



## **APPLICABLE PRICING SUPPLEMENT**

### **ABSA BANK LIMITED**

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

#### **Issue of ZAR 200,721,605.00 Eskom Holdings SOC Ltd Credit Linked Floating Rate Notes due April 2042**

**under its ZAR60,000,000,000 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 on or about 16 August 2021 and registered with the JSE on or about 18 August 2021, 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 ZAR 60,000,000,000 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 any previous applicable pricing supplement, confirmation, term sheet or other communication with respect to the Notes described herein 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.

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.

1.	Issuer:	Absa Bank Limited
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.
4.	Listing:	Listed Notes
5.	Issuance Currency:	ZAR (South African Rand)
6.	Series Number:	2022-102
7.	Tranche Number:	1
8.	Aggregate Nominal Amount:	
	(a) Series:	ZAR 200,721,605.00
	(b) Tranche:	ZAR 200,721,605.00
9.	Interest:	Interest-bearing
10.	Interest Payment Basis:	Floating Rate Notes
11.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another:	Not Applicable
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:	06 June 2022
14.	Trade Date:	30 May 2022

15.	Specified Denomination:	ZAR 1,000,000 per Note
16.	Issue Price:	100%
17.	Interest Commencement Date	Issue Date
18.	Maturity Date:	25 April 2042, subject to adjustment in accordance with the Applicable Business Day Convention.
19.	Applicable Business Day Convention:	Following Business Day Convention
20.	Business Days:	Johannesburg
21.	Final Redemption Amount:	ZAR 200,721,605.00
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 or Fixed Interest Payment Date, i.e. each of 14 <sup>th</sup> January, 14 <sup>th</sup> April, 14 <sup>th</sup> July and 14 <sup>th</sup> October of each calendar year until the Maturity Date, each such day subject to adjustment in accordance with the Applicable Business Day Convention
24.	Books Closed Periods:	The Register will be closed for a period of 10 (ten) calendar days prior to each Floating Interest Payment Date, Fixed Interest Payment Date and prior to the Maturity Date, i.e. each of the following periods, 15 <sup>th</sup> January to 25 <sup>th</sup> January, 15 <sup>th</sup> April to 25 <sup>th</sup> April, 15 <sup>th</sup> July to 25 <sup>th</sup> July and 15 <sup>th</sup> October to 25 <sup>th</sup> October of each calendar year until the Maturity Date, subject to adjustment in accordance with the Applicable Business Day Convention
25.	Value of aggregate Nominal Amount of all Notes issued under the Master Structured Note Programme as at the Issue Date:	<p>As at the date of this issue, the Issuer has issued Notes in the aggregate total amount of ZAR 37,176,941,660.86 under the Master Structured Note Programme.</p> <p>The aggregate Nominal Amount of all Notes issued under the Master Structured Note Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued), will not exceed the Programme Amount.</p>

<b>Noteholder Fixed Amount Payments Leg:</b>		
26.	(a) Noteholder Fixed Amount Payments:	<p>The Noteholder will, on each Noteholder Fixed Amount Payment Date, pay the Issuer a Noteholder Fixed Amount Payment calculated in accordance with the following formula:</p> $\text{NFAP} = \text{FNA} * \left( \frac{\text{C}}{2} \right)$ <p>Where:</p> <p>“<b>NFAP</b>” means the relevant Noteholder Fixed Amount Payment due on the Noteholder Fixed Amount Payment Date in respect of the relevant interest period of the Reference Obligation;</p> <p>“<b>FNA</b>” means the Fixed Notional Amount equal to ZAR 266,000,000.00;</p> <p>“<b>C</b>” means the Coupon, which is 8.50%;</p> <p>“*” means multiplied by.</p>
	(b) Noteholder Fixed Amount Payment Dates:	Each of 25 April and 25 October, with the first Fixed Amount Payment Date being 25 October 2022 and ending on the Maturity Date, such dates being subject to adjustment in accordance with the Applicable Business Day Convention.
<b>Issuer Bond Fixed Amounts:</b>		
27.	(a) Issuer Bond Fixed Amounts:	<p>The Issuer will on each Bond Fixed Amount Payment Date pay the Noteholder an Issuer Bond Fixed Amount calculated in accordance with the following formula:</p> $\text{IBFA} = \text{BNA} * \left( \frac{\text{C}}{2} \right)$ <p>Where:</p> <p>“<b>IBFA</b>” means the relevant Issuer Bond Fixed Amount due on the Bond Fixed Amount Payment Date in respect of the relevant interest period of the Reference Obligation;</p> <p>“<b>BNA</b>” means the Bond Notional Amount equal to ZAR 266,000,000.00</p> <p>“<b>C</b>” means the Coupon, which is 8.50%;</p> <p>“*” means multiplied by.</p>

