

## **Program Information**

**Malayan Banking Berhad**

## PROGRAM INFORMATION

Type of Information:	Program Information
Date of Announcement:	28 April 2022
Issuer Name:	Malayan Banking Berhad
Name and Title of Representative:	Khalijah Ismail Group Chief Financial Officer
Address of Head Office:	Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia
Telephone:	+603 2074 7788
Contact Person:	(i) Lim Tze Jean Senior Legal Counsel Malayan Banking Berhad Telephone: +65 6812 8877  (ii) Lim Yee Nee Head, Corporate Finance, Group Corporate Treasury Malayan Banking Berhad Telephone: +603 2070 8833 ext: 6419
Type of Securities:	Bonds
Scheduled Issuance Period:	1 May 2022 to 30 April 2023
Maximum Outstanding Issuance Amount:	U.S.\$5,000,000,000 (for this program)
Address of Website for Announcement:	<a href="https://www.jpx.co.jp/english/equities/products/tpbm/announcement/detail/08.html">https://www.jpx.co.jp/english/equities/products/tpbm/announcement/detail/08.html</a>
Name of Arranger:	Maybank Securities Pte. Ltd.
Status of Submission of Annual Securities Reports or Issuer Filing Information:	Malayan Banking Berhad has continuously submitted Annual Securities Reports for more than one year. See such Annual Securities Reports and other reports filed by the Issuer in Japan which are available at the website <a href="https://disclosure.edinet-fsa.go.jp/">https://disclosure.edinet-fsa.go.jp/</a> .  See also the Issuer's announcements on Bursa Malaysia which are available at the website <a href="https://www.bursamalaysia.com">https://www.bursamalaysia.com</a>

### Notes to Investors:

1. TOKYO PRO-BOND Market is a market for specified investors, etc. Bonds listed on the market ("Listed

Bonds") may involve high investment risk. Investors should be aware of the listing eligibility and timely disclosure requirements that apply to issuers of Listed Bonds on the TOKYO PRO-BOND Market and associated risks such as the fluctuation of market prices and shall bear responsibility for their investments. Prospective investors should make investment decisions after having carefully considered the contents of this Program Information.

2. Where this Program Information (a) contains any false statement on important matters, or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content, a person who, at the time of announcement of this Program Information, is an officer (meaning an officer stipulated in Article 21, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (the "Act") (meaning a director of the board (*torishimari-yaku*), accounting advisor (*kaikai-sanyo*), company auditor (*kansa-yaku*) or executive officer (*shikkou-yaku*), or a person equivalent to any of these) of the issuer that announced the Program Information shall be liable to compensate persons who acquired the securities for any damage or loss arising from the false statement or lack of information in accordance with the provisions of Article 21, Paragraph 1, Item 1 of the Act applied mutatis mutandis in Article 27-33 of the Act and Article 22 of the Act applied mutatis mutandis in Article 27-34 of the Act. However, this shall not apply to cases where the person who acquired the securities was aware of the existence of the false statement or the lack of information at the time of subscription for acquisition of the securities. Additionally, the officer shall not be required to assume the liability prescribed above, where he/she proves that he/she was not aware of, and was unable to obtain knowledge of, even with reasonable care, the existence of the false statement or the lack of information.
3. The regulatory framework for TOKYO PRO-BOND Market is different in fundamental aspects from the regulatory framework applicable to other exchange markets in Japan. Investors should be aware of the rules and regulations of the TOKYO PRO-BOND Market, which are available on the Tokyo Stock Exchange website.
4. Tokyo Stock Exchange does not express opinions or issue guarantees, etc. regarding the content of the Program Information (including but not limited to, whether the Program Information (a) contains a false statement or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content) and shall not be liable for any damage or loss.
5. Where this Program Information (excluding Program Information concerning securities enumerated in each item of Article 3 of the Act) comes to include information regarding matters listed in this Form pursuant to Rule 206, Paragraph 2 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities (hereinafter referred to as the "Special Regulations") as information prescribed in Article 2, Paragraph 1, Item 1 of the Cabinet Office Ordinance on Provision and Publication of Information on Securities, etc., the Program Information shall constitute Specified Securities Information stipulated in Article 27-31, Paragraph 1 of the Act.
6. In respect of Malayan Banking Berhad U.S.\$15,000,000,000 Multicurrency Medium Term Note Programme under which the Offering Circular is incorporated into this Program Information, the following ratings were affirmed on 13 May 2020 and remain unchanged:

S&P Global Ratings:	A- (senior unsecured notes) BBB (subordinated) BB+ (Additional Tier-1)
Moody's Investors Service:	(P)A3 (senior unsecured) (P)Baa2 (subordinated) (P)Baa3 (Additional Tier-1)
7. The following documents shall be incorporated in, and to form part of, this Program Information:
  - (a) Offering Circular dated 13 May 2020 with respect to Malayan Banking Berhad's U.S.\$15,000,000,000 Multicurrency Medium Term Note Programme;
  - (b) Maybank Annual Report 2021 – Corporate; and
  - (c) Maybank Annual Report 2021 – Financial Statements.

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES.

**IMPORTANT: You must read the following before continuing.** The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES ("U.S.") OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE U.S. AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this offering circular or make an investment decision with respect to the securities, investors must not be located in the United States. This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that you are not located in the United States and to the extent that you purchase securities described in the attached offering circular, you are doing so in an offshore transaction pursuant to Regulation S under the Securities Act and that you consent to delivery of such offering circular by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of any of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of Malayan Banking Berhad in such jurisdiction.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Malayan Banking Berhad, Maybank Kim Eng Securities Pte. Ltd., Maybank Investment Bank Berhad or any additional arrangers or dealers appointed by Malayan Banking Berhad or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon your request from Malayan Banking Berhad, Maybank Kim Eng Securities Pte. Ltd., Maybank Investment Bank Berhad or any other arranger or dealer appointed by Malayan Banking Berhad.

**Actions that You May Not Take.** If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

**You are responsible for protecting against viruses and other destructive items.** You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

# Malayan Banking Berhad

(Registration No. 196001000142 (3813-K))

(incorporated with limited liability in Malaysia)

U.S.\$15,000,000,000

## Multicurrency Medium Term Note Programme

On 14 May 2012, Malayan Banking Berhad (the "Issuer" or the "Bank") established its U.S.\$5,000,000,000 Multicurrency Medium Term Note Programme. On 15 April 2016, the Bank increased the principal amount of the Programme (as defined below) to U.S.\$15,000,000,000. The Programme is amended as at the date of this Offering Circular and this Offering Circular supersedes all previous offering circulars and any supplements thereto. Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. The provisions described herein do not affect any Notes issued under the Programme prior to the date of this Offering Circular.

Under this U.S.\$15,000,000,000 Multicurrency Medium Term Note Programme (the "Programme"), the Issuer (either directly or acting through its Hong Kong Branch or its Singapore Branch or any other branch, in each case, as may be specified in the applicable Pricing Supplement (as defined below) from time to time), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "Notes"), which expression shall include Notes (i) issued on an unsubordinated basis as described in Condition 3.1 ("Senior Notes"), (ii) issued on a subordinated basis which rank on any Winding-Up of the Bank as described in Condition 3.2 ("Subordinated Notes") and (iii) issued on a subordinated basis which rank on any Winding-Up of the Bank as described on Condition 3.3 ("AT1 Notes"). Notes may be issued with a maturity of one year or more or on a perpetual basis, in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively "Bearer Notes" and "Registered Notes"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$15,000,000,000 (or its equivalent in other currencies calculated as described in "General Description of the Programme"), subject to increase as described herein.

The Notes may be issued by the Issuer on a continuing basis to investors directly, or to one or more of the dealers under the Programme from time to time (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes. With effect from the date of this Offering Circular Maybank Kim Eng Securities Pte. Ltd. and Maybank Investment Bank Berhad have each been appointed as Dealers on an ongoing basis.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Investment Considerations".**

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and for the listing and quotation of any Notes to be issued which are agreed at or prior to the time of issue to be listed on the SGX-ST. The applicable pricing supplement in respect of any issue of Notes (a "Pricing Supplement") will specify whether or not such Notes will be listed on the SGX-ST or any other stock exchange. There is no guarantee that an application to the SGX-ST will be approved. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined herein), the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed herein.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a Pricing Supplement which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST before the date of listing of the Notes of such Tranche.

Application has been made to the Labuan International Financial Exchange Inc. (the "LFX") for the listing of, and permission to deal in, any Notes that may be issued under the Programme but there can be no assurance that such listings will occur on or prior to the date of issue of such Notes or at all. The LFX assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, the investor should consult his or her adviser. Admission to the Official List of the LFX is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

Application will be made by the Issuer to the Taipei Exchange ("TPEX") in the Republic of China ("Taiwan"/"ROC") for permission to deal in and for the listing of any Notes which are agreed at the time of issue thereof to be so listed on the TPEX. Such permission is expected to be granted and become effective from the scheduled issue date. TPEX is not responsible for the content of this document and the Offering Circular and any amendment and supplement thereto and no representation is made by TPEX to the accuracy or completeness of this document and the Offering Circular and any amendment and supplement thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Offering Circular and any amendment and supplement thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.

In addition to the above, the Programme has also been admitted for the listing of the Notes on Tokyo Stock Exchange Inc. ("TSE") in its capacity as the market operator of the TOKYO PRO-BOND Market in accordance with the rules and regulations of TSE.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

Each Tranche of Notes of each Series (as defined in "Terms and Conditions of the Notes") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "Temporary Bearer Global Note") or a permanent global note in bearer form (each a "Permanent Bearer Global Note"). In the case of Notes that are expressed in the applicable Pricing Supplement to be subject to the "D" Rules (as defined herein), interests in a Temporary Bearer Global Note will be exchangeable in whole or in part, for interests in a Permanent Bearer Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. Notes in registered form will initially be represented by a global note in registered form (each a "Registered Global Note" and together with any Temporary Bearer Global Notes and Permanent Bearer Global Notes, the "Global Notes" and each a "Global Note"). Global Notes may be deposited on the issue date with a common depository for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg").

Global Notes may also be deposited with The Central Depository (Pte) Limited ("CDP") or a sub-custodian for the Hong Kong Monetary Authority (the "HKMA"), as operator of the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority ("the CMU Service"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Form of the Notes".

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS, AND ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"). FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE "SUBSCRIPTION AND SALE".**

See "Form of the Notes" for a description of the manner in which Notes will be issued. The Notes are subject to certain restrictions on transfer, see "Subscription and Sale".

The Issuer may agree with any Dealer that the Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the SGX-ST or TSE) a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Notes issued under the Programme may be rated or unrated. Where an issue of a certain Series of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The lodgement of this Offering Circular to the Securities Commission Malaysia in respect of the updates to the Programme will be made by Maybank Investment Bank Berhad as the Principal Adviser under the Programme.

This Offering Circular is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129.

**Arranger**

**Maybank Kim Eng Securities  
Pte. Ltd.**

**Dealers**

**Maybank Investment Bank Berhad**

**Maybank Kim Eng Securities Pte. Ltd.**

The date of this Offering Circular is 13 May 2020

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer, the information contained in this Offering Circular is in accordance with the facts and does not omit anything that would make the statements therein, in light of the circumstances in which they were made, misleading.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

No person is or has been authorised by the Issuer to give any information or to make any representations other than as contained in this Offering Circular in connection with the Programme or the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Arranger or the Dealers.

The Arranger and the Dealers have not separately verified all of the information contained in this Offering Circular. Neither of the Arranger nor any of the Dealers makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither the Arranger nor any of the Dealers accepts any responsibility for the contents of this Offering Circular. Each of the Arranger and the Dealers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any financial statements included or incorporated herein are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Offering Circular or any such financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the risks involved. The purchase of Notes by investors should be based upon their investigation as they deem necessary. Neither the Arranger nor any of the Dealers undertakes to review the financial condition or affairs of the Issuer or the Issuer and its subsidiaries taken as a whole (together, the "**Group**") during the life of the arrangements contemplated by this Offering Circular, nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger or the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Group during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

Notes issued under the Programme may be denominated in Renminbi. Renminbi is currently not freely convertible and conversion of Renminbi is subject to certain restrictions. Investors should be reminded of the conversion risk with Renminbi products. In addition, there is a liquidity risk associated with Renminbi products, particularly if such investments do not have an active secondary market and their prices have large bid/offer spreads. Renminbi products are denominated and settled in Renminbi deliverable in Hong Kong, which represents a market which is different from that of Renminbi deliverable in the PRC (as defined below).

From time to time, in the ordinary course of business, the Arranger, the Dealers and their affiliates have provided advisory and investment banking services, and entered into other commercial transactions with the Issuer and its affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Arranger, the Dealers and their affiliates will continue to provide such services to, and enter into such transactions, with the Issuer and its affiliates in

the future. The Arranger, the Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

**This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Arranger or the Dealers represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealers which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes in the United States, the European Economic Area, the United Kingdom, Singapore, Japan, Taiwan, Malaysia and Hong Kong. See "*Subscription and Sale*".**

**Brexit:** Although the United Kingdom ceased to be a member state of the European Union on 31 January 2020, the withdrawal agreement between the United Kingdom and the European Union under Article 50(2) of the Treaty on European Union provides that until at least 31 December 2020, subject to certain qualifications which are not relevant for the purposes of this Offering Circular (unless otherwise expressly provided), (1) EU law shall produce in respect of and in the United Kingdom the same legal effects as those which it produces within the European Union and its member states, and shall be interpreted and applied in accordance with the same methods and general principles as those applicable within the European Union, and (2) any reference to member states in EU law, including as implemented and applied by member states, shall be understood as including the United Kingdom. This agreement has been given effect in the law of the United Kingdom by the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020.

**MiFID II product governance / target market** - The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**IMPORTANT - EEA RETAIL and UK INVESTORS** - If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive (EU) (2016/97) (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as



amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

This Offering Circular is not a prospectus for the purposes of the Prospectus Regulation. This Offering Circular has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 1(4) of the Prospectus Regulation, as implemented in member states of the EEA and the UK, from the requirement to produce a prospectus for offers of the Notes.

THE NOTES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE "*SUBSCRIPTION AND SALE*".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE U.S. OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

**In accordance with the Capital Markets and Services Act 2007 of Malaysia (the "CMSA"), a copy of this Offering Circular will be lodged with the Securities Commission Malaysia (the "SC"), which takes no responsibility for its contents. The issue, offer or invitation in relation to the Notes in this Offering Circular or otherwise are subject to the fulfilment of various conditions precedent including without limitation, the approval from Bank Negara Malaysia ("BNM") in respect of Subordinated Notes and AT1 Notes. The Programme has been lodged with the SC pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework first issued on 9 March 2015 as amended from time to time. The recipient of this Offering Circular acknowledges and agrees that the lodgement with the SC shall not be taken to indicate that the SC recommends the subscription or purchase of the Notes. The SC shall not be liable for any non-disclosure on the part of the Issuer and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Circular.**

**BENCHMARKS REGULATION** - Amounts payable under the Floating Rate Notes may be calculated by reference to LIBOR, EURIBOR, HIBOR, SIBOR and SOR (each as defined in the Terms and Conditions of the Notes), as specified in the applicable Pricing Supplement. As at the date of this Offering Circular, (i) the administrator of LIBOR, ICE Benchmark Administration Limited; and (ii) the administrator of EURIBOR, the European Money Markets Institute are included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the administrator of HIBOR, Treasury Markets Association, and the administrator of SIBOR and SOR, ABS Benchmarks Administration Co Pte Ltd, does not appear on the aforementioned register.

**NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE "SFA")** - Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be (i) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (ii) Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## CERTAIN DEFINITIONS

Unless otherwise specified or the context requires, references herein to the respective currencies have the following meaning:

<u>Currency</u>	<u>Lawful Currency in the Country of</u>
"U.S. dollars" and "U.S.\$"	U.S.
"RM", "Malaysian Ringgit", "Ringgit" and "sen"	Malaysia
"Singapore dollars" and "S\$"	Singapore
"CNY", "Renminbi" and "RMB"	People's Republic of China (the "PRC")
"Sterling" and "£"	United Kingdom
"EUR", "euro" and "€"	Currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended
"IDR"	Indonesia

For convenience only and unless otherwise noted, all translations from Malaysian Ringgit into U.S. dollars in this Offering Circular were made at the rate of RM4.094 to U.S.\$1.00 as at 31 December 2019. No representation is made that the Malaysian Ringgit amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all.

In addition, references to PRC are to the PRC and for geographical reference only (unless otherwise stated) exclude Taiwan, Hong Kong and Macau.

Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

Under the rules of the SC, the following potential conflict of interest situations are to be disclosed to prospective investors.

In respect of Maybank Investment Bank Berhad's ("**Maybank IB**") appointment as the Principal Adviser and Dealer in respect of the Programme, there may be a potential conflict of interest situation as Maybank IB is a wholly-owned subsidiary of the Issuer. As such, Maybank IB and the Issuer are deemed to be related corporations under Malaysian law. Notwithstanding the aforementioned, Maybank IB, in relation to its roles as Principal Adviser and Dealer in respect of the Programme, has considered the factors involved and believes objectivity and independence in carrying out its role has been and/or will be maintained at all times for the following reasons:

- (i) the appointment of Messrs Adnan Sundra and Low as an external independent legal counsel to conduct a legal due diligence inquiry on the Issuer;
- (ii) Maybank IB is a licenced investment bank under the laws of Malaysia and its appointment as the Principal Adviser and Dealer in respect of the Programme is in the ordinary course of its business;
- (iii) the conduct of Maybank IB is regulated by the Financial Services Act 2013 of Malaysia and Maybank IB has in place its own internal controls and checks with regards to transactions involving its related corporations;
- (iv) the Notes will be issued by way of private or public placement and in each case on a syndicated or non-syndicated basis, where pricing of the Notes will be market driven; and
- (v) the Issuer and its Board of Directors (the "**Board**") have confirmed that they are aware of the above potential conflict of interest situation and that notwithstanding such potential conflict,

they have agreed to proceed with the appointment of Maybank IB as the Principal Adviser and Dealer in respect of the Programme.

There may be a potential conflict of interest situation as Maybank Kim Eng Securities Pte. Ltd. ("**Maybank Kim Eng**") is wholly-owned by Maybank Kim Eng Holdings Limited which in turn is a wholly-owned subsidiary of Maybank IB Holdings Sdn Bhd. The ultimate holding company of the aforementioned entities is the Issuer. As such, Maybank Kim Eng and the Issuer are related corporations.

Notwithstanding the aforementioned, Maybank Kim Eng, in its roles as the Arranger and Dealer in respect of the Programme, has considered the factors involved and believes objectivity and independence in carrying out its role has been and/or will be maintained at all times for the following reasons:

- (i) the appointment of Messrs Adnan Sundra & Low as an external independent legal counsel to conduct a legal due diligence inquiry on the Issuer;
- (ii) Maybank Kim Eng's appointment as the Arranger and Dealer is in the ordinary course of its business. The appointments are governed by various mandate letters, agreements and/or documents which set out the rights, duties and obligations of Maybank Kim Eng acting in such capacities;
- (iii) the conduct of Maybank Kim Eng is regulated by the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) and Financial Advisers Act (Chapter 110) and as a member of Singapore Exchange Limited ("**SGX**"), Maybank Kim Eng is also subject to the rules of SGX;
- (iv) Maybank Kim Eng has in place its own internal controls and checks with regards to transactions involving its related corporations;
- (v) the Notes will be issued by way of private or public placement and in each case on a syndicated or non-syndicated basis, where pricing of the Notes will be market driven; and
- (vi) the Issuer and its Board have confirmed that they are aware of the above potential conflict of interest situation and that notwithstanding such potential conflict, they have agreed to proceed with the appointment of Maybank Kim Eng as the Arranger and Dealer of the Programme.

## FORWARD-LOOKING STATEMENTS

The Issuer has included statements in this Offering Circular which contain words or phrases such as will, would, aim, aimed, is likely, are likely, believe, expect, expected to, will continue, anticipated, estimate, estimating, intend, plan, seeking to, future, objective, should, can, could, may, and similar expressions or variations of such expressions, that are "forward-looking statements".

All statements regarding the Issuer's or the Group's expected financial position, business, strategies, plans, prospects and objectives are forward-looking statements. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the Issuer's expectations with respect to, but not limited to, its ability to successfully implement its strategy, its ability to integrate recent or future mergers or acquisitions into its operations, future levels of non-performing assets and restructured assets, its growth and expansion, the adequacy of its provision for credit and investment losses, technological changes, investment income, its ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings it is or becomes a party to, the future impact of new accounting standards, its ability to pay dividends, its ability to roll over its short-term funding sources, its exposure to operational, market, credit, interest rate and currency risks and the market acceptance of and demand for internet banking services.

All forward-looking statements are made only as at the date of this Offering Circular. Given the risks and uncertainties that may cause the Issuer's or the Group's actual future results, performance or achievement to be materially different than expected, expressed or implied by the forward-looking statements in this Offering Circular, potential investors are advised not to place undue reliance on those statements. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Offering Circular to reflect any change in the Issuer's expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based.

## STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents (including those published or issued from time to time after the date hereof) shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2019 (together with the Directors' reports and the Independent Auditors' reports prepared in connection therewith) which have previously been published;
- (b) the most recently published audited consolidated financial statements of the Issuer since the date of this Offering Circular;
- (c) any interim consolidated and unconsolidated financial statements of the Issuer (whether audited or unaudited) published subsequent to the most recently published audited consolidated and unconsolidated financial statements of the Issuer since the date of this Offering Circular; and
- (d) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The full version of the Issuer's interim financial statements (whether audited or unaudited) and annual reports published from time to time can be obtained from the Issuer's website at [www.maybank.com](http://www.maybank.com) and Bursa Malaysia Securities Berhad ("**Bursa Securities**") website at this link, [https://www.bursamalaysia.com/market\\_information/announcements/company\\_announcement](https://www.bursamalaysia.com/market_information/announcements/company_announcement).

The above websites and any other websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuer may be obtained free of charge. Information appearing on such websites does not form part of this Offering Circular or any relevant Pricing Supplement and none of the Issuer, its Directors, the Arranger or the Dealers accept any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to purchase or deal in the Notes.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the office of The Hongkong and Shanghai Banking Corporation Limited (the "**Fiscal Agent**") at Level 30, HSBC Main Building, 1 Queen's Road Central, Hong Kong. Pricing Supplements relating to unlisted Notes will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the Issuer or the relevant Paying Agent as to its holding of Notes and its identity.

If the terms of the Programme are modified or amended in a manner which would cause this Offering Circular, as so modified or amended, to: (i) omit a significant new factor or contain a material mistake or inaccuracy which is capable of affecting the assessment of the Notes; (ii) omit a change in the condition of the Issuer or the Group which has a material adverse effect in the context of the Programme or the issue of any Notes; (iii) contain an untrue statement of a material fact or omit a material fact necessary to make the statements herein not misleading; or (iv) require an amendment to comply with the laws or regulations of Malaysia or any other relevant jurisdiction or reflect changes in such laws or regulations which are material in the context of the issue of any Notes, a new offering circular or supplement to this Offering Circular will be prepared.

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer (from time to time acting either directly or acting through its Hong Kong Branch or its Singapore Branch or such other branch as may be specified in the applicable Pricing Supplement) may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer, or in the case of direct issuances, the relevant investor(s), prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*".

This Offering Circular and any supplement will only be valid for Notes issued under the Programme in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$15,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") shall be determined, at the discretion of the Issuer, either as at the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in Kuala Lumpur, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the Malaysian foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

## SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this summary.

<b>Issuer:</b>	Malayan Banking Berhad. In relation to each Tranche of Notes, the applicable Pricing Supplement will indicate whether the Issuer is acting directly or through its Hong Kong Branch or its Singapore Branch or such other branch as may be specified in the applicable Pricing Supplement, if applicable.
<b>Description:</b>	Multicurrency Medium Term Note Programme which caters for issues of Senior Notes, Subordinated Notes and AT1 Notes.
<b>Arranger:</b>	Maybank Kim Eng Securities Pte. Ltd.
<b>Dealers:</b>	Maybank Kim Eng Securities Pte. Ltd and Maybank Investment Bank Berhad have each been appointed as Dealers on an ongoing basis as at the date of this Offering Circular. Pursuant to the Programme Agreement, the Issuer may from time to time appoint further dealers either in respect of one or more Tranches or in respect of the whole Programme or terminate the appointment of any dealer under the Programme.
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ").
<b>Fiscal Agent:</b>	The Hongkong and Shanghai Banking Corporation Limited.
<b>Registrar and Transfer Agent:</b>	The Hongkong and Shanghai Banking Corporation Limited.
<b>CMU Lodging and Paying Agent:</b>	The Hongkong and Shanghai Banking Corporation Limited.
<b>Singapore CDP Agent:</b>	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
<b>Principal Adviser:</b>	For purposes of lodgement with the SC, Maybank Investment Bank Berhad.
<b>Programme Size:</b>	Up to U.S.\$15,000,000,000 (or its equivalent in other currencies calculated as described under " <i>General Description of the Programme</i> ") outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-



syndicated basis.

**Currencies:** Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

**Maturities:** In relation to the Senior Notes and Subordinated Notes, such maturities as may be agreed between the Issuer and the relevant Dealer, subject to a minimum of one year from the date of issue and other such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Subordinated Notes that constitute Tier 2 Capital Securities (as defined in Condition 3.4) shall have such minimum maturity as required by BNM from time to time. AT1 Notes that constitute Tier 1 Capital Securities (as defined in Condition 3.4) shall be issued on a perpetual basis and shall have no fixed maturity as required by BNM from time to time.

**Issue Price:** Notes may be issued on a fully-paid or (in the case of the Senior Notes) a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Form of Notes:** The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

**Fixed Rate Notes:** Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:** Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series);
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each series of Floating Rate Notes.

<b>Index Linked Notes:</b>	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
<b>Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:</b>	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their nominal amount, or offered and sold at their nominal amount and be redeemed at a premium, and will not bear interest.
<b>Redemption:</b>	<p>The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or pursuant to a winding-up of the Issuer following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p>The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.</p> <p>Subordinated Notes that constitute Tier 2 Capital Securities may only be redeemed in accordance with the requirements from time to time of BNM.</p> <p>AT1 Notes that constitute Tier 1 Capital Securities may only be redeemed in accordance with the requirements from time to time of BNM.</p>
<b>Conditions for Purchases of Notes</b>	The Issuer, any of its Subsidiaries, any of its agents or any related corporation of the Issuer may at any time purchase Senior Notes in any manner and at any price in the open market or otherwise. See Condition 7.10 of the <i>Terms and</i>

*Conditions of the Notes".*

The Issuer, any of its Subsidiaries, any of its agents or any related corporation of the Issuer may at any time purchase, subject to the approval of BNM (but which approval shall not be required for a purchase made in the ordinary course of business), the Subordinated Notes or the AT1 Notes in any manner and at any price in the market or otherwise provided that no Trigger Event (as defined in Condition 7.16) has occurred and is continuing. See Condition 7.11 of the "*Terms and Conditions of the Notes*".

**Denomination of Notes:**

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions*" above.

**Taxation:**

All payments of principal and interest in respect of the Notes, Receipts and Coupons will be made without deduction for or on account of withholding taxes imposed by Malaysia, subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:**

The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 4. The Subordinated Notes and the AT1 Notes will not contain a negative pledge.

**Events of Default for Senior Notes:**

Events of default for Senior Notes are set out in Condition 10.1.

**Cross-acceleration:**

The terms of the Senior Notes will contain a cross-acceleration provision as further described in Condition 10.1.

**Status of the Senior Notes:**

The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of the negative pledge in Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

**Status of the Subordinated Notes:**

The Subordinated Notes will constitute direct, unconditional, unsecured, and subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Subordinated Notes shall, save for such exceptions as shall be provided by applicable legislation, rank on a Winding-Up of the Issuer as provided in Condition 3.2.

