



**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 142,257,000 Credit-Linked Notes due April 2020**

**under its ZAR40,000,000,000 Master Structured Note Programme registered with 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 dated 7 November 2018 and registered with the JSE on or about 31 October 2018, 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 ZAR40,000,000,000 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 the 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 capitalised term not defined in this Applicable Pricing Supplement has the meaning ascribed to it in Schedule 1 (Glossary of Terms) to Section II-A (Terms and Conditions of the Notes) of the Master Programme Memorandum.

This document constitutes an Applicable Pricing Supplement relating to the Notes described herein and to be issued by the Issuer. The Notes described herein are subject to the Terms and Conditions of the Notes, as replaced, amended and/or supplemented by 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 for purposes of the Notes which are governed by it.

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

By purchasing the Notes, the Holders of the Notes acknowledge and confirm that: (i) they fully understand the nature of the Notes and the extent of their exposure to risks under and imbedded in the Notes, and (ii) they had considered 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.

<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. (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:	2019 – 06
7. Tranche Number:	01
8. Aggregate Nominal Amount:	
(a) Series:	ZAR 142,257,000 (One Hundred and Forty Two Million, Two Hundred and Fifty Seven Thousand South African Rand)
(b) Tranche:	ZAR 142,257,000 (One Hundred and Forty Two Million, Two Hundred and Fifty Seven Thousand South African Rand)
9. Interest:	Interest-bearing
10. Interest Payment Basis:	Floating Rate Notes
11. Automatic/Optional Conversion from	Not Applicable

	one Interest/Redemption/Payment Basis to another:	
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:	07 February 2019
14.	Trade Date:	31 January 2019
15.	Specified Denomination:	ZAR1, 000,000.00 per Note.
16.	Issue Price:	96.78590026%
17.	Interest Commencement Date	30 January 2019
18.	Maturity Date:	30 April 2020
19.	Applicable Business Day Convention:	Following Business Day Convention
20.	Business Days:	Johannesburg and New York
21.	Final Redemption Amount:	ZAR 142,257,000 (One Hundred and Forty Two Million, Two Hundred and Fifty Seven Thousand South African Rand)
22.	Credit Event Backstop Date:	Not Applicable
23.	Last Date to Register:	The 11 <sup>th</sup> (eleventh) calendar day before each Floating Interest Payment Date, i.e. each of the 19 <sup>th</sup> of January, 19 <sup>th</sup> of April, 19 <sup>th</sup> of July and the 19 <sup>th</sup> of October or close of business on the business day immediately preceding the first day of a books closed period of each calendar year during the term of the Notes, commencing on the Issue Date and ending on the Maturity Date.
24.	Interest Period(s)	Means 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) 30 July 2019(each Interest Payment date as adjusted in accordance with the applicable Business Day Convention)

25. 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 20 <sup>th</sup> of January to the 30 <sup>th</sup> of January, the 20 <sup>th</sup> of April to the 30 <sup>th</sup> of April, the 20 <sup>th</sup> of July to the 30 <sup>th</sup> of July and the 20 <sup>th</sup> of October to the 30 <sup>th</sup> of October of each calendar year during the term of the Notes, the first 10 calendar days period being the 20 <sup>th</sup> of April 2019 to the 30 <sup>th</sup> of April 2019, and the last period being the 20 <sup>th</sup> of April 2020 to the 30 <sup>th</sup> of April 2020
26. Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date:	ZAR17,191,367,965.66
<b>FLOATING RATE LEG:</b>	
27. (a) Floating Interest Payment Dates:	Means each of 30 January, 30 April, 30 July and 30 October of each year commencing on 30 April 2019 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) 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:	209 basis points (or 2.09 %) to be added to the relevant Reference Rate.
(h) If Screen Determination:	
(i) Reference Rate (including relevant	ZAR-JIBAR-SAFEX (3 months)