	<p>The Issuer will always have an unconditional obligation to pay the Issuer Bond Fixed Amount on the relevant Bond Fixed Amount Payment Dates unless the Issuer has failed to receive any corresponding amount of interest due in respect of the Reference Obligation (in whole or in part) (the amount of such shortfall, a "<b>Shortfall Amount</b>"). If the Relevant Holder has failed to receive such corresponding amount, the unconditional obligation to pay the Issuer Bond Fixed Amounts going forward in respect of future Bond Fixed Amount Payment Dates shall fall away or be reduced, as the case may be, by an amount equal to the Shortfall Amount.</p> <p>For clarity purposes, the Issuer will pay on each Bond Fixed Amount Payment Date an amount equal to the Issuer Bond Fixed Amount due on that date. If there is non-payment in respect of the Reference Obligation, future payments shall be made less the Shortfall Amount in respect of those amounts.</p> <p>The Issuer records that in terms of the applicable pricing supplement of the Reference Obligation, the interest amount paid by the Reference Entity to holders of the Reference Obligation is calculated by using a fixed interest rate of 8.50%</p>
(b) Bond Fixed Amount Payment Dates:	Each of 25 April and 25 October, with the first Fixed Amount Payment Date being 25 October 2022 and ending on the Maturity Date such dates being subject to adjustment in accordance with the Applicable Business Day Convention.
<b>28. FLOATING RATE NOTES</b>	
(a) Floating Interest Payment Date(s)	Each 25 January, 25 April, 25 July and 25 October with the first Floating Interest Payment Date being 25 July 2022 and ending on the Maturity Date, subject to adjustment in accordance with the Applicable Business Day Convention
(b) Minimum Interest Rate:	Not Applicable

(c) Maximum Interest Rate:	Not Applicable
(d) Other terms relating to the method of calculating interest :	<p>In respect of each Note, the Interest Amount for each Interest Period will be calculated by the Calculation Agent in accordance with the following formula:</p> $I = SD * (FIX - FIR) * DCF$ <p>Where:</p> <p>“I” means the relevant Interest Amount per Note;</p> <p>“SD” means the Specified Denomination;</p> <p>“FIX” means 19.67%;</p> <p>“FIR” means the Floating Interest Rate, being the Reference Rate i.e. ZAR-JIBAR-SAFEX (3 months) at the Issue Date</p> <p>“DCF” means the Day Count Fraction being Act/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:	Not Applicable
(g) If Screen Determination:	
<p>i. Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated):</p>	ZAR-JIBAR-SAFEX (3 months)
<p>ii. Interest Rate Determination Dates:</p>	<p>The first Interest Determination Date will be the Issue Date, thereafter each of 25 January, 25 April, 25 July and 25 October in each calendar year, during the term of the Notes, as adjusted in accordance with the Applicable Business Day Convention.</p>
<p>iii. Relevant Screen Page and Reference Code:</p>	Reuters RIC <SFX3MYLD> on Reuters Page “SAFEY” (Page number ZA01209).

(h) If Interest Rate to be calculated otherwise than Screen Determination, insert basis for determining Interest Rate/Margin/ Fallback provisions:	Not Applicable
(i) Calculation Agent responsible for calculating amount of principal and interest:	Absa Bank Limited, acting through its Corporate and Investment Banking division)a ) or an affiliate thereof.
(j) 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 the Applicable Business Day Convention);
<b>CREDIT EVENT REDEMPTION LEG</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:	Eskom Holdings SOC Ltd
34. Standard Reference Obligation:	Not Applicable
35. Reference Obligation:	<p>The obligation identified as follows:</p> <p>Primary Obligor: Eskom Holdings SOC Ltd</p> <p>Maturity Date: 25 April 2042</p> <p>Coupon: 8.50%</p> <p>CUSIP/ISIN: ZAG000107780</p>

36. Issuer's holding of the Reference Obligation:	The Issuer will hold the Reference Obligation during the period that these Notes remain outstanding in order to hedge its obligations in respect of these Notes. The Issuer will not pledge or outright transfer the Reference Obligation in security to any other person or entity. The Issuer will only dispose of its interest in such Reference Obligation if such disposal arises in connection with redemption of these Notes on or prior to the scheduled Maturity Date in accordance with their terms (including any early redemption, howsoever described).	
37. All Guarantees:	Applicable	
38. Conditions to Settlement:	Applicable Credit Event Notice: Applicable Notice of Publicly Available Information: Applicable	
39. Credit Events:	The following Credit Events apply: Bankruptcy Failure to Pay Grace Period Extension: Applicable Grace Period: 30 calendar days Payment Requirement: ZAR 10,000,000 Obligation Acceleration Repudiation/Moratorium Restructuring Default Requirement: ZAR 25,000,000 Mod R: Not Applicable Mod Mod R: Not Applicable Multiple Holder Obligation: Not Applicable Governmental Intervention	
40. Credit Event Accrued Interest:	Not Applicable	
41. Obligations: Reference Obligation Only	<b>Deliverable Obligation Category:</b>	<b>Deliverable Obligation Characteristics:</b>