<b>Status of the AT1 Notes:</b>	The AT1 Notes will constitute direct, unconditional, unsecured, and subordinated obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves. The payment obligations of the Issuer under the AT1 Notes shall, save for such exceptions as shall be provided by applicable legislation, rank on a Winding-Up of the Issuer as provided in Condition 3.3.
<b>Events of Default and other terms of Subordinated Notes and AT1 Notes:</b>	The Events of Default for Subordinated Notes and AT1 Notes are set out in Condition 10.2. The Subordinated Notes and AT1 Notes do not have the benefit of a negative pledge or cross-acceleration provision.
<b>Variation instead of Redemption of the Subordinated Notes or AT1 Notes:</b>	The provisions relating to Variation instead of Redemption of Subordinated Notes or AT1 Notes are set out in Condition 7.14.
<b>Redemption or Variation of Conditions of Subordinated Notes or AT1 Notes</b>	The provisions relating to redemption or variation of Conditions of Subordinated Notes and AT1 Notes are set out in Condition 7.15.
<b>Loss Absorption upon a Trigger Event in respect of Subordinated Notes or AT1 Notes:</b>	Subordinated Notes or AT1 Notes shall have provisions relating to Loss Absorption upon a Trigger Event (including, in the case of AT1 Notes, at the point of breach of the Issuer's CET1 Capital Ratio) as defined in and as set out in Condition 7.16.
<b>Listing:</b>	<p>Application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).</p> <p>Application has also been made to the LFX for the listing of, and permission to deal in, the Notes.</p> <p>In addition to the above, the Programme has also been admitted for the listing of the Notes on TSE in its capacity as the market operator of the TOKYO PRO-BOND Market in accordance with the rules and regulations of TSE.</p> <p>The Notes may be listed on the TPEX in Taiwan pursuant to the applicable rules of the TPEX with effect from the scheduled issue date. Application will be made by the Issuer to the TPEX for the listing and trading of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the TPEX.</p> <p>The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series.</p>

Unlisted Notes may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).

**Ratings:**

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, reduction or withdrawal at any time by the assigning rating agency.

**Governing Law:**

The Agency Agreement, the ECC Deed of Covenant, the Notes, the Receipts, the Coupons, the Talons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the ECC Deed of Covenant, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law, except that the subordination provisions set out in Condition 3.2, Condition 3.3 and Condition 10.2 shall be governed by and construed in accordance with the laws of Malaysia.

The CDP Deed of Covenant shall be governed by and construed in accordance with Singapore law.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, United Kingdom, Singapore, Japan, Malaysia, Hong Kong and Taiwan and in such other jurisdictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

**U.S. Selling Restrictions:**

Regulation S, Category 1; TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

**Clearing Systems:**

Euroclear, Clearstream, Luxembourg, the CMU Service, CDP and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Notes*".

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached.

### **Bearer Notes**

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of a Temporary Bearer Global Note or, if so specified in the applicable Pricing Supplement, a Permanent Bearer Global Note which, in either case, will be delivered on or prior to the original issue date of the Tranche to either (i) a common depository (the "**Common Depository**") for, Euroclear and Clearstream, Luxembourg, (ii) a sub-custodian for the CMU Service or (iii) CDP.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not resident in the U.S. or persons who have purchased for resale to any person resident in the U.S., as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or the CMU Lodging and Paying Agent and/or CDP and (in the case of a Temporary Bearer Global Note delivered to a Common Depository for Euroclear and Clearstream, Luxembourg or CDP) Euroclear and/or Clearstream, Luxembourg and/or CDP, as applicable, has given a like certification (based on the certifications it has received) to the Paying Agent (as defined in "*Terms and Conditions of the Notes*"). On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that the purchasers in the U.S. will not be able to receive definitive Bearer Notes. The CMU Service may require that any such exchange for a Permanent Global Bearer Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg, the CMU Service or CDP against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached, upon either (a) not less than 60 days' written notice (i) in the case of Notes held by a Common Depository for Euroclear and Clearstream, Luxembourg, from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Fiscal Agent as described therein or (ii) in the case of Notes held through a sub-custodian for the CMU Service, from the relevant account holders therein to the CMU Lodging and Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have, or in the case of Notes cleared through the CMU Service, the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or the relevant clearing system has announced an intention permanently to cease business or has in fact done so and no successor clearing system is

available, or, in the case of Notes cleared through CDP, the Issuer has been notified that CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or CDP has announced an intention to permanently cease business and no alternative clearing system is available, (iii) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the Master Depository Services Agreement dated 14 May 2012, as amended by the notification letter dated 15 April 2016, further amended by the supplemental master depository services agreement dated 25 April 2018, and as amended, varied or supplemented from time to time (the "**Master Depository Services Agreement**") and no alternative clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Notes represented by the Permanent Bearer Global Note. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes held by CDP or a Common Depository for Euroclear and Clearstream, Luxembourg, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or, (b) in the case of Notes held through a sub-custodian for the CMU Service, the relevant account holders therein, may give notice to the Fiscal Agent or, as the case may be, the CMU Lodging and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Fiscal Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent or, as the case may be, the CMU Lodging and Paying Agent.

The following legend will appear on all Bearer Notes, including any coupons, receipts and talons issued in accordance with TEFRA D:

"ANY U.S. PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE U.S. INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE UNITED STATES INTERNAL REVENUE CODE 1986 AS AMENDED AND THE REGULATIONS THEREUNDER."

The sections referred to provide that U.S. holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the case may be.

### **Registered Notes**

The Registered Notes of each Tranche offered and sold in offshore transactions in reliance on Regulation S, which will be sold to persons outside the United States, will be represented by a global note in registered form (a "**Registered Global Note**", together with any Bearer Global Note, the "**Global Notes**"). Beneficial interests in a Registered Global Note may not be offered or sold within the United States and may not be held otherwise than through Euroclear, Clearstream, Luxembourg, CDP or the CMU Service.

Registered Global Notes will be deposited with a Common Depository for, and registered in the name of a common nominee of, Euroclear, Clearstream, Luxembourg and/or deposited with a sub-custodian for the CMU Service (if applicable) and/or CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest or any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Notes. None of the Issuer, the Fiscal Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the

Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of Definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or, in the case of Notes cleared through the CMU Service, the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system is available, or, in the case of Notes cleared through CDP, the Issuer has been notified that CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or CDP has announced an intention to permanently cease business and no alternative clearing system is available, (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Notes in definitive form or (iv) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the Master Depository Services Agreement and no alternative clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of CDP or a nominee for a Common Depository for Euroclear and Clearstream, Luxembourg, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) and/or, (b) in the case of Notes held through a sub-custodian for the CMU Service, the relevant account holders therein, may give notice to the Registrar or the CMU Lodging and Paying Agent, as the case may be, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or the CMU Lodging and Paying Agent, as the case may be.

### **Transfer of Interests**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferable for Notes in definitive form or an interest in another Registered Global Note only in the Specified Denomination(s) set out in the applicable Pricing Supplement and only in accordance with the applicable rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP and the CMU Service, as the case may be.

### **General**

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Paying Agent or, as the case may be, the CMU Lodging and Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CMU instrument number which are different from the common code, CMU instrument number and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act), if any, applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or the CMU Service or CDP as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document



issued by Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Fiscal Agent and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (Kuala Lumpur time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear, Clearstream, Luxembourg and/or the CMU Service and/or CDP, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and/or the CMU Service and/or CDP on and subject to the terms of (in the case of Notes cleared through Euroclear or Clearstream, Luxembourg or the CMU Service) a deed of covenant (the "**ECC Deed of Covenant**") dated 14 May 2012 or (in the case of Notes cleared through CDP) a CDP Deed of Covenant dated 14 May 2012, as amended and supplemented by a supplemental deed of covenant dated 25 April 2018, and as amended, varied or supplemented from time to time (the "**CDP Deed of Covenant**") and executed by the Issuer.

The Terms and Conditions of the Notes of any Series may be modified by specifying such modification in the applicable Pricing Supplement or in a supplement to this Offering Circular.

## FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]<sup>1</sup>

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.]<sup>2</sup>

**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE "SFA")** - The Notes are (i) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (ii) Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[Date]

**Malayan Banking Berhad**  
**(Registration No. 196001000142 (3813-K))**  
*(incorporated with limited liability in Malaysia)*  
**[(acting through its [Hong Kong Branch/Singapore Branch/[•] Branch)]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

under the U.S.\$15,000,000,000  
Multicurrency Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

<sup>1</sup> A dealer will be an in-scope "manufacturer" under the MiFID Product Governance Rules if it is (a) a MiFID investment firm (i.e. firms with their head office in an EEA member state which carry on the business of providing investment services); (b) a CRD credit institution (i.e. banks and similar institutions with their head office in an EEA member state); and (c) a branch in an EEA member state of non-EEA investment firms (i.e. firms with their head office not in an EEA member state which carry on the business of providing investment services).

<sup>2</sup> Insert this legend if "Prohibition of Sales to EEA or UK Retail Investors" is stated as "Applicable".

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Offering Circular dated 13 May 2020 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [*current date*], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement]*

*[The following language applies if a particular tranche of Notes issued by the Issuer acting through its Singapore Branch are "Qualifying Debt Securities" for the purpose of Income Tax Act, Chapter 134 of Singapore:*

*Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act]*

1. Issuer: Malayan Banking Berhad, [acting through its [Hong Kong Branch/Singapore Branch/[•] Branch]]
2. (a) Series Number: [ ]  
(b) Tranche Number: [ ] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:
  - (a) Series:
  - (b) Tranche:
5. [(a)] Issue Price: [[ ]% of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (*in the case of fungible issues only, if applicable*)]  
[(b)] Net Proceeds: [[ ] (*required only for listed issues*)]
6. (a) Specified Denominations: [ ]

*If the specified denomination is expressed to be €100,000*

or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following:

"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, No notes in definitive form will be issued with a denomination above €199,000".

- (b) Calculation Amount: [ ] (If only one Specified Denomination, insert the Specified Denomination.
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable] (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Tenor of the Tranche or Series being issued: [ ] [AT1 Notes are perpetual]
9. Maturity Date: [Fixed rate — specify date/Floating rate — specify date, subject to adjustment in accordance with the Business Day Convention] (N.B. must be at least one year from date of issue for Senior Notes and five years from the date of issue for Subordinated Notes, AT1 Notes must be perpetual and have no Maturity Date.)
10. Interest Basis: [[ ]% Fixed Rate] [[LIBOR/EURIBOR/HIBOR/SIBOR/SOR] +/- [ ]% Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [specify other] (further particulars specified below)
11. Redemption/Payment Basis: [Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [specify other]
12. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
13. Put/Call Options: [Investor Put] [Issuer Call] [(further particulars specified below)]
14. (a) Status of the Notes: [Senior/Subordinated/AT1]
- (b) Date of [Board] approval for Notes obtained: [ ] [and [ ], respectively]/[None required] (N.B. Only relevant where the Board (or similar) authorisation is required for the particular tranche of Notes)
- (c) Date of regulatory approval for issuance of Notes obtained: [ ]/[None required] (N.B. Prior approval from BNM is required for each issuance of Subordinated Notes or AT1 Notes.)

15. Listing: [SGX-ST/LFX/TPEX/specify other/None]

16. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

17. Fixed Rate Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Rate(s) of Interest: [ ]% per annum [payable [annually/semi annually/quarterly/other (specify)] in arrear] (If payable other than annually, consider amending Condition 5)

(b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other] *(N.B. This will need to be amended in the case of long or short coupons)*

(c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
(Applicable to Notes in definitive form)

(d) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]  
(Applicable to Notes in definitive form)

(e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/360 or Actual/365 (Fixed) or [specify other]]

(f) [Determination Date(s): [ ] in each year *(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N. B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*]

(g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

(h) First Margin: [ ]% per annum *(Subordinated Notes or ATI Notes only)*

(i) Reference Rate: [ ] *(Subordinated Notes or ATI Notes only)*

18. Floating Rate Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Interest Period(s): [ ]

(b) Specified Interest Payment Dates: [ ]

(c) First Interest Payment Date: [ ]

(d) Business Day Convention: [Floating Rate Convention/Following Business Day

- Convention/Modified Following Business Day  
Convention/Preceding Business Day Convention/[*specify  
other*]]
- (e) Business Centre(s): [ ]
- (f) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (g) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Paying Agent): [ ]
- (h) Screen Rate Determination:
- (i) Reference Rate: [ ] (*Either LIBOR, EURIBOR, HIBOR, SIBOR, SOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement*)
- (ii) Interest Determination Date(s): [ ] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR or HIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR or second Business Day prior to start of interest period if SIBOR/SOR*)
- (iii) Relevant Screen Page: [ ] (*In the case of EURIBOR, if not Reuters EURIBOROI ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (i) ISDA Determination:
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]
- (j) Margin(s): [+/-] [ ]% per annum
- (k) Minimum Rate of Interest: [ ]% per annum
- (l) Maximum Rate of Interest: [ ]% per annum
- (m) Day Count Fraction: [[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360] [30E/360 (ISDA)] [Eurobond Basis]/ specify other] (*See Condition 5 for*

alternatives)

- (n) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
19. **Zero Coupon Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Accrual Yield: [ ]% per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7.7(c) and 7.13 apply/specify other] *(Consider applicable day count fraction if not U.S. dollar denominated)*
20. **Index Linked Interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Index/Formula: [Give or annex details]
- (b) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Paying Agent): [ ]
- (c) Provisions for determining reference to Index and/or Formula where it is impossible or impracticable to obtain: [Need to include a description of market disruption or calculation by reference to settlement disruption events and adjustment provisions]
- (d) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (f) Business Centre(s): [ ]
- (g) Minimum Rate of Interest: [ ]% per annum

- (h) Maximum Rate of [ ]% per annum Interest:
- (i) Day Count Fraction: [ ]
21. Dual Currency Interest Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Paying Agent): [ ]
- (c) Provisions applicable where Rate of Exchange is impossible or impracticable: [Need to include a description of market disruption or calculation by reference to settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [ ]

#### PROVISIONS RELATING TO REDEMPTION

22. Issuer Call: [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ] per Calculation Amount
- (ii) Maximum Redemption Amount: [ ] per Calculation Amount
- (d) Notice period (if other than as set out in the Conditions): [ ] (NB. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)



23. Investor Put: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph. Investor Put will not be applicable to Subordinated Notes or ATI Notes)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other]
- (c) Notice period (if other than as set out in the Conditions): [ ] *(NB. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)*
24. Final Redemption Amount: [[ ] per Calculation Amount/specify other/see Appendix]
25. Early Redemption Amount payable on redemption or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.7): [[ ] per Calculation Amount/specify other/see Appendix]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

26. Form of Notes: [Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Bearer Notes: Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Bearer Notes: Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
- [Registered Notes: Registered Global Note]
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options for Bearer Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[ ] and integral multiples of [ ] in excess thereof up to and including [ ]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of*

*Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

27. Financial Centre(s) for Payment Days: [Not Applicable/give details] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(b), 18(d) and 20(f) relate)*
28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest on late payment: [Not Applicable/give details. *N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
30. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
31. Redenomination applicable: Redenomination [not] applicable (If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))
32. Other terms: [Not Applicable/give details] *(if there are any amendments to the Payment Day convention, please state here)*

#### **DISTRIBUTION**

33. If syndicated, names of Managers: [Not Applicable/give names]
- (a) Date of Subscription Agreement: [ ]
- (b) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
35. U.S. Selling Restrictions: Reg. S Category 1; [TEFRA D/TEFRA C/TEFRA not applicable]
36. Additional selling restrictions: [Not Applicable/give details]

### Operational Information

37. Any clearing system(s) other than CDP, the CMU Service, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [CDP/CMU/Not Applicable/give name(s) and number(s)]
38. Delivery: Delivery [against/free of] payment
39. Additional Paying Agent(s) (if any): [ ]
- ISIN: [ ]
- Common Code: [ ]
- (insert here any other relevant codes such as a CMU instrument number)*
40. Ratings: [The Notes to be issued will not be rated/The Notes to be issued have been rated:]
- [S&P: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [Other: [ ]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
41. Utilisation of proceeds raised from the issue: [ ]

### [LISTING APPLICATION

This Pricing Supplement comprises the pricing supplement required to list the issue of Notes described herein pursuant to the U.S.\$15,000,000,000 Multicurrency Medium Term Note Programme of Malayan Banking Berhad.]

### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

[The Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Notes to the Official List of, the SGX-ST are not to be taken as indications of the merits of the Issuer, the Group, the Programme or the Notes.] *[Insert if Notes are listed on the SGX-ST]*

[The Labuan International Financial Exchange Inc. (the "LFX") assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Pricing Supplement, makes no representations as to its accuracy or completeness and expressly disclaims any liability

whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Pricing Supplement. Investors are advised to read and understand the contents of the Offering Circular and this Pricing Supplement before investing. If in doubt, the investor should consult his or her adviser. Admission to the Official List of the LFX is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.][*Insert if Notes are listed on the LFX*]

[The Taipei Exchange (the "TPEX") is not responsible for the content of this document and the Offering Circular and any amendment and supplement thereto and no representation is made by the TPEX to the accuracy or completeness of this document and the Offering Circular and any amendment and supplement thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Offering Circular and any amendment and supplement thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.] [*Insert if the Notes are listed the TPEX*]

Signed on behalf of the Issuer:

By:

*Duly authorised*

## TERMS AND CONDITIONS OF THE NOTES

*The following (other than paragraphs in italics) are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Bearer Note (as defined below) and each Definitive Registered Note (as defined below), but in the case of Definitive Bearer Notes and Definitive Registered Notes, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Note or Definitive Registered Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Malayan Banking Berhad (the "**Issuer**"), from time to time acting either directly or through its Hong Kong Branch or its Singapore Branch or such other branch as specified in the applicable Pricing Supplement, pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the currency specified herein or, if none is specified, the currency in which the Notes are denominated (the "**Specified Currency**");
- (b) any Global Note in bearer form (each a "**Bearer Global Note**");
- (c) any Global Notes in registered form (each a "**Registered Global Note**");
- (d) any definitive Notes in bearer form ("**Definitive Bearer Notes**", together with the Bearer Global Notes, the "**Bearer Notes**") issued in exchange for a Global Note in bearer form; and
- (e) any definitive Notes in registered form ("**Definitive Registered Notes**", together with the Registered Global Notes, the "**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 13 May 2020 and made between the Issuer, The Hongkong and Shanghai Banking Corporation Limited as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor fiscal agent), The Hongkong and Shanghai Banking Corporation Limited as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**", which expression shall include any successor CMU lodging and paying agent) and the other paying agents named therein (together with the Fiscal Agent and the CMU Lodging and Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), The Hongkong and Shanghai Banking Corporation Limited as registrar (the "**Registrar**", which expression shall include any successor registrar) and as transfer agent (together with the Registrar and the other transfer agents named therein, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents) and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as fiscal agent, registrar, paying agent and transfer agent in Singapore solely for the purposes in connection with Notes cleared or to be cleared through The Central Depository (Pte) Limited (the "**Singapore CDP Agent**", which expression shall include any successor agent in Singapore).

For the purposes of these Terms and Conditions (the "**Conditions**"), (i) all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Fiscal Agent shall, with respect to a Series of Notes to be held in the CMU Service (as defined below), be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be

construed accordingly, and (ii) all references to the Fiscal Agent, Paying Agent, Registrar and Transfer Agent shall, with respect to a Series of Notes to be cleared or cleared through the CDP (as defined below), be deemed to be a reference to the Singapore CDP Agent and all such references shall be construed accordingly.

Interest bearing Definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Definitive Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed on this Note which supplements the Conditions and may specify other terms and conditions, which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the "**applicable Pricing Supplement**" are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Definitive Bearer Notes) the holders of the Notes and (in the case of Definitive Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading), except for the Issue Date and/or Interest Commencement Date and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, (unless this is a Zero Coupon Note) Interest Commencement Dates and/or Issue Prices.

In the case of Notes cleared through Euroclear, Clearstream, Luxembourg or the CMU Service (each as defined below), the Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**ECC Deed of Covenant**") dated 14 May 2012 and made by the Issuer. The original of the ECC Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg.

Where the Notes are cleared through The Central Depository (Pte) Limited ("**CDP**"), the Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the CDP Deed of Covenant made by the Issuer and dated 14 May 2012, as amended and supplemented by a supplemental deed of covenant dated 25 April 2018 (the "**CDP Deed of Covenant**", together with the ECC Deed of Covenant, the "**Deeds of Covenant**", and each "**a Deed of Covenant**"), and as amended, varied or supplemented from time to time.

Copies of the Agency Agreement and the Deeds of Covenant are available for inspection during normal business hours at the registered office for the time being of the Fiscal Agent being at Level 30, HSBC Main Building, 1 Queen's Road Central, Central, Hong Kong and at the specified office of each of the Registrar, the other Paying Agents and Transfer Agents (such Paying Agents and the Registrar being together referred to as "**Agents**"). Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of the Issuer and of the Fiscal Agent save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer or the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Agency Agreement, the Deed of Covenants and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## 1. **FORM, DENOMINATION AND TITLE**

The Notes are issued in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Notes in bearer form may not be exchanged for Notes in registered form and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Note may also be a Senior Note, a Subordinated Note or an AT1 Note, as indicated in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to Definitive Bearer Notes, Receipts and Coupons will pass by delivery and title to Definitive Registered Notes will pass upon registration of transfers in the register which is kept by the Registrar in accordance with the provisions of the Agency Agreement. The Issuer and the Agents will (except as otherwise required by law) deem and treat the bearer of any Definitive Bearer Note, Receipt or Coupon and the registered holder of any Definitive Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes, but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of CDP, Euroclear Bank S.A./N.V. ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority ("**the CMU Service**"), each person (other than CDP, Euroclear or Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of CDP, Euroclear, Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by CDP, Euroclear or Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of CDP, Euroclear, Clearstream, Luxembourg and the CMU Service, as the case may be.

References to CDP, Euroclear, Clearstream, Luxembourg and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer and the Fiscal Agent.

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by CDP, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of CDP, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for CDP, Euroclear, Clearstream, Luxembourg or the CMU Service (as the case may be) shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of CDP, Euroclear, Clearstream, Luxembourg or the CMU Service (as the case may be) or to a successor if CDP, Euroclear, Clearstream, Luxembourg or the CMU Service (as the case may be) or such successor's nominee.

### **2.2 Transfers of Definitive Registered Notes**

Subject as provided in Condition 2.5 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer:

- (i) the holder or holders must:
  - (A) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and
  - (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent; and
- (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within ten business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive



Registered Note not transferred will be authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### 2.3 **Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Definitive Registered Note, or part of a Definitive Registered Note, called for partial redemption.

### 2.4 **Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### 2.5 **Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered during the period of:

- (i) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note;
- (ii) 15 days before any date on which Notes may be called for redemption by the Issuer pursuant to Condition 7.3; and
- (iii) 7 days ending on (and including) any Record Date.

### 2.6 **Exchanges and transfers of Definitive Registered Notes generally**

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

## 3. **STATUS OF THE NOTES**

### 3.1 **Status of the Senior Notes**

*This Condition 3.1 applies only to Notes specified in the applicable Pricing Supplement as being Senior Notes.*

The Notes the status of which is specified in the applicable Pricing Supplement as Senior (the "**Senior Notes**") and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### 3.2 **Status of the Subordinated Notes**

*This Condition 3.2 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes.*

Notes the status of which is specified in the applicable Pricing Supplement as Subordinated ("**Subordinated Notes**") and any relative Receipts and Coupons constitute direct, unconditional, unsecured and, in accordance with this Condition 3.2, subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves.

In the event of a Winding-Up of the Issuer, the claims of Noteholders against the Issuer in respect of the Subordinated Notes and any relative Receipts and Coupons shall:

- (i) be subordinated in right of payment to the claims of all Unsubordinated Creditors of the Issuer;
- (ii) rank senior in right of payment to the rights and claims of creditors in respect of Subordinated Indebtedness; and
- (iii) rank *pari passu* in right of payment with the rights and claims of creditors in respect of Tier 2 Capital Securities.

The provisions of this Condition 3.2 apply only to claims in respect of principal and interest on the Subordinated Notes. To the fullest extent permitted by applicable law, each Noteholder irrevocably waives its rights as a creditor to the extent necessary to give effect to the subordination provision of these Conditions in relation to the Subordinated Notes.

### 3.3 Status of the AT1 Notes

*This Condition 3.3 applies only to Notes specified in the applicable Pricing Supplement as being AT1 Notes.*

Notes the status of which is specified in the applicable Pricing Supplement as AT1 ("**AT1 Notes**") and any relative Receipts and Coupons constitute direct, unconditional, unsecured and, in accordance with this Condition 3.3, subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves.

In the event of a Winding-Up of the Issuer, the claims of Noteholders against the Issuer in respect of the AT1 Notes and any relative Receipts and Coupons shall:

- (i) be subordinated in right of payment to the claims of all Senior Creditors (including, but not limited to creditors in respect of Tier 2 Capital Securities);
- (ii) rank senior in right of payment to the rights and claims of creditors in respect of Junior Obligations; and
- (iii) rank *pari passu* in right of payment with the rights and claims of creditors in respect of Parity Obligations.

The provisions of this Condition 3.3 apply only to claims in respect of principal and interest on the AT1 Notes. To the fullest extent permitted by applicable law, each Noteholder irrevocably waives its rights as a creditor to the extent necessary to give effect to the subordination provisions of these Conditions in relation to the AT1 Notes.

### 3.4 Definitions

For the purposes of these Conditions:

**"BNM"** means Bank Negara Malaysia or any successor thereto as the primary regulator of the Issuer;

**"BNM Capital Adequacy Framework"** means BNM's *Capital Adequacy Framework (Capital Components)* issued by BNM on 5 February 2020;

**"Junior Obligation"** means ordinary shares of any class of the Issuer;

**"Parity Obligation"** means that class of preference shares of the Issuer that rank in right of payment at the most junior level on a Winding-Up and any security or other similar obligation issued, entered into or guaranteed by the Issuer that constitutes or would qualify (other than because the Issuer has otherwise in issue Additional Tier 1 Capital (as defined in the BNM Capital Adequacy Framework) up to the limit prescribed or allowed from time to time by

BNM) as Additional Tier 1 Capital of the Issuer on an unconsolidated or consolidated basis, pursuant to the relevant requirements issued by BNM from time to time and currently set out in the BNM Capital Adequacy Framework, or otherwise ranks on a Winding-Up or is expressed to rank on a Winding-Up, by its terms or by operation of law, *pari passu* with the AT1 Notes;

**"Senior Creditors"** means (i) creditors of the Issuer (including, but not limited to, holders of any security or other similar obligation issued, entered into or guaranteed by the Issuer that constitutes Tier 2 Capital Securities) other than those whose claims rank on a Winding-Up or are expressed to rank on a Winding-Up, by their terms or by operation of law, *pari passu* with or junior to the claims of the Noteholders in respect of AT1 Notes; and (ii) creditors in respect of any class of the Issuer's share capital (other than that class of preference shares that ranks most junior in right of payment on a Winding-Up and any class of ordinary shares);

**"Tier 1 Capital Securities"** means any security or similar obligation issued by the Issuer that constitutes Tier 1 Capital, Additional Tier 1 Capital, Innovative Tier 1 Capital, Non-Innovative Tier 1 Capital or any other such capital intended to constitute Tier 1 capital of the Issuer (including, but not limited to, the AT1 Notes) pursuant to the relevant requirements issued by BNM from time to time and currently set out in the BNM Capital Adequacy Framework;

**"Tier 2 Capital Securities"** means (i) any security issued by the Issuer or (ii) any similar obligation issued by a subsidiary of the Issuer and guaranteed by the Issuer that, in each case, constitutes Tier 2 Capital of the Issuer on an unconsolidated or consolidated basis, pursuant to the relevant requirements issued by BNM from time to time and currently set out in the BNM Capital Adequacy Framework;

**"Subordinated Indebtedness"** means all indebtedness of the Issuer that is or is expressed on a Winding-Up of the Issuer to be subordinated in right of payment to rank junior to the Subordinated Notes and shall include all classes of equity securities of the Issuer, including preference shares and any Tier 1 Capital Securities;

**"Unsubordinated Creditors"** means (a) all depositors of the Issuer and (b) all other creditors of the Issuer other than creditors in respect of Subordinated Indebtedness and creditors that rank or are expressed to rank *pari passu* in right of payment with the Subordinated Notes (in each case including liabilities of the offices and branches of the Issuer, wherever located); and

**"Winding-Up"** means, with respect to the Issuer, a final and effective order or resolution for the bankruptcy, winding-up, liquidation, receivership or similar proceeding in respect of the Issuer.

