



**ABSA BANK LIMITED**

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

**Issue of 10,000,000.00 Inflation and Anglo American SA Finance Limited Credit Linked Notes due December 2033**

**under its ZAR 40,000,000,000 Master Structured Note Programme approved by the JSE Limited and the Stock Exchange of Mauritius Limited**

**APPLICABLE PRICING SUPPLEMENT**

This Applicable Pricing Supplement must be read in conjunction with (i) the Master Structured Note Programme Memorandum dated 21 October 2013 and approved by the JSE Limited t/a The Johannesburg Stock Exchange on or about 28 October 2013, as amended and/or supplemented from time to time (the "**Master Programme Memorandum**"), and (ii) the Applicable Product Supplement in Section IV-A of the Master Programme Memorandum headed "Credit Linked Notes", as amended and/or supplemented from time to time (the "**Applicable Product Supplement**"), prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR40,000,000,000 Master Structured Note Programme.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in Schedule 1 to Section II-A of the Master Programme Memorandum headed "Terms and Conditions of the Notes" (the "**Glossary of Terms**").

This document constitutes an Applicable Pricing Supplement relating to the Notes described herein to be issued by the Issuer. The Notes described herein will be 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 contents of this Applicable Pricing Supplement and the Master Programme Memorandum and/or the Applicable Product Supplement, the provisions of this Applicable Pricing Supplement shall prevail.

This Applicable Pricing Supplement supersedes any previous indicative term sheet, applicable pricing supplement, confirmation or other communication in respect of the Notes described below.

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DESCRIPTION OF THE NOTES	
1. Issuer	Absa Bank Limited (“Absa”)
2. Applicable Product Supplement	Applicable: Credit Linked Note Applicable Product Supplement contained in Section IV-A of the Master Programme Memorandum
3. Status of Notes	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.
4. Listing	Listed Notes
5. Issuance Currency	ZAR (South African Rand)
6. Series Number	2014-19
7. Tranche Number	ASN022
8. Aggregate Nominal Amount:	ZAR 10,000,000.00
(a) Series	ZAR 10,000,000.00
(b) Tranche	ZAR 10,000,000.00
9. Interest	Interest-bearing
10. Interest Payment Basis	Index Linked 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 are issued in uncertificated form and held by the CSD.
13. Issue Date	04 July 2014
14. Trade Date	27 June 2014
15. Specified Denomination	ZAR 1,000,000.00 Notes are subject to a minimum denomination of ZAR 1,000,000.00
16. Issue Price	228.388887%



17.	Interest Commencement Date	07 June 2014
18.	Maturity Date	07 December 2033
19.	Applicable Business Day Convention	Following Business Day convention
20.	Definition of Business Day (if different from that set out in Glossary of Terms )	New York, London and Johannesburg
21.	Final Redemption Amount	The Capital Value of the Notes as defined in Paragraph 25 (c) – for avoidance of doubt, if none of the Notes are early terminated, the Final Redemption Amount will be the Number of Notes times the Capital Value, where the Number of Notes will be 10 (Ten) Notes.
22.	Last Date to Register	11 calendar days before each Interest Payment Date, i.e. each 27 May and 26 November of each calendar year during the period commencing on the Issue Date and ending on the Maturity Date.
23.	Books Closed Period(s)	The Register will be closed from 28 May to 07 June and 27 November to 07 December(all dates inclusive) in each calendar year during the period commencing on the Issue Date and ending on the Maturity Date
24.	Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date	ZAR 2,869,126,251.34
<b>INDEX LINKED NOTES</b>		Applicable
25.		
	(a) Type of Index Linked Notes	Indexed Interest Notes and Indexed Redemption Amount Notes
	(b) Index/Formula by reference to which Interest Rate is to be determined	Headline Consumer Price Index (for all urban areas) – Statistical Release P0141
	(c) Manner in which the Interest Rate / Final Redemption Amount is to be determined	(i) The Final Redemption Amount of a Note will be equal to the Capital Value of the Note at the Maturity Date.  The Capital Value of a Note will be determined and calculated by the Calculation Agent according to the following formula:  $CV=SD*Index\ RatioDate$

Where:

"CV" means the Capital Value of the relevant Note;

"SD" means the Specified Denomination of the relevant Note as specified above;

"\*" means "multiplied by";

"Index RatioDate" means a number determined and calculated by the Calculation Agent in accordance with the formula:

$$IRDate = \text{Reference CPI} / \text{Base CPI}$$

Where:

"Base CPI" means 60.633449605366998

"Reference CPIDate" means in respect of a date on which a determination is to be made (the "Date"), the level of the CPI as determined by the Calculation Agent as follows:

(a) if the relevant Date is the first day of a calendar month, Reference CPIDate is the level of CPI for the fourth calendar month preceding the calendar month in which the relevant Date occurs; and

(b) if the relevant Date occurs on any day other than the first day of any calendar month, then Reference CPIDate will be determined by the Calculation Agent in accordance with the following formula:

$$RI_{Date} = RI_j + \left( \frac{t-1}{D} \right) * (RI_{j+1} - RI_j)$$

Where:

"RIDate" means the relevant Reference CPI for the relevant Date;

"RIj" means the level of CPI for the first day of the fourth calendar month preceding the calendar month in which relevant Date occurs;

"RIj+1" means the level of CPI for the first day of the third calendar month preceding the calendar month in which the relevant Date occurs;

"t" is the calendar day corresponding to the relevant

	<p>Date;</p> <p>"D" is the number of days in the calendar month in which the relevant Date occurs.</p> <p>(ii) Interest Amounts (per Note) will be determined and calculated by the Calculation Agent in accordance with the following formula:</p> $IA = CV * \left( \frac{C}{2} \right)$ <p>Where:</p> <p>"IA" means the relevant Interest Amount;</p> <p>"CV" means the Capital Value of the relevant Note as determined and calculated by the Calculation Agent as specified above;</p> <p>"C" means the Coupon, which is 4.41% (four point four one per cent.);</p> <p>"*" means multiplied by;</p> <p>"—" means divided by;</p> <p>For purposes of this Applicable Pricing Supplement the provisions of the 2008 ISDA Inflation Derivatives Definitions (the "Definitions") are incorporated by reference – if there is any inconsistency between the provisions of this Applicable Pricing Supplement and the provisions of the Definitions, the provisions of this Applicable Pricing Supplement will prevail.</p>
(d) Interest Period(s)	Means the 6 (six) month period commencing on and including one Interest Payment Date and ending but excluding the next Interest Payment Date, provided that the last Interest Period shall end on the day preceding the Maturity Date specified above.
(e) Interest Payment Date(s)	07 June and 07 December of each calendar year during the period commencing on the Issue Date and ending on the Maturity Date.
(f) Base CPI for Indexed-Linked Notes	60.633449605366998

(g) Calculation Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof
(h) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable	The fall back provisions of the 2008 ISDA Inflation Derivatives Definitions incorporated by reference in this Applicable Pricing Supplement will be applied under these circumstances. If an adjustment to the Consumer Price Index is made, the provisions of the "Terms and Conditions of Issue" of the Republic of South Africa Government Issue Loan Number R202" issued on 07 June 2003 are hereby incorporated by reference.
(i) Minimum Interest Rate	Not Applicable
(j) Maximum Interest Rate	Not Applicable
(k) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	Not Applicable
(l) Other terms relating to Index Linked Notes	Not Applicable
<b>CREDIT EVENT REDEMPTION</b>	
25. Type of Credit Linked Note	Single Name CLN
26. Redemption at Maturity	Final Redemption Amount
27. Redemption following the occurrence of Credit Events	Applicable as follows: The Issuer may redeem the Notes earlier than the Maturity Date of the Notes if a Credit Event occurs and the Conditions to Settlement are satisfied on or before the day that is 3 (three) Business Days after 20 September 2019 ("Credit Linked Maturity Date"). For the purposes of the Credit Linked Conditions, the Credit Linked Maturity Date shall be construed as the "Maturity Date".
Extension interest	Not applicable
Reference Entity	Anglo American SA Finance Limited
Reference Obligation(s)	In respect of the Reference Entity (i) the obligation

	<p>identified as follows or any Substitute Reference Obligation in respect thereof:</p> <p>Primary Obligor: Anglo American SA Finance Limited</p> <p>Maturity: 15 April 2021</p> <p>Coupon: 9.49% fixed semi-annual</p> <p>CUSIP/ISIN: ZAG000114828 and; (ii) one or more obligations of such Reference Entity that would constitute an Obligation or a Deliverable Obligation. The Issuer may select the Reference Obligation or any Substitute Reference Obligation of the Reference Entity at any time on or before the CLN Valuation Date.</p>	
Transaction Type	Not applicable	
All Guarantees	Applicable	
Conditions to Settlement	<p>Applicable</p> <p>Credit Event Notice: Applicable</p> <p>Notice of Publicly Available Information: Applicable:</p> <p>Public Sources of Publicly Available Information: Not Applicable</p>	
Credit Events	<p>The following Credit Event(s) shall apply:</p> <p>Bankruptcy</p> <p>Failure to Pay</p> <p>Grace Period Extension: Not Applicable Restructuring</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable</p>	
Credit Event Accrued Interest	Not applicable	
Obligation(s)	<p><b>Obligation Category</b> (Select only one):</p>	<p><b>Obligation Characteristics</b> (Select all that apply):</p>
	<input type="checkbox"/> Payment	<input type="checkbox"/> Not Subordinated
	<input checked="" type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency: ZAR

	<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
	<input type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency
	<input type="checkbox"/> Loan	<input type="checkbox"/> Not Domestic Law
	<input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Listed
		<input type="checkbox"/> Not Domestic Issuance
Excluded Obligations (if any)	None	
Issuer CLN Settlement Option	Not applicable	
CLN Settlement Method	Cash Settlement	
Terms Relating to Cash Settlement	In determining the Cash Settlement Amount the designation of Reference Obligation will include any Obligation of Anglo American PLC (or any Successor) which ranks pari passu with the Reference Obligation.	
Final Price	As specified in the Credit Linked Conditions	
CLN Valuation Date	Single CLN Valuation Date	
CLN Valuation Time	As specified in the Credit Linked Conditions	
Quotation Method	Bid	
Quotation Amount	Representative Amount	
Minimum Quotation Amount	As specified in the Credit Linked Conditions	
Dealer(s)	As specified in the Credit Linked Conditions	
Settlement Currency	ZAR	
Credit Event Redemption Date	Five (5) Business Days	
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 and Swap Costs.	
CLN Cash Settlement Amount	Means, with respect to any Note, an amount in ZAR calculated by the Calculation Agent, equal to the product of (i) the Credit Nominal Amount of the Notes and (ii) the Final Price.	



	Where: "Credit Nominal Amount" means ZAR22,838,888.70
Quotations	Exclude Accrued Interest
Valuation Method	Market
Additional Business Centre Delivery Method	Not applicable
Other Provisions	Not applicable.
<b>PROVISIONS REGARDING REDEMPTION/MATURITY</b>	
Redemption at the option of the Issuer:	Yes, as described below
If yes:	
Optional Redemption Date(s)	Any Business Day occurring: (i) on or prior to the Credit Linked Maturity Date; or (ii) on or after the redemption (for any reason whatsoever) of notes/instruments issued under the ZAR 20,000,000,000 Domestic Medium Term Note Programme (the "DMTN Programme") of the Reference Entity dated 27 March 2009 (as amended and/or updated from time to time) and guaranteed by Anglo American PLC, such that none of the above guaranteed notes/instruments capable of qualifying as a Reference Obligation hereunder remain in issuance, as determined by the Calculation Agent.
(a) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	The Early Redemption Amount determined by the Calculation Agent in accordance with Condition 8.5 of the Terms and Conditions of the Notes
(b) Minimum period of notice (if different from Condition 8.3 ( <i>Redemption at the Option of the Issuer</i> ))	As specified in the Credit Linked Conditions
(c) If redeemable in part:	Applicable
Minimum Redemption Amount(s)	ZAR1,000,000.00

	Higher Redemption Amount(s)	ZAR10,000,000.00
	(d) Other terms applicable on Redemption	None
28.	Redemption at the Option of Noteholders:	No
29.	Early Redemption Amount(s) payable on redemption for taxation reasons, 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>		
30.	Financial Exchange	JSE Limited t/a The Johannesburg Stock Exchange
31.	Calculation Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
32.	Calculation Agent City	Johannesburg
33.	Paying Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
34.	Specified office of the Paying Agent	15 Alice Lane Sandton 2196 Gauteng Republic of South Africa
35.	Transfer Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
36.	Additional selling restrictions	Not applicable
37.	ISIN No.	ZAG000117433

38.	Stock Code	ASN022
39.	Method of distribution	Private Placement
40.	If syndicated, names of Managers	Not applicable
41.	If non-syndicated, name of Dealer	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
42.	Governing law	Law of the Republic of South Africa
43.	Other provisions	None


**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 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.

SIGNED at SANDTON on this 02 day of JULY 2014

for and on behalf of

**ABSA BANK LIMITED**



Name: **Tebogo Molefe**  
Principal

Capacity:



Name: **Wayne Dennehy**  
Managing Principal

Capacity: