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## APPLICABLE PRICING SUPPLEMENT

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### Investec Bank Limited

(Incorporated with limited liability under Registration Number 1969/004763/06 in South Africa)

### Issue of ZAR 100,000,000 (One Hundred Million Rand) Senior Unsecured Notes

Under the stock code IBL26

### Under its Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions ("Terms and Conditions") set forth in the Programme Memorandum dated 12 February 2003 (the "Programme Memorandum"). 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 contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

#### DESCRIPTION OF THE NOTES

1. Issuer	Investec Bank Limited
2. Senior Notes or Subordinated Notes	Senior Unsecured
3. Tranche Number	1
Series Number	1
4. Aggregate Principal Amount of Tranche	ZAR 100,000,000 (One Hundred Million Rand)
5. Interest/Payment Basis	Fixed Rate
6. Form of Notes	Registered Notes
7. Automatic/ Conversion from one Interest Basis to another	N/A
8. Issue Date	18 August 2011
9. Business Centre	Johannesburg
10. Additional Business Centre	N/A
11. Principal Amount per Note	ZAR1,000,000
12. Specified Denomination	ZAR1,000,000
13. Issue Price	100%



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14. Interest Commencement Date	Issue Date
15. Maturity Date	18 August 2014
16. Specified Currency	ZAR
17. Applicable Business Day Convention	Following Business Day
18. Calculation Agent	Issuer
19. Paying Agent	Issuer
20. Specified office of the Paying Agent	100 Grayston Drive, Sandown, Sandton
21. Transfer Agent	Issuer
22. Final Redemption Amount	Capital Value (as defined in 67(ii) below) of the Notes on the Maturity Date or the date of the early redemption of the Notes, as the case may be, provided that if the Capital Value of the Notes on the Maturity Date or the date of the early redemption of the Notes, as the case may be is less than the Principal Amount, then the Issuer shall also pay the Noteholders the Additional Amount (as defined in 67(ii) below)

#### **PARTLY PAID NOTES**

23. Amount of each payment comprising the Issue Price	N/A
24. Date upon which each payment is to be made by Noteholder	N/A
25. Consequences (if any) of failure to make any such payment by Noteholder	N/A
26. Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments	N/A

#### **INSTALMENT NOTES**

27. Instalment Dates	N/A
28. Instalment Amounts (expressed as a percentage of the aggregate Principal Amount of the Notes)	N/A

#### **FIXED RATE NOTES**

29. (a) Interest Rate(s)	1.75% on the Capital Value of the Notes from time to time, determined
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as at the Interest Payment date following each Interest Period (i.e. the first day after the Interest Period) in accordance with the following formula:

$$(c/2)^*e$$

Where:

"c" is the Interest Rate

"e" is the Capital Value of the Notes on the Interest Payment Date following the applicable Interest Period

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|---|---|
| (b) Interest Payment Date(s)  | 18 February and 18 August, the first Interest Payment Date being on 18 February 2012.   |
| (c) Initial Broken Amount   | N/A   |
| (d) Final Broken Amount   | N/A   |
| (e) Any other terms relating to the particular method of calculating interest | Interest Periods will be from and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on the Interest Commencement Date and ending on the day before the next Interest Payment Date<br><br>Day Count Fraction is 30/360<br><br>Interest Determination Dates will be on each of the Interest Payment Dates. |

**FLOATING RATE NOTES**

- |   |     |
|---|-----|
| 30. (a) Interest Payment Date(s)  | N/A |
| (b) Interest Period(s)  | N/A |
| (c) Definitions of Business Day (if different from that set out in Condition 1) | N/A |
| (d) Interest Rate(s)  | N/A |
| (e) Minimum Interest Rate   | N/A |
| (f) Maximum Interest Rate   | N/A |
| (g) Other terms relating to the method of calculating interest (e.g., Day Count | N/A |

Fraction, rounding up provision, if different from Condition 8.2)

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|-----|---|-----|
| 31. | Manner in which the Interest Rate is to be determined   | N/A |
| 32. | Margin  | N/A |
| 33. | If ISDA Determination   |     |
|     | (a) Floating Rate   | N/A |
|     | (b) Floating Rate Option  | N/A |
|     | (b) Designated Maturity   | N/A |
|     | (c) Reset Date(s)   | N/A |
| 34. | If Screen Determination   |     |
|     | (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)  | N/A |
|     | (b) Interest Determination Date(s)  | N/A |
|     | (c) Relevant Screen Page and Reference Code   | N/A |
| 35. | If Interest Rate to be calculated otherwise than by reference to 33 or 34 above, insert basis for determining Interest Rate/Margin/Fall back provisions | N/A |
| 36. | Calculation Agent (if not the Issuer)   | N/A |

