



Absa Group Limited
(formerly known as 'Barclays Africa Group Limited')
(Incorporated with limited liability in South Africa under registration number 1986/003934/06)

**Issue of ZAR1,500,000,000 Subordinated Unsecured Registered Notes
with Stock Code AGL01**

Under its ZAR30,000,000,000 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 (formerly 'Barclays Africa Group Limited') dated 21 October 2014, 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 Terms and Conditions of the Unsubordinated Notes, Tier 2 Notes and Additional Tier 1 Notes. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum "*Terms and Conditions of the Unsubordinated Notes, Tier 2 Notes and Additional Tier 1 Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

DESCRIPTION OF THE NOTES

1. Issuer	Absa Group Limited
2. Status of Notes	Subordinated Notes: Tier 2 Notes (see Condition 5.2 (<i>Status of the Tier 2 Notes</i>))
3. (a) Tranche Number	1
(b) Series Number	22
4. Aggregate Principal Amount	ZAR1,500,000,000
5. Interest/Payment Basis	Floating Rate
6. Form of Notes	Registered Notes
7. Security	Unsecured
8. Automatic/Optional Conversion from one Interest/Payment Basis to another	Not Applicable
9. Issue Date and First Settlement Date	28 November 2018
10. Business Centre	Johannesburg
11. Additional Business Centre	Not Applicable

12. Specified Denomination	Notes are subject to a minimum denomination of ZAR1,000,000.00 each
13. Issue Price	100%
14. Interest Commencement Date	28 November 2018
15. Maturity Date	29 November 2028, subject to item 27 below (<i>Redemption at the option of the Issuer</i>), Condition 11.2 (<i>Redemption for tax reasons</i>) and Condition 11.3 (<i>Redemption for regulatory reasons</i>)
16. Specified Currency	ZAR
17. Applicable Business Day Convention	Modified Following Business Day
18. Final Redemption Amount	ZAR1,500,000,000
PARTLY PAID NOTES	Not Applicable
INSTALMENT NOTES	Not Applicable
FIXED RATE NOTES	Not Applicable
FLOATING RATE NOTES	
19. (a) Interest Payment Date(s)	28 February, 29 May, 29 August and 29 November, in each year until the Maturity Date, commencing on 28 February 2019 and, subject to the terms hereof, ending on 29 November 2028 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) 28 February 2019 (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 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 of the Terms and Conditions)	Not Applicable
20. Manner in which the Interest Rate is to be determined	Screen Rate Determination

21. Margin	245 bps per annum to be added to the relevant Reference Rate
22. If ISDA Determination	Not Applicable
23. If Screen Determination	Applicable
(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 Determination Date(s)	28 February, 29 May , 29 August and 29 November, with the first interest determination date being 23]November 2018
(c) Relevant Screen Page and Reference Code	Reuters screen SAFEX page under caption "Yield" (or on the SAFEX nominated successor screen for JIBAR) on or about 11h00, Johannesburg time, rounded to the nearest third decimal point
24. If Interest Rate to be calculated otherwise than by reference to the previous 2 sub-paragraphs, insert basis for determining Interest Rate/Margin/Fall back provisions	Not Applicable
25. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest	Not Applicable
MIXED RATE NOTES	Not Applicable
ZERO COUPON NOTES	Not Applicable
INDEXED NOTES	Not Applicable
EXCHANGEABLE NOTES	Not Applicable
OTHER NOTES	Not Applicable
PROVISIONS REGARDING REDEMPTION	
26. Prior consent of Registrar of Banks required for any redemption	Yes
27. Redemption at the option of the Issuer	Yes
(a) First Optional Redemption Date	29 November 2023
(b) Optional Redemption Date(s)	The First Optional Redemption Date and any Interest Payment Date after the First Optional Redemption Date
(c) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	Outstanding Principal Amount plus accrued but unpaid interest (if any)
(d) Minimum period of notice (if different to Condition 11.4 of the Terms and Conditions)	30 calendar days
(e) If redeemable in part: Minimum Redemption Amount(s) Higher Redemption Amount(s)	
(f) Approval(s) of Registrar of Banks	Yes, approval is required
(g) Other terms applicable on Redemption	Not Applicable

