

**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 ZAR34,000,000 Bank of Namibia Credit-Linked Notes due August 2021**

**under its ZAR40,000,000,000 Master Structured Note Programme approved by the JSE Limited**

This Applicable Pricing Supplement must be read in conjunction with the Master Programme Memorandum and the Applicable Product Supplement for 2014 Credit Linked Notes, all dated on or about 27 October 2015 and approved by the JSE Limited t/a The Johannesburg Stock Exchange on 30 October 2015, prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR40,000,000,000 Master Structured Note Programme, as amended and/or supplemented from time to time (the “**Master Programme Memorandum**”) and the Applicable Product Supplement, dated on or about 27 October 2015, as amended and/or supplemented from time to time (the “**Applicable Product Supplement**”).

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 relating to the issue of the 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 in respect 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.

## DESCRIPTION OF THE NOTES

1.	Issuer:	Absa Bank Limited (“Absa”)
2.	Status of the 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> ) of the Master Programme Memorandum.)
3.	Applicable Product Supplement:	2014 Credit Linked Notes Product Supplement contained in Section IV-B of the Master Programme Memorandum is applicable.
4.	Listing:	Listed Notes
5.	Issuance Currency:	ZAR (South African Rand)
6.	Series Number:	2017-32
7.	Tranche Number:	ASN208
8.	Aggregate Nominal Amount:	
	(a) Series:	ZAR34,000,000.00 (Thirty Four Million South African Rand)
	(b) Tranche:	ZAR34,000,000.00
9.	Interest:	The Notes are interest-bearing Notes.
10.	Interest Payment Basis:	Floating Rate
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 in uncertificated form and held by the CSD.
13.	Issue Date:	24 August 2017
14.	Trade Date:	18 August 2017

15.	Specified Denomination:	ZAR1,000,000.00 per Note. (The default minimum denomination of the Notes are ZAR1,000,000.00 per Note.)
16.	Issue Price:	100%
17.	Interest Commencement Date:	Issue Date
18.	Maturity Date:	24 August 2021
19.	Applicable Business Day Convention:	Following Business Day Convention
20.	Definition of Business Day (if different from that set out in Glossary of Terms):	Not different from Glossary of Terms
21.	Final Redemption Amount:	ZAR34,000,000.00 (Thirty Four Million South African Rand)
22.	Last Dates to Register:	11 calendar days before each Floating Interest Payment Date, i.e. the 13 <sup>th</sup> of February, 13 <sup>th</sup> of May, 13 <sup>th</sup> of August and 13 <sup>th</sup> of November of each year during the term of the Notes commencing on the Issue Date and ending on the Maturity Date, each such date being subject to adjustment in accordance with the Following Business Day Convention.
23.	Books Closed Periods:	The Register will be closed from 14 <sup>th</sup> February to 24 <sup>th</sup> February, 14 <sup>th</sup> May to 24 <sup>th</sup> May, 14 <sup>th</sup> August to 24 <sup>th</sup> August and 14 <sup>th</sup> November to 24 <sup>th</sup> November (all dates inclusive) of each year during the term of the Notes commencing on the Issue Date and ending on the Maturity Date, each such date being subject to adjustment in accordance with the Following Business Day Convention.
24.	Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date:	ZAR15,754,121,255.80

<b>FLOATING RATE FEATURES OF THE NOTES:</b>		
25.	(a) Floating Interest Payment Dates:	Each of 24 February, 24 May, 24 August and 24 November, of each year during the term of the Notes commencing on 24 November 2017 and ending on 24 August 2021, each such day being subject to adjustment in accordance with the Following 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):	Day Count Fraction: Actual/365 (Fixed)
	(e) Manner in which the Interest Rate is to be determined:	Screen Rate Determination
	(f) Margin:	3.45% (or 345 basis points) to be added to the relevant Reference Rate.
	(g) 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:	Each 24 February, 24 May, 24 August and 24 November, of each year during the term of the Notes, commencing on the Issue Date and ending on 24 May 2021.
	(iii) Relevant Screen Page and Reference Code:	Reuters RIC <SFX3MYLD> on Reuters Page "SAFEY" (Page number ZA01209)
	(h) If Interest Rate to be calculated otherwise than	Not Applicable

	Screen Determination, insert basis for determining Interest Rate/Margin/ Fallback provisions:		
(i)	Calculation Agent responsible for calculating amount of principal and interest:	Absa Corporate and Investment Banking (a division of Absa Bank Limited).	
<b>CREDIT-LINKED FEATURES OF THE NOTES:</b>			
26.	Type of Credit-Linked Notes:	Single Name CLN	
27.	Calculation Agent City:	Johannesburg	
28.	Extension Interest:	Not Applicable	
29.	Reference Entity:	Bank of Namibia	
30.	Financial statements of the Reference Entity:	The financial statements of the Reference Entity can be accessed at: <a href="https://www.bon.com.na/About-Us/Annual-Reports-and-Financial-Statements.aspx">https://www.bon.com.na/About-Us/Annual-Reports-and-Financial-Statements.aspx</a>	
31.	Reference Obligation:	Bank of Namibia Treasury Bills or any Substitute Reference Obligation of the Reference Entity determined by the Calculation Agent in accordance with the provisions of 2014 Credit Linked Conditions 10.3 at any time on or before the CLN Valuation Date.	
32.	Seniority Level:	Senior	
33.	Transaction Type:	Other	
34.	Deliverable Obligations:	Category:	Characteristics:
		Borrowed Money	Not Subordinated
35.	Excluded Deliverable Obligations:	None	
36.	All Guarantees:	Applicable	
37.	Credit Events:	The following Credit Events apply: Bankruptcy	

	<p>Failure to Pay</p> <p>Grace Period Extension: Applicable</p> <p>Payment Requirement: As specified below</p> <p>Obligation Default</p> <p>Obligation Acceleration</p> <p>Repudiation/Moratorium</p> <p>Governmental Intervention</p> <p>Restructuring</p> <p>Mod Mod R Applicable</p> <p>Multiple Holder Obligation: Applicable</p>					
38.	Default Requirement:	ZAR50,000,000.00 (Fifty Million South African Rand)				
39.	Payment Requirement:	ZAR50,000,000.00 (Fifty Million South African Rand)				
40.	Obligations:	<table border="1"> <tr> <td>Obligation Category:</td> <td>Obligation Characteristics:</td> </tr> <tr> <td>Payment</td> <td>Not Subordinated</td> </tr> </table>	Obligation Category:	Obligation Characteristics:	Payment	Not Subordinated
Obligation Category:	Obligation Characteristics:					
Payment	Not Subordinated					
41.	Excluded Obligations:	None				
42.	Issuer CLN Settlement Option:	Applicable				
43.	Fallback CLN Settlement Method:	Cash Settlement				
	Terms Relating to Cash Settlement:					
	Credit Event Redemption Amount:	As specified in Credit Linked Condition 15.10.				
	Credit Event Redemption Date:	The 5 <sup>th</sup> (fifth) Business Day following the calculation of the Final Price.				
	CLN Cash Settlement Amount:	As specified in Credit Linked Condition 20.1.				
	CLN Valuation Date:	Single CLN Valuation Date determined by the Issuer in its sole discretion.				
	CLN Valuation Time:	As specified in Credit Linked Condition 20.3.				
	Quotation Method:	Bid				

Quotation Amount:	As specified in Credit Linked Condition 20.11.
Minimum Quotation Amount:	As specified in Credit Linked Condition 20.9.
Valuation Method:	Highest
Accrued Interest:	Exclude Accrued Interest
Dealers:	As specified in Credit Linked Condition 20.5.
Settlement Currency:	ZAR (South African Rand)
44. Other Provisions:	Not Applicable
<b>PROVISIONS REGARDING REDEMPTION/MATURITY:</b>	
45. Redemption at the option of the Issuer:	No
46. Redemption at the Option of Noteholders:	No
47. 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>	
48. Financial Exchange:	JSE Limited t/a The Johannesburg Stock Exchange
49. Calculation Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited).

50.	Calculation Agent City:	Johannesburg
51.	Paying Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
52.	Specified office of the Paying Agent:	15 Alice Lane Sandton 2196 Gauteng Republic of South Africa
53.	Transfer Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
54.	Additional selling restrictions:	Not Applicable
55.	ISIN No.:	ZAG000146341
56.	Stock Code:	ASN208
57.	Method of distribution:	Private Placement
58.	If syndicated, names of Managers:	Not Applicable
59.	If non-syndicated, name of Dealer:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
60.	Governing law:	The law of the Republic of South Africa
61.	Other provisions:	<p>1. Condition 9 titled "Taxation" in the section II-A of the Master Programme Memorandum titled "Terms and Conditions of the Notes" is amended in relation to this Tranche of Notes by:</p> <p>(i) the replacement of the phrase after the dash in Condition 9.3 with the phrase "provided that this exception will only apply to that portion of the withholding or deduction which could lawfully have been so reduced",</p> <p>(ii) the deletion of Condition 9.8, and</p> <p>(iii) the insertion of the following additional</p>



	<p>paragraphs 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 2312th 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</p> ”
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	<p>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 the Republic of South Africa, references in Conditions 8.2 (Redemption for Tax Reasons or due to a Change in Law) and 9 (Taxation) to South Africa will be read and construed as references to the Republic of South Africa and/or to such other jurisdiction, authority or agency.”</p> <p>2. 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.</p>
62. Issuer Rating on Issue Date:	Issuer Rating: Aa3.za as assigned by Moody’s on 17 July 2017 and to be reviewed by Moody’s from time to time.
63. Debt Listing Requirements:	In accordance with Section 4.22 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.

**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.

For and on behalf of

**ABSA BANK LIMITED**



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Name: KELLY CHETTY

Capacity: ASSOCIATE PRINCIPAL

Date: 23/08/2017



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Name: L. INCE

Capacity: PRINCIPAL

Date: 23/08/2017