



## **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 70,000,000 Republic of South Africa Credit-Linked Notes due June 2030 under its ZAR80,000,000,000 Master Structured Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the Master Structured Note Programme Memorandum dated 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 ZAR80,000,000,000 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 in all respects and this Applicable Pricing Supplement shall constitute the only pricing supplement relating to the Notes of this Tranche.

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

This document constitutes the 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 and/or amended 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.

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 ("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.  |
| 4. Listing:  | Listed Notes   |
| 5. Issuance Currency:  | ZAR  |
| 6. Series Number:  | 2023-118   |
| 7. Tranche Number:   | 1  |
| 8. Aggregate Nominal Amount:   |  |
| (a) Series:  | ZAR 70,000,000.00  |
| (b) Tranche:   | ZAR 70,000,000.00  |
| 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:  | 28 August 2023   |
| 14. Trade Date:  | 21 August 2023   |

|     |   |   |
|-----|---|---|
| 15. | Specified Denomination:   | ZAR1,000,000 per Note.  |
| 16. | Issue Price:  | 100% of the Aggregate Nominal Amount i.e. ZAR 70,000,000  |
| 17. | Interest Commencement Date  | Issue Date  |
| 18. | Maturity Date:  | 20 June 2030, as adjusted in accordance with the Applicable Business Day Convention.  |
| 19. | Applicable Business Day Convention:   | Following Business Day Convention   |
| 20. | Business Days:  | Johannesburg, New York and London   |
| 21. | Final Redemption Amount:  | ZAR 70,000,000  |
| 22. | Last Date to Register:  | The 11th (eleventh) calendar day before each Floating Interest Payment Date, i.e. each of the 09 March, 09 June, 09 September and 09 December of each calendar year or, if such day is not a Business Day, the Business Day before each Books Closed Period.  |
| 23. | 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 10 March to 20 March, 10 June to 20 June, 10 September to 20 September and 10 December to 20 December of each calendar year during the term of the Notes, the first 10 calendar days period being the 10 September 2023 to 20 September 2023 and the last period being 10 June 2030 to 20 June 2030 |
| 24. | Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date: | As at the date of this issue, the Issuer has issued Notes in the aggregate total amount of ZAR 57,446,356,012.51 under the Master Structured Note Programme and have not been redeemed and remain in issue.<br><br>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.   |
| <b>FLOATING RATE LEG:</b>   |   |
| 25. (a) Floating Interest Payment Dates:  | Each of the 20 March, 20 June, 20 September and 20 December of each calendar year during the term of the Notes, commencing on the 20 September 2023 and ending on 20 June 2030 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. |
| (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:   | 380 basis points (or 3.80%) to be added to the relevant Reference Rate.   |
| (h) If Screen Determination:  |   |
| (i) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated):       | ZAR-JIBAR-SAFEX (3 months)  |

|  |   |
|--|---|
| (ii) Interest Rate Determination Dates:  | The first Interest Determination Date will be the Issue Date i.e. 28 August 2023, thereafter each of 20 June, 20 September, 20 December, and 20 March in each calendar year, during the term of the Notes, commencing on the Issue Date and ending on the 20 March 2028 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  |
| (k) Interest Period  | Each period commencing on (and including) a Floating Interest Payment Date and ending on (but excluding) the following Floating 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 Floating Interest Payment Date (each Floating Interest Payment Date as adjusted in accordance with Applicable Business Day Convention). |
| <b>CREDIT EVENT REDEMPTION:</b>  |   |
| 26. Type of Credit Linked Note:  | Single Name CLN   |
| 27. Redemption at Maturity:  | Final Redemption Amount   |
| 28. Redemption following the occurrence of Credit Events:  | Applicable  |
| 29. Extension interest:  | Not Applicable  |

|     |   |  |
|-----|---|--|
| 30. | Reference Entity:                             | Republic of South Africa   |
| 31. | Financial Statements of the Reference Entity: | The Issuer of the Reference Obligation is listed on the interest rate market of the JSE and as per rule 4.32(c)(i) of the JSE Debt Listings Requirements, no additional information is required to be provided herein. |
| 32. | Standard Reference Obligation:                | Applicable   |
| 33. | Reference Obligation:                         | The obligation identified as follows:<br>Primary Obligor: Republic of South Africa<br>Maturity: 27 September 2027<br>CUSIP/ISIN: 836205AW4/ US836205AW44   |
| 34. | All Guarantees:                               | Applicable   |
| 35. | Conditions to Settlement:                     | Applicable<br>Credit Event Notice: Applicable<br>Notice of Publicly Available Information: Applicable  |
| 36. | Credit Events:                                | The following Credit Events apply:<br>Failure to Pay<br>Grace Period Extension: Applicable<br>Obligation Acceleration<br>Repudiation/Moratorium<br>Restructuring<br>Multiple Holder Obligation: Not Applicable         |
| 37. | Credit Event Accrued Interest:                | Not Applicable   |
| 38. | Obligations:                                  | Obligation Category:<br>Bond<br>Obligation Characteristics:<br>Not Subordinated<br>Not Domestic Currency   |

|   |  |
|---|--|
|   | <p>Not Domestic Law</p> <p>Not Domestic Issuance</p>   |
| 39. Excluded Obligations:                         | None   |
| 40. Issuer CLN Settlement Option:                 | Not Applicable   |
| <b>SETTLEMENT:</b>                                |  |
| 41. CLN Settlement Method                         | Auction Settlement   |
| 42. Fallback Settlement Method                    | Physical Settlement  |
| (b) Deliverable Obligations                       | <p>Deliverable Obligation Category:</p> <p>Bond</p> <p>Characteristics:</p> <p>Not Subordinated</p> <p>Specified Currency</p> <p>Not Domestic Law</p> <p>Not Contingent</p> <p>Not Domestic Issuance</p> <p>Transferable</p> <p>Not Bearer</p> |
| <b>PROVISIONS REGARDING REDEMPTION / MATURITY</b> |  |

|   |   |
|---|---|
| 43. Redemption at the option of the Issuer: | Yes, in the event of an Early Redemption Trigger Event as described in A below.   |
| If yes:                                     |   |
| <b>A. Early Redemption Trigger Events:</b>  |   |
| (a) Optional Redemption Date(s):            | <p>If at any time on any day prior to the Maturity Date, the following event occurs, as determined by the Calculation Agent (“<b>Trigger Event</b>” and the date on which the Trigger Event occurs being the “<b>Trigger Event Determination Date</b>”), the Issuer may elect, in its sole and absolute discretion, to redeem the Notes on the Optional Redemption Date notified by the Issuer to the Noteholder(s) in a Trigger Redemption Notice and at the Optional Redemption Amount determined in accordance with paragraph (b) below:</p> <p>The Note NAV is less than or equal to the Trigger NAV.</p> <p>Where “<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 Hedging Positions (as defined below).</p> <p>“<b>Trigger NAV</b>” means 40% of the Aggregate Nominal Amount of the Notes.</p> <p>“<b>Hedging Positions</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>Means 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, 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:<br/> “Hedging Costs” 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 USD/ZAR basis swap position, 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>(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>44. Redemption at the Option of Noteholders:</p>   | <p>No</p>  |
| <p>45. Early Redemption Amount(s) payable on redemption for taxation reasons, Change in Law or on Event of Default (if required):</p> | <p>Yes</p>   |

|   |  |
|---|--|
| If yes:   |  |
| (a) Amount payable; or  | The Early Redemption Amount determined and calculated by the Calculation Agent in accordance with paragraph 8.5 of the Master Structured Note Programme. |
| (b) Method of calculation of amount payable:                        | Not Applicable   |
| <b>GENERAL</b>  |  |
| 46. Financial Exchange:   | JSE Limited t/a The Johannesburg Stock Exchange  |
| 47. Calculation & Paying Agent                                      | Absa Bank Limited (acting through its Corporate and Investment Banking division) or an affiliate thereof.  |
| 48. Calculation Agent City:   | Johannesburg   |
| 49. Specified office of the Settlement, Calculation & Paying Agent: | 15 Alice Lane<br>Sandton<br>2196<br>Gauteng<br>Republic of South Africa  |
| 50. Additional selling restrictions:                                | Not Applicable   |
| 51. ISIN No.:   | ZAG000198805   |
| 52. Stock Code:   | ASC056   |
| 53. Method of distribution:   | Private Placement  |
| 54. If syndicated, names of Managers:                               | Not Applicable   |
| 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:                             | <p>Issuer National Rating: Aa1.za as assigned by Moody's on 24 October 2022 and to be reviewed by Moody's from time to time.</p> <p>Issuer National Rating: zaAA as assigned by Standard &amp; Poor on 07 August 2023 and to be reviewed by Standard &amp; Poor from time to time.</p>   |
| 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.   |
| 60. Inward listing   | The Notes will be inward listed securities listed on the Financial Exchange in terms of the authority granted by the Financial Surveillance Department of the South African Reserve Bank.  |
| 61. Material Change in Financial or Trading Position         | <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 subsidiaries (where applicable) since the date of the Issuer's Unaudited consolidated financial results for the interim reporting period ended 30 June 2023.</p> <p>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 28 August 2023

## **ABSA BANK LIMITED**

---

Name:

Capacity:

Date:

---

Name:

Capacity:

Date: