

Other terms and conditions

- (a) *Tenure of each Capital Security* : Perpetual.
- (b) *Coupon / interest or equivalent rate (%)* : Subject to the paragraph entitled ("*Other terms and conditions*" – "*Limitation on Payment Distribution*"), the Capital Securities confer a right to receive distribution ("**Distributions**") from (and including) the issue date at the Distribution Rate (as defined below).

Distribution Rate

The rate of the Distribution ("**Distribution Rate**") shall be determined prior to the issuance of each tranche of Capital Securities.

The Distribution Rate shall be either (a) a fixed rate applicable throughout the tenure of the Capital Securities, OR (b) a floating rate based on the aggregate of a benchmark rate plus a credit spread, subject to a reset of the benchmark rate PROVIDED that (i) the credit spread in the Distribution Rate shall be maintained at all times, and (ii) the basis for determining the benchmark rate shall be the same throughout the tenure of the Capital Securities.

- (c) *Coupon / interest frequency and basis* : Subject always to the paragraph entitled ("*Other terms and conditions*" – "*Limitation on Payment Distribution*"), Distribution will be payable on quarterly or semi-annually in arrear (the "**Distribution Payment Date**"), to be determined prior to issuance of each tranche of Capital Securities.
- (d) *Coupon / interest basis* : Actual / 365.
- (e) *Yield to Maturity (%)* : The applicable yield for each tranche will be determined prior to the issue date of that tranche.
- (f) *Details on utilisation of proceeds* : Proceeds from the issuance of each tranche of Capital Securities will be used for CIMB Bank's working capital and

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general banking purposes.

- (g) Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained (please specify) : CIMB Bank has on 4 April 2016 obtained approval from BNM to establish the Programme.
- (h) Limitation on Payment of Distribution : The payment of Distribution under the Capital Securities shall be at the Issuer's sole and absolute discretion and is subject to:
- (i) Such payment not resulting in a breach of the capital requirements applicable to the Issuer under the relevant BNM's capital guidelines;
 - (ii) The Issuer is solvent at the time of payment of the Distribution and the payment of the Distribution will not result in the Issuer becoming, or likely to become insolvent; and
 - (iii) Such payment being made from Distributable Reserves (as defined below) only.

"Distributable Reserves" means at any time, the amounts for the time being available to the Issuer for distribution as a dividend as of the date of the Issuer's latest audited financial statements in compliance with section 365 of the Companies Act (or its equivalent under any successor laws) provided that if the Issuer reasonably believes that the available amounts as of any Distribution Determination Date are lower than the available amounts as of the date of the Issuer's latest audited financial statements and are insufficient to pay the Distributions and for payments of any dividends or other distributions in respect of other liabilities or obligations of the Issuer which by their terms or by operation of law, rank pari passu with the Capital Securities, on the relevant Distribution Payment Date, then two (2) directors of the Issuer shall provide a certificate to the holders of the Capital Securities, on or prior to such Distribution

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Determination Date, setting out the available amounts as of such Distribution Determination Date (which certificate of the two (2) directors will be binding absent manifest error) and the Distributable Reserves as of such Distribution Determination Date for the purposes of such Distribution will mean the available amounts as set forth in such certificate;

"Distribution Determination Date" means, with respect to any Distribution Payment Date, the day falling five (5) business days prior to that Distribution Payment Date.

If the Issuer is unable to meet any of the conditions (i), (ii) or (iii) above, the Issuer shall cancel the Distribution which would otherwise have been payable on such Distribution Payment Date. Any such cancellation will not constitute or be deemed a default by the Issuer or constitute an Enforcement Event for any purpose whatsoever.

The Issuer may also, at its option, cancel the Distribution which would otherwise have been payable on such Distribution Payment Date, where the right of the holders of the Capital Securities to receive such Distribution shall be lost and the Issuer shall have no obligation to pay the holders of the Capital Securities the Distribution which would otherwise have been payable on such Distribution Payment Date. If the Issuer does not make a Distribution on the relevant Distribution Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such Distribution), such non-payment or part-payment shall serve as evidence of the Issuer's exercise of its discretion to cancel such Distribution (or the portion of such Distribution not paid), and accordingly such Distribution (or the portion thereof not paid) shall not be due and payable.

If practicable, the Issuer shall provide notice of any cancellation of Distribution (in whole or in part) to the holders of the Capital Securities of the Capital Securities

on or prior to the relevant Distribution Payment Date. If practicable, the Issuer shall endeavour to provide such notice at least five (5) business days prior to the relevant Distribution Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of Distribution, or give the holders of the Capital Securities any rights as a result of such failure.

