

## APPLICABLE PRICING SUPPLEMENT

### ABSA BANK LIMITED

(Incorporated with limited liability in South Africa under registration number 1986/004794/06)

(the "Issuer")

#### Issue of ZAR1,000,000,000 Series 2013 – 65 Portfolio Credit Linked Notes

#### Under its ZAR20,000,000,000 Credit-linked Note Programme

The Notes described in this Applicable Pricing Supplement are subject to the terms and conditions set out in this Applicable Pricing Supplement and the General Terms and Conditions of the Notes set out in the Programme Memorandum dated 19 July 2007 relating to the Issuer's Credit-linked Note Programme (the "Programme Memorandum"). Unless inconsistent with the context, terms used but not defined in this Applicable Pricing Supplement shall have the meanings assigned to them in the Programme Memorandum. This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum. 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.

This Applicable Pricing Supplement supersedes any previous Pricing Supplement, confirmation, term sheet or other communication with respect to the transaction set out below and evidences a complete and binding agreement between you and us.

NOTES ISSUED PURSUANT TO THIS APPLICABLE PRICING SUPPLEMENT MAY BE LINKED TO THE PERFORMANCE OF ONE OR MORE REFERENCE ENTITIES. THE ATTENTION OF NOTEHOLDERS IS DRAWN TO THE RISK FACTORS ON PAGES 13 to 16 OF THE PROGRAMME MEMORANDUM DATED 19 JULY 2007.

#### DESCRIPTION OF THE NOTES

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| 1. <b>Issuer:</b>                                     | Absa Bank Limited ("Absa")  |
| 2. <b>Arranger and Programme Dealer:</b>              | Absa Corporate and Investment Bank, (a division of Absa Bank Limited)   |
| 3. <b>Series Number:</b>                              | 2013 – 65   |
| 4. <b>Tranche Number:</b>                             | A   |
| 5. <b>Listed / Unlisted:</b>                          | Listed  |
| 6. <b>Total Notes in Issue:</b>                       | ZAR9,886,689,731.18   |
| 7. <b>Method of Distribution:</b>                     | Private Placement   |
| 8. <b>Aggregate Principal Amount of this Tranche:</b> | ZAR 1,000,000,000. Subject to the occurrence of one or more Credit Events in respect of any of the Reference Entities during the Notice Delivery Period, whereupon the Aggregate Principal Amount will be determined by the Calculation Agent as the sum of the Reference Entity Weightings of each Reference Entity in respect of which no Credit Event has occurred multiplied by the outstanding Aggregate Principal Amount at the Issue Date. |
| 9. <b>Interest/Payment Basis:</b>                     | Floating Rate   |
| 10. <b>Issue Date:</b>                                | 01 August 2013  |
| 11. <b>Trade Date</b>                                 | 25 July 2013. The Noteholder bears the risk of loss from a Credit Event with effect from this date.   |
| 12. <b>Denomination:</b>                              | ZAR1,000,000.00<br>Notes are subject to a minimum denomination of ZAR1,000,000.00   |
| 13. <b>Issue Price:</b>                               | 100%  |
| 14. <b>Margin:</b>                                    | 1.65 per cent. per annum  |
| 15. <b>Reference Rate:</b>                            | SFX 3M Yield (RIC: <SFX3MYLD>) SAFEX JIBAR Fixing on Reuters page SAFEX code ZA01209  |

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| 16. <b>Interest Period(s):</b>   | Each period from and including one Interest Payment Date to, but excluding the next Interest Payment Date, provided that the first Interest Period shall commence on the Interest Commencement Date and the final Interest Period shall end on the Interest Termination Date.   |
| 17. <b>Interest Payment Date(s):</b>                                   | The 20 <sup>th</sup> of March, June, September and December in each year commencing on 20 September 2013  |
| 18. <b>Other terms relating to the method of calculating interest:</b> | <p>The Calculation Agent will determine the amount of interest payable in respect of the Notes on each Interest Payment Date (each an "Interest Amount") for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest (Reference Rate plus Margin) to the outstanding Aggregate Principal Amount of the Notes on the Interest Payment Date, multiplying such amount by the Specified Day Count Fraction and rounding the resultant figure to the nearest cent, half a cent being rounded downwards.</p> <p>Provided that, if a Potential Failure to Pay has occurred in respect of one or more of the Reference Entities on or before an Interest Payment Date, the Aggregate Principal Amount of the Notes on such Interest Payment Date will be determined by the Calculation Agent without regard to the Reference Entity Weighting of the Reference Entity in respect of which the Potential Failure to Pay has occurred. If no subsequent Failure to Pay Credit Event occurs in respect of any such Reference Entity prior to the next following Interest Payment Date, the Calculation Agent will increase the Interest Amount on such Interest Payment Date by the amount withheld on the previous Interest Payment Date.</p> |
| 19. <b>Interest Commencement Date:</b>                                 | The Issue Date  |
| 20. <b>Interest Termination Date:</b>                                  | If a Credit Event occurs in respect of a Reference Entity during the Notice Delivery Period, Interest will cease to accrue in respect of the Principal Amount of the Notes related to that Reference Entity (determined by its Reference Entity Weighting multiplied by the outstanding Aggregate Principal Amount) as of the earlier to occur of the day prior to (a) the Interest Payment Date occurring on or immediately preceding the Event Determination Date and (b) the Scheduled Redemption Date or, if no Interest Payment Date has occurred, the Issue Date, as applicable, such date being the Interest Termination Date.   |
| 21. <b>Scheduled Redemption Date:</b>                                  | 20 June 2018  |
| 22. <b>Scheduled Redemption Amount:</b>                                | <p>Means:</p> <p>(a) Subject to (b) below. The amount determined by the Calculation Agent as the outstanding Aggregate Principal Amount of the Notes as at the Scheduled Redemption Date; and</p> <p>(b) The Notes will be redeemed on the Scheduled Redemption Date at the Scheduled Redemption Amount determined by the Calculation Agent in accordance with (a) above unless:</p> <p>(i) The Notes have been previously redeemed in whole and cancelled or are redeemable due to any Early Redemption Event(s), Tax Redemption Event or Optional Early Redemption occurring on or before the Scheduled Redemption Date; or</p> <p>(ii) Grace Period Extension is Specified as applicable and a Potential Failure to Pay has occurred in respect of one or more of the Reference Entities on or prior to the Scheduled Redemption Date. If such Potential Failure to Pay has occurred in respect of one or more of the Reference Entities, the Notes will be redeemed on the first Business Day after</p>   |

