



## 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 ZAR370,000,000.00 Capped Floating Rate Notes due 15 August 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 Structured Note Programme Memorandum dated 27 October 2015 and approved by the JSE Limited t/a The Johannesburg Stock Exchange (the “**JSE**”) on or about 30 October 2015, 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**”).

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

This document constitutes the Applicable Pricing Supplement relating to the issue of the Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions 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 these Notes.

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

By purchasing the Notes, the Holders of the Notes 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.

<b>DESCRIPTION OF THE NOTES</b>	
1. Issuer:	Absa Bank Limited ("Absa")
2. Applicable Product Supplement:	Not Applicable
3. 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 ( <i>Status of Notes</i> ) of the Master Programme Memorandum.)
4. Issuance Currency:	ZAR (South African Rand)
5. Listing:	Listed Notes
6. Rated:	Not rated
7. Series Number:	2018-41
8. Tranche Number:	ASN278
9. Aggregate Nominal Amount:	ZAR370,000,000.00
(a) Series:	ZAR370,000,000.00
10. Interest:	Interest-bearing
11. Interest Payment Basis:	Floating Rate Notes
12. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another:	Not Applicable
13. Form of Notes:	Registered Listed Notes: The Notes in this Tranche are issued in uncertificated form and

	held in the Central Securities Depository.
14. Trade Date:	07 August 2018
15. Issue Date:	15 August 2018
16. Nominal Amount per Note:	ZAR1,000,000.00
17. Specified Denomination:	ZAR1,000,000.00 (Notes are subject to a minimum denomination of ZAR1,000,000.00)
18. Issue Price:	100%
19. Interest Commencement Date:	Issue Date
20. Maturity Date:	15 August 2023, subject to adjustment in accordance with the applicable Business Day Convention.
21. Applicable Business Day Convention:	Following Business Day
22. Definition of Business Day (if different from that set out in the Glossary of Terms):	Not different from the definition set out in Glossary of Terms.
23. Final Redemption Amount:	ZAR370,000,000.00
24. Last Date to Register:	11 calendar days before each Interest Payment Date, i.e. 4 February, 4 May, 4 August and 4 November of each calendar year and ending on the Maturity Date.
25. Books Closed Period(s):	The Register will be closed from 10 calendar days before each Floating Interest Payment Date to each Floating Interest Payment Date (all dates inclusive) i.e. each 05 February to 15 February, 05 May to 15 May, 05 August to 15 August and 05 November to 15 November of each calendar year up to the Maturity Date, each such day being subject to adjustment in accordance with the applicable Business Day Convention.
26. Value of aggregate Nominal Amount of	ZAR 15,246,526,355.66

all Notes issued under the Structured Note Programme as at the Issue Date:	
<b>FLOATING RATE NOTES</b>	Applicable
27.	
(a) Floating Interest Payment Date(s):	Each , 15 November, 15 February, 15 May and 15 August, of each calendar year during the period commencing on 15 November 2018 and ending on the Maturity Date, each such day being subject to adjustment in accordance with the applicable Business Day Convention.
(b) Minimum Interest Rate:	Not Applicable
(c) Maximum Interest Rate:	In respect of each Interest Period, a rate of 9.75% (nine point seven five per cent.) per annum.
(d) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision):	<p>In respect of each Note, the interest amount for each Interest Period and subject to the Maximum Interest Rate will be determined and calculated by the Calculation Agent in accordance with the following formula:</p> $IA = SD * FIR * DCF$ <p>Where:</p> <p>“IA” means the relevant Interest Amount per Note;</p> <p>“SD” means the Specified Denomination per Note;</p> <p>“FIR” means the Floating Interest Rate as determined and calculated by the Calculation Agent in accordance with the following formula:</p> $FIR = \min(RR + MG, MIR)$ <p>Where:</p> <p>“FIR” means the Floating Interest Rate to be determined;</p> <p>“min” means “the minimum of” or “the lesser</p>