Any such cancellation will not constitute or be deemed a default by the Issuer or constitute an Enforcement Event for any purpose whatsoever.

"Unpaid Distribution Amount" means any Distribution which is cancelled by the Issuer pursuant to this Limitation on Payment of Distributions clause.

Circumstances for Cumulative Distribution

Notwithstanding the above, if (i) the Capital Securities or any tranche thereof no longer qualify as Additional Tier 1 instrument of the Issuer (in whole and not in part) for the purposes of BNM's minimum capital adequacy requirements under any applicable regulations, and such disqualification has been confirmed by BNM in writing, and (ii) the Issuer is not in breach of BNM's minimum capital adequacy ratio requirements applicable to the Issuer, any Distribution accrued and payable thereafter, but deferred at the Issuer's sole and absolute discretion shall start to become cumulative and compounding at the Distribution Rate from (and including) the period beginning the date of notification from BNM of such disqualification ("**Disqualification Date**") up to the date of actual payment of such deferred Distribution. In such circumstances, any Distribution, together with accrued amounts relating to the compounding of such Distribution will become due and payable no later than 10 years from the date where the relevant

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Distribution were first deferred, or upon redemption of the Capital Securities, whichever is earlier. Further, any Distribution accrued and payable after the Disqualification Date may be deferred at the Issuer's sole and absolute discretion but shall not be cancelled in accordance with the provisions of this paragraph.

- (i) Dividend and Capital Stopper : In the event that CIMB Bank has not made a full payment of any Distribution on a Distribution Payment Date, then (A) CIMB Bank shall not pay any dividends to its shareholders or make any payment or distribution on any security or instruments ranking pari passu with or junior to the Capital Securities and which terms do not require CIMB Bank to make such interest payment or distribution (the "**Dividend Stopper**"); and (B) CIMB Bank shall not redeem, purchase, reduce or otherwise acquire any of its ordinary shares, preference shares, securities or instruments ranking pari passu with or junior to the Capital Securities, or any securities of any of its subsidiary benefiting from a guarantee from CIMB Bank, ranking, as to the right of redemption of principal, or in the case of any such guarantee, as to the payment of sums under such guarantee, pari passu with or junior to the Capital Securities (the "**Capital Stopper**").

The Dividend Stopper and the Capital Stopper shall continue to apply, as the case may be, until either (i), (ii) or (iii) below is met:

- (i) CIMB Bank has paid full Distributions scheduled for two consecutive semi-annual Distribution Payment Dates or four consecutive quarterly Distribution Payment Dates (as the case may be) after the application of the Dividend Stopper and the Capital Stopper;
- (ii) CIMB Bank has irrevocably set aside in a separately designated trust account of the Issuer for payment to the holders of the Capital Securities, an amount sufficient to provide for the

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full Distributions scheduled for two consecutive semi-annual Distribution Payment Dates or four consecutive quarterly Distribution Payment Dates (as the case may be) after the application of the Dividend Stopper and the Capital Stopper and if upon determination of the amount of each of such Distribution there is a shortfall in the amounts set aside in such separately designated trust account with reference to the amounts so determined, an amount at least equal to such shortfall shall be paid or irrevocably set aside in the same manner; or

- (iii) an Optional Distribution (as defined below) has, at the option of CIMB Bank and subject to BNM's approval, been paid to all holders of the Capital Securities equal to, (without duplication of amounts previously paid to the holders of the Capital Securities) amounts outstanding (if any) on the Capital Securities which were scheduled to be paid in the 12 months before the date of payment of the Optional Distribution.

"Optional Distribution" means an amount, equal to any Unpaid Distribution Amount, scheduled to have been paid during the 12 month period immediately preceding the date on which CIMB Bank shall pay the Optional Distribution.

- (j) Non Viability Loss Absorption : Following the occurrence of the following trigger events (each a **"Non-Viability Event"**), whichever is earlier:
 - (i) BNM, jointly with and the Malaysia Deposit Insurance Corporation ("**PIDM**"), so long as the Issuer is a Member Institution (as defined in the Malaysia Deposit Insurance Corporation Act 2011), or BNM, if the Issuer is no longer a Member Institution ("**Relevant Malaysian Authority**") have notified the Issuer or CIMB Group Holdings Berhad and

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its subsidiaries (“**CIMBGH Group**”), as the case may be, in writing that they are of the view that the principal write off of the Capital Securities, together with the conversion or write off of any other Tier 2 Instruments and Tier 1 Instruments which, pursuant to their terms or by operation of law, are capable of being converted into equity, or written off at that time, is necessary, without which the Issuer or CIMBGH Group would cease to be viable; or

