
APPLICABLE PRICING SUPPLEMENT OF THE TIER 2 NOTES



Absa Group Limited

(Incorporated with limited liability in South Africa under registration number 1986/003934/06)

Issue of ZAR1,916,000,000 Subordinated Tier 2 with Stock Code AGLG01

Under its ZAR50,000,000,000 Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Absa Group Limited dated 3 September 2021, as amended. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Tier 2 Terms and Conditions. References in this Applicable Pricing Supplement to the Tier 2 Terms and Conditions are to the section of the Programme Memorandum “*Terms and Conditions of the Tier 2 Notes*”. References to any Condition in this Applicable Pricing Supplement are to that Condition of the Tier 2 Terms and Conditions.

DESCRIPTION OF THE NOTES

1.	Issuer	Absa Group Limited
2.	Debt Officer	Jason Quinn, Group Financial Director
3.	Status of Notes	Subordinated Notes : Tier 2 Notes
4.	(a) Tranche Number	01
	(b) Series Number	28
5.	Aggregate Principal Amount	ZAR1,916,000,000
6.	Interest/Payment Basis	Floating Rate
7.	Form of Notes	Registered Notes
8.	Security	Unsecured

9.	Automatic/Optional Conversion from one Interest/Payment Basis to another	Not Applicable
10.	Issue Date	15 September 2022
11.	Business Centre	Johannesburg
12.	Additional Business Centre	Not Applicable
13.	Principal Amount	ZAR1,000,000
14.	Specified Denomination	Notes are subject to a minimum denomination ZAR1,000,000
15.	Issue Price	100%
16.	Interest Commencement Date	15 September 2022
17.	Maturity Date	16 September 2032, subject to item 39 below (Redemption at the option of the Issuer)
18.	Specified Currency	ZAR
19.	Applicable Business Day Convention	Modified Following Business Day
20.	Calculation Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
21.	Specified Office of the Calculation Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
22.	Paying Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
23.	Specified Office of the Paying Agent	15 Alice Lane, Sandton, 2196
24.	Transfer Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
25.	Specified Office of the Transfer Agent	15 Alice Lane, Sandton, 2196
26.	Settlement Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
27.	Specified Office of the Settlement Agent	15 Alice Lane, Sandton, 2196
28.	Issuer Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
29.	Specified Office of the Issuer Agent	15 Alice Lane, Sandton, 2196
30.	Final Redemption Amount	ZAR1,916,000,000
	FIXED RATE NOTES	Not Applicable

FLOATING RATE NOTES	Applicable
31. Floating Rate Note Provisions	
a) Interest Payment Date(s)	Means 16 March, 16 June, 16 September, and 16 December, in each year until the Maturity Date, commencing on 16 December 2022 and, subject to the terms hereof, ending on 16 September 2032 or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
b) Interest Period(s)	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) 16 December 2022 (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
c) Definitions of Business Day (if different from that set out in Condition 1 (<i>Interpretation</i>) of the Terms and Conditions)	Not Applicable
d) Minimum Interest Rate	Not Applicable
e) Maximum Interest Rate	Not Applicable
f) Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision, if different from Condition 6 (<i>Interest</i>) of the Terms and Conditions)	Not Applicable
32. Manner in which the Interest Rate is to be determined	Screen Rate Determination
33. Margin	210bps per annum to be added to the relevant Reference Rate
34. If ISDA Determination	Not Applicable
35. If Screen Determination	
a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	3 (three) month ZAR-JIBAR-SAFEX

