



ABSA BANK LIMITED

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

Issue of ZAR46,014,000.00 Unsubordinated and Unsecured Registered Notes due 19 July 2023 under its ZAR40,000,000,000 Master Structured Note Programme approved by the JSE Limited t/a The Johannesburg Stock Exchange

This Applicable Pricing Supplement must be read in conjunction with the Master Programme Memorandum, dated 07 November 2018 and registered with the JSE on or about 31 October 2018 prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR40,000,000,000 Master Structured Note Programme, as amended and/or supplemented from time to time (the “**Master Programme Memorandum**”) and the Applicable Product Supplement, as amended and/or supplemented from time to time (the “**Applicable Product Supplement**”).

Any capitalised terms not defined in this Applicable Pricing Supplement have the meanings ascribed to them in the Glossary of Terms, as amended by the Applicable Product Supplement.

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 replaced, amended and/or supplemented by the Applicable Product Supplement and/or 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 and/or the Applicable Product Supplement, the provisions of this Applicable Pricing Supplement will prevail.

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

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| 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 Notes |
| 4. Issuance Currency: | ZAR (South African Rand) |
| 5. Aggregate Nominal Amount: | |
| (a) Per Series: | ZAR46,014,000.00 |
| (b) Per Tranche: | ZAR46,014,000.00 |
| 6. Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date: | ZAR 21,782,729,395.25 |
| 7. Issue Price: | 100.00% |
| 8. Specified Denomination: | ZAR1,000.00 per Note |
| 9. Series Number: | 2020-05 |
| 10. Tranche Number: | ASN408 |
| 11. Stock Code: | ASN408 |
| 12. JSE Short Name | ABMBSN408 |
| 13. JSE Long Name | ABMBSN408-19JULY2023 |
| 14. ISIN No.: | ZAE000283594 |
| 15. Trade Date: | 14 January 2020 |
| 16. Issue Date: | 28 January 2020 |
| 17. Maturity Date: | 19 July 2023, is the scheduled Maturity Date, subject to such day being an Exchange Business Day (as defined in paragraph 22 below) and a Business Day. If such day is not an Exchange |

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| | 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. 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. |
| 19. Record Date | In respect of payment of the Final Redemption Amount, the Record Date will be 14 July 2023 unless the Friday is a non Business Day in which case it will be on the last Business Day of that week. |
| 20. Last Day to Trade | In respect of payment of the Final Redemption Amount, the Last Day to Trade will be 11 July 2023 or, three Business Days before the record date. |
| 21. Finalisation Date | In respect of payment of the Final Redemption Amount, the Finalisation Date will be 04 July 2023 or, will be at least eight days before the record date and at least five days before the last day to trade. |
| 22. 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" includes 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. |
| 23. Applicable Business Day Convention: | Modified Following Business Day Convention |
| 24. Business Days: | As described in Schedule 1 (Glossary of Terms) of the Master Programme Memorandum, London Business Days and a TARGET Settlement Days, being days on which the Trans-European Automated Real-time Gross settlement Express system is open. |
| 25. Interest: | Not Applicable |
| 26. Interest Payment Basis: | Not Applicable |
| 27. Interest Commencement Date: | Not Applicable |
| 28. Interest Commencement Date: | Not Applicable |
| 29. Automatic / Optional Conversion from one Interest / Redemption / | Not Applicable |

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| Payment Basis to another: | |
| 30. Form of Notes: | Registered Listed Notes: The Notes in this Tranche are issued in uncertificated form and lodged in the Central Securities Depository. |
| 31. Final Redemption Amount: | See Equity-Linked Notes provisions in paragraph 33 below. |
| 32. Calculation Agent: | Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof. |
| EQUITY-LINKED NOTES | |
| 33. (a) Type of Notes: | Equity-Linked Notes |
| (b) Formula by reference to which the Final Redemption Amount is to be determined: | <p>Refer to Annex A for the particulars of the basket of equity shares (“the Basket”).</p> <p>The Issuer will determine and calculate the Final Redemption Amount in accordance with the following formula:</p> $FRA = ANA + ANA * P * FXR * \text{MAX}[0, \text{MIN}(C, \text{Basket Return} - 100\%)]$ <p>Where:</p> <p>“ANA” means the Aggregate Nominal Amount;</p> <p>“P” means “participation” which is 2.05 (205%);</p> <p>“FXR” means the foreign exchange rate ratio determined and calculated by the Calculation Agent in accordance with the following formula:</p> $FXR = \frac{FX_f}{FX_i}$ <p>Where:</p> <p>“FXR” means the FX Rate ratio;</p> <p>“FX_f” means the FX Rate on the Final Observation Date</p> <p>“FX_i” means the FX Rate on the Trade Date, i.e. 14.391 : USD 1.00</p> <p>“FX Rate” means the daily rate of exchange of ZAR per USD1.00 , such rates as published on Bloomberg WMCO, or if any such rate is not available such other rate as selected or determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner;</p> |