*The subordination provisions set out in Conditions 3.2 and 3.3 above will be effective only upon the occurrence of any Winding-Up of the Issuer. On a Winding-Up of the Issuer, there may be no surplus assets available to meet the claims of the Noteholders, Receipholders or Couponholders of the Subordinated Notes and/or the AT1 Notes after the claims of the parties ranking senior to the Noteholders, Receipholders and Couponholders of the Subordinated Notes and/or the AT1 Notes have been satisfied.*

*The terms and conditions of the Subordinated Notes and the AT1 Notes are subject to applicable legal and regulatory provisions governing the status of capital adequacy and subordinated securities of Malaysian banks. Accordingly, further provisions relating to the terms of any Subordinated Notes and/or the AT1 Notes issued under this Programme (which may include any further procedures required by the Fiscal Agent, the Registrar, CDP, Euroclear, Clearstream, Luxembourg or the CMU Service) will, if applicable, be set out in the applicable Pricing Supplement.*

#### 4. **NEGATIVE PLEDGE**

*This Condition 4 applies only to Notes specified in the applicable Pricing Supplement as being Senior Notes.*

So long as any of the Senior Notes and the relative Receipts or Coupons remains outstanding (as defined in the Agency Agreement) the Issuer will not create or permit to subsist, any mortgage, charge, pledge, lien or other form of encumbrance or security interest (each a "**Security Interest**") other than a Permitted Security Interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) unless, at the same time or prior thereto:

- (i) the Issuer's obligations under the Senior Notes are secured equally and rateably therewith; or
- (ii) such other Security Interest is provided as is approved by an Extraordinary Resolution of the Noteholders.

In this Condition 4,

**"Relevant Indebtedness"** means any present or future indebtedness, or any guarantee in respect of any present or future indebtedness, in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which by their terms (i) are payable in a currency other than Ringgit or are denominated in Ringgit and more than 50 per cent. of the aggregate principal amount of which is initially distributed outside Malaysia by, or with the authorisation of, the Issuer; and (ii) which are quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market outside Malaysia;

**"Covered Bond Legislation"** means any statute, decree, regulations or rules promulgated by any competent authority of or in Malaysia governing the issuance of covered bonds; and

**"Permitted Security Interest"** means any Security Interest created upon any part of the undertaking, assets or revenues, present or future of the Issuer to secure any Relevant Indebtedness in connection with and in compliance with any Covered Bond Legislation or where creditors thereof have recourse only to a defined pool of underlying assets or revenues of the Issuer intended to form any part of the assets or revenues in respect of which a priority claim in favour of covered bondholders may be given.

#### 5. **INTEREST**

##### 5.1 **Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount (or if it is a Partly Paid Note, the nominal amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions:

**"Fixed Interest Period"** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date; and

**"Reference Banks"** means, subject to Condition 5.3(g) or 5.3(h) (as applicable), in the case of a determination of the London interbank offered rate ("**LIBOR**"), the principal London office

of four major banks in the London interbank market, in the case of a determination of the Euro-zone interbank offered rate ("**EURIBOR**"), the principal Euro-zone office of four major banks in the Euro-zone interbank market, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong interbank market, and in the case of a determination of the Singapore Dollar interbank offered rate ("**SIBOR**") or the Singapore Dollar swap offer rate ("**SOR**"), the principal Singapore offices of each of the three major banks in the Singapore interbank market, in each case selected by the Fiscal Agent or as specified in the applicable Pricing Supplement.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

- (a) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

- (c) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365.

In this Condition 5.1:

**"Determination Period"** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**"sub-unit"** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 5.2 **Reset Interest on Subordinated Notes and AT1 Notes**

*This Condition 5.2 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes or AT1 Notes.*

### (a) **Rates of Interest and Interest Payment Dates**

Each Subordinated Note and AT1 Note (as the case may be) to which Condition 7.3 applies, shall bear interest:

- (i) from (and including) the Interest Commencement Date until (but excluding) the first Optional Redemption Date specified in Pricing Supplement at the rate(s) per annum equal to the Rate(s) of Interest;
- (ii) from (and including) the first Optional Redemption Date until (but excluding) the second Optional Redemption Date specified in the Pricing Supplement or if no such second Optional Redemption Date is so specified, until the Maturity Date (if any) at a rate per annum equal to the First Reset Rate of Interest; and
- (iii) for each subsequent period from (and including) an Optional Redemption Date, to (but excluding) the next following Optional Redemption Date (if any) at a rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in accordance with Condition 5.1. The Rate of Interest and the amount of interest (the "**Interest Amount**") payable shall be determined by the Calculation Agent (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 5.1.

In these Terms and Conditions:

**"First Margin"** means the margin specified as such in the applicable Pricing Supplement;

**"First Reset Period"** means the period from (and including) the first Optional Redemption Date until (but excluding) the second Optional Redemption Date, or if no such second Optional Redemption Date is specified in the applicable Pricing Supplement, the Maturity Date;

**"First Reset Rate of Interest"** means, in respect of the First Reset Period and subject to Condition 5.2(b), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the Reference Rate and the First Margin;

**"Rate(s) of Interest"** has the meaning specified in the applicable Pricing Supplement;

**"Reference Rate"** has the meaning specified in the applicable Pricing Supplement;

**"Reset Determination Date"** means, in respect of the First Reset Period, the second Business Day prior to the first Optional Redemption Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the second Optional Redemption Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each Subsequent Reset Period;

**"Reset Period"** means the First Reset Period or any Subsequent Reset Period, as the case may be;

**"Subsequent Reset Period"** means the period from (and including) the second Optional Redemption Date to (but excluding) the next subsequent Optional Redemption Date and each successive period from (and including) a subsequent Optional Redemption Date to (but excluding) the next succeeding Optional Redemption Date; and

**"Subsequent Reset Rate of Interest"** means, in respect of any Subsequent Reset Period and subject to Condition 5.2(b), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reference Rate and First Margin.

(b) ***Fallbacks***

If on any Reset Determination Date, the Relevant Screen Page is not available or the Reference Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for such Reference Rate as at approximately 11.00 am in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with the Reference Rate quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Reference Rate quotations and the First Margin, all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Reference Rate quotation as provided in the foregoing paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Optional Redemption Date, or in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Rate of Interest specified in the applicable Pricing Supplement.

For the purposes of Condition 5.2(b) **"Reference Banks"** means the principal office in the principal financial centre of the Specified Currency of four major banks active in the market most closely connected with the Reference Rate as selected by the Calculation Agent.

(c) ***Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount***

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the Fiscal Agent and any stock exchange or other relevant authority on which the relevant Notes are for the time being listed and notice thereof to be published in accordance

with Condition 14 as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

(d) ***Certificates to be Final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5.2 shall (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of bad faith and wilful default) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 **Interest on Floating Rate Notes and Index Linked Interest Notes**

(a) ***Interest Payment Dates***

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or if it is a Partly Paid Note, the nominal amount paid up) from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

In this Condition 5.3, if a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the



next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

- I a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Business Centre specified in the applicable Pricing Supplement; and
- II either (i) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

- (i) ISDA Determination for Floating Rate Notes:

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent at a rate equal to the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on LIBOR, EURIBOR or on the Hong Kong interbank offered rate ("**HIBOR**"), the first day of that Interest Period or (b) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

- (ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being LIBOR, EURIBOR or HIBOR:

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or any such successor or replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR, or Hong Kong time, in the case of HIBOR) (in each case, the "**Specified Time**") on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of paragraph (A) above, no offered quotation appears or if, in the case of paragraph (B) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Fiscal Agent shall request each of the Reference Banks to provide the Fiscal Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Fiscal Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Fiscal Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Fiscal Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Fiscal Agent by the Reference Banks or any two or more of them, at which such banks were offered, at the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London interbank market (if the Reference Rate is LIBOR), the Euro-zone interbank market (if the Reference Rate is EURIBOR), or the Hong Kong interbank market (if the Reference Rate is HIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Fiscal Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean

(rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Fiscal Agent it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR), the Euro-zone interbank market (if the Reference Rate is EURIBOR), the Hong Kong interbank market (if the Reference Rate is HIBOR) or the Singapore interbank market (if the Reference Rate is SIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

- (iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR:
  - (A) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a "**SIBOR Note**") or SOR (in which case such Note will be a "**Swap Rate Note**") bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.
  - (B) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5.3(b)(iii) will be determined by the Fiscal Agent on the basis of the following provisions:
    - (I) in the case of Floating Rate Notes which are SIBOR Notes
      - (aa) the Fiscal Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 page under the caption "ABS — SIBOR FIX — SIBOR AND SWAP OFFER RATES — RATES AT 11.00 HRS SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page);
      - (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen ABSIRFIX01 page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Fiscal Agent will determine the Rate of Interest for such Interest Period as being the rate (or if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary to the nearest 1/16 per cent.) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or any such other relevant authority as the Fiscal Agent may select;

- (cc) if on any Interest Determination Date the Fiscal Agent is otherwise unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Fiscal Agent will request the principal Singapore offices of each of the Reference Banks to provide the Fiscal Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Fiscal Agent;
  - (dd) if on any Interest Determination Date two but not all the Reference Banks provide the Fiscal Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and
  - (ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Fiscal Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Fiscal Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent with such quotation, the rate per annum which the Fiscal Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the relevant time on such Interest Determination Date.
- (II) in the case of Floating Rate Notes which are Swap Rate Notes
- (aa) the Fiscal Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such

Interest Determination Date and for a period equal to the duration of such Interest Period;

(bb) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Fiscal Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Fiscal Agent may select; and

(cc) if on any Interest Determination Date the Fiscal Agent is otherwise unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Rate of Interest shall be determined by the Fiscal Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Fiscal Agent at or about 11.00 a.m. (Singapore time) on the first Business Day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate, or if on such day one only or none of the Singapore offices of the Reference Banks provides the Fiscal Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date.

(C) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR or HIBOR or SIBOR or SOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(c) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than

such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) ***Determination of Rate of Interest and calculation of Interest Amounts***

The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.3:

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if "**30E/360**", "**30E/360 (ISDA)**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

(e) ***Notification of Rate of Interest and Interest Amounts***

The Fiscal Agent or if applicable, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression "**Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in each Business Centre specified in the applicable Pricing Supplement.

(f) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.3, whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receipholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, the Noteholders, the Receipholders or the Couponholders shall attach to the Fiscal Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(g) **Benchmark Replacement for U.S. dollar denominated Floating Rate Notes**

Notwithstanding the other provisions of this Condition 5:

- (i) **Benchmark Replacement.** If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.
- (ii) **Benchmark Replacement Conforming Changes.** In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.
- (iii) **Decisions and Determinations.** Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5.3(g), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding in the absence of manifest error, may be made in the Issuer's or its designee's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from any other party.
- (iv) **Definitions.** As used in this Condition 5.3(g):

"**Benchmark**" means, initially, LIBOR; *provided* that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred



with respect to LIBOR or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the Interpolated Benchmark; *provided* that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (1) the sum of:
  - (a) Term SOFR; and
  - (b) the Benchmark Replacement Adjustment;
- (2) the sum of:
  - (a) Compounded SOFR; and
  - (b) the Benchmark Replacement Adjustment;
- (3) the sum of:
  - (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor; and
  - (b) the Benchmark Replacement Adjustment;
- (4) the sum of:
  - (a) the ISDA Fallback Rate; and
  - (b) the Benchmark Replacement Adjustment;
- (5) the sum of:
  - (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated Floating Rate Notes at such time; and
  - (b) the Benchmark Replacement Adjustment.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due

consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated Floating Rate Notes at such time.

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event", the later of:
  - (a) the date of the public statement or publication of information referenced therein; and
  - (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (2) in the case of clause (3) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement

or publication, there is no successor administrator that will continue to provide the Benchmark; or

- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**"Compounded SOFR"** means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Issuer or its designee in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar denominated Floating Rate Notes at such time.

**"Corresponding Tenor"** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**"Federal Reserve Bank of New York's Website"** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

**"Interpolated Benchmark"** with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between:

- (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and
- (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**"ISDA Definitions"** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**"ISDA Fallback Adjustment"** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**"Reference Time"** with respect to any determination of the Benchmark means:

- (1) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination; and
- (2) if the Benchmark is not LIBOR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes.

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**"SOFR"** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

**"Term SOFR"** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(h) **Benchmark Replacement for Floating Rate Notes denominated in a currency other than U.S. dollars**

Notwithstanding the other provisions of this Condition 5, if a Benchmark Event occurs in relation to a Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions of this Condition 5.3(h) shall apply.

- (i) **Independent Adviser:** The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.3(h)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5.3(h)(iii)) and any Benchmark Amendments (in accordance with Condition 5.3(h)(iv)).
- (ii) **Successor Rate or Alternative Rate:** If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:
  - (1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.3(h)(iii)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5.3(h)); or
  - (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.3(h)(iii)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5.3(h)).
- (iii) **Adjustment Spread:** If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the

Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

- (iv) **Benchmark Amendments:** If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.3(h) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.3(h)(v), without any requirement for the consent or approval of Noteholders or any other party, direct the Fiscal Agent, at the Issuer's expense, to vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. For the avoidance of doubt, no consent of the Noteholders or the Couponholders or any other party shall be required in connection with effecting the Benchmark Amendments or such other changes, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required). In connection with any such variation in accordance with this Condition 5.3(h)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.
- (v) **Notices, etc.:** Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.3(h) will be notified promptly by the Issuer to the Fiscal Agent and the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will be binding on the Issuer, the Fiscal Agent and the Noteholders.
- (vi) **Survival of Reference Rate:** Without prejudice to the obligations of the Issuer under Condition 5.3(h)(i) to (v), the Reference Rate and the fallback provisions provided for in Condition 5.3(b) will continue to apply unless and until the Calculation Agent (if any) has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5.3(h)(v).

**Definitions:** As used in this Condition 5.3(h):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

- (2) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged)
- (3) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

**"Alternative Rate"** means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 5.3(h)(ii) has replaced the Reference Rate in customary market usage in the international debt capital markets or in industry standard for over-the-counter derivative transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

**"Benchmark Amendments"** has the meaning given to it in Condition 5.3(h)(iv).

**"Benchmark Event"** means:

- (1) the Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (2) a public statement by the administrator of the Reference Rate that it will, by a specified date within the following six months, cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate); or
- (3) the first public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (5) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate announcing that the Reference Rate is no longer representative; or
- (6) it has become unlawful for the Fiscal Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Reference Rate.

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense) under Condition 5.3(h)(i).

**"Reference Rate"** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

#### 5.4 **Interest on Dual Currency Interest Notes**

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

#### 5.5 **Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

#### 5.6 **Accrual of interest**

Each interest-bearing Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

#### 5.7 **Limitation on Payment**

*This Condition 5.7 applies only to Notes specified in the applicable Pricing Supplement as being AT1 Notes.*

The Issuer may, at its sole discretion and without giving prior notice to Noteholders, taking into account its specific financial and solvency condition and provided that no Regulatory Capital Event (as defined in Condition 7.6) has occurred and is continuing), elect to cancel any payment of interest in respect of any Series of AT1 Notes, in whole or in part and on a non-cumulative basis. Any interest so cancelled shall no longer be due and payable at any time by the Issuer and shall cease to accrue, whether on a Winding-Up of the Issuer or otherwise. Cancellation of any interest payment shall not constitute an Event of Default under Condition 10.2 and shall not entitle Noteholders to petition for the insolvency or Winding-Up of the Issuer. Where the Issuer does not make a payment of interest on any Interest Payment Date, or makes only a part thereof, such non-payment or partial payment, as the case may be, shall be deemed to be evidence that the Issuer has elected to cancel such payment of interest (or the

relevant part thereof) and, accordingly, such amount of interest (or part thereof) shall not be due and payable.

If on any Interest Payment Date, a Capital Disqualification Event in respect of any Series of AT1 Notes has occurred prior to or on such date and is continuing, the Issuer shall, in respect of such Series, be obliged to pay the interest accrued and payable in respect of the Interest Period which ends on that Interest Payment Date and this Condition 5.7 and Condition 5.8 shall cease to apply thereto.

The Issuer shall, only if practicable, provide notice of any cancellation of an interest payment or part thereof to the Noteholders in accordance with Condition 14 via the Fiscal Agent on or prior to the relevant Interest Payment Date. If practicable, the Issuer shall endeavour to give any such notice no later than five Business Days prior to the relevant Interest Payment Date, but failure to give such notice will not invalidate the Issuer's election to cancel the relevant payment of interest or part thereof and shall not give rise to any rights on behalf of the Noteholders.

No Noteholder shall have any claim whatsoever in respect of any interest or part thereof cancelled or not paid by the Issuer under this Condition 5.7. Accordingly, (i) such cancelled interest or part thereof shall cease to accrue and no accumulation shall be deemed to have been made in respect of it for the benefit of the Noteholders; and (ii) Noteholders shall not be entitled to any claim against the Issuer in respect of any amount of cancelled interest.

For the purposes of this Condition 5.7, "**Capital Disqualification Event**" shall mean that the whole (and not just a part) of any Series of AT1 Notes no longer qualify for inclusion as Additional Tier 1 capital of the Issuer for the purposes of the BNM Capital Adequacy Framework under any applicable regulations.

#### 5.8 **Distributable Reserves**

*This Condition 5.8 applies only to Notes specified in the applicable Pricing Supplement as being AT1 Notes.*

The Issuer may only pay interest in respect of any AT1 Note out of the amounts for the time being available to the Issuer for distribution as a dividend in compliance with Section 131 of the Malaysian Companies Act 2016 (as amended from time to time) as shown in the Issuer's latest audited financial statements ("**Distributable Reserves**"). If, at any time, the Issuer reasonably believes that the Distributable Reserves as at the next succeeding Interest Determination Date are (i) lower than the amount shown in the Issuer's then most recent audited financial statements and (ii) insufficient to pay the interest scheduled to be paid on the next succeeding Interest Payment Date and to pay any dividends or other distributions in respect of Parity Obligations on such Interest Payment Date, then two directors of the Issuer shall provide a certificate (which certificate shall, in the absence of manifest error, be binding on the Noteholders and holders of Receipts and Coupons) on or prior to the relevant Interest Determination Date to the Noteholders in accordance with Condition 14 via the Fiscal Agent as to the amounts available for distribution on such Interest Determination Date and for the purposes of the relevant Interest Payment Date "**Distributable Reserves**" shall mean such lower amount as set out in such certificate.

For the purposes of this Condition 5.8, "**Interest Determination Date**" shall mean, with respect to any Interest Payment Date, the day falling two Business Days prior to such Interest Payment Date.

#### 5.9 **Distribution Stopper**

*This Condition 5.9 applies only to Notes specified in the applicable Pricing Supplement as being AT1 Notes.*



If on any Interest Payment Date, payment of any amount of interest of any AT1 Note scheduled to be made on such date is not so made by reason of Limitation on Payment in accordance with Condition 5.7, the Issuer shall not,

- (a) declare or pay, or permit any subsidiary of the Issuer to declare or pay, any dividends or other distributions in respect of Junior Obligations (or contribute any monies to any sinking fund for the payment of any dividends or other distributions in respect of such Junior Obligations); or
- (b) declare or pay, or permit any subsidiary of the Issuer to declare or pay, any dividends or other distributions in respect of Parity Obligations, the terms of which provide that the Issuer is not required to make payments of such dividends or other distributions in respect thereof (or contribute any monies to any sinking fund for the payment of any dividends or other distributions in respect of any such Parity Obligations); or
- (c) redeem, reduce, cancel, buy-back or acquire, or permit any subsidiary of the Issuer to redeem, reduce, cancel, buy-back or acquire, any Junior Obligations (or contribute any monies to any sinking fund for the redemption, capital reduction, buy-back or acquisition of any such Junior Obligations); or
- (d) redeem, reduce, cancel, buy-back or acquire, or permit any subsidiary of the Issuer to redeem, reduce, cancel, buy-back or acquire, any Parity Obligations, the terms of which provide that the Issuer is not required to redeem, reduce, cancel, buy-back or acquire such Parity Obligations (or contribute any monies to any sinking fund for the redemption, capital reduction, buy-back or acquisition of any such Parity Obligations),

in each case, until:

- (1) next interest scheduled to be paid in respect of the AT1 Notes in respect of consecutive Interest Periods equal to or exceeding 12 calendar months shall have been paid in full (or an equivalent amount shall have been paid or irrevocably set aside in a separately designated trust account for payment to the Noteholders); or
- (2) the Issuer is permitted to take any such action as contemplated in any of paragraphs (a) to (d) above by an Extraordinary Resolution of Noteholders.

## 6. PAYMENTS

### 6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b)

of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

## 6.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the U.S. (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form not held in the CMU Service becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest

Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

### 6.3 **Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note (i) in the case of a Bearer Global Note lodged with the CMU Service, to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited as being held by the CMU Service in accordance with the CMU Rules, or (ii) in the case of a Bearer Global Note not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the U.S. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made (in the case of a Global Note not lodged with the CMU Service) on such Bearer Global Note by the Paying Agent to which it was presented or (in the case of a Global Note lodged with the CMU Service) on withdrawal of the Bearer Global Note by the CMU Lodging and Paying Agent, and in each such case such record shall be prima facie evidence that the payment in question has been made.

### 6.4 **Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") (i) where in global form at the close of the business day (being for this purpose, in respect of Notes clearing through CDP, Euroclear and Clearstream, Luxembourg, a day on which CDP, Euroclear and Clearstream, Luxembourg are open for business and, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date and (ii) where in definitive form at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment (in the case of a currency other than Renminbi) will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account and, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro and (in the case of a payment in Renminbi) a bank in Hong Kong.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency (other than Renminbi) drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register, (i) where in global form at the close of the business day (being for this purpose, in respect of Notes clearing through CDP,

Euroclear and Clearstream, Luxembourg, a day on which CDP, Euroclear and Clearstream, Luxembourg are open for business and, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date and (ii) where in definitive form at the close of business on the fifth day (in the case of Renminbi) and the 15th day (in the case of currency other than Renminbi, whether or not such 15th day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holder by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### 6.5 **General provisions applicable to payments**

The holder of a Global Note shall be the only person(s) entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of CDP, Euroclear, Clearstream, Luxembourg or the CMU Service, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to CDP, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Definitive Bearer or Bearer Global Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the U.S. if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the U.S. with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the U.S. of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the U.S. is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under U.S. law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

#### 6.6 **Payment Day**

Unless otherwise stated in the applicable Pricing Supplement, if the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) the relevant place of presentation;
  - (ii) each Financial Centre specified in the applicable Pricing Supplement; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (C) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments.

#### 6.7 **Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.7); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 and any Arrears of Interest (if applicable).

#### 6.8 **Currency Fallback**

If the Notes are denominated in Renminbi and the Renminbi is not available for delivery outside the PRC when any payment on the Notes is due as a result of circumstances beyond the control of the Issuer, the Issuer shall be entitled to satisfy the obligations in respect of such payment by making such payment in U.S. dollars on the basis of the Spot Rate on the second Business Day prior to such payment or, if such rate is not available on such second Business Day, on the basis of the rate most recently available prior to such second Business Day.

Any payment made under such circumstances in U.S. dollars will constitute valid payment, and will not constitute a default in respect of the Notes.

In the event of a payment pursuant to this Condition 6.8, the following modifications shall be made in respect of the Conditions:

- (a) the following language shall be included at the end of Condition 6.1 (a);  
"unless Condition 6.8 applies, in which case payments will be made by credit or transfer to a U.S. dollar denominated account with a bank in New York City"; and
- (b) for the purpose of Condition 6.6(b), the Specified Currency will be deemed to be U.S. dollars;

For the purpose of this Condition 6.8:

**"Spot Rate"** means the spot U.S. dollar/Renminbi exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong, as determined by the Fiscal Agent at or around 11.00 a.m. (Hong Kong time) on the date of determination, on a deliverable basis by reference to Reuters Screen page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen page TRADNDF. If neither rate is available, the Fiscal Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the date of determination as the most recently available Renminbi/U.S. dollar official fixing rate for settlement in two Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

The Fiscal Agent will not be responsible or liable to the Issuer or any holder of the Notes for any determination of any Spot Rate determined in accordance with this Condition 6.8 in the absence of its own gross negligence or wilful misconduct.

## 7. REDEMPTION AND PURCHASE

### 7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (other than the AT1 Note) (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

### 7.2 Redemption for tax reasons

Subject (in the case of Subordinated Notes or AT1 Notes) to the Redemption Conditions, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable) on the occurrence of a Tax Event, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or give effect to such treatment, as the case may be, were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent, as its agent, a certificate signed by two duly authorised persons of the Issuer (i) stating that the Issuer is entitled to effect such redemption and setting forth a

statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred, (ii) attaching an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts or, in the case of Subordinated Notes or AT1 Notes is no longer entitled to obtain the relevant deductions, as a result of such change or amendment and (iii) in the case of Subordinated Notes or AT1 Notes, certifying that BNM or any successor thereto has consented to such redemption; and the Fiscal Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, Receiptholders and the Couponholders, and shall make available such certificates for inspection during normal business hours at its registered office for the time being.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption (which in the case of AT1 Notes shall mean such interest that is accrued but uncancelled and unpaid).

For the purposes of these Conditions "**Tax Event**" means:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes of the relevant Series; or
- (b) in the case of Subordinated Notes and AT1 Notes only, the Issuer is no longer entitled, or would not be entitled to obtain deductions for the purposes of Malaysian corporation tax in respect of payments of interest on the Subordinated Notes or AT1 Notes, as the case may be, as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Subordinated Notes or AT1 Notes, as the case may be, of the relevant Series; and
- (c) in either case of (a) or (b), such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

### 7.3 **Redemption at the option of the Issuer ("Issuer Call")**

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (b) not less than 2 Business Days (in the case of redemption of Registered Notes) or 5 Business Days (in the case of redemption of Notes cleared through CDP ("**CDP Notes**")) or such other period as may be agreed with the Fiscal Agent, the Registrar or the Singapore CDP Agent (as the case may be) before the giving of the notice referred to in (a) above, notice to the Fiscal Agent and, in the case of a redemption of Registered Notes, the Registrar and, in the case of redemption of CDP Notes, the Singapore CDP Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued (which for the AT1 Notes shall include any interest accrued but uncancelled and unpaid) to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount

not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of CDP and/or Euroclear and/or Clearstream, Luxembourg and/or the CMU Service (as appropriate), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes or represented by a Global Note shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding and Notes outstanding represented by such Global Note, respectively, bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Calculation Amount. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

For the purposes of this Condition 7.3, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business in the city in which the specified office of the Fiscal Agent or the Registrar or the Singapore CDP Agent (as the case may be) or the Issuer is based.

Subordinated Notes and AT1 Notes may be redeemed at the option of the Issuer on any Optional Redemption Date falling at least five years from the date of issue of the relevant tranche of such Subordinated Notes or the AT1 Notes (as the case may be).

Any redemption of Subordinated Notes or AT1 Notes pursuant to an Issuer Call, a Tax Event or a Regulatory Capital Event (as defined below) will be subject to the following conditions (the "**Redemption Conditions**"):

- (i) the Issuer is solvent at the time of and immediately following the redemption of that tranche of Subordinated Notes or AT1 Notes, as the case may be;
- (ii) the Issuer has obtained the prior written approval of BNM; and
- (iii) the Issuer:
  - (a) shall, on or before the redemption of the Subordinated Notes or AT1 Notes, as the case may be, replace the Subordinated Notes or AT1 Notes, as the case may be, to be redeemed with capital of the same or better quality on terms that are sustainable for the income capacity of the Issuer; or
  - (b) demonstrates that its capital position following redemption of the Subordinated Notes or AT1 Notes, as the case may be, is well above the minimum Capital Requirements (as defined in Condition 7.6).

A certificate signed by two duly authorised persons of the Issuer and delivered to the Fiscal Agent on or before the redemption certifying compliance with the Redemption Conditions shall (i) be sufficient evidence for Noteholders that the Issuer has complied with the Redemption Conditions and (ii) in the absence of manifest error, be binding on all Noteholders.