28. Redemption at the option of the Noteholders	No
29. Early Redemption Amount(s)	Yes
(a) Early Redemption Amount (Regulatory)	Outstanding Principal Amount plus accrued but unpaid interest (if any) to the date fixed for redemption
(b) Early Redemption Amount (Tax)	Outstanding Principal Amount plus accrued but unpaid interest (if any) to the date fixed for redemption
(c) Early Termination Amount	Not Applicable

NON-VIABILITY TRIGGER EVENT

30. Conversion upon the occurrence of a Non-Viability Trigger Event specified by the Registrar of Banks in terms of Regulation 38(11) or 38(12) of the Additional Tier 1 Capital Regulations or the Tier 2 Capital Regulations, as the case may be	No
31. Write-off upon the occurrence of a Non-Viability Trigger Event specified by the Registrar of Banks in terms of Regulation 38(11) or 38(12) of the Additional Tier 1 Capital Regulations or the Tier 2 Capital Regulations, as the case may be	Yes

- In accordance with Condition 11.12 (*Write Off or Conversion of Subordinated Notes*) of the Terms and Conditions and Regulation 38(12)(a)(i) of the Tier 2 Capital Regulations, upon the receipt by the Issuer of written notice from the Registrar of Banks of the occurrence of a Non-Viability Trigger Event:

- a) the Principal Amount and all accrued unpaid interest owing in respect of the Notes of this Tranche, on the date of receipt of such notice, shall be written-off permanently, in full or in part on a *pro rata* basis (in the case of a write off in part) in accordance with the Capital Regulations and to the satisfaction of the Registrar of Banks; and
- b) the Issuer's obligations in respect of the Principal Amount and all accrued unpaid interest arising in respect of the Notes of this Tranche that are written off shall be extinguished.

The Issuer's failure to pay the Principal Amount and all accrued unpaid interest in respect of the Notes of this Tranche as a consequence of the Non-Viability

Trigger Event shall not constitute an Event of Default or any other breach of the Issuer's obligations under the Terms and Conditions of the Notes. The Issuer shall not, and shall not be obliged to, compensate Noteholders in any manner as a consequence of such write off.

To the extent that a Statutory Loss Absorption Framework is implemented in South Africa, and the Tier 2 Notes are subject to such Statutory Loss Absorption Framework, the Issuer will, following consultation with the Registrar of Banks, dis-apply the non-viability loss absorption Condition referred to in Condition 11.12 and this paragraph of the Applicable Pricing Supplement, provided that such disapplication would not result in a Capital Disqualification Event.

For the avoidance of doubt, if a Non-Viability Trigger Event occurs on or after such date on which the non-viability loss absorption Condition referred to above is dis-applied, the Registrar of Banks or the Issuer following instructions from the Registrar of Banks, may take such action in respect of Tier 2 Notes as is required or permitted by such Statutory Loss Absorption Regime.

For the purposes of this paragraph, **"Statutory Loss Absorption Regime"** means any legal, statutory or regulatory regime or requirement implemented in South Africa which provides the Registrar of Banks with the power to implement principal loss absorption measures in respect of capital instruments (such as the Tier 2 Notes), including, but not limited to, any such regime or requirement which is implemented pursuant to Basel III.

