

**Pricing Supplement**

**NEDBANK LIMITED**

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

**ZAR10 BILLION DOMESTIC MEDIUM TERM NOTE PROGRAMME**

**issue of ZAR1billion Notes under the Programme**

This document constitutes the Pricing Supplement relating to Tranche 1 of Series 7 of the Notes (listed or to be listed on BESA under stock code number NED8 as from 8 February 2007) to be issued by Nedbank Limited (the "**Issuer**") under the Nedbank Limited ZAR10 billion Domestic Medium Term Note Programme (the "**Programme**").

References in this Pricing Supplement to:

- (i) the "**Programme Memorandum**", are to the programme memorandum, dated 15 December 2003, as amended by the supplement, dated 19 September 2005, to the programme memorandum;
- (ii) the "**Terms and Conditions**", are to Section 5 of the Programme Memorandum headed "*Terms and Conditions of the Notes*";
- (iii) any Condition, are to that Condition of Part A of the Terms and Conditions headed "*General*".

Save as is set out in this Pricing Supplement, any capitalised terms not defined in this Pricing Supplement shall have the meaning ascribed to them in the Terms and Conditions, unless separately defined in the Programme Memorandum.

This 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 Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

| <b>A DESCRIPTION OF THE NOTES</b> |  |   |
|-----------------------------------|--|---|
| 1.                                | Issuer                                     | Nedbank Limited   |
| 2.                                | Tranche number                             | 1   |
| 3.                                | Series number                              | 7   |
| 4.                                | Form of Notes                              | The Notes in this Tranche will initially be represented by a single registered Global Certificate (subject to Condition 13.1)   |
| 5.                                | Status of Notes                            | Unsecured subordinated Notes (Condition 5.2 applicable)   |
| 6.                                | Aggregate Principal Amount of this Tranche | ZAR1 billion  |
| 7.                                | Principal Amount (nominal amount) per Note | ZAR1 million  |
| 8.                                | Interest and Interest Step-up              | The Notes in this Tranche will bear interest at the Fixed Interest Rate contemplated in Item D (21) below from and including the Issue Date to but excluding the Optional Redemption Date.<br><br>If this Tranche is not redeemed in full on or before the Optional |

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|                               |  | Redemption Date, the Notes in this Tranche will bear interest at the Floating Interest Rate contemplated in Item E (28) below (determined by the Calculation Agent in accordance with Condition 7.2) from and including the Optional Redemption Date to but excluding the Maturity Date.   |
| <b>B PROGRAMME LIMIT</b>      |  |  |
| 9.                            | Total aggregate Principal Amount of Programme  | ZAR10 billion  |
| 10.                           | Aggregate outstanding Principal Amount of all of the Notes issued under the Programme as at the Issue Date | ZAR3.3 billion, excluding the aggregate Principal Amount of this Tranche of Notes and each other Tranche of Notes issued on the Issue Date.  |
| <b>C ISSUE AND REDEMPTION</b> |  |  |
| 11.                           | Issue Date   | 8 February 2007  |
| 12.                           | Issue Price  | ZAR1 billion   |
| 13.                           | Issue Currency   | ZAR  |
| 14.                           | Optional Redemption Date (Condition 6.3)   | 8 February 2014  |
| 15.                           | Maturity Date  | 8 February 2019  |
| 16.                           | Applicable Redemption Date   | <p>The Applicable Redemption Date of this Tranche of Notes means:</p> <ul style="list-style-type: none"> <li>(a) in the case of redemption pursuant to Condition 6.1, the Maturity Date;</li> <li>(b) in the case of redemption pursuant to Condition 6.2, the Early Redemption Date defined as such in Condition 1;</li> <li>(c) in the case of redemption pursuant to Condition 6.3, the Optional Redemption Date;</li> <li>(d) in the case of redemption pursuant to Condition 14.2 (following an Event of Default), subject to the prior written consent of the Registrar of Banks, the Early Redemption Date defined as such in Condition 1;</li> <li>(e) where the Registrar of Banks has, pursuant to Condition 5.3, required the Issuer to defer the due date for payment of any principal (or portion thereof), the deferred date for payment of such principal (or portion thereof) determined by the Registrar of Banks.</li> </ul> |
| 17.                           | Redemption Amount  | ZAR1 billion (plus interest accrued to the Applicable Redemption Date)   |

