

BACKGROUND INFORMATION

1. *Issuer*

- (i) *Name* : CIMB Bank Berhad (“**CIMB Bank**”)
- (ii) *Address* : Correspondence Address
No.6, Jalan Tun Perak
50050, Kuala Lumpur
Registered Address
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490, Kuala Lumpur
- (iii) *Business Registration No.* : 13491-P
- (iv) *Date /Place of Incorporation* : 30 December 1972/Malaysia
- (v) *Date of Listing (in case of a public listed company)* : Not applicable
- (vi) *Status* : Resident controlled company / Bumiputra controlled company
- (vii) *Principal Activities* : To carry on commercial banking and other related financial services
- (viii) *Board of Directors (as at 31 July 2008)* : Tan Sri G. K. Rama Iyer
Dato’ Dr. Mohamad Zawawi bin Ismail
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir
Tan Sri Dato’ Seri Haidar Mohamad Nor
Dato’ Sri Mohamad Nazir bin Abdul Razak
Tunku Dato’ Ahmad Burhanuddin
Dr. Gan Wee Beng
Dato’ Mohd Shukri bin Hussin
Dato’ Zainal Abidin bin Putih
Dato’ Seri Dr. Yeap Leong Huat

(viii) Structure of shareholding and name of shareholder or, in the case of public company, names of all major shareholders (as at 31 July 2007)

<---Direct--->

Shareholder	No. of Ordinary Shares	%
CIMB Group Sdn Bhd	2,973,976,500	99.998

(ix) Authorised share capital (as at 31 July 2007) : RM7,550,120,000 divided into 7,000,000,000 ordinary shares of RM1.00 each, 500,000,000 perpetual preference shares of RM1.00 each, 1,000,000 redeemable preference shares of RM0.10 each and 200,000 non-cumulative redeemable preference shares of RM0.10 each and 5,000,000,000 redeemable preference shares of RM0.01 each.

Paid-up share capital (as at 31 July 2008) : RM3,203,750,881 comprising 2,974,009,486 ordinary shares of RM1.00 each, 200,000,000 perpetual preference shares of RM1.00 each, 13,000 redeemable preference shares of RM0.10 each and 2,974,009,486 redeemable preference shares of RM0.01 each.

PRINCIPAL TERMS AND CONDITIONS

2. Names of parties involved in the proposed transaction (where applicable)

- (i) Principal Adviser(s)/ Lead Arranger(s) : CIMB Investment Bank Berhad (“**CIMB**”)
- (ii) Arranger(s) : Not applicable
- (iii) Valuers : Not applicable
- (iv) Solicitors : Messrs. Zaid Ibrahim & Co.
- (v) Financial Adviser : Not applicable

- (vi) *Technical Adviser* : Not applicable
 - (vii) *Guarantor* : Not applicable
 - (viii) *Trustee* : Malaysian Trustee Berhad
 - (ix) *Facility Agent* : CIMB
 - (x) *Primary Subscribers and amount subscribed (where applicable)* : The Primary Subscribers (if any) will be determined prior to the issuance of the IT-1 Capital Securities.
 - (xi) *Underwriter(s) and amount underwritten* : Not applicable
 - (xii) *Central Depository* : Bank Negara Malaysia (“**BNM**”)
 - (xiii) *Paying Agent* : BNM
 - (xiv) *Reporting Accountant* : Not applicable
 - (xv) *Others (please specify)* : i) CIMB as the Calculation Agent
ii) CIMB and OCBC Bank (Malaysia) Berhad as joint lead managers and joint book runners
3. *Facility Description* : The IT-1 Capital Securities is structured to comply with BNM’s updated Guidelines on Risk-Weighted Capital Adequacy Framework (General Requirements and Capital Components) last updated on 20 September 2007.
4. *Issue Size (RM)* : Up to RM1.0 billion in nominal value.
5. *Issue Price* : The IT-1 Capital Securities will be issued at a discount, at par or at a premium to the nominal value, and the issue price is calculated in accordance with the FAST Rules (as defined below).
6. *Tenor of the Facility /Issue* : 30 years from the Issue Date, subject to the Principal Stock Settlement clause in Item 24.1 below.
7. *Coupon/profit or equivalent rate (%)* : Subject to the Limitation of Payment of Interest clause in item 24.2, interest on