	period by reference to which the Interest Rate is to be calculated):	
(ii)	Interest Rate Determination Dates:	The first Interest Determination Date will be the 30 <sup>th</sup> of January 2019 thereafter each of the 30 <sup>th</sup> of April, the 30 <sup>th</sup> of July, the 30 <sup>th</sup> of October, and the 30 <sup>th</sup> of January, in each calendar year, during the term of the Notes, commencing on the 30 <sup>th</sup> of January 2019 and ending on the 30 <sup>th</sup> of January 2020.
(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>		
28.	Type of Credit Linked Note:	Single Name CLN
29.	Redemption at Maturity:	Final Redemption Amount
30.	Redemption following the occurrence of Credit Events:	Applicable
31.	Extension interest:	Not Applicable
32.	Reference Entity:	Firststrand Bank Limited
33.	Financial Statements of the Reference Entity:	The financial statements of the Reference Entity are available at: <a href="https://www.firststrand.co.za/investorcentre/pages/annual-reports.aspx">https://www.firststrand.co.za/investorcentre/pages/annual-reports.aspx</a>
34.	Standard Reference Obligation:	Applicable

35.	Reference Obligation:	The obligation identified as follows: Primary Obligor: Firstrand Bank Ltd Maturity: 30 April 2020 CUSIP/ISIN: XS1225512026
36.	Transaction Type:	Not Applicable
37.	All Guarantees:	Applicable
38.	Conditions to Settlement:	Applicable Credit Event Notice: Applicable Notice of Publicly Available Information: Applicable
39.	Credit Events:	The following Credit Events apply: Bankruptcy Failure to Pay Grace Period Extension: Applicable Grace Period: 30 calendar days Payment Requirement: ZAR10,000,000.00 Obligation Default Obligation Acceleration Repudiation/Moratorium Restructuring Mod Mod R Applicable Multiple Holder Obligation: Applicable Governmental Intervention Default Requirement: ZAR10,000,000.00
40.	Credit Event Accrued Interest:	Not Applicable
41.	Excluded Obligations:	None
42.	Issuer CLN Settlement Option:	Not Applicable
<b>SETTLEMENT:</b>		

43. (a) CLN Settlement Method	Cash Settlement as determined by the Calculation Agent
(b) Fallback CLN Settlement Method	Not applicable
Terms Relating to Cash Settlement:	
(c) Final Price	The price of the Reference Obligation determined by reference to the Reference Obligation Aggregate Nominal Amount (expressed as a percentage) determined in accordance with the Valuation Method.  “ <b>Reference Obligation Aggregate Nominal Amount</b> ” means \$10,000,000.00 (Ten Million United States Dollars)
(d) CLN Valuation Date	Single CLN Valuation Date
(e) CLN Valuation Time	As specified in the Credit Linked Conditions
(f) Quotation Method	Bid
(g) Quotation Amount	With respect to the Reference Obligation, an amount in the Settlement Currency specified by the Issuer which shall not exceed the Reference Obligation Aggregate Nominal Amount.
(h) Minimum Quotation Amount	As specified in the Credit Linked Conditions
(i) Dealer(s)	As specified in the Credit Linked Conditions
(j) Settlement Currency	USD
(k) Credit Event Redemption Date	Five (5) Business Days
(l) 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.
(m) CLN Cash Settlement Amount	Means an amount in ZAR calculated by the Calculation Agent, which amount shall not be less than zero, equal to the sum of:  (i) The amount equal to: the product of (a) Reference Obligation Aggregate Nominal Amount (as defined in paragraph 28.B.(a) below) converted by the Calculation Agent from USD to ZAR at the spot USD/ZAR exchange rate at the time the relevant determination is being made, and (b) the Final Price; and

