



**ABSA BANK LIMITED**

*(Incorporated in the Republic of South Africa with limited liability with company registration number 1986/004794/06)*

**Issue of ZAR 362,000,000 R186 Credit-Linked Notes  
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 7 November 2018 and registered with the JSE on or about 31 October 2018, as amended and/or supplemented from time to time (“the Master Programme Memorandum”), prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR40,000,000,000 Master Structured Note Programme.

With effect from the date on which this Applicable Pricing Supplement is signed, this Applicable Pricing Supplement shall replace and supersede the any previous Applicable Pricing Supplement in all respects and this Applicable Pricing Supplement shall constitute the only pricing supplement relating to the Notes of this Tranche.

Any capitalised terms not defined in this Applicable Pricing Supplement have the meanings ascribed to them in Section II-A of the Master Programme Memorandum headed “*Terms and Conditions of the Notes*”, as amended by the Applicable Product Supplement.

This document constitutes the Applicable Pricing Supplement (“this 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 for purposes of the Notes described herein.

This Applicable Pricing Supplement supersedes any previous pricing supplement, confirmation, term sheet or other communication with respect to the Notes described herein.

The Holders of the Notes should ensure that: (i) they fully understand the nature of the Notes and the extent of their exposure to risks, and (ii) they consider 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.

Noteholders are reminded that the Notes constitute obligations of the Issuer only and of no other person. Therefore, potential Noteholders should understand that they are relying on the credit worthiness of the Issuer.

| <b>DESCRIPTION OF THE NOTES</b>  |  |
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| 1. Issuer:   | Absa Bank Limited ("Absa")   |
| 2. Applicable Product Supplement:  | 2014 Credit Linked Notes Applicable Product Supplement contained in Section IV-B of the Master Programme Memorandum.   |
| 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 (Status of Notes) of the Master Programme Memorandum.) |
| 4. Listing:  | Listed Notes   |
| 5. Issuance Currency:  | ZAR (South African Rand)   |
| 6. Series Number:  | 2020 - 75  |
| 7. Tranche Number:   | 1  |
| 8. Aggregate Nominal Amount:   |  |
| (a) Series:  | ZAR 362,000,000 (Three Hundred and Sixty Two Million South African Rand)   |
| (b) Tranche:   | ZAR 362,000,000 (Three Hundred and Sixty Two Million South African Rand)   |
| 9. Interest:   | Interest-bearing   |
| 10. Interest Payment Basis:  | Floating Rate Notes / Instalment Notes   |
| 11. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another: | Not Applicable   |

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| 12. Form of Notes:                      | Registered Listed Notes: The Notes in this Tranche will be issued in uncertificated form and held by the CSD  |
| 13. Issue Date:                         | 17 August 2020  |
| 14. Trade Date:                         | 7 August 2020   |
| 15. Specified Denomination:             | ZAR1,000,000 per Note.  |
| 16. Issue Price:                        | 100%  |
| 17. Interest Commencement Date          | Issue Date  |
| 18. Maturity Date:                      | 21 December 2026, subject to the below condition<br><br>If South Africa National Treasury splits the Reference Obligation, the Instalment Note provisions will apply and these will be communicated via SENS in due course  |
| 19. Applicable Business Day Convention: | Following Business Day Convention   |
| 20. Business Days:                      | Johannesburg  |
| 21. Final Redemption Amount:            | see Instalment Note provisions  |
| 22. Credit Event Backstop Date:         | Applicable  |
| 23. Last Date to Register:              | The 11 <sup>th</sup> (eleventh) calendar day before each Floating Interest Payment Date, i.e. each of the 10 <sup>th</sup> March, the 10 <sup>th</sup> June, the 10 <sup>th</sup> September and the 10 <sup>th</sup> December of each calendar year or if such day is not a business day then the close of business on the business day immediately preceding the first day of a books closed period during the period commencing on the Issue Date and ending on the Maturity Date   |
| 24. Books Closed Periods:               | The Register will be closed for a period of 10 (ten) calendar days prior to each Floating Interest Payment Date and prior to the Maturity Date, i.e. each of the following periods, the 11 <sup>th</sup> of March to the 21 <sup>st</sup> March, the 11 <sup>th</sup> June to the 21 <sup>st</sup> June, the 11 <sup>th</sup> September to the 21 <sup>st</sup> September and the 11 <sup>th</sup> December to the 21 <sup>st</sup> December of each calendar year during the term of the Notes, the first 10 calendar days period being the 11 <sup>th</sup> |