b)	Interest Rate Determination Date(s)	Means 16 March, 16 June, 16 September, and 16 December, in each year until the Maturity Date, with the first Interest Determination Date being 12 September 2022
c)	Relevant Screen Page and Reference Code	Reuters screen SAFETY page under caption "Yield" (or on SAFEX nominated successor screen for JIBAR) on or about 11h00, Johannesburg time, rounded to the nearest third decimal point
36.	If Interest Rate to be calculated otherwise than by reference to the previous 2 subparagraphs, insert basis for determining Interest Rate/Margin/Fall back provisions	Not Applicable
37.	If different from the Calculation Agent, agent responsible for calculating amount of principal and interest	Not Applicable
MIXED RATE NOTES		Not Applicable
INDEXED NOTES		Not Applicable
OTHER NOTES		Not Applicable
PROVISIONS REGARDING REDEMPTION		
38.	Prior consent of Prudential Authority required for any redemption prior to the Maturity Date	Yes
39.	Redemption at the option of the Issuer (Call Option): if yes:	Yes
a)	First Optional Redemption Date (Call)	16 September 2027
b)	Optional Redemption Date(s) (Call)	The First Optional Redemption Date or any Interest Payment Date after the First Optional Redemption Date
c)	Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s)	Principal Amount plus accrued interest (if any) to the date fixed for redemption
d)	Minimum period of notice (if different to Condition 11.4 (<i>Redemption at the option of the Issuer (Issuer Call)</i>) of the Terms and Conditions)	Not Applicable
e)	If redeemable in part: Minimum Redemption Amount(s)	Not Applicable

	Higher Redemption Amount(s)	
f)	Approval(s) of Prudential Authority	Applicable
g)	Other terms applicable on Redemption	Not Applicable
40.	Early Redemption Amount(s)	Yes
a)	Early Redemption Amount (Regulatory)	Principal Amount plus accrued interest (if any) to the date fixed for redemption
b)	Early Redemption Amount (Tax)	Principal Amount plus accrued interest (if any) to the date fixed for redemption
c)	Early Termination Amount	Principal Amount plus accrued but unpaid interest (if any) to the date fixed for redemption
41.	Do the Tier 2 Terms and Conditions or the provisions of this Applicable Pricing Supplement provide for automatic redemption of the Notes upon the occurrence of a trigger event(s)	No
NON-VIABILITY LOSS ABSORPTION		
42.	Conversion upon the occurrence of a Non-Viability Trigger Event	Not Applicable
43.	Write-off upon the occurrence of a Non-Viability Trigger Event	Yes, In accordance with the Capital Regulations as determined by the Prudential Authority as contained in Condition 9.3 of the Terms and Conditions.
44.	Option to dis-apply Non-Viability Loss Absorption Condition pursuant to Condition [9] (<i>Loss Absorption Following a Non-Viability Trigger Event Event in Respect of Tier 2 Notes</i>)	Applicable, in accordance with the Capital Regulations as determined by the Prudential Authority as contained in Condition 9.4 of the Terms and Conditions
GENERAL		
45.	Additional selling restrictions	Not Applicable
46.	Additional terms or special conditions	Not Applicable
(a)	International Securities Identification Number (ISIN)	ZAG000189580
(b)	Stock Code	AGLG01

47.	Financial Exchange	Johannesburg Stock Exchange
48.	Clearing System	Strate Proprietary Limited
49.	Method of distribution	Auction
50.	If syndicated, names of managers	Not Applicable
51.	Receipts attached? If yes, number of Receipts attached	No
52.	Coupons attached? If yes, number of Coupons attached	No
53.	Talons attached? If yes, number of Talons attached	No
54.	Rating and Date of Review	Moody's national Long Term: Aa3.za affirmed on 6 April 2022
55.	Rating Agency (if any)	Moody's Investor Services
56.	Stripping of Receipts and/or Coupons prohibited as provided in Condition 15.4 (<i>Prohibition on Stripping</i>) of the Terms and Conditions?	No
57.	Governing law (if the laws of South Africa are not applicable)	Not Applicable
58.	Other Banking Jurisdiction	Not Applicable
59.	Last Day to Register, which shall mean that the "Books Closed Period" (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption	By 17h00 on 6 March, 6 June, 6 September and 6 December or if such day is not a Business Day, the Business Day before each Books Closed Period, in each year until the Maturity Date
60.	Books Closed Period	The Register will be closed from 7 March to 16 March, 7 June to 16 June, 7 September to 16 September and from 7 December to 16 December (all dates inclusive) in each year until the Maturity Date.
61.	Debt Sponsor	Absa Bank Limited, acting through its Corporate and Investment Banking division
62.	Stabilisation Manager (if any)	Not Applicable
63.	Pricing Methodology	Auction