(please specify)

the IT-1 Capital Securities shall be payable in Ringgit Malaysia at the following rates per annum based on the basis of the actual number of days in the relevant period divided by 365:

- (a) on or prior to the First Optional Redemption Date, at a certain fixed rate to be determined prior to issuance; and
- (b) after the First Optional Redemption Date, at a floating rate, reset quarterly, per annum equal to a 3 month KLIBOR plus a margin to be determined prior to the issuance.

“First Optional Redemption Date” means the date falling ten (10) years from the issue date.

“KLIBOR” means the rate which appears under the caption “Kuala Lumpur Inter-Bank Offered Rate” posted on Reuters on 11.00 a.m., Malaysian time, on the relevant Interest Determination Date for a three-month period.

“Interest Determination Date” means, with respect to any Interest Period, the day falling two business days prior to the commencement of that Interest Period.

“Interest Period” means:

- (a) prior to the First Optional Redemption Date, successive periods of 6 months each commencing from the issue date of the IT-1 Capital Securities; and
- (b) from the First Optional Redemption Date, successive periods of 3 months each commencing from the First Optional Redemption Date.

8. *Coupon/profit Payment frequency and basis* : (a) Up to the First Optional Redemption Date, semi-annually.
(b) From the First Optional Redemption Date, quarterly,

The interest will be calculated on actual/365 basis. Please also refer to Item 7 above.

9. *Yield to Maturity (%)* : The IT-1 Capital Securities will be priced on the basis of yield to the First Optional

Redemption Date.

The applicable yield calculated on a semi annual basis based on the nominal value of the IT-1 Capital Securities will be determined prior to issuance.

10. *Security /Collateral (if any)* : None.
11. *Details on utilisation of proceeds* : The proceeds of the IT-1 Capital Securities shall be utilised by the Issuer for its working capital, general banking and other general corporate purposes.
12. *Sinking Fund (if any)* : Not applicable
13. *Rating*
 - *Credit Rating Assigned* : Indicative Rating of AA-
 - *Name of Rating Agency* : Malaysian Rating Corporation Berhad ("**MARC**")
14. *Form and Denomination* : The IT-1 Capital Securities shall be issued in accordance with (1) the "Code of Conduct and Market Practices for the Malaysian Corporate Bond Market" issued by the Institut Peniaga Bon Malaysia and approved by BNM ("**IPBM Code**"); and (2) the "Rules on the Scripless Securities" under the Real Time Electronic Transfer of Funds and Securities ("**Rentas**") system issued by BNM ("**Rentas Rules**") and (3) the Rules on Fully Automated System for Issuing/Tendering ("**FAST**") issued by BNM ("**FAST Rules**"), or their replacement thereof (collectively the "**Codes of Conduct**") applicable from time to time. The Rentas Rules shall prevail to the extent of any inconsistency between the Rentas Rules and the IPBM Code. The IT-1 Capital Securities shall be represented by a global certificate to be deposited with BNM, and is exchanged for definitive bearer form only in certain limited circumstances. The denomination of the IT-1 Capital Securities shall be RM1,000.00 or in multiples of RM1,000.00 at the time of

