
APPLICABLE PRICING SUPPLEMENT – SUSTAINABLE BONDS

Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche of Notes issued under the Programme:



ABSA BANK BOTSWANA LIMITED

(Registration number BW00001237900)
(Incorporated in the Republic of Botswana)
("Absa" or "the Company")

Tap Issue of BWP 32,600,000 (Thirty Two Million Six Hundred Thousand) Senior Unsecured Notes due 06 December 2025, with stock code ABBSF01

Under its BWP2,000,000,000 (Two Billion) Medium-Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated 20th July 2023, prepared by Absa in connection with the Absa BWP 2,000,000,000 (Two Billion Pula) Note Programme, as amended and/or supplemented from time to time (the "**Programme Memorandum**").

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described herein ("**this Tranche**"). This Tranche is a tap issuance of the Notes listed under code ABBSF01, issued on 6th December 2023, and all references to "Notes", "this Tranche" and "this Tranche of Notes" must, where appropriate, be construed accordingly. This Tranche of Notes 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.

Prospective investors in the Notes of the Programme Memorandum as with any other listed security should ensure that they fully understand the nature of the Issuer's operations, its valuation and the extent of their exposure to risks, and that they consider the suitability of the Issuer's Notes as an investment in light of their own circumstances and financial position. The BSE's approval of the listing of the Programme Memorandum should not be taken in any way as an indication of the merits of the Issuer. The BSE has not verified the accuracy and truth of the contents of the documentation submitted to it and, the BSE accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in this Programme Memorandum.

PARTIES

- | | |
|----------------------|--|
| 1. Issuer | ABSA BANK BOTSWANA LIMITED |
| 2. Dealer(s) | Absa Securities Botswana |
| 3. Paying Agent | Corpserve Botswana |
| Specified Office | Plot 2482B Tshekedi Crescent Ext 9
Gaborone |
| 4. Calculation Agent | Corpserve Botswana |
| Specified Office | Plot 2482B Tshekedi Crescent Ext 9
Gaborone |
| 5. Broker | Imara Capital Securities |
| Specified Office | Office 3A, Third Floor
Masa Center Plot 54353
New Central Business District
Gaborone |
| 6. Legal Advisor | Armstrongs Attorneys |
| Specified Office | 2 nd Floor, Acacia House,
Plot 74538, Cnr of PG Matante and Khama
Crescent Ext
New Central Business District
Gaborone |
| 7. Auditor | KPMG Botswana |
| Specified Office | Plot 67977, Off Tlokweng Road
Fairgrounds Office Park
Gaborone |
| 8. Trustee | Tatenda Dumba |
| Specified Office | Minchin and Kelly (Botswana)
Plot 54349, Office Block B, 3 rd Floor
Central Business District
Gaborone |
| 9. Transfer Agent | Central Securities Depository Company of Botswana Limited |
| Specified Office | 4th Floor, Fairscape Precinct, |

Plot 70667 Fairgrounds,
Gaborone

PROVISIONS RELATING TO THE NOTES

10. Status of Notes	Sustainable Bond, Senior Unsecured
11. Form of Notes	Listed Notes
12. Type of Notes	Fixed Rate Notes
13. Series Number	1
14. Tranche Number	2
15. Aggregate Nominal Amount:	
15.1 Series (Including this Tranche)	80,000,000
15.2 Tranche	32,600,000
16. Interest	Interest bearing
17. Interest Payment Basis	Fixed Rate
18. Interest Payment Date(s)	Means 06 June, and 06 December each year until the Maturity Date, with the first Interest Payment date being 06 June 2024, or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
19. Interest Period(s)	Semi-annually each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) 06 June 2024 (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
20. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another -	N/A
21. Conversion in the event of a Declassification Event	Yes
22. Issue Date	20 February 2024
23. Specified Denomination	BWP100,000.00 (One Hundred Thousand)
24. Specified Currency	Botswana Pula (BWP)
25. Issue Price	101.44861% of the Aggregate Nominal Amount of this Tranche

26. Interest Commencement Date	06 December 2023
27. Maturity Date	06 December 2025
28. Applicable Business Day Convention	Modified Following Business Day
29. Final Redemption Amount	100% of the Aggregate Nominal Amount of this Tranche
30. Last Day to Register	By 17h00 on Gaborone Time in each year until Maturity Date or if such day is not a Business Day, the Business Day before each Books Closed Period
31. Books Closed Period(s)	The Register will be closed from 10 Business Days prior to each Interest Payment Date and/or the Maturity Date
32. Default Rate	N/A