64.	Authorised amount of the Programme	ZAR50,000,000,000.00
65.	Aggregate Outstanding Principal Amount of all Notes in issue on the Issue Date of this Tranche (excluding the current issue and any other Note(s) issued on the Issue Date)	ZAR15,514,000,000.00
66.	Set out the relevant description of any additional/other Terms and Conditions relating to the Tier 2 Notes (including covenants, if any)	Not Applicable
67.	Material Changes	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 unaudited interim financial statements, dated 15 August 2022. As at the date of this Applicable Pricing Supplement, there has been no involvement by KPMG and PWC, the auditors of the Issuer, in making the aforementioned statement
68.	Exchange control approval	Not Applicable
69.	Use of proceeds	<p>The Notes are intended to be issued as Green Bonds.</p> <p>Absa Group Limited Sustainable Finance Issuance Framework</p> <p>Absa Group Limited has developed and adopted the Framework which provides the foundation under which Absa Group may execute, and where applicable list, Green, Social and/or Sustainable Bonds, amongst other instruments. Green, Social and Sustainable Bonds issued under the Framework support Absa Group's lending and financing activities (including refinancing activities) to Green Projects, Social Projects and Sustainable Projects. The Framework specifies, amongst other things, categories and eligibility criteria against which a project must qualify to enable sustainable instruments to be categorised as Green, Social and/or Sustainable Bonds. The Framework is available on Absa Group's website at https://www.absa.africa/content/dam/africa/absaafr</p>

[ica/pdf/dmtn/2022/ABSA-Sustainable-Finance-Issuance-Framework-May-2022.pdf](https://www.absa.africa/content/dam/africa/absafrica/pdf/dmtn/2022/ABSA-Sustainable-Finance-Issuance-Framework-May-2022.pdf).

Assurance

In connection with the Framework and in compliance with the applicable JSE Debt Listings Requirements, Absa Group appointed a sustainability specialist, the Carbon Trust, to evaluate the Framework and to issue the Carbon Trust Second Party Opinion confirming that the Framework is aligned with the ICMA Principles and Guidelines.

The Carbon Trust Second Party Opinion is available on Absa Group's website at <https://www.absa.africa/content/dam/africa/absafrica/pdf/dmtn/2022/Absa-SFIF-SPO-30-May-2022.pdf>.

Independent External Reviewer

The Carbon Trust is an independent external reviewer for the purposes of the JSE Debt Listings Requirements. The Carbon Trust Second Party Opinion constitutes the report of an independent external reviewer on the Framework contemplated in the JSE Debt Listings Requirements.

The Carbon Trust is an independent firm with a mission to accelerate the move to a sustainable, low-carbon economy. The Carbon Trust:

- (a) advises businesses, governments and the public sector on opportunities in a sustainable, low-carbon world;
- (b) measures and certifies the environmental footprint of organisations, products and services; and
- (c) helps develop and deploy low-carbon technologies and solutions, from energy efficiency to renewable power.

Use of Proceeds – Green Bonds – Renewable Energy

The Issuer intends to allocate an amount of funding equivalent to the net proceeds of this Tranche of Notes to finance and/or refinance, in whole or in

part, on a portfolio basis, renewable energy assets which may include, without limitation, solar and wind projects.

The application of the net proceeds of this Tranche of Notes will therefore fall within the ‘*Renewable energy*’ category, as set out in the table headed “*Green Categories*” appearing under the section of the Framework headed “*Use of Proceeds*”.