- issuance.
15. *Mode of Issue* : The IT-1 Capital Securities may be issued via direct placement on a best effort basis or a bought deal basis or book running on a best effort basis.
16. *Selling Restrictions* : The IT-1 Capital Securities may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to subscribe the IT-1 Capital Securities may be made, and to whom the IT-1 Capital Securities are issued, would fall within:
- (i) Schedule 6 or Section 229(1)(b), or Schedule 7 or Section 230(1)(b); and
 - (ii) Schedule 9 or Section 257(3),
- of the Capital Markets and Services Act 2007.
17. *Listing Status* : The IT-1 Capital Securities will not be listed on Bursa Malaysia Securities Berhad or any other stock exchange.
18. *Minimum Level of Subscription (RM or %)* : 5%
19. *Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained (please specify)* :
- (a) The approval of BNM has been obtained on 14 June 2007 for the Proposed Issue and the classification of the Proposed Issue as Innovative Tier 1 Capital of the Issuer subject to the limit as imposed under the RWCR Framework; and
 - (b) The Securities Commission has via its letter dated 11 May 2007 granted its approval for the exemption from compliance with certain provisions in the Guidelines on the Minimum Contents Requirements for Trust Deeds.
20. *Conditions Precedent* : To include but not limited to the following (all have to be in form and substance acceptable to the Lead Arranger):

A Main Documentation

1. The transaction documents have been signed and, where applicable, stamped and presented for registration.

B The Issuer

1. Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association, of the Issuer.
2. Certified true copies of the latest Forms 24 and 49 of the Issuer.
3. A certified true copy of a board resolution of the Issuer authorising, among others, the execution of the transaction documents.
4. A list of the Issuer's authorised signatories and their respective specimen signatures.
5. A report of the relevant company search of the Issuer.
6. A report of the relevant winding up search or the relevant statutory declaration of the Issuer.

C General

1. The approval from the Securities Commission ("SC") and, where applicable, all other regulatory authorities.
2. The approval from BNM for the issuance of the IT-1 Capital Securities.
3. The IT-1 Capital Securities have received the requisite rating as stated in this term sheet.
4. Evidence that all transaction fees, costs and expenses will be paid in full.
5. The Lead Arranger have received from its Solicitors a favourable legal opinion addressed to it and the Trustee advising with respect to, among others, the legality, validity and enforceability of the transaction documents and a confirmation addressed to the Lead Arranger that all the conditions precedent have been fulfilled.
6. Such other conditions precedent as

advised by the Solicitors of the Lead Arranger.

21. *Representations and Warranties* : There are no warranties and representations in respect of the IT-1 Capital Securities.
22. *Events of Default* : There are no events of default in respect of the IT-1 Capital Securities. However, there are provisions for Enforcement Event which provides for limited rights to accelerate.

Enforcement Event; Limited Rights to Accelerate

If an Enforcement Event occurs in respect of any IT-1 Capital Security, the Trustee may, and if so directed by an extraordinary resolution shall, institute such proceedings as it chooses to enforce the obligations of the Issuer under such IT-1 Capital Security and may, and if so directed by an extraordinary resolution shall, institute proceedings for the winding up of the Issuer; provided that the Trustee shall have no right to accelerate payment of such IT-1 Capital Security in the case of such default in the payment of interest on, or other amounts owing under, such IT-1 Capital Security or a default in the performance of any other covenant of the Issuer in such IT-1 Capital Security or under the Trust Deed.

If a Winding Up Proceeding commences in respect of the Issuer or an effective resolution of the shareholders of the Issuer is passed for a winding up proceeding in respect of the Issuer, the Trustee may, and if so directed by an extraordinary resolution shall, declare the principal of, and interest on, such IT-1 Capital Security to be due and immediately payable, whereupon the principal of, and interest on, such IT-1 Capital Security shall become and be immediately due and payable.

“Winding Up Proceeding” means either:
(a) a court or agency or supervisory authority in Malaysia having

- jurisdiction in respect thereof shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, or similar arrangements involving the Issuer or all or substantially all of its properties, or for the winding up of or liquidation of its affairs and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or
- (b) the Issuer shall have filed a petition to take advantage of any insolvency statute.