- (ii) The Relevant Malaysian Authority publicly announces that a decision has been made by BNM, PIDM or any other federal or state government in Malaysia, to provide a capital injection or equivalent support to the Issuer, without which the Issuer or the CIMBGH Group, as the case may be, would cease to be viable,

The Relevant Malaysian Authority shall have the option to require the entire principal outstanding or such portion thereof and all other amount owing under the Capital Securities be written off, and if the Relevant Malaysian Authority elect to exercise such option, subject to and as of the date of the occurrence of the Non-Viability Event, each of the holders of the Capital Securities hereby irrevocably waives its right to receive repayment of the principal amount of the Capital Securities and also irrevocably waives its right to any Distribution (including Distribution accrued but unpaid up to the date of the occurrence of a Non-Viability Event).

Such write off shall not constitute an event of default or enforcement event, nor would it trigger a cross-default under any other outstanding Capital Securities.

A Non-Viability Event shall be deemed to have occurred on the day on which the Issuer or CIMBGH Group (as the case may be) received the notification from the Relevant Malaysian Authority.

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Upon the occurrence of a Non-Viability Event, the Issuer is required to give notice to the holder of the Capital Securities (via the Trustee) and the Rating Agency, if applicable, in accordance with the terms of the Capital Securities, then as of the relevant write-off date:

- (i) the write-off shall reduce:
 - (a) the claim of the Capital Securities in liquidation. The holders will be automatically deemed to irrevocably waive their right to receive, and no longer have any rights against the Issuer with respect to, any repayment of the aggregate principal amount of the Capital Securities written-off;
 - (b) the amount to be re-paid when a redemption is exercised pursuant to the Optional Redemption, Regulatory Redemption and Tax Redemption; and
 - (c) Distributions;
 - (ii) the write-off shall be permanent and the full or part (as the case may be) of the principal amount of the Capital Securities will automatically be written-off to zero and the whole or part (as the case may be) of the Capital Securities will be cancelled.
- (k) Capital Trigger Event

A Capital Trigger Event occurs when the Common Equity Tier 1 Ratio of the Issuer, at the consolidated or entity level, or the Common Equity Tier 1 Ratio of CIMB Group Holdings Berhad, at the consolidated level ("**CIMBGH**") falls below 5.125% as determined and confirmed by BNM and/or the Issuer or CIMBGH (as the case may be) as of the relevant quarterly reporting date where the quarterly unaudited consolidated financial results of the Issuer or CIMBGH (as the case may

be) are published, announced and made publicly available, when such Capital Trigger Event occurs ("**Capital Trigger Event Date**").

"**Common Equity Tier 1 Ratio**" means the common equity tier 1 capital ratio as determined by the New CA Framework.

- (l) Capital Trigger Event Loss Absorption : Means either of the following:
- (i) Capital Trigger Event Write Off; or
 - (ii) Capital Trigger Event Conversion.

which shall be determined by the Issuer prior to the issuance of each tranche of the Capital Securities under the Programme.

- (m) Capital Trigger Event Write Off : In the event that **Capital Trigger Event Write Off** is elected as Capital Trigger Event Loss Absorption, upon the occurrence of a Capital Trigger Event, the relevant nominal value of Capital Securities shall be written off, together with the write off or conversion of other relevant Tier 1 Instruments which pursuant to their terms or by operation of law, are capable of being converted into equity, or written off at that time, in order for the Common Equity Tier 1 Ratio of (i) the Issuer, at the consolidated and entity level, and (ii) CIMBGH, at the consolidated level to be at least 5.75%. Such write off, together with the write off under the Capital Securities or conversion of other relevant Tier 1 Instruments, if any, shall be done on a pro-rata basis.

The holders of the Capital Securities hereby irrevocably waives its right to receive repayment of the principal amount of the Capital Securities which are written off pursuant to the above, and also irrevocably waives its right to any Distribution (including distribution accrued but unpaid up to the date of the occurrence of a Capital Trigger Event).

Such write off shall not constitute an event of default or enforcement event, nor would it trigger a cross-default under any other

outstanding Capital Securities.

- (n) Capital Trigger Event : In the event that **Capital Trigger Event Conversion** is elected as Capital Trigger Event Loss Absorption, upon the occurrence of a Capital Trigger Event, such nominal value of Capital Securities shall be converted to the shares in the Issuer at the relevant **Conversion Price** (to be determined prior to each issuance of the Capital Securities) such that the effect of such conversion, together with the write off or conversion of other relevant Tier 1 Instruments which pursuant to their terms or by operation of law, are capable of being converted into equity, or written off at that time, will return the Common Equity Tier 1 Ratio of (i) the Issuer at the consolidated and entity level, and (ii) CIMBGH, at the consolidated level, to be at least 5.75%. Such conversion of the Capital Securities, together with the write off or conversion of other relevant Tier 1 Instruments, if any, shall be done on a pro-rata basis.

