



ABSA BANK LIMITED

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

Issue of ZAR 4,000,000.00 Unsubordinated and Unsecured Registered Notes due 28 January 2027 under its ZAR60,000,000,000 Master Structured Note Programme registered with the JSE Limited t/a The Johannesburg Stock Exchange

This Applicable Pricing Supplement must be read in conjunction with the Master Programme Memorandum, dated 16 August 2021 and registered with the JSE on or about 18 August 2021 prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR60,000,000,000 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. | Form of Notes: | Registered Listed Notes: The Notes in this Tranche are issued in uncertificated form and lodged in the CSD. |
| 4. | Listing: | Listed Notes |
| 5. | Issuance Currency: | ZAR |
| 6. | Series Number: | 2022-26 |
| 7. | Tranche Number: | ASN786 |
| 8. | JSE Short Name | ABMBSN786 |
| 9. | JSE Long Name | ABMBSN786-28JAN2027 |
| 10. | ISIN No.: | ZAE000307286 |
| 11. | Issue Price: | 100% |
| 12. | Specified Denomination: | ZAR1,000.00 per Note |
| 13. | Aggregate Nominal Amount: | ZAR 4,000,000.00 |
| | (a) Series: | ZAR 4,000,000.00 |
| | (b) Tranche: | ZAR 4,000,000.00 |
| 14. | Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date: | ZAR 46,152,576,082.19 |
| 15. | Issue Date: | 28 January 2022 |
| 16. | Trade Date: | 21 January 2022 |
| 17. | Interest Commencement Date: | Not Applicable |
| 18. | Maturity Date: | 28 January 2027, subject to such day being an Exchange Business Day (as defined in paragraph 30(b) below) and a Business Day. If such day is not an Exchange Business Day |

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| | and a Business Day, then the Maturity Date will be the next day which is an Exchange Business Day and a Business Day. |
| 19. Maturity Date Extension | <p>(i) This Note will terminate on the later of:</p> <p>(a) the Maturity Date; and</p> <p>(b) the Maturity Extension Date.</p> <p>(ii) Upon the occurrence of a Maturity Extension Period, the terms and conditions of the Note shall remain the same save that Issuer shall have the right to adjust and reprice the Note at its discretion acting in a commercially reasonable manner as recorded in a new Applicable Pricing Supplement.</p> <p>Where:</p> <p>“Maturity Extension Date” means the rescheduled maturity date of the Notes as notified by the Issuer to Noteholders.</p> <p>“Maturity Extension Periods” means the extended period(s) of the Note as determined by the Issuer upon 10 Business Days prior written notification to the Noteholder. Any changes to the Maturity Date will be published on SENS and communicated to the JSE 13 calendar days before the Record Date.</p> |

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| 20. | Record Date | Subject to any Maturity Extension Period amendment, in respect of payment of the Final Redemption Amount, the Record Date will be 15 January 2027 unless that day is not a Business Day and an Exchange Business Day in which case the Record Date will be the last Business Day of that week. |
| 21. | Last Day to Trade | Subject to any Maturity Extension Period amendment, in respect of payment of the Final Redemption Amount, the Last Day to Trade will be 12 January 2027 or, three Business Days before the Record Date. |
| 22. | Finalisation Date | Subject to any Maturity Extension Period amendment, in respect of payment of the Final Redemption Amount, the Finalisation Date will be 05 January 2027 or, will be at least eight days before the Record Date and at least five days before the Last Day to Trade. |
| 23. | Applicable Business Day Convention: | Modified Following Business Day Convention |
| 24. | Definition of Business Day (if different from that set out in the Glossary of Terms): | A day other than a Saturday, Sunday or public holiday in terms of applicable legislation in Johannesburg and London. |
| 25. | Fixed Interim Amount: | Not Applicable |
| 26. | Final Redemption Amount: | See Index-Linked Notes provisions in paragraph 30 below. |
| 27. | Interest: | Not applicable |
| 28. | Payment Basis: | Index Linked Notes |
| 29. | Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another: | Not Applicable |
| INDEX-LINKED NOTES | | |
| 30. | (a) Type of Index-Linked Note: | Indexed Redemption Amount |
| | (b) Formula by reference to which payment amount in respect of the Index-Linked Note is to be determined: | On the Index Valuation Date the Calculation Agent will determine the Final Redemption Amount in accordance with the following formula: |

If IR > Barrier:

$$FRA = ANA + \text{MAX}(0, ANA * P * IR)$$

If IR < Barrier:

$$FRA = ANA + ANA * IR$$

Where:

“FRA” means the Final Redemption Amount;

“ANA” means the Aggregate Nominal Amount;

“*” means “multiplied by”;

“P” means “participation” which is 1.00 (or 100%);

“MAX” means “the maximum of” or “the greatest of”;

“IR” means the “Index Return” which the Calculation Agent will determine in accordance with the following formula:

If:

$$0 < \frac{\text{Index}_f}{\text{Index}_i} - 1$$

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

If:

$$\text{Barrier} < \frac{\text{Index}_f}{\text{Index}_i} - 1 < 0$$

$$\text{Then IR} = 0$$

If:

$$\frac{\text{Index}_f}{\text{Index}_i} - 1 < \text{Barrier}$$

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

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| | <p>where:</p> <p>“IR” means “Index Return”;</p> <p>“Index” means FTSE/JSE Africa Top40 Index (Price Return).</p> <p>“Index_t” means, in respect of the Index, a level of 68,186.16 as at the Trade Date.</p> <p>“Index_i” means, in respect of the Index, the Index level as determined by the Calculation Agent as the equally weighted average of the official level of the Index at the Index Valuation Time on each of the Averaging Out Dates, which if any Averaging Out Date is a Disrupted Day, it will be subject to Modified Postponement, as described below.</p> <p>“Barrier” means -0.40 (-40%)</p> <p>“Averaging Out Dates” means each of 21 July 2026, 21 August 2026, 21 September 2026, 21 October 2026, 20 November 2026, 21 December 2026, 21 January 2027 or as indicated in an Applicable Pricing Supplement should a Maturity Extension Period occur.</p> <p>“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.</p> <p>“Index Valuation Date” means 21 January 2027 or as indicated in an Applicable Pricing Supplement should a Maturity Extension Period occur.</p> <p>“Exchange Business Day” means a Scheduled Trading Day on which:</p> <ul style="list-style-type: none"> (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 |
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| | <p>Financial Exchange and/or any relevant Index Component Exchange, as the case may be, closing prior to its Scheduled Closing Time;</p> <p>“Scheduled Trading Day” means any day on which:</p> <ul style="list-style-type: none"> (a) the Index Sponsor is scheduled to publish the closing level of the Index; and (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>“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> <ul style="list-style-type: none"> (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 (b) announces (directly or through an agent) the level of the Index on a regular basis during each Exchange Business Day. <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> <ul style="list-style-type: none"> (a) for the purposes of determining whether a Market Disruption Event has occurred: <ul style="list-style-type: none"> (aa) in respect of any Component Security, the Scheduled Closing Time of the relevant Index Component Exchange; and (bb) in respect of any options contracts or futures contracts referencing the Index, the close of trading on the related securities exchange; and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. |
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| (c) Final Redemption Amount Payment Date: | The Maturity Date or the Maturity Date Extension Date, as applicable, such date being subject to adjustment in accordance with the Business Day Convention and the provisions regarding Consequences of a Disrupted Day as specified above. |
| (d) Index Calculation Agents: | FTSE International Limited, and/or its licensors are the Index Calculation Agent. |
| (e) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable: | See the relevant provisions under paragraph 39 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/JSE Africa Top40 Index (Price Return) (Bloomberg Ticker: Top40 Index) |
| (k) Particulars regarding the Index: | <p>Index rule book: http://www.ftse.com/products/downloads/FTSE_JSE_Africa_Index_Series.pdf</p> <p>Index Disclaimer:</p> <p>This instrument is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Group companies ("LSEG") or JSE Limited ("JSE") (collectively the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or implied/y, either as to the results to be obtained from the use of the FTSE/JSE Top 40 Index (Price Return) (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</p> |

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| | compiled and calculated by FTSE in conjunction with the JSE. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. "FTSE®" is a trade mark of LSEG, "JSE" is a trade mark of the JSE and both are used by FTSE under licence. |
| PROVISIONS REGARDING REDEMPTION/MATURITY | |
| 31. Redemption at the option of the Issuer: | No |
| 32. Redemption at the Option of Noteholders: | No |
| 33. 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 | |
| 34. Financial Exchange: | JSE Limited t/a The Johannesburg Stock Exchange |
| 35. 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: | 15 Alice Lane Sandton 2196 Gauteng Republic of South Africa |
| Settlement Agent: | Absa Investor Services, a division of Absa bank Limited |

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| Specified office of the Settlement Agent | 15 Alice Lane, Sandton, South Africa |
| 36. Issuer Rating on Issue Date: | <p>Issuer National Rating: Aa1.za as assigned by Moody's on 31 March 2020 and to be reviewed by Moody's from time to time.</p> <p>Issuer National Rating: zaAA as assigned by Standard & Poor on 26 November 2019 and to be reviewed by Standard & Poor from time to time.</p> |
| 37. Method of distribution: | Private Placement |
| 38. Governing law: | The law of the Republic of South Africa |
| 39. Other provisions: | Applicable |
| (a) Inward Listing: | Not Applicable |
| (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> <p>9.9 held by or on behalf of a Noteholder in circumstances where such party could lawfully reduce the</p> |

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| | <p>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 :</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, 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,</p> |

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| | <p>without limitation, any action taken by a taxing authority or a regulatory authority),</p> <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 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, <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,</p> |
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| | 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. |
| (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 equity 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> |
| (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> |

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| | the Issuer may terminate the Notes early and the Issuer will calculate the early termination amount to be paid to the Note Holder. |
| 40. 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 since the date of the Issuer's Unaudited condensed consolidated financial results for the interim reporting period ended 30 June 2021. This statement has not been confirmed nor verified by the auditors of the Issuer. |
| 41. 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. |
| 42. Secondary Trading | No representation is made as to the existence of a market for the Notes. The Issuer will endeavour to make a secondary market in the Notes, subject to it being satisfied that normal market conditions prevail. Any prices indicated will be dependent upon factors affecting or likely to affect the value of the Notes such as, but not limited to, the remaining time to the Final Valuation Date, the outstanding principal amount, the Issuer's credit risk, the performance and volatility of the underlying asset, interest rates, exchange rates, credit spreads, and any incidental costs. To the extent the Issuer holds Notes that it can offer and subject to it being satisfied that normal market conditions prevail, such prices will have a bid-offer spread no greater than 1%. |

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 2022.

for and on behalf of

ABSA BANK LIMITED

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

Name: Makhanani Sithole

Date: 26 January 2022

Who warrants his/her authority hereto

Name: Shamila Thomas

Date: 26 January 2022

Who warrants his/her authority hereto