For the purposes of this paragraph **"Capital Disqualification Event"** means an event which will be deemed to have occurred with respect to the Tier 2 Notes of any Series if, as a result of a Regulatory Change, the Tier 2 Notes of that Series are fully, or to the extent permitted by the Capital Regulations, partially, excluded from Tier 2 Capital of the Issuer on a solo

and/or consolidated basis (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital and any amortisation of recognition as Tier 2 Capital under the Capital Rules in the final five years prior to maturity)

GENERAL

32. Additional selling restrictions	Not Applicable
33. (a) International Securities Numbering (ISIN)	ZAG000155615
(b) Stock Code	AGL01
34. Financial Exchange	JSE
35. Method of distribution	Private Placement
36. If syndicated, names of managers	Not Applicable
37. Receipts attached? If yes, number of Receipts attached	Not Applicable
38. Coupons attached? If yes, number of Coupons attached	Not Applicable
39. Talons attached? If yes, number of Talons attached	Not Applicable
40. Credit Rating assigned to Notes (if any), date of such rating and date for review of such rating	Issuer Rating: Aa3.za as assigned by Moody's Investor Services on 27 March 2018. The rating will be reviewed annually
41. Rating Agency (if any)	Moody's Investor Services
42. Stripping of Receipts and/or Coupons prohibited as provided in Condition 15.4 of the Terms and Conditions?	Not Applicable
43. Governing law (if the laws of South Africa are Not Applicable)	Not Applicable
44. Other Banking Jurisdiction	Not Applicable
45. Last Day to Register	17 February, 18 May, 18 August and 18 November of each year
46. Books Closed Period	The period from 18 February to 27 February of each year (both days inclusive), 19 May to 28 May of each year (both days inclusive), 19 August to 28 August of each year (both day inclusive), the period from 19 of November to 28 November of each year (both days inclusive), until the final redemption date
47. Calculation Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
48. Specified Office of the Calculation Agent	15 Alice Lane, Sandton, 2196
49. Transfer Agent	Standard Chartered Bank
50. Specified Office of the Transfer Agent	4 Sandown Valley Crescent, Sandton, South Africa

51. Paying Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
52. Specified Office of the Paying Agent	15 Alice Lane, Sandton, 2196
53. Debt Sponsor	Absa Bank Limited, acting through its Corporate and Investment Banking division
54. Stabilisation Manager (if any)	Not Applicable
55. Authorised amount of the Programme	ZAR 30,000,000,000 The Issuer confirms that the Programme Amount has not been exceeded at the Issue Date.
56. Aggregate Outstanding Principal Amount of all Notes in issue on the Issue Date of this Tranche	ZAR12,963,000,000, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
57. Additional Events of Default to those set out in Condition 13	Not Applicable
58. Set out the relevant description of any additional/other Terms and Conditions relating to the Notes (including covenants, if any)	Condition 11.5.3 (<i>Redemption and Purchase - UK Capital Regulations</i>) will not apply to this Tranche of Note.

"Tax Jurisdiction" means South Africa or any political subdivision or any authority thereof or therein having power to tax in South Africa.

"Tax Law Change" means a change in, or amendment to, the laws or regulations of the Tax Jurisdiction, or any change in the official application of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change or amendment is announced on or after the Issue Date.

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS – SEE APPENDIX "A"

RESPONSIBILITY

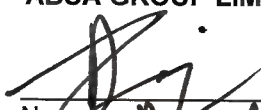
The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum and Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Applicable Pricing Supplement contains all information required by Applicable Law 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 information contained in the Programme Memorandum, the Applicable Pricing Supplements and 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 the Programme Memorandum, any Applicable Pricing Supplements, or 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 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 the 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.

Application is hereby made to list this issue of Notes on the Interest Rate Market of the JSE on 28 November 2018.

For and on behalf of
ABSA GROUP LIMITED


Name: **Deon LAJTH**
Authorised Signatory
Date: **23/11/18**


Name: **Rolf Van Den Heever**
Authorised Signatory
Date: **23/11/18**

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 Ernst & Young Incorporated.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has ZAR12,963,000,000 (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 not issue additional Notes, under this Programme, during the remainder of its current financial year ending 31 December 2018, over and above 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 as operating capital for the purchase of a subsidiary's Subordinated Tier II debt, which shall not be on lent to the general public of the Republic of South Africa.

Paragraph 3(5)(i)

The Notes are unsecured.

Paragraph 3(5)(j)

Ernst & Young Inc., the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme does not comply in all material 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).