#### 7.4 **Redemption at the option of the Noteholders**



Neither Subordinated Notes nor AT1 Notes may be redeemed at the option of the Noteholders. If Investor Put is specified in the applicable Pricing Supplement, then, if and to the extent specified in the applicable Pricing Supplement, upon the holder of a Note, giving to the Issuer, in accordance with Condition 14, not less than 15 nor more than 30 days' notice (or such other notice period as is specified in the applicable Pricing Supplement) (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Pricing Supplement in whole (but not in part) such Note on the Optional Redemption Date and at the relevant Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Pricing Supplement, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

## 7.5 Put Notices

If the Note is in definitive form, to exercise the right to require redemption of such Note, the holder thereof must deliver such Note on any Business Day (as defined in Condition 5) falling within the notice period at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), at any time during the normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by, if such Note is in definitive form, such Note or evidence satisfactory to the Paying Agent concerned that such Note will, following delivery of the Put Notice, be held to its order or under its control and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If such Note is represented by a Global Note or is in definitive form and held through CDP, Euroclear, Clearstream, Luxembourg or the CMU Service, to exercise the right to require redemption of such Note, the holder thereof must, within the notice period, give notice to the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of CDP, Euroclear, Clearstream, Luxembourg and the CMU Service (which may include notice being given on his instruction by CDP, Euroclear or Clearstream, Luxembourg or the CMU Service or any common depository, as the case may be, for them to the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to CDP, Euroclear, Clearstream, Luxembourg and the CMU Service from time to time and, if such Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of CDP, Euroclear, Clearstream, Luxembourg or the CMU Service given by a holder of any Note pursuant to this Condition 7.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

## 7.6 Redemption of Subordinated Notes or AT1 Notes on a Regulatory Capital Event

*This Condition 7.6 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes or AT1 Notes.*

Subject to the Redemption Conditions, if, as a result of a change to the Capital Requirements which change is continuing, in relation to:

- (a) the qualification of any Subordinated Notes as Tier 2 Capital Securities or the AT1 Notes as Tier 1 Capital Securities, as the case may be; or
- (b) the inclusion of any Subordinated Notes or any AT1 Notes, as the case may be, in the calculation of the Issuer's capital adequacy ratio,

which change or amendment:

- (i) becomes, or would become, effective on or after the date of issue of such Subordinated Notes or AT1 Notes, as the case may be; or
- (ii) is issued by BNM on or after the date of issue of such Subordinated Notes or AT1 Notes, as the case may be,

the relevant Subordinated Notes or the relevant AT1 Notes, as the case may be, (in whole or in part) would not qualify as Tier 2 Capital Securities or as Tier 1 Capital Securities, respectively (excluding, for the avoidance of doubt where such Subordinated Notes cease to qualify solely by virtue of the Issuer already having, or coming to have, Tier 2 Capital Securities in issue with an aggregate principal amount equal to or in excess of the limit for Tier 2 Capital Securities permitted under the Capital Requirements in force as at the date of issue of the Subordinated Notes or, as the case may be, where such AT1 Notes cease to qualify solely by virtue of the Issuer already having, or coming to have, Tier 1 Capital Securities in issue with an aggregate principal amount equal to, or in excess of, the limit for Tier 1 Capital Securities permitted under the Capital Requirements in force as at the date of issue of the AT1 Notes) (a "**Regulatory Capital Event**"), then the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as specified in the Pricing Supplement) redeem all, but not some or part only, of the Subordinated Notes or AT1 Notes, as the case may be, on the date specified in such notice at their Early Redemption Amount referred to in Condition 7.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption (which, the case of AT1 Notes, shall mean such interest that is accrued but uncancelled and unpaid).

For the purposes of these Conditions, "**Capital Requirements**" means the relevant capital adequacy requirements issued from time to time by BNM and currently set out in the *Capital Adequacy Framework (Capital Components)* issued by BNM on 5 February 2020.

#### 7.7 **Early Redemption Amounts**

For the purpose of Condition 7.2, Condition 7.6 and Condition 10.1 (if this Note is a Senior Note) or Condition 10.2 (if this Note is a Subordinated Note or AT1 Note), each Note will be redeemed at its Early Redemption Amount calculated by the Calculation Agent as follows:

- (a) in the case of a Note (other than a Zero Coupon Note, an Instalment Note and a Partly Paid Note) with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or

- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

<sup>y</sup> is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

#### 7.8 **Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.7.

#### 7.9 **Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

#### 7.10 **Conditions for Purchases in respect of Senior Notes**

*This Condition 7.10 applies only to Notes specified in the applicable Pricing Supplement as being Senior Notes.*

The Issuer, any of its Subsidiaries, any of its agents or any related corporation of the Issuer may at any time purchase Senior Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Senior Notes purchased by the Issuer, any of its Subsidiaries and/or any of its agents (other than those purchased in the ordinary course of business) must be surrendered to any Paying Agent and/or the Registrar for cancellation and accordingly may not be reissued or resold. Such Senior Notes purchased by any related corporation of the Issuer (other than its Subsidiaries) may be held, reissued, resold or, at the option of the Issuer or such related corporation of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

Such Senior Notes purchased (i) by the Issuer, any of its Subsidiaries or any of its agents in the ordinary course of business or (ii) by any related corporation of the Issuer (other than its Subsidiaries), and in each case not cancelled shall be deemed not to remain outstanding for the purposes of attending and/or voting at any meeting of the Noteholders of any Series of the Notes and for the purposes of determining the quorum and/or majority required for requisitioning, or voting at, any such meeting as set out in the Agency Agreement.

In these Conditions, "**related corporation**" and "**Subsidiary**" have the meaning given to them in the Malaysian Companies Act 2016.

In these conditions, the term "**ordinary course of business**" includes those activities performed by the Issuer or any of its related corporation for third parties and excludes those activities performed for the funds of the Issuer or related corporation.

**7.11 Conditions for Purchase in respect of Subordinated Notes and AT1 Notes**

*This Condition 7.11 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes or AT1 Notes.*

Provided that no Trigger Event has occurred and is continuing, the Issuer, any of its Subsidiaries, any of its agents or any related corporation of the Issuer may at any time purchase, subject to the prior approval of BNM (but which approval shall not be required for a purchase made in the ordinary course of business), Subordinated Notes or AT1 Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. All Subordinated Notes or AT1 Notes which are purchased by the Issuer, any of its Subsidiaries, any of its agents or any related corporation of the Issuer (other than in the ordinary course of business) must be surrendered to any Paying Agent and/or the Registrar for cancellation and accordingly may not be reissued or resold.

Such Subordinated Notes and AT1 Notes purchased in the ordinary course of business and not cancelled shall be deemed not to remain outstanding for the purposes of attending and/or voting at any meeting of the Noteholders of any Series of the Notes and for the purposes of determining the quorum and/or majority required for requisitioning, or voting at, any such meeting as set out in the Agency Agreement.

**7.12 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 7.10 and 7.11 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

**7.13 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.7(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

**7.14 Variation instead of redemption of Subordinated Notes or AT1 Notes**

*This Condition 7.14 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes or AT1 Notes.*

If at any time a Regulatory Capital Event occurs in respect of Subordinated Notes or AT1 Notes, the Issuer may, instead of giving notice to redeem under Condition 7.6 and subject to Condition 7.15, without any requirement for the consent or approval of the Noteholders or

Couponholders, and having given not less than the 30 nor more than 60 days' notice to the Fiscal Agent and the Noteholders (which notice shall be irrevocable), at any time vary the terms of the Subordinated Notes or AT1 Notes, as the case may be, solely in order that they remain or become Qualifying Securities provided that:

- (a) such variation does not itself give rise to any right of the Issuer to redeem the Subordinated Notes or AT1 Notes, as the case may be, that is inconsistent with the redemption provisions of the Subordinated Notes or AT1 Notes, as the case may be, prior to such variation;
- (b) neither a Tax Event nor a Regulatory Capital Event arises as a result of such variation; and
- (c) the Issuer is in compliance with the rules of any stock exchange on which the Subordinated Notes or AT1 Notes, as the case may be, are for the time being listed or admitted to trading.

For the purposes of these Conditions, "**Qualifying Securities**" means securities, whether debt, equity, interests in limited partnerships or otherwise issued directly or indirectly by the Issuer that:

- (i)
  - (A) qualify (in whole or in part) as Tier 2 Capital Securities or Tier 1 Capital Securities, as the case may be; or
  - (B) may be included (in whole or in part) in the calculation of the capital adequacy ratio,

in each case, of the Issuer (either on a consolidated or non-consolidated basis);

- (ii) shall:
  - (A) rank at least equally to the Subordinated Notes or AT1 Notes, as the case may be;
  - (B) bear interest at a rate no lower than the Subordinated Notes or AT1 Notes, as the case may be, and have Interest Payment Dates that fall on the same dates as the Subordinated Notes or AT1 Notes, as the case may be;
  - (C) have the same redemption rights as the Subordinated Notes or AT1 Notes, as the case may be;
  - (D) preserve any existing rights under the Subordinated Notes or AT1 Notes, as the case may be, to accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and
  - (E) if applicable, are assigned (or have affirmed) no lower credit rating by any relevant international statistical rating agency as was assigned to the Subordinated Notes or AT1 Notes, as the case may be, immediately prior to the date of variation; and
- (iii) if applicable, are listed or admitted to trading on such stock exchange as the Subordinated Notes or AT1 Notes, as the case may be, were so listed or admitted to trading immediately prior to the date of variation.

Any such notice shall specify the relevant details of the manner in which such variation shall take effect and where the Noteholders can obtain or inspect copies of the new terms and conditions of the Notes. Such variation will be effected without any cost or charge to the Noteholders. The Fiscal Agent shall agree to such changes to the Agency Agreement as are

necessary to effect such variation provided that it shall not be required to agree to any variation that would impose more onerous obligations on it than those existing prior to such variation.

No variation pursuant to this Condition 7.14 shall constitute an Event of Default.

**7.15 Redemption or Variation of Conditions of Subordinated Notes or AT1 Notes**

*This Condition 7.15 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes or AT1 Notes.*

Any redemption or variation of the terms of Subordinated Notes or AT1 Notes by the Issuer is subject to the Issuer obtaining the prior written approval of BNM and any other regulatory approvals that may be required, and satisfying any conditions that BNM (and/or any other regulator) may impose at the time of such approval.

**7.16 Loss Absorption upon a Trigger Event in respect of Subordinated Notes and AT1 Notes**

*This Condition 7.16 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes or AT1 Notes.*

Following the occurrence of the earlier of the following (each a "**Trigger Event**"):

- (i) in respect of AT1 Notes only, the Common Equity Tier 1 ("**CET1**") Capital Ratio (as defined in the BNM Capital Adequacy Framework) of the Issuer on a consolidated or unconsolidated basis falls below 5.125 per cent.; or
- (ii) in respect of Subordinated Notes and AT1 Notes, BNM, jointly with the Malaysia Deposit Insurance Corporation ("**PIDM**"), so long as the Issuer is a Member Institution (as defined in Section 2 of the Malaysia Deposit Insurance Corporation Act 2011), or BNM, if the Issuer is no longer such a Member Institution (the "**Relevant Malaysian Authority**") has notified the Issuer in writing that the Relevant Malaysian Authority is of the opinion that a write-off of the principal and/or interest and (if applicable) any amounts owing under each Subordinated Note or AT1 Note, as the case may be, is necessary, without which the Issuer would cease to be viable; or
- (iii) in respect of Subordinated Notes and AT1 Notes, 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 would cease to be viable,

the Issuer, (in the case of paragraphs (ii) and (iii) above, only as directed by the Relevant Malaysian Authority), shall write-off, irrevocably and without the consent of the Noteholders, in whole or in part, amounts owing under the Subordinated Notes or AT1 Notes, as the case may be (a "**Write-off**") and each of the Noteholders will be automatically deemed to have irrevocably waived and no longer have any rights against the Issuer with respect to (1) its right to receive payment of the principal amount of the Subordinated Notes or AT1 Notes, as the case may be, or such portion to be written off, (2) its right to any interest on the Subordinated Notes or AT1 Notes, as the case may be (including any interest accrued but unpaid up to the date of the occurrence of the Trigger Event), and (3) its right to any amounts owing under each Subordinated Note or AT1 Note, as the case may be.

Upon the occurrence of a Trigger Event, the Issuer shall give an irrevocable notice (a "**Trigger Event Notice**") to the Noteholders and the Fiscal Agent, which notice shall:

- (A) state that a Trigger Event has occurred and provide reasonable detail of the nature of the relevant Trigger Event;
- (B) state the relevant amount to be written off per Subordinated Note or AT1 Note, as the case may be; and

- (C) be given no later than two (2) Business Days after the occurrence of the relevant Trigger Event.

The Trigger Event Notice (in the absence of manifest error) shall be irrevocable and binding on all parties.

By purchasing Subordinated Notes or AT1 Notes, each Noteholder shall be deemed to have acknowledged that, following the occurrence of a Trigger Event, it shall not with effect from the date of the relevant Trigger Event Notice transfer or attempt to transfer its Notes until such time as any Write-off shall have been effected.

For the avoidance of doubt, such Write-off (a) shall not constitute an Event of Default; (b) shall reduce the claim of the Noteholders in respect of the relevant Subordinated Notes or relevant AT1 Notes, as the case may be, in a Winding-up by the amount of such Write-off and (c) shall reduce the Early Redemption Amount in respect of such Subordinated Notes or AT1 Notes, as the case may be, by the amount of such Write-off. With respect to all Interest Payment Dates falling on or after the date of a Write-off, the amount of interest payable shall be calculated by reference to the principal amount of each Note as reduced by such Write-off.

Any reference to the principal amount in respect of Subordinated Notes or AT1 Notes, as the case may be, shall refer to such principal amount, as reduced by any applicable Write-off(s).

Where only part of the principal, interest and (if applicable) any other amounts owing under any Tier 1 Capital Securities or Tier 2 Capital Securities is to be written-off, the Issuer shall, with the prior written approval of the Relevant Malaysian Authority, use reasonable endeavours to conduct any Write-off such that:

- (i) the holders of any Series of Subordinated Notes are treated equally and rateably;
- (ii) the holders of any Series of AT1 Notes are treated equally and rateably;
- (iii) the Write-off of any Subordinated Notes is conducted:
  - (a) to the extent that the relevant Trigger Event Write-off Amount exceeds the aggregate principal amount of all Tier 1 Capital Securities of the Issuer that are capable of being converted or written-down under any applicable laws and/or their terms of issue, so as to Write-off Tier 2 Capital Securities of the Issuer (including the Subordinated Note) only in an aggregate principal amount equal to such excess; and
  - (b) on a *pro rata* and proportionate basis with all other Tier 2 Capital Securities of the Issuer, to the extent that such Tier 2 Capital Securities are capable of being converted or written-down under any applicable laws and/or their terms of issue; and
- (iv) the Write-Off of any AT1 Notes is conducted on a *pro rata* and proportionate basis with all other Tier 1 Capital Securities of the Issuer, to the extent that such Tier 1 Capital Securities are capable of being converted or written down under any applicable laws and/or their terms of issue.

For the purposes of these Conditions "**Trigger Event Write-off Amount**" means (i) in the case of a Write-Off consequent on paragraph (i) of the definition of Trigger Event, the principal and/or interest of each AT1 Note and (if applicable) any other amounts owing under such AT1 Note as shall be required to be written-off by the Issuer to restore the CET1 Capital Ratio of the Issuer on both a consolidated and unconsolidated basis to 5.75 per cent. (which amount may be the entire principal amount and interest (if any) or other amounts (if any) owing on such AT1 Note and, for the avoidance of doubt, the Write-Off shall be effected in full even if the principal amount of each AT1 Note written-off is insufficient to restore the CET1 Capital Ratio to 5.75 per cent.) and (ii) in all other cases, the principal and/or interest of each Subordinated Note or AT1 Note, as the case may be, and (if applicable) any other

amounts owing under each Subordinated Note or AT1 Note, as the case may be, as BNM shall determine to be required, or direct to be, written-off by the Issuer, without which the Issuer would cease to be viable. For the avoidance of doubt, the Write-off shall be effected in full even if the principal amount of each Subordinated Note or AT1 Note written-off is insufficient for the Issuer to cease to be non-viable.

## 8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of a Relevant Jurisdiction unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of the withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of such Note, Receipt or Coupon by reason of his having some connection with a Relevant Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Payment Day (as defined in Condition 6.6).

As used herein:

- (i) "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar on or prior to such due date, it means the date on which, the full amount of the money having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14; and
- (ii) "**Relevant Jurisdiction**" means:
  - (A) where the Issuer is not acting through any of its branches, Malaysia or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes; or
  - (B) where the Issuer is acting through its Hong Kong Branch, Malaysia or any political subdivision or any authority thereof or therein having power to tax, Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes; or
  - (C) where the Issuer is acting through its Singapore Branch, Malaysia or any political subdivision or any authority thereof or therein having power to tax, Singapore or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes; or



- (D) where the Issuer is acting through a branch located in another jurisdiction (the "**Taxing Jurisdiction**"), Malaysia or any political subdivision or any authority thereof or therein having power to tax, the Taxing Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

9. **PRESCRIPTION**

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) thereof.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. **EVENTS OF DEFAULT AND ENFORCEMENT**

10.1 **Events of Default relating to Senior Notes**

*This Condition 10.1 applies only to Notes specified in the applicable Pricing Supplement as being Senior Notes.*

If, in respect of any Senior Notes, any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

- (a) **Payment default:** default is made in the payment of any principal or interest due in respect of the Senior Notes and the default continues for a period of seven Business Days;
- (b) **Other defaults:** the Issuer fails to perform or comply with any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no such continuation or notice as hereinafter mentioned is required) the failure continues for the period of 30 days next following the service by any Noteholder on the Issuer of notice requiring the same to be remedied;
- (c) **Cross-acceleration:** (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment, or, as the case may be, within any originally applicable grace period; or (iii) default is made by the Issuer in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this subparagraph (c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iii) above, amounts to at least U.S.\$50,000,000 (or its equivalent in any other currency);
- (d) **Winding-up of the Issuer:** an order is made by any competent court or an effective resolution is passed for the winding-up or dissolution of the Issuer;
- (e) **Insolvency:** the Issuer ceases to carry on the whole or substantially the whole of its business, save for the purpose of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall

due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent;

- (f) **Security enforced:** (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the whole or any substantial part of the Issuer's undertaking or assets or, an encumbrancer takes possession of the whole or any substantial part of the Issuer's undertaking or assets or, a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the Issuer's undertakings or assets, (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company, is not discharged within 60 days and (iii) provided that where this Condition 10.1(f) relates to part only of the Issuer's assets, such parts shall amount to at least U.S.\$50,000,000 (or its equivalent in any other currency);
- (g) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Senior Notes; or
- (h) **Analogous events:** any event occurs which, under the laws of any relevant jurisdiction, has an analogous effect to any of the events referred to in paragraphs (a) to (f) above,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare any Senior Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition 10.1:

**"Indebtedness for Borrowed Money"** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money.

## 10.2 **Events of Default relating to Subordinated Notes and AT1 Notes**

*This Condition 10.2 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes or AT1 Notes.*

- (a) If default is made in the payment of any amount of principal or interest due in respect of the Subordinated Notes or AT1 Notes, as the case may be, (each, an **"Event of Default"**) and the default continues for a period of seven Business Days, then in order to enforce the obligations of the Issuer, any holder of a Note may institute a Winding-Up Proceeding against the Issuer provided that such Noteholder shall have no right to accelerate payment under such Subordinated Note or AT1 Note, as the case may be, in the case of such default in the payment of interest on or other amounts owing under such Subordinated Note or AT1 Note, as the case may be, or a default in the performance of any other obligation of the Issuer in such Subordinated Note or AT1 Note, as the case may be, or under the Agency Agreement. For the avoidance of doubt, no AT1 interest will be due and payable if such AT1 interest has been cancelled or is deemed cancelled (in each case, in whole or in part) as described under Condition 5.7 (*Limitation on Payment*) or Condition 5.8 (*Distributable Reserves*). Accordingly, no default in payment under the AT1 Notes will have occurred or be deemed to have occurred in such circumstances. Non-payment in respect of one tranche of the AT1 Notes shall not trigger an Event of Default in respect of the other tranches of the AT1 Notes.

- (b) If an order is made or an effective resolution is passed for the Winding-Up of the Issuer (whether or not an Event of Default has occurred and is continuing) then any holder of a Subordinated Note or AT1 Note, as the case may be, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt there by the Fiscal Agent, may declare any Subordinated Note or AT1 Note, as the case may be, held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest to the date of repayment, without presentment, demand, protest or other notice of any kind.

In this Condition 10.2:

**"Winding-Up"** shall mean, with respect to the Issuer, a final and effective order or resolution for the bankruptcy, winding-up, liquidation, receivership or similar proceeding in respect of the Issuer (except for the purposes of a consolidation, amalgamation, merger or reorganisation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders); and

**"Winding-Up Proceedings"** shall mean, with respect to the Issuer, (a) proceedings shall have been instituted or a decree or order shall have been entered in any court or agency or supervisory authority in Malaysia having jurisdiction in respect of the same 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 property, 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 file a petition to take advantage of any insolvency statute.

### 10.3 **Enforcement**

In the case of Subordinated Notes and AT1 Notes and subject to applicable laws, no remedy (including the exercise of any right of set-off or analogous event) other than those provided for in Condition 10.2 above, will be available to the Noteholders, Receiptholders or Couponholders.

## 11. **REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or the Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar or the Transfer Agent (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 12. **AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional Agents and/or approve any change in the specified office through any of the same acts, provided that:

- (a) there will at all times be a Fiscal Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Registrar and Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

- (c) so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, and do not assume any obligation to, or relationship of agency with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. **EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. **NOTICES**

All notices regarding Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in Asia, which is expected to be the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding Registered Notes form will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, if and for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of CDP and/or Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, be substituted for such notification as required by the Conditions the delivery of the relevant notice to CDP and/or Euroclear and/or Clearstream, Luxembourg and/or the CMU Service for communication by them to the holders of the Notes except that, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the first day after the day on which the said notice was given to CDP and/or Euroclear and/or Clearstream, Luxembourg and/or the CMU Service.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Fiscal Agent or the Registrar through CDP and/or Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be, in such manner as the Fiscal Agent, the Registrar and CDP and/or Euroclear and/or Clearstream, Luxembourg, and/or the CMU Service, as the case may be, in such manner as the Fiscal Agent, the Registrar, the CMU Lodging and Paying Agent and CDP and/or Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 14.

## 15. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

### 15.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent, in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent, in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders (whatever the nominal amount of the Notes so held or represented), except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any such adjourned meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

### 15.2 Modifications

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons, the Deeds of Covenant or the Agency Agreement which is not materially prejudicial to the interests of the Noteholders, Receiptholders or Couponholders; or
- (b) any modification of the Notes, the Receipts, the Coupons, the Deeds of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable after such modification is made in writing.

## 16. SUBSTITUTION

### 16.1 Senior Notes

*This Condition 16.1 applies only to Notes specified in the applicable Pricing Supplement as being Senior Notes.*

The Issuer, or any previous substituted company (if applicable), may at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under any Series of the Senior Notes, the Receipts, the Coupons and the Talons any Subsidiary, branch or affiliate of the Issuer, or the successor company of the Issuer, or jointly and severally one or more companies to whom the Issuer has transferred all of its assets and business undertakings (in each case the "**Substitute**") provided that the substitution shall be made by a deed poll (the "**Deed Poll**") to be substantially in the form scheduled to the Agency Agreement and may take place only if:

- (i) no Event of Default pursuant to Condition 10.1 has occurred and is continuing;
- (ii) the Substitute, by means of the Deed Poll, agrees to indemnify each Noteholder, Receiptholder and Couponholder against any tax, duty, assessment, withholding, deduction or governmental charge which is imposed on it by (or by any taxing authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Senior Note, Receipt, Coupon, Talon or the relevant Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
- (iii) unless the Substitute is the successor company of the Issuer or one or more companies to whom the Issuer has transferred all of its assets and business undertakings each of whom are to be jointly and severally liable as principal debtor under the relevant Series of Senior Notes, Receipts, Coupons and Talons, the obligations of the Substitute under the Deed Poll, the Senior Notes, the Receipts, the Coupons and the Talons are unconditionally and irrevocably guaranteed by the Issuer or its successor or each of the companies to whom together the Issuer has transferred all of its assets and business undertakings (each a "**Guarantor**") by means of a guarantee substantially in the form contained in the Deed Poll (the "**Senior Guarantee**");
- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Senior Notes, the Receipts, the Coupons, the Talons and the relevant Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Senior Guarantee, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
- (v) the Substitute has become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (vi) legal opinions addressed to the Noteholders have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (ii) above as to the fulfilment of the preceding conditions of this Condition 16 and the other matters specified in the Deed Poll;
- (vii) the substitution does not affect adversely the rating of the Senior Notes by any one internationally recognised rating agency of the Issuer or the Issuer's debt; and
- (viii) the Issuer has given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies of all documents (in draft or final form) in relation to the substitution which are referred to above, or which might otherwise reasonably be

regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

Such substitution effected in accordance with this Condition 16.1 will release the Issuer or any previously substituted company and the Noteholders, Receiptholders and Couponholders expressly consent hereto. References in Condition 10.1 to obligations under the Senior Notes shall be deemed to include obligations under the Deed Poll and, where the Deed Poll contains a Senior Guarantee, the events listed in Conditions 10.1(a) and 10.1(b) shall be deemed to include such Senior Guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. In addition, the Senior Guarantee shall contain (A) events of default in respect of the Senior Notes in the same terms as Condition 10.1 relating to the Guarantor (except that references in Condition 10.1 (a) to failure to pay principal and interest on the Senior Notes shall be a reference to failure to pay under the Senior Guarantee), (B) provisions relating to the Senior Guarantee in the form of Condition 3.1, (C) provisions relating to the Guarantor in the form of Conditions 7.10 and 7.12 and (D) a negative pledge in relation to the Senior Guarantee in the form of Condition 4.

References to "outstanding" in relation to the Senior Notes of any Series shall, on a substitution of the Issuer where the Guarantor guarantees the Senior Notes, not include Senior Notes held by the Guarantor and its subsidiaries for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Noteholders and (ii) the determination of how many Senior Notes are outstanding for the purposes of Condition 15.

## 16.2 Subordinated Notes and AT1 Notes

*This Condition 16.2 applies only to Notes specified in the applicable Pricing Supplement as being Subordinated Notes or AT1 Notes*

Subject to the provisions of this Condition 16.2, the Noteholders, Receiptholders and the Couponholders, by subscribing to or purchasing any Subordinated Notes or AT1 Notes, as the case may be, Receipts or Coupons, expressly consent to the Issuer, or any previously substituted company (if applicable), at any time, but where applicable, with the prior approval of BNM, substituting for itself as principal debtor under any Series of the Subordinated Notes or AT1 Notes, as the case may be, the Receipts, the Coupons and the Talons any Subsidiary, branch or affiliate of the Issuer or, the successor company of the Issuer or jointly and severally one or more companies to whom the Issuer has transferred all of its assets and business undertakings (in each case the "**Substitute**") provided that the substitution shall be made by a deed poll (the "**Deed Poll**") to be substantially in the form scheduled to the Agency Agreement and may take place only if:

- (i) no Event of Default pursuant to Condition 10.2 has occurred or is continuing;
- (ii) the Substitute, by means of the Deed Poll, agrees to indemnify each Noteholder, Receiptholder and Couponholder against any tax, duty, assessment, withholding, deduction or governmental charge which is imposed on it by (or by any taxing authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Subordinated Note or AT1 Notes, as the case may be, Receipt, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
- (iii) unless the Substitute is the successor company of the Issuer or one or more companies to whom the Issuer has transferred all of its assets and business undertakings each of whom are to be jointly and severally liable as principal debtor under the relevant Series of Subordinated Notes or AT1 Notes, as the case may be, Receipts, Coupons and Talons, the obligations of the Substitute under the Deed Poll, the Subordinated Notes, the Receipts, the Coupons and the Talons are unconditionally and irrevocably guaranteed by the Issuer or its successor or each of the companies to whom together the Issuer has transferred all of its assets and business undertakings (each a "**Guarantor**")

by means of a guarantee on a subordinated basis substantially in the form contained in the Deed Poll (the "**Subordinated Guarantee**");

- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Subordinated Notes or AT1 Notes, as the case may be, the Receipts, the Coupons and the Talons and the relevant Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Subordinated Guarantee, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
- (v) the Substitute has become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (vi) legal opinions addressed to the Noteholders have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (ii) above as to the fulfilment of the preceding conditions of this Condition 16.2 and the other matters specified in the Deed Poll;
- (vii) the substitution does not affect adversely the rating of the Subordinated Notes or AT1 Notes, as the case may be, by any one internationally recognised rating agency of the Issuer or the Issuer's debt; and
- (viii) the Issuer has given at least 14 days' prior notice to such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

Such substitution effected in accordance with this Condition 16.2 will release the Issuer or any previously substituted company and the Noteholders, Receiptholders and Couponholders expressly consent hereto. References in Condition 10.2 to obligations under the Subordinated Notes or AT1 Notes, as the case may be, shall be deemed to include obligations under the Deed Poll and, where the Deed Poll contains a Subordinated Guarantee, the events listed in Conditions 10.2 shall be deemed to include such Subordinated Guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. In addition, the Subordinated Guarantee shall contain (A) rights of enforcement in the form of Condition 10.2 (except that references in Condition 10.2 to failure to pay principal and interest on the Subordinated Notes or AT1 Notes, as the case may be, shall be a reference to failure to pay under the Subordinated Guarantee), (B) provisions relating to the Subordinated Guarantee in the form of Condition 3.2 and (C) provisions relating to the Guarantor in the form of Condition 7.11 and 7.12.

