
APPLICABLE PRICING SUPPLEMENT

**ABSA BANK LIMITED**

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

Issue of ZAR16,263,000.00 Unsubordinated and Unsecured Registered Notes

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 on or about 28 October 2013, prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR40,000,000,000 Master Structured Note Programme, as amended and/or supplemented from time to time (the “**Master Programme Memorandum**”) and (ii) the supplemental memorandum dated 29 November 2013 approved by the Stock Exchange of Mauritius Limited on or about 29 November 2013, as amended and/or supplemented from time to time (the “**Mauritius Supplemental Memorandum**”) 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 have the meanings ascribed to them in (i) the Glossary of Terms and/or (ii) Section I (*Introduction*) (2) (*Definitions*) of the Mauritius Supplemental Memorandum.

This document constitutes the Applicable Pricing Supplement relating to the issue of the Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions 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 described below.

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

| DESCRIPTION OF THE NOTES | |
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| 1. Issuer: | Absa Bank Limited |
| 2. Status of Notes: | Unsubordinated and Unsecured Notes. (The default status 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.) |
| 3. Issuance Currency: | South African Rand (ZAR) |
| 4. Series Number: | 2017-21 |
| 5. Tranche Number: | ASN198 |
| 6. Total Notes In Issue: | Notes to the value of: ZAR15,137,132,255.80 |
| 7. Aggregate Nominal Amount: | |
| (a) Per Series: | ZAR16,263,000.00 |
| (b) Per Tranche: | ZAR16,263,000.00 |
| 8. Interest: | Not Applicable |
| 9. Interest Payment Basis: | Not Applicable |
| 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 are issued in uncertificated form and held in the Central Securities Depository. |
| 12. Issue Date: | 08 August 2017 |
| 13. Specified Denomination: | ZAR1,000.00 per Note. The provision reading "Notes will not be offered for subscription to any single addressee for an amount of less than R1,000,000" appearing under the "Selling Restrictions" for South Africa in "Section II-D: Subscription and Sale" of the Master Programme Memorandum will be disapplied and deemed to be |

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| | amended for purposes of these Notes. |
| 14. Issue Price: | 100.00% |
| 15. Interest Commencement Date: | Not Applicable |
| 16. Maturity Date: | 04 May 2022, subject to such day being an Exchange Business Day and a Business Day. If such day is not an Exchange Business Day and a Business Day, then the Maturity Date will be the next day which is an Exchange Business Day and a Business Day. |
| 17. Applicable Business Day Convention: | Modified Following Business Day |
| 18. Final Redemption Amount: | See Index-Linked Notes provisions in paragraph 22(b) below. |
| 19. Last Date to Register: | Subject to the provisions below relating to the occurrence of "Autocall Events" and the early redemption of the Notes, the Last Date to Register will be 8 (eight) calendar days before each applicable early redemption date, i.e. the 26 th of April 2018, the 30 th of April 2019, the 28 th of April 2020, the 27 th of April 2021 and the 26 th of April 2022 during the term of the Notes, commencing on the 26 th of April 2018 and ending on the 26 th of April 2022, each such day being subject to adjustment in accordance with the Applicable Business Day Convention. |
| 20. Books Closed Period(s): | Subject to the provisions below relating to the occurrence of "Autocall Events" and the early redemption of the Notes, the Register will be closed 7 (seven) days before each applicable early redemption date, i.e. the 27 th of April 2018, the 1 st of May 2019, the 29 th of April 2020, the 28 th of April 2021 and the 27 th of April 2022 during the term of the Notes, commencing on the 27 th of April 2018 and ending on the 27 th of April 2022, each such day being subject to adjustment in accordance with the Applicable Business Day Convention. |
| 21. Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date: | ZAR15,137,132,255.80 |