“Enforcement Event” means the occurrence of any of the following:

- (a) a default is made in the payment of any amount of principal of the IT-1 Capital Securities on the due date for payment thereof (other than non-payment of principal under the Loss Absorption and Stock Settlement clauses, please refer to Items 24.4 and 24.5 respectively); or
- (b) a default is made in the payment of interest (including any Additional Amounts, (as defined in Clause 24.11)) on the IT-1 Capital Securities within 14 days of the due payment thereof (other than non-payment of interest under the Limitations on Payment of Interest and Stock Settlement clauses, please refer to Items 24.2 and 24.5 respectively),

other than a default in the payment of principal or interest to the extent that such default is due to (a) in the case of Deferred Interest Amounts (as defined below), the cancellation of the Issuer’s obligation to pay any Deferred Interest Amounts in excess of 50 per cent (50%) of the aggregate principal amount of the IT-1 Capital Securities (**“Deferral Limit”**) in the manner contemplated under the Limitations on Payment of Interest

clause, and/or (b) in the case of the Redemption Amount (please refer to Item 24.8), the occurrence of a Share Price Decline Deferral.

“Deferred Interest Amount” means any interest amount which, subject to any limits imposed by BNM on the payments that can be deferred, is deferred by the Issuer pursuant to the Limitation on Payment of Interest clause (please refer to Item 24.2).

“Share Price Decline Deferral” means if there exists, on or after the 15th business day preceding any date upon which the Issuer is due to pay any Redemption Amount payable under the Loss Absorption or Principal Stock Settlement clauses (please refer to Items 24.4 and 24.1 respectively), as the case may be, a Share Price Decline Event (as defined below), then the Issuer may give a notice to the Facility Agent and the Trustee as soon as practicable after the Share Price Decline Event has arisen or occurred, whereupon payment of such Redemption Amount may be deferred until such time as the Share Price Decline Event no longer exists. Such deferral will not constitute or be deemed a default by the Issuer for any purpose whatsoever. Once the Share Price Decline Event no longer exists, the Issuer shall resume the issuance of Ordinary Shares to enable it to pay in full any such Redemption Amount from the proceeds of such issue, which prior to the occurrence of such Share Price Decline Event, remained due and unpaid. Once the Issuer has raised such Redemption Amount from such issuance of Ordinary Shares, it shall notify the Facility Agent and the Trustee of such issuance of Ordinary Shares and the date on which it will pay to the Facility Agent such Redemption Amount in order to pay the Holders (as defined below) in accordance to terms of the IT-1 Capital Securities. Interest shall not accrue on such payment amounts.

“Share Price Decline Event” occurs where the average of the closing prices

derived from Bursa Securities (or any successor or other relevant stock exchange on which the Ordinary Shares are listed) for one Ordinary Share for the 20 consecutive trading days before the relevant date is less than 50 per cent. of the initial public offering price of the Ordinary Share at the time of their listing (as adjusted in accordance to standard anti-dilution provisions).

“Holder” means a holder of any of the IT-1 Capital Securities.

23. *Principal terms and conditions for warrants (where applicable)* : Not applicable
24. *Other principal terms and conditions for the issue*
- 24.1 *Principal Stock Settlement* : If the IT-1 Capital Securities are still outstanding on the fifteenth (15th) business day before the Principal Stock Settlement Date (as defined below) and the Issuer has not given notice to the Facility Agent and the Trustee that it will redeem the IT-1 Capital Securities prior to the Principal Stock Settlement Date, the Issuer shall, subject to the prior approval of BNM, redeem the IT-1 Capital Securities then outstanding at the Redemption Amount in accordance with the Stock Settlement clause.

“Principal Stock Settlement Date” means the Interest Payment Date falling thirty (30) years from the issue date.

“Interest Payment Date” means:

- (a) the date interest will be payable in semi-annually in arrears, being the date falling six (6) months after the issue date and every six (6) months thereafter up to the First Optional Redemption Date; and
- (b) commencing from the First Optional Redemption Date, the date interest will be payable quarterly in arrears, being the date falling three (3) months after the First Optional Redemption Date.

24.2 *Limitation on Payment of Interest* : If the Payment Limitation Condition (as defined below) is met on the fifteenth (15th) business day prior to any Interest Payment Date, the Issuer may, at its option (subject to the Deferral Limit), defer paying interest on such Interest Payment Date, by giving not less than 5 nor more than fifteen (15) business days' notice to the Facility Agent and the Trustee (which notice shall be irrevocable and shall oblige the Issuer to defer payment of the interest amount which, but for the Payment Limitation Condition, was payable on such Interest Payment Date). Any such deferral will not constitute or be deemed a default by the Issuer for any purpose whatsoever.