**MIXED RATE NOTES**

- |     |   |     |
|-----|---|-----|
| 37. | Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for: |     |
|     | (a) Fixed Rate Notes  | N/A |
|     | (b) Floating Rate Notes   | N/A |
|     | (c) Indexed Notes   | N/A |
|     | (d) Other Notes   | N/A |

The interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes

**ZERO COUPON NOTES**

- |     |                     |     |
|-----|---------------------|-----|
| 38. | (a) Implied Yield   | N/A |
|     | (b) Reference Price | N/A |



(c) Any other formula or basis for determining amount(s) payable N/A

#### **INDEXED NOTES**

39. (a) Type of Indexed Notes N/A  
(b) Index/Formula by reference to which Interest Rate/Interest Amount (delete as applicable) is to be determined N/A  
(c) Manner in which the Interest Rate/Interest Amount (delete as applicable) is to be determined N/A  
(d) Interest Period(s) N/A  
(e) Interest Payment Date(s) N/A  
(f) Calculation Agent (if not the Issuer) N/A  
(g) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable N/A

#### **EXCHANGEABLE NOTES**

40. Mandatory Exchange applicable? N/A  
41. Noteholders' Exchange Right applicable? N/A  
42. Exchange Securities N/A  
43. Manner of determining Exchange Price N/A  
44. Exchange Period N/A  
45. Other N/A

#### **OTHER NOTES**

46. If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes or Indexed Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes N/A

#### **PROVISIONS REGARDING REDEMPTION/ MATURITY**

47. Prior consent of Registrar of Banks required for any redemption prior to the Maturity Date No  
48. Issuer's Optional Redemption: if yes: No  
(a) Optional Redemption Date(s) N/A  
(b) Optional Redemption Amount(s) and method, if any, of calculation of such N/A

amount(s)

- |     |   |     |
|-----|---|-----|
| (c) | Minimum Period of Notice (if different to Condition 11.3) | N/A |
| (d) | If redeemable in part:                                    |     |
|     | Minimum Redemption Amount(s)                              | N/A |
|     | Higher Redemption Amount(s)                               | N/A |
| (e) | Other terms applicable on Redemption                      | N/A |

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49. Redemption at the option of the Noteholders: No  
if yes:
- (a) Optional Redemption Date(s) N/A
  - (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) N/A
  - (c) Minimum period of notice (if different to Condition 11.4) N/A
  - (d) If redeemable in part:
    - Minimum Redemption Amount(s) N/A
    - Higher Redemption Amount(s) N/A
  - (e) Other terms applicable on Redemption N/A
  - (f) Attach *pro forma* put notice(s)
50. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required): If no insert: No
- (a) amount payable; or Final Redemption Amount calculated in accordance with the provisions of 22 above
  - (b) method of calculation of amount payable.

## GENERAL

51. Qualification of Notes as Secondary Capital under the Banks Act, 1990 No
52. Qualification of Notes as Tertiary Capital under the Banks Act, 1990 No
53. Condition 6.4 to apply (deferral of interest and principal payments)? No
54. Additional selling restrictions N/A
55. (a) International Securities Numbering (ISIN) ZAG000088568
- (b) Stock Code IBL26
56. Financial Exchange The Interest Rate Market of the Johannesburg Stock Exchange
57. If syndicated, names of managers N/A
58. Receipts attached? If yes, number of Receipts attached No  
N/A
59. Coupons attached? If yes, number of Coupons attached No  
N/A

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|-----|--|---|
| 60. | Talons attached? If yes, number of Talons attached                             | No<br>N/A   |
| 61. | Credit Rating assigned to Notes as at Issue Date (if any)                      | N/A   |
| 62. | Stripping of Receipts and/or Coupons prohibited as provided in Condition 16.4? | N/A   |
| 63. | Governing law (if the laws of South Africa are N/A)                            | N/A   |
| 64. | Other Banking Jurisdiction   | N/A   |
| 65. | Surrendering of Notes  | N/A   |
| 66. | Last Day to Register   | <p>(1) 7 August and 7 February, which shall mean that the Register will be closed from 8 August and 8 February to the next applicable Interest Payment Day;</p> <p>(2) should an early redemption occur in terms of Conditions 11.2 or 14, then 11 days prior to the actual redemption date, which means that the Register shall be closed on the date that is 10 days prior to the actual redemption date.</p> |
67. Other Provisions:
- (i) For purposes of the IBL26 the following clause shall be added as an additional Event of Default for purposes of Condition 14.1:

**Cross Default of the Issuer**

- (i) any Financial Indebtedness of the Issuer is not paid when due or within any originally applicable grace period;
- (ii) any such Financial Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (provided that no event of default,





howsoever described, has occurred) any person entitled to such Financial Indebtedness; or

- (iii) the Issuer fails to pay when due any amount payable by it under any guarantee of any Financial Indebtedness;

*provided that* the amount of Financial Indebtedness referred to in sub paragraph (i) and/or sub paragraph (ii) above and/or the amount payable under any guarantee referred to in sub paragraph (iii) above individually or in the aggregate exceeds 2.5% of the Issuer's Consolidated Tangible Net Worth (or its equivalent in any other currency or currencies).

For purposes of the above clause the following definitions will apply:

- (a) **"Financial Indebtedness"** means any indebtedness of any person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:
  - (i) amounts raised by acceptance under any acceptance credit facility;
  - (ii) amounts raised under any note purchase facility;
  - (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or



capital leases;

- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and
  - (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.
- (b) **"Capital Stock"** means any shares, interests, right to purchase, warrants, options, participations or other equivalent of or interests (however designated) in equity of the Issuer, including any Preferred Stock, but excluding any debt securities convertible to such equity;
- (c) **"Consolidated Tangible Net Worth"** means the amount (including any share premium) for the time being paid up or credited as paid up on the issued Capital Stock of the Issuer:

**plus** the amount standing to the credit, or, as the case may be, minus the amount standing to the debit of the capital and revenue reserves of the Issuer and its subsidiaries but excluding any amounts attributable to goodwill and other intangible assets; and

**plus** any amount standing to the credit, or, as the case may be, minus any amount standing to the debit of the consolidated profit and loss

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account of the Issuer and its subsidiaries excluding the effect of any write-off or amortisation in relation to intangible assets or goodwill on the consolidated profit and loss account,

and in each case as shown in, or otherwise calculated by reference to the latest Statutory Consolidated Accounts;

(ii) The following definitions shall be applicable in this IBL26:

(d) **"Preferred Stock"** means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary liquidation or dissolution of the Issuer, over shares of Capital Stock of any other class of the Issuer; and

(e) **"Statutory Consolidated Accounts"** means the annual audited consolidated accounts published by the Issuer from time to time and prepared in accordance with International Financial Reporting Standards.

**"Additional Amount"** means the amount by which the Capital Value is less than the Principal Amount on the Maturity Date or the date of the early redemption of the Notes, as the case may be;

**"Capital Value"** means the capital value of the Notes, being the adjusted Principal Amount thereof, where the Principal Amount is adjusted with reference to any increase or decrease in the

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Consumer Price Index. The Capital Value of the Notes as at any Date shall be determined in accordance with the following formula:

$$\text{Capital Value} = \text{P} \times \frac{\text{Index}}{\text{Ratio Date}}$$

where "P" means the Principal Amount;

**"Consumer Price Index" or "CPI"** means the weighted average of the consumer price index as published by Statistics South Africa, which is referred to as "CPI – all Urban areas" in Statistical release P0141 from time to time, and in the event that the CPI is reset, then a new Reference CPI that is applicable for the Issue Date will (if necessary) be calculated in such a way that the Capital Value of a Note is the same immediately before and after the reset.

If, as a result of a delay in the publication of the CPI, the CPI is not available in order to make a determination in accordance with these Conditions, then, subject to the provisions below, a substitute CPI value, calculated as follows, will be used:

*Let the CPI Value for the month m that is required be denoted by  $CPI_m$ . Then, in the event of a one month delay,  $CPI_m$  shall be determined in accordance with the following formula:*

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

*And, in the event of a delay of more than one month (the number of months being*



denoted by "n"),  $CPI_m$  shall be determined in accordance with the following formula:

$$CPI_m = CPI_{m-n} * (CPI_{m-n} / CPI_{m-n-12})^{n/12}$$

If it is necessary to use these formulas to calculate a substitute CPI value, then it will be used for all subsequent calculations that rely on that month's Index Ratio, and will not be replaced by the actual CPI when it is reported, except for use in the above formulas. When it becomes necessary to use the above formulas to calculate a substitute CPI value, the last CPI that has been reported will be used to calculate substitute CPI values for months for which the CPI has not been reported timeously

If, while a Note is still outstanding, the Consumer Price Index is:

- discontinued; or
- in the reasonable judgement of the Calculation Agent, fundamentally altered in a manner that is materially adverse to the interests of the Noteholders; or
- in the reasonable judgement of the Calculation Agent, altered by law in a manner that is materially adverse to the interests of Noteholders,

then the Calculation Agent will substitute an appropriate alternative index.