| <b>D FIXED INTEREST RATE</b>    |                                      |   |
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| 18.                             | Fixed Interest Payment Dates         | The interest due on this Tranche of Notes in respect of Fixed Rate Periods will be paid semi-annually in arrear on 8 August and 8 February of each year for the period from and including the Issue Date to but excluding the Optional Redemption Date.   |
| 19.                             | First Fixed Interest Payment Date    | 8 August 2007   |
| 20.                             | Fixed Rate Periods                   | Each successive six-month period commencing on and including a Fixed Interest Payment Date and ending on but excluding the following Fixed Interest Payment Date.<br><br>The first Fixed Rate Period will commence on and include the Issue Date and the last Fixed Rate Period will end on but exclude the Optional Redemption Date.   |
| 21.                             | Fixed Interest Rate                  | 8.9% per annum (nominal annual compounded semi-annually)  |
| 22.                             | Initial Broken Amount                | Not applicable  |
| 23.                             | Final Broken Amount                  | Not applicable  |
| <b>E FLOATING INTEREST RATE</b> |                                      |   |
| 24.                             | Floating Interest Payment Dates      | The interest due on this Tranche of Notes in respect of Floating Rate Periods will be paid quarterly in arrear on 8 May, 8 August, 8 November and 8 February of each year for the period from and including the Optional Redemption Date to but excluding the Maturity Date.  |
| 25.                             | First Floating Interest Payment Date | 8 May 2014  |
| 26.                             | Floating Rate Periods                | Each successive three-month period commencing on and including a Floating Interest Payment Date and ending on but excluding the following Floating Interest Payment Date.<br><br>The first Floating Rate Period will commence on and include the Optional Redemption Date and the last Floating Rate Period will end on but exclude the Maturity Date.  |
| 27.                             | Interest Determination Dates         | 8 February, 8 May, 8 August and 8 November of each year, being the first day of each Floating Rate Period.<br><br>If any date specified above is not a Business Day, the Interest Determination Date will be first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Interest Determination Date will be brought forward to the first preceding Business Day. |
| 28.                             | Floating Interest Rate               | The floating interest rate per annum (nominal annual compounded quarterly) equal to the sum of the Reference Rate (see Item 33 below) and the Margin (see Item 32 below).   |

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| 29.                           | Minimum Interest Rate  | Not applicable  |
| 30.                           | Maximum Interest Rate  | Not applicable  |
| 31.                           | Manner in which the Floating Interest Rate is to be determined | Screen Rate Determination   |
| 32.                           | Margin   | 2.17%   |
| 33.                           | Reference Rate   | The JIBAR Rate being, subject to Condition 7.2D, the average mid-market yield rate per annum for 3 month deposits in Rand which appears on the Reuters Screen SAFEY page at or about 12h00 on the Interest Determination Date, determined by the Calculation Agent in accordance with Condition 7.2.  |
| 34.                           | Relevant Screen Page and Reference Code                        | Reuters Screen SAFEY page   |
| <b>F OTHER TERMS</b>          |  |   |
| 35.                           | Applicable Redemption Date                                     | Notwithstanding anything to the contrary contained in the Terms and Conditions, but subject to Item 36 below, each Note in this Tranche will cease to bear interest from the Applicable Redemption Date. Accordingly:<br><br>(a) if the Applicable Redemption Date falls before the Optional Redemption Date, all references to Optional Redemption Date in Item D above (as read with Condition 7) shall be construed as references to the Applicable Redemption Date;<br><br>(b) if the Applicable Redemption Date falls after the Optional Redemption Date but before the Maturity Date, all references to Maturity Date in Item E above (as read with Condition 7) shall be construed as references to the Applicable Redemption Date.  |
| 36.                           | Late Payment   | If payment of any amount due and payable under any Notes in this Tranche is not paid to the holders of such Notes on or before the due date for payment thereof, interest will continue to accrue on the unpaid amount in respect of such Notes, at the Fixed Interest Rate or the Floating Interest Rate, as the case may be, applicable to such Notes pursuant to Item D (21) above or Item E (28) above, as the case may be, on such due date for payment, from and including such due date for payment to but excluding the earlier of (i) the date on which such unpaid amount has been paid to the holders of such Notes and (ii) the date on which such unpaid amount has been received by CSD or its Nominee and notice to that effect has been given to the holders of such Notes in accordance with Condition 17. |
| 37.                           | Applicable Business Day Convention                             | Modified Following  |
| <b>G BANKS ACT PROVISIONS</b> |  |   |
| 38.                           | Proceeds of this Tranche of Notes to                           | Yes (Condition 5.4(a) applicable)   |