Approval and authorisation for Conversion

All prior approvals from the relevant regulators (if any) and shareholders and all other relevant authorisation for such contingent conversion shall have been obtained prior to an issuance of the Capital Securities with a Capital Trigger Event Conversion, and the Issuer shall also undertake that there will be sufficient authorised share capital to effect such conversion such that the Capital Trigger Event Conversion shall take place automatically upon the occurrence of Capital Trigger Event.

Such conversion shall not constitute an event of default or enforcement event, nor would it trigger a cross-default under any other outstanding Capital Securities.

- (o) Ranking : The Capital Securities are direct and unsecured subordinated obligations of CIMB Bank.

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Upon the occurrence of any Winding Up Proceeding, amounts payable on the Capital Securities will be subordinated in right of payment to the prior payment in full of all deposit liabilities and all other liabilities of CIMB Bank except, in each case, to those liabilities which by their terms rank equal with or junior to the Capital Securities.

Claims in respect of the Capital Securities will rank pari passu and without preference among themselves and with the most junior class of preference shares (if any) of CIMB Bank and any security or other similar obligation issued, entered into or guaranteed by CIMB Bank that constitutes or could qualify as Additional Tier 1 capital of CIMB Bank on a consolidated basis, pursuant to the relevant requirements set out in BNM's guidelines, or otherwise ranks or is expressed to rank, by its terms or by operation of law, pari passu with the Capital Securities, but in priority to the rights and claims of holders of the ordinary shares of CIMB Bank.

- (p) Setting off : No holder of the Capital Securities may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by CIMB Bank in respect of, or arising under or in connection with, the Capital Securities, and the holders of the Capital Securities shall, by virtue of his holding of any Capital Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against CIMB Bank in relation to the Capital Securities to the fullest extent permitted by law. If at any time the holders of the Capital Securities receives payment or benefit of any sum in respect of the Capital Securities (including any benefit received pursuant to any such set-off, deduction, withholding or retention) other than in accordance with the terms of the Capital Securities, the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and the holders of the Capital Securities by virtue of his holding

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of any Capital Securities, shall, agree as a separate and independent obligation to immediately pay an amount equal to the amount of such sum or benefit so received to CIMB Bank (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of CIMB Bank) and, until such time as payment is made, shall hold such amount in trust for CIMB Bank (or the liquidator or, as appropriate, administrator of CIMB Bank) and accordingly any payment of such sum or receipt of such benefit shall be deemed not to have discharged any of the obligations under the Capital Securities.

(q) Guarantee : The Capital Securities will not be secured or covered by a guarantee of CIMB Bank or any related entity of CIMB Bank, or any other arrangement that legally or economically enhances the seniority of the claims of the holders of the Capital Securities.

(r) Withholding taxes : All payments in respect of the Capital Securities by or on behalf of CIMB Bank shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant jurisdiction, unless the withholding or deduction of the taxes is required by law.

In the event such taxes are imposed, CIMB Bank will not have to pay additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the holders of the Capital Securities after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Capital Securities in the absence of the withholding or deduction.

(s) Amendments to the Terms and Conditions of the Capital Securities : Amendments to the terms and conditions of the Capital Securities shall only be made with the prior approval of BNM where such proposed amendments could impact its eligibility as Additional Tier 1 capital of

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- (t) Transaction Documents : The Capital Securities shall be evidenced by, inter alia, the following:
1. the Capital Securities (in the form of global certificates and/or definitive certificates);
 2. the Securities Lodgement Form;
 3. each Subscription Agreement;
 4. the Trust Deed;
 5. the Programme Agreement; and
 6. all other documents relating to the Capital Securities as advised by the Solicitors.
- (u) Unrated Capital Securities : The Issuer may at its discretion, in relation to each tranche of the Capital Securities, determine prior to the issuance of the Capital Securities, to issue Unrated Capital Securities. The Unrated Capital Securities shall not be rated.
- (v) Option to Upsize : The Issuer shall have the option to upsize the Programme limit provided that (a) there is no adverse impact on the rating of the Programme, if rating requirements are applicable; and (b) the relevant regulatory approvals have been obtained (including but not limited to the approval from BNM). For the avoidance of doubt, no consent from the existing holders of the outstanding Capital Securities at that time is required for the purposes of the upsizing of the programme limit.