



# FirstRand Bank

(Registration Number 1929/001225/06)

(Incorporated with limited liability in the Republic of South Africa)

## Issue of ZAR10,000,000.00 Notes with Maturity Date of 20 December 2024

Stock code FRS220

### Under its ZAR30,000,000,000 Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Terms and Conditions**”) set forth in the Programme Memorandum dated 29 November 2011, as amended and updated from time to time (the “**Programme Memorandum**”). This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the terms and conditions contained in this Applicable Pricing Supplement. 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. Subject to as provided below, any capitalised terms not defined in this Applicable Pricing Supplement shall have the meaning ascribed to them in the Terms and Conditions. To the extent that certain provisions of the *pro forma* Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

#### Description of the Notes

1. Issuer:	FirstRand Bank Limited
2. Status of Notes:	Senior Unsecured Unsubordinated
3. Form of Notes:	Listed Registered Notes
4. Series Number:	220
5. Tranche Number:	1
6. Specified Currency of the Notes:	ZAR
7. Aggregate Nominal Amount:	
(a) Series:	ZAR10,000,000
(b) Tranche:	ZAR10,000,000
8. Nominal Amount per Note:	ZAR1,000,000
9. Specified Denomination and number of Notes:	ZAR1,000,000 and 10 Notes
10. Issue Date of the Notes:	12 June 2020
11. Issue Price of the Notes:	101.5552658% of par
12. Relevant Stock Exchange:	JSE
13. Integral multiples of Notes required for transfer:	N/A
14. Type of Notes:	Standard Notes
15. Deposit Notes	No
16. Redemption/Payment Basis:	Redemption at par
17. Automatic/Optional Conversion from one Redemption/Payment Basis to another:	N/A

18. Partly Paid Note Provisions: N/A

**Provisions relating to interest (if any) payable on the Note**

**19. General Interest Provisions**

- (a) Interest payable on the Note: Yes
- (b) Interest Basis: Floating Rate Note
- (c) Automatic/Optional Conversion from one Interest Basis to another: N/A
- (d) Interest Commencement Date: 20 March 2020
- (e) Default Rate: N/A

**20. Floating Rate Note Provisions:** Applicable

- (a) Manner in which the Interest Rate(s) is to be determined: Screen Rate Determination
- (b) If Screen Rate Determination:
  - Reference Rate: 3 month JIBAR
  - Interest Determination Date(s): The first Business Day of each Interest Period except for the first Interest Determination Date which will be 20 March 2020
  - Relevant Screen Page and Reference Code: SAFEX Page and ZAR-JIBAR-SAFEX
  - Relevant Time: 11:00am
  - Relevant Financial Centre: Johannesburg
- (c) Margin: 120 basis points
- (d) Minimum Rate(s) of Interest: N/A
- (e) Maximum Rate(s) of Interest: N/A
- (f) Interest Payment Dates: 20 March, 20 June, 20 September and 20 December in each year until the Maturity Date, or, if such day is not a Business Day, the Business Day on which interest will be paid adjusted in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement).
- (g) Interest Period(s): The first interest period will commence on and include the Interest Commencement Date and end on but exclude 20 June 2020. Thereafter each successive Interest Period will commence on and include the applicable Interest Payment Date and end on but exclude the next Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention).
- (h) Specified Period: N/A
- (i) Day Count Fraction: Actual/365

**Provisions relating to redemption**

- 21. Maturity Date: 20 December 2024
- 22. Final Redemption Amount: 100% (one hundred percent) of par

**General Provisions**

- 23. Business Day Convention: Modified Following Business Day Convention
- 24. Relevant Clearing System: Strate
- 25. Last Day to Register: By 5:00pm on 15 March, 15 June, 15 September and 15 December in each year until the Maturity Date, or if such day is not a Business Day, the Business Day before each Books Closed Period.

26.	Books Closed Period[s]:	The Register will be closed from 16 March to 20 March, 16 June to 20 June, 16 September to 20 September and 16 December to 20 December (both dates inclusive) in each year until the Maturity Date.
27.	Determination Agent:	FirstRand Bank Limited, acting through its Rand Merchant Bank division
28.	Specified Office of the Determination Agent:	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196
29.	Specified Office of the Issuer:	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196
30.	Calculation Agent:	FirstRand Bank Limited, acting through its Rand Merchant Bank division
31.	Specified Office of the Calculation Agent:	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196
32.	Paying Agent:	FirstRand Bank Limited, acting through its Rand Merchant Bank division
33.	Specified Office of the Paying Agent:	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196
34.	Transfer and Settlement Agent:	FirstRand Bank Limited, acting through its Rand Merchant Bank division
35.	Specified Office of the Transfer and Settlement Agent:	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196
36.	Provisions relating to stabilisation:	N/A
37.	Stabilising manager:	N/A
38.	Additional Selling Restrictions:	N/A
39.	ISIN No.:	ZAG000168717
40.	Stock Code:	FRS220
41.	Method of distribution:	Private Placement
42.	If syndicated, names of Managers:	N/A
43.	If non-syndicated, name of Dealer:	FirstRand Bank Limited, acting through its Rand Merchant Bank division
44.	Governing law (if the laws of South Africa are not applicable):	N/A
45.	Other Banking Jurisdiction:	N/A
46.	Surrendering of Notes in the case of Notes represented by a Certificate:	N/A
47.	Use of proceeds:	General corporate purposes
48.	Pricing Methodology:	N/A
49.	Ratings:	zaAA National Scale Long Term rated by S & P Global Ratings as at 26 November 2019.  For the avoidance of doubt, the Notes have not been individually rated.
50.	Receipts attached?	No
51.	Coupons attached?	No
52.	Stripping of Receipts and/or Coupons prohibited as provided in Condition 17.4 ( <i>Prohibition on Stripping</i> ):	N/A

