



APPLICABLE PRICING SUPPLEMENT

ABSA BANK LIMITED

(incorporated in the Republic of South Africa with limited liability and with company registration number: 1986/004794/06)

Issue of ZAR35,616,000.00 Unsubordinated and Unsecured Registered Notes due June 2023 under its ZAR40,000,000,000 Master Structured Note Programme approved by the JSE Limited

The Noteholder must read this Applicable Pricing Supplement in conjunction with the Master Structured Note Programme Memorandum dated 27 October 2015 and approved by the JSE Limited t/a The Johannesburg Stock Exchange on or about 30 October 2015, as amended and/or supplemented from time to time (the "Master Programme Memorandum"). The Master Programme Memorandum was prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR40,000,000,000 Master Structured Note Programme.

Any capitalised terms not defined in this Applicable Pricing Supplement have the meanings ascribed to them in Schedule 1 (Glossary of Terms) to Section II-A (Terms and Conditions of the Notes) of the Master Programme Memorandum.

This document constitutes an Applicable Pricing Supplement relating to the Notes described herein and to be issued by the Issuer. The Notes described herein are subject to the Terms and Conditions of the Notes, as replaced, amended and/or supplemented by this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the provisions of the Master Programme Memorandum, the provisions of this Applicable Pricing Supplement will prevail for purposes of the Notes which are governed by it.

This Applicable Pricing Supplement supersedes any previous term sheet, pricing supplement, confirmation, or other communication in respect of the Notes described below.

By purchasing the Notes, the Noteholders acknowledge and confirm that: (i) they fully understand the nature of the Notes and the extent of their exposure to risks under and imbedded in the Notes, and (ii) they had considered the suitability of the Notes as an investment in the light of their own circumstances and financial position.

The Notes involve a high degree of risk, including the risk of losing some or a significant part of the Noteholder's initial investment. A Noteholder should be prepared to sustain a total loss of its

investment in the Notes. The Notes represent general, unsecured, unsubordinated, contractual obligations of the Issuer and rank *pari passu* in all respects with each other.

DESCRIPTION OF THE NOTES		
1.	Issuer:	Absa Bank Limited
2.	Status of Notes:	Unsubordinated and Unsecured. (The default status of the Notes under the Master Structured Note Programme is unsubordinated and unsecured' per Condition 5 (Status of Notes) of the Master Programme Memorandum.)
3.	Listing:	Listed
4.	Issuance Currency:	ZAR (South African Rand)
5.	Series Number:	2018-28
6.	Tranche Number:	ASN265
7.	Aggregate Nominal Amount:	
	(a) Series:	ZAR35,616,000.00
	(b) Tranche:	ZAR35,616,000.00
8.	Interest:	As set out in paragraphs 25 and 26 below respectively.
9.	Payment Basis:	Fixed Rate Interest and Index Linked
10.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another:	Not Applicable
11.	Form of Notes:	Registered Listed Notes: The Notes in this Tranche are issued in uncertificated form and lodged in the Central Securities Depository.
12.	Issue Date:	03 July 2018
13.	Trade Date:	27 June 2018

14. Specified Denomination:	ZAR1,000.00 per Note (The provision reading “Notes will not be offered for subscription to any single addressee for an amount of less than R1,000,000” appearing under the “Selling Restrictions” for the Republic of South Africa in “Section II-D: Subscription and Sale” of the Master Programme Memorandum are disapplied and deemed to be amended for purposes of these Notes.
15. Issue Price:	100%
16. Interest Commencement Date:	Not Applicable
17. Maturity Date:	30 June 2023, is the scheduled Maturity Date, subject to such day being an Exchange Business Day (as defined in paragraph 26(b) below) and a Business Day. If such day is not an Exchange Business Day and a Business Day, then the Maturity Date will be the next day which is an Exchange Business Day and a Business Day.
18. Applicable Business Day Convention:	Modified Following Business Day Convention
19. Definition of Business Day (if different from that set out in the Glossary of Terms):	Not different for Business Days. However, for purposes of this Applicable Pricing Supplement the term “Currency Business Day” include Johannesburg Business Days, London Business Days and TARGET Settlement Days, where TARGET Settlement Day means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer system is open.
20. Fixed Interim Amount:	See Fixed Rate Leg provisions in paragraph 25 below.
21. Final Redemption Amount:	See Index-Linked Notes provisions in paragraph 26 below.
22. Last Dates to Register:	<p>(i) In respect of payment of the Fixed Interim Payment Amount, the Last Date to Register is 20 June 2021, being the 11th calendar day before the Fixed Interim Amount Payment Date specified in paragraph 25(c) below.</p> <p>(ii) In respect of payment of the Final Redemption Amount, the Last Date to Register is 19 June 2023, being the 11th calendar day before the Maturity Date.</p>