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|   | September 2020 to the 21 <sup>st</sup> September 2020 and the last period being the 10 day period ending with the Maturity Date  |
| 25. Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date: | ZAR 24,900,270,467.96  |
| <b>FLOATING RATE NOTES:</b>   |  |
| 26. (a) Floating Interest Payment Dates:  | Each of the 21 March, the 21 June, the 21 September and the 21 December of each calendar year during the term of the Notes, commencing on the 21 September 2020 and ending on the Maturity Date or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention (as specified in this Applicable Pricing Supplement) |
| (b) Minimum Interest Rate:  | Not Applicable   |
| (c) Maximum Interest Rate:  | Not Applicable   |
| (d) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision):   | The Day Count Fraction is Actual/365 (Fixed).  |
| (e) Manner in which the Interest Rate is to be determined:  | Screen Rate Determination  |
| (f) Margin:   | 198 basis points (or 1.98%) to be added to the relevant Reference Rate.  |
| (h) If Screen Determination:  |  |
| (i) Reference Rate  | ZAR-JIBAR-SAFEX (3 months)   |

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|       | (including relevant period by reference to which the Interest Rate is to be calculated):  |  |
| (ii)  | Interest Rate Determination Dates:  | The first Interest Determination Date will be the Issue Date i.e. the 17 <sup>th</sup> August 2020, thereafter each of 21 <sup>st</sup> December, 21 <sup>st</sup> March, 21 <sup>st</sup> June and 21 <sup>st</sup> September in each calendar year, during the term of the Notes, commencing on the Issue Date and ending on the 21 <sup>st</sup> September 2026 or if such day is not a Business Day, the Business Day on which interest will be paid, as determined 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).  |
| (i)   | If Interest Rate to be calculated otherwise than Screen Determination, insert basis for determining Interest Rate/Margin/Fallback provisions: | Not Applicable   |
| (j)   | Calculation Agent responsible for calculating amount of principal and interest:   | Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.   |
| (k)   | Interest Period   | Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment  |

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|   | Date (each Interest Payment Date as adjusted in accordance with Following Business Day Convention).  |
| <b>INSTALMENT NOTES:</b>                                  | Applicable   |
| 27. Instalment Dates:                                     | 21 December 2025, 21 December 2026, 21 December 2027 or if no principal payment is made on the Reference Obligation on these dates, the Business Day on which the principal amount is paid on the Reference Obligation, as determined in accordance with the Applicable Business Day Convention. |
| 28. Instalment Amounts:                                   | The amount of principal payment made by the Reference Entity in respect of the Reference Obligation on the relevant Instalment Date.   |
| <b>CREDIT EVENT REDEMPTION:</b>                           |  |
| 29. Type of Credit Linked Note:                           | Single Name CLN  |
| 30. Redemption at Maturity:                               | Final Redemption Amount  |
| 31. Redemption following the occurrence of Credit Events: | Applicable   |
| 32. Extension interest:                                   | Not Applicable   |
| 33. Reference Entity:                                     | Republic of South Africa   |
| 34. Financial Statements of the Reference Entity:         | The Issuer of the Reference Obligation is listed on the interest rate market of JSE and as per rule 4.22(cc)(iv)(1) of the JSE Debt Listings Requirements, no additional information is required to be provided herein.  |
| 35. Standard Reference Obligation:                        | Not Applicable   |
| 36. Reference Obligation:                                 | The obligation identified as follows:<br>Primary Obligor: Republic of South Africa<br>Maturity Date: 21 December 2026<br>Coupon: 10.5%<br>CUSIP/ISIN: ZAG000016320   |