Management of Proceeds

The Issuer will track the receipt and use of the net proceeds of this Tranche of Notes via its internal tracking systems as more fully set out in the section of the Framework headed “*Management of Proceeds*”.

Impact Measurement and Reporting and External Review

Absa Group will prepare and publish an Annual Allocation and Impact Report as more fully set out in the section of the Framework headed “*Reporting*”.

Absa Group will request (from the first anniversary of the Issue Date and until the earlier to occur of the Maturity Date or full allocation of the net proceeds) a limited assurance report of the allocation of the proceeds of Green Bonds, Social Bonds and Sustainable Bonds to eligible assets as contemplated by the Framework, to be provided by an external auditor.

The Annual Allocation and Impact Report and related assurance report will be included in Absa Group’s annual Environment, Social and Governance Report and be available on Absa Group’s website at <https://www.absa.africa/absafrica/investor-relations/annual-reports/>. The Issuer will publish a SENS announcement stating when the Annual Allocation and Impact Report will be made available on Absa Group’s website.

Incorporation by Reference

The Framework and the Carbon Trust Second Party Opinion are incorporated by reference into this Applicable Pricing Supplement.

Notwithstanding the incorporation by reference of the Framework and the Carbon Trust Second Party Opinion, the attention of investors in the Notes is drawn to the risk factor headed “*In respect of any Notes issued as Green Bonds, Social Bonds or Sustainable Bonds there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*” set out in the document entitled “*Risk Factors and Other Disclosures Schedule – DMTN Programme*” relating to the Programme which is dated 3 September 2021 (as amended or updated from time to time) and is available on Absa Group’s website at <https://www.absa.africa/absaafrica/investor-relations/debt-investors/>.

Interpretation

For purposes of this paragraph 69 (*Use of Proceeds*):

- (a) “**Absa Group**” means Absa Group Limited and its subsidiaries;
- (b) “**Annual Allocation and Impact Report**” means, in relation to sustainable instruments issued under the Framework, the annual allocation and impact report prepared by Absa Group;
- (c) “**Carbon Trust**” means Carbon Trust Africa Proprietary Limited a company incorporated in accordance with the laws of the Republic of South Africa with registration number 2016/398205/07, registered address Corobay Corner Block B, 169 Corobay Avenue, Pretoria, 0081 and email address info@carbontrust.com;
- (d) “**Carbon Trust Second Party Opinion**” means the second party opinion issued by Carbon Trust confirming that the Framework is aligned with the ICMA Principles and Guidelines;

- (e) **“Framework”** means the Absa Group Limited Sustainable Finance Issuance Framework dated May 2022;
- (f) **“Green Bonds”** means any Notes the proceeds of which are applied to finance or refinance, in whole or in part, Green Projects;
- (g) **“Green Projects”** means any project and/or activities that promote climate-friendly and other environmental purposes;
- (h) **“ICMA Principles and Guidelines”** means the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines, as applicable, published by International Capital Market Association (**“ICMA”**) from time to time;
- (i) **“Social Bonds”** means any Notes the proceeds of which are applied to finance or refinance, in whole or in part, Social Projects;
- (j) **“Social Projects”** means any project and/or activities that are aimed at reducing economic and social inequality;
- (k) **“Sustainable Bonds”** means any Notes the proceeds of which are applied to finance or refinance, in whole or in part, Sustainable Projects; and
- (l) **“Sustainable Projects”** means a combination of Green Projects and Social Projects.