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| 53. Any Conditions additional to, or modified from, those set forth in the Terms and Conditions: | N/A  |
| 54. Total Notes in Issue   | ZAR27,683,331,274.57 the aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued), will not exceed the Programme Amount.  |
| 55. Material Change Statement:   | <p>Since the date of the Issuer's latest interim financial report for the six months ended 31 December 2019, FirstRand Limited (the group), of which FirstRand Bank Limited is a wholly-owned subsidiary (representing approximately 75% of the group's balance sheet and earnings base), withdrew the financial guidance it had provided in its interim results announcement on 10 March 2020 on the group's expected earnings and ROE for the full year to 30 June 2020. This financial guidance was based on the group's macroeconomic view in early March 2020. The escalation of the COVID-19 pandemic (the pandemic) and the lockdown scenarios in most of the markets in which the group operates, has required significant revisions to the group's macroeconomic forecasts. As a result, FirstRand Bank noteholders were advised on 24 April 2020 that FirstRand's 30 June 2020 financial performance guidance had been withdrawn and expected earnings and ROE performance for the full year to 30 June 2020 remain under review. FirstRand Bank noteholders are further referred to the trading statement released by FirstRand Limited on 4 June 2020, in which it indicated that although it does not have a final view of the performance of the lending books during May and June, it had sufficient insight to advise shareholders, with a reasonable degree of certainty, that headline earnings per share (HEPS), earnings per share (EPS) and normalised earnings per share (normalised EPS) for the current period are expected to be more than 20% lower than those reported at 30 June 2019. The main driver of this slowdown in group earnings growth is the materially higher credit impairment charge for the period, driven partly by deterioration in the lending portfolio performance, but more significantly by the forward-looking assumptions used in the modelling of expected credit losses. IFRS 9 requires the group to consider forward-looking information in the calculation of expected credit losses, therefore the group has estimated an increase in customer stress caused by the pandemic and resultant economic pressures anticipated over the next twelve to eighteen months. This stress has been incorporated into the calculation of the group's expected credit losses and has resulted in a material increase in provisioning, even though the year to June 2020 only includes three months of the pandemic. Other notable drivers of the decline in group earnings include the negative endowment impact on the back of interest rate cuts and margin pressure. Non-interest revenue growth has also showed a marked decline due to lower absolute volumes during the lockdown period. With regard to capital, funding and liquidity, the group and bank remain well capitalised and capital and liquidity ratios are expected to remain strong and well above required minimums. Apart from the impacts relating to the COVID-19 pandemic outlined above, the Issuer hereby confirms that as at the date of this applicable pricing supplement, there have been no other material changes in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest interim financial report for the six months ended 31 December 2019. This statement has not been confirmed nor verified by the auditors of the Issuer. The Issuer continues to operate in a higher risk environment due to the impact of the pandemic. Investors are urged to continue to monitor the Issuer's announcements on SENS and all information pertaining to the risk factors inherent in investing</p> |

in the Notes, including the risk factors specific to the Issuer and the sensitivity of the issue of Notes to such risk factors and all information pertaining to the description of the Issuer which are available at <https://www.firststrand.co.za/investors/debt-investor-centre/prospectuses-and-programme-memoranda/> .

**Responsibility:**

The 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 Programme Memorandum together with this Applicable Pricing Supplement contains all information required by law and the Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum and the annual financial statements and/or the Pricing Supplements, and/or the annual financial report and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The issuance of the Notes contemplated in this Applicable Pricing Supplement will not result in the authorised amount contained in the Programme Memorandum being exceeded.


**Limitation of liability:**

The JSE takes no responsibility for the contents of the Programme Memorandum and the annual financial statements and/or the pricing supplements and/or the annual 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 Programme Memorandum and the annual financial statements and/or the pricing supplements and/or the annual 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 debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities 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 12 June 2020.

**SIGNED** at Sandton on this 10<sup>th</sup> day of June 2020.

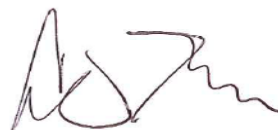
For and on behalf of  
**FIRSTRAND BANK LIMITED**



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Name: A Olding  
Capacity: Authorised Signatory  
Who warrants his authority hereto

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



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Name: A Stuart  
Capacity: Authorised Signatory  
Who warrants his authority hereto