	(ii) the Hedging Costs (as defined below).  <p><b>“Hedging Costs”</b> 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>	
Deliverable Obligations:	Deliverable Obligation Category:	Deliverable Obligation Characteristics:
	Reference Obligation Only	Not Subordinated
		Specified Currency: USD
		Not Contingent
		Not Sovereign Lender
		Not Domestic Currency
		Not Domestic Law
		Transferable
		Not Bearer
44. Fallback CLN Settlement Method:	Not Applicable	
<b>PROVISIONS REGARDING REDEMPTION / MATURITY</b>		
45. 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 redemption of the Notes, the following event occurs, as determined by the Calculation Agent in a commercially reasonable manner (“<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>1) the Note NAV expressed in ZAR is less than or equal to the Trigger NAV.</p> <p>Where:</p> <p>“<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 sum of –</p> <ol style="list-style-type: none"> <li>1) ZAR Sale Price of Reference Obligation; and</li> <li>2) the market value of the Hedging Instruments (as defined below).</li> </ol> <p>“<b>Trigger NAV</b>” means 50% of the Aggregate Nominal Amount of the Notes.</p> <p>“<b>Hedging Instruments</b>” means in respect of the Notes all related hedging instruments entered into by the Issuer.</p> <p>“<b>Reference Obligation Aggregate Nominal Amount</b>” means \$10,000,000.00 (Ten Million United States Dollars)</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</p>

	a commercially reasonable manner.
(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	<p>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) ZAR Sale Price of the Reference Obligation; and</li> <li>(ii) Hedging Costs (as defined below); and</li> <li>(iii) Settlement Expenses.</li> </ul> <p>Where:</p> <p><b>“Hedging Costs”</b> 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><b>“ZAR Sale Price of the Reference Obligation”</b> means the USD Sale Price of the Reference Obligation converted by the Calculation Agent from USD to ZAR at the spot USD/ZAR exchange rate on the date of sale of the Reference Obligation by the Issuer.</p> <p><b>“USD Sale Price of the Reference Obligation”</b> means the USD amount actually received by the Issuer for the sale of Reference Obligation with a nominal equal to the Reference Obligation Aggregate Nominal Amount.</p>
(c) Minimum period of notice (if different from Condition 8.3 ( <i>Redemption at the Option of the Issuer</i> ))	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> .
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 paragraph 45 A (a) above
(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) or an affiliate thereof.
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 and Calculation Agent	15 Alice Lane Sandton 2196 Gauteng Republic of South Africa
53. Settlement Agent:	Standard Chartered Bank
54. Specified office of the Settlement Agent	4 Sandown Valley Crescent, Sandton, South Africa
55. Additional selling restrictions:	Not Applicable
56. ISIN No.:	ZAG000156837
57. Stock Code:	ASN316
58. Method of distribution:	Private Placement

59. If syndicated, names of Managers:	Not Applicable
60. If non-syndicated, name of Dealer:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
61. Governing law:	The laws of the Republic of South Africa
62. Issuer Rating on Issue Date:	Issuer Rating: Aa1.za as assigned by Moody's on 20 <sup>th</sup> June 2018 and to be reviewed by Moody's from time to time.
63. Issuer Central Securities Depository Participant (CSDP):	Standard Chartered Bank
64. 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.
65. 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 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</p>

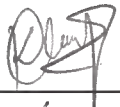
	<p>Noteholder, whether by way of a tax credit, rebate deduction or reduction equal to all or part of the amount withheld or otherwise, and whether or not it is actually claimed and/or granted and/or allowed; or</p> <p>9.10 in respect of any present or future taxes, duties, assessments or governmental 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>
66. Inward listing	The Notes will be inward listed securities listed on the JSE in terms of the authority granted by the Financial Surveillance Department of the South African Reserve Bank.
67. Material Change in Financial or Trading Position	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 its subsidiaries since the date of the Issuer’s latest published unaudited financial statements for the period ending June 2018. This statement has not been confirmed nor verified by the auditors of the Issuer.

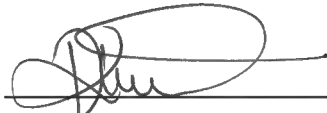
**Responsibility:**

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.

**ABSA BANK LIMITED**

  
 Name: KELLY CHETTY  
 Capacity: PRINCIPAL  
 Date: 05/02/2019

  
 Name: DITEBOHO KHUMALO  
 Capacity: HEAD : Institutional Sales  
 Date: 05/02/2019