23. Books Closed Periods:	<p>(i) In respect of payment of the Fixed Interim Payment Amount, the Register will be closed from 21 June 2021 until 01 July 2021, for the 10 (ten) calendar days preceding the Fixed Interim Amount Payment Date specified in paragraph 25(c) below.</p> <p>(ii) In respect of payment of the Final Redemption Amount, the Register will be closed 20 June 2023 until the Maturity Date, for the 10 (ten) calendar days preceding the Maturity Date.</p>
24. Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date:	ZAR 14,306,376,355.66
MIXED RATE NOTES:	
FIXED RATE LEG:	
25. (a) Fixed Interim Amount:	The amount determined and calculated by the Issuer in accordance with the provisions of paragraph 25(b) below, and payable by the Issuer to the Note Holders on the Fixed Interim Amount Payment Date.
(b) Formula by reference to which the Fixed Interim Amount is to be determined and calculated:	<p>The Issuer will determine and calculate the Fixed Interim Amount in accordance with the following formula:</p> $FIA = ANA * 0.5 * 1.3405$ <p>Where:</p> <p>“FIA” means the Fixed Interim Amount;</p> <p>“ANA” means the Aggregate Nominal Amount; and</p> <p>“*” means “multiplied by”.</p>
(c) Fixed Interim Amount Payment Date:	The Fixed Interim Amount as determined and calculated above will be payable by the Issuer to the Note Holders on 01 July 2021, such date being subject to adjustment in accordance with the Modified Following Business Day Convention.
(d) Last Date to Register in respect of payment of the Fixed Interim Amount:	In respect of payment of the Fixed Interim Payment Amount, the Last Date to Register is 20 June 2021, being the 11 th calendar day before the Fixed Interim Amount Payment Date.
(e) Books Closed Period in respect of payment of the Fixed Interim	In respect of payment of the Fixed Interim Payment Amount, the Register will be closed from 21 June 2021 until 01 July 2021, being the 10 (ten) calendar days before

Amount:	the Fixed Interim Amount Payment Date as specified above.
INDEX-LINKED LEG	
26. (a) Type of Index-Linked Leg:	Indexed Redemption Amount
(b) Formula by reference to which payment amount in respect of the Index-Linked Leg is to be determined:	<p>The Issuer will determine and calculate the Final Redemption Amount in accordance with the following formula:</p> $\text{FRA} = \text{ANA} * 0.5 + [\text{ANA} * 0.5 * \text{P} * \max(\text{IR}, 0)]$ <p>Where:</p> <p>“FRA” means the Final Redemption Amount;</p> <p>“ANA” means the Aggregate Nominal Amount;</p> <p>“*” means “multiplied by”;</p> <p>“P” means “participation” which is 1.00;</p> <p>“max” means “the maximum of” or “the greater of”;</p> <p>“IR” means the “Index Return” which is determined and calculated in accordance with the following formula:</p> $\text{IR} = \frac{\text{Index}_f}{\text{Index}_i} - 1$ <p>where:</p> <p>“Index_i” means, in respect of the Index, the initial Index level, being the official closing level of the Index, as determined by the Issuer, which is: 201.9845 in the case of the Commerzbank Global Equity Risk Premia 15% RC ER Index on the Trade Date.</p> <p>“Index_f” means, in respect of the Index, the final Index level as determined by the Issuer as the equally weighted average of the official closing level of the Index on each of the Averaging Dates, which if any Averaging Date is a Disrupted Day, it will be subject to Modified Postponement, as described below.</p> <p>Averaging Dates” means each of 27 December 2022, 27 January 2023, 27 February 2023, 27 March 2023, 27 April 2023, 30 May 2023 and 27 June 2023.</p> <p>“Index Valuation Date” means 27 June 2023.</p>
(c) Final Redemption Amount Payment Date:	The Maturity Date, such date being subject to adjustment in accordance with the Modified Following Business Day

	Convention and the provisions regarding Consequences of a Disrupted Day as specified above.
(d) Index Calculation Agents:	Commerzbank AG is the Calculation Agent.
(e) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable:	See the relevant provisions under paragraph 40 below.
(f) Minimum Interest Rate:	Not Applicable
(g) Maximum Interest Rate:	Not Applicable
(h) Other terms relating to the method of calculating interest:	Not Applicable
(i) Calculation Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
(j) Index name	Commerzbank Global Equity Risk Premia 15%RC ER Index (Bloomberg Ticker: CBKIRPGL Index ; Reuters RIC: CBKIRPGLIDX)
(k) Particulars regarding the Index:	<p>1. Index website:</p> <p>For access to the Commerzbank Global Equity Risk Premia 15% RC ER Index and rule methodology and any subsequent changes to the rulebook will be published by the Calculation Agent to the below:</p> <p>https://emcideas.commerzbank.com/Strategies/Smart%20Beta/GlobalRiskPremia</p> <p>https://pb.commerzbank.com/docs/CBK%20Global%20Equity%20Risk%20Premia%2015%25%20RC%20ER%20AR%20Index%20FINAL.pdf</p> <p>For access to the MSCI Factor Indices and rule methodology:</p> <p>https://www.msci.com/msci-factor-indices</p> <p>The underlying basket of 8 MSCI US Factor Indices consist of the:</p> <p>1. MSCI Europe Sector Neutral Quality Net Total</p>

