



ABSA BANK BOTSWANA LIMITED

(Incorporated in the Republic of Botswana on 17 March 1975)

(Company number: BW00001237900)

BSE Code: [ABBL-O-0000]

("ABSA" or "the Issuer")

NOTICE TO HOLDERS AND PROSPECTIVE HOLDERS OF ABB 018 SUBORDINATE TIER 2 TEN YEAR FLOATING RATE NOTES

Existing holders of ABB 018 Subordinate Tier 2 Ten Year Floating Rate Notes ("the Notes") are referred to

- (1) the programme memorandum dated 17 October 2018 ("the Programme Memorandum"); and
- (2) the applicable pricing supplement dated 13 November 2018 ("the Applicable Pricing Supplement");

Existing Holders of the Notes are referred to the meetings held with representatives of the Issuer on 20, 21 and 22 April 2022.

Existing holders of the Notes were advised that:

- (1) as of 28 April 2022, Bank of Botswana will no longer publish a "Bank Rate";
- (2) Bank of Botswana has advised that as of 28 April 2022: -
 - (i) it will implement a 7-day Bank of Botswana certificate ("the BOB Certificate") which will bear interest; and
 - (ii) the rate on interest payable in respect of the BOB Certificate will replace the bank rate previously published by Bank of Botswana;
 - (iii) the rate of interest payable on the BOB Certificate will be known as the Monetary Policy Rate ("MoPR");

The Bank of Botswana may at its discretion make adjustments to the MoPR.

Each of the Notes is a "Floating Rate Note" and the Applicable Pricing Supplement, when referencing the Reference Rate (as defined in the Programme Memorandum and Applicable Pricing Supplement) references the "Bank Rate" as that which was announced by Bank of Botswana.

The reference as "Reference Rate" in the Applicable Pricing Supplement to "Bank Rate" is no longer appropriate.

The Issuer proposes an amendment to the Terms and Conditions of the Notes, effective 28 April 2022, deleting the current definition of "Reference Rate" in the Applicable Pricing Supplement and substituting the same with the following: -

“the Monetary Policy Rate, being the prevailing percent yield on the 7 Day Bank of Botswana Certificates as may be adjusted by Bank of Botswana, and as announced by Bank of Botswana from time to time”.

The Issuer intends that holders of the Notes should be placed in the same position as they were in had the “Bank Rate” as referred to in the Terms and Conditions in the Applicable Pricing Supplement not been replaced with the Monetary Policy Rate, and as if the Monetary Rate Policy was calculated on the same basis as the said “Bank Rate”.

Based on the MoPR as announced on 28 April 2022 being the prevailing yield on 7-day Bank of Botswana Certificates of 1.14% per annum the Issuer proposes that the Terms and Conditions set forth in the Applicable Pricing Supplement be further amended, effective 28 April 2022, by deletion in the definition of “Margin” of “ 2.25% per annum “ and replacing the same with “4.86% per annum”.

In that way holders of the Notes will be entitled to the same interest on the Notes as was receivable prior to 28 April 2022, after 28 April 2022

As set out in the Programme Memorandum, the Interest Rate (as defined in the Programme Memorandum and Applicable Pricing Supplement) in respect of each of the Notes shall be determined by the Calculation Agent (as defined in the Programme Memorandum and the Applicable Pricing Supplement).

In determining the Interest Rate, the said Calculation Agent shall calculate the average (the arithmetic mean between) of the Reference Rates announced by Bank of Botswana, within the Interest Period (as defined in the Programme Memorandum and Applicable Pricing Supplement) in respect of which the calculation is made.

The Margin, as amended, shall be applied to the average of the Reference Rates in an Interest Period.

In terms of the Programme Memorandum the prior written consent of all holders of the Notes is required to amend the terms and conditions of the Notes provided that no such amendment shall be of force and effect unless notices have been given to all holders of the Notes.

In terms of condition 7 of the Notes contained in the Programme Memorandum notice shall be given by publication on Xnews and publication in a newspaper, and may also be given by sending the notice by email or post to holders of the Notes.

This notice serves as a notice of intention to amend the terms and conditions of the Notes to holders thereof.

