI shall be determined in accordance with the following formula:

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

where:

**Reference CPI<sub>j</sub>** = the CPI Index for the fourth calendar month preceding the calendar month in which the Applicable Payment Date falls;

**Reference CPI<sub>j+1</sub>** = the CPI Index for the third calendar month preceding the calendar month in which the Applicable Payment Date falls;

**t** = the calendar day corresponding to the calendar day of the Applicable Payment Date (for example, if the Applicable Payment Date is 15 January 2010,  $t = 15$ );

**D** = the number of days in the calendar month in which the Applicable Payment Date falls (for example, if the Applicable Payment Date is 15 January 2010,  $D = 31$ ).

5. **Reference CPI for the Issue Date** 77.628069007291

- (a) Adjustment to the Reference CPI for the Issue Date a) General

If the CPI Index used to calculate the Reference CPI for the Issue Date specified in Item C(4) above (the "Original CPI Index") is reset (such reset CPI Index being hereinafter referred to as the "Reset CPI Index"), the Calculation Agent shall, acting in good faith and in a commercially reasonable manner, calculate a new Reference CPI for the Issue Date (in such a way that the capital value of this Tranche of Notes is the same immediately before and after the reset) in accordance with the following formula:

$$\text{CPI} = (\text{Reset CPI Index} \times \text{CPI}_0) \div \text{Original CPI Index}$$

where:

**CPI** = the new Reference CPI for the Issue Date;

**CPI<sub>0</sub>** = the Reference CPI for the Issue Date specified in Item C(5) above.

b) Subsequent calculations

Following the calculation of a new Reference CPI for the Issue Date pursuant to paragraph (a) above, all references in this Item C to the "Reference CPI for the

**Issue Date**" shall be construed as references to that new Reference CPI.

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| 6.  | <b><i>Index Ratio for an Applicable Payment Date</i></b>        | The Index Ratio on an Applicable Payment Date is the Reference CPI for that Applicable Payment Date (see Item C(4) above) ÷ the Reference CPI for the Issue Date (see Item C(5) above).   |
| 7.  | <b><i>Determination of Inflation Linked Interest Amount</i></b> |   |
| (a) | Real Rate   | 2.00% (nominal annual compounded semi-annually)   |
| (b) | Interest Amount   | The Interest Amount payable in respect of each of the Notes in this Tranche for each Interest Period will be the amount calculated by the Calculation Agent in accordance with the following formula:<br><br>(Specified Denomination x Index Ratio) x (Real Rate ÷ 2) |
| 8.  | <b><i>Determination of Redemption Amount</i></b>                | The Redemption Amount payable in respect of each of the Notes in this Tranche on the Redemption Date will be the amount calculated by the Calculation Agent in accordance with the following formula:<br><br>(Specified Denomination x Index Ratio)                   |
| 9.  | Other terms or special conditions                               | Not Applicable  |

#### **D. REDEMPTION**

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|----|---|--|
| 1. | Maturity Date   | 31 January 2025  |
| 2. | <b><i>Final Redemption Amount:</i></b>  | The Final Redemption Amount shall be calculated in accordance with the provisions of Item C(8) ( <i>Inflation Linked Note Provisions</i> ) above.  |
| 3. | Prior approval of the Relevant Authority required for redemption prior to the Maturity Date | No   |
| 4. | <b><i>Issuer Early Redemption Election</i></b>  | Not Applicable   |
| 5. | <b><i>Noteholder Early Redemption Election</i></b>  | Not Applicable   |
| 6. | <b><i>Specified Early Redemption Event</i></b>  | Applicable<br>Tax Event - Applicable<br>Change in Law - Applicable<br>Hedging Disruption Event - Applicable<br>Increased Cost of Hedging Event - Applicable<br>Other Early Redemption Event – Not Applicable   |
| 7. | <b><i>Redemption following a Specified Early Redemption Event</i></b>                       | Applicable (see Item D(6) above)   |
|    | Redemption in whole   | Applicable   |
| 8. | <b><i>Early Redemption Amount</i></b>   | The (i) Fair Value of this Tranche of Notes plus accrued interest (if any) to the Early Redemption Date less the (ii) Unwind Costs.  |
| 9. | <b><i>Fair Value and Unwind Costs</i></b>   | Applicable<br><br>"Fair Value" means, in relation to this Tranche of Notes, an amount determined by the Calculation Agent (acting in a commercially reasonable manner and using objectively ascertainable market inputs including, but not limited to, the Issuer's liquidity and credit curves, forward rate agreements, swap rates, inflation and interest rates, and bond rates) which represents the fair market value of this Tranche of Notes; provided that no account shall be taken of the financial condition or creditworthiness of the Issuer which shall be presumed to be able to perform fully its obligations in respect of this Tranche |

of Notes;