	<p>Return Index (BB Ticker: M7ESNQ Index)</p> <p>https://www.msci.com/documents/10199/b20a9e5e-4c5e-4802-ad9b-38f8f28b13eb</p> <p>2. MSCI Europe Minimum Volatility Net Total Return Index (BB Ticker: MAEUVOE Index)</p> <p>https://www.msci.com/documents/10199/9a2088eb-830d-4ae9-9e0c-75997edc3448</p> <p>3. MSCI Europe Momentum Net Total Return Index (BB Ticker: MAEUMMT Index)</p> <p>https://www.msci.com/documents/10199/4dea87b3-bfda-4322-b64d-aec4cff05494</p> <p>4. MSCI Europe Enhanced Value Net Total Return Index (BB Ticker: M7EUEV Index)</p> <p>https://www.msci.com/documents/10199/7f11b48b-91a4-4eba-8e68-24fe90b78adf</p> <p>5. MSCI USA Quality Net Total Return Index (BB Ticker: (BB Ticker: M1USQU Index)</p> <p>https://www.msci.com/documents/10199/2e441a3c-79ff-443d-bfd1-b2d303fe1a6c</p> <p>6. MSCI USA Minimum Volatility Net Total Return Index (BB Ticker: M1USMVOL Index)</p> <p>https://www.msci.com/documents/10199/08981ed2-5948-447b-9aaf-855382b97273</p> <p>7. MSCI USA Momentum Net Total Return Index (BB Ticker: M1US000\$ Index)</p> <p>https://www.msci.com/documents/10199/bb0ddcd7-b6cb-42d5-8a14-78127de9c115</p> <p>8. MSCI USA Enhanced Value Net Total Return Index (BB Ticker: M1USEV Index)</p> <p>https://www.msci.com/documents/10199/e9be5127-833d-4406-8433-13258e7f424c</p> <p>The Index Level for each underlying index is published to a respective Bloomberg page for all Index Calculation Dates on the Index Calculation Date following the day on which</p>
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the respective Index Level becomes available.

2. Index Publication:

The Index Calculation Agent will publish the Index Level on Bloomberg page CBKIRPGL Index for all Index Calculation Dates on the Index Calculation Date following the day on which the respective Index Level becomes available. The composition of the Core Index will be available from the Index Calculation Agent upon request to investors in financial products that are linked to the Index.

3. Index Fees (and Adjustment Factor):

The Index Calculation Agent will deduct the Index Fee in connection with its services and in accordance with the calculation methodology. For clarity, the daily Index Fee will be calculated as the product of (i) 1.00% per annum (on the basis of a year comprising 365 days), i.e., 0.00274% and (ii) the relevant level of the Index. In the same way, there is an Adjustment Factor deducted from the Index. For clarity, the daily Adjustment Factor will be calculated as the product of (i) 2.5% per annum (on the basis of a year comprising 365 days), i.e., 0.00685% and (ii) the relevant level of the Index.

4. Suspension of the Calculation of the Index

The Index Calculation Agent will suspend the calculation of the Index if on a Banking Day the Closing Level of one or more Equity Indices included in the Core Index is/are not determined (the "Suspension of the Calculation of the Index"). The occurrence of such suspension will be published by the Index Calculation Agent in accordance with the provisions regarding the Index Publication.

5. Extraordinary Index Adjustments

Upon the occurrence of an Equity Index Extraordinary Event in relation to one or several Equity Indices included in the Core Index which has a material effect on the relevant Equity Index or the level of the Equity Index, the Index Sponsor will make any such adjustments to the Index as are necessary to account for the economic effect of the Equity Index Extraordinary Event on the Index and to preserve, to the extent possible, the economic profile of the Index prior to the occurrence of the Equity Index Extraordinary Event in accordance with the following provisions (each an "Equity Index Adjustment"). The Index Sponsor will decide in its reasonable discretion (*billiges Ermessen*, as contemplated in § 315 of the German Civil Code (BGB)) whether an Equity Index Extraordinary Event