| INDEX-LINKED NOTES | |
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| 22. (a) Type of Index-Linked Notes: | Indexed Redemption Amount Notes |
| (b) Index/Formula by reference to which Interest Rate / Interest Amount is to be determined: | <p>If:</p> <p>on any one of the Anniversary Dates 1, 2, 3 or 4, each such day being subject to the Applicable Business Day Convention, the Issuer has not redeemed the Notes early following an Autocall Event specified below;</p> <p>and</p> <p>on Anniversary Date 5, such date being subject to the Applicable Business Day Convention, at the Index Valuation Time the Anniversary Index Level is greater than or equal to the level the Anniversary Autocall Level , the Final Redemption Amount will be equal to an amount determined and calculated by the Issuer in accordance with the following formula:</p> $FRA=ANA + [ANA*(5*ER)]$ <p>Where:</p> <p>“FRA” means the Final Redemption Amount;</p> <p>“ANA” means the Aggregate Nominal Amount;</p> <p>“ER” means the Enhanced Return, as specified in row 5 of the table in paragraph 22(e) below; and</p> <p>“*” means “multiplied by”;</p> <p>or</p> <p>on Anniversary Date 5 at the Index Valuation Time, the Anniversary Index Level is not greater than or equal to relevant Anniversary Autocall Level ; and:</p> <p>(i) the Calculation Agent determines that the level of the Index on Anniversary Date 5 at the Index Valuation Time is greater than or equal to the Barrier, then the Final Redemption Amount will be equal to the Aggregate Nominal Amount (“ANA”) only;</p> <p>or</p> <p>(ii) the Calculation Agent determines that the level of the Index on Anniversary Date 5 at the Index</p> |

