

APPLICABLE PRICING SUPPLEMENT



NEDBANK LIMITED

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

ZAR20,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

issue of ZAR1,750,000,000 Inflation-Linked Notes

This document constitutes the Applicable Pricing Supplement relating to the issue of Tranche 1 of Series 4 of the Notes (listed or to be listed on the JSE under stock code number NBK11 as from 9 September 2009) to be issued by Nedbank Limited (the “**Issuer**”) under the Nedbank Limited ZAR20 billion Domestic Medium Term Note Programme (the “**Programme**”) pursuant to the Programme Memorandum prepared in respect of the Programme, dated 26 June 2009, as amended by the Supplement, dated 19 August 2009, to the Programme Memorandum and as further amended and/or supplemented from time to time (the “**Programme Memorandum**”).

Capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “*Terms and Conditions of the Unsubordinated Notes, Tier 2 Notes and Tier 3 Notes*” (the “**Ordinary Conditions**” and the “**Terms and Conditions**”). References to any Condition in this Applicable Pricing Supplement are to that Condition of the Ordinary Conditions.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum. 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	4
4.	Status of Notes	Unsubordinated Notes (see Condition 5.1 (<i>Status of the Unsubordinated Notes</i>))
5.	Form of Notes	The Notes in this Tranche are issued in certificated form and held in the Central Securities Depository under a single Global Certificate.
6.	Type of Notes	Inflation-Linked Notes
7.	Security	Unsecured
8.	Issue Date	9 September 2009
9.	Issue Price	ZAR1,750,000,000
10.	Interest Basis	Inflation-linked interest provisions (see Item C (<i>Inflation-linked Provisions</i>) and Item D (<i>Interest Provisions</i>) below)
11.	Redemption Basis	Inflation-linked redemption provisions (see Item C (<i>Inflation-linked Provisions</i>) and Item E (<i>Redemption Provisions</i>) below)
12.	Change of Interest or Redemption Basis	Not Applicable
13.	Aggregate Principal Amount of this Tranche	ZAR1,750,000,000
14.	Specified Denomination (Principal Amount per Note)	ZAR1 million
15.	Calculation Amount	ZAR1 million
16.	Specified Currency	ZAR
B. PROGRAMME AMOUNT		

1.	Programme Amount as at the Issue Date	ZAR20 billion
2.	Aggregate outstanding Principal Amount of all of the Notes issued under the Programme (including Notes issued under the Programme pursuant to the Previous Programme Memorandum) as at the Issue Date	ZAR11.522 billion, excluding the aggregate Principal Amount of this Tranche of Notes and all other Tranches of Notes issued on the Issue Date specified in Item A(8) above.
C. INFLATION-LINKED 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 D (<i>Interest Provisions</i>) 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 E (<i>Redemption Provisions</i>) below, all references in this Item C below to “Applicable Payment Date” shall mean 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.	CPI Index	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 “ <i>CPI – All items for metropolitan areas</i> ” in Statistical Release P0141.1; provided that following the calculation of (i) a Substitute CPI Index pursuant to Item C(7) below or (ii) an Alternative Index pursuant to Item C(8) below, as the case may be, all references in this Applicable Pricing Supplement to “ CPI Index ” shall be construed as references to (i) that Substitute CPI Index or (ii) that Alternative Index, as the case may be.
4.	Reference CPI	<p>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.</p> <p>a) <u>Applicable Payment Date: first day of a calendar month</u></p> <p>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.</p> <p>b) <u>Applicable Payment Date: any other day of a calendar month</u></p> <p>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:</p> $\text{Reference CPI} = \text{Reference CPI}_j + [(t-1) \div D] \times (\text{Reference CPI}_{j+1} - \text{Reference CPI}_j)$ <p>where:</p> <p>Reference CPI_j = the CPI Index for the fourth calendar month preceding the calendar month in which the Applicable Payment Date falls;</p>

		<p>Reference CPI_{j+1} = the CPI Index for the third calendar month preceding the calendar month in which the Applicable Payment Date falls;</p> <p>t = the calendar day corresponding to the calendar day of the Applicable Payment Date (for example, if the Applicable Payment Date is 15 January 2009, t = 15);</p> <p>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 2009, D = 31).</p>
5.	Reference CPI for the Issue Date	106.70667
6.	Adjustment to the Reference CPI for the Issue Date	<p>a) <u>General</u></p> <p>If the CPI Index used to calculate the Reference CPI for the Issue Date specified in Item C(5) 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:</p> $\text{CPI} = (\text{Reset CPI Index} \times \text{CPI}_0) \div \text{Original CPI Index}$ <p>where:</p> <p>CPI = the new Reference CPI for the Issue Date;</p> <p>CPI₀ = the Reference CPI for the Issue Date specified in Item C(5) above.</p> <p>b) <u>Subsequent calculations</u></p> <p>Following the calculation of a new Reference CPI for the Issue Date pursuant to paragraph (a) above, all references in this Applicable Pricing Supplement to the “Reference CPI for the Issue Date” shall be construed as references to that new Reference CPI.</p>
7.	Substitute Index	<p>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(8) 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.</p> <p>a) <u>One month delay or less in publication</u></p> <p>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:</p> $\text{CPI}_m = \text{CPI}_{m-1} \times (\text{CPI}_{m-1} \div \text{CPI}_{m-13})^{1/12}$ <p>where:</p> <p>CPI_m = the Substitute CPI Index for the Relevant Calendar Month;</p> <p>CPI_{m-1} = the CPI Index for the calendar month</p>

		<p>immediately preceding the Relevant Calendar Month;</p> <p>CPI_{m-13} = the CPI Index for the thirteenth calendar month preceding the Relevant Calendar Month.</p> <p>b) <u>More than one month delay in publication</u></p> <p>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:</p> $CPI_m = CPI_{m-n} \times (CPI_{m-n} / CPI_{m-n-12})^{n/12}$ <p>where:</p> <p>CPI_m = the Substitute CPI Index for the Relevant Calendar Month;</p> <p>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”;</p> <p>CPI_{m-n-12} = the CPI Index for the twelfth calendar month preceding the Last Publication Month;</p> <p>n (for purposes of $n/12$) = the number of calendar months’ delay between the Last Publication Month and the Relevant Calendar Month.</p> <p>c) <u>Subsequent calculations</u></p> <p>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.</p>
8.	Alternative Index	<p>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 (the “Alternative Index”) for the Relevant Calendar Month.</p> <p>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.</p>
9.	Notice of Substitute CPI Index and Alternative Index	<p>The Calculation Agent will notify the Issuer, the Paying Agent, the JSE, the Central Securities Depository and Noteholders in accordance with Condition 20 (<i>Notices</i>), of the Substitute CPI Index and/or the Alternative Index (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.</p>