	<p>has occurred and whether such Equity Index Extraordinary Event has a material effect on the relevant Equity Index.</p> <p>An Equity Index Adjustment may result in:</p> <p>(i) the relevant Equity Index being replaced by another index (a "Equity Index Replacement") which is economically comparable to the relevant Equity Index</p> <p>and/or</p> <p>(ii) increases or decreases of specified variables and values in the calculation of the Index taking into account</p> <p>a. the effect of the Equity Index Extraordinary Event on the level of the respective Equity Index;</p> <p>b. the diluting or concentrative effect of an Equity Index Extraordinary Event on the theoretical value of the relevant Equity Index; or</p> <p>c. any cash compensation or other compensation in connection with a Equity Index Replacement;</p> <p>and/or</p> <p>(iii) consequential amendments to the Equity Index related provisions of the terms of the Index that are required to fully reflect the consequences of the Equity Index Replacement.</p> <p>(a) Equity Index Adjustments will correspond to the adjustments to option or futures contracts relating to the relevant Equity Index made by the relevant Futures Exchange (an "Equity Index Futures Exchange Adjustment").</p> <p>(i) The Index Sponsor will not be required to make adjustments to the Index by reference to Equity Index Futures Exchange Adjustments, in cases where:</p> <p>(aa) the Equity Index Futures Exchange Adjustments would result in economically irrelevant adjustments to the Index; the Index Sponsor will decide in its reasonable discretion (<i>billiges Ermessen</i> as contemplated in § 315 of the German Civil Code (BGB)) whether this is the case;</p> <p>(bb) the Equity Index Futures Exchange Adjustments violate the principles of good faith or would result in</p>
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	<p>adjustments of the Index contrary to the principle to preserve the economic profile of the Index prior to the occurrence the Equity Index Extraordinary Event and to compensate for the economic effect thereof on the level of the relevant Equity Index; the Index Sponsor will decide in its reasonable discretion (<i>billiges Ermessen</i> as contemplated in § 315 of the German Civil Code (BGB)) whether this is the case; or</p> <p>(cc) in cases where no Equity Index Futures Exchange Adjustment occurs, but where such Equity Index Futures Exchange Adjustment would be required pursuant to the adjustment rules of the Futures Exchange; in such case, the Index Sponsor will decide in its reasonable discretion (<i>billiges Ermessen</i> as contemplated in § 315 of the German Civil Code (BGB)) whether this is the case and will make Equity Index Adjustments in accordance with the adjustment rules of the Futures Exchange.</p> <p>(ii) If there is any doubt regarding the application of the Equity Index Futures Exchange Adjustment or adjustment rules of the Futures Exchange or where no Futures Exchange exists, the Index Sponsor will make such adjustments to the Index which are required in its reasonable discretion (<i>billiges Ermessen</i> as contemplated in § 315 of the German Civil Code (BGB)) to preserve the economic profile of the Index prior to the occurrence of the Equity Index Extraordinary Event and to compensate for the economic effect thereof on the level of the relevant Equity Index.</p> <p>(b) Any reference made to the Equity Index and/or the Equity Index Sponsor (as defined below) in this description of the Index in this paragraph will, if the context so admits, refer to the replacement index and/or the index sponsor of</p>
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the replacement index. All related definitions will be deemed to be amended accordingly as the context requires.

- (c) Equity Index Adjustments will take effect as from the date (the "Cut-off Date") determined by the Index Sponsor in its reasonable discretion (*billiges Ermessen* as contemplated in § 315 of the German Civil Code (BGB)), provided that (if the Index Sponsor takes into consideration the manner in which adjustments are or would be made by the relevant futures exchange) the Index Sponsor will take into consideration the date at which such adjustments take effect or would take effect at the relevant futures exchange.
- (d) Equity Index Adjustments as well as their Cut-off Dates will be made available by the Index Calculation Agent in accordance with the provisions relating to Index Publication.

For purposes of the above, "Equity Index Extraordinary Event" with respect to an Equity Index means:

- (a) the cancellation or replacement of the relevant Equity Index or the replacement of the Equity Index Sponsor by another person, company or institution not acceptable to the Index Sponsor and/or the Index Calculation Agent;
- (b) the termination, impairment, cessation or dispute of the license granted by the Equity Index Sponsor to the Index Sponsor and/or the Index Calculation Agent and/or any of their respective affiliates to use such relevant Equity Index in connection with the Index;
- (c) the adjustment of option or futures contracts relating to the relevant Equity Index or contained in the relevant Equity Index on the relevant Futures Exchange(s) or the announcement of such adjustment;
- (d) the termination of trading in, or early settlement of, option or futures contracts relating to the relevant Equity Index or contained in the relevant Equity Index on the relevant Futures Exchange(s), or the announcement of such termination or early settlement;
- (e) a change in the currency in one or more components of the relevant Equity Index if such change has a material effect on the level of the relevant Equity Index. The Index Sponsor will

	<p>decide in its reasonable discretion (<i>billiges Ermessen</i> as contemplated in § 315 of the German Civil Code (BGB)) whether this is the case;</p> <p>(f) the Equity Index Sponsor (i) ceases the calculation of the relevant Equity Index and/or materially or frequently delays the publication of the level of the relevant Equity Index or the relevant data for calculating the level of the relevant Equity Index and the Index Calculation Agent is not able to calculate the level of the relevant Equity Index without the relevant Equity Index Sponsor's information and/or (ii) if the relevant Equity Index Sponsor materially modifies its terms and conditions for the use of the relevant Equity Index and/or materially increases its fees for the use or calculation of the relevant Equity Index so that it is no longer economically reasonable to reference the relevant Equity Index. The Index Sponsor will decide in its reasonable discretion (<i>billiges Ermessen</i> as contemplated in § 315 of the German Civil Code (BGB)) whether this is the case; or</p> <p>(g) any other event being economically equivalent to the before-mentioned events with regard to their effects. The Index Sponsor will decide in its reasonable discretion (<i>billiges Ermessen</i> as contemplated in §315 of the German Civil Code (BGB)) whether this is the case.</p> <p>If the relevant Equity Index is no longer calculated and published by the Equity Index Sponsor but by another acceptable person, company or institution as the new Equity Index Sponsor (the " Successor Equity Index Sponsor"), the Index will be determined on the basis of such Equity Index being calculated and published by the Successor Equity Index Sponsor and any reference made to the Equity Index Sponsor in the above description of the Index will, if the context so admits, then refer to the Successor Equity Index Sponsor. The Index Sponsor will decide in its reasonable discretion (<i>billiges Ermessen</i> as contemplated in § 315 of the German Civil Code (BGB)) whether this is the case.</p> <p>If an Equity Index Sponsor materially modifies the calculation method of an Equity Index with effect on or after the Index Commencement Date, or materially modifies such Equity Index in any other way (except for modifications which are contemplated in the calculation method of the Equity Index relating to a change with respect to any index components, the market</p>
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capitalisation or with respect to any other routine measures, each an "Equity Index Modification"), then the Index Sponsor is entitled to continue the calculation and publication of such Equity Index on the basis of the former concept of the Equity Index and its last determined level. The Index Sponsor will decide in its reasonable discretion (*billiges Ermessen* as contemplated in § 315 of the German Civil Code (BGB)) whether an Equity Index Modification has occurred.