"Unwind Costs" means, in relation to this Tranche of Notes, an amount equal to the total amount of any and all costs and expenses of whatsoever nature associated or incurred by the Issuer or any Affiliate in connection with the early redemption of this Tranche of Notes (including, without limitation, any costs associated with unwinding any funding or other financing relating to this Tranche of Notes, any costs associated with unwinding or reinstating any hedge positions relating to this Tranche of Notes and all taxes, regulatory costs and/or penalties), all as determined and calculated by the Calculation Agent acting in a commercially reasonable manner.

10. Other terms applicable on redemption Not Applicable

#### **E. AGENTS AND SPECIFIED OFFICES**

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|----|---|---|
| 1. | Calculation Agent                         | Nedbank Limited   |
| 2. | Specified Office of the Calculation Agent | Nedbank 135 Rivonia Campus, Sixth 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 <sup>nd</sup> 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 <sup>nd</sup> Floor, 33 Hoofd Street, Braamfontein, 2001, South Africa            |

#### **F. REGISTER CLOSED**

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|----|------------------------|--|
| 1. | Last Day to Register   | Up until 17h00 (South African time) on 20 January and 20 July 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.   |
| 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 (or other periodic payment date, as applicable) 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 Notes. |
| 3. | Books Closed Date      | 21 January and 21 July of each year until the Redemption Date.   |

#### **G. GENERAL**

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|-----|---|---|
| 1.  | Exchange control approval                 | Not Applicable  |
| 2.  | Additional selling restrictions           | Not Applicable  |
| 3.  | International Securities Numbering (ISIN) | ZAG000153545  |
| 4.  | Stock Code Number                         | NI25  |
| 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                    | Private Placement   |
| 10. | Bookbuild and Allocation Policy           | Not Applicable  |
| 11. | Pricing Methodology                       | Not Applicable  |
| 12. | Governing law                             | The Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa. |

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| 13. | Business Centre   | Johannesburg   |
| 14. | Additional Financial Centre   | Not Applicable   |
| 15. | Additional Business Centre  | Not Applicable   |
| 16. | Other Banking Jurisdiction  | Not Applicable   |
| 17. | 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   |
| 18. | Rating assigned to the Issuer as at the Issue Date, Rating Agency/ies and date on which such Rating is expected to be reviewed            | As at the Issue Date, the Issuer has a domestic long-term credit rating of (i) Aa1.za from Moody's Investor Services Limited last affirmed in April 2018 (and expected to be reviewed from time to time) and (ii) zaAA+ from Standard & Poor's last reviewed in July 2018 (and expected to be reviewed from time to time).   |
| 19. | Use of proceeds   | The Issuer will use the net proceeds from the issue of this Tranche for its general corporate purposes   |
| 20. | Material Change in Financial or Trading Position  | The Issuer confirms that 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 audited financial statements for the twelve months ended 31 December 2017. This statement has not been confirmed nor verified by the Issuer's auditors. |
| 21. | 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.

The JSE takes no responsibility for the contents of the Applicable Pricing Supplement and the annual financial statements, the pricing supplements or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Applicable Pricing Supplement and the annual financial statements or the pricing supplements or the annual report of the Issuer and any amendments or 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 placing document 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 the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

Application is hereby made to list Tranche 1 of Series NI25 of the Notes on the Interest Rate Market of the JSE, as from 22 August 2018, pursuant to the Nedbank Limited ZAR15,000,000,000 Structured Note Programme.

NEDBANK LIMITED

By: 

duly authorised

**Nimalin Moodley**  
Authorised Signatory

Name of signatory: \_\_\_\_\_

Date: 17/8/18

By: 

duly authorised

**Moss Brickman**  
Authorised Signatory

Name of signatory: \_\_\_\_\_

Date: 16/8/18

