

## APPLICABLE PRICING SUPPLEMENT



### ABSA BANK LIMITED

*(incorporated in the Republic of South Africa with limited liability with company under registration number 1986/004794/06)*

### **Issue of ZAR20,000,000 Airports Company of South Africa Limited Credit Linked Note due March 2016**

**under its ZAR40,000,000,000 Master Structured Note Programme approved by the JSE Limited and the Stock Exchange of Mauritius Limited**

This Applicable Pricing Supplement must be read in conjunction with (i) the Master Structured Note Programme Memorandum dated 21 October 2013 and approved by the JSE Limited t/a The Johannesburg Stock Exchange on or about 28 October 2013 and approved by the Stock Exchange of Mauritius Limited on or about 29 November 2013, as amended and/or supplemented from time to time (the "**Master Programme Memorandum**"), and (ii) the Applicable Product Supplement in Section IV-A of the Master Programme Memorandum headed "Credit Linked Notes", as amended and/or supplemented from time to time (the "**Applicable Product Supplement**"), prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR40,000,000,000 Master Structured Note Programme.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in Schedule 1 to Section II-A of the Master Programme Memorandum headed "Terms and Conditions of the Notes" (the "**Glossary of Terms**").

This document constitutes an Applicable Pricing Supplement relating to Note described herein to be issued by the Issuer. The Notes described herein will be 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 contents of this Applicable Pricing Supplement and the Master Programme Memorandum and/or the Applicable Product Supplement, the provisions of this Applicable Pricing Supplement shall prevail.

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

DESCRIPTION OF THE NOTES	
1. Issuer	Absa Bank Limited ("Absa")
2. Applicable Product Supplement	Credit Linked Note Applicable Product Supplement contained in Section IV-A of the Master Programme Memorandum.
3. Listing	Listed Notes
4. Issuance Currency	ZAR (South Africa Rand)
5. Series Number	2014-14
6. Tranche Number	ASN017
7. Aggregate Nominal Amount	
(a) Series	ZAR20,000,000
(b) Tranche	ZAR20,000,000
8. Interest	Interest-bearing
9. Interest Payment Basis	Floating Rate Notes
10. Automatic / Optional Conversion from one Interest / Redemption / Payment Basis to another	Not Applicable
11. Form of Notes	Registered Notes: The Notes in this Tranche will be issued in uncertificated form and held by the CSD The default standard form of the Notes under the Master Structured Note Programme is ' <u>unsubordinated and unsecured</u> ' per Condition 5 ( <i>Status of Notes</i> ) on page 37 of the Master Programme Memorandum.
12. Issue Date	24 April 2014
13. Trade Date	15 April 2014
14. Specified Denomination	ZAR 1,000,000.00
15. Issue Price	100%
16. Interest Commencement Date	Issue Date
17. Maturity Date	09 March 2016
18. Applicable Business Day Convention	Following Business Day Convention.
19. Definition of Business Day (if different from that set out in Glossary of Terms)	Not Applicable
20. Final Redemption Amount	ZAR 20,000,000
21. Last Date to Register	11 calendar days before each Floating Interest Payment Date, i.e. 29 May, 29 August, 28 November

	and 26 February in each year until the Maturity Date.
22. Books Closed Period(s)	The Register will be closed from 10 calendar days before each Floating Interest Payment Date to each Floating Interest Payment Date, i.e. 30 May to 9 June, 30 August to 9 September, 29 November to 9 December and 27 February to 9 March in each year until the Maturity Date.
23. Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date	ZAR1,565,303,800.00
<b>FLOATING RATE NOTES</b>	
24. (a) Floating Interest Payment Date(s)	The 9 <sup>th</sup> of June, September, December and March in each year, commencing 9 June 2014.
(b) Minimum Interest Rate	0% per cent per annum
(c) Maximum Interest Rate	Not Applicable
(d) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	<p>In respect of each Note, the interest amount for each Interest Period will be determined and calculated by the Calculation Agent in accordance with the following formula:</p> $I = SD * (FIX - FIR) * DCF$ <p>Where:</p> <p>"I" means the relevant Interest Amount per Note;</p> <p>"SD" means the Specified Denomination per Note;</p> <p>"FIX" means 13.75%;</p> <p>"FIR" means the Floating Interest Rate, being the Reference Rate;</p> <p>"DCF" means the Day Count Fraction being Act/365 (Fixed); and</p> <p>"*" means "multiplied by".</p>
(e) Manner in which the Interest Rate is to be determined	Screen Rate Determination
(f) Margin	0%
(g) If Screen Determination:	
(i) Reference Rate (including relevant period by reference to which the Interest	ZAR-JIBAR-SAFEX (3 months)