A change to the CPI will be considered fundamental if it affects the character of the CPI. Technical changes made by



Statistics South Africa to the CPI to improve its accuracy as a measure of consumer price changes will not be considered fundamental changes. Technical changes include, but are not limited to, changes in: (1) the specific items (for example, shoes or television sets) to be priced for the index; (2) the way individual price quotations are aggregated to construct component price indices for these items (aggregation of item sub-strata); (3) the method for combining these component price indices to obtain the comprehensive, all items CPI (aggregation of item strata); and (4) the procedure for incorporating new goods into the index and making adjustments for quality changes to existing goods.

As soon as practicable after effecting and substitution of an alternative index, the Issuer shall give notice of the substitution and the effective date thereof to the Noteholders.

**"Date"** Where used in connection with any valuation or determination of any amount, means the date as of which the amount is to be valued or determined;

**"Index Ratio<sub>Date</sub>"** means the Reference CPI on the Date divided by 116.32903 (being the Reference CPI as fixed in relation to 18 August 2011);

**"Reference CPI" or "Ref CPI<sub>Date</sub>"** means, in relation to Date:

If Date is the first day of a calendar month, Ref CPI<sub>Date</sub> is the Consumer Price Index for the 4<sup>th</sup> (fourth) calendar month

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preceding the calendar month in which Date occurs (which Consumer Price Index is typically published during the third calendar month preceding the calendar month in which the Date occurs and as an example, Ref CPI<sub>1 March 2000</sub> is the CPI for November 1999, which was published in December 1999).

If Date occurs on any day other than the first day of any calendar month, then Ref CPI<sub>Date</sub> shall be determined in accordance with the following formula:

$$\text{Ref CPI}_{\text{Date}} = \text{Ref CPI}_J + \left[ \frac{t-1}{D} \right] \times (\text{Ref CPI}_{J+1} - \text{Ref CPI}_J)$$

Where:

- (a) Ref CPI<sub>J</sub> is the Reference CPI for the first day of the calendar month in which Date occurs;
- (b) Ref CPI<sub>J+1</sub> is the Reference CPI for the first day of the calendar month immediately following the calendar month in which Date occurs;
- (c) t is the calendar day corresponding to Date; and
- (d) D is the number of days in the calendar month in which Date occurs

(For example, if Date is 15 March 2000, then Ref CPI<sub>15 March 2000</sub> will be interpolated between Ref CPI<sub>1 March 2000</sub> and Ref CPI<sub>1 April 2000</sub>. In other words, Ref CPI<sub>15 March 2000</sub> will be determined by interpolating between the CPI for November 1999 (which was

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published in December 1999) and the CPI for December 1999 (which was published in January 2000)

**“Interest Period”** means the 6 (six) month period commencing on and including one Interest Date and ending on but excluding the next Interest Date, provided that the first Interest Period shall be from and including the Issue Date to but excluding the first Interest Payment Date thereafter, and the last Interest Period shall end on the day preceding the Maturity Date or the date of the early redemption of the Notes, as the case may be;

- |  |   |
|--|---|
| 68. Authorised Amount under the Programme Memorandum | R25,000,000,000 (twenty five billion Rand)  |
| 69. Value of Total Notes in Issue under Programme    | R15 903 982 726 (fifteen billion nine hundred and three million nine hundred and eighty two thousand seven hundred and twenty six rand) |
| 70. Credit Rating                                    | See Annexure 1 attached   |
| 71. Capital Process Followed                         | Pure Dutch Auction  |

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Programme Memorandum and Pricing Supplement contains all information required by law and the JSE Listings Requirements, The Issuer shall accept full responsibility for the accuracy of the information contained in the Programme Memorandum, Pricing Supplements and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

Application is hereby made to list this issue of Notes pursuant to the approval of the Domestic Medium Term Note Programme of Investec Bank Limited as from 18 August 2011.

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**INVESTEC BANK LIMITED**

**Issuer**

By: ARolla  
*duly authorised*

By: [Signature]  
*duly authorised*

## ANNEXURE 1

Rating agency		Investec Bank Limited - a subsidiary of Investec Limited	Ratings Given	Ratings to be updated
<b>Fitch</b>	Individual rating	C	April 2011	Discussions were held. Updated rating expected November/December 2011
	Support rating	2		
	<b>Foreign currency</b>			
	Short-term	F3		
	Long-term	BBB		
	<b>National</b>			
	Short-term	F1(zaf)		
	Long-term	A+(zaf)		
<b>Moody's</b>	Bank financial strength rating	C-	December 2010	Discussions were held. Updated rating expected November/December 2011
	<b>Foreign currency</b>			
	Short-term deposit rating	Prime -2		
	Long-term deposit rating	A3		
	<b>National</b>			
	Short-term	P1(za)		
	Long-term	Aa2(za)		
<b>Global Credit Ratings</b>	<b>Local currency</b>		November 2010	Discussions were held. Updated rating expected November/December 2011
	Short-term rating	A1+(za)		
	Long-term rating	AA-(za)		