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|                                      | <p>expiry of the relevant latest Notice Delivery Period at its Scheduled Redemption Amount, unless on or before the Grace Period Extension Date a Credit Event occurs in respect of one or more of the Reference Entities which is a Failure to Pay and the Conditions to Settlement are fulfilled during the Notice Delivery Period. In such circumstances the Notes will be redeemed by payment of final outstanding Aggregate Principal Amount determined by the Calculation Agent together with Physical Settlement in respect of any Reference Entities suffering a Failure to Pay Credit Event after the Schedule Redemption Date.</p>   |
| 23. <b>Maturity Date:</b>            | The Scheduled Redemption Date, subject to an Event Determination Date occurring during the Notice Delivery Period.   |
| 24. <b>Currency of Issue:</b>        | ZAR  |
| 25. <b>Calculation Agent:</b>        | Absa Corporate and Investment Bank, (a division of Absa Bank Limited) or an affiliate thereof.   |
| 26. <b>Transfer Secretary:</b>       | Absa Corporate and Investment Bank, (a division of Absa Bank Limited) or an affiliate thereof.   |
| 27. <b>Paying Agent:</b>             | Absa Corporate and Investment Bank, (a division of Absa Bank Limited) or an affiliate thereof.   |
| 28. <b>Business Day(s):</b>          | Johannesburg   |
| 29. <b>Business Day Convention:</b>  | Following (which shall apply to any date referred to in this Pricing Supplement that falls on a day that is not a Business Day).   |
| 30. <b>Day Count Fraction:</b>       | Actual/365 (Fixed)   |
| 31. <b>Books Closed Period(s):</b>   | For each Interest Payment Date, the period from and including the 10 <sup>th</sup> of March, June, September and December to and including the applicable Interest Payment Date until the Interest Termination Date.   |
| 32. <b>Last Day(s) to Register:</b>  | By the actual closing time for the regular trading session on the Financial Exchange on the 9 <sup>th</sup> of March, June, September and December until the Maturity Date.  |
| 33. <b>Effect of a Credit Event:</b> | <p>If Conditions to Settlement are satisfied in respect of one or more of the Reference Entities Specified in the Reference Portfolio Annex, the Issuer's obligation shall be to redeem the Notes by payment of the remaining outstanding Aggregate Principal Amount (if any) on the Scheduled Redemption Date and by Physical Settlement on each relevant Physical Settlement Date or Early Redemption Date if applicable. Upon discharge by the Issuer of the Scheduled Redemption Amount on the Scheduled Redemption Date and Physical Settlement on any Early Redemption Date, or otherwise as provided herein, the Issuer's obligations in respect of the Notes shall be discharged. If a Credit Event occurs during the Notice Delivery Period, Interest will cease to accrue on the portion of the outstanding Aggregate Principal Amount of the Notes relating to the relevant Reference Entity in respect of which a Credit Event has occurred as of the earlier to occur of the day prior to (a) the Interest Payment Date occurring on or immediately preceding the relevant Event Determination Date and (b) the Scheduled Redemption Date or, if no Interest Payment Date has occurred, the Issue Date.</p> |
| 34. <b>Early Redemption Date:</b>    | <p>Means:</p> <p>(a) in respect of the Notes as a whole:</p> <p>(i) if any one or more of the Specified Credit Event(s) has occurred or occurs in respect of the last remaining Reference</p>  |

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|                             | <p>Entity on or prior to the Scheduled Redemption Date and Grace Period Extension is not applicable, the date that is the latest to occur of:</p> <ul style="list-style-type: none"> <li>(1) the Physical Settlement Date; or</li> <li>(2) if Partial Cash Settlement as described in Condition 6.4 of the Programme Memorandum is or becomes applicable to the relevant Reference Entity, the relevant Latest Permissible Physical Settlement Date,</li> </ul> <p>in respect of the last Reference Entity to suffer a Credit Event; and</p> <ul style="list-style-type: none"> <li>(ii) if a Potential Failure to Pay occurs in respect of the last remaining Reference Entity on or prior to the Scheduled Redemption Date and Grace Period Extension is Specified as applicable, the date that is the latest to occur of either of (a)(i)(1) or (a)(i)(2) above (as applicable) and the relevant Grace Period Extension Date, provided that: <ul style="list-style-type: none"> <li>(1) if no Failure to Pay occurs on or before the relevant Grace Period Extension Date and the Grace Period Extension Date is a date on or prior to the Scheduled Redemption Date, no Early Redemption Date shall occur; and</li> <li>(2) if no Failure to Pay occurs on or before the Grace Period Extension Date and the Grace Period Extension Date is a date later than the Scheduled Redemption Date, such Grace Period Extension Date shall be deemed to be the Scheduled Redemption Date,</li> </ul> </li> </ul> <p>a date determined in accordance with (a) and (b) above that may occur before, on or after the Scheduled Redemption Date; and</p> <ul style="list-style-type: none"> <li>(b) in respect of each Reference Entity: <ul style="list-style-type: none"> <li>(i) (subject to (a) (ii) above), if any one or more of the Specified Credit Event(s) has occurred or occurs in respect of any Reference Entity on or prior to the Scheduled Redemption Date and Grace Period Extension is not applicable, the date that is the latest to occur of: <ul style="list-style-type: none"> <li>(1) the Physical Settlement Date in respect of that Reference Entity; or</li> <li>(2) if Partial Cash Settlement as described in Condition 6.4 of the Programme Memorandum is or becomes applicable to the relevant Reference Entity, the relevant Latest Permissible Physical Settlement Date,</li> </ul> </li> </ul> </li> </ul> <p>in respect of such Reference Entity and the related Credit Event;</p> <p>Such Early Redemption Date may occur before, on or after the Scheduled Redemption Date.</p> |
| 35. Early Redemption Event: | <p>Means the occurrence of any Specified Credit Event: (a) in respect of the Notes as a whole, any Specified Credit Event on the last remaining Reference Entity in respect of which no Credit Event has occurred; and (b) in respect of</p>  |

