
APPLICABLE PRICING SUPPLEMENT



FIRST NATIONAL BANK OF NAMIBIA LIMITED
*(Incorporated in the Republic of Namibia with limited liability
under Registration Number 2002/0180)*

Issue of NAD300,000,000 Unsecured Subordinated Callable Floating Rate Notes due 29 March 2027
Under its ZAR5,000,000,000 / NAD5,000,000,000 Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 10 March 2017, prepared by First National Bank of Namibia Limited in connection with the First National Bank of Namibia Limited ZAR5,000,000,000 / NAD5,000,000,000 Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any 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 Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. 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.

PARTIES

1. Issuer	First National Bank of Namibia Limited
2. Dealer	Rand Merchant Bank, a division of FirstRand Bank Limited
3. Managers	N/A
4. Namibian Stock Exchange ("NSX") Sponsor	IJG Securities Proprietary Limited
5. Paying Agent Specified Office	First National Bank of Namibia Limited @Parkside, 130 Independence Avenue, Windhoek, Namibia
6. Calculation Agent Specified Office	First National Bank of Namibia Limited @Parkside, 130 Independence Avenue, Windhoek, Namibia
7. Transfer Agent Specified Office	Transfer Secretaries (Proprietary) Limited 4 Robert Mugabe Avenue, Windhoek, Namibia

PROVISIONS RELATING TO THE NOTES

8. Status of Notes	Unsecured Subordinated Notes
9. Form of Notes	Listed registered Notes issued in certificated form
10. Series Number	3
11. Tranche Number	1

12. Aggregate Nominal Amount:		
(a) Series		NAD300,000,000
(b) Tranche		NAD300,000,000
13. Interest		Interest-bearing
14. Interest Payment Basis		Floating Rate
15. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another		N/A
16. Issue Date		29 March 2017
17. Specified Denomination		NAD100,000
18. Specified Currency		Namibia Dollars (NAD)
19. Issue Price		100%
20. Interest Commencement Date		29 March 2017
21. Maturity Date		29 March 2027
22. Applicable Business Day Convention		Modified Following Business Day
23. Final Redemption Amount		100% of the Nominal Amount, subject to the applicable Capital Regulations
24. Last Day to Register		By 17h00 on 18 March, 18 June, 18 September and 18 December until the Maturity Date
25. Books Closed Period(s)		The relevant Register will be closed from 19 March to 28 March, 19 June to 28 June, 19 September to 28 September and 19 December to 28 December (all dates inclusive) in each year until the Maturity Date
26. Default Rate		N/A
PROVISIONS RELATING TO INTEREST (IF ANY PAYABLE)		
FIXED RATE NOTES		
		N/A
FLOATING RATE NOTES		
27. (a) Floating Interest Payment Date(s)		29 March, 29 June, 29 September and 29 December of each year until the Maturity Date with the first Floating Interest Payment Date being 29 June 2017
(b) Interest Period(s)		From and including the applicable Floating Interest Payment Date ending on but excluding the following Floating Interest Payment Date, the first Interest Period commencing on 29 March 2017 and ending on the day before the next Floating Interest Payment Date
(c) Definition of Business Day (if different from that set out in Condition1) (<i>Interpretation</i>)		N/A
(d) Minimum Rate of Interest		N/A
(e) Maximum Rate of Interest		N/A
(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)		Day Count Fraction is Actual/365.
28. Manner in which the Rate of Interest is to be		Screen Rate Determination

determined	
29. Margin	250 basis points to be added to the relevant Reference Rate
30. If ISDA Determination:	N/A
31. If Screen Rate Determination:	
(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 month ZAR-JIBAR
(b) Interest Rate Determination Date(s)	29 March, 29 June, 29 September and 29 December of each year until the Maturity Date with the first Interest Rate Determination Date being 24 March 2017
(c) Relevant Screen Page and Reference Code	Reuters SAFETY Page, Code ZA01209 or any successor page
32. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions	N/A
33. Calculation Agent responsible for calculating amount of principal and interest	First National Bank of Namibia Limited
ZERO COUPON NOTES	N/A
PARTLY PAID NOTES	N/A
INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
DUAL CURRENCY NOTES	N/A
EXCHANGEABLE NOTES	N/A
OTHER NOTES	N/A
PROVISIONS REGARDING REDEMPTION/MATURITY	
34. Prior consent of the Bank of Namibia required for any redemption prior to the Maturity Date?	Yes, save for redemption for regulatory reasons as contemplated in Condition 1.2 (<i>Redemption for regulatory reasons</i>) under the section headed "Additional Terms and Conditions" set out in Annexure A hereto.
35. Redemption at the option of the Issuer: If yes:	Yes
(a) Optional Redemption Date(s)	29 March 2022 and each subsequent Floating Interest Payment Date
(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	100% of the Nominal Amount plus Accrued Interest
(c) Minimum period of notice (if different from Condition 10.3 (<i>Redemption at the option of the Issuer</i>))	N/A

	(d) If redeemable in part:	N/A
	(e) Other terms applicable on redemption	N/A
36.	Redemption at the option of the Senior Noteholders:	No
37.	Redemption in the event of a Change of Control at the election of the Noteholders pursuant to Condition 10.5 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control	Yes
38.	Redemption in the event of a failure to maintain NSX listing and/or Rating at the election of Noteholders pursuant to Condition 10.6 (<i>Redemption in the event of a failure to maintain NSX listing and/or Rating</i>)	Yes
39.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).	100% of the Nominal Amount plus accrued interest

GENERAL

40.	Financial Exchange	Namibian Stock Exchange
41.	Additional selling restrictions	N/A
42.	ISIN	NA000A19FKV1
43.	Stock Code	FBNJ27
44.	Stabilising manager	N/A
45.	Provisions relating to stabilisation	N/A
46.	Method of distribution	Dutch Auction (Sealed with no feedback)
47.	Credit Rating assigned to the Issuer	AA+(NA) (Long Term) and A1+(NA), assigned in February 2017 and due for renewal in January 2018
48.	Applicable Rating Agency	Global Credit Rating Co (Pty) Ltd
49.	Governing law (if the laws of Namibia are not applicable)	N/A
50.	Use of proceeds	See "Use of Proceeds" section of the Programme Memorandum.
51.	Other provisions	See Annexures A to C (and particularly <u>redemption for regulatory reasons as contemplated in Condition 1.2 (Redemption for regulatory reasons)</u> in the section headed "Additional Terms and Conditions" set out in Annexure A hereto.

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement and the Programme Memorandum except as otherwise stated herein. To the best of the knowledge and belief of the Issuer the information contained in this Applicable Pricing Supplement and the Programme Memorandum is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement and the Programme Memorandum contains all information required by Applicable Law and the listings requirements of the NSX.

Application is hereby made to list this issue of Notes on 29 March 2017.

SIGNED at WINDHUK on this 24 day of March 2017.

For and on behalf of
FIRST NATIONAL BANK OF NAMIBIA LIMITED

Name: OLIVIER CAPELWIND
Capacity: CEO
Who warrants his/her authority hereto

Name: MICHELLE VAN WYK
Capacity: TREASURER
Who warrants his/her authority hereto

ANNEXURE A
ADDITIONAL TERMS AND CONDITIONS

The following are additional Terms and Conditions (the **Additional Terms and Conditions**) in respect of the FBNJ27 Notes (the **Notes**) issued pursuant to this Applicable Pricing Supplement which will be incorporated by reference into each Note of this series.

1. REDEMPTION OF SUBORDINATED NOTES

1.1 Redemption of Capital Notes

1.1.1 Subject to the applicable Capital Regulations and any instructions received from the Governor of the Bank of Namibia, Subordinated Notes that are also Capital Notes may have a minimum Maturity Period determined in accordance with the Capital Regulations relating to such Capital Notes as set out in this Applicable Pricing Supplement. Subject to Conditions 1.2 (*Redemption for Regulatory Reasons*) below, for so long as the applicable Capital Regulations so require, Subordinated Notes that are also Capital Notes may be redeemed, or purchased and cancelled by the Issuer, prior to the Maturity Date only at the option of the Issuer (i) in accordance with the applicable Capital Regulations, (ii) with the prior written approval of the Governor of the Bank of Namibia and (iii) in accordance with the Additional Conditions (if any) approved by the Governor of the Bank of Namibia, even where an Event of Default has occurred.

1.2 Redemption for Regulatory Reasons

1.2.1 Subordinated Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes having an Interest Rate then determined on a floating basis) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 (thirty) nor more than 60 (sixty) calendar days' notice prior to such redemption, to the Noteholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that a Regulatory Event has occurred and is continuing.

1.2.2 Notes redeemed for regulatory reasons pursuant to this Condition 1.2.1 will be redeemed, in whole but not in part, at the Redemption Date Discounted Value referred to in paragraph 1.2.3 together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.

1.2.3 In the event of a redemption of the Notes in accordance with Condition 1.2.1, the Notes will be redeemed at an amount determined on the date specified by the Issuer for redemption of the Notes pursuant to this Condition 1.2 (*Redemption for Regulatory Reasons*) (the **Early Redemption Date**) at the Redemption Date Discounted Value.

1.2.4 Prior to the publication of any notice of redemption pursuant to this Condition 1.2 (*Redemption for Regulatory Reasons*), the Issuer shall deliver to the Paying Agent (i) a certificate signed by 2 (two) authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption

and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred and (ii) unless the Governor of the Bank of Namibia has confirmed to the Issuer that a Regulatory Event has occurred in respect of the relevant Subordinated Notes, an opinion of independent legal advisors of recognised standing to the effect that a Regulatory Event has occurred (a copy of which legal opinion shall be delivered to the Noteholders in accordance with Condition 18 (*Notices*)). Upon the expiry of any such notice as is referred to in this Condition 1.2.4, the Issuer shall be bound to redeem the Notes in accordance with this Condition 1.2 (*Redemption for Regulatory Reasons*).

ANNEXURE B DEFINITIONS

The terms and expressions set out below will have the meanings set out below in relation to the Terms and Conditions of the Notes:

Additional Conditions means, in relation to any issue of Capital Notes, such conditions (in addition to the conditions specified in the applicable Capital Regulations) as may be prescribed by the Governor of the Bank of Namibia for the proceeds of the issue of such Notes to qualify as Regulatory Capital, as specified in the Applicable Pricing Supplement;

Capital Notes means Subordinated Notes the proceeds of which are intended to qualify as Regulatory Capital in accordance with the relevant Capital Regulations;

Capital Regulations means at any time, any legislation, regulations, requires, guidelines and policies relating to capital adequacy then in effect in Namibia in relation to banks registered under the Banking Institutions Act and licensed to conduct the business of a bank in Namibia (including, where relevant, the rules and Additional Conditions (if any) applicable specifically to the Issuer as applied by the Governor of the Bank of Namibia) (or if the Issuer becomes domiciled in a jurisdiction other than Namibia, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in such other jurisdiction in relation to banks registered in, and licensed to conduct the business of a bank in, such other jurisdiction);

Issue Spread means the Margin at Issue Date over the relevant Reference Rate, being 250 basis points.

Maturity Period means subject to the applicable Capital Regulations, Subordinated Notes will have a minimum maturity of more than five years and one day.;

Redemption Date Discounted Value means the value derived by discounting the sum of the Outstanding Nominal Amount (assuming this amount is repaid on the first Optional Redemption Date) plus all amounts of interest to become due and payable between the Early Redemption Date and the first Optional Redemption Date, both days inclusive, at the discount rate. The "**discount rate**" is the rate calculated as the sum of the relevant Reference Rate at the Early Redemption Date plus the Issue Spread.

Regulatory Capital means "*common equity tier 1 capital*", "*additional tier 1 capital*" and "*tier 2 capital*", each as defined in the Banking Institutions Act ;

Regulatory Change means a change in, or amendment to, the Capital Regulations or any change in the application of or official or generally published guidance or interpretation of the Capital Regulations, which change or amendment becomes, or would become, effective on or after the Issue Date of the first Tranche of Notes of the relevant Series;

Regulatory Event means an event which is deemed to have occurred if, with respect to the Notes which comprise Tier 2 Capital on the Issue Date, the aggregate outstanding nominal amount of the Notes of the Series is, as a result of a Regulatory Change, fully, or to the extent permitted by the Capital Regulations, partially, excluded from Tier 2 Capital of the Issuer on a solo and/or consolidated basis (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital and any amortisation of recognition as Tier 2 Capital under the Capital Regulations in the final 5 (five) years prior to maturity, which non-qualification shall, for the avoidance of doubt, not constitute or give rise to a Regulatory Event);

Senior Creditors means creditors of the Issuer who are either unsubordinated creditors of the Issuer or whose claims are, or are expressed to be, subordinated to the claims of other creditors, whether subordinated or unsubordinated, of the Issuer, other than those creditors whose claims rank, or are expressed to rank, *pari passu* with, or junior to, those of Subordinated Noteholders;

Subordinated Noteholder" means a Noteholder of Subordinated Notes;

Subordinated Notes means the Notes specified as such in this Applicable Pricing Supplement, the proceeds of which are capable of qualifying as Tier 2 Capital on the Issue Date; and

Tier 2 Capital has the meaning ascribed thereto in the Capital Regulations.

ANNEXURE C
RISKS RELATING TO THE NOTES

Capitalised terms used in this section headed "Risks Relating to the Notes" shall bear the same meanings as used in the Additional Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

In addition to the Risk Factors referred to in the Programme Memorandum, the Issuer believes that the risk factor outlined below may affect the Notes issued in terms of this Applicable Pricing Supplement. The value of the Notes could decline due to any of the factors outlined in the Programme Memorandum and below, and investors may lose some or all of their investment.

The Issuer believes that the factors described in the Programme Memorandum and below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out in the Programme Memorandum to reach their own views prior to making any investment decision.

1. RISK FACTORS

- 1.1 Notes may be subordinated to most of the Issuer's liabilities. The payment obligations of the Issuer under the Subordinated Notes will rank behind Senior Creditors.
- 1.2 With regard to any Subordinated Notes, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, curatorship or wound-up, the Issuer will be required to pay or discharge the claims of Senior Creditors in full before it can make any payments in respect of such Subordinated Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under such Subordinated Notes.
- 1.3 No restrictions on the issuance of securities or indebtedness which ranks senior or *pari passu* to Subordinated Notes. There is no restriction on the amount of securities or indebtedness which the Issuer may issue or incur which rank senior to, or *pari passu* with, the relevant Subordinated Notes. The issue of any such securities or indebtedness may reduce the amount recoverable by Subordinated Noteholders on a winding-up, liquidation or curatorship of the Issuer.
- 1.4 Winding-up, liquidation, curatorship and limited rights of acceleration. If the Issuer is wound-up or put into liquidation or curatorship, voluntarily or involuntarily, Subordinated Noteholders will not be entitled to any payments of the Subordinated Notes until the claims of Senior Creditors which are admissible in any such winding-up, liquidation or curatorship have been paid or discharged in full. If the Issuer does not have sufficient assets at the time of winding-up, liquidation or curatorship to satisfy those claims, Subordinated Noteholders will not receive any payment on the Subordinated Notes. There is no limitation on the ability to issue debt securities in the future that would rank equal or senior in winding-up, liquidation or curatorship to the Subordinated Notes.
- 1.5 In addition, the rights of Subordinated Noteholders are limited in certain respects. In particular, if the Issuer defaults in the payment of any amount payable in respect of such Notes, and such default

continues for a period of 7 (seven) Business Days after receiving written notice from any of the Subordinated Noteholders, such Subordinated Noteholder may only institute proceedings for the winding-up of the Issuer (and/or prove in any winding-up of the Issuer) but take no other action in respect of that default. Only if an order is made or an effective resolution is passed for the winding-up of the Issuer (otherwise than for the purpose of an amalgamation, merger, consolidation or re-organisation not involving liquidation, winding-up or bankruptcy) shall the Subordinated Noteholder be able to declare (upon written notice) such Subordinated Note immediately due and payable.