FIXED RATE NOTES

33. (a) Fixed Rate of Interest	7% percent per annum payable semi-annually in arrear
(b) Fixed Coupon Amount(s)	N/A
(c) Initial Broken Amount	N/A
(d) Final Broken Amount	N/A
(e) Interest Determination Date(s)	N/A
(f) Day Count Fraction	Actual/365
(g) Any other terms relating to the method of calculating interest	N/A

FLOATING RATE NOTES

ZERO COUPON NOTES N/A

MIXED RATE NOTES N/A

INDEX-LINKED NOTES N/A

OTHER NOTES N/A

PROVISIONS REGARDING REDEMPTION/MATURITY

34. Redemption at the Option of the Issuer:	N/A
If yes:	N/A
(a) Optional Redemption Date(s)	N/A
(b) Optional Redemption Amount(s) and method, if any, of calculation of such	N/A

	amount(s)	
(c)	Minimum period of notice (if different from Condition 7.3 (<i>Redemption at the option of the Issuer</i>))	N/A
(d)	If redeemable in part:	N/A
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
(e)	Other terms applicable on redemption	N/A
35.	Redemption at the Option of the Senior Noteholders:	N/A
	If yes:	
(a)	Optional Redemption Date(s)	N/A
(b)	Optional Redemption Amount(s)	N/A
(c)	Minimum period of notice	N/A
(d)	If redeemable in part:	N/A
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
(e)	Other terms applicable on Redemption	N/A
(f)	Attach <i>pro forma</i> put notice(s)	N/A
36.	Early Redemption for regulatory and/or tax reasons pursuant to Condition 8.2 (Redemption for Regulatory and/or Tax Reasons), or on an Event of Default pursuant to Condition 11.2 (Event of default relating to Senior Notes)	Yes
37.	Redemption in the event of a Change of Control	N/A
GENERAL		
38.	Additional selling restrictions	N/A

39. Additional terms or special conditions	
a) International Securities Identification Number (ISIN)	BW 000000 4977
b) Stock code	ABBSF01
c) BSE INSTRUMENT CODE	ABBL-CRS-1225-01
40. Financial Exchange	BSE Limited
41. Method of distribution	Private Placement
42. Credit Rating assigned to the Issuer/Programme/Notes	N/A
43. Applicable Rating Agency	N/A
44. Governing law	Botswana
45. Use of proceeds	The issuer will use the net proceeds of the issue of notes to finance and or refinance in whole or in part on a portfolio basis, renewable energy projects, green buildings, affordable housing in terms of the issuer's sustainable finance framework as found on the issuer's website: https://www.absa.co.bw/bwp-two-billion-medium-note-programme/ in relation to sustainable bonds.

Sustainable Bond Framework

ABBL has developed and adopted the Framework which provides the foundation under which ABBL may execute, and where applicable list, Green, Social and/or Sustainable Bonds, amongst other instruments. Green, Social and Sustainable Bonds issued under the Framework support ABBL's lending and financing activities (including refinancing activities) to Green Projects, Social Projects and Sustainable Projects. The Framework sets out the 'use of proceeds' criteria and process for the identification of eligible projects or activities that would satisfy the criteria to enable sustainable instruments to be categorised as Green, Social and/or Sustainable Bonds.

Assurance

In connection with the Framework and in compliance with the applicable BSE Debt Listings Requirements, ABBL appointed a sustainability specialist, ERM to evaluate the Framework and to issue the ERM Second Party Opinion.

The ERM Second Party Opinion is available on Absa Botswana's website at <https://www.absa.co.bw/content/dam/botswana/absa/pdf/bwp-two-billion-medium-note->

[programme/spo-report.pdf](#).

Independent External Reviewer

ERM is an independent external reviewer for the purposes of the BSE Debt Listings Requirements. The ERM Second Party Opinion constitutes the report of an independent external reviewer on the Framework as contemplated in the BSE Debt Listings Requirements.

ERM is a multinational consultancy firm which focuses on sustainability. The company provides environmental, health, safety, risk, and social consulting services and sustainability related services.

Management of Proceeds

The Issuer will track the receipt and use of the net proceeds of this Tranche of Notes via its internal tracking systems as more fully set out in the section of the Framework, headed "Management of Proceeds".