6. Changes in the Calculation of the Index

The Index Calculation Agent starts the calculation of the Index on the Index Commencement Date in compliance with the Index calculation method and the description of the Index in this paragraph. Although the Index Sponsor intends to apply this Index Description from the Index Commencement Date, it cannot be ruled out that tax, regulatory, statutory, economic or other circumstances might apply that, in the reasonable discretion (*billiges Ermessen* as contemplated in § 315 of the German Civil Code (BGB)) of the Index Sponsor, will necessitate changes with regard to this Index as described in this paragraph. In such a case, the Index Sponsor may in its reasonable discretion (*billiges Ermessen* as contemplated in § 315 of the German Civil Code (BGB)) deviate from, or perform changes to, this Index Description. Any deviations from this Index Description are subject to the proviso that the general concept and, thus, the investment objectives of the Index in particular are maintained. In the event of a change to the calculation method as detailed in this Index as described in this paragraph, the Index Calculation Agent will publish the relevant change in accordance with the provisions relating to the publication of the Index.

7. Corrections

If the Index Calculation Agent identifies an error or omission in any of its calculations or determinations in respect of the Index, then the Index Calculation Agent may, if practicable and if the Index Calculation Agent determines acting in good faith that such correction, error or omission (as the case may be) is material, adjust or correct the relevant calculation or determination and/or the Index Level as of any Index Calculation Date. The Index Calculation Agent will publish such correction in accordance with provisions regarding the publication of the Index.

8. Discontinuation of the Calculation of the Index

If, in the case of any circumstances that require any

changes to the Index as described in the section 'Changes in the Calculation of the Index' of the Index rules, or, upon occurrence of an Equity Index Extraordinary Event, an Equity Index Adjustment is not be possible while retaining the general concept and, thus, the objectives pursued by the Index, the Index Calculation Agent will discontinue the calculation of the Index (the "Discontinuation of the Calculation of the Index"). The Index Calculation Agent will decide in its reasonable discretion (*billiges Ermessen* as contemplated in §315 of the German Civil Code (BGB)) whether this is the case.

9. Index Disclaimer and Conditions of Use

The Index Sponsor will obtain information for inclusion in, or for use in the calculation of, the Index from sources that the Index Sponsor considers reliable. However, the Index Sponsor accepts no responsibility for, and will have no liability for any errors, omissions or interruptions in respect of such sources or the information obtained there from. The Index Sponsor does not guarantee the accuracy and/or the completeness of the Index or any data included therein. The Index Sponsor makes no warranty, express or implied, as to the results to be obtained by any person or entity from the use of the Index or any data included therein. The Index Sponsor makes no express or implied warranties and expressly disclaims all conditions and warranties implied by statute, general law or custom with respect to the Index or any data included therein.

MSCI indexes (collectively, the "MSCI Indexes") were provided to the Index Sponsor on an "as is" basis. MSCI Inc. ("MSCI") does not in any way sponsor, support, promote or endorse the Index which is based on the MSCI Indexes. MSCI was not and is not involved in any way in the creation, calculation, maintenance or review of the Index. MSCI is not the benchmark administrator for the Index. MSCI Inc., each of its affiliates and each other person involved in or related to compiling, computing or creating the MSCI Indexes (collectively, the "MSCI Parties") expressly disclaim all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose). Without limiting any of the foregoing, in no event will any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages in connection with the MSCI Indexes or the Index.

10. Index Risk Disclosures**INDEX DESCRIPTION LIMITATIONS**

The performance of the Index is dependent on a pre-defined rules-based methodology. There is no assurance that other methodologies would not result in better performance than the methodology followed in respect of the Index.

UNDERPERFORMANCE RISK

The Index provides exposure to notional long positions in MSCI Factor Indices. The Index is constructed under the assumption that the MSCI Factor Indices will outperform the Benchmark Indices over the long term. It is a risk that these MSCI Factor Indices will not outperform the Benchmark Indices.

EFFECT OF INDEX FEES AND ADJUSTMENT FACTOR

The Index Level includes a deduction of a notional Index Fee and an Adjustment Factor. The Index Fee and the Adjustment Factor will ultimately serve to act as a drag on the Index Level and will reduce the return available (if any) under the Notes.

