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**PRICING SUPPLEMENT dated 16 September 2010**

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**The Standard Bank of South Africa Limited**

*(Incorporated with limited liability in South Africa under registration number 1962/000738/06)*

**Issue of ZAR1,000,000,000 Senior Unsecured Consumer Price Index (“CPI”) Linked Notes  
due 31 January 2017 (SBSI12)**

**Under its ZAR 60 000 000 000 Domestic Medium Term Note Programme**

This document constitutes the 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 (the “**Terms and Conditions**”) set forth in the Programme Memorandum dated 29 October 2008 (the “**Programme Memorandum**”). This Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

**DESCRIPTION OF THE NOTES**

|     |  |   |
|-----|--|---|
| 1.  | Issuer   | The Standard Bank of South Africa Limited |
| 2.  | Status of Notes  | Senior Unsecured                          |
| 3.  | Tranche Number   | 1.  |
|     | Series Number  | 1.  |
| 4.  | Aggregate Principal Amount   | ZAR1,000,000,000                          |
| 5.  | Interest/Payment Basis   | Indexed Notes                             |
| 6.  | Form of Notes  | Registered Notes                          |
| 7.  | Automatic/Optional Conversion from one Interest/Payment Basis to another | N/A                                       |
| 8.  | Issue Date   | 22 September 2010                         |
| 9.  | Business Centre  | Johannesburg                              |
| 10. | Additional Business Centre   | N/A                                       |
| 11. | Specified Denomination   | ZAR1 million                              |
| 12. | Issue Price  | 97.00452%                                 |
| 13. | Interest Commencement Date   | 31 July 2010                              |
| 14. | Maturity Date  | 31 January 2017                           |
| 15. | Specified Currency   | ZAR                                       |

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- |     |                                      |   |
|-----|--------------------------------------|---|
| 16. | Applicable Business Day Convention   | Following Business Day  |
| 17. | Calculation Agent                    | The Standard Bank of South Africa Limited   |
| 18. | Paying Agent                         | The Standard Bank of South Africa Limited   |
| 19. | Specified office of the Paying Agent | 4 <sup>th</sup> Floor, No. 3 Simmonds Street, Johannesburg  |
| 20. | Agent                                | The Standard Bank of South Africa Limited   |
| 21. | Final Redemption Amount              | Aggregate Principal Amount *(Reference CPI on Maturity Date/Base CPI), subject to adjustment in accordance with the Capital Guarantee |
| 22. | Capital Guarantee                    | If the Final Redemption Amount is less than the Aggregate Principal Amount, the Final Redemption Amount shall be ZAR1,000,000,000     |
| 23. | Final Coupon                         | The final coupon payment to be made in respect of this Note shall exclude any adjustments in respect of the Capital Guarantee         |

**PARTLY PAID NOTES**

- |     |  |     |
|-----|--|-----|
| 24. | Amount of each payment comprising the Issue Price  | N/A |
| 25. | Date upon which each payment is to be made by Noteholder   | N/A |
| 26. | Consequences (if any) of failure to make any such payment by Noteholder  | N/A |
| 27. | Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments | N/A |

**INSTALMENT NOTES**

- |     |   |     |
|-----|---|-----|
| 28. | Instalment Dates  | N/A |
| 29. | Instalment Amounts (expressed as a percentage of the aggregate Principal Amount of the Notes) | N/A |

**FIXED RATE NOTES**

- |     |                            |     |
|-----|----------------------------|-----|
| 30. | (a) Fixed Interest Rate(s) | N/A |
|-----|----------------------------|-----|

- (b) Interest Payment Date(s) N/A
- (c) Initial Broken Amount N/A
- (d) Final Broken Amount N/A
- (e) Any other terms relating to the particular method of calculating interest N/A

**FLOATING RATE NOTES**

- 31. (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 Fraction, rounding up provision, if different from Condition 8.2) N/A
- 32. Manner in which the Interest Rate is to be determined N/A
- 33. Margin N/A
- 34. If ISDA Determination
  - (a) Floating Rate N/A
  - (b) Floating Rate Option N/A
  - (c) Designated Maturity N/A
  - (d) Reset Date(s) N/A
- 35. If Screen Rate 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
- 36. If Interest Rate to be calculated otherwise than by reference to 34 or 35 above, insert basis for determining Interest Rate/Margin/Fall back provisions N/A
- 37. If different from the Calculation Agent, agent responsible for calculating amount of principal N/A

and interest

#### MIXED RATE NOTES

38. 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               | N/A |

#### ZERO COUPON NOTES

- |  |     |
|--|-----|
| 39. (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

40.