Carbon Trust Disclaimer

Prospective investors should have regard to the information set out in this Applicable Pricing Supplement and the Framework regarding such use of proceeds and consult with their legal and other advisers before making an investment in any such Green Bonds, Social Bonds or Sustainable Bonds, and must determine for themselves the relevance of such information for the purpose of any investment in such Green Bonds, Social Bonds or Sustainable Bonds together with any other investigation such investor deems necessary. In connection with the issuance of Green Bonds, Social Bonds, or

Sustainable Bonds, amongst other instruments, Carbon Trust has evaluated the Framework and has issued the Carbon Trust Second Party Opinion confirming that the green eligible projects and social eligible projects described in the Framework and the proposed issuance of securities are aligned with the ICMA Principles and Guidelines, as applicable.

The Carbon Trust Second Party Opinion is not, nor should it be deemed to be, an offer or a recommendation by Carbon Trust to buy, sell or hold any such Green Bonds, Social Bonds and/or Sustainable Bonds and/or any other instruments. The Carbon Trust Second Party Opinion is only current as at its date. Prospective investors must determine for themselves the relevance of the Carbon Trust Second Party Opinion is and/or the information contained in it and/or the fact that Carbon Trust is its author, for the purpose of any investment in Green Bonds, Social Bonds, Sustainable Bonds and/or other instruments. Currently, the providers of such opinions, and related reports and certifications are not subject to any specific regulatory or other regime or oversight. The Carbon Trust Second Party Opinion is addressed solely to the Issuer. Investors in such Green Bonds, Social Bonds, Sustainable Bonds and/or other instruments shall have no recourse against Carbon Trust for the contents of the Carbon Trust Second Party Opinion. Carbon Trust is under no obligation to any holder of or prospective investor in any Green Bonds, Social Bonds, Sustainable Bonds and/or other instruments to update or supplement the Carbon Trust Second Party Opinion or to monitor adherence by the Issuer to any stated use of proceeds or the achievement of any targets or objectives referred to in the Carbon Trust Second Party Opinion. Carbon Trust has reserved its right to withdraw its consent to the publication of the Carbon Trust Second Party Opinion at any time.

RESPONSIBILITY

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum and this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Laws and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, this Applicable Pricing

Supplement, the annual financial statements and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents from time to time, except as otherwise stated therein.

The JSE takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplements, the annual financial statements and/or the annual report of the Issuer (and any amendments or supplements to the aforementioned documents from time to time). The JSE makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum, any Applicable Pricing Supplements, the annual financial statements and/or the annual report of the Issuer (any amendments or supplements to the aforementioned documents from time to time).

The JSE's approval of the registration of this 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.

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the aggregate Principal Amount of all Notes Outstanding under this Programme does not exceed ZAR50,000,000,000, being the maximum aggregate Principal Amount of the Notes that may be issued under the Programme.

Application is hereby made to list this issue of Notes on 15 September 2022 pursuant to the Absa Group Limited Domestic Medium Term Note Programme. The Programme was registered with the JSE on 3 September 2021.

ABSA GROUP LIMITED

DocuSigned by:
Rolf van den Heever
872929545DB0438
By: _____
Name: Rolf van den Heever

Capacity: Authorised Signatory

9/12/2022 | 17:24 SAST
Date: _____

DocuSigned by:
Parin Gokaldas
E717D9F9E20B414...
By: _____
Name: Parin Gokaldas

Capacity: Authorised Signatory

9/12/2022 | 17:36 SAST
Date: _____

APPENDIX “A”

Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

Paragraph 3(5)(c)

The auditor of the Issuer is KPMG.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has issued ZAR15,514,000,000.00 (excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date) in Notes outstanding; and
- (b) it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R2,000,000,000.00 during the remainder of its current financial year ended 31 December 2022, in addition to the Notes forming part of this issue of Notes.

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

Paragraph 3(5)(g)

The Notes issued will be listed, as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for the issue of Green Bonds.

Paragraph 3(5)(i)

The Notes are unsecured.

Paragraph 3(5)(j)

KPMG, the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 in Government Gazette No, 16167 of 14 December 1994) published under Paragraph (cc) of the definition of the “business of a bank” in terms of Section 1 of the Banks Act, 1990).