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| 37. | Substitute<br>Obligation: | Reference      | Applicable  |
| 38. | Transaction Type:         |                | Not Applicable  |
| 39. | All Guarantees:           |                | Applicable  |
| 40. | Conditions to Settlement: |                | Applicable<br>Credit Event Notice: Applicable<br>Notice of Publicly Available Information: Applicable   |
| 41. | Credit Events:            |                | The following Credit Events apply:<br>Bankruptcy<br>Failure to Pay<br>Grace Period Extension: Applicable<br>Grace Period: 30 calendar days<br>Payment Requirement: ZAR 10,000,000<br>Obligation Acceleration<br>Repudiation/Moratorium<br>Restructuring<br>Default Requirement: ZAR 25,000,000<br>Mod R: Not Applicable<br>Mod Mod R: Not Applicable<br>Multiple Holder Obligation: Not Applicable<br>Governmental Intervention |
| 42. | Credit Event<br>Interest: | Accrued        | Not Applicable  |
| 43. | Obligations:              |                | Obligation Category: Reference Obligation Only<br>Obligation Characteristics: None  |
| 44. | Excluded Obligations:     |                | None  |
| 45. | Issuer<br>Option:         | CLN Settlement | Not Applicable  |

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| <b>SETTLEMENT:</b>                                |   |
| 46. (a) CLN Settlement Method                     | Cash Settlement   |
| Credit Event Redemption Amount                    | Means in respect of each Note an amount equal to the CLN Cash Settlement Amount (as defined below) minus such Note's pro rata share of the Settlement Expenses.   |
| CLN Cash Settlement Amount                        | <p>Means an amount in ZAR calculated by the Calculation Agent, which amount shall not be less than zero, equal to:</p> <p>(i) The amount equal to: the product of (a) the Reference Obligation Outstanding Nominal Amount and (b) Final Price; plus</p> <p>(ii) the Hedging Costs (as defined below).</p> <p><b>"Hedging Costs"</b> means in respect of the Notes, an amount determined by the Calculation Agent in a commercially reasonable manner equal to any expense, loss or costs (in which case expressed as a negative number) or gain (in which case expressed as a positive number) incurred (or expected to be incurred) by or on behalf of the Issuer as a result of its terminating, liquidating, modifying, obtaining or re-establishing any hedge term deposit, related interest rate swap position or funding arrangements entered into by it (including with its internal treasury function) specifically in connection with the Notes.</p> <p><b>"Reference Obligation Aggregate Nominal Amount"</b> means ZAR 362,000,000 on Trade Date.</p> <p><b>"Reference Obligation Outstanding Nominal Amount"</b> means with respect to the Reference Obligation and on any date, the outstanding principal amount for the Reference Obligation with an original nominal amount equal to the Reference Obligation Aggregate Nominal Amount on the Trade Date</p> |
| <b>PROVISIONS REGARDING REDEMPTION / MATURITY</b> |   |
| 47. Redemption at the option of the Issuer:       | Yes in the event of an Optional Call Redemption Event as described below.   |
| If yes:   |   |
| <b>A. Optional Call Redemption Event:</b>         |   |



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| a. Optional Call Redemption Event:                                | The Issuer may elect, in its sole and absolute discretion, to redeem the Notes on the Optional Call Redemption Dates, as notified by the Issuer to the Noteholder(s) in an Optional Call Redemption Notice and at the Optional Call Redemption Amount as determined in accordance with paragraph (c) below:  |
| b. Optional Call Redemption Date                                  | 17 August 2025, subject to Following Business Day Convention.  |
| c. Optional Call Redemption Amount                                | <p>An amount in ZAR as determined by the Calculation Agent equal to the sum of:</p> <p>(i) The greater of:</p> <p style="padding-left: 40px;">a) the Aggregate Nominal Amount; and</p> <p style="padding-left: 40px;">b) the Note NAV;</p> <p>PLUS</p> <p>(ii) Any accrued interest from the last Interest Payment Date until (but excluding) the Optional Call Redemption Date.</p> <p>Where:</p> <p>“<b>Note NAV</b>” means on any day an amount in ZAR determined by the Calculation Agent in a commercially reasonable manner, which amount shall not be less than zero, equal to the sum of the market value of the Hedging Instruments (as defined below).</p> <p>“<b>Hedging Instruments</b>” means in respect of the Notes all related hedging instruments entered into by the Issuer including without limitation, any interest rate swaps, funding instruments and other derivative instruments.</p> |
| d. Minimum period of notice:                                      | The minimum period of written or oral notice for the purposes of this provision shall be seven (7) Business Days and the notice shall be called an “ <b>Optional Call Redemption Notice</b> ”.   |
| 48. Redemption at the Option of Noteholders:                      | No   |
| 49. Early Redemption Amount(s) payable on redemption for taxation | Yes  |