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| | <p>Valuation Time is below the Barrier, then the Final Redemption Amount will be equal to an amount determined and calculated by the Calculation Agent according to the following formula:</p> $FRA = ANA * \left[1 - \max \left[0, 1 - \min \left(\frac{ES_{f5}}{ES_i}, \frac{SP_{f5}}{SP_i} \right) \right] \right]$ <p>Where:</p> <p>"FRA" means the relevant Final Redemption Amount;</p> <p>"ANA" means the Aggregate Nominal Amount;</p> <p>"*" means "multiplied by";</p> <p>"max" means "the maximum of" or "the greater of";</p> <p>"min" means "the minimum of" or the "lesser of";</p> <p>"ES_{f5}" means the official level of the Euro Stoxx 50 Index as at the Index Valuation Time on Anniversary Date 5;</p> <p>"ES_i" means the level of the Euro Stoxx 50 Index as at the Index Valuation Time on the Effective Date i.e. 3,583.16;</p> <p>SP_{f5}" means the official level of the S&P 500 Index as at the Index Valuation Time on Anniversary Date 5;</p> <p>"SP_i" means the level of the S&P 500 Index as at the Index Valuation Time on the Effective Date i.e. 2,388.61;(i)</p> <p>On the first Anniversary Date specified in Table 1 below at the Index Valuation Time, the Calculation Agent will determine the level of the Euro Stoxx 50 Index (ES_{f1}) and the level of the S&P 500 Index (SP_{f1}).</p> <p>The Calculation Agent will then determine if the EF_{f1} is higher or lower than the EFi (the Initial Level of the Euro Stoxx 50) and if the SS_{f1} is higher or lower than the SPi (the Initial Level of the S&P 500).</p> <p>The Calculation Agent will then compare the increase or decrease of the two index levels with</p> |
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| | <p>each other:</p> $\frac{ES_{f1}}{ES_i} \text{ compared with } \frac{SP_{f1}}{SP_i}$ <p>If the worst of these compared changes in level is at or above the relevant Initial Index Level then this Note will be deemed to be “autocalled” by the Issuer, and the Issuer will redeem the Note and make a payment calculated in accordance with the formula specified in the fourth column of Table 1 in the same row as Anniversary Date 1.</p> <p>If the worst of these compared changes in level is below the relevant Initial Index Level then this Note will not be deemed to be “autocalled” by the Issuer, and the Issuer will not redeem the Note.</p> <p>(ii) Provided that the Notes were not “autocalled” and redeemed on Anniversary Date 1, on Anniversary Date 2 specified in the table below at the Index Valuation Time, the Calculation Agent will determine the level of the Euro Stoxx 50 Index (EF_{f2}) and the level of the S&P 500 Index (SF_{f2}).</p> <p>The Calculation Agent will then determine if the EF_{f2} is higher or lower than a level equal to 95% of the EF_i (the Initial Level of the Euro Stoxx 50) and if the SF_{f2} is higher or lower than a level equal to 95% of SF_i (the Initial Level of the S&P 500).</p> <p>The Calculation Agent will then compare the increase or decrease of the two index levels with each other:</p> $\frac{EF_{f2}}{EF_i} \text{ compared with } \frac{SF_{f2}}{SF_i}$ <p>If the worst of these compared changes in level is at or above 95% of the relevant Initial Index Level then this Note will be deemed to be “autocalled” by the Issuer, and the Issuer will</p> |
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| | <p>redeem the Note and make a payment calculated in accordance with the formula specified in the fourth column of Table 1 in the same row as Anniversary Date 2.</p> <p>If the worst of these compared changes in level is below 95% of the relevant Initial Index Level then this Note will not be deemed to be “autocalled” by the Issuer, and the Issuer will not redeem the Note.</p> <p>(iii) Provided that the Notes were not “autocalled” and redeemed on either Anniversary Date 1 or Anniversary Date 2, on Anniversary Date 3 specified in the table below at the Index Valuation Time, the Calculation Agent will determine the level of the Euro Stoxx 50 Index (EF_{f3}) and the level of the S&P 500 Index (SF_{f3}).</p> <p>The Calculation Agent will then determine if the EF_{f3} is higher or lower than a level equal to 90% of E_{fi} (the Initial Level of the Euro Stoxx 50) and if the SF_{f3} is higher or lower than a level equal to 90% of S_{fi} (the Initial Level of the S&P 500).</p> <p>The Calculation Agent will then compare the increase or decrease of the two index levels with each other:</p> $\frac{ES_{f3}}{ES_i} \text{ compared with } \frac{SP_{f3}}{SP_i}$ <p>If the worst of these compared changes in level is at or above 90% of the relevant Initial Index Level then this Note will be deemed to be “autocalled” by the Issuer, and the Issuer will redeem the Note and make a payment calculated in accordance with the formula specified in the fourth column of Table 1 in the same row as Anniversary Date 3.</p> <p>If the worst of these compared changes in level is below 90% of the relevant Initial Index Level then this Note will not be deemed to be “autocalled”</p> |
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| | <p>by the Issuer, and the Issuer will not redeem the Note.</p> <p>(iv) Provided that the Notes were not “autocalled” and redeemed on Anniversary Date 1, Anniversary Date 2 or Anniversary Date 3, on Anniversary Date 4 specified in the table below at the Index Valuation Time, the Calculation Agent will determine the level of the Euro Stoxx 50 Index (ES_{f4}) and the level of the S&P 500 Index (SP_{f4}).</p> <p>The Calculation Agent will then determine if the ES_{f4} is higher or lower than a level equal to 85% of ES_i (the Initial Level of the Euro Stoxx 50) and if the SP_{f4} is higher or lower than a level equal to 85% of SP_i (the Initial Level of the S&P 500).</p> <p>The Calculation Agent will then compare the increase or decrease of the two index levels with each other:</p> $\frac{ES_{f4}}{ES_i} \text{ compared with } \frac{SP_{f4}}{SP_i}$ <p>If the worst of these compared changes in level is at or above 85% of the relevant Initial Index Level then this Note will be deemed to be “autocalled” by the Issuer, and the Issuer will redeem the Note and make a payment calculated in accordance with the formula specified in the fourth column of Table 1 in the same row as Anniversary Date 4.</p> <p>If the worst of these compared changes in level is below 85% of the relevant Initial Index Level then this Note will not be deemed to be “autocalled” by the Issuer, and the Issuer will not redeem the Note.</p> <p>(v) Provided that the Notes were not “autocalled” and redeemed on Anniversary Date 1, Anniversary Date 2, Anniversary Date 3 or Anniversary Date 4, on Anniversary Date 5</p> |
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| | <p>specified in the table below at the Index Valuation Time, the Calculation Agent will determine the level of the Euro Stoxx 50 Index (ES_{f_5}) and the level of the S&P 500 Index (SP_{f_5}).</p> <p>The Calculation Agent will then determine if the ES_{f_5} is higher or lower than a level equal to 80% of ES_i (the Initial Level of the Euro Stoxx 50) and if the SP_{f_5} is higher or lower than a level equal to 80% of SP_i (the Initial Level of the S&P 500).</p> <p>The Calculation Agent will then compare the increase or decrease of the two index levels with each other:</p> <p>$\frac{ES_{f_4}}{ES_i}$ compared with $\frac{SP_{f_4}}{SP_i}$</p> <p>If the worst of these compared changes in level is at or above 80% of the relevant Initial Index Level then the Issuer will redeem the Note and make a payment calculated in accordance with the formula specified in the fourth column of Table 1 in the same row as Anniversary Date 5.</p> <p>If the worst of these compared changes in level is below 80% of the relevant Initial Index Level and the Calculation Agent determines that on Anniversary Date 5 at the Index Valuation Time, the worst of these compared changes is at or above 60% of the relevant Initial Index Level (i.e. at or above 2,149.8960 for the Euro Stoxx 50 Index and 1,433.1660 for the S&P 500 Index, respectively), the Issuer will redeem the Note and make a payment equal to the Aggregate Notional Amount (ANA) of the Notes.</p> <p>If the worst of these compared changes in level is below 80% of the relevant Initial Index Level and the Calculation Agent determines that on Anniversary Date 5 at the Index Valuation Time, the worst of these compared changes is below 60% of the relevant Initial Index Level (i.e. below</p> |
