

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

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

**Issue of ZAR120,687,720 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	: A
6	Series Number	: 10
7	Aggregate Principal Amount	: ZAR120,687,720
8	Issue Date	: 19 November 2010
9	Specified Denomination	: ZAR120,687,720
10	Issue Price	: ZAR120,687,720
11	Final Maturity Date	: 8 May 2014
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                        | : | 19 November 2010   |
| 22 | Interest Payment Date(s)<br>from 19 November 2010 | : | Quarterly in arrears on the 8 <sup>th</sup> day of each February, May, August & November from 8 February 2011  |
| 23 | Interest Period(s)                                | : | "Interest Period" means each period from, and including, one Interest Payment Date to, but excluding, the next following Interest Payment Date, except that the first Interest Period shall commence on, and include, the Interest Commencement Date and end on, but exclude, the next Interest Payment Date thereafter, and the final Interest Period shall end on, but exclude, the Final Maturity Date. |
| 24 | Floating Interest Rate                            |   |  |
|    | 24.1 the sum of:                                  |   |  |
|    | 24.1.1 (a) Reference Rate                         | : | 3 months JIBAR   |
|    | 24.1.2 (b) Margin                                 | : | 3.07 percent   |
| 25 | Other   | : | N/A  |

### **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 |

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- 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 : N/A  
instalments

#### **CALL OPTION**

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

#### **PUT OPTION**

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

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19 November 2010 and the ZAR120,682,720 Deposit Agreement with SBSA of the same date Infinity Number 1358944, both concluded under an ISDA Master Agreement

66	Effective date of Related Contract	:	19 November 2010
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	:	N/A
72	Consequence of Related Contract Event	:	
	72.1 Notes to be redeemed	:	[ ]
	72.2 Interest rate step down, incl new rate applicable	:	N/A
	72.3 Cession of rights under defaulted Related Contract	:	[ ]
	72.4 Other	:	[ ]
73	Time periods for exercise of rights on Related Contract Event	:	[ ]
74	Other salient terms of Related Contract	:	[ ]
75	Other	:	N/A

## **PART C: COLLATERAL**

### **COLLATERAL**

76	Deposit		
	76.1 Amount	:	
	76.2 Bank holding deposit	:	
	76.3 Account Number	:	
77	Securities	:	
	77.1 Issuer(s)	:	Inflation Linked Bonds issued by African Bank Limited under bond code designation ABLI2 ("ABL Bonds")
	77.2 Nominal Amount(s)	:	ZAR100,000,000
	77.3 Ratings of Issuer(s)	:	A+

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77.4 Maturity(ies)	:	20 May 2014
77.5 Applicable interest rate	:	Inflation growth plus 8%
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 on default under Collateral	:	N/A
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 Sequence	:	As per Applicable Issuer Programme Supplement
88.2 Pre-Enforcement Payment Sequence	:	As per Applicable Issuer Programme Supplement
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 : ZA000082272  
(ISIN)
- 96 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.
- 97 Additional investment : N/A  
considerations
- 98 Required Credit Rating : N/A
- 99 Additional selling restrictions : N/A
- 100 If syndicated, names of Dealers : N/A
- 101 International Securities Numbering : ZA000082272  
(ISIN)
- 102 Stock Code : BD310A
- 103 Financial Exchange : JSE Limited
- 104 Settlement and clearing procedures : N/A  
(if not through STRATE)
- 105 Last day to register : Which shall mean that the Register will be closed during  
the 3<sup>rd</sup> day of each February, May, August and  
November, 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 : See Programme Memorandum

Agent

108 Stabilisation Manager (if any) : N/A  
109 Use of Proceeds : Invest in Collateral  
110 Other provisions : N/A

Signed at Cape Town On this 18<sup>th</sup> November day of 2010.

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

By:  By: .....

R Hammse  
Director