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|  | <p>any Reference Entity and the Principal Amount of the Notes related to that Reference Entity, any Specified Credit Event on such Reference Entity. Provided that:</p> <ul style="list-style-type: none"> <li>(i) if Grace Period Extension is Specified as applicable;</li> <li>(ii) a Potential Failure to Pay occurs in respect of such Reference Entity on or prior to the Scheduled Redemption Date;</li> <li>(iii) the Grace Period Extension Date is a date later than the Scheduled Redemption Date; and</li> <li>(iv) a Failure to Pay Credit Event occurs in respect of such Reference Entity later than the Scheduled Redemption Date,</li> </ul> <p>the Early Redemption Event may occur later than the Scheduled Redemption Date, but on or before the Grace Period Extension Date.</p> |
| <b>REDEMPTION</b>  |   |
| 36. <b>Redemption at Maturity:</b>   | Scheduled Redemption Amount   |
| 37. <b>Redemption following the occurrence of an Early Redemption Event:</b> | Applicable (as determined by the Calculation Agent)   |
| Reference Entity:  | <p>Each Reference Entity Specified in the Reference Portfolio Annex.</p> <p>Each Reference Entity in respect of which a Credit Event occurs will subsequently be removed as a Reference Entity for the purposes of the Notes.</p>   |
| Reference Entity Weighting(s):   | Each Reference Entity Weighting Specified in the Reference Portfolio Annex.   |
| Reference Obligation(s):   | <p>In respect of each Reference Entity:</p> <ul style="list-style-type: none"> <li>(i) the obligation identified as per the Reference Portfolio Annex or any Substitute Reference Obligation in respect thereof; and</li> <li>(ii) one or more obligations of each such Reference Entity that would constitute an Obligation or Deliverable Obligation. The Issuer may select the Reference Obligation of the Reference Entity at any time on or before the Valuation Date.</li> </ul>  |
| All Guarantees:  | Applicable  |
| Conditions to Settlement:  | <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 style="padding-left: 40px;">Grace Period Extension: Applicable. Payment Requirement: ZAR 1,000,000.00 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p style="padding-left: 40px;">Default Requirement: ZAR 10,000,000.00 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>Obligation Acceleration</p> <p>Obligation Default</p>  |