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| | <p>2,170.93 for the Euro Stoxx 50 Index and 1,260.62 for the S&P 500 Index, respectively), the Issuer will redeem the Note and make a payment calculated in accordance with the following formula:</p> $\text{FRA} = \text{ANA} * (1 - \text{Knock In Amount})$ <p>Where:</p> <p>"FRA" means the Final Redemption Amount;</p> <p>"ANA" means the Aggregate Nominal Amount;</p> <p>"*" means "multiplied by";</p> <p>"Knock In Amount" (KIA) means an amount determined and calculated in accordance with the following formula:</p> $\text{KIA} = \max \left[0, 1 - \min \left(\frac{\text{ES}_{f5}}{\text{ES}_i}, \frac{\text{SP}_{f5}}{\text{SP}_i} \right) \right]$ <p>"max" means "the maximum of" or "the greater of";</p> <p>"min" means "the minimum of" or the "lesser of";</p> <p>"ES_{f5}" means the official level of the Euro Stoxx 50 Index as of the Index Valuation Time on Anniversary Date 5;</p> <p>"ES_i" means the level of the Euro Stoxx 50 Index as of the Index Valuation Time on the Effective Date i.e. 3,583.16;</p> <p>"SP_{f5}" means the official level of the S&P 500 Index as of the Index Valuation Time on Anniversary Date 5;</p> <p>"SP_i" means the level of the S&P 500 Index as of the Index Valuation Time on the Effective Date i.e. 2,388.61.</p> <p>For purposes of the above:</p> <p>"Effective Date" means 25 April 2017.</p> <p>"Anniversary Date 1", "Anniversary Date 2",</p> |
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| | <p>“Anniversary Date 3”, “Anniversary Date 4” or “Anniversary Date 5” means respectively the date specified as such in the table in paragraph 22(e) below, each such date being subject to adjustment if such day is not an Exchange Business Day and a Business Day, then such day will be the next day which is an Exchange Business Day and a Business Day.</p> <p>“Exchange Business Day” means a Scheduled Trading Day on which:</p> <ul style="list-style-type: none">(a) the Index Sponsor actually publishes the closing level of the Index; and(b) each Listing Financial Exchange or each Index Component Exchange, as the case may be, is actually open for trading during its regular trading session, notwithstanding the relevant Listing Financial Exchange and/or any relevant Index Component Exchange, as the case may be, closing prior to its Scheduled Closing Time; <p>“Scheduled Trading Day” means any day on which:</p> <ul style="list-style-type: none">(a) the Index Sponsor is scheduled to publish the closing level of the Index; and(b) each Listing Financial Exchange or each Index Component Exchange, as the case may be, is scheduled to be open for trading during its regular trading session; <p>“Scheduled Closing Time” means, in respect of an Index Component Exchange and an Exchange Business Day, the scheduled weekday closing time of such Index Component Exchange on such Exchange Business Day, without regard to after hours or any other trading outside of the regular trading session hours;</p> <p>“Index Sponsor” means the corporation or other entity that:</p> <ul style="list-style-type: none">(a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index; and(b) announces (directly or through an agent) the level of the Index on a regular basis during each Exchange Business Day; <p>“Index Component Exchange” means in respect of each</p> |
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| | <p>component security of the Index (each, a “Component Security”), the principal securities exchange of which such Component Security is principally traded, as determined by the Calculation Agent;</p> <p>“Anniversary Index Level” means, in respect of each Anniversary Date, the level of the Index determined by the Calculation Agent at the Index Valuation Time;</p> <p>“Barrier” means the level of the relevant Index equal to a level calculated by the Calculation Agent in accordance with the following formula:</p> <p>$B = ES_i * 0.6$ is 2,149.8960 based on the official level of Euro Stoxx 50 Index as at the Index Valuation Time on the Effective Date; and</p> <p>$B = SP_i * 0.6$ is 1,433.1660 based on the official level of S&P 500 Index as at the Index Valuation Time on the Effective Date</p> <p>Where:</p> <p>“B” means the Barrier;</p> <p>“ES_i” means the level of the Euro Stoxx 50 Index as at the Index Valuation Time on the Effective Date i.e. 3,583.16;</p> <p>“SP_i” means the level of the S&P 500 Index as at the Index Valuation Time on the Effective Date i.e. 2,388.61;</p> <p>“*” means “multiplied by”.</p> <p>Index Website:</p> <p>For S&P 500® Index: http://us.spindices.com/documents/methodologies/methodology-sp-us-indices.pdf</p> <p>For EURO STOXX 50® Index: http://www.stoxx.com/download/indices/rulebooks/stoxx_indexguide.pdf</p> <p>“Index Valuation Time” means:</p> <p>(a) for the purposes of determining whether a Market Disruption Event has occurred:</p> <p>(aa) in respect of any Component Security, the Scheduled Closing Time of the relevant Index Component Exchange; and</p> |
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| | <p>(bb) in respect of any options contracts or futures contracts referencing the Index, the close of trading on the related securities exchange; and</p> <p>(b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.</p> | | | | | | | | | | | | | | | | | | |
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| (c) Index Calculation Agent: | <p>In respect of the S&P 500® Index, S&P Dow Jones is the Index Calculation Agent.</p> <p>In respect of the Euro Stoxx 50® Index, STOXX Limited, Zurich, Switzerland and/or its licensors are the Index Calculation Agent.</p> | | | | | | | | | | | | | | | | | | |
| (d) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable: | See paragraph 36 below. | | | | | | | | | | | | | | | | | | |
| (e) Other terms relating to Index Linked Notes: | <p>An Autocall Event occurs if on any one of the Anniversary Dates 1, 2, 3 or 4 specified in paragraph 22(b) above at the Index Valuation Time, the Calculation Agent determines that the relevant Anniversary Index Level is greater than or equal to the Anniversary Autocall Level specified in this table:</p> <table border="1"> <thead> <tr> <th>n</th> <th>Anniversary Date:</th> <th>Anniversary Autocall Level:</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>25 April 2018</td> <td>A₁</td> </tr> <tr> <td>2</td> <td>29 April 2019</td> <td>A₂</td> </tr> <tr> <td>3</td> <td>27 April 2020</td> <td>A₃</td> </tr> <tr> <td>4</td> <td>26 April 2021</td> <td>A₄</td> </tr> <tr> <td>5</td> <td>25 April 2022</td> <td>A₅</td> </tr> </tbody> </table> <p>Where:</p> <p>Anniversary Autocall Level 1 (A₁) = I_i * 1.000</p> <p>Anniversary Autocall Level 2 (A₂) = I_i * 0.95;</p> <p>Anniversary Autocall Level 3 (A₃) = I_i * 0.90;</p> | n | Anniversary Date: | Anniversary Autocall Level: | 1 | 25 April 2018 | A ₁ | 2 | 29 April 2019 | A ₂ | 3 | 27 April 2020 | A ₃ | 4 | 26 April 2021 | A ₄ | 5 | 25 April 2022 | A ₅ |
| n | Anniversary Date: | Anniversary Autocall Level: | | | | | | | | | | | | | | | | | |
| 1 | 25 April 2018 | A ₁ | | | | | | | | | | | | | | | | | |
| 2 | 29 April 2019 | A ₂ | | | | | | | | | | | | | | | | | |
| 3 | 27 April 2020 | A ₃ | | | | | | | | | | | | | | | | | |
| 4 | 26 April 2021 | A ₄ | | | | | | | | | | | | | | | | | |
| 5 | 25 April 2022 | A ₅ | | | | | | | | | | | | | | | | | |