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| | <p>“*” means “multiplied by”;</p> <p>“MAX” means “the maximum of” or “the greater of”;</p> <p>“MIN” means “the minimum of” or “the lesser of”;</p> <p>“C” means “Cap” which is 0.30 (30%);</p> <p>“Basket Return” means the return of the Basket of shares expressed as a percentage determined and calculated by the Calculation Agent in accordance with the following formula:</p> $\text{Basket Return} = \sum_j^{20} (\text{Basket Weighting}_j * \text{Return}_j)$ <p>Where:</p> <p>“Basket Weighting_i” means the weight ascribed to such share as specified in Annex A;</p> <p>“*” means “multiplied by”;</p> <p>Return_j for each share_j is a percentage determined and calculated by the Calculation Agent in accordance with the following formula:</p> $\text{Return}_j = \frac{\text{Share}_j^{\text{Final}}}{\text{Share}_j^{\text{Initial}}}$ <p>Where:</p> <p>“Share_j^{Final}” means the official closing price of such share on the relevant Exchange on the Final Observation Date;</p> <p>“Share_j^{Initial}” means the official closing price of such share on the relevant Exchange on the Trade Date.</p> <p>“Final Observation Date” means 19 July 2023, subject to adjustment, that if such date is a disrupted date on which the price of the relevant share cannot be observed by the Calculation Agent, the Final Observation Date in respect of the relevant share will be the date on which such share can be observed by the Calculation Agent at the Valuation Time.</p> |
| <p>(c) Provisions where the calculation and determination of the official closing price of any share is impossible or impracticable:</p> | <p>If the Calculation Agent determines that any share in the basket is affected by a merger event, a consolidation, an amalgamation, a takeover offer a tender offer, delisting and/or nationalisation or insolvency of the issuer of a share (such shares hereinafter referred to as “Affected Shares”), in addition to the Issuer’s right to adjust or redeem the Notes, the Issuer may substitute the Affected Shares with substitute shares (the “Substitute Shares”) as selected by the Issuer in its sole discretion, acting in good faith</p> |

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| | <p>and in a commercially reasonable manner and taking into account any substitution of shares being made in respect of its hedging arrangements by its hedging arrangement counterparties, for inclusion in the basket of shares as of the announcement date of the merger event, the consolidation, the amalgamation, the takeover, nationalisation, the delisting or the insolvency, as the case may be, or the tender offer date. The Issuer will notify the Noteholders as soon as reasonably possible and practicable after the selection and inclusion in the basket of the Substitute Shares. If the Calculation Agent, acting in good faith and in a commercially reasonable manner determines that substitution is not commercially reasonable or viable and determines that the calculation of the final price of a share is made impossible or impracticable as a result of nationalisation or insolvency of the issuer of the relevant shares or a result of the delisting of the relevant shares or as a result of anything similar, the Calculation Agent will determine and calculate a price for such shares taking into account, inter alia, but not limited to, the volatility of the relevant share for the period of 15 exchange business days preceding the date of the announcement of such event (“the Announcement Date”), the expected dividends to be received for the period from the Announcement Date to the Maturity Date, the official closing price of the relevant shares on the Announcement Date, the interest rate and securities lending rate for the period from the Announcement Date to the Maturity Date and the remaining term of the Note from the Announcement Date to the Maturity Date.</p> |
| (d) Other terms relating to the Equity-Linked Notes: | <p>If any issuer of a share or the share itself is subject to any merger, consolidation, amalgamation, takeover offer, tender offer or subject to a soliciting proposal that may result in the person purchasing the shares obtaining greater than 10% of the outstanding voting shares of the issuer of such shares, the Calculation Agent may adjust the price of such share to account for the economic effect of such event on the price of the share, including adjustments to account for the change in volatility of the share price, the expected dividends, the securities lending rate and the liquidity of the share as well as any adjustments that may be made by the Issuers hedging arrangements counterparties in respect of the relevant shares.</p> |
| PROVISIONS REGARDING REDEMPTION/MATURITY | |
| 34. Redemption at the option of the Issuer: | No |
| 35. Redemption at the Option of Noteholder: | No |

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| 36. Extensions | <p>Subject to the Notes not having already been redeemed early and/or cancelled in accordance with paragraph 30, the Issuer shall be entitled to extend the Notes on two further occasions, for an additional period of 5 years each (the "Extended Period") and effective from the scheduled Maturity Date (or the Extended Period maturity date as the case may be) provided that the Issuer gives the Noteholder 30 calendar days' notice prior to the relevant scheduled Maturity Date.</p> <p>The parties agree that the Noteholder may, in respect of 100% of the Notes it owns, elect to redeem such Notes before or at any time during the Extended Period in accordance with the provisions of paragraph 30 above.</p> |
| 37. 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 for all other purposes: | 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 (Early Redemption Amounts) of the Terms and Conditions of the Notes. |
| GENERAL | |
| 38. Financial Exchange: | JSE Limited t/a The Johannesburg Stock Exchange |
| 39. Calculation and Paying Agent: | Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof. |
| Specified office of the Paying Agent: | <p>15 Alice Lane</p> <p>Sandton</p> <p>2196</p> <p>Gauteng</p> |