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|  | Repudiation/Moratorium   |
| Obligation(s):                         | <p>Obligation means (i) the Reference Obligation of each Reference Entity as set out in the Reference Portfolio Annex , or (ii) any obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is Specified as applicable, as provider of any Qualifying Guarantee) described by the:</p> <p><b>Obligation Category:</b></p> <p>Bond or Loan</p> <p><b>Obligation Characteristics:</b></p> <p>Not Subordinated</p> <p>Specified Currency: ZAR</p>  |
| Excluded Obligations (if any):         | Any obligation that qualifies as Not Domestic Currency and Not Domestic Law.   |
| Settlement Method:                     | Physical Settlement.   |
| Terms Relating to Physical Settlement: |  |
| Physical Settlement Date:              | Each date determined by the Calculation Agent as such.   |
| Deliverable Obligation(s):             | <p>Deliverable Obligation means (i) the Reference Obligation of each Reference Entity as set out in the Reference Portfolio Annex, or (ii) any obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable, as provider of any Qualifying Guarantee) described by the:</p> <p><b>Deliverable Obligation Category:</b></p> <p>Bond or Loan</p> <p><b>Deliverable Obligation Characteristics:</b></p> <p>Not Subordinated</p> <p>Specified Currency: ZAR</p>   |
| Excluded Deliverable Obligations:      | Any obligation that qualifies as Not Domestic Currency and Not Domestic Law.   |
| Portfolio:                             | Exclude Accrued Interest   |
| Deliverable Obligation Value:          | In respect of each Reference Entity, the Reference Entity Weighting applicable to that Reference Entity.   |
| Delivery Expenses:                     | <p>For the avoidance of doubt Delivery Expenses shall:</p> <ul style="list-style-type: none"> <li>(i) include Hedging Costs; and</li> <li>(ii) notwithstanding Condition 6.3.10 of the Programme Memorandum, if there is not a cash amount owing to a Noteholder sufficient to cover the Delivery Expenses in respect of any Credit Event and a Reference Entity, the Issuer may convert such amount of the Relevant Portion of the Portfolio into cash sufficient to cover the Delivery Expenses in respect of such Credit Event and Reference Entity. The Relevant Portion of the Portfolio Delivered in respect of such Credit Event and Reference Entity will be reduced accordingly.</li> </ul> <p>Where:</p> <p><b>"Hedging Costs"</b> means, in respect of the Notes, an amount determined by</p> |



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|   | the Calculation Agent in a commercially reasonable manner equal to any expense, loss or costs 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 term deposit, related interest rate swap or basis swap position or funding arrangements entered into by it (including with its internal treasury function) in connection with the Notes.  |
| Partial Cash Settlement of Loans:                               | Not applicable   |
| Partial Cash Settlement of Assignable Loans:                    | Not applicable   |
| Partial Cash Settlement of Participations:                      | Not applicable   |
| Terms Relating to Partial Cash Settlement:                      |  |
| Partial Cash Settlement – Cash Settlement Amount:               | <p>If Conditions to Settlement are satisfied in respect of one or more of the Reference Entities specified in the Reference Portfolio Annex and, Partial Cash Settlement as described in Condition 6.4.1(a) of the Programme Memorandum is applicable in respect of the Relevant Portion of the Portfolio, the Cash Settlement Amount shall be determined by the Calculation Agent as being:</p> <ul style="list-style-type: none"> <li>(i) the "Cash Settlement Amount" determined in accordance with Condition 6.4.2 of the Programme Memorandum; multiplied by</li> <li>(ii) the Reference Entity Weighting applicable to that Reference Entity in respect of which Conditions to Settlement are satisfied; minus</li> <li>(ii) Hedging Costs.</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 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 term deposit, related interest rate swap or basis swap position or funding arrangements entered into by it (including with its internal treasury function) in connection with the Notes.</p> |
| Valuation Date:   | Single Valuation Date: The Valuation Date shall be a Business Day selected by the Calculation Agent that falls on or after the Event Determination Date.   |
| Quotation Amount:   | With respect to a Reference Obligation, an amount in the Settlement Currency specified by the Issuer which shall not exceed the outstanding Aggregate Principal Amount of the Notes.   |
| Quotations:   | Exclude Accrued Interest   |
| Dealer(s):  | As determined by the Calculation Agent   |
| Settlement Currency:  | ZAR  |
| Cash Settlement Date:   | 5 Business Days  |
| Valuation Method:   | Market   |
| 38. Optional Early Redemption by the Issuer and, if applicable: | Not Applicable   |
| 39. Optional Early Redemption by the Noteholders:               | Not Applicable   |