## 17. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes (whether in bearer or registered form) having terms and conditions of the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding notes of any series (including the Notes).

## 18. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.



19. **CURRENCY INDEMNITY**

The Issuer shall indemnify the Noteholders, the Receiptholders and the Couponholders and keep them indemnified against:

- (i) any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses incurred by any of them, on a full indemnity basis, arising from the non-payment by the Issuer of any amount due to the holders of the Notes and the relevant Receiptholders or Couponholders by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer, as the case may be; and
- (ii) any deficiency arising or resulting from any variation in rates of exchange between (a) the date as of which the local currency equivalent of the amounts due or contingently due under these Conditions (other than this Condition 19) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Issuer and (b) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities shall constitute obligations of the Issuer separate and independent from its other obligations under the other provisions in these Conditions and shall apply irrespective of any indulgence granted by the Noteholders, the Receiptholders or the Couponholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer for a liquidated sum or sums in respect of amounts due under these Conditions (other than this Condition 19). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders, the Receiptholders and the Couponholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators. The above indemnities shall continue in full force and effect notwithstanding the termination or discharge of the Agency Agreement.

20. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

(a) **Governing law**

- (i) The Programme Agreement, Agency Agreement, the ECC Deed of Covenant, the Notes, the Receipts, the Coupons, the Talons and any non-contractual obligations arising out of or in connection with the Programme Agreement, Agency Agreement, the ECC Deed of Covenant, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law, except that the subordination provisions set out in Condition 3.2, Condition 3.3 and Condition 10.2 shall be governed by and construed in accordance with the laws of Malaysia.
- (ii) The CDP Deed of Covenant shall be governed by and construed in accordance with Singapore law.

(b) **Jurisdiction**

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes expressed to be governed by English law (including any dispute relating to any non-contractual obligations arising out of or in connection with the Notes) and accordingly any legal action or proceedings arising out of or in connection with the Notes (including any legal action or proceedings

relating to any non-contractual obligations arising out of or in connection with the Notes) may be brought in such courts. The Issuer irrevocably submits to the exclusive jurisdiction of such courts and waives any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient or inappropriate forum. This submission is made for the benefit of each of the Noteholders and shall not limit the right of any of them to take proceedings in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

(c) **Agent for service of process**

The Issuer irrevocably appoints Malayan Banking Berhad, London Branch at its registered office at 77 Queen Victoria Street, London, EC4V 4AY, United Kingdom, as its agent in England to receive service of process in any proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) **Waiver of immunity**

The Issuer hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any proceedings.

## **USE OF PROCEEDS**

Unless otherwise specified in the Pricing Supplement, the net proceeds from each issue of Notes will be applied by the Issuer for its working capital, general banking and other corporate purposes.

## INVESTMENT CONSIDERATIONS

*Investors should carefully consider, among other things, the risks described below, as well as the other information contained in this Offering Circular, before making an investment decision. Any of the following risks could materially adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group and of the Issuer and, as a result, investors could lose all or part of their investment. The risks below are not the only risks the Group faces. Additional risks and uncertainties not currently known to the Group (and the Issuer), or that it currently deems to be immaterial may also materially adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group and of the Issuer. Words and expressions defined elsewhere in this Offering Circular shall have the same meanings in this section.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the Issuer's inability to pay any amounts on or in connection with any Note may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate, and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any document incorporated by reference) and reach their own views prior to making any investment decision. In making an investment decision, each investor must rely on its own examination of the Issuer and the terms of the offering of the Notes.*

### CONSIDERATIONS RELATING TO THE GROUP

In the course of its business activities, the Group is exposed to a variety of risks, mainly consisting of credit risk, market risk, non-financial risk and liquidity risk. The Group ensures that its risk management framework, practices and processes remain robust by continuously adapting and strengthening its risk management approach and capabilities to effectively manage and mitigate risks to which it is exposed. While the Group believes that it has implemented the appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to adequately manage these risks could be greater than anticipated and could result in adverse effects on the business, financial condition, results of operations, prospects and/or reputation of the Group.

#### **Credit risk**

Credit risk is the risk of loss of principal or income arising from the failure of an obligor or counterparty to perform its contractual obligations in accordance with agreed terms. Such risks could arise from adverse changes in the credit quality and recoverability of loans, advances and amounts due from counterparties which are inherent in a wide range of the Group's businesses or from a general deterioration in local or global economic conditions or from systemic risks within the financial system, all of which could affect the recoverability and value of the Group's assets and require an increase in the Group's provisions for the impairment of its assets and other credit exposures.

The Group believes that it has adopted effective credit strategies and sound risk management policies and processes. However, there is no assurance that these will remain effective or adequate in the future. Any failure to manage the credit risks of the Group may adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group.

#### **Market risk**

Market risk is the risk of loss or the adverse impact on earnings or capital arising from fluctuations in market rates or prices such as interest rates, foreign exchange rates, commodity prices and equity prices. Such risks can be further categorised based on trading and non-trading/banking book activities whereby traded market risk arises mainly from proprietary trading, flow trading and market making activities. These activities may create positions held with trading intent to express a market view, to benefit from short term price movements or to lock in arbitrage profits. Non-traded market risk is primarily inherent risk arising from banking book activities. The major risk classes are interest rate risk and/or rate of return risk in the banking book and foreign exchange risk.

The Group believes that it has adopted effective strategies and sound market risk management policies and processes. However, there is no assurance that these will remain effective or adequate in the future. Any failure to manage the market risk of the Group may adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group.

#### **Interest rate risk in the Banking Book (“IRRBB”)**

IRRBB is defined as risk of loss in earnings or economic value on banking book exposures arising from movements in interest rates. Sources of IRRBB include repricing, basis, yield curve and option risk. Accepting IRRBB is a normal part of banking and can be an important source of profitability and shareholder value. However, excesses of this risk can be detrimental to the Group’s earnings, capital, liquidity and solvency. Banking book policies and limits are established to measure and manage non-traded market risk. Repricing gap analysis remains one of the building blocks for Interest Rate Risk/Rate of Return Risk in the Banking Book assessment for the Group.

Through Group Asset and Liability Management Committee (“**Group ALCO**”) supervision, the lines of business are insulated from IRRBB through fund transfer pricing whereby non-traded market and liquidity risks are centralised at the group corporate treasury unit for active risk management and balance sheet optimisation. The group corporate treasury unit reviews the risk exposures regularly and recommends strategies to mitigate any unwarranted risk exposures in accordance with the approved policies. Although the Group believes that it has adopted sound interest rate risk management strategies, there is no assurance that such strategies will remain effective or adequate in the future.

Certain portfolios such as products with non-deterministic characteristics are subjected to periodic statistical modelling to understand the customer/product’s behavioural patterns in relation to changing rates and business cycles. Regular risk assessment and stress testing are applied to ensure the portfolios can withstand the risk tolerance and adverse rate scenarios.

#### **Foreign Exchange (“FX”) Risk in the Banking Book**

FX risk is the risk of loss in value arising from exchange rate movements. FX risk exposures can be attributed to structural and non-structural positions. Structural FX positions are primarily net investments in overseas branches and subsidiaries whereas other FX positions are non-structural in nature. Generally, structural FX positions need not be hedged as these investments are by definition “perpetual” and revaluation losses will not materialise if they are not sold. The residual or unhedged FX positions are managed in accordance with the approved policies and limits.

Foreign currency assets in the banking book may be match-funded by the same currency to minimise FX NOP. In addition, the Group implements qualitative controls such as listing of permissible onshore or offshore currencies and hedging requirements for managing FX risk. FX risk is primarily assessed from both earnings and capital perspectives. Group ALCO plays an active role in ensuring FX risk is managed within stipulated limits.

The Group believes that it has adopted effective strategies and sound management policies and processes. However, there is no assurance that these will remain effective or adequate in the future. Any failure to manage the FX risk of the Group may adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group.

#### **Non-Financial Risk**

Non-financial risk refers to the risk of loss arising from operational events and/or external factors that could result in monetary losses or negative impact to the brand value and stakeholder’s perception of the Group. Non-financial risk comprises of operational risk, information risk, reputational risk as well as other downside risks.

Although the Group has implemented risk controls and loss mitigation strategies and substantial resources are devoted to developing efficient procedures, it is not possible to entirely eliminate non-financial risks. In addition, the Group seeks to protect its computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by the

Group's increased use of the internet. Computer break-ins and power disruptions could affect the security of information stored in, and transmitted through, these computer systems and network infrastructure. The Group employs various controls designed to minimise the risk of security breaches. A significant fraud, system failure, calamity or failure in security measures could have a material adverse effect on the business, financial condition, results of operations, prospects and/or reputation of the Group. In addition, the Group's reputation could be adversely affected by significant frauds committed by employees, customers or other third parties.

### **Liquidity risk**

Liquidity risk is defined as the risk of an adverse impact to the financial condition or overall safety and soundness arising from the inability (or perceived inability) of, or unexpected higher cost to, the Group of meeting its obligations. It is also known as consequential risk, triggered by underlying problems which can be endogenous (e.g. credit risk deterioration, rating downgrade, operational risk events) or exogenous (e.g. market disruption, default in the banking payment system and deterioration of sovereign risk). Liquidity risk can be further classified into funding and market liquidity risk of which the former reflects the risk of a firm not being able to meet both expected and unexpected current and future cash flow and collateral needs effectively without affecting either daily operations or the financial condition of the firm. The latter refers to the risk of which a firm cannot easily offset or eliminate the position at market price because of inadequate market depth or market disruption.

Although the Group has sound policies as well as balance sheet strategies in place, there is no assurance that there will not be a liquidity crisis affecting the Group, and the failure to maintain adequate sources of funding may adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group.

### **A deterioration in asset quality could adversely affect the Group**

Asset quality is one of the key drivers of a financial institution's performance. The Group adopts prudent credit risk management policies to manage its asset quality. The Group recognises that credit policies need to be responsive to the changing environment and diverse market conditions. Additionally, the establishment and application of lending rules, policies and guidelines must be consistently applied throughout the Group. The Group appreciates that loan pricing has to reflect the cost of risk in order to generate an optimal return on capital.

Although the Group believes that it has adopted effective policies and processes in managing asset quality and intends to maintain them, there is no assurance that the policies and processes will remain effective or adequate in the future. A deterioration of asset quality may adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group.

### **Deterioration in collateral values or inability to realise collateral value may necessitate an increase in the Issuer's provisions**

A significant portion of the Issuer's loans are secured by collateral such as real estate and securities, the values of which may decline with a downturn in global economic conditions and/or outlook. Any downward adjustment in collateral values may lead to a portion of the Issuer's loans exceeding the value of the underlying collateral. Such downward adjustment, which will impact the future cash flow recovery, combined with a deterioration in the general credit worthiness of borrowers, may result in an increase in the Issuer's loan loss provisions and potentially reduce its loan recoveries from foreclosures of collateral, which could have an adverse effect on the business, financial condition, results of operations, prospects and/or reputation of the Group.

### **Expansion into overseas markets may increase the Group's risk profile**

Building growth in overseas markets, forms a key pillar of the Group's strategy and such regional expansion may increase its risk profile and exposure.

Unfavourable economic developments regionally or changes in trends due to changes in labour costs, inflation, interest rates, taxation or political developments may adversely affect the business, financial

condition and results of operations of the Group and thus may affect its ability to make the payments due under the Notes.

The Group is also subject to regulatory supervision arising from a wide variety of banking and financial services laws and regulations in each jurisdiction. Non-compliance with any of these laws and regulations could lead to disciplinary action, the imposition of fines and/or the revocation of the relevant licence, permission or authorisation to conduct the Group's business in the jurisdiction in which it operates, or result in civil or criminal liability for the Group. There can be no assurance that such regional expansion will not have a material adverse effect on the Group's business, financial condition or results of operations and prospects or that the Group's credit and provisioning policies will be adequate in relation to such risks.

**The Group's business is inherently subject to the risk of market fluctuations**

The Group's business is inherently subject to risks in financial markets and in the wider economy, including changes in, and increased volatility of, exchange rates, interest rates, inflation rates, credit spreads, commodity, equity, bond and property prices and the risk that its customers act in a manner which is inconsistent with business, pricing and hedging assumptions. As a result of the Group's expansion into foreign markets, the Group may become increasingly exposed to changes in, and increased volatility of, foreign currency exchange rates. While the Group usually engages in foreign currency hedging transactions to minimise its foreign currency exposure, fluctuations in the value of the Ringgit against other currencies may adversely affect the Group's business, financial condition, results of operations, prospects and/or reputation.

The Group's inability to implement, or consistently follow, its risk management systems may adversely affect its business, financial condition and results of operations, and there can be no assurance that the Group's risk management systems will remain effective. In addition, the Group's risk management systems may not be fully effective in mitigating risk exposures that are unidentified or unanticipated.

**The Group may be required to raise additional capital if its capital adequacy ratio deteriorates in the future or in order to comply with any new regulatory capital framework**

BNM's Capital Adequacy Framework requires Malaysian banking institutions, including the Group, to maintain the following minimum capital adequacy ratios:

- (a) a minimum Common Equity Tier 1 ("CET1") capital ratio of 4.5 per cent.;
- (b) a minimum Tier 1 capital ratio of 6.0 per cent.; and
- (c) a minimum total capital ratio of 8.0 per cent..

In addition, banks are required to maintain additional capital buffers in the form of CET1 capital above the minimum CET1, Tier 1 and total capital ratio set out above in the form of a capital conservation buffer ("CCB"), a countercyclical capital buffer ("CCYB") and higher loss absorbency requirement ("HLA requirement") for a bank that is designated as a domestic systemically important bank ("D-SIB").

On 5 February 2020, BNM issued the Domestic Systemically Important Banks Framework ("D-SIB Framework"). The D-SIB Framework sets out the HLA requirement applicable to D-SIBs. The Group is classified as a D-SIB under bucket 2 by BNM and thus the applicable HLA requirement is 1% of risk-weighted assets. This requirement will come into effect on 31 January 2021. See "*Banking Regulation and Supervision*" for more details on HLA requirements.

To the extent a bank fails to maintain the relevant ratios, BNM may impose penalties on such a bank ranging from a fine to revocation of its banking licence.

The Group's and Bank's CET1 Capital Ratio before deducting single-tier second interim dividends, the Tier 1 capital ratio before single-tier second interim dividends and their total capital ratio before single-tier second interim dividends are as set out in the section headed "*Selected Financial Information of the Group*" below.

The Group's capital base and capital adequacy ratio may deteriorate in the future if its results of operations or financial condition deteriorate for any reason, including as a result of any deterioration in the asset quality of its loans, or if the Group is not able to deploy its funding into suitably low-risk assets. If the Group's capital adequacy ratio deteriorates, it may be required to obtain additional CET1, Additional Tier 1 or Tier 2 capital in order to remain in compliance with the applicable capital adequacy guidelines. However, the Group may not be able to obtain additional capital on favourable terms depending on the market conditions and circumstances prevailing at the time of the intended capital raising, or at all.

Furthermore, there can be no assurance that BNM will not amend the Capital Adequacy Framework in a manner which imposes additional capital requirements on, or otherwise affects the capital adequacy requirements relating to, Malaysian banks. The approach and local implementation of Basel III will depend on BNM's response which may potentially impact the Group in various ways depending on the composition of its qualifying capital and risk weighted assets. Although the Group has always maintained a strong capital position that consistently ensures an optimal capital structure to meet the requirements of various stakeholders, there can be no assurance that the Group will not face increased pressure on its capital in the future to comply with Basel III standards and the Capital Adequacy Framework which may have an adverse effect on the business, financial condition, results of operations, prospects and/or reputation of the Group.

#### **The Group is dependent on its directors and senior management**

The Group relies on its directors and senior management for its business direction and business strategy. The loss of directors or members of the senior management team could adversely affect its ability to operate its business or to compete effectively, and in turn, affect its financial performance and prospects. The senior management has developed succession plans and training programmes for the development of talent within the Group. However, there can be no assurance that such measures will be sufficient to prevent any loss of directors or members of the senior management team throughout the tenor of any Notes.

#### **The Group may be unable to comply with the restrictions and covenants contained in its debt agreements**

If the Group is unable to comply with the restrictions and covenants in its current or future debt agreements, there could be a default under the terms of those agreements. In the event of a default under those agreements, the creditors of the debt could terminate their commitments to lend to the Group, accelerate the debt and declare all amounts borrowed due and payable and/or terminate such debt agreements, whichever the case may be. Such actions may result in an Event of Default under the Terms and Conditions of the Notes issued.

#### **The Group may not be successful in implementing new business strategies or penetrating new markets**

The Group's business strategy includes developing new products and increasing the Group's presence regionally. The expansion of the Group's business activities may expose it to a number of risks and challenges including, among other things, the following:

- (a) new and expanded business activities may have less growth or profit potential than the Group anticipates, and there can be no assurance that new business activities will become profitable at the level the Group desires or at all;
- (b) the new business strategy may alter the risk profile of the Group's portfolio;
- (c) the Group may fail to identify and offer attractive new services in a timely manner, putting it at a disadvantage with competitors;
- (d) the Group's competitors may have substantially greater experience and resources in the new and expanded business activities therefore the Group may not be able to attract customers from its competitors; and



- (e) economic conditions such as changes in interest rates, inflation or the regulatory environment such as changes in laws and regulations may hinder the Group's expansion.

The Group's inability to implement its business strategy could have a material adverse effect on its business, financial condition, results of operations, prospects and/or reputation.

**Any failure to keep pace with technological advances or to maintain an appropriate level of investment in information technology may adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group**

The Group is committed to keeping pace with technological advances and has invested in information technology to foster and support the Group's business objectives. Although the Group intends to continue to make investments to promote new levels of process efficiency and effectiveness to improve its business performance and risk management capabilities, these investments and the ensuing changes with respect to its information technology may expose the Group to technical or operational risks or difficulties associated with transitioning or integrating its existing systems and infrastructure with the introduction of new technologies, systems or other equipment. There can be no assurance that the Group's efforts in enhancing its information technology will be successful or adequate. Any strategic error in implementing its new information technology platform and any failure to maintain an appropriate level of investment in information technology for the Group could adversely affect its business, financial condition, results of operations, prospects and/or reputation.

**CONSIDERATIONS RELATING TO MALAYSIA**

For the year ended 31 December 2019, approximately 89.4 per cent. of the Group's net operating income was derived from activities in Malaysia. Any factors which could materially or adversely affect the macroeconomic conditions of Malaysia could have a similar effect on the business, financial condition, results of operations, prospects and/or reputation of the Group.

**Global or regional developments may have a material adverse impact on the Group**

The economic, market, political and policy conditions in other countries, particularly in major advanced economies (e.g. the U.S., Europe, Japan), large emerging market economies (e.g. the PRC) and Asia (e.g. North East Asia, ASEAN) that are Malaysia's key trading partners and sources of foreign direct investment and portfolio capital, could have an influence on the Malaysian economy. Any deterioration in economic conditions, widespread financial market and currency instability, as well as volatility in commodity prices causing significant loss of consumer, business and investor confidence in these economies, may adversely affect the Malaysian economy, which in turn could materially and adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group.

Examples of such external factors or conditions that are outside the Group's control include, but are not limited to the following:

- (a) entry of new competitors into the Malaysian banking market from foreign countries and other actions by new and existing local and foreign competitors;
- (b) impact of technological innovation and adoption such as digital economy, e-commerce, blockchain and crypto-currency on the banking industry and financial sector due to the entry of, and competition from, financial technology or "fintech" companies, and a changing regulatory landscape via developments in regulation technology or "regtech";
- (c) general economic, markets, political and social conditions in Malaysia and key foreign economies;
- (d) financial markets, currency and interest rate fluctuations;
- (e) movements in commodity prices where Malaysia and key foreign economies are major producers and exporters, namely crude oil, palm oil, natural gas and coal;

- (f) consumer spending patterns in Malaysia and key foreign economies;
- (g) inflationary pressure in Malaysia and key foreign economies;
- (h) international events and circumstances such as major policy changes, wars, terrorist attacks, natural disasters and political instability; and
- (i) changes in legal regimes and governmental regulations, such as licensing and approvals, taxation, duties and tariffs in Malaysia and key foreign markets.

These factors may adversely affect the business, prospects, financial conditions, results of operations and/or reputation of the Group.

**The effects of the COVID-19 pandemic or the outbreak of any other infectious disease or pandemic or any other serious public health concerns in Asia, the United States, Australia, Europe, the Middle East and/or globally and any policies or measures adopted in response by the governments could adversely impact the business, financial condition, results of operations, prospects and/or reputation of the Group**

The COVID-19 pandemic is having and will continue to have significant effects on the global economy, including indefinite closure of significant economic sectors in many countries, widespread insolvencies, mass unemployment, closure of national borders, mandatory quarantines for international travellers, disruption of supply chains and global trade, severe strains on government finances and global economic recession. National authorities have also taken unprecedented measures to contain this pandemic, such as inbound and outbound travel restrictions, bans on large social gatherings, shutdowns of non-essential services, enforced business closures and most restrictively, blanket quarantine orders on all segments of the population. While these “social distancing” measures are crucial for public health, they have triggered concurrent supply and demand shocks. This in turn has led to heightened turbulence in global financial markets, further amplified by uncertainty in the global oil market.

Similarly, in Malaysia, the economy is expected to shrink, reflecting the impact of the COVID-19 pandemic and the domestic Movement Control Order, as well as the drop in crude oil prices. The government’s attempts to mitigate the impact of the recession include (i) a monetary policy stimulus via a cumulative 100 bps cut in the overnight policy rate and (ii) cuts in the Statutory Reserve Requirement. In addition, the Economic Stimulus Package totalling RM260 billion (17% of Malaysia's GDP) was announced to provide relief to individuals and businesses hardest hit by the COVID-19 pandemic. On 6 May 2020, the Minister of Finance announced that banks in Malaysia will waive the additional interest or profit charges imposed on instalments for hire-purchase loans for the 6-months moratorium previously announced (see below). As at the date of this Offering Circular, the operation mechanics and financial treatment have yet to be ascertained but it is expected that such waiver may have an adverse impact on the Group's business, financial condition and/or results of operations.

BNM has also taken steps to ensure that monetary and liquidity conditions remain supportive of economic activity. On 25 March 2020, BNM announced several regulatory and supervisory measures to support efforts by banks to assist individuals, small and medium enterprises ("SMEs") and corporations to manage the impact of the COVID-19 outbreak:

- (a) Banks will provide an automatic moratorium to individuals and SMEs for loan/financing repayments for a period of six months, effective 1 April 2020. The offer is applicable to performing loans, denominated in Ringgit, that are not in arrears for more than 90 days as at 1 April 2020. Corporates may choose to opt into the moratorium.
- (b) To ensure sufficient liquidity in the domestic market, BNM is:
  - (i) allowing banks to operate below the minimum liquidity coverage ratio ("LCR") requirement of 100%
  - (ii) allowing banks to drawdown the capital conservation buffer of 2.5%
  - (iii) reducing the regulatory reserves held against expected losses to 0%.

- (c) Meanwhile, the Net Stable Funding Ratio ("NSFR") will be implemented effective 1 July 2020, at a lower level of 80%. NSFR is a liquidity standard that seeks to measure the proportion of a bank's long-term assets that are funded by long-term stable funding. Hence, it requires banks to maintain a stable funding in relation to the composition of their assets and off-balance sheet activities.

In Singapore, the "circuit breaker" imposed by the government due to the COVID-19 outbreak will see about 30% of the economy shut down, with only essential services such as food, healthcare, social services, financial services, transport, energy and water, waste and environment operating during the relevant period. A SGD59.9 billion fiscal package has been allocated to mitigate the impact of COVID-19.

In Indonesia, Bank Indonesia has cut policy interest rates by 50 bps in the first quarter of 2020 to support domestic demand. The government of Indonesia has also announced economic packages worth IDR438.3 trillion to mitigate the impact of the COVID-19 pandemic.

It is uncertain when the restrictive measures taken by governments to contain and slow the spread of COVID-19 will be able to be safely lifted and how long it will take for the global economy to recover. As at the date of this Offering Circular, the global economy has experienced significant supply, demand, market and currency shocks arising from the rapid spread of the COVID-19 pandemic. A number of governments (including the Malaysian government) have already made downward revisions to GDP growth forecasts for 2020 given the supply and demand disruptions arising from the extended movement control orders and nationwide lockdowns due to the COVID-19 pandemic. In the event that there is another global or regional financial crisis or a deterioration in the economic or political environment of Malaysia or any other countries in which the Group operates, the Group may experience a material adverse effect on its business, financial condition and/or results of operations.

The expected impacts of the COVID-19 pandemic on the general banking sector are (i) compression to net interest margin due to rate cuts, (ii) lower loans growth from reduced business activities and consumer spending and (iii) potentially higher credit cost from (a) weakening credit quality of customers and (b) having to cushion the financial and cashflow impact to banks following any unprecedented monetary policies undertaken by governments to revive and alleviate the financial burden of the nation. While Maybank continues to monitor developments arising from the COVID-19 pandemic, it will continue to prioritise liquidity and capital strength and maintain these ratios/levels above regulatory requirements. The Group will also manage the net interest margin compression given the low rate environment in its operating markets and will pursue growth opportunities in line with its risk appetite. The Group is also working with its borrowers to provide viable solutions for the borrowers affected by COVID-19, in an effort to support employment and prevent business failures. The Group is mindful that a prolonged outbreak could cause further uncertainty to economic growth and recovery and is likely to adversely impact the business, results of operations, financial condition, prospects and/or reputation of the Group. There can be no assurance that the Group will not face increased pressure as a result of any policies and/or interventions undertaken to curb the COVID-19 pandemic. Additionally, any such policies and/or interventions undertaken by governments to curb the COVID-19 pandemic may adversely affect the Group's business, financial condition and results of operations.

In addition to the above, further outbreaks of COVID-19 or the outbreak of any other infectious disease or pandemic (such as MERS, Ebola, the avian flu, H1N1, SARS and the Zika virus) in Asia, the United States, Australia, Europe, the Middle East and/or globally, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities of the various countries in which the Group operates and potentially result in the disruption of global supply chains and world trade, negatively affecting global economic growth. There can be no assurance that any precautionary measures taken against infectious diseases or pandemic would be effective. Any failure to manage these risks may adversely affect the business, financial condition, results of operations, prospects and/or reputation of the Group.

### **Impact of imposition of capital controls**

There can be no assurance that the Malaysian Government will not impose any forms of capital controls in the future. If the Government imposes or introduces foreign exchange controls, investors may not be able to repatriate the proceeds of the sale of the Notes and interest and principal paid on the Notes from Malaysia for a specified period of time or may only be able to do so after paying a tax or levy.

### **Inflationary pressures in Malaysia and potential impact upon the Malaysian economy**

Any emergence of inflationary pressures in the Malaysian economy could adversely affect the business, financial condition, prospects, results of operations or reputation of the Issuer and the Group.

## **CONSIDERATIONS RELATING TO THE MALAYSIAN BANKING INDUSTRY**

### **Regulatory Environment**

The Issuer is regulated by BNM. The Group is also subject to relevant banking, securities and other laws of Malaysia. BNM has extensive powers to regulate the Malaysian banking industry under the Financial Services Act 2013 ("FSA") and the Islamic Financial Services Act 2013 ("IFSA"). This includes the power to limit the interest rates charged by banks on certain types of loans, establish caps on lending to certain sectors of the Malaysian economy and establish priority lending guidelines in furtherance of certain social and economic objectives. BNM also has broad investigative and enforcement powers. Accordingly, potential investors should be aware that BNM could, in the future, set interest rates at levels or restrict credit in a way which may be adverse to the operations, financial condition or asset quality of banks and financial institutions in Malaysia, including the Group, and may otherwise significantly restrict the activities of the Group and Malaysian banks and financial institutions generally.

### **Increasing competition and market liberalisation**

The Group faces competition from other domestic banking groups as well as foreign banks operating in Malaysia. Increased competition could result in lower growth rate of the Group's loan portfolio, lower asset quality, reduced net interest margins and spreads and increased non-interest expense, as well as a decline in the volume of the Group's related businesses and lead to an adverse effect on the Group's business, financial condition, results of operations or prospects. While the Group believes that it has formulated strategies to compete effectively in the market place, there can be no assurance that it will be able to execute its strategies or that it will be able to effectively compete against its existing and future competitors.

### **Scope and cost of deposit insurance in Malaysia**

In Malaysia, PIDM manages the deposit insurance system which is established to protect depositors against the loss of their deposits in the event a member institution is unable to meet its obligations to depositors. The deposit insurance limit is RM250,000 per depositor per member bank.

Deposits exceeding the prescribed limit are not insured up to their full amount. This could lead to or exacerbate liquidity problems, which, if severe, could have an adverse effect on the Group's business, financial condition, results of operations or prospects, or on the Malaysian financial markets generally.

## **CONSIDERATIONS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features and risks associated.

### **Notes subject to optional redemption by the Issuer**

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### **Subordinated Notes and AT1 Notes subject to early redemption by the Issuer**

The Issuer may, at its option, redeem all or some only of the Subordinated Notes or the AT1 Notes on any Optional Redemption Date or redeem any tranche of the Subordinated Notes or AT1 Notes, if there is any occurrence of a Tax Event or a Regulatory Capital Event, subject to the Redemption Conditions being satisfied, in accordance with Condition 7.2, Condition 7.3 and Condition 7.6 respectively.

The redemption of one Series of the Subordinated Notes or AT1 Notes pursuant to the Issuer Call, Tax Event or Regulatory Capital Event does not trigger the redemption of other Series of the Subordinated Notes or AT1 Notes.

### **Partly-Paid Notes**

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment on a Partly-Paid Note could result in an investor losing all of its investment.

### **Variable rate Notes with a multiplier or other leverage factor**

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### **Inverse Floating Rate Notes**

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### **Fixed/Floating Rate Notes**

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or vice versa. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the

Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

#### **Notes issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### **Index Linked Notes and Dual Currency Notes**

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each a "**Relevant Factor**"). In addition, it may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) the payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

#### **CONSIDERATIONS RELATING TO THE NOTES GENERALLY**

##### **Notes may not be a suitable investment for all investors**

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or

where the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

**The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"**

Reference rates and indices, including interest rate benchmarks used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**" and each a "**Benchmark**") (including LIBOR, EURIBOR, SIBOR and SOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing LIBOR, EURIBOR, SIBOR and SOR. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing LIBOR, EURIBOR, SIBOR and SOR.

**Regulation and reform of benchmarks, including LIBOR, EURIBOR and other interest rates and other types of benchmarks may adversely affect the value of Floating Rate Notes**

The Issuer may issue Floating Rate Notes, the interest rate on which fluctuates according to fluctuations in a specified interest rate benchmark. In the EU, changes have been implemented pursuant to the Benchmarks Regulation, applicable since 1 January 2018. In the United Kingdom, the Financial Conduct Authority has announced that it does not intend to continue to persuade or compel panel banks to submit rates for the calculation of LIBOR and that the continued publication of LIBOR on the current basis cannot be guaranteed after 2021. Similarly, The Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR.

The Conditions provide for certain fallback arrangements in the event that a published Benchmark, including LIBOR, EURIBOR or other relevant reference rates, (including any page on which such Benchmark may be published (or any successor service)) becomes unavailable or a Benchmark Event or Benchmark Transition Event (as defined in the Conditions) otherwise occurs, including the possibility that the rate of interest could be set by the Issuer, in consultation with an Independent Adviser (without a requirement for the consent or approval of the Noteholders) by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the

replacement of the relevant Benchmark. In certain circumstances, the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the trading market for, liquidity of, value of and return on any such Floating Rate Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

#### **Investors should pay attention to any modification, waivers and substitution**

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### **Bearer Notes where denominations involve integral multiples: definitive bearer Notes**

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in bearer form in respect of such holding (should such Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes in bearer form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

#### **Noteholders' ability to enforce claims is uncertain**

Substantially all the assets of the Issuer are located in Malaysia. Generally, since the United Kingdom is a reciprocating country, any final and conclusive judgment obtained against the Issuer in any of the superior courts of the United Kingdom or other reciprocating countries as listed in the Reciprocal Enforcement of Judgments Act, 1958 of Malaysia, other than a judgment of such a court given on appeal from a court which is not a superior court, can be registered in the Malaysian High Court without re-examination or re-litigation of the matters adjudicated upon, if:

- (i) the judgment was not obtained by fraud;



- (ii) the enforcement of the judgment would not be contrary to natural justice or the public policy of Malaysia and the adjudicating court has jurisdiction over the Issuer according to the principles of private international laws of Malaysia;
- (iii) the enforcement of the judgment would not be an enforcement of penal or revenue laws;
- (iv) the judgment was not obtained in proceedings in which the defendant did not (notwithstanding that process may have been duly served on him in accordance with the laws of England) receive notice of those proceedings in sufficient time to enable it to defend the proceedings and did not appear;
- (v) there has not been an earlier judgment of a competent court;
- (vi) the judgment is for a fixed sum;
- (vii) is not a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty;
- (viii) enforcement of proceedings is instituted within six years after the date of the judgment;
- (ix) an appeal is not pending, and the judgment creditor is not entitled and intending to appeal, against the judgment;
- (x) the judgment was made by a court of competent jurisdiction;
- (xi) is vested in the person by whom the application for registration was made; and
- (xii) the judgment has not been wholly satisfied and is enforceable by execution in the courts of England.

As a result, Noteholders with claims against the Issuer, its directors or executive officers, will generally be able to pursue such claims by registering such judgments obtained in the recognised English courts or those of other reciprocating countries in the Malaysian High Court. In addition, where the sum payable under a judgment which is to be registered is expressed in a currency other than Malaysian currency, the judgment shall be registered as if it were a judgment for such sum in Malaysian currency as is equivalent to the sum so payable on the basis of the rate of exchange prevailing at the date of the judgment of the original court.

**Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of the Notes**

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of the Notes.

**Limited rights of enforcement and subordination of the Subordinated Notes and AT1 Notes could impair an investor's ability to enforce its rights or realise any claims on the Subordinated Notes or AT1 Notes**

In most circumstances, the sole remedy against the Issuer available to the holders of Subordinated Notes or AT1 Notes to recover any amounts owing in respect of the principal of or interest on the Subordinated Notes or AT1 Notes will be to institute proceedings for the winding-up of the Issuer in Malaysia. See Condition 10.2 of the *"Terms and Conditions of the Notes"*.

If the Issuer defaults on the payment of principal or interest on the Subordinated Notes or AT1 Notes or fails to perform its covenants, the holders of the Subordinated Notes or AT1 Notes will have no right to accelerate payment of the Subordinated Notes or AT1 Notes, except as they may be so permitted under the Terms and Conditions of the Notes.

The Subordinated Notes and the AT1 Notes are each subordinated obligations of the Issuer as set out under the *"Terms and Conditions of the Notes"*. In a Winding-up Proceeding, the holders of the

Subordinated Notes or AT1 Notes may recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer, as applicable. As there is no precedent for a winding-up of a major financial institution in Malaysia, there is uncertainty as to the manner in which such a proceeding would occur and the results thereof. Although Subordinated Notes or AT1 Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes or AT1 Notes will lose all or some of his investment should the Issuer become insolvent.

The winding-up of the Issuer is subject to prior written approval of BNM. Under the FSA, no application for the winding-up of a licensed person (i.e. all banks, which includes the Issuer), an operator of a payment system or an approved person can be presented to the Malaysian High Court without the prior written approval of BNM. In addition, a copy of such an application to the Malaysian High Court must also be delivered to BNM at the same time as it is presented to the Malaysian High Court. The failure to comply with such requirements is an offence and a person convicted of such offence is liable to imprisonment and/or a fine.

As a consequence of the subordination provisions, in the event of a winding up of the Issuer's operations, the holders of any Subordinated Notes or AT1 Notes may recover less rateably than the holders of deposit liabilities or the holders of the Issuer's other unsubordinated liabilities. The Issuer believes that all of these deposit liabilities rank senior to the Issuer's obligations under the Subordinated Notes or AT1 Notes. Any Subordinated Notes or AT1 Notes and the Terms and Conditions of the Notes do not limit the amount of the liabilities ranking senior to the Subordinated Notes or AT1 Notes which may be hereafter incurred or assumed by the Issuer.

There is also no restriction on the amount of securities which the Issuer may issue and which rank *pari passu* with the Subordinated Notes or AT1 Notes. The issue of any such securities may reduce the amount recoverable by the holders of the Subordinated Notes or AT1 Notes on a winding-up of the Issuer. In the winding-up of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy the amounts owing to the holders of the Subordinated Notes or AT1 Notes.

#### **The Subordinated Notes and the AT1 Notes may be varied by the Issuer**

The Issuer may, subject to the approval of BNM and as set out in the Terms and Conditions of the Notes and the applicable Pricing Supplement, vary the terms of the Subordinated Notes or AT1 Notes, as the case may be, in order that they remain Tier 1 Capital Securities or Tier 2 Capital Securities, respectively. Any such variation may have adverse consequences for holders of the Subordinated Notes or the AT1 Notes, depending on numerous factors, including the nature and terms and conditions of the relevant variation provisions and the tax laws to which a particular holder is subject to.

#### **No Events of Default under the Subordinated Notes or AT1 Notes**

Issues of Subordinated Notes and AT1 Notes do not provide for events of default allowing acceleration of the Subordinated Notes or AT1 Notes, as the case may be, except upon the Winding-up of the Issuer. Upon a payment default, the sole remedy available to the holders of the Subordinated Notes and AT1 Notes for recovery of amounts owing in respect of any payment or principal of, or interest on, the Subordinated Notes or AT1 Notes, as the case may be, will be the institution of proceedings in Malaysia for the winding-up of the Issuer. See Conditions 10.2 and 10.3 of the "*Terms and Conditions of the Notes*".

#### **Subordinated Notes and AT1 Notes that include a loss absorption feature are novel and complex financial instruments**

Subordinated Notes and AT1 Notes that include a loss absorption feature are complex financial instruments and the regulations on non-viability loss absorption are untested in Malaysia and will be subject to the interpretation and application by the relevant authority in Malaysia. It is uncertain how the relevant Malaysian authority would determine the occurrence of a Trigger Event and the range of circumstances in which the relevant Malaysian authority could rely upon to determine such occurrence is wide. See Condition 7.16 of the "*Terms and Conditions of the Notes*".

The Relevant Malaysian Authority has full discretion to elect to require a Write-off when the Issuer has ceased, or is about to cease, to be viable or when a capital injection or equivalent support has been provided. Even if the option to Write-off is not exercised, holders of the Subordinated Notes and AT1 Notes may still be exposed to losses from any winding-up resolution of the Issuer.

A Write-off does not constitute an event of default or enforcement event, nor would it trigger a cross-default under the Subordinated Notes and AT1 Notes. A Trigger Event is deemed to have occurred, among other events, on the day on which the Issuer receives notification from BNM.

A potential investor should not invest in Subordinated Notes or AT1 Notes unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of a Write-off and the value of such Subordinated Notes and AT1 Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular or incorporated by reference herein.

#### **AT1 Notes are perpetual securities and investors have no right to require redemption**

The AT1 Notes are perpetual and have no maturity date. AT1 Noteholders have no ability to require the Issuer to redeem their AT1 Notes whereas the Issuer can redeem the AT1 Notes in certain circumstances as described in the Terms and Conditions of the Notes. However, the Issuer is under no obligation to redeem the AT1 Notes at any time. The ability of the Issuer to redeem AT1 Notes is subject to the Issuer satisfying the Redemption Conditions at that time. Consequently, AT1 Noteholders have no ability to realise their investment, unless the Issuer exercises its right to redeem the AT1 Notes or by selling their AT1 Notes. However, there can be no guarantee that the Issuer will be able to meet the Redemption Conditions. AT1 Noteholders who wish to sell their AT1 Notes may be unable to do so at a price at or above the amount they paid for them, or at all, if insufficient liquidity exists in the market for the AT1 Notes.

#### **The AT1 Notes may be written-off upon breach of CET1 Capital Ratio**

If the CET1 Capital Ratio of the Issuer (or a consolidated or unconsolidated basis) falls below 5.125 per cent., the Issuer shall, without the need for the consent of the AT1 Noteholders, write-off the AT1 Notes (in whole or in part). The aggregate amount to be written-off must be at least the amount required to restore the Issuer's consolidated and unconsolidated CET1 Capital Ratio to at least 5.75 per cent. If this is not possible, then the full principal value of the AT1 Notes will be written-off in any case.

Such write-off shall not constitute an Event of Default or enforcement event, nor would it trigger a cross-default under Notes other than the AT1 Notes.

As there is no precedent for the application of such write-off requirement in respect of a financial institution in Malaysia, there is uncertainty as to the manner in which such requirement would be applied and the results thereof. AT1 Noteholders should note that any amount that is written-off upon the occurrence of such event in accordance with the terms of the AT1 Notes is permanent and will not be restored under any circumstances, even after the CET1 Capital Ratio is restored to at least 5.75 per cent. Accordingly, there is a potential risk that an investor of the AT1 Notes may lose all or some of his investment and may not receive a full or any return of the principal amount or any unpaid amounts due under the AT1 Notes should the requirement be applied. For the avoidance of doubt, the Issuer, the Dealers and the Fiscal Agent are not liable for any liabilities arising upon the Issuer's CET1 Capital Ratio (on a consolidated or unconsolidated basis) falling below 5.125 per cent.

#### **Interest on the AT1 Notes is discretionary, non-cumulative and may be cancelled**

The Issuer may, at its sole discretion and without prior notice to the AT1 Noteholders, taking into account its specific financial and solvency condition, elect to cancel any payment of Interest, in whole or in part, on a non-cumulative basis. The Issuer may make such election for any reason. Any Interest that has been cancelled shall no longer be due and payable at any time thereafter by the Issuer and shall

not accrue thereafter, whether or not funds are, or subsequently become, available. AT1 Noteholders will have no right to such interest whether in a winding up situation or otherwise. Cancellation of such interest shall not constitute an Event of Default and does not entitle the AT1 Noteholders to petition for the insolvency or Winding-Up of the Issuer.

In addition, the Issuer will not be obliged to pay, and will not pay, any Interest if the Issuer has insufficient Distributable Reserves. As both an operating company and a holding company, the level of the Issuer's Distributable Reserves is affected by a number of factors, principally its ability to remain profitable from its operations and to receive funds, directly or indirectly, from its operating subsidiaries in a manner which creates Distributable Reserves for the Issuer. Consequently, the Issuer's future Distributable Reserves, and therefore its ability to pay Interest, are a function of its existing Distributable Reserves, future profitability and the ability to distribute dividend or profits from its operating subsidiaries up the group structure to the Issuer. In addition, the Issuer's Distributable Reserves may also be adversely affected by the servicing of more instruments that rank senior in priority of payment to the AT1 Notes.

The Issuer's Distributable Reserves, and therefore its ability to pay interest, may be adversely affected by the performance of the Issuer's business in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer's control. In addition, adjustments to earnings, as determined by the Board of Directors of the Issuer, may fluctuate significantly and may materially adversely affect Distributable Reserves.

Further, the ability of the Issuer's subsidiaries to pay dividends and the Issuer's ability to receive distributions and other payments from its investments in other entities is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws. These laws and restrictions could limit the payment of dividends, distributions and other payments to the Issuer by its subsidiaries, which could in time restrict the Issuer's ability to fund other operations or to maintain or increase its Distributable Reserves.

The level of the Issuer's Distributable Reserves may be further affected by changes to regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes could adversely affect the Issuer's Distributable Reserves in the future.

If the Issuer does not pay Interest on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment or part-payment shall serve as evidence of the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly, such interest payment (or the portion thereof not paid) shall not be due and payable.

If practicable, the Issuer shall provide notice of any cancellation of Interest (in whole or in part) to the AT1 Noteholders on or prior to the relevant Interest Payment Date. If practicable, the Issuer shall endeavour to provide such notice at least five (5) business days prior to the relevant Interest Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give the AT1 Noteholders any rights as a result of such failure.

No AT1 Noteholder shall have any claim whatsoever in respect of any Interest or part thereof cancelled and/or not due or payable. Accordingly, such cancelled interest or part thereof shall not accrue or accumulate for the benefit of the AT1 Noteholders or entitle the AT1 Noteholders to any claim in respect thereof against the Issuer.

If Interest is not paid for whatever reason, the AT1 Notes may trade at a lower price. If an AT1 Noteholder sells his AT1 Notes during such a period, he may not receive the same return on investment as an AT1 Noteholder who continues to hold his AT1 Notes until interest payments are resumed.

### **No equity conversion for the AT1 Notes**

An investor of the AT1 Notes will only receive cash if interest payments are made or the AT1 Notes are redeemed. The AT1 Notes shall not entitle the AT1 Noteholders to receive any form of equity interest in the Issuer at any point in time and the Issuer is not obliged to allot or issue any shares to or for the account of the AT1 Noteholders upon a write-off of the AT1 Notes following the Issuer's CET1 Capital Ratio (consolidated or entity level) falling below 5.125 per cent., the occurrence of any other Trigger Event or otherwise. The AT1 Noteholders shall not be entitled to participate in any distributions or entitlements to the Issuer's shareholders or to attend or vote at any general meeting of the Issuer.

### **Tax treatment of Subordinated Notes and AT1 Notes that contain non-viability loss absorption provisions is unclear**

Investors and holders of any tranche of the Subordinated Notes or AT1 Notes should consult their own accounting and tax advisers regarding the Malaysian income tax consequences of their acquisition, holding and disposal of such tranche of the Subordinated Notes or AT1 Notes.

### **U.S. Foreign Account Tax Compliance Withholding**

Whilst the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the "ICSDs"), in all but the most remote circumstances, it is not expected that U.S. federal income tax law, commonly known as "FATCA" will affect the amount of any payment received by the ICSDs (see "*Taxation*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide such custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the Common Depositary for the ICSDs (as holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

### **Malaysian Taxation**

Under present Malaysian law, all interest payable to non-residents in respect of the Notes is exempted from withholding tax. However, there is no assurance that this present position will continue and in the event that such exemption is revoked, modified or rendered otherwise inapplicable, such interest shall be subject to withholding tax at the then prevailing withholding tax rate. However, notwithstanding the foregoing, the Issuer shall be obliged pursuant to the terms of the Notes, subject to customary exceptions, in the event of any such withholding, to pay such additional amounts to the investors so as to ensure that the investors receive the full amount which they would have received had no such withholding been imposed.

### **Change of law**

The conditions of the Notes are based on English law or, in the case of the subordination provisions set out in such conditions in the Subordinated Notes and the AT1 Notes, Malaysian law, in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or, as the case may be, Malaysian law, or administrative practice after the date of this Offering Circular.

### **Reliance on procedures of clearing systems**

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with:

- (i) a common depository for Euroclear and Clearstream, Luxembourg;
- (ii) a subcustodian for the CMU Service; or
- (iii) CDP (collectively the "**Clearing Systems**").

Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each relevant Clearing System and their respective direct and indirect participants (if any) will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants (if any).

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant Clearing Systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System and its participants (if any) to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System and its participants to appoint appropriate proxies.

## **CONSIDERATIONS RELATED TO THE MARKET GENERALLY**

### **The secondary market generally**

The Notes may have no established trading market when issued and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of the Notes. Even if the Notes are traded, they may trade at a discount from their initial issue price, depending on prevailing interest rates, the market for similar securities, the Group's performance and other factors.

Application has been made to the SGX-ST for permission to deal in and for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST but there can be no assurance that such listing will occur. Application has been made to the LFX for the listing of, and permission to deal in, any Notes that may be issued under the Programme but there can be no assurance that such listings will occur on or prior to the date of issue of such Notes or at all. In addition, the Programme has also been admitted for the listing of the Notes on TSE in its capacity as the market operator of the TOKYO PRO-BOND Market in accordance with the rules and regulations of TSE. Application will also be made to the TPEX for the listing of, and permission to deal in, any Notes which are agreed at the time of issue thereof to be so listed on the TPEX pursuant to the applicable rules of TPEX. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes. No assurance can be given that such application will be approved or that the TPEX listing will be maintained. If for any reason the Notes are not listed, the liquidity of the Notes may be negatively impacted.

Historically, the market for debt securities by South East Asian issuers has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for any Notes will not be subject to similar disruptions. Any such disruption may have an adverse effect on holders of such Notes.

### **Exchange rate risks and exchange controls**

The Issuer will pay principal and interest on the Notes in the currency specified in the applicable Pricing Supplement (the "**Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Currency. These include the risk that foreign exchange rates may significantly change (including changes due to devaluation of the Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency would decrease:

- (i) the Investor's Currency-equivalent interest on the Notes;
- (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and
- (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable foreign exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### **Interest rate risks**

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

### **Inflation risk**

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

### **The market value of the Notes may fluctuate**

Trading prices of the Notes are influenced by numerous factors, including the business and/or financial condition of the Issuer, political, economic, financial and any other factors that can affect the capital markets, the industry and/or the Issuer generally. Adverse economic developments, acts of war and health hazards in countries in which the Issuer operates, amongst other factors, could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and/or reputation.

### **Credit ratings may not reflect all risks**

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, reduced or withdrawn by the rating agency at any time.

## **CONSIDERATIONS RELATING TO RENMINBI-DENOMINATED NOTES**

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

### **Renminbi is not freely convertible. There are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes**

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving

import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

**There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service the Renminbi Notes**

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the People's Bank of China ("PBoC") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong, London, Frankfurt and Singapore, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC is limited. There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

**Investment in the Renminbi Notes is subject to exchange rate risks**

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the Renminbi Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollars or other foreign currencies may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollars or other applicable foreign currencies will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Renminbi Notes.



**Payments in respect of the Renminbi Notes will only be made to investors in the manner specified in such Renminbi Notes**

All payments to investors in respect of the Renminbi Notes will be made solely by:

when the Renminbi Notes are represented by a global certificate, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or

when the Renminbi Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations.

The Bank cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

## SELECTED FINANCIAL INFORMATION OF THE GROUP

### (1) Selected Financial Information of the Group

The selected financial information below has been derived from, and should be read in conjunction with, the Group's historical financial statements and their related notes incorporated by reference into this Offering Circular. The Group's financial statements for the financial year ended 31 December 2019 are reported in Ringgit Malaysia and presented in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and its requirements.

- (a) Selected Income Statement items as extracted from the audited consolidated financial statements for the financial years ended 31 December 2018 and 2019 respectively

	<u>Audited</u>	<u>Audited</u>	<u>Translated</u>
	<b>For the financial year ended</b>		
	<b>31 December</b>		
	2018	2019	2019
	<i>(RM million)</i>	<i>(RM million)</i>	<i>(U.S.\$ million)</i>
<b>Income Statement</b>			
Interest income	23,194	24,108	5,889
Interest expense	(11,121)	(12,013)	(2,934)
Net interest income	12,073	12,095	2,955
Income from Islamic Banking Scheme operations	5,612	5,979	1,461
Net earned insurance premiums	5,934	6,761	1,651
Other operating income	4,951	7,277	1,777
Total operating income	28,570	32,112	7,844
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(4,908)	(7,371)	(1,801)
Net operating income	23,662	24,741	6,043
Overhead expenses	(11,246)	(11,562)	(2,824)
Operating profit before impairment losses	12,416	13,179	3,219
Allowances for impairment losses on loans, advances, financing and other debts, net	(1,591)	(2,287)	(559)
Writeback of/ (Allowances for) impairment losses on financial investments, net	(48)	20	5
Writeback of/ (Allowances for) impairment losses on other financial assets, net	26	(56)	(14)
Operating profit	10,803	10,856	2,651
Share of profits in associates and joint ventures	98	158	39
Profit before taxation and zakat	10,901	11,014	2,690
Taxation and zakat	(2,545)	(2,538)	(620)

	<u>Audited</u>	<u>Audited</u>	<u>Translated</u>
	<b>For the financial year ended 31 December</b>		
	2018	2019	2019
	<i>(RM million)</i>	<i>(RM million)</i>	<i>(U.S.\$ million)</i>
<b>Income Statement (cont'd.)</b>			
Profit for the financial year	8,356	8,476	2,070
Attributable to:			
Equity holders of the Bank	8,113	8,198	2,002
Non-controlling interests	243	278	68
	8,356	8,476	2,070
Basic and Diluted earnings per ordinary share (sen)	74.2	73.5	18.0
Gross dividend per ordinary share of the Bank (sen)	57.0	64.0	15.6

(b) Selected Balance Sheet data as extracted from the audited consolidated financial statements for the financial years ended 31 December 2018 and 2019 respectively.

	<u>Audited</u>	<u>Audited</u>	<u>Translated</u>
	<b>As at 31 December</b>		
	2018	2019	2019
	<i>(RM million)</i>	<i>(RM million)</i>	<i>(U.S.\$ million)</i>
<b>Statement of Financial Position</b>			
<b>Assets</b>			
Cash and short-term funds	55,025	46,469	11,351
Deposits and placements with financial institutions	12,503	14,093	3,442
Financial assets purchased under resale agreements	4,030	13,639	3,331
Financial assets designated upon initial recognition at fair value through profit or loss ("FVTPL")	14,764	14,323	3,499
Financial investment at FVTPL	15,205	20,371	4,976
Financial investments at fair value through other comprehensive income	120,914	123,352	30,130
Financial investments at Amortised Cost	27,069	34,784	8,496
Loans, advances and financing to financial institutions	1,576	1,129	276
Loans, advances and financing to customers	505,508	512,291	125,132
Derivative assets	6,964	10,336	2,525

	<b>Audited</b>	<b>Audited</b>	<b>Translated</b>
	<b>As at</b>		
	<b>31 December</b>		
	2018	2019	2019
	<i>(RM million)</i>	<i>(RM million)</i>	<i>(U.S.\$ million)</i>
<b>Statement of Financial Position (cont'd.)</b>			
Reinsurance/retakaful assets and other insurance receivables	3,800	4,232	1,034
Other assets	9,873	9,479	2,315
Investment properties	896	921	225
Statutory deposits with central banks	16,265	15,053	3,677
Interest in associates and joint ventures	2,300	2,491	608
Property, plant and equipment	2,496	2,336	571
Rights-of-use Assets	-	1,548	378
Intangible assets	6,718	6,836	1,670
Deferred tax assets	1,086	730	178
<b>Total assets</b>	<b>806,992</b>	<b>834,413</b>	<b>203,814</b>
<b>Liabilities</b>			
Deposits from customers	532,733	544,531	133,007
Investment accounts of customers	23,565	20,738	5,065
Deposits and placements from financial institutions	43,850	43,557	10,639
Obligations on financial assets sold under repurchase agreements	13,798	13,979	3,414
Derivative liabilities	7,976	11,182	2,731
Financial liabilities at FVTPL	8,893	6,531	1,595
Bills and acceptances payable	1,509	1,292	316
Insurance/takaful contract liabilities and other insurance payables	26,853	30,886	7,544
Other liabilities	21,789	21,570	5,270
Recourse obligation on loans and financing sold to Cagamas	1,547	1,526	373
Provision for taxation and zakat	396	187	46
Deferred tax liabilities	498	878	215
Borrowings	31,600	41,339	10,098
Subordinated obligations ^	10,717	9,321	2,277
Capital securities #	3,531	2,827	691
<b>Total liabilities</b>	<b>729,255</b>	<b>750,344</b>	<b>183,279</b>

	<b>Audited</b>	<b>Audited</b>	<b>Translated</b>
	<b>As at 31 December</b>		
	2018	2019	2019
	<i>(RM million)</i>	<i>(RM million)</i>	<i>(U.S.\$ million)</i>
<b>Statement of Financial Position (cont'd.)</b>			
<b>Equity attributable to equity holders of the Bank</b>			
Share capital <sup>(1)</sup>	46,747	48,280	11,793
Retained profits	25,986	27,163	6,635
Reserves	2,597	6,128	1,497
Non-controlling interests	2,407	2,498	610
Shareholders' equity	77,737	84,069	20,535
<b>Total liabilities and shareholders' equity</b>	<b>806,992</b>	<b>834,413</b>	<b>203,814</b>
<b>Commitment and contingencies</b>	<b>872,955</b>	<b>1,208,623</b>	<b>295,218</b>

The Group's borrowings, subordinated obligations and capital securities increased by RM7.6 billion to RM53.5 billion as at 31 December 2019, arising from net issuances during the financial year for borrowings of RM9.7 billion. This was offset with net redemption for subordinated obligations of RM1.4 billion and capital securities of RM0.7 billion.