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| | Republic of South Africa |
| Settlement Agent: | Standard Chartered Bank |
| Specified office of the Settlement Agent | 4 Sandown Valley Crescent, Sandton, South Africa |
| 40. Method of distribution: | Private Placement |
| 41. Governing law: | Law of the Republic of South Africa |
| 42. Issuer Rating on Issue Date: | Issuer National Rating: Aa1.za as assigned by Moody's on 06 November 2019 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. |
| 43. 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 with, or introduced in order to conform to, such directive; or</p> |

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| | <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> |
| <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> |

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| | <p>(aa) it has become illegal or contrary to such applicable law or regulation for the Note Holder to hold the Notes; or</p> <p>(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</p> <p>(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</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> |
| <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</p> |

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| | <p>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 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> |

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| 44. Material Change in Financial or Trading Position | 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 unaudited condensed consolidated interim financial results for the reporting period ended 30 June 2019. This statement has not been confirmed nor verified by the auditors of the Issuer. |
| 45. Change in the terms of the securities | Subject to the programme documentation, any change in the terms and conditions of the Notes must be approved by extraordinary resolution, excluding the votes of the issuer, any guarantor and their associates. |

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 the pricing supplement contains all information required by law and The JSE Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum and the annual financial statements and/or the pricing supplements.

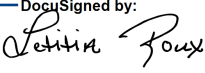
The JSE takes no responsibility for the contents of this Master Programme Memorandum and the annual financial statements and/or the Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of this Master Programme Memorandum and the annual financial statements and/or the Applicable Pricing Supplements and/or the annual 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 this Master Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

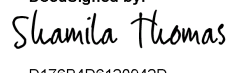
Application is hereby made to list this issue of Notes on 28 January 2020.

for and on behalf of

ABSA BANK LIMITED

Signed at: 15 Alice Lane, Sandton, 2196, South Africa

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DocuSigned by:

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Name: Letitia Roux
 Capacity: Head of OTC Confirmations
 Date: 26-01-2020 | 22:11:38 PM PST

Name: Shamila Thomas
 Capacity: Confirmation Specialist
 Date: 24-01-2020 | 17:07:15 PM SAST

Who warrants his/her authority hereto

Who warrants his/her authority hereto

ANNEX A: BASKET OF SHARES

| j | Share | Reuters Ric | Basket Weighting(j) | Share Price |
|----|------------------------------|-------------|---------------------|-------------|
| 1 | MEDTRONIC PLC | MDT.N | 1/20 | 117.04 |
| 2 | PHILIP MORRIS INTERNATIONAL | PM.N | 1/20 | 87.58 |
| 3 | MORGAN STANLEY | MS.N | 1/20 | 52.86 |
| 4 | HONEYWELL INTERNATIONAL INC | HON.N | 1/20 | 180.45 |
| 6 | KONINKLIJKE PHILIPS NV | PHG.AS | 1/20 | 44.895 |
| 9 | HOME DEPOT INC | HD.N | 1/20 | 222.81 |
| 7 | DIAGEO PLC | DGE.L | 1/20 | 32.31 |
| 8 | JOHNSON & JOHNSON | JNJ.N | 1/20 | 146.52 |
| 10 | ROCHE HOLDING AG | ROG.S | 1/20 | 318.05 |
| 5 | NESTLE SA | NESN.S | 1/20 | 103.42 |
| 11 | BANK OF AMERICA CORP | BAC.N | 1/20 | 35.32 |
| 12 | ROYAL DUTCH SHELL PLC | RDSb.L | 1/20 | 22.715 |
| 13 | FEDEX CORP | FDX.N | 1/20 | 162.13 |
| 14 | SIEMENS AG | SIEGn.DE | 1/20 | 116.4 |
| 15 | ROYAL DUTCH SHELL PLC | RDSa.L | 1/20 | 22.57 |
| 16 | UNILEVER PLC | ULVR.L | 1/20 | 43.195 |
| 17 | DUPONT DE NEMOURS INC | DD.N | 1/20 | 60.17 |
| 18 | LVMH MOET HENNESSY LOUIS VUI | LVMH.PA | 1/20 | 431 |
| 19 | INTEL CORP. | INTC.OQ | 1/20 | 59.43 |
| 20 | PERNOD RICARD SA | PERP.PA | 1/20 | 165.7 |