Anniversary Autocall Level 4 (A_4) = $li * 0.85$; and

Anniversary Autocall Level 5 (A_5) = $li * 0.80$;

On the occurrence of an Autocall Event, the Notes will automatically terminate early on the relevant Early Redemption Date and the Issuer will pay to the holder of the Notes the relevant Early Redemption Amount specified in this table on the relevant Early Redemption Date or Maturity Date, as the case may be, specified in this table:

| | Anniversary Date: | Early Redemption Date (in the case of 1, 2, 3 and 4) and Maturity Date (in the case of 5): | Early Redemption Amount (in the case of 1, 2, 3 and 4) and Final Redemption Amount (in the case of 5): |
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| 1 | 25 April 2018 | 04 May 2018 | $ANA + (ANA * (1 * ER))$ |
| 2 | 29 April 2019 | 08 May 2019 | $ANA + (ANA * (2 * ER))$ |
| 3 | 27 April 2020 | 05 May 2020 | $ANA + (ANA * (3 * ER))$ |
| 4 | 26 April 2021 | 04 May 2021 | $ANA + (ANA * (4 * ER))$ |
| 5 | 25 April 2022 | 04 May 2022 | $ANA + (ANA * (5 * ER))$ |

subject to any such day being an Exchange Business Day and a Business Day. If any such day is not an Exchange Business Day and a Business Day, then such day will be the next day which is an Exchange Business Day and a Business Day.