- |   |  |
|---|--|
| (a) Type of Indexed Notes   | Indexed Interest and Indexed Redemption Amount Notes   |
| (b) Index by reference to which Interest Amount and Final Redemption Amount is to be determined                 | CPI Index as per 68  |
| (c) Coupon  | 2.5%   |
| (d) Real Yield  | 3.25% NACS   |
| (e) Formula by reference to which the Interest Amount is to be determined                                       | $(\text{Aggregate Principal Amount} \times \text{Coupon}) \times (\text{Reference CPI} / \text{Base CPI}) / 2$   |
| (f) Formula by reference to which the Final Redemption Amount is to be determined                               | $\text{Aggregate Principal Amount} \times (\text{Reference CPI on Maturity Date} / \text{Base CPI})$   |
| (g) Interest Payment Date(s)  | Semi-annually on each 31 January and each 31 July commencing on 31 January 2011 until 31 January 2017  |
| (h) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest | N/A  |
| (i) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable            | If prior to Maturity Date, the CPI Index is discontinued then the Calculation Agent will, after consultation with Statistics South Africa or any successor entity, substitute an appropriate alternative |

index in its discretion which shall be deemed to be the CPI Index for the purposes of this transaction.

As soon as practicable after effecting any substitution of an alternative index as provided for in this section, notice of such substitution and the effective date thereof, shall be communicated in writing to the JSE Limited by the Issuer.

#### **EXCHANGEABLE NOTES**

|   |     |
|---|-----|
| 41. Mandatory Exchange applicable?          | N/A |
| 42. Noteholders' Exchange Right applicable? | N/A |
| 43. Exchange Securities                     | N/A |
| 44. Manner of determining Exchange Price    | N/A |
| 45. Exchange Period                         | N/A |
| 46. Other                                   | N/A |

#### **OTHER NOTES**

|  |     |
|--|-----|
| 47. 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, Exchangeable 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**

|  |     |
|--|-----|
| 48. Prior consent of Registrar of Banks required for any redemption                    | No  |
| 49. Redemption at the option of the Issuer: if yes:                                    | No  |
| (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   | N/A |
|  | No  |
| (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                     |
| 50. | Redemption at the option of the Noteholders: if yes:   | No                      |
| (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   | 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 <i>pro forma</i> put notice(s)  | N/A                     |
| 51. | Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default | Final Redemption Amount |

**GENERAL**

|     |   |              |
|-----|---|--------------|
| 52. | Qualification of Notes as Secondary Capital under the Banks Act, 1990 | No           |
| 53. | Qualification of Notes as Tertiary Capital under the Banks Act, 1990  | No           |
| 54. | Condition 7.4 to apply (deferral of interest and principal payments)? | No           |
| 55. | Additional selling restrictions                                       | N/A          |
| 56. | (a) International Securities Numbering (ISIN)                         | ZAG000080847 |
|     | (b) Stock Code  | SBSI12       |
| 57. | Financial Exchange  | JSE Limited  |
| 58. | If syndicated, names of managers                                      | N/A          |
| 59. | Receipts attached? If yes, number of Receipts attached                | No           |
| 60. | Coupons attached? If yes, number of Coupons attached                  | No           |
| 61. | Talons attached? If yes, number of Talons attached                    | No           |
| 62. | Credit Rating assigned to Notes (if any)                              | N/A          |
| 63. | Stripping of Receipts and/or Coupons prohibited                       | N/A          |

as provided in Condition 16.5?