VOLATILITY TARGET

The exposure of the Index to the Core Index is adjusted, on a daily basis, in accordance with a formula which seeks to maintain an overall specified annualised volatility level for the Index Level of 15% (the "Volatility Target"). The exposure is determined by reference to the recent volatility of the Core Index. Although the volatility of the Core Index and the exposure of the Index thereto are determined and adjusted daily, the actual volatility of the Index may be greater or less than the Volatility Target. As the Volatility Target is assessed daily, this can lead to a daily change in the exposure of the Index to the Core Index. Another frequency for determining this may have different results. The application of the Volatility Target is based on the historical exponential volatility of the Core Index. This means there may be a significant period of time before the Index reduces exposure to account for any increase in volatility. This could result in a lower level of the Index than would prevail if the exposure had been adjusted more quickly. The exposure of the Index to the Core Index is designed not to exceed 150% and, therefore, leverage may be applied to the Index, which will have a magnifying effect on the performance of the Index (whether positive or negative). During periods when the

realised volatility of the Core Index is higher than the Volatility Target, particularly in bull markets, the volatility targeting mechanism may lead the Index to underperform relative to the Core Index and/or compared with indices that do not use such a mechanism. There can be no assurance that the volatility targeting mechanism used to construct the Index will be successful or that the Index will outperform the strategy or any alternative volatility adjusted index that might be constructed by reference to the Core Index.

CONCENTRATION RISK

The Index Constituents and therefore the Index is composed of stocks only. Therefore, the Index may be less diversified than an investment in any fund, investment portfolio or other product which invests in or tracks a diversified investment portfolio with exposure to multiple asset classes, and therefore could experience greater volatility.

FIXED ALGORITHMIC MODEL PARAMETERS

In common with all algorithmic strategies, the Index uses a rules-based methodology which contains fixed parameters. For example, the Index gives an equal weight to each MSCI Factor Index. The Index methodology assumes that these parameters and other fixed parameters are reasonable in the context of the Index. However, alternative parameters could have a positive effect on the performance of the Index.

LIMITED OPERATING HISTORY

The Index was launched by the Index Sponsor on a specified Index Launch Date and has been calculated by the Index Calculation Agent for the period from that Index Start Date. The Index Sponsor has published limited information about how the Index would have performed had it been calculated prior to the Index Launch Date. Due to the fact that the Index and its constituents was each created relatively recently, and limited historical performance data exist with respect to it, an investment in a product linked to the Index may involve a greater risk than an investment in a financial product linked to one or more indices with a more established record of performance. Furthermore, any back - testing or similar performance analysis performed by any person in respect of the Index must be considered illustrative only and may be based on estimates or assumptions not used by the Index Calculation Agent when determining the Index

	Level. Any changes to the index methodology will be published on SENS and communicated to the JSE.
PROVISIONS REGARDING REDEMPTION/MATURITY	
27. Redemption at the option of the Issuer:	No
28. Redemption at the Option of Noteholders:	No
29. Early Redemption Amount(s) payable on redemption for taxation reasons, Change in Law, Hedging Disruption, Increased Cost of Hedging or on Event of Default (if required):	Yes
If yes:	
(a) Amount payable; or	Not Applicable
(b) Method of calculation of amount payable:	If the Notes are redeemed early for any reason whatsoever, the Early Redemption Amount will be determined and calculated by the Issuer in accordance with Condition 8.5 (<i>Early Redemption Amounts</i>) of the Terms and Conditions of the Notes.
GENERAL	
30. Financial Exchange:	JSE Limited t/a The Johannesburg Stock Exchange
31. Calculation Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
32. Paying Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
33. Specified office of the Paying Agent:	15 Alice Lane Sandton 2196 Gauteng Republic of South Africa
34. Transfer Agent:	Absa Corporate and Investment Banking (a division of

	Absa Bank Limited) or an affiliate thereof.
35. ISIN No.:	ZAG000152448
36. Issuer Rating on Issue Date:	<p>Issuer National Rating: Aa1.za as assigned by Moody's on 27 March 2018 and to be reviewed by Moody's from time to time.</p> <p>Issuer National Rating: zaAA- as assigned by Standard & Poor on 24 January 2018 and to be reviewed by Standard & Poor from time to time.</p>
37. Stock Code:	ASN265
38. Method of distribution:	Private Placement
39. Governing law:	The law of the Republic of South Africa
40. Other provisions:	Applicable
(a) Inward Listing:	The Notes will be inward listed on the Financial Exchange in terms of the authority granted by the Financial Surveillance Department of the South African Reserve Bank.
(b) Taxation:	<p>Condition 9 titled "Taxation" in the section II-A of the Master Programme Memorandum titled "Terms and Conditions of the Notes" is deemed to be amended in relation to this Tranche of Notes by:</p> <p>(i) the replacement of the words after the dash in Condition 9.3 with the phrase "provided that this exception will only apply to that portion of the withholding or deduction which could lawfully have been so reduced",</p> <p>(ii) the deletion of Condition 9.8, and</p> <p>(iii) the insertion of the following additional paragraphs immediately after Condition 9.7:</p> <p>"9.8 where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (or any other directive implementing the conclusions of the 2312th Economic and Financial Affairs Council (ECOFIN) meeting of 26 and 27 November 2000) on the taxation of savings income or any law implementing or complying</p>