In the event that the total aggregate Deferred Interest Amount exceeds, or any additional Deferred Interest Amount would result in the total aggregate Deferred Interest Amount exceeding, the Deferral Limit, the deferral of any such Deferred Interest Amount in excess of the Deferral Limit shall be subject to the prior approval of BNM. To the extent that BNM does not approve the deferral of any such Deferred Interest Amount in excess of the Deferral Limit, the Issuer's obligations to make payment of such Deferred Interest Amount in excess of the Deferral Limit shall cease to exist and such payments shall no longer be due and payable.

If the Issuer has not made a payment of any interest amount payable on the IT-1 Capital Securities, whether deferred or not, it shall not pay any dividend to its ordinary shareholders and/or any interest on any security or instrument ranking junior to the IT-1 Capital Securities.

"Payment Limitation Condition" means that during the 12 month period immediately preceding any Interest Payment Date, the Issuer did not declare any dividends, or make any interest payment(s), on any securities or instruments ranking junior to the IT-1 Capital Securities.

24.3 *Interest Stock* : If the Issuer defers the payment of any

Settlement

interest amount on any Interest Payment Date pursuant to the Limitation on Payment of Interest clause (please refer to Item 24.2), the Issuer shall, if the Payment Limitation Condition ceases to exist and subject to the prior written approval of BNM and the cancellation of any Deferred Interest Amount in excess of the Deferral Limit referred to above, pay the relevant Deferred Interest Amount in cash, in full on the next Interest Payment Date, pursuant to the procedures set out under the Stock Settlement clause. No interest shall accrue on any Deferred Interest Amount.

Any payment of (a) dividends to ordinary shareholders of the Issuer and/or (b) interest to holders of securities or instruments ranking junior to the IT-1 Capital Securities, in connection with the Payment Limitation Condition ceasing to exist, may only be made simultaneously with or immediately following the payment of all Deferred Interest Amounts in accordance with this clause.

24.4 *Loss Absorption*

: If a Replacement Event (as defined below) exists on the 15th business day prior to an Interest Payment Date or payment of an interest amount on such Interest Payment Date would result in the occurrence of a Replacement Event, the Issuer may be required by BNM to redeem the IT-1 Capital Securities on such Interest Payment Date at the Redemption Amount pursuant to procedures described under the Stock Settlement clause.

If the Issuer is unable to satisfy its obligation to pay such Redemption Amount referred to above for a period of twelve (12) months immediately following such Interest Payment Date and the Replacement Event continues to exist, the Issuer may be required by BNM to cancel the payment of such Redemption Amount but only to the extent required to remedy such Replacement Event, upon which such amount so cancelled shall no longer be due and payable by the Issuer and the obligation of the Issuer to pay such amount shall be extinguished to the extent of such cancellation. Non-payment

of such amount will not constitute or be deemed a default by the Issuer for any purpose whatsoever.

“Replacement Event” means the occurrence and continuance of any of the following:

1. the Issuer is in breach of BNM’s minimum capital adequacy ratio requirements applicable to the Issuer; or
2. commencement of a winding up proceeding in respect of the Issuer; or
3. appointment of an administrator in connection with a restructuring of the Issuer.

24.5 *Stock Settlement* : (a) Issue of Ordinary Shares

Subject to the Share Issue Deferral Conditions, the Issuer shall satisfy the payment of (i) any Deferred Interest Amount payable under the Interest Stock Settlement clause, and/or (ii) any Redemption Amount payable under the Principal Stock Settlement or Loss Absorption clauses by issuing a sufficient number of Ordinary Shares (as defined below), the cash proceeds of which, when issued, are not less than the amount required to pay such Deferred Interest Amount and/or Redemption Amount.