For purposes of the above table:

“ER” means an Enhanced Return of 0.1300;

“ANA” means Aggregate Nominal Amount; and

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| | “*” means “multiplied by”. |
| PROVISIONS REGARDING REDEMPTION/MATURITY | |
| 23. Redemption at the option of the Issuer: | No |
| 24. Redemption at the Option of Note holders: | No |
| 25. Early Redemption Amount(s) payable on redemption for taxation reasons, Autocall Event, Change in Law, Hedging Disruption, Increased Cost of Hedging, Market Disruption Event, Trading Disruption, Exchange Disruption, Early Closure, Disrupted Day, Additional Termination Events or on Event of Default (if required). | Yes |
| If yes: | |
| (a) Amount payable; or | Not Applicable |
| (b) Method of calculation of amount payable for an Autocall Event: | See paragraph 22(e) above. |
| (c) Method of calculation of amount payable for all other purposes: | As specified in Condition 8.5 (<i>Early Redemption Amounts</i>) of the Master Programme Memorandum. |
| GENERAL | |
| 26. Listing Financial Exchange: | All such exchanges relevant to the Index as determined by the Calculation Agent. |
| 27. Calculation Agent: | Absa Corporate and Investment Banking, a division of Absa Bank Limited. |
| 28. Paying Agent: | Absa Corporate and Investment Banking, a division of Absa Bank Limited. |

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| 29. Specified office of the Paying Agent: | 15 Alice Lane Sandton 2196 Gauteng Republic of South Africa |
| 30. Transfer Agent: | Absa Corporate and Investment Banking, a division of Absa Bank Limited. |
| 31. ISIN No.: | ZAG000145830 |
| 32. Stock Code: | ASN198 |
| 33. Method of distribution: | Private Placement |
| 34. Governing law: | Law of the Republic of South Africa |
| 35. Pricing Methodology: | Standard pricing methodology of the JSE Limited |
| 36. Other provisions: | Applicable The Notes will be inward listed on the JSE in terms of the authority granted by the Financial Surveillance Department of the South African Reserve Bank. |
| (a) Change in Law: | If on or after the Effective Date of the Notes: (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including, without limitation, any action taken by a taxing authority), the Calculation Agent determines in good faith that: (aa) it has become illegal or contrary to such applicable law or regulation for the Note Holder to hold the Notes; or (bb) it has become illegal or contrary to such applicable law or regulation for the Issuer or any affiliate of the Issuer to hold, acquire, deal in or dispose of hedge positions, underlying securities or other |

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| | <p>property or assets comprised in an index, any currency, futures contracts, commodities or contracts in securities, options, futures, derivatives or foreign exchange relating to the Notes (collectively, "Hedge Positions"), or</p> <p>(cc) the Issuer or any affiliate of the Issuer will incur a materially increased cost in performing its obligations in respect of the Notes or its Hedge Positions in connection with the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position), or</p> <p>(dd) the Issuer or any affiliate of the Issuer will be subjected to materially less favourable regulatory capital treatment in respect of such Notes or any related Hedge Positions,</p> <p>the Issuer may terminate the Notes early and the Calculation Agent will determine and calculate the early termination amount to be paid to the Note Holder.</p> <p>The phrase "any applicable law or regulation" includes, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any rules and regulations promulgated there under and any similar law or regulation (collectively, the "Wall Street Act"). Any additional capital charges or other regulatory capital requirements imposed in connection with the Wall Street Act or any legislation and/or regulation based on the Wall Street Act, or Basel III, will constitute a materially increased expense or cost of the Issuer in performing its obligations in respect of these Notes.</p> |
| <p>(b) Hedging Disruption:</p> | <p>If the Issuer or any affiliate of the Issuer (each "a Hedging Party") is unable, after using commercially reasonable efforts, to either:</p> <p>(i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Notes or any Hedge Positions in connection with the Notes, or</p> |

