

**ABSA BANK LIMITED**

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

**Issue of ZAR 200,000,000 Floating Rate 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>		
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 ( <i>Status of Notes</i> ) on page 37 of the Master Programme Memorandum.)
3. Issuance Currency:		ZAR (South African Rand)
4. Series Number:		2020 -138
5. Tranche Number:		1
6. Aggregate Nominal Amount:		
(a) Series:		ZAR 200,000,000
(b) Tranche:		ZAR 200,000,000
7. Interest:		Interest-bearing
8. Interest Payment Basis:		Floating Rate
9. Form of Notes:		Registered Listed Notes: The Notes in this Tranche are issued in uncertificated form and held by the CSD.
10. Trade Date:		20 November 2020
11. Issue Date:		27 November 2020
12. Specified Denomination:		ZAR1,000,000 per Note.
13. Issue Price:		100%
14. Interest Commencement Date:		27 November 2020
15. Maturity Date:		28 November 2022
16. Applicable Business Day Convention:		Following Business Day

<p>17. Final Redemption Amount:</p>	<p>An amount determined by the Calculation Agent in accordance with the following formula:</p> $FRA = ANA + Swap\ MTM$ <p>Where:</p> <p>“<b>ANA</b>” means Aggregate Nominal Amount.</p> <p>“<b>FRA</b>” means Final Redemption Amount.</p> <p>“<b>Swap Hedge Transaction</b>” means a hypothetical ZAR denominated floating to fixed interest rate swap effective from 27 November 2020 to 27 November 2030, with a notional amount equal to the Aggregate Nominal Amount and with a quarterly fixed rate of 6.60% and a quarterly floating rate equal to the Reference Rate.</p> <p>“<b>Swap MTM</b>” means the ZAR denominated Swap Hedge Transaction mark-to-market unwind amount (either positive or negative) determined by the Calculation Agent acting in a commercially reasonable manner and equal to:</p> <ol style="list-style-type: none"> <li>(1) the fixed rate amounts due and payable for the remaining period of the Swap Hedge Transaction; less</li> <li>(2) the floating rate amount due and payable in respect of the relevant quarterly calculation period; plus</li> <li>(3) the Unwind Swap Costs.</li> </ol> <p>“<b>Unwind Swap Costs</b>” means in respect of the Swap Hedge Transaction, 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 the Swap Hedge Transaction, position or funding arrangements related thereto (including with its internal treasury function).</p>
<p>18. Last Dates to Register:</p>	<p>The 11th (eleventh) calendar day before each Floating Interest Payment Date, i.e. each 17 February, 17 May, 17 August and 17 November of each calendar year or if such day is not a business day then the close of business on the business day</p>

	immediately preceding the first day of a books closed period during the period commencing on the Issue Date and ending on the Maturity Date
19. 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, 18 February to 28 February, 18 May to 28 May, 18 August to 28 August and 18 November to 28 November of each calendar year during the term of the Notes, the first 10 calendar days period being 18 February 2021 to the 28 February 2021 and the last period being the 10 day period ending with the Maturity Date
20. Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date:	ZAR29,675,985,017.96
<b>FLOATING RATE NOTES</b>	
21. (a) Floating Interest Payment Dates:	Each 28 February, 28 May, 28 August and 28 November of each calendar year during the term of the Notes, commencing on the 28 February 2021 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):	Day Count Fraction is Actual/365 (fixed)
(e) Manner in which the Interest Rate is to be determined:	Screen Rate Determination
(f) Margin:	Plus 3.28% (three hundred and twenty eight basis points) to be added to the relevant Reference Rate
(g) If Screen Determination:	
(i) Reference Rate (including relevant period by reference to	ZAR-JIBAR-SAFEX (3 months)