If the Issuer is unable to raise a sufficient amount of cash proceeds from the issuance of such Ordinary Shares to pay the relevant Deferred Interest Amount and/or the Redemption Amount, as the case may be, on the due date for payment as described above and a shortfall exists, the Issuer will continue to use its best endeavours to issue a sufficient number of such Ordinary Shares until the Facility Agent shall have received funds equal to the full amount of such shortfall.

For the purposes of this clause and at the relevant time when the Issuer is required to issue Ordinary Shares under

this clause, the Issuer is required to use its best endeavours to:

- (1) procure subscribers for the Ordinary Shares; and
- (2) obtain or procure such consents, approvals and authorizations as may be required from its shareholders, BNM or any other regulatory authority or body to allow it to carry out the matters referred to in this clause.

Non-payment by the Issuer of any Deferred Interest Amount and/or any Redemption Amount acting in accordance with this clause will not constitute or be deemed a default by the Issuer for any purpose whatsoever.

(b) Mechanics of Ordinary Share Issuance

Where the Issuer is required to issue Ordinary Shares under this clause, it will do so by arranging for the placement of the Ordinary Shares to one or more third parties,

such that the total proceeds raised from the sale of the Ordinary Shares is sufficient to satisfy payment of the relevant Deferred Interest Amount and/or Redemption Amount, as the case may be.

(c) Issue Satisfies Payment

Where CIMB Bank is required to satisfy payment of any Deferred Interest Amount payable under the Interest Stock Settlement clause and/or any Redemption Amount payable under the Loss Absorption or Principal Stock Settlement clauses, as the case may be, by issuing Ordinary Shares, and the Issuer issues such Ordinary Shares, such issue shall satisfy the relevant Deferred Interest Amount and/or Redemption Amount, if carried out in accordance with this clause. The proceeds arising from the issuance of the

Ordinary Shares shall be paid by the Issuer to the Facility Agent in order to pay the Holders (as defined below).

(d) Insufficiency

If the Issuer is unable to fully pay the Deferred Interest Amount and/or Redemption Amount, as the case may be, in accordance with paragraph (a) above, then until such amount has been paid in full by the Issuer, the Issuer may not:

- (1) pay any dividend to ordinary shareholders or make any interest payment on any securities or instruments ranking pari passu with or junior to the IT-1 Capital Securities; and
- (2) redeem, purchase, reduce or otherwise acquire any of its ordinary equity shares, preference shares or other securities, or any securities of any of its subsidiary undertakings which are guaranteed by the Issuer, ranking, as to the right of repayment 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 IT-1 Capital Securities.

In the case of Deferred Interest Amount, the provisions of paragraph (d) above shall not apply to the extent that such non-payment is due to the cancellation of the Issuer's obligation to pay any Deferred Interest Amount in excess of the Deferral Limit in the manner contemplated under the Limitations on Payment of Interest clause.

"Ordinary Shares" means the ordinary shares of RM1.00 each in the Issuer.

- 24.6 *Share Issue Deferral Conditions* : In relation to the payment of any Deferred Interest Amount under the Interest Stock Settlement and/or any Redemption Amount under the Loss Absorption or Principal Stock Settlement clauses, as the case may be, where (i)

the Ordinary Shares are listed on Bursa Malaysia Securities Berhad (“Bursa Securities”) or any successor or any other stock exchange, and (ii) the Issuer has elected to issue Ordinary Shares under paragraph (b)(1) of the Stock Settlement clause, the occurrence of a Market Disruption Deferral.

In relation to the payment of any Redemption Amount, under the Loss Absorption or Principal Stock Settlement clauses, as the case may be, where (i) the Ordinary Shares are listed on Bursa Securities or any successor or any other stock exchange, and (ii) the Issuer has elected to issue Ordinary Shares under paragraph (b)(1) of the Stock Settlement clause, the occurrence of a Share Price Decline Deferral.