The Group places strong emphasis on the quality of its capital and, accordingly, holds a significant amount of its capital in the form of common equity which is permanent and has the highest loss absorption capability on a going concern basis. The common equity capital of the Group comprises of share capital, reserves and retained profits. During the financial year ended 31 December 2019, the Bank has issued about 191.68 million new ordinary shares amounting to about RM1,533 million pursuant to the Dividend Reinvestment Plan ("DRP"). The DRP scheme was first announced by the Bank on 25 March 2010 to allow shareholders to reinvest their cash dividends into new shares in the Bank. Based on the DRPs since its first implementation, the average reinvestment rate has been about 85%. In addition to common equity, the Group also maintains other types of capital instruments such as Additional Tier 1 capital instruments and Tier 2 subordinated notes in order to optimise and diversify capital mix as well as lower cost of capital.

Notes:

- (1) Under the Malaysian Companies Act 2016 (the "Act") which took effect from 31 January 2017, the ordinary shares of the Bank will cease to have par or nominal value and the Bank's share premium will become part of the share capital. Therefore, the capital amount includes share premium associated with the share issuance.
- (2) There has been no material change in the liabilities of the Group since 31 December 2019 to the date of the Offering Circular
- ^ For a further breakdown of Subordinated Notes, please refer to Note 32 of the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 at page 126 to 127.
- # For a further breakdown of Capital securities, please refer to the Note 33 of the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 at page 128.

Save as disclosed, as at 31 December 2019, there are no contingent liabilities (arising in the normal course of business or otherwise) that may have a material adverse impact on the financial conditions of the Group. For further details, please refer to Note 54 of the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 at page 149 to 154.

(c) Selected Unaudited Financial Ratios:

	As at/for the financial year ended 31 December	
	2018	2019
<b>Financial Ratios</b>		
Net Return on average assets <sup>(1)</sup>	1.0%	1.0%
Net Return on average shareholders' funds <sup>(2)</sup>	11.4%	10.9%
Net interest margin on average interest earning assets <sup>(3)</sup>	2.3%	2.3%
Net impaired loans ratio <sup>(4)</sup>	1.28%	1.33%
Loan loss coverage <sup>(5)</sup>	83.6%	77.3%
Loan-to-deposit ratio <sup>(6)</sup>	92.7%	92.4%
Cost to income ratio <sup>(7)</sup>	47.5%	46.7%

Notes:

(1)  $\frac{\text{Profit attributable to equity holders of the Bank for the year}}{\text{Average total assets}} \times 100$

(2)  $\frac{\text{Profit attributable to equity holders of the Bank for the year}}{\text{Average equity attributable to equity holders of the Bank}} \times 100$

(3)  $\frac{\text{Net interest/profit income\# for the year}}{\text{Average interest earning assets*}} \times 100$

\* Average interest earning assets consist of cash and short-term funds, deposits and placements with financial institutions, securities purchased under resale agreements, financial instruments portfolio, loans advances and financing.

# Net profit income for the Islamic Banking Scheme consists of finance income and hibah less expenses directly attributable to depositors and Islamic Banking Funds, income attributable to depositors and finance cost.

(4)  $\frac{\text{Net impaired loans, advances and financing}}{\text{Gross loans, advances and financing less allowance for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost and loans funded by investment accounts of customers}} \times 100$

(5)

$\frac{\text{Total expected credit loss for loans, advances and financing at fair value through other comprehensive income and at amortised cost}}{\text{Total gross impaired loans}} \times 100$

(6)  $\frac{\text{Gross loans, advances and financing}}{\text{Total deposits from customers and investment accounts of customers}} \times 100$

(7)  $\frac{\text{Total overhead expenses for the year}^\wedge}{\text{Net operating income for the year}} \times 100$

^\wedge Excluding amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank Kim Eng Holdings Limited.

**(2) Capitalisation of the Group**

As at 31 December 2019, the share capital of the Issuer was RM48.3 billion and there were 11,241,361,887 issued ordinary shares.

Please refer to Section (1)(b) above which sets forth the liabilities and shareholders' equity of the Group as at 31 December 2019 derived from the audited consolidated financial statements of the Group for the financial year ended 31 December 2019.

### (3) Funding and Capital Adequacy

The Group has a liability structure primarily comprising fixed deposits and negotiable instruments of deposit ("NIDs"), demand deposits and savings deposits. The Group's deposits from customers and investment accounts of customers expanded by 1.6% year-on-year with current account and savings account ("CASA") deposit growth in Malaysia and fixed deposit ("FD") growth in Singapore and Malaysia. Group CASA ratio remained stable at 35.5%.

Through the Group's agile funding strategy, it was able to maintain healthy liquidity risk indicators, with LCR at 141.0% as at 31 December 2019, above BNM's minimum LCR requirement of 100%. In addition, the Group's other liquidity indicators such as loan-to-deposit ratio (LDR), loan-to-fund ratio (LTF) and loan-to-fund-and-equity ratio (LTFE) remained robust at 92.4%, 84.8% and 74.6%, respectively, as at 31 December 2019. Meanwhile, BNM has issued the final NSFR standard on 31 July 2019, whereby the minimum compliance level at the Group is 100% effective 1 July 2020. Please refer to "Investment Considerations - The effects of the COVID-19 pandemic or the outbreak of any other infectious disease or pandemic or any other serious public health concerns in Asia, the United States, Australia, Europe, the Middle East and/or globally and any policies or measures adopted in response by the governments could adversely impact the business, financial condition, results of operations, prospects and/or reputation of the Group" for regulatory and supervisory measures undertaken by BNM to manage the impact of the COVID-19 pandemic.

The table below sets out the profile of the Group's customer deposits:

#### *Profile of deposits from customers*

	<b>Audited</b>	<b>Audited</b>
	<b>As at 31 December 2018</b>	<b>As at 31 December 2019</b>
	<i>(RM million)</i>	<i>(RM million)</i>
<b>Fixed deposits and negotiable instruments of deposits</b>		
One year or less .....	312,631	328,019
More than one year .....	6,263	8,243
	318,894	336,262
Money market deposits .....	26,940	20,769
Savings deposits .....	72,553	78,030
Demand deposits .....	114,346	109,469
	<u>532,733</u>	<u>544,530</u>

The deposits are sourced from the following types of customers:

	<b>Audited</b>	<b>Audited</b>
	<b>As at 31 December 2018</b>	<b>As at 31 December 2019</b>
	<i>(RM million)</i>	<i>(RM million)</i>
Business enterprises.....	243,865	230,436
Individuals.....	208,708	221,453
Government and statutory bodies .....	35,291	44,023
Others.....	44,869	48,619
	<u>532,733</u>	<u>544,531</u>

The capital adequacy ratios of the Group are as follows:

	<b>Audited</b>	<b>Audited</b>
	<b>As at 31 December 2018</b>	<b>As at 31 December 2019</b>
	<i>(per cent.)</i>	<i>(per cent.)</i>
CET1 Capital Ratio <sup>(1)</sup> .....	15.029	15.729
Tier 1 Capital Ratio <sup>(2)</sup> .....	15.983	16.486
Total Capital Ratio <sup>(3)</sup> .....	19.024	19.387

Notes:

- (1)  $\frac{\text{Common Equity Tier 1 Capital}}{\text{Total risk-weighted assets for credit, market and operational risks}} \times 100$
- (2)  $\frac{\text{Total Tier 1 Capital}}{\text{Total risk-weighted assets for credit, market and operational risks}} \times 100$
- (3)  $\frac{\text{Total Capital}}{\text{Total risk-weighted assets for credit, market and operational risks}} \times 100$



## DESCRIPTION OF THE BANK AND THE GROUP

### Introduction

The Bank was incorporated on 31 May 1960 and has the official trade name "Maybank" since July 1993. The Bank has been officially listed on the Bursa Malaysia Securities Berhad since 17 February 1962. The Bank is the largest company in Malaysia by market capitalisation with a market capitalisation of RM97,125 million as at 31 December 2019.

The Bank is principally engaged in all aspects of commercial banking and related financial services. The Bank's subsidiaries are principally engaged in the businesses of:

- Banking and finance;
- Islamic banking;
- Investment banking including stockbroking;
- Underwriting of general and life insurance,
- General and family takaful;
- Trustee and nominee services; and
- Asset management.

### *Singapore*

The Group has a presence through its subsidiary, Maybank Singapore Limited ("**MSL**"), which was established in 2018 with Qualifying Full Bank ("**QFB**") privileges and is one of the D-SIBs identified by the Monetary Authority of Singapore. It has a net asset size of approximately SGD76.5 billion and staff strength of over 2,000. Operating in 27 service locations, MSL offers retail (personal banking, privilege wealth, premier wealth), private wealth and SME banking services. MSL is part of atm<sup>5</sup>, Singapore's only shared ATM network among six participating QFBs, giving retail customers access to more than 200 ATMs across Singapore. Through Maybank's Singapore branch, the Group also offers a wide range of wholesale and investment banking solutions, and provides banking services at 10 branch locations. As at 31 December 2019, MSL and Maybank's Singapore branch accounted for 24.4 per cent.\* of the Group's total gross loans, advances and financing and 0.7 per cent. of the Group's profit before taxation ("**PBT**") for the financial year ended 31 December 2019.

Note: \*Including Islamic loans sold to Cagamas and excluding unwinding of interest. The Islamic loans sold to Cagamas under purchase with recourse scheme has matured as at April 2020.

### *Indonesia*

The Group has a presence through its subsidiary, PT Bank Maybank Indonesia Tbk ("**Maybank Indonesia**") which is listed on the Indonesia Stock Exchange. Maybank Indonesia is one of the largest commercial banks in Indonesia by assets at IDR169.08 trillion and has total customer deposits of IDR110.60 trillion as at 31 December 2019. As at 31 December 2019, Maybank Indonesia accounted for 7.1 per cent. of the Group's total gross loans, advances and financing and 6.0 per cent. of the Group's PBT for the financial year ended 31 December 2019.

### *Others*

Established in 1960, the Group is the largest financial services group in Malaysia with an established presence in the ASEAN region. The Group operates in 18 countries including all 10 ASEAN countries, with Malaysia, Singapore and Indonesia being the home markets and non-ASEAN countries such as Greater China, Saudi Arabia, India, Pakistan and Uzbekistan. The Group also has presence in international financial centres such as London, New York, Hong Kong and Dubai. The Group has approximately 2,629 retail branches and 65 investment banking branches worldwide.

The registered office of the Bank is located at 14th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia.

### **Group Strategy and Focus**

The Group has embarked on Maybank<sup>2020</sup> as its strategy until the year 2020, which taps into the opportunities in the ASEAN region and growth in Asia.

With its vision of 'Advancing Asia's Ambitions With You', the Group is guided by the following Maybank<sup>2020</sup> strategic objectives:

- **The Top ASEAN Community Bank:** by leveraging on its regional presence, banking expertise and growth opportunities in ASEAN;
- **The Leading ASEAN Wholesale Bank Linking Asia:** by leveraging on its ASEAN leadership capabilities to deliver client solutions across Asia;
- **The Leading ASEAN Insurer:** by leveraging synergies between the Group's regional banking footprint and Etiqa's expertise in takaful and bancassurance;
- **The Global Leader in Islamic Finance:** by continuing to deliver innovative client-centric universal financial solution, building on the Group's global leadership in Islamic finance; and
- **The Digital Bank Of Choice:** by putting its customers' preferences first and transforming to deliver next-generation customer experience.

As part of the Group's mission of 'Humanising Financial Services', it is committed to: ensure convenient access to financing in both the physical and digital environments; offer fair terms and pricing; advise customers based on their needs; prioritise customer experience using next generation digital technologies; and continue to be passionate about being at the heart of the community.

The Group will continue to focus on the following:

- Strive to manage the level of net interest margin compression in a low rate environment while actively pursuing new growth opportunities in line with the Group's risk appetite to support economic recoveries of the Group's operating markets.
- Seek non-interest income opportunities via the Group's investment and trading portfolio as well as look to support debt capital market activities by government entities and corporates.
- Continue to work with the Group's borrowers to ensure the Group provides viable solutions to support employment and help businesses recover over the near to medium term.
- Proactively engage customers facing cashflow difficulties and help provide them with a workable credit plan to be executed during the recovery period.
- Maintain cost discipline while continuing to hold robust liquidity and capital positions that are in line with regulatory requirements.

### **Competitive Strengths**

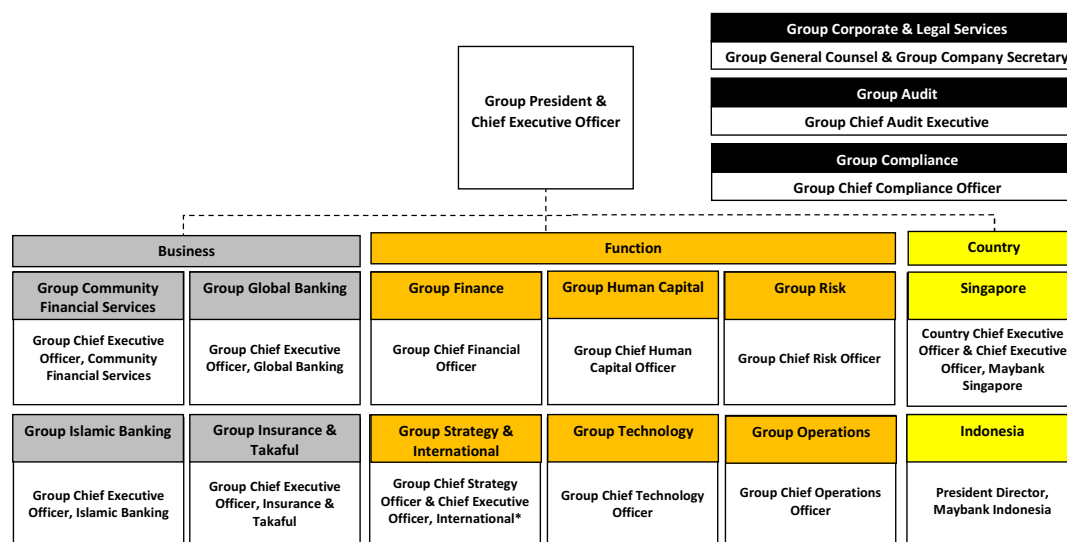
#### ***Strong Competitive Positioning***

The Group is the largest financial services group in Malaysia with an established presence in all 10 ASEAN countries, as well as key international financial centres. Its key "home markets" are Malaysia, Singapore and Indonesia. The Group also has an expanded presence in Greater China through its branches in Shenzhen, Hong Kong, Beijing, Shanghai and Kunming.

The Group also realised operational efficiencies across all business sectors through the implementation of its cost management programs. Through these initiatives, the Group has achieved a cost to income ratio of 46.7 per cent. in financial year ended 31 December 2019.

## Group Structure

The structure of the Group's management as at the date of the Offering Circular is set out below:



\*Chief Executive Officer, International, is a "Country" role instead of a "Function" role.

## Business Sectors

The Group provides an array of financial products and services via its three business pillars, supported by shared corporate functions across a global network of 18 countries.

### (a) Group Community Financial Services ("GCFS")

GCFS is a leading provider of retail financial services in Malaysia, to Consumer, SME and Business Banking customers. It offers retail banking services such as wealth management, mortgage, auto financing, credit cards, short-term credit and long-term business loans. GCFS contributed to 55.1% of the Group's PBT for the financial year ended 31 December 2019.

### (b) Group Global Banking ("GGB")

GGB serves large corporates and institutions. It offers wholesale banking services such as transactional banking, investment banking, corporate banking, global markets and treasury, and asset management. GGB contributed to 36.9% of the Group's PBT for the financial year ended 31 December 2019.

### (c) Group Insurance and Takaful ("Etiqa")

The Group Insurance and Takaful provides services to individuals and corporates under the Etiqa brandname. Etiqa is a leading insurance and Takaful business in ASEAN, offering a full range of conventional and Islamic insurance (Takaful) solutions including long-term savings and investment products. Etiqa contributed to 8.0% of the Group's PBT for the financial year ended 31 December 2019.

### (d) Maybank Group Islamic Banking ("MGIB")

MGIB is the largest Islamic banking group by assets in ASEAN. Leveraging on the Group's system, IT infrastructure and distribution network, MGIB offers a range of Islamic financial products and services

across 354 Maybank touchpoints in Malaysia, as well as in the international operations in Indonesia, Singapore, Hong Kong, London, Labuan and Dubai.

In Malaysia, Maybank Islamic continues to be the market leader in terms of total assets, total financing, and total funding (Deposits and Unrestricted Investment Account) as well as profitability across all key business segments.

The Group adopts an Islamic-first approach where it offers Shariah compliant products and services to the customers as a standard product. The Islamic banking business contributed 60.7% to Maybank's financing in Malaysia as at 31 December 2019.

**(e) International Operations**

The Group has operations in all 10 ASEAN countries and other international financial markets including Hong Kong, Shanghai, London, New York and UAE, offering clients its unique business propositions and investment opportunities.

**(f) Digital Banking**

One of Maybank Group's 2020 strategic objectives is to become the "Digital Bank of Choice". The Group is focused on building a differentiated, robust, resilient and sustainable digital ecosystem that puts the customer at the forefront. The Group aims to develop and maintain long-term relationships by cultivating trust, understanding motivations and needs, and creating superior and personalised experiences for the customers.

**Subsidiaries**

The principal subsidiaries of the Bank are as follows:

**(1) Banking**

- Maybank Islamic Berhad
- PT Bank Maybank Indonesia Tbk
- Maybank Singapore Limited

**(2) Insurance & Takaful**

- Etiqa International Holdings Sdn Bhd
  - Etiqa General Insurance Berhad
  - Etiqa Family Takaful Berhad
  - Etiqa Life Insurance Berhad
  - Etiqa General Takaful Berhad

**(3) Investment Banking**

- Maybank Investment Bank Berhad
- Maybank Kim Eng Holdings Limited

**(4) Asset Management**

- Maybank Asset Management Group Berhad

Note 66 to the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 sets out the Group's subsidiaries, deemed controlled structured entities and joint ventures as at 31 December 2019.

### **Legal Proceedings**

As at 31 December 2019, neither the Bank nor any member of the Group was involved in any legal or arbitration proceedings (including any proceedings which were pending or threatened of which the Bank was aware) which would have had a significant and material effect on the financial position of the Bank or the Group.

### **DESCRIPTION OF THE ISSUER'S HONG KONG BRANCH**

Malayan Banking Berhad, Hong Kong Branch was registered on 22 January 1962 under the Banking Ordinance (Cap. 155) of Hong Kong (the "**Banking Ordinance**") with its current registered office at 29/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong and licence number 183. It is a full licensed banking branch and has been in operation since February 1962 and is an authorised institution under the Banking Ordinance.

### **DESCRIPTION OF THE ISSUER'S SINGAPORE BRANCH**

Malayan Banking Berhad, Singapore Branch (UEN: S60FC1376L) was registered on 9 December 1960 under the Companies Act, Chapter 50 of Singapore with its registered office at 2 Battery Road, #01-01 Maybank Tower, Singapore 049907. The Singapore Branch currently operates the corporate and institutional businesses which offers a wide range of wholesale and investment banking solutions, and provides banking services at 10 branch locations.

## ASSET QUALITY

The Group continues to manage its balance sheet in line with its risk posture, ensuring both loans and deposit growths were balanced to protect its net interest margin and reduce liquidity surplus, in light of the challenging external environment.

In 2019, the Group's loans, advances and financing grew 1.2 per cent. year-on-year, supported by growth in Malaysia at 4.9 per cent., but moderated by a lower base in Singapore and Indonesia, attributable to the slower economic climate.

### **Profile of impaired loans, advances and financing**

Net allowances for impairment losses on loans, advances and financing rose 43.8% or RM696.2 million for the financial year ended 31 December 2019, from provisioning made for some newly impaired loans and existing impaired loans. The weakening external environment resulted in some international corporate borrowers displaying asset quality weakness.

Given the macroeconomic headwinds, the Group reviewed the portfolios and are working with identified borrowers that would require assistance in proactively managing their facilities. New impairments made in the financial year ended 31 December 2019 resulted in the Group Gross Impaired Loans (GIL) ratio increasing to 2.65% from 2.41% in the financial year ended 31 December 2018. Despite the increase in impairment losses, the Group remained focused in realising recoveries from existing impaired accounts, leading to an annual net credit charge off rate of 44 bps for the financial year ended 31 December 2019, within the Group's guidance range of 40-45 bps.

The composition of the Group's loan portfolio in relation to the classification by type, geographical breakdown and maturity as at 31 December 2019 is set out in Note 12(i) to (viii) of the Bank's audited consolidated financial statements for the financial year ended 31 December 2019. Further information in relation to the Group's impaired loans is set out in Note 12 (ix) to 12 (xi) of the Bank's audited consolidated financial statements for the financial year ended 31 December 2019.

### **Financial Assets at FVTPL**

Financial assets at FVTPL are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under MFRS 9, which include financial investments, financial assets designated upon initial recognition, loans, advances and financing to customers and derivatives.

As at 31 December 2019, the Group's Financial Assets at FVTPL constituted 4.2 per cent. of its total assets. The Group's financial assets at FVTPL as at 31 December 2019 mainly comprised Corporate Bonds and Sukuk (49.0 per cent.).

Further information in relation to the Group's Financial Assets at FVTPL is set out in Note 8 and 9 of the Bank's audited consolidated financial statements for the financial year ended 31 December 2019.

### **Financial investments at Fair Value Through other Comprehensive Income ("FVOCI")**

The Group and the Bank measure debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial assets meet the solely payments of principal and interest ("SPPI") test.



Included in financial asset FVOCI are financial investments and loans, advances and financing to customers. The Group's FVOCI portfolio as at 31 December 2019 mainly consisted of Local and Foreign Corporate Bonds and Sukuk (34.3%) and Malaysian Government Investment Issues (19.6%).

Further information in relation to the Group's FVOCI is set out in Note 10 of the Bank's audited consolidated financial statements for the financial year ended 31 December 2019.

#### **Financial investments at Amortised Cost**

The Group and the Bank measure financial assets at amortised cost if both of the following conditions are met

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Included in financial assets at amortised cost are cash and short-term funds, deposits and placements with financial institutions, financial assets purchased under resale agreements, financial investments and loans, advances and financing.

As at 31 December 2019, financial investments at Amortised Cost constituted 4.2 per cent. of the Group's total assets. The Group's financial investments at Amortised Cost as at 31 December 2019 mainly consisted of Malaysian Government Investment Issues (19.2 per cent.) and Corporate Bonds and Sukuk (53.6 per cent.).

Further information in relation to the Group's financial investments at Amortised Cost are set out in Note 11 to the Bank's audited consolidated financial statements for the financial year ended 31 December 2019.

#### **Significant Accounting Policies**

Note 2.3 of the Bank's audited consolidated financial statements for the financial year ended 31 December 2019 sets out the Group's significant accounting policies.

Details of the new accounting policies adopted effective 1 January 2019 are in Note 2.4 of the Bank's audited consolidated financial statements for the financial year ended 31 December 2019.

## RISK MANAGEMENT

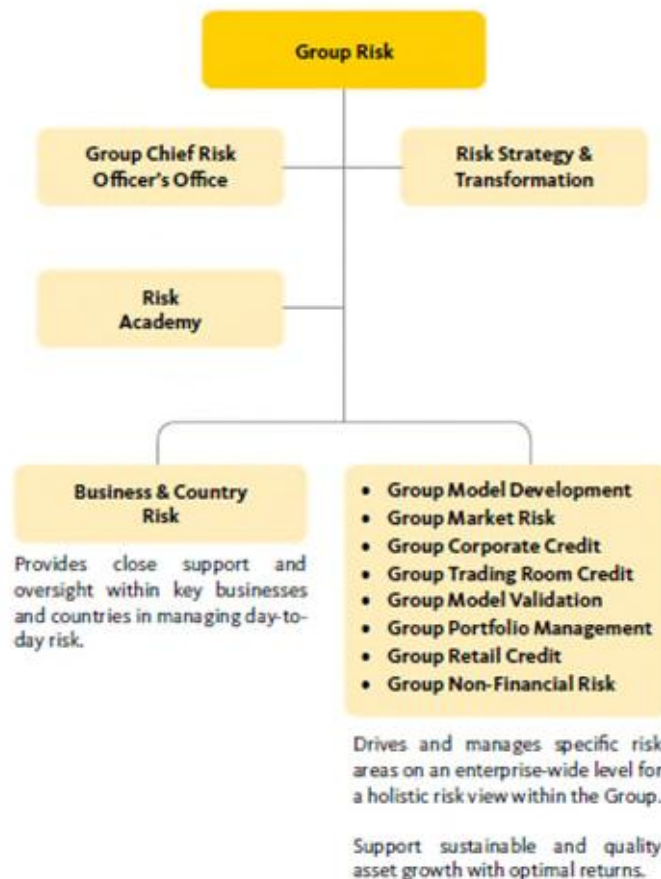
### Overview

The Board acknowledges its responsibility in establishing a sound risk management and internal control system of the Group as well as reviewing its adequacy and effectiveness in identifying, assessing and responding to risk to achieve the Group’s objectives. The Board plays a pivotal role in providing risk oversight and determining the aggregate level and types of risk that the Group is willing to take in achieving its strategic objectives. The Board actively participates in the setting of the Group’s objectives and strategies, and ensures the corresponding risks are adequately mitigated within its approved risk appetite. In view of the inherent limitations in any risk management and internal control system, such system can therefore only provide reasonable, rather than absolute assurance to realise the Group’s objectives and against material financial misstatements, losses or fraud.

The Board has established a strong risk management and internal control governance structure that is crucial in setting the tone and culture towards effective risk management and internal control. To effectively carry out its risk and control oversight responsibilities, the Board is assisted by the Risk Management Committee, Compliance Committee of the Board and Audit Committee of the Board to oversee all matters regarding risk, compliance and controls. The Board receives reports periodically from these Board Committees to keep the Board informed of the board committee’s work, key deliberations and decisions on delegated matters.

### Group Risk Structure

Group Risk provides oversight of risk management on an enterprise-wide level through the establishment of the Group’s risk strategies, frameworks and policies, with independent assessment and monitoring of all risks challenges. The following diagram shows the key pillars of Group Risk functions:



## Risk Governance and Oversight

The governance model adopted in the Group provides a formalised, transparent and effective governance structure that promotes active involvement from the Board and Senior Management in the risk management process to ensure a uniform view of risk across the Group. The governance model places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defence. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions. The Group's overall risk governance structure is as illustrated below:



## Integrated Risk Management Framework

Risk management is an important driver for strategic decisions in support of business strategies while balancing the appropriate levels of risk taken to the desired level of rewards. As risk management is a core discipline of the Group, it is underpinned by a set of key principles which serves as the foundation in driving strong risk management culture, practices and processes:

<b>01</b>	<b>Establish risk appetite &amp; strategy</b>	The risk appetite is approved by the Board, which articulates the nature, type and level of risk the Group is willing to assume.
<b>02</b>	<b>Assign adequate capital</b>	The approach to capital management is driven by strategic objectives and accounts for the relevant regulatory, economic and commercial environment in which the Group operates.
<b>03</b>	<b>Ensure proper governance and oversight function</b>	There is a clear, effective and robust Group governance structure with well-defined, transparent and consistent lines of responsibility established within the Group.
<b>04</b>	<b>Promote strong risk culture</b>	Institutionalisation of a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behaviour.
<b>05</b>	<b>Implement sound risk frameworks, policies and procedures</b>	Implementation of integrated risk frameworks, policies and procedures to ensure that risk management practices and processes are effective at all levels.
<b>06</b>	<b>Execute strong risk management practices and processes</b>	Robust risk management processes are in place to actively identify, measure, control, monitor and report risks inherent in all products and activities undertaken by the Group.
<b>07</b>	<b>Ensure sufficient resources and system infrastructure</b>	Ensure sufficient resources, infrastructure and techniques are established to enable effective risk management.