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| 40. <b>Tax Redemption Amount:</b>     | The market value of the Notes less Hedging Costs, as determined by the Calculation Agent.                        |
| 41. <b>Default Redemption Amount:</b> | The market value of the Notes less Hedging Costs, as determined by the Calculation Agent in its sole discretion. |
| <b>GENERAL</b>                        |  |
| 42. <b>Form of Notes:</b>             | Registered   |
| 43. <b>Status of Notes</b>            | Senior   |
| 44. <b>Financial Exchange</b>         | JSE Limited t/a The Johannesburg Stock Exchange  |
| 45. <b>ISIN</b>                       | ZAG000107657   |
| 46. <b>Stock Code</b>                 | ACL213   |


The Applicant Issuer certifies that to the best of their 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 the Placing Document contains all information required by law and the JSE Listings Requirements, The Applicant Issuer shall accept full responsibility for the accuracy of the information contained in the Placing Document, Pricing Supplements 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 Placing Document, Pricing Supplements, or the annual report (as amended or restated from time to time) or the amendments to the annual report, 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 Placing Document, Pricing Supplements, or the annual report (as amended or restated from time to time) or the amendments to the annual report. The Applicant Issuer shall accept full responsibility for the accuracy of the information contained in the Placing Document Pricing Supplements, and the annual report or the amendments to the annual report, except as otherwise stated therein.

Signed at Sandton on 30 July 2013

For and on behalf of **ABSA BANK LIMITED**

represented by:



who warrants his/her authority hereto



who warrants his/her authority hereto



**ANNEX I****Reference Portfolio Annex**

| Reference Entity                 | Reference Entity Weighting | Specified Reference Obligation |  |
|----------------------------------|----------------------------|--------------------------------|--|
|                                  |                            | Description (ISIN/CUSIP)       | Senior or Subordinated (Blank if Senior) |
| AFRICAN BANK LTD                 | 5%                         | ZAG000104183                   | Senior                                   |
| ANGLO SA FINANCE LTD             | 5%                         | ZAG000093931                   | Senior                                   |
| BARLOWORLD LTD                   | 5%                         | ZAG000080706                   | Senior                                   |
| BIDVEST LTD                      | 5%                         | ZAG000069469                   | Senior                                   |
| CAPITEC BANK LTD                 | 5%                         | ZAG000095423                   | Senior                                   |
| CLINDEB INVESTMENTS PTY LTD      | 5%                         | ZAG000088790                   | Senior                                   |
| EQSTRA CORPORATION LIMITED       | 5%                         | ZAG000104449                   | Senior                                   |
| FIRSTRAND BANK LTD               | 5%                         | ZAG000076472                   | Senior                                   |
| GROWTHPOINT PROPERTIES LTD       | 5%                         | ZAG000092461                   | Senior                                   |
| IMPERIAL GROUP PTY LTD           | 5%                         | ZAG000080979                   | Senior                                   |
| INVESTEC BANK LTD                | 5%                         | ZAG000094426                   | Senior                                   |
| JD GROUP LTD                     | 5%                         | ZAG000104837                   | Senior                                   |
| MERCEDES BENZ SA PTY LTD         | 5%                         | ZAG000100108                   | Senior                                   |
| MTN GROUP LTD                    | 5%                         | ZAG000078619                   | Senior                                   |
| NEDBANK LTD                      | 5%                         | ZAG000071408                   | Senior                                   |
| REDEFINE PROPERTIES LTD          | 5%                         | ZAG000103789                   | Senior                                   |
| SAPPI SA Ltd                     | 5%                         | ZAG000104472                   | Senior                                   |
| STANDARD BANK SA                 | 5%                         | ZAG000095548                   | Senior                                   |
| STEINHOFF SERVICES LIMITED       | 5%                         | ZAG000096850                   | Senior                                   |
| TOYOTA FINANCIAL SERVICES SA LTD | 5%                         | ZAG000087339                   | Senior                                   |