“Market Disruption Deferral” means if there exists, in the opinion of the Issuer, a Market Disruption Event on or after the 15th business day preceding any date upon which the Issuer is due to pay any Deferred Interest Amount under the Interest Stock Settlement and/or any Redemption Amount under the Loss Absorption or Principal Stock Settlement clauses, as the case may be, then the Issuer may give a notice of such Market Disruption Event to the Facility Agent and the Trustee as soon as possible after the Market Disruption Event has arisen or occurred, whereupon such payment(s) may be deferred until such time as the Market Disruption Event no longer exists. Such deferral will not constitute or be deemed a default by the Issuer for any purpose whatsoever. Once the Market Disruption Event no longer exists, the Issuer shall immediately give notice to the Facility Agent and the Trustee of its intention to resume the issuance of Ordinary Shares to enable it to pay in full any such Deferred Interest Amount and/or such Redemption Amount, as the case may be, from the proceeds of such issue, which prior to the occurrence of such Market Disruption Event, remained due and unpaid. Interest shall not accrue on such payment amounts.

“Market Disruption Event” means:

1. the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Bursa Securities or any successor or other relevant stock exchange on which the Ordinary Shares are listed) or on settlement procedures for transactions in the Ordinary Shares on Bursa Securities or any successor or other relevant stock exchange on which the Ordinary Shares are listed and if, in any such case, that suspension or limitation is, in the determination of the Issuer, material in the context of the sale of the Ordinary Shares; or
2. in the opinion of the Issuer, there has been a substantial deterioration in the price and/or value of the Ordinary Shares or circumstances (other than the occurrence of a Share Price Decline Deferral) are such as to prevent or to a material extent restrict the issue or delivery of the Ordinary Shares, as the case may be.

24.7 *Status* : The IT-1 Capital Securities are direct and unsecured obligations of the Issuer and are subordinated in the manner described below.

Subordination

The Issuer covenants and agrees, and each Holder by subscribing for or purchasing a IT-1 Capital Security irrevocably acknowledges and agrees that:

- (a) the indebtedness evidenced by the IT-1 Capital Securities constitutes unsecured and subordinated obligations of the Issuer; and
- (b) the subordination is for the benefit

of the holders of indebtedness that rank senior to the IT-1 Capital Securities. Claims in respect of the IT-1 Capital Securities will rank pari passu and without preference among themselves and with the most junior class of preference shares (if any) of the Issuer, but in priority to the rights and claims of holders of the ordinary equity shares of the Issuer.

The principal of, and interest and any additional amounts payable on, the IT-1 Capital Securities will be subordinated in right of payment upon the occurrence of any winding up proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer (including liabilities of all offices and branches of the Issuer wherever located) and any debt securities (whether subordinated or unsubordinated) of the Issuer that rank senior to the IT-1 Capital Securities, except in each case to those liabilities which by their terms rank equally in right of payment with or which are subordinated to the IT-1 Capital Securities.

Each Holder irrevocably waives its rights as a creditor to the extent necessary to give effect to the subordination provisions of the IT-1 Capital Securities. In order to implement these subordination provisions, each Holder agrees that at the time when a winding up proceeding shall have occurred and be continuing, any amounts that would be due to such Holder in the absence of these subordination provisions will be applied:

- (a) first, to the payment in full of all claims of depositors and all other obligations of the Issuer ranking senior in the right of payment to the IT-1 Capital Securities (including interest on such claims accruing after the date of commencement of such winding up proceeding); and
- (b) thereafter, to the payment, equally

and rateably, of amounts owing under the IT-1 Capital Securities and all obligations of the Issuer ranking equally in right of payment with the IT-1 Capital Securities.

No Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the IT-1 Capital Securities and each Holder shall by virtue of its subscription, purchase or holding of any IT-1 Capital Security, be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

The Issuer agrees that so long as any of the IT-1 Capital Securities remain outstanding, it will not create, issue, assume or otherwise incur any loan, debt, guarantee, instrument or other obligation which shall be, or shall purport to be, subordinated debt of the Issuer and which shall, at the time it is created, issued, assumed or otherwise incurred or at any time thereafter, be considered to be, Tier 1 capital of the Issuer under applicable regulations which would rank (as regards interest, dividends or distributions on liquidation, dissolution or winding up) senior to the IT-1 Capital Securities.

