

Other terms and conditions

(a) Interest / coupon (%) : To be determined prior to each issuance. The coupon rate herein shall be applicable throughout the tenure of each issuance of the Subordinated MTNs.

For avoidance of doubt, there is no step-up coupon rate after the Call Date of the Subordinated MTNs, in the event the Call Option is not exercised by the Issuer.

(b) Interest / coupon payment frequency : Semi-annually in arrears from the issue date of the Subordinated MTNs.

(c) Interest / coupon payment basis : Actual number of days elapsed on a 365 day basis, or in accordance with MyClear Procedures.

(d) Details on utilisation of proceeds : The proceeds to be raised from the issuance of the Subordinated MTNs shall be made available to the Issuer, without limitation, for its working capital, general banking and other corporate purposes, including but not limited to the redemption of any existing subordinated notes.

(e) Tenure of the Subordinated MTNs : Subject to the Call Option, each issuance of the Subordinated MTNs shall have a tenure of at least five (5) years from the date of issue ("**Issue Date**") provided that the Subordinated MTNs mature on or prior to the expiry of the Subordinated MTN Programme.

Call Option

For each tranche of the Subordinated MTNs where Call Option is applicable, the relevant tranche of the Subordinated MTNs are callable on any periodic coupon payment date ("**Periodic Coupon Payment Date**") after a minimum period of five (5) years from the date of issue of that tranche (hereinafter referred to as the "**Call Date**") and the Issuer shall have the option to redeem the Subordinated MTNs at par on the Call Date.

(f) Listing status and types of listing, where applicable : The Subordinated MTNs may be listed under the Exempt Regime of Bursa Malaysia Securities Berhad or any other stock exchange.

- (g) Other regulatory : Approval from BNM for the establishment of the Subordinated MTN Programme of up to RM2.0 billion in nominal value and to classify the proceeds of the Subordinated MTNs issued under the Subordinated MTN Programme as Tier 2 regulatory capital of ABMB.

BNM's approval has been obtained on 28 August 2015 for the establishment of the Subordinated MTN Programme of up to RM2.0 billion in nominal value.

It is a condition precedent for each issuance under the Subordinated MTN Programme to obtain BNM's prior approval for the issuance of the relevant tranche of Subordinated MTNs and for the classification of such Subordinated MTNs to be issued under the relevant tranche as Tier 2 regulatory capital.

- (h) Redemption at maturity : Unless previously redeemed on the Call Date, or purchased from the market and cancelled, the Subordinated MTNs will be redeemed at its nominal value (together with any accrued but unpaid interest, under the Subordinated MTNs) on the maturity date.

- (i) Redemption Conditions : **Redemption Conditions** of the Subordinated MTNs mean:

- (i) the Issuer must have received a written approval from BNM prior to the redemption of the relevant tranche or part of the Subordinated MTNs;
- (ii) the Issuer is solvent at the time of redemption of such tranche or part of the Subordinated MTNs and immediately thereafter;
- (iii) the Issuer is not in breach of BNM's minimum capital adequacy requirements and capital buffer requirements applicable to the Issuer after redemption of such tranche or part of the Subordinated MTNs; and

- (n) Taxation : All payments by the Issuer shall be made subject to withholding or deductions for or on account of any present or future tax, duty, or charge of whatsoever nature imposed or levied by or on behalf of Malaysia, or any authority thereof having power to tax, and the Issuer shall not be required to gross up in connection with such withholding or deduction on these payments or distributions.
- (o) No Equity Conversion : The Subordinated MTNs shall not entitle the holders of the Subordinated MTNs 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 holders of the Subordinated MTNs upon the occurrence of a Non-Viability Event or otherwise. The holders of the Subordinated MTNs 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.
- (p) Contingent Write-off : Upon the occurrence of a Trigger Event (as defined in the paragraph entitled "Other terms and conditions – (q) Trigger Events"), the Issuer is required to give notice to the holders of the Subordinated MTNs and the Rating Agency in accordance to the terms of the Subordinated MTNs, then as of the relevant write-off date, the write-off shall reduce the claim of the Subordinated MTNs in liquidation, which will mean that the holders of the Subordinated MTNs written off will irrevocably waive their rights to receive, and no longer have any rights against the Issuer with respect to, payment of the aggregate principal amount of the respective Subordinated MTNs written-off, the amount repaid when a call option is exercised and coupon payments on the Subordinated MTNs written-off.

The write-off shall be permanent and the full principal amount of the Subordinated MTNs together with all unpaid interest thereon that are or would be payable upon the relevant maturity date, an early redemption or the occurrence of an Enforcement Event will automatically be written off and such Subordinated MTNs and coupons will be immediately and fully cancelled as of such write-off date.

*Contingent
(cont'd)*

Write-off : For avoidance of doubt, (i) the write-off of the respective Subordinated MTNs shall not constitute an event of default or trigger cross-default clauses; and (ii) BNM and Malaysia Deposit Insurance Corporation (“**PIDM**”) shall have the option to require the entire principal amount of the Subordinated MTNs outstanding, or part thereof, and all other amount owing under the Subordinated MTNs, be written-off.

For avoidance of doubt, the exercise of the loss absorption at the point of non-viability shall not constitute an event of default (as defined above) or trigger cross-default clauses.

(q) Trigger Events

: A “**Trigger Event**” shall be the earlier of the following:-

- (i) BNM and PIDM notify the Issuer in writing that BNM and PIDM are of the opinion that a write-off is necessary, without which the Issuer would cease to be viable; or
- (ii) BNM and PIDM publicly announce 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.

In assessing whether the Issuer would cease to be viable, BNM and PIDM may consider, amongst others, whether any of the following circumstances exist (“**Non-Viability Event**”):-

- (i) the Issuer fails to follow any directive of compliance issued by BNM, which is necessary to preserve or restore its financial soundness;
- (ii) the Issuer fails to meet all or any of its financial obligations as they fall due, that may significantly impair its ability to meet regulatory capital requirements on a continuing basis;
- (iii) the capital of the Issuer has reached a level or is eroding in a manner that may detrimentally affect depositors, creditors or the public and the Issuer is unable to re-capitalise on its own;
- (iv) the Issuer’s assets are insufficient to provide protection to depositors and creditors; or

Trigger Events (cont'd) : (v) any other state of affairs exist in respect of the Issuer that would put the interest of depositors or creditors at risk, including the loss of confidence of depositors and the public.

For the avoidance of doubt, BNM and PIDM shall have the full discretion to elect not 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 is not exercised, holders of the relevant Subordinated MTNs may still be exposed to losses from the resolution of the Issuer.

(r) Other Conditions : The Subordinated MTNs shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM and / or any other authority having jurisdiction over matters pertaining to the Subordinated MTNs.