	Reference Obligation only
42. CLN Settlement Method:	Physical Settlement
<b>Terms Relating to Physical Settlement:</b>	
Physical Settlement Period:	As specified in the 2014 Credit Linked Conditions.
Partial Cash Settlement due to Impossibility or Illegality:	Applicable
43. Fallback CLN Settlement Method:	Cash Settlement
<b>Terms Relating to Cash Settlement:</b>	
Credit Event Redemption Amount:	Means in respect of each Note an amount equal to the greater of (a) zero and (b) the CLN Cash Settlement Amount 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> <ul style="list-style-type: none"> <li>(i) The amount equal to: the product of (a) the Reference Obligation Aggregate Nominal Amount and (b) Final Price; plus</li> <li>(ii) The Hedging Costs.</li> </ul> <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 interest rate swap position, interest rate cap position or</p>

	<p>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 ZAR266,000,000.00 on the Trade Date</p>
Credit Event Redemption Date:	5 (five) Business Days
CLN Valuation Date:	Single CLN Valuation Date. The CLN Valuation Date will be determined by the Calculation Agent in its sole discretion provided that such CLN Valuation Date is not more than 100 (one hundred) Business Days from the Event Determination Date specified in the 2014 Credit Linked Conditions, provided that the Settlement Suspension provisions specified in the 2014 Credit Linked Conditions will apply to such time limit.
CLN Valuation Time:	As specified in the 2014 Credit Linked Conditions.
Quotation Method:	Bid
Quotation Amount:	As specified in the 2014 Credit Linked Conditions.
Minimum Quotation Amount:	As specified in the 2014 Credit Linked Conditions.
Valuation Method:	Highest
Accrued Interest:	Quotations Exclude Accrued Interest
Dealers:	A dealer in obligations of the type of the Reference Obligation for which Quotations are to be obtained as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner Such Dealers may include SA and/or non SA Dealers.
<b>PROVISIONS REGARDING REDEMPTION / MATURITY</b>	
44. Redemption at the option of the Issuer:	Yes in the event of an Early Redemption Stop Loss Event as described below.
(a) Optional Redemption Date(s):	If at any time on any day prior to the redemption of the Notes, the following event occurs, as determined by the Calculation Agent ( <b>“Stop Loss Event”</b> ) and the date on which the Stop Loss Event

	<p>occurs being the “<b>Stop Loss Event Determination Date</b>”), the Issuer may elect to redeem the Notes on the Optional Redemption Date notified by the Issuer to the Noteholder(s) in a Stop Loss Redemption Notice and at the Optional Redemption Amount determined in accordance with paragraph (b) below:</p> <p>the Note NAV expressed in ZAR is less than or equal to 30% of the Aggregate Nominal Amount of the Notes.</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 basis swaps, funding instruments and other derivative instruments.</p> <p>In making any determination, 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 as soon as reasonably practicable following the Stop Loss Event Determination Date, which amount shall not be less than zero, 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 (as defined below); less</li> <li>(iii) Settlement Expenses.</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</p>

		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 swap position or funding arrangements entered into by it (including with its internal treasury function) specifically in connection with the Notes.
(c)	Minimum period of notice (if different from Condition 8.3 ( <i>Redemption at the Option of the Issuer</i> ))	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>“Stop Loss Redemption Notice</b>
45.	Redemption at the Option of Noteholders:	No
46.	Early Redemption Amount(s) payable on redemption for taxation reasons, Additional Early Redemption Event, Illegality, Change in Law or on Event of Default (if required):	Yes
	If yes:	
(d)	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.
(e)	Method of calculation of amount payable:	Not Applicable
<b>GENERAL</b>		
47.	Financial Exchange:	JSE Limited t/a The Johannesburg Stock Exchange
48.	Settlement, Calculation & Paying Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
49.	Calculation Agent City:	Johannesburg
50.	Specified office of the Settlement, Calculation & Paying Agent:	15 Alice Lane Sandton

	2196 Gauteng Republic of South Africa
51. Additional selling restrictions:	Not Applicable
52. ISIN No.:	ZAG000186610
53. Stock Code:	ASN862
54. Method of distribution:	Private Placement
55. If non syndicated, name of Dealer:	Absa Bank Limited (acting through its Corporate and Investment Banking division)) or an affiliate thereof.
56. Governing law:	The laws of the Republic of South Africa
57. 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.
58. Issuer Central Securities Depository Participant (CSDP):	Absa Bank Limited
59. 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.
<b>OTHER PROVISIONS</b>	
60. Other Provisions:	<p>(i) Pass through of all the Reference Obligation benefits and costs:</p> <p>All payments actually received from the Reference Entity by the Issuer as holder of the Reference Obligation, (including without limitation, interest payments, fees, prepayment penalties) will be paid by the Issuer to the Noteholder without material delay unless the Issuer has already paid the corresponding amount due to its unconditional obligation to make payments.</p> <p>(ii) Pass through of all the Reference Obligation benefits and costs:</p>

61. 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 subsidiaries (where applicable) since the date of the Issuer's audited condensed consolidated financial results for the reporting period ended 31 December 2021.

**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 06 June 2022

**ABSA BANK LIMITED**


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Name: Shamila Thomas

Capacity: Confirmations Specialist

Date: 01 June 2022

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Name: Nicolette Burger

Capacity: Specialist Settlements FICC Operations

Date: 01 June 2022