

## APPLICABLE PRICING SUPPLEMENT

### ABSA BANK LIMITED

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

*(the "Issuer")*

**Issue of ZAR 29,000,000 Series 2010 – 128 Transnet Limited Credit Linked Notes**

**Under its ZAR 20,000,000,000 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.

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.

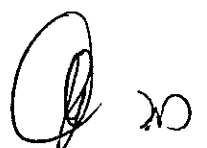
#### DESCRIPTION OF THE NOTES

1. Issuer:	Absa Bank Limited ("Absa")
2. Arranger and Programme Dealer:	Absa Capital, a division of Absa Bank Limited ("Absa Capital")
3. Series Number:	2010 – 128
4. Tranche Number:	A
5. Listed / Unlisted:	Listed
6. Aggregate Principal Amount of this Tranche:	The outstanding Aggregate Principal Amount for the relevant "Period" determined by the Calculation Agent in accordance with Schedule B hereto.
7. Interest/Payment Basis:	Fixed Rate
8. Issue Date:	22 December 2010. The Noteholder bears the risk of loss from a Credit Event with effect from this date.
9. Trade Date	20 December 2010
10. Denomination:	ZAR 1,000,000.00 Notes are subject to a minimum denomination of ZAR 1,000,000.00
11. Issue Price:	100%
12. Fixed Rate Note:	
13. Rate of Interest:	10 per cent per annum
14. Interest Period(s):	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.
15. Fixed Interest Date(s):	On the 20 March, 20 June, 20 September, and 20 December, in each year, commencing on 20 <sup>th</sup> March 2011
16. Interest Commencement Date:	The Issue Date
17. Interest Termination Date:	If an Event Determination Date occurs during the Notice Delivery Period, Interest will cease to accrue 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.
18. Scheduled Redemption Date:	20 <sup>th</sup> December 2019
19. Scheduled Redemption Amount:	As per Schedule B
20. Maturity Date:	The Scheduled Redemption Date, subject to an Event Determination Date occurring during the Notice Delivery Period.
21. Cash Settlement Amount:	<p>If an Early Redemption Event occurs and the Conditions to Settlement are satisfied, the Cash Settlement Amount shall be calculated by the Calculation Agent as being:</p> <p>(i) the Cash Settlement Amount determined by the Calculation Agent in accordance with Condition 6.2.1(b)(iii) of the Programme Memorandum; minus</p> <p>(iii) Hedging Costs.</p> <p>Where:</p> <p>“Hedging Costs” 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>
22. Currency of Issue:	ZAR
23. Calculation Agent:	Absa Capital
24. Transfer Secretary:	Absa Capital
25. Paying Agent:	Absa Capital
26. Business Day(s):	Johannesburg

27. Business Day Convention:	Following (which shall apply to any date referred to in this Pricing Supplement that falls on a day that is not a Business Day)
28. Day Count Fraction:	Actual/365
29. Books Closed Period(s):	On 10 March, 10 June, 10 September, and 10 December in each year
30. Last Day(s) to Register:	By 09 March, 09 June, 09 September, and 09 December, in each year
31. Effect of a Credit Event	If an Early Redemption Event occurs and the Conditions to Settlement are satisfied, the Issuer's obligation to redeem the Notes at the Scheduled Redemption Amount shall cease and be replaced by an obligation to redeem the Notes on the Early Redemption Date by payment of the Cash Settlement Amount minus Hedging Costs, provided however that such Hedging Costs are subject to a maximum of the then outstanding principal amount of such Notes. Upon discharge by the Issuer of such payment on the Early Redemption Date, or otherwise as provided herein, the Issuer's obligations in respect of the Notes shall be discharged. If an Event Determination Date occurs during the Notice Delivery Period, Interest will cease to accrue 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.
<b>REDEMPTION</b>	
32. Redemption at Maturity:	Scheduled Redemption Amount
33. Redemption following the occurrence of an Early Redemption Event:	Applicable
Reference Entity:	Transnet Ltd
Reference Obligation(s):	In respect of the Reference Entity any one or more obligations of such Reference Entity that would constitute an Obligation. The Issuer may select the Reference Obligation of the Reference Entity at any time on or before the Valuation Date.
All Guarantees:	Applicable
Reference Price:	100 per cent.
Conditions to Settlement:	Credit Event Notice: Applicable Notice of Publicly Available Information: Applicable
Credit Events:	The following Credit Event[s] shall apply: Bankruptcy Failure to Pay Grace Period Extension: Applicable: 5 Business Days.



	<p>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>Default Requirement: ZAR 1,000,000.00 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> <p>Repudiation/Moratorium</p>
Obligation(s):	<p>Obligation means (i) the Reference Obligation, and (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> Borrowed Money</p> <p><b>Obligation Characteristics:</b> Not Subordinated Specified Currency: ZAR</p>
Excluded Obligations (if any):	<p>Any Obligation that qualifies under the following Obligation Characteristics:</p> <p>Not Domestic Currency Not Domestic Issuance</p>
Settlement Method:	Cash Settlement
Terms Relating to Cash Settlement:	
Final Price:	The Final Price determined by the Calculation Agent for the relevant "Period" in accordance with Schedule A hereto.
Dealer(s):	N/A.
Settlement Currency:	ZAR
Cash Settlement Date:	5 Business Days
Valuation Method:	N/A
34. Optional Early Redemption by the Issuer and, if applicable:	Applicable, subject to early redemption of Commissioner Street No. 1 (Proprietary) Limited Mercury Funding Series 2010-1 (Finnvera) Class B Subordinated Floating Rate Notes due 20 March 2020 ("Class B Notes").



## Schedule A

Schedule A		
Period		Final Price
12/17/10	3/20/11	0.00%
3/21/11	6/20/11	7.33%
6/21/11	9/20/11	13.67%
9/21/11	12/20/11	19.74%
12/21/11	3/20/12	25.49%
3/21/12	6/20/12	31.00%
6/21/12	9/20/12	36.31%
9/21/12	12/20/12	41.38%
12/21/12	3/20/13	46.16%
3/21/13	6/20/13	50.66%
6/21/13	9/20/13	55.02%
9/21/13	12/20/13	59.13%
12/21/13	3/20/14	62.94%
3/21/14	6/20/14	66.46%
6/21/14	9/20/14	69.78%
9/21/14	12/20/14	72.84%
12/21/14	3/20/15	75.58%
3/21/15	6/20/15	78.17%
6/21/15	9/20/15	80.69%
9/21/15	12/20/15	83.07%
12/21/15	3/20/16	85.27%
3/21/16	6/20/16	87.32%
6/21/16	9/20/16	89.26%
9/21/16	12/20/16	91.09%
12/21/16	3/20/17	92.75%
3/21/17	6/20/17	94.26%
6/21/17	9/20/17	95.67%
9/21/17	12/20/17	96.92%
12/21/17	3/20/18	98.02%
3/21/18	6/20/18	98.94%
6/21/18	9/20/18	99.72%
9/21/18	12/20/18	100.00%
12/21/18	3/20/19	100.00%
3/21/19	6/20/19	100.00%
6/21/19	9/20/19	100.00%
9/21/19	12/20/19	100.00%

## Schedule B

Schedule B		
Period		Outstanding Aggregate Principal Amount
12/17/10	3/20/11	29,000,000
3/21/11	6/20/11	29,000,000
6/21/11	9/20/11	29,000,000
9/21/11	12/20/11	29,000,000
12/21/11	3/20/12	29,000,000
3/21/12	6/20/12	29,000,000
6/21/12	9/20/12	29,000,000
9/21/12	12/20/12	29,000,000
12/21/12	3/20/13	29,000,000
3/21/13	6/20/13	29,000,000
6/21/13	9/20/13	29,000,000
9/21/13	12/20/13	29,000,000
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6/21/17	9/20/17	29,000,000
9/21/17	12/20/17	29,000,000
12/21/17	3/20/18	29,000,000
3/21/18	6/20/18	29,000,000
6/21/18	9/20/18	29,000,000
9/21/18	12/20/18	29,000,000
12/21/18	3/20/19	29,000,000
3/21/19	6/20/19	24,372,066
6/21/19	9/20/19	11,847,972
9/21/19	12/20/19	5,740,087