	Rate is to be calculated)	
(ii)	Interest Rate Determination Date(s)	Each 9 <sup>th</sup> of June, September, December and March of each calendar year commencing on 24 April 2014 and ending on 09 December 2015, each such day being subject to adjustment in accordance with the Following Business Day Convention.
(iii)	Relevant Screen Page and Reference Code	Reuters RIC <SFX3MYLD> on Reuters Page "SAFEY" (Page number ZA01209).
(h)	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>		
25.	Type of Credit Linked Note	Single Name CLN
26.	Redemption at Maturity	Final Redemption Amount
27.	Redemption following the occurrence of Credit Events	Applicable
	Extension interest	Not Applicable
	Reference Entity	Airports Company of South Africa Limited
	Reference Obligation(s)	<p>In respect of the Reference Entity (i) the obligation identified as follows or any Substitute Reference Obligation in respect thereof:</p> <p>Primary Obligor: Airports Company of South Africa Limited</p> <p>Maturity: 09 March 2016</p> <p>Coupon: 10.86% semi-annually</p> <p>CUSIP/ISIN: ZAG000065673</p> <p>and; (ii) one or more obligations of such Reference Entity that would constitute an Obligation or a Deliverable Obligation. The Issuer may select the Reference Obligation or any Substitute Reference Obligation of the Reference Entity at any time on or before the CLN Valuation Date.</p>
	Transaction Type	Not Applicable
	All Guarantees	Applicable
	Conditions to Settlement	<p>Applicable</p> <p>Credit Event Notice: Applicable</p>



	Notice of Publicly Available Information: Not Applicable Public Sources of Publicly Available Information: Not Applicable	
Credit Events	The following Credit Event(s) shall apply: Bankruptcy Failure to Pay Grace Period Extension: Applicable Payment Requirement: ZAR1,000,000.00 Obligation Default Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Not Applicable Default Requirement: ZAR1,000,000.00	
Credit Event Accrued Interest	Not Applicable	
Obligation(s)	<b>Obligation Category (Select only one):</b>	<b>Obligation Characteristics (Select all that apply):</b>
	<input type="checkbox"/> Payment	<input checked="" type="checkbox"/> Not Subordinated
	<input type="checkbox"/> Borrowed Money	<input checked="" type="checkbox"/> Specified Currency: ZAR
	<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
	<input type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency
	<input type="checkbox"/> Loan	<input type="checkbox"/> Not Domestic Law
	<input checked="" type="checkbox"/> Bond or Loan	<input type="checkbox"/> Listed
		<input type="checkbox"/> Not Domestic Issuance
Excluded Obligations (if any)	Not Domestic Currency and Not Domestic Law	
Issuer CLN Settlement Option	Not Applicable	
CLN Settlement Method	Cash Settlement	
Fallback CLN Settlement Method	Not Applicable	
Terms Relating to Cash Settlement:		
Final Price	Not applicable	

CLN Valuation Date	Not applicable
CLN Valuation Time	Not applicable
Quotation Method	Not applicable
Quotation Amount	Not applicable
Minimum Quotation Amount	Not applicable
Dealer(s)	Not applicable
Settlement Currency	ZAR
Credit Event Redemption Date	Five (5) Business Days
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.
CLN Cash Settlement Amount	<p>Means an amount in ZAR calculated by the Calculation Agent, which amount shall not be less than zero, equal to the sum of:</p> <ul style="list-style-type: none"> <li>(i) the Sale Price of the Bonds, and</li> <li>(ii) the Swap Costs (as defined below)</li> </ul> <p>Where</p> <p><b>"Sale Price of the Bonds"</b> means the ZAR amount actually received by the Issuer for the sale of the Reference Obligation in an amount equal to the Nominal Amount of the Notes.</p> <p><b>"Swap 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 interest rate derivative positions or funding arrangements entered into by it (including with its internal treasury function) specifically in connection with the Notes.</p>
Quotations	Exclude Accrued Interest
Valuation Method	Market
Additional Business Centre Delivery Method	Not Applicable



Other Provisions	None
<b>PROVISIONS REGARDING REDEMPTION/MATURITY</b>	
28. Redemption at the option of the Issuer:	No
29. Redemption at the Option of Noteholders:	Yes
If yes:	
(a) Optional Redemption Date(s)	Any Business Day prior to redemption of the Notes selected by the Noteholder.
(b) Optional Redemption Amount(s)	The Credit Event Redemption Amount determined by the Calculation Agent.
(c) Minimum period of notice (if different from Condition 8.4 ( <i>Redemption at the Option of Noteholders</i> ))	One (1) Business Day
(d) If redeemable in part	Not Applicable
(e) Other terms applicable for Redemption	Not Applicable
30. 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 Credit Event Redemption Amount determined by the Calculation Agent.
(b) Method of calculation of amount payable	Not Applicable
<b>GENERAL</b>	
31. Financial Exchange	JSE Limited t/a The Johannesburg Stock Exchange.
32. Calculation Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
33. Calculation Agent City	Johannesburg
34. Paying Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
35. Specified office of the Paying Agent	15 Alice Lane Sandton

	2196 Gauteng South Africa
36. Transfer Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
37. Additional selling restrictions	None
38. ISIN No.	ZAG000115411
39. Stock Code	ASN017
40. Method of distribution	Private Placement
41. If syndicated, names of Managers	Not applicable
42. If non-syndicated, name of Dealer	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
43. Governing law	The laws of the Republic of South Africa
44. Other provisions	None


#### 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.

SIGNED at **SANDTON** on this 23<sup>rd</sup> day of **April 2014**

for and on behalf of

**ABSA BANK LIMITED**

  
 Name: **TEBOHO MOLEFE**  
 Capacity: **Principal**

  
 Name: **CHAU BAZI**  
 Capacity: **Managing Director**