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| reasons, Change in Law or on Event of Default (if required): |  |
| If yes:  |  |
| (a) Amount payable; or                                       | The Early Redemption Amount determined and calculated by the Calculation Agent in accordance with Condition 8.5 of the Terms and Conditions of the Notes |
| (b) Method of calculation of amount payable:                 | Not Applicable   |
| <b>GENERAL</b>   |  |
| 50. Financial Exchange:                                      | JSE Limited t/a The Johannesburg Stock Exchange  |
| 51. Calculation & Paying Agent                               | Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.   |
| 52. Calculation Agent City:                                  | Johannesburg   |
| 53. Paying Agent:  | Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.   |
| 54. Specified office of the Calculation & Paying Agent:      | 15 Alice Lane<br>Sandton<br>2196<br>Gauteng<br>Republic of South Africa  |
| 55. Settlement Agent:  | Standard Chartered Bank  |
| 56. Specified office of the Settlement Agent:                | 4 Sandown Valley Crescent, Sandton, South Africa   |
| 57. Additional selling restrictions:                         | Not Applicable   |
| 58. ISIN No.:  | ZAG000170184   |
| 59. Stock Code:  | ASN479   |

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| 60. | Method of distribution:                                  | Private Placement   |
| 61. | If syndicated, names of Managers:                        | Not Applicable  |
| 62. | If non-syndicated, name of Dealer:                       | Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.  |
| 63. | Governing law:   | The laws of the Republic of South Africa  |
| 64. | Issuer Rating on Issue Date:                             | Issuer Rating: zaAA being the National Long-Term Credit Rating as assigned by Standard & Poor's on 26 November 2019 and to be reviewed by Standard & Poor's from time to time.  |
| 65. | Issuer Central Securities Depository Participant (CSDP): | Standard Chartered Bank   |
| 66. | 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.  |
| 67. | Other Provisions:  | <p>Condition 9 titled "<i>Taxation</i>" in the section II-A of the Master Programme Memorandum titled "<i>Terms and Conditions of the Notes</i>" is amended in relation to this Tranche of Notes by (i) the replacement of the words after the dash in Condition 9.3 with the words "<i>provided that this exception shall only apply to that portion of the withholding or deduction which could lawfully have been so reduced</i>", (ii) the deletion of Condition 9.8 and (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 2312<sup>th</sup> 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-</p> |

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|   | <p>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.</p> <p>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 South Africa, references in Conditions 8.2 (<i>Redemption for Tax Reasons or due to a Change in Law</i>) and 9 (<i>Taxation</i>) to South Africa shall be read and construed as references to South Africa and/or to such other jurisdiction, authority or agency.”</p> |
| <p>68. Material Change in Financial or Trading Position</p> | <p>The Issuer confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer’s audited financial statements for the twelve months ended 31 December 2019. This statement has not been confirmed nor verified by the auditors of the Issuer.</p>   |

**Responsibility:**


The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that this Applicable Pricing Supplement contains all information required by law and the JSE 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

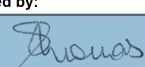
Applicable Pricing Supplement and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum 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.

Application is hereby made to list this issue of Notes on 17 August 2020

**ABSA BANK LIMITED**

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Capacity: Confirmations Specialist  
Date: 12-08-2020 | 11:32:32 AM SAST

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Name: Shamila Thomas  
Capacity: Confirmations Specialist  
Date: 12-08-2020 | 11:36:53 AM SAST