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| | <p>(ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Position in connection with the Notes between accounts within the jurisdiction of the Hedge Positions (the “Affected Jurisdiction”) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction,</p> <p>the Issuer may terminate the Notes early and the Calculation Agent will calculate the early termination amount to be paid to the Note Holder.</p> |
| <p>(c) Increased Cost of Hedging:</p> | <p>If the Issuer or any affiliate of the Issuer (each “a Hedging Party”) would incur a materially increased (as compared with circumstances existing on the Effective Date) amount of tax, duty, expenses, costs or fees (other than brokerage or commissions) to:</p> <p>(i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk, including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Notes or Hedge Positions in connection with the Notes, or</p> <p>(ii) realise, recover or remit the proceeds of Hedge Positions in connection with the Notes between accounts within the jurisdiction of the Hedge Positions (the “Affected Jurisdiction”) or from accounts within the Affected Jurisdiction to accounts outside the Affected Jurisdiction,</p> <p>the Issuer may terminate the Notes early and the Calculation Agent will calculate the early termination amount to be paid to the Note Holder.</p> |
| <p>(d) Market Disruption:</p> | <p>A “Disrupted Day” means any Scheduled Trading Day on which:</p> <p>(i) the Index Sponsor fails to publish the level of the Index;</p> <p>(ii) the Index Component Exchange fails to open for trading during its regular trading session; or</p> <p>(iii) a Market Disruption Event has occurred.</p> |

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| | <p>The Calculation Agent will as soon as reasonably practicable under the circumstances notify the Note Holders of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date. Without limiting the obligation of the Calculation Agent to notify the Note Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Note Holders of the occurrence of a Disrupted Day will not affect the validity of the occurrence.</p> <p>The consequences of a Disrupted Day are that the relevant Valuation Date will be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the relevant scheduled Valuation Date is a Disrupted Day. In that case, (aa) that eighth Scheduled Trading Day will be deemed to be the relevant Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (bb) the Calculation Agent will determine the level of the Index as of the Index Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Index Component Exchange traded or quoted price as of the Index Valuation Time on that eighth Scheduled Trading Day of each Component Security (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component Security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant Component Security as of the Index Valuation Time on that eighth Scheduled Trading Day).</p> <p>For purposes of the above, the following terms have the meanings assigned next to each such term:</p> <p>“Valuation Date” means each of the following dates: the Issue Date, the Maturity Date, an Anniversary Date and an Exchange Business Day.</p> <p>“Market Disruption Event” means either:</p> <p>(i) (aa) the occurrence or existence, in respect of any Component Security, of:</p> <p>(1) a Trading Disruption in respect of</p> |
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| | <p>such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Index Valuation Time in respect of the Index Component Exchange on which such Component Security is principally traded;</p> <p>(2) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Index Valuation Time in respect of the Index Component Exchange on which such Component is principally traded;</p> <p>(3) an Early Closure in respect of such Component Security;</p> <p>AND</p> <p>(bb) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20% (twenty per cent.) or more of the level of the Index;</p> <p>OR</p> <p>(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of:</p> <p>(aa) a Trading Disruption Event;</p> <p>(bb) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Index Valuation Time in respect of the Index Component Exchange; or</p> <p>(cc) an Early Closure, in each case in respect of</p> |
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| | <p style="text-align: center;">such futures or options contracts.</p> <p>For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index will be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published as part of the market "opening data".</p> <p>“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Index Component Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Index Component Exchange or otherwise:</p> <ul style="list-style-type: none"> (i) relating to any Component Security on the Index Component Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Index Component Exchange. <p>“Exchange Disruption” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for:</p> <ul style="list-style-type: none"> (i) any Component Security on the Index Component Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Index Component Exchange. <p>“Early Closure” means the closure on any Exchange Business Day of the Index Component Exchange in respect of any Component Security prior to its Scheduled Closing Time, unless such earlier closing is announced by such Index Component Exchange at least one hour prior to the earlier of:</p> <ul style="list-style-type: none"> (i) the actual closing time for the regular trading |
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| | <p>session on such Index Component Exchange on such Exchange Business Day; and</p> <p>(ii) the submission deadline for orders to be entered into the Index Component Exchange system for execution at the relevant Index Valuation Time on such Exchange Business Day.</p> |
| <p>(e) Additional Early Redemption Events:</p> | <p>Each of the following constitutes an “Additional Early Redemption Event”:</p> <p>(i) The failure by any party despite all its reasonable endeavours to obtain or maintain all applicable exchange controls approvals and any other regulations, licences or approvals (howsoever described) required in the Republic of South Africa to acquire and keep the Notes.</p> <p>(ii) A force majeure (impossibility of performance) will arise if after the date of this Term Sheet:</p> <p>(aa) any confiscations, impairment of currency and/or security transfers, banking moratorium, standstill, waivers or deferral, or other restrictions, whether de facto or de iure (including any expropriation, confiscation, requisition or nationalisation of private property), imposed by a government or administrative authority, any court, tribunal, or any other entity de facto or de iure, or any other entity charged with the regulation of the financial markets (including the central bank), or</p> <p>(bb) the declaration of a national emergency, the occurrence of a natural or man-made disaster, civil unrest or act of terrorism, the imposition of martial law or declaration of war or further to any similar circumstance beyond the control of a party</p> <p>it becomes impossible (other than as a result of</p> |

