

Corporate and Investment Banking



Final Applicable Pricing Supplement

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 ZAR35,411,000.00 Unsubordinated and Unsecured Registered Notes due October 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:	2018-59
6.	Tranche Number:	ASN295
7.	Aggregate Nominal Amount:	
	(a) Series:	ZAR35,411,000.00
	(b) Tranche:	ZAR35,411,000.00
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:	11 October 2018
13.	Trade Date:	04 October 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:	09 October 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	Not different for Business Days. However, for purposes of

different from that set out in the Glossary of Terms):	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 27 September 2020, 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 28 September 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 28 September 2020 until 08 October 2020, 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 29 September 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:	ZAR16,171,526,365.66
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	The Issuer will determine and calculate the Fixed Interim

	Interim Amount is to be determined and calculated:	Amount in accordance with the following formula: $FIA = ANA * 0.5 * 1.2650$ Where: “FIA” means the Fixed Interim Amount; “ANA” means the Aggregate Nominal Amount; and “*” means “multiplied by”.
(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 08 October 2020, 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 15 August 2020, 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 Amount:	In respect of payment of the Fixed Interim Payment Amount, the Register will be closed from 27 September 2020 until 08 October 2020, being the 10 (ten) calendar days before 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:	The Issuer will determine and calculate the Final Redemption Amount in accordance with the following formula: $FRA = ANA * 0.5 + [ANA * 0.5 * P * \max(IR, 0)]$ Where: “FRA” means the Final Redemption Amount; “ANA” means the Aggregate Nominal Amount; “*” means “multiplied by”; “P” means “participation” which is 1.25(125%); “max” means “the maximum of” or “the greater of”; “IR” means the “Index Return” which is determined and calculated in accordance with the following formula:

$$IR = \frac{\text{Index}_f}{\text{Index}_i} - 1$$

where:

“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: 7,418.34 in the case of the FTSE 100 Index on the Trade Date.

“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.

Averaging Dates” means each of 04 April 2023, 04 May 2023, 05 June 2023, 04 July 2023, 04 August 2023, 04 September 2023 and 04 October 2023.

“Modified Postponement” means that in respect of any Averaging Date which is a Disrupted Day, the applicable Averaging Date will be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred before or on the eighth Scheduled Trading Day immediately following the original date, then that eighth Scheduled Trading Day will be deemed to be an Averaging Date and the Calculation Agent will determine the level of the Index for that Averaging Date (i.e. that eighth Scheduled Trading Day) in a commercially reasonable manner. For purposes hereof, a “Valid Date” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Index Valuation Date does not or is not deemed to occur.

“Index Valuation Date” means 04 October 2023.

“Exchange Business Day” means a Scheduled Trading Day on which:

- (a) the Index Sponsor actually publishes the closing level of the Index; and
- (b) each Listing Financial Exchange or each Index Component Exchange, as the case may be, is actually open for trading during its regular trading session, notwithstanding the relevant Listing Financial Exchange and/or any relevant Index Component Exchange, as the case may be, closing prior to its Scheduled Closing Time;

“Scheduled Trading Day” means any day on which:

	<p>(a) the Index Sponsor is scheduled to publish the closing level of the Index; and</p> <p>(b) each Listing Financial Exchange or each Index Component Exchange, as the case may be, is scheduled to be open for trading during its regular trading session.</p> <p>“Scheduled Closing Time” means, in respect of an Index Component Exchange and an Exchange Business Day, the scheduled weekday closing time of such Index Component Exchange on such Exchange Business Day, without regard to after hours or any other trading outside of the regular trading session hours.</p> <p>“Index Sponsor” means the corporation or other entity that:</p> <p>(a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index; and</p> <p>(b) announces (directly or through an agent) the level of the Index on a regular basis during each Exchange Business Day.</p> <p>“Index Component Exchange” means in respect of each component security of the Index (each “a Component Security”), the principal securities exchange on which such Component Security is principally traded, as determined by the Calculation Agent.</p> <p>“Index Valuation Time” means:</p> <p>(a) for the purposes of determining whether a Market Disruption Event has occurred:</p> <p>(aa) in respect of any Component Security, the Scheduled Closing Time of the relevant Index Component Exchange; and</p> <p>(bb) in respect of any options contracts or futures contracts referencing the Index, the close of trading on the related securities exchange; and</p> <p>(b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.</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	FTSE 100 Index (Bloomberg Ticker: UKX Index ; Reuters RIC: .FTSE)
(k)	Particulars regarding the Index:	<p>1. Index website:</p> <p>For access to the FTSE 100 Index and rule methodology: https://www.ftse.com/products/downloads/FTSE_UK_Index_Series.pdf?680</p> <p>For Index Performance and Index constituents: https://www.ftse.com/products/indices/uk?_ga=2.55139629.705445203.1534935821-1270584579.1534935821</p> <p>Index Disclaimer:</p> <p>This Investment is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited (“FTSE”) or by the London Stock Exchange Plc (the “Exchange”) or by The Financial Times Limited (“FT”) and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE 100 Index (“the Index”) and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor Exchange nor FT shall be liable (whether in negligence or otherwise) to any person</p>

	<p>for any error in the Index and neither FTSE or Exchange or FT shall be under any obligation to advise any person of any error therein."FTSE®", "FT-SE®" and "Footsie®" are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited under licence. "All-World", "All-Share" and "All- Small" are trade-marks of FTSE International Limited.</p> <p>Any changes to the index methodology will be published on SENS and communicated to the JSE.</p>
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. Specified office of the Calculation Agent:	15 Alice Lane Sandton 2196

	Gauteng Republic of South Africa
33. Paying Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
34. Specified office of the Paying Agent:	15 Alice Lane Sandton 2196 Gauteng Republic of South Africa
35. Transfer Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
36. Specified office of the Transfer Agent:	15 Alice Lane Sandton 2196 Gauteng Republic of South Africa
37. ISIN No.:	ZAG000154634
38. Issuer Rating on Issue Date:	Issuer National Rating: Aa1.za as assigned by Moody's on 20 June 2018 and to be reviewed by Moody's from time to time. Issuer National Rating: zaAA+ as assigned by Standard & Poor on 02 July 2018 and to be reviewed by Standard & Poor from time to time.
39. Stock Code:	ASN295
40. Method of distribution:	Private Placement
41. Governing law:	The law of the Republic of South Africa
42. 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:	Condition 9 titled "Taxation" in the section II-A of the Master Programme Memorandum titled "Terms and

	<p>Conditions of the Notes” is deemed to be amended in relation to this Tranche of Notes by:</p> <ul style="list-style-type: none">(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”,(ii) the deletion of Condition 9.8, and(iii) the insertion of the following additional paragraphs immediately after Condition 9.7: <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 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,</p>
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	<p>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>
<p>(c) Change in Law:</p>	<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> <ul style="list-style-type: none"> (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 (ii) due to the promulgation of or any change, 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), <p>the Issuer determines in good faith that:</p> <ul style="list-style-type: none"> (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

	<p>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</p> <p>(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,</p> <p>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 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>
(d) Hedging Disruption:	<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</p>

	<p>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>
(e) Increased Cost of Hedging:	<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 accounts within the Affected Jurisdiction to accounts outside the Affected Jurisdiction,</p> <p>the Issuer may terminate the Notes early and the Issuer will calculate the early termination amount to be paid to the Note Holder.</p>
43. Material Change in Financial or Trading Position	<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>
44. Debt Listing Requirements:	<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 Debt 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

DocuSigned by:
Letitia Roux
114437319D2E476...

Name: Letitia Roux
Capacity: Head of OTC Confirmations
Date: 10-10-2018 | 03:32:41 AM PDT

DocuSigned by:
Shamila Thomas
D176B4D6120942D...

Name: Shamila Thomas
Capacity: Confirmation Specialist
Date: 10-10-2018 | 12:37:36 PM SAST