



**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 ZAR246,000,000.00 Development Bank of Southern Africa Limited Credit-Linked Notes due August 2022**

**under its ZAR40,000,000,000 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 and the Applicable Product Supplement for 2014 Credit Linked Notes, dated on or about 27 October 2015 and approved by the JSE Limited on or about 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 ("this 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 (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.

This Applicable Pricing Supplement supersedes any previous pricing supplement, confirmation, term sheet or other communication with respect to the Notes described herein.

The holders of the Notes must 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.

The holders of the Notes are reminded that the Notes constitute obligations of the Issuer only and of no other person. However, the Noteholders must understand that although they are relying on the credit worthiness of the Issuer, they are exposed to the credit worthiness of the Reference Entity as well.

DESCRIPTION OF THE NOTES	
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. (The default status of the Notes under the Master Structured Note Programme is 'unsubordinated and unsecured' per Condition 5 (Status of Notes) of the Master Programme Memorandum.)
4. Listing:	Listed Notes
5. Issuance Currency:	ZAR (South African Rand)
6. Series Number:	2017-38
7. Tranche Number:	1
8. Aggregate Nominal Amount:	
(a) Series:	ZAR246,000,000.00 (Two Hundred and Forty-Six Million South African Rand)
(b) Tranche:	ZAR246,000,000.00 (Two Hundred and Forty-Six

		Million South African Rand)
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:	11 September 2017
14.	Trade Date:	04 September 2017
15.	Specified Denomination:	ZAR1,000,000.00 per Note.
16.	Issue Price:	100%
17.	Interest Commencement Date	Issue Date
18.	Maturity Date:	29 August 2022
19.	Applicable Business Day Convention:	Following Business Day Convention.
20.	Business Days:	Johannesburg
21.	Final Redemption Amount:	ZAR246,000,000.00 (Two Hundred and Forty-Six Million South African Rand)
22.	Credit Event Backstop Date:	Not Applicable
23.	Last Date to Register:	The 11 <sup>th</sup> calendar day before each Floating Interest Payment Date, i.e. the 18 <sup>th</sup> of August, the 18 <sup>th</sup> of November, the 18 <sup>th</sup> of February and the 18 <sup>th</sup> of May in each year during the period commencing on the Trade Date and ending on the Maturity Date.
24.	Books Closed Periods:	The Register will be closed for a period of 10 calendar days from the 19 <sup>th</sup> of August to the 29 <sup>th</sup> of August, the 19 <sup>th</sup> of November to the 29 <sup>th</sup> of

		November, the 19 <sup>th</sup> of February to the 1 <sup>st</sup> of March and the 19 <sup>th</sup> of May to the 29 <sup>th</sup> of May (all dates inclusive) in each year during the period commencing on the Trade Date and ending on the Maturity Date.
25.	Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date:	ZAR14,984,348,340.26
<b>FLOATING RATE NOTES</b>		
26.	(a) Floating Interest Payment Dates:	Each of the 1 <sup>st</sup> of March, the 29 <sup>th</sup> of May, the 29 <sup>th</sup> of August, and the 29 <sup>th</sup> of November in each year commencing on the 29 <sup>th</sup> of November 2017 and ending on the 29 <sup>th</sup> of August 2022, each such day being 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 (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:	200 basis points (or 2.00%) 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	The first Interest Determination Date will be the

Determination Dates:	Issue Date (i.e. 11 September 2017) thereafter each of the 29 <sup>th</sup> of August, 29 <sup>th</sup> of November, 1 <sup>st</sup> of March and 29 <sup>th</sup> of May, in each year, during the period commencing on the Issue Date and ending on the 29 <sup>th</sup> of May 2022.
(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
(j) Calculation Agent responsible for calculating amount of principal and interest:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
<b>CREDIT EVENT REDEMPTION</b>	
27. Type of Credit Linked Note:	Single Name CLN
28. Redemption at Maturity:	Final Redemption Amount
29. Redemption following the occurrence of Credit Events:	Applicable
30. Extension interest:	Not Applicable
Reference Entity:	Development Bank of Southern Africa

Reference Obligation:	<p>The obligation identified as follows:</p> <p>Primary Obligor: Development Bank of Southern Africa Limited</p> <p>Maturity: 29<sup>th</sup> August 2022</p> <p>Coupon: 3m Jibar +1.60%</p> <p>CUSIP/ISIN: ZAG000145723</p> <p>Financial Statements:</p> <p><a href="http://www.dbsa.org/EN/InvestorRelations/Pages/DBSA-Annual-Reports.aspx">http://www.dbsa.org/EN/InvestorRelations/Pages/DBSA-Annual-Reports.aspx</a></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>
Credit Events:	<p>The following Credit Events apply:</p> <p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Applicable</p> <p style="padding-left: 40px;">Grace Period: 30 calendar days</p> <p style="padding-left: 40px;">Payment Requirement: ZAR10,000,000.00</p> <p>Obligation Default</p> <p>Obligation Acceleration</p> <p><del>Repudiation/Moratorium</del></p> <p>Restructuring</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>



	Default Requirement: ZAR25,000,000.00	
Credit Event Accrued Interest:	Not Applicable	
Obligations:	<b>Obligation Category:</b>	<b>Obligation Characteristics:</b>
	Bond or Loan	Not Subordinated
		Specified Currency: ZAR
Excluded Obligations (if any):	Not Domestic Currency and Not Domestic Law	
Issuer CLN Settlement Option:	Not Applicable	
CLN Settlement Method:	Physical Settlement	
Fallback CLN Settlement Method:	Cash Settlement	
Terms Relating to Cash Settlement:		
Credit Event Redemption Amount:	As specified in the 2014 Credit Linked Conditions.	
Credit Event Redemption Date:	Five (5) Business Days	
CLN Valuation Date:	Single CLN Valuation Date Within 60 Business Days.	
CLN Valuation Time:	As specified in the 2014 Credit Linked Conditions.	
Quotation Method:	Bid	
Quotation Amount:	Representative Amount	
Quotations:	Exclude Accrued Interest	
Minimum Quotation Amount:	As specified in the 2014 Credit Linked Conditions.	
Dealers:	As specified in the 2014 Credit Linked Conditions. Such Dealers may include SA and/or non SA Dealers.	
Settlement Currency:	ZAR (South African Rand)	
Valuation Method:	Highest	



Additional Business Centre Delivery Method:	Not Applicable
Other Provisions:	<p>Subparagraphs 20.10.3 and 20.10.4 in the definition of "Quotation" in the 2014 Credit Linked Notes Applicable Product Supplement contained in Section IV-B of the Master Programme Memorandum will be deemed to be deleted hereby and replaced with the following:</p> <p>"If the Calculation Agent is unable to obtain at least two (2) Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth (10<sup>th</sup>) Business Day following the applicable CLN Valuation Date, the Quotation will be calculated by the Issuer on the eleventh (11<sup>th</sup>) Business Day by obtaining at least 5 (five) Indicative Quotations on that Business Day and the arithmetic mean of such Indicative Quotations, disregarding the Indicative Quotation having the highest and lowest values, will constitute the Quotation, failing which the Quotation will be equal to be zero".</p> <p>Where:</p> <p>"<b>Indicative Quotation</b>" means, in accordance with the Quotation Method, each quotation obtained from a Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the relevant Obligation equal to the Quotation Amount, which reflects such Dealer's reasonable assessment of the price of such Obligation based on such factors as the Dealer may consider relevant, which may include historical prices and recovery rates".</p>
<b>PROVISIONS REGARDING REDEMPTION / MATURITY</b>	
31. Redemption at the option of the Issuer:	No
32. Redemption at the Option of	No



Noteholders: If yes:	
33. 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>	
34. Financial Exchange:	JSE Limited t/a The Johannesburg Stock Exchange
35. Calculation Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
36. Calculation Agent City:	Johannesburg
37. Paying Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
38. Specified office of the Paying Agent:	15 Alice Lane Sandton 2196 Gauteng Republic of South Africa
39. Transfer Agent:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.

40.	Additional selling restrictions:	Not Applicable
41.	ISIN No.:	ZAG000146671
42.	Stock Code:	ASN214
43.	Method of distribution:	Private Placement
44.	If syndicated, names of Managers:	Not Applicable
45.	If non-syndicated, name of Dealer:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
46.	Governing law:	The laws of the Republic of South Africa
47.	Issuer Rating on Issue Date	Issuer Rating: Aa1.za as assigned by Moody's on 17 July 2017 and to be reviewed by Moody's from time to time.
48.	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.
49.	Other Provisions	<p>Condition 9 titled "<i>Taxation</i>" in the section II-A of the Master Programme Memorandum titled "<i>Terms and Conditions of the Notes</i>" is amended in relation to this Tranche of Notes by (i) the replacement of the words after the dash in Condition 9.3 with the words "<i>provided that this exception shall only apply to that portion of the withholding or deduction which could lawfully have been so reduced</i>", (ii) the deletion of Condition 9.8 and (iii) the insertion of the following additional paragraphs immediately 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 2312<sup>th</sup> Economic and Financial Affairs Council (ECOFIN) meeting of 26 and 27 November 2000) on the taxation of savings income or any law</p>

	<p>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 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 South Africa, references in Conditions 8.2 (<i>Redemption for Tax Reasons or due to a Change in Law</i>) and 9 (<i>Taxation</i>) to South Africa shall be read and construed as references to South Africa and/or to such other jurisdiction, authority or agency."</p>
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**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**



Name: KELLY CHETTY

Capacity: INSTITUTIONAL STRUCTURED  
SALES

Date: 05/09/2017



Name: Nico L. le Roux

Capacity: Principal.

Date: 05/09/2017