	<p>with, or introduced in order to conform to, such directive; or</p> <p>9.9 held by or on behalf of a Noteholder in circumstances where such party could lawfully reduce the amount of taxation otherwise levied or leviable upon the principal or interest by virtue of any tax treaty or non-South African tax laws applicable to such Noteholder, whether by way of a tax credit, rebate deduction or reduction equal to all or part of the amount withheld or otherwise, and whether or not it is actually claimed and/or granted and/or allowed; or</p> <p>9.10 in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature which are payable otherwise than by withholding from payment of principal or interest, if any, with respect to such Note; or</p> <p>9.11 where any combination of the scenarios or occurrences contemplated in Conditions 9.1 to 9.10 above occurs the Issuer is not liable for or otherwise obliged to pay any taxes that may arise as a result of the ownership, transfer or redemption of any Note.</p> <p>If the Issuer becomes subject generally at any time to any taxing jurisdiction, authority or agency other than or in addition to the Republic of South Africa, references in Conditions 8.2 (Redemption for Tax Reasons or due to a Change in Law) and 9 (Taxation) to the Republic of South Africa will be read and construed as references to the Republic of South Africa and/or to such other jurisdiction, authority or agency.”</p>
(c) Change in Law:	<p>The definition of “Change in Law” contained in the Terms and Conditions of the Notes is deleted and replaced with the following:</p> <p>“On or after the Issue Date of the Notes:</p> <p>(i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law or the adoption or promulgation of new regulations authorised or mandated by existing legislation), or</p> <p>(ii) due to the promulgation of or any change,</p>

announcement or statement of the formal or informal interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including, without limitation, any action taken by a taxing authority or a regulatory authority),

the Issuer determines in good faith that:

- (aa) it has become illegal or contrary to such applicable law or regulation for the Note Holder to hold the Notes; or
- (bb) it has become illegal or contrary to such applicable law or regulation for the Issuer or any affiliate of the Issuer to hold, acquire, deal in or dispose of hedge positions, underlying securities or other property or assets comprised in an index, any currency, futures contracts, commodities or contracts in securities, options, futures, derivatives or foreign exchange relating to the Notes (collectively, "Hedge Positions"), or
- (cc) the Issuer or any affiliate of the Issuer will incur a materially increased cost in performing its obligations in respect of the Notes or its Hedge Positions in connection with the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position), or
- (dd) the Issuer or any affiliate of the Issuer will be subjected to materially less favourable regulatory capital treatment in respect of such Notes or any related Hedge Positions,

the Issuer may terminate the Notes early and the Issuer will determine and calculate the early termination amount to be paid to the Note Holder. The phrase "any applicable law or regulation" includes, without limitation, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the Wall Street Transparency and Accountability Act of 2010, any rules and regulations promulgated there under and any similar law or regulation (collectively, the "Wall Street Act"), (ii) the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC Derivatives (European Market Infrastructure Regulation – EMIR), and (iii) any rules and regulations promulgated in accordance with the regulatory framework of the Basel Committee on

	<p>Banking Supervision (the “Basel Rules”). Any additional capital charges or other regulatory capital requirements imposed in connection with the Wall Street Act or any legislation and/or regulation based on the Wall Street Act, EMIR or the Basel Rules, will constitute a materially increased expense or cost of the Issuer in performing its obligations in respect of these Notes.</p>
<p>(d) Hedging Disruption:</p>	<p>If the Issuer or an affiliate of the Issuer (each “a Hedging Party”) is unable after using commercially reasonable efforts, to either:</p> <p>(i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to currency risk) of entering into and performing its obligations with respect to the Notes or any Hedge Positions in connection with the Notes, or</p> <p>(ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Position in connection with the Notes between accounts within the jurisdiction of the Hedge Positions (the “Affected Jurisdiction”) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction,</p> <p>the Issuer may redeem the Note early and the Issuer will calculate the Early Redemption Amount to be paid to the Note Holder, in accordance with Condition 8.5 of the Terms and Conditions of the Notes.</p>
<p>(e) Increased Cost of Hedging:</p>	<p>If the Issuer or any affiliate of the Issuer (each “a Hedging Party”) would incur a materially increased (as compared with circumstances existing on the Effective Date) amount of tax, duty, expenses, costs or fees (other than brokerage or commissions) to:</p> <p>(i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk, including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Notes or Hedge Positions in connection with the Notes, or</p> <p>(ii) realise, recover or remit the proceeds of Hedge Positions in connection with the Notes between accounts within the jurisdiction of the Hedge Positions (the “Affected Jurisdiction”) or from</p>