	<p>of”;</p> <p>“RR” means the Reference Rate as specified below and determined in accordance with the provisions of the Master Programme Memorandum;</p> <p>“MG” means the Margin as specified below;</p> <p>“MIR” means the Maximum Interest Rate as specified above;</p> <p>“DCF” means the Day Count Fraction being Actual/365 (fixed); and</p> <p>“*” means “multiplied by”.</p>
(e) Manner in which the Interest Rate is to be determined:	Screen Rate Determination
(f) Margin:	195 basis points or 1.95%
(g) If Screen Determination:	
(i) Reference Rate: (including the relevant period by reference to which the Interest Rate is to be calculated):	ZAR-JIBAR-SAFEX (3 months)
(ii) Interest Rate Determination Date(s):	Each 15 August, 15 November, 15 February, 15 May of each calendar year, during the period commencing on the Issue Date and ending on 15 May 2023, each such day being subject to adjustment in accordance with the applicable Business Day Convention.
(iii) Relevant Screen Page and Reference Code:	Reuters RIC <SFX3MYLD> on Reuters Page “SAFEY” (Page number ZA01209)
(h) If Interest Rate to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Interest	Not Applicable

Rate/Margin/ Fallback provisions:	
(i) Calculation Agent responsible for calculating amount of principal and interest:	Absa Bank Limited acting through its Corporate and Investment Banking division or an affiliate thereof.
<b>PROVISIONS REGARDING REDEMPTION/MATURITY</b>	
28. Redemption at the option of the Issuer:	No
29. Redemption at the Option of Noteholders:	No
30. Early Redemption Amount(s) payable on redemption for taxation reasons, Change in Law or on Event of Default (if required):	Yes
If yes:	
(a) Amount payable; or	The Early Redemption Amount determined and calculated by the Calculation Agent in accordance with Condition 8.5 ( <i>Early Redemption Amounts</i> ) of the Terms and Conditions of the Notes.
(b) Method of calculation of amount payable:	Not Applicable
<b>GENERAL</b>	
31. Financial Exchange:	JSE Limited t/a The Johannesburg Stock Exchange
32. Calculation Agent:	Absa Bank Limited acting through its Corporate and Investment Banking division or an affiliate thereof.
33. Paying Agent:	Absa Bank Limited acting through its Corporate and Investment Banking division 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 Bank Limited acting through its Corporate and Investment Banking division or an affiliate thereof.
36. Additional selling restrictions:	Not Applicable
37. ISIN No.:	<b>ZAG000153305</b>
38. Stock Code:	ASN278
39. Method of distribution:	Private Placement
40. If non-syndicated, name of Dealer:	Absa Bank Limited acting through its Corporate and Investment Banking division or an affiliate thereof.
41. Governing law:	Law of the Republic of South Africa
42. Other provisions:	<p>Taxation</p> <p>Condition 9 titled "Taxation" in the section II-A of the Master Programme Memorandum titled "Terms and Conditions of the Notes" is amended in relation to this Tranche of Notes by:</p> <ul style="list-style-type: none"> <li>(i) the replacement of the words after the dash in Condition 9.3 with the words "provided that this exception shall only apply to that portion of the withholding or deduction which could lawfully have been so reduced",</li> <li>(ii) the deletion of Condition 9.8, and</li> <li>(iii) the insertion of the following additional paragraphs immediately after Condition</li> </ul>

	<p>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 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</p>
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	<p>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 Condition 8.2 (Redemption for Tax Reasons or due to a Change in Law) and Condition 9 (Taxation) to 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>
43. Issuer’s Central Securities Depository Participant (CSDP):	Standard Chartered Bank
44. Issuer Rating on Issue Date:	Aa3.za as assigned by Moody’s on 17 July 2017 and to be reviewed by Moody’s from time to time.
45. Debt Listing Requirements:	In accordance with Section 4.22 of the Debt Listing Requirements, the Issuer confirms that the Programme Amount has not been exceeded at the time of the issuing of the Notes.
46. 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 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

**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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*Shamila Thomas*  
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Name: Shamila Thomas

Capacity: Confirmation Specialist

Date: 08-08-2018 | 14:37:57 PM SAST

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*Letitia Roux*  
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Name: Letitia Roux

Capacity: Head of OTC Confirmations

Date: 08-08-2018 | 05:43:16 AM PDT