D. INTEREST PROVISIONS		
1.	Interest Commencement Date	9 September 2009
2.	Interest Payment Dates	Semi-annually in arrear on 31 March and 30 September of each year.
3.	First Interest Payment Date	31 March 2010
4.	Interest Amount	The Interest Amount payable in respect 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: (Issue Price x Index Ratio) x (Real Rate ÷ 2)
5.	Interest Determination Dates	Each Interest Payment Date.
6.	Interest Periods	The first Interest Period shall commence on (and include) the Interest Commencement Date (being 9 September 2009) and end on (but exclude) the first Interest Payment Date (being 31 March 2010). 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.
7.	Real Rate	3.9% (nominal annual compounded semi-annually)
8.	Index Ratio	The Index Ratio on an Interest Payment Date is the Reference CPI for that Interest Payment Date ÷ the Reference CPI for the Issue Date (see Item C (<i>Inflation-linked Provisions</i>) above).
9.	Minimum Rate of Interest	Not Applicable
10.	Maximum Rate of Interest	Not Applicable
11.	Day Count Fraction	Actual/365
12.	Business Day Convention	Modified Following Business Day Convention
13.	Other terms relating to the method of calculating interest for this Tranche of Notes	Index-Linked Interest Note Provisions applicable. The provisions of Condition 8.2.5 (<i>Index-Linked Interest</i>), Condition 8.2.7 (<i>Calculation of Interest Amount</i>), Condition 8.2.8 (<i>Calculation of other amounts</i>), Condition 8.2.9 (<i>Publication</i>) and Condition 8.2.10 (<i>Notifications</i>) shall apply <i>mutatis mutandis</i> to this Tranche of Notes.
E. REDEMPTION PROVISIONS		
1.	Maturity Date	31 March 2013
2.	Prior approval of the Registrar of Banks required for redemption	No
3.	Call Option	Not Applicable
4.	Put Option	Not Applicable
5.	Redemption Date	As applicable (i) the Maturity Date, (ii) the date fixed for redemption in terms of Condition 9.2.1 (<i>Redemption for tax reasons</i>) or (iii) the date fixed for redemption in terms of Condition 12.1 (<i>Events of Default relating to Unsubordinated Notes</i>), as the case may be.
6.	Redemption Amount	The Redemption Amount payable in respect 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: (Issue Price x Index Ratio)
7.	Index Ratio	The Index Ratio on the Redemption Date (see Item D(6) above) is the Reference CPI for the Redemption Date ÷ the Reference CPI for the

		Issue Date (see Item C (<i>Inflation-linked Provisions</i>) above).
8.	Other terms applicable on redemption	Not Applicable
F. AGENTS AND SPECIFIED OFFICES		
1.	Calculation Agent	Nedbank Capital, a division of Nedbank Limited
2.	Specified Office of the Calculation Agent	135 Rivonia Road, Sandown, Sandton, 2196, Republic of South Africa
3.	Paying Agent	Nedbank Limited
4.	Specified Office of the Paying Agent	Braampark Forum IV, 2 nd Floor, 33 Hoofd Street, Braamfontein, 2001, Republic of South Africa
5.	Transfer Agent	Computershare Investor Services (Proprietary) Limited
6.	Specified Office of the Transfer Agent	Ground Floor, 70 Marshall Street, Johannesburg, 2001, Republic of South Africa
G. REGISTER CLOSED		
1.	Last Day to Register	Up until 17h00 (South African time) on the sixth day (whether such is a Business Day or not) preceding each Interest Payment Date and 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 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 (if applicable).
3.	Books Closed Dates	26 March and 25 September.
H. GENERAL		
1.	Additional selling restrictions	Not Applicable
2.	International Securities Numbering (ISIN)	ZAG000071374
3.	Stock Code Number	NBKI1
4.	Financial Exchange	JSE Limited
5.	Dealer	Nedbank Capital
6.	Stabilisation Manager	Not Applicable
7.	Credit rating assigned to this Tranche of Notes as at the Issue Date	Not Applicable
8.	Credit rating of the Issuer as at the Issue Date	As at the Issue Date, the Issuer has a domestic long-term credit rating of (i) AA-(zaf) from Fitch Southern Africa (Proprietary) Limited and (ii) Aa1.za from Moody's Investor Services Limited.
9.	Governing law	South African law
10.	Other banking jurisdiction	Not Applicable
11.	Use of proceeds	The proceeds of the issue of this Tranche of Notes will be used by the Issuer for its general corporate purposes.

Application is hereby made to list Tranche 1 of Series 4 of the Notes on JSE Limited, as from 9 September 2009, pursuant to the Nedbank Limited ZAR20,000,000,000 Domestic Medium Term Note Programme.

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement.

NEDBANK LIMITED

By: _____

duly authorised

Date: 7 September 2009

By: _____

duly authorised

Date: 7 September 2009