which the Interest Rate is to be calculated)	
(ii) Interest Rate Determination Dates:	Each 28 February, 28 May, 28 August and 28 November of each year, commencing on the Issue Date until the Maturity Date in accordance with the Applicable Business Day Convention.
(iii) Relevant Screen Page and Reference Code:	Reuters Page "SAFEY" (Page number ZA01209)
(h) 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
(i) 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 Date (each Interest Payment Date as adjusted in accordance with Following Business Day Convention).
<b>PROVISIONS REGARDING REDEMPTION/MATURITY</b>	
22. Redemption at the option of the Issuer:	Yes
If yes:	
a) Optional Redemption Date(s):	<p>If at any time and on any day prior to the Maturity Date, the Note NAV is less than or equal to the Trigger NAV (a "<b>Trigger Event</b>") the Issuer may, following the issue of a Trigger Event Redemption Notice, elect to redeem the Notes on the Optional Redemption Date at the Optional Redemption Amount.</p> <p>Where:</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 ZAR interest rate swaps, funding instruments and other derivative instruments.</p>

	<p><b>“Note NAV”</b> means on any day an amount in ZAR determined by the Calculation Agent acting in a commercially reasonable manner (which amount shall not be less than zero) and equal to the sum of the market value of the Hedging Instruments.</p> <p><b>“Trigger NAV”</b> means 60% of the Aggregate Nominal Amount of the Notes.</p> <p>In making any determinations above, the Calculation Agent may take into account prevailing market prices and/or proprietary pricing models or, where these pricing methods may not yield a commercially reasonable result, may estimate such amount in good faith and in a commercially reasonable manner.</p>
<p>b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)</p>	<p>An amount in ZAR determined by the Calculation Agent in a commercially reasonable manner as soon as reasonably practicable following the Trigger Event Determination Date (which amount shall not be less than zero) and equal the sum of:</p> <ul style="list-style-type: none"> <li>(i) the mark-to-market of all the related Hedging Instruments; plus</li> <li>(ii) Hedging Costs.</li> </ul> <p>Where:</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, interest rate swaps position or funding arrangements entered into by it (including with its internal treasury function) specifically in connection with the Notes.</p> <p><b>“Trigger Event Determination Date”</b> means the date on which the Trigger Event occurs.</p>
<p>c) Minimum period of notice (if different from Condition 8.3 (<i>Redemption at the Option of the Issuer</i>))</p>	<p>The minimum period of written or oral notice for the purposes of this provision shall be one (1) Business Day and the notice shall be called a <b>“Trigger Redemption Notice”</b>.</p>
<p>23. Redemption at the Option of Noteholders:</p>	<p>No</p>

24. Early Redemption Amount(s) payable on redemption for taxation reasons or 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 of the Terms and Conditions of the Notes.
(b) Method of calculation of amount payable:	Not Applicable
<b>GENERAL</b>	
25. Financial Exchange	JSE Limited t/a The Johannesburg Stock Exchange
26. Calculation & Paying Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof
27. Calculation Agent City	Johannesburg
28. Specified office of the Calculation & Paying Agent	15 Alice Lane Sandton 2196 Gauteng South Africa
29. Settlement Agent:	Standard Chartered Bank
30. Specified office of the Settlement Agent:	4 Sandown Valley Crescent, Sandton, South Africa
31. Provisions relating to stabilisation	Not Applicable
32. Stabilising manager	Not Applicable
33. Additional selling restrictions	Not applicable
34. ISIN No.	ZAG000172974
35. Code	ASN542
36. Method of distribution	Private placement
37. If syndicated, names of Managers	Not Applicable

38. If non-syndicated, name of Dealer	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof
39. Governing law:	Law of the Republic of South Africa
40. 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-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>
41. Issuer Central Securities Depository Participant (CSDP):	Standard Chartered Bank
42. 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.
43. Debt Listing Requirements:	In accordance with Section 4.17 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.
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 unaudited condensed consolidated interim financial results for the reporting period ended 30 June 2020. 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 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 27 November 2020

for and on behalf of

**ABSA BANK LIMITED**

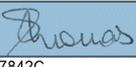
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Name: Makhanani Sithole

Capacity: Confirmations specialist

Date: 24-11-2020 | 14:53:58 PM SAST

Who warrants his/her authority hereto

DocuSigned by:  
  
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Name: Shamila Thomas

Capacity: confirmations specialist

Date: 24-11-2020 | 15:18:06 PM SAST

Who warrants his/her authority hereto