	<p>accounts within the Affected Jurisdiction to accounts outside the Affected Jurisdiction, the Issuer may terminate the Notes early and the Issuer will calculate the early termination amount to be paid to the Note Holder.</p>
<p>(f) FX Disruption:</p>	<p>(A) "FX Disruption" means the occurrence of any event after the Trade Date that makes it for the Issuer or an affiliate of the Issuer (with whom the Issuer has hedged its liabilities in respect of these Notes) unable, after using commercially reasonable efforts, to:</p> <ul style="list-style-type: none"> (i) transfer, on or in respect of a valuation date, through customary legal channels the proceeds of a hedge position denominated in South African Rand (ZAR) from accounts within the Affected Jurisdiction to (a) accounts outside such Affected Jurisdiction, (b) other accounts within such Affected Jurisdiction or (c) the accounts of a non-resident of such Affected Jurisdiction; (ii) transfer, on or in respect of a valuation date, through customary legal channels the proceeds of a hedge positions denominated in the local currency of the Affected Jurisdiction (the "Local Currency") from accounts within the Affected Jurisdiction to (a) other accounts within such Affected Jurisdiction, (b) accounts outside such Affected Jurisdiction or (c) the accounts of a non-resident of such Affected Jurisdiction; (iii) convert the proceeds of a hedge position denominated in the Local Currency into South African Rand (ZAR) on or in respect of a valuation date through customary legal channels; (iv) convert the proceeds of a hedge position denominated in the Local Currency into South African Rand (ZAR) on or in respect of a

	<p>valuation date at a rate at least as favourable as the rate for domestic institutions located in the Affected Jurisdiction; or</p> <p>(v) obtain a rate or a commercially reasonable rate (as determined by the Issuer), in each case, at which the proceeds of a hedge position denominated in the Local Currency can be exchanged for South African Rand (ZAR) on or in respect of a valuation date.</p> <p>(B) The consequences of FX Disruption:</p> <p>(i) in the case of an FX Disruption that is described in:</p> <p>(a) sub-paragraphs (A)(i) or (A)(ii) of the definition of “FX Disruption”, the payment obligations of the Issuer under the Notes will be postponed until the date falling 5 (five) Currency Business Days after the date on which the FX Disruption ceases to exist or, if that would not be commercially reasonable, as soon as commercially reasonable thereafter; and</p> <p>(b) sub-paragraph (A)(iii) of the definition of “FX Disruption”:</p> <p>(1) the conversion of proceeds of the hedge position denominated in the Local Currency into South African Rand (ZAR) will be postponed until the first Currency Business Day on which such FX Disruption ceases to exist or, if that would not be commercially reasonable, as soon as commercially reasonable thereafter (the “Conversion Date”); and</p> <p>(2) the payment obligations of the Issuer under the Notes will be</p>
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	<p>postponed until the date falling 5 (five) Currency Business Days after the Conversion Date or, if that would not be commercially reasonable, as soon as commercially reasonable thereafter,</p> <p>provided that in each case as set out in sub-paragraphs (B)(i)(a) and (B)(i)(b) above, the Issuer will adjust the payment obligations in respect of the Notes to account for any interest actually received and funding (including internal funding costs) or other charges actually incurred by the Issuer or its affiliate that acted as Hedging Party as a result of or otherwise during such postponement; and</p> <p>(ii) in the case of an FX Disruption that is described in sub-paragraphs (A)(iv) or (A)(v) of the definition of “FX Disruption”, the Issuer may determine the FX Rate as soon as reasonably practicable after taking into consideration all available information that it deems relevant, including any published official or industry-consensus rate of exchange; provided, however, that in anticipation of the cessation of the FX Disruption, the Issuer may postpone the determination of the FX Rate to such time as is reasonable and it will adjust the payment obligations in respect of the Notes to account for any interest actually received and funding (including internal funding costs) or other charges actually incurred by the Issuer or an affiliate of the Issuer that acted as Hedging Party as a result of or otherwise during such postponement.</p> <p>Notwithstanding any postponement of the obligations of the Issuer under the Notes, in</p>
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	<p>respect of an FX Disruption, the Issuer may redeem the Note early and the Issuer will calculate the Early Redemption Amount to be paid to the Note Holder, in accordance with Condition 8.5 of the Terms and Conditions of the Notes.</p> <p>(C) If the start of the FX Disruption coincides with a Disrupted Day, the above provisions will only take effect after such postponements or adjustments have been made as a result of such Disrupted Day and the Issuer's obligation to make any payment will continue to be postponed in accordance with the above provisions.</p>
<p>41. Material Change in Financial or Trading Position</p>	<p>The Issuer confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest audited financial statements for the twelve months ended 31 December 2017. This statement has not been confirmed nor verified by the auditors of the Issuer.</p>
<p>42. Debt Listing Requirements:</p>	<p>In accordance with section 4.22 of the JSE Debt Listing Requirements, the Issuer hereby confirms that the Programme Amount has not been exceeded at the time of the issuing of the Notes.</p>

Responsibility:


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 this Applicable Pricing Supplement contains all information required by law and the JSE Listing Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.


The JSE takes no responsibility for the contents of the Applicable Pricing Supplement and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Applicable Pricing Supplement and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's

approval of the registration of the Applicable Pricing Supplement and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

for and on behalf of

ABSA BANK LIMITED

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Chris Edwards
Name: _____
Capacity: Head of Absa Prime Services
Date: 02-07-2018 | 00:38:04 AM PDT

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