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| | <p>its own misconduct) for a party to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of the Notes or to comply with any other material provision of this Term Sheet.</p> <p>(iii) A South African Sovereign Event occurs in respect of any affiliate of the Issuer.</p> <p>For purposes of this provision, a “South African Sovereign Event” means the occurrence of any of the following events:</p> <p>(aa) the failure of the South African Reserve Bank or any successor to it as the central bank and monetary authority of the Republic of South Africa to exchange, or to approve or permit the exchange of South African Rand (ZAR) for United States of America Dollars (USD) or any other action of any governmental authority of the Republic of South Africa (including the promulgation, operation or enforcement of any law, act, decree, regulation, ordinance, order, directive, policy or determination or modification of, or change in the interpretation of any of the foregoing) or any event in the Republic of South Africa (including a decree by the parliament of the Republic of South Africa or the President of the Republic of South Africa) that has the effect of restricting such exchange or the transfer of funds outside of the Republic of South Africa, or the transfer of South African Rand within the Republic of South Africa, or which causes U.S. Dollars to be unavailable in any legal exchange market thereof in the Republic of South Africa in accordance</p> |
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| | <p>with normal practice, or</p> <p>(bb) a declaration by a governmental authority of the Republic of South Africa of any moratorium on, the required scheduling of, or required approval of, the payment of any indebtedness, or any similar actions; or</p> <p>(cc) any expropriation, confiscation, requisition, nationalisation or other action by any governmental authority of the Republic of South Africa which deprives the relevant affiliate of all or a substantial portion of its assets in South Africa.</p> <p>If an Additional Early Redemption Event occurs, the Issuer may terminate the Notes early and the Calculation Agent will calculate the early termination amount to be paid to the Note Holder</p> |
| <p>(f) Index Disclaimer:</p> | <p>S&P 500® Index (Index1): The Securities are not sponsored, endorsed, sold or promoted by Standard & Poor's Financial Services LLC ("S&P") or its third party licensors. Neither S&P nor its third party licensors makes any representation or warranty, express or implied, to the owners of the Securities or any member of the public regarding the advisability of investing in securities generally or in the Securities particularly or the ability of the S&P 500® Index (the "Index") to track general stock market performance. S&P's and its third party licensor's only relationship to Barclays Bank PLC is the licensing of certain trademarks and trade names of S&P and the third party licensors and of the Index which is determined, composed and calculated by S&P or its third party licensors without regard to Barclays Bank PLC or the Securities. S&P and its third party licensors have no obligation to take the needs of Barclays Bank PLC or the owners of the Securities into consideration in determining, composing or calculating the Index. Neither S&P nor its third party licensors is responsible</p> |

for and has not participated in the determination of the prices and amount of the Securities or the timing of the issuance or sale of the Securities or in the determination or calculation of the equation by which the Securities are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Securities.

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| | license from STOXX. The Securities based on the index are in no way sponsored, endorsed, sold or promoted by STOXX and/or its licensors and neither STOXX nor its licensors shall have any liability with respect thereto. |
| (g) Issuer Rating on Issue Date: | Issuer Rating: A1.za as assigned by Moody's on 27 October 2016 to be reviewed by Moody's from time to time. Issuer Rating: zaA as assigned by Standard & Poor on 05 April 2017 and to be reviewed by Standard & Poor from time to time. |
| 37. Debt Listing Requirements: | In accordance with section 4.22 of the JSE Debt Listing Requirements, the Issuer hereby confirms that the Programme Amount has not been exceeded at the time of the issuing of the Notes. |

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.

for and on behalf of

ABSA BANK LIMITED

DocuSigned by:

 E4B47506EB06464...
 Name: Chris Edwards
 Capacity: Head of Absa Prime Services
 Date: 04-08-2017 | 08:14:58 AM PDT

Who warrants his/her authority hereto

DocuSigned by:

 0509A68C88E14F2...
 Name: Tebogo Molefe
 Capacity: Principal
 Date: 07-08-2017 | 05:13:38 AM PDT

Who warrants his/her authority hereto