24.8 *Redemption*

Redemption Amount : An amount equal to 100 per cent (100%) of the outstanding principal amount of the IT-1 Capital Securities together with accrued but unpaid interest remaining payable (if any) and any other amounts outstanding on the IT-1 Capital Securities up to (and excluding) the date on which the IT-1 Capital Securities are redeemed.

Optional Redemption : The Issuer may, at its option and subject to the prior approval of BNM, redeem in whole, but not in part, the IT-1 Capital Securities at the Redemption Amount, subject to the Redemption Conditions (as defined below) being satisfied:

1. on the First Optional Redemption Date; or
2. on any Interest Payment Date

thereafter.

“Redemption Conditions” means:

1. the Issuer is solvent at the time of any redemption of the IT-1 Capital Securities in accordance with the terms and conditions of the IT-1 Capital Securities and immediately thereafter; and
2. the Issuer has obtained the written approval of BNM prior to the redemption of the IT-1 Capital Securities.

Tax Redemption : If there is more than an insubstantial risk that:-

- (1) the Issuer has or will become obliged to pay Additional Amounts or any taxes other than the Additional Amounts;
- (2) the Issuer would no longer obtain tax deductions for the purposes of Malaysian corporation tax for any payment in respect of the IT-1 Capital Securities pursuant to the terms and conditions of the IT-1 Capital Securities;

as a result of a change in, or amendment to, the laws and regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date and the Issuer cannot, by taking reasonable measures available to it, avoid such obligations, then the Issuer may, at its option, Redeem the IT-1 Capital Securities (in whole, but not in part) at the Redemption Amount, subject to the Redemption Conditions being satisfied.

Regulatory Redemption : If the IT-1 Capital Securities no longer qualify as Tier 1 capital of the Issuer for the purposes of BNM’s capital adequacy requirements under any regulations applicable to the Issuer or at any time there is more than an insubstantial risk

that the IT-1 Capital Securities will no longer qualify as such, the Issuer may, at its option, redeem the IT-1 Capital Securities (in whole, but not in part) at the Redemption Amount, subject to the Redemption Conditions being satisfied.

- 24.9 *Repurchase and Cancellation* : The Issuer or any of its subsidiaries may at any time purchase, subject to the prior approval of BNM, the IT-1 Capital Securities at any price in the open market or by private treaty. If purchases are made by tender, such tender must (subject to any applicable rules and regulations) be made available to all Holders equally. IT-1 Capital Securities purchased by the Issuer or a subsidiary may not be used for voting purposes or for directing or requesting the Trustee to take any action.
- 24.10 *Availability* : Upon completion of documentation and, unless waived by the Lead Manager and joint lead manager(s), if any, compliance of all conditions precedent and other applicable conditions to the satisfaction of the Lead Managers and joint lead manager(s), if any.
- 24.11 *Taxation* : All payments by the Issuer in respect of the IT-1 Capital Securities shall be made free and clear of, and without withholding or deduction for taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or within Malaysia or any authority therein, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts ("Additional Amount") as will result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required.
- 24.12 *Transferability* : The IT-1 Capital Securities shall be transferable, but subject to the Selling Restrictions more fully described in Item 16 herein.
- 24.13 *Voting Rights* : Holders will not be entitled to receive notice of or attend or vote at any meeting of the ordinary shareholders of the Issuer or to participate in the management of

the Issuer. No company-shareholder relationship is intended or has been contemplated between the Issuer and the Holders, and as such, the relationship between the Issuer and the Holders shall not be governed by the Memorandum and Articles of Association of the Issuer.

- 24.14 *Governing Laws* : Laws of Malaysia
- 24.15 *Jurisdiction* : The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdictions of the courts of Malaysia.
- 24.16 *Other Conditions* : The IT-1 Capital Securities shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM and/or any other authority in Malaysia having jurisdiction over matters pertaining to the IT-1 Capital Securities, and the Code of Conduct.

Any modifications to the terms and conditions of the IT-1 Capital Securities shall only be made with the prior approval of BNM.