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|                                   | rank as "secondary capital"  |  |
| 39.                               | Prior consent of the Registrar of Banks required for any redemption prior to the Maturity Date | Yes  |
| 40.                               | Deferred Payment applicable  | Yes (Condition 5.3 applicable)   |
| 41.                               | Banks Act conditions in respect of this Tranche of Notes                                       | <p>The conditions set out in Regulation 21(7) of the "Regulations Relating to Banks", promulgated under the Banks Act in Government Notice R1112 of 8 November 2000, as amended.</p> <p>The direct or indirect acquisition of any of the Notes in this Tranche by a bank (as defined in the Banks Act), or by a non-banking subsidiary of a bank, shall be regarded as an impairment of the capital of the bank in question, in an amount equal to the book value of such Notes, by the acquiring bank when it calculates its capital adequacy requirements.</p> |
| <b>H AGENTS/SPECIFIED OFFICES</b> |  |  |
| 42.                               | Calculation Agent  | Nedbank Capital, a division of Nedbank Limited   |
| 43.                               | Specified Office of the Calculation Agent  | 135 Rivonia Road, Sandown, Sandton, 2196, Republic of South Africa   |
| 44.                               | Paying Agent   | Nedbank Limited  |
| 45.                               | Specified Office of the Paying Agent   | 33 Hoofd Street, 3 <sup>rd</sup> Floor Forum IV, Braampark, Braamfontein, 2001, Republic of South Africa   |
| 46.                               | Transfer Secretary   | Computershare Investor Services 2004 (Proprietary) Limited   |
| 47.                               | Specified Office of the Transfer Secretary   | Ground Floor, 70 Marshall Street, Johannesburg, 2001, Republic of South Africa   |
| 48.                               | Business centre  | Johannesburg   |
| 49.                               | Additional business centre   | Not applicable   |
| <b>I REGISTER CLOSED</b>          |  |  |
| 50.                               | Last Day to Register   | Up until 17h00 on the eleventh day (whether such is a Business Day or not) preceding each Interest Payment Date and the Applicable Redemption Date being, in each instance, the last date on which the Transfer Secretary will accept Transfer Forms and record in the Register the transfer of Notes represented by Certificates.   |
| 51.                               | Register Closed Period   | The Register will be closed during the 10 days preceding each Interest Payment Date and the Applicable Redemption Date from 17h00 on the Last Day to Register.   |
| <b>J GENERAL</b>                  |  |  |
| 52.                               | Additional selling restrictions  | Not applicable   |

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| 53. | International Securities Numbering (ISIN)                                     | ZAG000038649   |
| 54. | Stock Code Number   | NED8   |
| 55. | Financial exchange  | The Bond Exchange of South Africa  |
| 56. | Dealers   | Nedbank Capital, a division of Nedbank Limited<br>Citigroup Global Markets (Proprietary) Limited   |
| 57. | Credit rating assigned to this Tranche of Notes as at the Issue Date (if any) | Not applicable   |
| 58. | 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 Ratings (Proprietary) Limited, (ii) Aa2.za from Moody's Investor Services Limited and (iii) zaAA- from CA-Ratings (a partnership between CA-Ratings (Proprietary) Limited and CA-Group (Proprietary) Limited). |
| 59. | Governing law (if the laws of South Africa are not applicable)                | Not applicable   |
| 60. | Other banking jurisdiction  | Not applicable   |
| 61. | Use of proceeds   | The net proceeds from the issue of this Tranche of Notes will qualify as "secondary capital" in terms of the Banks Act and be applied by the Issuer for its general corporate purposes.  |

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