Impact Measurement and Reporting and External Review

ABBL will prepare and publish an Annual Allocation and Impact Report as more fully set out in the section of the Framework headed "Reporting".

ABBL will request (from the first anniversary of the Issue Date and until the earlier to occur of the Maturity Date or full allocation of the net proceeds) a limited assurance report of the allocation of the proceeds of Green Bonds, Social Bonds and Sustainable Bonds to eligible assets as contemplated by the Framework, to be provided by its external auditor.

The Annual Allocation and Impact Report and related assurance report will be included in ABBL's annual Integrated Report and be available on ABBL's website at <https://www.absa.co.bw/bank-reports/>.

Incorporation by reference

The Framework and the ERM SA (Proprietary) Ltd are incorporated by reference into this Applicable Pricing Supplement.

Notwithstanding the incorporation by reference of the Framework and the ERM SA (Proprietary) Ltd, the attention of investors in the Notes is

drawn to the risk factor set out in Section Four of the Programme Memorandum.

Interpretation

For purposes of this paragraph 51 (*Use of Proceeds*):

- (a) **"ABBL"** means Absa Bank Botswana Limited;
- (b) **"Annual Allocation and Impact Report"** means, in relation to sustainable instruments issued under the Framework, the annual allocation and impact report prepared by ABBL;
- (c) **"ERM SA"** means ERM SA (Proprietary) Ltd a company incorporated in accordance with the laws of the Republic of South Africa with registration number 2003/001404/07, registered address Building 27, Ground Floor, The Woodlands Office Park, 20 Woodlands Drive, Woodmead, Sandton, 2199;
- (d) **"ERM SA Second Party Opinion"** means the second party opinion issued by ERM SA confirming that the Framework is aligned with the ICMA Principles and Guidelines;
- (e) **"Framework"** means the ABBL Sustainable Finance Issuance Framework dated June 2023;
- (f) **"Green Bonds"** means any Notes the proceeds of which are applied to finance or refinance, in whole or in part, Green Projects;
- (g) **"Green Projects"** means any project and/or activities that promote climate-friendly and other environmental purposes;
- (h) **"ICMA Principles and Guidelines"** means the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines, as applicable, published by International Capital Market Association ("ICMA") from time to time;

- (i) **"Social Bonds"** means any Notes the proceeds of which are applied to finance or refinance, in whole or in part, Social Projects;
- (j) **"Social Projects"** means any project and/or activities that are aimed at reducing economic and social inequality;
- (k) **"Sustainable Bonds"** means any Notes the proceeds of which are applied to finance or refinance, in whole or in part, Sustainable Projects; and
- (l) **"Sustainable Projects"** means a combination of Green Projects and Social Projects.

46. Other provisions

Applicable – see Annexure "A" (Additional Terms and Conditions)

Responsibility

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum together with this Applicable Pricing Supplement contain all information required by law. The issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and all documents incorporated by reference (see the section of the Programme Memorandum headed '*Document Incorporated by Reference*').

SIGNED at Gaborone on this 20TH day of FEBRUARY 2024.

For and on behalf of
ABSA BANK BOTSWANA LIMITED



Name: Keabetswe Pheko- Moshagane
Capacity: Managing Director
Who warrants his/her authority hereto



Name: Cynthia Morapedi
Capacity: Finance Director
Who warrants his/her authority hereto

ANNEXURE "A"

ADDITIONAL CONDITIONS

ADDITIONAL TERMS AND CONDITIONS

The additional terms and conditions set out below ("**Additional Terms and Conditions**") shall apply to the Tranche of Notes described in the Applicable Pricing Supplement ("**relevant Tranche of Notes**" and "**Notes**") and shall form part of the Applicable Terms and Conditions of the relevant Tranche of Notes.

The Applicable Terms and Conditions (including the Additional Terms and Conditions) of the relevant Tranche of Notes are incorporated by reference into the Certificate/s (if any) representing the Notes.

1. "**Declassification Event**" means that the Notes issued hereunder no longer qualify as Sustainable Notes as defined below;
2. "**Conversion in the event of a Declassification Event**" means that in the event of a Declassification Event, the Sustainable Note/s issued herein shall have deemed to have been converted from a Sustainable Note into a Senior Note (as defined in the Programme Memorandum); and
3. "**Sustainable Note/s**" means the sustainable instruments as defined in the Sustainable Finance Issuance Framework June 2023.