Holders of Notes are required to indicate consent to the amendments by completing form A which can be obtained from the Issuer and returning that form to the Transfer Agent, Transaction Management Services Proprietary Limited attention: Stephen Pezarro, email: stephen@corpservebotswana.com , fax: +267 393 2243 within 5 business days of receipt by the holder of this Note.

DIRECTORS OF THE ISSUER

Directors of the Issuer as at date of this notice are:

- (1) Keabetswe Agatha Moshagane
- (2) Kgotlayarona Ramaphane
- (3) Cosmas Moapare
- (4) Benjamin Monaheng Kodisang
- (5) Sari Helena Nikka
- (6) Cynthia Morapedi
- (7) Daniel Neo Moroka
- (8) Sethunya Dorothy Makepe
- (9) Thabo Kagiso Matthews
- (10) Saviour Mwepu Chibiya

CONSENTS

The advisors to the Issuer in respect of the Notes to whom reference is made in this Notice have given their consents to be so referred to.

RESPONSIBILITY STATEMENT OF THE MEMBERS OF THE BOARD

The Board of Directors is confident that the business and financial integrity of the Issuer shall remain sound.

The members of the Board, whose names are given on this Notice collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that this Notice contains all information required by law.

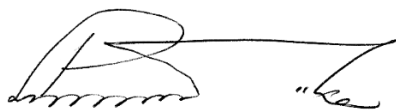
The members of the Board confirm that this includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the securities to which this Notice relates.

CORPORATE INFORMATION

Issuer	Issuer's Principal Place of Business
Fifth Floor, Prime Plaza, Plot 74358, Central Business District, Gaborone, Botswana P O Box 478 Gaborone, Botswana Contact: Kealeboga Bojosi	Fifth Floor, Prime Plaza, Plot 74358, Central Business District, Gaborone, Botswana P O Box 478 Gaborone, Botswana Contact: Kealeboga Bojosi

<p>Legal Advisor to the Issuer and Arranger</p> <p>Bothole Law Group 6th Floor, Exponential Building Plot 54351, New CBD, Gaborone P O Box 1027 AAD, Gaborone, Botswana Contact: Neill Armstrong</p>	<p>Arrangers and Dealers</p> <p>ABSA Bank Botswana Limited Fifth Floor, Prime Plaza, Plot 74358, Central Business District, Gaborone, Botswana P O Box 478 Gaborone, Botswana Contact: Kealeboga Bojosi</p>
<p>Sponsoring Broker</p> <p>Motswedi Securities (Proprietary) Limited Plot 113, Unit 30, Kgale Mews, Gaborone Private Bag 00223, Gaborone</p>	<p>Trustee</p> <p>J.Y. Stevens Desert Secretarial Services Proprietary Limited Plot 64518, Fairgrounds, Gaborone, Botswana P O Box 211008, Bontleng, Gaborone, Botswana</p>
<p>Company Secretary</p> <p>Desert Secretarial Services Proprietary Limited Plot 64518, Fairgrounds, Gaborone, Botswana P O Box 211008, Bontleng, Gaborone, Botswana Contact: Robert Vinen</p>	<p>Issuing, Transfer, Calculation and Paying Agent</p> <p>Transaction Management Services Proprietary Limited t/a Corpserve Fairgrounds Office Park, Unit 206 Showgrounds Close Plot 64516, Gaborone, Botswana P.O. Box 1583, AAD, Gaborone, Botswana Contact: Stephen Pezarro</p>

DATED AT GABORONE ON THIS 29TH DAY OF APRIL 2022



Name: Daniel N Moroka

Capacity: Chairman

Who warrants his authority hereto



Name: Cosmas Moapare

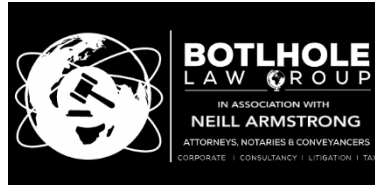
Capacity: Lead Independent Non-executive Director

Who warrants his authority hereto

Arranger and Dealer



**Legal Advisor to the Issuer and Sponsoring Broker
Arranger**



**Issuing Agent, Transfer Agent,
Calculation Agent and Paying Agent**