- |  |  |
|--|--|
| 64. Governing law (if the laws of South Africa are not applicable) | N/A  |
| 65. Other Banking Jurisdiction                                     | N/A  |
| 66. Last Day to Register   | <p>17h00 on 20 July and 20 January of each year commencing on 20 January 2011, subject to any changes that may be effected to the Books Closed Period by the Issuer as contemplated below</p> <p>The "books closed period" (during which the Register will be closed) will be from each 21 July and 21 January to the applicable Interest Payment Date, commencing on 21 January 2011, or such other period preceding an Interest Payment Date as determined by the Issuer from time to time</p> |
| 67. Stabilisation Manager (if any)                                 | N/A  |
| 68. Other provisions   | Additional Applicable Definitions  |
| Base CPI:  | 110.44 being the Base CPI of the R211 Government Bond  |
| CPI Index:   | means the weighted average of the consumer price index as published by Statistics South Africa, which is referred to as "Headline CPI – All urban areas (primary and secondary)" in Statistical release P0141, or such substituted index as may be determined by the Calculation Agent.  |
| Reference CPI:   | means the CPI Index for the fourth calendar month preceding the calendar month in which the applicable Interest Payment Date occurs, where the applicable Interest Payment Date is the first day of any calendar month. If the applicable Interest Payment Date occurs on a day other than the first day of a calendar month, then the Reference CPI shall be determined in accordance with the following formula:   |



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

Where:

- (a) *Ref. CPI<sub>j</sub>* is the Reference CPI for the first day of the calendar month which shall be the CPI Index for the fourth calendar month preceding the calendar month in which the applicable Interest Payment Date occurs;
- (b) *Ref. CPI<sub>j+1</sub>* is the Reference CPI for the third calendar month preceding the calendar month in which the applicable Interest Payment Date occurs;
- (c) *t* is the calendar day corresponding to the applicable Interest Payment Date; and
- (d) *D* is the number of days in the calendar month in which the applicable Interest Payment Date occurs.

Adjustment to CPI Index:

If the CPI Index is reset, then a new Reference CPI that is applicable for the issue date will (if the Calculation Agent deems it necessary) be calculated in such a way that the Final Redemption Amount is the same immediately before and after the reset.

Failure/delay of Index to published:

If as a result of a one month delay in the publication of the CPI Index, the Reference CPI is not available in order to make a determination in accordance with the formula above, then subject to the terms below, a substitute CPI Index value calculated as follows will be used:

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

Where:

(a) *CPI<sub>m</sub>* is the Substitute CPI Index for the month that is required;

(b) *m* = month

In the event of a delay of more than one month, *CPI<sub>m</sub>* shall be determined in accordance with the following formula:

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

Where:

(a) *n* is the number of months' delay.

When the above formulae are used to calculate a Substitute Reference CPI value, then such formulae shall be used for all subsequent calculations that rely on that month's Index Ratio, and shall not be replaced by the actual Reference CPI when the CPI Index is reported, except for use in the above formulae. Further, when the above formulae are used to calculate a Substitute Reference CPI value, the last CPI Index that has been reported will be used to calculate Reference CPI values for the month(s) in which the CPI Index has not been reported timeously.

69. Other provisions:

Cross Default of the Issuer

An Event of Default shall have occurred if:

- (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 subparagraph (iii) above individually or in the aggregate exceeds R800 million (or its equivalent in any other currency or currencies).

Upon the happening of such an Event of Default, any holder of Senior Notes may, by written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Senior Notes held by such holder to be forthwith due and payable whereupon those Senior Notes shall become forthwith due and payable at the Early Redemption Amount together with accrued interest (if any) to the date of payment.

**"Financial Indebtedness"** means any indebtedness of any person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

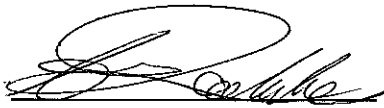
- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, 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.

Application is hereby made to list this issue of Notes on the JSE Limited.

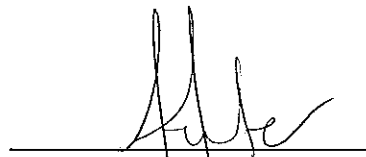
**THE STANDARD BANK OF SOUTH AFRICA LIMITED**

**Issuer**



**Name: Arno Daehnke**

**Designation: Authorised Signatory**



**Name: Ann Hunter**

**Designation: Authorised Signatory**