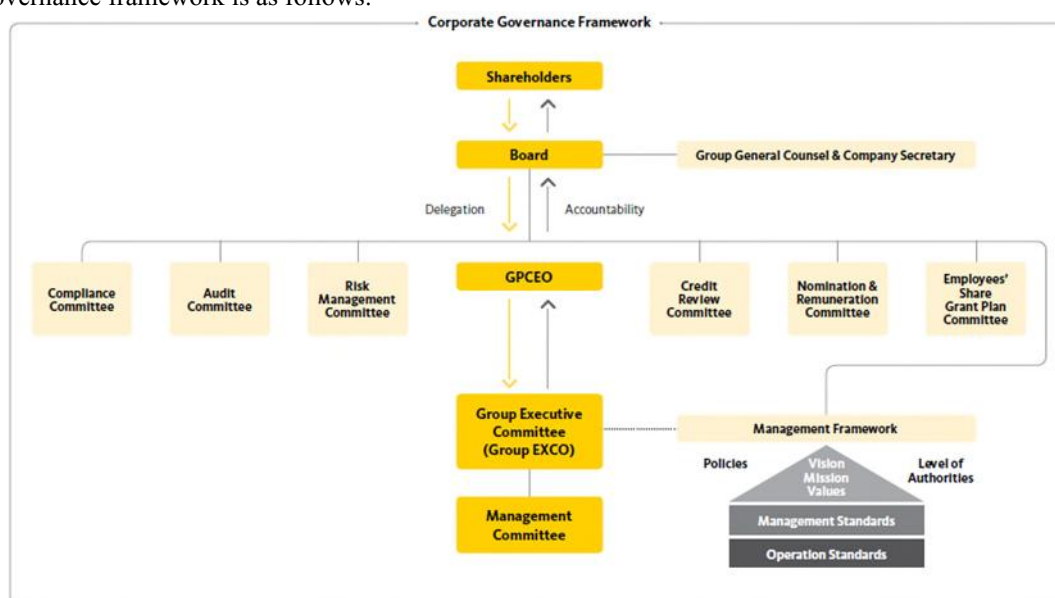
## MANAGEMENT

### Board of Directors

The Board views corporate governance as a fundamental process contributing towards achieving long term shareholder value, taking into account the interest of other stakeholders. Maybank's corporate governance framework is based on the following statutory provisions, best practices, policies and guidelines:

- Companies Act 2016;
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Listing Requirements**");
- Policy on Corporate Governance issued by Bank Negara Malaysia ("**BNM CG Policy**"); and
- Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia.

Compliance is achieved through processes and frameworks that ensure the ongoing sustainability of the business and maximisation of value for shareholders and other key stakeholders. The corporate governance framework is as follows:



The Board directs and oversees the business and affairs of the Group by periodically reviewing and approving the overall strategies and significant policies of the Group. The composition of the Board exceeds the minimum one-third requirement of independent directors as stipulated in the Bursa Malaysia Listing Requirements and meets the requirement of having a majority of independent directors as set out in the BNM CG Policy. The Board is committed in ensuring diversity and inclusion in its composition and decision-making process. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of service.

As at the date of this Offering Circular, the Board comprises of twelve Directors:

Name of Director(s)	Position
Datuk Mohaiyani Shamsudin	Chairman / Non-Independent Non-Executive Director
Datuk Abdul Farid Alias	Group President and Chief Executive Officer (" <b>Group PCEO</b> ")/ Non-Independent Executive Director

Datuk R. Karunakaran	Member / Senior Independent Non-Executive Director
Cheng Kee Check	Member / Non-Independent Non-Executive Director
Edwin Gerungan	Member / Independent Non-Executive Director
Dr Hasnita Dato' Hashim	Member / Independent Non-Executive Director
Anthony Brent Elam	Member / Independent Non-Executive Director
Che Zakiah Che Din	Member / Independent Non-Executive Director
Fauziah Hisham	Member / Independent Non-Executive Director
Shariffuddin Khalid	Member / Independent Non-Executive Director
Dato Idris Kechot	Member / Independent Non-Executive Director
Dato Zulkiflee Abbas Abdul Hamid	Member / Independent Non-Executive Director

### Senior Management

The Group Executive Committee (“**Group EXCO**”), which is the highest management committee within the Group, is responsible for the formulation and implementation of business, development and operating plans in accordance with the Group's strategic goals and objectives as guided and approved by the Board. The Group EXCO is chaired by the Group PCEO and consists of twelve other members of senior management comprising heads of business and corporate and support functions.

The Group EXCO members as at the date hereof are as follows:

<b>Name</b>	<b>Position</b>
Datuk Abdul Farid Alias	Group PCEO
Dato' John Chong Eng Chuan	Group Chief Executive Officer, Community Financial Services
Dato' Muzaffar Hisham	Group Chief Executive Officer, Global Banking
Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican	Group Chief Executive Officer, Islamic Banking
Kamaludin Ahmad	Group Chief Executive Officer, Insurance & Takaful
Dr John Lee Hin Hock	Country Chief Executive Officer & Chief Executive Officer, Maybank Singapore
Taswin Zakaria	President Director, Maybank Indonesia
Michael Foong Seong Yew	Group Chief Strategy Officer & Chief Executive Officer, International
Datuk Nora Abd Manaf	Group Chief Human Capital Officer
Gilbert Kohnke	Group Chief Risk Officer
Mohd Suhail Amar Suresh	Group Chief Technology Officer
Dato' Amirul Feisal Wan Zahir	Group Chief Financial Officer

The Group PCEO, with the Board's support, has established various Executive Level Management Committees ("ELCs") and delegated authority to them as appropriate to assist and support the relevant Board Committees in managing the operations of the Group. The ELCs are as follows:

- Group Executive Committee
- Onboarding and Review Committee
- Group Management Credit Committee
- Group Internal Audit Committee
- Group Executive Risk Committee
- Group Asset and Liability Management Committee
- Group Non-Financial Risk Committee
- Group Staff Committee
- Group Procurement & Property Committee
- Group IT Steering Committee
- Group Transformation Steering Committee

## PRINCIPAL SHAREHOLDERS

The Group's substantial shareholders (with shareholding of 5.0 per cent. and above) as at 31 March 2020 are as follows:

<u>Name of Shareholders</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>Number of shares held</u>	<u>Issued shares (%)</u>	<u>Number of shares held</u>	<u>Issued shares (%)</u>
AmanahRaya Trustees Berhad (B/O: Amanah Saham Bumiputera) .....	3,898,742,296	34.68	-	-
Citigroup Nominees (Tempatan) Sdn Bhd (B/O: Employees Provident Fund Board) .....	1,541,029,191	13.71	-	-
Permodalan Nasional Berhad .....	871,867,476	7.76	-	-
Kumpulan Wang Persaraan (Diperbadankan)	529,895,821	4.71	43,184,920	0.38



## BANKING REGULATION AND SUPERVISION

The Bank is regulated by BNM, the central bank of Malaysia which is directly involved in the regulation and supervision of Malaysia's financial system.

BNM and the Minister of Finance of Malaysia (the "MOF") have extensive powers under the FSA and the IFSA. The FSA and the IFSA are the principal statutes that set out the laws for, amongst others, the regulation and supervision of conventional financial institutions and Islamic financial institutions, respectively, in Malaysia. Such financial institutions are also subject to guidelines issued by BNM from time to time.

The following discussion sets out information with respect to some regulations of the banking industry in Malaysia:

### Licensing and Limitation of Business Activities of Banks

Under the FSA and the IFSA, banking business and Islamic banking business (as the case may be) can only be conducted by a public company which has obtained a licence from the MOF on the recommendation of BNM.

Banks are also subject to a number of other restrictions on the operation of their business. Amongst others, a bank may not:

- (a) pay any dividend on its shares except with the prior written approval of BNM or where BNM has specified standards on prudential matters permitting the declaration of payments of any dividend;
- (b) except as permitted under the FSA or the IFSA (as the case may be) or by prescribed regulation, establish or acquire a subsidiary in or outside Malaysia or acquire or hold any material interest in any other corporation without the prior written approval of BNM; and
- (c) establish or relocate an office (including a branch) in or outside Malaysia without the prior written approval of BNM.

### Statutory Reserves

BNM requires Malaysian banks to maintain a sum equivalent to the SRR in the form of non-interest bearing reserves with BNM. The SRR is currently set at 2.0 per cent. of total eligible liabilities.

### Capital Adequacy Requirements

The latest versions of BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) were issued on 5 February 2020 (collectively, the "**Frameworks**") and set out the capital adequacy requirements which must be complied with by conventional banks and Islamic banks, respectively. Please refer to "*Investment Considerations - The Group may be required to raise additional capital if its capital adequacy ratio deteriorates in the future or in order to comply with any new regulatory capital framework*" for the minimum capital adequacy ratios set out in the Frameworks.

### Higher Loss Absorbency Requirements

BNM's Domestic Systemically Important Banks Framework issued on 5 February 2020 aims to strengthen the resilience of the Malaysian banking system and address the following elements:

- (a) regulatory requirements and policy measures that may be applicable to D-SIBs, such as the HLA requirement. HLA requirement refers to the capital surcharge above the minimum regulatory requirement to increase a D-SIB's going-concern loss absorbency capacity and aims to reduce the probability of a D-SIB's failure by increasing its going-concern capital buffers;

- (b) intensity of supervisory oversight by BNM; and
- (c) macroprudential surveillance activities of BNM.

An indicator-based measurement approach (“**IBA**”) will be adopted by BNM to identify D-SIBs. The assessment of systemic importance will also incorporate additional information via a supervisory overlay process. Under the IBA, a financial institution’s systemic importance will be assessed in terms of the impact of its distress or failure on the domestic financial system and economy. Indicators are selected across three categories of systemic importance, namely – size, interconnectedness and substitutability.

The list of D-SIBs will be reviewed on an annual basis or as and when deemed necessary if there are major structural changes in the banking system.

A financial institution (except for a prescribed development financial institution) which has been designated as a D-SIB by BNM shall hold and maintain capital buffers which shall be above the minimum CET1 Capital Ratio, Tier 1 Capital Ratio, and Total Capital Ratio requirements, as well as other capital buffer requirements as set out in the Frameworks, to meet the HLA requirement at the consolidated level, in the form of CET1 Capital (as defined in the Frameworks) and in the manner set out below:

- (a) The HLA requirement applicable to designated D-SIBs shall correspond to the financial institutions’ bucket placement as below, unless otherwise specified by BNM.

Bucket	HLA requirement (as % of risk-weighted assets)
3 (empty)	2.0
2	1.0
1	0.5

- (b) Where a financial institution is required to comply with the HLA requirement due to its designation as a D-SIB or a migration to a higher bucket for D-SIB (e.g. from Bucket 1 to Bucket 2), the HLA requirement shall become applicable to such financial institution within 12 months upon notification by BNM, unless otherwise specified by BNM.
- (c) Where a financial institution is required to comply with a lower (or nil) HLA requirement than its current HLA requirement due to cessation of its D-SIB status or a migration to a lower bucket (e.g. Bucket 2 to Bucket 1), the revised HLA requirement shall become applicable to such financial institution immediately upon notification by BNM, unless otherwise specified by BNM.

### **Single Counterparty Exposure Limit**

Pursuant to the Single Counterparty Exposure Limit guidelines and the Single Counterparty Exposure Limit for Islamic Banking Institutions guidelines issued by BNM which came into effect on 9 July 2014, banks are prohibited from extending credit facilities to a single counterparty (including the exposure to any group of persons connected to such single counterparty but shall not include any exposure to, and any exposure explicitly guaranteed by, BNM or the Government) in excess of 25 per cent. of the total capital of the bank (total capital has the same meaning assigned to it in the relevant Framework), subject to certain exemptions.

Certain exposures are exempted from the single counterparty exposure limit. For example:

- (a) exposures of an overseas branch or subsidiary of a banking institution or an Islamic banking institution (as the case may be) to the sovereign government or central banks in the

jurisdiction where it is located, where the exposure is denominated in local currency and held to meet regulatory requirements imposed by the central bank in that jurisdiction; and

- (b) exposures deducted in the calculation of a banking institution's total capital or an Islamic banking institution's total capital (as the case may be) as specified in regulatory adjustments of the relevant Frameworks such as investments in financial subsidiaries.

### **Lending to Connected Parties**

BNM's Guidelines on Credit Transactions and Exposures with Connected Parties and Guidelines on Credit Transactions and Exposures with Connected Parties for Islamic Banks, both issued on 16 July 2014 (collectively the "**Connected Parties Guidelines**"), set out the broad parameters and conditions for licensed institutions or Islamic banks (as the case may be) to extend credit and make investments in the ordinary course of business to/in connected parties which are of good credit standing, while ensuring that connected parties, who by virtue of their positions which could potentially exert influence over the licensed institutions or Islamic banks (as the case may be), do not inappropriately benefit from such transactions to the detriment of the licensed institutions or Islamic banks (as the case may be).

### **Corporate Appointments**

Under the FSA and the IFSA (as the case may be), the appointment of directors, chief executive officer ("**CEO**") and the chairman of a bank is subject to the prior written approval of BNM. A person is disqualified from being appointed or elected, or reappointed or re-elected as a chairman of the Board or a director or a CEO of a bank if, for example, that person is an undischarged bankrupt, has suspended payments or has compounded with his creditors whether in or outside of Malaysia; or a charge for a criminal offence relating to dishonesty or fraud under any written law or the law of any country, territory or place outside Malaysia, has been proven against that person. BNM may specify fit and proper requirements to be complied with by a chairman or a director or a CEO of a bank, which may include minimum criteria relating to probity, personal integrity and reputation, competency and capacity, and financial integrity.

BNM expects banks to have in place effective corporate governance arrangements consistent with the long-term viability of the bank. BNM's Guidelines on Corporate Governance issued on 3 August 2016 (subject to certain transitional arrangements set out therein) set out strengthened expectations on directors' oversight responsibilities and the composition of the Board. Amongst others, the Guidelines on Corporate Governance provide that:

- (a) the Board of a bank has overall responsibility for promoting the sustainable growth and financial soundness, and for ensuring reasonable standards of fair dealing, without undue influence from any party;
- (b) the Board and Board committees of a bank must be of a size that promotes effective deliberation, encourages the active participation of all directors and allows the work of the various board committees to be discharged without giving rise to an over-extension of directors that are required to serve on multiple Board committees;
- (c) the Chairman of the Board must not be an executive, and must not have served as CEO of the bank in the past five years;
- (d) the Board of a bank must have a majority of independent directors by 3 August 2021; and
- (e) a director of a bank must not be an active politician.

BNM is also empowered under the FSA and the IFSA to remove any director of a bank if BNM is of the opinion that (i) the director of the bank no longer fulfils the fit and proper requirements specified under the FSA or the IFSA (as the case may be) and fails to cease holding such office or acting in such capacity, or (ii) the director has failed to comply with or by action or negligence has contributed to the breach or contravention of any provision of the FSA or the IFSA, a direction issued by BNM or an enforceable undertaking accepted by BNM.

## **Exchange Control Policy**

Under the FSA and the IFSA, BNM is empowered to safeguard the balance of payments position and the value of the currency of Malaysia. To this end, there are restrictions against, amongst others, borrowing or lending of ringgit between a resident and a non-resident and retaining or using of ringgit by a non-resident. BNM's Foreign Exchange Administration notices ("**FEA notices**") set out transactions permitted by BNM which are otherwise prohibited under the FSA and the IFSA. The FEA notices, which remains liberal, are prudential measures aimed at further developing the domestic financial market and enhancing competitiveness of the economy of Malaysia through the creation of a more supportive and facilitative environment for trade, business and investment activities.

## **BNM's General Powers**

BNM has the power to issue a direction of compliance to a bank, its director, CEO or senior officer if BNM is of the opinion that any of them is, amongst others, committing or pursuing or about to commit or pursue an unsafe act or unsound practice in conducting the business of the bank and/or has failed to manage its business and affairs in a manner that is consistent with sound risk management and good governance.

## **Inspections by BNM**

BNM is also empowered to examine, without any prior notice, the business and affairs of a bank and its offices, related corporations and any agents of the bank in or outside Malaysia. For this purpose, BNM may also examine such persons' directors, officers or controllers, and shall have access to the bank's documents including documents of title to its assets, all securities held by it in respect of its customers' transactions and investments held by it, cash, premises, apparatus, equipment or machinery, and the bank shall produce to BNM all such documents or cash, as BNM may require within such time as BNM may specify.

## **Intervention, Remedial and Resolution Powers**

BNM and PIDM have broad powers under the FSA, the IFSA and the Malaysia Deposit Insurance Corporation Act 2011 ("**PIDM Act**") (as the case may be), which include, amongst others, to:

- (i) assume control of and manage or carry on (as the case may be) the whole or part of the assets, business or affairs of a bank, or appoint any person to do so on its behalf;
- (ii) make a court application to appoint a receiver and manager to manage the whole or part of the assets, business or affairs of a bank;
- (iii) transfer to a bridge institution any assets, liabilities or business of a bank; and/or
- (iv) file a court application for the winding up of a bank.

Each of these powers may only be exercised by BNM and PIDM under certain conditions as set out in the FSA, the IFSA and the PIDM Act, respectively. Such conditions differ depending on the power to be exercised and include, but are not limited to:

- (a) the prior approval of the MOF being obtained; and/or
- (b) when a bank has become or is likely to become insolvent or non-viable or is likely to become unable to meet all or any of its obligations.

## **Deposit Insurance**

Deposit insurance is a system established by the Government to protect depositors against the loss of their deposits in the event a member institution is unable to meet its obligations to depositors.

In Malaysia, the deposit insurance system is managed by PIDM. PIDM is an independent statutory body established under the PIDM Act.

Under the PIDM Act, the deposit insurance limit is RM250,000 per depositor per member bank.

## **BOOK-ENTRY CLEARANCE SYSTEMS**

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg, CMU or CDP (together, the Clearing Systems) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer, the Arranger nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, the Arranger nor any Dealer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

### **Book-entry Systems**

#### **Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

#### **CMU**

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU Service. The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the services is open to all members of the Hong Kong Capital Markets Association, "authorised institutions" under the Banking Ordinance and other domestic and overseas financial institutions at the discretion of the HKMA.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. For example, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest in the Notes through an account with either Euroclear or Clearstream, Luxembourg will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

## **CDP**

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "**Depository System**") maintained by CDP. CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through sub-accounts held with certain corporate depositors ("**Depository Agents**"). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest or distribution, as applicable, and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, Arranger, any Dealer, the Paying Agent, any other agent or any other person (other than CDP) will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

### **Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within Euroclear, Clearstream, Luxembourg, CDP or the CMU Service will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. Euroclear, Clearstream, Luxembourg, CDP and the CMU Service have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among accountholders of Euroclear, Clearstream, Luxembourg, CDP and the CMU Service. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Paying Agents, the Registrar and the Dealers will be responsible for any performance by Euroclear, Clearstream, Luxembourg, CDP or the CMU Service or their respective accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## TAXATION

*The statements herein regarding taxation are based on the laws in force as at the date of this document and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all types of Notes or to all categories of investors, some of which (such as dealers or certain professional investors) may be subject to special rules. Investors should consult their own tax advisers regarding the tax consequences of an investment in the Notes of a specific Series.*

### Malaysian Taxation

All payments by the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future tax, duty or charge of whatever nature imposed, levied, collected, withheld or assessed by or within Malaysia or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Notes:

- (a) presented for payment by or on behalf of a Noteholder who is liable to the taxes in respect of such Note by reason of his having some connection with Malaysia other than the mere holding of such Note; or
- (b) presented for payment more than 30 days after the date on which such payment first becomes due, except to the extent that a Noteholder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days.

### The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission has published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission's Proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### U.S. Foreign Account Tax Compliance Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on



certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity) and have a fixed term for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 17 of the Terms and Conditions of the Notes) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

### **Singapore Taxation**

The statements below are only applicable to Notes excluding AT1 Notes issued by the Issuer acting through its Singapore Branch, are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders and prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, the Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

The disclosure below is on the assumption that the Inland Revenue Authority of Singapore ("**IRAS**") regards Subordinated Notes containing non-viability loss absorption provisions as debt securities for the purposes of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and eligible for the qualifying debt securities scheme. If any tranche of the Subordinated Notes is not regarded as debt securities for the purposes of the ITA and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. In addition, the disclosure below does not cover AT1 Notes. Investors and holders of any tranche of the Subordinated Notes or AT1 Notes (as the case may be) should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of such Notes.

### **Interest and Other Payments**

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. If the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described above) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

#### ***Withholding Tax Exemption on Qualifying Payments by Specified Entities***

Pursuant to Section 451 of the ITA, payments of income which are deemed under Section 12(6) of the ITA to be derived from Singapore and which are made by a specified entity shall be exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business under a debt security which is issued within the period from 17 February 2012 to 31 March 2021. Notwithstanding the above, permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax).

A specified entity includes a bank licensed under the Banking Act, Chapter 19 of Singapore or a merchant bank approved under the Monetary Authority of Singapore Act, Chapter 186 of Singapore.

#### ***Qualifying Debt Securities Scheme***

In addition, with respect to any tranche of the Notes issued as debt securities under the Programme (the "**Relevant Notes**") during the period from the date of this Offering Circular to 31 December 2023 where more than half of the issue of such Relevant Notes is distributed by Financial Sector Incentive (Bond Market), Financial Sector Incentive (Standard Tier) or Financial Sector Incentive (Capital Market) Companies (as defined in the ITA), such tranche of Relevant Notes would be qualifying debt securities ("**QDS**") for the purposes of the ITA.

If the Relevant Notes are QDS:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require ), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (c) subject to:
  - (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (ii) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of the Relevant Notes, the Relevant Notes of such tranche are issued to less than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and
- (b) even though a particular tranche of the Relevant Notes are QDS, if, at any time during the tenor of such tranche of Relevant Notes, 50 per cent., or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
  - (i) any related party of the Issuer; or

- (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

- (a) "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- (b) "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- (c) "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Notwithstanding that the Issuer (acting through its Singapore branch) is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

### **Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard ("FRS") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("SFRS(I) 9") (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore Income Tax Purposes".

### **Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore Income Tax Purposes**

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition & Measurement".

FRS 109 or SFRS(I) (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

### **Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

### **Hong Kong Taxation**

#### **Withholding Tax**

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

#### **Profits Tax**

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**Inland Revenue Ordinance**") as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and

redemption of Notes will be subject to profits tax. Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

### **Stamp Duty**

Stamp duty will not be payable on the issue of Bearer Notes provided either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent., of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

Notwithstanding the above, no stamp duty is payable on the transfer of a regulatory capital security (as defined in Section 17A of the Inland Revenue Ordinance).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent., (of which 0.1 per cent., is payable by the seller and 0.1 per cent., is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

## SUBSCRIPTION AND SALE

The Arranger and each Dealer have, in an amended and restated programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 13 May 2020, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### U.S.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and, subject to certain exceptions, the Notes may not be offered or sold within the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes within the United States, except as permitted by the Programme Agreement.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to United States persons (as defined in the U.S. Internal Revenue Code of 1986), except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the U.S. by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person within the United States. Distribution of this Offering Circular by any person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to person within the United States, is prohibited.

### European Economic Area

#### *Prohibition of Sales to EEA and UK Retail Investors*

Unless the applicable Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA or the UK. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (1) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (2) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (3) not a qualified investor as defined in the Prospectus Regulation; and

- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the UK which has implemented the Prospectus Regulation (each, a “**Relevant State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;
- (c) at any time if the denomination per Note being offered amounts to at least €100,000 (or equivalent); or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129, as amended.

#### **Selling restrictions addressing additional United Kingdom Securities Laws**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act (“**FSMA**”) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made



the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) pursuant to Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law; or
- (4) pursuant to Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other relevant laws and regulations of Japan.

## Malaysia

Each Dealer appointed under this Programme has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase the Notes may only be made directly or indirectly to persons to whom an offer or invitation to subscribe the Notes may be made and to whom the Notes are issued would fall within Part 1 of Schedule 6 or Section 229(1)(b) of the Capital Markets and Services Act 2007 of Malaysia, as amended from time to time (the "CMSA") and Part 1 of Schedule 7 or Section 230(1)(b) of the CMSA, and read together with Schedule 8 or Section 257(3) of the CMSA; and
- (b) no circulation or distribution of any offering document or material relating to the Notes shall directly or indirectly, be made to persons in Malaysia other than those to whom an offer or invitation to subscribe the Notes may be made and to whom the Notes are issued would fall within Part 1 of Schedule 6 or Section 229(1)(b) of the CMSA and Part 1 of Schedule 7 or Section 230(1)(b) of the CMSA, and read together with Schedule 8 or Section 257(3) of the CMSA.

## Hong Kong

Each Dealer appointed under the Programme has represented and agreed, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("SFO"), other than (i) to "professional investors" as defined in the SFO and any rules made under that SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) as amended of Hong Kong ("CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) unless it is a person permitted to do so under the applicable securities laws of Hong Kong, it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under SFO.

## Taiwan

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the Notes in Taiwan.

Notwithstanding the above, in the case of Notes to be listed on the Taipei Exchange in Taiwan pursuant to the Rules Governing Management of Foreign Currency Denominated International Bonds of the Taipei Exchange, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional institutional investors" as defined under Paragraph 2 of Article 4 of the Financial Consumer Protection Act of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a professional institutional investor.

## **General**

Each Dealer appointed under the Programme has represented and agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Arranger or any of the Dealers appointed under the Programme represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction that would permit a public offering of any of the Notes, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, each relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and each relevant Dealer and set out in the applicable Pricing Supplement.

## GENERAL INFORMATION

### 1. Authorisation

The establishment of the Programme and the issue of Notes under the Programme was duly authorised by resolutions of the Board of the Issuer dated 23 February 2012 and the update of the Programme was duly authorised by resolution of the Board of the Issuer dated 5 November 2019.

### 2. Listing

Application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, any Notes to be issued which are agreed at or prior to the time of issue to be listed on the SGX-ST. There is no guarantee that an application to the SGX-ST will be approved. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

An application has been made to the LFX for the listing of, and permission to deal in, any Notes that may be issued pursuant to the Programme, but there can be no assurance that such listings will occur on or prior to the issue date or at all.

The Programme has been admitted for the listing of the Notes on TSE in its capacity as the market operator of the TOKYO PRO-BOND Market in accordance with the rules and regulations of TSE.

Application will be made to the TPEX for the listing of, and permission to deal in, any Notes which are agreed at the time of issue thereof to be so listed on the TPEX pursuant to the applicable rules of the TPEX. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the issuer or the Notes. No assurance can be given that such application will be approved or that the TPEX listing will be maintained.

### 3. Clearing systems

The Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through CDP. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

### 4. No significant change

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial position of the Issuer or of the Group since 31 December 2019.

### 5. Litigation

As at 31 December 2019, neither the Bank nor any member of the Group was involved in any legal or arbitration proceedings (including any proceedings which were pending or threatened of which the Bank was aware) which would have had a significant and material effect on the financial position of the Bank or the Group.

## **6. Independent Auditors**

The independent auditors of the Issuer are Ernst & Young PLT.

The consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2019, which are included elsewhere or incorporated by reference in this Offering Circular, have been audited by Ernst & Young PLT, independent auditors, as stated in their reports appearing or incorporated by reference herein.

## **7. Documents**

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified office of the Fiscal Agent for the time being in Level 30, HSBC Main Building, 1 Queen's Road Central, Hong Kong:

- (a) the constitutional documents of the Issuer;
- (b) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2019 (together with the Directors' reports and the Independent Auditors' reports prepared in connection therewith) which have been previously published;
- (c) the most recently published audited consolidated financial statements of the Issuer since the date of this Offering Circular;
- (d) any interim consolidated and unconsolidated financial statements of the Issuer (whether audited or unaudited) published subsequent to the most recently published consolidated and unconsolidated audited financial statements of the Issuer since the date of this Offering Circular;
- (e) the Amended and Restated Programme Agreement, the Amended and Restated Agency Agreement, the ECC Deed of Covenant, the CDP Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (f) a copy of this Offering Circular; and
- (g) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

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